



# 2008



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## GENERAL COMPANY INFORMATION

Status:	Commercial bank which is a joint venture between the State and private enterprise
Head office:	No.3, Street Kramuon Sar, Sangkat Phsar Tmey 1, Khan Daun Penh, Phnom Penh, Kingdom of Cambodia. P.O. Box 1550 PNH, Cambodia Phone: +855 (0)23 724 466 / 722 466 / 725 266 Fax: +855 (0)23 426 108 / 426 410 Email: <a href="mailto:ftb@camnet.com.kh">ftb@camnet.com.kh</a> <a href="http://www.ftbbank.com">www.ftbbank.com</a> SWIFT: FTCKHPP
Registered capital:	13,000,000.00 USD
First bank license:	License no. 16, dated 4 January 2001
Registered amendments:	An amendment to the Memorandum of the Articles of Association was registered at NBC on 14 June 2006
Commercial re-registration:	No. Co 8835/06M, dated 21 June 2006

# MISSION STATEMENT

To be the 'bank of choice' in Cambodia, in terms of customer confidence, service levels and product range. We will achieve this by providing first class services and innovative and appropriate financial products which not only create, but maximise, value for our customers and shareholders.

As an organisation, we strive for success, excellence and only the highest standards in everything we do. By recruiting top quality staff, creating a productive workplace, providing a healthy learning environment and recognising and rewarding our people, we will build a team that is ready to lead the Bank into a successful new era.

# OUR VISION

To be the 'bank of choice' in Cambodia and be recognised as:

- providing shareholders with a healthy return on investment (ROI)
- an employer of choice, based on remuneration, working conditions and development opportunities
- providing best value, choice of products, security and levels of service for our customers
- contributing to Cambodia's economic development through the implementation of the Royal Government's financial sector strategy.



# COMPANY OVERVIEW

The Foreign Trade Bank of Cambodia was established on 10 October 1979 under sub-decree no.1213 of the Revolution People's Council of Cambodia to:

- perform banking and business functions
- manage foreign currencies
- conduct international settlements
- make foreign trade loans
- contribute to the protection of the national currency and State assets
- strengthen economic and cultural communications with other countries, and
- operate as a separate legal entity from the Government

From Liberation Day on 7 January 1979 until 1999, the Bank worked to achieve these objectives by operating as a department within the National Bank of Cambodia (NBC). Appropriate business systems and procedures were established and the Bank developed active roles in local and overseas markets which, in turn, contributed to the

restoration of Cambodia's economy. Over a period of time the Bank won the trust of its customers and built the necessary technical capacity required to run a profitable business.

In 1999, with the aim of promoting economic growth by allowing the NBC to focus on its role as a central bank and monetary authority, privatization was identified as a key reform objective for the Foreign Trade Bank of Cambodia. The privatisation process was designed and implemented using the framework of the Royal Government's Program on Poverty Reduction.

On 1 August 2000, NBC activated this reform and the Foreign Trade Bank of Cambodia's status was changed into that of a state-owned commercial bank, with all the expected features of a Public Economic Enterprise. The aim of this re-structure was to allow the Bank to conduct autonomous business operations with equal status to other commercial banks that were operating

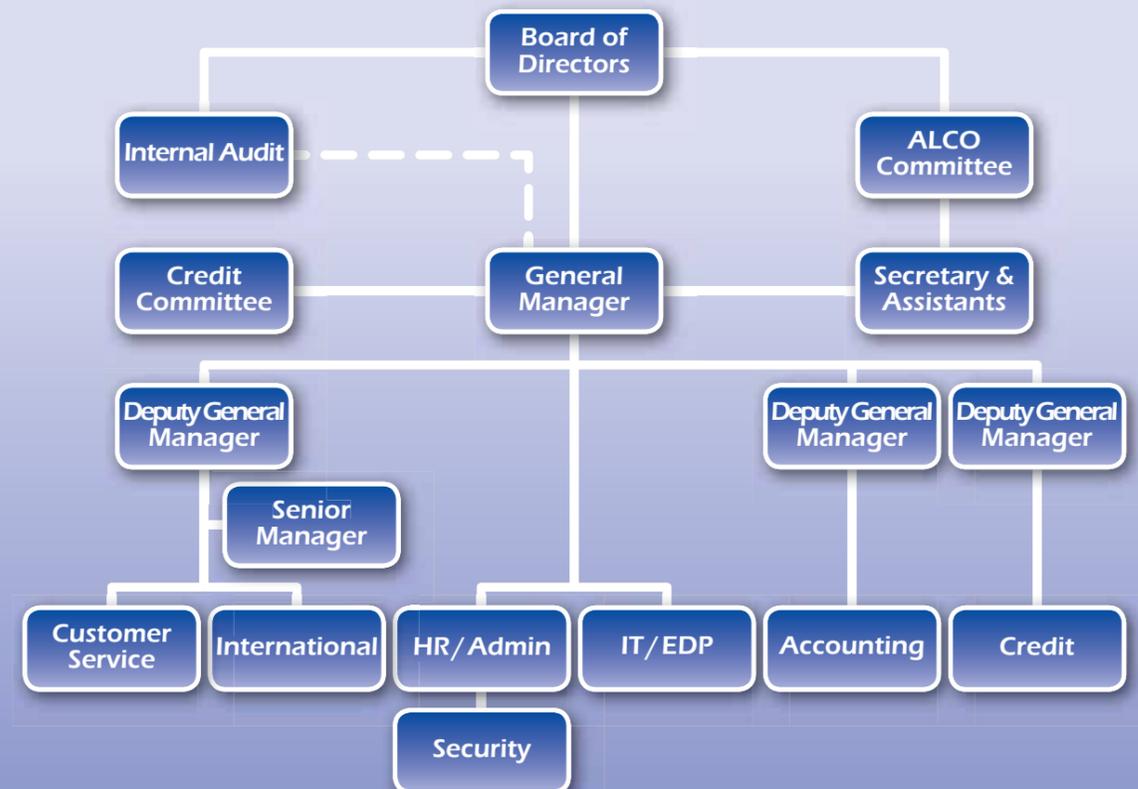
according to Cambodia's laws on banking and finance.

On 1 August 2002, an 80 per cent share of ownership in the Bank was transferred to the Ministry of Economy and Finance, with NBC retaining the remaining 20 per cent share.

The Bank changed its ownership status from a state owned bank to a commercial bank operating as a joint venture between the State and private enterprise on 28 October 2005. Under the new structure, the shareholders are Canadia Bank PLC with a 46% share of ownership, ING Holding Co., Ltd with 44% and the Ministry of Economy and Finance holding the remaining 10% of the total capital.

As a result of these changes, there are now eight members on the Board of Directors, the chairman is from Canadia Bank PLC and two members were nominated to the Board as independent directors: Mrs. Sok Chan Sona in 2007 and Mr. Kang Y in 2008.

## ORGANISATION CHART



# FOUR YEARS' FINANCIAL HIGHLIGHTS

## Summary of the BALANCE SHEET (US Dollars)

	2008	2007	2006	2005
Total assets	262,691,555	219,994,181	218,848,353	163,504,698
Net loans and advances to customer	93,967,174	65,475,143	42,411,102	30,849,945
Other assets	168,724,381	154,519,038	176,437,251	132,654,753
Total liabilities	226,706,365	191,330,644	197,867,506	144,736,698
Deposits	222,906,600	188,087,859	196,158,405	143,628,259
Other liabilities	3,799,765	3,242,785	1,709,101	1,108,439
Capital	13,000,000	13,000,000	12,159,533	12,159,533
Reserves and retained earnings	22,985,190	15,663,537	8,821,314	6,608,467

## A summary of the INCOME STATEMENT (US Dollars)

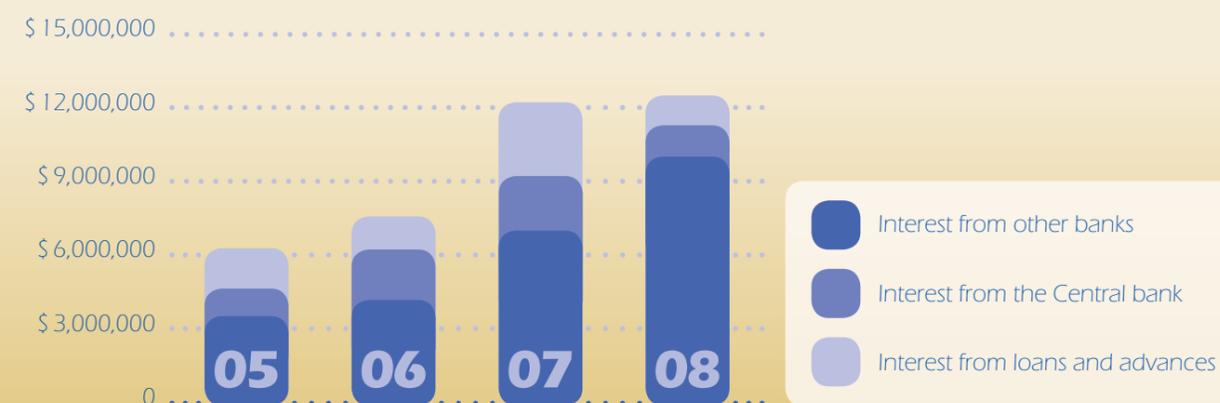
	2008	2007	2006	2005
Net interest (income)	8,612,015	8,932,451	6,162,053	3,881,730
Operating income before extensions of credit	7,270,419	9,215,739	6,546,492	3,717,986
Profit (before income tax)	9,146,333	9,608,363	2,787,840	891,456
Net profit for the year	7,321,651	7,682,690	2,256,909	734,372

## KEY RATIOS

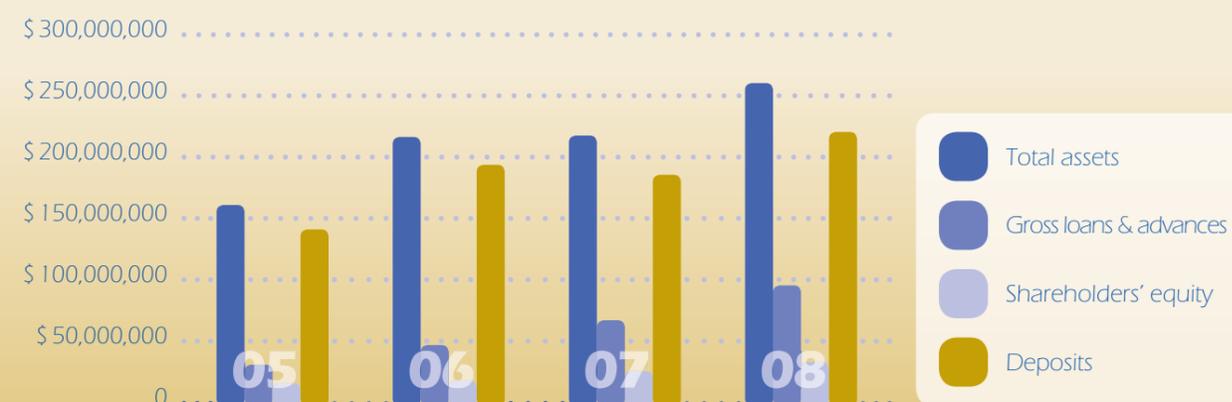
	2008	2007	2006	2005
Return on capital	56.32%	59.10%	18.56%	6.04%
Return on investment (\$23 million)	31.83%	33.40%	9.81%	3.19%
Return on assets	2.79%	3.49%	1.03%	0.45%
Return on shareholders' equity	20.35%	26.80%	10.76%	3.91%
Solvency ratio	28.28%	31.46%	27.73%	17.33%
Liquidity ratio	111.81%	147.45%	165.86%	153.08%
Interest income to total assets	4.80%	5.61%	4.18%	3.91%
Total loans (gross) to total deposits	44.06%	37.11%	25.31%	23.49%
Growth in interest income	2.17%	35.02%	43.09%	14.01%
Growth in total deposits	18.51%	-4.11%	36.57%	2.44%
Growth in total loans (gross)	40.71%	40.58%	47.16%	-9.31%
Growth in shareholders' equity	25.54%	36.62%	11.79%	1.63%
Growth in total assets	19.41%	0.52%	33.85%	2.29%

# BUSINESS PERFORMANCE

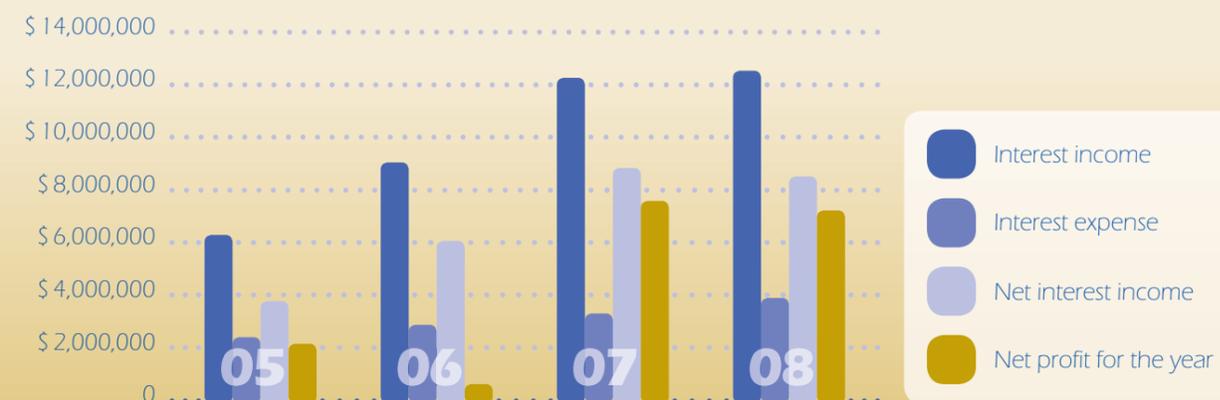
## INTEREST INCOME (US Dollars)



## SUMMARY BALANCE SHEET (US DOLLARS)



## SUMMARY INCOME STATEMENT (US DOLLARS)



# CHAIRMAN'S MESSAGE



Dear customers, shareholders and other stakeholders,

On behalf of the Board of Directors of FTB, it is my privilege to present to you FTB's Annual Report for the financial year ended December 31, 2008.

Since privatisation in 2005, FTB has been operating as a state joint venture commercial bank. The Board of Directors have used these three years to cultivate and embrace a new attitude and corporate culture that has allowed us to continue to thrive in Cambodia's ever changing business environment, despite the challenges posed by the downturn in other global economies and the impact these conditions continue to have on Cambodia.

During 2008 we have maintained our reputation as Cambodia's most experienced and established bank and we have drawn on this experience to continue delivering a safe and secure banking environment for our customers.

2008 has also been a year of innovation for us and, as a result of huge amounts of hard work from all of our team, we have made huge strides forward in terms of modernising our facilities and service offerings. Now, at the beginning of 2009, we are renewing our willingness to:

- be receptive to, and flexible about, change
- perform our duties to the highest possible standards
- strengthen the sense of 'team spirit' among employees
- focus on delivering first class customer service, combined with the best and most appropriate products
- strive to develop ourselves as individuals so that we can all continue contributing to the Bank's development
- continually benchmark our performance in order to identify and implement further improvements.

We are proud to say that everyone in our team has demonstrated their commitment to these goals and the results speak for themselves! Our after-tax profits for the review period

amounted to more than USD 7 million - a phenomenal achievement! This is even more spectacular when it is the third consecutive year we have achieved similar levels of growth. These results clearly demonstrate that our customers support the changes we have been making and appreciate the safe and secure environment we provide for their money. After all, 'safe and secure' are not words currently being used very often to refer to the banking industry! We are doubly proud of our ability to be innovative and move forward, whilst maintaining our solidity and reputation for prudent financial management.

In 2007, FTB began an advertising campaign to communicate our strengths to the public and reinforce our pride in the history of FTB as the first and foremost bank in Cambodia. This initiative was very successful and has been continued throughout 2008. We have succeeded in raising FTB's profile, developing recognition of the Bank's brand image and creating awareness of our values to the general public. This has resulted in ever increasing numbers of new account holders for FTB.

Our single biggest achievement during 2008 has been the preparation and planning for our new Samdech Pan branch. This new branch opened in early 2009 and provides extra accessibility and convenience for customers based in central and southern Phnom Penh.

In 2008 we have drawn on our in-depth knowledge of the needs of our customers to develop a series of new products and services that will allow us to leap ahead of our competitors, and offer a truly innovative set of banking solutions for the benefit, ease and convenience of our customers.

As a result we have sourced, purchased, tested and installed new ATMs with a host of innovative features which offer a completely new, user-friendly and secure way of banking to our customers. The ATMs were unveiled at the new branch in February 2009. A wider range of other innovative products, from the introduction of a debit card to the roll-out of a full internet banking service, also followed in early 2009.

Our performance and achievements during the review period have, once again, exceeded our expectations and prove that we are delivering what our customers want. Despite the global credit crunch we are looking forward to the coming year with optimism and confidence that we can continue to thrive in Cambodia and support the country's continued development.

My pride in our achievements and optimism for the future leads me to take this opportunity to express my warmest thanks to all our staff and their managers for their contributions to these results and commitment to their duties and to you, our valued customers, for your continuous support and confidence in our bank. I wish you all every success for the future.

Sincerely yours,

Oknha Pung Kheav Se, Chairman

# GENERAL MANAGER'S MESSAGE



Our vision is to provide seamless, secure banking systems which every member of society can access and benefit from. We believe that, with the product and service launches that I will outline below, we are proving that FTB is going to remain at the forefront of Cambodia's banking industry for many years to come.

During 2008 we have been focusing on creating innovative banking systems. The first step on this road was the redesign of our website to make it more informative and easy to use. More innovation has already taken place in early 2009 and some key components of our product strategy are outlined below.

## Investing in the future

To continue improving upon these spectacular results we:

- have opened a new Samdech Pan branch to provide convenient access to our products and services for those who are based in southern or central areas of Phnom Penh
- have launched ATMs with clear Khmer voice instructions, easy to understand on screen graphics and biometric technology so customers no longer have to worry about trying to remember their PIN number - they just log into the machine using their FTB card and their fingerprint!
- have launched the FTB debit card to give customers access to the ATMs and provide a convenient, safe alternative to cash
- launched our internet banking service so customers can have 24/7 online access to their accounts to monitor their account balance, manage their money and pay many of their bills
- are intensifying efforts to deliver reliable, appropriate and secure trade finance to Cambodian industry, in order to help maintain the sustainable development of our country
- are maintaining FTB's reputation for security and stability by continuing our prudent attitude to credit in order to minimise risks, safeguard our customers' deposits and ensure that FTB has abundant liquidity to promptly meet customers' cash withdrawal requirements
- are broadening the use of capital to maximise profitability
- inform potential new customers about FTB's reputation, resources and experience by implementing appropriate marketing initiatives that will also improve recognition of FTB's brand and increase our visibility in the marketplace
- continue our commitment to staff development to ensure that we have sufficient skilled professionals in place to manage the growth that the above initiatives will generate.

In closing, we would like to express our most sincere and humble gratitude to our shareholders, Chairman and Board of Directors for their dedication and commitment in making 2008 such a success. We also wish to thank and congratulate the whole FTB team for their contributions towards these fantastic results. We acknowledge that it is the professionalism and dedication of our whole team that has made the Bank as successful as it is today.

Our warmest appreciation also goes to our valued customers, for their continuing support and confidence in us: we hope to have the honour and pleasure of serving them long into the future.

Yours sincerely,

Lok Chumteav Ouk Maly, General Manager

FTB has evolved over almost 30 years, through many periods of economic reform, into a highly successful joint venture between the state and private partners and has consistently proved its ability to compete, and excel, in Cambodia's challenging and competitive banking industry.

Our longevity is testament to our prudent and conservative management, solid capital base and the safe environment we provide for all depositors. We haven't survived and grown through all these years without developing a vast amount of knowledge and experience, and these qualities are what we have drawn on during 2008 to make fundamental decisions about the way forward for FTB in the coming years.

Based on our extensive industry knowledge we have developed a series of new products and services that will allow us to leap ahead of competitors and offer a truly innovative set of banking solutions for the benefit, ease and convenience of our customers.

## Significant achievements during the year

2008 has been even busier than 2007! For the third year in a row, the commitment and dedication of the whole FTB team has resulted in us exceeding shareholders' expectations. Specifically, we delivered four outstanding financial achievements in 2008:

- Profit after tax amounted to more than USD 7 million.
- Shareholders' equity grew by 26% to USD 36 million compared to 2007.
- Gross loans and advances to customers climbed by 41% to a total of USD 98 million compared to 2007.
- Total assets rose by 19% to USD 263 million compared to 2007.

We have maintained a prudent attitude with regard to credit in order to minimise risks and safeguard our customers' deposits, as evidenced by a ratio of loans to deposits of less than 50%. This policy will ensure that FTB has abundant liquidity and can confidently and promptly meet our clients' cash withdrawal requirements, regardless of the amount.

# THE BOARD OF DIRECTORS

The Foreign Trade Bank of Cambodia is led by the Board of Directors. This is the supreme body, and it represents the general assembly in initiating ordinary and extraordinary meetings of the shareholders.

The Board of Directors consists of eight members. The current members are listed below:

Oknha Pung Kheav Se	Chairman of the Board of Directors	Joined the Board in 2005
Oknha Lim Bun Sour	Member of the Board of Directors	Joined the Board in 2005
H.E. Mey Vann	Member of the Board of Directors & representative of MEF	Joined the Board in 2002
Lokchumteav Ouk Maly	Member of the Board of Directors	Joined the Board in 2000
H.E. Gui Anvanith	Member of the Board of Directors	Joined the Board in 2005
Lokchumteav Ung Polyna	Member of the Board of Directors	Joined the Board in 2005
Mrs Sok Chan Sona	Member of the Board of Directors - Independent	Joined the Board in 2007
Mr. Kang Y	Member of the Board of Directors - Independent	Joined the Board in 2008



From left to right and top to bottom: Oknha Pung Kheav Se, Oknha Lim Bun Sour, H.E. Mey Vann, Lokchumteav Ouk Maly, H.E. Gui Anvanith, Lokchumteav Ung Polyna, Mrs Sok Chan Sona, Mr. Kang Y

# THE EXECUTIVE MANAGEMENT

The Executive Board is responsible for running the Bank's day to day business.

The Board of Management (the Executive Board) consists of 5 members:

Lokchumteav Ouk Maly	General Manager
H.E. Gui Anvanith	Deputy General Manager
Mr. Tim Bophal	Deputy General Manager
Mr. Phang Samrech	Deputy General Manager
Lokchumteav Ung Polyna	Senior Manager

## Assets & Liabilities Committee (ALCO)

ALCO is comprised of nine members, as follow:

Lokchumteav Ouk Maly	General Manager	Chairperson
H.E. Gui Anvanith	Board Member	Vice Chairman
Mr. Tim Bophal	Deputy General Manager	Member
Mr. Phang Samrech	Deputy General Manager	Member
Lokchumteav Ung Polyna	Board Member	Member
Head of International Department		Member
Head of Customer Service Department		Member
Head of Accounting Department		Member
Head of Credit Department		Member

## Credit Committee

Following the reform of the Bank's management structure in 2005, the new Credit Committee comprises of the following members:

Oknha Lim Bun Sour	Board Member	Chairman
Lokchumteav Ouk Maly	General Manager	Member
H.E. Gui Anvanith	Deputy General Manager	Member
Mr. Tim Bophal	Deputy General Manager	Member
Lokchumteav Ung Polyna	Senior Manager	Member

# MANAGEMENT BIOGRAPHIES

## 1 Oknha Pung Kheav Se

Oknha Pung Kheav Se was born in 1946 in Phnom Penh, Cambodia. His experience and business acumen have made him a distinguished and well respected businessman. He is actively involved in a wide range of economic activities both abroad and in Cambodia. His numerous achievements, including his significant contributions to the development of Cambodia were recognised with a Mahasereyvattanac Award from Cambodia's King Norodom Sihanouk in 2002.

## 2 Oknha Lim Bun Sour

Oknha Lim Bun Sour was born in 1965 in Kampong Chhnang Province, in Cambodia. He is a well-known and widely respected businessman and has acquired many years' of business experience during his career. His current responsibilities include positions as Vice Chairman of AZ Group, a member of the Cambodian Chamber of Commerce and Vice-President of the Chamber of Professional and Micro Enterprises of Cambodia (CPMEC).

## 3 H.E. Mey Vann

Mr. Mey Vann was born in Kampong Thom Province, Cambodia in 1969. He holds a Masters Degree in Economic Development and has successfully completed numerous courses on Financial Markets and Financial Sector Development in Cambodia and several other countries. He works as Director of the Department of Financial Industry at the Ministry of Economy and Finance.

## 4 Lokchumteav Ouk Maly

Lokchumteav Ouk Maly was born in Takeo Province, Cambodia in 1951. She successfully completed a Banking Studies Associated

Degree in Phnom Penh, Cambodia in 1984 and went on to obtain a Master of Business Administration (MBA) in 1997. She has also had the opportunity to attend other long and short courses in related fields in several other countries. She is an acknowledged expert on the banking sector and during her long career has undertaken consultancies to share her experience with overseas banks. She is an adviser to Cambodia's Prime Minister with the rank of Under Secretary of State, and is also General Treasurer of the Cambodian Red Cross. She has worked for the Foreign Trade Bank of Cambodia since 1979 and has served as the General Manager since 2000.

## 5 H.E. Gui Anvanith

H.E. Gui Anvanith was born in 1953 in Cambodia. He obtained a Bachelor Degree in Engineering and Applied Sciences (Industrial Engineering) from the Ecole Polytechnique at the University of Montreal, where he graduated, in 1976, with distinction. In 1980 he completed a Masters Degree in Business Administration (MBA) from the University of Western Ontario in Canada. He has many years' experience in a number of sectors: banking (Toronto Dominion Bank, Bank of Montreal, Credit Agricole Indosuez, ANZ Royal, MPDF), financial (Laurentian Group - Banking and Insurance - Canada), engineering (Bechtel Corporation, USA), corporate (Société Concessionnaire de l' Aéroport/Vinci), and governmental (Ministry of Public Works and Transport, Sihanoukville Autonomous Port).

## 6 Lokchumteav Ung Polyna

Lokchumteav Ung Polyna was born in 1960 in Phnom Penh, Cambodia. She is a graduate from the Normandy Business School (ESCAE-

Le Havre-Caen) in France and from the Normandy Centre for Research on Computer Sciences (CENORI). Her experience specifically relates to HR management, IT, accounting, law and banking.

## 7 Mrs. Sok Chan Sona

Mrs. Sok Chan Sona was born in 1976 in Battambang, Cambodia. She received a Bachelor Degree in Accounting, and a Masters Degree in Finance, from Virginia Commonwealth University in the USA. She brings a wealth of financial expertise to FTB, having worked in both the non-profit and private sectors before joining the Board.

## 8 Mr. Kang Y

Mr. Kang Y was born in 1930 in Kampong Thom, Cambodia. He has successfully completed courses in finance, banking and economics in Cambodia and overseas. He accumulated a vast amount of administrative and banking experience during his long and honourable career as a civil servant and deputy governor of the National Bank of Cambodia during the 1985s and 1990s.

## 9 Mr. Tim Bophal

Mr. Tim Bophal was born in 1950 in Phnom Penh, Cambodia. He obtained a Bachelor Degree in Economics in Cambodia. He has successfully completed numerous courses on finance and banking both in Cambodia and overseas.

## 10 Mr. Phang Samrech

Mr. Phang Samrech was born in 1948 in Phnom Penh, Cambodia. He obtained a Bachelor Degree in Finance and Banking in Vietnam. He has successfully completed numerous courses on finance and banking both in Cambodia and overseas.

# BOARD OF DIRECTORS' REPORT

## Internal audit

The Foreign Trade Bank has an internal audit department whose main function is to assist the Board of Directors in monitoring the internal controls of all departments at the Bank. Through the use of regular evaluations and controls, the department assures that procedures and processes are followed in respect of transparency, good governance and professionalism. The department also makes recommendations for operational improvements where necessary.

## Risk management

FTB's Assets and Liabilities Committee (ALCO) is responsible for managing the Bank's risks, reporting on risk exposure and ensuring that the Bank's risks comply with both internal regulations and the requirements of the National Bank of Cambodia, especially in regard to solvency and liquidity. It is also their responsibility to ensure that the business environment is constantly monitored and analysed so that necessary amendments to the Bank's risk policies or procedures can be reviewed accordingly and any changes implemented in a timely and well planned manner.

Following the roll out of the newly reviewed risk management procedures during 2007, senior managers have concentrated on the implementation and evaluation of the newly instated procedures that were introduced, which included:

- a daily review of the liquidity report to ensure tighter controls
- a robust contingency plan for use in the event of liquidity shortfalls
- ongoing maintenance of a healthy liquidity flow and compliance with Prakas No. B07-00-38 issued by the National Bank of Cambodia
- where necessary, continuous assessment of, and adjustment to, policies and procedures for the management of interest rate risk using gap analysis
- limiting foreign exchange activities and the implementation of a procedure to prevent the mismatch of currency assets and liabilities
- transparent reporting lines to and from all departments, including from the Internal Audit team to the Board of Directors
- following the new internal audit

policies and procedures which adhere to the Bank's internal control systems

- distribution of an internal manual for the Bank's staff members to use as a guide to routine operating practices and procedures
- implementing an extensive training program to enable staff to develop their risk management competencies.

## Significant changes during the year

2008 was the Bank's busiest year since its change in operating status and, for the third successive year, we achieved significant successes during the review period. These included:

- increasing profit after tax to more than USD 7 million
- the growth of shareholders' equity by 26% to USD 36 million
- an increase gross loans and advances to customers by 41% to a total of USD 98 million
- an increase in total assets to USD 263 million
- maintaining a ratio of loans to deposits of less than 50% to ensure that FTB has abundant liquidity
- The design, development and testing of innovative and secure banking systems, including ATMs,

internet banking and ATM debit cards

- The preparation of a new branch office on Samdech Pan Street
- The continuation of FTB's marketing and advertising activities; including attendance at, and sponsorship of, several key conferences during the review period
- The redesign of the FTB website
- A continued focus on customer service resulting in further positive feedback from our customers
- The continued delivery of training programmes for all departments.

## Board focus and commitment

The Foreign Trade Bank of Cambodia's Board of Directors is committed to improving and developing the Bank's products, services and staff in order to ensure the Bank retains, and continues to improve, its prominent position in the financial/banking sector in Cambodia. To achieve these aims the board members, management and staff have:

- undertaken the final testing and launch of innovative biometric ATMs with voice instructions and onscreen graphics, Cambodia's most secure internet banking service using OTP technology and ATM debit cards
- implemented a high profile



marketing campaign to keep the products, services and capabilities of FTB in the minds' of the public and to inform existing and potential customers of FTB's new products and services

- opened a new branch on Samdech Pan Street to make our banking facilities more accessible and convenient to customers living in the central and southern part of the city.

## Code of ethics

The Foreign Trade Bank of Cambodia is a very well respected organisation. To ensure we retain our good reputation, FTB will demonstrate the highest level of ethical, social and moral values at all times. In order to assist staff members in their day to day adherence to these values, FTB has developed a series of written best practice policies and procedures for staff to follow. These procedures outline correct work practices, company regulations and ethical positioning. These booklets are being supplemented with ongoing staff training.

## Independence and transparency

The Foreign Trade Bank of Cambodia is a fully independent institution. The Foreign Trade Bank of Cambodia operates as a commercial bank and, as such, its business activities are subject to a periodic, on-site or off-site inspections by the National Bank of Cambodia.

To ensure operational transparency, the Foreign Trade Bank of Cambodia's operations are monitored by its Internal Audit team. In addition, we are under the regulatory control of the National Bank of Cambodia, which is the supervisory authority for all commercial banks. Besides these permanent regulatory controls, the Bank is also subject to an annual investigation by an independent external auditor. This auditor inspects all financial aspects of our operation, delivers a report outlining their findings and certifies our accounts as being compliant with all regulatory requirements.

## Customers

The Foreign Trade Bank of Cambodia makes every effort to provide reliable and efficient services to our customers at all times. Despite this, we recognise that there is always room for improvement and we therefore welcome comments from our customers on suggested improvements. We are committed to evaluating and acting on these customer suggestions whenever possible.



## Staff

In order to be the premier bank in Cambodia, the Board of Directors and shareholders understand that recruiting and retaining top quality employees, in terms of knowledge, skills, expertise and motivation is a top priority.

Staff remuneration, reward and development obviously play a key role in our ability to do this. All our staff have benefited from either in-house or overseas training during the review period. In addition, the Human Resource Development Program, in operation since 2004, is helping to deliver a multi-skilled workforce capable of responding effectively to the changes facing the banking industry in Cambodia today.

## Social and community contributions

As usual the Bank has continued its contributions to community and social causes during 2008. Our main focus, as usual, has been on the Cambodian Red Cross but we have also contributed to many smaller charitable organisations and funded some traditional events such as sponsoring a boat team during the Water Festival.

## Compliance with the laws and regulations of the National Bank of Cambodia

The Foreign Trade Bank of Cambodia fully complies with all the laws and regulations of the National Bank of Cambodia, including:

- The implementation of the new 'Chart of Account' of National Bank of Cambodia
- Liquidity Ratio, Prakas No. B7-04-207
- Minimum Capital Requirement, Prakas No. B7-00-39
- Net Worth, Prakas No. B7-00-47
- Solvency Ratio, Prakas No. B7-04-206
- Classification and Provision for Loss on Loans and Advances, Prakas No. B7-00-51, Amendment per Prakas B7-02-145 and Circular B7-04-01
- Fixed Assets, Prakas No. B7-01-186.

# DIRECTOR'S REPORT

The Board of Directors ("the Directors") hereby submit its report and the audited financial statements of Foreign Trade Bank of Cambodia ("the Bank") for the year ended 31 December 2008.

## The Bank

The Bank was created following Sub-decree No. 1213 dated 10 October 1979 under the former regime of the State of Cambodia. In 2000, the Bank was separated from the direct management of the National Bank of Cambodia ("the Central Bank") in order to transform its permanent identity into a state-owned commercial bank with the features of a Public Economic Enterprise and an aim to conduct autonomous business operations.

In January 2001, the Bank obtained its banking license from the Central Bank to operate as a commercial bank in the Kingdom of Cambodia for a period of three years starting from 4 January 2001. This was the first license granted to enable the Bank to operate as a separate legal entity independent from the Central Bank's direct management. On 8 January 2004, the Bank obtained its 2nd banking license from the Central Bank for a period of three years starting from that date. The Bank holds a commercial banking license which was renewed for an indefinite period on 21 December 2006.

On 31 December 2002, the Ministry of Economics and Finance ("MEF") announced through a Statement of Intent Privatisation of the Bank as part of the reform of the financial sector of the Royal Government of Cambodia. On 28 October 2005 the shareholders of the Bank, represented by the Privatisation Committee, entered into a sales agreement with Canadia Bank Plc and ING Holding Company. The Central Bank sold its 20% shareholding in the Bank and MEF reduced its 80% shareholding to 10%. The Bank's Memorandum and Articles of Association were revised twice to reflect the change in shareholders and Board of Directors, first on 23 May 2006 and later on 30 May 2007.

## Principal Activities

The principal activities of the Bank consist of the provision of various types of

banking and related financial services.

There were no significant changes in the nature of the Bank's principal activity during the year.

## Results of Operations and Dividends

The results of operations for the year ended 31 December 2008 are set out in the income statement on page 15.

No dividend has been paid to shareholders during the year (2007: Nil).

## The Board of Directors and Executive Management

The members of the Board of Directors and Executive Management at the date of this report are:

### Board of Directors

Oknha Pung Kheav Se	Chairman
Oknha Lim Bunsour	Member
H.E. Mey Vann	Member
Lokchumteav Ouk Maly	Member
H.E. Gui Anvanith	Member
Lokchumteav Ung Polyna	Member
Mrs Sok Chan Sona	Member (non-executive)
Mr Kang Y	Member (non-executive)

### Executive Management

Lokchumteav Ouk Maly	General Manager
H.E. Gui Anvanith	Deputy General Manager
Mr Tim Bophal	Deputy General Manager
Mr Phang Samrech	Deputy General Manager
Lokchumteav Ung Polyna	Senior Manager

## Bad and Doubtful Loans

Before the financial statements of the Bank were drawn up, the Directors took reasonable steps to ascertain that action had been taken in relation to the writing off of bad loans and the making of provisions for bad and doubtful loans, and satisfied themselves that all known bad loans had been written off and that adequate provisions had been made for bad and doubtful loans.

At the date of this report, the Directors are not aware of any circumstances which would render the amount written

off for bad loans or the amount of the provision for bad and doubtful loans in the financial statements of the Bank inadequate to any material extent.

## Assets

Before the financial statements of the Bank were drawn up, the Directors took reasonable steps to ensure that any assets which were unlikely to be realised in the ordinary course of business at their value as shown in the accounting records of the Bank, have been written down to an amount which they might be expected to realise.

At the date of this report, the Directors are not aware of any circumstances which would render the values attributed to the assets in the financial statements of the Bank misleading in any material respect.

## Valuation Methods

At the date of this report, the Directors are not aware of any circumstances that have arisen which would render adherence to the existing method of valuation of assets and liabilities in the financial statements of the Bank misleading or inappropriate in any material respect.

## Contingent and Other Liabilities

At the date of this report, there is: (a) no charge on the assets of the Bank which has arisen since the end of the financial year which secures the liabilities of any other person, and

(b) no contingent liability in respect of the Bank that has arisen since the end of the financial year other than in the ordinary course of banking business.

No contingent or other liability of the Bank has become enforceable, or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the Directors, will or may have a material effect on the ability of the Bank to meet its obligations as and when they become due.

## Change of Circumstances

At the date of this report, the Directors are not aware of any circumstances not otherwise dealt with in this report or the

financial statements of the Bank which would render any amount stated in the financial statements misleading in any material respect.

## Items of an Unusual Nature

The results of the operations of the Bank for the financial year were not, in the opinion of the Directors, materially affected by any items, transaction or event of a material and unusual nature. There has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the Directors, to affect substantially the results of the operations of the Bank for year in which this report is made.

## Responsibilities of the Directors in Respect of the Financial Statements

The Directors are responsible for ascertaining that the financial statements are properly drawn up so as to present fairly the financial position of the Bank as at 31 December 2008 and of the results of its operations and its cash flows for the year then ended. In preparing these financial statements, the Board of Directors is required to:

- adopt appropriate accounting policies which are supported by reasonable and prudent judgments and estimates and then apply them consistently;
- comply with the guidelines issued by the Central Bank and Cambodian Accounting Standards or, if there have been any departures in the interest of fair presentation, these have been appropriately disclosed, explained and quantified in the financial statements;
- maintain adequate accounting records and an effective system of internal controls;
- prepare the financial statements on the going concern basis unless it is inappropriate to assume that the Bank will continue operations in the foreseeable future; and
- control and direct effectively the Bank in all material decisions affecting the operations and performance and ascertain that such have been properly reflected in the financial statements.

The Directors confirm that the Bank has

complied with the above requirements in preparing the financial statements.

In the opinion of the Board of Directors, there are reasonable grounds to believe that the Bank will be able to pay its liabilities as and when they become due and payable.

## Approval of the Financial Statements

The accompanying financial statements, which present fairly the financial position of the Bank as at 31 December 2008, and of its financial performance and its cash flows for the year then ended in accordance with the guidelines issued by the Central Bank and the Cambodian Accounting Standards, were approved by the Board of Directors.

Signed in accordance with a resolution of the Board of Directors.

Lokchumteav Ouk Maly  
General Manager  
Date: 30 March 2009

H.E. Gui Anvanith  
Deputy General Manager  
Date: 30 March 2009

Independent Auditor's report to the shareholders of the Foreign Trade Bank of Cambodia

PricewaterhouseCoopers (Cambodia) Ltd  
124 Norodom Boulevard, Chamkarmon  
Phnom Penh  
Kingdom of Cambodia.  
Tel : (855) 23 218 086  
Fax : (855) 23 211 594

We have audited the accompanying financial statements of Foreign Trade Bank of Cambodia ("the Bank") which comprise the balance sheet as of 31 December 2008 and the income statement, statement of changes in shareholders' equity and cash flow statement for the year then ended, a summary of significant accounting policies and other explanatory notes on pages 15 to 43.

Management's Responsibility for the Financial Statements

The management is responsible for the preparation and fair presentation of these financial statements in accordance with guidelines issued by the National Bank of Cambodia and Cambodian Accounting Standards. This responsibility includes: designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

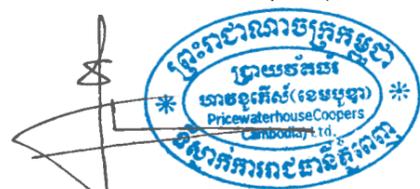
An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Bank as of 31 December 2008, and of its financial performance and its cash flows for the year then ended in accordance with guidelines issued by the National Bank of Cambodia and Cambodian Accounting Standards.

For PricewaterhouseCoopers (Cambodia) Limited



By Senaka Fernando  
Director

Phnom Penh, Kingdom of Cambodia  
Date: 30 March 2009

# INCOME STATEMENT

For the year ended 31 December 2008

	Note	For the year ended		For the year ended	
		2008	2007	2008	2007
		US\$	US\$	Riel '000*	Riel '000*
Interest income	4	12,615,266	12,347,368	51,482,901	49,426,516
Interest expense	4	(4,003,251)	(3,414,917)	(16,337,267)	(13,669,913)
<b>Net interest income</b>		<b>8,612,015</b>	<b>8,932,451</b>	<b>35,145,634</b>	<b>35,756,603</b>
Fee and commission income	5	1,805,800	2,126,973	7,369,470	8,514,273
Fee and commission expense	5	(58,237)	(60,912)	(237,665)	(243,831)
<b>Net fee and commission income</b>		<b>1,747,563</b>	<b>2,066,061</b>	<b>7,131,805</b>	<b>8,270,442</b>
Other income	6	335,984	635,907	1,371,151	2,545,536
General and administrative expenses	7	(3,425,143)	(2,418,680)	(13,978,009)	(9,681,975)
Operating income before extensions of credit		7,270,419	9,215,739	29,670,581	36,890,606
Net recovery of losses on loan and interest	9	1,875,914	392,624	7,655,605	1,571,673
Profit before income tax		9,146,333	9,608,363	37,326,186	38,462,279
Income tax expense	10	(1,824,682)	(1,925,673)	(7,446,527)	(7,708,465)
<b>Net profit for the year</b>		<b>7,321,651</b>	<b>7,682,690</b>	<b>29,879,659</b>	<b>30,753,814</b>

\* Unaudited

The accompanying notes on pages 19 to 43 form an integral part of these financial statements.

# BALANCE SHEET

As at 31 December 2008

	Note	As at 31 December		As at 31 December	
		2008	2007	2008	2007
		US\$	US\$	Riel '000*	Riel '000*
<b>Assets</b>					
Cash on hand	11	4,670,555	5,128,836	19,060,535	20,530,730
Balances with the Central Bank	12	131,011,600	89,352,985	534,658,340	357,679,999
Balances with other banks	13	7,249,577	16,168,383	29,585,524	64,722,037
Placements with other banks	14	23,289,754	42,097,184	95,045,486	168,515,026
Loans and advances to customers	15	93,967,174	65,475,143	383,480,036	262,096,996
Other assets	16	568,330	565,944	2,319,356	2,265,474
Property and equipment	17	1,549,502	915,106	6,323,518	3,663,169
Computer software	18	385,062	290,600	1,571,438	1,163,272
<b>Total assets</b>		<b>262,691,554</b>	<b>219,994,181</b>	<b>1,072,044,233</b>	<b>880,636,703</b>
<b>Liabilities and shareholders' equity</b>					
<b>Liabilities</b>					
Deposits of other banks	19	17,141,773	4,291,077	69,955,576	17,177,179
Deposits of non-bank customers	20	205,764,827	183,796,782	839,726,259	735,738,517
Current tax liability		1,608,184	1,678,368	6,562,999	6,718,507
Other liabilities	21	1,402,778	1,111,621	5,724,738	4,449,819
Deferred tax liability	22	38,082	38,082	155,413	152,442
Provident fund obligations	23	410,744	315,757	1,676,246	1,263,975
Provision for post employment benefits	24	339,978	98,957	1,387,450	396,125
<b>Total liabilities</b>		<b>226,706,366</b>	<b>191,330,644</b>	<b>925,188,681</b>	<b>765,896,564</b>
<b>Shareholders' equity</b>					
Share capital	25	13,000,000	13,000,000	53,053,000	52,039,000
Reserves	26	4,276,420	4,276,420	17,452,070	17,118,510
Retained earnings		18,708,768	11,387,117	76,350,482	45,582,629
<b>Total shareholders' equity</b>		<b>35,985,188</b>	<b>28,663,537</b>	<b>146,855,552</b>	<b>114,740,139</b>
<b>Total liabilities and shareholders' equity</b>		<b>262,691,554</b>	<b>219,994,181</b>	<b>1,072,044,233</b>	<b>880,636,703</b>

\* Unaudited

The accompanying notes on pages 19 to 43 form an integral part of these financial statements.

# STATEMENT of changes in shareholders' equity

For the year ended 31 December 2008

	Share capital (US\$)	Capital reserve (US\$)	Reserve for banking risks (US\$)	Translation reserve (US\$)	General reserve (US\$)	Retained earnings (US\$)	Total (US\$)
Balance at 1 January 2007	12,159,533	247,529	1,190,006	3,504,660	174,692	3,704,427	20,980,847
Conversion of reserve into capital	840,467	-	-	(840,467)	-	-	-
Appropriation of retained earnings:							
Net profit for the year	-	-	-	-	-	7,682,690	7,682,690
<b>Balance at 31 December 2007</b>	<b>13,000,000</b>	<b>247,529</b>	<b>1,190,006</b>	<b>2,664,193</b>	<b>174,692</b>	<b>11,387,117</b>	<b>28,663,537</b>
<b>Equivalent in Riel'000*</b>	<b>52,039,000</b>	<b>990,859</b>	<b>4,763,594</b>	<b>10,664,765</b>	<b>699,292</b>	<b>45,582,629</b>	<b>114,740,139</b>
Balance at 1 January 2008	13,000,000	247,529	1,190,006	2,664,193	174,692	11,387,117	28,663,537
Net profit for the year	-	-	-	-	-	7,321,651	7,321,651
<b>Balance at 31 December 2008</b>	<b>13,000,000</b>	<b>247,529</b>	<b>1,190,006</b>	<b>2,664,193</b>	<b>174,692</b>	<b>18,708,768</b>	<b>35,985,188</b>
<b>Equivalent in Riel'000*</b>	<b>53,053,000</b>	<b>1,010,166</b>	<b>4,856,414</b>	<b>10,872,572</b>	<b>712,917</b>	<b>76,350,483</b>	<b>146,855,552</b>

\* Unaudited

The accompanying notes on pages 19 to 43 form an integral part of these financial statements.

# CASH FLOW STATEMENT

For the year ended 31 December 2008

Note	For the year ended		For the year ended		
	2008 US\$	2007 US\$	2008 Riel '000*	2007 Riel '000*	
<b>Cash flows from operating activities</b>					
Cash used in operations	29	(6,989,868)	(20,922,440)	(28,525,651)	(83,752,527)
Income tax paid		(1,894,866)	(632,295)	(7,732,948)	(2,531,077)
Net cash used in operating activities		<u>(8,884,734)</u>	<u>(21,554,735)</u>	<u>(36,258,599)</u>	<u>(86,283,604)</u>
<b>Cash flows from investing activities</b>					
Reserve deposits with the Central Bank		(14,772,690)	(989,133)	(60,287,348)	(3,959,499)
Guarantee deposits with the Central Bank		(50,937)	(16,625)	(207,874)	(66,550)
Purchase of property and equipment		(705,518)	(633,945)	(2,879,219)	(2,537,682)
Purchase of computer software		(148,975)	(297,626)	(607,967)	(1,191,397)
Net cash used in investing activities		<u>(15,678,120)</u>	<u>(1,937,329)</u>	<u>(63,982,408)</u>	<u>(7,755,128)</u>
Net decrease in cash and cash equivalents		(24,562,854)	(23,492,064)	(100,241,007)	(94,038,732)
<b>Cash and cash equivalents at beginning of the year</b>		<u>137,009,191</u>	<u>160,501,255</u>	<u>559,134,508</u>	<u>642,486,524</u>
<b>Cash and cash equivalents at end of the year</b>	11	<u>112,446,337</u>	<u>137,009,191</u>	<u>458,893,501</u>	<u>548,447,792</u>

\* Unaudited

The accompanying notes on pages 19 to 43 form an integral part of these financial statements.

# Notes to the financial statements

For the year ended 31 December 2008

## 1 Background Information

Foreign Trade Bank ("the Bank") was created following Sub-decree No. 1213 dated 10 October 1979 under the former regime of the State of Cambodia. In 2000, the Bank was separated from the direct management of the National Bank of Cambodia ("the Central Bank") in order to transform its permanent identity into a state-owned commercial bank with the features of a Public Economic Enterprise with an aim to conduct autonomous business operations.

In January 2001, the Bank obtained its banking license from the Central Bank to operate as a commercial bank in the Kingdom of Cambodia for a period of three years starting from 4 January 2001. This was the first license granted to the Bank to operate as a separate legal entity independent from the Central Bank's direct management. On 8 January 2004, the Bank obtained its second banking license from for a period of three years starting from that date. The Bank holds a commercial banking license which was renewed for an indefinite period on 21 December 2006.

On 31 December 2002, the Ministry of Economics and Finance ("MEF") announced, through a Statement of Intent Privatisation of the Bank as part of the reform of the financial sector of the Royal Government of Cambodia. On 28 October 2005, the shareholders of the Bank represented by the Privatisation Committee entered into a sales agreement with Canadia Bank and ING Holding Company. The Central Bank sold its 20% shareholding in the Bank and MEF reduced its 80% shareholding to 10%. The Bank's Memorandum and Articles of Association were revised twice to reflect the change in shareholders and Board of Directors, first on 23 May 2006 and later on 30 May 2007.

The registered office of the Bank is located at No.3 R.V. Kramuon Sar,

Phnom Penh, Kingdom of Cambodia.

As at 31 December 2008, the Bank had 96 employees (31 December 2007: 98 employees).

The financial statements were authorised for issue by the Board of Directors on 31 March 2009. The Board of Directors has the power to amend and reissue the financial statements.

## 2 Summary of Significant Accounting Policies

The significant accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to the years presented, unless otherwise stated.

### 2.1 Basis of preparation

The financial statements have been prepared in accordance with the guidelines issued by the Central Bank and Cambodian Accounting Standards ("CAS"). In applying CAS, the Bank also applies CFRS 4: Insurance Contracts and CFRS 7: Financial Instruments: Disclosures. The accounting principles applied may differ from generally accepted accounting principles adopted in other countries and jurisdictions. The accompanying financial statements are therefore not intended to present the financial position and results of operations and cash flows in accordance with jurisdictions other than Cambodia. Consequently, these financial statements are addressed to only those who are informed about Cambodia accounting principles, procedures and practices.

The financial statements are prepared using the historical cost convention.

The preparation of financial statements in accordance with CAS requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of financial statements and the

reported amounts of revenues and expenses during the reporting period. Although these estimates are based on management's best knowledge of current event and actions, actual results ultimately may differ from those estimates. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 3.

For the sole regulatory purpose of complying with the Prakas No. B7-07-164 dated 13 December 2007 of the Central Bank, a translation to Khmer Riel is provided for the balance sheet, the income statement, the statement of changes in shareholders' equity, the cash flow statement and the notes to the financial statements as of and for the year ended 31 December 2008 using the average official rate of exchange regulated by the Central Bank as at the reporting date, which was US\$1 equal to Riel 4,081 (31 December 2007: US\$1 equal to Riel 4,003). Such translation amounts are unaudited and should not be construed as representations that the US\$ amounts represent, or have been or could be, converted into Khmer Riel at that or any other rate.

### 2.2 New accounting standards and interpretations

(a) New standards and amendments effective in 2008

CAS 1 (Revised), Presentation of Financial Statements (effective 1 January 2008). The Standard (i) provides a framework within which an entity assesses how to present fairly the effects of transactions and other events, and assesses whether the result of complying with a requirement in a Standard would be so misleading that it would not give a fair presentation; (ii) base the criteria for classifying liabilities as current or non-current solely on the conditions existing at the balance sheet date; (iii) prohibits the presentation of items of income and expense as

'extraordinary items'; (iv) specifies disclosures about the judgements management has made in the process of applying the entity's accounting policies, apart from those involving estimations, that have the most significant effect on the amounts recognised in the financial statements; and (v) to specify disclosures about key sources of estimation uncertainty at the balance sheet date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year. It also requires additional disclosures on the entity's objectives, policies and processes for managing capital; quantitative data about what the entity regards as capital; whether the entity has complied with any capital requirements; and if it has not complied, the consequences of such non-compliance. Management applies the amendment to CAS 1 and has made those disclosures from annual periods beginning 1 January 2008.

CFRS 7, Financial Instruments: Disclosures, and a complementary amendment to CAS 1, Presentation of Financial Statements - Capital Disclosures (effective from 1 January 2008). CFRS 7 introduces new disclosures to improve the information about financial instruments. It requires the disclosure of qualitative and quantitative information about exposure to risks arising from financial instruments, including specified minimum disclosures about credit risk, liquidity risk and market risk, including sensitivity analysis to market risk. It replaces CAS 30, Disclosures in the Financial Statements of Banks and Similar Financial Institutions. It is applicable to all entities that report under CAS and CFRS. The amendment to CAS 1 introduces disclosures about the level of an entity's capital and how it manages capital. Management assessed the impact of CFRS 7 and the amendment to CAS 1 and concluded that the main additional disclosures will be the sensitivity analysis to market risk and the capital disclosures required by the amendment of CAS 1. Management applies CFRS 7 and the amendment to CAS 1 from annual periods beginning 1 January 2008.

The following standards and revision to existing standards (which are effective 1 January 2008) did not result in substantial changes to the Bank's accounting policies:

- CAS 7, Cash flow statement
- CAS 8, Accounting policies, changes in accounting estimates and errors
- CAS 10, Events after the balance sheet date
- CAS 12, Income taxes
- CAS 16, Property, plant and equipment
- CAS 17, Leases
- CAS 18, Revenue
- CAS 21, The effect of changes in foreign exchange rates
- CAS 23, Borrowed costs
- CAS 24, Related party disclosures
- CAS 37, Provision, contingent assets and contingent liabilities; and
- CAS 38, Intangible assets

(b) Standards and amendments effective in 2008 but not relevant  
The following standards and amendments are mandatory for accounting periods beginning on or after 1 January 2008 but are not relevant to the Bank's operations:

- CAS 2, Inventories
- CAS 11, Construction contracts
- CAS 27, Consolidated and separate financial statements
- CAS 40, Investment property
- CAS 41, Agriculture
- CFRS 4, Insurance

### 2.3 Foreign currency transactions

(i) Functional and presentation currency  
Items included in the financial statements of the Bank are measured using the currency of the primary economic environment in which the Bank operates ("the functional currency"). The financial statements are presented in United States dollars ("US\$"), which is the Bank's functional and presentation currency.

(ii) Transactions and balances  
Transactions in currencies other than US\$ are translated into US\$ at the exchange rate prevailing at the date of transactions. Foreign exchange gains and losses resulting from the settlement

of such transactions and from the translation at year-end exchange rate of monetary assets and liabilities denominated in currencies other than US\$, are recognised in the income statement.

### 2.4 Interest income & expense

Interest income on loans and advances to customers, deposits with the Central Bank and other banks, government bonds and treasury bills is recognised on an accruals basis, except where serious doubt exists as to the collectabilities of loans and advances to customers, in which case, no interest income is recognised. The policy on suspension of interest is in conformity with the Central Bank's Guidelines on the suspension of interest on non-performing loans and provision for losses on loans and advances.

Interest expense on deposits from banks and non-bank customers is recognised on an accruals basis.

### 2.5 Fee and commission income

Fee and commission income is recognised when the transaction occurs. Fee and commission income comprises income received from inward and outward bank transfers, trading with letters of credits and bills for collection.

Loan processing and commitment fees are recognised in the income statement over the loan term. Unamortised loan fee is presented as reduction to loans and advances to customers.

### 2.6 Loans and advances to customers

Loans and advances to customers are stated in the balance sheet at the amount of principal less any amounts written off and provision for losses on loans and advances. Short term loans are those with a repayment date within one year of the date the loan was advanced. Long term loans are those with a final repayment date of more than one year from the date the loan was advanced.

Loans are written off when there is no realistic prospect of recovery. Recovery of loans and advances previously written off or provided for is recognised

in the income statement.

### 2.7 Provision for losses on loans and advances

The Bank is required to follow the mandatory credit classification and provisioning as required by Prakas B7-02-145 dated 7 June 2002 issued by the Central Bank. The Prakas requires commercial banks to classify their loan portfolio into four classes and the mandatory level of specific provisioning is provided, depending on the classification concerned and regardless of the assets (except cash) pledged as collateral.

	Rate of provision
Standard	0%
Substandard	10%
Doubtful	30%
Loss	100%

### 2.8 Property and equipment

Property and equipment are stated at historical cost less depreciation, except for land which is not depreciated. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is possible that future economic benefits associated with the item will flow to the Bank and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the income statement during the financial year in which they are incurred.

Depreciation is calculated using the straight-line method to allocate their cost to their residual value over their estimated useful lives, as follows:

Building	20 years
Office furniture & equipment	3-5 years
Motor vehicles	5 years

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount. Gains and losses on disposals are recognised in the income statement.

### 2.9 Computer software

Acquired computer software licences are capitalised on the basis of the cost

incurred to acquire the specific software and bring it into use. These costs are amortised over their estimated useful lives of 5 years using the straight-line method.

### 2.10 Impairment of non-financial assets

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation or depreciation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

### 2.11 Leases

Leases in which a significant portion of risks and rewards of ownership of assets are retained by the lesser are classified as operating leases. Payments made under operating leases are charged to the income statement on a straight-line basis over the period of the lease.

### 2.12 Cash and cash equivalents

For the purpose of the cash flow statement, cash and cash equivalents comprise balances with less than three months' maturity from the date of acquisition, including cash on hand, non-restricted balance with the Central Bank, and balances with other banks.

### 2.13 Cash and cash equivalents

Provisions are recognised when the Bank has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated.

When there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

### 2.14 Current and deferred income tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in Cambodia where the Bank operates and generates taxable income.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

### 2.15 Employee benefits

(i) Provident funds  
The Bank provides its employees with benefits under the provident fund (defined contribution plan). The fund is sourced from the following:

a) A monthly contribution which is based on the monthly salary of an employee and contributed by the Bank and its employees at a rate of 5% and 5%, respectively. This contribution is charged to the income statement.

b) The Bank contributes interest on the cumulative balance of the provident fund computed at 6% per annum. This contribution is charged to the income statement.

The provident fund will be fully paid to the employee, who contributed to the fund, upon termination of employment with the Bank.

(ii) Other post employment benefits  
In addition to the provident fund, an employee is also entitled to receive the benefits of a lump sum payment representing an employee's end gross

monthly salary multiplied by the lower of number of years of service or 12 years upon termination of employment with the Bank.

### 2.16 Related party transactions

Parties are considered to be related if one party has the ability to control the other party or can exercise significant influence over the other party in making financial and operating decisions.

In accordance with the Law on Banking and Financial Institutions, related parties are defined as parties who hold, directly or indirectly, at least 10% of the capital or voting rights and include any individual who participates in the administration, direction, management or internal control of the Bank.

Transactions with related parties and related account balances are disclosed in Note 28 to the financial statements.

### 2.17 Rounding of amounts

Amounts in the financial statements have been rounded off to the nearest

dollar and nearest Thousand Riel for US\$ and Riel amounts, respectively.

### 3 Critical Accounting Estimates, Assumptions and Judgements

The Bank makes estimates, assumptions and judgements that affect the reported amounts of assets and liabilities. Estimates, assumptions and judgements are continually evaluated and based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

#### a) Impairment losses on loans and advances

The Bank follows the mandatory credit classification and provisioning as required by Prakas No. B7-00-51, dated 17 February 2000, on the classification and provisioning for bad and doubtful debts and Prakas No B7-02-145, dated 7 June 2002, on the amendment of Prakas No B7-00-51 of the Central Bank. The Central Bank requires

commercial banks to classify their loan portfolio into four classes and the minimum mandatory level of specific provision is made depending on the classification concerned and regardless of the assets (except for cash) pledged as collateral. For the purpose of loan classification, the Bank takes into account historical payment experience and the borrower's financial condition.

#### b) Income tax

Taxes are calculated on the basis of current interpretation of the tax regulations. However, these regulations are subject to periodic variation and the ultimate determination of tax expenses will be made following inspection by the Tax Department.

Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will have an impact on the Income Tax and deferred tax provisions in the year in which such determination is made.

## 4 Net interest income

	2008 US\$	2007 US\$	2008 Riel '000 *	2007 Riel '000 *
<b>(a) Interest income</b>				
Loans and advances to customers	10,131,662	7,122,941	41,347,313	28,513,132
Placements with the Central Bank	1,270,796	2,220,262	5,186,119	8,887,711
Placements with other banks	1,212,808	3,004,165	4,949,469	12,025,673
<b>Total interest income</b>	<b>12,615,266</b>	<b>12,347,368</b>	<b>51,482,901</b>	<b>49,426,516</b>
<b>(b) Interest expense</b>				
Term deposits	3,300,280	2,814,450	13,468,442	11,266,243
Savings deposits	681,209	584,184	2,780,014	2,338,489
Provident fund	21,762	16,283	88,811	65,181
<b>Total interest expense</b>	<b>4,003,251</b>	<b>3,414,917</b>	<b>16,337,267</b>	<b>13,669,913</b>
<b>Net interest income</b>	<b>8,612,015</b>	<b>8,932,451</b>	<b>35,145,634</b>	<b>35,756,603</b>

## 5 Net fee and commission income

	2008 US\$	2007 US\$	2008 Riel '000 *	2007 Riel '000 *
Fee and commission income:				
Fund remittance fees	700,632	725,779	2,859,279	2,905,293
Loan processing fees	563,817	859,457	2,300,937	3,440,407
Commission from issuing letters of credit and guarantees	275,866	279,054	1,125,809	1,117,053
SWIFT fees	129,395	139,560	528,061	558,659
Other service charges	136,090	123,123	555,384	492,861
<b>Total fee and commission income</b>	<b>1,805,800</b>	<b>2,126,973</b>	<b>7,369,470</b>	<b>8,514,273</b>
Fee and commission expense	(58,237)	(60,912)	(237,665)	(243,831)
	<b>1,747,563</b>	<b>2,066,061</b>	<b>7,131,805</b>	<b>8,270,442</b>

\* Unaudited

## Notes to the financial statements (continued)

### 6 Other income

	2008 US\$	2007 US\$	2008 Riel '000 *	2007 Riel '000 *
Exchange gains	283,160	601,941	1,155,576	2,409,569
Others	52,824	33,966	215,575	135,967
<b>Total</b>	<b>335,984</b>	<b>635,907</b>	<b>1,371,151</b>	<b>2,545,536</b>

### 7 General and administrative expenses

	2008 US\$	2007 US\$	2008 Riel '000 *	2007 Riel '000 *
Employee benefit expense (Note 8)	1,959,191	1,359,501	7,995,458	5,442,083
Legal and court fees	373,387	182,551	1,523,792	730,752
Communication expenses	86,281	69,353	352,113	277,620
Depreciation and amortisation	125,635	125,339	512,716	501,732
Rental expense	82,800	77,200	337,907	309,032
Utilities and office expenses	110,528	78,477	451,065	314,143
Professional fees	70,885	71,684	289,282	286,950
Marketing costs	284,515	106,045	1,161,106	424,498
Insurance and security expenses	48,292	46,245	197,080	185,119
Board of Director's meeting fees	17,500	9,493	71,418	38,000
Transportation costs	35,190	28,493	143,610	114,057
Repairs and maintenance costs	29,273	48,933	119,463	195,879
Other expenses	201,666	215,366	822,999	862,110
<b>Total</b>	<b>3,425,143</b>	<b>2,418,680</b>	<b>13,978,009</b>	<b>9,681,975</b>

### 8 Employee benefit expense

	2008 US\$	2007 US\$	2008 Riel '000 *	2007 Riel '000 *
Salaries and wages	1,365,652	1,026,247	5,573,225	4,108,067
Bonus and allowances	310,948	198,463	1,268,979	794,447
Other post employment benefits	241,021	98,957	983,607	396,125
Contribution to provident fund	41,570	35,834	169,647	143,444
<b>Total</b>	<b>1,959,191</b>	<b>1,359,501</b>	<b>7,995,458</b>	<b>5,442,083</b>

### 9 Net recovery of losses on loan and interest

	2008 US\$	2007 US\$	2008 Riel '000 *	2007 Riel '000 *
Principle:				
Provision for the year (Note 15(a))	(3,481,734)	(5,077,054)	(14,208,957)	(20,323,447)
Bad loan recovery (Note 15(a))	4,141,136	2,917,347	16,899,977	11,678,140
Recovery of principle of bad loans previously written off	1,216,512	2,372,733	4,964,585	9,498,048
Interest:				
Recovery of interest in suspense	-	179,598	-	718,932
<b>Total</b>	<b>1,875,914</b>	<b>392,624</b>	<b>7,655,605</b>	<b>1,571,673</b>

### 10 Income tax expense

	2008 US\$	2007 US\$	2008 Riel '000 *	2007 Riel '000 *
<b>(a) Income tax expense</b>				
Current income tax expense	1,824,682	1,925,673	7,446,527	7,708,465
<b>Total</b>	<b>1,824,682</b>	<b>1,925,673</b>	<b>7,446,527</b>	<b>7,708,465</b>

\* Unaudited

## Notes to the financial statements (continued)

(b) Reconciliation between income tax expense and accounting profit	2008 US\$	2007 US\$	2008 Riel '000 *	2007 Riel '000 *
<b>Profit before tax</b>	<b>9,146,333</b>	<b>9,608,363</b>	<b>37,326,186</b>	<b>38,462,279</b>
Tax at 20%	1,829,267	1,921,673	7,465,239	7,692,457
<i>Tax affect of the amounts which are not deductible/(taxable) in the calculating taxable income</i>				
Non-deductible expenses	157	4,547	640	18,202
Others	(4,742)	(547)	(19,352)	(2,194)
<b>Income tax expense</b>	<b>1,824,682</b>	<b>1,925,673</b>	<b>7,446,527</b>	<b>7,708,465</b>

In accordance with Cambodian tax laws, the Bank has an obligation to pay Corporate Income Tax of either Tax on Profit at the rate of 20% on taxable profit or Minimum Tax at 1% of turnover, whichever is higher.

Tax on Profit is calculated on the basis of taxable profit, which is calculated by adjusting the financial result for certain expense items in accordance with Cambodian regulations. Taxes other than on income are recorded within operating expenses.

### (c) Other tax matters

The Bank's tax returns are subject to periodic examination by the Tax Department. Some areas of tax laws and regulations may be open to differing interpretation; therefore tax amounts reported in the financial statements could be changed at a later date, upon final determination by the Tax Department.

## 11 Cash on hand

	2008 US\$	2007 US\$	2008 Riel '000 *	2007 Riel '000 *
Cash on hand	4,670,555	5,128,836	19,060,535	20,530,730
<b>For the purpose of the cash flow statement, cash and cash equivalents comprise of:</b>	<b>2008 US\$</b>	<b>2007 US\$</b>	<b>2008 Riel '000 *</b>	<b>2007 Riel '000 *</b>
Cash on hand	4,670,555	5,128,836	19,060,535	20,530,730
Balances with the Central Bank:				
Term deposits	87,200,000	62,400,000	355,863,200	249,787,200
Current accounts	13,249,777	11,214,788	54,072,341	44,892,799
Balances with other banks	7,249,577	16,168,383	29,585,524	64,722,037
Placements with other banks				
Overnight placements	65,000	944,605	265,265	3,781,254
Short-term placements	11,428	41,152,579	46,636	164,733,772
<b>Total</b>	<b>112,446,337</b>	<b>137,009,191</b>	<b>458,893,501</b>	<b>548,447,792</b>

## 12 Balances with the Central Bank

	2008 US\$	2007 US\$	2008 Riel '000 *	2007 Riel '000 *
Term deposits	87,200,000	62,400,000	355,863,200	249,787,200
Reserve account	29,261,823	14,489,133	119,417,500	58,000,000
Current accounts	13,249,777	11,214,788	54,072,341	44,892,799
Statutory deposit	1,300,000	1,249,064	5,305,299	5,000,000
<b>Total</b>	<b>131,011,600</b>	<b>89,352,985</b>	<b>534,658,340</b>	<b>357,679,999</b>

### (a) Reserve account

The reserve account represents the minimum reserve requirement which is calculated at 8% for Khmer Riel and 16% for other currencies (2007: 8%) of the total deposits from customers and borrowings. On 26 January 2009, the Central Bank dropped the reserve rate to 12% for other currencies than KHR.

### (b) Statutory deposit

Under Prakas No. B7-01-136 on Bank's Capital Guarantee dated 15 October 2001, banks are required to maintain a statutory deposit of 10% of registered capital. This deposit is refundable should the Bank voluntarily cease its operations in Cambodia and it is not available for use in the Bank's day-to-day operations.

\* Unaudited

### (c) Interest rates

Current accounts and reserve deposit are non-interest bearing. Annual interest rates on balances with the Central Bank are summarised as follows:

	2008	2007
Term deposits	1%-3.86%	3.50%-4.37%
Statutory deposit:		
In KHR	3%	3%
In USD	1.15%-1.18%	NA

## 13 Balances with other banks

These represent current accounts with other banks outside Cambodia which earn interest at rates ranging from 0.60% to 2.87% per annum (31 December 2007: 2.67% to 4.37%).

## 14 Placements with other banks

	2008 US\$	2007 US\$	2008 Riel '000 *	2007 Riel '000 *
Term deposits	23,213,326	-	94,733,585	-
Short-term placements	11,428	41,152,579	46,636	164,733,772
Overnight placements	65,000	944,605	265,265	3,781,254
<b>Total</b>	<b>23,289,754</b>	<b>42,097,184</b>	<b>95,045,486</b>	<b>168,515,026</b>

Annual interest rates on placements with other banks are summarised as follows:

	2008	2007
Term Deposit:		
In KHR	10%	NA
In USD	0.57%- 4.50%	NA
Overnight placements with other banks	0.11%- 2.65%	3.55%-4.36%
Short-term placement with other banks	1.87%- 3.96%	4.35%-5.99%

## 15 Loans and advances to customers

	2008 US\$	2007 US\$	2008 Riel '000 *	2007 Riel '000 *
Commercial loans:				
Short-term loans	1,689,038	3,219,791	6,892,964	12,888,822
Long-term loans	36,788,669	25,662,950	150,134,558	102,728,789
Overdrafts	47,170,036	39,717,998	192,500,917	158,991,146
Loans to other banks and micro-finance institutions	12,170,301	1,205,346	49,666,998	4,825,000
	97,818,044	69,806,085	399,195,437	279,433,757
Consumer loans: Staff loans	405,232	-	1,653,752	-
Total loans and advances, gross	98,223,276	69,806,085	400,849,189	279,433,757
Provisions for doubtful debts	(3,617,412)	(4,330,942)	(14,762,658)	(17,336,761)
Unamortised commitment fees	(638,690)	-	(2,606,495)	-
	93,967,174	65,475,143	383,480,036	262,096,996

All loans were granted to individual Cambodian borrowers and entities incorporated in Cambodia.

### (a) Provision for doubtful debts

	2008 US\$	2007 US\$	2008 Riel '000 *	2007 Riel '000 *
Movements in the provisions for bad and doubtful debts are as follows:				
At beginning of the year	4,330,942	7,245,615	17,674,574	29,004,197
Provision for the year	3,481,734	5,077,054	14,208,957	20,323,447
Bad loans written off	(54,128)	(5,074,380)	(220,896)	(20,312,743)
Bad loans recovered	(4,141,136)	(2,917,347)	(16,899,977)	(11,678,140)
<b>At end of the year</b>	<b>3,617,412</b>	<b>4,330,942</b>	<b>14,762,658</b>	<b>17,336,761</b>

\* Unaudited

## Notes to the financial statements (continued)

(b) Analysis by classification	2008 US\$	2007 US\$	2008 Riel '000 *	2007 Riel '000 *
Standard				
Secured	67,602,896	58,479,235	275,887,419	234,092,377
Unsecured	2,843,084	2,122,867	11,602,625	8,497,837
Substandard				
Secured	23,603,548	5,414,489	96,326,079	21,674,199
Unsecured	-	-	-	-
Doubtful				
Secured	4,160,248	-	16,977,972	-
Unsecured	-	-	-	-
Loss				
Secured	13,500	3,789,494	55,094	15,169,344
Unsecured	-	-	-	-
	<b>98,223,276</b>	<b>69,806,085</b>	<b>400,849,189</b>	<b>279,433,757</b>

(c) Analysis by industry	2008 US\$	2007 US\$	2008 Riel '000 *	2007 Riel '000 *
Building and construction	18,454,506	13,578,003	75,312,839	54,352,746
Services	40,175,813	39,616,441	163,957,493	158,584,613
Import and export	6,298,875	609,117	25,705,709	2,438,295
Wholesale and retail	13,227,838	9,046,107	53,982,807	36,211,566
Agriculture	3,879,283	119,569	15,831,354	478,635
Chemical and medical supplies	1,468,845	1,867,959	5,994,356	7,477,440
Other industries	14,718,116	4,968,889	60,064,631	19,890,462
	<b>98,223,276</b>	<b>69,806,085</b>	<b>400,849,189</b>	<b>279,433,757</b>

(d) Maturity analysis	2008 US\$	2007 US\$	2008 Riel '000 *	2007 Riel '000 *
Not later than 1 year	49,301,059	29,221,159	201,197,622	116,972,299
Later than 1 year and no later than 3 years	13,756,135	35,741,886	56,138,787	143,074,770
Later than 3 years and no later than 5 year	33,166,082	4,843,040	135,350,780	19,386,688
Later than 5 years	2,000,000	-	8,162,000	-
	<b>98,223,276</b>	<b>69,806,085</b>	<b>400,849,189</b>	<b>279,433,757</b>

(e) Interest rate	2008	2007
These loans and advances to customers earn interest at annual rates ranging from:		
Loans and advances in Riel	9.0%-18.0%	10.0% - 18.0%
Loans and advances in US\$	9.0%-18.0%	10.0% - 18.0%

16 Other assets	2008 US\$	2007 US\$	2008 Riel '000 *	2007 Riel '000 *
Foreign cheques, travellers cheques and credit card balances for collection:				
In transit	7,481	24,305	30,530	97,293
On hand	22,648	20,112	92,426	80,508
Accrued interest income	316,739	308,620	1,292,612	1,235,406
Advances and prepayments	221,462	212,907	903,788	852,267
<b>Total</b>	<b>568,330</b>	<b>565,944</b>	<b>2,319,356</b>	<b>2,265,474</b>

\* Unaudited

## 17 Property and equipment

	Land US\$	Buildings US\$	Furniture & equipment US\$	Motor vehicles US\$	WIP US\$	Total US\$
<i>As at 1 January 2007</i>						
Cost	222,775	63,718	379,395	78,846	-	744,734
Accumulated depreciation	-	-	(350,187)	(54,932)	-	(405,119)
<b>Net book value</b>	<b>222,775</b>	<b>63,718</b>	<b>29,208</b>	<b>23,914</b>	<b>-</b>	<b>339,615</b>
<i>Year ended 31 December 2007</i>						
Opening net book value	222,775	63,718	29,208	23,914	-	339,615
Additions	-	-	79,284	36,000	514,604	629,888
Depreciation charge	-	-	(50,909)	(7,545)	-	(58,454)
Exchange differences	3,005	859	192	1	-	4,057
<b>Closing net book value</b>	<b>225,780</b>	<b>64,577</b>	<b>57,775</b>	<b>52,370</b>	<b>514,604</b>	<b>915,106</b>
<i>At 31 December 2007</i>						
Cost	225,780	64,577	458,871	114,847	514,604	1,378,679
Accumulated depreciation	-	-	(401,096)	(62,477)	-	(463,573)
<b>Net book value</b>	<b>225,780</b>	<b>64,577</b>	<b>57,775</b>	<b>52,370</b>	<b>514,604</b>	<b>915,106</b>
<b>Equivalent in Riel '000*</b>	<b>903,797</b>	<b>258,502</b>	<b>231,273</b>	<b>209,637</b>	<b>2,059,960</b>	<b>3,663,169</b>

<i>Year ended 31 December 2008</i>						
Opening net book value	225,780	64,577	57,775	52,370	514,604	915,106
Additions	-	-	42,399	166,000	499,794	708,193
Depreciation charge	-	-	(40,869)	(30,253)	-	(71,122)
Exchange differences	(4,316)	(1,234)	2,876	(1)	-	(2,675)
<b>Closing net book value</b>	<b>221,464</b>	<b>63,343</b>	<b>62,181</b>	<b>188,116</b>	<b>1,014,398</b>	<b>1,549,502</b>

<i>At 31 December 2008</i>						
Cost	221,464	63,343	504,146	280,846	1,014,398	2,084,197
Accumulated depreciation	-	-	(441,965)	(92,730)	-	(534,695)
<b>Net book value</b>	<b>221,464</b>	<b>63,343</b>	<b>62,181</b>	<b>188,116</b>	<b>1,014,398</b>	<b>1,549,502</b>
<b>Equivalent in Riel '000 *</b>	<b>903,795</b>	<b>258,503</b>	<b>253,761</b>	<b>767,701</b>	<b>4,139,758</b>	<b>6,323,518</b>

## 18 Computer software

<i>At 1 January 2007</i>	Computer software US\$	WIP US\$	Total US\$
Cost	343,211	-	343,211
Accumulated amortisation	(283,352)	-	(283,352)
<b>Net book value</b>	<b>59,859</b>	<b>-</b>	<b>59,859</b>
<i>Year ended 31 December 2007</i>			
Opening net book amount	59,859	-	59,859
Exchange differences	25	-	25
Additions	272,121	25,480	297,601
Amortisation charge	(66,885)	-	(66,885)
<b>Closing net book value</b>	<b>265,120</b>	<b>25,480</b>	<b>290,600</b>
<i>At 31 December 2007</i>			
Cost	615,357	25,480	640,837
Accumulated amortisation	(350,237)	-	(350,237)
<b>Net book amount</b>	<b>265,120</b>	<b>25,480</b>	<b>290,600</b>
<b>Equivalent Riel '000*</b>	<b>1,061,276</b>	<b>101,996</b>	<b>1,163,272</b>

\* Unaudited

## Notes to the financial statements (continued)

### Year ended 31 December 2008

Opening net book value	265,120	25,480	290,600
Additions	-	148,975	148,975
Amortisation charge	(54,513)	-	(54,513)
<b>Closing net book value</b>	<b>210,607</b>	<b>174,455</b>	<b>385,062</b>

### At 31 December 2008

Cost	317,273	174,454	491,727
Accumulated amortisation	(106,665)	-	(106,665)
<b>Net book value</b>	<b>210,608</b>	<b>174,454</b>	<b>385,062</b>
<b>Equivalent Riel '000*</b>	<b>859,491</b>	<b>711,947</b>	<b>1,571,438</b>

The Bank wrote off fully amortised computer software amounting to US\$298,185 which the Bank no longer using them.

### 19 Deposits of other banks

	2008 US\$	2007 US\$	2008 Riel '000*	2007 Riel '000*
Deposits of local banks:				
Current accounts	575,102	591,077	2,346,991	2,366,080
Savings deposits	961,671	-	3,924,579	-
Term deposits	15,605,000	3,700,000	63,684,006	14,811,099
<b>Total</b>	<b>17,141,773</b>	<b>4,291,077</b>	<b>69,955,576</b>	<b>17,177,179</b>

Current accounts are non-interest bearing. Savings and term deposits carry interest at the following rates:	2008	2007
Savings deposits	0.7% - 1.5%	NA
Fixed deposit:	4% - 5%	4% - 5%

### 20 Deposits of non-bank customers

	2008 US\$	2007 US\$	2008 Riel '000*	2007 Riel '000*
Current accounts	66,966,115	49,696,655	273,288,715	198,935,710
Savings deposits	68,931,374	68,698,304	281,308,937	274,999,311
Term deposits	63,787,946	61,764,117	260,318,608	247,241,760
Margin deposits	1,178,377	2,514,755	4,808,957	10,066,564
Other deposit accounts	4,901,015	1,122,951	20,001,042	4,495,172
<b>Total</b>	<b>205,764,827</b>	<b>183,796,782</b>	<b>839,726,259</b>	<b>735,738,517</b>

Margin deposits represent the aggregate balance of required non-interest bearing cash deposits from customers for letters of credit and guarantees outstanding at the year-end (Note 27).

Other deposit accounts mainly comprise customer accounts in transit and certified cheques for settlement guarantees.

Deposits of non-bank customers carry interest at the following rates:	2008	2007
Current accounts	0%	0%
Savings accounts:	US\$ 0.75% - 1.5%	0.75% - 1.5%
	Riel 1.5% - 2%	1.5% - 2%
Fixed deposits in US\$ with a term of:		
1 month	1% - 2%	1% - 2%
3 months	3%	3%
6 months	4% - 4.5%	4% - 4.5%
12 months	5% - 5.5%	5% - 5.5%
Fixed deposits in Riel with a term of:		
3 months	4.5%	4.5%
6 months	5.5%	5.5%
12 months	6.5%	6.5%
Margin deposits	0%	0%

### 21 Other liabilities

	2008 US\$	2007 US\$	2008 Riel '000*	2007 Riel '000*
Accrued interest payable	1,050,013	965,607	4,285,103	3,865,325
Accrued taxation	76,086	34,434	310,507	137,839
Other liabilities	276,679	111,580	1,129,128	446,655
<b>Total</b>	<b>1,402,778</b>	<b>1,111,621</b>	<b>5,724,738</b>	<b>4,449,819</b>

\* Unaudited

### 22 Deferred tax liability

	2008 US\$	2007 US\$	2008 Riel '000*	2007 Riel '000*
Beginning of the year	38,082	38,082	155,413	152,442
(Utilised)/addition	-	-	-	-
<b>End of the year</b>	<b>38,082</b>	<b>38,082</b>	<b>155,413</b>	<b>152,442</b>

### 23 Provident fund obligations

	2008 US\$	2007 US\$	2008 Riel '000*	2007 Riel '000*
<b>Provident fund obligations</b>	<b>410,744</b>	<b>315,757</b>	<b>1,676,246</b>	<b>1,263,975</b>
The details of movements of the provident fund obligations are as follows:	2008 US\$	2007 US\$	2008 Riel '000*	2007 Riel '000*
Beginning of the year	315,757	234,523	1,288,604	938,796
Additions for the year:				
Staff contribution 5%	41,270	35,834	168,423	143,444
Bank's contribution 5%	41,570	35,834	169,647	143,444
Interest (note 4)	21,762	16,283	88,811	65,181
Payments	(9,615)	(6,717)	(39,239)	(26,890)
<b>End of the year</b>	<b>410,744</b>	<b>315,757</b>	<b>1,676,246</b>	<b>1,263,975</b>

### 24 Provision for post employment benefits

	2008 US\$	2007 US\$	2008 Riel '000*	2007 Riel '000*
Provision for post employment benefits	339,978	98,957	1,387,450	396,125
The details of movements of the provision for post employment benefits are as follows:	2008 US\$	2007 US\$	2008 Riel '000*	2007 Riel '000*
Beginning of the year	98,957	-	403,844	-
Additions for the year	241,021	98,957	983,606	396,125
<b>End of the year</b>	<b>339,978</b>	<b>98,957</b>	<b>1,387,450</b>	<b>396,125</b>

### 25 Share capital

The total authorised number of share capital is 5,000 shares (2007: 5,000 shares) with a par value of US\$2,600 per share (2007: US\$2,600 per share). All issued shares are fully paid.

	%	2008 US\$	2007 US\$	2008 Riel '000*	2007 Riel '000*
Analysis of shareholders as at 31 December 2008 is as follows:					
Canada Bank Plc.	46%	5,980,000	5,980,000	24,404,380	23,937,940
ING Holding Company Ltd.	44%	5,720,000	5,720,000	23,343,320	22,897,160
Ministry of Economic and Finance	10%	1,300,000	1,300,000	5,305,300	5,203,900
<b>Total</b>	<b>100%</b>	<b>13,000,000</b>	<b>13,000,000</b>	<b>53,053,000</b>	<b>52,039,000</b>

There were no share movement during the year ended 31 December 2007 and 2008.

On 19 September 2008, the Central Bank issued a Prakas No. B7-08-193 on new minimum capital requirement and licensing approval criteria for banks. The Prakas requires that commercial banks having shareholders as individuals or companies shall increase a minimum capital to at least Riel 150 billion, equivalent to US\$36.5 million no later than the end of 2010.

### 26 Reserves

	2008 US\$	2007 US\$	2008 Riel '000*	2007 Riel '000*
Capital reserve	247,529	247,529	1,010,166	990,859
Reserve for banking risks	1,190,006	1,190,006	4,856,414	4,763,594
Translation reserve	2,664,193	2,664,193	10,872,572	10,664,765
General reserve	174,692	174,692	712,918	699,292
<b>Total</b>	<b>4,276,420</b>	<b>4,276,420</b>	<b>17,452,070</b>	<b>17,118,510</b>

\* Unaudited

## Notes to the financial statements (continued)

### Capital reserve

The capital reserve represents funds which were set aside for future increases in capital. These funds were allocated from net profit after tax at an amount equal to 10% of net profit for the years prior to 1 January 2006. Under the Bank's revised Memorandum and Articles of Association, the allocations to the capital reserve are no longer available.

### Reserve for banking risks

The reserve for banking risks was initially established based on a resolution by the Board of Directors dated 19 June 2000. This account represents a general purpose reserve established to cover the risks for banking operations in Cambodia, in particular the general risks on loan delinquency, losses not covered by the provision for bad and doubtful loans and currency risk.

### Translation reserve

This reserve represents the unrealised currency gains or losses prior to 1 January 2006 that arose from the translation of assets and liabilities denominated in currencies other than US\$ at the exchange rates on the balance sheet dates and which were initially recognised in or charged to the income statement and subsequently allocated to this reserve account as an appropriation of retained earnings for the year. The Bank stopped allocating unrealised foreign currency gains or losses to the reserve from 1 January 2006, the year of privatisation of the Bank.

### General reserve

The general reserve was previously allocated from profit after tax with an amount equal to 6% of net profit after tax after reduction of capital reserve. The use of the general reserve is at the discretion of the Board of Directors. Allocations to the general reserve are no longer available under the Bank's Memorandum and Articles of Association dated 23 May 2006 and the amendment on 30 May 2007.

## 27 Commitments & contingencies

### (i) Loan commitment, guarantee and other financial liabilities

At 31 December 2008, the Bank had the contractual amounts of the Bank's off-balance sheet financial instruments that commit it to extend credit to customers, guarantee and other facilities as follows:

	2008 US\$	2007 US\$	2008 Riel '000 *	2007 Riel '000 *
Unused portion of approved credit facilities	17,730,199	8,297,869	72,356,942	33,216,370
Letters of credit	3,197,707	6,592,492	13,049,842	26,389,745
Letters of guarantees	1,431,574	3,287,115	5,842,253	13,158,321
Bills collections	-	33,723	-	134,993
<b>Total</b>	<b>22,359,480</b>	<b>18,211,199</b>	<b>91,249,037</b>	<b>72,899,429</b>

### (ii) Capital commitments

At 31 December 2008, the Bank had capital commitments in respect of new office buildings, new core banking software and other related services.

	2008 US\$	2007 US\$	2008 Riel '000 *	2007 Riel '000 *
Authorised and contracted for:				
Not later than one year	245,318	682,076	1,001,143	2,730,350
<b>Total</b>	<b>245,318</b>	<b>682,076</b>	<b>1,001,143</b>	<b>2,730,350</b>

### (iii) Lease commitment

Where the Bank is the lessee, the future minimum lease payments under non-cancellable operating leases are as follows:

	2008 US\$	2007 US\$	2008 Riel '000 *	2007 Riel '000 *
Not later than one year	69,600	14,600	284,038	58,444
Later than one year and not later than three years	71,300	18,900	290,975	75,657
<b>Total</b>	<b>140,900</b>	<b>33,500</b>	<b>575,013</b>	<b>134,101</b>

\* Unaudited

## 28 Related party transactions

Canadia Bank Plc. and ING Holding Company Ltd., owns 46% and 44% the Bank's share respectively. The remaining 10% is owned by the Ministry of Economy of Finance.

During the year ended 31 December 2008, the following transactions with related parties occurred:

(a) Loans and advances to directors' and key management's relatives	2008 US\$	2007 US\$	2008 Riel '000 *	2007 Riel '000 *
Beginning of the year	465,086	1,960,097	1,898,016	7,846,268
Overdraft facilities withdrawn during the year	914,569	4,713,347	3,732,356	18,867,528
Repayments during the year	(1,379,655)	(3,129,441)	(5,630,372)	(12,527,152)
<b>End of the year</b>	<b>-</b>	<b>3,544,003</b>	<b>-</b>	<b>14,186,644</b>
<b>Interest income earned</b>	<b>353,787</b>	<b>465,086</b>	<b>1,443,805</b>	<b>1,861,739</b>

Loans and advances to directors' and key managements' relative carry interest rate at 10% per annum (2007: 10%). Full repayment was received in 2008 in relation to outstanding loans and advances to related parties.

(b) Deposits from related parties	2008 US\$	2007 US\$	2008 Riel '000 *	2007 Riel '000 *
Beginning of the year	314,513	224,239	1,283,528	897,629
Deposits received during the year	4,868,370	6,711,482	19,867,818	26,866,062
Deposits repaid during the year	(4,590,140)	(6,621,208)	(18,732,361)	(26,504,696)
<b>End of the year</b>	<b>592,743</b>	<b>314,513</b>	<b>2,418,985</b>	<b>1,258,995</b>
<b>Interest expense on deposits</b>	<b>1,255</b>	<b>591</b>	<b>5,122</b>	<b>2,366</b>

The savings deposits from director bear interest at 0.75% (2007: 0.75%). Correspondence account of Candia Bank Plc is non-interest bearing.

(c) Deposits with related parties:	2008 US\$	2007 US\$	2008 Riel '000 *	2007 Riel '000 *
Deposit during the year	4,200,000	-	17,140,200	-
Interest income on deposits	-	-	-	-

(d) Payment to directors and key management	2008 US\$	2007 US\$	2008 Riel '000 *	2007 Riel '000 *
Directors' meeting fees	17,500	9,493	71,418	38,000
Directors' remuneration	681,791	468,145	2,782,389	1,873,984
<b>Total</b>	<b>699,291</b>	<b>477,638</b>	<b>2,853,807</b>	<b>1,911,984</b>

## 29 Cash used in operations

	2008 US\$	2007 US\$	2008 Riel '000 *	2007 Riel '000 *
Income before tax	9,146,333	9,608,363	37,326,186	38,462,279
<i>Adjustments for:</i>				
Provision for post employment benefits	241,022	98,956	983,612	396,120
Provision for loan losses	3,481,734	5,077,054	14,208,957	20,323,447
Bad loan recovery	(4,141,136)	(2,917,347)	(16,899,977)	(11,678,140)
Depreciation and amortisation	125,635	125,339	512,715	501,732
	<b>8,853,588</b>	<b>11,992,365</b>	<b>36,131,493</b>	<b>48,005,438</b>
<i>Changes in working capitals</i>				
Loans and advances to customers	(28,471,319)	(25,223,748)	(116,191,452)	(100,970,663)
Differed loan commitment fees	638,690	-	2,606,494	-
Placements with other banks	(23,213,326)	-	(94,733,585)	-
Other assets	(2,386)	238,140	(9,737)	953,274
Deposits of other banks	12,850,696	3,315,917	52,443,690	13,273,615
Deposits of non-bank customers	21,968,045	(11,386,463)	89,651,592	(45,580,011)
Other liabilities	291,157	60,115	1,188,212	240,640
Provident fund obligations	94,987	81,234	387,642	325,180
<b>Cash used in operations</b>	<b>(6,989,868)</b>	<b>(20,922,440)</b>	<b>(28,525,651)</b>	<b>(83,752,527)</b>

\* Unaudited

## Notes to the financial statements (continued)

### 30 Events after the balance sheet date

#### i) Reserve requirement

On 26 January 2009, the Central Bank issued a Prakas requiring all commercial banks to maintain reserve requirements against deposits and borrowings at a daily average balance equal to 8% in Riel and 12% in foreign currencies with the Central Bank. This Prakas superseded the existing Prakas which require reserve requirements at 8% in Riel and 16% in foreign currencies.

#### ii) Classification and provision for bad and doubtful debts

On 25 February 2009, the Central Bank issued a Prakas, B7-09-074 revising loans classification and provisioning for banks and financial institutions. It applies for loans and advances or other assets with similar nature. The Prakas replaces existing Prakas B7-00-51 and B702-145 from 25 February 2009. The minimum mandatory loan loss provision is made depending on the classification concerned unless other information is available to indicate worsening.

Below table compares the current and new loan classifications and minimum provisioning requirements:

Classifications	Minimum Provisioning Requirements	
	Current	New
Standard	0%	1%
Special mention	NA	3%
Sub-standards	10%	20%
Doubtful	30%	50%
Loss	100%	100%

Both past due and qualitative factors shall be taken into account for loan classification and provisioning.

### 31 Financial risk management

The Bank's activities expose it to a variety of financial risks: credit risk, market risk (including currency risk, interest rate risk and price risk), and liquidity risk. Taking risk is core to the financial business, and the operational risks are an inevitable consequence of being in business.

The Bank does not use derivative financial instruments such as foreign exchange contract and interest rate swaps to manage its risk exposure.

The Bank holds the following financial assets and liabilities:	2008 US\$	2007 US\$	2008 Riel '000 *	2007 Riel '000 *
<b>Financial assets</b>				
Cash on hand	4,670,555	5,128,836	19,060,535	20,530,730
Balances with the Central Bank	131,011,600	89,352,985	534,658,340	357,679,999
Balances with other banks	7,249,577	16,168,383	29,585,524	64,722,037
Placements with other banks	23,289,754	42,097,184	95,045,486	168,515,026
Loans and advances to customers	93,967,174	65,475,143	383,480,036	262,096,996
Other assets	346,868	353,037	1,415,568	1,413,206
<b>Total financial assets</b>	<b>260,535,528</b>	<b>218,575,568</b>	<b>1,063,245,489</b>	<b>874,957,994</b>
<b>Financial liabilities</b>				
Deposits of other banks	17,141,773	4,291,077	69,955,576	17,177,179
Deposits of non-bank customers	205,764,827	183,796,782	839,726,259	735,738,517
Other liabilities	1,402,778	1,111,621	5,724,738	4,449,819
<b>Total financial liabilities</b>	<b>224,309,378</b>	<b>189,199,480</b>	<b>915,406,573</b>	<b>757,365,515</b>
<b>Net financial assets</b>	<b>36,226,150</b>	<b>29,376,088</b>	<b>147,838,916</b>	<b>117,592,479</b>

\* Unaudited

#### 31.1 Credit risk

The Bank takes on exposure to credit risk, which is the risk that counterparty will cause a financial loss to the Bank by failing to discharge an obligation. Credit risk is the most important risk for the Bank's business. Credit exposure arises principally in lending activities that lead to loans and advances. There is also credit risk in off-balance sheet financial instruments, such as loan commitments. The credit risk management is carried out by the Bank's credit committee.

Exposure to credit is managed through regular analysis of the ability of borrowers and potential borrowers to meet interest and capital repayment obligations. Exposure to credit risk is also managed in part by obtaining collateral and personal guarantees.

##### (a) Credit risk measurement

The Bank assesses the probability of default of individual counterparties which focus on borrowers' forecast profit and cash flow. Credit committee is responsible for approving the loans and advances.

##### (b) Risk limit control and mitigation policies

The Bank operates and provides loans and advances to individuals or enterprises within the Kingdom of Cambodia. The Bank manages limits and controls the concentration of credit risk whenever it is identified. Large exposure is defined by the Central Bank as overall credit exposure to any individual beneficiary which exceeds 10% of the Bank's net worth.

The Bank is required, under the conditions of Prakas No. B7-06-226 of the Central Bank, to maintain at all times a maximum ratio of 20% between the Bank's overall credit exposure to any individual beneficiary and the Bank's net worth. The aggregation of large credit exposure must not exceed 300% of the Bank's net worth.

The Bank employs a range of policies and practices to mitigate credit risk. The most traditional of these is the taking of security in the form of collateral for loans and advances to customers, which is common practice. The Bank implements guidelines on the acceptability of specific classes of collateral or credit risk mitigation. The principal collateral types to secure for loans and advances to customers are:

- Mortgages over residential properties (land, building and other properties);
- Charges over business assets such as land and buildings; and
- Cash in the form of margin deposits.

##### (c) Impairment and provisioning policies

The Bank is required to follow the mandatory credit classification and provisioning in accordance with Prakas No. B7-00-51 dated 17 February 2000 on the classification and provisioning for bad and doubtful debts and Prakas No B7-02-145 dated 7 June 2002 on the amendment of Prakas No B7-00-51 of the Central Bank. The Central Bank requires commercial banks to classify their loan portfolio into four classes and the minimum mandatory level of specific provision is made depending on the classification concerned and regardless of the assets (except for cash) pledged as collateral, as follows:

	2008	2007
Standard	0%	0%
Substandard	10%	10%
Doubtful	30%	30%
Loss	100%	100%

(d) Maximum exposure to credit risk before collateral held or other credit enhancements	2008 US\$	2007 US\$	2008 Riel '000 *	2007 Riel '000 *
<b>Credit risks exposures relating to on-balance sheet assets:</b>				
Balances with other banks	7,314,576	16,168,383	29,850,785	64,722,037
Placements with other banks	23,224,755	42,097,184	94,780,225	168,515,026
Loans and advances to customers	93,967,174	65,475,143	383,480,036	262,096,996
Other assets	346,868	353,037	1,415,568	1,413,207
<b>Credit risk exposures relating to off-balance sheet items:</b>				
Unused portion of approved credit facilities	17,730,199	8,297,869	72,356,942	33,216,370
Guarantees, acceptances and other financial facilities	4,629,281	9,913,330	18,892,095	39,683,059
	<b>147,212,853</b>	<b>142,304,946</b>	<b>600,775,651</b>	<b>569,646,695</b>

\* Unaudited

The above table represents a worse case scenario of credit risk exposure to the Bank at 31 December 2008 and 2007, without taking account of any collateral held or other credit enhancement attached. For on-balance sheet assets, the exposures set out above are based on net carrying amounts.

As shown above, 64% of total maximum exposure is derived from loans and advances to customers (2007: 46%).

Management is confident in its ability to continue to control and sustain minimal exposure of credit risk to the Bank resulting from its loans and advances on the followings:

- 97% of loans portfolios (2007: 97%) are collateralised and credit is given at 25% to 65% of collateral value but the majority is below 50%, the Bank's policy.
- 72% of loans portfolios are considered neither past due nor impaired (2007: 87%).
- Provision for loan losses had been provided for those individually impaired loans in accordance with the Central Bank's requirement.

## Notes to the financial statements (continued)

(e) Loans and advances	2008 US\$	2007 US\$	2008 Riel '000 *	2007 Riel '000 *
Loans and advances are summarised as follows:				
Loans and advances neither past due nor impaired	70,419,730	60,587,812	287,382,918	242,533,011
Loans and advances past due but not impaired	26,250	14,290	107,126	57,203
Loans and advances individually impaired	<u>27,777,296</u>	<u>9,203,983</u>	<u>113,359,145</u>	<u>36,843,543</u>
Gross	98,223,276	69,806,085	400,849,189	279,433,757
Less:				
Provision for loan loss	(3,617,412)	(4,330,942)	(14,762,658)	(17,336,761)
Unamortised loan commitment fees	<u>(638,690)</u>	<u>-</u>	<u>(2,606,495)</u>	<u>-</u>
<b>Net</b>	<b><u>93,967,174</u></b>	<b><u>65,475,143</u></b>	<b><u>383,480,036</u></b>	<b><u>262,096,996</u></b>

For the purpose of loan provisioning, expected recovery from collateral (except cash) is not taken into consideration in accordance with the Central Bank's requirement. The total provision for loan loss is US\$3,617,412 which represents specific provision for impaired loans.

### i) Loans and advances neither past due nor impaired

Loans and advances not past due are not considered impaired, unless other information is available to indicate the contrary.

### ii) Loans and advances past due but not impaired

Loans and advances less than 90 days past due are not considered impaired, unless other information is available to indicate the contrary. Gross amount loans and advances by class to customer that were past due but not impaired are as follows:

	2008 US\$	2007 US\$	2008 Riel '000 *	2007 Riel '000 *
Past due up to 30 days	26,250	-	107,126	-
Past due 30-60 days	-	14,290	-	57,203
Past due 60-90 days	-	-	-	-
<b>Total</b>	<b><u>26,250</u></b>	<b><u>14,290</u></b>	<b><u>107,126</u></b>	<b><u>57,203</u></b>
<b>Collateral value</b>	<b><u>120,000</u></b>	<b><u>46,100</u></b>	<b><u>489,720</u></b>	<b><u>184,538</u></b>

### iii) Loans and advances individually impaired

In accordance with Prakas No. B7-00-51 dated 17 February 2000 on the classification and provisioning for bad and doubtful debts, loans and advances past due more than 90 days are considered impaired and a minimum level of specific provision for impairment is made depending on the classification concerned, unless other information is available to indicate the contrary.

	2008 US\$	2007 US\$	2008 Riel '000 *	2007 Riel '000 *
Past due 0-90 days	3,810,000	-	15,548,610	-
Past due 90-180 days	19,793,548	5,414,489	80,777,469	21,674,199
Past due 180-360 days	4,160,248	-	16,977,972	-
Past due 360 days or more	<u>13,500</u>	<u>3,789,494</u>	<u>55,094</u>	<u>15,169,344</u>
<b>Total</b>	<b><u>27,777,296</u></b>	<b><u>9,203,983</u></b>	<b><u>113,359,145</u></b>	<b><u>36,843,543</u></b>
<b>Collateral value</b>	<b><u>72,060,556</u></b>	<b><u>12,510,922</u></b>	<b><u>294,079,130</u></b>	<b><u>50,081,221</u></b>

\* Unaudited

The value of collateral is based on the valuation assessed by external valuer or performed internally by the Bank during loan approval process. As the current property price volatile, value of collateral assessed when the loan was approved might be different from current value. Under the Central Bank's regulation, the value of collateral is not taken into account when determining the impairment of loans and advances to customers.

### iv) Loans and advances renegotiated

There were no renegotiated loans and advances at 31 December 2008.

### (f) Repossessed collateral

During the year ended 31 December 2008, the Bank did not obtain assets by taking possession of collateral held as security (2007: Nil).

Repossessed properties have to be sold within one year as required by the Central Bank. Repossessed property is classified in the balance sheet as foreclosed properties.

### (g) Concentration of financial assets with credit risk exposure

#### i) Geographical sector

The following table breaks down the Bank's main credit exposure at their carrying amount, as categorised by geographical region as at 31 December 2008. For this table, the Bank has allocated exposure to countries based on the country of domicile of our counterparties.

	Cambodia US\$	USA and Canada US\$	Europe US\$	Other ASEAN countries US\$	Other US\$	Total US\$
<b>31 December 2008</b>						
Balances with other banks	-	2,096,913	840,806	4,187,666	124,192	7,249,577
Placements with other banks	6,160,304	7,083,914	-	10,045,536	-	23,289,754
Loans and advances	93,967,174	-	-	-	-	93,967,174
Other assets	346,868	-	-	-	-	346,868
<b>As at 31 December 2008</b>	<b><u>100,474,346</u></b>	<b><u>9,180,827</u></b>	<b><u>840,806</u></b>	<b><u>14,233,202</u></b>	<b><u>124,192</u></b>	<b><u>124,853,373</u></b>
<b>Equivalent in Riel '000 *</b>	<b><u>410,035,806</u></b>	<b><u>37,466,955</u></b>	<b><u>3,431,329</u></b>	<b><u>58,085,697</u></b>	<b><u>506,828</u></b>	<b><u>509,526,615</u></b>
<b>31 December 2007</b>						
Balances with other banks	-	9,571,038	1,672,829	3,891,877	1,032,639	16,168,383
Placements with other banks	-	41,497,184	-	600,000	-	42,097,184
Loans and advances	65,475,143	-	-	-	-	65,475,143
Other assets	353,037	-	-	-	-	353,037
<b>As at 31 December 2007</b>	<b><u>65,828,180</u></b>	<b><u>51,068,222</u></b>	<b><u>1,672,829</u></b>	<b><u>4,491,877</u></b>	<b><u>1,032,639</u></b>	<b><u>124,093,747</u></b>
<b>Equivalent in Riel '000 *</b>	<b><u>263,510,205</u></b>	<b><u>204,426,093</u></b>	<b><u>6,696,334</u></b>	<b><u>17,980,984</u></b>	<b><u>4,133,653</u></b>	<b><u>496,747,269</u></b>

#### ii) Industry sector

The following table breaks down the Bank's main credit exposure at their carrying amounts, as categorised by the industry sectors of our counterparties.

\* Unaudited

## Notes to the financial statements (continued)

### 31 Financial risk management (continued)

ii) Industry sector (continued)	Financial institutions US\$	Services US\$	Commerical trading US\$	Real estate US\$	Other industries US\$	Individuals US\$	Total US\$
<b>31 December 2008</b>							
Balances with other banks	7,249,577	-	-	-	-	-	7,249,577
Placements with other banks	23,289,754	-	-	-	-	-	23,289,754
Loans and advances	12,170,301	38,173,201	20,932,574	18,140,206	3,789,185	761,707	93,967,174
Other assets	160,785	-	183,177	-	-	2,906	346,868
<b>As at 31 December 2008</b>	<b>42,870,417</b>	<b>38,173,201</b>	<b>21,115,751</b>	<b>18,140,206</b>	<b>3,789,185</b>	<b>764,613</b>	<b>124,853,373</b>
<b>Equivalent In Riel '000*</b>	<b>174,954,172</b>	<b>155,784,833</b>	<b>86,173,380</b>	<b>74,030,181</b>	<b>15,463,664</b>	<b>3,120,385</b>	<b>509,526,615</b>
<b>31 December 2007</b>							
Balances with other banks	16,168,383	-	-	-	-	-	16,168,383
Placements with other banks	42,097,184	-	-	-	-	-	42,097,184
Loans and advances	1,205,346	34,546,095	11,357,241	13,278,003	5,088,458	-	65,475,143
Other assets	232,680	-	120,357	-	-	-	353,037
<b>As at 31 December 2007</b>	<b>59,703,593</b>	<b>34,546,095</b>	<b>11,477,598</b>	<b>13,278,003</b>	<b>5,088,458</b>	<b>-</b>	<b>124,093,747</b>
<b>Equivalent In Riel '000*</b>	<b>238,993,483</b>	<b>138,288,018</b>	<b>45,944,825</b>	<b>53,151,846</b>	<b>20,369,097</b>	<b>-</b>	<b>496,747,269</b>

\* Unaudited

### 31.2 Market risk

The Bank takes on exposure to market risk, which is the risk that the fair value or future cash flow of a financial instrument will fluctuate because of changes in market prices. Market risk arises from open positions in interest rates, currency and equity products, all of which are exposed to general and specific market movements and changes in the level of volatility of market rates or prices such as interest rates, credit spreads, foreign exchange rates and equity prices.

As of 31 December 2008, the Bank did not have financial instruments carried at fair value. The Bank does not use derivative financial instruments such as foreign exchange contract and interest rate swaps to hold its risk exposures.

#### i) Foreign exchange risk

The Bank operates in Cambodia and transacts in many currencies, and is exposed to various currency risks, primarily with respect to Khmer Riel and Euro.

Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the Bank's functional currency.

The management monitors their foreign exchange risk against functional currencies. However, the Bank does not hedge their foreign exchange risk exposure arising from future commercial transactions and recognised assets and liabilities using forward contracts.

The table below summarises the Bank's exposure to foreign currency exchange rate risk at 31 December 2008. Included in the table are the Bank's financial instruments at carrying amount by currency in US\$ equivalent.

### 31 Financial risk management (continued)

#### i) Foreign exchange risk (continued)

##### 31 December 2008

	US\$	Riel	GBP	JPY	EUR	Other	Total
<b>Assets</b>							
Cash on hand	2,988,737	1,681,818	-	-	-	-	4,670,555
Balances with the Central Bank	114,187,610	16,823,990	-	-	-	-	131,011,600
Balances with other banks	6,305,525	-	101,353	40,116	736,877	65,706	7,249,577
Placements with other banks	21,329,450	1,960,304	-	-	-	-	23,289,754
Loans and advances to customers - net	81,328,487	12,638,687	-	-	-	-	93,967,174
Other assets	256,978	72,375	-	-	17,515	-	346,868
<b>Total assets</b>	<b>226,396,787</b>	<b>33,177,174</b>	<b>101,353</b>	<b>40,116</b>	<b>754,392</b>	<b>65,706</b>	<b>260,535,528</b>
<b>Liabilities</b>							
Deposits of other banks	15,930,528	1,211,245	-	-	-	-	17,141,773
Deposits of non-bank customers	168,697,185	36,956,188	2,476	-	300	108,678	205,764,827
Other liabilities	1,269,909	132,869	-	-	-	-	1,402,778
<b>Total liabilities</b>	<b>185,897,622</b>	<b>38,300,302</b>	<b>2,476</b>	-	<b>300</b>	<b>108,678</b>	<b>224,309,378</b>
<b>Net on-balance sheet position</b>	<b>40,499,165</b>	<b>(5,123,128)</b>	<b>98,877</b>	<b>40,116</b>	<b>754,092</b>	<b>(42,972)</b>	<b>36,226,150</b>
<b>Equivalent Riel '000 *</b>	<b>165,277,092</b>	<b>(20,907,485)</b>	<b>403,517</b>	<b>163,713</b>	<b>3,077,449</b>	<b>(175,368)</b>	<b>147,838,918</b>
<b>Credit commitments</b>	<b>22,359,480</b>	-	-	-	-	-	<b>22,359,480</b>
<b>Equivalent Riel '000 *</b>	<b>91,249,037</b>	-	-	-	-	-	<b>91,249,037</b>
<b>31 December 2007</b>							
<b>Assets</b>							
Cash on hand	3,710,601	1,418,235	-	-	-	-	5,128,836
Balances with the Central Bank	62,593,060	26,759,925	-	-	-	-	89,352,985
Balances with other banks	14,395,016	-	286,640	180,904	1,174,565	131,258	16,168,383
Placements with other banks	42,097,184	-	-	-	-	-	42,097,184
Loans and advances to customers - net	60,689,039	4,786,104	-	-	-	-	65,475,143
Other assets	296,209	38,553	-	-	18,275	-	353,037
<b>Total assets</b>	<b>183,781,109</b>	<b>33,002,817</b>	<b>286,640</b>	<b>180,904</b>	<b>1,192,840</b>	<b>131,258</b>	<b>218,575,568</b>
<b>Liabilities</b>							
Deposits of other banks	4,196,170	94,907	-	-	-	-	4,291,077
Deposits of non-bank customers	147,506,347	36,151,281	3,424	-	287	135,443	183,796,782
Other liabilities	971,997	139,624	-	-	-	-	1,111,621
<b>Total liabilities</b>	<b>152,674,514</b>	<b>36,385,812</b>	<b>3,424</b>	-	<b>287</b>	<b>135,443</b>	<b>189,199,480</b>
<b>Net on-balance sheet position</b>	<b>31,106,595</b>	<b>(3,382,995)</b>	<b>283,216</b>	<b>180,904</b>	<b>1,192,553</b>	<b>(4,185)</b>	<b>29,376,088</b>
<b>Equivalent Riel '000 *</b>	<b>124,519,700</b>	<b>(13,542,129)</b>	<b>1,133,714</b>	<b>724,158</b>	<b>4,773,790</b>	<b>(16,754)</b>	<b>117,592,479</b>
<b>Credit commitments</b>	<b>18,211,199</b>	-	-	-	-	-	<b>18,211,199</b>
<b>Equivalent Riel '000 *</b>	<b>72,899,429</b>	-	-	-	-	-	<b>72,899,429</b>

\* Unaudited

#### ii) Price risk

The Bank is not exposed to securities price risk because it does not hold any investment held and classified on the balance sheet either as available for sale or at fair value through profit or loss. The Bank currently does not have a policy to manage its price risk.

#### iii) Interest rate risk

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Fair value interest rate risk is the risk that the value of a financial instrument will fluctuate because of changes in market interest rates. Interest margins may increase as a result of changes but may reduce losses in the event that unexpected movements arise. The management of the Bank at this stage does not have a policy to set limits on the level of mismatch of interest rate repricing that may be undertaken; however, the management regularly monitors the mismatch.

The table below summarises the Bank's exposure to interest rate risks. It includes the Bank's financial instruments at carrying amounts, categorised by the earlier of contractual repricing or maturity dates.

## Notes to the financial statements (continued)

iii) Interest rate risk (continued)	Up to 1 month US\$	1-3 months US\$	4-12 months US\$	1-3 years US\$	Over 3 years US\$	Non-interest bearing US\$	Total US\$
<b>31 December 2008</b>							
<b>Assets</b>							
Cash on hand	79,200,000	8,000,000	-	-	-	4,670,555	4,670,555
Balances with the Central Bank	7,249,577	-	-	-	1,300,000	42,511,600	131,011,600
Balances with other banks	21,329,450	1,960,304	-	-	-	-	7,249,577
Loans and advances to customers	3,668,886	7,829,631	33,546,440	13,756,135	35,166,082	-	23,289,754
Other assets	-	-	-	-	-	346,868	93,967,174
<b>Total assets</b>	<b>111,447,913</b>	<b>17,789,935</b>	<b>33,546,440</b>	<b>13,756,135</b>	<b>36,466,082</b>	<b>47,529,023</b>	<b>260,535,528</b>
<b>Liabilities</b>							
Deposits of other banks	2,971,672	4,285,000	9,310,000	-	-	575,101	17,141,773
Deposits of non-bank customers	83,161,833	14,426,298	35,131,189	-	-	73,045,507	205,764,827
Other liabilities	-	-	-	-	-	1,402,778	1,402,778
<b>Total liabilities</b>	<b>86,133,505</b>	<b>18,711,298</b>	<b>44,441,189</b>	-	-	<b>75,023,386</b>	<b>224,309,378</b>
<b>Interest repricing gap</b>	<b>25,314,408</b>	<b>(921,363)</b>	<b>(10,894,749)</b>	<b>13,756,135</b>	<b>36,466,082</b>	<b>(27,494,363)</b>	<b>36,226,150</b>
<b>Equivalent Riel '000 *</b>	<b>103,308,099</b>	<b>(3,760,082)</b>	<b>(44,461,471)</b>	<b>56,138,787</b>	<b>148,818,081</b>	<b>(112,204,496)</b>	<b>147,838,918</b>
<b>31 December 2007</b>							
<b>Assets</b>							
Cash on hand	-	-	-	-	-	5,128,836	5,128,836
Balances with the Central Bank	-	62,400,000	-	-	1,249,063	25,703,922	89,352,985
Balances with other banks	15,937,276	-	-	-	-	231,107	16,168,383
Placements with other banks	42,097,184	-	-	-	-	-	42,097,184
Loans and advances to customers	4,860,430	7,459,691	12,570,096	35,741,886	4,843,040	-	65,475,143
Other assets	-	-	-	-	-	353,037	353,037
<b>Total assets</b>	<b>62,894,890</b>	<b>69,859,691</b>	<b>12,570,096</b>	<b>35,741,886</b>	<b>6,092,103</b>	<b>31,416,902</b>	<b>218,575,568</b>
<b>Liabilities</b>							
Deposits of other banks	500,000	500,000	2,700,000	-	-	591,077	4,291,077
Deposits of non-bank customers	78,458,273	16,624,882	35,378,980	-	-	53,334,647	183,796,782
Other liabilities	-	-	-	-	-	1,111,621	1,111,621
<b>Total liabilities</b>	<b>78,958,273</b>	<b>17,124,882</b>	<b>38,078,980</b>	-	-	<b>55,037,345</b>	<b>189,199,480</b>
<b>Interest repricing gap</b>	<b>(16,063,383)</b>	<b>52,734,809</b>	<b>(25,508,884)</b>	<b>35,741,886</b>	<b>6,092,103</b>	<b>(23,620,443)</b>	<b>29,376,088</b>
<b>Equivalent Riel '000 *</b>	<b>(64,301,722)</b>	<b>211,097,440</b>	<b>(102,112,063)</b>	<b>143,074,770</b>	<b>24,386,688</b>	<b>(94,552,633)</b>	<b>117,592,480</b>

\* Unaudited

## 31.3 Liquidity risk

Liquidity risk is the risk that the Bank is unable to meet its payment obligations associated with its financial liabilities when they fall due and to replace funds when they are withdrawn. The consequence of this may be the failure to meet obligations to repay depositors and fulfil commitments to lend.

## (a) Liquidity risk management process

The Bank's management monitors balance sheet liquidity and manages the concentration and profile of debt maturities. Monitoring and reporting take the form of the daily cash position and project for the next day, week and month respectively, as these are key periods for liquidity management. The management monitors the movement of the main depositors and projection of their withdrawals.

## (b) Funding approach

The Bank's main sources of liquidity arise from shareholder's paid-up capital and customers' deposits. The sources of liquidity are regularly reviewed daily through management's review of maturity of term deposits and key depositors.

## (c) Non-derivative cash flows

The table below presents the cash flows payable of the Bank under non-derivative financial liabilities by remaining contractual maturities at the balance sheet date. The amounts disclosed in the table are the contractual undiscounted cash flows, whereas the Bank manages the inherent liquidity risk based on expected undiscounted cash flows.

	Up to 1 month US\$	1-3 months US\$	4-12 months US\$	1-5 years US\$	Over 5 years US\$	Total US\$
<b>31 December 2008</b>						
<b>Liabilities</b>						
Deposits of other banks	3,647,272	4,431,000	9,722,850	-	-	17,801,122
Deposits of non-bank customers	156,370,906	14,735,254	36,570,604	-	-	207,676,764
Other liabilities	352,765	-	-	-	-	352,765
<b>Total liabilities (contractual maturity dates)</b>	<b>160,370,943</b>	<b>19,166,254</b>	<b>46,293,454</b>	-	-	<b>225,830,651</b>
<b>Equivalent in Riel '000 *</b>	<b>654,473,818</b>	<b>78,217,483</b>	<b>188,923,586</b>	-	-	<b>921,614,887</b>
<b>Total financial assets (expected maturity dates)</b>	<b>129,368,245</b>	<b>18,136,803</b>	<b>33,546,440</b>	<b>48,922,217</b>	<b>30,561,823</b>	<b>260,535,528</b>
<b>31 December 2007</b>						
<b>Liabilities</b>						
Deposits of other banks	1,116,077	525,000	2,835,000	-	-	4,476,077
Deposits of non-bank customers	130,427,503	18,377,359	37,098,484	148,481	-	186,051,827
Other liabilities	146,014	-	-	-	-	146,014
<b>Total liabilities (contractual maturity dates)</b>	<b>131,689,594</b>	<b>18,902,359</b>	<b>39,933,484</b>	<b>148,481</b>	-	<b>190,673,918</b>
<b>Equivalent in Riel '000 *</b>	<b>527,153,445</b>	<b>75,666,143</b>	<b>159,853,737</b>	<b>594,369</b>	-	<b>763,267,694</b>
<b>Total financial assets (expected maturity dates)</b>	<b>68,254,833</b>	<b>70,212,728</b>	<b>12,570,096</b>	<b>40,584,926</b>	<b>26,952,985</b>	<b>218,575,568</b>

\* Unaudited

## (d) Off-balance sheet items

## i) Loan commitments

The dates of the contractual amounts of the Bank's off-balance sheet financial instruments that commit it to extend credit to customers and other facilities (Note 27), are summarised in below table.

## ii) Other financial facilities

Other financial facilities (Note 27) are also included below based on the earliest contractual date.

## iii) Operating lease commitments

Where the Bank is the lessee, the future minimum lease payments under non-cancellable operating leases, as disclosed in Note 27, are summarised in the table below.

## iv) Capital commitments

Capital commitments for the construction of head office buildings and acquisitions of property and equipment (Note 27) are summarised in the below table.

## Notes to the financial statements (continued)

	No later than 1 year	1-5 years	Over 5 year	Total
<b>At 31 December 2008</b>				
Unused portion of approved credit facilities	-	17,726,593	3,606	17,730,199
Acceptances and other financial facilities	3,408,980	1,220,301	-	4,629,281
Capital commitments	245,318	-	-	245,318
Operating lease commitments	69,600	71,300	-	140,900
<b>Total</b>	<b>3,723,898</b>	<b>19,018,194</b>	<b>3,606</b>	<b>22,745,698</b>
<b>Equivalents in Riel '000*</b>	<b>15,197,228</b>	<b>77,613,250</b>	<b>14,716</b>	<b>92,825,194</b>
<b>At 31 December 2007</b>				
Unused portion of approved credit facilities	-	8,252,891	44,979	8,297,870
Acceptances and other financial facilities	5,495,000	4,418,329	-	9,913,329
Capital commitments	682,076	-	-	682,076
Operating lease commitments	14,600	18,900	-	33,500
<b>Total</b>	<b>6,191,676</b>	<b>12,690,120</b>	<b>44,979</b>	<b>18,926,775</b>
<b>Equivalents in Riel '000*</b>	<b>24,785,279</b>	<b>50,798,550</b>	<b>180,051</b>	<b>75,763,880</b>

### 31.4 Fair value of financial assets and liabilities

#### a) Financial instruments measured at fair value

The Bank did not have financial instruments measured at fair value.

#### b) Financial instruments not measured at fair value

The table below summarises the carrying amounts and fair value of those financial assets and liabilities not presented on the Bank's balance sheet at their fair value.

	Carrying value		Fair value	
	2008 US\$	2007 US\$	2008 Riel '000 *	2007 Riel '000 *
<b>Financial assets</b>				
Balances with other banks	7,314,576	16,168,383	7,314,576	16,168,383
Placements with other banks	23,224,755	42,097,184	23,224,755	42,097,184
Loans and advances	93,967,174	65,475,143	93,967,174	65,475,143
<b>Financial liabilities</b>				
Deposits of other banks	17,141,773	4,291,077	17,141,773	4,291,077
Deposits of non-bank customers	205,764,827	183,796,782	205,764,827	183,796,782
<b>Off balance sheet financial instruments:</b>				
Unused portion of approved credit facilities			17,730,199	8,297,869
Guarantees, acceptances and other financial facilities			4,629,281	9,913,330

\* Unaudited

#### i) Balances and placements with other banks

Balances and placements with other banks include non interest-bearing current accounts, saving deposits, overnight and short-term placements and short-term fixed deposits. The fair value of balances with other banks approximates the carrying amount.

#### ii) Loans and advances to customers

Loans and advances are net of provision for loan losses. The provision of loan losses is made under the requirements of Central Bank's Prakas.

#### iii) Deposits of bank and non-bank customers

The fair value of deposits of bank and non-bank customers approximates the carrying amount. The estimated fair value of deposits with no stated maturities, which includes non-interest bearing deposits, is the amount repayable on demand.

The Bank's fixed interest bearing deposits are not quoted in active market and are short-term. Their fair value approximates the carrying amount.

### 31.5 Capital management

The Bank's objectives when managing capital, which is a broader concept than the 'equity' on the face of balance sheet, are:

- To comply with the capital requirement set by the Central Bank;
- To safeguard the Bank's ability to continue as a going concern so that it can continue to provide return for shareholder and benefits for other stakeholders; and
- To maintain a strong capital base to support the development of business.

The Central Bank requires all commercial banks to i) hold minimum capital requirement, ii) maintain the Bank's net-worth at least equal to minimum capital and iii) comply with solvency and liquidity ratios.

The table below summarises the composition of regulatory capital:

	2008 US\$	2007 US\$	2008 Riel '000 *	2007 Riel '000 *
<b>Tier 1 capital</b>				
Statutory capital	13,000,000	13,000,000	53,053,000	52,039,000
Reserves	4,276,420	4,276,420	17,452,070	17,118,510
Retained earnings	18,708,768	11,387,117	76,350,482	45,582,629
	35,985,188	28,663,537	146,855,552	114,740,139
<b>Less:</b>				
Intangible assets	(385,062)	(290,600)	(1,571,438)	(1,163,272)
<b>Net-worth</b>	<b>35,600,126</b>	<b>28,372,937</b>	<b>145,284,114</b>	<b>113,576,867</b>

On 19 September 2008, the Central Bank issued a Prakas No. B7-08-193 on new capital requirement and criteria licensing approval of banks. The Prakas requires commercial banks having shareholders as individuals or companies shall increase a minimum capital of at least Riel 150 billion, equivalent to US\$36.5 million no later than the end of 2010.

\* Unaudited

## Standard Settlement Instructions (SSI)

Country of correspondents	Name and address of bank	Currency
AUSTRALIA	<b>Commonwealth Bank of Australia</b> Sydney, NSW 2001, Australia Swift code: CTBAAU2S	AUD
BELGIUM	<b>ING Belgium SA/NV</b> (Formerly Banque Bruxelles Lambert) Avenue Marnixlaan 24, B-1000, Brussels, Belgium Swift code: BBRUBEBB010	EUR
ENGLAND	<b>HSBC Bank PLC</b> (Formerly Midland Bank PLC) Poultry St., London EC2P 2BX, UK Swift code: MIDLGB22	GBP / USD
ENGLAND	<b>Standard Chartered Bank</b> Clements House, 27-28 Clements Lane, London EC4N 7AP, UK Swift code: SCBLGB2L	GBP
FRANCE	<b>Natexis Banques Populaires</b> 45, Rue Saint Dominique, 75007, Paris, France Swift code: CCBPFRPPPAR	USD / EUR
FRANCE	<b>BNP Paribas</b> 16, Bld. des Italiens, 75009 Paris, France Swift code: BNPAFRPP	EUR
FRANCE	<b>Société Générale</b> 29, Bld. Haussmann, 75009 Paris, RCS 552 120 222, France Swift code: SOGEFRPP	EUR
FRANCE	<b>Eurobank</b> 79-81 Bld. Haussmann, 75008 Paris, France Swift code: EUROFRPP	EUR
FRANCE	<b>Crédit Agricole S.A.</b> 91-93, Bld. Pasteur, 75015 Paris, France Swift code: AGRIFRPP	EUR
GERMANY	<b>Deutsche Bank AG</b> 60262 Frankfurt, Germany Swift code: DEUTDEFF	EUR
GERMANY	<b>Dresdner Bank AG</b> Roßmark 14, 60311 Frankfurt Am Main, Germany Swift code: DRESDEFF	EUR
JAPAN	<b>Bank of Tokyo Mitsubishi</b> 3-2 Nihonbashi, P.O. Box no. 191, Tokyo 103-8684, Japan Swift code: BOTKJPJT	USD / JPY

## Standard Settlement Instructions (SSI)

Country of correspondents	Name and address of bank	Currency
SINGAPORE	<b>Standard Chartered Bank Singapore</b> 6 Battery Road, Branch 6747 7000, Singapore 049909 Swift code: SCBLGSG	USD
SINGAPORE	<b>Natexis Banques Populaires Singapore</b> 50 Raffles Place, #41- 01 Land Tower, Singapore 048623 Swift code: BFCESGSG	USD
THAILAND	<b>Bangkok Bank PLC</b> 333 Silom Road, Bangkok 10500, Thailand Swift code: BKKBTHBK	USD
USA	<b>Standard Chartered Bank</b> 1 Madison Avenue, New York, NY 10010, USA Swift code: SCBLUS33	USD
USA	<b>JP Morgan Chase Bank New York</b> Church Street Station, P.O. Box 932, New York, NY 10008-0932, USA Swift code: CHASUS33	USD
USA	<b>HSBC BANK USA N.A.</b> 452, Fifth Avenue, New York, NY 10018-2706 Swift code: MRMDUS33	USD
USA	<b>Wachovia Bank, N.A.</b> NY International Branch 11 Penn Plaza, 4th Floor, New York, NY 10001, USA Swift code: PNBpus3nny	USD
USA	<b>Citibank N.A.</b> 1 Penns Way, Newcastle, DE 19720, USA Swift code: CITIUS33	USD
VIETNAM	<b>Bank for Foreign Trade of Vietnam</b> 198 Tran Quang Khai, Hanoi, Vietnam Swift code: BFTVNVX	USD



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