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Part III – Appendix

Foreword

In 2024, the global economy was projected to grow at a pace similar to that of the previous year, demonstrating resilience despite rising geopolitical tensions, China's economic slowdown, and tightening international financial conditions. Global inflation gradually declined from the high levels since 2022, largely due to supply chain disruptions triggered by events such as the COVID-19 pandemic, the prolonged Russia–Ukraine war, and ongoing conflicts in the Middle East. To curb inflation, major developed economies implemented tighter monetary policies by raising policy rates to slow consumption and investment. However, since inflation primarily stems from supply-side factors, monetary policies take longer to achieve their intended effects. Prolonged high interest rates had negative spillover effects on emerging and developing economies, leading to capital outflows, increased domestic interest rates, and currency depreciation. As a result, central banks were compelled to raise policy rates and intervene in foreign exchange markets, at the cost of reduced lending and a depletion of international reserves. With inflation gradually declining to target levels in developed countries, central banks eased policy rates in the second half of 2024.

The Cambodian economy has benefited from global economic growth amid the challenging monetary policies of advanced economies, particularly through rising policy rates and exchange rate fluctuations. Growth in Cambodia's key export markets has driven increased demand for garments, newly emerging non-garment products, and agricultural exports, making these sectors more attractive for investment. Meanwhile, a rise in international tourist arrivals has further contributed to economic growth, although the construction and real estate sectors have remained sluggish. In response, the Royal Government of Cambodia's Seventh Legislature has vigorously implemented the Pentagonal Strategy-Phase 1, introducing a series of support measures aimed at diversifying growth; fostering reforms; enhancing digital adoption; and promoting lagging sectors such as construction, real estate, tourism, and agriculture.

Aligned with government objectives, the National Bank of Cambodia (NBC) has actively maintained macroeconomic stability through prudent monetary policies, ensuring low inflation, stable exchange rates, and strong international reserves. Like many emerging economies, Cambodia faced challenges in achieving these outcomes. While inflation surged in 2022 due to rising oil and food prices, monetary policy struggled to curb price pressures,

particularly given Cambodia's high dollarization. The NBC has relied on exchange rate stability as a key tool for managing inflation, while the Royal Government has granted a VAT exemption on basic food items and subsidies for the poor. Exchange rate stability remains a challenge amid global dollar fluctuations, weaker capital inflows, and a slow recovery in certain sectors. Many currencies have depreciated, prompting central banks to intervene in foreign exchange markets, leading to a significant decline in international reserves. In Cambodia, foreign exchange interventions were carried out in 2023 to absorb excess riel, stabilizing the currency. However, in 2024, a mix of monetary policy tools was used to ensure sufficient riel liquidity to meet domestic economic needs. This, combined with rising demand for riel due to economic growth and improved agricultural exports, has strengthened the currency, returning it to its pre-crisis trajectory after nearly four years of depreciation. Exchange rate stability is also supported by Cambodia's robust international reserves, which underpin effective exchange rate management. However, accumulating reserves remains a challenge amid ongoing global financial uncertainty and persistently high U.S. interest rates, which continue to attract capital outflows from emerging markets. Despite this, the NBC has effectively managed international reserves, maintaining confidence in Cambodia's banking system and economy.

To enhance monetary policy effectiveness, the monetary policy framework has been modernized by establishing policy interest rates for riel liquidity provision and absorption based on market mechanisms. These rates serve as a benchmark for interbank transactions, facilitating the development of Cambodia's interbank market and strengthening monetary policy transmission. Nonetheless, a key factor in improving monetary policy effectiveness is the widespread use of the riel. In this regard, the NBC has been actively promoting riel adoption through coordinated efforts with various ministries and institutions to ensure effective implementation.

Over the past two decades, the NBC and Cambodia's banking system have undergone extensive reforms and modernization, aligning with international standards to strengthen financial stability, support economic growth, and withstand external shocks. Consequently, despite global shocks, the banking system has remained resilient. Regarding subdued credit growth over the past two years, the NBC has cautiously introduced accommodative measures, such as easing the full implementation of capital buffers and maintaining a low reserve requirement ratio until the end of 2025. These measures allow banks and financial institutions (BFIs)

to maintain high liquidity for lending and loan restructuring, helping businesses and individuals facing temporary financial difficulties.

Amid heightened global economic uncertainty, the NBC has strengthened its risk monitoring and assessment frameworks to ensure banking system stability, while enhancing supervision to safeguard the soundness of individual BFIs. The NBC has encouraged mergers among BFIs to bolster their stability and has also engaged in consultations with stakeholders to develop tailored micro- and macro-prudential measures for risk management and crisis prevention. The growing interconnectedness of economic and financial sectors underscores the need for all relevant stakeholders to collaborate in strengthening risk management mechanisms and improving crisis response capabilities.

To further enhance banking system resilience and support the Royal Government's informal economy development strategy, the NBC has encouraged BFIs to provide financial services, such as bank account opening and payment services, to micro, small, and medium enterprises (MSMEs) and self-employed individuals. The Financial Transparency Corridor (FTC) has been developed to establish a consent-based digital infrastructure between Cambodian BFIs and partner countries, facilitating cross-border trade and financial services for MSMEs. This initiative enables MSMEs to match supply and demand more efficiently and expand market access while allowing BFIs to conduct better credit assessments using data from partnering countries.

The modernization of payment systems has improved transaction efficiency in both urban and rural areas, stimulating economic activity and narrowing the development gap in line with Cambodia's Digital Government Policy 2022-2035. The NBC continues to expand cross-border payment connectivity with countries in the region and international payment gateways to support increasing cross-border payment transactions as well as tourism and trade. Additionally, the introduction of the Bakong Tourist App facilitates cashless transactions for visitors, reducing reliance on physical banknotes and improving payment convenience. These initiatives promote the use of Cambodia's national currency while increasing efficiency, security, and cost-effectiveness in international transactions, fostering greater regional and global financial integration.

While the expansion of digital financial services has brought significant benefits, it has also introduced risks, such as fraud and informal online lending. To address these challenges,

financial inclusion and literacy as well as consumer protection have been enhanced to ensure that increased access to financial services contributes positively to overall well-being. Strengthening IT risk management is also crucial for mitigating cyber threats, ensuring the sustainability of digital innovation, consumer confidence, and the stability of banking operations. This requires collaboration among BFIs, relevant ministries and institutions, and other stakeholders to educate the public, raise awareness, and implement timely preventive measures.

Green finance has also become a key focus area, as climate change poses risks to price and financial stability. The NBC is encouraging BFIs to expand their involvement in green finance. Meanwhile, research is being conducted to identify key sectors that can back green finance, leverage technology for better supply-demand matching, and establish a legal framework to support green finance initiatives.

Effectively combating money laundering and terrorist financing is essential for Cambodia's financial sector development and global integration. To do this effectively, raising awareness, fulfilling the obligations of reporting entities, analysis, supervision, and national and international cooperation remain key priorities. Similarly, to prevent money laundering and terrorist financing in Cambodia, the framework and implementation of laws and regulations are constantly being strengthened in line with international standards and technological developments. The Cambodian Financial Intelligence Unit (CAFIU) continues to lead and cooperate with relevant ministries and institutions to prepare a national risk assessment on money laundering, combating the financing of terrorism and the proliferation of weapons of mass destruction. This assessment will serve as the basis for preparing a national strategy in the future.

For the 2025 outlook, Cambodia's economic growth is expected to remain strong, driven by rising exports, tourism, and foreign direct investment. However, inflation may see a slight uptick due to increasing domestic demand and global oil prices. Macroeconomic stability and public confidence in the economy will be supported by low inflation and stable exchange rates, but external risks could pose challenges to the country's short- and medium-term outlook. Geopolitical tensions and protectionist trade policies may rise, leading to a decline in international trade, elevated global inflation, and a slowing pace of policy rate cuts in major developed countries. These factors may affect exports, investment, and inflation, thereby putting pressure on the exchange rate in Cambodia. The continued slow growth in China's

economy due to the prolonged real estate crisis and weak domestic demand may also reduce investment and tourist arrivals in Cambodia. Leaving the status of the least developed country (LDC), which has a transitional period until 2029, could cause Cambodia to lose some preferential treatment, such as aid, low-interest loans, and export tax exemptions. In addition, key domestic risks include a slow recovery in the construction and real estate sectors and an increase in non-performing loans in the banking sector.

In line with economic growth and to adapt to changes in the international financial architecture, the NBC remains committed to strengthening governance, enhancing risk management, ensuring business sustainability, developing human resources, promoting gender equality, and optimizing its internal structure. These efforts are crucial for the institution's long-term progress and its core mission of maintaining price stability, guided by the motto "*Riel, Stability, and Development.*" Henceforth, the NBC will continue to implement the financial sector development strategy (FSDS) in alignment with the Pentagonal Strategy - Phase 1, the National Development Plan, and the Royal Government's sectoral strategies. These initiatives aim to create a banking system that is integrated, resilient, diverse, inclusive, and innovative.

In conclusion, I would like to extend my deepest gratitude and appreciation to **H.E. Chea Chanto**, former Governor and Honorary Governor of the NBC, whose invaluable contributions have laid a strong foundation for the NBC and the entire banking system, fostering its development into what it is today. His leadership has played a vital role in Cambodia's economic and social progress. I am also profoundly grateful to the NBC's Board of Directors for its unwavering support and to all officials at every level for their dedication, professionalism, and commitment to building a progressive and sustainable banking system. My sincere thanks also go to all ministries, institutions, and development partners for their continued cooperation. Looking ahead, I am confident that the Board of Directors, NBC staff, and all relevant stakeholders will remain steadfast in their support and collaboration, driving further progress in the banking sector and the broader economy for the benefit of the nation and its people.

Governor

Abbreviations

ADA	Appui au Développement Autonome
ADB	Asian Development Bank
AFI	Alliance for Financial Inclusion
AI	Artificial Intelligence
AMRO	The ASEAN+3 Macroeconomic Research Office
APG	Asia/Pacific Group on Money Laundering
AREO	ASEAN+3 Regional Economic Outlook
ATM	Automated Teller Machine
AUSTRAC	Australian Transaction Reports and Analysis Centre
Bakong LVPS	Bakong Large Value Payment System
BIS	Bank for International Settlements
BOG	Board of Governors
CBC	Credit Bureau Cambodia
CDOT	Capacity Development Office in Thailand
CFA	Chartered Financial Analyst
CGCC	Credit Guarantee Corporation of Cambodia
CIA	Certified Internal Auditor
CMIM	Chiang Mai Initiative Multilateralization
CSS	Cambodian Shared Switch
CTR	Cash Transaction Report
CWPD	Cambodian Women for Peace and Development
e-KYC	Electronic Know Your Customer
E-Library	Electronic Library
ENEER	Export-Weighted Nominal Effective Exchange Rate
EREER	Export-Weighted Real Effective Exchange Rate
ERIA	Economic Research Institute for ASEAN and East Asia
ESG	Environmental, Social, and Governance
EXCO	Executive Committee
FAST	Fast System
FATF	Financial Action Task Force

FICG	Financial Intelligence Consultative Group
FINTRAC	Financial Transactions and Reports Analysis Centre of Canada
FSI Connect	Financial Stability Institute Connect
FTC	Financial Transparency Corridor
IBF	Institute of Banking and Finance
IBS	Institute for Banking Studies
ICI	International Commodity Institute
IFC	International Finance Corporation
IIF	Institute of International Finance
IMF	International Monetary Fund
INEER	Import-weighted Nominal Effective Exchange Rate
IREER	Import-weighted Real Effective Exchange Rate
ITRS	International Transactions Reporting System
JICA	Japan International Cooperation Agency
LPCO	Liquidity-Providing Collateralized Operation
MER	Mutual Evaluation Report
MLF	Marginal Lending Facility
MSMEs	Micro, Small, and Medium Enterprises
NBCP	National Bank of Cambodia Platform
NCD	Negotiable Certificate of Deposit
NCS	National Clearing System
NEER	Nominal Effective Exchange Rate
NPL	Non-Performing Loan
OBS	Online Banking System
POS	Point of Sale
RFF	Rapid Financing Facility
ROA	Return on Assets
ROE	Return on Equity
RPPI	Residential Property Price Indices
SEACEN	South East Asian Central Banks
SREP	Supervisory Review and Evaluation Process

SROC	Supervisory and Regulatory Online Course
STR	Suspicious Transaction Report
UNDP	United Nations Development Programme
UNESCAP	United Nations Economic and Social Commission for Asia and the Pacific
UNWTO	United Nations World Tourism Organization
UTC	Universal Trusted Credentials
WB	World Bank
WEO	World Economic Outlook
WTO	World Trade Organization

Executive Summary

- 1. The world economy maintained a growth rate similar to last year's, despite geopolitical tensions and divisions, as well as the protracted Russia–Ukraine war.** The International Monetary Fund (IMF) estimated global economic growth in 2024 at 3.2%, with 1.7% attributed to developed economies, 4.2% to emerging markets, and 4.6% to ASEAN. Global inflation dropped from 6.7% in 2023 to 5.7% in 2024, allowing most central banks to gradually lower their interest rates.
- 2. The Cambodian economy was projected to achieve a strong growth of 6% in 2024, compared to 5% in 2023, primarily supported by robust growth in the manufacturing sector and the continued recovery of tourism.** The agricultural sector is also making good progress, with increased production of rice, rubber, and fisheries. Conversely, the construction and real estate sectors have experienced weak growth due to declining demand as property prices continue to undergo a correction. For the external sector, Cambodia's balance of payments is estimated to have a surplus of USD 432.5 million, mainly due to an increase in net foreign assets in financial accounts, while current account and capital surpluses decrease. Moreover, international reserves rose by 12.6% to USD 22.5 billion, equivalent to about seven months of prospective imports of goods and services, a level higher than the minimum three months required for developing countries.
- 3. Inflation was recorded at 0.8%, the lowest rate in over a decade, due to lower fuel prices, slowing food prices, and reduced core inflation.** This price stability significantly contributed to the stabilization of the exchange rate, which averaged 4,071 riels per US dollar, appreciating by 0.9% (compared to 4,110 riels per US dollar in 2023). The NBC has continued to pursue a flexible and prudent monetary policy through key instruments to maintain price stability and support economic activity. In fact, broad money (M2) grew by 17.5%, driven by a 19.9% increase in foreign currency deposits and a 12.5% rise in Khmer riel (KHR) deposits, while the currency in circulation decreased by 2.8%. It should be noted that dollarization remains high, as reflected in the Foreign Currency to M2 (FCD/M2) ratio of 85.1%.
- 4. The banking system continues to show progress and stability, contributing to the recovery of the economy.** Assets of the banking system increased by 7% (to KHR 369.4 trillion, or USD 91.1 billion). Loans continued to grow at a low rate of 3% (to KHR 242.9 trillion, or USD 59.9 billion), while deposits increased by 16.3% (to KHR 230.9 trillion, or USD 57 billion). The capital position remains strong, with a capital adequacy ratio (CAR)

of 22.5% for the banking sector and 26.2% for the microfinance sector, exceeding the regulatory requirement of 15%, while the capital conservation buffer is applied at 1.25%. Simultaneously, liquidity remains high, with a liquidity ratio of 192.4% for the banking sector and 150.4% for the microfinance sector, compared to the regulatory requirement of 100%.

- 5. The NBC allows BFIs to restructure loans for customers and continues to strengthen regular supervision of the banking system to maintain financial stability.** The NBC supports the Royal Government’s policy of alleviating the burden on businesses and individuals experiencing temporary financial difficulties by permitting BFIs to restructure loans. In this context, supervision of BFIs is being conducted proactively, based on risk and future perspectives, with the introduction of appropriate micro- and macro-prudential regulations to strengthen both liquidity and capital resilience. Financial inclusion has been gradually promoted, with the number of deposit accounts increasing to 23.3 million, credit accounts increasing to 4 million, e-wallet accounts increasing to 20.7 million, and the number of merchants registered to use the KHQR code reaching 4.5 million. The NBC is also developing a deposit protection system aimed at contributing to maintaining financial stability and strengthening trust in the banking system.
- 6. Sustainable finance has been continuously promoted to boost green economic development and mitigate the risks of climate change.** The NBC has increased its investment in green bonds and environmental, social, and governance (ESG) bonds issued by major international financial institutions and has been promoting the development of a green finance roadmap, taxonomy, and financial market in Cambodia. The Cambodian Sustainable Finance Principles, supported and implemented by the Association of Banks in Cambodia (ABC), encourage BFIs to develop financing policies that promote environmental sustainability, cultural preservation, and financial inclusion. Additionally, the NBC has collaborated on research on green finance and promoted capacity building in green digital finance in Cambodia.
- 7. In line with technological innovation and government policies to promote the digital economy and society, both retail and wholesale payment systems have been gradually modernized.** The development of payment system infrastructure has facilitated trade payments and economic activities both domestically and regionally, contributing to financial inclusion. The Bakong Tourist App was launched to promote tourism by allowing international visitors to make payments for goods and services using QR codes.

Furthermore, the payment system is connected to several countries in the region, including Thailand, Laos, Vietnam, Malaysia, and South Korea, and international payment service providers such as Union Pay International (UPI), Alipay, and MasterCard, facilitating trade, investment, and tourism in a convenient, fast, and secure manner.

- 8. Along with the increase in digital payments, the demand for cash has been adequately met, supporting economic growth across various regions of the country, with continuous improvement in the quality and aesthetics of KHR banknotes.** The efficiency of the Central Bank's services has been steadily strengthened to support the cash management of the Royal Government and the intermediary role of BFIs. Additionally, facilitating the exchange of old, torn KHR banknotes for the public has promoted wider use of the KHR. To celebrate the 20th anniversary of the reign of His Majesty King Norodom Sihamoni, the Royal Government has authorized the issuance of a commemorative KHR 200,000 banknote.
- 9. Strengthening financial literacy, promoting the Bakong system, and encouraging the use of KHR are regularly addressed through campaigns, workshops, and exhibitions in the capital and provinces.** These initiatives have increased public awareness of financial services, digital payment systems, and the benefits of using the national currency. Simultaneously, the Preah Sri Eysan Voraman Economic and Monetary Museum (SOSORO) has actively contributed to educating students and the national and international public about economic and monetary history through various exhibitions and displays, attracting approximately 50,000 visitors in 2024. Furthermore, the Center for Banking Studies has been accredited as the Institute for Banking Studies (IBS), playing a crucial role in developing knowledge and skills in the banking sector for students. Starting in 2025, the institute plans to offer undergraduate programs to serve the growing banking and financial sector.
- 10. Strengthening governance and developing human resources are priorities for the growth of the NBC.** In this regard, internal audits and inspections are regularly conducted at headquarters and provincial branches, with the goal of improving efficiency and strengthening governance and risk management. Currently, the total number of officers and employees at the NBC is 2,038, with 49% being women. Professional and specialized capabilities are being steadily developed through both domestic and international training programs, as well as through online learning.

- 11. The CAFIU has contributed to protecting the integrity of the financial system in Cambodia while responding to technological advances and new trends in money laundering, terrorist financing, and the financing of the proliferation of weapons of mass destruction.** The effectiveness of the Law on Combating Money Laundering and Financing of Terrorism is being enhanced by performing transaction analysis functions, monitoring reporting entities, cooperating with domestic and international partners, and raising awareness among ministries, institutions, the private sector, and relevant parties. Furthermore, the CAFIU continues to lead and collaborate with relevant ministries and institutions to prepare a national risk assessment on money laundering, terrorist financing, and the financing of the proliferation of weapons of mass destruction.
- 12. The NBC has continued to strengthen and expand international cooperation, both bilaterally and multilaterally.** Promoting good relations with central banks, international institutions, and development partners has enhanced regional and global integration and strengthened the regional financial safety net. It has also contributed to staff capacity building and knowledge sharing, aligning with the development of the banking system and innovation in the global financial sector.
- 13. The global economy is projected to maintain a growth rate of 3.3% in 2025, although some risks remain.** The main challenges to global economic growth include uncertainty surrounding protectionist policies, geopolitical tensions affecting supply chains, increasing geographic economic fragmentation impacting international investment and trade flows, rising public debt in emerging and developing economies, the lower-than-expected growth in China that could further impact countries in the region, and the effects of climate change.
- 14. For Cambodia, economic growth is expected to reach 6.2%, with inflation forecasted to be moderate at 2.6% in 2025.** Economic activity will continue to be primarily supported by growth in garment exports and an increase in non-garment products, while tourism and agriculture are expected to make good progress, although the construction and real estate sectors might remain weak. However, Cambodia may also face several external risks, including uncertainty regarding U.S. protectionist policies, lower-than-expected growth in regional and global economies, uncertainty in international financial markets, slowing Chinese economic growth, and climate change. Additionally, transitioning away from LDC status may expose Cambodia to the risk of losing some preferential treatment for exports and sources of foreign financing, which could put pressure on the pace of Cambodian economic growth.

15. Although the global economic situation remains highly uncertain, the banking system is expected to continue to develop steadily, in line with economic recovery in 2025.

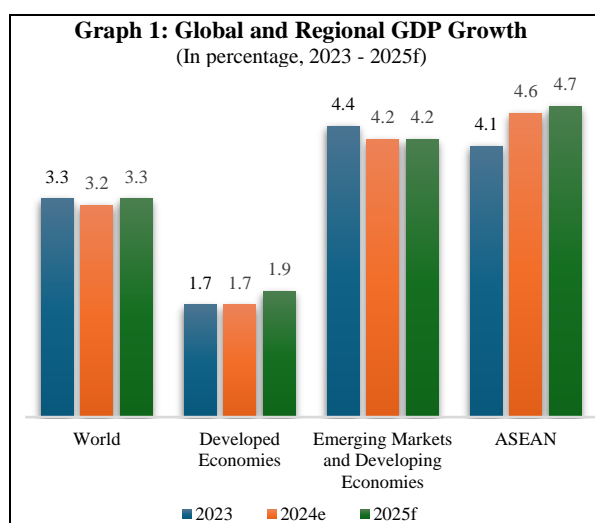
Credit to the private sector is projected to grow at an average rate of 6%, supporting investment and consumption. At the same time, the ongoing modernization of electronic payment systems will facilitate domestic consumption activities, promoting cross-border trade, investment, and tourism and aligning with the vision of an innovative and digital economy. However, the banking system also faces several risks, such as deteriorating credit quality and reduced profitability. Additionally, the slowing of the growth of the construction and real estate sectors may exert pressure on the banking system.

Part I – Annual Report 2024

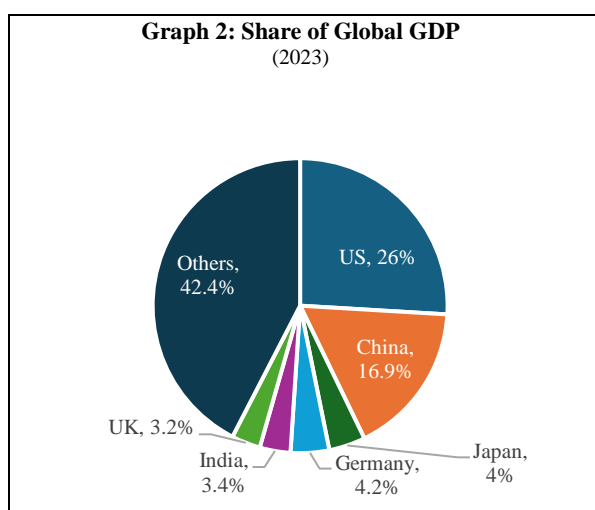
I. Global and Regional Economic Conditions

1. Global and Regional Economic Growth

In 2024, geopolitical tensions, geo-economic fragmentation, and the ongoing Russia–Ukraine war posed significant challenges to global economic growth. The IMF projected that the global economy would expand by 3.2% in 2024, a slight drop from 3.3% in 2023. Developed economies were expected to grow by 1.7%, the same as in 2023, primarily driven by strong U.S. economic growth of 2.8% and supported by increased investments and domestic demand. Meanwhile, the Euro area and Japan experienced slower growth at 0.8% and -0.2%, respectively. Within the Euro area, growth remained subdued, with France growing at 1.1%, Italy at 0.6%, and Germany contracting by -0.2%, while Spain stood out with a robust growth of 3.1%. Emerging and developing economies were projected to grow by 4.2%, down from 4.4% in 2023, bolstered by India’s strong 6.5% growth due



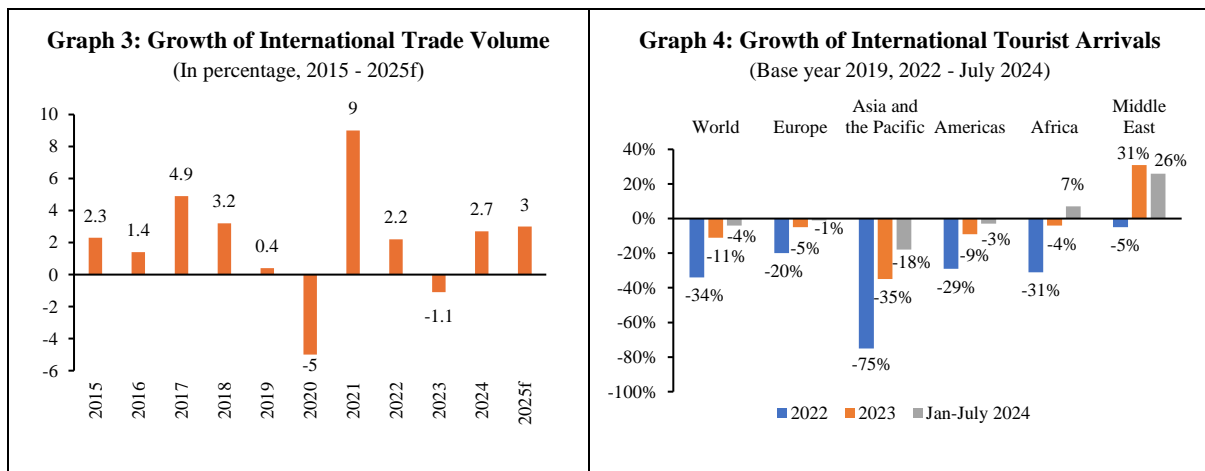
Source: IMF - WEO and REO report, e=estimate, f=forecast



Source: World Bank

to rising domestic demand, while China continued to experience sluggish growth at 4.8%, affected by the ongoing real estate crisis and weak domestic demand. The economies of ASEAN member states were expected to expand further at 4.6% in 2024, up from 4.1% in 2023, driven by rising domestic demand and a boost in tourism. Vietnam recorded a growth rate of 6.1% (compared to 5% in 2023), while the ASEAN-5 countries were expected to experience the following growth rates: the Philippines at 5.8% (5.5% in 2023), Indonesia at 5% (unchanged from 2023), Malaysia at 4.8% (from 3.6% in 2023), Thailand at 2.8% (from 1.9% in 2023), and Singapore at 2.6% (from 1.1% in 2023).

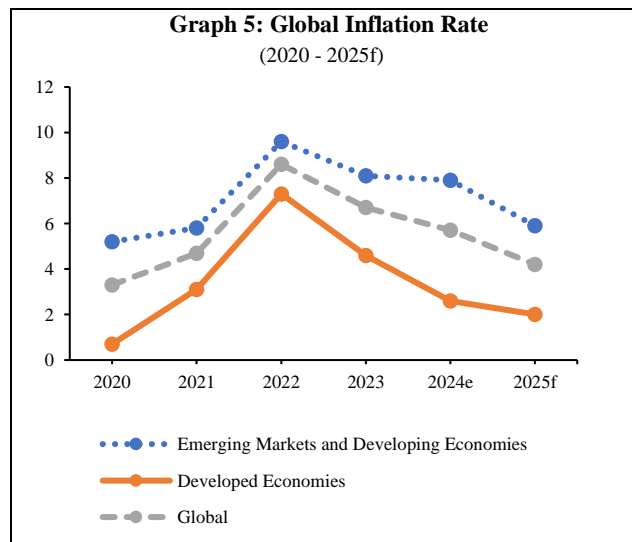
The global growth is supported by the increase in international trade and tourism. The international trade volume recovered by 2.7% in 2024 (-1.1% in 2023), mainly driven by the growth of exports from China and India. However, the unpredictability of changes in U.S. trade policies and the rise in protectionist measures may hinder trade growth, while ongoing conflicts in the Middle East continue to pose a threat to global trade, potentially disrupting energy supplies and transportation networks. International tourism has steadily approached pre-pandemic levels, especially in the Eurozone and the U.S., while regions like Africa and the Middle East have experienced tourism growth surpassing pre-pandemic numbers.



Source: World Trade Organization, f=forecast

2. International Monetary Policy

Following the abatement of the COVID-19 pandemic and the ease of tensions from the war in Ukraine, the labor market has gradually strengthened, resulting in increased supply. Meanwhile, the tightening of monetary policies across various countries has contributed to a decline in global inflation from 6.7% in 2023 to 5.7%¹ in 2024. Inflation in

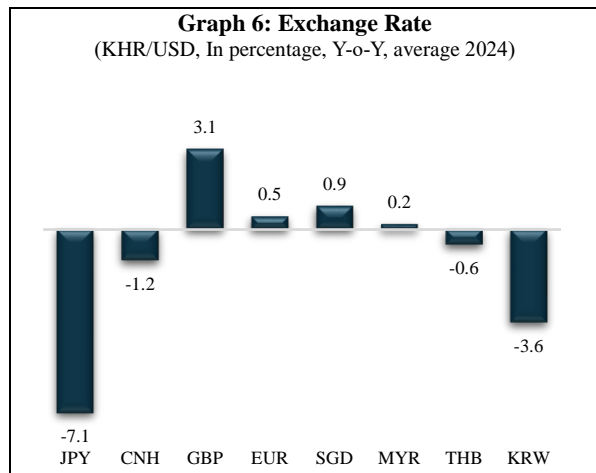


Source: IMF, e=estimate, f=forecast

developed economies dropped from 4.6% the previous year to 2.6% in 2024, while inflation in emerging and developing economies decreased to 7.9% from 8.1% in 2023.

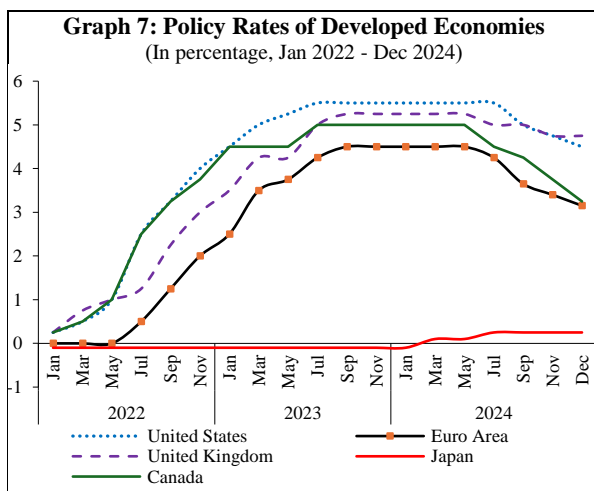
¹ IMF's World Economic Outlook Report as of January 2024.

Major global currencies, including the British Pound and the Euro, experienced slight appreciation, while the Chinese Yuan depreciated due to slow domestic economic activity. At the same time, several Asian economies' currencies have also depreciated, such as the Japanese Yen, Thai Baht, Korean Won, while the Malaysian Ringgit continued to appreciate. Additionally, the U.S. dollar initially weakened following expectations of interest rate cuts by the Federal Reserve but rebounded in October 2024 amid anticipation of improved economic growth and tariff increases under the new government.

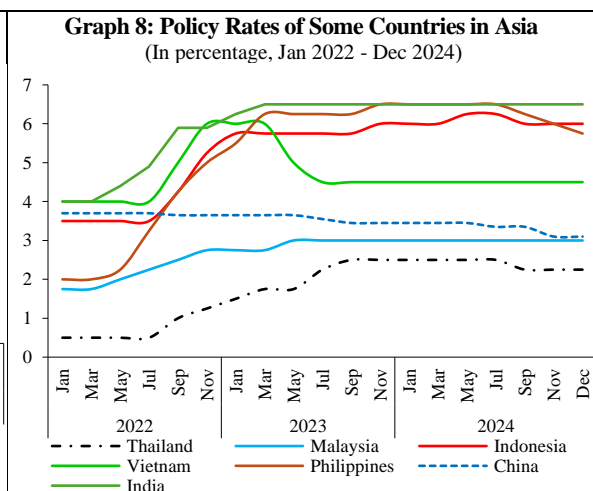


Source: National Bank of Cambodia

Despite declining inflation rates towards target levels, several central banks worldwide continued to lower their interest rates. In 2024, the U.S. Federal Reserve cut rates three times, from 5.5% to 4.5%, while the European Central Bank reduced rates four times, from 4.5% to 3.15%. Similarly, the Bank of England lowered its rate from 5.25% to 4.75%, and the People's Bank of China reduced its rate from 3.45% to 3.1%. In contrast, the Bank of Japan raised interest rates twice, from -0.1% to 0.1% and later to 0.25%, to curb inflation. Notably, Japan had maintained a negative interest rate of 0.1% since 2016 to stimulate economic growth and combat deflation. Among ASEAN member states, most central banks also lowered their rates. The Bank of Thailand reduced its rate from 2.5% to 2.25%, Bangko Sentral ng Pilipinas cut its rates from 6.5% to 5.75%, and Bank Indonesia lowered its rate from 6.25% to 6%. However, Bank Negara Malaysia and the State Bank of Vietnam kept their interest rates unchanged.



Source: Trading Economics



Source: Trading Economics

3. International Capital Flows

Emerging market economies continued to experience net capital outflows, although at a lower level of approximately USD 180 billion (compared to USD 206 billion in 2023) due to improved economic conditions in regions such as Latin America, Asia-Pacific², Africa, and the Middle East. Nonetheless, China continues to face significant net capital outflows, which is attributed to several key factors, including i) subdued economic growth and turmoil in the real estate sector, which affected investor confidence, ii) trade tensions between China and the U.S., creating uncertainty in China’s investment climate, and iii) the depreciation of the Chinese Yuan, which encouraged investors to sell Yuan-denominated assets and repatriate their proceeds back to developed economies.

Table 1: Evolution of Regional Capital Flows in Emerging Market Economies

(In billion USD, 2013 - 2024f)

Year	EMEs	CHINA	Latin America	Asia/xCHINA	Africa/Middle East
2013	533	343	171	6	-26
2014	36	-51	220	-13	-30
2015	-367	-432	141	-35	23
2016	-274	-411	108	-67	56
2017	313	109	116	8	9
2018	220	179	157	24	-63
2019	127	10	74	52	-30
2020	-145	-50	5	-4	-51
2021	159	-41	130	62	-7
2022	-408	-205	111	11	-155
2023	-206	-296	88	35	-78
2024f	-180	-475	101	62	11



Source: Institute of International Finance.

Note: Negative = Net outflows, Positive = Net inflows, f=forecast, and x=exclude, EMEs = Emerging Market Economies.

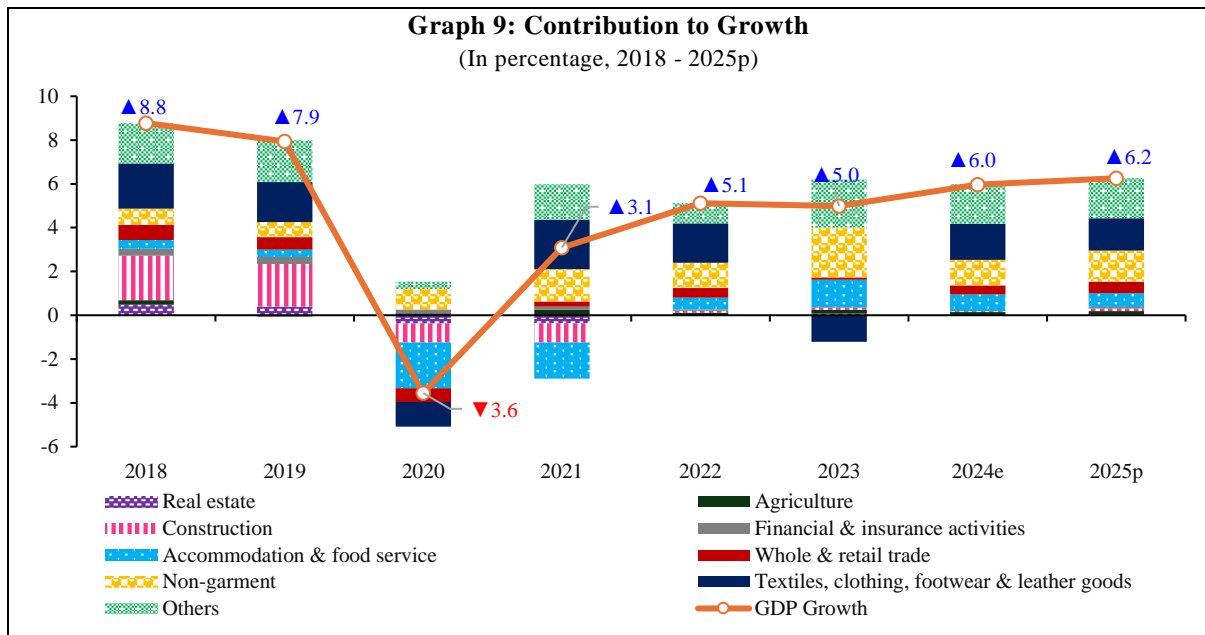
² This data does not include China.

Overall, the global economy in 2024 continued to grow despite geopolitical tensions, geo-economic fragmentation, and the prolonged Russia-Ukraine war. Global economic growth is supported by improved international trade, capital flows, investment, and growth in the tourism sector. Declining inflation has led to a gradual normalization of monetary policy, reducing pressure on international financial markets and the volatility of exchange rates.

II. Cambodia’s Macroeconomic Condition

1. Economic Growth

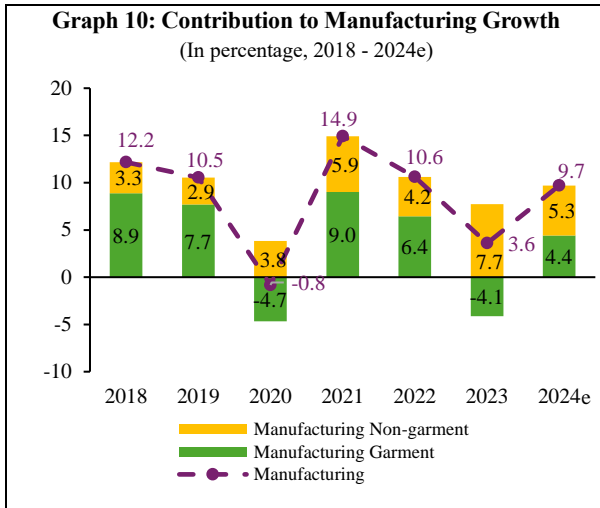
Cambodia’s economy is estimated to remain robust, achieving 6% growth in 2024 compared to 5% in 2023. This increase was primarily driven by the swift recovery of the garment manufacturing and tourism sectors, along with sustained growth in the agricultural sector. Although, the construction and real estate sectors continue to be weak.



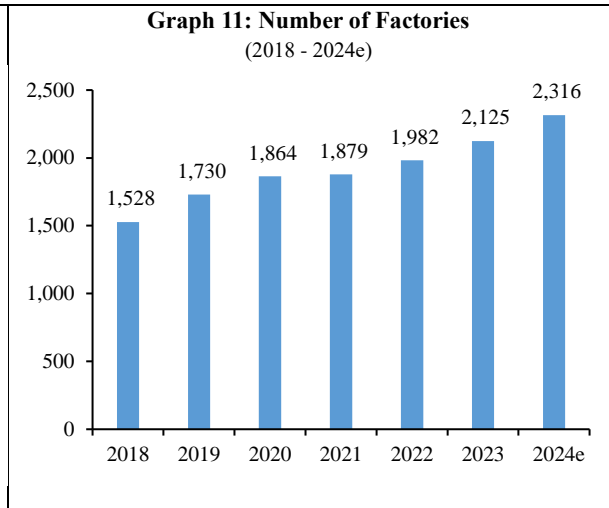
Source: NIS and NBC’s staff calculation, e=estimate, p=project

The Manufacturing Sector: The manufacturing sector continues to play a crucial role in supporting Cambodia’s economic growth and was estimated to grow by 9.7% in 2024 (up from 3.6% in 2023). Garment manufacturing production grew by 8.6%, primarily due to external demand, especially from Cambodia’s main trading partners such as the U.S. and the European Union. Non-garment manufacturing production increased by 10.9%, driven by external demand, investment, and the government’s diversification policy. Simultaneously, the number of factories reached 2,316³ (210 new factories and 19 removed from the list since 2023), providing approximately 1.1 million jobs.

³ Actual data is as of October 2024.



Source: NIS and NBC's staff calculation, e=estimate



Source: Ministry of Industry, Science, Technology, and Innovation and NBC's staff estimation, e=estimate (actual data as of October 2024)



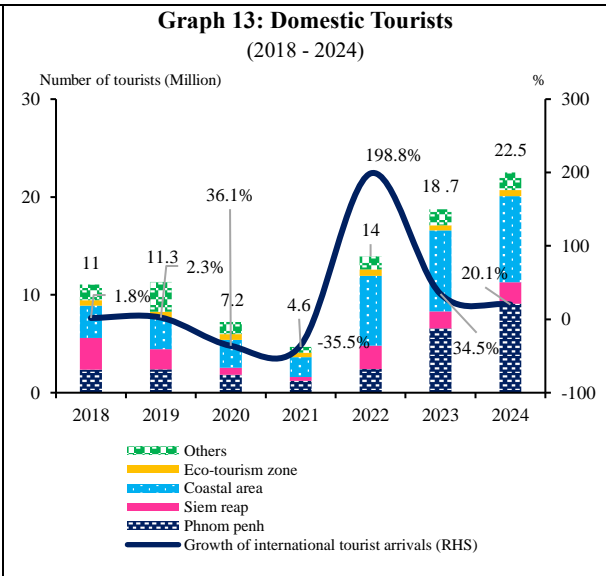
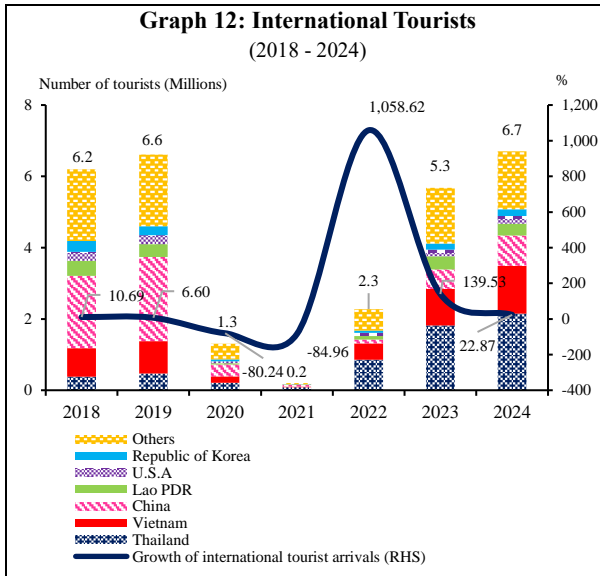
Picture: NEWBUSTAR, tire manufacturing factory located at the UBE SEZ in Snoul Kratie Province
Source: AMS Website



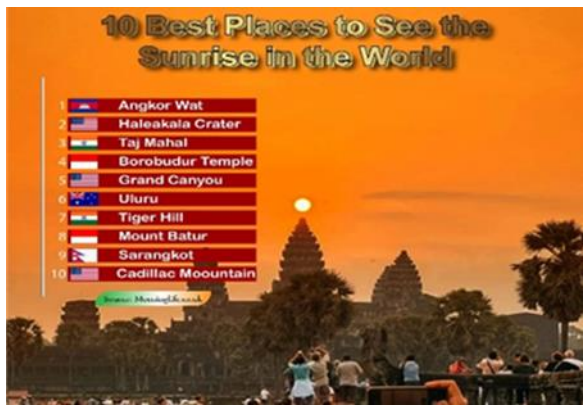
Picture: Honda motorcycle manufacturing factories in Phnom Penh
Source: Ministry of Industry, Science, Technology, and Innovation

The Service Sector: The tourism sector has shown steady growth, as reflected by the sustained and faster-than-expected recovery in both international and domestic tourist arrivals. International arrivals⁴ in 2024 increased by 22.9% to approximately 6.7 million (up from 5.5 million in 2023), 1.4% higher than the pre-COVID-19 level (6.6 million in 2019). This growth was supported by improvements in regional and global tourism, infrastructure development (including roads and international airports), and increased direct flight connections with other countries. However, the share of international air visitors remains low, at approximately 35.8% of total arrivals, compared to 66.6% during the pre-COVID-19 period, resulting in lower tourism revenues compared to pre-COVID levels. Meanwhile, domestic tourism continued to grow beyond pre-COVID-19 levels, reaching approximately 22.5 million, with Phnom Penh being the most popular destination, receiving 40.4% of total domestic tourists, followed by coastal regions at 39.1%, Siem Reap Province at 9.8%, and eco-tourism sites at 2.8%.

⁴ In 2024, Thai visitors ranked first (32% of total international visitors), Vietnamese visitors ranked second (20%), and Chinese visitors ranked third (12.7%).

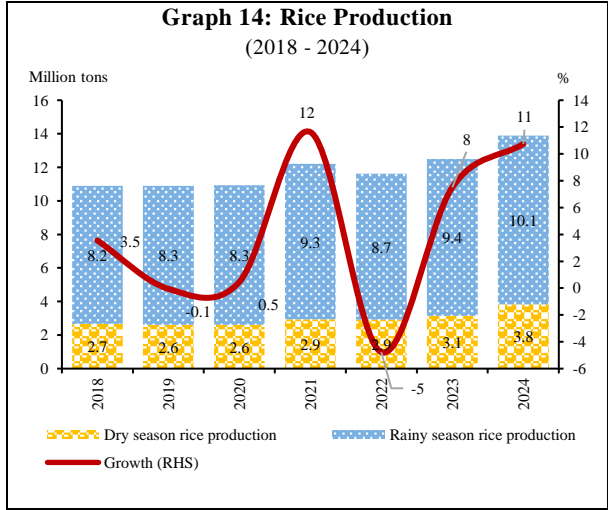


Picture: Tourists during Water Festival 2024
Source: Lead The Way



Picture: Cambodia's Angkor Wat ranks No. 1 for sunrise viewing
Source: Mominglife.co.uk

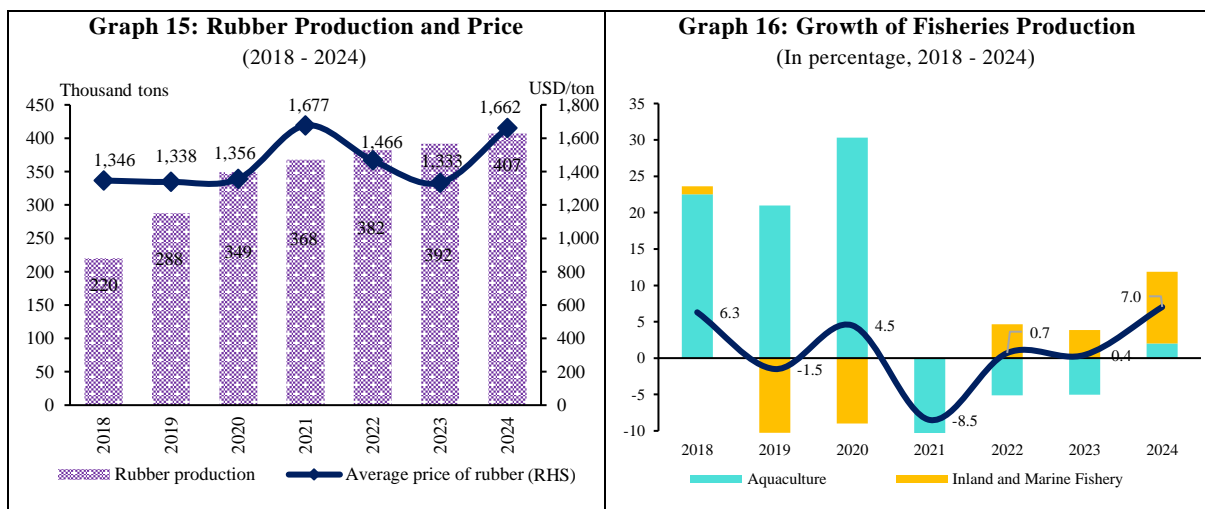
The Agricultural Sector: The agricultural sector remained robust despite achieving a relatively subdued growth rate, supported by increased crop and fisheries production. In 2024, rice production grew by 11.1%, reaching 13.9 million tons, with dry-season rice increasing by 22.2% (to 3.8 million tons) and wet-season rice rising by 7.4% (to 10 million tons). This growth was primarily driven by favorable weather conditions and strong rice prices, which encouraged higher cultivation compared to the previous year. Notably, Cambodian premium fragrant rice was awarded the title of “World’s



Best Rice 2024” at the International World Rice Conference in Manila, Philippines, organized by the International Commodity Institute (ICI) and The Rice Trader (TRT) from the U.S on 7 November 2024. This marks the sixth time Cambodian rice has received this prestigious award, having previously won in 2012, 2013, 2014, 2018, 2022, and now 2024.

Rubber production grew by 3.9% (compared to 2.6% in 2023), reaching 407 thousand tons. The average rubber price increased by 24.7%, from 1,333 USD/ton to 1,662 USD/ton in 2024.

The fisheries sub-sector grew by 7% in 2024 (up from 0.4% in 2023), with inland and marine fisheries growing by 9.9% and aquaculture⁵ growing by 2%.



Source: Ministry of Agriculture, Forestry and Fisheries

Source: Ministry of Agriculture, Forestry and Fisheries



Image: Cambodian premium fragrant rice won the title of “World’s Best Rice” for the sixth time in 2024 in Manila, Philippines
Source: Seasia

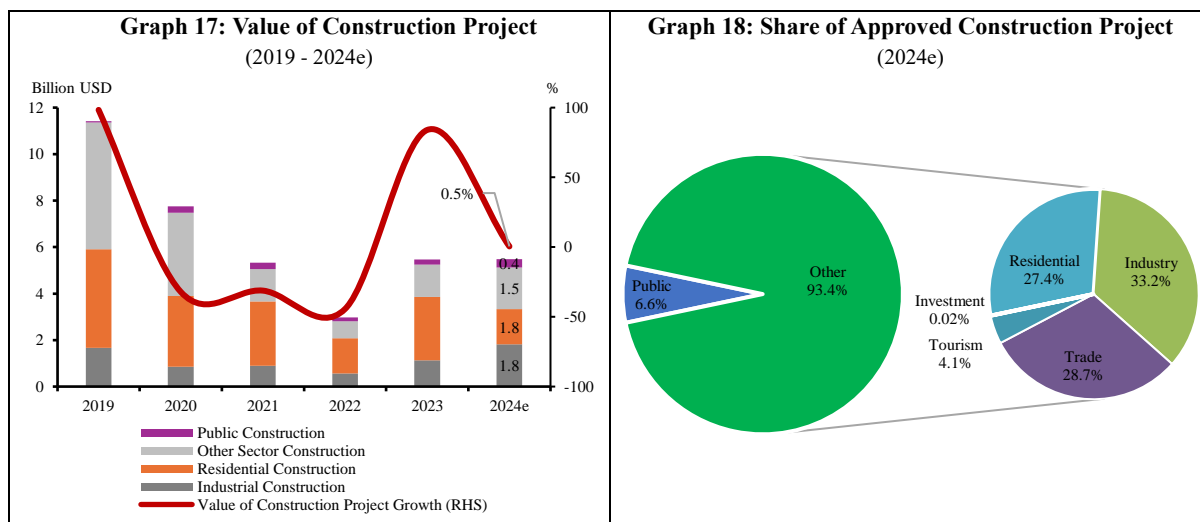


Image: Rubber Production
Source: Ministry of Agriculture, Forestry and Fisheries

The Construction and Real Estate Sector: The construction sector continued its slow growth at 0.5% (down from 0.8% in 2023), driven by significant public construction projects such as roads, bridges, and airports. Construction material imports grew by 33.2% compared

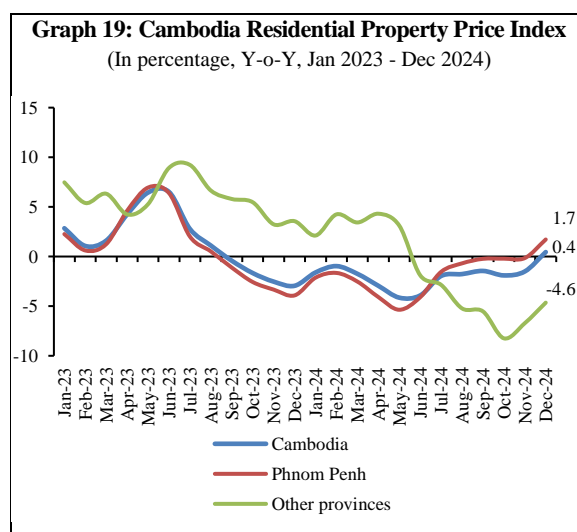
⁵ Aquaculture refers to the farming of fish, shrimp, lobster, frog, etc.

to 2023 (4.6%). The value of approved construction projects increased by 0.5%⁶; of this, the value of public construction projects grew by 64%, and accounted for 6.6% of total projects (up from 4% in 2023). In contrast, the value of private construction projects declined by 44.7%, making up 93.4% of total projects (down from 96% in 2023). Notably, private industrial construction increased by 61.3% compared to 2023, accounting for 33.2% of total projects (up from 20.7% in 2023), while residential construction decreased by 22.3%, representing 27.4% of total projects (down from 49.9% in 2023).



Source: Ministry of Land Management, Urban Planning, and Construction and NBC's staff calculation, e=estimate (actual data as of November 2024)

The real estate sector experienced a slow growth of 0.2% (-1.6% in 2023). Sales of condominiums increased by 35.5%, while sales of houses (flats as well as twin and single villas) decreased by 12.5%. In 2024, the residential property price index (RPPI) decreased by an average of 0.2% compared to 2023, with the RPPI in Phnom Penh and other provinces decreasing by an average of 1.8% and 1.6%, respectively.



Source: NBC

⁶ Actual data as of November and NBC's staff estimation for December.



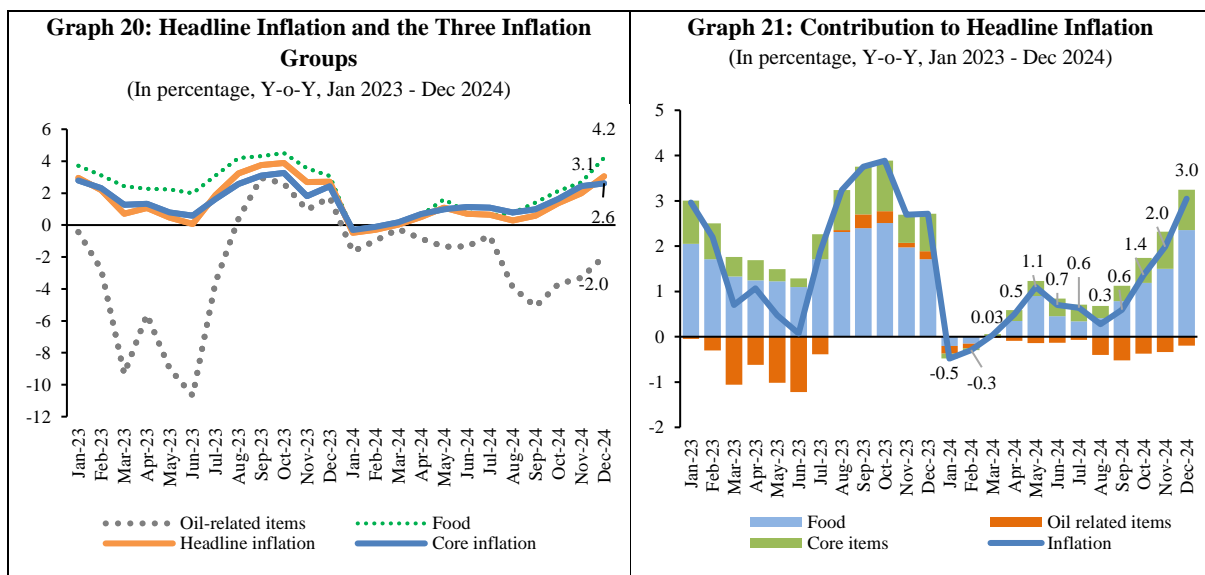
Picture: The National Bank of Cambodia's Headquarters under construction
Source: Ultracon



Picture: Techo International Airport under construction in Takmao City
Source: Kampuchea Thmey

2. Inflation

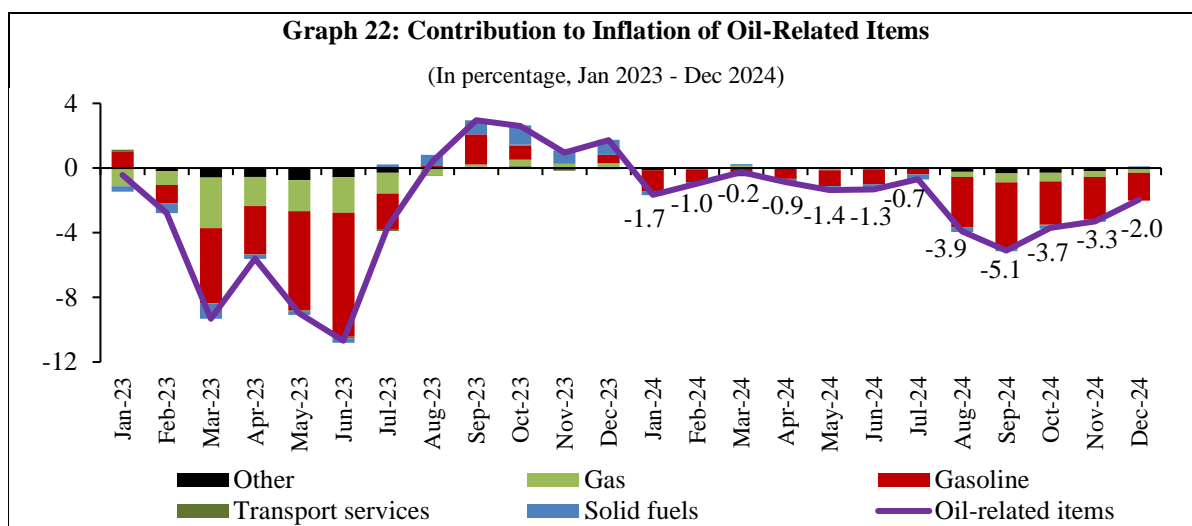
Inflation registered at 0.8% in 2024 (down from 2.1% in 2023), marking the lowest rate in the last decade. This subdued inflation level is attributed to declining prices of oil-related items, a slower growth of food prices, as well as the moderation of core inflation. Additionally, government interventions aimed at curbing food and gasoline prices, coupled with the appreciation of the KHR, contributed to easing inflationary pressures.



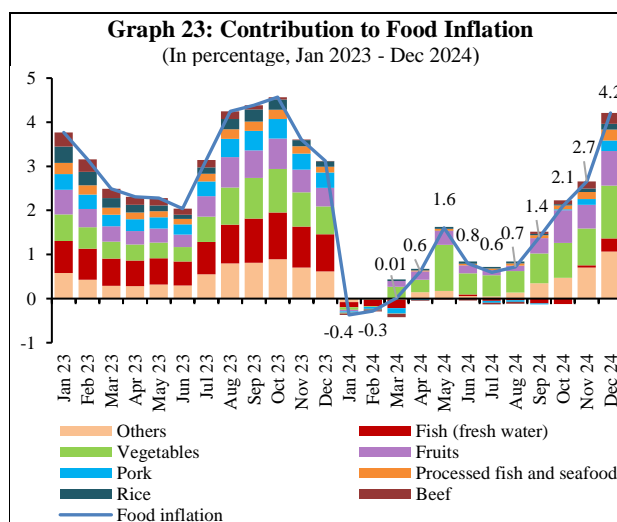
Source: National Institute of Statistics

Source: National Institute of Statistics

The prices of oil-related items continued to decline, registering a decrease of 2.1%, albeit weaker than that in 2023 (-2.7%); this was driven by the continued decline in global crude oil prices and the effect of government measures that reduced domestic gasoline prices⁷. In Cambodia, gasoline prices decreased by 6.2% (-5.6% in 2023), while solid fuel prices fell by 0.9% (compared to -1% in 2023). Gas prices continued to show negative growth at 0.9% (-4.7% in 2023).



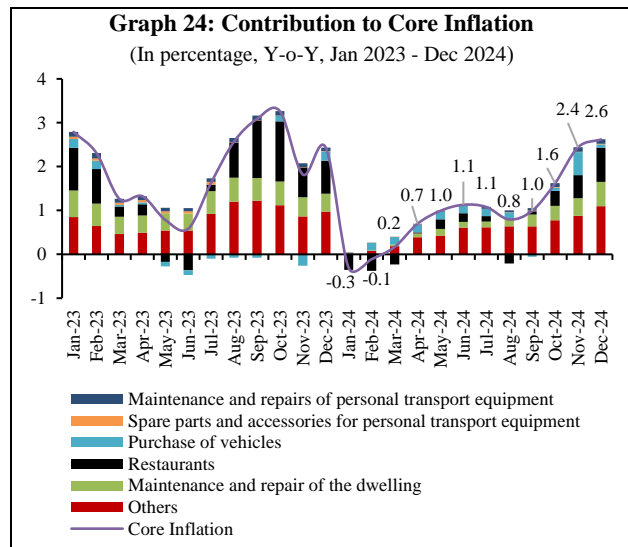
Food inflation moderated to an average of 1.2% (down from 3.3% in 2023). This decline was primarily driven by a 0.1% decrease in fish prices (down from 4.2% in 2023) and slower increases in pork (0.1%, down from 2.6% in 2023) and beef prices (0.5%, down from 2.7% in 2023). These trends were supported by increased domestic supply and government tax exemptions on basic food items⁸. However, vegetable and fruit prices became key contributors to food inflation, rising by 4.4% and 2.5%, respectively, although slower than in 2023 (5.1% and 4.2%, respectively), due to inflationary pressures from importing partner countries.



⁷ The government has reduced gasoline prices by 6.5 U.S. cents per liter since July 1, 2023.

⁸ The government has exempted value-added tax (VAT) on essential food items, including livestock meat, eggs, fishery products, sugar, salt, fish sauce, and soy sauce, effective from March 20, 2024.

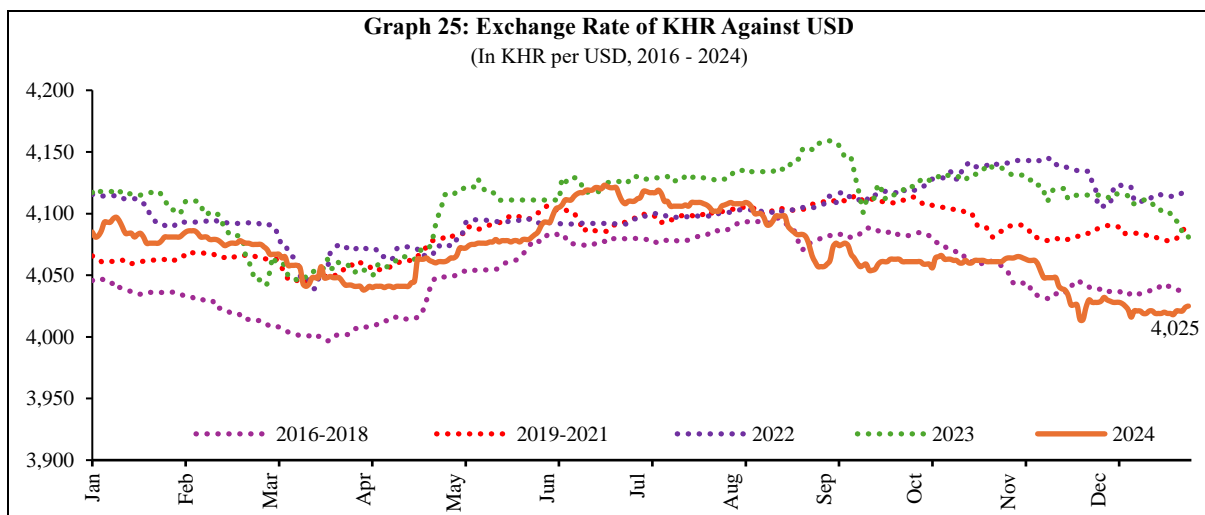
Core inflation declined to 1.0% in 2024, down from 2.0% in 2023. This moderation was primarily driven by slower inflation in restaurants (0.3%, compared to 2.0% in 2023) and maintenance and repair of dwellings (1.8%, down from 4.6% in 2023). These trends were influenced by lower credit growth and air travel activity, combined with the effects of declining food and oil-related item prices.



Source: National Institute of Statistics

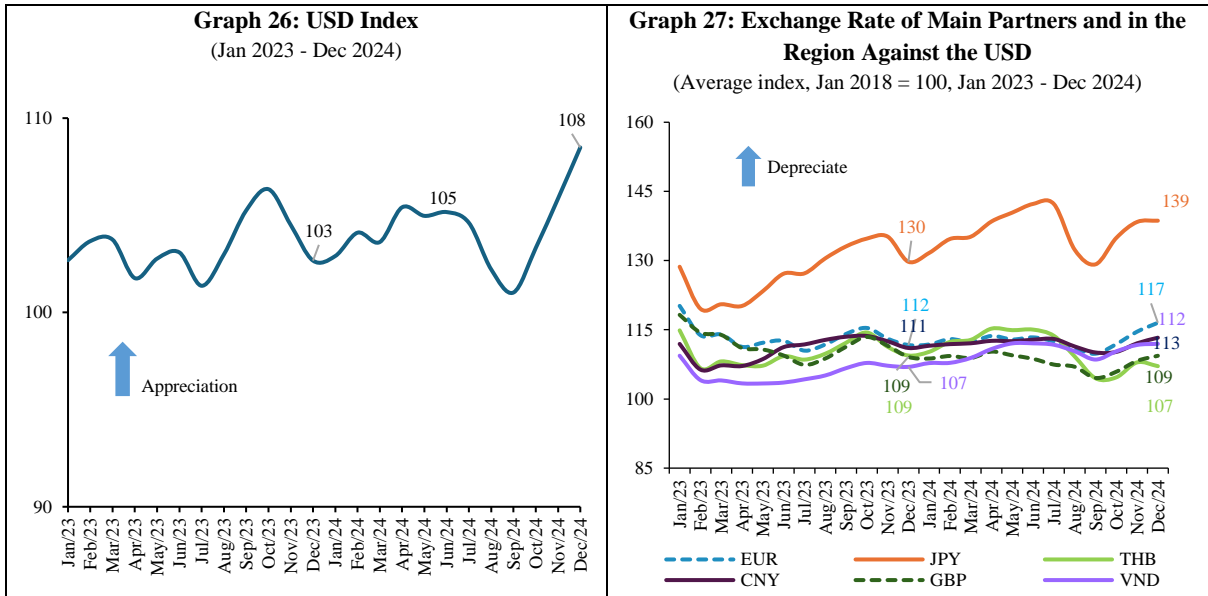
3. Exchange Rate

The exchange rate of the KHR against the USD in 2024 remained stable, with the KHR appreciating toward pre-pandemic levels. This appreciation was due to increased demand for KHR by BFIs (which required KHR to be the source of funds for issuing loans), as well as an increase in KHR absorption coupled with fiscal consolidation. The average exchange rate was KHR 4,071 per USD, an appreciation of 0.9% compared to the rate in 2023 (KHR 4,110) and a depreciation of 0.5% compared to the average rate in 2016–2018 (KHR 4,052). Some of Cambodia’s main trading partners’ currencies depreciated against the USD, such as the JPY (-7.1%), CNY (-1.2%), VND (-4.6%), and THB (-0.6%), while the GBP and EUR appreciated by 3.1% and 0.5%, respectively. Overall, the KHR appreciated by 2.5% against the currencies of its main trading partners⁹.



Source: NBC

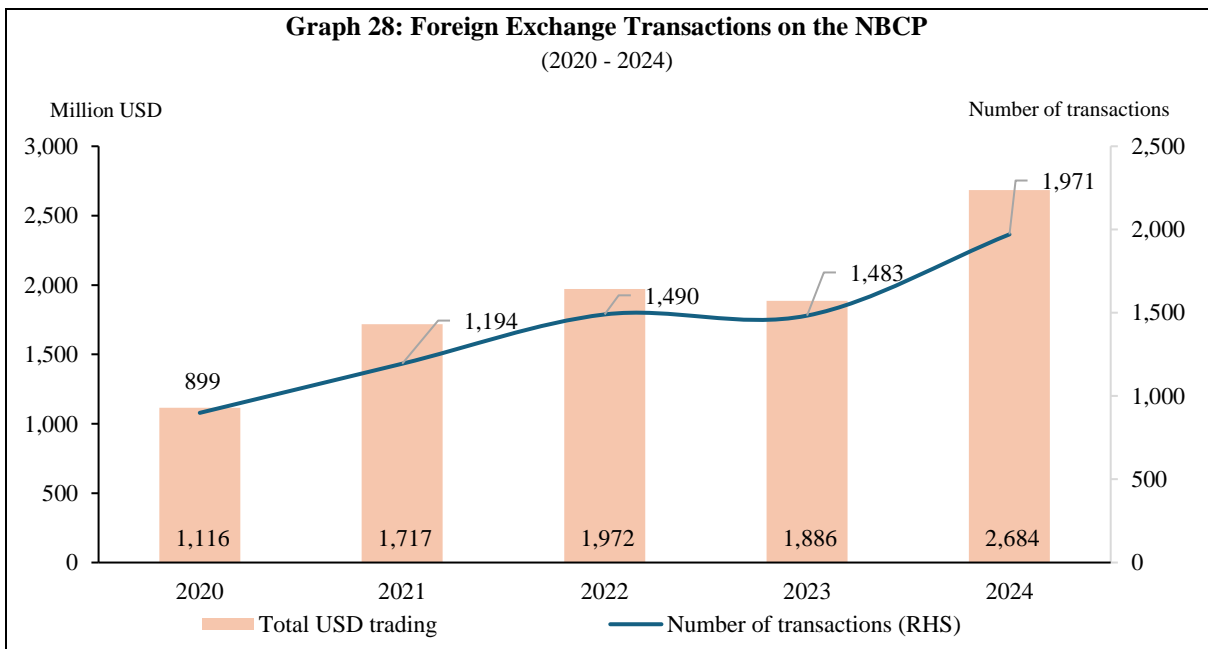
⁹ The decrease of the nominal effective exchange rate (NEER) index.



Source: NBC

Source: NBC

Foreign exchange transactions on the NBC Platform (NBCP) totaled USD 2.7 billion (1,971 transactions), an increase of 42% compared to 2023 (USD 1.8 billion with 1,483 transactions).



Source: NBC; NBCP=NBC Platform

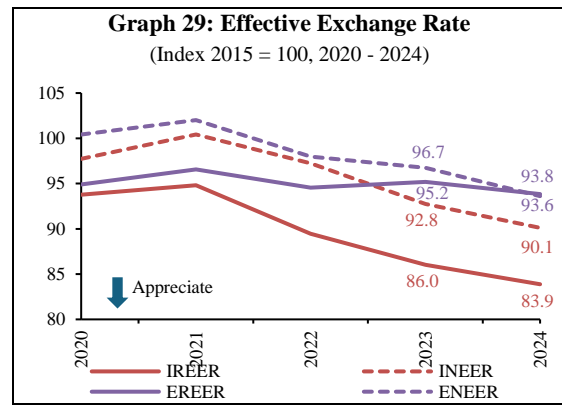
The appreciation of the KHR against the currencies of Cambodian export partners¹⁰, offset by Cambodian inflation being lower than that of its export partners¹¹, resulted in a 1.4% decrease in the export-weighted real effective exchange rate, reflecting a possible negative impact on export competitiveness. However, imported inflation also decreased, as reflected by the 2.5%¹² decrease in the import-weighted real effective exchange rate¹³.

4. Balance of Payments

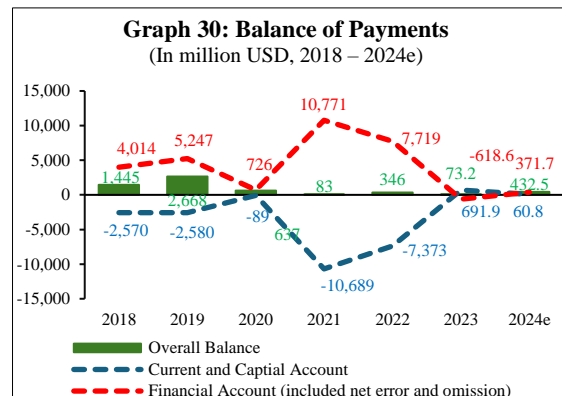
The balance of payments recorded a surplus of USD 432.5 million, 4.9 times the value in 2023, and a surplus of USD 73.2 million, primarily due to increases in net incurrence of liabilities of the financial account; meanwhile, the surplus of the current and capital account balance decreased.

- Current and Capital Accounts

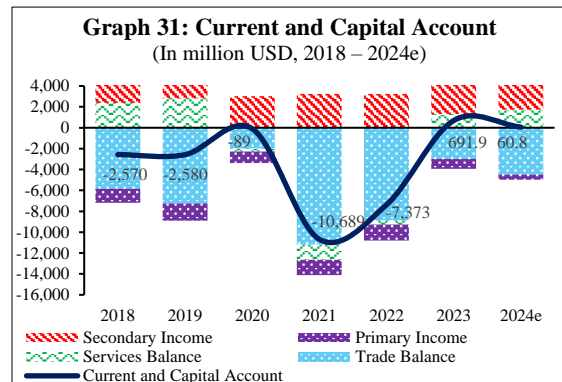
The current and capital accounts recorded a surplus of 0.1% of the gross domestic product (GDP) compared to a surplus of 1.6% of the GDP in 2023. The decrease in surplus in 2024 was mainly due to an increase in the merchandise trade deficit¹⁴ and a decrease in the surplus of the secondary income account¹⁵, while the surplus of the services account increased¹⁶ and the deficit of the primary income account¹⁷ decreased.



Source: NBC



Source: NBC, e=estimate



Source: NBC, e=estimate

¹⁰ The export-weighted nominal effective exchange rate decreased by 3.2%.

¹¹ Cambodia's inflation was 0.8%, while its export partners' weighted inflation was 2.4%. Cambodia's main export partners include China, Thailand, the U.S., Vietnam, Japan, Germany, the UK, Hong Kong, and Canada.

¹² The main importers' weighted inflation was 1.2%, and the import-weighted nominal effective exchange rate decreased by 2.8%.

¹³ Cambodia's main import partners include China, Thailand, Vietnam, Taiwan, Singapore, Japan, Hong Kong, South Korea, Indonesia, Malaysia, and the U.S.

¹⁴ The merchandise trade deficit increased by USD 1.5 billion (50.6%), compared to a deficit of USD3 billion in 2023, with exports increasing by 13.5% and imports increasing by 17.7%.

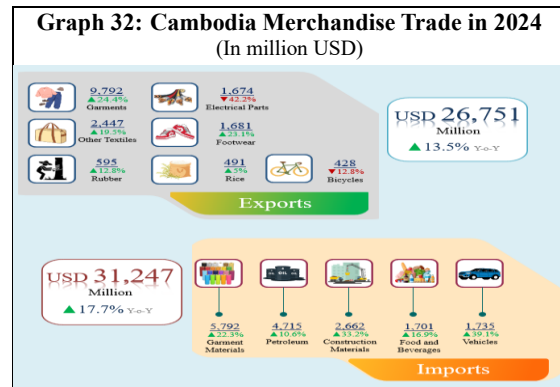
¹⁵ The secondary income surplus decreased by USD 7.8 million (-0.2%), compared to a surplus of USD 3.2 billion in 2023.

¹⁶ The net services surplus increased by USD 420.5 million (31.9%) from a surplus of USD 1.3 billion, mainly due to an increase in revenue from travel services.

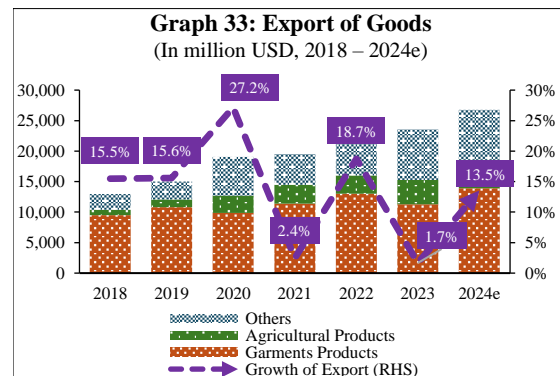
¹⁷ The primary income account deficit decreased by USD 479.9 million (-50.3%) from a deficit of USD 953.4 million in 2023.

The merchandise trade deficit increased by 50.6% in 2024 compared to 2023 (which had decreased by 66.2%), significantly driven by increased domestic demand and imported goods for processing. Imports grew by 17.7% in 2024 compared to 2023 (which had declined by 17%), with vehicle imports increasing by 39.1%, construction materials and equipment increasing by 33.2%, garment materials increasing by 22.3%, food and beverages increasing by 16.9%, and petroleum increasing by 10.6%. Exports grew by 13.5%, with garment, footwear, and traveling goods (GFT)¹⁸ increasing by 23.4% (compared to -13.2% in 2023), agricultural products growing by 16.5% (down from 32.9% in 2023) rubber increased by 12.8%, rice by 5%, and other agricultural products by 19%. However, the export of other products declined by 1.4% (compared to a growth of 15.4% in 2023), with electrical parts decreasing by 42.2%, bicycles decreasing by 12.8%, and tires increasing by 1.3 times.

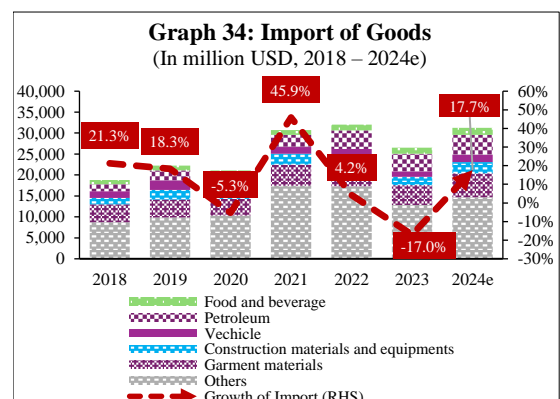
The surplus of the services account increased by 31.9% in 2024 compared to 2023, mainly due to the return of many international tourists (with travel service credits increasing by 17.9%) and a 50.3% decrease in the deficit of the primary income account (caused by a decrease in outward payment¹⁹ by 23.8% and an increase in inward payment²⁰ by 27.9%). The surplus of secondary income decreased by 0.2%, including a 9% decrease in the Royal Government grant and a 1.4% increase in inward private transfer²¹.



Source: The General Department of Customs and Excise and NBC staff's calculation



Source: The General Department of Customs and Excise and NBC staff's calculation, e=estimate



Source: The General Department of Customs and Excise and NBC staff's calculation, e=estimate

¹⁸ Of which export of garments increased by 24.4%, footwear 23.1%, and traveling goods and other textiles 19.5%.

¹⁹ Of which dividend distribution and investment income declined by 31.4% while government's interest payable increased by 14.4%.

²⁰ Of which income on interest grew by 37.7%.

²¹ The inward current transfer increased by 0.4%, of which the worker's remittances grew by 1% (Thailand increased by 4.8% while worker's remittances from Korea decreased by 14.1%, Japan 10.5%, Malaysia 3.3%) and others transfer declined by 4% while outward current transfer decreased by 12.5%.

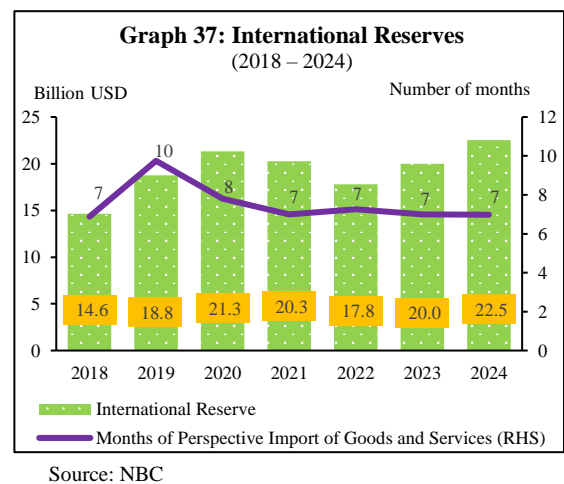
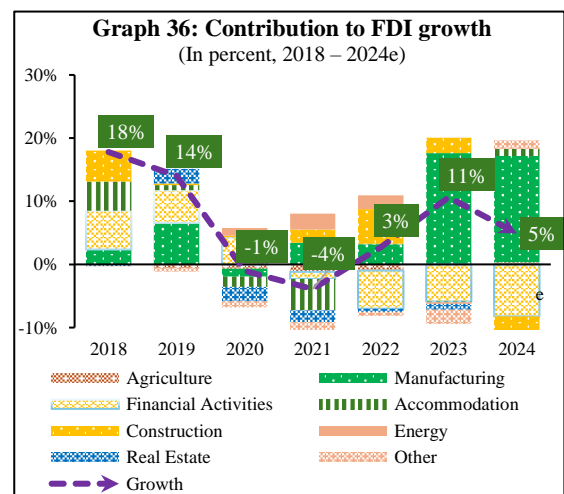
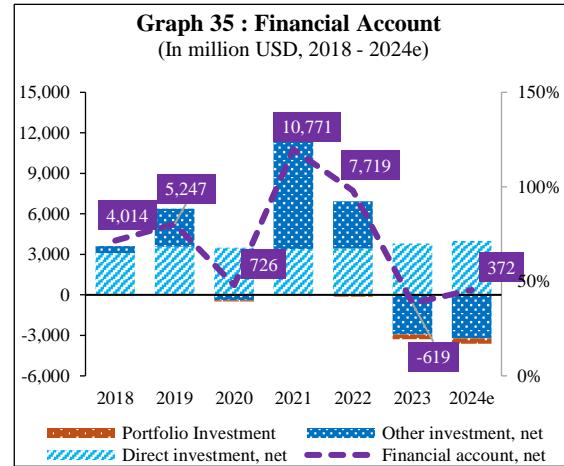
- Financial Account

The financial account balance recorded an increase in net incurrence of liabilities of USD 371.7 million, compared to a net acquisition of assets of USD 618.6 million in 2023. This was supported by the inflow of foreign direct investment, while the net acquisition of financial assets from other investment and portfolio investments also increased. The inflow of foreign direct investment reached USD 4.2 billion in 2024, a 4.9% increase, resulting from a 17.1% increase in investment in the non-financial sector²²; meanwhile, investment in the financial sector decreased by 35.5%.

Other investments showed an increase in net acquisition of financial assets of USD 3.2 billion (up by 9.5% compared to that in 2023), mainly due to an increase in deposits and portfolio investments abroad, as well as an increase in payments of external debt in the financial sector and a 10.2% decrease in the government's net external debt.

5. International Reserves

The international reserves have remained at a high level, reflecting the strong ability to repay external debt, stabilize exchange rate, and sustain the national payment system, while also providing a sufficient buffer to meet liquidity needs from any external shocks. The international reserves



²² Investment in the manufacturing sector increased by 46% (of which investment in garment sector increased by 73.6%, footwear by 27.5%, traveling products by 63.4%, packaging by 66.4% and others by 45.5%; meanwhile, investment in solar manufacturing decreased by 37.5%), that in the accommodation sector increased by 19.1%, that in the agricultural sector increased by 11.9%, that in the energy sector increased by 1.4%, and that in the other sectors increased by 33.9%; investment in the real estate sector decreased by 24.8%, that in the construction decreased by 32.4%, and that in mining and quarry decreased by 63.9%.

increased to USD 22.5 billion, a 12.6% increase compared to 2023 (USD 20 billion), equivalent to seven months of prospective imports of goods and services a high level for a developing country. This increase is primarily due to the rise in i) gold price, ii) exchange rate fluctuations, iii) income from overseas investments (growth in return on investment and asset diversification), and iv) reserve requirements.

The structure of international reserves management is designed in accordance with international best practices to ensure effective and prudent management aimed at achieving safety, liquidity, and appropriate returns. The board of directors approved the investment policy, which serves as an overall framework for setting the strategic direction of reserves management. The investment committee approved the investment guidelines, detailing the conditions of investment based on the investment policy. The investment committee meets on a monthly basis to review the investment results of the responsible department, analyze market conditions, and provide necessary recommendations to ensure that the international reserves management strategy maintains a focus on safety, liquidity, and appropriate returns.

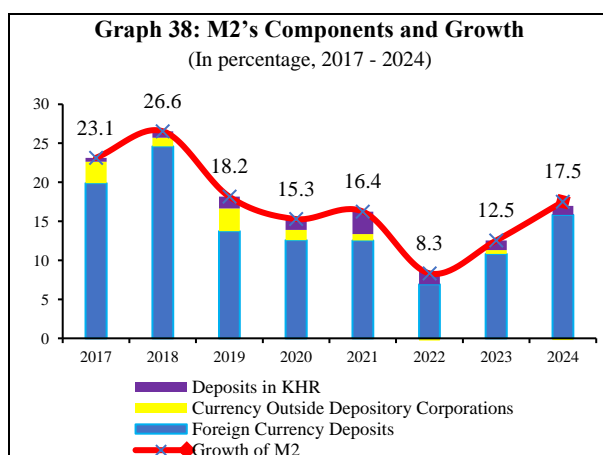
In accordance with global investment trends, the NBC has continued to focus on increasing investments in green bonds and ESG bonds issued by major international financial institutions in China, South Korea, Japan, and Europe, aiming to promote responsible investment practices that align with ESG policies. Furthermore, the NBC is exploring ways to redirect international reserves investments to green projects in Cambodia, as suggested by Her Excellency Governor in “The Banker” magazine. This includes encouraging international financial institutions to issue green bonds for investment projects in Cambodia and fostering reserve swap agreements between regional central banks to support green projects in their respective countries.

Overall, Cambodia’s macroeconomic conditions have remained stable, as reflected by sustained economic growth with low inflation and stable exchange rates. Cambodia’s balance of payments remained in surplus, while international reserves remained at a high and sufficient level.

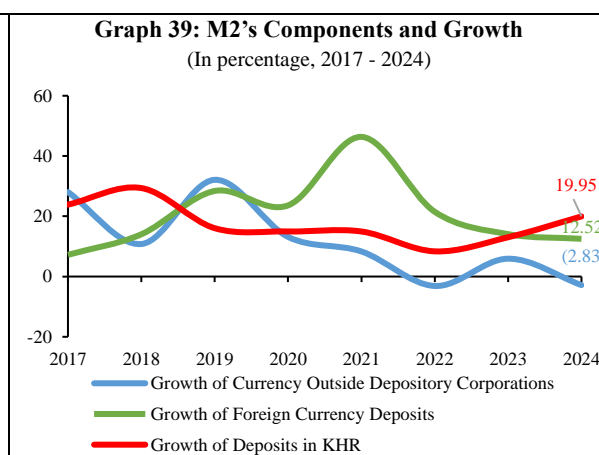
III. Monetary Policy Implementation

1. Broad Money

Broad money (M2) continued to recover, growing at 17.5% year-on-year in 2024, following a decline in growth to 8.3% in 2022. This growth was driven by a 19.9% increase in foreign currency deposits and a 12.5% rise in deposits in KHR, meanwhile, currency outside depository corporations decreased by 2.8% amid the growth of electronic payments. Dollarization remains prevalent in the economy, as reflected by the foreign currency deposits to M2 ratio at 85.1%, the foreign currency deposits to total deposits ratio at 90.9%, and the foreign currency loans to total loans ratio at 88.2%.



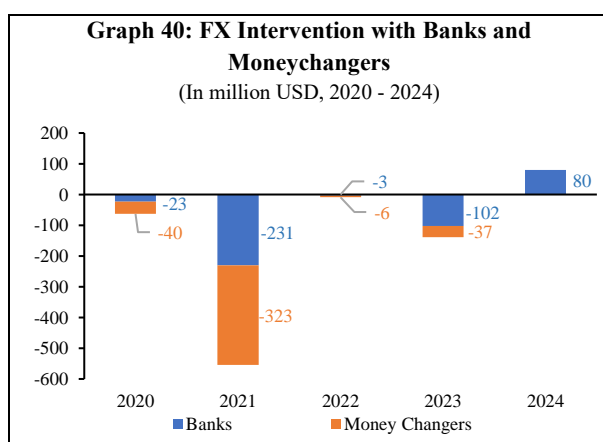
Source: NBC



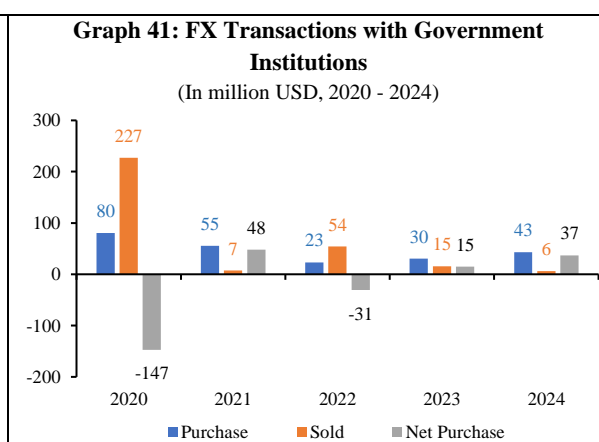
Source: NBC

2. Foreign Exchange Market Intervention

Due to the high demand for KHR, the NBC intervened in the foreign exchange market, purchasing USD 80 million (against a sale of USD 139 million in 2023). It recorded a net purchase of USD 36.9 million with government institutions (purchase of USD 42.7 million) compared to the net purchase of USD 15.1 million (purchase of USD 30.4 million) in 2023.



Source: NBC

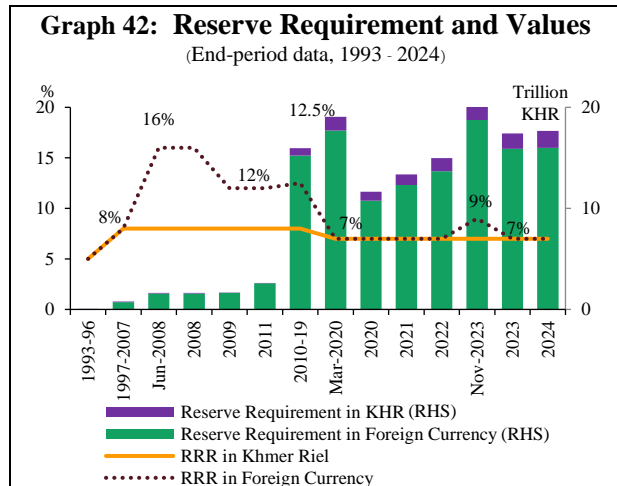


Source: NBC

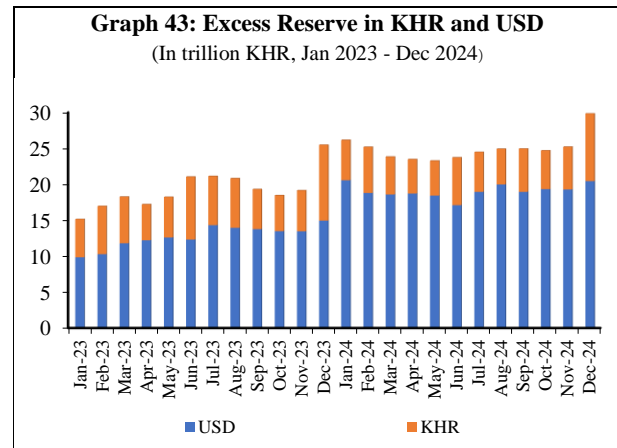
3. Reserve Requirement Rates

The KHR reserve requirement rates for local and foreign currencies have been maintained at 7%. The reserve requirement for KHR amounted to KHR 1.7 trillion, reflecting a 10.2% increase from that in 2023, while the USD requirement stood at USD 4 billion (KHR 16 trillion), showing a decrease of 0.5%. The reduction in the reserve requirement rate injected approximately USD 1.3 billion of liquidity into the banking system to support economic growth.

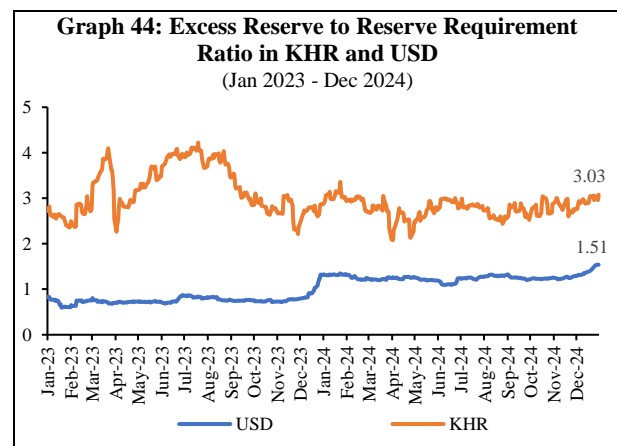
In addition to reserve requirements, BFIs also hold other unrestricted reserves at the NBC, known as excess reserve²³. The excess reserve in USD amounted to USD 4.9 billion (KHR 24.6 trillion), which is 1.5 times the USD reserve requirement. The excess reserve in KHR registered at KHR 5.1 trillion, equivalent to 3.1 times the reserve requirement. Since the interbank market is still in its early stages of development, BFIs maintain a high level of excess reserves to mitigate liquidity risk, which also limits the effectiveness of monetary policy implementation.



Source: NBC



Source: NBC

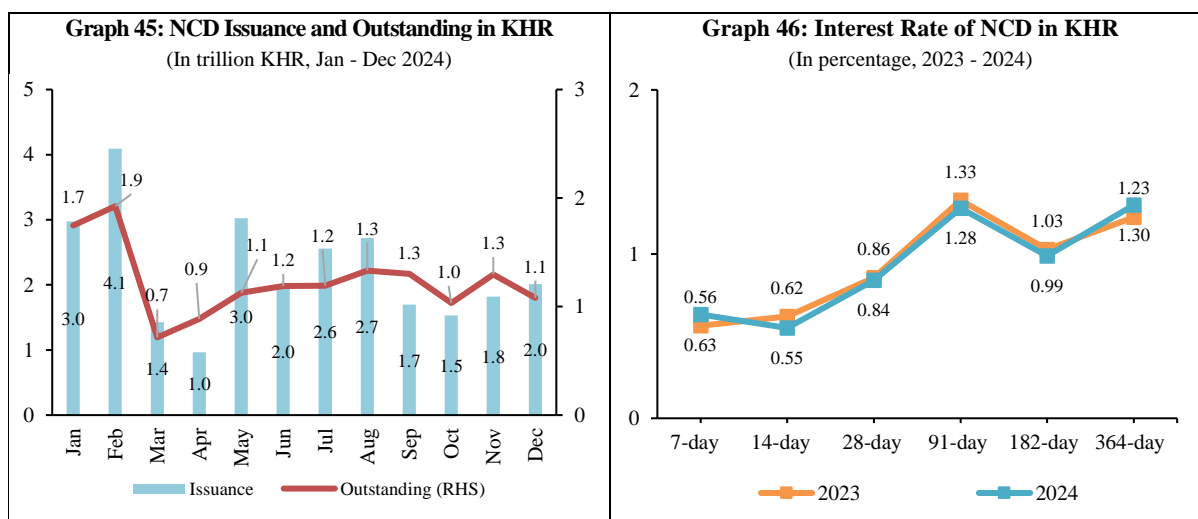


Source: NBC

²³ Excess reserve = Current account + Settlement account + Bakong Account

4. Negotiable Certificates of Deposits

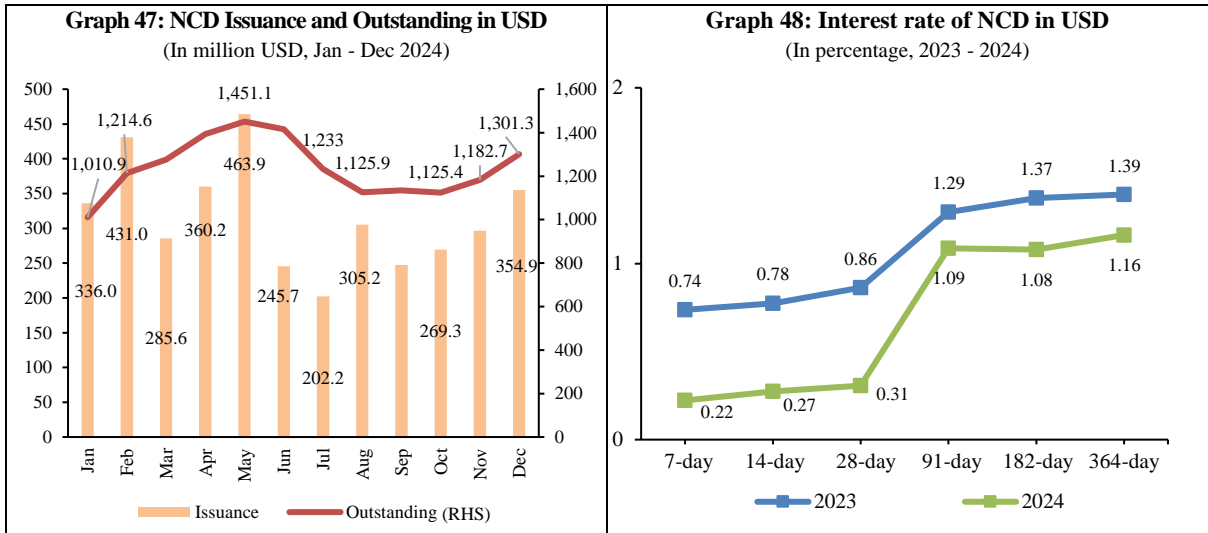
Negotiable Certificates of Deposits (NCDs) are utilized as a monetary policy tool to absorb excess liquidity from the banking system and serve as collateral for the Liquidity-Providing Collateralized Operation (LPCO) and interbank markets. NCDs absorbed KHR 26.8 trillion in liquidity, marking a 57.8% increase in 2024 compared to 2023. NCD issuance tended to decrease during the first quarter due to heightened demand for KHR for tax payments and agricultural harvests but increased again in subsequent quarters. Meanwhile, the average interest rate of NCD-KHR decreased from 0.94% in 2023 to 0.93% in 2024; of this, the 7-day tenor rose from 0.56% to 0.63%, the 364-day tenor increased from 1.23% to 1.30%, the 14-day tenor fell from 0.62% to 0.55%, the 28-day tenor fell from 0.86% to 0.84%, the 91-day tenor fell from 1.33% to 1.28%, and the 182-day tenor declined from 1.03% to 0.99%. By the end of 2024, the interest rate for NCDs with a 7-day tenor increased from 0.75% to 1% to enhance the efficiency of liquidity absorption.



Source: NBC

Source: NBC

Meanwhile, NCD issuance in USD remained stable at around USD 200–500 million per bidding. NCDs absorbed USD 3.8 billion in liquidity, a decrease of 26.3% in 2024 compared to 2023. The average interest rate of NCD–USD fell from 1.07% in 2023 to 0.69% in 2024, with the 7-day tenor decreasing from 0.74% to 0.22%, the 14-day tenor decreasing from 0.78% to 0.27%, the 28-day tenor decreasing from 0.86% to 0.31%, the 91-day tenor decreasing from 1.29% to 1.09%, the 182-day tenor decreasing from 1.37% to 1.08%, and the 364-day tenor decreasing from 1.39% to 1.16%.

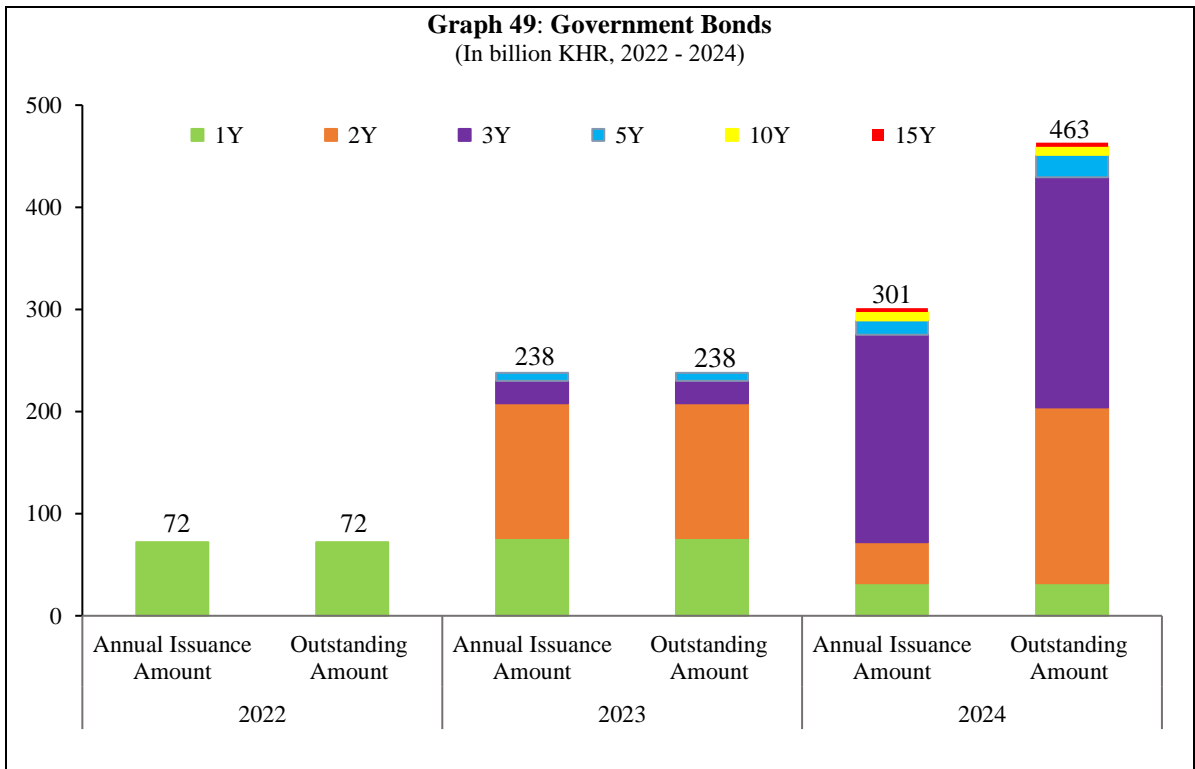


Source: NBC

Source: NBC

5. Issuance of Government Bonds

In 2024, the total issuance of government bonds amounted to KHR 301.3 billion, reflecting an increase of KHR 63.3 billion (27%) in 2024 compared to 2023. Of this amount, 12 issuances were conducted through bidding, totaling KHR 285.3 billion, while 3 were conducted through negotiations, totaling KHR 16 billion. Meanwhile, total coupon payments were made 30 times, amounting to an outstanding KHR 14.2 billion, and principal payments were made 4 times, totaling KHR 76 billion.

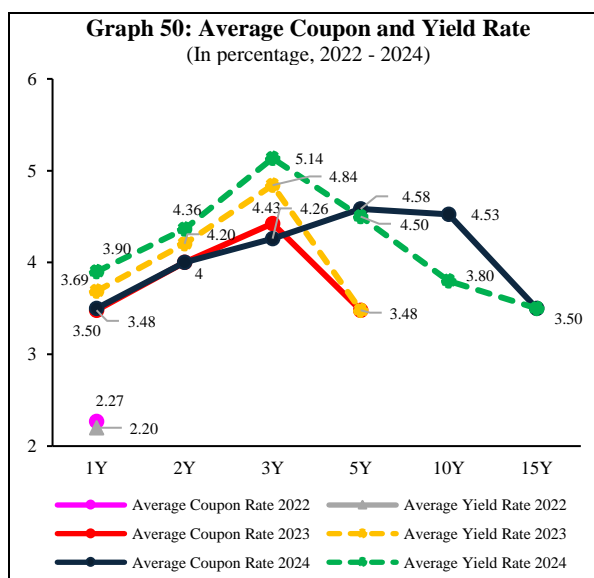


Source: NBC

Table 2: Issuance of Government Bonds Through Bidding

Times	Date	Total Amount (In billion KHR)	Tenor (In years)	Coupon Rate (%)	Yield Rate (%)
1	26-Jan-24	22	1	3.50	3.75 - 3.95
2	23-Feb-24	20	2	4.00	4.70 - 4.75
3	22-Mar-24	140	3	4.50	5.00 - 5.25
4	26-Apr-24	10	1	3.50	3.95
5	31-May-24	20	2	4.00	4.00
6	28-Jun-24	43.3	3	4.50	4.00 - 5.25
7	27-Jul-24	10	5	5.00	5.00
8	21-Aug-24	0	10	5.25	-
9	18-Sep-24	20	3	4.50	5.00 - 5.25
10	16-Oct-24	0	5	4.75	-
11	13-Nov-24	0	3	4.00	-
12	11-Dec-24	0	3	3.80	-

The 1-year government bond had an average coupon rate of 3.50% and yield rate of 3.75–3.95%, while the 2-year bond had an average coupon rate of 4.00% and yield rate of 4.00–4.75%. The 3-year bond had an average coupon rate of 4.26% and yield rate of 5.00–5.25%, while the 5-year bond had an average coupon rate of 4.58% and yield rate of 4.00–5.00%. The 10-year bond had an average coupon rate of 4.53% and yield rate of 3.80%, and the 15-year bond had an average coupon rate of 3.50% and yield rate of 3.50%.



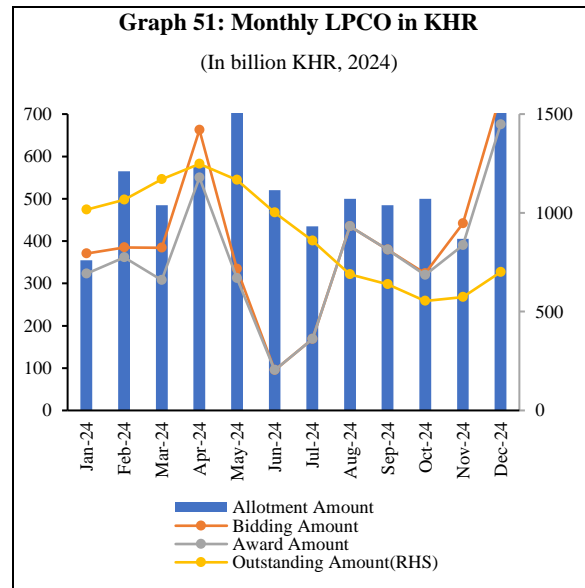
Source: NBC

In accordance with the Development of Government Securities 2023–2028, the NBC plays a key role as the Royal Government’s trustee in issuing government bonds and contributed to the development of the government bond market. In 2024, the NBC issued a Prakas allowing non-bank financial institutions²⁴ to trade government bonds on NBCP.

²⁴ Non-bank financial institutions refer to (1) underwriting companies, (2) securities dealers, and (3) securities brokers.

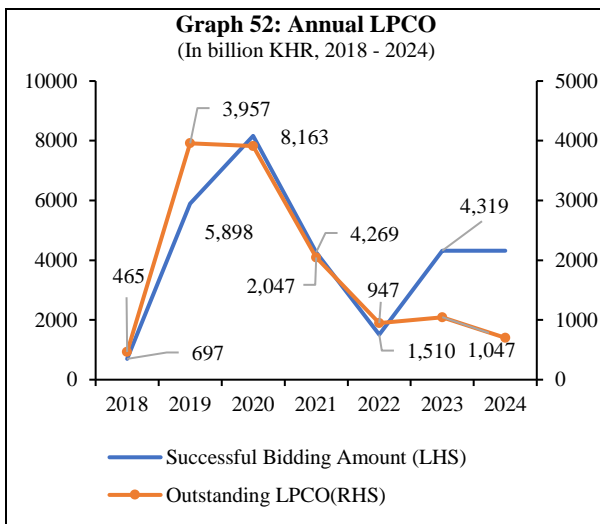
6. Liquidity-Providing Collateralized Operation

The liquidity provision (in KHR) to BFIs through the LPCO amounted to KHR 4.32 trillion (approximately USD 1.08 billion), an increase of 74.08% compared to the previous year. The 7-day tenor amounted to KHR 2,230 billion, the 91-day tenor to KHR 1,226.2 billion, and the 182-day tenor to KHR 862.5 billion. The acceleration in liquidity provision was primarily due to an increase in 7-day LPCO and weekly bidding arrangements. Concurrently, the 7-day LPCO rate decreased from 3.75% to 3.50%, the 91-day from 4% to 3.75%, and the 182-day from 4.25% to 4% by the end of 2024, in accordance with international monetary policy trends and Cambodia's economic situation.

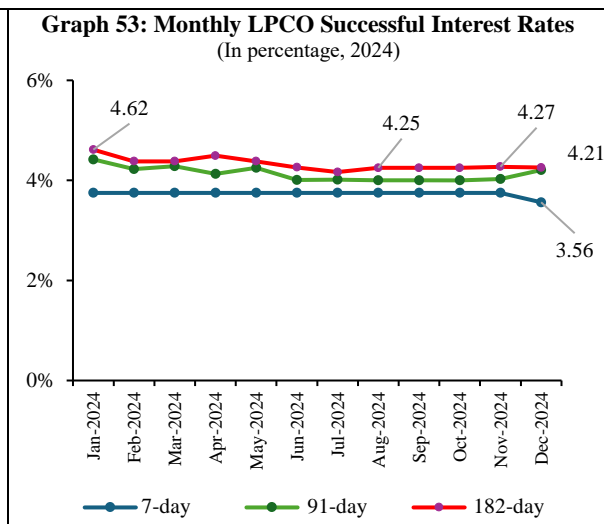


Source: NBC

The amount of outstanding LPCO decreased by 33% to KHR 700 billion in 2024 compared to the previous year, mainly due to a reduction in the allotment amount for tenors of 3 months or longer and an increase in the allotment amount for shorter-term tenors. The average successful bidding rate for LPCO was 3.73% for the 7-day tenor, 4.13% for the 91-day tenor, and 4.33% for the 182-day tenor.



Source: NBC



Source: NBC

The Marginal Lending Facility (MLF) amounted to KHR 841 billion, with an interest rate of 6%, which is equivalent to the overdraft rate. BFIs can request to roll over the MLF daily indefinitely, subject to sufficient collateral. By the end of 2024, the MLF rate decreased from 6% to 5.5% to provide liquidity in KHR at a more favorable rate than USD, while maintaining the overdraft interest rate at 6%.

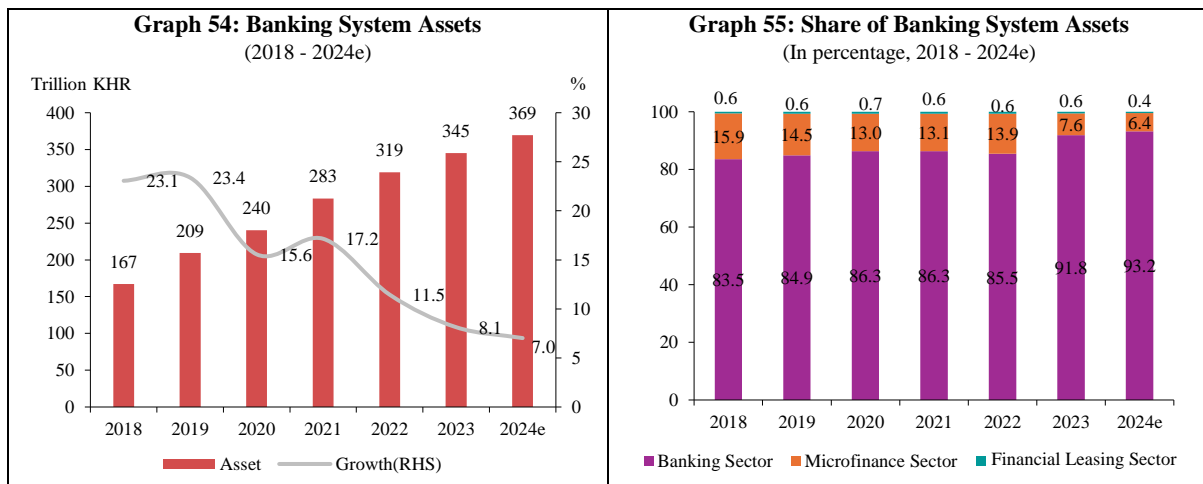
Overall, in 2024, M2 continued to rise in line with economic growth, supported by the increase in foreign currency deposits. The NBC maintained a stable exchange rate, contributing to price stability through foreign exchange market interventions, coupled with increased absorption and injection of short-term liquidity rather than 3 month or longer tenors.

IV. The Banking System in Cambodia

1. Overview

Cambodia's banking system comprises 59 commercial banks, 9 specialized banks, 4 microfinance deposit-taking institutions (MDIs), 85 microfinance non-deposit-taking institutions (MFIs), 114 rural credit institutions, 13 financial leasing institutions, 4 third-party processors, 30 payment service institutions, 1 credit bureau, 5 representative offices, and 3,327 money changers.

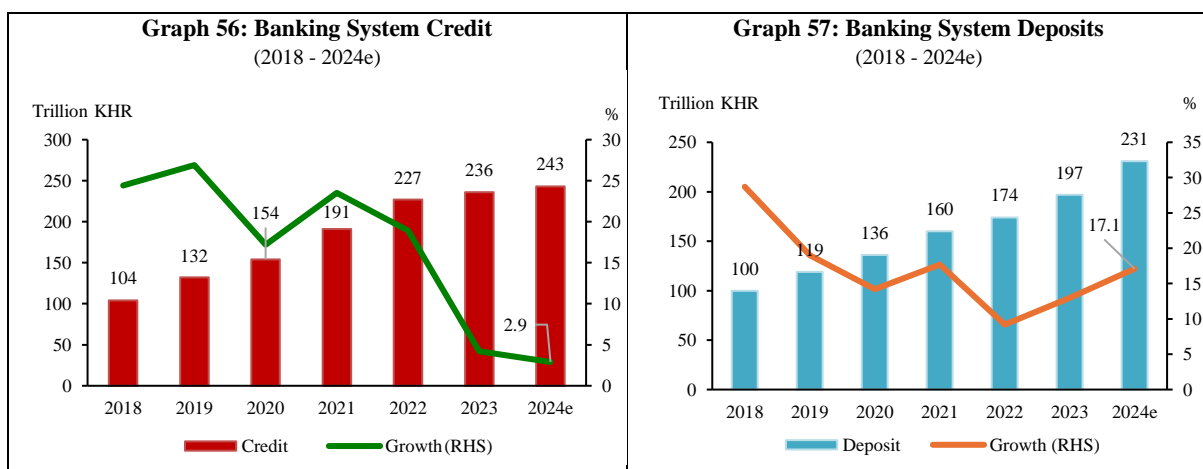
The total assets of the banking system increased by 7% to KHR 369.4 trillion (USD 91.1 billion) in 2024, with the banking sector accounting for 93.2%, the microfinance sector accounting for 6.4%, and the financial leasing sector accounting for 0.4%.



Source: NBC, e=estimate (actual data up to November 2024)

Source: NBC, e=estimate (actual data up to November 2024)

Total credit increased by 3% to KHR 242.9 trillion (USD 59.9 billion). Regarding funding sources, deposits grew by 16.3% to KHR 230.9 trillion (USD 57 billion), while capital rose by 5.2% to KHR 40.5 trillion (USD 10 billion).

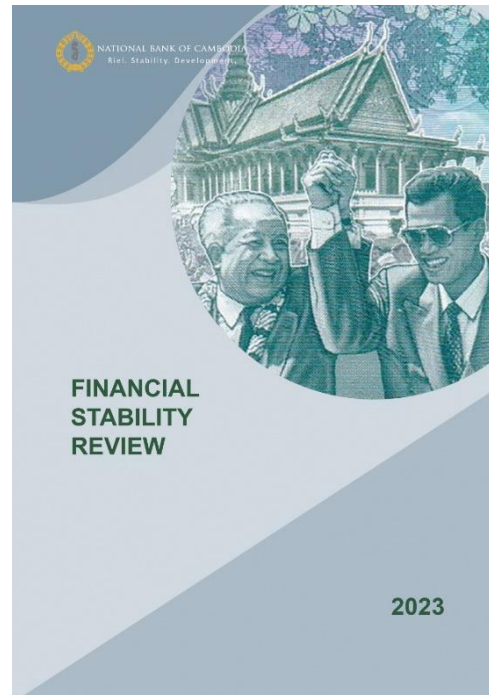


Source: NBC, e=estimate (actual data up to November 2024)

Source: NBC, e=estimate (actual data up to November 2024)

2. Financial Stability

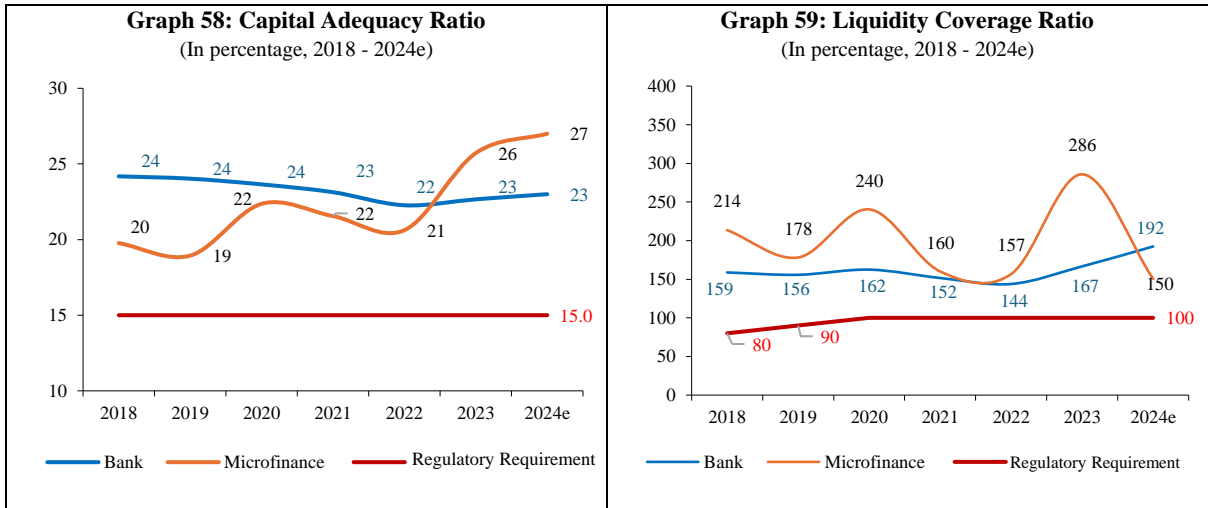
Heightened global economic and financial uncertainty, coupled with an uneven domestic recovery, has exerted increasing pressure on the banking system. This is reflected in the slowing of credit growth rates, a deterioration in credit quality, and a decline in banks' profitability. In response, the NBC has continued to monitor financial stability closely by enhancing financial sector risk assessments, evaluating the interlinkages between the real and financial sectors, and conducting stress testing. Additionally, regulatory forbearance measures have been introduced to alleviate the financial burden on



distressed borrowers while allowing BFIs to maintain sufficient absorption capacity for potential risks and losses. Despite these challenges, the banking system has remained resilient, as evidenced by robust capital and liquidity positions while prudently managing banking operations. This resilience is demonstrated through key financial stability indicators, as outlined below:

i) The capital position of BFIs remained well above the regulatory requirement (15%), with banks' CAR at 22.5% and microfinance institutions' CAR at 26.2%. The NBC has conducted stress tests to assess the banks' capital position under various scenarios, and the results indicated that the capital of BFIs remains strong against potential risks.

ii) The liquidity position remained abundant, well above the regulatory requirement of 100%, with the liquidity coverage ratio (LCR) standing at 192.4% for commercial banks and 150.4% for MDIs. This reflects the strong capacity of banks and MDIs to meet short-term obligations, accommodate deposit withdrawals, and support credit demand.



Source: NBC, e=estimate (actual data up to November 2024)

Source: NBC, e=estimate (actual data up to November 2024)

iii) The non-performing loan ratio (NPLR²⁵) rose to 7.9% for banks and 9% for MFIs. However, banks' provision coverage ratio increased to 55.1%. The net NPLR, which excludes provisions from gross NPL, was at 3.5%, indicating that credit risk in BFIs remains at a manageable level.

iv) The profitability of BFIs declined due to an increase in provisions for NPLs and a slowing of credit growth rates. Banks' return on assets (ROA) and return on equity (ROE) stood at 0.2% and 1.2%, respectively, down from 0.6% and 3.4% in 2023. Meanwhile, MFIs recorded an ROA of 0.6% and an ROE of 2.5%, lower than the 1.5% and 5.9% reported in 2023.

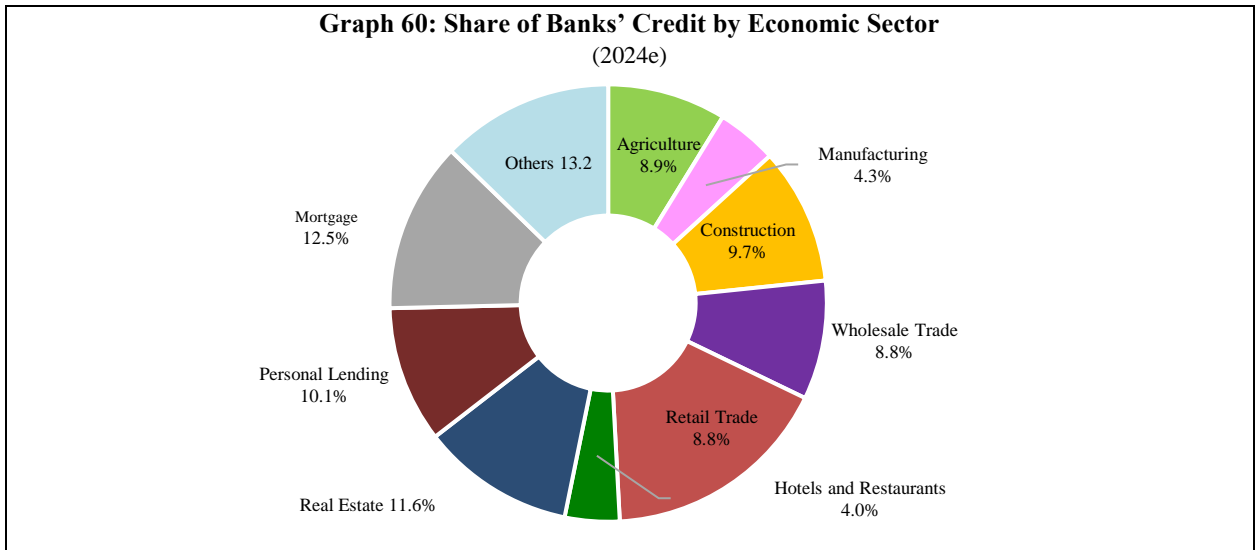


Seminar on Financial Stability in 2023
On August 20, 2024, at the IBS

²⁵NPLR was calculated by Gross NPL include provision to compare with gross credit.

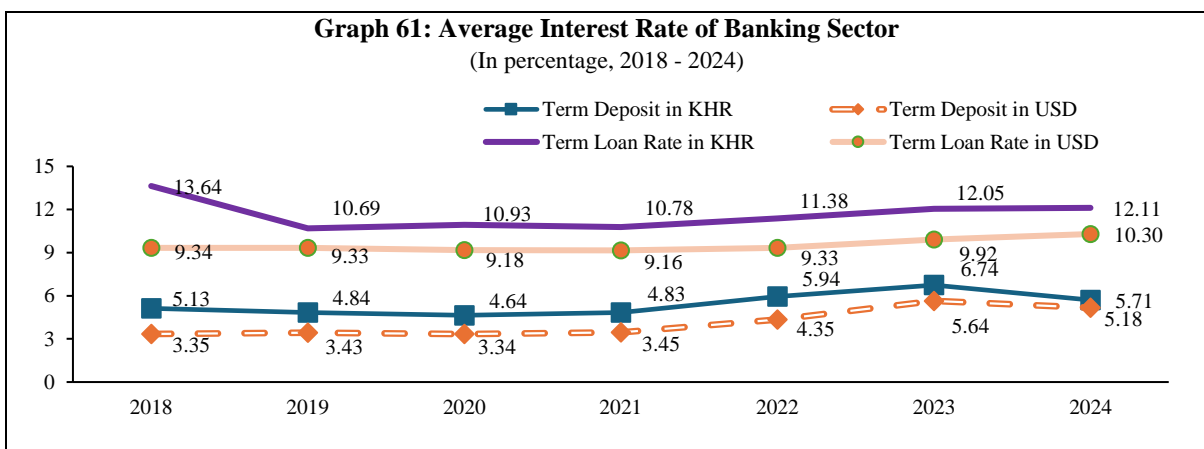
3. The Banking Sector

The banking sector's assets grew by 8.2% to KHR 342.8 trillion (USD 84.6 billion) in 2024, driven by credit growth, which increased by 3.3% to KHR 220.1 trillion (USD 54.3 billion), with 2.4 million accounts. Credit was allocated to key economic sectors, with retail trade accounting for 16.9%, mortgages for 12.5%, real estate for 11.6%, personal lending for 10.1%, construction for 9.7%, agriculture for 8.9%, wholesale trade for 8.8%, manufacturing for 4.3%, hotels and restaurants for 4.0%, and other sectors for 13.2%.



Source: NBC, e=estimate (actual data up to November 2024)

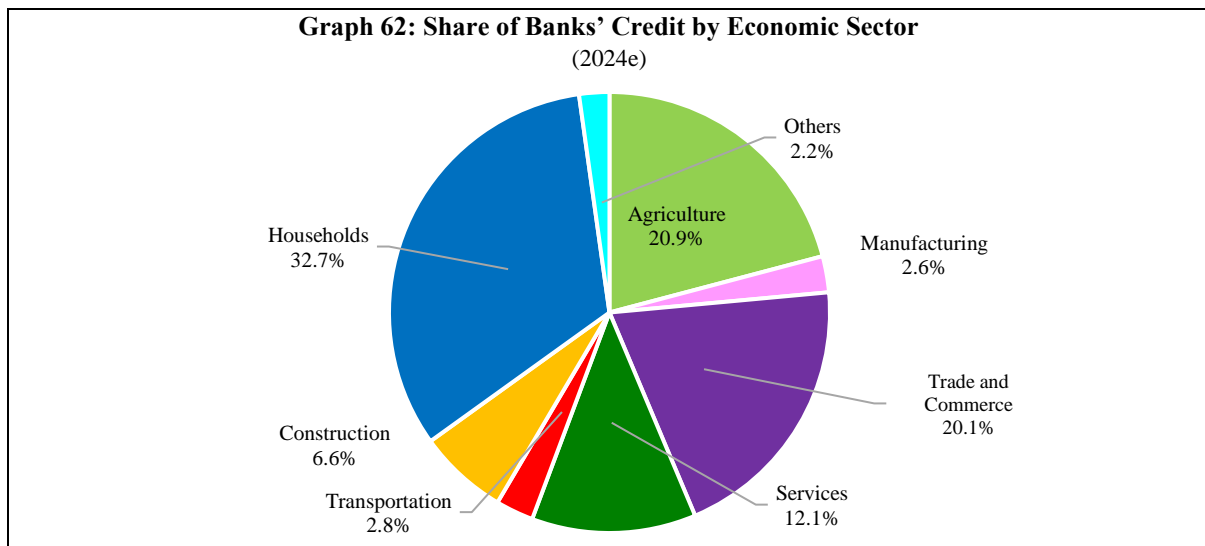
The average deposit rates for KHR and USD in the banking sector declined to 5.71% and 5.18%, respectively, lower than the 2023 rates (6.74% and 5.64%, respectively). In contrast, the average loan rates for KHR and USD increased to 12.11% and 10.30%, respectively (2023 loan rates for KHR and USD were 12.05% and 9.92%, respectively).



Source: NBC

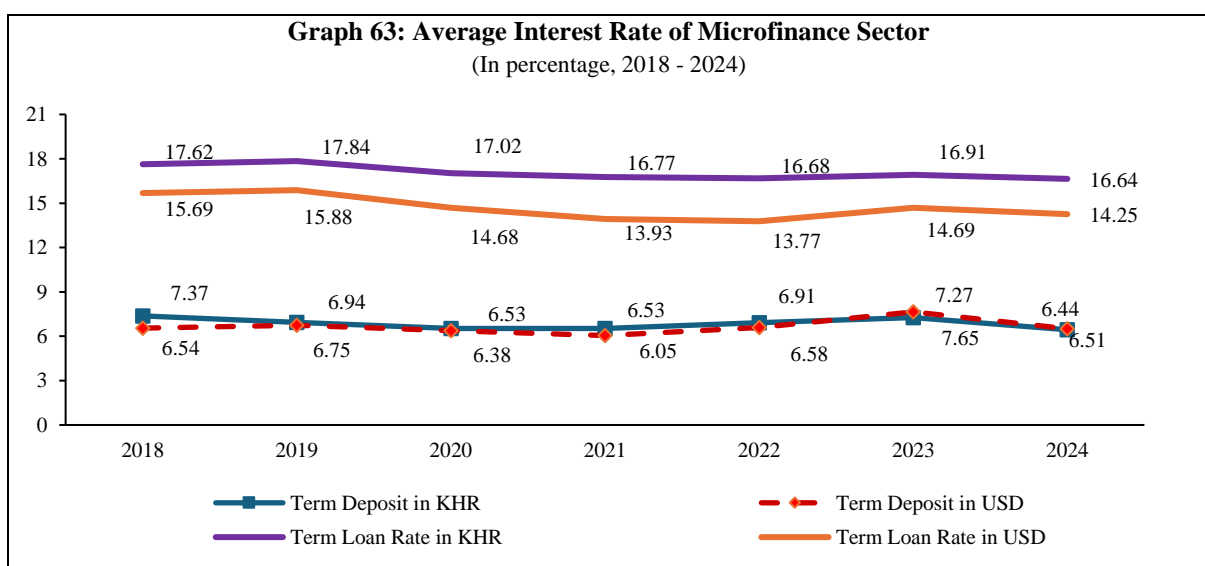
4. The Microfinance Sector

The assets of the microfinance sector decreased by 3.9% to KHR 25.6 trillion (USD 6.2 billion) in 2024, while its credit grew by 1.9% to KHR 21.4 trillion (USD 5.3 billion), with 1.6 million accounts. Microfinance credit was allocated to key sectors as follows: households had a share of 32.8%, agriculture had 20.8%, trade and commerce had 20.1%, services had 11.8%, construction had 6.7%, transportation had 2.7%, manufacturing had 2.7%, and others had 2.4%.



Source: NBC, e=estimate (actual data up to November 2024)

The average deposit rate for KHR and USD decreased to 6.44% and 6.51%, respectively (2023 rates were 7.27% and 7.65%, respectively). Furthermore, the average loan rates for KHR and USD decreased to 16.64% and 14.25%, respectively, down from 16.91% and 14.69% in 2023.



Source: NBC

5. The Financial Leasing Sector

In 2024, one financial leasing institution transitioned into a microfinance institution, and another merged with a specialized bank. This was the primary reason for the 25.6% decrease noted in the sector's assets to KHR 1.3 trillion (USD 357.6 million). Financial leases dropped by 21.7% to KHR 1.4 trillion (USD 320 million), with 52,637 accounts. The leases were allocated to households (30.5%), agriculture (29.8%), services (17.1%), transportation (4.1%), construction (3.4%), trade and commerce (2.5%), and others (12.6%). The main source of funds for financial leasing came from shareholders' equity, which decreased by 23.9% to KHR 504.7 billion (USD 124.6 million).

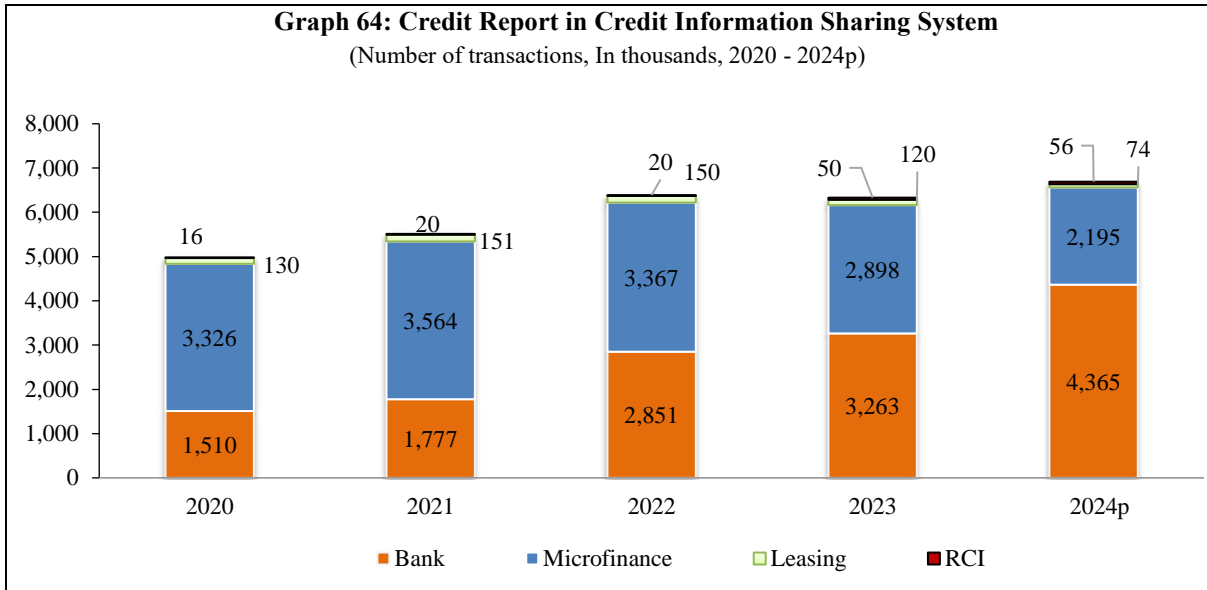
6. Rural Credit Institutions

As of December 2024, there were 115 licensed rural credit institutions offering microloans to low-income individuals living in urban and rural areas.

The credit provided by Rural Credit Institutions (RCIs) was KHR 205.3 billion (USD 50.6 million), with 84,523 accounts; it was allocated to various sectors, including agriculture (28.5%), households (26.5%), trade (21%), services (8.3%), construction (5.5%), transportation (1.2%), and others (9%). RCIs have significantly contributed to promoting the use of formal financial services protected by law, enhancing financial literacy, and fostering sustainable and inclusive household economic growth.

7. The Credit Bureau

Credit Bureau Cambodia Co., Ltd. (CBC) is a credit reporting service provider with a total asset of KHR 87.4 billion (USD 21.7 million); it comprises 199 member BFIs. As of 2024, member institutions provided data on 4.3 million accounts (KHR 236.4 trillion, equivalent to USD 58.7 billion). Regarding total accounts, there were 4.3 million consumer accounts with 5.1 million customers (53.1% were female) and 6.2 thousand corporate accounts with 1,753 customers. The total use of credit information by member institutions was recorded at 6.7 million transactions, including 4.4 million transactions by banks, 2.2 million transactions by microfinance institutions, 74.1 thousand transactions by leasing institutions, and 56.5 thousand transactions by RCIs. Meanwhile, member institutions reported approximately 7,725 dishonored check transactions, equivalent to KHR 2.6 trillion (USD 652.1 million).



Additionally, CBC was accredited to launch a financial health check service on the Advanced Bank of Asia and AMK’s mobile app. After obtaining consent from the NBC, CBC signed a memorandum with the Korean Credit Bureau for bilateral credit information sharing between Cambodia and Korea. On December 12, 2024, the Ministry of Land Management, Urban Planning and Construction (MLMUPC), the NBC, the CBC, and FunGi Co., Ltd officially launched a property verification program on the CBC website. This collaboration directly involves FunGi Co., Ltd in the use and transmission of data through an interactive software system. The provision of real estate verification services will enable BFIs to download real estate reports for analysis and evaluation before deciding to lend to individuals and corporations. BFIs can obtain immediate reports online, including the status of a property, the owner’s condition, property lease history, and hypothecation history without having to physically visit MLMUPC or the city/provincial department. Additionally, the NBC has authorized CBC to maintain and disclose the history of loan restructuring for one year from the maturity date under special circumstances.

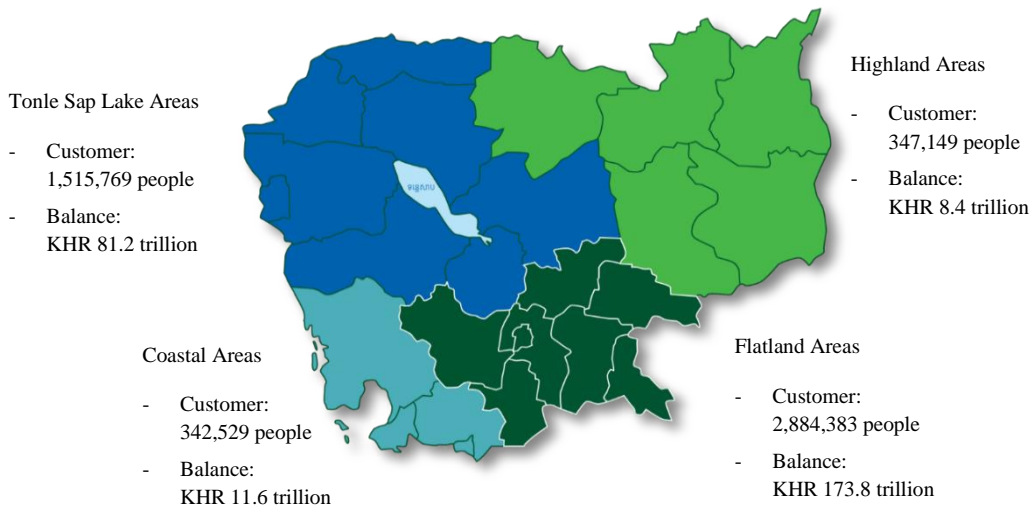


**Launching Ceremony of the Interactive Data Exchange Program
Ministry of Land Management, Urban Planning and Construction with Credit Bureau (Cambodia) Co., Ltd.
On December 12, 2024, at the IBS**

The NBC regularly monitors and supervises the compliance of data providers (member institutions) and credit reporting service providers to ensure data quality and sustainability of the credit reporting system in Cambodia. Furthermore, to promote the use of cross-border credit reporting, the NBC requires BFIs to develop policies and procedures for their cross-border credit reporting systems.

Credit balance and customer amount allocation by region in Cambodia

Credit allocation by region showed that flatland areas received the most loans, followed by Tonle Sap areas and then coastal areas.



Source: Credit Bureau Cambodia Co., Ltd

8. Supervision of Banks and Financial Institutions

Supervision of BFIs is continuously strengthened through off- and on-site supervision using a risk-based and forward-looking approach based on the Supervisory Review and Evaluation Process (SREP) methodology for quantitative and qualitative analyses of each BFI's situation, aiming to pre-identify risks and take timely corrective measures. Based on the results of off-site inspections and thorough assessments, several recommendations are made, including specific limitations on capital requirements, liquidity, and the identification of institutions for planning on-site inspections. Additionally, supervision includes stress tests and reverse-stress tests on CAR, LCR, etc., to assess the capital and liquidity position and resilience of each institution.

In 2024, the NBC conducted on-site inspections of 26 BFIs, including 9 commercial banks, 1 specialized bank, 1 MDI, 10 MFIs, and 5 financial leasing institutions, with a focus on governance, asset quality, loan classification and impairment provision, risk management, liquidity management, internal control, and countering the financing and proliferation of weapons of mass destruction. Additionally, the NBC conducted unannounced on-site inspections at 8 banks to review the effectiveness of their implementation of the Circular on Loan Restructuring.

Consequently, BFIs continued to maintain adequate liquidity and capital, good governance, and prudent credit risk management for loan disbursement while complying with laws and regulations. However, a few institutions still lacked governance, internal control, and risk management, failing to lend in the local currency, and fully implemented the recommendations issued by the NBC. These shortcomings are regularly supervised through monitoring and evaluation of the institutions' quarterly progress reports on the implementation of the recommendations; additionally, the NBC has implemented some administrative measures against non-compliant institutions.



H.E. Dr. Chea Serey inspected the implementation of the Circular on Loan Restructuring at BFIs on September 11, 2024.

9. Regulatory Work

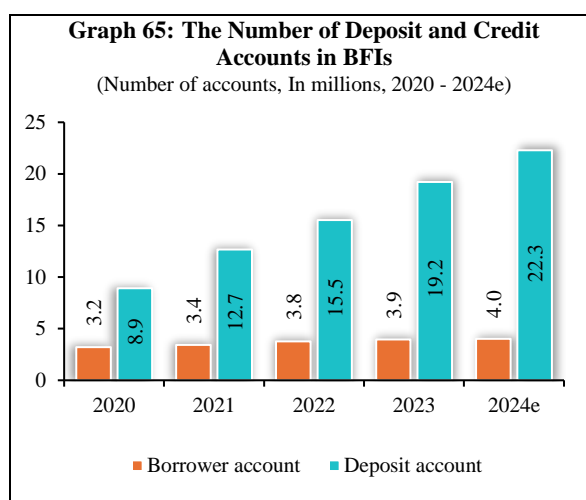
A number of Prakas and circulars have been issued to strengthen resilience and ensure progress in the banking system, including i) Prakas on the CAR in Deposit-Taking BFIs, ii) Prakas on Transactions Related to Crypto Assets, iii) Prakas on the Maintenance of Minimum Reserve Requirements in BFIs, iv) Prakas on Liquidity Ratios for Non-Deposit Taking BFIs, v) Prakas on Market Risk for CARs in Deposit-Taking BFIs, vi) Prakas on Operational Risk for CARs of Deposit-Taking BFIs, vii) Guidelines on the Implementation of Prakas on Market Risk for the CAR in Deposit-Taking BFIs, viii) Circular on the Submission of Collateral Identification Documents to Credit Customers, ix) Circular on Encouraging BFIs to Facilitate the Opening of Savings Accounts and Providing Financial Services to MSMEs and self-employed individuals, x) Notice on the Prevention of the Use of Counterfeit Riel Banknotes, and xi) Notice on the Prevention of the Use of Counterfeit US Dollar Banknotes. To raise awareness of the regulations and promote consistent and effective implementation, the NBC organizes internal training sessions and provides ongoing training to BFIs.

To provide additional opportunities for BFIs to extend credit and contribute to economic growth, the NBC has decided to i) Continue implementing the capital conservation buffer ratio at 1.25% until December 31, 2025, ii) Continue implementing the foreign currency reserve requirement ratio at 7% until December 31, 2025, and iii) Allow for the restructuring of loans to customers experiencing temporary financial difficulties through the issuance of a Circular on Loan Restructuring. In particular, the implementation of the Prakas and circulars related to the capital adequacy framework was postponed until January 1, 2025, to allow additional time for deposit-taking BFIs to prepare their information management systems.

Simultaneously, several Prakas and guidelines are being prepared, including the i) Prakas on the Capital Adequacy Framework for Non-Deposit-Taking BFIs, ii) Prakas on Proactive Supervisory Response Measures for Deposit-Taking BFIs, iii) Prakas on Interest Rate Determination for BFIs, iv) Prakas on Regulatory Consolidation for BFIs, v) Prakas on Liquidity Provision for BFIs, vi) Prakas on Determining Capital Buffers for Deposit-Taking BFIs, and vii) Guidelines on the Valuation of Collateral for the Purpose of Assessing Impairment.

10. Enhancement of Financial Inclusion

Financial inclusion remains a key priority in promoting access to and use of formal financial services that are timely, affordable, and legally protected for all individuals, while financial literacy and consumer protection are gradually being improved. Close collaboration with relevant ministries, the private sector, and national and international development partners has also been strengthened through the launch and implementation of activities, campaigns, financial literacy education programs, and other mechanisms aligned with the action plans of the National Financial Inclusion Strategy 2019-2025.



Source: NBC, e=estimate (actual data as of November 2024)

BFIs have contributed to improving financial inclusion, as reflected in the growth of deposit accounts by 22.9% (reaching 23.3 million accounts) and credit accounts by 2.7% (4 million accounts). There are 2,702 head offices and branches of BFIs, along with 5,854 automated teller machines (ATMs) and 41,797 point-of-sale machines. Additionally, the number of e-wallet accounts has increased to approximately 20.7 million, and the number of merchants registered to use KHQR is approximately 4.5 million.

11. Consumer Protection

A- Strengthening the Mechanism for Resolving Consumer Complaints

To ensure efficient, timely, and consistent protection of consumers' rights, the mechanism for managing and resolving consumer complaints has been enhanced by facilitating the resolution of complaints regarding services provided by BFIs through NBC's hotlines (five lines to the headquarters and 21 lines to the municipal and provincial branches). In 2024, there were 423 complaints, including 256 cases from headquarters and 167 cases from the branches. These complaints involved i) inquiries about collateral, credit guarantees, early loan payoffs, and collateral withdrawal requests, ii) requests for loan restructuring, iii) requests to change credit history from the credit reporting system, iv) requests for reducing penalties, v) unsuccessful digital transactions, and vi) the use of informal loans and digital fraud.

B- Establishment of the Standard Loan Contract and Standard Text of Contractual Terms

The NBC has initiated and partnered with the ABC and the Cambodia Microfinance Association (CMA) to establish the Standard Loan Contract and Standard Text of Contractual Terms to ensure the rights and interests of consumers, provide fair and equal competition, and help consumers easily understand the main terms and conditions. The Standard Loan Contract and Standard Text of Contractual Terms are applicable to BFIs, including financial leasing institutions, and have been categorized into three types based on loan size and financial lease: i) for loans less than USD 50,000 or equal to USD 50,000, all institutions must use the same standard loan contract; ii) for loans ranging between USD 50,000 and USD 100,000, all institutions can use their loan contracts, but the required terms and standard text must be in this contract; and iii) for loans larger than USD 100,000, all institutions can use their loan contracts without including the required terms and standard text.

C- Deposit Protection

A deposit protection system is a vital part of maintaining financial stability and building trust in the banking system. In this regard, the NBC has been studying the establishment of a deposit protection system for approximately ten years under the existing legal framework and the context of Cambodia's economy. To increase the efficiency of deposit protection, the NBC has established a new structure by creating the Department of Deposit Protection to implement deposit protection mechanisms and rehabilitation, aiming to protect depositors' rights and interests, increase public confidence, and maintain financial stability. For this purpose, the NBC has been developing regulatory frameworks that conform to evolving deposit protection principles and international best practices, as well as procedures for implementing this deposit protection mechanism. To this end, cooperation with national and international institutions has been strengthened to gather inputs and learn from other countries' experiences in establishing deposit protection systems.

D- Sustainable Finance

The NBC has been paying attention to and placing priority on work related to sustainable financing through active participation in the Royal Government's development of policies and strategic plans. This includes organizing initiatives and discussions at national,

regional, and global levels, as well as collaborating with development partners, relevant ministries and institutions, the private sector, and green investments.

The NBC has implemented several key priorities, including i) preparing Cambodian Green Finance Roadmaps, ii) developing a Cambodian Green Finance Taxonomy, iii) integrating an ESG framework into the Guideline on International Reserve Investment and Green Bond Investment, iv) investing in Green Bonds as part of the NBC’s international reserve investment, v) encouraging BFIs to finance green projects by setting a relatively low-risk weightage of 80%, vi) establishing a Climate Risk Assessment and Analysis Framework for BFIs, vii) conducting feasibility studies on guidelines for incorporating social and environmental risks into BFIs’ risk management frameworks, viii) promoting capacity building in green financing, ix) fostering cooperation among relevant ministries and institutions, and x) conducting research on topics related to sustainable financing and climate change. Notably, the NBC actively participated in ASEAN financial sector collaborations to collectively transform the region into an attractive destination for green investment. The NBC proposed an initiative for collaboration among Central Banks and Finance Ministries in the region to establish and implement a Sustainability Bond Investment Swap, maximizing the effectiveness of investing international reserves in green investments. This initiative was reiterated by the Governor in a news article titled “Scaling up central banks’ foreign reserve investment in sustainable development,” published by The Banker Magazine on April 26, 2024.

The NBC continues to implement additional initiatives, including i) finalizing Cambodian Sustainable Finance Roadmaps, seeking approval from the Green Finance Task Force, and publishing and implementing these roadmaps in 2025, ii) finalizing the development of the Cambodian Green Finance Taxonomy and Market Phase 1 (which has already identified three prioritized sectors for implementation in 2025) and continuing to develop Phase 2 to identify additional prioritized sectors, iii) establishing a Sustainable Finance Reporting and Disclosure Framework, iv) strengthening the Climate Change Risk Assessment and Mitigation Framework for BFIs, v) fostering capacity building in BFIs, and vi) conducting relevant research to formulate and disseminate policies that support sustainable financing in Cambodia and raise capital to support sustainable economic growth with low carbon emissions.

In conclusion, the banking system continues to demonstrate resilience in terms of capital adequacy and liquidity while managing potential risks and maintaining prudent operations amid slow credit growth and rising non-performing loans. To sustain this resilience, financial sector risk assessments have been continuously enforced, particularly focusing on the interconnectedness of real economic sectors and the financial sector, along with stress testing. Regular supervisory monitoring of BFIs is conducted through a risk-based and forward-looking approach, coupled with the implementation of the SREP to assess the risk profile of each institution. BFIs are committed to maintaining resilience, adhering to good governance, and strengthening credit risk management through prudent credit origination and compliance with laws and regulations. However, some institutions still lack governance, internal controls, and risk management, failing to lend in the local currency and fully implement the recommendations issued by the NBC. These shortcomings are regularly monitored through evaluations of the institutions' quarterly progress reports on the implementation of the recommendations, as well as through discussions prior to executing administrative measures against institutions for noncompliance. Concurrently, the NBC continues to promote financial inclusion, contribute to sustainable financing, reduce climate change risks, establish a deposit protection system, maintain financial stability, and bolster confidence in the Cambodian banking system.

V. Central Bank Operations

1. Payment System

A- Development of the Payment System

Developing and modernizing payment systems is a priority for the NBC in response to the new era of digital payments. The goal is to provide a safe and efficient payment system infrastructure that facilitates economic activities both domestically and regionally, aligning with technological innovation, a digital economy, and society. Recognizing the importance, the NBC has successively launched payment system infrastructures, including the National Clearing System (NCS), the Fast Payment System (FAST), the Cambodian Shared Switch (CSS), the Bakong System, and the Retail Payment System. Innovations in payment instruments, networks, and potential services have enabled the public and enterprises to perform digital financial transactions seamlessly. Furthermore, the NBC initiated a project that unifies the payment system by merging previously launched infrastructures into a single payment gateway on May 2, 2024, to facilitate easy money transfers by the public and enable inter-bank payments for both retail and large-value transactions. Currently, 49 of 73 participating BFIs have rolled out the system. Meanwhile, rules, procedures, and other legal documents are being prepared to support the system and serve as binding legal documents for all member institutions.



B- Payment Services

Digital payment services continue to play an active role in facilitating the payment of goods and services in a convenient, fast, and efficient manner. To ensure the robustness of the payment system and better serve consumer interests, the NBC remains focused on the governance and supervision of payment service institutions regarding the implementation of laws and regulations. This includes examining and monitoring the well-being of institutions and evaluating new services before they are launched.

C- Payment and Cross-Border Transfer

To further develop international trade and business, affordable cross-border payments and remittances are essential for facilitating exchanges and reducing the burden on economic operators, especially migrant workers and businesspeople. To aid this, cooperation on developing financial systems facilitating cross-border payment and remittance operations and promoting the use of national currencies has been strengthened through the launch of cross-border payment projects with Thailand, Laos, Vietnam, Malaysia, South Korea, UnionPay International (including China), and Alipay. Specifically, in 2024, cross-border payment projects using QR codes were launched with South Korea, Malaysia, and Alipay, representing a significant step towards expanding the scope of cross-border payment transactions using QR codes within the Bakong System.



H.E. Dr. Chea Serey, Governor of the NBC, presided over the launch ceremony of cross-border payment transactions via QR Code between the NBC and Alipay Connect Pte. Ltd. on October 14, 2024, in Phnom Penh., Kingdom of Cambodia.



H.E. Dr. Chea Serey, Governor of the NBC, presided over the launch ceremony of the Bakong Tourists App with Mastercard on November 11, 2024 at the NBC, Sen Sok Building.

D- Financial Innovation

Under the framework of the National FinTech Development Policy, the NBC has collaborated with i) relevant ministries and institutions to launch and disseminate the Cambodia Financial Technology Development Policy 2023-2028, and ii) the Digital Economy and Business Committee to review, prepare, and provide a progress report on policy measures in the 3-Year Rolling Action Plan 2024-2026 of the Cambodia Financial Technology Development Policy.

The Bakong system has been continuously developed to expand its functions and promote convenient electronic payments for users. These functions include the i) development of the electronic customer registration function under the Bakong system (e-KYC), ii) development of the Bakong software (Linking Account), iii) development of the single-currency KHQR code function, iv) Bakong customer complaint handling procedure, v) Bakong Tourists App, and vi) cross-border Bakong API. The Bakong Tourists App was soft launched on August 19, 2024, to promote tourism in Cambodia by providing an electronic payment method that allows international tourists visiting Cambodia to make payments for goods and services efficiently and conveniently. Additionally, the “Link Mastercard” feature in the Bakong Tourist app was launched on November 11, 2024, allowing tourists to link their Mastercard to top up their Bakong Tourist account and make payments by scanning their KHQR at approximately 4.5 million merchant locations across Cambodia. In the next step, the Bakong Tourist app will enable users to link their international payment cards to their accounts.

E- Digital Public Payment Infrastructure

Governance of digital public infrastructure encompasses both policy and technical aspects. Policy-level governance includes regulations related to network security, payment, authorization levels, anti-money laundering measures, digital identity, and access to digital education and skills. Technical-level governance focuses on four pillars, including Digital Identity, Authorization and Consent, Payment Interoperability, and Data Exchange which promote and facilitate secure, cost-effective, and efficient transactions. The importance of digital public infrastructure lies in its ability to facilitate the delivery of public services and promote the growth of the digital economy by providing new innovative initiatives and collaborations across sectors.

- **The Bakong System:** On October 20, 2020, the NBC launched the Bakong system, a key digital public infrastructure that facilitates digital payments for the public. The Bakong system has contributed to the integration of the financial system by promoting interoperability between BFIs and payment service providers, thereby expanding the possibilities for convenient and broader transactions for the public. Additionally, the Bakong system's Instant Payment function has improved the efficiency and convenience of the Royal Government's payment processes, such as tax collection and other public services. Thus, the Bakong system is not only a digital public infrastructure but also vital in encouraging and facilitating participation in economic and commercial activities to support Cambodia's sustainable economic growth.

- **The Financial Transparency Corridor (FTC):** On June 18, 2024, the NBC and Monetary Authority of Singapore announced the launch of the FTC, a digital public infrastructure designed to establish pre-agreements (authorizations and consent) between member BFIs to facilitate cross-border trade and financial activities for MSMEs. Through the corridor, MSMEs can match their needs more easily with each other and expand their market reach. Additionally, BFIs from both countries can quickly and easily exchange and share information between partnered institutions, thus facilitating the assessment of cross-border financing for MSMEs. Since its launch, the FTC has included five member institutions from Cambodia, namely ACLEDA Bank, Sathapana Bank, Phillip Bank, Wing Bank, and Advanced Bank of Asia Limited as well as three institutions from Singapore, including ANEXT Bank, Liquid Group, and Sing Investment and Finance. Currently, member institutions are connecting the system with Proxtera.



H.E. Dr. Chea Serey, Governor of the NBC, and Mr. Sopnendu Mohanty, Chief Fintech Officer of the Monetary Authority of Singapore, were invited to witness the signing and exchange of a Memorandum of Understanding on “Launching the Financial Transparency Corridor Project Between Cambodian and Singaporean BFIs,” which took place as part of the Cambodia-Singapore Business Forum on June 19, 2024, in Singapore.

- **The Universal Trusted Credentials project:** The NBC collaborated with the United Nations Development Programme (UNDP) to develop a pilot project called Universal Trusted Credentials (UTC) to establish a trusted data framework. This framework allows financial institutions to reduce the risk of collateralization for MSMEs, enabling them to access financial services more easily and reducing the need for collateral. The UTC project not only simplifies the authentication process but also strengthens trust between institutions by ensuring that authorization and consent for digital public infrastructure align with the needs of data and information owners. The two parties have established a pilot working group consisting of the NBC and UNDP as co-chairs, along with representatives from the Ministry of Economy and Finance, the Techo Startup Center, the Ministry of Commerce, the Ministry of Industry, Science, Technology & Innovation, the Credit Guarantee Corporation of Cambodia, the CBC, and members of the Private Sector Advisory Bodies, including ACLEDA Bank, Advanced Bank of Asia Limited, Canadia Bank, Foreign Trade Bank of Cambodia, Sathapana Bank, AMK Microfinance Institution Plc, and BanhJi Fintech Co., Ltd. The working group is researching the development of a platform for the UTC project.



The kickoff meeting of the UTC pilot project between the NBC, the UN, and relevant ministries and institutions on May 3, 2024, at the NBC’s Sen Sok Building

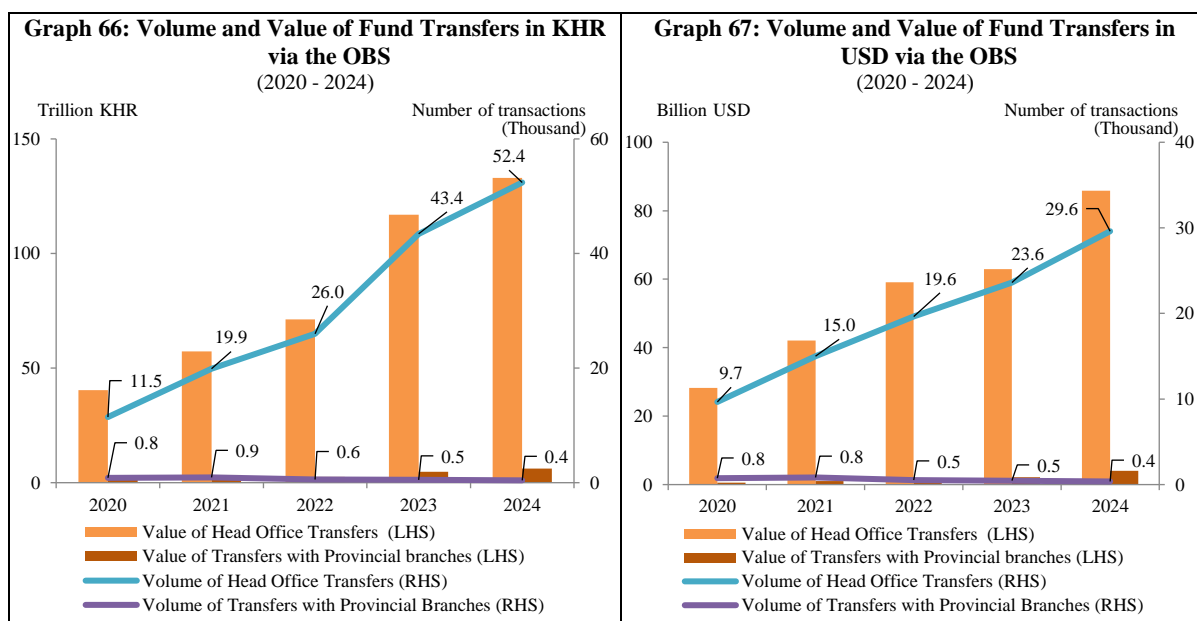
F- Payment Services

The payment system infrastructure developed by the NBC is divided into two types: the Large Value Payment System and the Retail Payment System.

❖ The Large Value Payment System

i) **The Online Banking System (OBS):** The OBS has 85 members, consisting of 57 commercial banks, 2 specialized banks, 4 MDIs, 3 MFIs, 18 payment service providers, and 1 government institution. In 2024, the OBS recorded 82.8 thousand transactions, totaling

KHR 507.6 trillion (an increase of 30.8% compared to that in 2023). Of these, 52.4 thousand were KHR transactions amounting to KHR 133.1 trillion (an increase of 13.8%) and 29.6 thousand were USD transactions totaling USD 85.8 billion (an increase of 36.4%) made between accounts at the NBC Headquarters. Meanwhile, transfers with provincial branches in KHR amounted to 410 transactions totaling KHR 6.2 trillion (an increase of 31%) and 366 transactions were made in USD amounting to USD 4 billion (an increase of 89.4%).



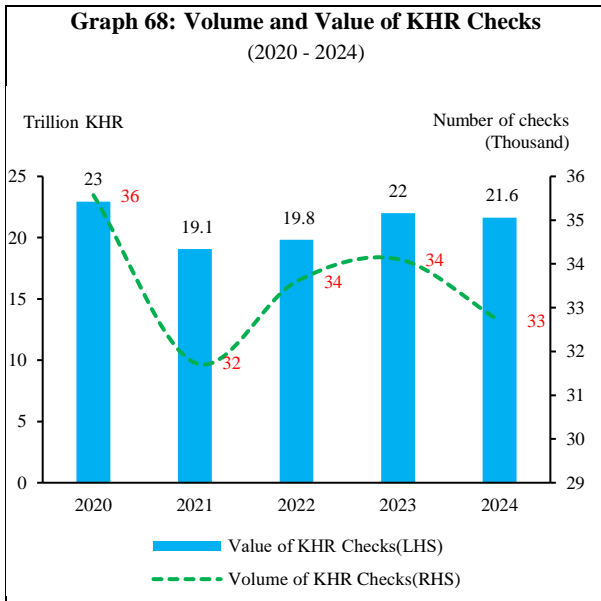
Source: NBC

ii) Bakong’s Large Value Payment System (Bakong LVPS): This system has been developed to facilitate interbank large-value payments, retail payment net settlements, and payments in financial markets. Bakong LVPS was rolled out on May 2, 2024, and currently, 39 institutions are participating in the system.

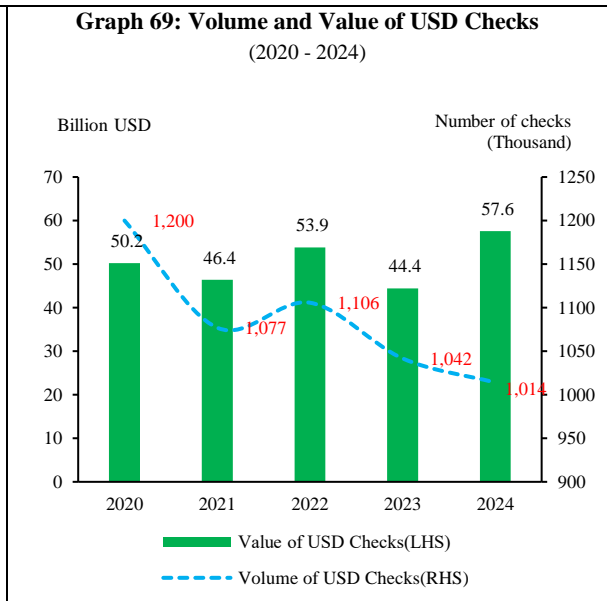
❖ **Retail Payment System:**

i) The National Clearing System (NCS): The NCS has 60 members (48 direct members and 12 indirect members) and operates two types of payment instruments checks and credit remittances, which are settled centrally at the NBC Clearing House. Physical checks are exchanged at the NBC Clearing House and at check exchange centers located in 7 NBC branches, including Siem Reap, Battambang, Kampong Cham, Preah Sihanouk, Banteay Meanchey, Svay Rieng, and Kampong Thom.

- **Checks:** In 2024, there were 33 thousand KHR check settlements (a decrease of 4.1% compared to that in 2023), with a value of KHR 21.6 trillion (a decrease of 1.6%). The volume of USD check settlements was 1.02 million (a decrease of 2.7% compared to that in 2023), with a value of USD 57.6 billion (an increase of 29.6%).

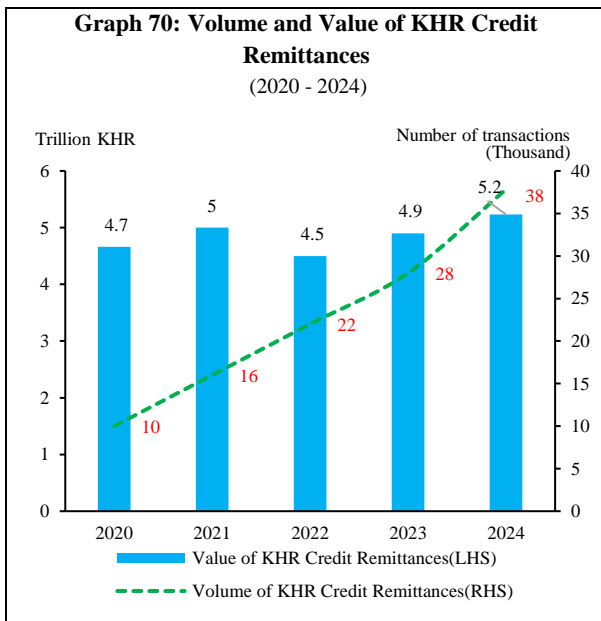


Source: NBC

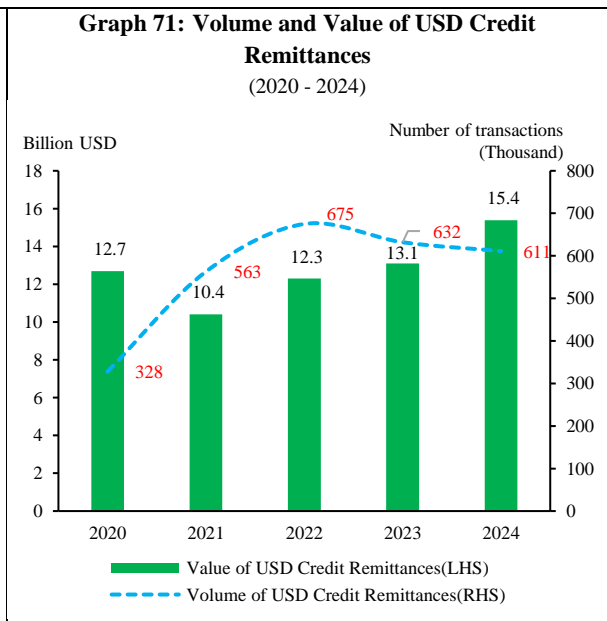


Source: NBC

- **Credit Remittances:** There were 38 thousand KHR transactions (an increase of 35.1% compared to that in 2023), valued at KHR 5.2 trillion (an increase of 6.7%). The volume of USD transactions was 611 thousand (a decrease of 3.3%), valued at USD 15.4 billion (an increase of 17.5%).



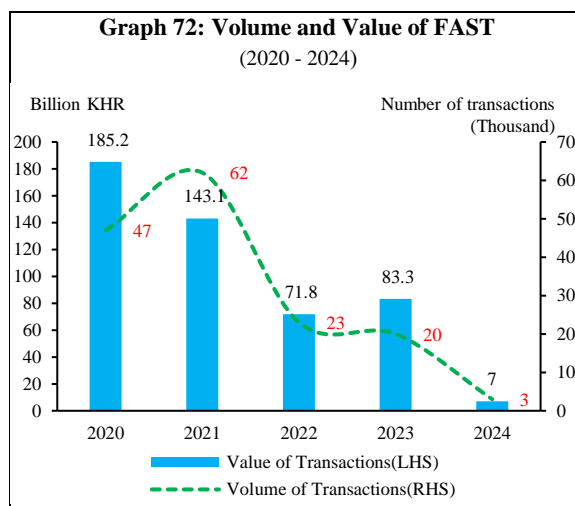
Source: NBC



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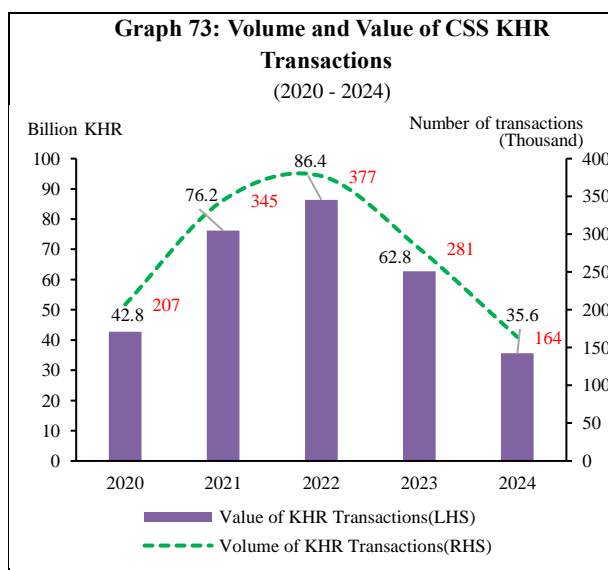
ii) The FAST System:

The FAST system allows the transfer of funds in KHR with a maximum amount of KHR 40 million per transaction. FAST has 57 members, 35 of which have officially launched, while 22 are in the integration phase. In 2024, FAST settled a total of 3,000 transactions (an 85% decrease compared to 2023), with a settlement value of KHR 7 billion (a 91.6% decrease).

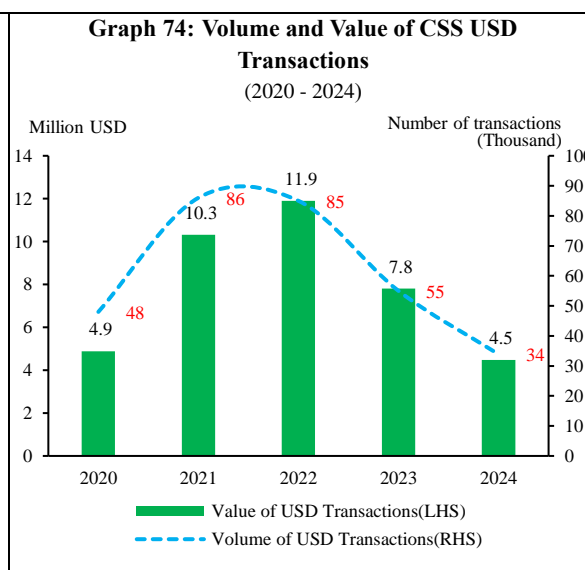


Source: NBC

iii) The Cambodian Shared Switch (CSS): The CSS has 61 members, 44 of which are operating the CSS (42 direct members and 2 indirect members), and 17 are in the integration phase. The CSS settled 164 thousand KHR transactions (a 41.7% decrease compared to 2023), with a value of KHR 35.6 billion (a 43.3% decrease compared to 2023). The volume of USD transactions was 34 thousand (a 38.4% decrease compared to 2023), with a value of USD 4.5 million (a decrease of 42.6%).

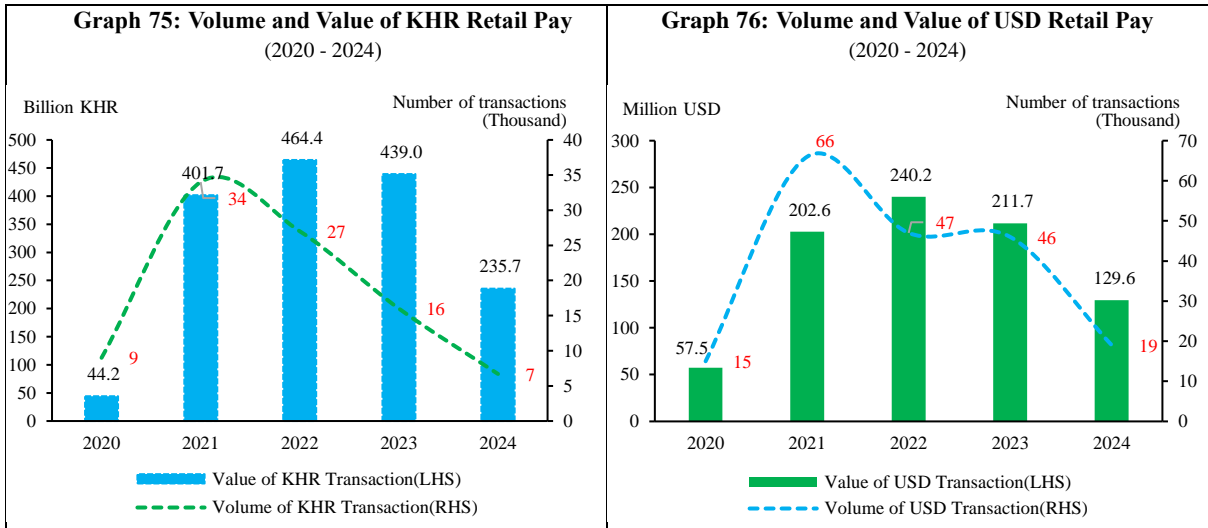


Source: NBC



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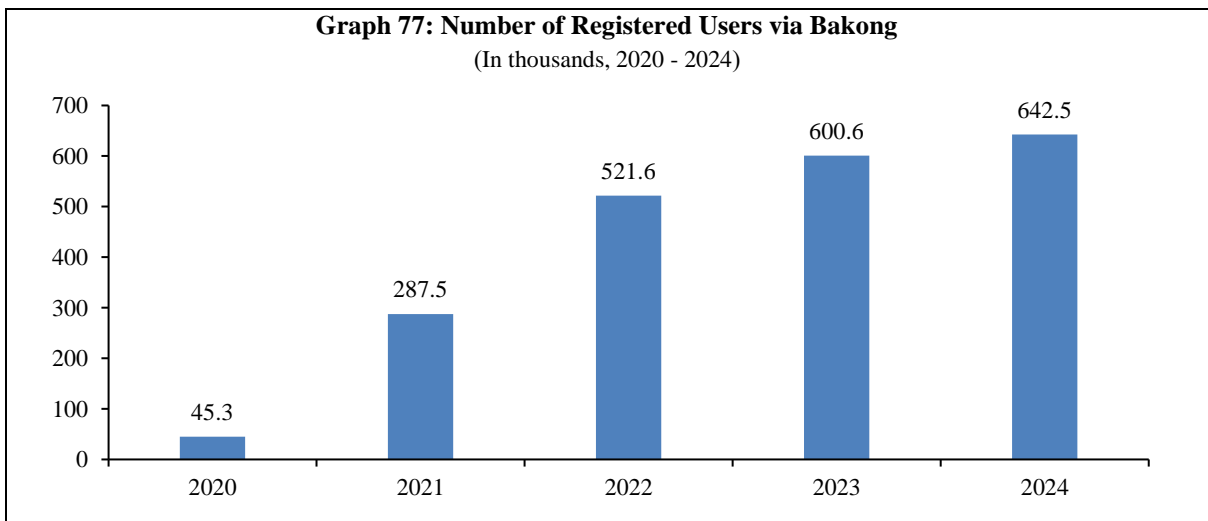
iv) Retail Pay: Retail Pay has 23 members, 15 of which are officially operating, and 8 are in the integration phase. In 2024, there were 7 thousand KHR transactions (a decrease of 58.1% compared to 2023) with a value of KHR 235.7 billion (a decrease of 46.3%). The volume of USD transactions was 19 thousand (a decrease of 58.6%), with a value of USD 129.6 million (a decrease of 38.8%).



Source: NBC

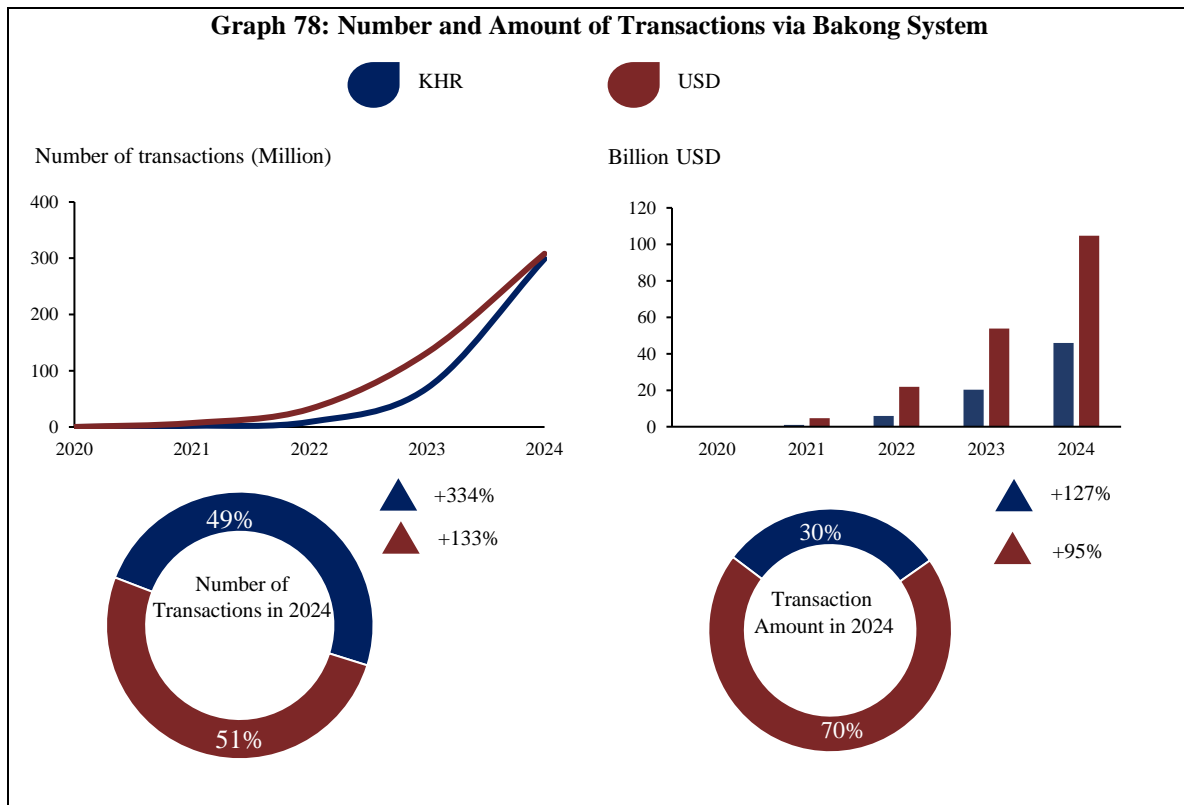
Source: NBC

v) The Bakong System: The Bakong system has a total of 69 members, 60 of which have officially launched, while 9 are in the integration stage. As of 2024, there were approximately 642.5 thousand registered users on the Bakong app, a 7% increase compared to 2023. Meanwhile, the number of customers with bank accounts/e-wallets at BFIs and payment service institutions who can make payments through Bakong (Customer Reached) reached 30 million, approximately 1.69 times the total population of Cambodia. Additionally, the Bakong system expanded its functionality with the introduction of the KHQR Code, a standardized QR code in Cambodia. By the end of 2024, banks had onboarded approximately 4.5 million merchant accounts that can accept payments through the KHQR Code (an increase of 36.4% compared to the end of 2023).



Source: NBC

The number of money transfers and payments made through the Bakong system reached 608.3 million, 299.3 million of which were in KHR (an increase of 334% compared to 2023) and 308.2 million were in USD (an increase of 133% compared to 2023). The total volume in KHR was KHR 183.7 trillion (an increase of 127% compared to 2023), approximately USD 104.8 billion (an increase of 95% compared to 2023), with the total volume in 2024 equaling 330% of the GDP. The use of KHR in the Bakong system has steadily increased since its launch.

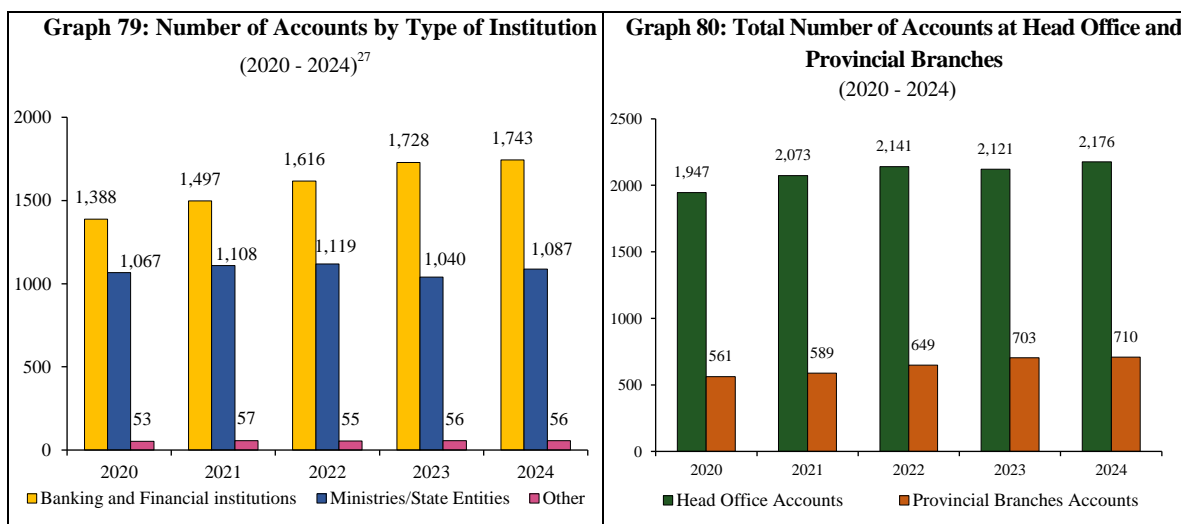


Source: NBC

2. Account Management Service

The NBC manages a total of 2,886 accounts, with 2,176 of these being at the Headquarters and 710 at provincial branches. In 2024, there was an increase of 62 accounts²⁶ (47 accounts from BFIs and 15 from ministries/state entities) compared to 2023.

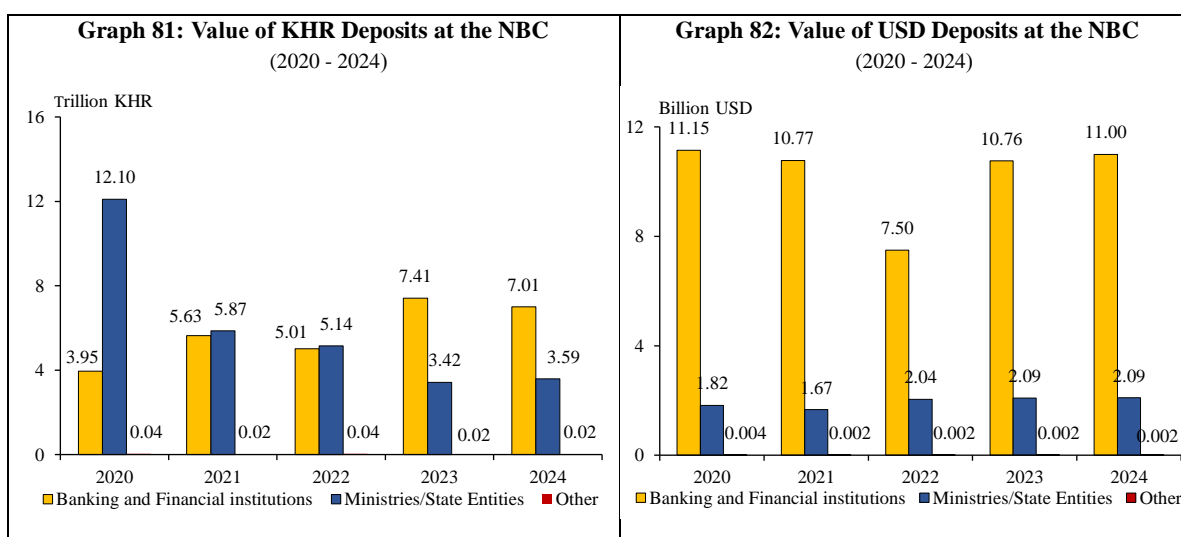
²⁶ A total of 205 accounts were opened, while 143 accounts were closed.



Source: NBC

Source: NBC

The KHR deposits of ministries/state entities, BFIs, and other entities at the NBC's head office and provincial branches decreased by KHR 0.2 trillion (a decrease of 2.2% from 2023), while USD deposits increased by USD 0.2 billion (an increase of 1.8%).



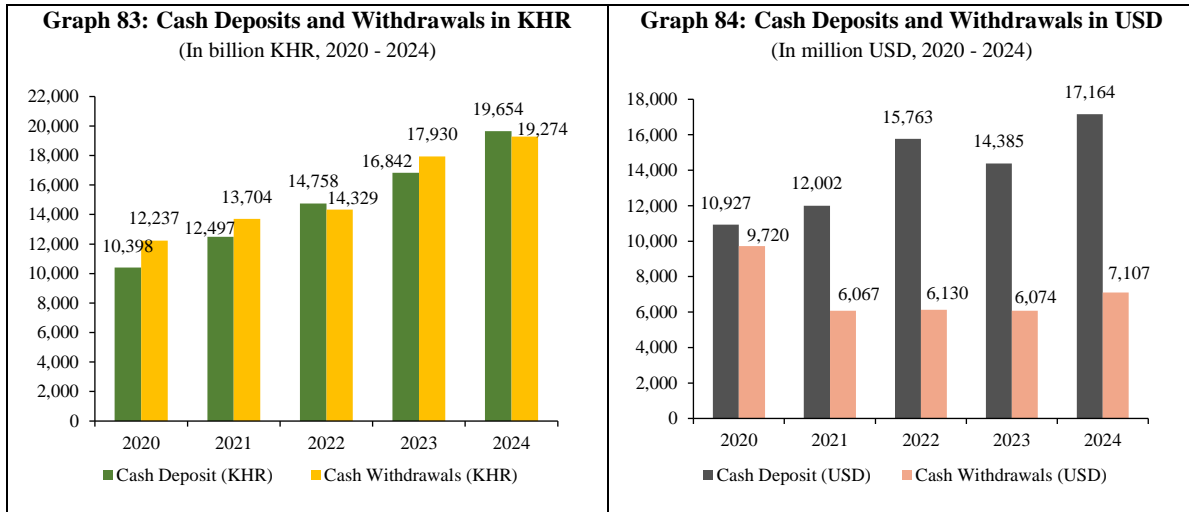
Source: NBC

3. Management of Banknotes

A- Teller Operation

Cash deposits and withdrawals in KHR amounted to KHR 19.6 trillion (an increase of 16.7%) and KHR 19.2 trillion (an increase of 7.5%), respectively. Meanwhile, cash deposits and withdrawals in USD amounted to USD 17.1 billion (an increase of 19.3%) and USD 7.1 billion (an increase of 17%), respectively.

²⁷ The number of accounts from 2020-2024 includes accounts at both the Head Office and provincial branches.

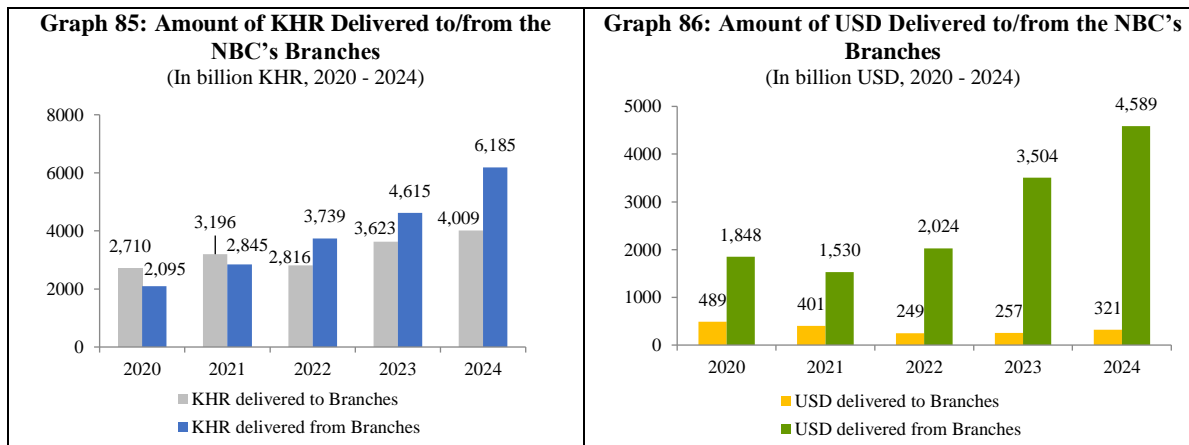


Source: NBC

B- Cash Management

To meet public demand, the NBC has continued to supply all types of new banknotes and regularly collects old, torn, and damaged banknotes. The bank has also enhanced the aesthetics and quality of banknotes to prevent counterfeiting and promote its use.

The amount of KHR banknotes supplied to the NBC's branches increased by 10.6% in 2024, while the return of old, torn, and excess KHR to the NBC's headquarters increased by 34%. Meanwhile, the supply of USD to the NBC's branches increased by 24.9%, and the return of USD to the NBC's headquarters increased by 31% compared to 2023.



Source: NBC

The exchange of old and torn banknotes for the public through the Bakong system has been implemented in Phnom Penh and 19 of the NBC's branches, culminating in 9,473 transactions, including a total of KHR 3.9 billion deposited into Bakong accounts and payments made through KHQR. Given the significant public engagement, this initiative is expected to lead to wider usage of KHR.



Exchange of old, torn banknotes to the public via the Bakong system on December 5, 2024 at Olympic Market, Phnom Penh



Banknotes saved in piggy banks were exchanged on August 27, 2024, at Boeung Keng Kang Market, Phnom Penh.

The Royal Government authorized the issuance of a commemorative banknote of KHR 200,000 to celebrate the 20th anniversary of the accession of His Majesty King Norodom Sihamoni of the Kingdom of Cambodia, which was put into circulation throughout the Kingdom of Cambodia on October 16, 2024.

NBC officials attended training courses on counterfeit USD banknotes organized by the following:

- the CIMB Bank in Singapore, titled “Understanding Counterfeit U.S. Dollars,” for the purpose of identifying counterfeit U.S. dollar banknotes from 1996 to 2004 on May 30, 2024, and
- Travelex Cash Transporter, titled “Examining Counterfeit USD,” at the IBS and the NBC’s branch in Siem Reap on August 13-15, 2024.

The Directorate General of Cash Management also organized a workshop titled “Security Features of KHR Banknotes,” with participation by officials from the NBC’s branches on October 14, 2024.



Participants learned to practice checking the security features of KHR banknotes during a workshop on “Security Features of KHR Banknotes.”

4. Management of License and Authorization of Money Changers, and License and Authorization to Conduct the Business of Precious Metals and Stones Import/Export

A- License and Authorization of Money Changer

Currently, there are 43 money changers licensed by the NBC (38 in Phnom Penh and 5 in provinces) and 3,288 authorized money changers (51 in Phnom Penh and 3,237 in provinces). In 2024, 1 new money changer was licensed, and 19 (1 in Phnom Penh and 18 in provinces) were authorized, while 5 money changer licenses and 25 authorizations were revoked.

B- The Licensing and Authorization of Money Changers to Conduct the Business of Precious Metals and Stones Import/Export

There are 12 companies licensed by the NBC to conduct the business of precious metals and stones import/export. In 2024, the NBC granted 21 gold export permits and 12 gold import permits. It is worth noting that applications for the export and import of precious metals and stones must be submitted through the Cambodia National Single Window.

Overall, the efficiency of the NBC's services has been continuously enhanced to facilitate the payment of goods and services in the economy, support the interoperability of BFIs, and manage the cash needs of the Royal Government. The payment system has continued to modernize and expand its connectivity with regional countries, thereby facilitating both domestic and international payments for Cambodians and international tourists. Cash management has also been carefully implemented to meet demand and support economic growth across the country. KHR banknotes have been continuously enhanced in terms of both aesthetics and quality to prevent counterfeiting and promote the use of KHR. Meanwhile, the management of money changers and the business of precious metals and stones import/export has continued to be effectively regulated.

VI. Anti-Money Laundering and Combating the Financing of Terrorism

The CAFIU has diligently fulfilled its core responsibilities, which include operational analysis, supervision of reporting entities, national and international cooperation, and conducting training and dissemination activities. These efforts are essential for the effective implementation of laws and regulations regarding focused Anti-Money Laundering and Combating the Financing of Terrorism (AML/CFT) in Cambodia.

In 2024, the Board of Directors of CAFIU convened three meetings to evaluate the progress of its operations and provide strategic recommendations aimed at enhancing efficiency, particularly concerning the timely completion of the national risk assessment.

Meanwhile, CAFIU has continued to lead and collaborate with relevant ministries and institutions to conduct the national risk assessment on AML/CFT and Financing the Proliferation of Weapons of Mass Destruction. Two critical phases of the assessment have been completed, and the process is currently in the third phase, which involves consolidating findings and preparing an executive summary for submission to the National Coordination Committee on AML/CFT and Financing the Proliferation of Weapons of Mass Destruction.



The 56th CAFIU Board of Directors Meeting on January 24, 2024, at CAFIU's Building.



The 57th CAFIU Board of Directors Meeting on June 12, 2024, at CAFIU's Building.

1. Supervision of Reporting Entities

CAFIU continues to enhance its oversight of reporting entities to ensure compliance with AML and CFT laws and regulations through a risk-based supervision approach. In 2024, CAFIU conducted on-site inspections of 42 reporting entities, identified deficiencies, and provided recommendations for corrective measures.

Off-site supervision of reporting entities is conducted regularly by monitoring the outcomes of risk assessments related to money laundering and terrorist financing, tracking the implementation of recommendations from on-site inspections, and reviewing the results of internal supervision and audits. Furthermore, CAFIU has placed significant emphasis on assessing the qualifications of compliance officers, recognizing a total of 98 officers from various sectors, including commercial banks, specialized banks, deposit-taking microfinance institutions, non-deposit-taking microfinance institutions, payment service providers, financial leasing institutions, insurance companies, securities firms, real estate companies, trust companies, auditing firms, and casinos.

2. The Analysis and Submission of Reports

CAFIU has closely monitored the implementation of reporting obligations for cash transactions and suspicious transactions by reporting entities, in accordance with Article 12 of the 2020 Law on AML/CFT. In 2024, reports on cash transactions decreased by 15%²⁸, while reports on suspicious transactions declined by 16%²⁹ compared to 2023. Additionally, CAFIU organized meetings with 80 reporting entities to facilitate their connection to the reporting system. These meetings aimed to provide guidance and support, emphasizing the importance of fulfilling compliance obligations related to AML and CFT, particularly ensuring timely and high-quality reporting.

3. CAFIU's Cooperations

A- Domestic Cooperation

CAFIU convened eight meetings of the Sub-committee on National Risk Assessment concerning money laundering, terrorism financing, and proliferation financing (ML/TF/PF) to discuss the progress and challenges of each module related to the assessment of vulnerabilities, threats, and risks, as well as the validation of information from international organizations, with representatives from 22 relevant ministries and institutions. As a result, the working groups responsible for each module have completed Phase 2 and submitted their reports to CAFIU for consolidation into the National Risk Assessment report.

Additionally, CAFIU has amended and signed a new memorandum of understanding (MOU) with the General Department of Taxation regarding information exchange for tax purposes.

²⁸ December data is forecasted by averaging CTR over 11 months of 2024.

²⁹ December data is forecasted by averaging STR over 11 months of 2024.

CAFIU is also in discussions to sign MOUs on information exchange related to AML/CFT with the Real Estate Business and Pawn Shop Regulator, the Commercial Gambling Management Commission of Cambodia, the Insurance Regulator of Cambodia, and the Trust Regulator.

B- International Cooperation

In collaboration with the Financial Action Task Force (FATF) and the Asia/Pacific Group on Money Laundering (APG), CAFIU has continuously worked with relevant ministries and institutions to implement measures in accordance with APG's recommendations in the 2017 Mutual Evaluation Report. CAFIU has prepared the 6th Cambodia Follow-Up Report on AML/CFT for submission to the APG Secretariat regarding the implementation of FATF's recommendations.



The 2024 Asia/Pacific Group on Money Laundering Annual Meeting and Technical Assistance & Training Forum will take place from September 23-27, 2024, in Abu Dhabi, United Arab Emirates.

Moreover, CAFIU participated in various working group meetings, including i) Mutual Evaluation Committee meeting, ii) Governance Committee meeting, iii) Operational Committee meeting, iv) APG Working Group on Virtual Assets and Virtual Asset Service Providers (VAs/VASPs), and v) the 2024 Typology Workshop. CAFIU also participated in conferences and training courses.

CAFIU monitored, studied, and provided inputs to the APG Secretariat and FATF on several topics, including i) the VAs/VASPs pilot project, ii) the Draft APG 4th Mutual Evaluation procedure, iii) the FATF surveys on Recommendation 15 (R.15), iv) the FATF questionnaires on National Risk Assessment on ML/TF/PF, v) progress on the implementation of measures for high-risk countries requiring countermeasures and increased monitoring (High-Risk Jurisdictions Questionnaires), and vi) coordinating the preparation of technical assistance requirements with relevant ministries and institutions.

The Egmont Group: As a member of the Egmont Group, CAFIU participated in two annual meetings, including the 2024 Egmont Group and the Asia/Pacific Regional Group meeting and the 30th Egmont Group Plenary.



2024 Egmont Working and Regional Group Meeting will be held from January 29 to February 2, 2024, in St. Julian's, Malta.



The 30th Egmont Group Plenary is scheduled for June 2-7, 2024, in Paris, France.

These meetings discussed the project progress of the four working groups, including i) the Information Exchange Working Group, ii) the Technical Assistance and Training Working Group, iii) the Membership Support and Compliance Working Group, and iv) the Policy and Procedure Working Group. The meeting parties also shared knowledge and experience regarding the new generation of financial intelligence units utilizing artificial intelligence technology, as well as strategies for strengthening and retaining human resources to perform core functions.

The Financial Intelligence Consultative Group (FICG): CAFIU participated in the 2024 FICG Plenary, which was organized with the objective of enhancing cooperation and discussing initiatives and innovations in response to regional threats.



The FICG Plenary 2024 which took place from May 21-24, 2024, in Melbourne, Australia.

Additionally, CAFIU attended the FICG meeting and engaged in a discussion with representatives of the Australian Transaction Report and Analysis Centre (AUSTRAC) on work progress among members in ASEAN, Australia, and New Zealand, sharing updates on various research projects organized by FICG. CAFIU co-organized a cultural program with AUSTRAC to strengthen regional cooperation.

CAFIU, together with FICG and the Financial Transactions and Reports Analysis Centre of Canada (FINTRAC), conducted a workshop on combating the laundering of proceeds from illegal wildlife trafficking and provided inputs into various FICG research projects.

Furthermore, CAFIU co-organized a regional conference in Siem Reap on the use of AML/CFT in investigating art and antiquities criminality with the EU Global Facility and APG.



Regional Conference on “The Use of AML/CFT in the Investigation of Art and Antiquities Criminality”
which held from November 27-29, 2024,
in Siem Reap

4. Training

CAFIU officials attended training courses, both locally and abroad, organized by national and international institutions through online and in-person participation on key topics such as the national risk assessment on the proliferation of weapons of mass destruction, analysis of financial intelligence information in the Mekong Region, financial crime investigation, cybersecurity, enhancing the fight against financial crime, FATF standards on supervision, and compiling major case offenses, among others.

In 2024, CAFIU organized a total of 24 workshops and training courses on international standards, laws, and regulations against ML/TF for its officials, as well as for officials of the NBC, individual regulators, reporting entities, and academic institutions. Additionally, CAFIU participated as a panelist in 22 workshops co-organized by the Non-Banking Financial Services Authority, the Securities and Exchange Regulator of Cambodia, the Insurance Regulator of Cambodia, and the Commercial Gambling Management Commission of Cambodia.



**Dissemination Workshop on AML/CFT
for students at the National University of Management,
which was held on May 7, 2024,
at the National University of Management**



**Training on International Standards, and Laws and
Regulations on Anti-Money Laundering and Terrorist
Financing for NBC officials
which was held on May 10, 2024,
at the IBS.**

Overall, CAFIU consistently performed its core functions responsibly by retrieving cash transaction and suspicious transaction reports from reporting entities, monitoring reporting entities, strengthening and expanding cooperation with relevant ministries and national and international institutions, and helping its officials build capacity. Simultaneously, CAFIU has continued to lead and collaborate closely with relevant ministries and institutions on the national risk assessment of ML/TF and the financing of the proliferation of weapons of mass destruction.

VII. International Cooperation

1. Multilateral Cooperation

Strengthening and expanding cooperation with international institutions remains crucial for enhancing integration, bolstering the financial safety net, and improving access to technical assistance and human resource development.

- **The ASEAN Cooperation:** Under ASEAN’s 2024 theme of “Strengthening ASEAN Connectivity and Resilience,” with Laos as the rotating chair, the NBC contributed to supporting and enhancing ASEAN financial integration and recorded key achievements, which included i) developing the ASEAN multilateral payment connectivity framework, ii) creating and disseminating the “ASEAN Taxonomy for Sustainable Finance – Version 3,” iii) developing the “Implementation Guideline to Strengthen Digital Financial Literacy in ASEAN,” iv) introducing the ASEAN local currency transactions framework, v) launching various initiatives to implement the ASEAN Economic Community vision and plan for 2025 and beyond, vi) achieving the 21 annual priorities set by the ASEAN Working Groups for 2024, and vii) enhancing the role of MSMEs as the backbone of the ASEAN economy. Additionally, discussions were held regarding the ASEAN Swap Arrangement (ASA) to strengthen the ASEAN financial safety net alongside existing mechanisms within the ASEAN+3 framework.



H.E. Rath Sovannorak, Deputy Governor of the NBC, led the delegation to attend the 28th ASEAN Senior Level Committee on Financial Integration from September 19-20, 2024, in Danang, Vietnam.

- **ASEAN+3 Cooperation:** The NBC continued to participate in the ASEAN+3 Cooperation under the rotating co-chairmanship of Laos and the Republic of Korea in 2024. Key accomplishments include i) establishing a Rapid Financing Facility (RFF), a new financing mechanism to urgently balance payment needs under the Chiang Mai Initiative Multilateral Agreement (CMIM), ii) updating CMIM’s Operational Guidelines, iii) developing

a unified local currency margin structure for loans in the region, iv) reaching a consensus on preparing for the 15th CMIM test run focusing on the decision-making process for crisis prevention mechanisms, v) implementing AMRO’s Strategic Direction 2030 and preparing the New Partnership Strategy 2030, vi) strengthening AMRO’s capacity to monitor the economic situation and enhance research tasks in greater depth, vii) reviewing AMRO’s work plan and selecting the 3rd Deputy Director for research and monitoring of the economic situation, viii) implementing the roadmap under the ASEAN Medium-Term Bond Market Initiative 2023-2026, and ix) electing the Secretary General of the Natural Disaster Risk Financing Initiative.



H.E. Dr. Chea Serey, Governor of the NBC, led the delegation to attend the 27th ASEAN+3 Finance Ministers’ and Central Bank Governors’ Meeting on May 3, 2024, in Belize, Georgia.

- The South East Asian Central Banks Research and Training Center: In 2024, the NBC concluded its tenure as chair of the South East Asian Central Banks (SEACEN) Board of Governors (BOG) and the SEACEN Executive Committee (EXCO), handing over the chairmanship to the Reserve Bank of India for the next term. Mrs. Cynyoung Park was appointed as the new SEACEN Center executive director for a three-year tenure following Dr. Mangal Goswami’s term. The SEACEN Center has been instrumental in offering training courses and conducting research on central bank operations. The NBC has dispatched officials to participate in various training programs, such as capital flow management, liquidity risk management, monetary policy, and macro-prudential policy. The NBC also organized two training courses: i) flexible leadership and ii) monetary policy and financial stability forecasting. In 2024, the SEACEN Center organized 32 training courses and two research projects, as well as seminars on capital flow management through research and online meetings.



H.E. Dr. Chea Serey, Governor of the NBC, participated as a key speaker at the SEACEN 60th Governors Conference/High-Level Seminar on December 6, 2024, in Seoul, the Republic of Korea.



H.E. Sum Sannisith, Deputy Governor of the NBC, presided over the opening ceremony of the training course on “Flexible Leadership” on March 5, 2024, at the Hyatt Regency Phnom Penh Hotel.

- **The International Monetary Fund (IMF):** In addition to its ongoing monitoring and assessment of Cambodia’s macroeconomic and financial conditions, the IMF has continued to offer technical assistance and capacity development to the NBC. In 2024, the IMF provided various technical assistance, including enhancing the RPPI and external sector statistics and promoting monetary operations and foreign exchange markets. During the same period, the IMF co-organized the 11th Macroeconomic Conference and continued to offer scholarships to NBC officials for higher education with support from the Japanese government. Furthermore, the NBC co-chaired the Advisory Committee Meeting of the IMF’s Capacity Development Office in Thailand (CDOT) to review the implementation of the annual work plan, with a particular emphasis on the state of technical assistance project implementation in member countries. As a result of the meeting, the NBC has received assistance in the following areas: i) enhancing the collection of foreign sector statistics, ii) conducting monetary and foreign exchange operations, and iii) developing the Cambodian macroeconomic framework.



H.E. Dr. Chea Serey, Governor of the NBC, received a courtesy visit from the Article IV mission team, led by Mr. Kenichiro Kashiwase, the new IMF Mission Director for Cambodia, on September 17, 2024, at the NBC, Wat Phnom.

- **The Asian Development Bank:** The Asian Development Bank (ADB) has continued to support the NBC and the Royal Government of Cambodia by providing i) technical assistance in drafting the FSDS 2021-2030, which is led by the NBC and scheduled for completion in early 2025, and ii) technical support in preparing the Sustainable and Inclusive Financial Sector Development Project, a policy-based financing program with three subprograms. Subprogram 1 will be implemented in 2025 with a total budget of USD 50 million, focusing on climate risk-related regulatory reform, financial stability, market development, and consumer protection, with participation by the Ministry of Economy and Finance, the Non-Bank Financial Services Authority, and the Securities and Exchange Regulator of Cambodia.



H.E. Dr. Chea Serey, Governor of the NBC,
attends the FSDS 2021-2030 committee meeting on August 1, 2024,
at the NBC's Sen Sok Building.

- **The World Bank:** The World Bank (WB) has continued to strengthen cooperation, particularly in international reserve management under its Reserve Advisory and Management Partnership (RAMP) Program, which provided capacity building for NBC's reserve management officials and developed a governance and risk management framework aimed at balancing profits and risks. Additionally, the NBC has received technical assistance for a two-year project on "Supporting Financial Stability and Inclusion in Cambodia."

- **Central Banks of the French-Speaking Countries (Francophone):** The NBC has maintained cooperation with 84 Francophone member countries (including 54 official members, four unofficial members, and one observer) through participation in the Annual Conference of Central Bank Governors of the French-speaking Countries (Francophone) under the theme of "Climate Change" in Brussels, Belgium. During this occasion, the governor of the NBC was invited to share Cambodia's experiences in green finance, the

implementation of sustainable finance in the banking system, and the investment of international reserves in green bonds. At the meeting, the NBC governor expressed support and solidarity toward international financial institutions and funds, as well as developed countries, in conducting green finance and green investment projects through the purchase of green bonds. The NBC has been entrusted with hosting the Francophone Summit for the third time in 2026; previously hosted in 2011, and for the first time in 2002.



H.E. Dr. Chea Serey, Governor of the NBC, attended the Annual Conference of the Central Bank Governors of French-speaking Countries (Francophone) under the theme of “Climate Change,” from May 30-31, 2024, in Brussels, Belgium.

BOX 1: Multilateral Cooperation with Other Institutions

- The Japan International Cooperation

Agency (JICA): The NBC has extended cooperation with JICA to implement a project aimed at enhancing the capacity for economic analysis and research, as well as monetary policy operations. Under this project, JICA provided training courses in Japan on “Central Bank Survey” and “Improving the Practice of Data Management and Economic Analysis using Dashboard” in Siem Reap for NBC officials. JICA’s technical experts completed their missions three times at the NBC, thoroughly evaluating digital transformation in Cambodia.



A meeting took place between Dr. Khou Vouthy, Director General of Policy and International Cooperation, and Mr. Tabata Hidetaka, Director of the International Cooperation Division of the Ministry of Finance (Japan), to discuss economic, financial, and banking conditions on November 19, 2024, at the NBC.

- **The Alliance for Financial Inclusion (AFI):** The NBC participated in the Annual General Meeting and AFI Global Policy Forum held in El Salvador to discuss AFI’s operational sustainability, support for technical assistance to member countries, and the establishment of a representative office, as well as transformation into an intergovernmental organization. The theme “Innovation for An Inclusive World” was also discussed, with emphasis placed on policies and measures to address the challenges in improving financial inclusion, maintaining financial stability, promoting consumer rights and market performance, advancing green financing and climate initiatives, and promoting financial inclusion for women. Additionally, AFI continued to provide support in updating the roadmap on “Financial Literacy Roadmap 2023-2028,” enabling the promotion of financial literacy and digital finance. Furthermore, the NBC and AFI collaborated to develop a data collection framework on financial inclusion to identify gaps preventing women from accessing financial services. Consequently, BFIs are mandated to implement financially inclusive policies and report to the NBC quarterly, starting from the third quarter of 2024.



H.E. Rath Sovannorak, Deputy Governor of the NBC, led the delegation to attend the Annual General Meeting and the Global Policy Forum of the AFI, held from September 2-5, 2024, in El Salvador.

- **The UNDP:** The UTC project, initiated by the UNDP and other stakeholders, will be launched in Cambodia to establish a robust data platform tailored for MSMEs to address challenges, particularly access to formal financing from BFIs. This initiative will enhance the ability of MSMEs to export their products to partner countries. Additionally, the NBC and UNDP co-organized a workshop on “Tackling Digital Scams in Cambodia” to i) provide a



A workshop on “Tackling Digital Scams in Cambodia” was held on September 26, 2024, at NBC.

common understanding of the trends and impacts of digital scams globally and in Cambodia, ii) review public, private, and community anti-scam initiatives to bridge gaps and increase opportunities for improved collaboration, and iii) identify next steps, including liaising with relevant institutions globally and preparing case studies in line with international best practices.

- **The United Nations Economic and Social Commission for Asia and Pacific (UNESCAP):**

The NBC and UNESCAP jointly organized training programs for women entrepreneurs in Kampong Cham and Kratie provinces to promote digital financial literacy for women entrepreneurs and female students.

Moreover, the NBC held discussions with UNESCAP about cooperation to support and promote women entrepreneurs, as well as draft a roadmap for sustainable financing in Cambodia.

- **The International Finance Corporation (IFC):**

NBC’s management presided over trainings on “Cambodia Green Finance,” organized by ABC and the IFC, to provide a conceptual foundation related to green finance and other financial opportunities for BFIs in Cambodia. Simultaneously, the IFC collaborated in developing an efficient and trustworthy

Cambodia Supply Chain Finance Market to strengthen access to finance for businesses in Cambodia, particularly small and medium-sized enterprises (SMEs), by organizing a series of training courses for NBC officials and BFIs to enhance their understanding of factoring services, collateralized financing, and financial



A meeting between H.E. Dr. Chea Serey, Governor of the NBC, and Mrs. Armida Salsiah Alisjahbana, Under Secretary General of the United Nations and Executive Secretary of UNESCAP, on January 22, 2024, at the NBC, Wat Phnom.



H.E. Yim Leat, Deputy Governor of the National Bank of Cambodia, chaired a seminar on “Green Finance in Cambodia” on October 17, 2024, at the Hyatt Regency Phnom Penh Hotel.

supply chain market development. Additionally, the IFC supported the NBC in strengthening consumer protection by i) providing technical assistance in drafting regulations and supervision related to consumer protection, ii) collaborating with associations, stakeholders, and BFIs to build staff capacity and strengthen self-regulation, iii) promoting an independent mechanism to resolve complaints and disputes in the banking sector or the Financial Consumer Center, and iv) supporting work related to consumer protection for BFIs.

- **The Economic Research Institute for ASEAN and East Asia (ERIA):**

The NBC and ERIA signed an MoU on “Cooperation for Developing a Strategy for Green Digital Finance in Cambodia,” aiming to establish a capacity-building framework through workshops to discuss and consult on green innovation and digital transformation. The MoU also aims to explore opportunities for developing

ESG principles and green digital finance in Cambodia, as well as to implement joint research projects on green digital finance. Additionally, the two parties jointly organized a consultative workshop on “Green Digital Finance in Cambodia” to provide a forum for discussing the current practices and challenges of green financing faced by BFIs and related entities; this played a vital role in gathering data on relevant issues for research and promoting the use of digital technology to enhance green financing.



H.E. Yim Leat, Deputy Governor of the NBC, and Dr. Aladdin D. Rillo, Managing Director for Policy Design and Operations of the ERIA, presided over the Consultative Workshop on “Green Digital Finance in Cambodia” on October 28, 2024, in Siem Reap.

2. Bilateral Cooperation

The NBC continues to strengthen and expand bilateral cooperation with central banks and monetary authorities in the region and around the world. Key achievements include the following:

- Bank Negara Malaysia (BNM):

The NBC and Bank Negara Malaysia held a bilateral meeting to enhance cooperation in the banking sector, review the progress of previous collaborations, and sign an MoU on cooperation in Financial Innovation and Payment Systems to promote efficient and secure cross-border payments in local currency. The meeting and ceremony were held in Kuala Lumpur, Malaysia.



The MoU signing ceremony between the NBC and BNM, presided over by Samdech Moha Borvor Thipadei Hun Manet, Prime Minister of the Kingdom of Cambodia, on February 27, 2024, in Kuala Lumpur, Malaysia.

- **The National Bank of Georgia (NBG):** The NBC and NBG signed an MoU and held a bilateral meeting in Tbilisi, Georgia. Both parties exchanged views on global economics, banking sector development, monetary policy, financial stability, and financial sustainability.



The bilateral meeting and signing of the MoU
May 3, 2024, in Tbilisi, Georgia.

- **The Bank of the Lao P.D.R (BOL):** Officials from BOL conducted a study visit at the NBC to gain insights on topics including i) printing large denomination banknotes, ii) administering secure and centralized databases, iii) managing a central bank's accounts and

finance, iv) creating a monetary policy framework, v) managing exchange rates, vi) licensing BFIs, and vii) developing a central bank’s payment system. Furthermore, NBC officials also conducted a study visit at BOL to share their experiences on topics such as i) de-dollarization, ii) payment system oversight related to financial technology (FinTech) and crypto exchange, iii) regulatory and supervisory frameworks for leasing companies, iv) intervention in the foreign exchange market and issuance of government and central bank securities, and v) collaboration on the on-site inspection of Cambodian commercial bank branches operating in Laos.



The study visits of BOL officials from January 17-20, 2024, at the NBC



The study visits of NBC officials from September 11-13, 2024, at the BOL

- **The Royal Monetary Authority of Bhutan (RMAB):** Officials from RMAB visited the NBC to gain insights on topics including i) exchange rate policy implementation, ii) monetary policy, iii) liquidity management, and iv) the NBC’s role in ASEAN financial integration.

- **The Monetary Authority of Singapore:** Cambodia and Singapore announced the launch of the FTC initiative on June 18, 2024. The FTC commemoration event was held at Istana, Singapore, presided over by Samdech Moha Borvor Thipadei Hun Manet, Prime Minister of the Kingdom of Cambodia, and H.E. Lawrence Wong, Prime Minister of Singapore. This initiative aims to establish a consent-based digital infrastructure and network between financial institutions in Singapore and Cambodia, catalyzing increased trade and cross-border financial services between SMEs in both countries,



The launch of the Financial Transparency Corridor initiative between Cambodia and Singapore was presided over by Samdech Moha Borvor Thipadei Hun Manet, Prime Minister of the Kingdom of Cambodia on June 18, 2024, at Istana, Singapore.

while enabling participating financial institutions to make better credit risk assessments and facilitate greater availability of financing for SME trade.

- **The Banco Central de Timor-Leste (BCTL):** The NBC and BCTL signed an MoU to strengthen technical cooperation between them through information and experience sharing and capacity building for both central banks' staff.



The signing of an MoU between Banco Central de Timor-Leste and the NBC on July 22, 2024, at Sofitel Phnom Penh Phokeethra.

- **The Bangko Sentral ng Pilipinas (BSP):** The NBC and BSP signed an MoU in Siem Reap, Cambodia, to foster closer cooperation and provide a clear framework for facilitating bilateral ties and enhancing cooperation in central banking, payment connectivity and innovation, digital financial innovation, banking supervision, human resource development, and other areas of mutual interest.



The signing of an MoU to strengthen cooperation between the two central banks on August 19, 2024, in Siem Reap

- **The National Bank of Rwanda (NBR):** In response to an invitation from the governor of the NBR, the NBC participated in the 60th anniversary of the NBR as a panelist in a discussion on “Promotion of Financial Inclusion as a Foundation for Sustainable Development,” sharing experiences regarding the launch of the Bakong Payment System, the technical model of KHQR, and cross border payments.



H.E. Rath Sovannorak, Deputy Governor of the NBC, as a panelist in the discussion on “Promotion of Financial Inclusion as a Foundation for Sustainable Development” on June 7, 2024, in Kigali, Rwanda.

- **The Central Bank of Lesotho (CBL):** Officials from CBL conducted a study visit at the NBC to acquire knowledge on the payment system development process in Cambodia. The visit focused on technology and regulatory frameworks, the establishment of the payment system infrastructure, and operational flow to enable more developed and inclusive interbank transactions.



CBL officials on a study visit at the NBC Sen Sok Branch to learn about the development process of the payment system in Cambodia from October 30 to November 1, 2024.

- **The National Bank of the Republic of Belarus (NBRB):** The board of directors of the NBRB visited the NBC, requesting an expansion of cooperation between both parties through the implementation of an MoU for information exchange and study visits to enhance knowledge sharing and capacity building for both central banks' staff.

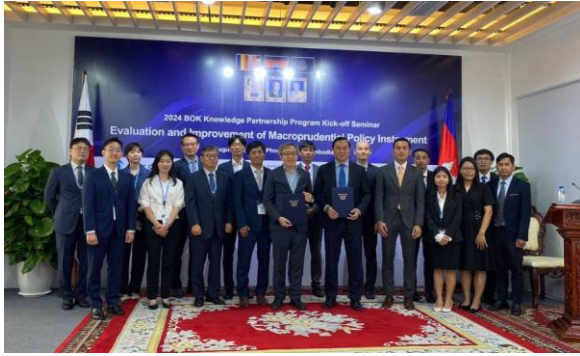
- **The State Bank of Vietnam (SBV):** The 2024 bilateral meeting was held in Hanoi, Vietnam, focusing on reviewing the macroeconomic and banking sector development progress of both central banks and setting goals for strengthening future bilateral cooperation.



The annual bilateral meeting with SBV on November 29, 2024, in Hanoi, Vietnam.

- **The Bank of Indonesia (BI):** The NBC and BI signed an MoU on bilateral cooperation to develop frameworks to i) facilitate cooperation among related parties, and ii) cooperate on the development of cross-border payments between the two countries, promoting more efficient and secure cross-border payments while supporting digital finance innovations.

- **The Bank of Korea (BOK):** The NBC and BOK have continued their joint research cooperation under the “Knowledge Partnership Program.” In 2024, the two central banks successfully completed the joint research titled “Evaluation and Improvement of Macroprudential Policy Instruments in Cambodia” and organized a seminar to share and disseminate the research outcomes.



Dr. Khou Vouthy, Director General of Policy and International Cooperation, attended the seminar on “Evaluation and Improvement of Macroprudential Policy Instruments” under the “Knowledge Partnership Program” with the BOK on October 8, 2024, in Incheon, the Republic of Korea.

In summary, the NBC has made significant progress in bilateral and multilateral cooperation with other central banks, international financial institutions, and development partners by signing MoUs, sharing knowledge and experience, conducting collaborative research, participating in the assessment and monitoring of financial and economic situations, and implementing technical assistance projects. These collaborations have yielded numerous benefits, particularly in capacity building for our staff and organization, enabling us to fulfill our roles as a central bank in alignment with trends and advancements in the global financial sector and technology. Additionally, it has improved our involvement in enhancing communication and interconnectivity, particularly in strengthening the financial safety net of Cambodia.

VIII. The Internal Management of the NBC

1. The Composition and Activities of the Board of Directors

The Composition of the Board of Directors



H.E. Chea Serey

Governor

Chairman



H.E. Sum Sannisith

Deputy Governor

Member



H.E. Huot Pum

Representative of

Head of the Royal Government

Member



H.E. Ros Seilava

Representative of the Ministry of

Economy and Finance

Member



Mrs. Eng Netra

Representative of Academia

Member



Mr. Lay Mengsun

Representative from the Private Sector

Member



Mr. Mom Dareth

Representative of NBC Staff

Member

The board held six meetings in 2024:

- The 162nd meeting was held on January 24, 2024, during which the draft for establishing the audit committee to inspect the NBC's accounting records for 2023 and the request to establish branches of the NBC in Mondulkiri, Preah Vihear, and Tboung Khmum provinces were reviewed and approved.
- The 163rd meeting took place on February 20, 2024, where the draft report on the NBC's budget for 2023, the budget plan for 2024, and the draft investment policy for reserve management were reviewed and approved.
- The 164th meeting was held on June 26, 2024, during which the draft of the NBC's semi-annual report and the target for the second semester of 2024 were reviewed and approved.
- The 165th meeting took place on August 2, 2024, where the report on the status of restructured loans and loans to the real estate sector in the Cambodian banking system, as well as the coordination of U.S. dollar banknotes with BFIs in Siem Reap, were discussed.
- The 166th meeting was held on November 18, 2024, during which the draft Prakas on the structure and functions of the Directorate General of Supervision and Cash General was reviewed and approved.
- The 167th meeting took place on December 23, 2024, where the draft of the NBC's annual report for 2024 and the work plan for 2025 were reviewed and approved.

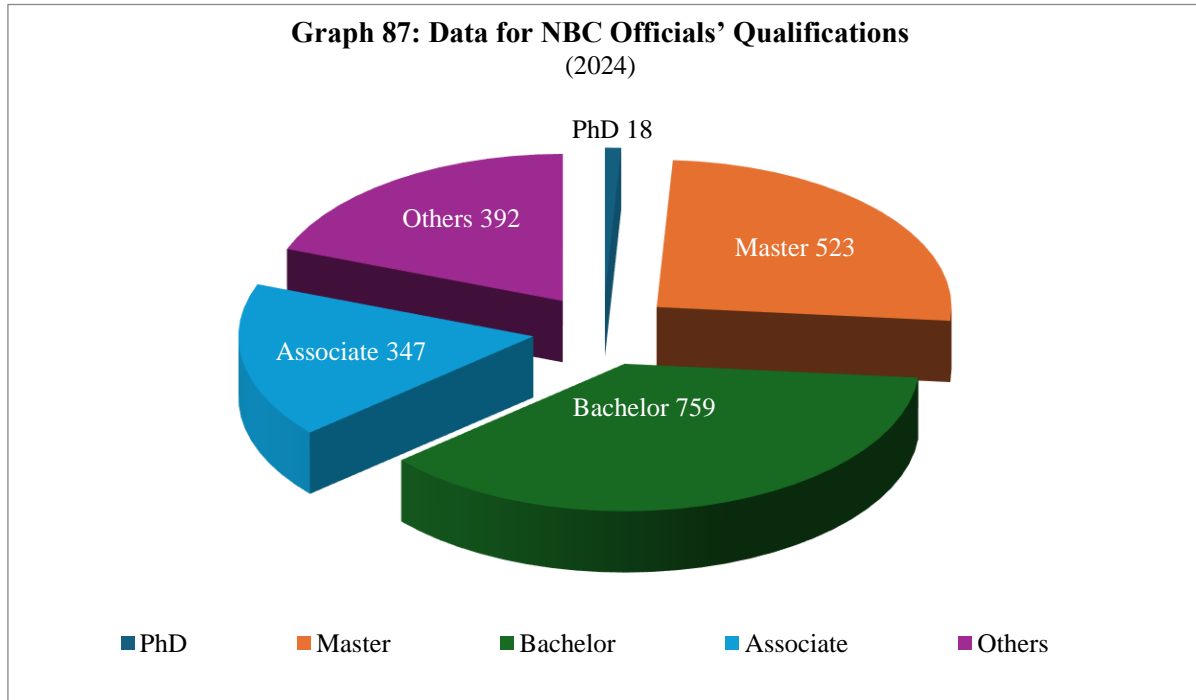
2. Human Resource Development

Human resource development at the NBC has seen continuous improvement, as evidenced by the increasing number of qualified officers and staff, an effective organizational structure, and enhanced operational efficiency. Currently, human resource management aligns with the growth of Cambodia's economy and finance, the need for regional and global integration, and the principles of stability and work efficiency.

A- Staff Statistics:

As of 2024, the total number of NBC officers nationwide was 2,038 (1,037 males and 1,001 females), with 1,516 (798 males and 718 females) working at the head office and 522 (239 males and 283 females) at the branches. During the year, the number of officers at the head

office increased by 103 (124 recruited, 1 transferred in, 2 transferred out, 7 retired, 7 resigned, and 6 passed away), while the branches saw an increase of 7 (11 recruited, 1 transferred in, 1 transferred out, 3 retired, and 1 resigned).



Source: NBC

B- Trainings

- Local Trainings:

The capabilities of staff are continuously developed through training programs organized by the NBC and other ministries and institutions. This includes 40 workshops (1,750 participants), 25 courses (1,250 participants), and 35 meetings (1,140 staff participants). Additionally, the NBC has organized 15 internship programs for students in higher institutions (230 students participated). Besides on-site training courses, three online courses were also organized:

1) The NBC FSI-Connect Banking Supervision course, under the program of the Financial Stability Institute (FSI) of the Bank for International Settlements (BIS), has had 8 generations with a total of 381 participants, including 25 scholarship beneficiaries. Online exams have been officially organized to assess the quality of the course, continuing for the 54th time, with 123 participants completing the basic level, 71 completing the intermediate level, and 136 completing the advanced level.

2) The Supervisory and Regulatory Training Program for Banking Supervisors (SROC), under the BIS-IMF program, has had 8 generations of participants, with a total of 35 trainees, including 5 officers currently undergoing training.

3) The Micro-Master’s program currently has 6 participants.



The 53rd Online exam for the NBC-FSI-Connect training program was held on April 4, 2024.

- Overseas Training:

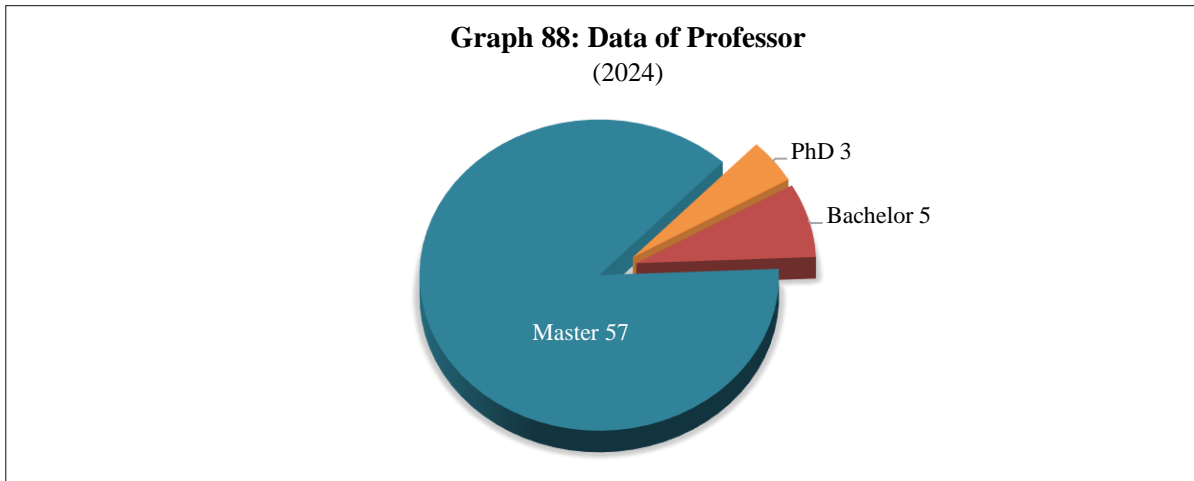
NBC officials have been sent abroad to participate in i) 182 in-person and online meetings, with 578 officials participating, ii) 201 in-person and online short-term courses, with 811 officials participating, and iii) long-term master’s degree courses, with 27 officials participating.

- Institute for Banking Studies:

After obtaining approval from the Royal Government through Sub-Decree No. 228, dated October 4, 2024, recognizing the transformation of the Center for Banking Studies (CBS) into the IBS, the Bachelor program is set to officially start in 2025. The institute has developed an online enrollment system to enhance student accessibility and align with advancements in technology.

Currently, IBS has a total of 268 students (189 females), 139 of them (97 females) comprise the 32nd generation, who are in their second semester of Year 2 and preparing for internships at the NBC after their final exams. The remaining 129 students (92 females) are the 33rd generation, currently in their second semester of Year 1.

There are a total of 112 officers, including 65 professors (13 females), 52 (8 females) of whom are from the NBC system and 13 (5 females) of whom are outsourced.



Source: NBC

Meanwhile, the Institute continues to collaborate with strategic partners, both locally and internationally, including the Ministry of Education, Youth and Sports, the Secondary School of Fine Arts, the ABC, the CMA, the Institute of Banking and Finance, central banks, monetary authorities, and several other institutions. These collaborations aim to assess the technical characteristics of the Institute’s physical infrastructure, update the study program, exchange expertise in study program planning and student training, and implement study program reforms. Additionally, the Institute has organized approximately 80 workshops and meetings, engaging more than 16,500 participants.



Visit of H.E. Hélder Lopes, Governor and delegation of the Central Bank of Timor-Leste to the IBS on July 23, 2024.



Visit of H.E. Jacques PELLET, Ambassador of France to Cambodia, and his delegation to IBS on August 7, 2024.



Signing ceremony of the Memorandum of Understanding on Cooperation between the IBS and the Institute of Banking and Finance (IBF) at the IBS on August 16, 2024.



Screening of the movie “The Perfect Motion” directed by Xavier de Lauzanne at the IBS on September 6, 2024.



The official inauguration ceremony of the transformation of the Center for Banking Studies into the Institute for Banking Studies, under the distinguished presidency of H.E. Dr. Hang Chuon Naron, Deputy Prime Minister and Minister of Education, Youth and Sport, at the IBS on December 26, 2024.



New books on banking, finance, economics, and history are continuously being acquired and added to the library to support the needs of students, professors, and researchers. Additionally, the electronic library (E-Library) is being developed to integrate with the E-Library of international institutions, including the IMF, World Bank, Asian Development Bank, and other local and international universities.

Beyond the core curriculum, the Institute also organizes extracurricular activities and programs, such as film screenings, study tours, taekwondo classes, and literary sessions featuring short fiction by foreign authors in both English and Khmer.

3. Internal Audit, Inspection, and Risk Management

Internal audits and inspections are conducted within a defined scope, aligned with the evolving operational activities of the NBC. These functions are carried out independently and impartially, serving a consultative role that is integral to governance, internal control, regulatory compliance, and risk management.

In 2024, internal audits were conducted on international reserves management, personnel management and training, cash management, and the operational processes of various departments and NBC's branches across 9 provinces. These audits examined and assessed activities and operations that may pose risks, including the registration of transactions in the core banking system, international reserves investment activities, and asset management. Simultaneously, inspections were carried out on cash management operations at 19 branches. Additionally, inspections were conducted at headquarters to oversee the shredding and burning of old, torn, and damaged banknotes, ensuring the security and proper management of cash in the vault, as well as compliance with established guidelines.

Furthermore, monitoring of recommendation implementation by the reserve management department, cash operations department, banking services department, and branches in 6 provinces indicated that 90% of the audit recommendations had been implemented. The effective implementation of these recommendations contributes to strengthening internal controls, enhancing risk management, and improving governance efficiency in both daily operations and overall workflows.



**Draft audit report meeting
at the Stung Treng branch of the NBC on June 10,
2024.**



**Inspection meeting at the Preah Sihanouk branch of
the NBC on September 4, 2024.**

With the expansion of work and operational activities, including the integration of various technology systems, the NBC has placed greater emphasis on risk management across all areas. In this regard, a Business Continuity Plan for the core banking system and international reserves management has been developed, key risks across all directorate generals' departments have been identified, particularly operations and promoting the culture of risk awareness to enhance risk management oversight and resilience.

In 2024, the Core Banking Risk Management Committee met 5 times to discuss key matters, including the process of updating and officially launching Core Banking System 14.7 and the review of the Reserve Management Department's Business Continuity Plan.

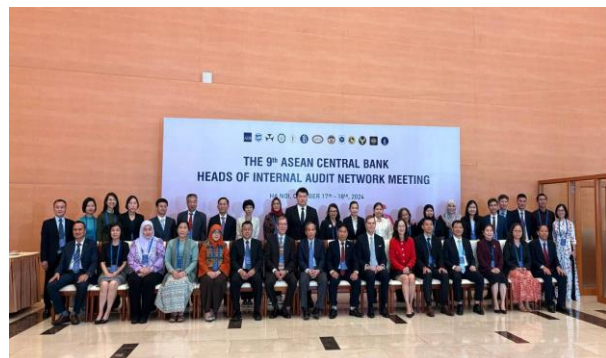


**The 66th Core Banking Risk Management Committee Meeting
on December 3, 2024, at the NBC**

To enhance and improve the effectiveness of risk management, the NBC invited experts from the Central Bank of Malaysia to share their knowledge and experience on institutional risk management and internal audit for officials from relevant departments. Furthermore, within the framework of the ASEAN Central Banks, 3 officials participated in the 9th ASEAN Central Bank Heads of Internal Audit Network Meeting hosted by the State Bank of Vietnam from October 17–18, 2024, in Hanoi, Vietnam.



Workshop on “Enterprise Risk Management and Internal Audit” at the IBS from June 9-10, 2024.



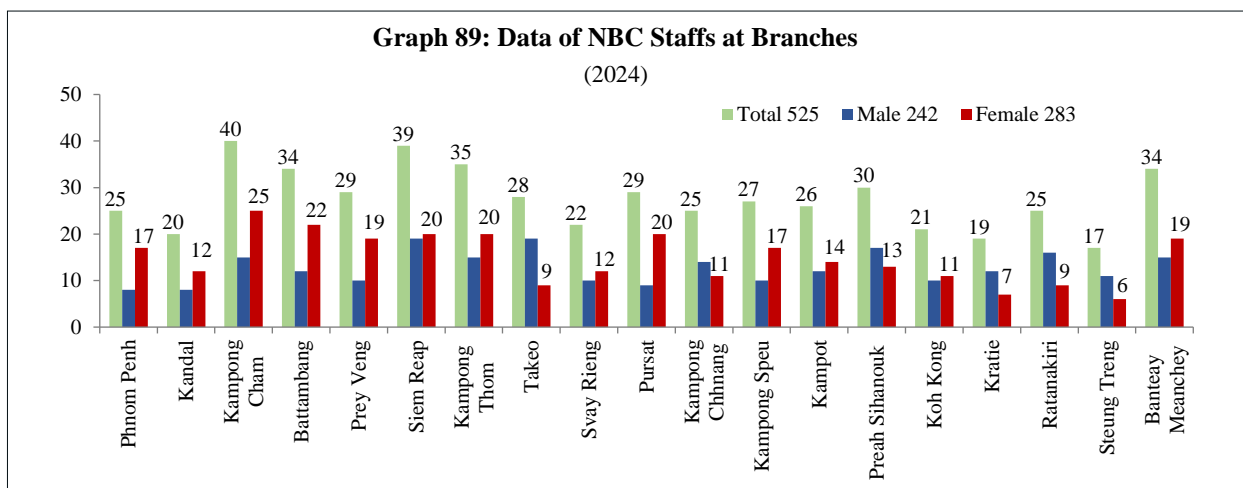
The 9th ASEAN Central Bank Heads of Internal Audit Network Meeting at Hanoi, Vietnam from October 17-18, 2024.

4. NBC’s Branches

Operations at the NBC branches have been continuously strengthened and expanded to enhance the management of cash circulation within the banking system through efficient services, including deposit account management, cash receipt and disbursement, and money transfer services to BFIs, ministries, and government agencies. In 2024, the total operating income of the branches amounted to KHR 11.34 trillion (USD 6.43 billion), while cash expenses totaled KHR 8.83 trillion (USD 2.32 billion). Additionally, the branches across all provinces actively contributed to the implementation of the Royal Government’s Public Financial Management Reform Program and played a key role in monitoring economic

conditions. This included analyzing price fluctuations of goods and services, exchange rate fluctuations, and other key macroeconomic indicators, thereby contributing to monitoring economic conditions and supporting the implementation of the monetary policy.

The branches also provide payment services to BFIs and state entities. Additionally, they facilitate the exchange of old, torn, and damaged riel banknotes for the public, aiming to promote wider use of the riel.



Source: NBC



Exchange of old, torn banknotes for the public through Bakong at Kampong Trach Market in Romeas Hek District, Svay Rieng Province on December 5, 2024.



Exchange of old, torn banknotes for the public through Bakong at Chubarary High School, Preah Net Preah District, Banteay Meanchey Province on September 10, 2024.

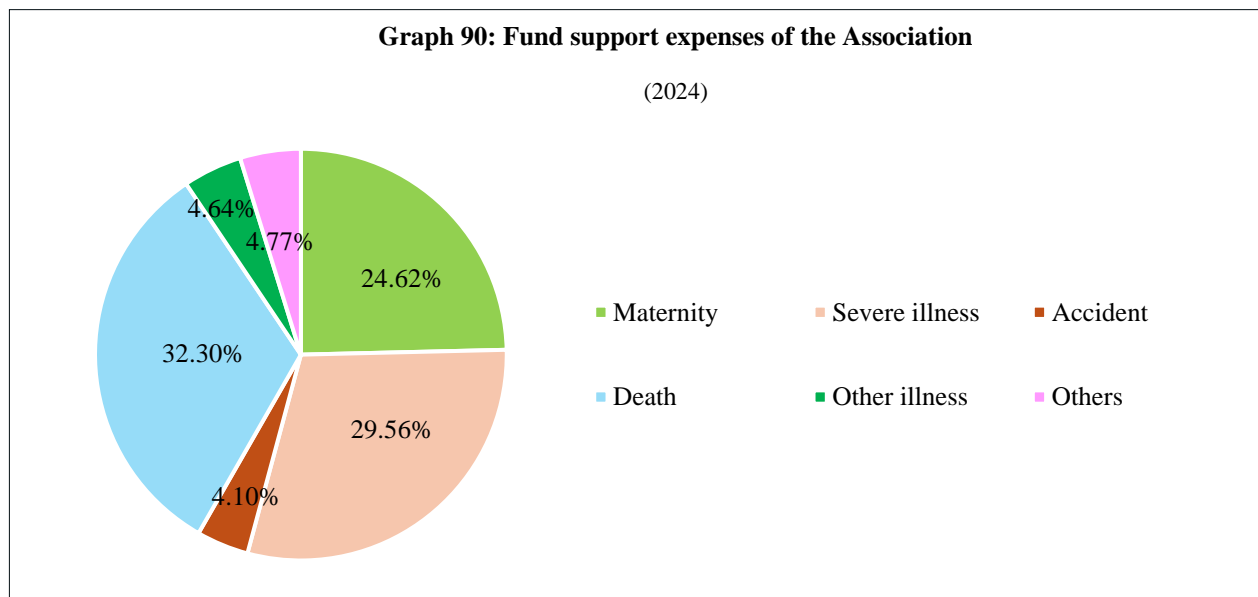
5. NBC Staff Association

As of 2024, the NBC Staff Association had a total of 2,483 members, including 1,780 members at the headquarters (143 of whom are retirees) and 703 members at the branches (including 122 retirees).

In 2024, the 10th NBC Staff Association Committee met 3 times to review and discuss the distribution of responsibilities among committee members, the 2024 work activity report,

and the amendment of Article 7 of the Statute of NBC Staff. The amendment aims to allow floating and contract staff currently working at the NBC to apply for association membership. Additionally, the association approved the admission of 276 new members and removed 12 members from the registry due to resignation or passing.

In line with its policy, the association allocated funds to support members and their spouses in 195 cases, including 110 childbirths, 14 accidents, 62 cases of severe illness, and 9 deaths. Furthermore, the association conducted home and hospital visits to sick and injured members and attended the funerals of deceased members and their spouses.



Source: NBC



Meeting of the NBC Staff Association Committee at the NBC, Sen Sok Building on May 28, 2024.

6. Preah Srey Içanavarman Museum

Since its inauguration on April 8, 2019, the Preah Srey Içanavarman Museum (SOSORO) has welcomed over 100,000 visitors, approximately 85% of whom are Cambodian. In 2024, the number of visitors increased significantly to 49,000 compared to 36,976 in 2023. To further promote Cambodian history, the museum organized and launched four exhibitions in 2024, including the i) Permanent Exhibition (renovated Halls 5 and 6) Covering the Independence, the Khmer Republic, and the Pol Pot regime inaugurated on February 24, 2024, ii) Temporary Exhibition “Pigments from the Past: Scenes of Cambodia through Pagoda Paintings (1890-1970)” opened on April 2, 2024 and attracting approximately 16,800 visitors, iii) Collaborative Exhibition with the Cambodian Watercolorist Association, held from November 6–10, 2024, and iv) Wartime Photography Exhibition organized in partnership with the Photo Phnom Penh Association as part of the Photo Phnom Penh Festival.

The museum signed an MoU with the ABC and the CBC to sponsor visits by public school students. Consequently, the number of student visitors from public schools has steadily increased, reaching nearly 9,300 in 2024.



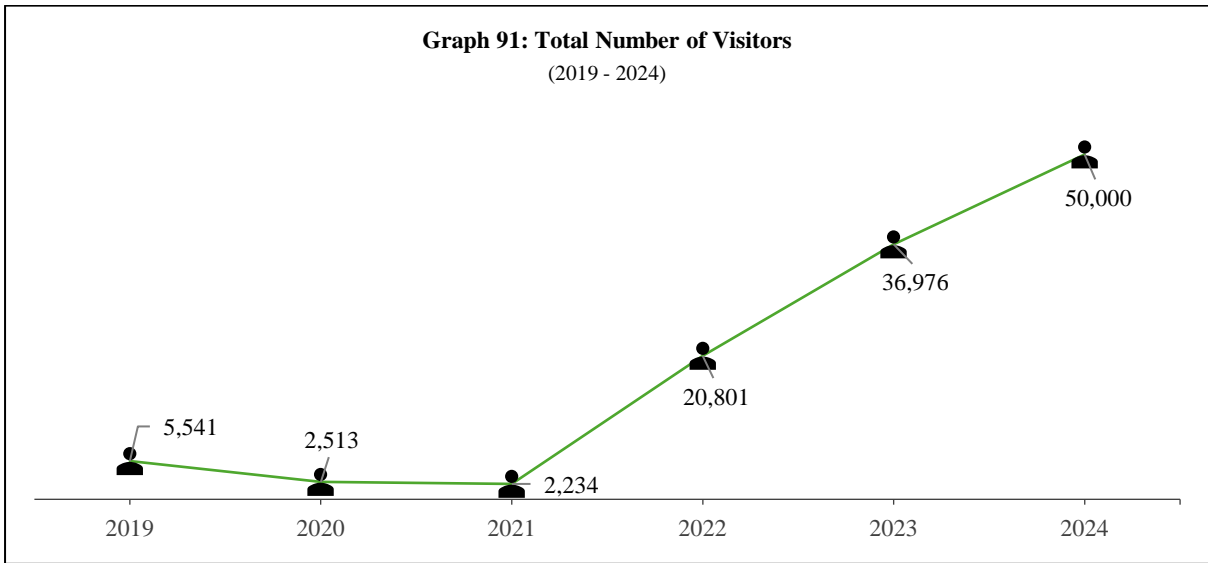
The inauguration ceremony of the temporary exhibition hall at SOSORO was held under the high patronage of His Majesty King Norodom Chakrapong, Supreme Personal Advisor to the King, and H.E. Chea Chanto, Honorary Governor of the NBC on February 24, 2024.



Student Visit Activities at the SOSORO Museum



Student Visit Activities from Kampong Thom Province at the SOSORO Museum



Source: NBC

In 2024, the SOSORO Museum in Battambang continued its renovation and construction efforts. In 2025, the project will proceed with the production and installation of the museum’s permanent exhibition.



The Building of the SOSORO Museum in Battambang



H.E. Dr. Chea Serey, Governor of the NBC, visited the SOSORO Museum in Battambang to inspect the progress of the construction on December 16, 2024.





Overall, the NBC continues to prioritize human resource development and governance, as evidenced by the growth in both the number and capabilities of staff. Audit and inspection efforts remain focused on strengthening good governance. Additionally, the IBS continues to play a vital role in advancing human capital within Cambodia's banking and financial sector.

IX. Public Relations

1. Communications

The NBC places great emphasis on advancing relations with national and international institutions, media organizations, and the public through social media to disseminate its key activities, including monetary policy implementation and other central bank-related initiatives, and functions in other sectors of Cambodia. The NBC has published 385 pieces of content, garnering a total of 7.4 million views on Facebook, LinkedIn, Instagram, X, and TikTok. In 2024, the number of followers on the NBC’s social media accounts increased by 33,000 from 2023, reaching a total of 362,300. A total of 1,078 messages were received from and sent to the public. Interviews were facilitated through emails between local and international media organizations and top management. Additionally, news articles related to the NBC were published as well. The NBC has also disseminated and raised awareness for the public to be more cautious about scammers who use fake Telegram channels or accounts, employing the names, logos, and photos of the NBC, government ministries, and their top management in advertisements that attract the public to join informal investment or trading schemes such as gold, foreign exchange, or digital asset markets, resulting in the loss of cash and property. Simultaneously, 6 off-the-record and on-the-record media briefings were organized to enable the public to better understand the following: i) achievements in the first semester and economics or banking, ii) the Bakong Tourists App, iii) closing/opening riel accounts for financial institutions’ customers, iv) loan restructuring, v) informal lending, and vi) cryptocurrencies.

 **Follow the Official Social Media of the NBC**

 @ធនាគារជាតិ នៃកម្ពុជា - National Bank of Cambodia	 @National Bank of Cambodia	 @nationalbankofcambodia
 @nbccambodia	 @nationalbankofcambodia_	 @National Bank of Cambodia



H.E. Dr. Chea Serey responding to journalists regarding the launch of the Bakong Tourists App on August 16, 2024, at the Seri Garden Restaurant.



H.E. Dr. Chea Serey responding to journalists regarding the opening and closing of riel accounts for customers of financial institutions on September 17, 2024, at the Seri Garden Restaurant



H.E. Dr. Chea Serey, accompanied by the Presidents of the ABC and the CMA, holding a press conference to explain loan restructuring and the risks of informal lending at the Hyatt Regency Phnom Penh on October 8, 2024.

2. Promotion of Financial Inclusion and Literacy

The NBC has consistently focused on enhancing financial inclusion in Cambodia to promote access to formal, quick, and cost-effective financial services with legal protection through the promotion of financial literacy and customer protection. The NBC has closely cooperated with relevant government ministries and institutions, as well as national and international development partners, to launch activities, campaigns, education programs, and other mechanisms that promote financial literacy in alignment with the National Financial Inclusion Strategy 2019-2025.

- Financial Literacy Integration into General Knowledge Curriculums

The project for integrating financial literacy into the general knowledge curriculum of the Ministry of Education, Youth and Sport was initiated in 2017, Phases 1 and 2 have been completed.

The third phase is currently in progress, and it includes i) compilation of Mathematics and Morality-Civics books for students in Grades 7 to 11, ii) compilation of books for Grades 7 to 11 teachers on Mathematics and Morality-Civics, iii) compilation of exercise books for students’ self-study and knowledge improvement outside of the core study timetable, iv) production of videos for students who lag behind or are absent, v) teaching trials of prepared materials at target schools, and vi) student assessments at the end of the academic year using standardized tests.



A meeting on the progress of Phase 3 of the financial literacy curriculum integration held on November 1, 2024, at the NBC, Sen Sok Building

- Promotion of Financial Inclusion for Women and Women Entrepreneurs

The NBC and Ministry of Women’s Affairs have continued their cooperation to promote financial inclusion for women and women entrepreneurs after signing an MoU on the “Promotion of Financial Inclusion for Women,” which is a five-year cooperation framework aimed at integrating financial literacy and digital finance, economic empowerment, and expanding partnerships to enhance financial inclusion for women. The MoU will enable both parties to achieve the goals set in the National Financial Inclusion Strategy 2019-2025 and the Neary Rattanak VI Strategic Plan 2024-2028.

- The Financial Literacy Dissemination Campaign “Let’s Talk Money”

In Step 2 of Phase 2, the campaign, in cooperation between the NBC and Good Return, produces short educational films on the use of financial services based on the terms and conditions set in loan contracts, including payoff ahead of maturity date, and risks of using informal financial services. Meanwhile, two comic books titled “Look Before You Leap” and

“Should Learn” have been compiled and are being tested with the public to gather feedback for revision before publication. Furthermore, training courses for garment workers were organized 16 times in cities and provinces, with approximately 1,000 participants and trainers from the Cambodian Women for Peace and Development (CWPD) on i) promoting the dissemination of digital finance, protecting personal data in the use of digital services and the mobile phone application “My Money Tracker” for managing and recording income-expenses, ii) savings, iii) encouraging financial discussions and decision-making between men and women in families, and iv) promoting knowledge and trust in formal financial services, among others.

- **Project for Strengthening Financial Safety in Communities**

In cooperation with CMA, ABC, CFRISE+SPTF, ADA, and Credit Bureau (Cambodia) Co., Ltd., the “Strengthening Safe Finance in Community Project” was proposed to strengthen safety while using financial services and encourage the consumption of formal financial services in communities, in accordance with the Safe Village-Commune policy of the Royal Government of Cambodia. In its first phase, the project was implemented in four communes, including Tboung Krapeu commune of Santuk district in Kampong Thom province, Snam Krapeu commune of Kong Pisei district in Kampong Speu province, Pouthi Reach commune of Svay Chrum district in Svay Rieng province, and Wat Ta Mem commune of Sangkae district in Battambang province. The implementation was focused on promoting financial literacy, consumer empowerment, and consumer protection. Achievements for the project include i) recruitment of community focal persons and facilitators, ii) compilation of handbooks for a five-unit training course, iii) organization of training courses for community focal persons and facilitators, iv) design and printing of leaflets for disseminating complaint procedures in banking and financial sectors to target communities, v) design and printing of banners listing formal banking and financial product names and features, placed at target commune halls and communal one-window service offices, and vi) conducting training courses facilitated by community focal persons in target communes.



A workshop to disseminate the results of the Strengthening Safe Finance in Community Project held on October 8, 2024, at the IBS.

- **Workshop on “Microfinance in Cambodia”**

The workshops have been organized five times in provinces, two at the provincial level and three at the district level, with approximately 1,500 participants. These workshops aimed to enhance the banking and financial knowledge of local authorities, promote awareness of local microfinance services, and ensure the effective, stable, and accountable development of banking and financial sectors with consumer protection. Furthermore, the workshops served as public forums for local authorities and residents to raise requests or suggestions and address the challenges they face in accessing financial services. They also provided the NBC with an opportunity to disseminate measures it has established to assist consumers affected by declining income. Consequently, the NBC has gathered key feedback to further develop the banking and finance sectors, propelling financial inclusion, promoting financial literacy, and enhancing consumer protection.

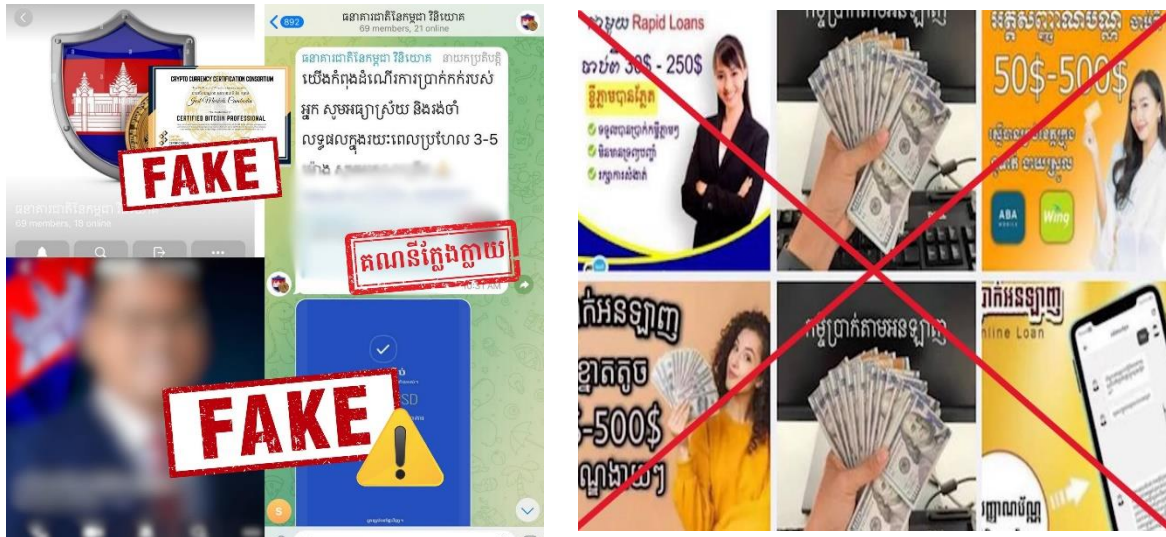


A dissemination workshop on the Microfinance Sector in Cambodia held on August 16, 2024, in Oddar Meanchey Province.

3. Cooperation with Associations and Other Institutions in Dissemination

The ABC and CMA have continued their collaboration with the NBC to enhance financial inclusion, promote financial literacy, strengthen consumer protection, and raise awareness of, access to, and consumption of efficient, inclusive, and sustainable financial

services through dissemination workshops, campaigns, and events. After issuing a joint statement in 2023, the NBC and General Commissariat of National Police have continued their cooperation to combat illegal advertisements and fraudulent provision of loans to prevent crimes quickly, as these activities pose risks for institutions, consumers, and the banking sector as a whole.



Fraudulent activities related to illegal advertising and loan provision

4. Promoting the Bakong System

In 2024, to increase the usage of Bakong, the NBC produced 15 videos that were regularly posted on the official Facebook Page of “Bakong” to promote general knowledge, benefits, and usage of Bakong and KHQR. These videos attracted about 1,500,000 views. They showcased how to use Bakong and KHQR in daily life, aligning with the direction to promote digital



QR code for watching videos on Bakong

payments that can reduce reliance on cash and foster economic growth. Secondly, the NBC organized video contests to promote the usage of Bakong and KHQR while integrating financial literacy. Thirdly, the NBC organized the dissemination and integration of knowledge of Bakong, KHQR, and financial literacy at higher education institutions and secondary schools in Phnom Penh (totaling 8 institutions with over 2,000 participants). Among these initiatives, the video contest was the most successful, drawing 99 video submissions from contestants, including influencers on social media and content creators on TikTok. These videos attracted more than 5,000,000 views. The contest aimed to raise public awareness regarding the

functions and benefits of Bakong and KHQR, thereby expanding their use among individuals and businesses. This program also promoted innovation and creativity among the public and enhanced the image and reputation of the NBC, increasing public trust in the banking system.

5. Dissemination of the Importance of the Riel

The public dissemination campaign on “Riel and Bakong System” was organized in 7 cities and provinces, including Phnom Penh, Svay Rieng, Prey Veng, Banteay Meanchey, Siem Reap, Mondulhiri, and Rattanakiri. This campaign featured exhibitions of Cambodia’s monetary history and the Bakong Payment System, the exchange of old, creased, and torn riel for new riel banknotes, a short video contest on “What can be bought with 10,000 Riel?”, and a presentation contest showcasing the importance of the riel. The campaign had approximately 26,000 people in attendance and garnered more than 80,000 views on social media. At the event, the public exchanged a total of KHR 2.4 billion worth of old, creased, and torn notes for new ones. Additionally, the NBC disseminated the importance of riel through articles published in media outlets. Notably, the short video contest had other benefits, such as i) expanded coverage of riel dissemination, attracting 130 contesting videos and 2.5 million views, and ii) inspiring public initiatives, especially among young people, to better understand the importance of the usage of riel in their daily lives, inflation, and the riel’s purchasing power.

A dissemination workshop on “Riel and Bakong System Moving Forward” was organized at the IBS to mark the 44th anniversary of the reintroduction of the riel. It was attended by approximately 450 participants, including high-ranking officials from relevant ministries and institutions, as well as students, gaining approximately 51,000 views on social media. Furthermore, the campaign will be expanded throughout the country to encourage the public to use the riel more widely.



A workshop titled “The Future of the Riel and the Bakong System,” held to commemorate the 44th anniversary of the reintroduction of the riel on March 20, 2024, at the IBS in Phnom Penh.



A public awareness campaign on the riel and Bakong System, held on March 24, 2024, at K-Mall Phnom Penh.



A public awareness workshop on “Riel, Bakong System, and KHQR” held on July 27, 2024, in Svay Rieng province.



A public awareness workshop on “Riel, Bakong System, and KHQR,” held on July 30, 2024, in Prey Veng province.



A public awareness workshop on “Riel, Bakong System, and KHQR,” held on November 25, 2024, in Banteay Meanchey province.



A public awareness workshop on “Riel, Bakong System, and KHQR,” held on December 20, 2024, in Rattanakiri province.



A public awareness workshop on “Riel, Bakong System, and KHQR,” held on December 23, 2024, in Mondulakiri province.

6. Participation as Speakers and Recognition on International Stages

In August 2024, H.E. Dr. Chea Serey, Governor of the NBC, was awarded an A- grade as one of the most effective central bank leaders globally by the Global Finance magazine, a recognition of her effective leadership in managing inflation, exchange rates, and banking system development. Additionally, she received a distinguished alumni award from the University of Adelaide in Australia for her outstanding contributions to national economic and social development, leveraging her educational expertise.

The Central Bankers earning an A- grade in the Global Finance Central Banker Report Cards 2024 are:

- Cambodia** Chea Serey
- Canada** Tiff Macklem
- Costa Rica** Roger Madrigal Lopez
- Dominican Republic** Héctor Valdez Albizu
- European Union** Christine Lagarde
- Guatemala** Alvaro Gonzalez Ricci
- Indonesia** Perry Warjiyo
- Jamaica** Richard Byles
- Jordan** Adel Al-Sharkas
- Mongolia** Byadran Lkhagvasuren
- Norway** Ida Wolden Bache



H.E. Dr. Chea Serey awarded an A- rating by Global Finance Magazine, affirming her status as one of the world's most effective central bankers.



H.E. Dr. Chea Serey awarded the Distinguished Alumni Award from the University of Adelaide, Australia, in recognition of her contributions to the development of the Cambodian banking system and economy.

Furthermore, H.E. Dr. Chea Serey was recognized as one of the 50 MAIA Money Changers in 2024 by the Money Awareness and Inclusion Awards (MAIAs) for her transformative leadership in advancing financial inclusion and education.



Serey Chea

National Bank Governor

Serey Chea, Governor of the National Bank of Cambodia and Board Director of the Alliance for Financial Inclusion, has been a transformative leader in advancing financial inclusion and education. Under her guidance, the central bank launched Bakong, a blockchain-based digital payment system, providing millions with access to affordable financial services.

Serey has championed financial literacy initiatives, empowering underserved communities, particularly women and rural populations, to achieve economic independence. Her innovative policies and global collaborations continue to foster financial resilience and inclusion, positioning Cambodia as a model for leveraging technology to address financial inequality.



MAIA MONEY CHANGERS

2024



H.E. Dr. Chea Serey recognized as an outstanding individual on the MAIA Money Changers list for 2024.

Additionally, the top management at the NBC participated as speakers and panelists to share key insights at international events, including the i) G20 Event at the IMF headquarters in Washington, D.C., United States, ii) World Economic Forum 2024 in Davos, Switzerland, iii) Global Regulatory Forum 2024 organized by Bloomberg in New York, United States, iv) Nikkei Forum 2024 in Japan, v) Dubai Fintech Summit in the UAE, vi) Japan Fintech Festival 2024 in Japan, vii) Singapore Fintech Festival 2024 in Singapore, viii) Asia High-Level Financial Regulator Forum in Tokyo, Japan, ix) 60th Anniversary Celebration for the National Bank of Rwanda in Rwanda, x) Panel Discussion on “Financial Transition in Bank Supervision” in Japan, and xi) FrancoTech 2024 in Paris, France.

Key topics discussed at these events include financial inclusion, the Bakong Payment System, cross-border payment KHQR Code, financial literacy, sustainable financing in the banking system, international reserves investment in green bonds, environmentally friendly financial systems, and financial technology and innovation.



H.E. Dr. Chea Serey participating as a guest speaker in the “Shaping the Future of FinTech: A Policy Dialogue on AI” forum at the Japan FinTech Festival on March 4, 2024, in Japan.



H.E. Dr. Chea Serey participating as an honorary speaker at the Dubai FinTech Summit discussion forum, chaired by His Highness Sheikh Maktoum bin Mohammed bin Rashid Al Maktoum (front row, 5th from left), on May 6, 2024, in Dubai, UAE.



H.E. Dr. Chea Serey participating as a guest speaker in a discussion at the 29th Nikkei Forum, alongside Professor Tetsuya Watanabe (right), H.E. Arifin Tasrif, Minister of Energy and Mineral Resources of Indonesia (second from right), and moderator Kiyoshi Ando (left) on May 24, 2024, in Tokyo, Japan.



H.E. Rath Sovannarak delivering a speech at the 2024 China-ASEAN Financial Cooperation and Development Conference, from September 23 to 25, 2024, in Nanning, Guangxi Province, China.



H.E. Rath Sovannarak participating as a guest speaker in a discussion on “Promoting Financial Inclusion as a Foundation for Sustainable Development” at the National Bank of Rwanda’s 60th anniversary celebration on June 7, 2024, in Kigali, Rwanda.





H.E. Dr. Chea Serey participating as a guest speaker in a discussion on “Financial Transition in Banking Supervision” at the Asia High-Level Financial Regulators Forum on October 2, 2024, in Tokyo, Japan.



H.E. Yim Leat participating as a speaker in a discussion at the FrancoTech 2024 technology product exhibition, held alongside the Francophone Summit 2024 from October 3-4, 2024, in Paris, France.



H.E. Dr. Chea Serey speaking as a guest speaker in a discussion on “The Future of Cross-Border Payments: Faster, Safer, and Together” at the G20 Event organized by the Bank for International Settlements (BIS) on October 22, 2024, at the IMF headquarters, in Washington, D.C., USA.



H.E. Dr. Chea Serey participated as a guest speaker in the discussion titled “Hope on the Horizon: Driving Growth, Containing Risks, and Policy Making for the Future” at the inaugural Global Regulatory Forum 2024 organized by Bloomberg on October 22, 2024, in New York, USA.



H.E. Dr. Chea Serey participating as a guest speaker in a discussion on “Safeguarding the Economy’s Backbone: Accelerating Global SME growth through Digital Innovation” at the Singapore Fintech Festival on November 7, 2024, in Singapore.



(From right to left) H.E. Dr. Chea Serey, H.E. Dr. P. Nandalal Weerasinghe, Governor of the Central Bank of Sri Lanka, H.E. Sethaput Suthiwartnarueput, Governor of the Bank of Thailand, H.E. Abdul Rasheed Ghaffour, Governor of Bank Negara Malaysia, and Mr. Pierre-Olivier Gourinchas, Senior Economist at the International Monetary Fund, at the 60th SEACEN Central Bank Governors’ Conference on December 6, 2024, in Seoul, Republic of Korea.

7. Social Contributions

The management and staff of the NBC have demonstrated a strong commitment to social participation through numerous charitable and community initiatives, particularly in education, healthcare, and religious infrastructure. Notable activities include the following:

i) Officially inaugurating the “Raksa Koma” Community Kindergarten in Kal Mek Village, Thbong Krapeu Commune, Santuk District, Kampong Thom Province.

ii) Rewarding teachers and students from Ta Aok and Kampong Chheuteal High Schools in Prasat Sambor District, Kampong Thom Province, who successfully passed the Baccalaureate examination in the academic year 2023-2024.

iii) Collaborating with volunteer medical professionals from Singapore, the Khmer Sight Foundation, and HOPE Cambodia to provide free eye and ear examinations and treatments to residents of Prasat Sambor District, Kampong Thom Province.

iv) Inaugurating the monastic hall and other facilities at Wat La Ork, Kampong Thma Commune, Santuk District, Kampong Thom Province

v) Inaugurating three school buildings in Santuk District and commencement of construction for a new school building in Prasat Balang District, Kampong Thom Province.

vi) Distributing essential supplies and food to citizens facing hardship in Prasat Sambor and Santuk Districts.

vii) Inaugurating the pagoda gate and facilities at Wat Por Preuksa Khararam (Wat Tob), Kampot Province.

viii) Providing food and financial assistance to 300 families affected by poverty and flooding in Prasat Sambor District.

ix) Organizing a career path and study planning workshop for grade 12 students in Santuk District.

x) Providing gifts to 200 impoverished families in the Santuk District.

xi) Establishing two computer labs, equipped with 50 computers and 2 LCD projectors, at high schools in Tang Krasang and Kakoh Communes, Santuk District, Kampong Thom Province.



H.E. Dr. Chea Serey presiding over the official opening of the “Raksa Koma” Community Kindergarten in Kal Mek Village, Thbong Krapeu Commune, Santuk District, Kampong Thom Province, on November 26, 2024.



H.E. Dr. Chea Serey interacting with teachers and students of Ta Aok High School and Kampong Chheuteal High School in Prasat Sambor District, Kampong Thom Province, who successfully passed the Baccalaureate examination for the 2023-2024 academic year, on November 12, 2024.



H.E. Dr. Chea Serey visiting and distributing gifts to 200 impoverished families in Santuk District, Kampong Thom Province, on September 7, 2024.





H.E. Dr. Chea Serey at the opening ceremony of the “Career Planning and Academic Selection” workshop for Grade 12 students in Santuk District, Kampong Thom Province, on September 7, 2024.



H.E. Dr. Chea Serey visiting residents of Kampong Thom Province and distributing gifts at Prasat Sambor District School on August 9, 2024.



H.E. Dr. Chea Serey presiding over the inauguration of the temple gate and various facilities at Wat Por Preuksa Khararam (also known as Wat Tob) in Trapaing Pring North Village, Trapaing Pring Commune, Teuk Chhou District, Kampot Province, on July 27, 2024



H.E. Dr. Chea Serey presiding over the official inauguration ceremony of the school building at Taing Krasaing High School in Santuk District, Kampong Thom Province, on June 9, 2024.



H.E. Dr. Chea Serey visiting and interacting with beneficiaries of the free eye and ear screening program in Prasat Sambor District, Kampong Thom Province, on June 9, 2024



H.E. Dr. Chea Serey presiding over the inauguration of a renovated school building at Banteay Yomreach Village Primary School in Santuk District, Kampong Thom Province, on March 17, 2024.



H.E. Dr. Chea Serey presiding over the inauguration ceremony of a computer lab at Hun Sen Phnom Santuk High School in Chi Meakh Village, Kokoh Commune, Santuk District, Kampong Thom Province, on July 20, 2024.



H.E. Dr. Chea Serey presiding over the inauguration ceremony of the Centre for Buddhist Studies at Wat Reachabo (Wat Bo) in Siem Reap Province on December 27, 2024.



In summary, public relations play a crucial role in strengthening cooperation and trust of the public and relevant institutions with the NBC, particularly regarding the implementation of monetary policy and measures. Thus, the NBC consistently organizes and enhances dissemination events, workshops, and exhibitions related to riel promotion, financial literacy, and the Bakong System in Phnom Penh and other provinces.

Conclusion

In 2024, Cambodia's economy continued to recover steadily, maintaining macroeconomic stability despite global uncertainties stemming from geopolitical tensions. Inflation further declined, while the exchange rate slightly appreciated compared to 2023. International reserves increased and remained at an adequate level to support the implementation of monetary policy and bolster investor confidence in the economy.

The banking system continued to develop and maintain resilience in both capital and liquidity, contributing to financial stability and supporting economic activities. Proactive micro- and macro-prudential measures were implemented in line with economic and financial conditions, aligning with the Royal Government's policies to assist individuals in need and sustain business activities. Furthermore, financial inclusion, financial literacy, and consumer protection were continuously enhanced, leading to increased effective utilization of formal financial services.

In accordance with advancements in technology, payment systems were modernized, stimulating growth in trade activities, inducing an inclusive financial environment, promoting the digital economy, and enhancing the use of the riel. Additionally, the Bakong Tourists app was launched, and connections with payment systems in various countries in the region, as well as with international payment service providers, were gradually expanded, thereby facilitating trade, investment, tourism, and cross-border money transfers in a convenient, rapid, and secure manner.

Moreover, the CAFIU and regulatory authorities played an active role in strengthening transparency and trust within the financial sector by reinforcing laws against money laundering and the financing of terrorism. They continually analyzed regular transactions, monitored reporting entities, bolstered domestic and international cooperation, and launched training and outreach initiatives. Furthermore, they maintained collaboration with relevant ministries and institutions to assess national risks related to money laundering, the financing of terrorism, and the proliferation of weapons of mass destruction.

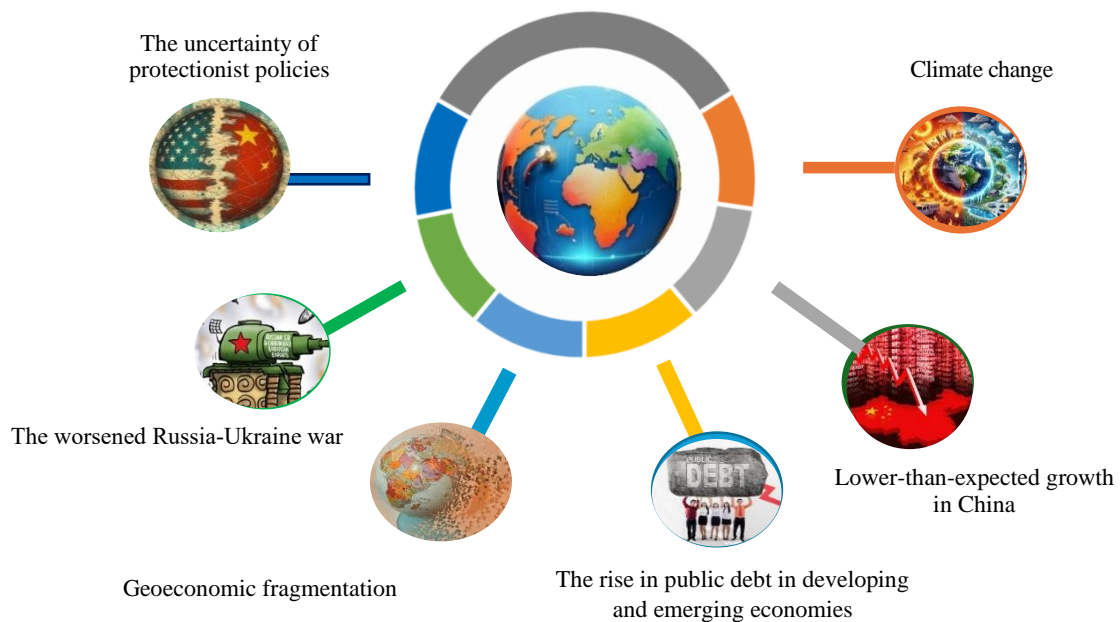
Additionally, international cooperation in both bilateral and multilateral frameworks was consistently promoted, contributing to economic and financial integration regionally and globally, reinforcing the regional financial safety net, and supporting resilient, inclusive, and sustainable economic development. The NBC also continued to enhance human resource capabilities and strengthen governance, thus improving the efficiency and quality of the services it provided to ministries, public institutions, and other BFIs.

Part II – Outlook and Targets for 2025

Outlook and Targets for 2025

In 2025, the global economy is projected to grow by 3.3%, up from 3.2% in 2024. The rates are estimated to be 1.9% for advanced economies, 4.2% for emerging and developing countries, and 4.7% for ASEAN countries; meanwhile, China's growth may slow down further to 4.6%. Simultaneously, the global economy may face several major challenges, including i) the uncertainty of protectionism through the imposition of trade barriers, ii) worsening geopolitical tensions affecting supply chains, iii) geoeconomic fragmentation impeding international trade and investment flows, iv) rising public debt in emerging and developing countries, v) lower-than-expected growth in China, which may continue to affect countries in the region, and vi) climate change.

Risks and Challenges of the Global Economy



Global economic growth in some major countries ³⁰



2025	3,3▲	1,9▲	4,2	2,7▼	1,0▲	1,6▲	4,6▼	4,7▲
2024	3,2	1,7	4,2	2,8	0,8	0,9	4,8	4,6

Cambodia's economy is expected to grow by 6.2% in 2025, primarily driven by growth in garment exports and continued expansion in non-garment products, with tourism and agriculture also experiencing sustained growth, although construction and real estate are expected to remain weak. In the industrial sector, strong external demand, particularly from Cambodia's major trading partners such as the United States and the Euro area, will support the recovery of the garment sector, projected to grow by 9.4%, while the non-garment sector is expected to grow by 8.1%, bolstered by Cambodia's recent trade agreements and diversification of international trading partners. In the services sector, improvements in regional tourism and ongoing support measures from the Royal Government will contribute to a continued recovery in the tourism sector, with an anticipated growth rate of 16.3%. Meanwhile, wholesale and retail trade are expected to grow by 9.8%, supported by domestic consumption and an increase in tourist arrivals. The agricultural sector is projected to grow by 1.1%, driven by favorable weather conditions and improved irrigation systems, while the construction and real estate sectors are expected to grow by 1.8% and 1.2%, respectively, primarily supported by the development of public infrastructure projects.

The banking system is expected to continue being resilient and play an active role in supporting economic activity through credit to the private sector, which is expected to grow at an average rate of 6%, helping to boost investment and consumption. Simultaneously, the ongoing modernization of electronic payment systems will effectively facilitate domestic consumption activities and promote cross-border trade, investment, and tourism, in line with the vision of building a digital economy and fostering innovation.

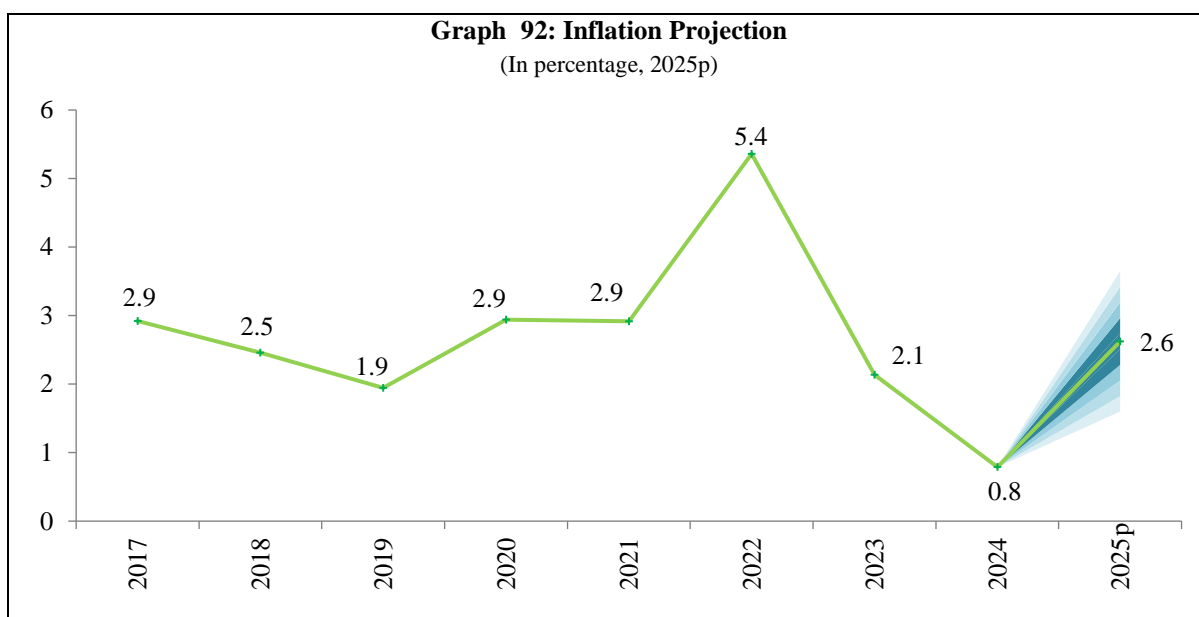
³⁰ World Economic Outlook Report, IMF, January 2025.

³¹ World Economic Outlook Report, IMF, January 2025.

³² ASEAN includes Brunei, Cambodia, Indonesia, Laos, Malaysia, Myanmar, the Philippines, Singapore, Thailand, and Vietnam.

Inflation Projection³³

The inflation rate in 2025 is projected to be a moderate 2.6%, higher than the 0.8% in 2024. This projection is based on the assumption that i) external and domestic demand will increase as the global economy continues to grow and as the Cambodian economy recovers, ii) the U.S. dollar will not depreciate significantly, although the benchmark interest rate may be reduced further due to confidence in the new U.S. administration, iii) climate change may increase inflationary pressures in Cambodia, and iv) geopolitical tensions will not lead to sharp increases in global oil and food prices.



Source: NIS' and NBC's staff calculations, p=project

Table 3: Cambodia's Economic Growth by International Institutions and the Royal Government

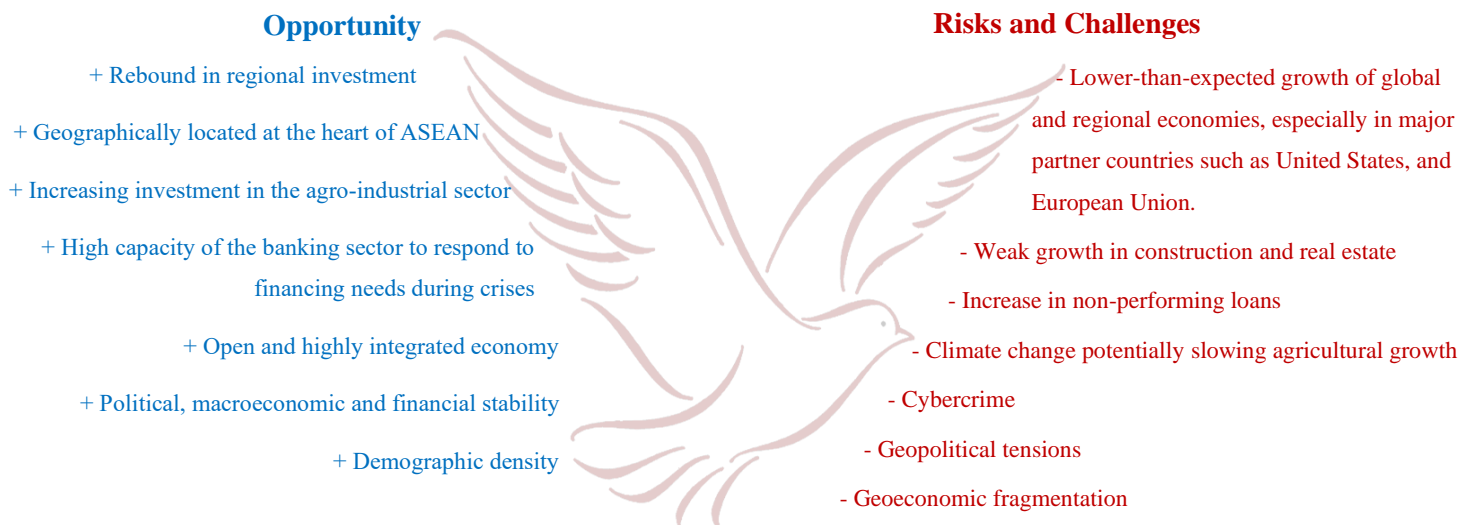
	2024e (%)	2025p (%)
Government	6.0	6.3
IMF	5.5	5.8
WB	5.3	5.5
ADB	5.8	6.0
AMRO	5.6	5.9

e=estimate, p=project

³³ This projection uses Bayes rule, where it combines: 1) Assessment of the future inflation trajectory and 2) Forecasting using the ARIMA (p,d,q) model to forecast the price indices of the 12 groups in the consumer basket.

Despite optimistic economic growth, Cambodia still faces several external risks, including i) lower-than-expected growth of global and regional economies, particularly in major partner countries such as the United States and European Union, ii) uncertainty in capital flows and tightening of international financial market conditions, iii) a slowing of the Chinese economy, leading to a decline in investment and Chinese tourists, and iv) climate change, which could hinder growth in the agricultural sector, among other challenges, while a number of structural issues continue to exert pressure on Cambodia’s economic growth.

Opportunities and Challenges for Cambodia’s Economy



To support the Royal Government’s policy of promoting economic growth, maintaining macroeconomic stability, and further developing the banking and financial sector, the NBC has set the following targets for 2025:

1. Monetary Policy Implementation

- Maintain the money supply at an appropriate level.
- Maintain exchange rate stability through monitoring and intervention, if necessary, to stabilize price levels and strengthen public confidence.
- Promote the use of the riel and raise awareness about it.
- Improve and strengthen the effectiveness of existing monetary policy instruments and develop new ones.
- Develop the interest rate corridor framework.

- Enhance awareness among BFIs regarding the monetary policy framework and instruments of the NBC.

2. International Reserve Management

- Implement investment guidance for 2025.
- Modernize the Code of Ethics for officials in the Reserve Management Department to comply with international standards.
- Continue to monitor the condition of global financial markets, particularly in developed and emerging countries, to enable the NBC to prepare flexible, safe, liquid, and appropriately profitable investment strategies.
- Study and prepare investment guidelines for pension fund management by learning from the experiences of other central banks.
- Explore new investment opportunities both domestically and internationally for pension fund capital.
- Continue research on new investment instruments to diversify risk and increase revenue.
- Explore new opportunities for investment under the ESG framework.

3. Payment System

- Continue to develop and modernize the payment system infrastructure, including the retail and large-value payment systems.
- Implement cross-border payment and remittance projects with regional and partner countries.
- Promote financial technology in accordance with the Cambodia Financial Technology Development Roadmap 2020-2025 and organize a financial technology forum in Cambodia.
- Continue to promote digital financial literacy and promote wider use of the Bakong system, continuing its development for the next phase.
- Monitor and supervise payment service providers.

4. Supervision of Banks and Financial Institutions

- Regularly monitor the financial conditions of BFIs through off-site supervision, on-site inspections, and stress testing; also monitor these institutions' compliance with applicable laws and regulations.
- Review stress testing scenarios regarding the CAR, NPLR, and liquidity framework ratio.
- Update the supervision program in accordance with risk-based and forward-looking supervision and the Cambodian International Financial Reporting Standards for SMEs.

5. Financial Inclusion and Regulation

- Complete the project of drafting a Prakas regarding solvency and emergency liquidity assistance for non-deposit-taking BFIs.
- Strengthen customer protection and resolution by training customer complaint resolution officers and disseminating new documents.
- Update the Prakas on the Resolution of Consumer Complaints for BFIs and study the methodology for introducing consumer protection regulations (including market conduct supervision) for the banking and financial sector.
- Conduct dissemination workshops on “Microfinance in Cambodia” to enhance public and local authority financial literacy.
- Complete the preparation of a roadmap on financial literacy and implement the collection and analysis of gender-disaggregated financial climate data.
- Evaluate and review the National Financial Inclusion Strategy 2019-2025.
- Prepare regulations and legal documents for implementing a deposit protection scheme.
- Review and update the National Financial Inclusion Strategy 2019-2025.
- Continue to review and update regulations for BFIs in line with developments in international standards and the Cambodian banking system.

6. Anti-Money Laundering and Combating the Financing of Terrorism

- Continue to prepare and coordinate the second National Risk Assessment on AML/CFT.
- Monitor and instruct reporting persons in accordance with the laws and regulations on AML/CFT.
- Conduct on-site inspections of reporting institutions within the banking sector, securities, insurance, pension management, real estate, and casinos.
- Develop information technology systems to facilitate analytical work.
- Strengthen and expand cooperation with national and international partners through continued MoUs with ministries and international financial intelligence units.
- Enhance the capacity of CAFIU officers regarding the monitoring and analysis of financial transactions through workshops and training courses.
- Collaborate with ministries, local institutions, and international partners to organize training courses and workshops to improve the knowledge of reporting entities and relevant parties.

7. Monetary Market Operation

- Prepare the bidding of LPCOs and NCDs as scheduled.
- Implement MLF.
- Develop the interbank market by promoting operational activities on NBCP.
- Increase cooperation with BFIs to enhance the efficiency of monetary policy tools.

8. Banking Services

- Continue training members of the National Clearing House on the use of the system at the Headquarters and at the check exchange centers of the NBC's provincial branches.
- Collaborate with a working group to prepare the Rules and Procedures of the Single Payment Gateway.
- Support members of the National Clearing House in developing the interface for NCS and CSS.
- Support, promote, and expand the Bakong service system and OBS.
- Enhance the efficiency of account management services.

- Facilitate the issuance of government bonds to achieve the 2025 Issuance Plan.
- Cooperate and coordinate efforts to allow non-bank financial institutions to trade government bonds on the NBCP in both primary and secondary markets.
- Collaborate with the Ministry of Economy and Finance on Technical Assistance Projects from the ADB to support the development of the National Securities Market in Cambodia.
- Participate in a study on the formation of the yield curve of national securities investors.
- Regularly disseminate the government bond issuance plan.
- Organize a secondary market trading mechanism for government bonds through the NBCP to establish a comprehensive secondary market with high liquidity, and low transaction costs and risks.
- Conduct regular consultations to survey government bond investors.

9. Cash Management

- Improve deposit and withdrawal services.
- Strengthen the implementation of banknote transportation to ensure greater safety.
- Enhance the capacity for timely banknote counting.
- Promote cash management and enhance cash vault security.
- Strengthen cooperation with authorities to curb the circulation of counterfeit banknotes.

10. Internal Audit, Inspection, and Risk Management

- Conduct audits and inspections in accordance with the 2025 audit plans, as necessary.
- Inspect the destruction of old and torn banknotes.
- Review and monitor risk management related to the use of the core banking system of the NBC.
- Review the functions and responsibilities of the Inspection General to align with the new structure of various Directorate General Departments.
- Conduct a feasibility study on establishing a risk management unit at the NBC to develop a risk management framework aligned with international standards.
- Enhance the capacity of officials to improve the quality of audits and inspections and strengthen risk management in line with current trends.

11. Branch Management

- Effectively disseminate decisions or recommendations from NBC management to its branches.
- Coordinate and address all irregularities in the branches' work processes.
- Monitor and report the progress of work activities and challenges to management.
- Facilitate coordination between each department at headquarters and the branches of the NBC.

12. Human Resource Management and Training

- Improve training programs and organize courses on Central Bank Operations, Banking Supervision, and Leadership, as well as other meetings at the NBC.
- Enhance human resource management and development policies to ensure sustainability, safety, and efficiency.
- Continue to develop incentive policies for officials to strengthen professional expertise in banking supervision, Chartered Financial Analyst (CFA), Certified Public Accountant/Association of Certified Chartered Accountants (CPA/ACCA), and Certified Internal Auditor (CIA),
- Promote human resources development through online courses to align with the evolving national economy.
- Strengthen the assignment of officials in accordance with strategic policies and the needs of the NBC.

13. International Cooperation

- Collaborate with the SEACEN Centre and the ASEAN Capacity Building Committee under the ASEAN Financial Integration Framework to organize a workshop on “Capital Account Liberalization, Policy Formulation under Volatile Capital Flows, and Sustainable Finance-Dollarization.”
- Sign an MoU with the Central Bank of Brunei.
- Expand bilateral cooperation with partner central banks in the region.
- Further strengthen financial integration within ASEAN and other regions.
- Enhance dialogue with international financial institutions and development partners.

14. Research and Economic Analysis

- Organize the NBC's 12th Annual Macroeconomic Conference.
- Conduct the Business Confidence Survey (BCS) in Cambodia across the capital and provinces to compile the periodic Business Confidence Index (BCI), contributing to the monitoring and assessment of the economic condition.
- Develop an economic analysis model based on demand.
- Update key indicators by conducting Nowcasting and Near-term Forecasting for the economic conditions of 2025 and 2026.
- Strengthen and develop new models to enhance analysis, evaluation, and forecasting of economic conditions.
- Prepare and consolidate the monthly Report on the Economic and Banking Sector.
- Collaborate with JICA to study monetary policy transmission mechanisms, estimate U.S. dollar circulation in the market, and assess the effects of digitalization on the monetary system.
- Collaborate with UNDP Cambodia to organize a seminar to disseminate the results of the following studies: i) Dollarization and its Effects in the GFT Goods and Bag Sector in Cambodia: Toward the Promotion of KHR in Wage Payment, and ii) Maximizing Remittance Flows from Thailand to Cambodia: Constraints and Recommendations for Promoting Digital Remittances.
- Collaborate with the ERIA to organize workshops and conduct research studies on developing a strategy for Green Digital Finance in Cambodia.
- Select research and publication articles for the NBC's Research Paper Series (NBC Working Paper Series).
- Enhance the quality of research studies in accordance with international standards by partnering with national and international institutions.

15. Statistics

- Publish the RPPI calculated using the updated methodology recommended by the IMF-TA.
- Organize meetings with BFIs to elevate the quality of the International Transaction Reporting System (ITRS) and RPPI.
- Organize a workshop on “Travel Service Credits” for data users and providers from relevant agencies to improve the compiling methodology of travel service credits.
- Transition the compilation of Financial Resilience Indicators from a quarterly event to a monthly event, using the new account layout of BFIs.
- Launch the Consumer Goods Price Index data by capital province with a new database system comprising 80 items.

16. Communication

- Cooperate with the Ministry of Education, Youth and Sports to implement a promotional program on the “Riel and Bakong System” in cities and provinces.
- Organize meetings with journalists to enhance the public’s economic and banking literacy.
- Produce journalistic videos highlighting recent accomplishments of the NBC.
- Generate promotional content about the roles of the NBC and share it on the NBC’s official social media pages twice a week.

17. The SOSORO Museum

- Update data on the contribution of each sector to Cambodia’s economic growth as part of Module 8.
- Continue developing the Battambang Provincial Museum and Exhibition Center in Kampot province.
- Prepare for an exhibition in collaboration with the Japan Foundation to feature a historical photo album of Tokyo (Tokyo Before/After).
- Complete the publication of various books, including a catalog of non-permanent exhibitions, collaborative works with CPA Publishing House on Economic History, the SOSORO Museum, and guidebooks for children visiting the museum.
- Recruit staff for positions at the SOSORO and Battambang Provincial Museums.
- Develop a plan for the utilization of the Indochina Bank building.

18. Institute of Banking Studies

- Launch the third-year curriculum of the Bachelor of Banking program early 2025.
- Change the student uniform at the IBS.
- Develop a website for the IBS.
- Continue preparations to expand the institute to include a master's degree or equivalent degree.
- Develop both the physical and electronic libraries further.
- Continue to develop specialized academic programs and part-time short-course programs as needed and in a timely manner.
- Update the curriculum and textbooks in accordance with national and international educational standards.
- Maintain cooperation with development partners.

Part III – Appendix

Table 1: Selected Economic Indicators

	2018	2019	2020	2021	2022	2023	2024e
GDP and Price							
Real GDP Growth	8.8%	7.9%	-3.6%	3.1%	5.1%	5.0%	6.0%
GDP (KHR Trillion)	121.0	130.6	126.0	129.9	136.5	143.3	151.9
(USD Billion)	29.9	32.2	30.8	31.7	33.3	34.9	37.3
Exchange Rate, End of Period	4,033.0	4,084.0	4,076.5	4,113.5	4,117.0	4,081.0	4,025.0
(Average)	4,051.1	4,061.1	4,092.8	4,098.9	4,101.6	4,109.6	4,071.0
Inflation, End of period	1.6%	3.1%	2.9%	3.7%	2.9%	2.7%	3%
(Annual Average)	2.5%	1.9%	2.9%	2.9%	5.4%	2.1%	0.8%
Monetary and Credit (KHR Trillion)							
Monetary Base	32.9	44.2	43.3	47.7	45.4	59.2	58.3
(Year-on-Year)	16.8%	34.5%	-2.1%	10.2%	-4.8%	30.4%	-1.4%
Currency in Circulation	10.0	13.0	15.0	16.4	16.1	17.3	17.2
(y-o-y)	11.6%	30.6%	15.2%	9.0%	-1.7%	7.8%	-0.9%
Broad Money (M2)	100.2	118.4	136.5	158.7	172.0	193.5	224.3
(y-o-y)	26.6%	18.2%	15.3%	16.3%	8.3%	12.5%	15.9%
Claims on Private Sector	99.1	125.6	147.8	183.7	217.9	226.5	233.0
(y-o-y)	27.3%	26.7%	17.7%	24.3%	18.6%	3.9%	2.9%
Net Foreign Assets	48.9	60.2	67.4	57.1	39.5	61.2	90.0
(y-o-y)	27.2%	23.1%	11.9%	-15.3%	-30.8%	55.1%	47.0%
Public Finance (As Percentage of GDP) *							
Revenue	18.1%	20.9%	18.4%	16.8%	19.4%	18.0%	16.1%
Tax Revenue	14.0%	16.6%	15.0%	13.9%	16.2%	14.8%	14.0%
Grants	1.8%	1.7%	1.6%	1.3%	1.4%	1.3%	0.2%
Expenditure	17.8%	19.0%	21.5%	22.8%	20.3%	22.0%	18.5%
Expense	11.9%	13.3%	14.6%	15.7%	14.2%	15.7%	13.1%
Net Acquisition of Nonfinancial Assets	5.9%	5.8%	6.9%	7.1%	6.1%	6.3%	5.4%
Net Lending (+) / Net Borrowing (-)	0.3%	1.8%	-3.1%	-6.0%	-0.9%	-4.0%	-2.5%
Net Lending (+) / Net Borrowing (-), excluding grants	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	-2.7%
Net Acquisition of financial assets	1.8%	3.7%	-0.1%	-3.2%	2.1%	-0.7%	-0.3%
Net Incurrence of liabilities	1.6%	1.9%	3.1%	2.8%	3.0%	3.4%	2.2%
o/w: Domestic	0.0%	0.0%	0.0%	0.0%	0.1%	0.1%	0.2%
Balance of Payments (USD Billion)							
Current Account	-2.9	-2.9	-0.3	-10.9	-7.6	0.6	-0.06
(In percentage of GDP)	-9.7%	-9.1%	-1.1%	-34.4%	-22.8%	1.6%	-0.2%
Exports, f.o.b.	13.0	15.0	19.1	19.5	23.2	23.6	26.8
(y-o-y)	43.4%	46.6%	61.9%	61.6%	69.6%	67.6%	71.7%
Imports, f.o.b.	18.8	22.2	21.1	30.7	32.0	26.6	31.2
(y-o-y)	63.0%	69.1%	68.4%	97.0%	96.2%	76.1%	83.7%
Travel Services, Credit	4.4	4.8	1.0	0.2	1.4	3.1	3.4
(y-o-y)	14.6%	14.8%	3.3%	0.6%	4.3%	8.8%	9.1%
Personal Transfers	1.1	2.4	2.4	2.5	2.6	2.7	2.7
(y-o-y)	3.7%	7.5%	7.8%	8.0%	7.8%	7.6%	7.2%
Foreign Direct Investment	3.2	3.7	3.6	3.5	3.6	4.0	4.2
(y-o-y)	10.8%	11.4%	11.8%	11.0%	10.8%	11.4%	11.1%
International Reserves	14.6	18.8	21.3	20.3	17.8	20.0	22.5
(In Months of prospective imports)	7	10	8	7	7	7	7

Source: Data from MEF, Cambodian authorities, and NBC staff calculations and estimation

Note: *Data as of November

e = estimation

Table 2: Consumer Price Index
(October - December, 2006=100)

Consumer Price Index (CPI) and Component Indices	2022	2023	2024										
	Dec	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov
CPI (All Items)	197.48	202.84	197.82	199.12	200.03	201.93	203.55	203.56	204.32	205.33	206.03	207.74	207.66
Food and Non-Alcoholic Beverages	245.53	253.09	245.69	246.85	248.56	251.04	254.65	253.85	254.55	256.49	258.71	261.65	261.48
Alcoholic Beverages, Tobacco, and Narcotics	179.89	186.53	179.91	180.26	180.48	182.73	182.92	183.41	183.40	184.19	184.56	185.15	185.89
Clothing and Footwear	176.72	183.05	177.44	178.42	180.05	181.77	184.23	185.16	186.44	187.86	190.18	192.40	192.45
Housing, Water, Electricity, Gas, and other Fuels	138.50	141.60	138.63	139.31	139.70	140.35	140.94	141.15	141.59	142.18	142.42	142.77	142.78
Furnishings, Household Maintenance	161.43	163.67	161.85	162.09	162.50	163.16	163.71	163.87	164.38	164.85	165.60	166.36	166.35
Health	141.77	142.38	141.79	142.17	142.57	143.47	143.94	147.32	147.63	148.28	145.02	145.18	144.62
Transport	123.21	125.64	123.66	126.61	126.42	128.03	124.98	125.01	126.31	125.26	121.77	123.10	123.72
Communication	66.34	66.58	66.34	66.41	66.41	66.49	66.53	66.47	66.50	66.51	66.59	66.62	66.59
Recreation and Culture	128.54	132.90	128.93	129.72	130.47	131.55	132.03	132.12	133.32	133.71	134.41	134.32	134.36
Education	170.05	173.52	171.62	172.29	173.66	175.32	175.94	175.94	175.94	176.57	177.68	178.62	178.62
Restaurants	315.28	323.88	317.22	320.58	319.90	324.44	326.45	328.35	330.10	330.62	332.46	333.25	331.93
Miscellaneous Goods and Services	167.83	171.89	168.69	169.29	169.79	170.59	171.15	171.39	171.81	172.44	173.08	173.84	174.30
CPI (All Items)	-0.41	-0.38	-2.48	0.66	0.45	0.95	0.80	0.01	0.37	0.49	0.34	0.83	-0.04
Food and Non-Alcoholic Beverages	-0.17	-0.62	-2.92	0.47	0.69	1.00	1.44	-0.31	0.27	0.76	0.86	1.14	-0.06
Alcoholic Beverages, Tobacco, and Narcotics	0.23	0.18	-3.55	0.19	0.12	1.24	0.10	0.27	0.00	0.43	0.20	0.32	0.40
Clothing and Footwear	-0.52	-0.06	-3.07	0.55	0.92	0.95	1.35	0.51	0.69	0.76	1.23	1.17	0.02
Housing, Water, Electricity, Gas and Other Fuels	-0.20	-0.17	-2.10	0.49	0.28	0.47	0.42	0.15	0.31	0.41	0.17	0.24	0.01
Furnishings, Household Maintenance	0.05	0.01	-1.11	0.15	0.25	0.41	0.34	0.09	0.31	0.29	0.46	0.46	-0.01
Health	-1.31	-0.38	-0.41	0.27	0.28	0.63	0.33	2.35	0.21	0.44	-2.20	0.11	-0.39
Transport	-2.18	0.68	-1.58	2.39	-0.15	1.27	-2.38	0.02	1.04	-0.83	-2.79	1.09	0.50
Communication	-0.08	-0.07	-0.37	0.12	0.00	0.12	0.06	-0.10	0.05	0.02	0.11	0.05	-0.05
Recreation and Culture	0.15	-0.14	-2.99	0.61	0.58	0.83	0.37	0.07	0.91	0.29	0.53	-0.07	0.03
Education	0.32	0.71	-1.10	0.39	0.79	0.95	0.36	0.00	0.00	0.36	0.63	0.53	0.00
Restaurants	-0.84	-0.58	-2.06	1.06	-0.21	1.42	0.62	0.58	0.53	0.16	0.56	0.24	-0.40
Miscellaneous Goods and Services	0.57	0.09	-1.86	0.35	0.30	0.47	0.33	0.14	0.24	0.37	0.37	0.44	0.27
CPI (All Items)	2.86	2.72	-0.48	-0.29	0.03	0.50	1.10	0.70	0.64	0.28	0.60	1.36	1.99
Food and Non-Alcoholic Beverages	3.75	3.08	-0.37	-0.28	0.01	0.63	1.61	0.81	0.61	0.74	1.41	2.12	2.67
Alcoholic Beverages, Tobacco, and Narcotics	1.24	3.69	-0.17	-0.11	-0.17	1.01	0.01	0.12	-0.06	-0.31	-0.80	-0.54	-0.17
Clothing and Footwear	4.06	3.59	0.23	0.51	1.16	1.65	2.52	2.52	2.59	2.65	3.79	4.68	5.07
Housing, Water, Electricity, Gas, and other Fuels	0.89	2.24	-0.21	-0.08	0.32	0.03	0.09	0.00	0.03	-0.06	0.15	0.28	0.66
Furnishings, Household Maintenance	2.04	1.39	0.06	0.10	0.22	0.47	0.61	0.52	0.63	0.72	1.18	1.55	1.65
Health	0.65	0.43	-0.11	0.02	0.25	0.59	0.49	2.55	2.56	2.81	0.89	1.09	1.19
Transport	1.49	1.97	-1.79	-0.35	0.13	0.03	-0.41	-0.34	0.57	-3.51	-5.82	-3.13	-0.86
Communication	-0.19	0.37	-0.10	-0.05	-0.05	0.01	0.02	-0.17	-0.25	-0.36	-0.16	-0.10	-0.07
Recreation and Culture	4.10	3.39	-0.21	-0.25	-0.08	0.39	0.35	-0.01	0.32	-0.01	0.98	0.63	0.96
Education	1.72	2.04	0.72	1.11	1.58	2.55	2.92	2.52	2.12	2.48	3.13	3.67	3.67
Restaurants	2.56	2.73	-1.26	-1.33	-0.82	0.08	0.78	0.72	0.44	-0.75	0.28	1.22	1.89
Miscellaneous Goods and Services	1.79	2.42	0.11	0.25	0.26	0.50	0.53	0.41	0.40	0.44	0.99	1.20	1.50
All Items	197.68	203.80	201.43	199.93	198.99	200.36	201.83	203.01	203.81	204.41	205.23	206.37	207.14
Annual Percentage Change	3.24	3.10	1.64	0.64	-0.25	0.08	0.54	0.77	0.81	0.54	0.50	0.75	1.31
All Items	198.03	202.24	202.16	202.11	202.11	202.20	202.38	202.50	202.61	202.66	202.76	202.99	203.33
Annual Percentage Change	5.35	2.13	1.84	1.64	1.58	1.53	1.58	1.64	1.53	1.28	1.02	0.82	0.76

Source: National Institute of Statistics

* Preliminary estimates

Appendix 3

Table 3: Some ASEAN and European Currencies Against the KHR (End Period Buying Rate)

Currencies	2022	2023		2024											% Change Dec.24/Dec.23
	Dec	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	
IMF															
Special Drawing Right	5,479	5,481	5,427	5,406	5,354	5,354	5,417	5,402	5,447	5,470	5,497	5,395	5,292	5,249	-4.2
ASIA															
Australian Dollar	2,770	2,793	2,697	2,645	2,625	2,664	2,705	2,737	2,692	2,761	2,797	2,663	2,611	2,504	-10.3
Hong Kong Dollar	528	523	522	520	517	519	524	526	526	520	522	523	518	519	-0.8
Japanese Yen	30.79	28.99	27.69	26.99	26.70	26.10	26.06	25.59	26.54	28.04	28.38	26.51	26.54	25.49	-12.1
Korean Won	3.26	3.17	3.07	3.05	3.00	2.95	2.97	2.97	2.97	3.04	3.09	2.94	2.88	2.73	-13.9
New Zealand Dollar	2,599	2,589	2,505	2,482	2,412	2,423	2,497	2,503	2,422	2,545	2,562	2,424	2,371	2,273	-12.2
Chinese Yuan	591	575	569	565	559	561	565	565	567	571	579	570	555	551	-4.2
Taiwan Dollar	134	133	131	129	126	125	126	126	125	127	128	127	124	123	-7.5
ASEAN															
Indonesian Rupiah	0.263	0.265	0.259	0.260	0.255	0.250	0.252	0.251	0.252	0.263	0.269	0.258	0.254	0.250	-5.7
Malaysian Ringgit	931	887	864	854	854	852	870	871	890	938	986	927	906	900	1.5
Philippine Peso	73.92	73.63	72.39	72.40	71.90	70.47	69.81	69.96	70.08	72.08	72.45	69.73	68.66	69.59	-5.5
Singapore Dollar	3,053	3,102	3,048	3,022	2,994	2,987	3,028	3,028	3,057	3,115	3,165	3,068	2,997	2,964	-4.4
Thai Baht	119	120	116	113	111	110	111	111	114	119	125	121	117	118	-1.7
Vietnamese Dong	0.174	0.168	0.167	0.165	0.163	0.160	0.161	0.161	0.162	0.163	0.165	0.160	0.159	0.158	-6.0
EUROPE															
Euro	4,378	4,541	4,419	4,401	4,361	4,349	4,425	4,391	4,448	4,497	4,525	4,395	4,243	4,192	-7.7
Other															
Great Britain Pounds	4,956	5,231	5,181	5,142	5,094	5,085	5,199	5,191	5,282	5,350	5,431	5,285	5,096	5,058	-3.3

* Preliminary estimates

Box 1: Nominal and Real Effective Exchange Rate

➤ The Import-weighted Nominal Effective Exchange Rate (INEER) is the weighted average exchange rate of KHR against the currencies of Cambodia's main importing partners, weighted by the volume of imports, calculated using the following formula:

$$\text{INEER} = 100 * \prod (E_i)^{w_i}$$

Where, \prod : multiplication

E_i : the exchange rate of KHR against the currency of country i , and

w_i : the imported volume of country i compared to the total imports.

Cambodia's main importing partners include China, Thailand, Vietnam, Taiwan, Singapore, Japan, Hong Kong, South Korea, Indonesia, Malaysia, and the United States.

An increase (decrease) in INEER indicates that the domestic currency has depreciated (appreciated) against the currencies of its main importing partners.

➤ The Import-weighted Real Effective Exchange Rate (IREER) is the weighted average exchange rate of KHR against the currencies of Cambodia's main importing partners, adjusted for inflation rates that differ between the domestic country and its importing partners, calculated using the following formula:

$$\text{IREER} = 100 * \prod [E_i(P_i/P)]^{w_i}$$

Where P represents Cambodia's CPI (Base year 2015)

P_i : CPI of country i (Base year 2015).

An increase (decrease) in IREER indicates an increase (decrease) in inflation pressure on imports.

➤ The Export-weighted Nominal Effective Exchange Rate (ENEER) is the weighted average exchange rate of KHR against the currencies of Cambodia's main exporting partners, weighted by the volume of exports, calculated using the following formula:

$$\text{ENEER} = 100 * \prod (E_i)^{w_i}$$

Where w_i denotes the exported volume of country i compared to the total exports.

Cambodia's main exporting partners include the United States, the United Kingdom, Germany, Japan, Canada, China, Thailand, Spain, Belgium, France, the Netherlands, Vietnam, Hong Kong, and Italy.

An increase (decrease) in ENEER indicates that the domestic currency has depreciated (appreciated) against its main exporting partners.

➤ The Export-weighted Real Effective Exchange Rate (EREER) is the weighted average exchange rate of KHR against the currencies of Cambodia's main exporting partners, adjusted for inflation rates that differ between the domestic country and its exporting partners, calculated using the following formula:

$$\text{EREER} = 100 * \prod [E_i(P_i / P)]^{w_i}$$

Where P represents Cambodia's CPI (Base year 2015)

P_i : CPI of country i (Base year 2015)

An increase (decrease) in EREER indicates an increase (decrease) in the competitive advantage of Cambodia's exports.

Table 4: Central Bank Survey*
(In billion KHR)

	2018	2019	2020	2021	2022	2023	Nov-2024
Net Foreign Assets	58,308	75,984	85,803	81,117	71,916	80,305	84,331
Claims on Nonresidents	58,780	76,460	86,296	82,561	73,304	81,693	85,672
Liabilities to Nonresidents	-472	-476	-492	-1,443	-1,388	-1,389	-1,341
Claims on Other Depository Corporations	470	3,828	3,867	2,083	948	1,162	578
Net Claims on Central Government	-12,924	-19,690	-19,467	-12,662	-13,541	-11,956	-11,351
Claims on Central Government	0	0	0	0	0	0	0
Liabilities to Central Government	-12,924	-19,690	-19,467	-12,662	-13,541	-11,956	-11,351
Claims on Other Sectors	204	201	125	44	43	31	82
Claims on Other Financial Corporations	0	162	102	20	21	0	0
Claims on State and Local Government	0	0	0	0	0	0	0
Claims on Public Nonfinancial Corporations	0	0	0	0	0	0	0
Claims on Private Sector	204	39	22	24	21	31	82
Monetary Base	32,873	44,208	43,265	47,660	45,387	59,166	58,328
Currency in Circulation	9,992	13,047	15,027	16,373	16,098	17,346	17,198
Liabilities to Other Depository Corporations	22,807	31,034	28,184	31,262	29,238	41,795	41,086
Liabilities to Other Sectors	74	127	54	26	52	25	45
Other Liabilities to Other Depository Corporations	12,801	13,624	20,470	17,572	15,069	8,541	9,913
Deposits and Securities Other Than Shares Excl. Form Monetary Base	17	53	110	63	53	49	51
Deposits Included in Broad Money	0	0	0	0	0	0	0
Securities Other Than Shares Included in Broad Money	0	0	0	0	0	0	0
Deposits Excluding Broad Money	12	31	72	44	46	49	51
Securities Other Than Shares Excluding Broad Money	5	21	38	19	6	0	0
Loans	0	0	0	0	0	0	0
Financial Derivatives	0	0	0	0	0	0	0
Shares and Other Equity	2,109	4,195	8,184	7,181	1,131	4,974	8,347
Other Items (Net)	-1,743	-1,756	-1,701	-1,893	-2,273	-3,189	-2,999
<i>IFS Vertical Check</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>

* Included only central bank

R/. Revised data

** Forecasting Data

Table 5: Other Depository Corporations Survey*
(In billion KHR)

	2018	2019	2020	2021	2022	2023	Nov-2024
Net Foreign Assets	-9,423	-15,801	-18,439	-24,054	-32,425	-19,069	5,687
Claims on Nonresidents	14,781	15,339	16,662	17,569	17,276	26,264	39,385
Liabilities to Nonresidents	-24,204	-31,140	-35,100	-41,622	-49,701	-45,333	-33,698
Claims on Central Bank	34,270	42,997	47,688	48,944	44,936	52,109	53,793
Currency	979	1,141	1,553	1,797	1,959	2,371	2,558
Reserve Deposits and Securities Other Than Shares	33,290	41,848	46,120	47,140	42,969	49,729	51,215
Other Claims on Central Bank	1	8	15	7	8	9	20
Net Claims on Central Government	-3,296	-4,194	-5,527	-6,894	-8,394	-9,445	-11,457
Claims on Central Government	57	66	85	94	175	330	539
Liabilities to Central Government	-3,354	-4,260	-5,613	-6,987	-8,569	-9,775	-11,996
Claims on Other Sectors	101,350	129,817	152,223	188,254	223,064	230,825	235,601
Claims on Other Financial Corporations	2,434	4,225	4,423	4,548	5,186	4,364	2,647
Claims on State and Local Government	0	0	0	0	0	0	0
Claims on Public Nonfinancial Corporations	1	1	1	1	1	31	1
Claims on Private Sector	98,916	125,591	147,800	183,705	217,877	226,430	232,953
Liabilities to Central Bank	995	2,895	2,979	2,857	3,370	3,725	30
Transferable Deposits Included in Broad Money	19,389	23,574	25,320	30,312	27,150	27,909	32,979
Other Deposits Included in Broad Money	71,764	82,829	97,694	114,026	130,622	150,622	176,589
Securities Other Than Shares Included in Broad Money	0	0	0	0	0	0	0
Deposits Excluded From Broad Money	432	166	195	236	209	256	168
Securities Other Than Shares Excluded From Broad Money	0	0	0	0	0	0	0
Loans	966	1,340	1,547	1,994	2,213	2,262	1,963
Financial Derivatives	0	0	0	0	0	0	0
Shares and Other Equity	28,162	35,594	43,211	51,455	58,515	61,636	62,808
Other Items (Net)	1,193	6,421	4,999	5,371	5,104	8,011	9,087
<i>IFS Vertical Check</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>

* Includes commercial banks and MDIs

R/. Revised data

** Forecasting Data

Table 6: Depository Corporation Survey*
(In billion KHR)

	2018	2019	2020	2021	2022	2023	Nov-2024
Net Foreign Assets	48,884	60,183	67,365	57,064	39,491	61,235	90,017
Claims on Nonresidents	73,561	91,799	102,957	100,129	90,580	107,957	125,057
Liabilities to Nonresidents	-24,676	-31,616	-35,593	-43,065	-51,089	-46,722	-35,039
Domestic Claims	85,334	106,133	127,353	168,742	201,173	209,455	212,876
Net Claims on Central Government	-16,220	-23,884	-24,995	-19,556	-21,934	-21,401	-22,807
Claims on Central Government	57	66	85	94	175	330	539
Liabilities to Central Government	-16,277	-23,950	-25,080	-19,649	-22,110	-21,731	-23,347
Claims on Other Sectors	101,555	130,018	152,348	188,298	223,107	230,856	235,683
Claims on Other Financial Corporations	2,434	4,388	4,525	4,568	5,208	4,364	2,647
Claims on State and Local Government	0	0	0	0	0	0	0
Claims on Public Nonfinancial Corporations	1	1	1	1	1	31	1
Claims on Private Sector	99,120	125,629	147,822	183,729	217,898	226,461	233,035
Broad Money Liabilities (M2)	100,240	118,436	136,542	158,939	171,962	193,530	224,252
Currency Outside Depository Corporations	9,013	11,906	13,474	14,575	14,138	14,975	14,639
Transferable Deposits	19,447	23,684	25,357	30,319	27,183	27,916	33,006
Other Deposits	71,780	82,846	97,711	114,045	130,641	150,640	176,607
Securities Other Than Shares	0	0	0	0	0	0	0
<i>of which Foreign Currency (of M2)</i>	<i>85,869</i>	<i>99,651</i>	<i>114,565</i>	<i>131,882</i>	<i>142,705</i>	<i>161,308</i>	<i>190,339</i>
Deposits Excluded From Broad Money	443	197	267	280	255	305	219
Securities Other Than Shares Excluded From Broad Money	5	21	38	19	6	0	0
Loans	966	1,340	1,547	1,994	2,213	2,262	1,963
Financial Derivatives	0	0	0	0	0	0	0
Shares and Other Equity	30,271	39,788	51,394	58,637	59,645	66,610	71,155
Other Items (Net)	2,293	6,533	4,929	5,938	6,583	7,983	5,305
<i>IFS Vertical Check</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>

* Data from the central bank and other depository corporations (ODCs)

R/. Revised data

** Forecasting Data

Table 7: Other Financial Corporation Survey*
(In billion KHR)

	2018	2019	2020	2021	2022	2023	Nov-2024
Net Foreign Assets	-346	-981	-1,385	-971	-1,192	-1,127	-932
Claims on Nonresidents	48	90	96	366	382	399	562
Liabilities to Nonresidents	-395	-1,071	-1,481	-1,337	-1,574	-1,526	-1,495
Claims on Depository Corporations	324	634	521	3,956	4,254	4,791	6,139
Net Claims on Central Government	-528	-490	-30	-20	-25	-14	-13
Claims on Central Government	1	2	3	2	1	5	6
Liabilities to Central Government	-528	-491	-34	-21	-26	-19	-19
Claims on Other Sectors	1,968	2,798	2,562	6,157	7,870	8,503	8,876
Claims on State and Local Government	0	0	0	0	0	0	0
Claims on Public Nonfinancial Corporations	0	0	0	36	1	3	1
Claims on Private Sector	1,968	2,798	2,562	6,121	7,868	8,500	8,874
Deposit	16	30	29	30	22	2	1
Securities Other Than Shares	0	0	0	0	6	0	0
Loans	119	129	210	3,076	4,264	4,968	5,189
Financial Derivatives	0	0	0	0	0	0	0
Shares and Other Equity	1,340	1,818	1,507	4,428	4,913	5,397	6,589
Other Items (Net)	-57	-15	-78	162	-45	-280	-199
<i>IFS Vertical Check</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>

* From Jan-2021 to the present, 4SG included Specialized Banks, MFIs and Insurance Companies.

R/. Revised data

**Forecasting Data

Table 8: Financial Corporation Survey*
(In billion KHR)

	2018	2019	2020	2021	2022	2023	Nov-2024
Net Foreign Assets	48,538	59,202	65,980	56,093	38,299	60,109	89,085
Claims on Nonresidents	73,609	91,889	103,053	100,496	90,962	108,357	125,619
Liabilities to Nonresidents	-25,071	-32,687	-37,074	-44,402	-52,663	-48,248	-36,534
Domestic Claims	84,342	104,054	125,360	170,311	203,809	213,580	219,092
Net Claims on Central Government	-16,748	-24,374	-25,025	-19,575	-21,959	-21,415	-22,820
Claims on Central Government	58	67	89	95	177	335	545
Liabilities to Central Government	-16,806	-24,441	-25,113	-19,670	-22,136	-21,750	-23,365
Claims on Other Sectors	101,089	128,428	150,385	189,887	225,769	234,995	241,912
Claims on State and Local Government	0	0	0	0	0	0	0
Claims on Public Nonfinancial Corporations	1	1	1	37	2	34	3
Claims on Private Sector	101,089	128,427	150,385	189,850	225,767	234,961	241,909
Currency Outside Financial Corporations	9,011	11,901	13,458	14,568	14,130	14,964	14,622
Deposits	90,495	105,197	121,277	142,348	155,512	175,860	206,480
Securities Other Than Shares	0	0	0	0	0	0	0
Loans	983	1,329	1,465	4,900	6,305	6,900	6,813
Financial Derivatives	0	0	0	0	0	0	0
Shares and Other Equity	31,612	41,606	52,901	63,065	64,558	72,007	77,744
Other Items (Net)	779	3,222	2,239	98	-142	1,891	29
<i>IFS Vertical Check</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>

* Included data of depository corporations and other financial corporations

R/. Revised data

* *Forecasting Data

Table 9: Credit Granted Classified by Ownership in the Economic Sector
(In billion KHR)

	2018	2019	2020	2021	2022	2023	Nov-2024
1. Financial Institutions	3,014	5,109	5,920	7,222	8,300	7,835	6,644
1.1. National Bank of Cambodia	0	0	0	0	0	0	0
1.2. Depository Institutions	2,059	3,104	3,922	5,203	6,151	5,980	4,834
1.3. Other Financial Institutions	954	2,005	1,997	2,020	2,149	1,855	1,810
2. Non-Financial Institutions	64,979	79,319	94,137	117,068	139,808	160,915	166,436
2.1. Agriculture, Forestry and Fishing	7,524	7,907	9,858	12,858	15,597	19,248	19,448
2.2. Mining and Quarrying	233	254	533	699	924	1,089	1,293
2.3. Manufacturing	4,537	4,701	5,259	6,386	8,208	9,333	9,440
2.4. Utilities	571	985	1,641	2,053	1,943	2,415	2,782
2.5. Construction	7,787	10,197	12,783	15,347	18,244	20,829	22,229
2.6. Wholesale Trade	9,655	11,819	12,735	15,452	18,609	19,278	19,213
2.7. Retail Trade	13,673	16,548	20,230	26,020	30,864	37,171	37,119
2.8. Hotels and Restaurants	3,998	4,705	5,161	7,312	8,422	8,406	8,781
2.9. Transport and Storage	1,668	2,060	3,469	4,413	4,984	6,060	6,112
2.10. Information Media and Telecommunications	717	945	1,130	1,239	1,030	1,073	978
2.11. Rental and Operational Leasing Activities, Excluding Real Estate Leasing and Rentals	2,666	3,837	3,567	2,704	2,771	2,855	2,904
2.12. Real Estate Activities	6,210	9,006	10,925	14,157	18,161	22,178	25,429
2.13. Other Non-Financial Services	5,739	6,355	6,847	8,429	10,051	10,979	10,708
3. Personal Essentials	15,707	21,878	30,258	37,986	43,562	49,712	49,442
3.1. Personal Lending	6,979	9,408	12,803	15,209	15,489	20,545	21,249
3.2. Credit Cards	189	230	246	357	528	709	890
3.3. Mortgages, Owner-Occupied Housing only	8,540	12,240	17,209	22,420	27,545	28,459	27,303
4. Other Lending	1,037	1,292	1,116	2,253	2,587	2,753	3,134
Total Gross Loan	84,736	107,598	131,431	164,529	194,257	221,215	225,656

R/. Revised data

**Forecasting Data*

Table 10: Deposits with Banks
(In billion KHR)

	2018	2019	2020	2021	2022	2023	Nov-2024
Deposits in KHR							
Demand deposits	1,694.2	2,545.7	2,830.6	3,968.9	4,530.2	4,382.4	5,240.9
Savings deposits	1,516.3	1,978.1	2,176.4	2,912.3	3,609.1	4,262.1	4,849.4
Fixed deposits	2,149.2	2,890.8	4,406.9	6,587.1	8,921.4	12,372.1	13,877.9
Others	86.1	92.9	135.2	221.4	279.7	411.6	519.9
Total	5,445.9	7,507.4	9,549.0	13,689.7	17,340.4	21,428.3	24,488.2
Deposits in Foreign Currency*							
Demand deposits	19,246.4	23,192.4	24,586.1	29,937.3	26,829.6	27,460.7	32,509.4
Savings deposits	29,692.6	31,202.4	35,701.4	40,237.2	39,641.9	41,800.0	51,008.1
Fixed deposits	33,266.3	40,496.2	50,016.6	57,383.5	69,261.8	94,530.9	105,792.7
Others	1,025.8	1,159.9	1,457.9	1,676.3	1,955.5	2,850.9	3,275.0
Total	83,231.0	96,050.9	111,762.1	129,234.3	137,688.8	166,642.4	192,585.2
Grand Total	88,676.9	103,558.3	121,311.0	142,923.9	155,029.3	188,070.7	217,073.4

Deposits in foreign currency include deposits of Cambodian residents and non-residents

R/. Revised data

**Forecasting Data*

Table 11: Cambodia Balance of Payments
(2020 - 2024e)

(In million USD)

	2020	2021	2022	2023	2024 ^e
CURRENT ACCOUNT					
Balance on trades	-2,011	-11,205	-8,826	-2,986	-4,496
Credit	19,055	19,521	23,179	23,564	26,751
o/w: Garment, footwear, and other textiles	9,871	11,390	12,990	11,281	13,920
Electrical, vehicle parts, and bicycle	1,432	1,999	2,711	3,389	2,102
Debit	21,066	30,726	32,005	26,551	31,247
o/w: Garment materials	4,032	5,047	5,059	4,736	5,792
Construction materials	2,020	2,568	1,910	1,998	2,662
Vehicle	1,520	1,599	1,947	1,247	1,735
Petroleum	2,064	2,930	4,500	4,262	4,715
Food and beverage	1,135	1,136	1,321	1,456	1,701
Net services	-257	-1,432	-436	1,318	1,739
Credit	1,767	657	2,318	4,188	4,811
o/w: Travel services	1,023	184	1,415	3,084	3,636
Debit	2,025	2,090	2,754	2,870	3,073
o/w: Travel services	169	49	482	800	803
Primary income	-1,019	-1,490	-1,551	-953	-473
Credit	610	331	346	488	625
o/w: Interest	411	297	256	312	430
Debit	1,628	1,820	1,897	1,442	1,098
o/w: - Interest payable	115	119	117	133	152
- Income on equity	1,360	1,532	1,595	1,085	745
Secondary income	3,029	3,234	3,231	3,174	3,166
o/w: Government	449	510	479	494	450
Others	2,580	2,724	2,752	2,679	2,716
CURRENT ACCOUNT BALANCE	-258	-10,893	-7,582	552	-65
CAPITAL BALANCE	259	204	209	140	126
o/w: Capital transfers, net	259	204	209	140	126
CURRENT AND CAPITAL ACCOUNTS BALANCE	1	-10,689	-7,373	692	61
FINANCIAL ACCOUNT BALANCE	-3,016	-12,056	-6,807	-516	-372
Direct investment, net*	-3,498	-3,391	-3,428	-3,807	-3,988
Portfolio investment, net*	96	51	126	350	396
Other investment, net*	385	-8,717	-3,504	2,942	3,220
Net errors and omissions	-2,381	-1,285	912	-1,134	--
OVERALL BALANCE	637	83	346	73	433
FINANCING	637	83	346	73	433
Change in reserve assets	637	83	346	73	433
Use of IMF credit	--	--	--	--	--
Allocation of SDRs	--	--	--	--	--

Sources: Data provided by Cambodian authorities, and NBC staff estimates

Banks and Financial Institutions' Network Information 2020 - September 2024

Banks and Financial Institutions	2020	2021	2022	2023	SEP-2024
COMMERCIAL BANKS					
LOCAL BANKS– LOCAL MAJORITY OWNERSHIP					
NUMBER OF BANKS	12	13	17	18	18
NUMBER OF BRANCHES AND HEAD OFFICES	467	479	506	528	543
NUMBER OF STAFFS	19,605	20,596	22,407	23,093	23,338
ATMS TERMINALS	1,234	1,579	1,904	2,267	2,329
LOCAL BANKS– FOREIGN MAJORITY OWNERSHIP					
NUMBER OF BANKS	9	11	11	9	10
NUMBER OF BRANCHES AND HEAD OFFICES	427	576	588	308	312
NUMBER OF STAFFS	11,667	17,208	18,689	10,159	9,879
ATMS TERMINALS	523	558	622	709	670
FOREIGN SUBSIDIARY BANKS					
NUMBER OF BANKS	18	18	19	20	20
NUMBER OF BRANCHES AND HEAD OFFICES	358	361	366	857	860
NUMBER OF STAFFS	14,071	14,976	16,584	36,488	35,528
ATMS TERMINALS	1,035	1,267	1,622	2,410	2,536
FOREIGN BRANCHES BANKS					
NUMBER OF BANKS	12	12	11	11	11
NUMBER OF BRANCHES AND HEAD OFFICES	37	38	36	37	37
NUMBER OF STAFFS	869	907	875	921	921
ATMS TERMINALS	24	24	17	18	18
TOTAL COMMERCIAL BANKS					
NUMBER OF BANKS	51	54	58	58	59
TOTAL NUMBER OF BRANCHES AND HEAD OFFICES	1,289	1,454	1,496	1,730	1,752
NUMBER OF STAFFS	46,212	53,687	58,555	70,661	69,666
ATMS TERMINALS	2,816	3,428	4,165	5,404	5,553
SPECIALIZED BANKS					
LOCAL BANKS – LOCAL MAJORITY OWNERSHIP					
NUMBER OF BANKS	7	6	5	5	5
NUMBER OF BRANCHES AND HEAD OFFICES	14	13	12	13	13
NUMBER OF STAFFS	286	283	291	297	289
ATMS TERMINALS	0	0	0	0	0
LOCAL BANKS – FOREIGN MAJORITY OWNERSHIP					
NUMBER OF BANKS	5	4	4	4	4
TOTAL NUMBER OF BRANCHES AND HEAD OFFICES	18	19	20	24	24
NUMBER OF STAFFS	1,741	1,203	1,378	1,498	1,365
ATMS TERMINALS	2	0	0	0	0

TOTAL SPECIALIZED BANKS					
NUMBER OF BANKS	12	10	9	9	9
TOTAL NUMBER OF BRANCHES AND HEAD OFFICES	32	32	32	37	37
NUMBER OF STAFFS	2,027	1,486	1,669	1,795	1,654
ATMs TERMINALS	2	0	0	0	0
MICROFINANCE INSTITUTIONS					
MICROFINANCE DEPOSIT-TAKING INSTITUTIONS (MDIs)					
NUMBER OF INSTITUTIONS	6	5	5	4	4
NUMBER OF BRANCHES AND HEAD OFFICES	753	624	626	441	440
NUMBER OF STAFFS	24,106	21,998	22,834	13,121	13,039
ATMs TERMINALS	225	284	359	220	220
MICROFINANCE NON-DEPOSIT-TAKING INSTITUTIONS (MFIs)					
NUMBER OF INSTITUTIONS	75	79	82	83	85
NUMBER OF BRANCHES AND HEAD OFFICES	418	442	483	471	472
NUMBER OF STAFFS	6,425	6,610	7,803	8,267	8,373
TOTAL MICROFINANCE INSTITUTIONS					
NUMBER OF INSTITUTIONS	81	84	87	87	89
TOTAL NUMBER OF BRANCHES AND HEAD OFFICES	1,171	1,066	1,109	912	912
NUMBER OF STAFFS	30,531	28,608	30,637	21,388	21,412
ATMs TERMINALS	225	284	359	220	220
RURAL CREDIT INSTITUTIONS					
NUMBER OF INSTITUTIONS	245	232	223	114	115
TOTAL NUMBER OF NETWORK OPERATIONS	2,202	1,790	1,689	3,640	3,840
NUMBER OF STAFFS	1,951	1,727	1,561	1,560	1,947
FINANCIAL LEASE INSTITUTIONS					
TOTAL NUMBER OF INSTITUTIONS	15	17	16	16	13
CREDIT BUREAU COMPANY					
TOTAL NUMBER OF CREDIT BUREAU COMPANY	1	1	1	1	1
FOREIGN BANK REPRESENTATIVE OFFICES					
TOTAL NUMBER OF INSTITUTIONS	6	6	6	5	5

**List of the NBC's Hotlines to Accommodate Consumers' Enquiry
and Complaints on the Usage of Financial Services**

National Bank of Cambodia – Head Office

085 600 002	085 600 003	098 220 001
098 220 002	097 278 3030	

National Bank of Cambodia – Provincial Branches

Phnom Penh	016 568 433
Kandal	016 568 490
Kampong Cham	016 568 412
Battambang	016 568 114
Prey Veng	016 568 420
Siem Reap	016 568 175
Kampong Thom	016 568 542
Takeo	016 568 162
Svay Rieng	016 568 425
Pursat	016 568 499
Kampong Chhnang	016 687 220
Kampong Speu	016 687 229
Kampot	016 687 330
Sihanouk	016 687 194
Koh Kong	016 687 340
Preah Vihear	016 687 298
Kratie	086 354 070
Rattanakiri	096 7181 453
Mondulkiri	096 7178 264
Stung Treng	096 7179 414
Banteay Meanchey	096 7467 699