



NATIONAL BANK OF CAMBODIA

Riel Stability Development

ANNUAL REPORT

A vibrant watercolor illustration of the Angkor Wat temple complex in Cambodia, rendered in a colorful, artistic style. The temple is depicted with various colors like purple, blue, green, and red, set against a background of soft, blended watercolor washes in shades of pink, orange, and yellow. The foreground is filled with a dense, colorful pattern of watercolor splatters and dots in various hues, creating a textured, artistic effect.

2019

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FOREWORD

In 2019, a prolonged US-China trade tension reduced the global economic growth to a low level since its recovery from the global financial crisis. To stimulate economic activities, most Central Banks implemented the expansionary monetary policy by lowering interest rates or injecting capital into markets when inflation remained low. Low interest rates reduced pressures on international financial market and stimulated capital flows to emerging countries. However, if interest rates remain low for a long time, risks and uncertainties in the financial market could emerge in the future.

Cambodia was not directly affected by the decreasing global growth given the robust growth of the main economic pillars, especially manufacturing, construction and tourism sectors. Political stability, macroeconomic and financial stability and the progress of government's deep reforms continued to boost Cambodia's economy by attracting foreign investments, stimulating diversification of the sources of growth and strengthening domestic demand. However, due to Cambodia's openness and high integration in the region, global economic risks could bring indirect challenges to the kingdom, through the impacts on Asia's economic growth, especially China.

In this situation, the National Bank of Cambodia contributed to maintain Cambodia's macroeconomic stability and its resilience. In 2019, despite the limits of monetary policy implementation as a result of high dollarization, the National Bank of Cambodia still maintained stable exchange rate and managed the money supply at an appropriate level, which mainly contributed to price stability and created a conducive environment for economic activities. In addition, the National Bank of Cambodia accumulated international reserve to a high level to strengthen the monetary policy implementation and confidences on Cambodia's economy. Nonetheless, in order to promote the effectiveness of monetary policy, participation from all stakeholders, both public and private sectors, are vital in accelerating the use of riel.

Financial services provided by the banking sector rapidly increased, which contributed to the growth in investment, consumption and savings in economy, and resulted in job creations, improving the standard living of people and reducing poverty. However, the growing use of financial services also brought risks related to over-indebtedness and financial instability when the people's financial knowledge is still limited. In response to these challenges, the national strategy of financial inclusion 2019-2025 was created to maintain the sustainability of financial inclusion and the National Bank of Cambodia also regularly promotes financial literacy through the reinforced collaboration with related ministries-institutions, especially the Ministry of Education, Youth and Sport, and through other disseminations over the country. On the other hand, risk-based and forward-looking supervision and regulations on banking and financial institutions were strengthened to improve the financial stability in Cambodia.

In accordance with the rapid progress of financial technology, the National Bank of Cambodia also exploited this opportunity by allowing banking and financial institutions to cautiously use financial technology in their transactions. However, some financial technologies may provoke risks to financial sector and the whole economy, especially trading and

circulations of Crypto assets, which requires the development of regulatory framework for managing new financial technologies. Meanwhile, payment system has been modernized, both retail and wholesale electronic payments, which contributes to improve effective payments, stimulate financial inclusion and support the progress of economic activities.

The Cambodia Financial Intelligence Unit in the meantime improved the effectiveness of anti-money laundering and combated the financing of terrorism and also led, facilitated and implemented works in cooperation with other stakeholders, following the National Strategy for Combating Money Laundering and Financing of Terrorism 2019-2023.

While the global economy is more interconnected and more complex, the contributions to strengthen integrations and financial cooperation are necessary to reinforce regional and international financial safety net and support the sustainable growth. In line with the trend, the National Bank of Cambodia has strengthened the cooperation with other central banks, monetary authorities and other financial institutions, especially in the ASEAN framework, ASEAN+3, regional comprehensive economic partnership and other strategic partnerships.

In 2019, the National Bank of Cambodia celebrated the 40th anniversary of NBC's reestablishment and officially inaugurated the economic and monetary museum "PREAH SREY ICANAVARMAN". The banking system went through several difficult stages before achieving the current development, especially after Cambodia gained the peace and political stability at the end of 1998 under the win-win policy of **Samdech Akka Moha Sena Padei Techo Hun Sen, Cambodia's Prime Minister**.

Taking this opportunity, I would like to express my profound gratitude to the former governors, board of director, management, and all NBC's staffs who contributed to the development and resilience of banking system. I would also like to thank Ministries-Institutions and other developing partners for providing good collaborations so far. I am strongly confident that the board of director, the NBC's staff and relevant stakeholders will continue to support and contribute to new attaining outcomes for the benefits of Cambodia and its people.

Governor

ABBREVIATION

GDP	Gross Domestic Product
CFIU	Cambodia Financial Intelligence Unit
ABIF	ASEAN Banking Integration Framework
ACCA	Association of Certified Chartered Accountants
ADB	Asian Development Bank
ADBI	Asian Development Bank Institution
AFI	Alliance for Financial Inclusion
APG	Asia-Pacific Group on Money Laundering
APRACA	Asia-Pacific Rural and Agriculture Credit Association
ATM	Automated Teller Machine
AUSTRAC	Australian Transaction Reports and Analysis Centre
BCLMV	Brunei, Cambodia, Myanmar and Vietnam
BIS	Bank for International Settlement
CMIM	Chiang Mai Initiative Multilateralization
CFA	Chartered Financial Analyst
CIA	Certified Internal Audit
CPA	Certified Public Accountant
EGMONT	Egmont Group of Financial Intelligence Units
EMV	Europay, MasterCard and Visa
ENEER	Export-weighted Nominal Effective Exchange Rate
EREER	Export-weighted Real Effective Exchange Rate

ESG	Environmental, Social and Governance
FICG	Financial Intelligence Consultative Group
Fin Tech	Financial Technology
FMIS	Financial Management Information System
FPP	Financial Programing and Policies
FSI Connect	Financial Stability Institute Connect
IMF	International Monetary Fund
INEER	Import-weighted Normal Effective Exchange Rate
IREER	Import-weighted Real Effective Exchange Rae
JICA	Japan International Cooperation Agency
KOICA	Korean International Cooperation Agency
LIBOR	London Interbank Offered Rate
LPCO	Liquidity-Providing Collateralized Operation
NCD	Negotiable Certificate of Deposit
OBS	Online Banking System
OECD	Organization for Economic Cooperation and Development
OPEC	Organization of the Petroleum Exporting Countries
ROA	Return on Assets
SAA	Strategic Asset Allocation
UNOCD	United Nations Office on Drugs and Crime
WC-ABIF	Working Committee on ASEAN Banking Integration Framework
WC-CAL	Working Committee on Capital Account

	Liberalization
WC-CMD	Working Committee on Capital Market Development
WC-FINC	Working Committee on Financial Inclusion
WC-FSL	Working Committee on Financial Services Liberalization
WC-PSS	Working Committee on Payment and Settlement System
WC-SCCB	Working Committee on Steering Committee on Capacity building

EXECUTIVE SUMMARY

In 2019, global economic growth is forecasted to decline to 3% (from 3.6% in 2019), the lowest level since the financial crisis in 2008. Meanwhile, ASEAN economic growth also declines to 4.8% (from 5.2% in 2018).

Cambodia's economic growth is expected to reach 7.1% compared to 7.5% in 2018, mainly supported by exports, construction and tourism. The balance of payment surplus is estimated to reach 9.7% of GDP and contribute to the accumulation of Cambodia's international reserves to 18 billion USD which can cover approximately 7 months of prospective imports, higher than the minimum level of 3 months that developing countries should have.

Inflation rate was estimated to remain low at 1.9% (compared to 2.5% in 2018) due to small increase in food price and oil-related items. The low inflation rate is driven by the stable exchange rate, maintain at around 4,055 per USD. While the intervention on exchange market is still the main policy, other monetary policy tools have also been developed especially the Negotiable Certificate of Deposit (NCD) and Liquidity-Providing Collateralized Operation (LPCO). The absorption of excess liquidity through NCD declined 12% while liquidity in riel provided through LPCO shows a remarkable growth. The bidding amount of LPCO increased 6.3 times and the awarded amount increased 3.9 times compared to 2018. It should be noted that demand in riel has steadily increase reflected by the growth of riel in circulation (33%) and deposits in riel (37%). This growth has slightly reduced the dollarization level (measured by foreign currency deposit ratio/M2) to 82.9% compared to 84.8% in the previous year.

The banking sector continues to develop rapidly, which has actively contributed to supporting economic growth. The asset of banking and financial institutions increases by 24.5% (to 190% of GDP), and loans increase by 26% (to 120% of GDP). The network of operations and diversification of financial services of banking and financial institutions have also been strengthened and boosted the financial inclusion in Cambodia with the number of deposit accounts increased to approximately 7.5 million and credit accounts increased to 3.1 million accounts. In the meantime, banking and financial institutions are healthy because the credit quality is still good and non-performing loan ratio remains low 2.2% for banks and 1.1% for microfinance institutions. The solvency ratio and liquidity coverage ratio for banks remains high 24.5% and 170.8% and for microfinance deposit-taking institutions at 19.2% and 183.5%, respectively, while the ROA of banks and microfinance approximately 2% and 2.8%.

In line with the development of the economic activities and financial technology, payment system has been modernized and convenient. Currently, around 5million people are using electronic payments with 77 million transactions, equivalent to 94 trillion riels. NBC has been developing the QR Code standard in order to facilitate payment across banks and financial institutions and cross-border payments. Moreover, BAKONG system was launched in pilot phase and Retail Payment system was soft launching, in addition to the fast payment system and Cambodian Shared Switch system that have been gaining more participating institutions.

To respond to the growth of domestic and international economic and financial activities, cash management was improved to ensure efficiently, safely and specially to contribute to the government's Public Financial Management Reform. The National Bank of Cambodia continues to promote the riel usage in accordance with the market demand.

In addition, the Cambodia Financial Intelligence Unit also leads, facilitates and cooperates to implement various tasks to combat money laundering and financing of terrorism in Cambodia. The National Strategy for combating money laundering and financing of terrorism (2019-2023) was officially launched in March 2019.

In the context of rapidly growing banking sector that also becomes more interconnected with the region and the world, staff trainings have been regularly conducted including soft and technical skills through local and oversea training as well as online trainings. Currently, the National Bank of Cambodia has 1,667 staffs of which 60% of the staffs completed at least bachelor's degrees.

The National Bank of Cambodia also strengthens operational capacity of NBC's provincial branches to support the development of the banking sector and public services, while enhancing governance, risk management and NBC's internal supervision system has been improved with regular auditing and inspections.

In 2020, global economy is expected to slightly increase by around 3.4% due to the improved of macroeconomic situation of developing countries in line with the implementation of expansionary monetary policy. Meanwhile, global economy will face some main risks such as the international trade tension and protectionism policy implementation, volatility of capital flow, geopolitical factor and climate change.

Cambodia's economic growth is estimated to reach around 7% in 2020 with an expected low inflation rate at 2.3%. However, Cambodia's economy could face some risks such as i/- the possible decline of China's economy due to the trade and technology tension with USA ii/- trends of protectionism policies implementation and iii/- the high level of credit growth to construction and real estate sectors.

In order to contribute to the sustainable and inclusive development of Cambodia's economy, the National Bank of Cambodia will continue to promote the effectiveness of monetary policy aiming to maintain price stability through the stabilization of exchange rate, the accumulation of international reserves, promoting the use of riel and the development of interbank market, etc. Meanwhile, NBC will continue to reinforce the financial stability, financial inclusion and financial integration in line with local and regional development, especially the risk-based supervision of banking and financial institutions, modernization of the payment system in line with the development of technology and strengthening the financial cooperation at regional and global level.

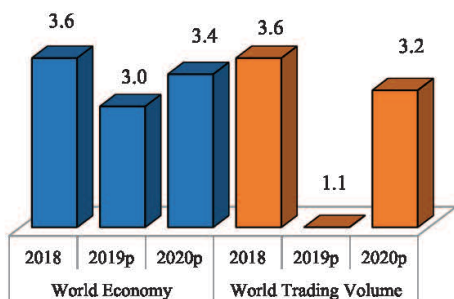
Part 1: Annual Report 2019

I. Global Economic Condition

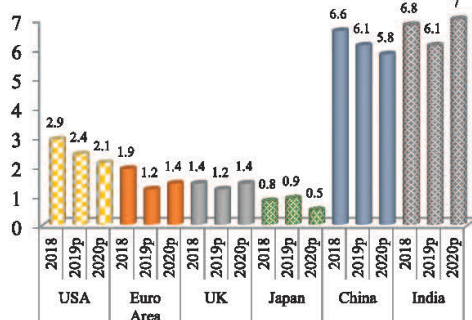
In 2019, the global economic growth continued to decelerate due to weakening international trade and investment amid the escalation of US-China trade tension. According to IMF's forecast, the global economy is expected to grow at 3 percent to this year, the lowest since the economic recovery after the global financial crisis in 2008. The growth is projected to accelerate to 3.4 percent in 2020.

The US economy grew at slower pace from approximate 2.9 percent in 2018 to 2.4 percent this year with the boost from expansionary fiscal policy faded coupled with the uncertainty of trade policy. The euro area economy registered weaker at 1.2 percent compared to the previous year (1.9 percent) due to worsening external demand and consumer and investor confidence in large countries in the region, particularly Germany, Italy, France coupled with the Brexit-related uncertainty. China has been hampered by the trade tension with the US and weak external demand, resulted in a slowdown in economic growth, to 6.1 percent from 6.6 percent in 2018. For ASEAN-5, the economic growth is estimated to register lower from 5.2 percent in 2018 to 4.8 percent, mainly resulted from the spillovers from US-China trade tension.

Graph 1: Global Economic Growth and Trading Volume (2018- 2020p)



Graph 2: Growth in Advanced Economies (2018- 2020p)



Source: International Monetary Fund

Several major risks to the global economic growth include: i/- the escalation of US-China trade tension ii/- Brexit-related uncertainty iii/- volatility of capital outflows from emerging and developed countries iv/- increasing vulnerability in the financial sector as a result of expansionary monetary policy v/-geopolitical tension and vi/-climate changes.

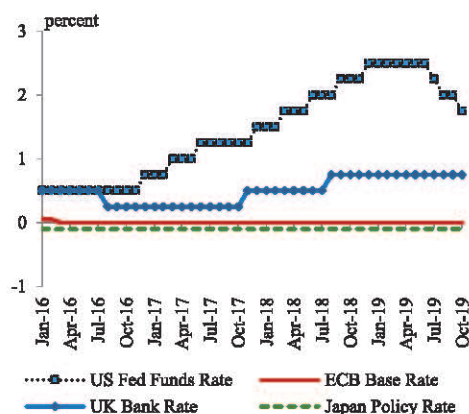
Box 1: Monetary Policy Implementation to Support Economic Growth

After tighter monetary policy stance last year, most central banks in both developed and emerging countries have eased their stance this year to boost economic growth and low inflation. The Federal Reserve has cut the federal funds rate for 3 times to 1.75 percent after raising 4 times in 2018. At the same time, the European Central Bank has maintained its policy rate at 0 percent at least until the second semester of 2020 and prepared to implement long-term refinancing operations from September this year to March 2021 in order to stimulate credit growth in the economy. The Bank of Japan continues expansionary monetary policy by maintaining negative policy rate (-0.1 percent) and injecting liquidity into the market through bond purchases to bring inflation to reach the targeted level.

Meanwhile, central banks in both developed and developing countries in some regions have also eased monetary policy, for instance, the People's Bank of China lowered further reserve requirement ratio early this year after cutting for 4 times last year, aimed at boosting economic activity which has been slowing down. Bank of Thailand, Bank of Indonesia, Bank Negara Malaysia, State Bank of Vietnam and the Bangko Sentral ng Philipinas have dropped policy rate to promote economic activities while inflation remains low.

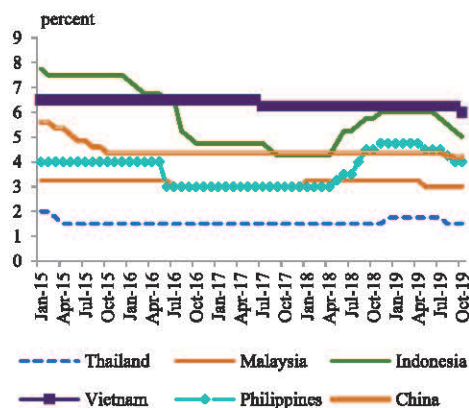
Policy Interest Rate in Advanced Countries

(January 2016 - October 2019)



Policy Interest Rate in Emerging Countries

(January 2015 - October 2019)



Source: Trading Economics

II. Cambodia's Macroeconomic Development

1. Economic Growth

In 2019, Cambodia's economic activity continued its strong growth momentum at 7.1 percent, mainly driven by manufacturing, construction and tourism sectors, while the agriculture sector continued its slow pace. Notably, the share of industrial sector to GDP reached 38.3 percent and the service sector's accounted for 38.1 percent, whereas the agriculture sector's dropped to 16 percent of GDP.

However, Cambodia's economy may encounter several external risks, such as increasing competition in international market and China economic slowdown. Possible decline in competition in international market is associated with partially withdrawal of Everything but Arms (EBA) scheme as a result of a steady increase in income of Cambodian people under the status of lower-middle income country.

2. Inflation

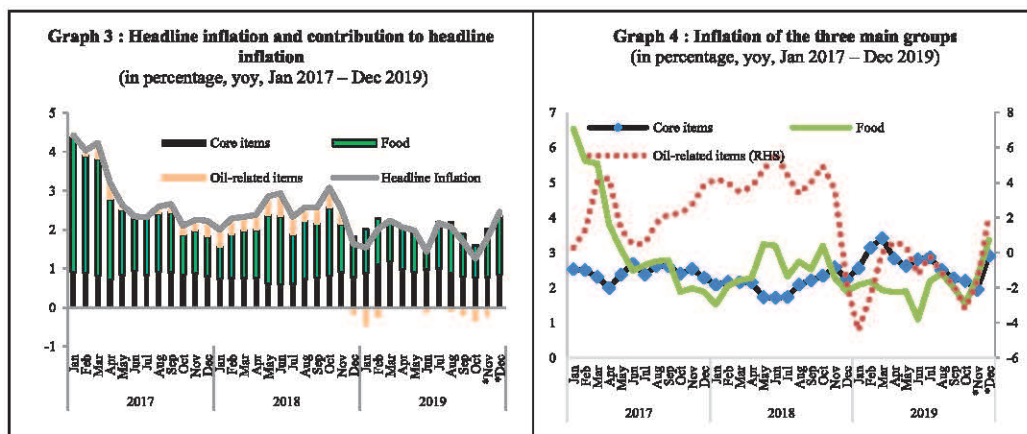
Inflation stood at 1.9 percent lower than that in the previous year (2.5 percent) and in 2017 (2.9 percent). The decrease was due to a slowdown in food price which accounts for the largest proportion in the basket and the drop in the prices of oil-related items although the core inflation went up marginally.

Food price continued to grow at a slower pace at 1.9 percent, lower than that in the previous year (2.5 percent) and in 2017 (3.5 percent) partly due to the appreciation in riel against the major currencies of Cambodia's importing partners, coupled with lower inflation rates in Thailand and Vietnam, from 1.1 percent to 0.7 percent and 3.5 percent to 2.5 percent, respectively, even though the growth in agriculture sector registered lower than the previous year.

The prices of oil-related items decreased by 1.2 percent after increasing in 2017-2018 due to a fall in crude oil price, driven by: i/- increasing supply from the United States, Brazil, Iraq and United Arab Emirates even though OPEC members continued to cut supply ii/- weakening demand in light of slowdown in the global economic growth and iii/- measures of reducing fuel import tariffs and other interventions by the Royal Government of Cambodia¹.

Core inflation rises in a slow pace of 2.6 percent, compare to the year before (2.1 percent). The increase was primarily driven by growing prices of restaurants and alcoholic beverages & tobacco (after raising import tariffs), accompanying by a slight increase in prices of recreation and culture, housing and furnishings & household maintenance.

¹ Crude oil price dropped by 13.2 percent compared to an average of USD 64.9 in 2018, and gasoline price in Cambodia stood at KHR 3,620 per liter, down by a percent, y-o-y.

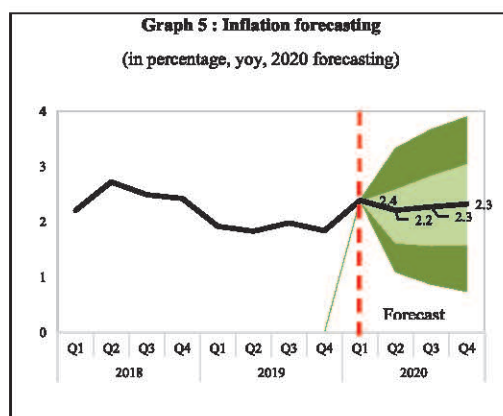


Source: NIS and NBC Staff's Calculation

• Inflation forecasting 2020²

Inflation is projected at 2.3 percent and core inflation is expected to remain low, similar to the average rate in the last 3 years (2.4 percent) which is further fueled by the rise in prices of restaurant group.

The inflation is forecasted to inch up due to i/- an increase in food price (2.5 percent) owing to higher expected inflation rates in Vietnam and Thailand, the two main importers of food to Cambodia, and ii/- rises in prices of oil-related items.

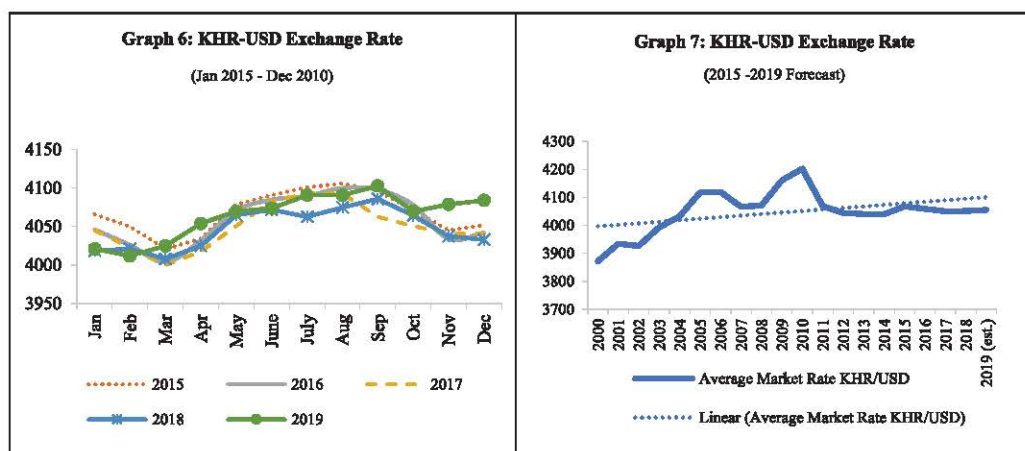


Source: NIS and NBC Staff's Calculation

3. Exchange rate

Exchange rate of riel against the US dollar remained stable at an average of around 4,055 riels per US dollar, compared to 4,051 previous year, thanks to the foreign exchange intervention in the context that the value of riels fluctuates slightly according to the seasonality, in particular, an increase of riel demand for tax payment (up 25 percent over the first 10 months of 2019). The National Bank of Cambodia has intervened in the foreign exchange market by injecting riels double the amount of that in 2018.

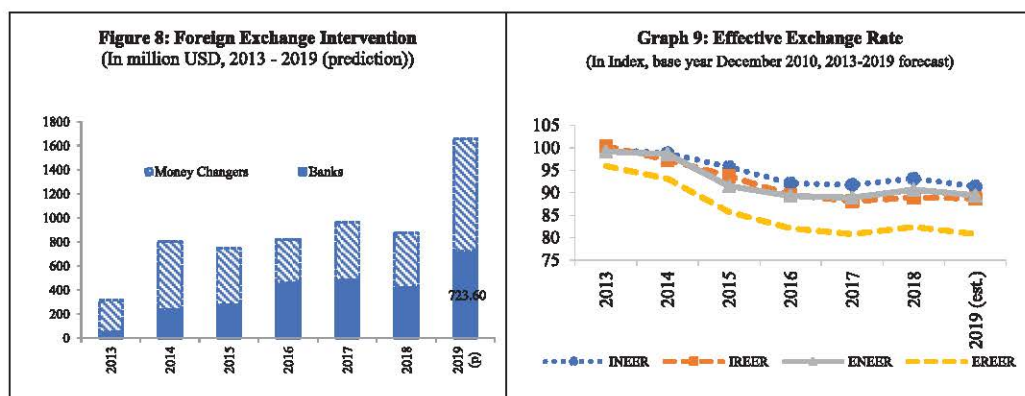
² The forecasting was made based on the following models: 1/- multiple regression which studies the relationship between inflation and some key indicators including inflation in the three previous quarters, importing countries' inflations, change in oil price, credit growth, and change in exchange rate of riel against US dollar; 2/- ARIMA(p,d,q) to forecast the 12 groups in the CPI basket based on the variables' lagged values and trends; 3/- VARX on inflation, credit growth, change in exchange rate and use importing countries' inflation rates and change in oil price as exogenous variables; 4/- ARIMA (3,1,3), 3 lags of inflation; and 5/- VARX on core inflation, food, and oil-related items.



Source: National Bank of Cambodia

Import-weighted real effective exchange rate (IREER) slightly appreciated by 0.1 percent, driven by the appreciation in riels against the currencies of some importing partners (import-weighted³ nominal effective exchange rate appreciated by 1.9 percent), especially Korean won, Chinese yuan, Taiwan dollar, Singapore dollar and Vietnamese dong, coupled with lower prices of imports. This reflected that inflationary pressure from imports did not witness.

Export-weighted real effective exchange rate (EREER) appreciated by around 1.9 percent, driven by the appreciation in riels relatively to exporting partners' currencies, particularly euro, British pound, Chinese yuan and Canadian dollar (export-weighted real effective exchange rate appreciated by 1.3 percent). At the same time, prices of goods in exporting partner countries also decreased. This imposed pressure on competitiveness of Cambodia's export⁴.



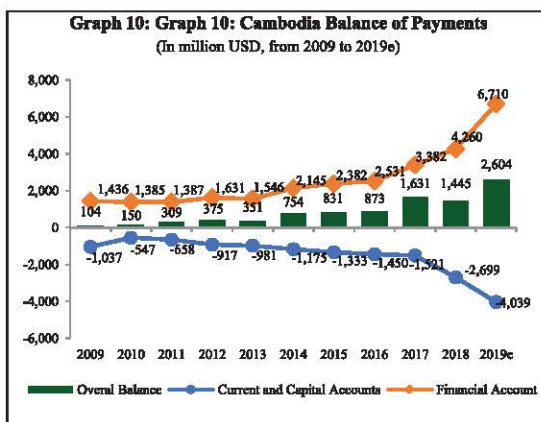
Source: National Bank of Cambodia

³ Main importing partners are China, Thailand, Vietnam, Taiwan, Singapore, Japan, Hong Kong, Korea, Indonesia, Malaysia and the US.

⁴ Major exporting partners are the US, UK, Germany, Japan, Canada, China, Thailand, Spain, Belgium, France, Netherlands, Vietnam, Hong Kong and Italy.

4. Balance of Payments⁵

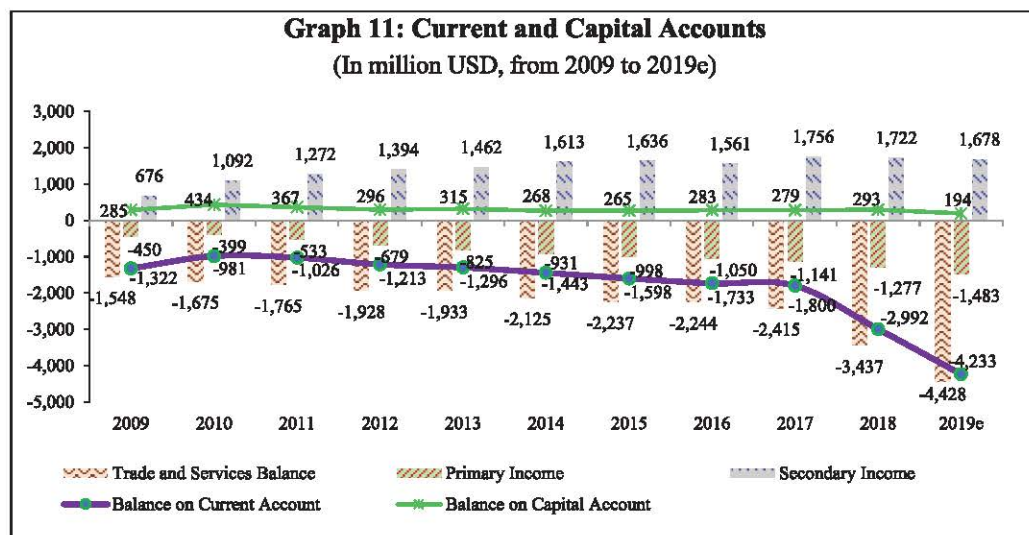
During the first 9 months of this year, the balance of payments registered a surplus at approximately 10.5 percent of GDP (USD 2.1 billion) comparing to 3.9 percent of GDP during the same period in 2018 which was supported by a financial account surplus. In 2019, the balance of payments is expected to continue a surplus of 9.6 percent of GDP (USD 2.6 billion), from 5.9 percent during the same period from last year, on the account of strong inflows from foreign direct investment, coupled with growth in international tourist arrivals & exports.



Source: National Bank of Cambodia

• Current and Capital Account

In the first 9 months of this year, the current account deficits amounted to 16.6 percent of GDP (USD 3.4 billion), compared to 11.6 percent of GDP in 2018 due to increasing trade deficits in goods and the primary income deficits, while improving surplus in service account and secondary income partially offset the deficits. Inflows of capital account recorded lower than the previous year. In 2019, current account was estimated to register deficits of 15.7 percent of GDP (USD 4.2 billion), an increase of 3.5 percent of GDP compared to 2018 (USD 12.2 percent of GDP) while capital account inflows were USD 194 million.



Source: National Bank of Cambodia

⁵ Balance of payments is compiled based on Balance of Payments and International Investment Position Manual, Sixth Edition (BMP6) of IMF.

In the first 9 months, trade balance in goods remained deficits and increased to 27.6 percent of GDP, compared to 22.5 percent of GDP in the same period previous year, resulted from faster growth in imports than exports. Total imports increased by 18 percent compared to the previous year (22 percent), mainly driven by rising imports of petroleum (68 percent), vehicles (47 percent), construction material⁶ (51 percent) even though imports of raw materials for garment and footwear declined by 5 percent (24 percent in the same period last year). Total exports upped 11 percent compared to the previous year (18 percent), mainly due to increases in garment exports⁷ (9 percent), non-garment export⁸ (22 percent), rice⁹ (4 percent) and rubber (2 percent).

Beside deficits in trade balance in goods, increasing deficits in primary income (0.2 percent of GDP) and declining surplus in secondary income (1.2 percent of GDP) also contributed to higher current account deficits. Higher surplus in net services account (1.4 percent of GDP) partially offset the deficits.

- **Financial account**

Strong inflows of foreign direct investment led to surplus in financial account that totally offset the current accounts deficits, and further accumulate foreign reserves. In the first 9 months FDI inflows accounted for 13.3 percent of GDP compared to 12.9 percent the same period last year, supported by FDI in banking, construction and real estate sectors. Meanwhile the investment in manufacturing and garment and footwear sectors remain the largest share, and the sector has been remarkably diversified. In 2019, the financial account was estimated to reach to 8 percent of GDP compared to 2.1 percent previous year, underpinned by foreign direct investment, especially in banking, manufacturing and real estate and construction sectors.

In 2020, the balance of payments is forecasted to record a surplus of 6.5 percent of GDP, driven by FDI inflows, exports and tourism sector.

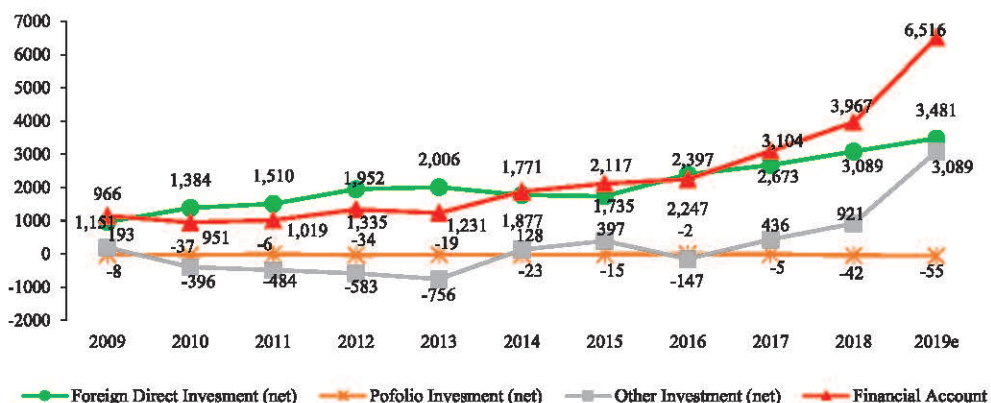
⁶ Imports of construction equipment surged by 42% steel by 47% and cement by 83%

⁷ Exports of clothing rose by 4%, footwear 19% and other textile products 117%, supported by the US market, EU and Japan, whereas exports to ASEAN and UK fell.

⁸ Exports of electrical parts picked up by 65%, vehicle spare parts 52% and bicycle 2%.

⁹ Exports of rice in terms of value increased by 4% (in terms of volume 4%), driven by ASEAN and other market, while exports to EU dropped by 23% and UK by 32% after imposing tariff on Cambodia's rice exports to EU since 2019.

Graph 12: Financial Account
(In million USD, from 2009 to 2019e)

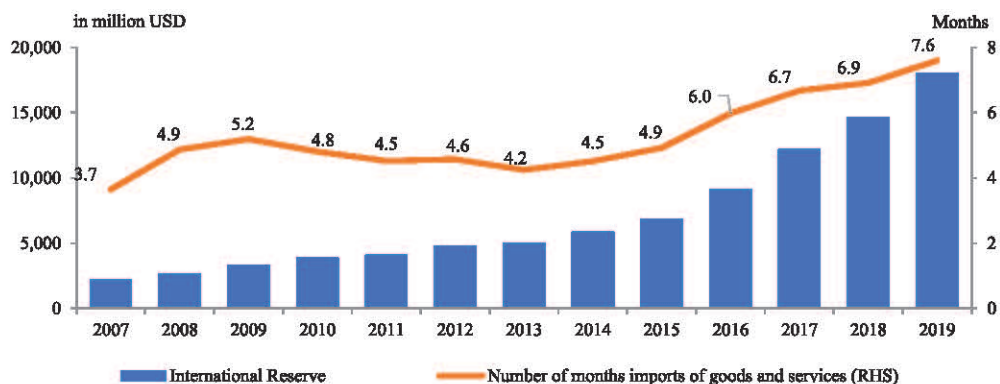


Source: National Bank of Cambodia

5. International Reserves Management

The balance of payments surplus continued contributing to higher gross international reserves¹⁰ to USD 18 billion that could cover more than 7 months of prospective imports of goods and services, higher than the minimum level for developing countries¹¹.

Graph 13: International reserve and number months of imports goods and services
(2007 – 2019)



Source: National Bank of Cambodia

Foreign reserves were invested in accordance with guideline on international reserves investment in 2019 and the current trend of international financial market. The reserves were

¹⁰ Foreign reserves are foreign assets managed by the NBC, comprising of gold, SDR and foreign currencies (keeping overseas and at NBC).

¹¹ 3 months for developing countries.

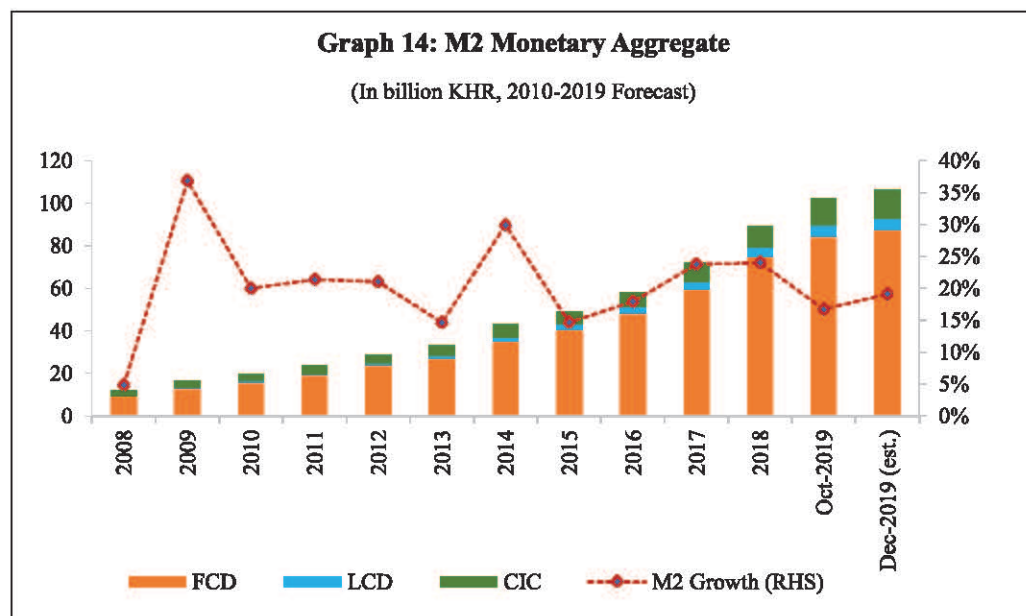
invested in overnight, short-term deposits, medium-term financial instruments, bonds (government, governmental agencies and international financial institutions), gold deposits at central banks of developed countries and international commercial banks with high credit ratings.

In general, foreign reserves management may face some major risks such as: market risks, liquidity risks, credit risks and operational risks. To ensure safety and efficiency, the international reserves were invested in compliance with the 3 prioritized principles i/- capital preservation ii/-liquidity iii/- income. Furthermore, the investment on foreign reserves were also done with attentions on environmental, social and governance principles (ESG), by not investing in cooperate bonds that involve with environmental pollution, explosive weapons and alcoholic beverage, in order to avoid any risks such as reputational and legal risk.

III. Monetary Management

1. Monetary Condition

Broad money (M2)¹² increased 19.1 percent (year-on-year), lower than the growth rate in 2018(24 percent) and average growth over last 5 years (21.4 percent), which was in the line with the economic growth. The grow was mainly due to increase of foreign currency deposit at 16.4 percent (lower than the previous year growth at 26.5 percent), riel deposit at 37 percent (higher than last year growth at 12 percent) and the currency in circulation at 33 percent (higher than last year growth at 12 percent). Meanwhile, the broad money growth raised the financial deepening (M2/GDP) to 96.4 percent, higher than that of last year (88.8 percent).



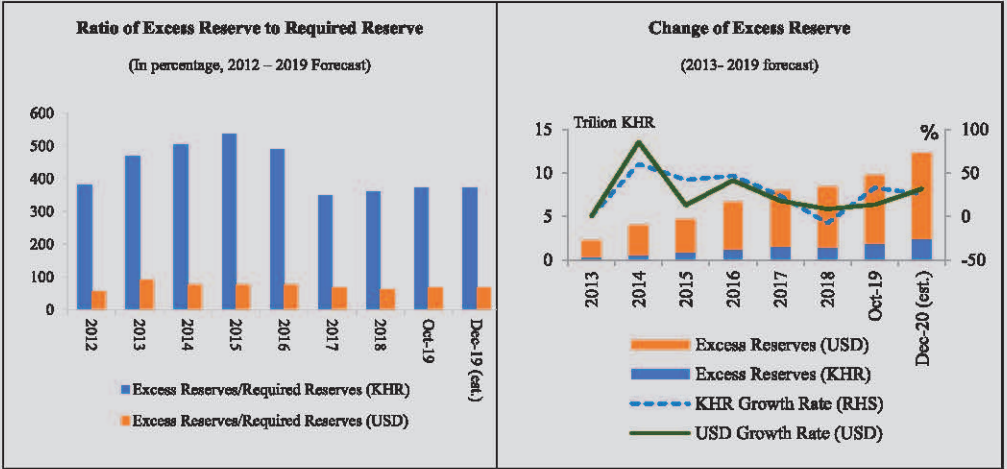
Source: National Bank of Cambodia

¹² M2= M1 (currency in circulation and demand deposits in Riels) + Quasi money (fixed deposits and savings in riels and foreign currency deposits of residents that generally can be liquidated slower than M1 for payments).

However, the degree of dollarization remained high, reflected by the share of foreign currency deposits to broad money at 82.9 percent (lower than the previous year, 84.8 percent) and the proportion of foreign currency deposits over total deposits at 93.9 percent (like the previous year at 94.7 percent). The high degree of dollarization was driven by the direct use of the US dollar inflows in economic operations, especially through trade, investment, tourism and other transfers.

Box 2: Liquidity Condition

Liquidity in the banking sector remains high, demonstrating the resilience of the banking system against the contingent liquidity risk, but it shows the lack of effective liquidity management of banks and financial institutions for the liquidity surplus. In 2019, the excess liquidity in US dollars was USD 2.5 billion, an increase of 31.8 percent higher than the previous year (13.4 percent) and 5 years average (22.6 percent) and equaled to 67.2 percent of the required reserves in US dollars (higher than the previous year, 61.1 percent). The liquidity surplus in riels recorded at KHR 2.5 trillion, up 32 percent (like previous year 32.8 percent, but higher than 5 years average of 25.6 percent) and equaled to 3.7 times of required reserves in riels (like the previous year, 3.5 times). This high growth was due to new banks and financial institutions that led to increases in total liquidity in the banking system.



Source: National Bank of Cambodia

2. Monetary Policy Instrument

A. Reserve Requirement Rate

The NBC continues to keep the reserve requirement for riels (8 percent), lower than that for US dollars (12.5 percent) in order to encourage and stimulate banks and financial institutions to collect deposits and provide credit in riels.

B. Negotiable Certificate of Deposit (NCD)

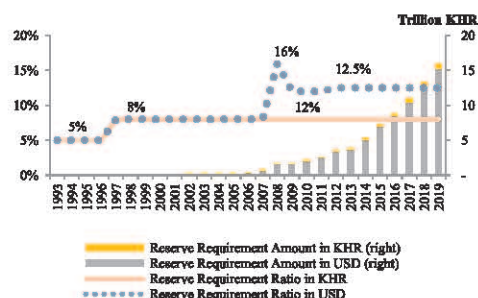
The issuances of negotiable certificate of deposit (NCD) denominated in US dollars and riels over the last 3 years remarkably increased from the first issuance in 2013. However, in 2019 NCD issuances slightly decreased compared to the previous year.

As of November this year, the NCD issuance in US dollars declined by 8 percent compared to the same period last year because of the increase in demand for US dollars to purchase riels from NBC for tax payment. Meanwhile, the riel denominated NCD decreased by 7 percent due to the increasing in demand for riels to comply with Prakas that requires banks and financial institutions to provide credit in riels at least 10 percent of total loan portfolio. As a result, NCD absorbed 49 percent of US dollar excess liquidity (lower than the previous year 5.6 percent) and 10.5 percent of riel excess liquidity (lower than last year, 32 percent). In 2019, NCD issued in KHR and USD was estimated to drop by 12 percent and 9 percent, respectively.

To make NCD more attractive, the NBC has increased the interest rates on US dollar denominated NCD by 0.25 percent for tenors of 91 days, 182 days and 364 days from March and further raise 0.10 percent for all tenors from October. However, interest rates on NCD this year was lower than the previous year because LIBOR has trended downwards since the beginning of the year.

Graph 15: Reserve Requirement Amounts and Ratios

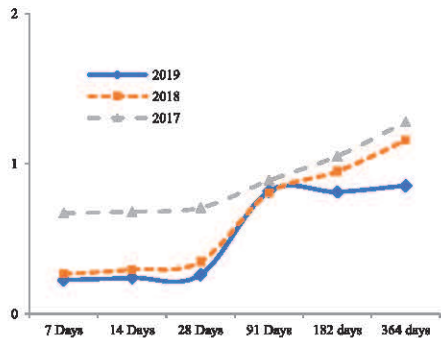
(1993 - November 2019)



Source: National Bank of Cambodia

Graph 16: NCD-USD Interest Rates

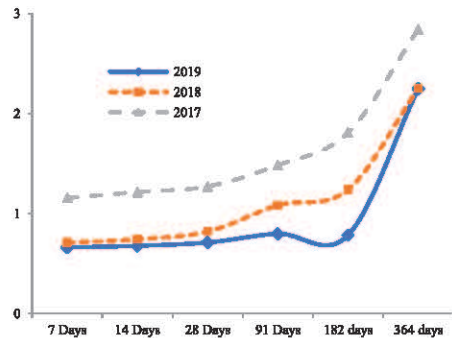
(Average Rate, January-November 2017, 2018, 2019)



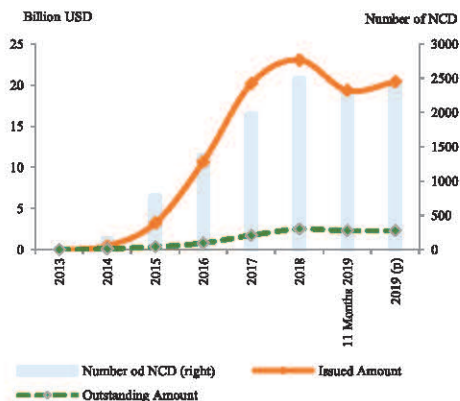
Source: National Bank of Cambodia

Graph 17: NCD-KHR Interest Rates

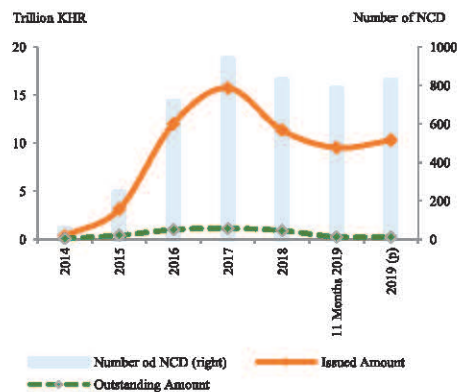
(Average Rate, January-November 2017, 2018, 2019)

**Graph 18: NCD-USD Issued and Outstanding Amounts**

(2013-2019 (prediction))

**Graph 19: NCD-KHR Issued and Outstanding Amounts**

(2014-2019 (prediction))

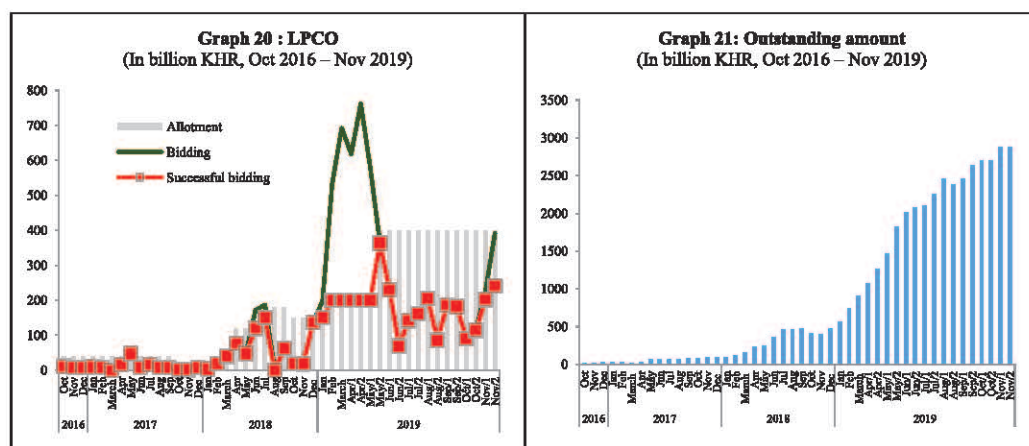


Source: National Bank of Cambodia

C. Liquidity Providing Collateralized Operation (LPCO)

The amount of LPCO noticeably expanded due to the demand for riels in market while banks and finance institutions increased their loan portfolio in riels to at least 10 percent. To responded to this growing demand, the bidding amount each time has been subsequently adjusted from KHR 100 billion to KHR 200 billion and then KHR 400 billion and since April the operations have been conducted twice a month in order to make liquidity supply to be more flexible and be on time. As a result, as of November 2019, the amount of total bidding amount was KHR 5.8 trillion (an increase of 6.3 times compared to 2018 and 42.5 times compared to 2017), whereas the successful bidding amount was KHR 3.4 trillion (an increase of 3.9 times compared to 2018 and 24.6 times compared to 2017). On average, this year interest rates on

LPCO were 2.61 percent, 2.84 percent and 3.08 percent for tenors of 91 days 182 days and 364 days, respectively.



Source: National Bank of Cambodia

BOX 3: The development of interbank market in Cambodia

(Summary of research on “The development of interbank market in Cambodia”)

The interbank market has been developed since the early 2000s, and the law on “Negotiable instruments and settlement operation” was implemented in 2005, the basic for introducing 2 monetary policy instruments, including Negotiable Certificate of Deposit (NCD) and Liquidity Providing Collateralized Operation (LPCO). However, the excess liquidity in the banking system remains high. In 2019, the ratio excess reserve over reserve requirement is around 80 percent which means: 1/ the whole banking system may be resilient to liquidity risks. 2/ the banking system may be encountering liquidity management issues.

In order to clearly understand the above issues, NBC cooperated with Bank of Korea in 2019 under “Knowledge Partnership Program Development” and collectively conducted a research on “Interbank Market Development”. The study indicates some main challenges and policy implications as follow:

1. Challenges

- The lack of confidence among financial institutions.
- Unavailability of other financial instruments such as government bonds
- Interbank market’s infrastructure is still limited even if the regulatory laws and platforms are subsequently in place.

2. Policy implications

- Building confidence among financial institutions and introducing government bonds are important steps in order to improve current inactive interbank market.

- Creating brokers in the interbank market. Due to small transactions in interbank market that is unable to provide enough commission to brokers, NBC is able to assist by creating a team which plays a role as brokers, aimed at matching the financial institutions that intend to supply fund with ones need fund in interbank market.
- Cambodia Microfinance Association is also able to act as a broker or to provide credit guarantee for its members to boost confidences of financial institutions.
- Restricting the regulations for microfinance institutions and small banks by being more prudent to loans to high-risk sectors.
- Further improving NBCP to allow financial institutions to transact directly and smoothly with each other.

Box 4: Corporate Bond Market Development

As of November 2019, 7 banks and financial institutions have received the permission to issue corporate bonds with total amount of KHR 1.008 billion. Investors of these bonds are commercial banks, microfinance institutions, insurance companies and Credit Guarantee Investment Facility (CGIF). Investment consisted of 33 percent from local investors and other 67 percent from foreign investors.

Banks and Financial Institution	Amount (in Billions of riel)	As of the end of 2019
Hattha Kaksekar limited	120	issued
LOLC Microfinance	80	issued
ABA Bank	128	issued
Prasac Microfinance	400	Plan to issue
AMK Microfinance	120	Plan to issue
Sathapana Bank	80	Plan to issue
Phnom Penh Commercial Bank	80	Plan to issue
Total	1,008	

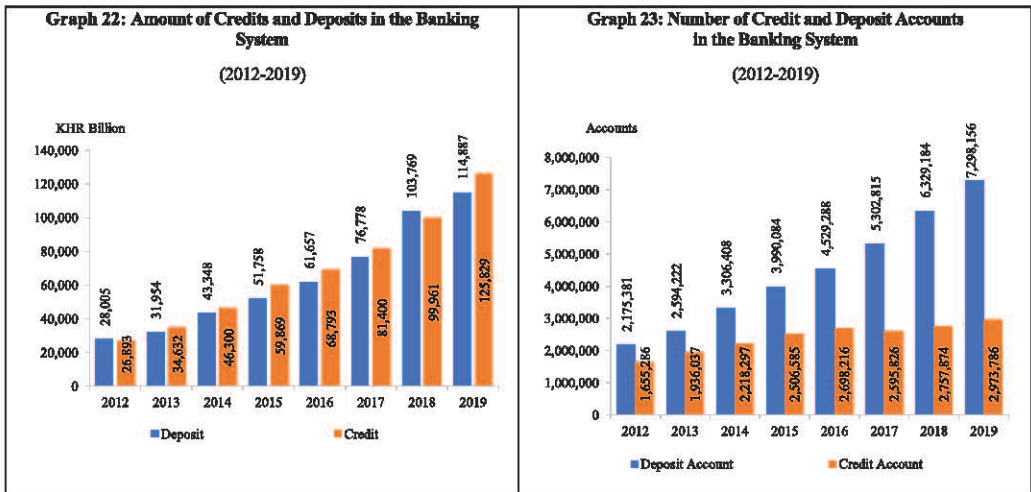
Source: National Bank of Cambodia

IV. Banking System in Cambodia

1. Overview

The development of all economic sectors and the political stability have been the fundamental to boost public and other foreign investors confident as well as to reinforce the resilience and welfare of the banking system in Cambodia. As of the end of 2019, banks and financial institution included 46 commercial banks, 16 specialized banks, 7 microfinance deposit-taking institutions, 75 microfinance institutions, 248 rural credit institutions, 15 leasing Companies and 20 payment service institutions.

The banking system has expanded in scope and scale of services in the economy as the assets of banks and financial institutions increased by 24.5 percent to KHR 208.2 trillion (USD 50.8 billion) of which credit was recorded at KHR 131.4 trillion (USD 32 billion), and deposits reached KHR 120.8 trillion (USD 29.5 billion); capital rose to KHR 24.1 trillion (USD 5.8 billion) and borrowing funds climbed to KHR 17 trillion (USD 4.1 billion). Meanwhile, banks and financial institutions have expanded their services and outreach in both capital cities and provinces to promote financial inclusion. There were 2,450 branches and headquarters, 2,520 ATMs, 7,587,048 deposit accounts and 3,066,880 loan accounts. Moreover, banks and financial institutions have diversified their financial services more actively in order to enable their clients to use cards instead of cash, money transfers and electronic payments.



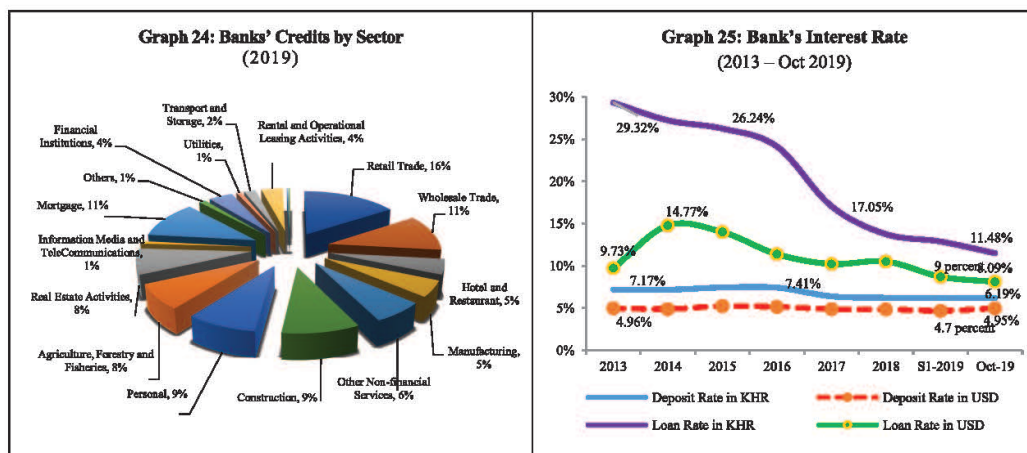
Source: National Bank of Cambodia

2. Development of banking Sector

The banking sector keeps improving remarkably, reflected by an increase in total assets of 22.8 percent, equivalent to KHR 171 trillion (USD 41.8 billion) which was supported by customer's deposits KHR 104 trillion (USD 25.5 billion), capital KHR 20.4 trillion (USD 5 billion) and borrowing funds of KHR 4.9 trillion (USD 1.2 billion). Credit, the most important source of capital to spur the economic activities grew by 23.8 percent, equivalent to KHR 100.5 trillion (USD 24.5 billion) and was provided to major economic sectors, including retail trade

16 percent, wholesale trade 11 percent, mortgage 10 percent, construction 10 percent, agriculture, forestry and fisheries 9 percent, personal essentials 8 percent, real estate activities 7 percent, other non-bank services 7 percent, manufacturing 5 percent, hotels and restaurants 5 percent and others 12 percent.

In tandem with the development of financial technology, the majority of banks have been developing and expanding their branch network, diversifying their products and financial services, and developing digital financial services, making their clients more convenient for using banking services via internet and mobile phones.

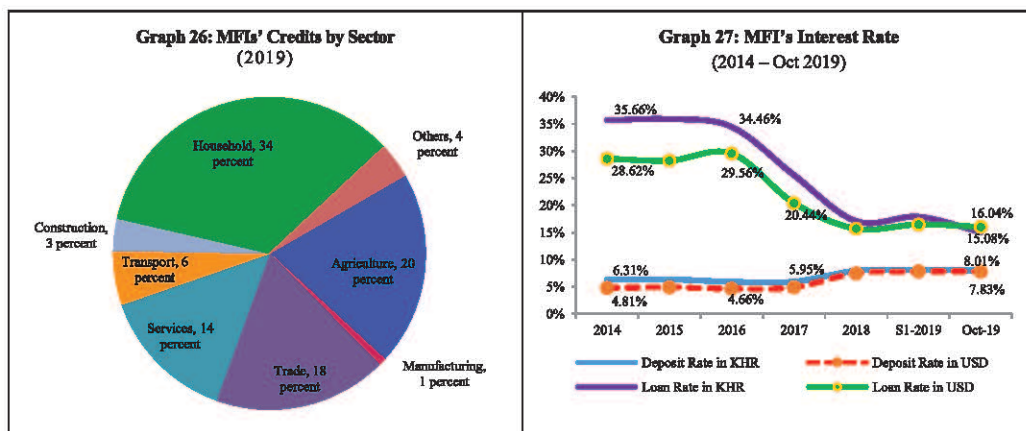


Source: National Bank of Cambodia

Interest rate on deposits in riels and US dollars stood at 6.19 percent and 4.95 percent, respectively compared to the previous year rates of 6.21 percent and 4.84 percent, stable over the last 2 years after declining from 7.4 percent and 5.2 percent in 2016. Interest rates of loan in riels and US dollars have declined over last few years from 13.7 percent and 10.5 percent, to 11.4 percent and 8.1 percent respectively. The overall decline of the interest rates in USD can be owing to increasing capital inflows and competition in the banking sector, while the decline of interest rate in KHR was driven by the implementation of the policy on promotion of the use of riels, especially in the banking system.

3. Development of Microfinance Sector

Cambodian microfinance sector continues to grow remarkably in the sustainable and inclusive manner. Microfinance institutions collected a total deposits of KHR 16.4 trillion (USD 3.9 billion) and provided credit of KHR 30.1 trillion (USD 7.2 billion) to major sectors in the economy such as household 34 percent, agriculture 20 percent, trade and commerce 18 percent, services 14 percent, transportation 6 percent, construction 3 percent and others 5 percent.



Source: National Bank of Cambodia

In the meantime, there were 248 rural credit institutions, that received licenses from National Bank of Cambodia, with total loan outstanding of KHR 401.50 billion (USD 0.1 billion) provided to 194,015 borrowers.

Interest rate on deposit in riel and US dollar registered at similar levels as previous year, around 8 percent and 7.8 percent, respectively. Lending rates in riel and US dollar have decreased from 34.5 percent and 29.6 percent respectively in 2016 to 22.9 percent and 20 percent, respectively in 2017, and to 15 percent and 16 percent, respectively in 2019 after issuing the Parkas on interest rate ceiling on loan at 18 percent to benefit microfinance's customers. In this regard, the interest rate cap on loan has encouraged MFIs to pay attention to improving effectiveness of operations and reducing expenses by using financial technology.

4. Development of Financial Leasing sector

Financial lease is a type of service among the other financial services that can help small and medium-size enterprise (SMEs), especially newly established SMEs that are just opened up their businesses in getting financing for short and long terms and in managing cash flows more effective without immediate payments for purchasing equipment and production means but be able to make payment in appropriate of time. In fact, the financial lease has contributed to support agriculture sector by agriculture machinery leasing such as rice harvesters, bulldozers, and agriculture raw materials without requiring collaterals.

Recent years, the financial leasing sector has grown remarkably with increasing financial leasing companies increased from 9 in 2015 to 15 companies in 2019. Net assets increased by approximately 3 times, from KHR 410.35 billion (USD 101.3 million) to KHR 1.32 trillion (USD 326 million). Total financial leases increased by 59.5 percent to KHR 1.2 trillion (USD 281 million) with 102,524 customers allocated to important sectors such as consumption 30 percent, services 18 percent, transportation 12 percent, construction 8 percent, agriculture 7 percent, business and commerce 7 percent and other 18 percent. Financial leasing companies have registered capital of KHR 0.31 trillion (USD 76.5 million) return on assets 2.8

percent, return on equity 6.3 percent, solvency ratio 35 percent and non-performing financial lease 3.7 percent.

5. Supervision on Banks and Financial Institutions

To ensure effectiveness and safety of the whole banking system, the NBC has highly paid attention to strictly monitoring the major banks and financial institutions with high risks by supervising vulnerability from real estate sector and compliance with NBC's laws and regulations.

As the whole, the financial condition and compliance of banks and financial institutions have been well-performed, except the minority of banks and financial institutions required to strengthen individual internal control and governance in accordance with the size and scope of operations. In order to overcome the shortcomings of banks and financial institutions, NBC has provided recommendations for the institutions and continually supervised and regularly checked progress reports of the implementation on recommendation. NBC had taken several strict measures for some institutions that do not fully comply with the recommendations in accordance with the regulations in force.

Within this, NBC is stepping forward in implementing risk-based and forward-looking supervision for better performance and working on important tasks below:

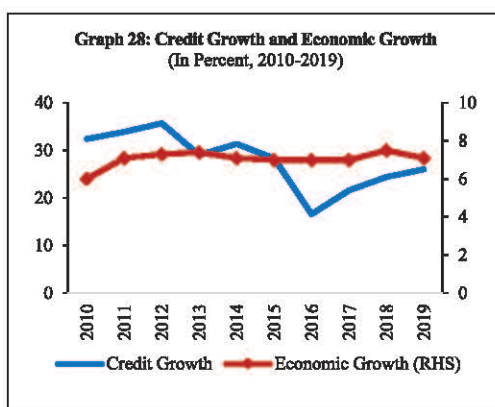
- i. Discuss and revise the roadmap on implementation of risk-based supervision.
- ii. Establish six specialized working groups to support the risk-based supervision methods effectively including specialized working group on the credit risks, market risks, operational and information technology risks, liquidity risks, capital and accounting risks and
- iii. Strengthen the officials' ability and skill on risk-based supervision.

6. Financial Stability

Monitoring and assessment on financial stability have been regularly paid attention to. On April 2019, NBC published the first Financial Stability Review 2019.

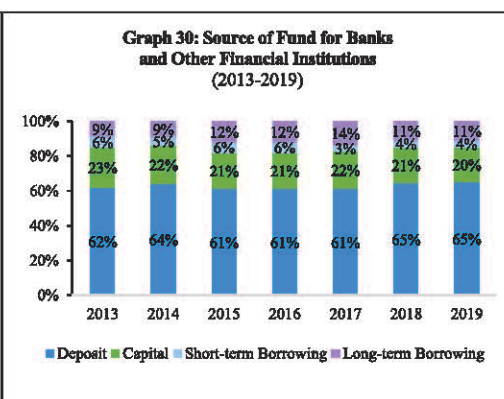
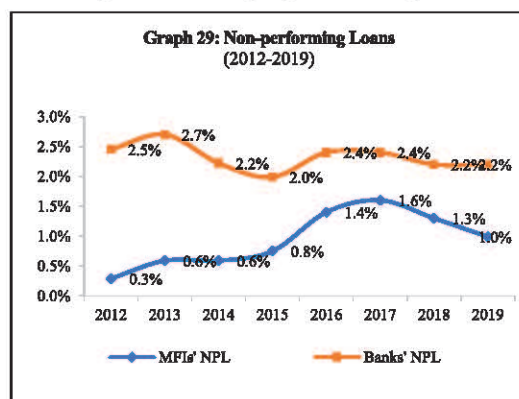
In 2019, the financial stability of Cambodia remained broadly sound coupled with strong momentum of economic activities, supported by increasing domestic demand and exports although the global economic growth and the size of international trade were slowdown. In banking sector, indicators reflected the soundness of the sector are i/- sufficient capital ii/- sufficient liquidity iii/- low non-performing loan and iv/- higher profitability. The average of solvency ratio and liquidity coverage ratio for banks recorded at 24.5 percent and 170.8 percent, respectively and for microfinance institutions, 19,2 percent and 183,5 percent (compared to the minimum requirement of 15 percent and 90 percent). NPL ratio remained low at 2.2 percent for banks and 1.1 percent for MFIs. Moreover, return on assets (ROA) stood at around 2 percent for banks and 2.8 percent for MFIs.

Some risks to finance stability included high credit growth, especially credit to construction and real estate and direct lending from some real estate developers without proper supervision. For external borrowing, risks remained low and manageable, which borrowing funds accounted for 15 percent of the total funding source, in which 74 percent of total borrowing funds had tenor of more than 1 year and the majority was from parent banks, shareholders and development partners.

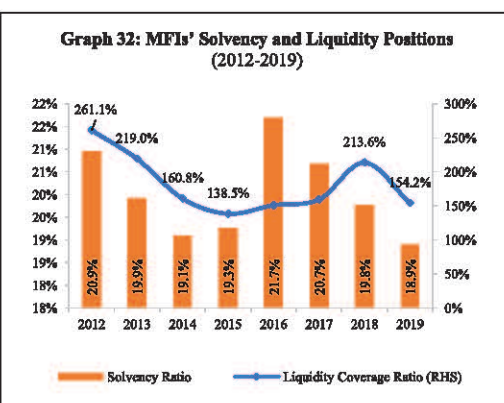
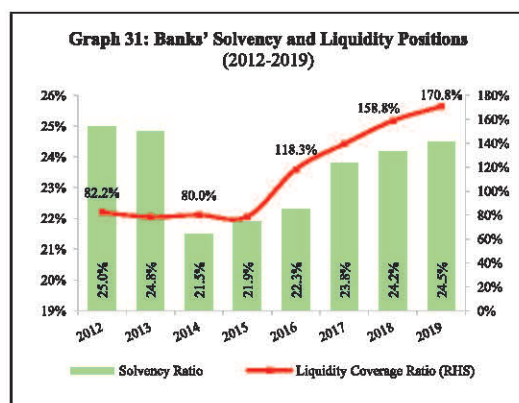


Source: National Bank of Cambodia and National Institute of Statistics

In order to reduce risks and strengthen the financial stability, the NBC has carefully monitored risks and strengthen the implementation of pre-emptive micro-and macro-prudential measures, especially increasing capital buffers, liquidity management framework and strengthening assessment and classification of credit. In the meantime, some other measures are being studied and prepared to implement in the near future.



Source: National Bank of Cambodia



Source: National Bank of Cambodia

7. Supervision on Credit Bureau

Credit bureau (company) co., Ltd has total assets of around KHR 59,6 billion (USD 14,6 million) and has 167 financial institutions as members in the credit reporting system. Commercial credit reporting system was completely launched, and banks and financial institutions reported all commercial credit data in the system.

8. Financial Inclusion and Financial Education

The National Strategy for Financial Inclusion 2019-2025 addresses the policies that aims at promoting the financial inclusion by increasing formal access to financial services; reducing the rate of females who have no access to financial services from 27 percent to 13 percent; expanding the formal access to financial service from 59 percent to 70 percent by 2025; as well as improving household welfare and supporting the economic growth through priorities such as: i/- encourage saving at formal financial institutions. ii/- promote credit service innovation for SMEs iii/- expand payment system capacity. iv/- expand insurance services widely v/-strengthen the financial regulators' capacity and vi/- promote consumers' rights and consumer protection as well as increase transparency in financial sector.

In the meantime, the NBC has continued to promote financial education through campaigns such as organizing seminars on microfinance sector in other provinces, disseminating financial books to the public, sharing general- knowledge of the roles and advantages of the formal financial services through brochures and social medias, and also providing the related information of using financial service through mobile phones. Additionally, the NBC has cooperated with the Ministry of Education, Youth and Sport in order to integrate financial literacy into school curriculum from grade 1 to grade 12 and has cooperated with the Ministry of Woman's Affairs of promote financial inclusion for women, and women in entrepreneurship.

BOX 5: Progress of other tasks

A- Regulation Preparation

The National Bank of Cambodia has prepared further explanations on the prakas on capital buffer of banks and financial institutions and prakas on liquidity coverage ratio, organized subsequent seminars to explain further to banks and financial institutions and planning for approval of prakas that relates to solvency, responding to weak banks and financial institutions on supervision and determining the Loan-to-Value Ratio in 2020.

B- Financial Inclusion and Financial Literacy

The National Bank of Cambodia serves as a leading institution to draft the National Strategy for Financial Inclusion in Cambodia. "National Strategy for Financial Inclusion 2019-2025", was approved by the Council of Ministers in the Plenary Session on July 12,

2019 and signed by Samdech Akka Moha Sena Padei Techo Hun Sen, the Prime Minister of the Kingdom of Cambodia on August 19, 2019.

Furthermore, the NBC had organized other events to disseminate financial literacy to the public, aimed at collecting, promoting and reviewing the achievement on the promotion of financial literacy that the related stakeholders had prepared and implemented. The NBC also signed the Memorandum of Understanding with the Ministry of Education, Youth and Sport about integrating the financial literacy into the general education curriculum and signed the Memorandum of Understanding with the Ministry of Women's Affairs to promote financial inclusion for women, and women in entrepreneurship. The NBC cooperated with the Ministry of Women's Affairs and Visa company to prepare an event about "Financial Literacy in Cambodia" to provide financial literacy to young women, woman entrepreneurs in fields and to increase the entrepreneurship for young females in primary and secondary schools.

The NBC continuously cooperates with the Ministry of Education, Youth and Sport to prepare the second step of financial literacy integration with the technical support of Asian Development Bank in 2020. The second step will include financial literacy in detail into Home Economics, Life Skill, Social Study and Mathematics, and the working groups will compile the books for students in upcoming term while the Ministry of Education, Youth and Sport is currently updating the current textbooks.

The NBC continued to distribute the financial literacy book called "Let's Talk Money" in some provinces such as Prey Veng, Pursat, Takeo, Kampong Cham and Kampong Thom by distributing 24,026 books to primary school teachers and students. In collaboration with Good Return during the campaign of "Let's talk Money", the NBC planned to train female factory workers to raise awareness of the financial products, to understand the importance of critical thinking and consideration on choosing financial products, as well as to understand the rights and responsibilities when making decision on financial products.

The NBC in cooperation with Asian Development Bank Institute (ADBI) and the Organization for Economic Cooperation and Development (OECD) organized a seminar on "the role of financial literacy and consumer protection in supporting the financial inclusion" for the purpose of disseminating the financial inclusion strategy and promoting financial literacy in the region.

C- Promoting Microfinance Sector in Cambodia.

The NBC organized a seminar on microfinance sector in Cambodia in order to share with the local authorities, citizens, banks and financial institutions and rural credit institutions on: i/- the importance and benefits of microfinance sector ii/- the roles of National Bank of Cambodia iii/- the obligations and responsibilities of the local authorities and iv- knowledge of using financial services to raise awareness of micro financial sector and also prevent the public from over-indebtedness. This seminar has been organized for 7 times, 1 at provincial level and 6 at district level. The total of participants consists of 3,885 including authorities,

chiefs and deputy chiefs of villages, school directors and deputy directors, teachers and public.

D- Mechanism of Managing and Settling of Client Complaints

With the intention to provide information, to protect clients' rights and interests and to strengthen the public confidence in the banking system, the NBC continued to receive and resolve complaints through the 5 hotlines to the central office and 21 lines at NBC branches. The Hotline team received 234 complaints, most of which involves early settlements of credits, collateral withdrawal requests, interest calculations, private money lending, and penalties.

E- Progress of Deposit Protection System Project.

In order to push for the development of the deposit protection system in Cambodia in accordance with the Financial Sector Development Strategy 2016-2025 and Law on Banking and Financial Institutions, the NBC has formed the project team to work on preparing a draft on policy and legal framework of deposit protection scheme and resolution framework.

V. Central Banking Operation

1. Payment System

A. Development of Payment System

The NBC had developed the wholesale and retail payment systems, strengthened the supervision and prepared regulations to manage the payment system in order to reduce systemic risks, protect consumers and stimulate the use of electronic payment in response to the progress of service and payment instruments as well as to guarantee the sustainability of the payment system. The NBC announced the guidelines for being indirect members and the cooperation between direct and indirect members in the national clearing system to encourage all members to properly implement the new policies related to the adjustment of memberships in the national clearing system. Currently, the Fast Payment System got new member institutions, while the Cambodian Shared Switch, which is still in the soft-launch stage, was reconciled with additional member institutions, increasing up to 15 institutions. In October, the NBC in partnership with 7 member institutions, made a soft launch of the Retail Pay System that had been developed under the support of the Korean International Cooperation Agency (KOICA), which provides additional choices for customers in their fund transfer and retail payments in Cambodia.

On July 18th, 2019, BAKONG project that uses Blockchain technology was soft launching on a trial basis with 9 participating banks and financial institutions. The BAKONG is planned to officially launch in early 2020 and there will be many more participation from the banks and financial institutions. Meanwhile, the NBC in cooperation with the Association of Banks in Cambodia and related parties have developed the standard QR Code in line with

the EMV standard to facilitate the cross payments between banks and financial institutions and to implement the project of cross-border payments with other countries in the region. Currently, around 5 million people are using the electronic payment service, equivalent to 77 million transactions with approximate amount of 94 trillion riels.

B. Supervision of payment system and payment service

The NBC continues to supervise and follow up the operation of payment system which was processed by the National Clearing House in order to ensure the smoothness and safety of the system. As a result, the payment and settlement transactions have been successful.

Within this year, there are 20 institutions and 5 banks and financial institutions that received the license for providing payment services. Supervising institutions that provide the payment services has been done with off-site and on-site supervisions. For off-site supervision, the NBC requires all services-providing institutions to send their monthly financial transaction reports and some essential information, necessary for the NBC to make a quarter micro-assessment on each institution by focusing on challenges and evolutions of those institutions. For on-site supervision, the NBC visited 7 out of 20 institutions that provide payment services and recommended them to comply with prudential principles and continue to pay attention to combat money laundering and financing of terrorism, consumer protection and to mitigate risks of cybercrimes.

2. Payment System Transactions

A. National Clearing System

The National Clearing System has 45 members (33 direct and 12 indirect members) and 6 check exchange centers that only exchange physical checks. The National Clearing System has settled payments on 2 types of instruments, check and credit transfer order:

- **Settlement check service:** The transactions of settlement check in riels equaled 13.3 trillion riels (41.3 thousand checks), increased by 41.5%, and the transactions in USD equaled 47.5 billion USD (1.3 million checks), increased by 14.5%.
- **Credit transfer order service:** Credit transfer order payment that is an electronic payment notably grew. The credit transfer order payment in riels equaled 4.2 trillion riels (5.9 thousand transitions), increased by 44.8% and the credit transfer order payment in USD equaled 7.6 billion USD (231.9 thousand transactions), increased by 26.5%.

B. Fast Payment System

The Fast Payment System has 43 members of which 7 are Microfinance Deposit Taking Institutions. This service settled credit transfer order transactions in riel for 187.7 billion riels (increased by 59.6%).

C. Online Banking Money Transfer Services (OBS)

Transactions through OBS between accounts at headquarter are free of charge, but the money transfer from headquarter account to other accounts at capital-provincial branches are charged for 0.1% of the transfer amount with the maximum fees of 4 million riels and the minimum fees of 12,000 riels. The transfer of government fund is free of charge. The money transfer through OBS system reached 22,672 transactions, equivalent to 154 trillion riels (increased by 103.5%), of which the transactions between headquarter accounts equaled 21,731 transactions, equivalent to 148.8 trillion riels (increased by 105.7%) and from headquarter to capital-provincial branches equaled 896 transactions, equivalent to 4.3 trillion riels (increased by 48.8%).

D. Account Management Service

The National Bank of Cambodia managed 1,720 accounts in total (increased by 76 accounts) with 889 accounts belong to public institutions (increased by 26 accounts), 798 accounts of banks and financial institutions (increased by 50 accounts) and 33 accounts of other organizations.

The NBC continues to support and cooperate with the royal government in the implementation of 3rd stage of the public financial management reform program (2016-2020) concerning the “budget policy linkages”, especially through the use of OBS system that has to be reconcile with the public Financial Management Information Systems (FMIS). In fact, the NBC opened rewarding account and facilitated money transfer and salary transfer (2 times per month) for civil servants and gendarmerie that opened their accounts at bank partners that implement funds of the Ministry of Economy and Finance.

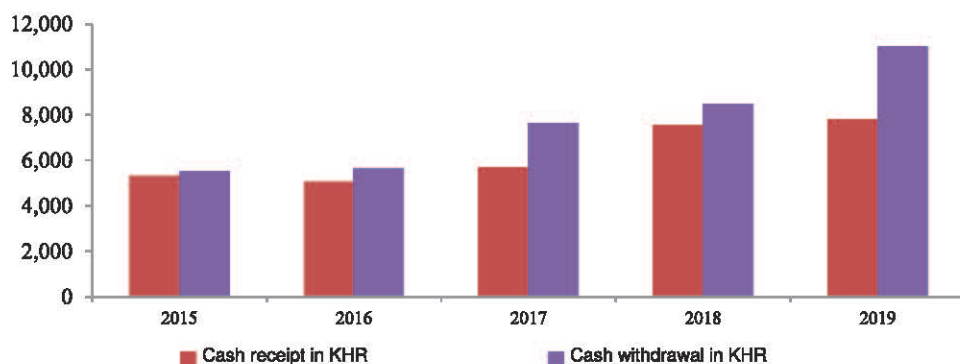
3- Management Cash in circulation

A. Bank Teller Operation

In comparison to previous year, cash receipt and withdrawal of riel grew by 6.5% and 29.5%, respectively, while USD cash withdrawal grew by 19.3% and cash receipt in USD grew by 1.4%.

Graph 33: Cash receipt and withdrawal in KHR

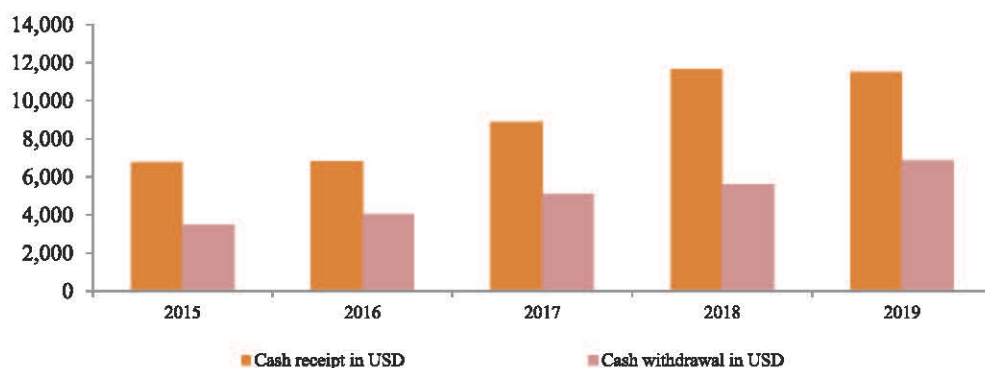
(In billion KHR, 2015-2019)



Source: National Bank of Cambodia

Graph 34: Cash receipt and withdrawal in USD

(In billion USD, 2015-2019)

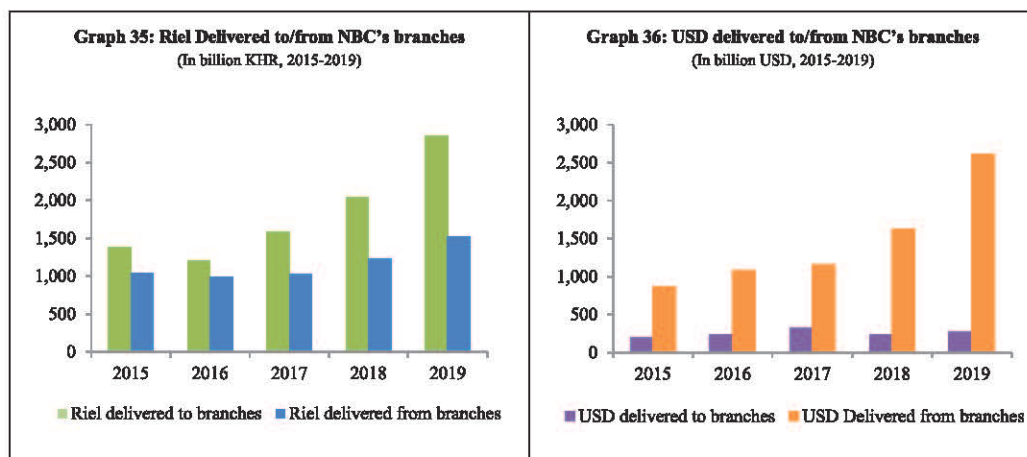


Source: National Bank of Cambodia

B. Cash Management

The National Bank of Cambodia collected old notes, improved the quality of notes and exchanged new notes for public and traders. Through the “I Love Riel campaign”, the NBC allowed the public to exchange new riel notes during important national events such as Khmer New Year and Phchum Ben festival. On the occasion of the 15th anniversary of the enthronement of **Preah Karuna Preah Bat Samdech Preah Boromneath NORODOM SIHAMONI**, the royal government allowed the National Bank of Cambodia to issue the new Commemorative bank note of 15,000 riels on October 7th, 2019.

The amount of riel cash delivered to 19 capital-provincial branches increased by 34.9% and the USD cash delivery to the branches grew by 9.4% while the USD cash delivery from branches to headquarters grew by 61.7%.



Source: National Bank of Cambodia

The NBC also cooperated with the local authorities, banks and financial institutions to halt 2,376 of counterfeit riel notes (the copied ones) and 147 counterfeit USD notes, decreased by 50% and 4.5% respectively (year-on-year). Of the seized banknotes, 10,000 KHR and 100 USD banknotes were the most common counterfeit banknotes. Moreover, in order to raise awareness about the counterfeit banknotes, the NBC cooperated with other bank partners to organize workshops on “Checking and Identifying the Fake Banknotes” at the NBC’s headquarters and Siem Reap branch.

VI. Cambodia Financial Intelligence Unit (CAFIU)

Cambodian Financial Intelligence Unit has the main legal function to receive the receipt of suspicious, cash transactions reports and other information for analysis, to evaluate and send the analyzed reports to the law enforcement authorities for further investigation, and another main task is to ensure that all the reporting entities abided by the laws and regulations through the off-site and on-site inspection. Meanwhile, at national, regional and international levels, CAFIU have been leading, facilitating and cooperating in the implementation of various tasks to fill the gap in the Anti-Money Laundering System and Combating the Financing of Terrorism as defined in the 2016 national risk assessment report, 2017 mutual evaluation report and National Strategy for Combating Money Laundering and Financing of terrorism 2019-2023.

1. Transaction reports of reporting entities

CAFIU has regularly monitored the mandatory reporting of cash and suspicious transactions from reporting entities in accordance with any risk profiles relevant to anti-money laundering and terrorist financing in Cambodia.

In 2019, CAFIU received additional reports from the real estate companies, casino and the payment services providers. CAFIU noticed that the reporting entities fully understand their obligation and comply with regular reporting, in line with the law and regulation on anti-money laundering and combating the financing of terrorism.

2. Strengthening of the reporting entity's task implementation and raising awareness

CAFIU conducted on-site supervision at 13 banks, 12 casino and 5 real estate companies and provided recommendations to strengthen the system of anti-money laundering and terrorist financing systems of those entities. Currently, CAFIU has been applying risk-based supervision tools in electronic forms to evaluate the risk level of banking sector. Beside this, CAFIU disseminated laws and regulations to the payment service providers and the third party processor for 8 times and cooperated with the Ministry of Economy and Finance to disseminate information for 5 times to: i/-Insurance companies (1 time), ii/-Casino (2 times), iii/-Real estate companies (2 times). CAFIU also organized meetings to exchange information with the representatives of banks in Cambodia to enforce the law and regulations implementation and to share information as well as new experiences.

3. Implementing the action plan in the national strategy for combating money laundering and financing terrorism 2019-2023

After the official launch of the national strategy on anti-money laundering and combating the financing terrorism 2019-2023 in March 2019, CAFIU has arranged the schedule meeting to monitor work progress based on priority and deadline in 2019, as defined in the national strategy and under responsibilities of each ministry/institution.

4. Cooperation

A. Local cooperation

To enhance the capacity related to the exchange of information on anti-money laundering and combating the financing terrorism, and to develop the action plan that is determined in the national strategy for combating money laundering and financing of terrorism 2019- 2023, CAFIU signed memorandum of understanding on exchange of information with the Ministry of Posts and Telecommunications, Ministry of Tourism, Secretary General of National Authority for combating drug and Ministry of Foreign Affairs and International Cooperation as well as exchanged analytical skills and experiences in investigation to be more effective with relevant ministries-institutions in accordance with the government strategic plan.

B. International cooperation

CAFIU exchanged information with foreign financial intelligence unit and shared the experiences on risk-based supervision method with Lao financial intelligence unit (LFIU). Meanwhile, CAFIU cooperated with Asia Pacific group on money laundering (APG) and EGMONT Group of Financial Intelligence Units to strengthen the system of anti-money

laundering and combating the financing of terrorism. CAFIU also reinforced the cooperation with other institutions such as:

- International Monetary Fund (IMF) on: i/-Laws and regulations amendment on anti-money laundering and combating the financing of terrorism, ii/-Preparation of risk-based supervision tools and procedures of on-site supervision, and iii/-Strengthening of analytical skills.
- Financial Intelligence Consultative Group (FICG) on the study and evaluation: i/-Risk evaluation of money laundering in the region, ii/-Virtual assets, and iii/-Mechanisms on multilateral exchange information through online system.
- Australian Transaction Reports and Analysis Center (AUSTRAC): Training on financial intelligence information analysis
- United Nations Office on Drugs and Crime: Training on investigation methods, and
- World Bank on: i/-Supervision tools and disseminated documents for casino and real estate sector, and ii/-Provided technical support and experiences in risk-based supervision implementation to Lao Financial Intelligence Unit.

VII- International Cooperation

1. Multilateral cooperation

The National Bank of Cambodia continued to strengthen and expand its international cooperation with international institutions such as: i/-International Monetary Fund to monitor and evaluate economic situation and provided technical assistance, ii/-World Bank continued to provide technical assistance in the preparation of Payment System Development Strategy 2018-2023, iii/- Asian Development Bank to prepare second forum of financial technology, provided technical assistance in the creation of automatic database system and finished the implementation of second sub-program in the development program of inclusive financial sector and has been ready to provide technical assistance for the implementation of the third sub-program, iv/-SEACEN to organize a special training on the implementation and management of liquidity risk, and v/-United Nation Development Fund to complete the national strategy of financial inclusion in Cambodia. On the other hand, the NBC strengthened its good cooperation with other international institutions such as Alliance for Financial Inclusion (AFI), Asia-Pacific Rural and Agriculture Credit Association (APRACA), Francophone, Financial Stability Board-Regional Consultative Group for Asia (FSB-RGC for Asia), and Japan International Cooperation Agency (JICA).

For the cooperation under the ASEAN framework, the NBC continued to cooperate and achieved essential progress such as: i/-Capital Account Liberalization (CAL): CAL commission finished the preparation of CAL planning and the draft on determined conditions, ii/-Financial Services Liberalization (FSL): FSL commission finished the discussion of opening the 9th financial services package, iii/-Payment and Settlement System (PSS): PSS commission

received agreement on policy framework for connecting to cross-border payment system, iv/-Capital Market Development (CMD): CMD commission continued to strengthen the ASEAN capital market role to assist the infrastructure financing and promoted the Green financing part, v/-ASEAN Banking Integration Framework (ABIF): ABIF commission shared experiences and identified the challenges on processing of ABIF agreement negotiation and completed the list of management standard and resolved problems, vi/-Financial Inclusion (FINC): FINC commissions continued to manage the financial inclusion and implementing plans, reinforced capacity building to enhance the innovation through digital systems and established the mechanisms on financial knowledge and customer protection, and vii/-Steering Committee on Capacity Building (SCCB): SCCB commission continued to build the staff capacity of the BCLMV central bankers under the pillar 3.¹³ In 2019 Cambodia hosted the training courses on “Banking Supervision and Financial Stability”, “Capital Flow Management”, “the Changing from Positive to Negative Approach”, “the Financial Development Sector and Financial Safety Net”.

Under the ASEAN+3 cooperation framework, the main achievements consisted of: i/-Approval on the adjustment of CMIM agreement, ii/-Adjustment of principle operations of CMIM agreement, iii/-The 10th test run with actual cash withdrawal, iv/-Receiving technical assistance for capacity building and monitoring the economic and financial situations in Cambodia, and v/-Encouragement of securities issuance in local currency.

2- Bilateral Cooperation

The NBC prepared the annual bilateral meeting with the State Bank of Vietnam, Bank of Lao and Bank of Thailand in order to strengthen cooperation and exchange experiences on various tasks. The NBC signed MOU: i/-with the Bank of Thailand on “the cooperation on innovation of payments and finances” and jointed the event that displayed the connection of payment system through QR code, which allows for retail international settlement between individual and traders in both countries more effectively, safety and rapidly, and ii/-with the Monetary Authority of Singapore on “the Strengthening of Cooperation on Financial Technology (FinTech)”. Meanwhile, the NBC signed the agreement with the Bank of Korea to cooperate on a joint-research under the project “NBC-BOK knowledge partnership program for 2019” on the topic “Interbank market development in Cambodia”.

¹³ Pillar 3: A (Basic training that provides possibilities for many participants), B (on the strengthening of core group members, the shared work experiences and discussions in the region) and C (study visits in the ASEAN-5 countries)

VIII. Internal Management of the National Bank of Cambodia

1. Members and Activities of the Board of Directors

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

• H.E. Chea Chanto	NBC Governor	Chair
• H.E. Neav Chanthana	NBC 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 and
• Mr. Mom Dareth	Representative of NBC Staff	Member

The Board held six meetings in 2019:

1. The 132nd Meeting on February 12, 2019 reviewed and approved the draft on the establishment of the audit committee for inspecting the NBC's accounting record as of 2018.
2. The 133rd Meeting on February 25, 2019 reviewed and approved the drafted report on the NBC's budget for 2018 and budget plan for 2019.
3. The 134th Meeting on June 05, 2019 discussed: i/- Prakas on the members of the Board of Director in new mandate, ii/- the report on Investment Reserves Management in 2018, and iii/- Prakas on the structure and duties of the Economic Research and International Cooperation Department.
4. The 135th Meeting on July 18, 2019 reviewed and approved the draft of NBC's semi-annual report and work plan for the second semester of 2019.
5. The 136th Meeting on November 21, 2019 reviewed and approved the draft on Financial Stability Review for Quarter 2 of 2019.
6. The 137th Meeting on December 19, 2019 reviewed and approved the draft of NBC's annual report 2019 and work plan for 2020.

2. Human Resource Management and Development

The human resource of the National Bank of Cambodia has remarkably developed, reflected by the increasing number of employees with high qualifications, strong work structure, and work effectiveness. Currently, the NBC's human resource management has been

developed in line with regional and global integration's demands as well as the principles of work stability and effectiveness.

A. Staff Statistics

In 2019, the total number of NBC officials nationwide was 1,667 (800 females), of which 1,210 (567 females) work at headquarter and 457 (233 females) at the municipal and provincial branches. This year, staff at the headquarters increased by 20 (42 newly recruited staff, 3 transfer-in, 10 retired, 13 resigned, 1 transfer-out and 1 passed away). Meanwhile, the number of staff members at branches decreased by 16 (11 retired, 3 transfer-out, 1 resigned and 1 passed away).

Staff statistics of NBC in 2019

		2016	2017	2018	2019	Change
Headquarters	Male	582	622	640	643	3
	Female	469	553	550	567	17
	Total	1051	1175	1190	1210	20
Branches	Male	228	235	232	224	-8
	Female	235	244	241	233	-8
	Total	463	479	473	457	-16
Total	Male	810	857	872	867	-5
	Female	704	797	791	800	9
	Total	1514	1654	1663	1667	4

B. Training

• Local Training

The NBC organized 16 seminars (400 participants), 4 training courses (200 participants), 12 meetings (1200 participants), and 18 internship programs for 225 university students.

The NBC provided 4 online training to NBC's staff such as: i/-Training program on banking supervision skill under the FSI Connect program consisting of 3 intakes (258 students in total – 25 scholarships), of which 123 completed the primary level, 20 completed the intermediate level and 1 completed the advanced level, ii/-Organized BIS-IMF course on Supervision and banking regulations (10 candidates in total, of which 5 already took the final

exam), iii/-IMF Training program on Financial Programming and Policies (FPP) has two intakes (64 participants in total, and 4 of them already took the final exam), and iv/- Course on Fintech & Regulatory Innovation of University of Cambridge having 2 participants taking the course.

In addition, the Center for Banking Studies (CBS) continued to train NBC staff and students at associate degree level to contribute to the development of Cambodia's Banking and Financial sector. There are 56 lecturers (10 females), of which 42 lecturers (5 females) were from the NBC. Currently, there are 406 students who are taking the course (304 female students) consisting of students from the 27th promotion (127 students), 28th promotion (134 students) and 29th promotion (145 students).

• Overseas Training

The NBC continued to enhance the staff capacity and develop human resources by sending them abroad to complete 130 short-term courses (256 participants), 14 long-term courses for master's degree (22 participants), and 179 meeting and study visits (471 participants).

3. Internal Audit, Inspection and Risk Management

In 2019, the NBC audited the operation of the Core Banking System in 2 departments (Exchange Management Department and Issue Department and Cash General) and 9 municipal and provincial branches (Prey Veng, Banteay Meanchey, Kompong Chhnang, Koh Kong, Stung Treng, Pursat, Ratanakiri, Battambang, and Siهانouk Ville). Meanwhile, the monitoring on the implementation based on previous recommendations was completed at 3 departments at the Headquarter and at 7 branches. On the other hand, the inspection work that focuses on cash management and security of vault cash and compliance was implemented at 19 municipal and provincial branches.

Risk Management has been promoted through the seminar on risk awareness for staffs at Headquarter and municipal-provincial branches for 8 times, and through the committee meeting on risk management of core banking system for 11 times, in order to review and discuss the guidance documents related to the operations for municipal and provincial branches, and the result of the implementation of core banking system version 12.3 (V 12.3).

4. Management of the NBC's Branches

The NBC strengthened its operational capability in all 19 branches in order to manage the cash flow in the banking system, to effectively provide a wide range of services (deposit account management, cash deposit and withdrawal, and transfers) to banks and financial institutions and public ministries. In addition, the NBC's branches provided exchange services of riel currency that are old, torn, and damaged to the public to promote the using riels.

Conclusion

In 2019, Cambodia's economic growth remains robust, mainly supported by manufacturing, construction and tourism sectors, despite the slowdown of global growth. The stability of macroeconomic situation is maintained, reflected by the low inflation and stable exchange rate. The international reserves accumulation keeps increasing, which contributes to boosting the public and investor's confidences.

The banking sector remains stable, stimulating financial inclusion while actively contributing to economic development and reducing poverty. At the meantime, the payment system has been modernized, both retail and wholesale payment, in accordance with the growth of electronic payments. In order to maintain the financial stability, supervision and risk analysis have been regularly implemented on banking and financial institutions, and proactive macro and microprudential measures have been successively implemented to strengthen the resilience and reduce systemic risk. Moreover, the financial inclusion and financial literacy have been actively promoted through various campaigns and disseminations under the collaboration with related ministries-institutions, local authorities, private sectors and other developing partners.

The reinforced governance and human resources have been developing attentively to enhance the efficiency and accountability of the central bank services in line with the principle of stable and efficient works, in response to the economic progress and international financial architecture. In the context of deeper economic and financial integration, the international cooperation has been regularly promoted in order to exchange experiences and information and to receive other technical supports to contribute to strengthening the central bank's services and staff's competences.

Part 2: Outlook and Targets for 2020

Targets for 2020

In 2020, Cambodia's economy is expected to grow around 7 percent with a low inflation rate of 2.3 percent. This positive outlook is based on both favorable external and internal factors that have supported export, construction and tourism sectors in Cambodia. However, Cambodia's economy could also face some possible risks such as: i/-Lower-than-expected Chinese economic growth due to trade and technology tension with the United States, ii/-Increasing trend of trade protectionism, and iii/-High growth of credit to construction and real estate sectors.

As the supervisory authority, the National Bank of Cambodia continued to contribute to maintaining price stability, developing the banking sector and maintaining financial stability to strengthen the economic growth in sustainable, equitable, inclusive manner and reduce poverty in Cambodia in accordance with the Royal Government's Rectangular Strategy Phase IV and Financial Sector Development Strategy 2016-2025. In order to achieve the above-mentioned set goals, the NBC has set the targets for 2020 as follows:

1. Monetary Policy Implementation

- Manage the money supply at an appropriate level
- Maintain exchange rate stability in order to contribute to price stability and strengthen the public confidence
- Promote the use of riel based on market mechanism, and
- Stimulate interbank market development by creating the necessary monetary policy instruments with the aim of enhancing the effectiveness of monetary policy.

2. International Reserve Management

- Prepare Strategic Asset Allocation (SAA) in 2020
- Prepare guidance on investments in 2020 and
- Conduct research on new investment tools.

3. Payment System Development

- Monitor the Cambodian Shared Switch integration of institution members, and prepare for the official launch of the system
- Cooperate with KOICA to implement retail payment system
- Develop real-time gross settlement (RTGS) to facilitate large transactions
- Continue the BAKONG project so that it can be officially launched in the coming future
- Cooperate with the World Bank to prepare roadmap, develop payment system and implement action plans under World Bank's technical assistance.

- Cooperate with Asian Development Bank (ADB) to prepare roadmap on Fintech and organize the Fintech Forum.
- Cooperate with WC-PSS to implement a policy framework for fast retail payment system
- Supervise and monitor the Banking and Financial Institutions payment service providers
- Study and evaluate other payment systems besides the National Clearing System and
- Cooperate with development partners and central banks in the region to put in place regulations aiming at enhancing and developing the Fintech in Cambodia.

4. Supervision on banks and financial institutions

- Strengthen the analysis on banks and financial institutions by improving the effectiveness of off-site supervision
- Evaluate the compliance with the implementation of the NBC's supervisory standard as well as the international principles and banking supervision best practice
- Reinforce supervision on rural credit institutions and cooperate with relevant ministries to protect the client's benefits
- Continue developing deposit protection scheme
- Cooperate with regional supervisory authorities to regulate banks and financial institutions within NBC's jurisdiction, and create a cross-border supervisory plan for banks and financial institutions that operate transnationally
- Revise and adopt more regulation adhering to international standard and market development, especially Prakas related to solvency framework of banks and financial institutions, Prakas on supervisory response to weak banking and financial institutions and Prakas on Loan-to-value Ratio ceiling.
- Disseminate National Financial Inclusion Strategy and organize work plan to monitor and evaluate the implementation of this strategy, and
- Promote financial literacy to public and enhance cooperation with the Ministry of Education, Youth and Sport to prepare the Phase II of Maintaining Financial Literacy program.

5. Anti-Money Laundering and Combating the Financing of Terrorism (AML/CFT)

- Lead, facilitate and cooperate in the implementation of tasks with other national, regional and international institutions to fill the gaps in anti-money laundering and combating the financing of terrorism in Cambodia
- Analyze and submit analysis report to relevant national and international authorities
- Lead and facilitate the implementation of action plans in the national strategy 2019- 2023
- Develop risk-based supervision tools for on non-financial institutions

- Amend the laws and regulation on AML/CFT
- Facilitate and assess the possibility of upgrading the rating of recommendations based on demand of APG and new international standards
- Strengthen and expand collaboration with local and international partners
- Disseminate and raise awareness about regulatory and laws of AML/CFT more widely.

6. Banking Operation

- Continue providing liquidity to members of National Clearing House to ensure effectiveness of the operation
- Continue conducting LPCO in accordance with the schedule
- Develop interbank market by creating more local financial instrument and promoting the NCD's demands and
- Participate in the development of new payment system.

7. Issuance and Cash Vaults Affairs

- Continue improving cash deposit and withdrawal services at the NBC's teller
- Continue to reinforce the security of cash transportation and the work of counting and sorting old, worn and torn banknotes
- Promote cash management and cash-vault securities, and
- Cooperate with the relevant authorities to prevent the circulation of counterfeit banknotes.

8. Audit and Inspection

- Conduct the ongoing audit and inspection in compliance with audit and inspection plan in 2020 and as required
- Observe the implementation based on recommendations at departments and NBC's branches that were previously audited
- Study on risk-based audits
- Prepare audit standard for NBC based on international standard of Internal Audit Institution, and
- Improve and raise awareness of risks and risk management to operation units.

9. Management of the NBC's Branches

- Continue enhancing NBC's branch operation in the capital and provinces to comply with the progress of economic activities in those provinces, and
- Cooperate with local authorities in each capital and province to promote the use of riel.

10. Accounting affairs

- Verify and evaluate NBC's budget plan for 2019 and prepare the budget plan for 2020
- Cooperate and strengthen the list of assets management of NBC
- Prepare the training course to use core banking system Flexcube and Red Book, and
- Prepare accounting principles on accounting entries for any new operations.

11. Human resource Management and Training

- Continue to improve the training program and opening orientation courses, Bakong basic level course on "the banking supervision", Kulen basic level course on "the leadership skills" and organize various meetings at NBC
- Prepare policies to motivate staffs to reinforce their skill specializations on banking supervision (FSI connect), economic analysis (FPP), financial analysis (CFA), accounting (CPA/ACCA) and internal audit skills (CIA)
- Develop staff competences through international online training on banking supervision, economic and payment system management skills
- Allocate staff in accordance with strategic policies and actual job requirements
- Prepare and adjust management policy and human resource development to ensure sustainability, security and efficiency
- Update the curriculum of banking studies major in line with the progress of economy and finance, and
- Prepare the recruitment of new students of the 30th promotion at Center for Banking Studies.

12. International Cooperation

- Strengthen and expand bilateral and multilateral cooperation with other central banks, financial institutions and development partners at regional and international levels, and
- Continue participating in implementing the action plans of financial sector and monitoring the progress of ASEAN economic and financial integration and financial cooperation under the ASEAN+3 framework.

13. Research and Economic Analysis

- Organize 7th Annual NBC Macroeconomic Conference
- Cooperate with the IMF in studying and analyzing liquidity condition, at both macro and micro levels, improve the financial stability monitoring and plan to publish the financial stability review in 2019, and
- Continue improving the quality of research to international standards and in collaboration with national and international institutions.

14. Statistics

- Cooperate with the Ministry of Tourism to conduct an annual survey of the foreign tourists' expenditures
- Disseminate the new database template of international reserves by adopting the International Reserve and Foreign Currency Liquidity Template of IMF in 2013
- Prepare and disseminate the Residential Property Price Indices under technical supports of IMF
- Launch the database system of macroeconomic statistics under the support of ADB, and
- Organize workshops about balance of payment, monetary and financial statistics, and international operation reporting system for consumer and also data source in order to disseminate and find out new compilation strategy.

Appendix

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

Consumer Price Index (CPI) and Component Indices	2017		2018		2019							
	Dec	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct
CPI (All Items)	171.78	174.59	174.54	175.99	176.45	177.02	177.36	176.67	177.47	178.50	178.45	178.25
Food and Non-Alcoholic Beverages	208.72	212.69	212.83	214.24	213.99	215.32	215.99	214.65	216.00	218.19	217.96	217.43
Alcoholic Beverages, Tobacco and Narcotics	158.96	167.84	169.82	170.41	170.64	170.53	170.61	170.90	171.22	172.17	172.29	172.34
Clothing and Footwear	145.44	149.50	149.52	150.79	151.15	151.47	150.62	150.29	151.72	151.78	152.15	151.98
Housing, Water, Electricity, Gas and other Fuels	125.79	126.31	126.15	127.21	127.91	127.98	128.07	127.35	127.68	127.97	128.06	127.44
Furnishings, Household Maintenance	150.23	150.80	152.60	153.06	152.82	153.04	152.00	151.90	152.26	152.78	152.83	152.51
Health	134.07	136.75	136.99	137.33	137.04	137.07	136.99	137.02	136.90	136.76	136.84	137.09
Transport	115.56	112.78	109.66	111.45	113.67	115.33	115.90	114.53	114.59	113.31	113.89	114.33
Communication	67.73	67.32	67.49	67.55	67.39	67.28	67.53	66.72	66.76	66.98	67.15	67.00
Recreation and Culture	117.70	118.69	119.08	118.99	118.58	118.66	118.68	119.24	119.49	119.86	120.12	119.26
Education	158.90	159.50	159.50	159.50	159.50	159.50	159.50	159.50	159.50	159.50	160.72	161.89
Restaurants	261.95	275.66	278.95	284.15	287.51	283.16	283.16	286.46	287.18	289.22	287.77	289.73
Miscellaneous Goods and Services	143.62	144.54	144.62	146.18	146.09	146.29	146.34	146.84	147.93	148.34	148.50	148.22
CPI (All Items)	0.40	-0.47	-0.02	0.83	0.26	0.33	0.19	-0.39	0.45	0.58	-0.03	-0.11
Food and Non-Alcoholic Beverages	0.24	-0.13	0.07	0.66	-0.11	0.62	0.31	-0.62	0.63	1.01	-0.10	-0.24
Alcoholic Beverages, Tobacco and Narcotics	-0.34	0.46	1.18	0.35	0.13	-0.07	0.05	0.17	0.19	0.55	0.07	0.03
Clothing and Footwear	-0.09	-0.13	0.01	0.85	0.24	0.21	-0.56	-0.22	0.95	0.04	0.25	-0.12
Housing, Water, Electricity, Gas and other Fuels	0.73	-0.58	-0.13	0.84	0.55	0.05	0.07	-0.56	0.26	0.22	0.07	-0.48
Furnishings, Household Maintenance	0.20	-0.09	1.19	0.31	-0.16	0.14	-0.68	-0.06	0.23	0.34	0.03	-0.21
Health	-0.03	0.17	0.18	0.25	-0.22	0.02	-0.06	0.02	-0.09	-0.10	0.05	0.19
Transport	1.35	-3.57	-2.77	1.63	2.00	1.46	0.50	-1.19	0.06	-1.12	0.51	0.39
Communication	-0.28	-0.32	0.25	0.09	-0.23	-0.16	0.37	-1.20	0.06	0.33	0.24	-0.21
Recreation and Culture	0.09	-0.37	0.33	-0.07	-0.35	0.07	0.02	0.47	0.21	0.30	0.22	-0.72
Education	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.77	0.73
Restaurants	0.71	-0.34	1.19	1.86	1.18	-1.51	0.00	1.16	0.25	0.71	-0.50	0.68
Miscellaneous Goods and Services	0.56	-0.45	0.05	1.08	-0.06	0.14	0.03	0.34	0.74	0.28	0.11	-0.19
CPI (All Items)	2.23	1.63	1.54	2.01	2.24	2.07	1.98	1.44	2.17	2.06	1.69	1.27
Food and Non-Alcoholic Beverages	1.88	1.90	2.07	2.17	1.94	1.87	1.89	1.10	2.19	2.40	2.02	1.54
Alcoholic Beverages, Tobacco and Narcotics	0.33	5.59	6.44	6.42	6.71	4.96	5.36	5.29	6.26	6.13	5.55	4.57
Clothing and Footwear	1.48	2.79	2.51	3.56	3.64	3.43	2.96	2.24	3.53	1.16	1.42	1.28
Housing, Water, Electricity, Gas and other Fuels	0.64	0.41	0.32	1.16	1.88	1.88	1.78	1.27	1.75	1.71	1.14	0.20
Furnishings, Household Maintenance	0.16	0.38	1.43	1.60	1.66	1.53	0.72	0.79	1.29	0.52	1.70	1.26
Health	1.14	2.00	2.30	2.27	1.87	1.54	1.43	1.45	1.37	0.73	0.55	0.47
Transport	4.43	-2.41	-5.67	-3.92	-1.75	-0.84	-1.03	-2.50	-1.35	-2.66	-3.37	-3.57
Communication	-0.73	-0.60	-0.24	-0.45	-0.38	-0.60	-0.18	-1.24	-1.08	-0.94	-0.51	-1.05
Recreation and Culture	-0.78	0.84	1.38	0.86	0.76	0.61	0.87	0.71	1.05	0.48	1.06	-0.10
Education	-0.74	0.38	0.38	0.38	0.38	0.00	0.00	0.00	-0.38	-1.22	0.77	1.50
Restaurants	7.60	5.23	5.78	7.22	8.24	6.60	6.08	7.15	6.10	6.30	5.22	5.38
Miscellaneous Goods and Services	2.85	0.64	0.42	1.30	1.42	1.08	1.01	1.39	1.82	1.58	2.30	2.36
All Items	171.22	175.34	174.85	175.04	175.66	176.49	176.94	177.02	177.16	177.55	178.14	178.40
Annual Percentage Change	2.20	2.41	1.90	1.73	1.93	2.11	2.10	1.83	1.86	1.89	1.98	1.68
All Items	169.87	174.05	174.27	174.56	174.88	175.18	175.47	175.68	175.99	176.29	176.54	176.72
Annual Percentage Change	2.91	2.46	2.42	2.40	2.39	2.36	2.29	2.16	2.15	2.11	2.04	1.89

Source: National Institute of Statistics

* preliminary estimates

Appendix 2

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

Currencies	2017	2018	2019											% Change Nov.19/Dec.18
	Dec	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	
IMF														
Special Drawing Right	5,735	5,588	5,604	5,595	5,573	5,595	5,595	5,652	5,620	5,600	5,587	5,573	5,581	-0.1
ASIA														
Australian Dollar	3,147	2,832	2,913	2,865	2,845	2,854	2,805	2,838	2,808	2,753	2,769	2,794	2,752	-2.8
Hong Kong Dollar	516	513	512	510	511	516	518	520	522	521	522	516	519	1.2
Japanese Yen	35.74	36.41	36.83	36.10	36.31	36.29	37.17	37.76	37.64	38.40	37.93	37.20	37.10	1.9
Korean Won	3.78	3.62	3.61	3.58	3.53	3.50	3.41	3.52	3.46	3.38	3.41	3.48	3.45	-4.7
New Zealand Dollar	2,863	2,696	2,773	2,741	2,723	2,702	2,642	2,727	2,703	2,581	2,571	2,595	2,609	-3.2
Chinese Yuan	618	584	597	599	596	602	589	591	594	572	575	574	578	-1.0
Taiwan Dollar	136	132	130	130	130	131	129	131	132	130	132	133	133	0.8
ASEAN														
Indonesian Rupiah	0.298	0.277	0.284	0.285	0.282	0.285	0.282	0.288	0.291	0.287	0.289	0.289	0.289	4.3
Malaysian Ringgit	994	969	981	984	985	981	969	982	991	969	978	969	975	0.6
Philippine Peso	80.94	76.53	76.68	77.14	76.11	77.73	77.86	79.31	80.40	78.42	78.96	79.50	80.08	4.6
Singapore Dollar	3,017	2,942	2,979	2,970	2,961	2,975	2,943	3,006	2,981	2,946	2,964	2,973	2,976	1.2
Thai Baht	124	124	128	127	126	127	128	132	133	134	134	134	134	8.1
Vietnamese Dong	0.178	0.174	0.173	0.173	0.173	0.174	0.173	0.174	0.176	0.176	0.177	0.174	0.175	0.6
EUROPE														
Euro	4,821	4,597	4,610	4,555	4,510	4,515	4,523	4,624	4,558	4,520	4,480	4,516	4,476	-2.6
Other														
Great Britain Pounds	5,426	5,098	5,264	5,331	5,244	5,233	5,123	5,154	4,967	4,981	5,034	5,224	5,248	2.9

** preliminary estimates*

Table 3: Monetary Survey
(In Billion Riels)

	2013	2014	2015	2016	2017	2018 ^R	2019*
Net Foreign Assets	21,285	26,742	26,707	31,814	42,575	55,214	69,859
Foreign Assets	28,546	34,928	39,355	47,582	60,893	73,649	91,568
Foreign Liabilities	-7,260	-8,186	-12,648	-15,767	-18,318	-18,435	-21,709
Net Domestic Assets	11,511	15,869	22,161	25,802	28,744	33,229	35,494
Domestic Credit	24,827	31,885	39,642	48,310	55,856	67,616	80,749
Net Claims on Government	-2,795	-4,359	-6,429	-8,148	-11,067	-14,804	-22,352
Claims on Government	270	270	270	270	270	0	0
Deposits of Government	-3,065	-4,630	-6,699	-8,419	-11,337	-14,804	-22,352
Non Government	27,622	36,245	46,071	56,459	66,923	82,420	103,101
State Enterprises	13	0	0	0	0	1	1
Private Sector	27,609	36,245	46,071	56,459	66,923	82,419	103,100
Other Items (net)	-13,316	-16,016	-17,481	-22,508	-27,113	-34,387	-45,254
Restricted Deposits	-778	-902	-1,021	-1,302	-1,624	-1,974	-2,431
Capital and Reserves	-12,116	-13,812	-15,378	-17,905	-22,862	-26,759	-36,326
Others	-422	-1,303	-1,083	-3,302	-2,626	-5,654	-6,497
Liquidity (M2)	32,796	42,612	48,868	57,617	71,319	88,443	105,353
Money (M1)	4,906	6,361	6,786	7,273	9,428	10,227	13,846
Currency Outside Banks	4,482	5,645	5,942	6,473	8,302	9,255	12,301
Demand Deposits	424	715	845	800	1,127	972	1,545
Quasi-Money	27,890	36,251	42,082	50,344	61,890	78,216	91,507
Time and Saving Deposits	945	1,090	1,550	2,386	2,615	3,209	4,177
Foreign Currency Deposits	26,945	35,161	40,532	47,957	59,275	75,008	87,330

R/. Revised Data

** preliminary estimates*

Table 4: Monetary Survey

(Annual Percentage Change)

	2013	2014	2015	2016	2017	2018 ^R	2019*
Net Foreign Assets	17.1	25.6	-0.1	19.1	33.8	29.7	26.5
Foreign Assets	15.9	22.4	12.7	20.9	28.0	20.9	24.3
Foreign Liabilities	-12.4	-12.8	-54.5	-24.7	-16.2	-0.6	-17.8
Net Domestic Assets	10.3	37.9	39.6	16.4	11.4	15.6	6.8
Domestic Credit	17.9	28.4	24.3	21.9	15.6	21.1	19.4
Net Claims on Government	-12.4	-56.0	-47.5	-26.8	-35.8	-33.8	-51.0
Claims on Government	0.0	0.0	0.0	-0.1	0.0	-100.0	0.0
Deposits of Government	-11.2	-51.0	-44.7	-25.7	-34.7	-30.6	-51.0
Non Government	17.3	31.2	27.1	22.5	18.5	23.2	25.1
State Enterprises	128.7	-100.0	0.0	0.0	0.0	48.9	-1.0
Private Sector	17.3	31.3	27.1	22.5	18.5	23.2	25.1
Other	-25.4	-20.3	-9.1	-28.8	-20.5	-26.8	-31.6
Restricted Deposits	-18.8	-15.8	-13.2	-27.5	-24.8	-21.5	-23.2
Capital and Reserves	-5.4	-14.0	-11.3	-16.4	-27.7	-17.0	-35.8
Others	-127.6	-208.7	16.9	-204.9	20.5	-115.3	-14.9
Liquidity (M2)	14.6	29.9	14.7	17.9	23.8	24.0	19.1
Money (M1)	20.7	29.6	6.7	7.2	29.6	8.5	35.4
Currency Outside Banks	18.7	26.0	5.3	8.9	28.2	11.5	32.9
Demand Deposits	46.3	68.5	18.1	-5.3	40.9	-13.8	59.0
Quasi-Money	13.6	30.0	16.1	19.6	22.9	26.4	17.0
Time and Saving Deposits	21.2	15.3	42.2	54.0	9.6	22.7	30.2
Foreign Currency Deposits	13.4	30.5	15.3	18.3	23.6	26.5	16.4

*R/. Revised Data*** preliminary estimates*

Table 5: Monetary Authority

	2013	2014	2015	2016	2017	2018 ^R	2019*
(In Billion Riels)							
Reserve money	14,840	18,492	22,501	28,123	36,693	44,156	52,122
Currency Outside Banks	4,482	5,645	5,942	6,473	8,302	9,255	12,301
Vault Cash	307	339	362	484	656	737	1,028
Bank Deposits	9,900	12,174	15,901	20,960	27,545	34,106	38,668
Required Reserves	3,880	5,293	7,293	8,784	10,927	13,344	15,809
Others	6,020	6,881	8,607	12,176	16,619	20,762	22,859
Other Deposits	152	333	296	206	190	58	125
Net Foreign Assets	19,535	24,476	29,490	36,336	48,732	58,185	72,865
Foreign Assets	19,957	24,880	29,875	36,707	49,125	58,654	73,335
Foreign Liabilities	421	404	385	371	393	469	470
Net Domestic Assets	-4,695	-5,984	-6,989	-8,213	-12,039	-14,029	-20,743
Net Credit to Government	-2,347	-3,893	-5,802	-7,495	-9,894	-12,924	-19,808
Claims	270	270	270	270	270	0	0
Deposits	2,617	4,163	6,073	7,765	10,164	12,924	19,808
Net Claims on Banks	-737	-868	-962	-1,144	-1,414	-1,395	1,096
Other Items (net)	-1,611	-1,223	-225	426	-731	290	-2,032
(Annual Percentage Change)							
Reserve money	13.0	24.6	21.7	25.0	30.5	20.3	18.0
Currency Outside Banks	18.7	26.0	5.3	8.9	28.2	11.5	32.9
Vault Cash	46.8	10.7	6.6	33.8	35.4	12.4	39.5
Bank Deposits	9.3	23.0	30.6	31.8	31.4	23.8	13.4
Required Reserves	11.2	36.4	37.8	20.4	24.4	22.1	18.5
Others	8.2	14.3	25.1	41.5	36.5	24.9	10.1
Other Deposits	64.7	119.4	-11.0	-30.6	-7.6	-69.3	113.9
Net Foreign Assets	5.1	25.3	20.5	23.2	34.1	19.4	25.2
Foreign Assets	5.0	24.7	20.1	22.9	33.8	19.4	25.0
Foreign Liabilities	0.2	-4.1	-4.8	-3.7	6.0	19.3	0.2
Net Domestic Assets	13.9	-27.5	-16.8	-17.5	-46.6	-16.5	-47.9
Net Credit to Government	-10.4	-65.9	-49.1	-29.2	-32.0	-30.6	-53.3
Claims	0.0	0.0	0.0	0.0	0.0	-100.0	0.0
Deposits	9.2	59.1	45.9	27.9	30.9	27.2	53.3
Net Claims on Banks	-16.1	-17.8	-10.8	-19.0	-23.6	1.4	178.6
Other Items (net)	40.1	24.1	81.6	289.5	271.5	139.6	-800.9

R/ Revised Data

* preliminary estimates

Table 6: Monetary Authority

	2013	2014	2015	2016	2017	2018 ^R	2019*
(In Billion Riels)							
Net Foreign Assets	1,750	2,266	-2,782	-4,522	-6,157	-2,971	-3,007
Foreign Assets	8,589	10,048	9,481	10,875	11,769	14,995	18,233
Foreign Liabilities	6,839	7,782	12,263	15,397	17,925	17,966	21,240
Net Domestic Assets	15,623	21,761	29,064	34,390	41,131	49,371	58,896
Net Domestic Credit	27,173	35,778	45,445	55,805	65,750	80,271	99,158
Net Claims on Government	-448	-466	-626	-654	-1,173	-1,880	-2,544
Claims on Public Enterprises	13	0	0	0	0	1	1
Claims on Private Sector	27,609	36,245	46,071	56,459	66,923	82,419	103,100
Net claims on National Bank of Cambodia	0	0	0	-0.2	0	-269	-1,398
Other Assets (net)	-11,550	-14,017	-16,380	-21,415	-24,619	-30,900	-40,263
Reserves	10,790	12,606	16,348	21,069	27,853	32,730	37,039
Cash	307	339	362	484	656	737	1,028
Deposits at National Bank of Cambodia	10,483	12,017	15,711	20,104	26,285	30,556	32,618
Other Credits at National Bank of Cambodia	0	249	275	482	912	1,436	3,392
Total Deposits	28,163	36,634	42,630	50,938	62,827	79,130	92,928
Demand Deposits	273	382	549	594	937	913	1,420
Time and Savings Deposits	945	1,090	1,550	2,386	2,615	3,209	4,177
Foreign Currency Deposits	26,945	35,161	40,532	47,957	59,275	75,008	87,330
Total Assets	51,951	66,320	80,962	98,298	117,710	142,306	174,925
(Annual Percentage Change)							
Net Foreign Assets	-34.7	29.5	-222.8	-62.5	-36.2	51.7	-1.2
Foreign Assets	-1.5	17.0	-5.6	14.7	8.2	27.4	21.6
Foreign Liabilities	13.3	13.8	57.6	25.5	16.4	0.2	18.2
Net Domestic Assets	26.1	39.3	33.6	18.3	19.6	20.0	19.3
Net Domestic Credit	26.8	31.7	27.0	22.8	17.8	22.1	23.5
Net Claims on Government	-24.4	-4.1	-34.3	-4.4	-79.4	-60.3	-35.3
Claims on Public Enterprises	128.7	-100.0	0.0	0.0	0.0	48.9	-1.0
Claims on Private Sector	26.7	31.3	27.1	22.5	18.5	23.2	25.1
Net claims on National Bank of Cambodia	0.0	0.0	0.0	-100.0	-100.0	100.0	-99.0
Other Assets (net)	-27.6	-21.4	-16.9	-30.7	-15.0	-25.5	-30.3
Reserves	11.5	16.8	29.7	28.9	32.2	17.5	13.2
Cash	34.6	10.7	6.6	33.8	35.4	12.4	39.5
Deposits at National Bank of Cambodia	11.0	14.6	30.7	28.0	30.7	16.2	6.7
Other Credits at NBC	0.0	0.0	10.4	74.9	89.4	57.5	136.2
Total Deposits	13.8	30.1	16.4	19.5	23.3	25.9	17.4
Demand Deposits	37.8	40.2	43.4	8.3	57.7	-2.5	55.5
Time and Savings Deposits	21.2	15.3	42.2	54.0	9.6	22.7	30.2
Foreign Currency Deposits	13.4	30.5	15.3	18.3	23.6	26.5	16.4
Total Assets	17.1	27.7	22.1	21.4	19.7	20.9	22.9

R/: Revised Data

* preliminary estimates

Table 7: Credit Granted Classified by Ownership in the Economic Sector

(In Billion Riels)

	2013	2014	2015	2016	2017	2018 ^R	Oct-2019
1. Financial Institutions	470	758	1,169	1,008	1,891	3,014	4,323
National Bank of Cambodia (NBC)	0	0	0	0	0	0	0
Depository Institutions	275	486	834	759	1,189	2,059	2,773
Other Financial Institutions	195	272	335	249	702	954	1,550
2. Non-Financial Institutions	25,696	33,057	39,807	46,779	54,340	64,979	76,313
Agriculture, Forestry and Fishing	2,890	3,883	4,973	6,134	7,065	7,524	7,693
Mining and Quarrying	158	95	255	294	241	233	255
Manufacturing	3,275	3,598	3,705	3,938	4,271	4,537	4,784
Utilities	191	345	354	368	513	571	910
Construction	2,307	3,159	3,493	4,963	6,381	7,787	9,711
Wholesale Trade	5,381	7,364	8,297	8,079	8,366	9,655	11,267
Retail Trade	4,431	5,851	7,511	9,950	12,134	13,673	16,035
Hotels and Restaurants	1,849	2,225	2,828	2,904	3,055	3,998	4,627
Transport and Storage	389	514	637	1,051	1,268	1,668	1,995
Information Media and Telecommunications	469	299	469	615	560	717	769
Rental and Operational Leasing Activities, excluded Real Estate Leasing and Rentals	346	657	849	1,095	1,568	2,666	3,739
Real Estate Activities	1,001	1,546	2,347	2,838	4,005	6,210	7,993
Other Non-Financial Services	3,009	3,520	4,089	4,550	4,913	5,739	6,533
3. Personal Essentials	2,880	4,221	6,110	8,360	11,060	15,707	20,639
Personal Lending	1,239	1,713	2,558	3,791	4,612	6,979	8,909
Credit Cards	47	53	83	131	152	189	217
Mortgages, Owner-Occupied Housing only	1,594	2,455	3,469	4,438	6,296	8,540	11,512
4. Other Lending	789	803	861	880	979	1,037	1,111
Total Gross Loan	29,835	38,839	47,946	57,027	68,271	84,736	102,386

* preliminary estimates

Table 8: Deposits with Deposit Money Banks

(In Billion Riels)

	2013	2014	2015	2016	2017	2018 ^R	Aug-2019
Deposits in Riel							
Demand deposits	369	521	820	900	1,384	1,694	2,266
Savings deposits	351	541	899	1,001	1,207	1,516	1,776
Fixed deposits	585	556	659	1,359	1,494	2,149	2,102
Others	22	44	34	36	46	86	65
Total	1,328	1,663	2,412	3,296	4,132	5,446	6,210
Deposits in Foreign Currency							
Demand deposits	7,128	8,203	8,749	10,444	14,422	19,246	22,772
Savings deposits	9,150	12,703	13,833	15,642	20,968	29,693	31,969
Fixed deposits	12,163	16,523	20,631	25,523	29,135	33,266	37,775
Others	435	636	721	794	1,028	1,026	1,114
Total	28,876	38,064	43,934	52,404	65,553	83,231	93,631
Grand Total	30,204	39,727	46,346	55,700	69,684	88,677	99,840

* preliminary estimates

Table 9: Cambodia Balance of Payments
(2015-2019, in million USD)

	2015	2016	2017	2018	2019 ^E
CURRENT ACCOUNT					
Balance on trades	-3,949	-3,846	-4,278	-5,844	-7,456
Credit	9,336	10,273	11,224	12,963	14,646
o/w: Garment, footwear and bag	6,827	7,449	8,020	9,507	10,852
Agriculture	550	533	768	892	888
Electrical, vehicle part and bicycle	—	—	785	613	744
Debit	13,285	14,119	15,502	18,806	22,103
o/w: Garment materials	3,153	3,482	3,503	4,224	4,253
Construction materials	982	1,004	1,055	1,564	2,402
Vehicle	1,011	1,022	1,156	1,567	2,175
Petroleum	1,263	1,318	1,409	1,725	2,627
Food and beverage	720	753	823	973	1,103
Net services	1,712	1,602	1,863	2,407	3,028
Credit	3,955	4,033	4,608	5,451	6,260
o/w: Travel services	3,137	3,212	3,639	4,362	4,975
Debit	2,242	2,430	2,745	3,044	3,232
o/w: Travel services	510	616	741	862	921
Primary income	-998	-1,050	-1,141	-1,277	-1,483
Credit	354	377	442	578	740
o/w: Interest	116	112	157	227	386
Debit	1,352	1,427	1,582	1,855	2,224
o/w: - Interest payable	66	93	93	105	137
- Income on equity	1,088	1,152	1,279	1,607	1,988
Secondary income	1,636	1,561	1,756	1,722	1,678
o/w: Government	526	506	550	452	284
Others	1,110	1,056	1,206	1,270	1,395
CURRENT ACCOUNT BALANCE	-1,598	-1,733	-1,800	-2,992	-4,233
CAPITAL BALANCE	265	283	279	293	194
o/w: Capital transfers, net	265	283	279	293	194
CURRENT AND CAPITAL ACCOUNTS BALANCE	-1,333	-1,450	-1,521	-2,699	-4,039
FINANCIAL ACCOUNT BALANCE	-2,117	-2,247	-3,104	-3,967	-6,516
Direct investment, net*	-1,735	-2,397	-2,673	-3,089	-3,481
Portfolio investment, net*	15	2	5	42	54
Other investment, net*	-397	147	-436	-921	-3,089
Net errors and omissions	47	75	49	177	128
OVERALL BALANCE	-831	-873	-1,631	-1,445	-2,604
FINANCING	831	873	1,631	1,445	2,604
Change in reserve assets	831	873	1,631	1,445	2,604
Use of IMF credit	—	—	—	—	—
Allocation of SDRs	—	—	—	—	—

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

Appendix 10

BANKING INSTITUTION	2015	2016	2017	2018	2019
COMMERCIAL BANKS					
LOCAL BANKS— LOCAL MAJORITY OWNERSHIP					
NUMBER OF BANKS	7	7	7	7	9
NUMBER OF BRANCHES AND HEAD OFFICES	375	383	395	403	441
NUMBER OF STAFFS	16,239	17,023	17,628	18,171	18,802
ATMs TERMINALS	544	574	712	825	995
LOCAL BANKS— FOREIGN MAJORITY OWNERSHIP					
NUMBER OF BANKS					
NUMBER OF BRANCHES AND HEAD OFFICES	5	5	5	6	7
NUMBER OF STAFFS	54	225	244	201	224
ATMs TERMINALS	1,738	6,382	7,607	5,473	5,454
	175	276	352	201	273
FOREIGN SUBSIDIARY BANKS					
NUMBER OF BANKS	14	14	15	17	17
NUMBER OF BRANCHES AND HEAD OFFICES	142	150	157	239	250
NUMBER OF STAFFS	3,529	3,634	4,002	8,817	10,552
ATMs TERMINALS	391	397	409	769	865
FOREIGN BRANCHES BANKS					
NUMBER OF BANKS	10	11	12	12	13
NUMBER OF BRANCHES AND HEAD OFFICES	22	25	31	33	36
NUMBER OF STAFFS	463	530	626	713	805
ATMs TERMINALS	8	13	17	23	23
TOTAL COMMERCIAL BANKS					
NUMBER OF BANKS	36	37	39	43	46
TOTAL NUMBER OF BRANCHES AND HEAD OFFICES	593	783	827	876	951
NUMBER OF STAFFS	21,969	27,569	29,863	33,174	35,613
ATMs TERMINALS	1,118	1,260	1,490	1,818	2,156
SPECIALIZED BANKS					
STATE OWNED SPECIALIZED BANKS					
NUMBER OF BANKS	1	1	1	1	1
NUMBER OF BRANCHES AND HEAD OFFICES	1	1	1	1	1
NUMBER OF STAFFS	75	89	93	101	101
LOCAL BANKS — LOCAL MAJORITY OWNERSHIP					
NUMBER OF BANKS	3	5	5	6	6
NUMBER OF BRANCHES AND HEAD OFFICES	7	10	10	11	12
NUMBER OF STAFFS	407	518	510	573	664
ATMs TERMINALS					2
LOCAL BANKS — FOREIGN MAJORITY OWNERSHIP					
NUMBER OF BANKS	7	9	9	7	8
NUMBER OF BRANCHES AND HEAD OFFICES	13	18	18	18	25
NUMBER OF STAFFS	381	862	979	1,250	1,564
TOTAL SPECIALIZED BANKS					
NUMBER OF BANKS	11	15	15	14	15
TOTAL NUMBER OF BRANCHES AND HEAD OFFICES	21	29	29	30	38
NUMBER OF STAFFS	863	1,469	1,582	1,924	2,329
ATMs TERMINALS					2

BANK GROUP	2015	2016	2017	2018	2019
MICROFINANCE INSTITUTIONS					
MICROFINANCE DEPOSIT-TAKING INSTITUTIONS (MDIs)					
NUMBER OF INSTITUTIONS	8	7	7	7	7
NUMBER OF BRANCHES	1,632	1,456	946	928	940
NUMBER OF STAFF	20,808	19,987	21,671	23,285	26,504
ATMs TERMINAL	298	307	350	356	362
MICROFINANCE INSTITUTIONS (MFIs)					
NUMBER OF INSTITUTIONS	50	64	69	73	75
NUMBER OF BRANCHES	2,186	2,698	471	495	499
NUMBER OF STAFF	5,460	6,581	6,631	6,897	7,596
TOTAL MICROFINANCE INSTITUTIONS					
NUMBER OF INSTITUTIONS	58	71	76	80	82
NUMBER OF BRANCHES	3,818	4,154	1,417	1,423	1,439
NUMBER OF STAFF	26,268	26,568	28,302	30,182	34,100
ATMs TERMINAL	298	307	350	356	362
REGISTERED MICROFINANCE OPERATORS					
NUMBER OF INSTITUTIONS	109	170	313	273	248
NUMBER OF BRANCHES	1,715	2,083	3,366	2,954	2,667
NUMBER OF STAFF	3,255	3,670	5,123	4,497	4,140
LEASING COMPANIES					
TOTAL LEASING COMPANIES			11	15	
NUMBER OF INSTITUTIONS	9	12			15
REPRESENTATIVE OFFICES					
TOTAL FOREIGN BANK REPRESENTATIVE OFFICES					
NUMBER OF INSTITUTIONS	8	7	6	5	6
CREDIT BUREAU COMPANY					
NUMBER OF CREDIT BUREAU COMPANY	1	1	1	1	1

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