



**NATIONAL BANK OF CAMBODIA**

Riel Stability Development

# ANNUAL REPORT 2022





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## Foreword

In 2022, as the global spread of COVID-19 declined, several countries started to gradually reopen their economies so as to facilitate economic recovery, with the exception of China, which continued to implement a strict zero-COVID policy. However, a geopolitical crisis has overshadowed the global economy, due to the ongoing Russia-Ukraine war. The protracted war has triggered a sharp rise in global oil and food prices. It has also caused global inflation to surge. This has added to the already rising trend of inflation, which emerged from the global economic recovery that drove up demand. In this challenging situation, countries have pursued a tight monetary policy to control inflationary pressure by raising policy rates, while narrowing the fiscal space. The Federal Reserve has raised interest rates faster than expected, causing capital inflows to the U.S., leading to the tightening of international financial conditions, and weakening currencies in several countries. In response, several central banks have intervened in the foreign exchange market to counter depreciation pressure on their currencies, resulting in a significant drop in their international reserves. Although the implementation of these measures has lowered inflation to some extent, the inflationary trend remains uncertain. Hence, the Federal Reserve may continue its anti-inflation campaign by further raising interest rates, which had already slowed the global economic growth in 2022, compared to the forecast at the beginning of the year. As a result, economic growth in 2023 is subject to high uncertainty.

In the middle of the year, Cambodia's inflation rose due to the surge in oil and food prices, while domestic demand, in line with the resumption of economic activities, also increased. Nevertheless, inflation steadily eased in the second half of the year after oil and food prices fell, bringing the average inflation rate in 2022 to 5.3%. However, this did not significantly affect investment, production, and trade, as well as the people's livelihood. Simultaneously, the riel exchange rate against the US dollar has been stabilized to protect public purchasing power, despite the appreciation of the US dollar in international markets. Maintaining the stability of the riel has significantly contributed to easing inflationary pressures, by partly lowering the prices of imported goods. It should be noted that the National Bank of Cambodia (NBC) has decided to determine the official exchange rate, by calculating the weighted average exchange rate of the actual daily exchange transactions on the NBC platform (NBCP). This step is expected to provide an exchange rate based on the market mechanism, transparency, and accountability.

The achievement of a stable exchange rate is the result of prudent monetary and exchange rate policies, as well as balancing measures to support economic recovery. The riel liquidity was injected by lending appropriate amounts to banks and financial institutions, at low interest rates, through a competitive bidding option to stabilize riel interest rates. Further, the reserve requirement rate was kept low, so as to provide additional liquidity to the banking system. Meanwhile, the excess liquidity in both the riel and the US dollar was absorbed, through the negotiable certificate of deposit to balance the supply and demand for liquidity. It is also worth noting that NBC's intervention in the foreign exchange market has not been frequent, because monetary policy instruments have contributed more actively towards stabilizing the exchange rate. With prudent reserve management and lesser intervention, international reserves remained high enough, despite pressures from the volatility of international financial market conditions. This year, the Royal Government of Cambodia (RGC) has reissued the government bond in the riel, after a hiatus. The bond will be another new monetary policy instrument for the future, and it is expected to reinforce the effectiveness of the monetary policy, in the context of high dollarization.

The appropriate level of inflation, the stability of the riel exchange rate, and the sufficient level of international reserves have contributed significantly towards maintaining macroeconomic stability and investors' confidence in the Cambodian economy. This has created a favorable environment for the economy to recover faster. Furthermore, the Cambodian banking system has played a more active role in boosting economic growth and maintaining financial stability, both during and after the COVID-19 crisis. In fact, the easing of some macro- and micro-prudential regulations since 2020 has increased liquidity in the banking system, and maintained its sustainability of credit allocation, thereby fostering investment and consumption. However, in a highly uncertain situation, high credit growth can also exacerbate the risk of excessive debt accumulation and the rise in non-performing loans (NPLs). Therefore, the supervision of the banking system has been continuously strengthened with a risk-based and forward-looking approach, so as to be on par with international standards. Simultaneously, stress tests have been regularly conducted on the performance of banks and financial institutions. In addition, consumer protection and financial literacy have been promoted, in order to enhance the responsible use of credit, and to maximize the benefits of the financial sector for improving the public quality of life. It is worth mentioning that, in the last 10 years, the credit information sharing system initiated by the NBC has actively contributed to improving credit risk management, promoting transparency, and lowering interest rates.

During the COVID-19 crisis, loan restructuring helped sustain business operations, and alleviated borrowers' difficulty in repaying their loans when income plummeted. As the economy gradually recovered, the number of restructured loans also decreased steadily. Loans that had never been restructured before were allowed to be restructured until mid-2022. Also, banks and financial institutions were required to make provisions for restructured loans based on their actual classifications. Nevertheless, the NBC allowed loan restructuring for flood-affected populations, which represented only a small percentage of the total loans. The phasing out of the loan restructuring program was actually part of an exit strategy, in accordance with the evolving economic conditions.

Even as the effect of the COVID-19 crisis persists, the debt accumulation of firms and households, and high credit growth remain a major risk to the banking system, especially as NPLs continue to increase. At the same time, the growth of external challenges, owing to the rising policy rates in the U.S. and the tightening of international financial markets, has been putting pressure on lending rates and access to international capital. Previously, due to high liquidity in the banking system, interest rates have only risen slightly. However, in the future, if interest rates continue to rise for an extended period of time in the international markets, interest rates in Cambodia will also come under greater pressure. In such circumstances, banks and financial institutions should strive to diversify their sources of capital as well as income, by borrowing or lending in the local interbank market and by providing new financial services to meet market needs.

Financial infrastructure, especially payment systems, has played an important role in facilitating payments within the economy. This in turn has made the economic system more efficient, secure, and fast. As the use of technology continues to expand, and it becomes a new and important source of economic growth, payment systems have been further developed to strengthen interoperability and connectivity with other countries in the region. The aim is to contribute to the promotion of trade, investment, tourism, and remittances. The benefits of modernizing the payment system were clearly demonstrated during the lockdown period. Such modernization assisted online business operations and the RGC's socio-economic measures, through quick and transparent cash transfers to workers, the poor, and vulnerable households. In addition, Bakong and its KHQR payment system have also raised the prestige of Cambodia's



payment system on the international stage, given its innovativeness and boosting of financial inclusion. However, the use of new financial technologies can also invite risks such as cybercrime, which necessitate the improvement of IT regulations and vigilance from all stakeholders. At the same time, the NBC has been closely monitoring the trends in the Central Bank Digital Currency (CBDC) development, both globally and regionally, so as to examine its potential and risks for the future.

The COVID-19 crisis and its subsequent challenges underline the importance of strengthening regional financial integration and financial safety nets. This is crucial to maintaining a resilient economy in the face of economic crisis, exploring new potential to reinforce the development of trade, investment, and capital markets, as well as promoting the use of local currency. As the chair of ASEAN 2022, the NBC chaired and co-chaired meetings related to the financial sector. These meetings aimed to stimulate the liberalization of ASEAN financial services, the integration of the banking sector, financial inclusion, sustainable finance, and cross-border payments. The NBC also co-chaired the ASEAN+3 meetings to enhance the regional financial safety net, strengthen the ASEAN+3 Macroeconomic Research Organization (AMRO)'s capacity to monitor the economic soundness of member countries, and encourage the issuance of bonds in the ASEAN+3 region. As the 2023 Chairman of the Board of Governors (BOG), the NBC will continue to contribute towards the strategic direction of economic capacity development and research in the region.

Anti-Money Laundering (AML) and Combating the Financing of Terrorism (CFT) measures play an important role in contributing to the sustainable development of the financial sector and the national economy. Efforts have been stepped up to strengthen the framework and implementation of laws and regulations against money laundering and terrorist financing, and to expand the scope of cooperation with local and international authorities and stakeholders. Such efforts seek to ensure that Cambodia does not become a target destination for money laundering and terrorist financing.

In 2022, the Cambodian economy is estimated to grow by 5.1%. This growth would be supported chiefly by the export of manufactured goods, the quick rebound in tourism, and the return of domestic economic activities to normalcy. The construction and real estate sectors have recovered, whereas the agricultural sector continues to grow at a slower pace. In 2023, the Cambodian economy is expected to grow at around 6%, and inflation is projected to return to a low growth rate of 2.5%. This is because oil prices may slow down, in the context of slower global economic growth and improving global supply chains. International reserves are expected to increase slightly, which will be equivalent to about 7 months of prospective imports of goods and services. On the other hand, the robustness of the banking system will continue to contribute to economic development and poverty reduction. Nevertheless, the Cambodian economy is also facing a number of risks, including: i/-slower economic growth among Cambodia's key trading partners, affecting trade, investment, and recovery of tourism; ii/-tightening of international financial market conditions due to an increase in policy rates in developed countries, which could put pressure on the cost of foreign borrowing and the inflow of investment into Cambodia; iii/-the appreciation of the US dollar that could put pressure on Cambodia's export competitiveness and tourism receipts because of its high level of dollarization, and could also put pressure on the stability of the riel exchange rate against the US dollar; iv/-the uncertainty over international oil and agricultural commodity prices owing to the prolongation of the Russia-Ukraine war, which could affect Cambodia's inflation rate and increase import costs; v/-the scarring effects of COVID-19 that may weigh down potential economic growth in the medium and long run, for instance, changes in employment structures

and rise of poverty and social inequality; vi/-climate change, which adversely affects agriculture; and vii/-the eventual emergence of new COVID-19 variants resistant to vaccines.

In response to these challenges, the NBC will continue to assist the RGC's policy of restoring the economy and conducting structural reforms to achieve sustainable development goals. Monetary policy will continue to be proactive, flexible, and cautious. An exit strategy will be implemented, based on the evolution of the economic and financial situation, so as to rebuild the policy buffer in response to future shocks. Financial services and payment systems will continue to be modernized, in order to keep up with the transformation of economic and social systems, which are increasingly dependent on digital systems. At the same time, efforts will be made towards enhancing public financial and digital literacy. The continuous reinforcement and expansion of new financial products and services will promote financial inclusion, which has played an important role in laying the groundwork for sustainable economic development. The Cambodian banking system will continue to implement green and sustainable finance principles, by financing investment projects that take into account environmental, social, and governance (ESG) issues. The NBC will resume its strong and closed cooperation with central banks, monetary authorities, and financial institutions in both bilateral and multilateral frameworks, especially within the ASEAN, ASEAN+3, Regional Comprehensive Economic Partnerships (RCEP), and other strategic partners. Such cooperation would seek to strengthen coordination, integration, and financial safety nets, aimed at stimulating growth and increasing economic resilience to crises.

Finally, I would like to express my profound gratitude to the board of directors of the NBC for their consistent support. I extend my heartfelt thanks to all the NBC staff, who have worked hard and with a great sense of responsibility to fulfill their tasks, in order to build a sustainable banking system. I would also like to thank the ministries, institutions, and other development partners for their valuable cooperation. I am extremely confident that the board of directors, the NBC staff, and relevant stakeholders will continue to support and contribute towards the attaining of new economic outcomes for the benefit of Cambodia and its people.

**Governor**

## Abbreviations

ABC	The Association of Banks in Cambodia
ACCA	Association Of Certified Chartered Accountants
ACGM	ASEAN Central Bank Governors' Meeting
ADB	Asian Development Bank
AFI	Alliance for Financial Inclusion
AMRO	The ASEAN+3 Macroeconomic Research Office
APG	Asia-Pacific Group on Money Laundering
ATM	Automated Teller Machine
Bakong LVPS	Bakong Large Value Payment System
BIS	Bank for International Settlements
BOG	Board of Governors
BOK-KPP	Bank of Korea-Knowledge Partnership Program
CAFIU	Cambodia Financial Intelligence Unit
CBDC	Central Bank Digital Currency
CBS	Center for Banking Studies
CFA	Chartered Financial Analyst
CIA	Certified Internal Audit
CMIM	Chiang Mai Initiative Multilateralization
CPA	Certified Public Accountant
CSS	Cambodian Shared Switch
CUFA	Credit Union Foundation Australia
EGMONT	Egmont Group of Financial Intelligence Units
ENEER	Export-weighted Nominal Effective Exchange Rate
EREER	Export-weighted Real Effective Exchange Rate
ESG	Environmental, Social, and Governance
FAST	Fast System
FATF	Financial Action Task Force
FCD	Foreign Currency Deposit
FICG	Financial Intelligence Consultative Group

FPP	Financial Programing and Policies
FSI Connect	Financial Stability Institute Connect
GDP	Gross Domestic Product
IBF	Institute of Banking and Finance
ICRG-JG	International Cooperation Review Group-Joint Group
IEWG	Information Exchange Working Group
IFC	International Finance Corporation
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
MLF	Marginal Lending Facility
MSCWG	Membership, Support, and Compliance Group
NBCP	National Bank of Cambodia Platform
NCD	Negotiable Certificate of Deposit
NCS	National Clearing System
OBS	Online Banking System
PPWG	Policy and Procedure Working Group
RCEP	Regional Comprehensive Economic Partnership
ROA	Return on Asset
ROE	Return on Equity
RPPI	Residential Property Price Index
SEACEN	South East Asian Central Banks
SREP	Supervisory Review and Evaluation Process
TATWG	Technical Assistance and Training Working Group
UNCDF	United Nations Capital Development Fund
UNDP	United Nations Development Program
UNESCAP	United Nations Economic and Social Commission for

	Asia and the Pacific
WB	World Bank
WHO	World Health Organization



## Executive Summary

In 2022, the world economy expanded slower than expected, due to the effects of the Russia-Ukraine war, high inflationary pressure, and global financial tightening. According to the International Monetary Fund (IMF), global economic growth decelerated to 3.2%, wherein advanced countries grew by 2.4%, emerging and developing economies expanded by 3.7%, and Association of South East Asian (ASEAN) economies achieved a growth rate of 5.2%.

In Cambodia, the economy continued to recover by 5.1%. This recovery was supported mainly by the restarting of domestic economic activity and growing external demand. The manufacturing sector achieved strong growth: garment products for export increased by 64.3%, non-garment products for export jumped 1.1 times, and manufacturing products for the domestic market rose by 88.5%. Simultaneously, the tourism sector rebounded, as there was an unexpected rise in the number of international visitors to 2.2 million, though this is only 1/3 of the pre-crisis level. Also, the number of domestic tourists has fully returned to the usual levels. The construction and real estate sectors grew at a slower pace of 0.8% and 0.5%, respectively, supported by growing domestic demand. In the meantime, the agricultural sector continued to grow at a slower pace of 0.7%, on account of the early and heavy rainfall, as well as rising production costs due to higher fuel and fertilizer prices. The balance of payments is estimated to be at a surplus of USD 298.8 million, due to the inflow of financial accounts and reduction of current and capital accounts deficit. In spite of the slight decrease, international reserves remained high at USD 17.8 billion, equivalent to 7 months of prospective imports of goods and services, which is higher than the minimum level for developing countries (3 months).

Inflation increased to 5.3%, which was higher than that in 2021 (2.9%). This was mainly due to rising fuel and food prices caused by the Russia-Ukraine war and the disruption of the global supply chain, while the domestic demand expanded steadily. The exchange rate remained stable at around 4,102 riels per US dollar, depreciating slightly from the previous year, by 0.1%. Broad money (M2) increased by 9%, lower than last year's growth rate (16.4%), due to lower growth in both the Khmer riel (KHR) and foreign currency deposits, and the decline of currency in circulation. The NBC maintained the reserve requirement rate at 7%, allowing banking and financial institutions (BFIs) to have more liquidity for providing loans to various sectors, in supporting the economic recovery after the COVID-19 crisis. Liquidity absorption and provision have been achieved by balancing the need for liquidity and the stability of the riel. The issuance of negotiable certificate of deposits (NCD) in KHR and USD recorded a total of USD 37.5 billion, which was an increase of 3.7%. On the other hand, liquidity provision in the riel, through the liquidity-providing collateralized operation (LPCO), reduced to KHR 1.5 trillion. This was a decrease of almost 3 times. Marginal lending facility (MLF), a short-term liquidity injection tool, was also recorded at KHR 32.8 billion, for banks and financial institutions in need of local currency. The issuance of government bonds was KHR 72.1 billion, with a maturity period of one year and a coupon rate of 2.2%. However, the implementation of the monetary policy has not taken full effect, due to the high levels of dollarization, as reflected in the ratio of foreign currency deposits to M2 at 84.1%.



With regard to the banking system, banks and financial institutions remained healthy and helped in contributing to the economic recovery. The total assets of the banking system increased by 14.5%, credit to other economic sectors grew by 20.2%, and customer deposits rose by 11.3%. Financial inclusion grew steadily, as reflected by the increase in the number of customer deposit accounts from 12.7 million to 14.3 million accounts, and customer credit accounts from 3.4 million to 3.7 million accounts. Banks and financial institutions provided loan restructuring for 183,117 accounts (decreased -49%) with a total value of USD 3.3 billion (declined -38%), to help relieve the financial burden of borrowers affected by the COVID-19 pandemic and the floods. Credit quality remained satisfactory, as NPL ratio remained low despite the slight increase. The NPL ratio for the banking sector was recorded at 3.2%, while the ratio for the microfinance sector stood at 2.6%. Simultaneously, capital and liquidity conditions maintained strong levels, with the capital adequacy ratio (CAR) recording a high of 22.5% for the banking sector, and 21.2% for the microfinance sector, compared to the minimum requirement of 15%. The liquidity coverage ratio was 143% for commercial banks, and 172.8% for deposit-taking microfinance institutions (MFIs), higher than the minimum requirement of 100%. The results obtained from supervision of banks and financial institutions also indicated that the banking system was resilient enough to withstand future shocks.

In the context of the new normal and the increase in the use of new technology, the NBC modernized payment infrastructures. Subsequently, the NBC has introduced financial technology for payments, so as to improve safety and efficiency. The National Clearing System (NCS) and FAST Payment System have been under upgradation. Also, the KHQR code standard has been launched, in order to strengthen security, reduce operating costs, and improve financial inclusion. The Bakong system, a back-bone payment system that facilitates interoperability among different banks and financial institutions, helped increase the efficiency of the payment system and promote cashless payments. The number of e-wallet accounts expanded substantially to 17.9 million accounts. Further, the number of payment service transactions increased to about 1 billion transactions, with a total amount of USD 272.5 billion, equivalent to 10 times of the GDP. Cross-border payments with regional countries have been promoted, especially with neighbouring countries. Currently, cross-border payments with Laos and Vietnam have been promoted, after the connectivity between Cambodia and Thailand and Malaysia was done, in order to facilitate trade, investment, tourism, as well as easier, faster, and safer cross-border money transfer.

Despite the rapid adoption of electronic payment systems in Cambodia, the local economy continues to rely on the use of banknotes. In this context, cash in circulation has been managed efficiently and securely, to fulfil the needs of the public across the country. This has been achieved through improved quality and design of riel notes. In addition, campaigns to promote the use of riel have been organized, in order to raise public awareness about the benefit of the national currency, as well as to inspire youth to treasure and use the local currency more widely.

The total number of NBC officials has reached 1,889, which amounted to an increase of 6.4%. Among these officials, 49.2% were women. In order to improve work efficiency, capacity-building measures have been regularly implemented, through both local and

international training as well as online learning. Such capacity-building training seeks to help strengthen knowledge, specialization, and skills, in response to evolving job requirements and dynamic economic and financial conditions. The Center for Banking Studies (CBS) has trained 280 students. Also, a new building has been inaugurated for the CBS, aimed at enhancing the quality and efficiency of education. Moreover, audits and inspections have been also performed continuously at the NBC head office and capital/provincial branches, to promote good governance, quality of central bank services, and risk management.

Meanwhile, the Cambodian Financial Intelligence Unit (CAFIU) has continuously carried out AML/CFT tasks by: strengthening the implementation of AML /CFT obligations for reporting entities; submitting financial intelligence reports to other law enforcement authorities; enhancing national and international cooperation; conducting various training and dissemination initiatives, as well as participating in and coordinating the implementation of the action plan for the Financial Action Task Force (FATF).

In the sphere of international cooperation, the NBC has contributed towards: deepening financial integration in the region and the world, strengthening the financial safety net, and enhancing capacity development in the region. The NBC has fulfilled its roles as a chair of the ASEAN Central Bank Governors' Meeting, a co-chair of the ASEAN and ASEAN+3 Finance Ministers and Central Bank Governors in 2022, and the chair of the Board of Governors (BOG) of the South East Asian Central Banks (SEACEN) Center in 2023. Bilateral cooperation has also been strengthened through bilateral meetings. Also, cooperation in various fields, especially those related to bank supervision, cross-border payment connectivity, and exchange of experiences, among others, has been enhanced.

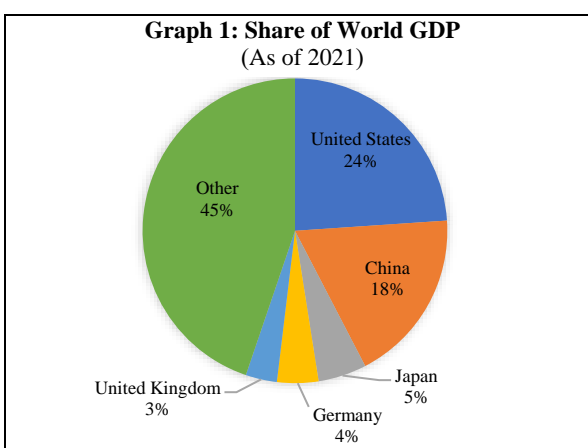


## **Part I – Annual Report 2022**



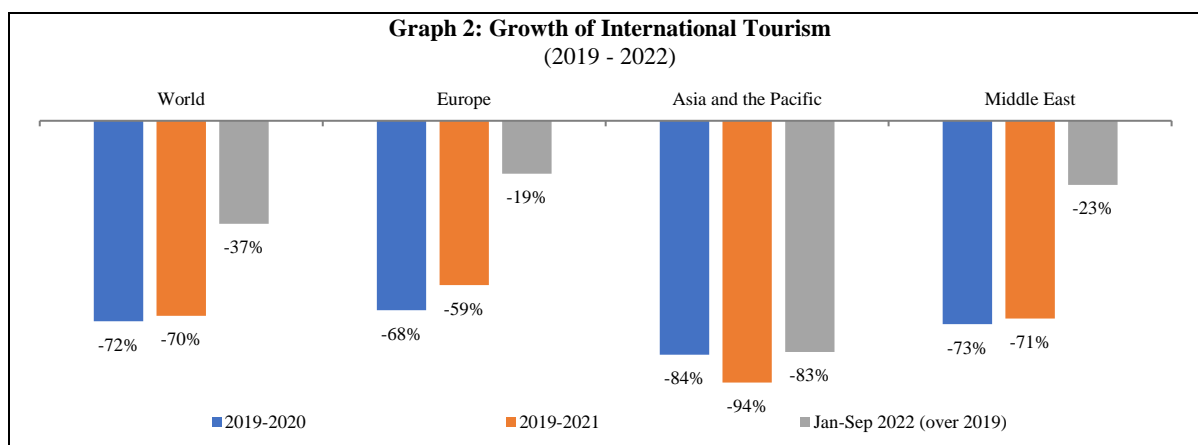
## I. Global Economic Situation

In 2022, as the COVID-19 epidemic gradually became endemic, most economies countries have reopened. Economic activities progressively returned to normal; the growth of global trade increased by 4.3%<sup>1</sup> and international travelers increased by 1.7<sup>2</sup> times, compared to 2021. China continued with the strict implementation of its Zero-Covid policy, causing major trading hubs to operate



Source: World Bank (WB)

at lower than optimum capacity, disrupting global supply chains, and affecting the tourism sector. While COVID-19 is yet to be classified as an influenza, the global economy is facing another challenge - that of high inflation, due to the increase in fuel and food prices caused by the ongoing Russia-Ukraine war<sup>3</sup>.



Source: World Tourism Organization (UNWTO)

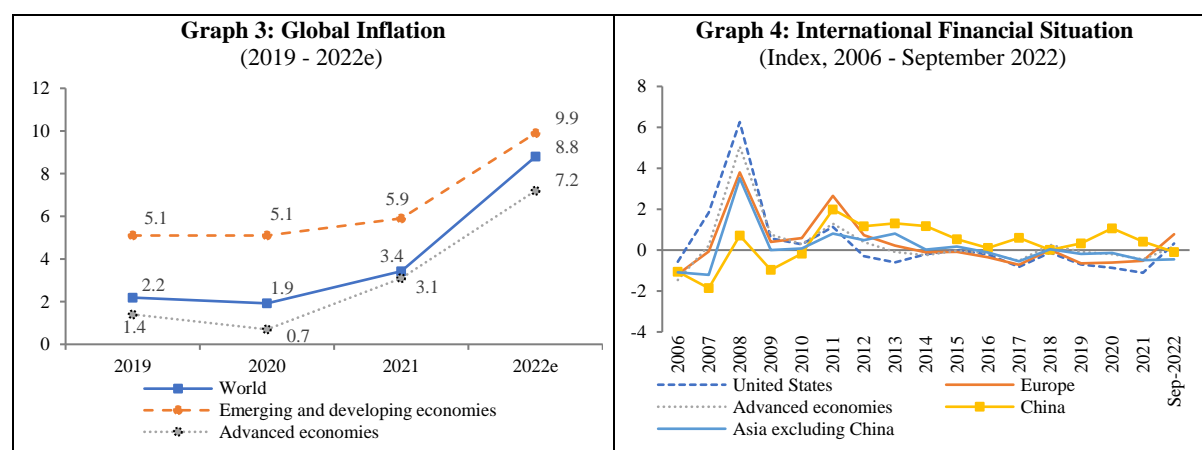
\*Change comparing to 2019

<sup>1</sup> World Economic Outlook (WEO): Countering the Cost-of-living Crisis.

<sup>2</sup> UNWTO World Tourism Barometer Report; Data for the first 7 months of 2022.

<sup>3</sup> Russia is the world's largest exporter of oil to Europe, and the world's largest agricultural fertilizer and wheat exporter, especially to Central Asia and Africa. Ukraine is also a major exporter of grains, including wheat, corn, and products related to food and agricultural fertilizers.

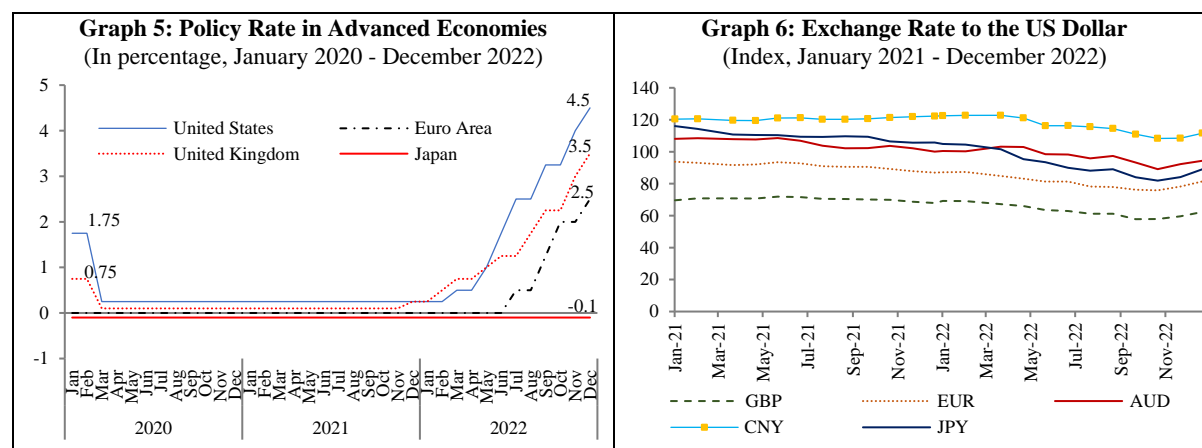
The rate of global inflation increased to 8.8%<sup>4</sup> in 2022 from 3.4% in 2021, while inflation in advanced economies was registered at 7.2% (3.1% in 2021), and in emerging and developing countries at 9.9% (5.9% in 2021). In the United States, inflation rose to a record high of 8%<sup>5</sup>, compared to the last four decades. Inflation stood at 8.6% in the United Kingdom and at 7% in India. In Europe, inflation rates were as follows: Germany at 7.3%, Italy at 7.2%, and Spain at 8%. This rising inflation has caused the tightening of global financial economies, thereby leading to declining demand in developed countries, rising debt levels in emerging and developing countries, declining international reserves, and depreciation of currencies.



Source: International Monetary Fund (IMF), \*e= estimation

Source: WEO

In response to the sharp rise in inflation, the US Federal Reserve increased the interest rates 7 times<sup>6</sup> faster than expected in 2022, from 0.25% to 4.5%<sup>7</sup>, causing capital inflows into the US and the appreciation of the US dollar. As against the US dollar, the Japanese yen depreciated by -15.9%, the Chinese yuan by -8.7%, the British pound by -8.2%, the Euro by -6.4%, the Australian dollar by -5.8%. Further, other currencies in ASEAN countries, such as the Malaysian ringgit and Thai baht, depreciated by -4.5% and -3.6%, respectively.



Source: Trading Economics

Source: www.fred.stlouisfed.org and NBC's staff calculation

<sup>4</sup> IMF's WEO released in October 2022.

<sup>5</sup> Euromonitor International 2022: Inflation Forecast report released in September 2022.

<sup>6</sup> From 0.25% (in February) to 0.5% in March, 1% in May, 1.75% in June, 2.5% in July, 3.25% in October and 4% in November 2022.

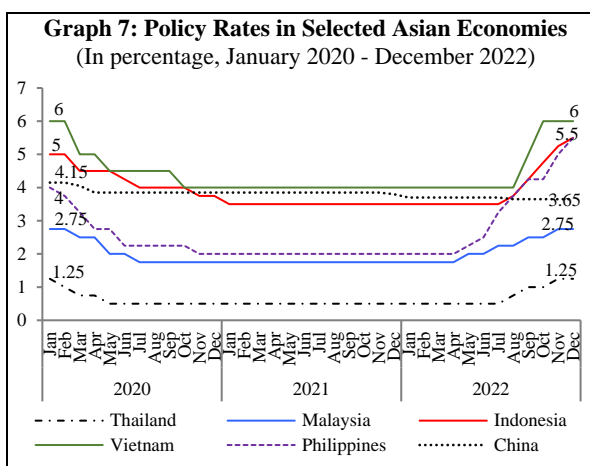
<sup>7</sup> The highest rate since 2008.



In order to maintain the value of their currencies and reduce inflationary pressure, several central banks raised their policy rates. For instance, the European Central Bank (ECB) increased its policy rate four times<sup>8</sup> from 0% to 2.5%, and the Bank of England eight times<sup>9</sup> from 0.1% to 3.5%. However, the Bank of Japan has maintained its policy rate at -0.1% due to the low inflation rate, since an

increase in the policy rate could slow down domestic consumption, put pressure on government debt, and increase burden on corporate debt. The People's Bank of China lowered its policy rate to 3.65%, in order to boost its economic growth that had been slowed down by COVID-19. In the ASEAN region, most central banks raised their policy rates to control inflationary pressures. For example, the Bank of Thailand raised its policy rate from 0.5% to 1.25%, the Bank Negara Malaysia from 1.75% to 2.75%, and Bank Indonesia from 3.5% to 5.25%.

Simultaneously, some central banks have also intervened in the foreign exchange market, to reduce depreciation pressure on the exchange rate. In September 2022, the Bank of Japan sold USD 19.7 billion<sup>10</sup>, which was the first forex (FX) intervention ever since the Asian financial crisis in 1997. In July 2022, the Bank Indonesia sold USD 4.21 billion, in response to the depreciation pressure on the Indonesian rupiah<sup>11</sup>. The People's Bank of China asked its major state-owned banks to prepare for selling the US dollar, in an effort to slow the depreciation of the yuan. This FX intervention caused international reserves<sup>12</sup> to fall sharply: China -5%, South Korea -10%, Japan -12%, India -17%, and the United Kingdom -19%.



Source: Trading Economics

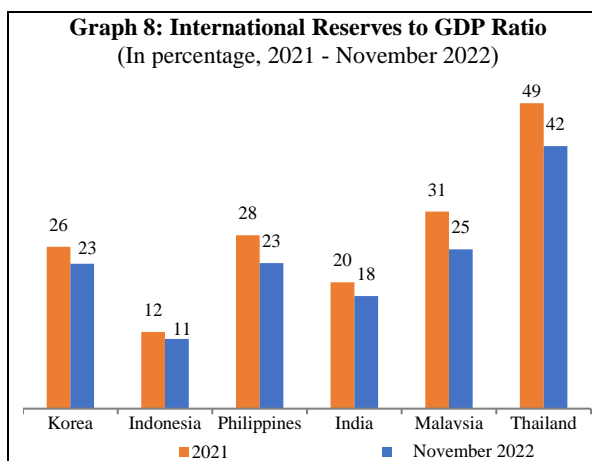
<sup>8</sup> From 0% (in June) to 0.5% in July, 1.25% in September, 2% in October, and 2.5% in December 2022.

<sup>9</sup> From 0.25% (in January) to 0.5% in February, 0.75% in March, 1% in May, 1.25% in June, 1.75% in August, 2.25% in September, 3% in November, and 3.5% in December 2022.

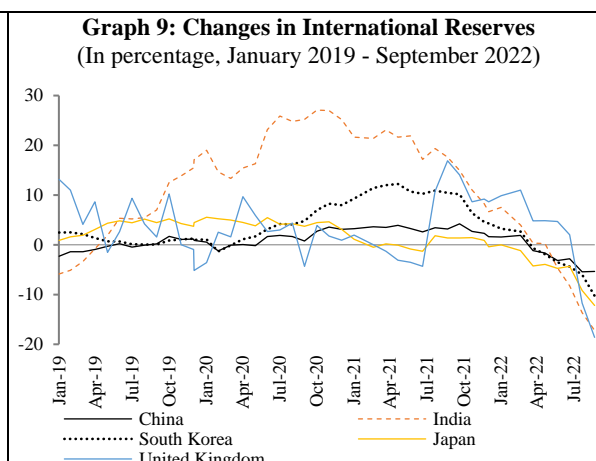
<sup>10</sup> Around 2.84 trillion yen; source: Bloomberg.

<sup>11</sup> The State Bank of Vietnam has been intervening in the foreign exchange market since the beginning of 2022, by selling foreign currency using appropriate means, to supply foreign currency to the market, in accordance with the economic situation. Bangko Sentral ng Pilipinas has intervened in the exchange market using two methods: i/-intervening more strongly due to the higher current currency fluctuations; and ii/-reducing the supply of local currency by borrowing more from the Central Bank's weekly bidding.

<sup>12</sup> International reserves exclude gold, as of September 2022.

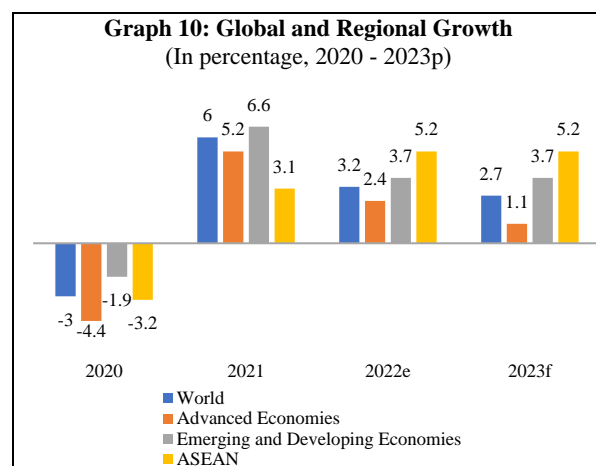


Sources: Bloomberg and NBC's staff calculation



Sources: www.fred.stlouisfed.org and NBC's staff calculation

Due to the above-mentioned challenges, the global economic growth has been projected as slowing down from 6% in 2021 to 3.2%<sup>13</sup>. The growth rate in advanced economies is expected to decline to 2.4% (5.2% in 2021), and in emerging and developing economies to 3.7% (6.6% in 2021). The ASEAN economy has been projected to grow by 5.2% (3.1% in 2021), supported by the increase in domestic demands, exports, and investments among neighboring countries such as Vietnam, Indonesia, Malaysia, and the Philippines<sup>14</sup>.



Sources: IMF and AMRO, \*e= estimation, \*p= prediction

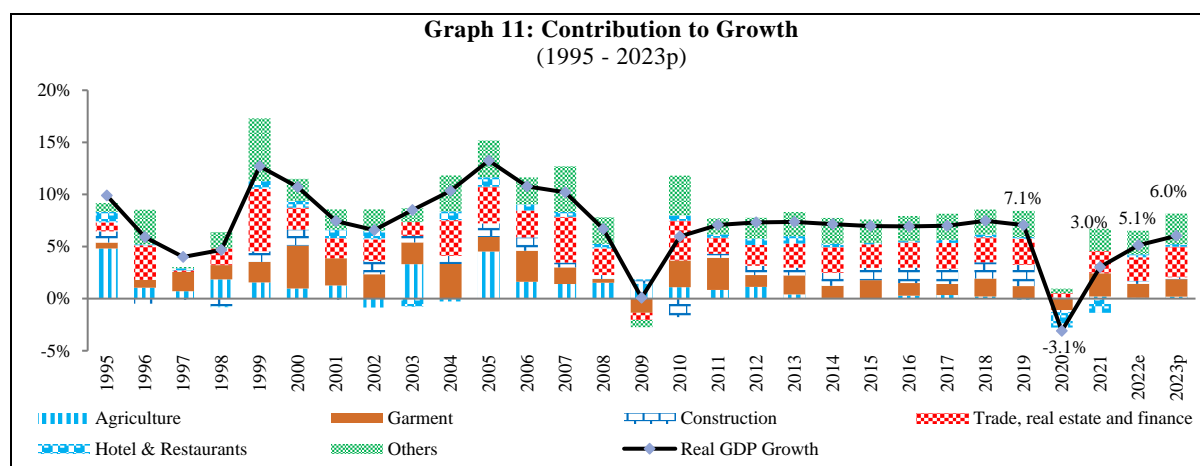
<sup>13</sup> IMF

<sup>14</sup> WEO released in October 2022: Vietnam's economic growth increased from 2.6% in 2021 to 7% in 2022, Indonesia's from 3.7% to 5.3%, Malaysia's from 3.1% to 5.4%, and the Philippines's from 5.7% to 6.5%.

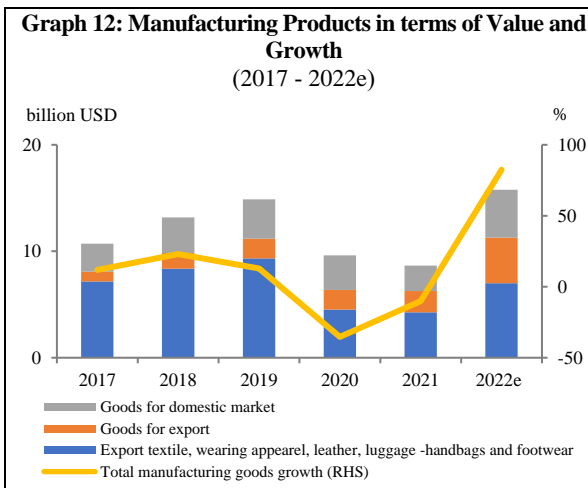
## II. Cambodia's Macroeconomic Condition

### 1. Economic Growth

The effective management of the COVID-19 pandemic allowed domestic economic activities to return to normalcy. This factor, coupled with the favorable growth of external demand, supported major sectors of the economy, such as manufacturing and tourism, with higher-than-anticipated growth. However, the agriculture and construction sector grew at a slower pace. In this context, Cambodia's economy is optimistically expected to grow by 5.1% in the future.



**Manufacturing Sector:** The manufacturing sector continues to play an important role in driving growth within the Cambodian economy. The total value of manufacturing goods increased by 82.4%. Manufacturing of goods for export surged significantly. Garment goods<sup>15</sup>, which have been the largest contributors, increased by 64.3%, while non-garment goods grew by 1.1 times (electrical parts increased by 98.2%, vehicle and vehicle spare parts increased by 8 times, and bicycle and bicycle spare parts increased by 1.5 times).



<sup>15</sup> Textiles, clothing, luggage, footwear, and other leather products.

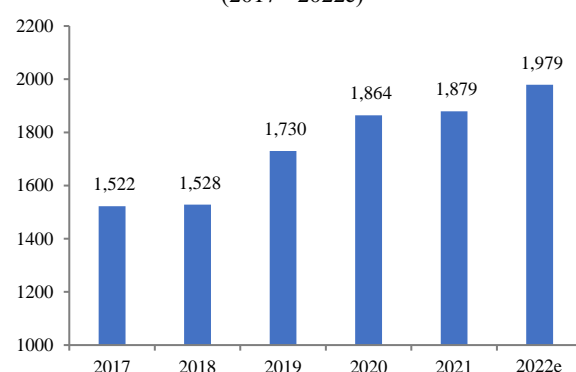
Manufacturing goods for the domestic market also rose significantly to 88.5%, including food and beverage (increased 1.6 times), metal (1.7 times), and plastic (36.1%).

The total number of factories increased to 1,979 from 1,879 in 2021, thereby creating more than 1 million jobs.

**Tourism Sector:** The tourism sector was projected to grow more significantly at 15.2%. The number of international tourist arrivals<sup>16</sup> increased to 2.2 million tourists (grew 10.4 times). Phnom Penh, Siem Reap, and the coastal areas attracted the most visitors. This increase was supported mainly by the reopening of the country to be in tandem with the growth of regional tourism, as well as the resumption and subsequent expansion<sup>17</sup> of connecting flights to Cambodia, particularly from neighboring countries such as Thailand, Vietnam, and Singapore. However, when compared to pre-crisis levels, growth has remained low, with approximately only 1/3 of international tourists visiting Cambodia in 2019 (6.6 million tourists).

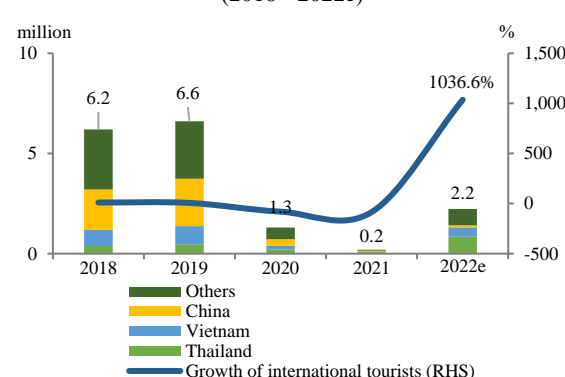
Domestic tourism, on the other hand, returned to pre-pandemic levels, with the number of domestic tourists increasing by 1.7 times to 12.6 million. Most of the domestic tourists (50.6% of the total) visited the coastal region (an increase of 2.1%), due to the completion of the Phnom Penh-Sihanoukville expressway and other regional infrastructure. Phnom Penh ranked second (17.4%), Siem Reap ranked third (16.5%), and eco-tourism zones ranked fourth (5.1%), in terms of domestic tourism.

**Graph 13: Large Manufacturing Enterprises (2017 - 2022e)**



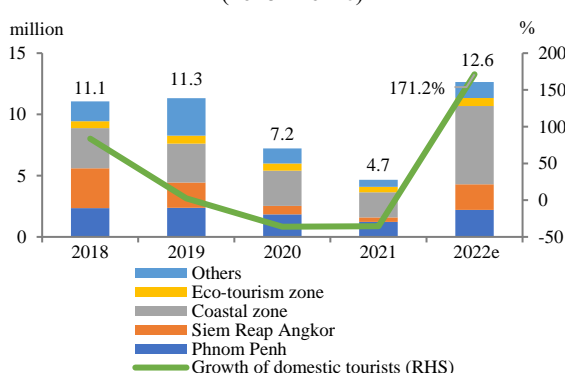
Sources: The Ministry of Industry, Science, Technology, and Innovation and NBC's calculation, \*e= estimation

**Graph 14: International Tourist Arrivals (2018 - 2022e)**



Sources: Ministry of Tourism and NBC's calculation, \*e= estimation

**Graph 15: Domestic Tourists (2018 - 2022e)**

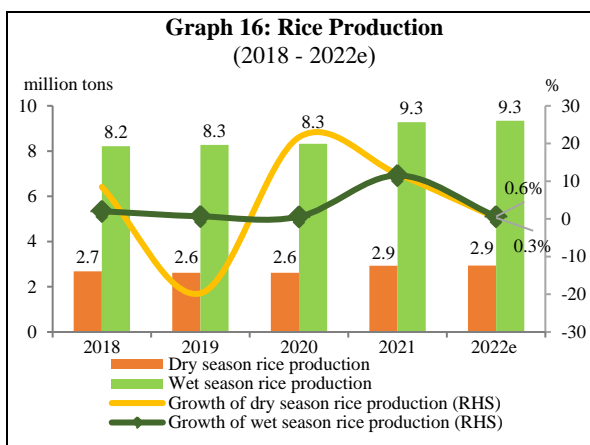


Source: Ministry of Tourism and NBC's calculation, \*e= estimation

<sup>16</sup> In 2022, Thai tourists ranked first, accounting for 38% of the total number of international tourists, followed by Vietnamese tourists ranked second (21%), and Chinese tourists ranked third (5%).

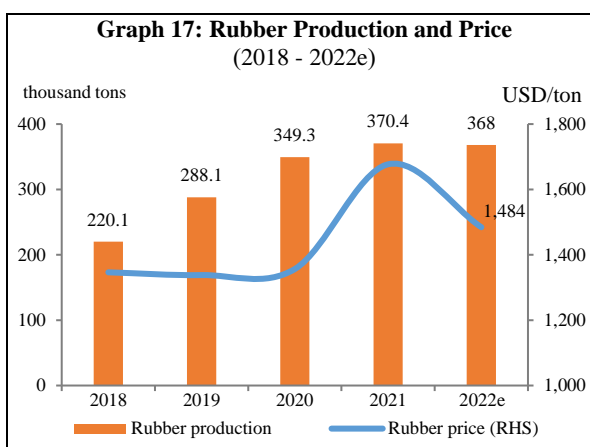
<sup>17</sup> During the first 10 months of 2022, there were 20,000 flights to Cambodia, an increase of more than 10,000 flights, compared to the same period in 2021 (around 8,000 flights).

**Agricultural Sector:** The agricultural sector grew by 0.7%, which was lower than expected, due to flooding and rising fuel and fertilizer prices. Dry season rice production achieved a lower growth of only 0.3% (11.9% last year), and wet season rice production increased by 0.6% (11.5% last year).



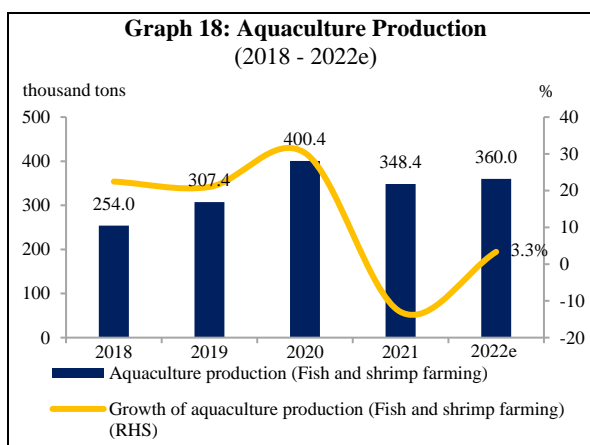
Source: Ministry of Agriculture, Forestry, and Fishery and NBC's calculation, \*e= estimation

Rubber production, on the other hand, decreased slightly by -0.6%, while the average rubber prices per ton continued to fall by -11.5%, due to the decline in demand for rubber caused by geopolitical tensions, production chain disruptions, and China's Zero-COVID policy. It should be noted that the price of rubber in Cambodia is mostly dependent on price fluctuations in the international market.



Source: Ministry of Agriculture, Forestry and Fishery and NBC's calculation, \*e= estimation

Aquaculture (fish and shrimp farming) increased by 3.3%, driven by the rising demand, and the implementation of the Royal Government's policy to enhance aquaculture capacity for meeting domestic and export demand.



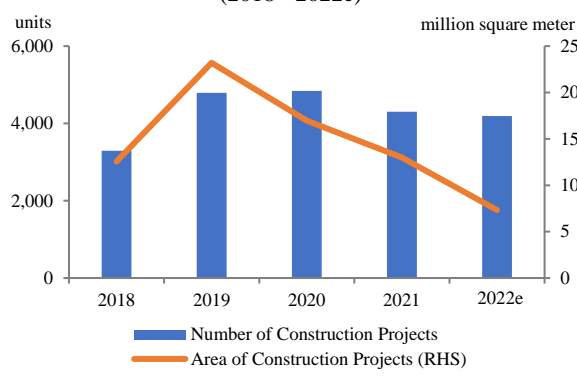
Source: Ministry of Agriculture, Forestry, and Fishery and NBC's calculation, \*e= estimation

## Construction and Real Estate Sectors:

The construction and real estate sectors rebounded positively, but at lower rates of 0.8% and 0.5%, respectively. The construction sector remained affected; in particular, condominiums served the needs of non-residents. However, residential construction increased by 0.9%, due to the growth of domestic demand, particularly for mid-range and affordable residential housing. The number of approved construction projects decreased by -2.6% to 4,191 projects<sup>18</sup>, whereas the area and value of the construction projects dropped by -43.6% and -45.3%, respectively.

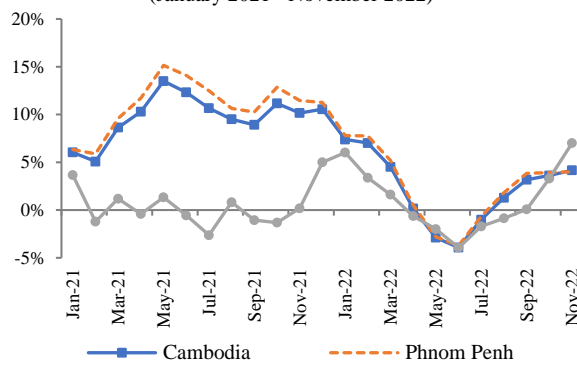
The growth of the real estate sector was primarily driven by the sale of mid-range and affordable residences. The sale of residences<sup>19</sup> (including flats, twin villas, and single villas) was estimated to increase by approximately 80%, although the sale of condominiums continued to decrease by -58.2%. In case of sales activities for residences in the domestic market, the figures fluctuated considerably: the Residential Property Price Index<sup>20</sup> (RPPI) rose by 4.2% (year-on-year), with Phnom Penh showing an increase of 4% and other provinces showing an increase of 7%. This indicates that the real estate sector has started to recover, despite the ongoing pressure from the economic crisis.

**Graph 19: Number and Area of Construction Projects (2018 - 2022e)**



Source: Ministry of Land, Management, Urban Planning, and Construction and NBC's calculation, \*e= estimation

**Graph 20: Cambodia's RPPI Growth (January 2021 - November 2022)**



Source: Ministry of Land, Management, Urban Planning, and Construction and NBC's calculation, \*e= estimation

<sup>18</sup> Estimated data for December 2022.

<sup>19</sup> Real Estate Business and Pawnshop Regulator and NBC's calculation.

<sup>20</sup> As of November 2022.

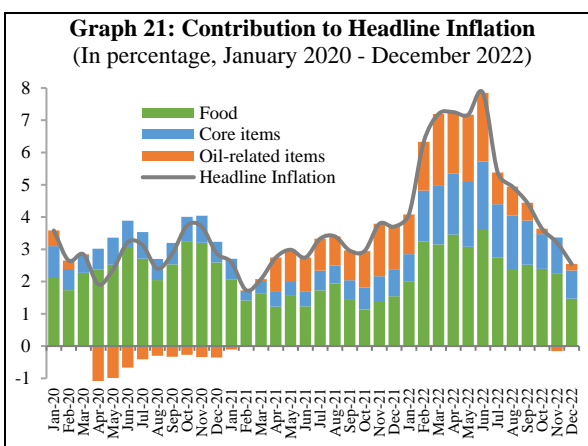
## 2. Inflation

Headline inflation in 2022 rose to 5.4%, which was higher compared to 2021 (2.9%), especially in the first semester. It peaked in June at 7.8%, due to the effects of the Russia-Ukraine war, coupled with stronger domestic demand as economic conditions improved. However, inflation rates declined in the second semester, mainly due to lower global oil and food prices, in the context of opening of oil reserves and rise in oil production, slower global economic growth, and UN-backed Ukrainian export agreements.

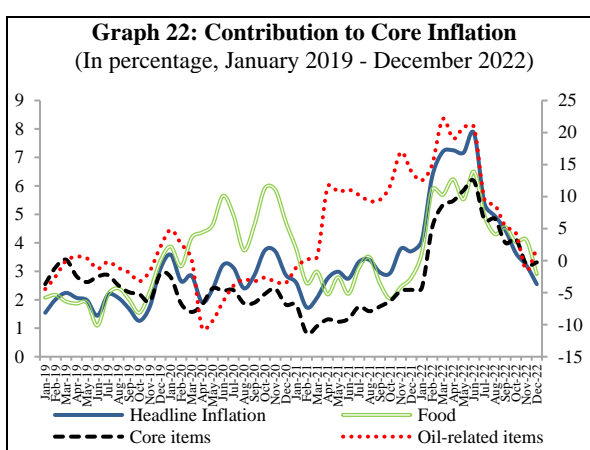
Food inflation<sup>21</sup> accelerated to 5% (2.7% in 2021), largely due to the rise in production costs, supply chain disruptions, and increasing demand. The major food items that saw a rise in inflation were fruits (7.9%), vegetables (8.1%), fish (5%), and pork (4.1%).

Core inflation<sup>22</sup> rose to 4.4% (1.6% in 2021), mainly due to the continued recovery of domestic demand, and the impact of rising food and fuel prices. Core items that saw a rise in prices were clothing (7.1%), restaurants (6.9%), recreation and culture (5.7%), housing excluded oil-related items (4.1%), and health (2.8%).

The prices of oil-related items<sup>23</sup> rose by 11.1 % (8.7 % in 2021), as global crude oil prices rose by 43.3 % from \$71 per barrel in 2021 to \$101 per barrel in 2022. Oil-related items that saw a greater price rise were gasoline (26.7%), gas (20.3%), and solid fuel (6%).



Source: National Institute of Statistics and NBC's Calculation, (\*November-December 2022 data are estimates)



Source: National Institute of Statistics and NBC's Calculation, (\*November-December 2022 data are estimates)

<sup>21</sup> The food group accounted for 44.8% of the calculation of the Consumer Price Index (CPI).

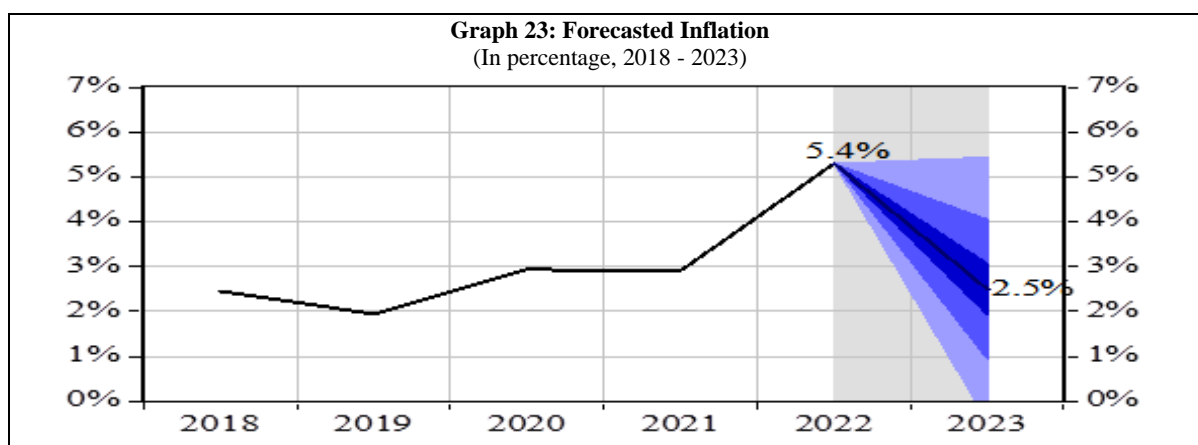
<sup>22</sup> Core inflation accounted for 39.6% of the (CPI).

<sup>23</sup> Oil-related goods and services accounted for 15.6% of the (CPI).



### **Inflation forecast for 2023<sup>24</sup>:**

The inflation outlook for 2023 remains largely uncertain, due to the protracted Russia-Ukraine war and global economic uncertainties. Based on an optimistic assumption, the inflation rate is projected to be around 2.5%<sup>25</sup>, lower than that in 2022 (5.3%), driven by: i/-deceleration of oil-related items (3%) due to the slowdown in the global economy; ii/-slowing down of food inflation (2.4%) due to the improvement in supply conditions and lower production costs; and iii/-slight deceleration of core inflation (2.6%) due to the slowdown in food prices and lower prices of oil-related items, coupled with expectations of slowing credit growth in the context of rising interest rates. This forecast is in line with the global inflation forecasts. Global inflation is expected to decline to 6.5 % in 2023 from 8.8 % in 2022, with advanced economies at 4.4% (7.2% in 2021), and emerging and developing economies at 8.1% (9.9% in 2021)<sup>26</sup>.



Source: National Institute of Statistics and Calculations of NBC officials

<sup>24</sup> The forecast has been made using the following models: i/-Multiple regression, which studies the relationship between inflation and a number of key indicators, including previous period inflation, import partners' inflation, global oil price fluctuations, credit growth, and KHR/USD exchange rate fluctuations; ii/-Autoregressive Integrated Moving Average - ARIMA (p, d, q), which forecasts the 13 groups in the consumer basket, based on the previous price and the trajectory of those variables; iii/-VARX with inflation rate, credit growth, exchange rate fluctuations, importing partners' inflation, and oil prices as exogenous variables; iv/-ARIMA (3,1,3), considering three previous periods inflation rate; and v/-vector autoregressive with exogenous variable (VARX), which forecasts core inflation, food inflation, and oil-related inflation.

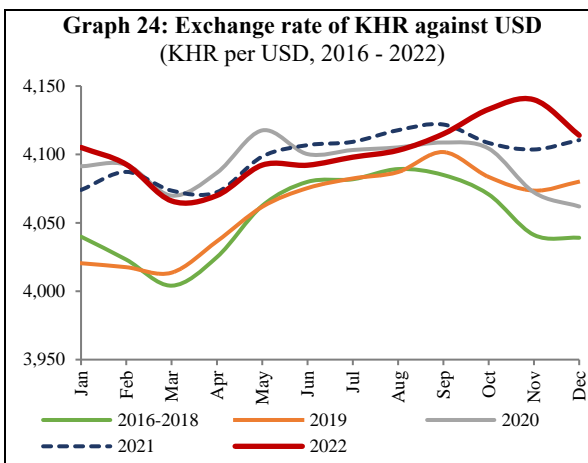
<sup>25</sup> Assumptions: i/-global crude oil prices are expected to fall to \$ 95 per barrel ii/-the average exchange rate will remain stable at an average of 4,090 iii/-the GDP will grow by 6% in 2023 and will continue to gradually recover towards the long-term trend and iv/-the inflation trend of the three groups will evolve as expected.

<sup>26</sup> IMF WEO, released October 2022.

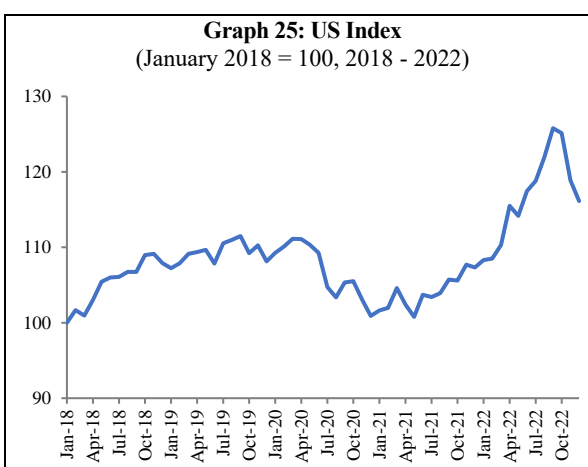
### 3. Exchange Rate

The exchange rate of Khmer riel (KHR) against the USD remained stable in 2022, despite a slight depreciation, when compared to pre-crisis levels. Federal fund rates increased, while the demand for KHR also increased with economic recovery.

The average exchange rate of KHR against the USD stood at 4,102 riels per USD, a depreciation of 1.2% compared to the pre-crisis levels (2016-2018), and of 0.1% compared to 2021 (4,099 riels). In 2022, the official exchange rate published by the NBC was calculated based on the actual exchange rates of banks and financial institutions trading on the NBCP. Therefore, the official exchange rate is equal to the market rate, which better reflects the market condition of foreign exchange. The official exchange rate is published daily, at the beginning and end of business hours.



Source: NBC



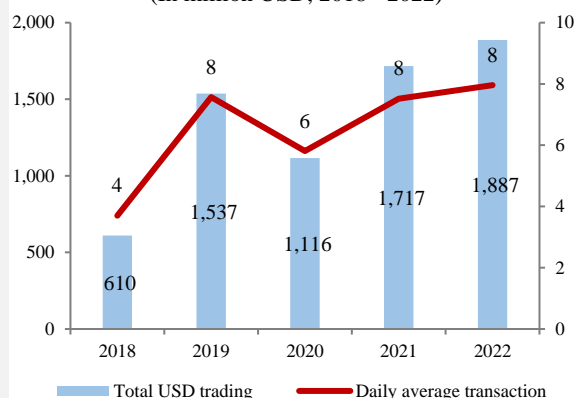
Source: NBC

### Box 1: Foreign Exchange Transactions on the NBCP

The NBCP was created in 2018. It currently has 69 members, including 50 commercial banks, 4 specialized banks, 10 Microfinance Institutions (MFIs) and 5 money changers. Among these, 29 institutions engage in active trading every day. The USD trading transactions on the NBCP increased from approximately USD 610 million in 2018 to USD 1.8 billion in 2021 and to USD 1.9 billion<sup>27</sup> in 2022. The

**Graph 26: Foreign Exchange Transactions on the NBCP**

(In million USD, 2018 - 2022)



Source: NBC

daily average transactions increased from USD 4 million to USD 8 million. Overall, the steady rise in transactions has the potential to grow further due to convenience, confidence, security, and risk-free transactions on the NBCP.

### Methodology for Calculating Exchange Rate on the NBCP:

The official exchange rate was calculated based on the weighted-average exchange rate of daily transactions on the NBCP. For example, the official exchange rate for 22<sup>nd</sup> July 2022 was calculated as follows:

22<sup>nd</sup> July 2022 official exchange rate=

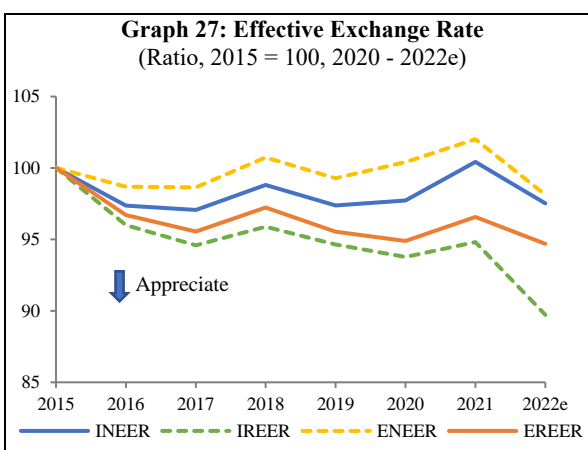
$$\frac{[(\text{exchange rate EX1 of T-1}) * (\text{amount EX1 of T-1}) + (\text{exchange rate EX2 of T-1}) * (\text{amount EX2 of T-1}) + \dots + (\text{exchange rate EXn of T-1}) * (\text{amount EXn of T-1})]}{\text{total amount}}$$

- EX represents exchange transactions and EX1 represents the first transaction among total transactions
- T represents the time of exchange rate setting and T-1 represents the previous day
- n represents the number of transactions.

<sup>27</sup> As of 14 December 2022.

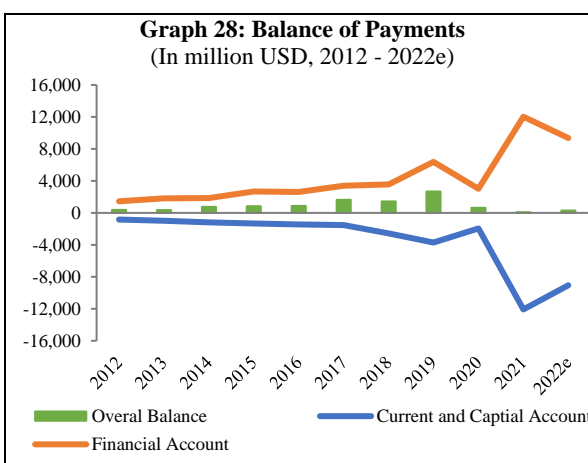
The Import-Weighted Real Effective Exchange Rate (IREER) decreased. This helped lower the inflationary pressure from imports. IREER declined by 5.4%, due to the decrease in the Import-Weighted Nominal Effective Exchange Rate (INEER)<sup>28</sup> of 2.9%, and the higher inflation rate of Cambodia relative to other importing partners. Moreover, the decrease in the INEER was mainly attributed to the depreciation of the importing partners' currencies against KHR (CNY, IDR, KRW, MYR, SGD, TWD, and VND).

The Export-Weighted Real Effective Exchange Rate (EREER) fell by 1.9%, due to the 3.8% decline in the Export-Weighted Nominal Effective Exchange Rate (ENEER)<sup>29</sup>. Also, Cambodia's inflation rate was lower than those of its exporting partners. The fall of the ENEER was largely driven by the depreciation of the currencies of export destination countries against the KHR (GBP, EUR, CAD, CNY, and VND), reflecting the deterioration in Cambodia's export competitiveness.



#### 4. Balance of Payments

The balance of payments was estimated to improve, with a surplus of USD 298.8 million, compared to a surplus of USD 82.7 million in 2021. This surplus has been supported by the inflow of financial account while the current and capital account deficits narrowed.



<sup>28</sup> Major import partners include China, Thailand, Vietnam, Taiwan, Singapore, Japan, Hong Kong, South Korea, Indonesia, Malaysia, and USA.

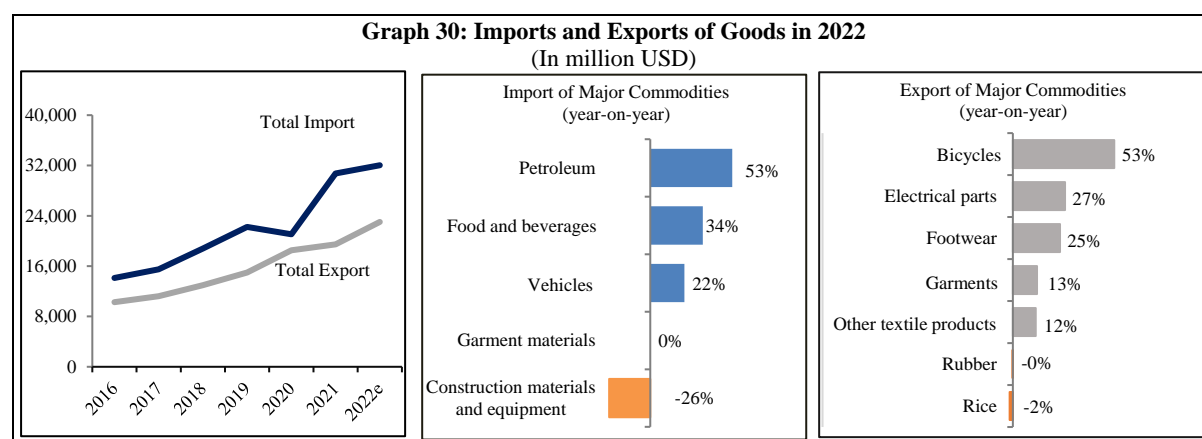
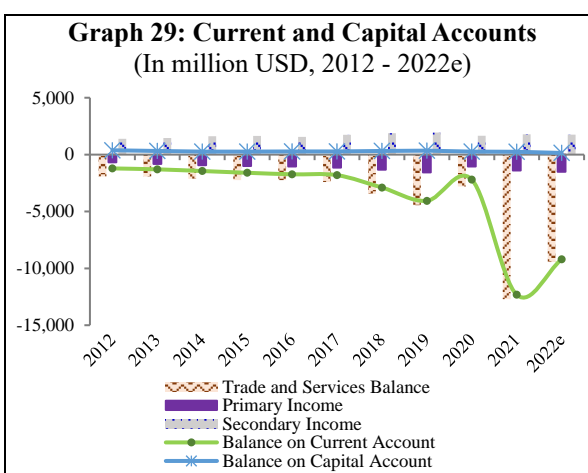
<sup>29</sup> Major export partners include USA, UK, Germany, Japan, Canada, China, Thailand, Spain, Belgium, France, Netherlands, Vietnam, Hong Kong and Italy.

## Current and Capital Accounts:

The current and capital accounts improved, when compared to the sharp deficit in 2021. This was due to the strong growth in imports, especially the imports of gold, medical equipment, and medicines, combined with an unprecedented decline in the tourism sector due to the COVID-19 pandemic. In 2022, the current and capital account deficits decreased to 30.6% of the GDP (excluding

gold, which constituted 15.5% of the GDP), compared to 44.8% of the GDP in 2021 (excluding gold, which constituted 23.2% of GDP). This was the result of the drop in the merchandise trade deficit while overseas tourism receipts and worker remittances increased.

The merchandise trade deficit decreased by -20% (in 2021, it had increased by 3.4 times). This was driven by the 18.3%<sup>30</sup> increase in exports (compared to 5.1% in 2021), especially to the United States and the European Union. Further, the imports grew by 4.3%<sup>31</sup> (compared to 45.9% in 2021), due to the increase in domestic demand and imports for production, coupled with the higher prices of fuel, construction materials, and other goods.



<sup>30</sup> Garments increased by 12.7%, footwear by 24.8%, other textile products by 12%, electrical parts by 27.4%, vehicles by 53.3% and other products by 23.9%

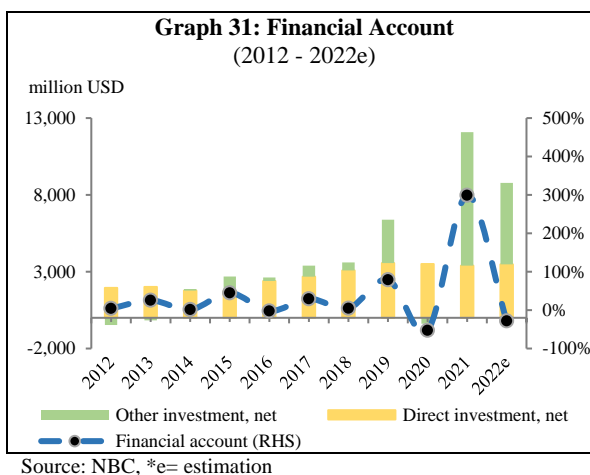
<sup>31</sup> The imports of petroleum rose by 52.7%, vehicles by 21.9%, food and beverages by 33.8%, while the imports of construction materials and equipment dropped by -26.4%.

The services account deficit declined by -69.7% due to 7.3 times increase in the income from tourism. On the other hand, the primary income account deficit increased by 7.8%, due to an increase of 9.6% in overseas payments. Interest payments increased by 3.7%, whereas dividends distribution and direct investment profits increased by 9.3%. The surplus of secondary income account contracted by -1.6%, due to the decrease in government grants by -6.3%, while worker remittances from abroad rose by 0.4%.

### Financial Account:

The balance on the financial account showed a net inflow of USD 9.4 billion, driven by a net foreign direct investment in non-banking and other investments. Net foreign direct investment inflow accounted for USD 3.5 billion, an increase of 2.6%. This was due to the 9.3%<sup>32</sup> increase in foreign direct investment in the non-banking sector, while foreign direct investment in the banking

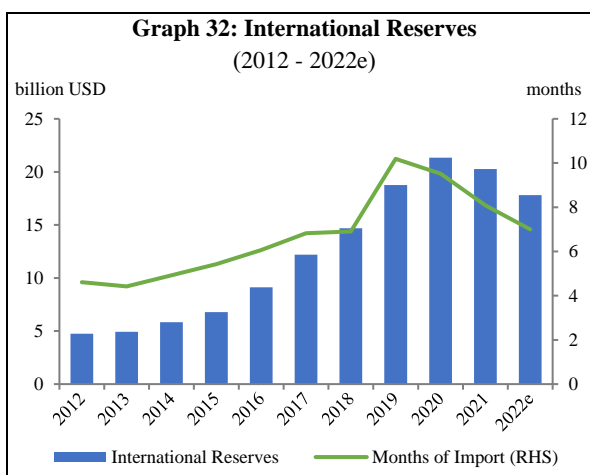
sector decreased by -7.7%. Other investments were recorded at a net inflow of USD 6 billion, decreasing by -31%, due to a -67.9% reduction in other private investments. On the other hand, the net foreign assets of the banking sector increased by 6.5%, and net government borrowing increased by 14.4%.



<sup>32</sup> Investment in the manufacturing sector increased by 6.8% (garments increased by 4.8%, solar manufacturing increased by 1.5 times, food products increased by 6.6%, and other manufacturing increased by 48.2%), energy sector investment increased by 91.9%, construction sector investment increased by 53.1%, mining and quarry sector investment increased by 28%, while agricultural sector investment decreased by -17.6%, telecommunication sector investment decreased by -12.5%, accommodation sector investment decreased by -3.8%, real estate sector investment decreased by -3.4%, and investment in other sectors decreased by -8.2%.

## 5. International Reserves

The global financial market suffered from monetary policy tightening by central banks in the advanced economies, especially the US Federal Reserve, which caused the US dollar to appreciate and bond prices to fall. These factors brought about negative impacts on the international reserves of several countries including Cambodia. Cambodia's international reserves decreased by -12.1% to USD 17.8 billion (USD 20.3 billion in 2021), which is equivalent to around 7 months of imports of goods and services<sup>33</sup> for the next period (higher than a minimum of 3 months for developing countries).



Source: NBC, \*e= estimation

Cambodia's international reserves are invested based on the existing international financial situation. Investment risk is carefully managed and monitored, in accordance with the NBC's investment guidelines to ensure safety, liquidity, and good returns. The portfolio of investment reserves has been allocated to meet the growing demands for liquidity, and for the ability to seize opportunities from market interest rate fluctuations, so as to maintain appropriate investment income. In addition, as a member of the Network for Greening Finance System, the NBC continues to focus on increasing investment in green bonds and the Environmental, Social, and Governance (ESG), which was issued by international financial institutions in China, South Korea, Japan, and Europe. As of 2022, investment in green bonds and ESG accounted for 5% of total international reserves. This reflects the NBC's contribution towards improving responsibility in policy implementation together with environmental sustainability and security on par with global investment trends.

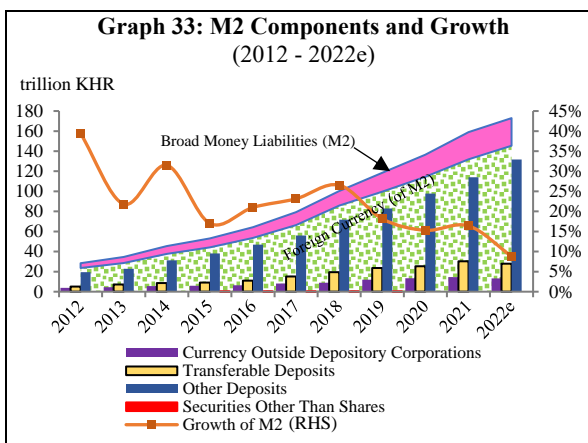
<sup>33</sup> Excludes gold imports

### III. Monetary Management

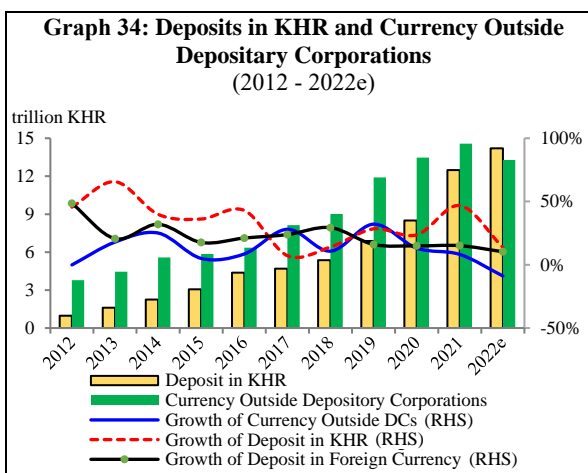
#### 1. Monetary Conditions:

M2 increased by 9%, which was lower than 2021 (16.4%) and the average growth rate over the last 5 years (18%). The deceleration in growth rate was due to the slower rise of 10.6% in the total deposits, compared to 17.3% in 2021. On the other hand, the currency in circulation declined by -8.9% compared to 8.2% in 2021. This decrease in the currency in circulation is due to the implementation of a prudential monetary policy, aimed at lessening the pressure on the exchange rate.

Dollarization, which is derived from the ratio of Foreign Currencies Deposit to M2 (FCD/M2), maintained its high level of 84.1% (compared to 83% in 2021). The proportion of KHR in M2 circulation was 7.7% (USD 3.4 billion dollars). Out of the total deposits, deposits in KHR constituted 8.9%. Further, credit in KHR over the total credit portfolio stood at 11.2%.



Source: NBC, \*e= estimation



Source: NBC, \*e= estimation

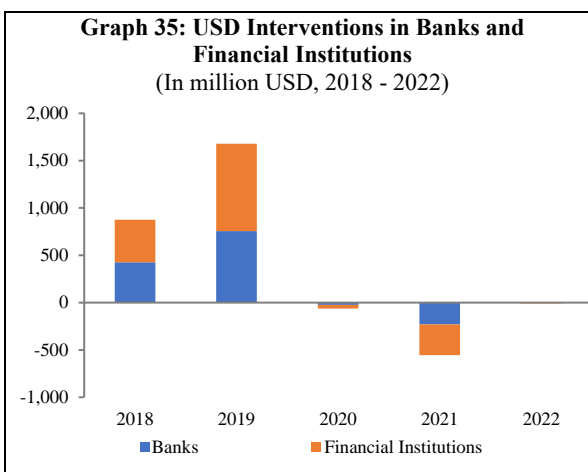
#### 2. Monetary Policy Implementation:

Monetary policy implementation proved to be very challenging, as the rise in inflation was caused by external factors (rising global oil prices and food prices). Simultaneously, the exchange rate continued to depreciate due to the strengthening of the US dollar, after the US Federal Reserve raised interest rates. In addition, the monetary policy has been expected to support the economic recovery following the COVID-19 pandemic. Hence, monetary instruments have been used prudentially, in consideration of exchange rate stability. Such use has been aimed at reducing inflationary pressures, maintaining the purchasing power of the riel, as well as ensuring appropriate liquidity levels while lowering the riel interest rates to stimulate economic activities.

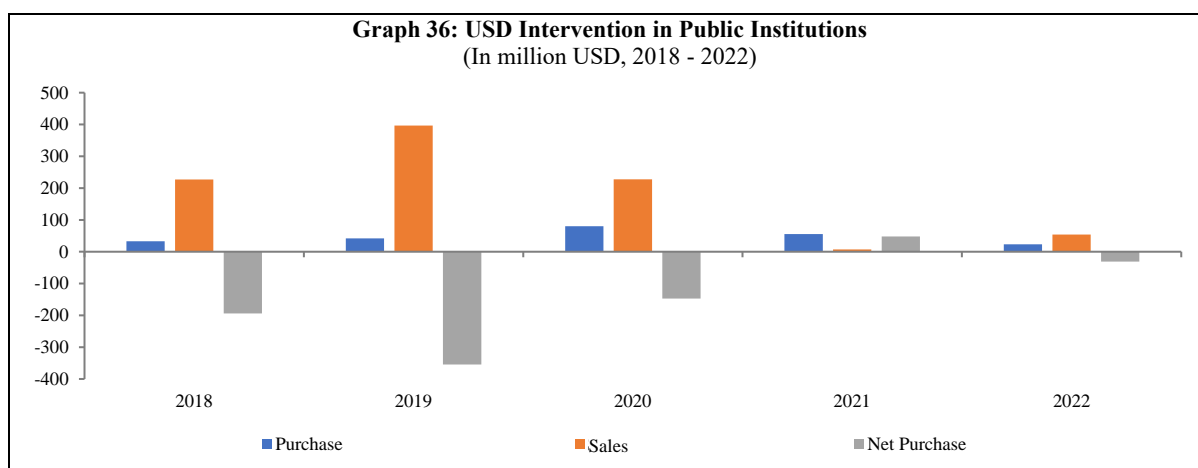


### Foreign Exchange Intervention:

The NBC sold only USD 9 million to banks and financial institutions, compared to the sale of USD 591.2 million and the purchase of USD 37 million in 2021. Together with the concerned government institutions, the NBC sold USD 54 million and purchased USD 23.1 million, compared to USD 7.1 million sold and USD 55.3 million purchased in 2021.



Source: NBC

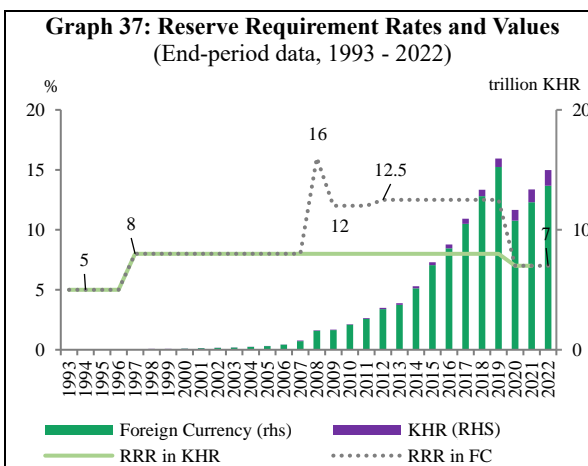


Source: NBC

### Reserve Requirement Rates:

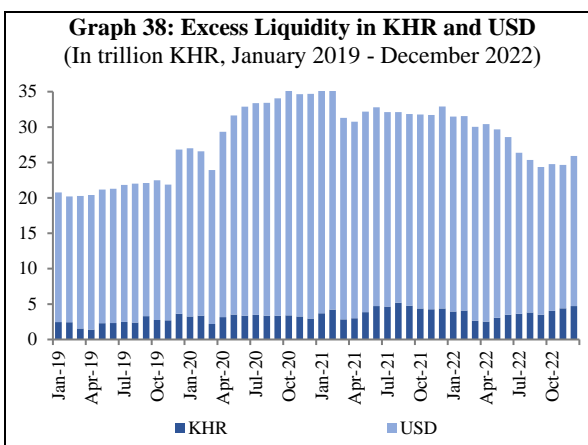
The reserve requirement rates remained at 7% for both KHR and USD. At such a low level of rates, the banking system attained an additional liquidity of KHR 10.9 trillion (USD 2.6 billion), compared to the pre-crisis rates (12.5% for USD and 8% for KHR). By providing liquidity to the banking system, the low reserve requirement rate has contributed significantly towards implementing loan restructuring measures, increasing provisions,

supporting credit growth, and preventing liquidity risk. Further, the USD reserve requirement was recorded at KHR 13.7 trillion (approximately USD 3.3 billion) and KHR 1.3 trillion (USD 317.7 million), with reserve requirements trending up by 11% and 23% respectively, compared to 2021. This was on par with the growth of customer deposits and external borrowings.

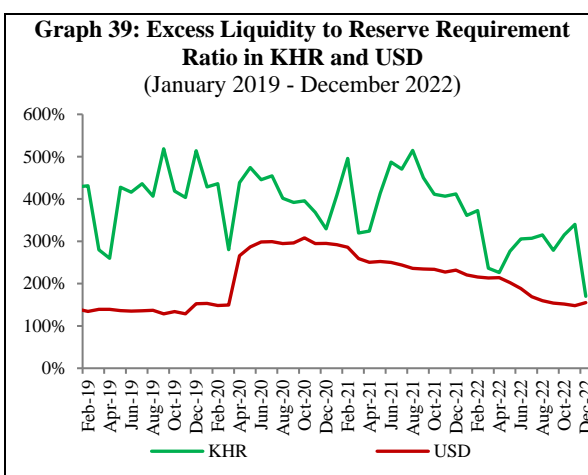


Source: NBC

Excess liquidity in the USD decreased by 25.6% to KHR 21.2 trillion (USD 5.1 billion), compared to 2021. Further, in comparison with 2021, excess liquidity in the KHR increased by 8% to KHR 4.7 trillion (USD 1.1 billion), due to a decrease in government deposits (-12.3%) and currency in circulation (-1.7%). The ratio of excess liquidity to reserve requirements in the USD stood at 155% (USD 3.3 billion) and in the KHR at 170% (USD 317.7 million), indicating a high liquidity in the banking system.



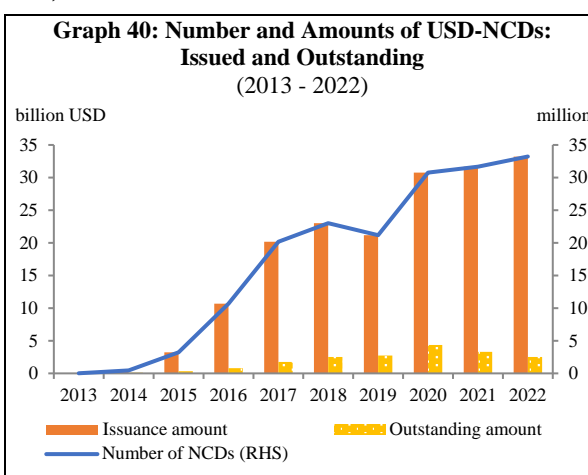
Source: NBC



Source: NBC

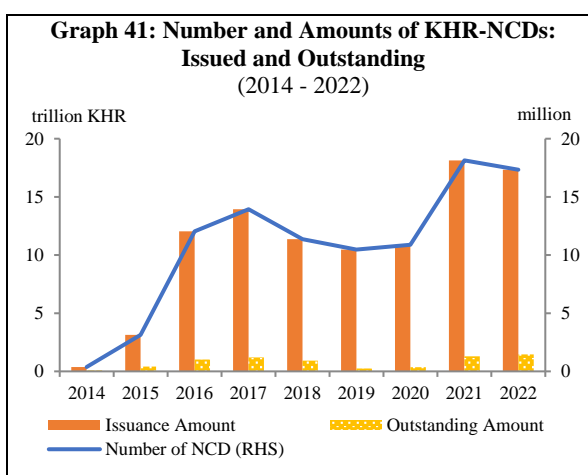
### Negotiable Certificates of Deposit (NCDs)

NCDs are used as an excess liquidity absorber from banks and financial institutions, and serve as collateral for interbank transactions. The total NCD issuance stood at USD 37.5 billion (a rise of 3.7%), since excess liquidity was used to support the growth of credit in the private sector.



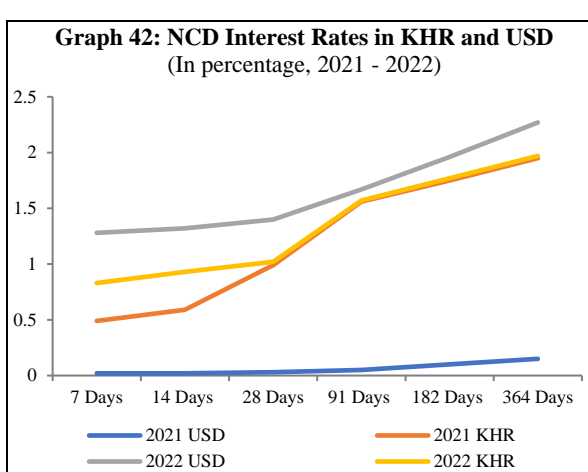
Source: NBC

The issuance of KHR NCDs decreased by 4.4%. KHR-denominated NCDs with tenors of 7 days, 28 days, and 91 days dropped by 16%, 24.3%, and 42.1% to KHR 6.6 trillion, KHR 3.3 trillion, and KHR 443 billion, respectively. On the other hand, NCDs with tenors of 14 days, 182 days, and 364 days rose by 0.6%, 27.3%, and 834.2% to KHR 4.9 trillion, KHR 31 billion and KHR 35.5 billion, respectively.



Source: NBC

The issuance of USD-denominated NCDs grew by 4.9%, driven by strong growth in credit to the private sector. NCDs with tenors of 28 days, 91 days, and 182 days fell by 39.1%, 32.4%, and 34.5% to USD 7.3 billion, USD 1.9 billion, and USD 707 million, respectively. On the other hand, NCDs with tenors of 7 days, 14 days, and 364 days rose by 32.4%, 10.9%, and 1.9% to USD 14.1 billion, USD 4.6 billion, and USD 902 million, respectively.



Source: NBC

Interest rates on KHR NCDs inched up from 1.22% to 1.37%, while those on USD NCDs significantly increased from 0.06% to 1.54%. This was because of the increase in Secured Overnight Financing Rate (SOFR), after Federal Reserves hiked the Fed fund rates.

Average interest rates on KHR NCDs with tenors of 7 days, 14 days, 28 days, 91 days, 182 days, and 364 days rose from 0.49%, 0.59%, 0.99%, 1.56%, 1.75%, and 1.95% to 0.85%, 0.94%, 1.04%, 1.59%, 1.79% and 1.99%, respectively.

Interest rates on USD NCDs went up from 0.02%, 0.02%, 0.02%, 0.05%, 0.10%, and 0.15% to 1.14%, 1.19%, 1.28%, 1.58%, 1.88%, and 2.2%, respectively. USD NCD interest rates increased alongside that of SOFR, with an increase of 0.05% in 2021 to 2.1% in 2022. However, the increase across all tenors was uneven. In case of tenors shorter than 91 days, SOFR rose faster than the interest rates on USD NCDs, by approximately 0.51%. On the other hand, when the tenor was longer than 182 days, SOFR increased at a faster pace of 0.65%.

## Issuance of Government Securities:

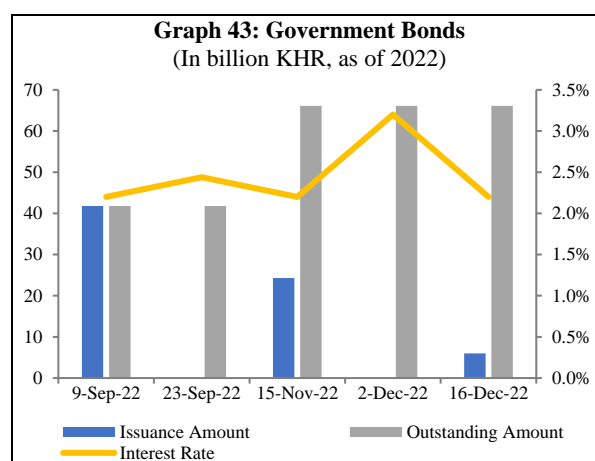
After a period of suspension, the government decided to re-issue government securities, in an attempt to contribute towards developing Cambodia's financial markets and collecting local KHR resources for financing medium and long-term investment. The NBC has been in charge of issuing securities and acts as the settlement agent<sup>30</sup> in a primary market, wherein banks and financial institutions are participants.

In 2022, government securities were issued 5 times in the form of bidding through the NBCP, with a total amount of KHR 72.1 billion (USD 17.6 million), lower than what was planned (KHR 1.2 trillion, equivalent to US 300 million). The issuing amount was lower than planned due to delays in issuing<sup>31</sup> as well as some unsuccessful biddings. The tenor of the government securities is 1 year at a coupon rate of 2.2% per annum.

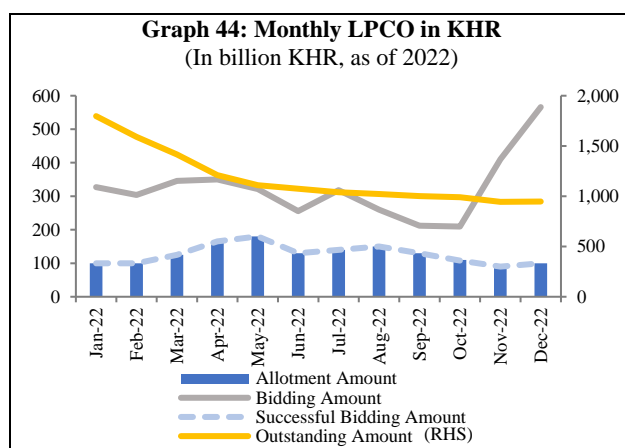
The issuance of government securities is an important step towards contributing to the development of Cambodia's financial markets, as well as promoting the implementation of a market-based monetary policy. This policy operates through the creation of a risk-free monetary tool, which is a collateral to obtain finance and a stable source of funds, compared to external borrowings. This tool also helps promote the use of KHR.

## Liquidity-Providing Collateralized Operation (LPCO)

LPCO bidding was carried out 24 times in 2022, which was equivalent to KHR 1.5 trillion. Compared to 2021, the successful bidding amount of the 91-day LPCO decreased by 68% to KHR 374 billion; the amount for 182 days dropped by 66.8% to KHR 504 billion; and the amount for 364 days fell by 60% to KHR 632 billion.



Source: NBC

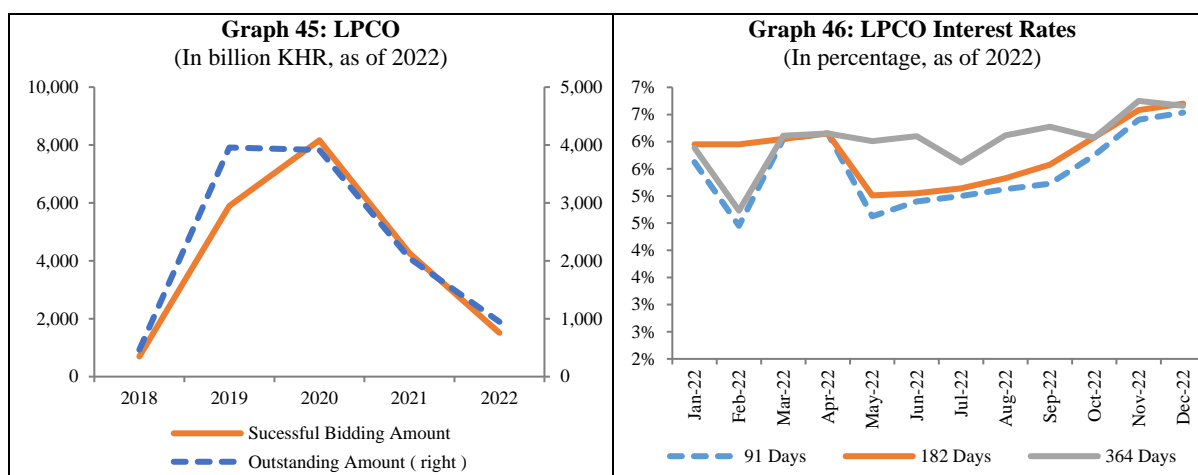


Source: NBC

<sup>30</sup> The NBC has been appointed to the Ministry of Economy and Finance (MEF) for the issuance of government securities and plays a facilitating role for the executive. Government securities bid on the NBCP, for members of the NBCP, using a single price-setting mechanism.

<sup>31</sup> The first issuance of government securities was on 7<sup>th</sup> September 2022.

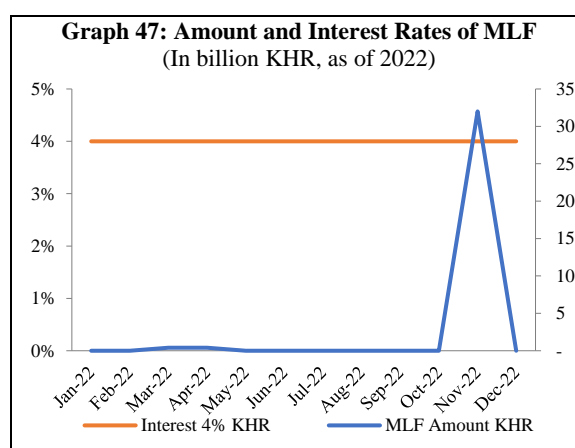
The total successful bidding amount fell by 65%, compared to 2021 (KHR 4.2 trillion, equivalent to approximately USD 1 billion), due to the reduction in the allotment amount. This reduction contributed towards lowering of depreciation pressure on the exchange rate of the KHR against the US dollar. However, the reduction in the LPCO allotment amount has led to higher LPCO interest rates. The average interest rates for the 91-day LPCO increased from 4.2% in 2021 to 5.5% in 2022; the rates for 182 days rose from 4.4% in 2021 to 5.8% in 2022; and the rates for 364 days went up from 4.9% in 2021 to 6.0% in 2022. The LPCO outstanding amount decreased by 53.7% to KHR 947 billion (equivalent to USD 230.9 million), in 2022.



Source: NBC

### Marginal Lending Facility (MLF):

MLF is a short-term liquidity providing facility, wherein banks can borrow overnight in KHR and roll-over up to 5 days, at an interest rate of 4% per annum, with the collaterals of NCD in KHR and USD as also government securities. There are currently 3 banks using the MLF at KHR 32.8 billion. Currently, there exist 29 banks and financial institutions, which have been authorized by the NBC to use MLF.

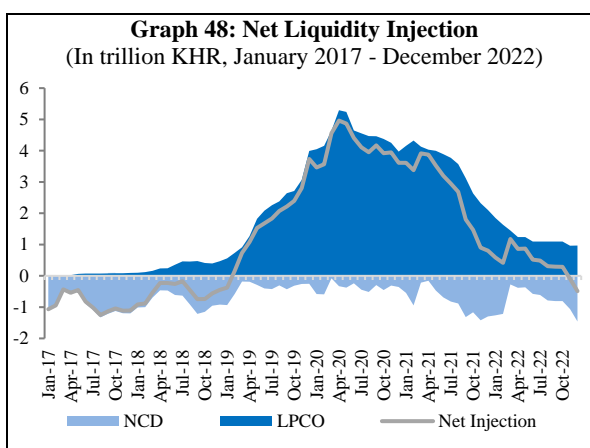


Source: NBC

## Net Liquidity Injection in KHR:

The net liquidity injection in KHR<sup>32</sup> had fallen from KHR 585.1 billion in January 2022 to KHR 288.8 billion in October 2022, and was expected to absorb as much as KHR 490 billion by November 2022 (a decrease of 161% compared to 2021). This downward trend is the result of the reduction in the LPCO allotment amount (LPCO outstanding amount decreased by 54%, from KHR 2.1

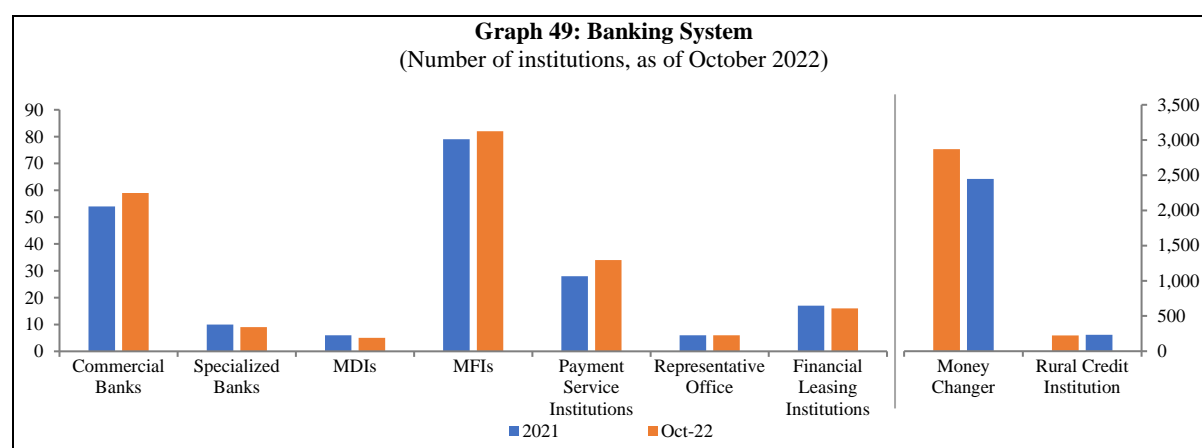
trillion at the end of 2021 to KHR 969.4 billion at the end of 2022). The NCD outstanding amount rebounded to KHR 1.4 trillion, after falling to KHR 273.6 billion in March 2022. The tightening of KHR liquidity is intended to ease the depreciation pressure on the riel against the USD, in the context of USD appreciation in the international market.



## IV. The Banking System in Cambodia

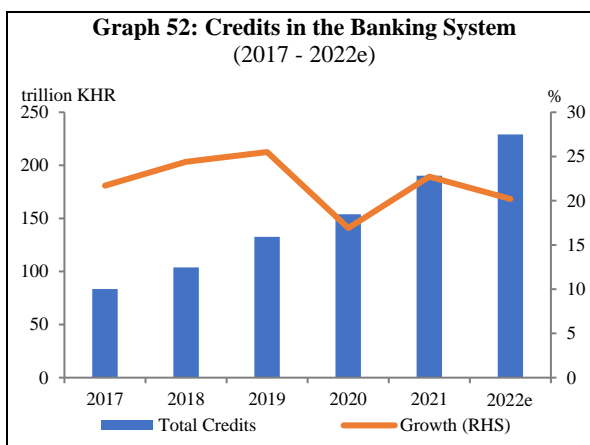
### 1. Overview:

The banking system in Cambodia consists of the following: 59 commercial banks, 9 specialized banks, 5 microfinance deposit-taking institutions, 82 microfinance non-deposit-taking institutions, 224 rural credit institutions, 16 leasing companies, 5 third-party processors, 34 payment service institutions, 1 credit information provider, 6 representative offices of foreign banks, and 2,869 money changers.

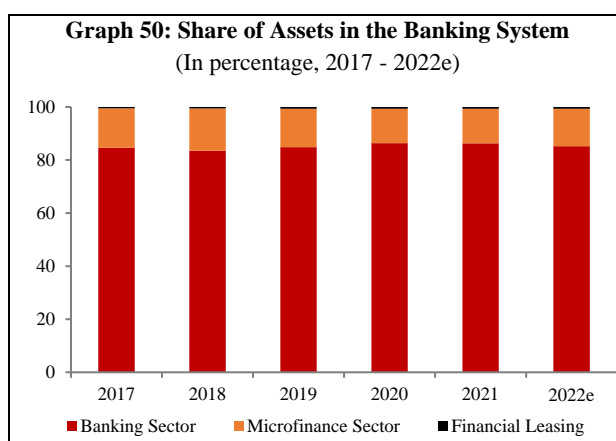


<sup>32</sup> The net liquidity injection in KHR refers to the deduction of the outstanding LPCO from the outstanding NCD. When the subtraction has a positive sign, it indicates net liquidity injection in riel; when the subtraction has a negative sign, it indicates net liquidity absorption in riel.

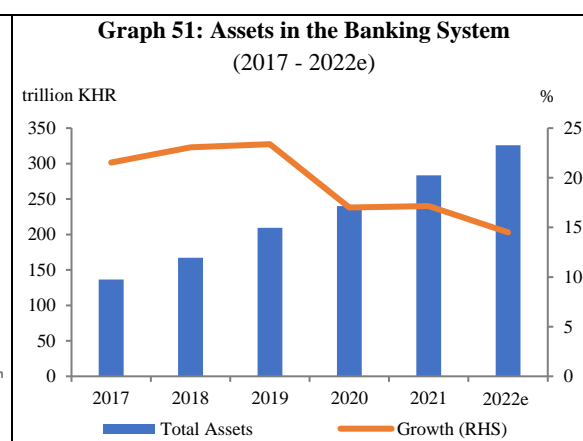
Cambodia's banking system continues to be dominated by the banking sector, which contributed 85.2% to the total assets of the banking system, followed by the microfinance sector (14.2%), and financial leasing institutions (0.6%). The total assets of the banking system grew by 14.5% (16% in 2021) to KHR 325.8 trillion (USD 79.7 billion), due to the opening of 7 newly-licensed institutions (4 commercial banks and 3 MFIs).



Source: NBC, \*e= estimation

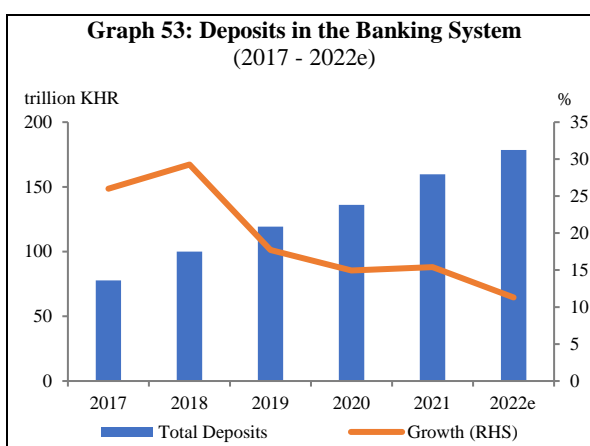


Source: NBC, \*e= estimation

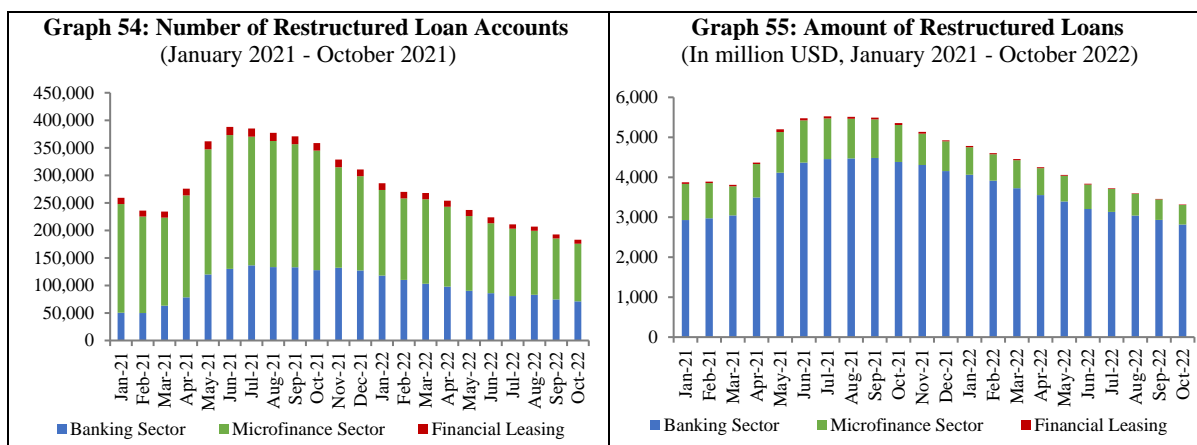


Consumer loans increased by 20.2% (21.2% in 2021) to KHR 229.5 trillion (USD 56.1 billion), mainly due to the recovery of economic activities and increase in financing demands. In addition, customers' deposits increased by 11.3% (15.4% in 2021) to KHR 178.5 trillion (USD 44.6 billion).

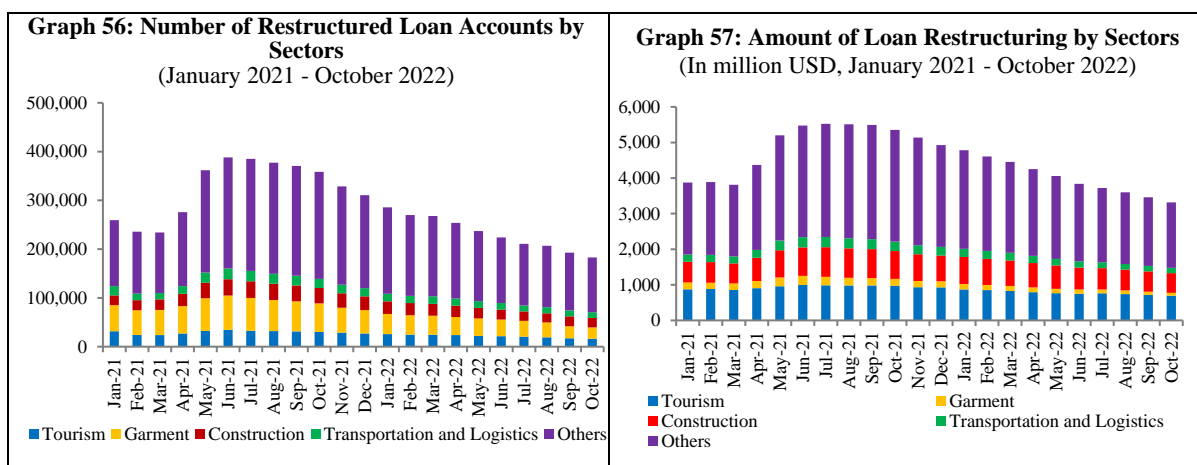
In order to help relieve the burden of COVID-19 and flooding victims, banks and financial institutions have restructured loans for 181,117 accounts (-49% compared to 2021), equivalent to USD 3.3 billion (-38%). This accounts for 6.2% of the total loans in the banking system (12.5% in 2021). The overall amount of restructured loans has been declining, mainly due to the withdrawal of the loan restructuring policy in June 2022, and the gradual recovery of economic activities.



Source: NBC, \*e= estimation



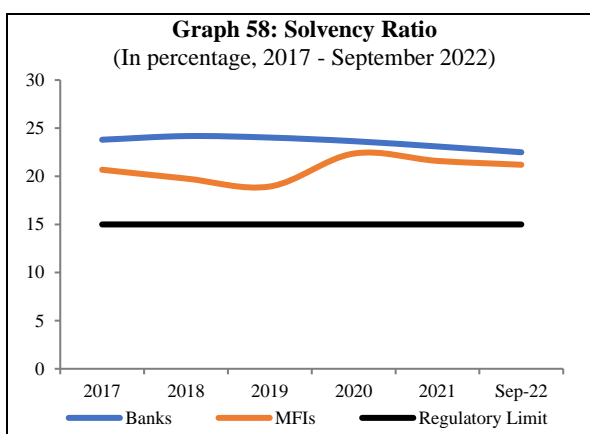
Source: NBC



Source: NBC

Despite being affected by the crisis, the banking system remains robust and resilient, as shown by the following key indicators:

i/-The capital position of banks and financial institutions continued to be strong and compliant with regulations (15%), in which the average bank's solvency ratio was 22.5% and that of the microfinance sector was 21.2%. Banks and financial institutions are allowed to fully drawdown on the capital conservation buffer (100%), for making provisions without affecting capital.

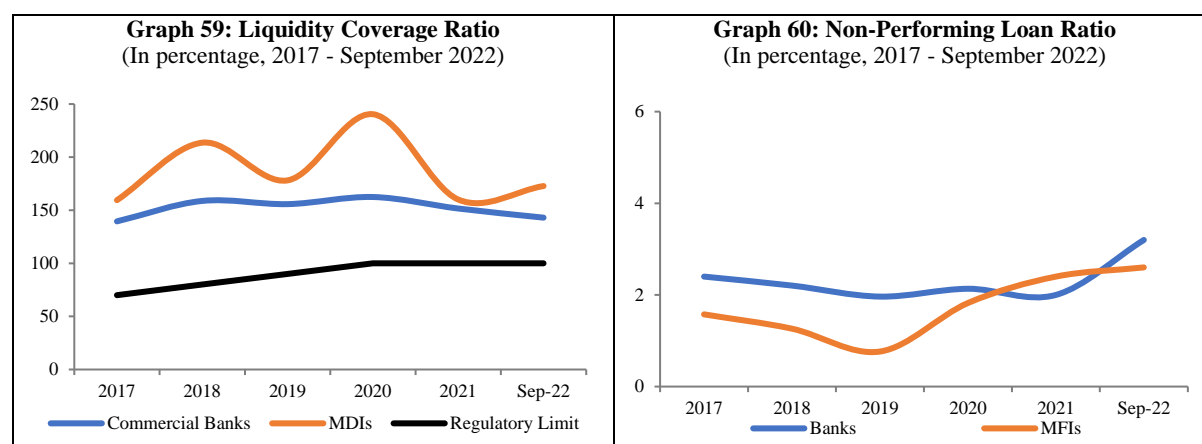


Source: NBC

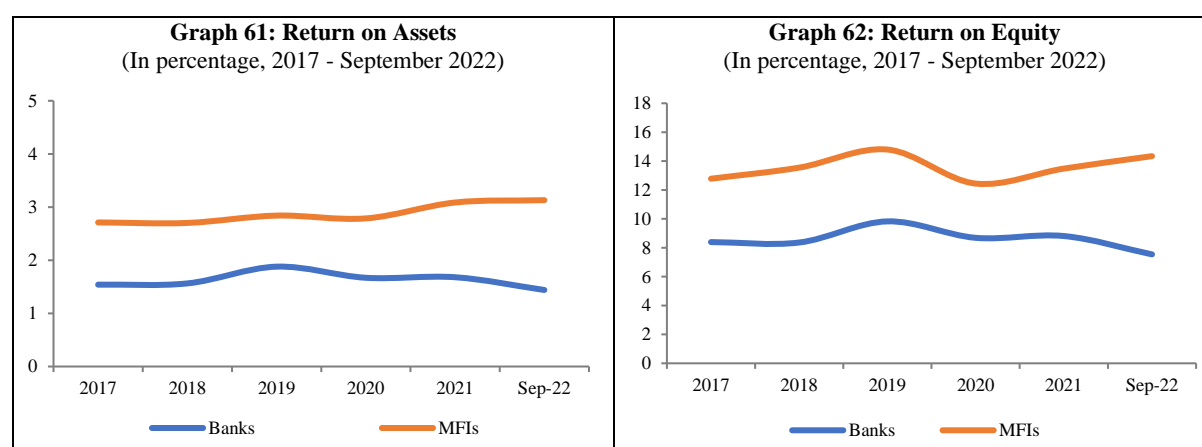


ii/-The liquidity of banks and financial institutions remained above the regulatory threshold (100%), with the average liquidity coverage ratio of commercial banks at 143% and microfinance deposit-taking institutions at 172.8%, indicating an ability to respond to financing demands and the withdrawal of customer deposits.

iii/-The NPL ratio, which reflects credit quality, increased slightly to 3.2% for banks and 2.6% for microfinance institutions.

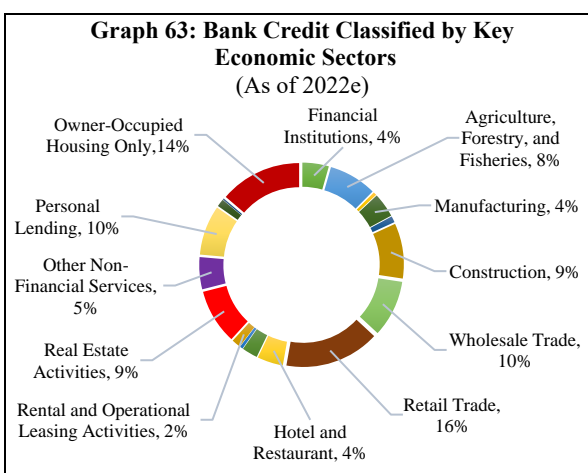


iv/-The profitability of banks and financial institutions continues to be consistent, as reflected in the return on asset (ROA) and the return on equity (ROE) ratio of the banking sector at 1.4% and 7.5%, respectively, and 3.1% and 14.3% respectively for the MFI sector. The ability to maintain profitability has enhanced resiliency as well as the capacity to expand financial services.

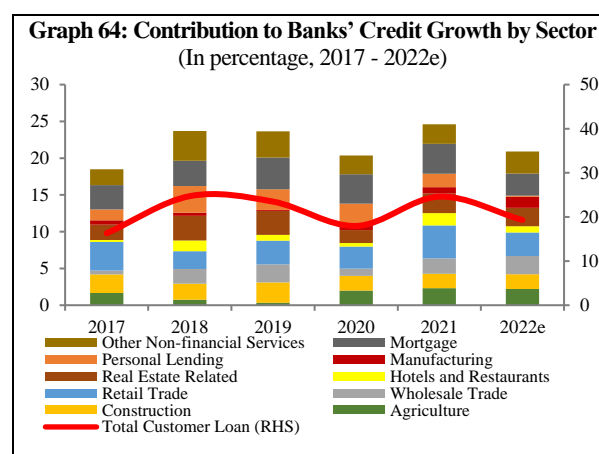


## 2. Banking Sector:

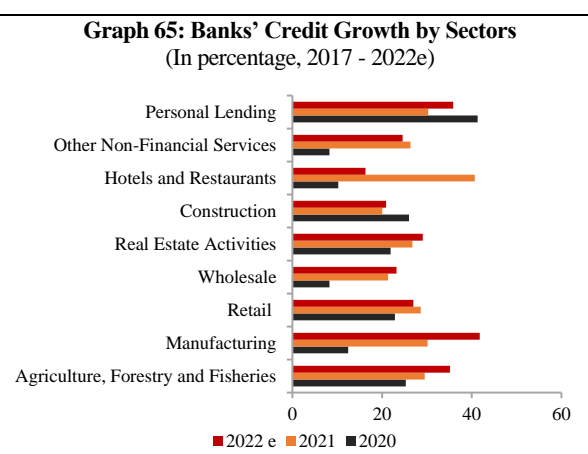
Assets in the banking sector increased by 13.2% to KHR 278.1 trillion (USD 67.9 billion), of which customer's loans grew by 19.3% to KHR 188.1 trillion (USD 46 billion), with 1.5 million credit accounts. Credit was distributed among the key economic sectors, including: retail trade, 16.2% of total loans (growth of 27%); mortgages 13.9% (35.6%); wholesale trade 9.7% (23.2%); construction 9.4% (20.9%); real estate activities 9.4% (29%); agriculture, forestry, and fisheries 8.2% (35.1%); and others 23.2% (26.7%). Deposits increased by 9.9% to KHR 157.9 trillion (USD 38.6 billion), with 11.7 million deposit accounts. Currently, the banking sector has 1,504 headquarter and branch offices (increased by 1.4%) and 3,933 ATMs (growth of 24.2%).



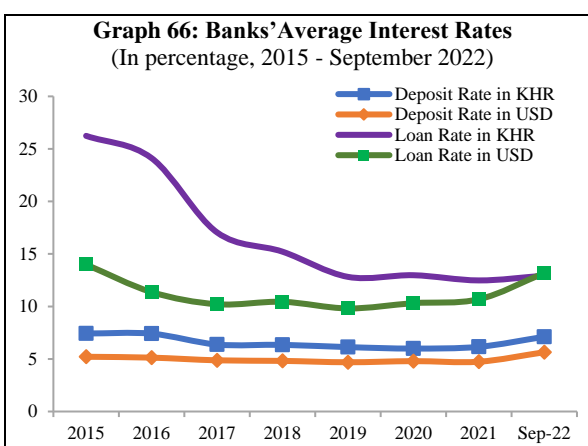
Source: NBC, \*e= estimation



Source: NBC, \*e= estimation



KHR and USD deposit interest rates in the banking sector increased slightly to 7.11% and 5.64%, respectively, compared to 2021 (6.16% and 4.74%). Meanwhile, the KHR and USD loan interest rates also increased to 12.93% and 13.18%, respectively, compared to 12.48% and 10.68% in 2021.

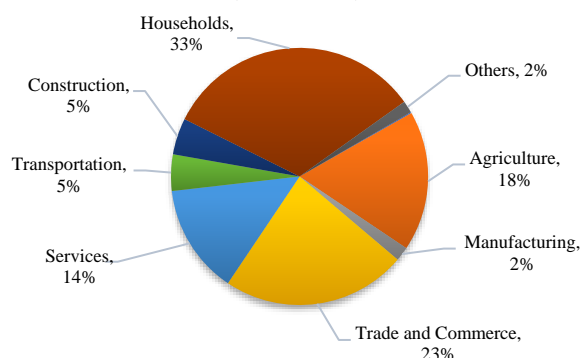


Source: NBC

### 3. Microfinance Sector:

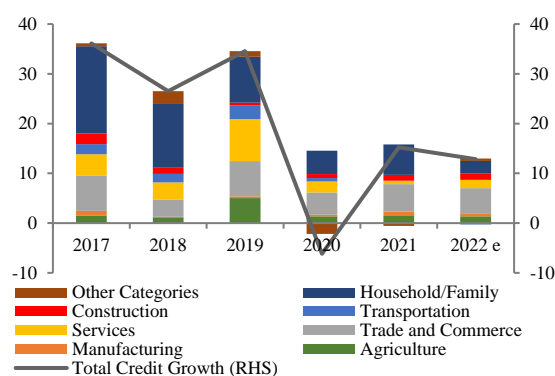
The total assets of the microfinance sector increased by 23.2% to KHR 45.8 trillion (USD 11.2 billion), of which credit increased by 24.7% to KHR 39.7 trillion (USD 9.7 billion), with 2.1 million loan accounts. Credit was distributed among key economic sectors as follows: households, 32.8% of total loans (growth of 11.7%); trade and commerce, 23.2% (20%); agriculture, 17.6% (4.6%); services, 13.8% (9.7%); transportation, 4.6% (-6%); construction, 4.6% (36%); manufacturing, 1.8% (36.6%); and others, 1.6% (62%). Meanwhile, the microfinance sector mobilized deposits of KHR 20.7 trillion (USD 5.1 billion, growth of 21.2%), with 2.6 million deposit accounts. MFIs operate nationwide with 1,102 offices. They offer a variety of financial services, including: loans, deposits, cash transfers, mobile banking, and ATMs, which enable customers to better access formal financial services.

**Graph 67: MFI's Credit Classified by Key Economic Sectors**  
(As of 2022e)



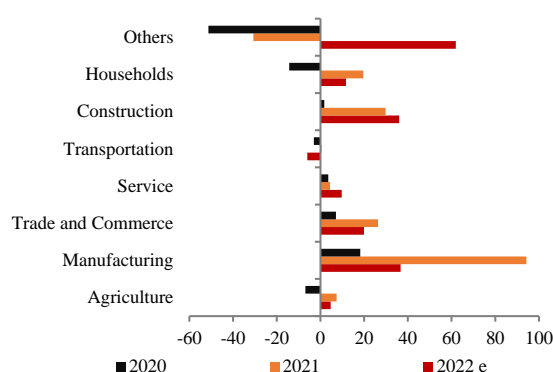
Source: NBC, \*e= estimation

**Graph 68: Contribution to MFIs' Credit Growth by Sectors**  
(In percentage, 2017 - 2022e)



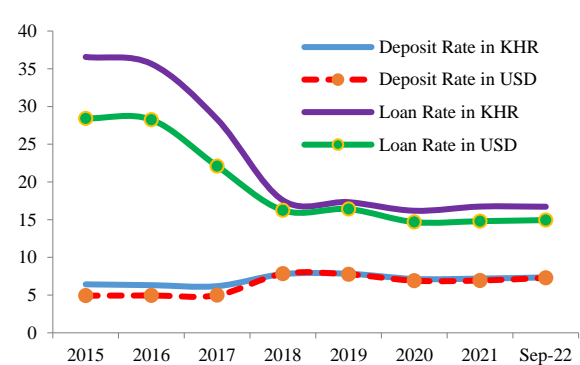
Source: NBC, \*e= estimation

**Graph 69: Sector-wise MFI Credit Growth**  
(In percentage, 2020 - 2022e)



The average MFI deposit interest rates in KHR and USD increased to 7.52% and 7.41%, respectively, compared to 2021 (7.19% and 7%). At the same time, the average loan interest rate in KHR was 16.72%, similar to 16.74% in 2021, while the loan interest rate in KHR rose slightly to 14.94% from 14.8% in 2021.

**Graph 70: MFI Average Interest Rates**  
(In percentage, 2015 - September 2022)

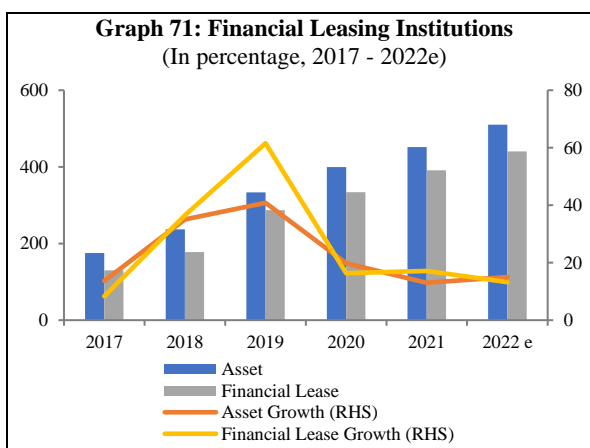


Source: NBC

#### 4. Financial Leasing Institutions:

Financial leasing institutions continued to comply with laws and regulations, and registered strong financial performance, as reflected in the increase of assets by 15% to KHR 2.1 trillion (USD 519.3 million). The total financial leases increased by 13.2% to KHR 1.8 trillion (USD 442.8 million), accounting for 92,547 accounts. These were distributed among various sectors as follows:

agriculture, 28.7%; households, 21.1%; services, 20.2%; transportation, 6.5%; construction, 5.4%; trade and commerce, 28.7%; and others, 15%. The main source of funding for financial leasing came from shareholders. This funding increased by 7.3% to KHR 646.9 billion (USD 158.2 million). Currently, among all the financial leasing institutions, 51 headquarter and branch offices are in operation.

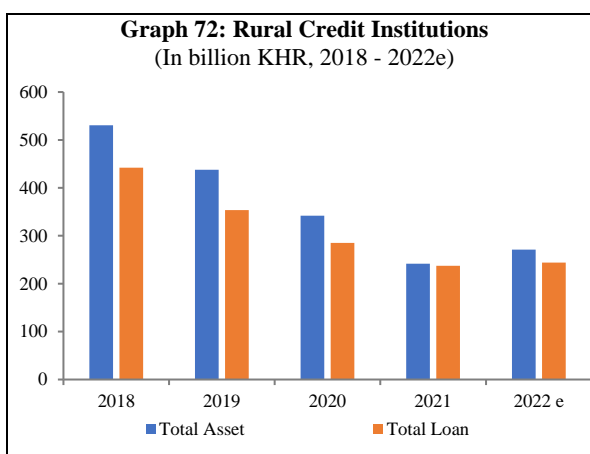


Source: NBC, \*e= estimation

#### 5. Rural Credit Institutions:

Rural credit institutions contributed to financial inclusion, by providing small credit services to meet customer demand in rural areas, to set up businesses, or to expand existing ones. Licensed rural credit institutions have provided a total credit of KHR 244.1 billion (USD 59.3 million) to 77,093 accounts.

Rural credit institutions have also followed the Royal Government's policy, by lowering interest rates to alleviate the burden on customers affected by the COVID-19 pandemic. The NBC has been assessing the challenges for and need to implement laws and regulations to strengthen the supervision of rural credit institutions, so as to keep up with their growth and scope of operations.

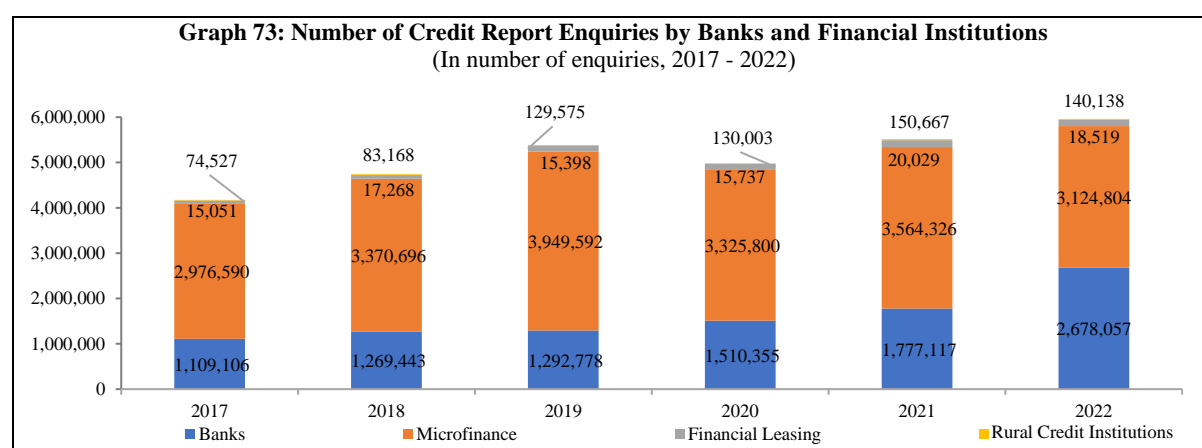


Source: NBC, \*e= estimation

## 6. Credit Reporting System Service Provider:

Credit Bureau (Cambodia) Co., Ltd. (CBC), a credit reporting system service provider, had total assets of KHR 90.7 billion (USD 22 million) and 184 member institutions. The member institutions transferred 4.1 million accounts into the credit reporting system (approximately KHR 223.9 trillion, equivalent to USD 54.3 billion). These accounts can be classified as follows: i/-Consumers, 4.1 million accounts equivalent to 5.4 million customers (54% are women); and ii/-Corporates, 5,408 accounts equivalent to 1,634 companies. Member institutions also uploaded data, with a total of 689 transactions for dishonored checks.

Member institutions made credit enquiries, involving a total of 5,960,074 loan reports. Among these, 2,678,057 were from banks (accounting for 44.9%); 3,124,804 from MFIs (52.4%); 140,138 from financial leasing institutions (2.4%); and 17,075 from rural credit institutions (0.3%).



Source: NBC

In the meantime, the NBC continues to supervise the CBC. It also monitors the data relating to member institutions, reported by the credit reporting system service provider. The aim is to ensure that member institutions comply with regulations, and also to verify the quality of data and sustainability of the Cambodian credit reporting system.

## 7. Supervision of Banks and Financial Institutions:

As a supervisory authority, the NBC has regularly monitored the performance, resilience, and stability of the banking system, by implementing a risk-based and forward-looking supervision framework. The Supervisory Review and Evaluation Process (SREP), stress test and reverse stress test on the adequacy of capital and liquidity, credit quality especially for loan restructuring, and compliance with the laws and regulations of banks and financial institutions have also been implemented.

In addition, the NBC has conducted on-site supervision for banks and financial institutions, focusing on the quality of loan restructuring, corporate governance, financial soundness, and compliances.

As a result, banks and financial institutions have maintained adequate liquidity and capital, together with prudent credit approvals. In terms of laws and regulations, most banks and financial institutions have been compliant with laws and regulations. However, the NBC has also taken some measures, such as prompt corrective actions and penalizing banks and financial institutions, which are not adhering to laws and regulations.

### **Laws and Regulations:**

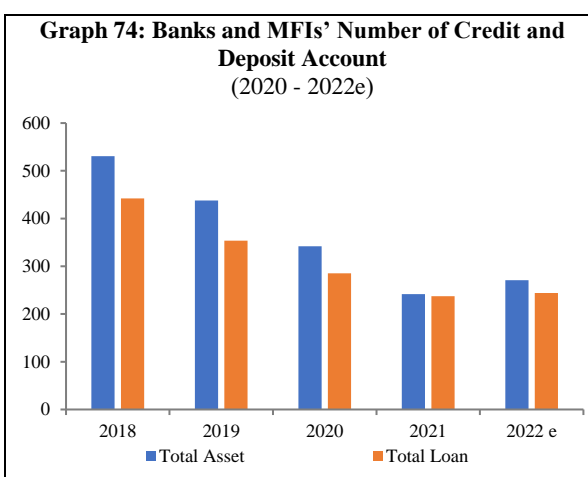
In order to strengthen the effectiveness of regulatory implementation and supervision of banks and financial institutions, two guidelines have been issued: i/-Guideline on Prakas (official proclamation) on Credit Risk Grading and Impairment Provisioning; and ii/-Guideline for the use of the SREP. Meanwhile, five drafts of Prakas, related to the Solvency Framework of deposit-taking banks and financial institutions that are to comply with Basel III, have been drafted, as part of risk-based supervision. These drafts are as follows: Prakas on Capital Adequacy Ratio (CAR), Prakas on Regulatory Capital, Prakas on Credit Risk, Prakas on Operational Risk, and Prakas on Market Risk, as well as Guideline on Collateral Valuation for the Purpose of Impairment Assessment.

## **V. Financial Inclusion and Consumer Protection**

### **1. Financial Inclusion:**

Financial inclusion has played a crucial role in providing formal financial services to individuals and businesses, as well as in contributing to poverty reduction and economic growth. In accordance with the National Financial Inclusion Strategy 2019-2025, the NBC has been promoting financial inclusion through: i/-Supporting the expansion of operation networks and innovation of new financial products based on

market demand; ii/-Promoting financial literacy in all forms; iii/-Strengthening the transparency of financial services provided; and iv/-Developing favorable financial infrastructure to allow public access to timely, affordable, formal financial services that are fully protected by law. Banks and financial institutions have expanded their operation networks,



Source: National Bank of Cambodia, \*e= estimation

to 2,657 headquarter offices and branches, and 4,219 ATM machines across the country, allowing greater public access to formal financial services. Customer deposit accounts rose to 14.3 million accounts (grew by 17.7%), and customer credit accounts increased to 3.7 million accounts (grew by 11.4%). In Cambodia, 67% of adults used formal financial services, while 3% were still using informal ones (decreased from 7% in 2017), according to a 2021 United Nations Capital Development Fund (UNCDF) report. With the modernization of the payment system and the introduction of Fintech from banks and financial institutions, customers are using more of digital payments. This is reflected by the almost 10 times increase in payment transactions, compared to the GDP growth rate of 34% in 2021. On the other hand, e-wallet accounts increased to 16.6 million accounts and 510,512 registered customer Bakong accounts.

## **2. Financial Literacy:**

### **- Integration of Financial Literacy within the General Education Curriculum:**

In cooperation with the Ministry of Education, Youth, and Sports, and the Credit Union Foundation Australia (CUFA), financial education has been included into the curriculum for general education. In its second stage, this project was pilot tested for 6 weeks, in Grades 4 and 7 of 3 primary schools and 3 secondary schools, in Kampot, Kampong Cham, and Siem Reap. The pilot test results will be used as inputs to modify the content, lessons, animation, and structure of teacher instruction books and student textbooks.

### **- Enhancing Financial Literacy for Women and Women's Entrepreneurship:**

In cooperation with the Ministry of Women's Affairs, financial literacy for women and women's entrepreneurship continued to be enhanced through the training programs. These training programs are conducted for women in their communities and at schools, with the aim of imparting knowledge of financial management, use of financial services, digital payment services, and consumer protection. Moreover, the NBC and the Ministry of Women's Affairs have conducted two panel discussions on "Financial Literacy" and "Digital Financial Literacy for Economic Empowerment", in order to enhance women's entrepreneurship.

### **- Disseminating Financial Literacy:**

In 2022, the NBC conducted 13 dissemination seminars on "Microfinance Sector in Cambodia", across 3 provinces and 10 districts. These seminars were aimed at improving knowledge related to the banking sector, both among local authorities and the public, in order to raise awareness about formal financial usage, financial fraud, consumer rights and obligations, and consumer protection.

The NBC and Good Return have established a Phase 2 campaign: “Let’s Talk Money, Little by Little”. The campaign aims to raise public awareness about financial issues such as, balancing financial product and service options, understanding of rights and obligations, and joint decision-making between men and women in the family. The campaign focuses on 3 important approaches: i/-Promoting 4 short videos on Facebook (Video 1 “Dream for the Future”, Video 2 “Speaking Out”, Video 3 “When We Were Kids”, and Video 4 “Storm of Life”); ii/-Using stories/talks on radio programs to share financial literacy lessons; and iii/-Face-to-face training sessions for garment factory workers in Phnom Penh.

### **3. Consumer Protection:**

The mechanism for resolving consumer complaints has been strengthened through 26 hotlines at the NBC headquarters, and also municipal and provincial branches.

In 2022, there were 306 complaints and inquiries, of which 296 cases were resolved, 2 cases were pending, and 8 cases were in the court. Most of the cases were involved with the following: i/-Early loan payoffs and withdrawal of collaterals; ii/-Request for change or removal from credit reporting system; iii/-Request for concession; iv/-Request for waiver of penalties; v/-Money transfer to wrong accounts; vi/-Issuance of insufficient funds in cheques; vii/-Inquiries about the usage of financial services, and so on. Most complaints and inquiries were resolved immediately, while some others required coordination between consumers and institutions. In addition, the NBC has been continuously strengthening the capability of its Hotline Officers, by organizing knowledge-sharing sessions on the progress of the banking and financial sector in Cambodia. It has also compiled a “Handbook for Hotline Officers” containing basic information about correct and consistent answers to customer queries. Moreover, the Deposit Protection Scheme has been formulated and reviewed, aimed at:

- i/-Protecting depositors,
- ii/-Strengthening public confidence in the banking system, and
- iii/-Contributing to financial stability.



## **VI. Central Bank Operations**

### **1. Payment System:**

In line with the economic development in Cambodia as well as the rapid growth of the banking sector, payment systems play an important role in maintaining the efficiency of the entire financial system and the economy. Payment system infrastructure has been modernized in phases, through the upgradation of additional functions on the National Clearing System (NCS) and FAST System, for the convenience of member institutions and users. The KHQR Code Standard has been launched to promote QR code payment, which ensures safety, efficiency, affordability, and inclusiveness. With the aims of ensuring stability, increasing public trust in the payment system, promoting electronic payments, and strengthening the resilience of payment service institutions, both on-site and off-site supervision has been conducted. Such supervision assesses the development of payment service institutions, follows up on business progress and challenges, and provides recommendations to mitigate risks.

Currently, there exist 35 licensed Payment Service Institutions and 2 authorized Banking and Financial Institutions (BFIs), providing payment services to 17.9 million registered customers. There are 41 BFIs issuing payment cards, 37 BFIs providing internet banking, and 33 BFIs providing mobile banking services. The number of payment service transactions increased from 708 million to 1 billion, whereas the volume of the transactions also increased to USD 272.5 billion (an increase of 34%), which was equivalent to 10 times the GDP.

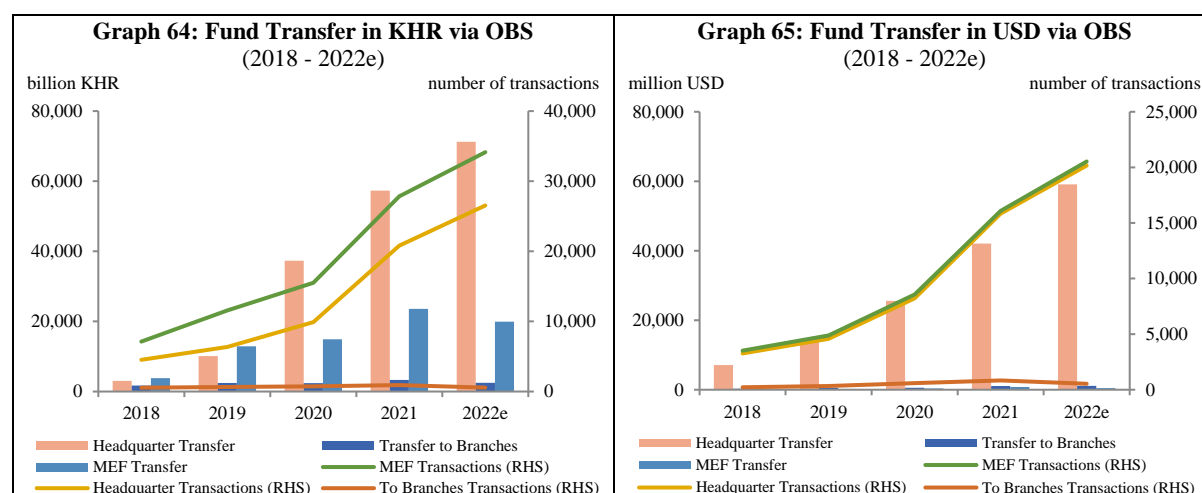
Meanwhile, cross-border payment with other countries in the region has been promoted. Cooperation with the Bank of the Laos P.D.R and the State Bank of Vietnam is underway, following a successful cooperative initiative with the Bank of Thailand, in order to facilitate convenient, fast, and safe payments, and to promote financial inclusion.

The total number of payment system transactions increased from 10.4 million to approximately 26.6 million transactions. The volume also increased to USD 172.6 billion (increased 31.3%), approximately 6 times the GDP.

The payment system has been divided into two types: large value payment system and retail payment system.

### Large Value Payment System:

- Online Banking System (OBS): The OBS had 79 members, consisting of 55 commercial banks, 2 specialized banks, 2 microfinance deposit-taking institutions, 5 microfinance non-deposit-taking institutions, 15 payment service providers and 1 government institution [Ministry of Economy and Finance (MEF)]. A total of 54,671 transactions were processed through the OBS, of which 53,584 transactions were among accounts at the NBC headquarter, and the other 1,087 transactions were between the NBC headquarters and the capital-provincial branches. There were 33,584 transactions in KHR at the headquarters, amounting to a total of KHR 91.2 trillion (12.7% increase), and 20,000 transactions in USD, amounting to a total of USD 59.6 billion (38.9% increase). There were a total of 554 money transfers in KHR from the headquarters to capital/provincial branches, amounting to KHR 2.5 trillion (decrease of 25.7%), and 533 money transfers in USD, amounting to USD 981 million (decrease of 5.9%).

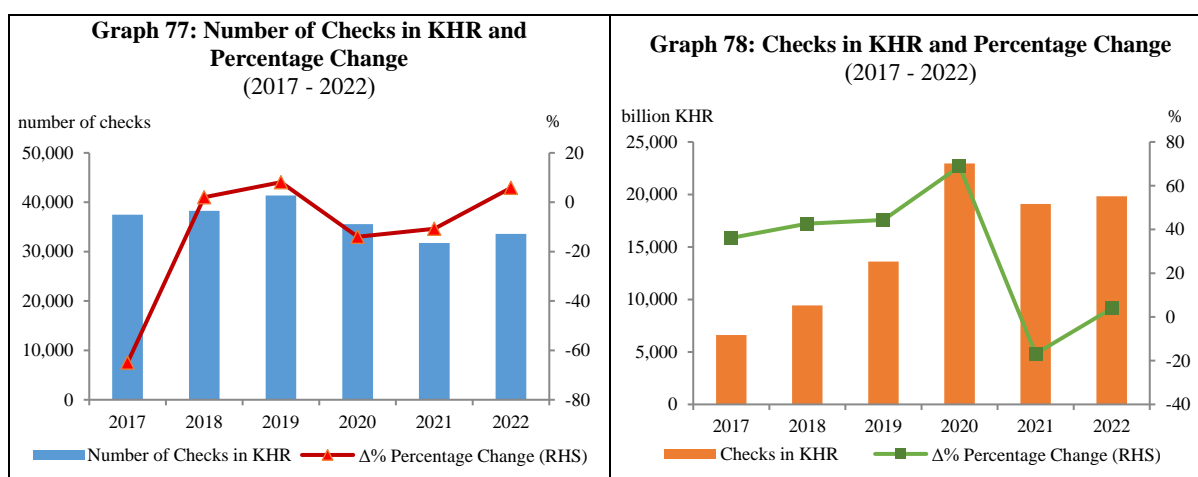


Source: NBC, \*e= estimation

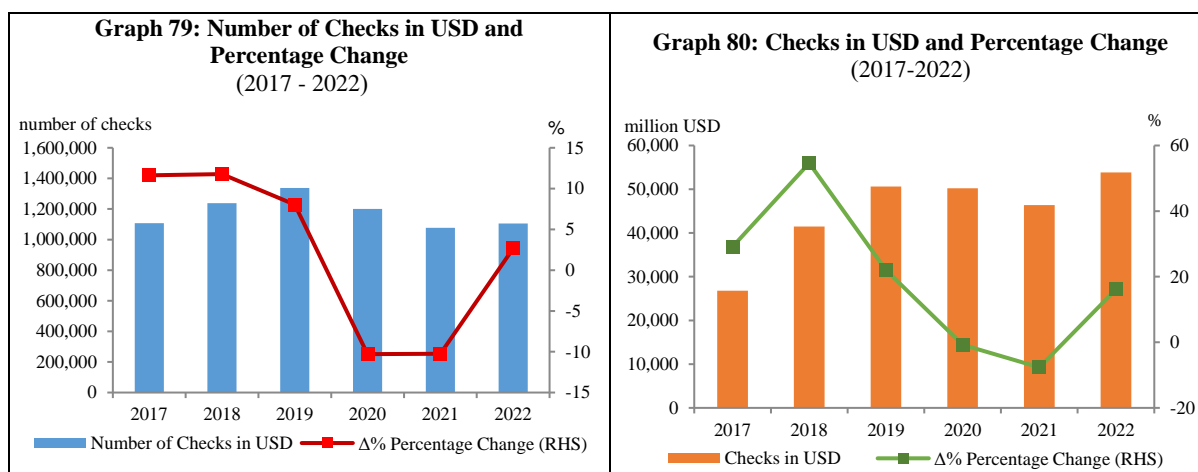
- Bakong Large Value Payment System (Bakong LVPS): This system is being developed, in order to facilitate payments for large-scale interbank payments, retail-pay net balance transactions, and payment transactions in the financial markets.

### Retail Payment System:

- The NCS is a system used for the settlements of check and credit transfer orders. The NBC headquarter had 41 direct members and 16 indirect members, as well as 7 check exchange centers, including 27 members in Siem Reap, 18 in Kampong Cham, 19 in Sihanoukville, 20 in Battambang, 8 in Banteay Meanchey, 7 in Svay Rieng and 6 in Kampong Thom.
- Check Payment Service: There were 33,600 check settlement transactions in KHR (an increase of 5.9%), with a record settlement amount of KHR 19.8 trillion (an increase of 3.9%). Meanwhile, 1.1 million checks were issued in USD (an increase of 2.7%), with a record settlement amount of USD 53.9 billion (an increase of 16.1%).

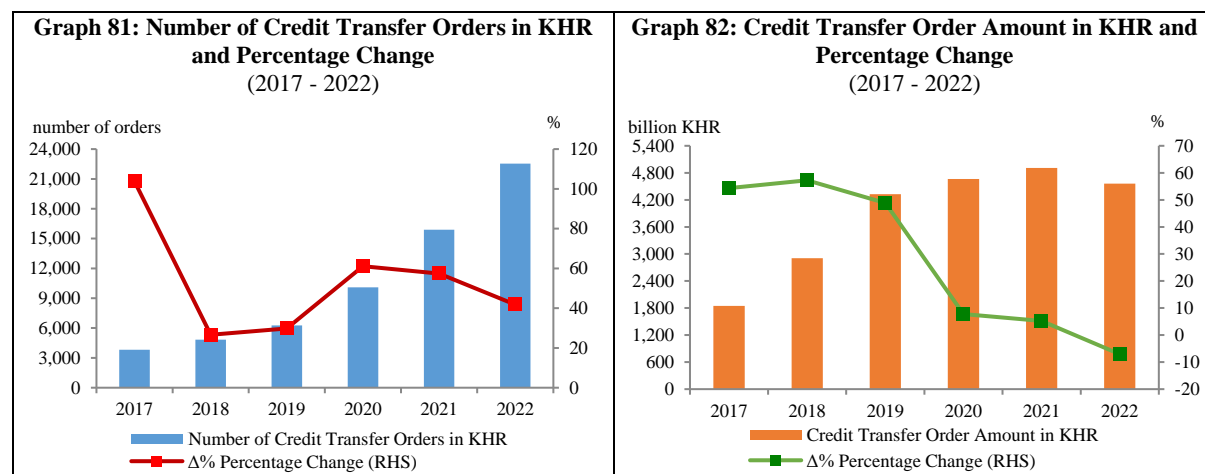


Source: NBC

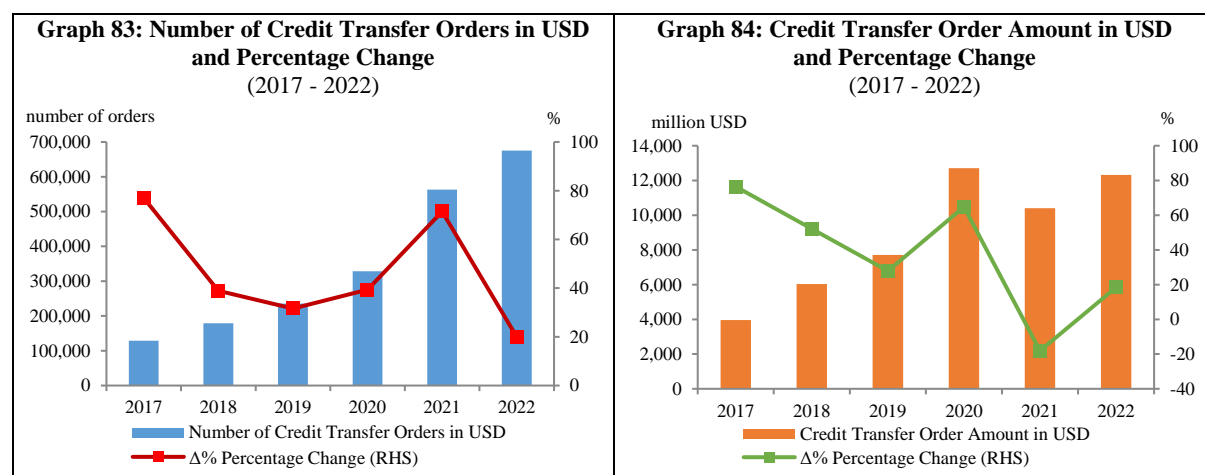


Source: NBC

- Credit Transfer Order Service: The use of the credit transfer order service order, which is a form of electronic payment, increased significantly. A total of 22,500 credit transfer order payments were recorded in KHR (an increase of 41.8%), amounting to KHR 4.6 trillion (a decrease of 7.1%). A total of 675,500 credit transfer order payments were recorded in USD (an increase of 20%), amounting to USD 12.3 billion (an increase of 18.4%).

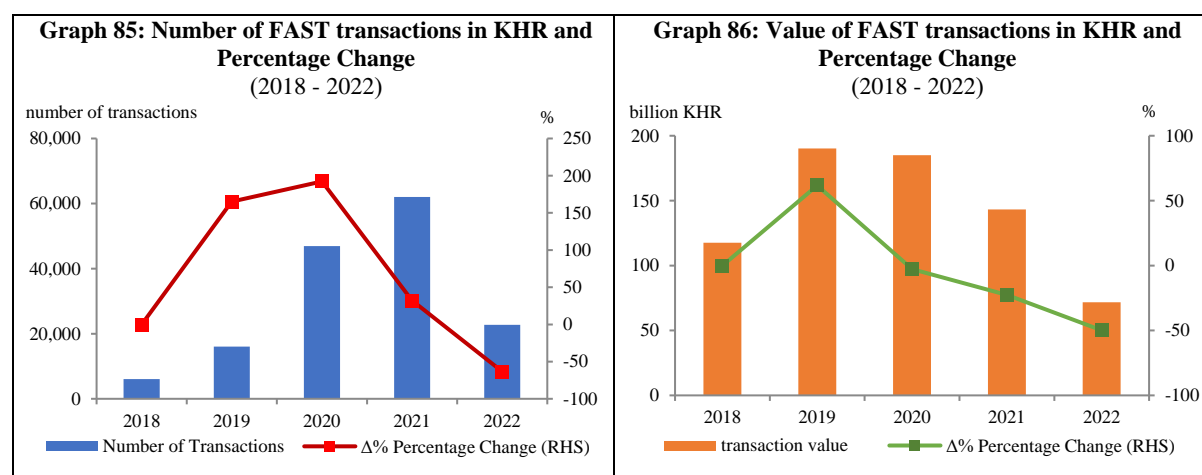


Source: NBC

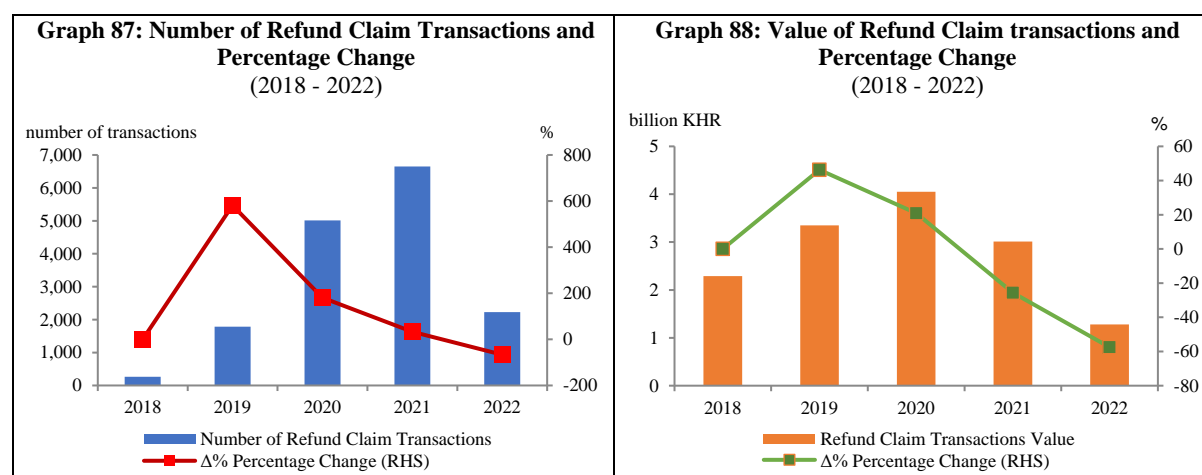


Source: NBC

- FAST Payment Systems 2.0: This service processes small transactions in KHR, with a maximum value of KHR 40 million per transaction. FAST had a total of 25 members, of which 21 were banks and 4 were microfinance deposit-taking institutions. A total of 22,700 fund transfers were recorded in FAST (a decrease of 63.6%), amounting to KHR 71.8 billion (a decrease of 49.9%). The reason for the decrease is that the NBC is still working on upgrades to improve this system.

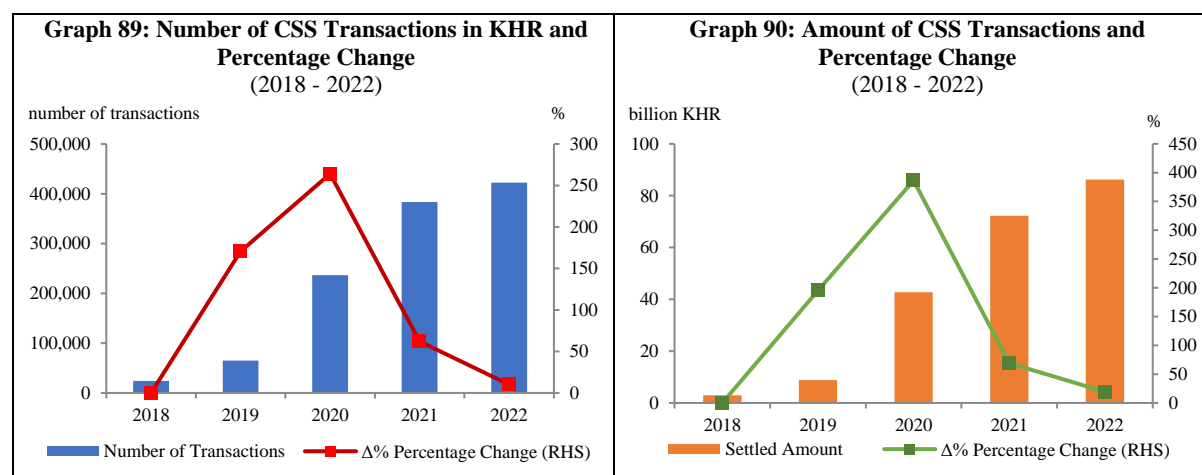


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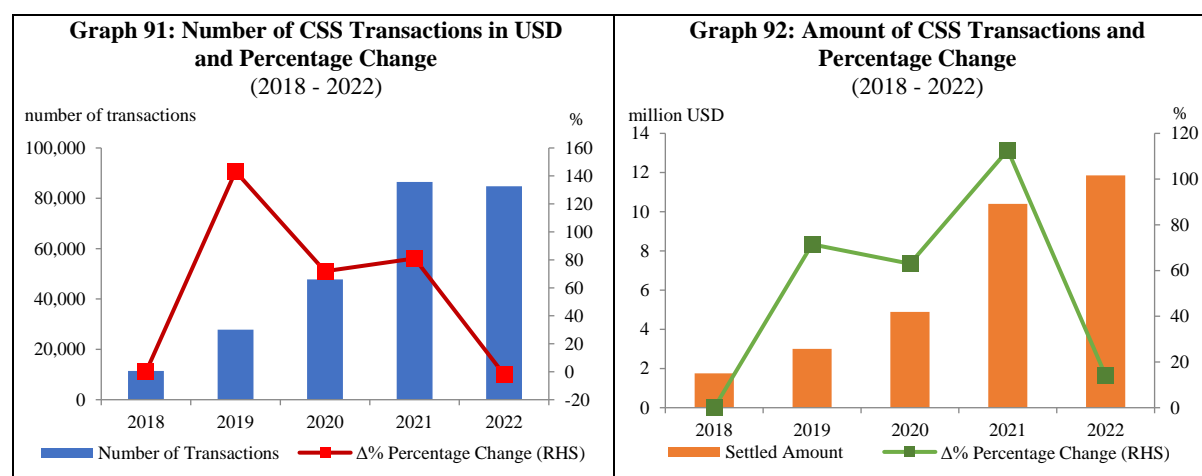


Source: NBC

- Cambodian Shared Switch System (CSS): The CSS system has 56 members. The direct members consist of 48 commercial banks and 5 MDIs. The 3 indirect members are commercial banks. The CSS system settled 422,400 transactions in KHR (an increase of 10.1%), amounting to KHR 86.2 billion (an increase of 19.4%). There were 84,800 USD transactions on the CSS system (a decrease of 2%), equating to USD 11.9 million (an increase of 14%).

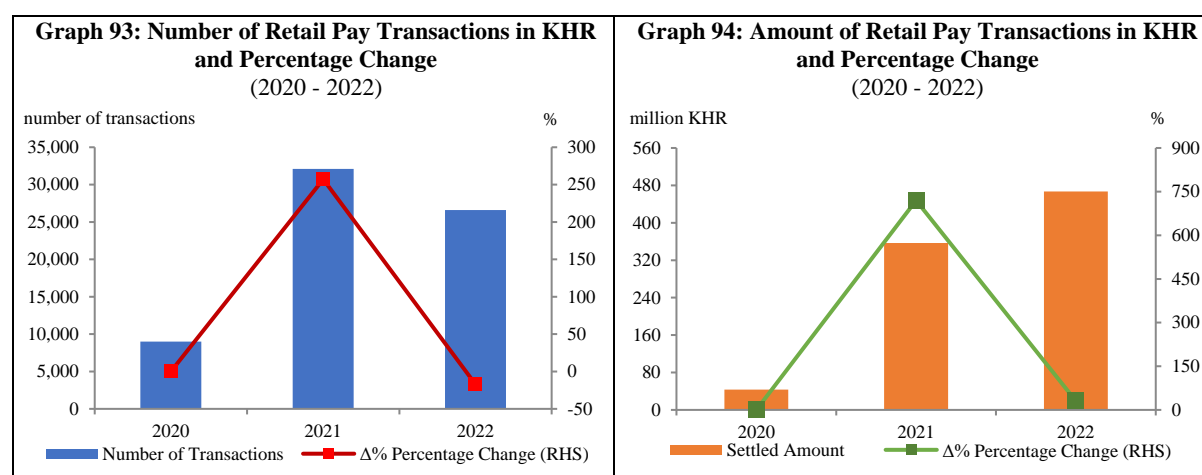


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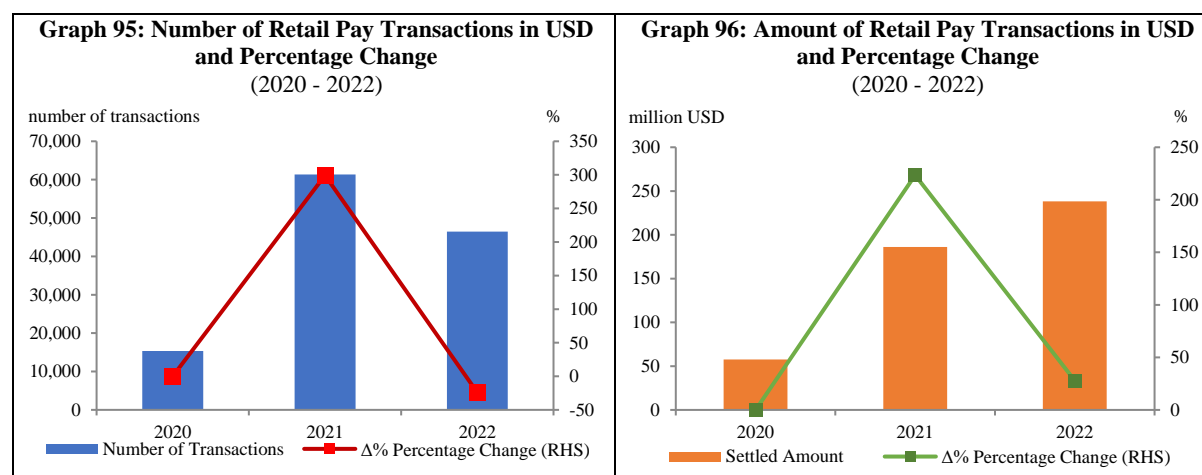


Source: NBC

- Retail Pay: The system had a total of 24 members, consisting of banks and financial institutions, and was officially launched on January 26, 2021, with 16 members operating officially. Retail Pay was operational for 251 days, and processed 26,600 transactions in KHR (a decrease of 17.2%), totaling KHR 466.9 billion (an increase of 30.8%). A total of 46,500 transactions in USD were processed (a decrease of 24.3%), totaling USD 238.2 million (an increase of 28%).



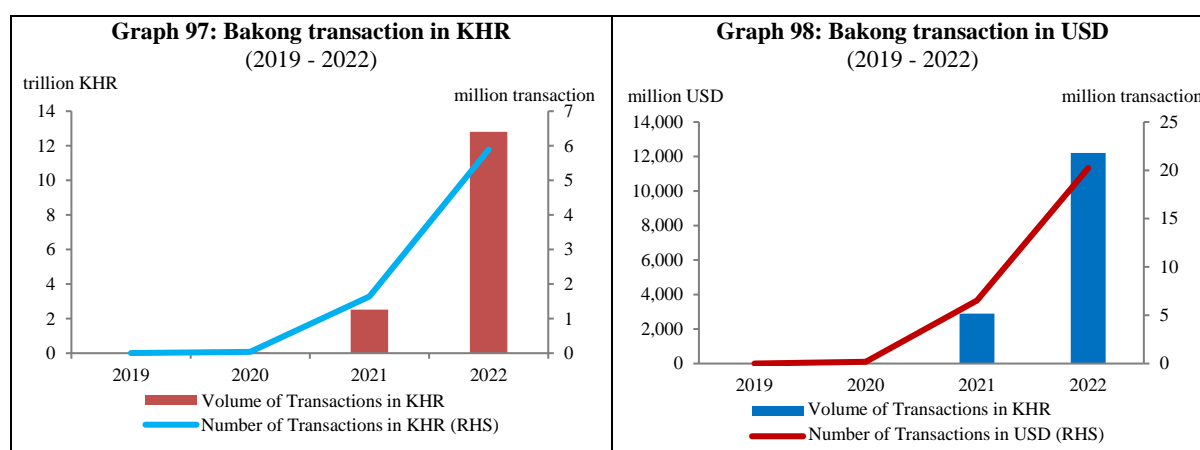
Source: NBC



Source: NBC

- Bakong: The Bakong backbone payment system had 69 members in total, of which 46 were in the production phase. A total of 0.52 million customers registered through the Bakong generic application. Compared to 2021, there were 26.1 million transactions (an increase of 2.2 times), with a total volume of KHR 12.8 trillion (an increase of 4.1 times), and a total volume of USD 12.2 billion (an increase of 3.2 times) in 2022.

Under the MoU with the MEF, Bakong is in the process of integrating an e-KYC, which utilizes the CamDX platform. In addition, the National COVID-19 Vaccination Committee and Bakong are working together, in order to make it possible for Bakong app users to display information about their COVID-19 vaccinations.

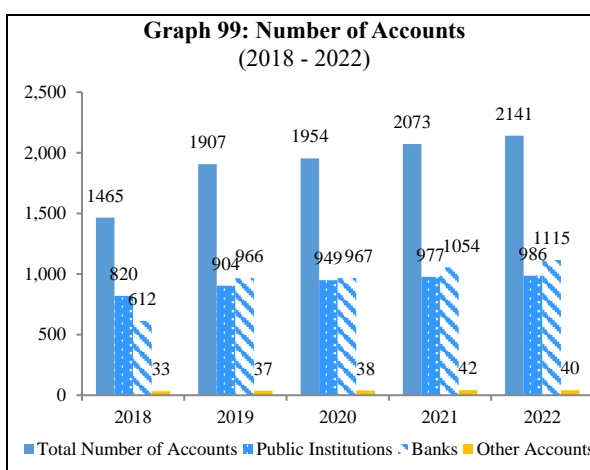


Source: NBC

## 2. Account Management Service:

### Number of Accounts:

The NBC managed a total of 2,141 accounts, including 986 accounts of public institutions, 1,115 accounts of BFIs, and 40 accounts of other entities (such as foreign central banks, international public financial institutions, and public notaries). When compared to 2021, the number of new accounts increased by 3.4% (70 accounts), which included: i/-9 accounts belonging to public institutions, allowing them to receive direct funding from the General Department of the National Treasury, for implementing projects with development partners and for financial reform programs; and ii/-61 accounts of BFIs.

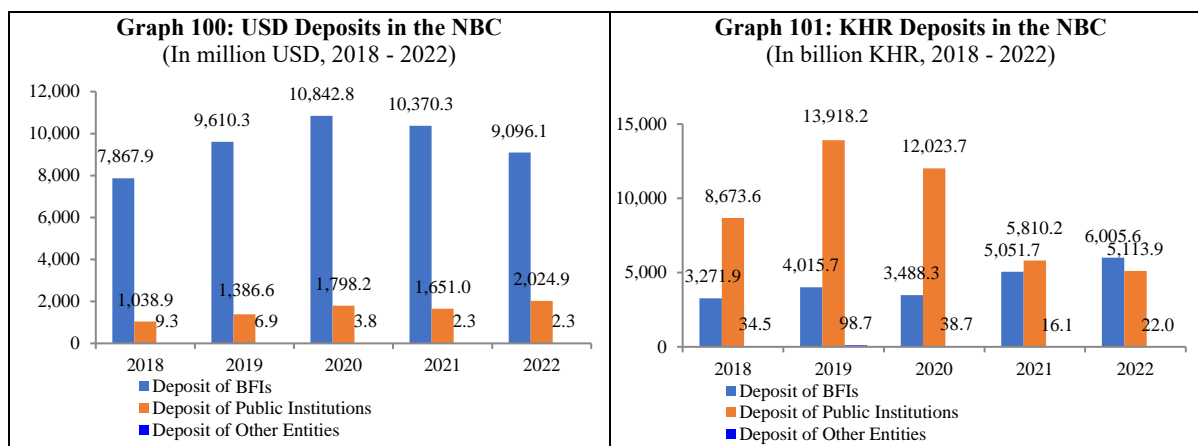


Source: NBC



## Deposit Service:

The total amount deposited by BFIs, public institutions, and other entities in the NBC decreased, when compared with 2021. Deposits in KHR increased by KHR 0.3 trillion (2.4%), and deposits in USD decreased to USD 900.3 million (-7.5%).

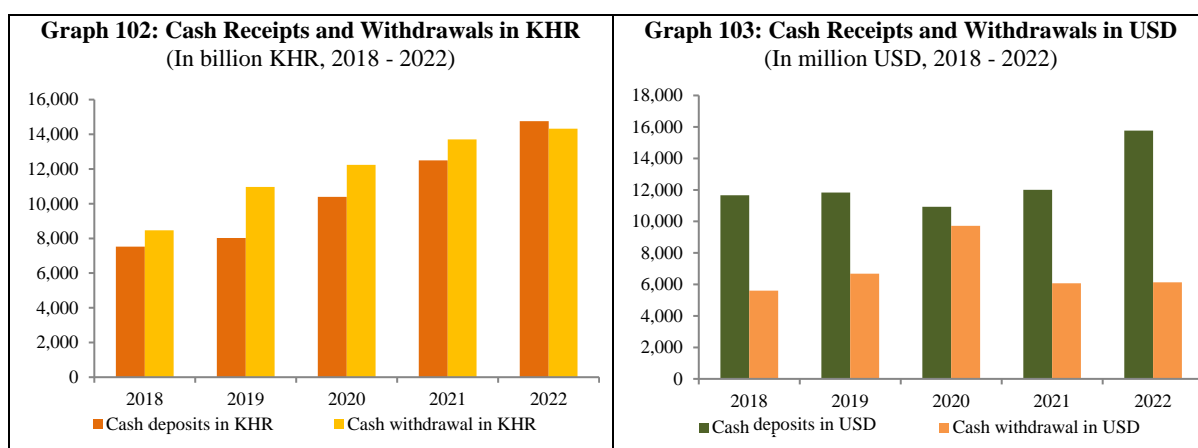


Source: NBC

## 3. Management of Cash in Circulation:

### Teller Operations:

Cash deposits and withdrawals in KHR stood at KHR 14.7 trillion (an increase of 18.1%) and KHR 14.3 trillion (an increase of 4.6%), respectively. On the other hand, cash deposits in USD amounted to USD 15.7 billion (about 31.3% increase) and cash withdrawals in USD totaled USD 6.1 billion (about 1% increase).



Source: NBC

## Cash Management:

Old banknotes are collected and replaced by new banknotes, on a regular basis. Also, the design and quality of banknotes has been enhanced to combat counterfeiting and to encourage the use of KHR.

The amount of KHR banknotes supplied to capital-provincial branches declined by -11.9%, while the amount of old and surplus KHR banknotes delivered to the NBC headquarters increased by 31.4%. However, the amount of USD banknotes supplied to the branches declined by -38%, whereas the delivery of USD banknotes to the headquarters grew by 32.3%, compared to 2021.

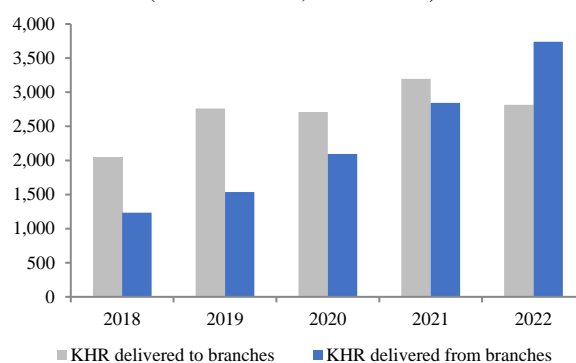
As authorized by the Royal Government of Cambodia, the NBC officially printed new KHR banknotes in denominations of 2,000 riels and 200 riels, to be circulated with effect from 14<sup>th</sup> November 2022.

The NBC cooperated with the US Federal Reserve Bank and the US Secret Service, in order to provide an online training course on “Authentication of U.S. Currency” on 27<sup>th</sup> April 2022.

## Promotion of the Importance of the Riel:

Public awareness of the benefits of using the KHR has been further enhanced, with the promotion of the KHR program. This year, Riel Day was organized in Phnom Penh and four other provinces, including Kampot, Kampong Thom, Battambang, and Kampong Cham. Government workers, representatives from banks and financial institutions, students, and the public participated in this program. The program attracted large audiences, with a total of more than 5,000 participants attending physically, and more than 40,000 virtual participants watching on the official Facebook page of the NBC. This program focused on several important activities: free exchange of old riel banknotes with new ones; exhibition on the development of the Cambodian monetary system from the first century of the Funan Empire to the present; awareness about the current Bakong payment system; and the promotion of BFIs’ financial products and services in riels. During the program, participants also opened Bakong accounts and other accounts at various BFIs. Further, the public were given educational messages to cultivate and further understand KHR usage.

**Graph 104: KHR delivered to/from NBC’s branches**  
(In billion KHR, 2018 - 2022)



Source: NBC

**Graph 105: USD delivered to/from NBC’s branches**  
(In million USD, 2018 - 2022)



Source: NBC

## **VII. Cambodian Financial Intelligence Unit (CAFIU)**

The CAFIU regularly carries out tasks, which ensure the implementation of Anti Money Laundering and Combating the Financing of Terrorism (AML/CFT) activities by: reporting of entities, submitting financial intelligence reports to the law enforcement authorities, cooperation with other authorities domestically and internationally, as well as training and dissemination of information. The CAFIU is also involved in coordinating and implementing the Financial Action Task Force (FATF) action plan.

### **1. Strengthening the Legal and Regulatory Framework and Implementing Anti-Money Laundering (AML) Laws and Regulations:**

In 2022, the CAFIU issued three guidelines: Directive on Internal Control for Reporting Entities, Directive on Correspondent Banking and Other Similar Relationships, and Directive on Remittance and Wire Transfer, in order to ensure AML/CFT. These directives require reporting entities to develop policies and procedures, as also internal control systems, and to implement Customer Due Diligence (CDD) measures when providing transfer services and establishing correspondent banking relationships to engage in AML/CFT.

The CAFIU conducted on-site inspections of 8 commercial banks, 6 real estate companies, 1 payment service provider, 2 insurance companies, and 4 casinos. It provided recommendations to these entities for filling gaps in the implementation of AML/CFT. Meanwhile, the CAFIU also strengthened monitoring of the implementation of laws and regulations, based on: periodic reports, analysis and evaluation of results on AML/CFT risk assessment, as well as results of internal audits of reporting entities.

### **2. Analysis and Submission of Reports:**

The CAFIU continues to monitor the implementation of the reporting obligations of reporting entities, in accordance with AML/CFT measures. In 2022, cash reports submitted to the CAFIU increased by 14.4%, while suspicious transaction reports decreased by approximately -4.4%. Meanwhile, the CAFIU organized several meetings with 24 reporting entities including: 4 banks, 9 MFIs, 1 casino, 4 insurance companies, 2 financial leasing companies, and 4 payment service providers, to review and discuss the progress and quality of operational reporting, which is a key obligation of AML/CFT.

### **3. Cooperation with the CAFIU:**

#### **Local Cooperation with the CAFIU:**

The CAFIU signed an MoU concerning the exchange of information related to AML/CFT with: i/-Electricity Authority of Cambodia; ii/-Ministry of Environment; and iii/-Royal Gendarmerie of Cambodia, in order to strengthen and expand local cooperation. In total, the CAFIU signed MOUs with 21 local ministries and institutions, and is discussing future cooperation with other relevant ministries and institutions.

At the Secretariat, the CAFIU coordinated and participated in two meetings of the National Coordinating Committee on Anti-Money Laundering and Terrorism Financing of Proliferation of Weapons of Mass Destruction. The two meetings reviewed and discussed the achievements of Cambodia in implementing the action plan of the International Cooperation Review Group-Joint Group (ICRG-JG), as well as the progress and achievements of the CAFIU.

Meanwhile, the CAFIU coordinated 5 sub-committees of the International Cooperation Review Group-Asia Pacific Joint Group (ICRG-APJG), with 27 ministries and institutions participating. These five meetings reviewed and discussed Cambodia's draft progress report on the implementation of the FATF action plan and the challenges of implementing the action plan, in order to speed up the process of getting Cambodia off the FATF gray list.

The CAFIU also chaired three meetings with the Sub-Committee of the National Risk Assessment on Money Laundering and Terrorism Financing of Proliferation of Weapons of Mass Destruction, with 11 relevant ministries and institutions participating. The meetings discussed the establishment of ministerial or inter-ministerial working groups for each module, as well as the selection and training of officers to successfully perform this national risk assessment.

#### **International Cooperation with the CAFIU:**

The CAFIU signed MoUs on the exchange of information related to the AML/CFT with: i/-Financial Intelligence Center of the Republic of Ghana; and ii/-Financial Information Unit of Mongolia. As of 2022, the CAFIU has signed MOUs with 36 foreign financial intelligence units, and has been engaged in talks with other foreign financial intelligence agencies.

- Asia-Pacific Group on Money Laundering (APG): The CAFIU continues to cooperate with the APG, to strengthen AML/CFT systems in Cambodia and the surrounding region. In fact, the CAFIU collaborated with relevant ministries and institutions to request a rating upgrade on the implementation of FATF recommendations. As a result, Cambodia has successfully upgraded the 5 recommendations, as approved by the APG General Assembly. This achievement reflects the efforts and commitment of the Royal Government, especially of all relevant authorities, to participate in the fight against money laundering and financing of terrorism.

In order to gain experience and imbibe best practices for Cambodia, the CAFIU participated in a meeting with the APG Working Group on: i/-Governance; ii/-Assessment procedures; iii/-Schedule for 3rd Assessment; iv/-Preparation for 4th Mutual Assessment; v/-Technical assistance, training, and study patterns on AML/CFT; vi/-Annual performance in 2022; and vii/-FATF quarterly performance.

Meanwhile, the CAFIU published a report of the FATF on “High-Risk Jurisdictions Subject to a Call for Action and Jurisdictions Under Increased Monitoring”, which required reporting entities to enhance KYC on a regular basis, when establishing business and business relationships with specified countries.

- EGMONT Group: The CAFIU attended the 28th Plenary of the EGMONT Group in Riga, Latvia on “New Ways to Drive Financial Intelligence Unit (FIU) Effectiveness in a Risk-Based Environment”. The General Assembly holds 4 working group meetings, including: i/-Information Exchange Working Group (IEWG); ii/-Technical Assistance and Training Working Group (TATWG); iii/-Member Support and Compliance Working Group (MSCWG); and iv/-Policy and Procedure Working Group (PPWG). At the same time, the CAFIU also attended a separate meeting with members in the Asia-Pacific region, discussing the experiences related to cooperation, the implementation of new approaches, and good case studies that member countries have successfully implemented in the past.

- Financial Intelligence Advisory Working Group (FICG): The CAFIU participated in the FICG virtual meeting to monitor and share information on AML/CFT in the ASEAN Plus Australia and New Zealand. In response to current situations and complexities of criminals using new methods and technologies in AML/CFT, the FICG restructured, conducted a meeting, and prepared new working mechanisms, on June 28, 2022. The FICG also discussed the possibility of holding face-to-face meetings in the new normal, and the acceptance of a new member: the Timor-Leste Financial Intelligence Unit of East Timor. Overall, the scope and working mechanisms of the FICG have been rapidly evolving, so as to respond to the complexity and interconnected situation of AML/CFT. The CAFIU has also developed and strengthened human resources to respond to these developments.

#### **4. Training and Dissemination:**

The CAFIU participated in online trainings and seminars on key topics, including: i/-Cryptocurrency analysis and investigation; ii/-AML related to forest and wildlife crime; iii/-Inspections related to virtual assets; and iv/-Investigation of money laundering through casinos and cybercrimes, as also monitoring, preventing, and recovering illegal cash flows. In addition, the CAFIU conducted 10 online seminars and lectures on banking institutions, non-banking financial institutions, and non-financial occupations and professions related to AML/CFT laws and regulations, involving a total of 425 participants.

## **VIII. International Cooperation**

### **1. Multilateral Cooperation:**

The NBC has strengthened and expanded its cooperation with international institutions to promote regional and global integration, to exchange knowledge and experience, and to build human resources.

- **ASEAN:** As the Chair of the ASEAN in 2022, the NBC chaired and co-chaired meetings related to the financial sector, as follows: i/-The 18th ASEAN Central Bank Governors Meeting (ACGM) aimed to promote financial services' liberalization, banking integration, financial inclusion, and sustainable finance; and ii/-The ASEAN Central Bank Governors and Financial Institutions CEOs Dialogue, to discuss strengthening and expanding cross-border transactions bilaterally and multilaterally in the ASEAN region, so as to make them fast, affordable, and secure. In addition, the NBC also collaborated with the MEF to co-chair two important meetings: i/-The 8<sup>th</sup> joint meeting of the ASEAN Finance Ministers and Central Bank Governors (AFMGM) under the theme of ASEAN 2022 "ASEAN A.C.T. Addressing Challenges Together"; and ii/-The meetings between ASEAN central banks and finance ministries with private sector players, such as the ASEAN Business Advisory Council (ASEAN-BAC), the US-ASEAN Business Council, and the EU-ASEAN Business Council (EU-ABC). These meetings discussed important topics such as the impact of geopolitics on the regional economy, the promotion of financial recovery and investment in the region, the participation of the private sector in promoting sustainable finance, and the use of digital technologies in commercial and financial operations to enhance ASEAN's competitiveness.

- **ASEAN+3:** The NBC and the MEF co-chaired key meetings with the People's Bank of China and the Ministry of Finance of the People's Republic of China: i/-The 25th ASEAN+3 Finance Ministers' and Central Bank Governors' Meeting (AFMGM+3) ii/-The ASEAN+3 Finance and Central Bank Deputies Meetings (AFCDM+3), and iii/-Other related meetings. Under ASEAN+3 cooperation. The regional financial safety net has been strengthened by : i/- Amending Chiang Mai Initiative Multilateralization (CMIM) Agreement to provide liquidity support to member states for crisis prevention and resolution; ii/-Strengthening the capacity of the ASEAN+3 Macroeconomic Research Office (AMRO) to monitor the economic condition of member states and support CMIM mechanisms; iii/-Promoting the issuance of ASEAN+3 bonds to be in line with the Asian Bond Markets Initiative, especially the promotion of guarantees on the bonds issued, and advancing knowledge about the Asian Bond Market; iv/- Exploring new initiatives for ASEAN+3 cooperation; and v/-establishing the ASEAN+3 cooperation in Disaster Risk Financing and Insurance. AMRO has also completed two interim visits, working on recommendations to strengthen and maintain macroeconomic and financial stability for Cambodia. AMRO has also provided a secondment program to one NBC staff every year since 2017.

- **The International Monetary Fund (IMF):** The IMF conducted staff visits and Article IV consultations to assess economic conditions and the financial sector, as well as to provide recommendations on major economic policies. The IMF has significantly contributed to the capacity-building of the NBC staff, by providing technical assistance and training, banking supervision, monetary policy implementation, monitoring the real estate sector, and promoting financial stability in Cambodia. Madam Kristalina Georgieva, Managing Director of the IMF, visited Cambodia to attend the ASEAN Summit during Cambodia's chairmanship.

- **The Asian Development Bank (ADB):** ADB supported the second phase of integrating financial literacy into the education system, as well the updating of "the Financial Sector Development Strategy 2016-2025" to "the Financial Sector Development Strategy 2021-2030". In terms of capacity-building for the NBC staff, ADB also organized seminars on "Managing Non-Performing Loans (NPLs)", sharing information about economic surveillance policies, digital platforms, and economic recovery during the post-COVID-19 period. ADB also collaborated with the University of Cambridge to organize workshops on FinTech and regulatory innovation. Additionally, ADB met with the NBC to discuss the Country Partnership Strategy (CPS) for 2019–2023, aiming to prepare a new CPS for 2024-2028 and to gather information about the financial sector in Cambodia.

- **The South East Asian Central Banks (SEACEN) Center:** The SEACEN Center provided skilled training for NBC staff, by organizing training courses and research programs. In 2022, the NBC was the 2023 chair of the SEACEN Board of Governors (BOG). The NBC hosted the SEACEN BOG meeting, the SEACEN Governors Conference, and high-level seminars. These events were attended by governors of SEACEN members and representatives of international institutions, namely, Madame Christine Lagarde, the President of the European Central Bank, Dr. Luiz Pereira da Silva, Deputy General Manager of the Bank for International Settlements, and Dr. Roger Nord (representative of the IMF) among others.

## **Box 2: Multilateral Cooperation with International Organizations**

- **The Japan International Cooperation Agency (JICA):** JICA has collaborated on research and plans, to publish a book on dollarization in Cambodia, and to promote the use of riel among the public in the near future. In addition, under the technical cooperation project, the NBC and JICA discussed and agreed on promoting capacity in economic research, analysis, and monetary policy operations, which would last for 3 years from January 2023 to December 2025.
- **United Nations Capital Development Fund (UNCDF):** The UNCDF has collaborated on a project to collect data on financial inclusion, mainly to measure the implementation of national strategy, which focuses on the access to and quality of financial services, through a demand and supply survey. The survey's results will be used to reassess the status of financial inclusion in Cambodia, and to monitor the use of the National Financial Inclusion Strategy 2019-2025.
- **United Nations Development Program (UNDP):** The UNDP has continued to co-organize the NBC Annual Macroeconomic Conference, with the purpose of supporting research, and of providing discussion forums on important topics related to economic and financial issues in Cambodia. The UNDP also worked with NBC staff to conduct joint research on “market survey on the development of bond market”, which focused mainly on potential investors: i/-BFIs; ii/-insurance companies; and iii/-National Social Security Fund, which aimed at supporting the government's initial issuance of bonds.
- **United Nations Economic and Social Commission for Asia and the Pacific (UNESCAP):** The UNESCAP implemented programs and training aimed at promoting women's entrepreneurship on “Catalyzing Women's Entrepreneurship” and “Digital Financial Literacy for Women Entrepreneurs”: i/-the study on access to loans without collateral; ii/-the training course on promoting the effectiveness of financial management and women's entrepreneurship; iii/-the training course on digital business registration; and iv/-the training course on the access and use of financial services for women and women entrepreneurs.
- **The Alliance for Financial Inclusion (AFI):** The AFI approved the technical assistance project aimed at strengthening NBC's staff in the following areas: capacity building; data collection and analysis on “Financial Inclusion Level”; as well as collaboration on frameworks, regulations, and action plans for advancing digital financial literacy in Cambodia.



- **International Finance Corporation (IFC):** The IFC co-organized the Global SME Finance Forum 2022, with the participation of more than 400 representatives, including corporate owners, central banks, and financial institutions of 65 countries. In this forum, the NBC participated in awarding the “Global SME Finance 2022” to outstanding small and medium enterprises (SMEs).
- **Central Banks of Francophone Countries:** Francophone hosted the 26th Conference of Governors of the Central Banks of Francophone Countries, involving the participation of 30 central banks, including the NBC. The conference aimed to discuss the role of central banks in addressing climate change, digital currency, and financial technology. Additionally, the NBC was invited to present its experiences about the Bakong Payment System, which has been acknowledged internationally as a cutting-edge technology payment system.

In order to conduct research, strengthen the database, enhance financial inclusion, improve financial knowledge, and so on, the NBC has strengthened its cooperation with other international organizations, such as the JICA, UNCDF, UNDP, AFI, and IFC among others.

The NBC delegation led by H.E. CHEA Chanto attended the 3rd “No Money for Terror” Ministerial Conference on Counter-Terrorism Financing in New Delhi, the Republic of India, during 18-19 November 2022. The conference was participated by 89 countries and 20 major international organizations. On that occasion, H.E. CHEA Chanto extended his support and reaffirmed Cambodia’s commitment to joining the international community in countering the financing of terrorism.

The NBC also participated in meetings with other international organizations. Its activities in this regard were as follows: i/-participating in the G20 Finance Ministers and Central Bank Governors Meeting; ii/-sharing experiences on “challenges in women’s access to finances, and leadership in developing policies and regulations to enhance financial inclusion of women”, as well as taking part in a panel discussion on, “How central bank digital currency can be a potential tool in advancing financial inclusion and payment efficiency” organized by AFI; iii/-joining as a guest speaker at the roundtable discussion on FinTech, and attending a meeting on “Central banks’ new challenges, solutions, and policy recommendations”, organized by BIS; and iv/-attending the 2022 WHO Innovation Forum in the Western Pacific Region, to discuss ways to tackle critical health issues in the region using digital technology and behavioral changes, organized by the WHO. The NBC also attended the governor’s conference of Francophones in Raba, Morocco, where the NBC shared Cambodia’s experiences in establishing and launching the Bakong payment system, after being internationally recognized for its contribution to economic developments, promotion of financial inclusion, and the use of local currency.

## **2. Bilateral Cooperation:**

The NBC continued to strengthen its bilateral cooperation with other central banks both locally and internationally, by:

- participating in bilateral meetings with the State Bank of Vietnam (SBV), and signing an MoU with SBV for cooperation in the areas of financial innovation and payment systems,
- organizing bilateral meetings with the Bank of the Lao P.D.R. (BOL), and signing an MoU with BOL for cooperation in the areas of financial innovation and payment systems,
- launching cross-border payment systems with the Bank of Thailand, which will enable Cambodians to pay goods and services in Thailand using a QR code, while Thai citizens will be able to pay for goods and services in Cambodia using a QR code, in the near future,
- conducting joint-research under the Bank of Korea's knowledge partnership program (BOK-KPP) on the topic of "Developing a systematic risk management system",
- strengthening technical cooperation with Banc De France, by signing an agreement on the management of international reserves, and the MoU on enhancing capacity-building and strengthening of financial systems,
- sharing experiences about establishing the Bakong payment systems with Madagascar and Mozambique Central Banks, and
- collaborating with the US Federal Reserve and the US Secret Service, to conduct an online training course on "Spotting Counterfeit US Dollars".

On account of its strong cooperation with other central banks, the staff of the NBC have been receiving scholarships to study abroad in partner-countries, such as Luxembourg, Thailand, and Vietnam among others. This could contribute to the development of human resources at the NBC.

## **IX. The Internal Management of the NBC**

### **1. Members and Board of Directors' Activities**

Currently, the Board of Directors of the NBC consists of the following:

- H.E. Chea Chanto	Governor	Chair
- H.E. Sum Sannisith	Deputy Governor	Member
- H.E. Chou Kimleng	Representative of the Head of the Royal Government	Member
- H.E. Iv Thong	Representative of Academia	Member
- H.E. Ros Seilava	Representative of the MEF	Member
- H.E. Lay Mengsun	Representative of the Private Sector	Member
- Mr. Mom Dareth	Representative of NBC Staff	Member

The board held 6 meetings in 2022:

1. The 150<sup>th</sup> meeting, held on February 21, 2022, reviewed and approved the draft on the establishment of the audit committee for inspecting the NBC's accounting records as of 2021.
2. The 151<sup>st</sup> meeting, held on March 07, 2022, reviewed and approved the drafted report on the NBC's budget for 2021 and the budget plan for 2022.
3. The 152<sup>nd</sup> meeting, held on July 07, 2022, reviewed and approved the draft of the NBC's semi-annual report and work plan for the second semester of 2022.
4. The 153<sup>rd</sup> meeting, was held on September 22, 2022, to: i/-announce the members of the Board of Directors of the NBC; ii/-adjust the members of the Secretariat of the Board of Directors of the NBC; and iii/-report on the outcome of Article IV in the Consultation Mission with the IMF in the year 2022.
5. The 154<sup>th</sup> meeting, held on November 11, 2022, reviewed and approved the draft of the balance sheet report.
6. The 155<sup>th</sup> meeting, held on December 28, 2022, reviewed and approved the draft of the NBC's annual report for 2022 and work plan for 2023.

## 2. Human Resource Development:

### Staff Statistics:

The number of NBC employees nationwide was 1,889 (959 males and 930 females), of which 1,378 worked at the headquarters (720 males and 658 females) and 511 worked at branches (239 males and 272 females). The number of staff at the headquarters increased by 83 (89 new recruits, 14 transferred in, 3 transferred out, 10 retired, 6 resigned, and 1 deceased), while the number of staff in the branches increased by 31 (44 new recruits, 3 transferred in, 15 transferred out, and 1 retired).

**Table 1: NBC Staff Statistics in 2022**

		2019	2020	2021	2022	Change
Headquarters	Male	642	664	686	720	34
	Female	566	588	609	658	49
	Total	1,208	1,252	1,295	1,378	83
Branches	Male	224	233	231	239	8
	Female	233	257	249	272	23
	Total	457	490	480	511	31
Total Nationwide	Male	866	897	917	959	42
	Female	799	845	858	930	72
	Total	1,665	1,742	1,775	1,889	114

### Training:

#### - Local Training:

The capacity building of staff has been constantly promoted through training courses, Sokretka training, and other local training courses provided by other ministries and institutions. These training initiatives included 35 workshops (410 participants), 15 courses (320 participants), and 75 meetings (590 staff participants). Also, the NBC has organized 35 internship programs for higher education level students (175 students participated).

Meanwhile, the NBC provided 2 online training sessions to its staff. The first was the NBC FSI-Connect Banking Supervision Course, under the program of the Financial Stability Institution (FSI) of the Bank for International Settlements (BIS), which has been organized for 6 generations and has a total of 356 students (including 25 scholarship-holders). The quality of the courses was assessed through 47 consecutive online exams, wherein 115 staff completed the elementary level, 67 completed the intermediate level, and 90 completed the advanced level. The second training session involved an IMF training program on financial programming and policy (FPP), which had 3 generations and a total of 255 participants, all of whom successfully completed both phases of the course via online exams.

With regard to the associate degree program in banking, the CBS trained 280 students (205 females), of which 141 students are in the 30th generation, and 139 students are in the 31st generation. The program had a total of 60 lecturers (14 women). In order to enhance the quality of the education and learning through exchange of working experience, the CBS has continued to cooperate with development partners: Asian Institute of Chartered Bankers (AICB), Institute of Banking and Finance (IBF), Association of Banks in Cambodia (ABC), and Training Institutions of the Central Banks of Malaysia, the Philippines and Thailand. The new CBS building was inaugurated, in order to contribute towards and strengthen the quality and efficiency of further study programs.

**- Overseas Training:**

NBC Staff was sent abroad to attend 55 online and in-person meetings (203 staff members participated), 122 online and in-person short courses (709 staff members participated), and 22 long-term masters' degree courses (22 staff members participated).

Overall, most of the training activities in early 2022, both local and international, were conducted online. However, by the end of 2022, the abating of the COVID-19 pandemic allowed for physical training activities. Currently, the development of human resources at the NBC has been improved in terms of knowledge, specialization, and skills, to meet the needs of functioning amid changes in the regional and global economic and financial situations.

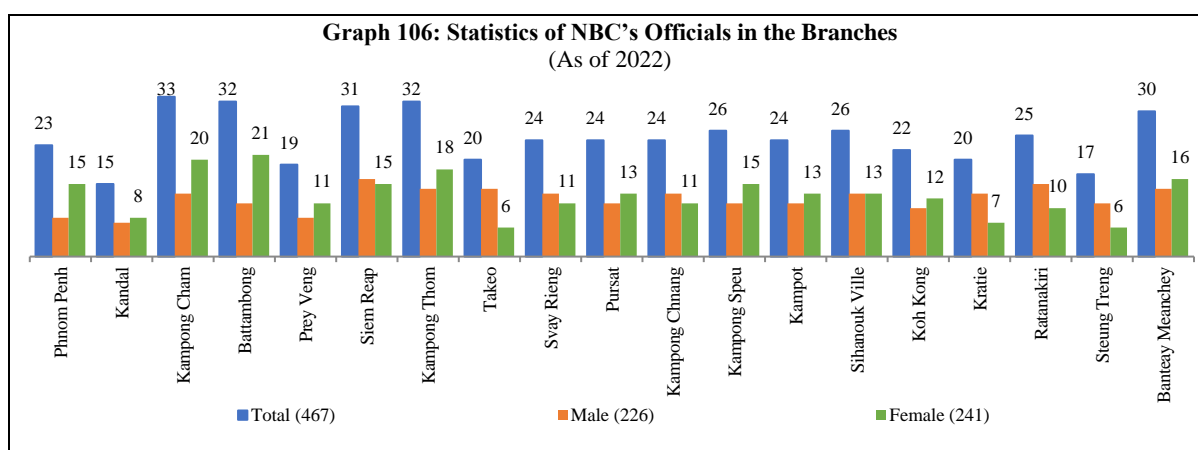
**3. Internal Audit, Inspection and Risk Management:**

Internal Audit, including monitoring of the compliance of recommendations through audit and inspection, is an important part of governance, risk management, and internal supervision by the NBC. In 2022, the audit and inspection works were carried out on-site and completed according to plan. Audits were conducted at 3 departments of the NBC headquarters and 9 branches (Kampot, Kratie, Pursat, Takeo, Kampong Cham, Banteay Meanchey, Svay Rieng, Kampong Thom, and Siem Reap provinces). Meanwhile, inspection work was conducted at all 19 NBC branches.

For maintaining operational continuity at all NBC branches in times of operational system failures, the NBC prepared business continuity plans, to be implemented at all NBC branches. The Risk Management Committee completed the review of the business continuity plans after 11 rounds of discussions.

#### 4. NBC's Branches:

Operations at the NBC's branches were strengthened, especially in the areas of effective management of cash flow in the banking system. This was done by providing financial services, account management, deposits and withdrawal of cash, and money transfer services to banks and financial institutions, ministries, and governmental units. To promote the wider use of KHR, NBC's branches have actively contributed towards providing exchange services for old, worn, and torn riel banknotes for the public. In addition, NBC's branches have also been monitoring economic conditions in the respective provinces, including price movement, exchange rate, and other macroeconomic indicators, which are inputs for analyzing overall the economic condition and the implementation of monetary policy by the NBC. Moreover, specialized officials at NBC branches have also participated in providing information to the public about the use of financial services, and in facilitating settlement of customers' complaints through the NBC hotline.



Source: NBC

## Conclusion

Cambodia's economic growth continues to recover. It is supported mainly by the manufacturing sector and by a steady improvement in the tourism sector. The construction, real estate, and agricultural sectors have seen slow growth. The NBC has pursued a prudent monetary policy, to boost economic activities and manage inflationary pressures caused by rising fuel and food prices in international markets. In this situation, the stability of exchange rate has been maintained, which helped protect the purchasing power of the riel, and contributed to reducing inflationary pressures. International reserves declined slightly under the influence of changes in the international financial conditions and the appreciation of the US dollar, but still remained high and sufficient.

The banking system has remained healthy, with strong capital, adequate liquidity, and low NPLs. Banks and financial institutions have provided credit to all the sectors that have made significant contributions to economic recovery in the post COVID-19 phase. At the same time, modernization of payment systems has increased efficiency and security of payment transactions, especially through electronic payments. This has also improved financial inclusion and reduced cash payments, which is in line with the government's digital economy and social policy. Good governance, capacity development, and the quality of central bank services have constantly improved, which has increased work efficiency and supported growth of the banking sector and the national economy. In addition, financial education and consumer protection have been continually ensured, by raising awareness among the public and the local authorities, regarding the responsible and effective use of banking and financial services to support businesses and livelihoods. In addition, the CAFIU continues to strengthen the fight against money laundering and financing of terrorism in Cambodia, by enhancing the legal framework, reporting obligations, and cooperation with related partners.

As Cambodia was the chair of the ASEAN in 2022, the NBC has contributed towards promoting integration of the banking sector, expanding cross-border payment connectivity, and strengthening the regional financial safety net within the framework of ASEAN and ASEAN+3, while expanding cooperation in other financial sectors, both regional and global.

## **Part II – Outlook and Target for 2023**

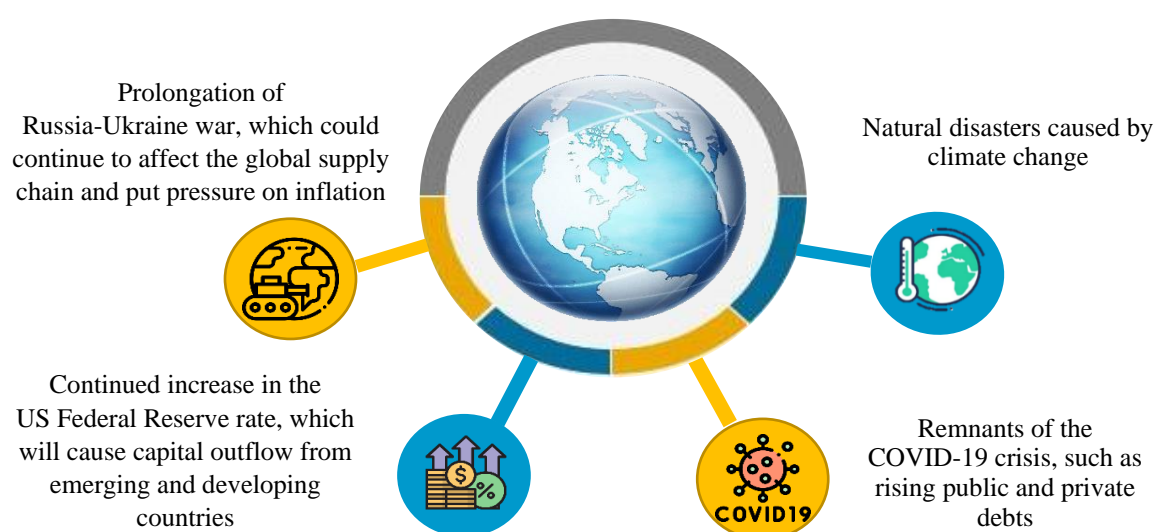




## Outlook and Target for 2023

The global economy is expected to grow at a slower pace than it did in 2022. Amidst uncertainties, the IMF has forecasted that the global economy will grow by only 2.7% in 2023, wherein advanced economies<sup>33</sup> will grow by 1.1%, emerging and developing economies will grow by 3.7%, and ASEAN-5<sup>34</sup> will grow by 4.9%. The downsides for the global economy are as follows : i/-the prolongation of Russia-Ukraine war, which could continue to affect the global supply chain and put pressure on inflation; ii/-increasing of the US Federal Reserve rate, which will cause capital outflows from emerging and developing countries; iii/-the remnants from the COVID-19 crisis, such as rising public and private debts; and iv/-natural disasters caused by climate change.

### Risks and Challenges of the Global Economy



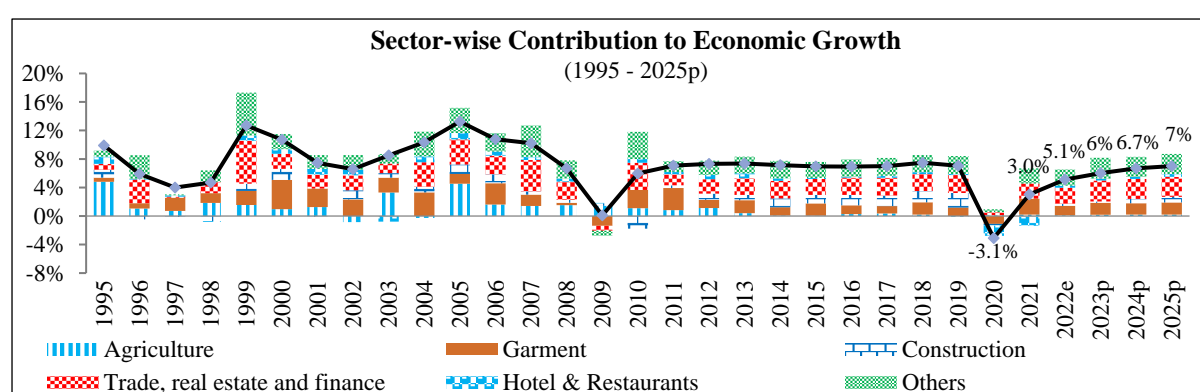
With an optimistic assumption that domestic economic activities are returning to normalcy and there would be continued growth due to external demand, Cambodia's economy is expected to grow by 6% in 2023. This growth is primarily supported by key sectors as follows. The first support is expected from the garment industry, which is anticipated to grow by 6.9%, mainly due to external demand, and the implementation of supporting government measures and strategies, especially the "Cambodia Garment, Footwear, and Travel Goods (GFT) Sector Development Strategy 2022-2027". However, growth from this sector may be hampered, if the US and EU economies grow slower than anticipated. Second, the tourism sector is expected to grow as high as 18.5%, due to the effective management of COVID-19, as well as countries reopening in the region. Third, the agricultural sector is expected to

<sup>33</sup> US economy will grow by 1%, EU by 0.5%, while that of UK will grow by 0.3%, and China 4.4%.

<sup>34</sup> ASEAN-5 includes Indonesia, Malaysia, Philippines, Thailand, and Vietnam.

increase by 1.1%, due to the implementation of the Regional Comprehensive Economic Partnership Agreement (RCEP) and the Bilateral Free Trade Agreement, along with the removal of tariffs on Cambodian rice exports to the European market. However, climate change and high costs of production may reduce the projected growth rate. Fourth, the construction sector is forecasted to grow at 1.7%, primarily driven by the growth in domestic demand from the real estate market for affordable housing. In the post-COVID-19 economic recovery phase, the banking system is expected to continue to play an important role in facilitating the economic growth of key sectors through financing and providing other financial services, due to a 22% increase in credit and the continued implementation of other supporting measures. In addition, the electronic payment system, which has facilitated transactions between banks and financial institutions, has enhanced the efficiency of the payment system, promoted financial inclusion, facilitated trade and investment activities between local and regional investors, and will continuously be modernized to support post-crisis economic expansion in Cambodia.

Source: NBC, \*Note: e= estimation, p= prediction



**Table 2: Sector-wise Economic Growth**

	2021	2022e	2023p
Agriculture	1.2%	0.7%	1.1%
Industry	9.4%	8.1%	8.1%
Service	-2.7%	4.4%	5.8%
<b>GDP Growth</b>	<b>3.0%</b>	<b>5.1%</b>	<b>6.0%</b>

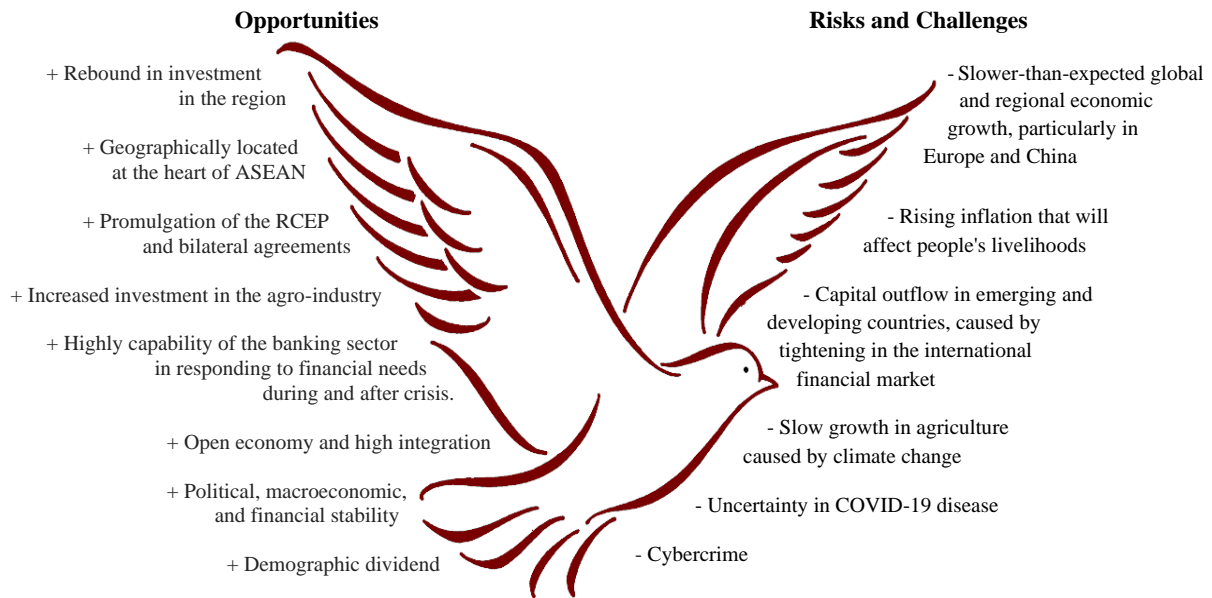
\*Note: e= estimation, p= prediction

**Table 3: The forecast of International Institutions' Economic Growth**

	2022e	2023p
Government	5.4%	6.6%
IMF	5.0%	5.4%
World Bank	4.8%	5.2%
ADB	5.3%	6.2%

Note: e= estimation, p= prediction

## Opportunities and Challenges for Cambodia's Economy



To support the royal government's policy for restoring economic growth, the National Bank of Cambodia has set the targets for 2023 as follows:

### 1. Monetary Policy Implementation

- Manage the money supply at an appropriate level
- Maintain exchange rate stability to stabilize price level and strengthen public confidence
- Promote the use of KHR based on the market mechanism, and
- Stimulate interbank market development to enhance the effectiveness of monetary policy.

### 2. International Reserve Management

- Implement investment guidance for 2023
- Conduct research on new investment instruments to achieve risk diversification and increase revenue
- Strengthen the performance measurement of investment portfolio through research on new models, and
- Explore new opportunities and capabilities to expand investment, while taking into account the ESG factors.

### **3. Payment System**

- Develop and modernize the payment system infrastructure including Retail Payment System and Large Value Payment System
- Implement cross-border payment and transfer plans with regional countries
- Promote the use of the Bakong system and continue developing the Bakong system for the next phase, and
- Strengthen the supervision of payment system and payment service providers.

### **4. Supervision of Banks and Financial Institutions**

- Regularly monitor the financial situation, compliance with the Prakas and regulations of financial institutions
- Conduct on-site inspections as planned
- Conduct monthly stress tests of solvency ratio, liquidity ratio, and loan restructuring, as well as reverse stress tests based on appropriate scenarios
- Monitor credit quality by analyzing the status of restructured loans
- Strengthen the implementation of SREP for banks and financial institutions to identify risk and effective inspection planning for timely corrective action
- Update supervision methods in accordance with risk-based supervision and prospects, and Certified International Financial Reporting Standards (CIFRS) for SMEs
- Monitor and assess the implementation of the institution's exit strategy during the COVID-19 crisis recovery phase
- Enhance customer protection and dealing of customers' complaint by officers in charge; continue to develop and disseminate new documents for hotline management systems
- Conduct dissemination workshops on "Microfinance in Cambodia", to enhance the financial literacy of the public and local authorities
- Collaborate with development partners to improve supervision, financial literacy, financial inclusion, the implementation of sustainable green financing, and so on, and
- Prepare new Prakas regarding the CAR of non-deposit-taking banks and financial institutions, and revise the Prakas on Standardized Procedure for Prompt Corrective Actions for Banking and Financial Institutions (BFIs).

## **5. Anti Money Laundering (AML) and Combating Terrorist Financing (CFT)**

- Raise awareness among reporting entities and relevant authorities, to increase the effectiveness of law enforcement and existing regulations
- Prepare and implement guidelines as required by the Anti-Money Laundering and Combating Terrorism Financing Law as necessary
- Strengthen the ability to monitor and analyze financial transactions
- Strengthen and expand cooperation with national and international partners
- Coordinate the implementation of the action plan set out in the National Strategy on Anti-Money Laundering and Combating Terrorism Financing 2019-2023
- Lead and coordinate the implementation of the action plan by the ICRG-JG and the (FATF), and
- Prepare and coordinate the second National Risk Assessment on Anti-Money Laundering and Combating Terrorism Financing.

## **6. Banking Operations**

- Supply liquidity to the members of the National Clearing House, to ensure the effectiveness of its operation
- Inject liquidity through LPCO, as per schedule
- Inject liquidity through MLF
- Promote and expand OBS
- Participate in the development of the Bakong system
- Develop the interbank market by participating in creation and promotion of new local financial instruments
- Contribute to technical affairs related to the issuance of government bonds, and
- Participate in the development of new payment systems.

## **7. Issuance and Cash Vault Affairs**

- Strengthen deposit and withdrawal services at the counter
- Strengthen the transportation of banknotes and counting of banknotes
- Promote cash management and security of the cash vault, and
- Cooperate with the authorities to prevent the circulation of counterfeit banknotes.

## **8. Internal Audit, Inspection, and Risk Management**

- Carry out audit and inspection work in accordance with the 2023 audit plan, as necessary
- Strengthen the capacity to improve the quality of internal audit and inspection work to be in line with current trends, and
- Host the 8th ASEAN Central Bank Internal Audit Committee Meeting.

## **9. Branch Management**

- Strengthen the operation of NBC's branches in the capital-provinces, in line with the growth of economic activity in each province and
- Cooperate with local authorities to improve financial knowledge and to use the riel more widely.

## **10. Accounting**

- Verify and evaluate the implementation of the budget plan 2022 and prepare the budget plan for 2023
- Cooperate and strengthen the Asset Management of the NBC
- Directly inspect book-keeping and accounting documents of NBC's capital-provincial branches, to ensure accuracy of the branch's financial statements, and
- Organize training courses on the core banking system, Flexcube, and Red Books for NBC officers at the NBC's branches.

## **11. Human Resource Management and Training**

- Improve the training programs and organize training courses such as Central Bank Operations Course, Banking Review Course, and Leadership Course and other meetings at NBC
- Develop and improve management policies and human resource development to ensure sustainability, safety and efficiency
- Develop policies to encourage officers to strengthen specialization in banking supervision, Financial Programming and Policies (FPP), Chartered Financial Analyst (CFA), Certified Public Accountant/Association of Certified Chartered Accountant (CPA/ACCA) and Certified Internal Auditor (CIA)
- Improve the quality of education at the Center for Banking Studies, to keep up with the development of the banking and finance sector, by updating its curriculum and collaborating with relevant partners
- Organize graduation ceremony for the students from 26<sup>th</sup>, 27<sup>th</sup>, 28<sup>th</sup>, and 29<sup>th</sup> batches, and
- Recruit new students for the 32nd batch.

## **12. International Cooperation**

- Strengthen and expand multilateral and bilateral cooperation with the central banks, financial institutions and development partners, for both regional and international collaborations
- Participate in the implementation of action plans in the financial sector, and monitor the progress of economic and financial integration of the ASEAN Economic Community, as well as strengthen financial cooperation within the framework of ASEAN+3, and
- Serve as the rotating chair of the SEACEN Board of Governors and related meetings in 2023.



### **13. Research and NBC's Economic Analysis**

- Organize the 10th Annual Macroeconomic Conference
- Strengthen the quality of research in accordance with international standards by collaborating with national and international institutions
- Collaborate with JICA to conduct research on: i/-strengthening the use of the riel, ii/-the effect of 10% KHR loan portfolio, and iii/-central bank monetary policy and operations
- Strengthen the research on the exchange market in Cambodia, and
- Select research papers to publish in the NBC Working Paper Series.

### **14. Statistical Work**

- Update the report template of the International Transactions Reporting System (ITRS) as reported by banks and financial institutions by adding a type of money transfer system
- Develop methods to reduce reporting errors in the online reports of the ITRS
- Conduct surveys on the expenditures of national and international travelers to update revenue estimation methodology and expenditure in service account of the balance of payment
- Plan an increase the number of items from 23 to 80 for compiling the provincial consumer price index, and increase the capacity of the reporting system to be secure and convenient, and
- Organize workshops, and disseminate balance of payment statistics, monetary and financial statistics, housing price index statistics, and international transaction reporting systems, to reporters and statistical users, so as to enhance the understanding of the development and compiling of new methodologies.

## **Part III – Appendix**



## Appendix 1

**Table 1: Consumer Price Index (CPI)**  
(October-December, 2006=100)

Consumer Price Index (CPI) and Component Indices	2020	2021	2022										
	Dec	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov
CPI (All Items)	185.13	191.98	193.06	195.41	198.56	198.80	200.39	202.06	199.28	198.35	197.39	197.28	198.28
Food and Non-Alcoholic Beverages	230.25	236.65	237.76	240.07	242.63	243.95	245.15	246.86	245.39	244.35	244.56	245.16	245.94
Alcoholic Beverages, Tobacco and Narcotics	177.82	177.68	177.93	178.40	178.86	179.14	179.45	179.75	179.28	178.92	178.92	179.13	179.49
Clothing and Footwear	159.48	169.83	170.94	172.71	174.44	175.18	175.95	176.81	175.75	175.63	176.47	177.04	177.64
Housing, Water, Electricity, Gas and other Fuels	129.96	137.28	138.65	139.63	143.58	141.87	142.51	143.38	140.83	139.68	138.90	138.28	138.78
Furnishings, Household Maintenance	153.66	158.21	158.57	159.29	160.75	160.81	161.17	161.40	161.03	160.92	160.92	161.11	161.35
Health	137.66	140.85	141.52	142.30	142.67	142.79	143.17	143.59	142.69	141.94	141.54	143.34	143.66
Transport	108.84	121.40	121.74	126.82	134.26	132.74	137.44	140.80	129.79	129.62	125.92	124.23	125.95
Communication	66.49	66.47	66.51	66.62	66.68	66.60	66.60	66.62	66.54	66.48	66.41	66.35	66.39
Recreation and Culture	120.58	123.48	124.97	126.46	127.61	128.00	128.81	129.72	128.79	128.75	128.07	127.77	128.35
Education	165.48	167.18	167.18	167.76	168.96	168.96	168.96	168.96	168.96	168.96	168.96	168.96	169.50
Restaurants	302.06	307.41	310.36	315.93	319.93	321.22	325.91	330.24	326.94	323.82	316.48	313.56	317.94
Miscellaneous Goods and Services	156.82	164.89	165.50	166.54	167.11	167.62	168.02	168.38	167.26	166.65	165.98	165.83	166.89
CPI (All Items)	0.01	-0.07	0.57	1.22	1.61	0.12	0.80	0.84	-1.38	-0.47	-0.48	-0.06	0.51
Food and Non-Alcoholic Beverages	-0.16	0.17	0.47	0.97	1.07	0.54	0.49	0.70	-0.60	-0.42	0.08	0.25	0.32
Alcoholic Beverages, Tobacco and Narcotics	0.05	0.17	0.14	0.26	0.26	0.15	0.17	0.17	-0.26	-0.20	0.00	0.11	0.20
Clothing and Footwear	0.57	0.49	0.65	1.04	1.00	0.42	0.44	0.49	-0.60	-0.07	0.48	0.33	0.34
Housing, Water, Electricity, Gas and other Fuels	0.07	-0.48	1.00	0.71	2.83	-1.19	0.45	0.61	-1.78	-0.82	-0.56	-0.44	0.36
Furnishings, Household Maintenance	-0.03	1.08	0.23	0.45	0.92	0.03	0.22	0.15	-0.23	-0.07	0.00	0.12	0.15
Health	0.27	0.00	0.48	0.55	0.26	0.08	0.27	0.30	-0.62	-0.53	-0.28	1.27	0.22
Transport	0.05	-2.58	0.28	4.17	5.87	-1.14	3.54	2.44	-7.82	-0.13	-2.85	-1.34	1.39
Communication	0.11	-0.14	0.07	0.16	0.09	-0.12	0.01	0.02	-0.13	-0.09	-0.11	-0.08	0.06
Recreation and Culture	-0.17	0.41	1.21	1.19	0.91	0.31	0.63	0.71	-0.72	-0.03	-0.53	-0.24	0.45
Education	0.00	0.77	0.00	0.35	0.71	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.32
Restaurants	0.58	0.42	0.96	1.80	1.27	0.40	1.46	1.33	-1.00	-0.95	-2.27	-0.92	1.40
Miscellaneous Goods and Services	0.56	0.30	0.37	0.63	0.34	0.30	0.24	0.22	-0.67	-0.37	-0.40	-0.09	0.63
CPI (All Items)	2.88	3.70	4.08	6.33	7.19	7.25	7.17	7.85	5.38	4.94	4.44	3.64	3.21
Food and Non-Alcoholic Beverages	4.74	2.78	3.63	5.87	5.68	6.23	5.53	6.50	4.95	4.31	4.55	4.33	4.10
Alcoholic Beverages, Tobacco and Narcotics	2.24	-0.07	0.45	0.83	1.08	1.27	1.40	1.50	1.23	1.09	1.16	1.08	1.19
Clothing and Footwear	3.87	6.49	7.18	9.09	9.27	9.99	9.71	9.24	7.04	6.12	6.38	5.56	5.11
Housing, Water, Electricity, Gas and other Fuels	1.31	5.64	6.41	6.83	9.56	8.27	8.73	8.73	5.91	4.94	4.46	3.17	0.60
Furnishings, Household Maintenance	0.28	2.96	3.00	3.78	4.39	4.22	4.73	4.42	3.61	3.42	3.61	3.33	3.09
Health	-0.02	2.32	3.15	4.26	3.98	3.66	3.47	3.36	2.10	1.56	1.38	2.15	2.00
Transport	-5.11	11.54	7.52	11.18	17.48	15.78	18.73	18.74	7.42	8.80	5.28	1.51	1.07
Communication	-0.85	-0.03	-0.03	-0.29	0.34	0.39	0.12	0.25	0.03	0.07	-0.16	-0.24	-0.26
Recreation and Culture	-0.34	2.40	3.85	4.72	5.53	6.34	7.06	7.74	6.35	6.74	5.89	4.44	4.37
Education	0.98	1.03	1.03	1.77	2.10	2.10	2.46	2.46	2.46	2.46	2.46	1.85	2.17
Restaurants	3.05	1.77	2.03	7.69	9.05	9.06	9.22	10.57	8.28	8.19	5.04	3.13	3.86
Miscellaneous Goods and Services	4.78	5.15	4.02	4.01	4.46	4.96	4.86	4.86	3.23	2.71	2.63	1.46	1.51
All Items	185.05	191.48	192.39	193.49	195.68	197.59	199.25	200.42	200.58	199.90	198.34	197.67	197.65
Annual Percentage Change	3.44	3.48	3.86	4.70	5.87	6.93	7.20	7.42	6.79	6.05	4.92	4.34	3.76
All Items	182.65	187.98	188.61	189.58	190.69	191.81	192.93	194.15	195.00	195.78	196.48	197.06	197.57
Annual Percentage Change	2.94	2.92	3.05	3.43	3.86	4.23	4.58	5.01	5.18	5.30	5.42	5.48	5.42

Source: National Institute of Statistics

\* Forecasting Data

## Appendix 2

**Table 2: Some Asian and European Currencies Against Khmer Riel (End Period Buying Rate)**

Currencies	2019	2020	2021			2022										% Change
	Dec	Dec	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Nov.22/Dec.21	
IMF																
Special Drawing Right	5,635	5,826	5,702	5,655	5,669	5,602	5,421	5,480	5,425	5,398	5,356	5,255	5,323	5,417	-5.0	
ASIA																
Australian Dollar	2,853	3,081	2,953	2,845	2,921	3,040	2,882	2,922	2,799	2,868	2,815	2,682	2,654	2,751	-6.8	
Hong Kong Dollar	523	522	522	522	521	517	516	518	519	522	523	525	528	528	1.1	
Japanese Yen	37.43	39.08	35.41	35.24	35.18	33.14	30.97	31.79	29.78	30.50	29.61	28.53	28.05	29.71	-16.1	
Korean Won	3.52	3.71	3.43	3.37	3.38	3.35	3.18	3.28	3.13	3.16	3.04	2.86	2.91	3.11	-9.3	
New Zealand Dollar	2,745	2,896	2,783	2,664	2,721	2,824	2,630	2,663	2,531	2,580	2,518	2,366	2,404	2,552	-8.3	
Chinese Yuan	583	619	639	639	644	638	611	610	607	608	595	578	571	576	-9.9	
Taiwan Dollar	136	144	147	146	145	142	137	140	137	137	135	129	129	133	-9.5	
ASEAN																
Indonesian Rupiah	0.293	0.287	0.286	0.283	0.283	0.282	0.279	0.279	0.274	0.275	0.277	0.270	0.266	0.262	-8.4	
Malaysian Ringgit	994	1,000	977	972	968	964	928	931	925	921	918	889	877	915	-6.3	
Philippine Peso	80.50	84.23	79.92	79.38	79.20	77.87	77.45	77.67	73.93	73.46	73.08	69.85	71.44	72.88	-8.8	
Singapore Dollar	3,023	3,049	3,015	2,999	2,993	2,994	2,920	2,972	2,922	2,972	2,938	2,878	2,935	2,997	-0.6	
Thai Baht	136	135	122	122	124	122	118	119	116	113	113	108	109	116	-4.9	
Vietnamese Dong	0.176	0.175	0.179	0.180	0.178	0.177	0.176	0.175	0.175	0.175	0.175	0.173	0.167	0.167	-6.7	
EUROPE																
Euro	4,565	4,962	4,614	4,534	4,546	4,521	4,254	4,376	4,250	4,177	4,117	4,049	4,124	4,254	-7.8	
Other																
Great Britain Pounds	5,344	5,465	5,499	5,450	5,436	5,320	5,049	5,136	4,936	4,989	4,789	4,605	4,802	4,923	-10.5	

\* Forecasting Data

Table 3: Central Bank Survey\*

(In billion KHR)

	2016	2017	2018	2019	2020	2021	Nov-22
Net Foreign Assets	36,371	48,769	58,308	75,984	85,803	81,117	69,727
Claims on Nonresidents	36,828	49,254	58,780	76,460	86,296	82,561	71,099
Liabilities to Nonresidents	-457	-484	-472	-476	-492	-1,443	-1,373
Claims on Other Depository Corporations	29	93	470	3,828	3,867	2,083	946
Net Claims on Central Government	-7,495	-9,894	-12,924	-19,690	-19,467	-12,662	-13,599
Claims on Central Government	270	270	0	0	0	0	0
Liabilities to Central Government	-7,765	-10,164	-12,924	-19,690	-19,467	-12,662	-13,599
Claims on Other Sectors	198	199	204	201	125	44	55
Claims on Other Financial Corporations	0	0	0	162	102	20	18
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	198	199	204	39	22	24	36
Monetary Base	23,591	28,156	32,873	44,208	43,265	47,660	44,514
Currency in Circulation	6,958	8,957	9,992	13,047	15,027	16,373	16,142
Liabilities to Other Depository Corporations	16,414	18,994	22,807	31,034	28,184	31,262	28,317
Liabilities to Other Sectors	220	205	74	127	54	26	55
Other Liabilities to Other Depository Corporations	5,300	9,642	12,801	13,624	20,470	17,572	14,469
Deposits And Securities Other Than Shares Excl. Form Monetary Base	67	90	17	53	110	63	55
Deposits Included in Broad Money	0	0	0	0	0	0	0
Securities Other Than Shares Incl. in Broad Money	60	0	0	0	0	0	0
Deposits Excl. From Broad Money	1	3	12	31	72	44	46
Securities Other Than Shares Excl. From Broad Money	6	87	5	21	38	19	9
Loans	0	0	0	0	0	0	0
Financial Derivatives	0	0	0	0	0	0	0
Shares and Other Equity	1,279	2,534	2,109	4,195	8,184	7,181	237
Other Items (Net)	-1,135	-1,254	-1,743	-1,756	-1,701	-1,893	-2,145
IFS Vertical Check	0	0	0	0	0	0	0

R/. Revised data

\* Included only central bank

\*\* Forecasting Data

## Appendix 4

**Table 4: Other Depository Corporations Survey\***  
(In billion KHR)

	2016	2017	2018	2019	2020	2021	Nov-22
Net Foreign Assets	-10,024	-10,344	-9,423	-15,801	-18,439	-24,054	-30,928
Claims on Nonresidents	10,218	11,439	14,781	15,339	16,662	17,569	17,706
Liabilities to Nonresidents	-20,242	-21,783	-24,204	-31,140	-35,100	-41,622	-48,634
Claims On Central Bank	21,821	27,815	34,270	42,997	47,688	48,944	43,550
Currency	604	822	979	1,141	1,553	1,797	2,089
Reserve Deposits and Securities Other Than Shares	21,215	26,991	33,290	41,848	46,120	47,140	41,452
Other Claims on Central Bank	3	2	1	8	15	7	9
Net Claims on Central Government	-1,793	-2,593	-3,296	-4,194	-5,527	-6,894	-7,935
Claims on Central Government	39	36	57	66	85	94	222
Liabilities to Central Government	-1,832	-2,629	-3,354	-4,260	-5,613	-6,987	-8,157
Claims on Other Sectors	66,823	79,101	101,350	129,817	152,223	188,254	220,817
Claims on Other Financial Corporations	662	1,442	2,434	4,225	4,423	4,548	5,124
Claims on State and Local Government	0	0	0	0	0	0	0
Claims on Public Nonfinancial Corporations	6	19	1	1	1	1	1
Claims on Private Sector	66,155	77,641	98,916	125,591	147,800	183,705	215,692
Liabilities to Central Bank	82	365	995	2,895	2,979	2,857	3,325
Transferable Deposits Incl. in Broad Money	10,814	14,936	19,389	23,574	25,320	30,312	27,176
Other Deposits Incl. in Broad Money	46,875	55,933	71,764	82,829	97,694	114,026	128,580
Securities Other Than Shares Incl. in Broad Money	0	0	0	0	0	0	0
Deposits Excl. From Broad Money	198	186	432	166	195	236	246
Securities Other Than Shares Excl. From Broad Money	0	0	0	0	0	0	0
Loans	319	438	966	1,340	1,547	1,994	1,798
Financial Derivatives	0	0	0	0	0	0	0
Shares and Other Equity	18,591	22,397	28,162	35,594	43,211	51,455	57,935
Other Items (Net)	-52	-274	1,193	6,421	4,999	5,371	6,444
<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>

*R/. Revised data*

*\* Included commercial banks and MDIs*

*\*\* Forecasting Data*

**Table 5: Depository Corporation Survey\***  
(In billion KHR)

	2016	2017	2018	2019	2020	2021	Nov-22
Net Foreign Assets	26,348	38,426	48,884	60,183	67,365	57,064	38,798
Claims on Nonresidents	47,046	60,693	73,561	91,799	102,957	100,129	88,805
Liabilities to Nonresidents	-20,699	-22,267	-24,676	-31,616	-35,593	-43,065	-50,007
Domestic Claims	57,734	66,813	85,334	106,133	127,353	168,742	199,338
Net Claims on Central Government	-9,287	-12,487	-16,220	-23,884	-24,995	-19,556	-21,534
Claims on Central Government	309	306	57	66	85	94	222
Liabilities to Central Government	-9,597	-12,793	-16,277	-23,950	-25,080	-19,649	-21,755
Claims on Other Sectors	67,021	79,301	101,555	130,018	152,348	188,298	220,872
Claims on Other Financial Corporations	662	1,442	2,434	4,388	4,525	4,568	5,143
Claims on State and Local Government	0	0	0	0	0	0	0
Claims on Public Nonfinancial Corporations	6	19	1	1	1	1	1
Claims on Private Sector	66,353	77,840	99,120	125,629	147,822	183,729	215,728
Broad Money Liabilities (M2)	64,323	79,209	100,240	118,436	136,542	158,939	169,865
Currency Outside Depository Corporations	6,354	8,135	9,013	11,906	13,474	14,575	14,053
Transferable Deposits	11,019	15,125	19,447	23,684	25,357	30,319	27,213
Other Deposits	46,890	55,949	71,780	82,846	97,711	114,045	128,598
Securities Other Than Shares	60	0	0	0	0	0	0
<i>of which Foreign Currency (of M2)</i>	<i>53,586</i>	<i>66,375</i>	<i>85,869</i>	<i>99,651</i>	<i>114,565</i>	<i>131,882</i>	<i>141,018</i>
Deposits Excl. From Broad Money	199	189	443	197	267	280	292
Securities Other Than Shares Excl. From Broad Money	6	87	5	21	38	19	9
Loans	319	438	966	1,340	1,547	1,994	1,798
Financial Derivative	0	0	0	0	0	0	0
Shares and Other Equity	19,870	24,931	30,271	39,788	51,394	58,637	58,172
Other Items (Net)	-636	386	2,293	6,533	4,929	5,938	8,001
<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>

*R/. Revised data*

*\* Included data of central bank and other depository corporations (ODCs)*

*\*\* Forecasting Data*



## Appendix 6

**Table 6: Other Financial Corporation Survey\***

(In billion KHR)

	2016	2017	2018	2019	2020	2021	Nov-22
Net Foreign Assets	-254	-533	-346	-981	-1,385	-971	-1,183
Claims on Nonresidents	43	38	48	90	96	366	443
Liabilities to Nonresidents	-297	-571	-395	-1,071	-1,481	-1,337	-1,626
Claims on Depository Corporations	379	546	324	634	521	3,956	4,436
Net Claims on Central Government	-258	-462	-528	-490	-30	-20	-23
Claims on Central Government	1	2	1	2	3	2	1
Liabilities to Central Government	-259	-464	-528	-491	-34	-21	-24
Claims on Other Sectors	1,244	1,582	1,968	2,798	2,562	6,157	7,637
Claims on State and Local Government	0	0	0	0	0	0	0
Claims on Public Nonfinancial Corporations	0	0	0	0	0	36	52
Claims on Private Sector	1,244	1,582	1,968	2,798	2,562	6,121	7,585
Deposit	6	10	16	30	29	30	27
Securities Other Than Shares	0	0	0	0	0	0	6
Loans	73	52	119	129	210	3,076	4,096
Financial Derivatives	0	0	0	0	0	0	0
Shares and Other Equity	1,089	1,136	1,340	1,818	1,507	4,428	5,098
Other Items (Net)	-58	-65	-57	-15	-78	162	-120
<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>

*R/. Revised Data*

*\* Include only data from specialized banks*

*\*\* Forecasting Data*

Table 7: Financial Corporation Survey\*

(In billion KHR)

	2016	2017	2018	2019	2020	2021	Nov-22
Net Foreign Assets	26,093	37,893	48,538	59,202	65,980	56,093	37,615
Claims on Nonresidents	47,089	60,731	73,609	91,889	103,053	100,496	89,248
Liabilities to Nonresidents	-20,996	-22,838	-25,071	-32,687	-37,074	-44,402	-51,633
Domestic Claims	58,057	66,491	84,342	104,054	125,360	170,311	201,810
Net Claims on Central Government	-9,545	-12,950	-16,748	-24,374	-25,025	-19,575	-21,557
Claims on Central Government	310	307	58	67	89	95	223
Liabilities to Central Government	-9,856	-13,257	-16,806	-24,441	-25,113	-19,670	-21,780
Claims on Other Sectors	67,603	79,441	101,089	128,428	150,385	189,887	223,366
Claims on State and Local Government	0	0	0	0	0	0	0
Claims on Public Nonfinancial Corporations	6	19	1	1	1	37	52
Claims on Private Sector	67,597	79,423	101,089	128,427	150,385	189,850	223,314
Currency Outside Financial Corporations	6,352	8,134	9,011	11,901	13,458	14,568	14,044
Deposits	57,156	70,541	90,495	105,197	121,277	142,348	153,516
Securities Other Than Shares	0	0	0	0	0	0	0
Loans	376	476	983	1,329	1,465	4,900	5,732
Financial Derivatives	0	0	0	0	0	0	0
Shares and Other Equity	20,959	26,066	31,612	41,606	52,901	63,065	63,270
Other Items (Net)	-692	-833	779	3,222	2,239	98	1,103
IFS Vertical Check	0	0	0	0	0	0	0

R/. Revised data

\* Included data of depository corporations and other financial corporations

\*\* Forecasting Data

## Appendix 8

**Table 8: Credit Granted Classified by Ownership in the Economic Sector**  
(In billion KHR)

	2016	2017	2018	2019	2020	2021	Nov-2022
1. Financial Institutions	1,008	1,877	3,014	5,109	5,920	7,222	8,223
National Bank of Cambodia (NBC)	0	0	0	0	0	0	0
Depository Institutions	759	1,189	2,059	3,104	3,922	5,203	6,071
Other Financial Institutions	249	688	954	2,005	1,997	2,020	2,152
2. Non-Financial Institutions	46,779	54,345	64,979	79,319	94,137	117,068	138,127
Agriculture, Forestry and Fishing	6,134	7,065	7,524	7,907	9,858	12,858	15,573
Mining and Quarrying	294	241	233	254	533	699	967
Manufacturing	3,938	4,272	4,537	4,701	5,259	6,386	7,923
Utilities	368	514	571	985	1,641	2,053	1,911
Construction	4,963	6,381	7,787	10,197	12,783	15,347	17,735
Wholesale Trade	8,079	8,368	9,655	11,819	12,735	15,452	18,312
Retail Trade	9,950	12,133	13,673	16,548	20,230	26,020	30,548
Hotels and Restaurants	2,904	3,055	3,998	4,705	5,161	7,312	8,402
Transport and Storage	1,051	1,268	1,668	2,060	3,469	4,413	4,936
Information Media and Telecommunications	615	560	717	945	1,130	1,239	1,012
Rental and Operational Leasing Activities, excluded Real Estate Leasing and Rentals	1,095	1,567	2,666	3,837	3,567	2,704	2,816
Real Estate Activities	2,838	4,005	6,210	9,006	10,925	14,157	17,884
Other Non-Financial Services	4,550	4,915	5,739	6,355	6,847	8,429	10,109
3. Personal Essentials	8,360	11,061	15,707	21,878	30,258	37,986	43,140
Personal Lending	3,791	4,612	6,979	9,408	12,803	15,209	15,722
Credit Cards	131	152	189	230	246	357	502
Mortgages, Owner-Occupied Housing only	4,438	6,297	8,540	12,240	17,209	22,420	26,915
4. Other Lending	880	989	1,037	1,292	1,116	2,253	2,553
Total Gross Loan	57,027	68,271	84,736	107,598	131,431	164,529	192,043

R/. Revised data

\* Forecasting Data

## Appendix 9

**Table 9: Deposits with Deposit Money Banks**  
(In billion KHR)

	2016	2017	2018	2019	2020	2021	Nov-2022
<b>Deposits in Riel</b>							
Demand deposits	900.0	1,383.9	1,694.2	2,545.7	2,830.6	3,968.9	4,247.5
Savings deposits	1,001.0	1,207.3	1,516.3	1,978.1	2,176.4	2,912.3	3,380.1
Fixed deposits	1,358.8	1,494.2	2,149.2	2,890.8	4,406.9	6,587.1	8,898.1
Others	35.9	46.2	86.1	92.9	135.2	221.4	267.8
<b>Total</b>	<b>3,295.7</b>	<b>4,131.7</b>	<b>5,445.9</b>	<b>7,507.4</b>	<b>9,549.0</b>	<b>13,689.7</b>	<b>16,793.5</b>
<b>Deposits in Foreign Currency</b>							
Demand deposits	10,444.0	14,421.6	19,246.4	23,192.4	24,586.1	29,937.3	26,906.9
Savings deposits	15,642.4	20,967.8	29,692.6	31,202.4	35,701.4	40,237.2	38,709.7
Fixed deposits	25,523.2	29,135.2	33,266.3	40,496.2	50,016.6	57,383.5	68,297.6
Others	794.4	1,028.2	1,025.8	1,159.9	1,457.9	1,676.3	1,989.3
<b>Total</b>	<b>52,404.1</b>	<b>65,552.8</b>	<b>83,231.0</b>	<b>96,050.9</b>	<b>111,762.1</b>	<b>129,234.3</b>	<b>135,903.5</b>
<b>Grand Total</b>	<b>55,699.8</b>	<b>69,684.4</b>	<b>88,676.9</b>	<b>103,558.3</b>	<b>121,311.0</b>	<b>142,923.9</b>	<b>152,697.0</b>

R/. Revised data

\* Forecasting Data

## Appendix 10

**Table 10: Cambodia Balance of Payments**  
(2018 - 2022e)

	(In million USD)				
	2018	2019	2020	2021	2022 <sup>e</sup>
<b>CURRENT ACCOUNT</b>					
Balance on trades	-5,844	-7,255	-2,544	-11,257	-9,009
Credit	12,963	14,986	18,522	19,469	23,027
o/w: Garment, footwear and bag	9,507	10,792	9,871	11,390	12,990
Agriculture	892	894	1,252	1,672	1,511
Electrical, vehicle part and bicycle	613	772	1,432	1,999	2,711
Debit	18,806	22,242	21,066	30,726	32,035
o/w: Garment materials	4,224	4,280	4,032	5,047	5,047
Construction materials	1,564	2,301	2,020	2,568	1,889
Vehicle	1,567	2,268	1,520	1,599	1,949
Petroleum	1,725	2,427	2,064	2,930	4,473
Food and beverage	973	1,116	1,135	1,136	1,520
Net services	2,395	2,812	-257	-1,447	-439
Credit	5,451	6,086	1,767	657	2,267
o/w: Travel services	4,362	4,773	1,023	184	1,536
Debit	3,056	3,274	2,025	2,104	2,706
o/w: Travel services	863	911	169	49	436
Primary income	-1,328	-1,564	-1,050	-1,402	-1,511
Credit	580	732	669	425	491
o/w: Interest	227	369	411	297	259
Debit	1,908	2,296	1,718	1,827	2,002
o/w: - Interest payable	105	113	115	119	123
- Income on equity	1,607	2,002	1,451	1,532	1,675
Secondary income	1,881	1,943	1,654	1,785	1,756
o/w: Government	579	532	449	549	514
Others	1,302	1,411	1,205	1,237	1,242
<b>CURRENT ACCOUNT BALANCE</b>	<b>-2,896</b>	<b>-4,065</b>	<b>-2,197</b>	<b>-12,321</b>	<b>-9,202</b>
<b>CAPITAL BALANCE</b>	<b>326</b>	<b>355</b>	<b>259</b>	<b>244</b>	<b>146</b>
o/w: Capital transfers, net	326	355	259	244	146
<b>CURRENT AND CAPITAL ACCOUNTS BALANCE</b>	<b>-2,570</b>	<b>-3,709</b>	<b>-1,938</b>	<b>-12,077</b>	<b>-9,056</b>
<b>FINANCIAL ACCOUNT BALANCE</b>	<b>-3,560</b>	<b>-6,370</b>	<b>-3,016</b>	<b>-12,028</b>	<b>-9,355</b>
Direct investment, net*	-3,089	-3,561	-3,498	-3,391	-3,478
Portfolio investment, net*	42	12	96	51	114
Other investment, net*	-513	-2,821	385	-8,688	-5,991
Net errors and omissions	455	7	-442	132	--
<b>OVERALL BALANCE</b>	<b>-1,445</b>	<b>-2,668</b>	<b>-637</b>	<b>-83</b>	<b>-299</b>
<b>FINANCING</b>	<b>1,445</b>	<b>2,668</b>	<b>637</b>	<b>83</b>	<b>299</b>
Change in reserve assets	1,445	2,668	637	83	299
Use of IMF credit	--	--	--	--	--
Allocation of SDRs	--	--	--	--	--

Sources: Data provided by Cambodian authorities, and NBC staff estimation  
e= estimation

Table 11: Banks and Financial Institutions' Network Information 2017-September 2022

BANKS AND FINANCIAL INSTITUTIONS	2017	2018	2019	2020	2021	SEP 2022
<b>COMMERCIAL BANKS</b>						
LOCAL BANKS – LOCAL MAJORITY OWNERSHIP						
NUMBER OF BANKS	7	7	11	12	13	17
NUMBER OF BRANCHES AND HEAD OFFICES	395	403	441	467	479	497
NUMBER OF STAFF	17,628	18,171	19,102	19,605	20,596	22,113
ATMs TERMINALS	712	825	1,032	1,234	1,579	1,848
LOCAL BANKS – FOREIGN MAJORITY OWNERSHIP						
NUMBER OF BANKS	5	6	6	9	11	11
NUMBER OF BRANCHES AND HEAD OFFICES	244	201	207	427	576	582
NUMBER OF STAFF	7,607	5,473	5,341	11,667	17,208	18,612
ATMs TERMINALS	352	201	307	523	558	599
FOREIGN SUBSIDIARY BANKS						
NUMBER OF BANKS	15	17	17	18	18	18
NUMBER OF BRANCHES AND HEAD OFFICES	157	239	255	358	361	358
NUMBER OF STAFF	4,002	8,817	11,511	14,071	14,976	15,938
ATMs TERMINALS	409	769	935	1,035	1,267	1,516
FOREIGN BRANCHES BANKS						
NUMBER OF BANKS	12	12	13	12	12	12
NUMBER OF BRANCHES AND HEAD OFFICES	31	33	38	37	38	38
NUMBER OF STAFF	626	713	818	869	907	920
ATMs TERMINALS	17	23	23	24	24	24
TOTAL COMMERCIAL BANKS						
NUMBER OF BANKS	39	43	47	51	54	58
NUMBER OF BRANCHES AND HEAD OFFICES	827	876	941	1,289	1,454	1,475
NUMBER OF STAFF	29,863	33,174	36,772	46,212	53,687	57,583
ATMs TERMINALS	1,490	1,818	2,297	2,816	3,428	3,987
<b>SPECIALIZED BANKS</b>						
STATE OWNED SPECIALIZED BANKS						
NUMBER OF BANKS	1	1	1	0	0	0
NUMBER OF BRANCHES AND HEAD OFFICES	1	1	1	0	0	0
NUMBER OF STAFF	93	101	101	0	0	0
ATMs TERMINALS	0	0	0	0	0	0
LOCAL BANKS – LOCAL MAJORITY OWNERSHIP						
NUMBER OF BANKS	5	6	6	7	6	5
NUMBER OF BRANCHES AND HEAD OFFICES	10	11	11	14	13	12
NUMBER OF STAFF	510	573	695	286	283	251
ATMs TERMINALS	0	0	2	0	0	0
LOCAL BANKS – FOREIGN MAJORITY OWNERSHIP						
NUMBER OF BANKS	9	7	8	5	4	4
NUMBER OF BRANCHES AND HEAD OFFICES	18	18	27	18	19	20
NUMBER OF STAFF	979	1,250	1,660	1,741	1,203	1,276
ATMs TERMINALS	0	0	0	2	0	0
TOTAL SPECIALIZED BANKS						
NUMBER OF BANKS	15	14	15	12	10	9
NUMBER OF BRANCHES AND HEAD OFFICES	29	30	39	32	32	32
NUMBER OF STAFF	1,582	1,924	2,456	2,027	1,486	1,527
ATMs TERMINALS	0	0	2	2	0	0
<b>MICROFINANCE INSTITUTIONS</b>						
MICROFINANCE DEPOSIT-TAKING INSTITUTIONS (MDIs)						
NUMBER OF INSTITUTIONS	7	7	7	6	5	5
NUMBER OF BRANCHES AND HEAD OFFICES	946	928	946	753	624	625
NUMBER OF STAFF	21,671	23,285	27,399	24,106	21,998	22,618
ATMs TERMINALS	350	355	373	225	284	313
MICROFINANCE NON-DEPOSIT-TAKING INSTITUTIONS (MFIs)						
NUMBER OF INSTITUTIONS	69	74	76	75	79	82
NUMBER OF BRANCHES AND HEAD OFFICES	471	495	507	418	442	478
NUMBER OF STAFF	6,631	6,897	7,770	6,425	6,610	7,692
TOTAL MICROFINANCE INSTITUTIONS						
NUMBER OF INSTITUTIONS	76	81	83	81	84	87
NUMBER OF BRANCHES AND HEAD OFFICES	1,417	1,423	1,453	1,171	1,066	1,103
NUMBER OF STAFF	28,302	30,182	35,169	30,531	28,608	30,310
ATMs TERMINALS	350	355	373	225	284	313
<b>RURAL CREDIT INSTITUTIONS</b>						
NUMBER OF INSTITUTIONS	313	273	245	245	232	225
TOTAL NUMBER OF NETWORK OPERATIONS	3,366	2,936	2,635	2,202	1,790	1,701
NUMBER OF STAFF	5,123	4,468	4,010	1,951	1,727	1,674
<b>FINANCIAL LEASING COMPANIES</b>						
TOTAL NUMBER OF INSTITUTIONS	11	15	15	15	17	16
<b>CREDIT BUREAU COMPANY</b>						
TOTAL NUMBER OF CREDIT BUREAU COMPANY	1	1	1	1	1	1
<b>FOREIGN BANK REPRESENTATIVE OFFICES</b>						
TOTAL NUMBER OF INSTITUTIONS	6	5	6	6	6	6

**Table 12: 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	097 278 3030
098 220 001	098 220 002	

**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





