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OVERVIEW

Based on the guidance and the support of Vietnamese and Cambodian government, Bank for investment and Development of Vietnam (BIDV) and Phuong Nam company (Both are Vietnamese) has co-founded the Cambodian Investment and Development Co Ltd., (IDCC) for the execution of financial investment in banking, insurance, agriculture sector,...in Cambodia, and the first project is to acquire the Prosperity Investment Bank (PIB), then restructure and rename it to Bank for Investment and Development of Cambodia Plc. (BIDC).

BIDC has officially started operations since September 01, 2009 upon the NBC's approval at the Decision No B7.09.148 dated August 14, 2009. During nearly 5 years of operations, BIDC has gradually grown and steadily developed. Up to now, BIDC become one of 6 largest commercial banks in Cambodia with the headquarter and 7 branches, operating in both Cambodian and Vietnamese markets. The bank has more than 300 staffs, providing with various kind of banking services to diverse customers.

BIDC' operations are directly and strongly supported by BIDV - one of the 4 largest commercial banks in Vietnam, which has experience of 57 years doing business in Vietnam. Thanks to that, BIDC has favorable conditions in applying new services, especially modern banking services, as well as banking technologies, reputation and ensuring liquidity.

During over 4 year of operations, BIDC has not only grown well, but it also contributed to develop the economy and financial market, promote economic and financial relationship, cooperation between Cambodia and Vietnam. Many big projects, which are invested or cooperated by Vietnamese enterprises, financed by BIDC have come into operation and obtained high efficiency, The Bank has also received special care and support of both Vietnamese and Cambodian governments.

In the future, BIDC has plan to broaden its size, come to different potential provinces, serve various customers. The Bank will try the best to strengthen its financial capacity and reputation, serve better its customers and join top 4 commercial banks in Cambodia.



BE YOUR SIDE **BY YOUR HAND**

HILIGHTED BUSSINESS PERFORMANCE IN 2013

Total deposits due to customers: USD148,481 thousand, an increase by around 4% compared to the year 2012.

Total outstanding loans due to customers: USD367,625 thousand, an increase by nearly 5% compared to the year 2012.

Net service income: USD2,813 thousand.

Profit before tax: USD5,447 thousand. Net profit (after taxes and provisions): USD4,051 thousand.

KEY EVENTS

- 07/2013: Implementation of VISA card services.
- 10/2013: in collaboration with Football Federation of Cambodia (FFC), BIDD organized "BIDD Cup 2013" which is the cup gathering leading football team U23 of six countries in Mekong Region.
- 12/2013: Grand Opening Ceremony of BIDD - Mean Chey Branch.





BIDC IS THE MOST OUTSTANDING
PROMISING GROWTH BANK IN CAMBODIA
(AWARDED BY THE INTERNATIONAL DATA GROUP AND
THE ASSOCIATION OF BANKS CAMBODIA, JUN 2013)



MESSAGE FROM THE CHAIRMAN

In 2013, The Kingdom Of Cambodia marked crucial events and challenges in its politics social life out the country macro-economy was relatively good, with the Gross Domestic Product (GDP) growth rate of 7.6%, compared that of 7.3% in 2012. The agriculture, textiles, construction, real-estate and tourism kept being main drivers of the economic development. Key macro-economic index continued to be stably ensured, Inflation remained well-managed (around 3%); foreign direct investment (FDI) kept growing steadily; exchange rate of the riel against the US dollar has not fluctuated much; and the balance of payment has been improved.

In such a complex environment, the Cambodian banking sector has confronted with some difficulties, instability even the risk of liquidity in some moment. However, the Cambodian banking system has managed well has seen the new development in both size and efficiency. Total assets increased by 13.7% (nearly USD 12.5 billion, equal to 80% of GDP); The growth rate of outstanding loans and deposits is 19% and 5% respectively compared to that of 2012.

Operating in such difficult business environment, BIDC has demonstrated a lots of efforts and obtained remarkable successes. All the Board of Directors(BOD), Board of management (BOM) and entire staff have stuck together to overcome difficulties, ensure the regular operation and generate good profit . Although almost targeted objectives set out by the BOD have not been accomplished due to the impact of the business environment, BIDC has continued to maintain reasonable growth and has obtained remarkable performance for almost items. Furthermore, all employees and staff have expressed the belief and close attachment with the Bank. At the same time,

BIDC has continued to conduct corporate social responsibility programs, which were highly appreciated by the Royal Government of Cambodia, positively adding value to BIDC.

In 2014, In forecasties both opportunities challenges in the macro-economic environment and in the banking industry, as one of big financial institution, In order to fulfill its business mission this contributing to implement the national monetary policies and other tasks, promoting the cooperation and relationship between Cambodia and Vietnam, BIDC plans to concentrate on the following targets:

- Firstly, maintain and strengthen the position as one of the top-five leading commercial banks in terms of size, safety, quality and efficiency; contribute positively to the development of the Cambodian economy and the social welfare programs, undertake the role of serving Vietnamese investors into Cambodia and bridging the trade activities between the two countries.
- Secondly, restructure business activities, enhance operating quality and efficiency; increase credit quality, handle with NPLs, ensure capital safety in operation. Expand credit based on mobilized funds.
- Thirdly, strengthen corporate governance, operating discipline and compliance toward building BIDC as the sustainable and efficient financial institution, its operation criteria in line with international standards and practices.
- Fourthly, continue to develop and enhance the quality of new banking products and services based on the modern core banking in order to increase the competitiveness of BIDC.
- Fifthly, continue to develop and enhance the quality of human resources through building a positive working environment, attracting highly qualified human resources, and offering a competitive remuneration system.

With the high determination of the Board of Directors, Board of management and all staff, we believe certainly that BIDC will gradually fulfill all its objectives, mission and plan. We commit always to walk along with our valued customers and partners to share opportunities and obtain more successes in the coming year and positively contribute to the mutual relations between Cambodia and Vietnam.

In conclusion; on behalf of the Board of Directors, I would like to express our most sincere gratitude to the Royal Government of Cambodia, especially the National Bank of Cambodia (NBC), Ministry of Economics and Finance (MEF), Council of the Development of Cambodia, customers, shareholders, business partners and Cambodian people for their support and especially to all BIDC management and staff, who have been with us so far.



CEO'S REPORT

In 2013, the banking business activity has faced several challenges in both Cambodia and Vietnam due to political environment uncertainties in Cambodia and slow recovery of macro-economic and banking industry in Vietnam.

With the strong support of the Government, ministries, competent agencies of the two countries Vietnam and Cambodia and all customers as well, BIDC has encountered various difficulties and yielded encouraging results. In reality, BIDC has continued to enhance its position, image and solid market share, created and intensified reputation and belief of customers and people. Although almost targets set for the year 2013 have been implemented at low level, especially the profit target and Non-performing loan ratio (NPLs) due to the impact of the business environment, BIDC's results are remarkable, ensure safe regular operation and moderate growth. The main results in 2013 can be mentioned as follows:

- First, in spite of complex business environment, BIDC's business activity remained stable, safe and developed. The Bank's total assets reached approximately USD 500 million, ranked 5th among the largest Cambodian commercial bank in term of total assets; total deposits reached nearly USD 166 million, up 9.4% compared with 2012; total outstanding loans reached USD 377 million, 6% higher than the figure in 2012. The profit before tax reached nearly USD 5.5 million.
- Second, BIDC has built very good customers base and well-developed; enhanced its reputation in the market. Despite relatively unfavorable situation, BIDC kept serving well customers, so almost big customers still hope to maintain the relationship with BIDC.

- Third, BIDC have studied and launched various new types of products and services to serve customers, especially VISA debit card, the VISA payment acceptance on ATM.
- Fourth, their staff demonstrated closely attached and committed to serve long time for the Bank.
- Finally, BIDC's business network and distribution channel have been expanded, including Head-office and 7 branches in both Cambodian and Vietnamese market, which enables BIDC to support customers throughout the country and actively foster the investment activities between Cambodia and Vietnam.

Besides the good achievement, BIDC still has some drawbacks as follows: the growth rate of fund mobilization has not been high and still depends on the BIDV's funds; the customer structure has not been diversified both in term of outstanding loans and deposits, still focus on some big customers; the credit quality declined sharply, NPLs ratio remained high compared to the industry medium; the development of new products and services is still slow; the public relationship and the marketing strategy of the bank are weak,...

The 2014 business plan aim to restructuring BIDC's activities including the improvement of the assets quality, restructuring the income structure (increasing the proportion of incomes from banking services), enhancing retail banking operations, increase the proportion of long-term funds... BIDC has set its targets in 2014 as follows: growth rate of total assets: over 10%/year, outstanding loans: over 10%/year; deposits: 30%; total income is expected to increase 18-20%, ROA: 1.4% and ROE: 10%. At the same time, BIDC continues to play the role of bridging investment activities between Vietnam and Cambodia and make efficient contribution to Cambodia's economic development.

Finally, we would like to express our sincere thanks to Governments, ministries and competent agencies of Vietnam and Cambodia which have supported us so much in the recent time. We also would like to deeply thank BIDV's management and BIDC's Board of Directors for their special care and close direction. Our thanks are also extended to all our colleagues and valued customers who have brought BIDC's achievements as today.

CORPORATE PROFILE

THE BOARD OF DIRECTORS

The members of the Board of Directors from 1 January 2013 to the date of this report are:

Name	Position	Date of appointment/resignation
Mr. Le Dao Nguyen	Chairman	Appointed on 6 November 2010
Mr. Hoang Van Vinh	Vice chairman	Appointed on 7 July 2010
Mr. Pham Van Duong	Member	Appointed on 1 August 2009
Mr. Nguyen Van Hien	Member	Appointed on 1 August 2009
Mr. Tran Dinh Dinh	Member	Appointed on 1 August 2009
Mrs. Tran Thi Oanh	Member	Appointed on 1 August 2009
Mr. Doan Anh Sang	Member	Appointed on 21 December 2012
Mr. Tran Long	Member	Appointed on 21 December 2012
Mr. Nguyen Dinh Duong	Member	Appointed on 21 October 2013

THE BOARD OF MANAGEMENT

Name	Position	Date of appointment/resignation
Mr. Nguyen Van Hien	Chief Executive Officer	Resigned on 21 October 2013
Mr. Nguyen Dinh Duong	Chief Executive Officer	Appointed on 21 October 2013
Mrs. Mai Thi Ngoc Ha	Senior Executive Vice President	Appointed on 1 August 2009
Mr. Mey Phy	Senior Executive Vice President	Appointed on 1 August 2009
Mr. Duong Van Co	Senior Executive Vice President	Appointed on 1 May 2011
Mr. Pham Hong Nhien	Senior Executive Vice President	Appointed on 24 July 2012
Mr. Do Van Quyet	Senior Executive Vice President	Appointed on 21 December 2012

REGISTERED OFFICE

#370, Monivong Blvd., Sangkat Boengkeng Kang I,
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E-MAIL : info@bidc.com.kh

Website: www.bidc.com.kh

Swift : IDBCKHPP

MAJOR SHARE HOLDER

Cambodia Investment and Development Co., Ltd (IDCC) - 97.9% capital



CORPORATE GOVERNANCE

BOARD OF DIRECTORS



Mr. LE DAO NGUYEN
Chairman

-Born in 1956
-Education: Bachelor of Engineering
Post-graduate Diploma in Economics,
Master of Business Administration.
-Experience: 30 years of experience
in Banking and finance sector.
Has been successfully experiencing
all major domain and in charge of
many key positions in banking sector
including: Member of BOD of BIDV,
Senior Executive Vice President of
BIDV, Chairman of BIDV Asset Man-
agement Company (BAMC), Chair-
man of BIDV Financial Investment
Company (BFI), Chairman of J.V Lao
Viet Bank, Member of the BOD of
Vietnam National Financial Switch-
ing JSC, BIDV-Vietnam Partners In-
vestment Management Joint-Venture
Company (BVIM)...Chairman of BIDC
November 2010.



Mr. HOANG VAN VINH
Vice Chairman

-Born in 1964
-Education: Bachelor of Economics
-Experience: Member of BOD of BIDC
since July, 2010.



Mr. TRAN DINH DINH
Independent Member of the BOD

-Born in 1945
-Education: Bachelor of Banking and
Finance
-Experience: 36 years of experience
in Banking and Finance sector.
Has been successfully experienc-
ing many major domains in banking
sector namely Senior Executive Vice
President of Vietnam Bank for Agricul-
ture and Rural Development.
Member of BOD of BIDC since August
2009



Mr. PHAM VAN DUONG
Member of the BOD

- Born in 1972
- Education: Bachelor of Business Administration
- Experience: Member of BOD of BIDC since August, 2009



Ms. TRAN THI OANH
Independent Member of the BOD

- Born in 1965
- Education: Bachelor of Economics
- Experience: 25 years of experience in Banking and Finance sector she has been successfully experiencing several operating departments and fields including Credit Management, Accounting and Finance, and Credit Risk Management, Member of BOD of BIDC since August 2009.



Mr. NGUYEN VAN HIEN
Member of the BOD

- Born in: 1961
- Education: Master of Science in Banking and Finance
- Experience: He has over 25 years of experience in banking sector. Member of BOD of BIDC since August 2009



Mr. DOAN ANH SANG
Member of the BOD

- Born in 1961
- Education: Major in Banking
- Experience: Over 25 years of experience in Banking and Finance sector. Member of the BOD in year 2014



Mr. TRAN LONG
Member of the BOD

- Born in 1976
- Education: Bachelor degree in Banking and Finance, Master of Economics
- Experience: Over 20 years of experience in Banking and Finance sector. Member of the BOD in year 2014



Mr. NGUYEN DINH DUONG
Member of the BOD Chief Executive Officer

- Born in 1976
- Education: Master of Business Administration, CFVG Hanoi 2000, Master of Business Administration in Management of Technology, AIT Thailand, 2001.
- Experience: Over 20 years of experience in Banking and Finance sector. Member of BOD of BIDC in year 2014.

BOARD OF MANGEMENT



Mr. NGUYEN DINH DUONG

Member of the BOD, Chief Executive Officer

- Born in 1976
 - Education: Master of Business Administration, CFVG Hanoi 2000, Master of Business Administration in Management of Technology, AIT Thailand, 2001.
 - Experience: Over 20 years of experience in Banking and Finance sector.
- Member of BOD of BIDC in year 2014.



Mr. PHAM HONG NHIEN

Senior Executive Vice President

- Year of birth: 1970
- Education: Bachelor of Banking and Finance, Bachelor of Mathematics.
- Experience: He has 20 years of experience in banking, holding a variety of senior positions prior to becoming the Senior -Executive Vice President of BIDC in September 2012



Mr. MEY PHY

Senior Executive Vice President

- Year of birth: 1959
- Education: Master of Laws
- Experience: He has over 20 years of experience in banking, become the Senior Executive Vice President of BIDC in August 2009



Mrs. MAI THI NGOC HA
Senior Executive Vice President

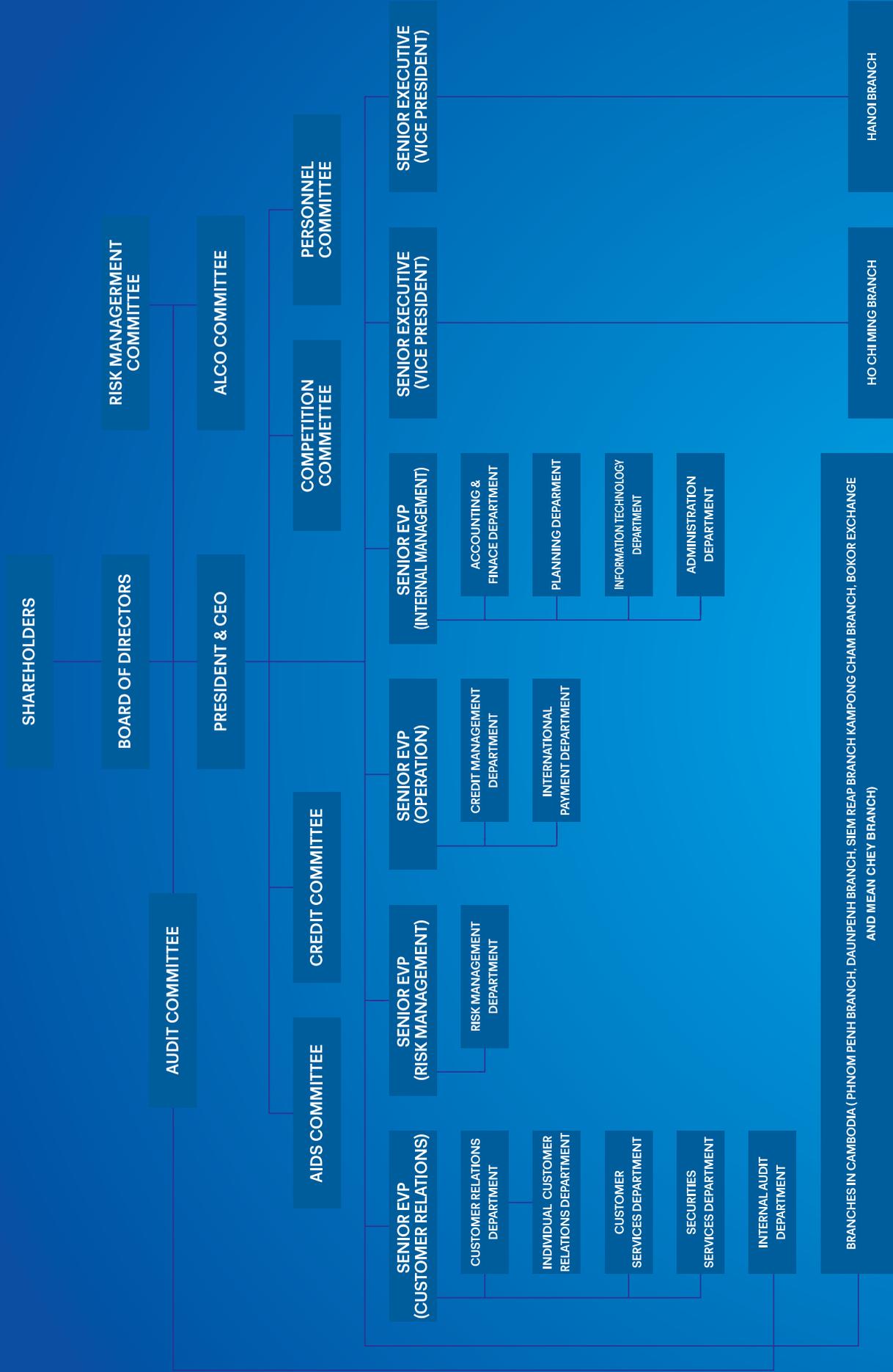
-Year of birth: 1963
-Education: Bachelor of Banking and Finance, Bachelor of Engineering
-Experience: She has over 25 years of experience in banking, Become the Senior Executive Vice President of BIDC in August 2009.



Mr. DO VAN QUYET
Senior Executive Vice President

-Year of birth: 1978
-Education: Bachelor degree at Wittenborg University, The Netherlands in 2001-2005
-Experience: He has over 10 years of experience in banking and become Senior Executive Vice President of BIDC in 2012.

ORGANIZATION CHART



BIDC'S BRANCHES



BUSINESS PERFORMANCE IN 2013

General assessment:

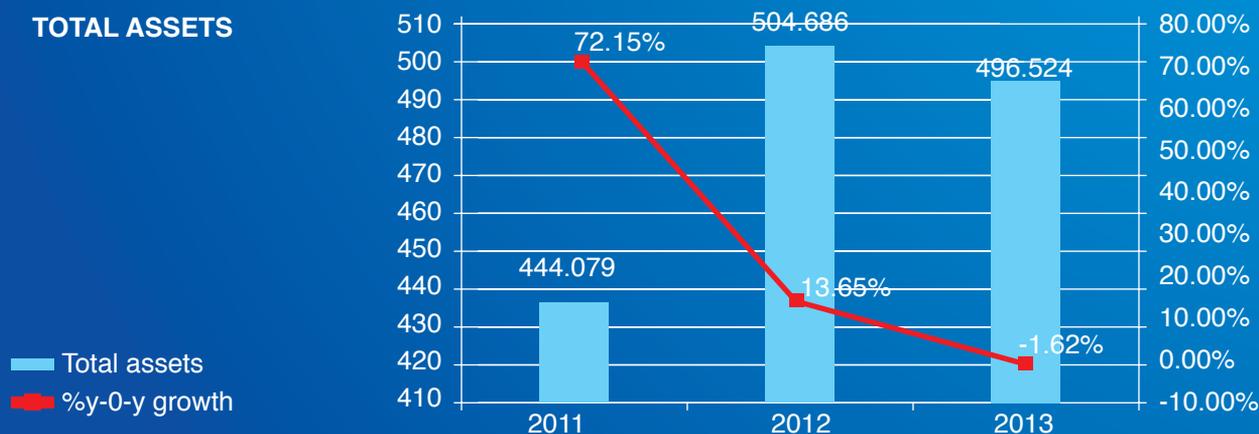
In 2013, the banking business activities remained stable in term of scale in operations and safety ensured. However, due to the impact of the business environment after the general election in Cambodia, the main targets in 2013 have been accomplished in low level, especially the profit target, fund mobilization and non-performing loans.

Index	Items	2010	2011	2012	2013	Difference (2013 against 2012)
SCALE ITEMS (1000 USD)						(+) or (-)
1	Total Assets	75,468	121,034	504,687	496,524	-8,163
2	Loans and advances to Customers	148,391	283,798	356,245	367,625	332,001
3	Deposits from customer	96,745	112,744	151,533	148,481	-3,052
4	Total Liabilities	185,902	369,134	422,309	414,403	-7,906
5	Chartered capital	70,000	70,000	70,000	70,000	-
6	Shareholder's equity	72,052	74,944	82,378	82,120	-258
EFFICIENCY ITEMS (1000 USD)						
1	Total Income	2,559	6,118	9,893	5,447	-4,446
2	Net service income	1,898	2,674	3,049	2,813	-236
3	Profit before income tax			9,893	5,447	-4,446
4	Net profit after tax	1,987	4,800	7,639	4,051	-3,588
5	ROA	0.76%	1.07%	1.51%	1%	-0.51%
6	NPLs	0%	0%	0.56%	5.01%	4.45%

TOTAL ASSETS

As at 31 December 2013, total assets reached USD 496.5 million. The bank has thus firmly affirmed its 5th rank in the banking system in terms of total assets.

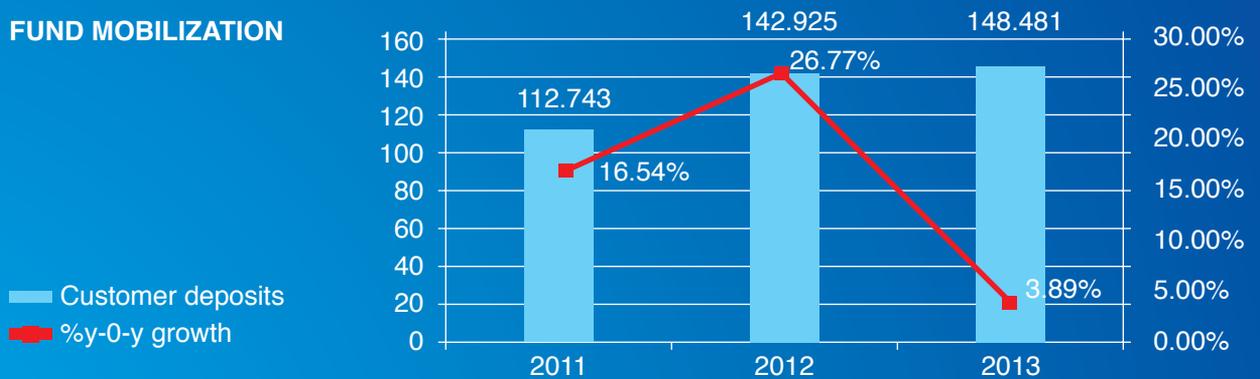
TOTAL ASSETS



FUND MOBILIZATION

Customer deposits reached USD 148.4 million, increased by nearly 4% compared to those of 2012. Most of deposits fell in large enterprises with regular credit relationship and trading with the Bank. Deposits from the individuals has been improved significantly over the years (from 21% in 2011 to nearly 50 % in 2013 compared to total fund mobilization).

FUND MOBILIZATION



CREDIT OPERATION

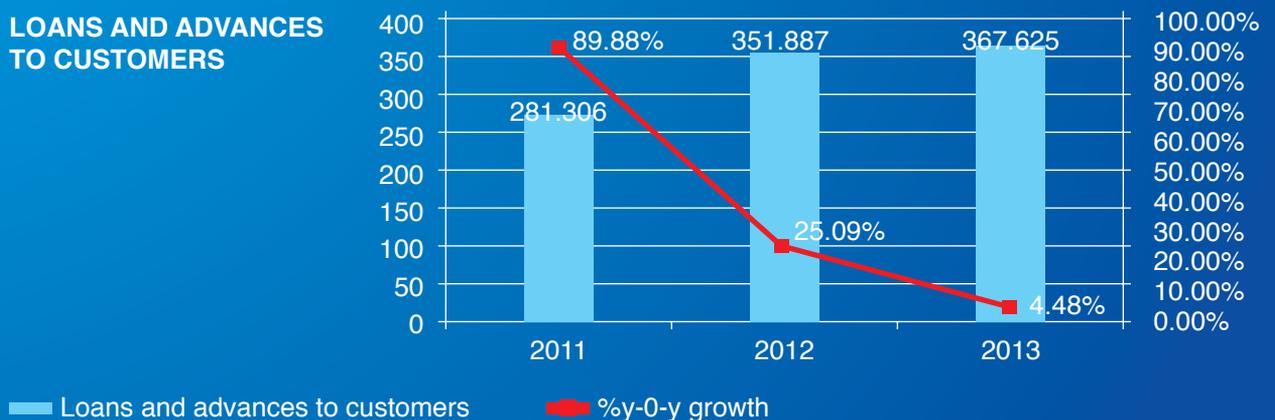
Total loans to customers in 2013 reached USD 367.6 million, increased nearly 5 % compared to 2012

The Bank has successfully provided loans to large customers and enterprises that have dominant market share in the Cambodian market (Credit structure around 10 % in individuals and 90% in business entities). With appropriate customers policies and diversified credit products, BIDC developed a large number of highly potential customers.

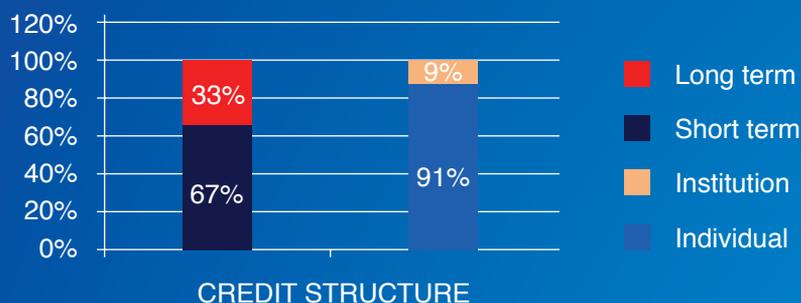
In credit operation, the reputation and position of BIDC have been increasingly advanced in the market. Customers appreciated the financial support of BIDC which helped to minimize input costs and provide sufficient capital for enterprises so that they could implement effectively large projects, and develop the country's economy.

Credit quality was controlled as planned. Impact of business environment especially after the general election in Cambodia had caused difficulties for BIDC's customer for their repayment ability, thus leading to a raise in banks' NPLs ratio. Regarding this impact, BIDC has proactively implemented many comprehensive methods to control NPLs. Accordingly, the NPL ratio stood at 5.01% in 2013.

LOANS AND ADVANCES TO CUSTOMERS



CREDIT OPERATION (continued)



BANKING SERVICES

Net fee and commission income reached USD 2.8 million, approximately equal to that of 2012 despite the fact that caused difficulties of the whole economy and the impact of the business environment. The ratio between Net fee and commission income and Net interest income was around 15%. Net revenue from services was mainly from credit fees, trade finance, payments, banking guarantee and international transfer.

HUMAN RESOURCES

Total number of staff throughout of BIDC system until 31/12/2013 is 291 staff, including 59 Vietnamese staff in Cambodian market (and 102 staffs in 02 branches in Vietnam). The 93% of staff have a university degree or higher. However, their skills and practical experience in the banking sector are still limited and need to be trained and improved to meet the business environment requirements.



NETWORK EXPANSION

In 2013, BIDC opened one branch in Phnom Penh and operated in late 2013 (BIDC Mean Chey branch), bringing the total number of branches to 6 transaction offices in Cambodia: 1 headquarter, 5 branches and 1 Exchange office at Bokor mountain.



INFORMATION TECHNOLOGY

Based on the successfully deployed T24 core banking system of which operations have been stable since 2010. Wholly BIDC's branches have been connected with online transactions.

Also, BIDC has also deployed an internal payment system called BIDC Inpay, which provides online payment connection between units in Cambodia and Vietnam, reducing service costs for customers and transaction processing time.

In 2013, BIDC has focused on completing the information technology infrastructure and cards product development. BIDC has also deployed multiple information technology systems to meet the standards and regulations of NBC as well as international standards as well as the lightning protection systems, automatic fire extinguishing system, issuing VISA cards...

CORPORATE SOCIAL RESPONSIBILITY

In 2013, BIDC continued to develop a brand image contributing for community with many programs highlighting social responsibilities, conducted a number of social welfare project in Education, Health, Sport, Victims, Conference etc., which were highly appreciated by the Cambodian Government and Ministries, for example: BIDC has supported Cambodian Red Cross for victims of flood, BIDC in collaboration with Football Federation of Cambodia (FFC), organized and sponsored the Mekong Region Youth U23 International BIDC Cup 2013 every two year that is the largest international football tournament in Cambodia which people in Cambodia and other Mekong countries are awaiting...



RECOGNITIONS AND AWARDS

In recognition of BIDC as THE MOST OUTSTANDING PROMISING GROWTH BANK
 organized and awarded by IDG, Phnom Penh-05-June-2013

KEY TASKS

TO SUCCESSFULLY ACHIEVE THESE TARGETS, THE BANK HAS PRIORITIZED TASKS TO FULFILL IN 2014 AS FOLLOWS:

- Focus on restructuring activities to enhance quality and performance in which the business activities concentrate and maintain the position as one of the top-five leading commercial banks in terms of scale, safety, quality and efficiency.
- Fund Mobilization is the highest priority. To ensure sufficient funds for credit growth, an appropriate capital structure to guarantee liquidity and adequate operation ratios.
- Focus on improving credit quality, increase credit volume in line with the fund mobilization, credit development for the small and medium enterprises and disbursements for the project already committed.
- Increase revenues from banking services such as: payments, banking guarantee, trade finance and forex trading. Promoting the international payments, especially the payments between Vietnam-Cambodia through BIDC Inpay system.
- To develop the retail banking activities, increasing the proportion of all retail activities.
- Strengthening corporate governance, operating discipline and compliance toward building BIDC as a sustainable and efficient financial institution.
- Continuing to strengthen the BIDC brand name, image, reputation to make BIDC become a local brand, common to a large number of Cambodian people.
- Continue to develop and enhance the quality of human resources through the HR planning, education, rotation, promotion to build a positive working environment, attracting high-quality human resources, and offering a competitive remuneration system.
- Enhance the autonomy and independence in business activities to reduce the support from BIDV in some activities such as fund, credit ...
- Undertake the role for serving Vietnamese investors into Cambodia and bridging the trade activities between the two countries; and thus positively contributing to the development of the Cambodian economy and the social welfare programs implementation;

BUSINESS PLAN 2014

In 2014, based on the situation analysis and forecast challenges in the macroeconomics environment and the banking sector, The BIDC's 2014 business plan will focus on the following key targets:

Items	Target 2014
Total assets	USD 562 million, increased by 11% compared to that of 2013
Owner's equity	USD 85 million, increased by 21%
Fund mobilization (not included the financial institution)	USD 216million, increased by 30% compared to that of 2013
Credit operation	USD 414 million, increased by 10% compared to that of 2013
Profit before tax	USD 10.5 million, increased by 93% compared to that of 2013
NPLs	1%
ROA	1.40%
ROE	10%

VISION AND MISSION

- **Vision:** gradually increase quality and efficiency, scale and position of BIDC on the market. Make efforts to upgrade BIDC as one of top 4 commercial banks in Cambodia until 2018 and to maintain the position of the biggest vietnamese commercial bank in Cambodia.

- **Mission:**

- + Assisting for the execution of the economic development of Cambodia.
- + Connecting to the economic development in Cambodia
- + Acting as one of economic connectors between Cambodia and Vietnam to promote investment and financial activities as well as trade and tourism.
- + Launching various new types of products and services to serve customers of BIDC.
- + Concentrating on training profesional skills, for all staff and expertise to serve long time for the Bank.

REPORT OF THE BOARD OF MANAGEMENT

The Board of Management of Bank for Investment and Development of Cambodia Plc (herein referred to as “the Bank” or “BIDC”) presents its report together with the financial statements as at 31 December 2013 and for the year then ended.

THE BANK

On 15 July 2009, Prosperity Investment Bank (“PIB”) was acquired by Cambodian Investment and Development Co Ltd. (“IDCC”), a company incorporated in Cambodia, which was co-founded by Bank for Investment and Development of Vietnam (“BIDV”) (owning 80%) and Phuong Nam Company (owning 20%). PIB was restructured and renamed as Bank for Investment and Development of Cambodia in accordance with Decision No. B1-09-554 dated 15 July 2009 by the Governor of National Bank of Cambodia (“NBC”). The transaction was effective from 1 August 2009.

PRINCIPAL ACTIVITIES

The Bank is principally engaged in all aspects of banking business and the provision of related financial services.

There were no significant changes to these principal activities during the year.

FINANCIAL RESULTS

The financial results of the Bank are as follows:

	2013	2013
	US\$	US\$
Profit before tax	5,447,509	9,893,116
Income tax expense	(1,396,271)	(2,254,398)
Net profit for the year	4,051,238	7,638,718
KHR'000 equivalent	16,184,693	30,516,680

SHARE CAPITAL

The share capital of the Bank was US\$70,000,000 as at 31 December 2013 and 2012.

RESERVES AND PROVISIONS

There were no material movements to or from reserves and provisions during the year other than those disclosed in the financial statements.

REPORT OF THE BOARD OF MANAGEMENT (continued)

BAD AND DOUBTFUL LOANS AND ADVANCES

Before the financial statements of the Bank were prepared, the Board of Management took reasonable steps to ascertain that actions had been taken in relation to the writing off of bad loans and advances and making of provision for bad and doubtful loans and advances, and satisfied themselves that all known bad loans and advances had been written off and that adequate provision had been made for bad and doubtful loans and advances.

At the date of this report, the Board of Management is not aware of any circumstances, which would render the amount written off for bad loans and advances, or the amount of for the provision for bad and doubtful loans and advances in the financial statements of the Bank inadequate to any material extent.

CURRENT ASSETS

Before the financial statements of the Bank were prepared, the Board of Management took reasonable steps to ascertain that any current assets, other than loans, which were unlikely to be realised in the ordinary course of business during their value as shown in the accounting records of the Bank had been written down to an amount which they might be expected to realise.

At the date of this report, the Board of Management is not aware of any circumstances, which would render the values attributed to current assets in the financial statements of the Bank misleading in any material aspect.

VALUATION METHODS

At the date of this report, the Board of Management is not aware of any circumstances that have arisen which would render adherence to the existing method of valuation of assets or 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:

- > 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
- > 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 Board of Management, will or may have a material effect on the ability of the Bank to meet its obligations as and when they fall due.

EVENTS SINCE THE BALANCE SHEET DATE

There is no significant event occurring after the balance sheet date, which requires disclosure or adjustment other than those already disclosed in the accompanying notes to the financial statements.

REPORT OF THE BOARD OF MANAGEMENT (continued)

THE BOARD OF DIRECTORS

The members of the Board of Directors from 1 January 2013 to the date of this report are:

<i>Name</i>	<i>Position</i>	<i>Date of appointment/resignation</i>
Mr. Le Dao Nguyen	Chairman	Appointed on 6 November 2010
Mr. Hoang Van Vinh	Vice Chairman	Appointed on 7 July 2010
Mr. Pham Van Duong	Member	Appointed on 1 August 2009
Mr. Nguyen Van Hien	Member	Appointed on 1 August 2009
Mr. Tran Dinh Dinh	Member	Appointed on 1 August 2009
Mrs. Tran Thi Oanh	Member	Appointed on 1 August 2009
Mr. Doan Anh Sang	Member	Appointed on 21 December 2012
Mr. Tran Long	Member	Appointed on 21 December 2012
Mr. Nguyen Dinh Duong	Member	Appointed on 25 October 2013
Mr. Van Dinh Hai	Member	Resigned on 21 December 2012
Mr. Ngo Duy Chinh	Member	Resigned on 21 December 2012
Mrs. Le Thanh Van	Member	Resigned on 21 October 2013

THE BOARD OF MANAGEMENT

The members of the Board of Management from 1 January 2013 to the date of this report are:

<i>Name</i>	<i>Position</i>	<i>Date of appointment/resignation</i>
Mr. Nguyen Dinh Duong	Chief Executive Officer	Appointed on 25 October 2013
Mr. Nguyen Van Hien	Chief Executive Officer	Resigned on 21 October 2013
Mrs. Mai Thi Ngoc Ha	Senior Executive Vice President	Appointed on 1 August 2009
Mr. Mey Phy	Senior Executive Vice President	Appointed on 1 August 2009
Mr. Duong Van Co	Senior Executive Vice President	Appointed on 1 May 2011
Mr. Pham Hong Nhien	Senior Executive Vice President	Appointed on 24 July 2012
Mr. Do Van Quyet	Senior Executive Vice President	Appointed on 25 December 2012
Mr. Ngo Van Long	Senior Executive Vice President	Resigned on 31 October 2013

AUDITORS

The auditors, Ernst & Young (Cambodia) Ltd., expressed their willingness to accept reappointment as auditors.

THE BOARD OF MANAGEMENT'S BENEFITS

During and at the end of the year, no arrangement existed, to which the Bank was a party, whose object was to enable the Board of Management to acquire benefits by means of the acquisition of shares in or debentures of the Bank or any other body corporate.

No manager has received or become entitled to receive a benefit (other than a benefit included in the aggregate amount of emoluments received or due and receivable by the Board of Management, or the fixed salary of a full time employee of the Bank as disclosed in Note 24(c) to the financial statements) by reason of a contract made by the Bank or with a firm of which he is a member, or with a company in which he has a material financial interest.

REPORT OF THE BOARD OF MANAGEMENT (continued)

THE BOARD OF MANAGEMENT'S RESPONSIBILITY IN RESPECT OF THE FINANCIAL STATEMENTS

The Board of Management is responsible for ensuring that the financial statements give a true and fair view of the financial position of the Bank as at 31 December 2013, and its financial performance and cash flows for the year then ended. In preparing these financial statements, the Board of Management is required to:

- adopt appropriate accounting policies which are supported by reasonable and prudent judgments and estimates and then apply them consistently;
- comply with regulations and guidelines issued by the National Bank of Cambodia and Cambodian Accounting Standards or, if there has been any departure in the interest of fair presentation, ensure this has been appropriately disclosed, explained and quantified in the financial statements;
- maintain adequate accounting records and an effective system of internal control; and
- prepare the financial statements on a going concern basis unless it is inappropriate to assume that the Bank will continue in operation in the foreseeable future.

The Board of Management is responsible for ensuring that proper accounting records are kept which disclose, with reasonable accuracy at any time, the financial position of the Bank and to ensure that the accounting records comply with the registered accounting system. It is also responsible for safeguarding the assets of the Bank and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Board of Management confirms that the Bank has complied with these requirements in preparing the financial statements.

STATEMENT BY THE BOARD OF MANAGEMENT

The Board of Management does hereby state that, in its opinion, the accompanying financial statements give a true and fair view of the financial position of the Bank as at 31 December 2013, and its financial performance and cash flows for the year then ended in accordance with Cambodian Accounting Standards and relevant regulations and guidelines issued by the National Bank of Cambodia.

On behalf of the Board of Management:



Mr. Nguyen Dinh Duong
Chief Executive Officer

Phnom Penh, Kingdom of Cambodia 27 January 2014



REPORT OF THE BOARD OF MANAGEMENT (continued)

BAD AND DOUBTFUL LOANS AND ADVANCES

Before the financial statements of the Bank were prepared, the Board of Management took reasonable steps to ascertain that actions had been taken in relation to the writing off of bad loans and advances and making of provision for bad and doubtful loans and advances, and satisfied themselves that all known bad loans and advances had been written off and that adequate provision had been made for bad and doubtful loans and advances.

At the date of this report, the Board of Management is not aware of any circumstances, which would render the amount written off for bad loans and advances, or the amount of for the provision for bad and doubtful loans and advances in the financial statements of the Bank inadequate to any material extent.

CURRENT ASSETS

Before the financial statements of the Bank were prepared, the Board of Management took reasonable steps to ascertain that any current assets, other than loans, which were unlikely to be realised in the ordinary course of business during their value as shown in the accounting records of the Bank had been written down to an amount which they might be expected to realise.

At the date of this report, the Board of Management is not aware of any circumstances, which would render the values attributed to current assets in the financial statements of the Bank misleading in any material aspect.

VALUATION METHODS

At the date of this report, the Board of Management is not aware of any circumstances that have arisen which would render adherence to the existing method of valuation of assets or 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:

- ▶ 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.
- ▶ 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 Board of Management, will or may have a material effect on the ability of the Bank to meet its obligations as and when they fall due.

EVENTS SINCE THE BALANCE SHEET DATE

There is no significant event occurring after the balance sheet date, which requires disclosure or adjustment other than those already disclosed in the accompanying notes to the financial statements.



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ey.com

Reference: 61090109/16703458

INDEPENDENT AUDITORS' REPORT

To: The Owners of Bank for Investment and Development of Cambodia Plc

We have audited the accompanying financial statements of Bank for Investment and Development of Cambodia Plc ("the Bank"), which comprise the balance sheet as at 31 December 2013, and the income statement, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Cambodian Accounting Standards and relevant regulations and guidelines issued by the National Bank of Cambodia, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Cambodian and International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about 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 auditors' 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 auditors consider internal control relevant to the Bank'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 Bank'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.



Building a better
working world

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Bank as at 31 December 2013, and its financial performance and cash flows for the year then ended in accordance with Cambodian Accounting Standards and relevant regulations and guidelines issued by the National Bank of Cambodia.

Other matter

The financial statements of the Bank as at 31 December 2012 and for the year then ended were audited by other auditors who expressed an unmodified opinion on those statements on 27 March 2013.



Maria Cristina M. Calimbas
Partner

Ernst & Young (Cambodia) Ltd.
Certified Public Accountant
Registered Auditor

Phnom Penh, Kingdom of Cambodia

27 January 2014

BALANCE SHEET AS AT 31 DECEMBER 2013

	Notes	2013 US\$	2013 KHR'000 (Note 2.1)	2012 US\$ (Restated)	2012 KHR'000 (Note 2.1) (Restated)
ASSETS					
Cash on hand	3	3,699,245	14,778,484	4,310,550	17,220,647
Balances with the National Bank of Cambodia	4	49,435,576	197,495,126	36,985,403	147,756,685
Due from other financial institutions	5	51,536,878	205,889,828	79,528,876	317,717,860
Loans and advances customers	6	367,625,532	1,468,664,002	351,877,084	1,405,748,950
Investments in securities	7	11,507,402	45,972,071	11,606,439	46,367,724
Property and equipment	8	4,190,782	16,742,174	4,558,532	18,211,336
Intangible asset	9	2,452,596	9,798,121	2,362,839	9,439,542
Other assets	10	6,076,429	24,275,333	13,457,110	53,761,154
TOTAL ASSETS		496,524,440	1,983,615,139	504,686,833	2,016,223,898
LIABILITIES					
Due to other financial institutions	11	260,933,971	1,042,431,214	273,030,144	1,090,755,425
Due to customers	12	148,481,245	593,182,574	142,925,651	570,987,977
Income tax payable	13	518,526	2,071,512	1,504,190	6,009,239
Other liabilities	14	4,470,240	17,858,609	4,831,144	19,300,419
TOTAL LIABILITIES		414,403,982	1,655,543,909	422,291,129	1,687,053,060
OWNERS' EQUITY					
Paid-up capital	15	70,000,000	279,650,000	70,000,000	279,650,000
Foreign exchange translation reserve		(7,639)	(30,518)	-	-
General banking reserve	15	1,987,469	7,939,939	872,144	3,484,216
Retained earnings		10,140,628	40,511,809	11,523,560	46,036,622
Total owners' equity		82,120,458	328,071,230	82,395,704	329,170,838
TOTAL LIABILITIES AND OWNERS EQUITY		496,524,440	1,983,615,139	504,686,833	2,016,223,898

INCOME STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2013

	Notes	2013 US\$	2013 KHR'000 (Note 2.1)	2012 US\$ (Restated)	2012 KHR'000 (Note 2.1) (Restated)
Interest and similar income		35,700,702	142,624,304	36,847,449	147,205,559
Interest and similar expense		(16,342,361)	(65,287,733)	(19,668,711)	(78,576,500)
Net interest and similar income		19,358,341	77,336,571	17,178,738	68,629,059
Fees and commission income		3,101,844	12,391,867	3,245,206	12,964,598
Fees and commission expense		(288,491)	(1,152,522)	(337,575)	(1,348,612)
Net fees and commission income		2,813,353	11,239,345	2,907,631	11,615,986
Other operating income		75,024	299,721	188,882	754,584
TOTAL OPERATING INCOME		22,246,718	88,875,637	20,275,251	80,999,629
General and administrative expenses		(11,404,214)	(45,559,835)	(8,217,705)	(32,829,731)
Provision for credit losses		(5,394,995)	(21,553,005)	(2,164,430)	(8,646,898)
PROFIT BEFORE TAX		5,447,509	21,762,797	9,893,116	39,523,000
Income tax expense		(1,396,271)	(5,578,104)	(2,254,398)	(9,006,320)
NET PROFIT FOR THE YEAR		4,051,238	16,184,693	7,638,718	30,516,680

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2013

	Paid-up capital US\$	Foreign exchange translation reserve US\$	General banking reserve US\$ (Restated)	Retained earnings US\$	Total US\$
Balance as at 1 January 2012	70,000,000	(16,448)	161,256	4,799,803	74,944,611
Appropriation to reserve	-	-	898,611	(898,611)	-
Utilisation of reserve	-	-	(187,723)	-	(187,723)
Net profit for the year	-	-	-	7,638,718	7,638,718
Exchange differences on translation of foreign operations	-	16,448	-	(16,350)	98
Balance as at 31 December 2012	70,000,000	-	872,144	11,523,560	82,395,704
KHR'000 equivalent (Note 2.1)	279,650,000	-	3,484,216	46,036,622	329,170,838
Appropriation to reserve	-	-	1,434,170	(1,434,170)	(318,845)
Utilisation of reserve	-	-	(318,845)	-	(4,000,000)
Transfer profit to parent company	-	-	-	(4,000,000)	4,051,238
Net profit for the year	-	-	-	4,051,238	(7,639)
Exchange differences on translation of foreign operations	-	7,639)	-	-	82,120,458
Balance as at 31 December 2013	70,000,000	7,639)	1,987,469	10,140,628	328,071,230
KHR'000 equivalent (Note 2.1)	279,650,000	30,518)	7,939,939	40,511,809	328,071,230

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2013

	Notes	2013 US\$	2013 KHR'000 (Note 2.1)	2012 US\$	2012 KHR'000 (Note 2.1)
Net cash provided by (used in) operating activities	22	10,684,582	42,684,902	(30,964,399)	(123,702,774)
Cash flows from investing activities					
Acquisition of property and equipment	8.1	(174,705)	(697,946)	(373,675)	(1,492,831)
Acquisition of intangible asset	9	(37,720)	(150,691)	-	-
Proceeds from disposal of property and equipment		26,400	105,468	-	-
Investment in construction in progress	8.2	1,583,929	(6,327,796)	(725,439)	(2,898,129)
Interest received from bond investments		2,887,762	11,536,609	1,296,994	5,181,491
Sale of investments in stocks		-	-	450,000	1,797,750
Net cash provided by investing activities		1,117,808	4,465,644	647,880	2,588,281
Net increase (decrease) in cash and cash equivalents		11,802,390	47,150,546	30,316,519	121,114,493
Cash and cash equivalents at beginning of year	3	71,085,372	283,986,061	101,401,891	405,100,554
Foreign exchange difference		64,355	257,101	-	-
Cash and cash equivalents at end of year	3	82,952,117	331,393,708	71,085,372	283,986,061

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2013

1. CORPORATE INFORMATION

Bank for Investment and Development of Cambodia Plc (herein referred to as “the Bank” or “BIDC”) was incorporated and registered in the Kingdom of Cambodia.

Establishment and operations

On 15 July 2009, Prosperity Investment Bank (“PIB”) was acquired by Cambodian Investment and Development Co Ltd. (“IDCC”), a company incorporated in Cambodia, which was co-founded by Bank for Investment and Development of Viet Nam (“BIDV”) (owning 80%) and Phuong Nam Company (owning 20%). PIB was restructured and renamed as Bank for Investment and Development of Cambodia in accordance with Decision No. B1-09-554 dated 15 July 2009 by the Governor of National Bank of Cambodia (“the NBC”). The transaction was effective from 1 August 2009.

BIDC is a financial institution operating pursuant to the laws and regulations of the NBC. The Bank’s operations are directly supported by BIDV, which is one of the biggest banks in Vietnam serving this market for more than 50 years. The support of BIDV to BIDC extends to development and improvement of technology system, systems and processes and provision of advanced banking products and high quality services.

The principal activity of the Bank is to provide a full range of banking and related financial services in Cambodia and Vietnam.

Location

The head office of the Bank is located at No. 370 Preah Monivong Blvd, Boeung keng kang I, Khan Chamkarmon, Phnom Penh, Cambodia. The Bank has five branches in Cambodia (Phnom Penh, Siem Reap, Kampong Cham, Daun Penh and Mean Chey) and two branches in Vietnam (Ho Chi Minh and Ha Noi).

Employees

As at 31 December 2013, the Bank had 316 employees (2012: 271 employees) including 90 employees in the head office, 28 employees in Phnom Penh Branch, 21 employees in Daun Penh Branch, 12 employees in Mean Chey Branch, 29 employees in Siem Reap Branch, 25 employees in Kampong Cham Branch, 63 employees in Ho Chi Minh Branch and 48 employees in Ha Noi Branch.

2. ACCOUNTING POLICIES

2.1 BASIS OF PREPARATION

2.1.1 STATEMENT OF COMPLIANCE

The financial statements have been prepared in accordance with Cambodian Accounting Standards (“CAS”) and the guidelines of the NBC on the preparation and presentation of financial statements.

The accompanying financial statements, including their utilization, are not designed for those who are not informed about the Kingdom of Cambodia’s accounting principles, procedures and practices and furthermore are not intended to present the financial position and results of operations and cash flows in accordance with accounting principles and practices generally accepted in countries other than the Kingdom of Cambodia. The accounting policies set out below have been consistently applied by the Bank.

NOTES TO THE FINANCIAL STATEMENTS *(continued)* AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2013

2. ACCOUNTING POLICIES *(continued)*

2.1 BASIS OF PREPARATION *(continued)*

2.1.2 BASIS OF MEASUREMENT

The financial statements have been prepared based on the historical cost convention.

2.1.3 FISCAL YEAR

The Bank's fiscal year starts on 1 January and ends on 31 December.

2.1.4 FUNCTIONAL AND PRESENTATION CURRENCY

The Bank operates within two geographical segments, the Kingdom of Cambodia and the Socialist Republic of Vietnam. The national currencies of Cambodia and Vietnam are the Khmer Riel ("KHR") and Vietnamese Dong ("VND"), respectively. However, the Bank transacts its business and maintains its accounting records primarily in United States dollar ("US\$"). Management has determined the US\$ to be the Bank's measurement and presentation currency as it reflects the economic substance of the underlying events and circumstances of the Bank. This is in accordance with Prakas No. B7-07-164 dated 13 December 2007.

Transactions in foreign currencies ("FC") are translated into US\$ at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in currencies other than US\$ at the balance sheet date are translated into US\$ at the rates of exchange ruling at that date. Exchange differences arising on translation are recognized in the income statement.

2.1.5 TRANSLATION OF US\$ INTO KHR

The translation of the US\$ amounts into KHR is presented in the financial statements to comply with the Cambodian Law on Corporate Accounts, their Audit and the Accounting Profession dated 8 July 2002 and relevant Prakas of NBC, using the closing exchange rate of KHR3,995: US\$1 ruling at the reporting date, as announced by NBC. Such translation should not be construed as a representation that the US\$ amounts represent, or have been or could be converted into KHR at that or any other rate.

2.2 SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES

In applying accounting policies, management has used its judgment and made estimates in determining the amounts recognized in the financial statements, as follows:

2.2.1 OPERATING LEASE

The Bank has entered into lease on premises used for its operations. The Bank has determined, based on the evaluation of the terms and conditions of the lease agreements (i.e., the lease does not transfer ownership of the asset to the lessee by the end of the lease term and lease term is not for the major part of the asset's economic life), the lessor retains all the significant risks and rewards of ownership of these properties.

2.2.2 Functional currency

CAS 21 requires management to use its judgment to determine the entity's functional currency such that it most faithfully represents the economic effects of the underlying transactions, events and conditions that are relevant to the entity. In making this judgment, the Bank considers the following:

- a) the currency that mainly influences prices for financial instruments and services (this will often be the currency in which prices for its financial instruments and services are denominated and settled);
- b) the currency in which funds from financing activities are generated; and
- c) the currency in which receipts from operating activities are usually retained.

NOTES TO THE FINANCIAL STATEMENTS *(continued)* **AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2013**

2. ACCOUNTING POLICIES *(continued)*

2.2 SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES *(continued)*

2.2.3 ALLOWANCE FOR LOAN LOSSES

When preparing the financial statements, the quality of loans and advances is reviewed and assessed to determine their classification and level of allowance for loan losses, as more fully disclosed in Note 2.3.7.

2.2.4 IMPAIRMENT OF NON-FINANCIAL ASSETS

An impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs to sell and its value in use. The fair value less costs to sell calculation is based on available data from binding sales transactions in an arm's length transaction of similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a discounted cash flow model. The Bank assesses impairment on assets whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. The factors that the Bank considers important which could trigger an impairment review include the following:

- significant underperformance relative to expected historical or projected future operating results;
- significant changes in the manner of use of the acquired assets or the strategy for overall business; and
- significant negative industry or economic trends.

2.2.5 ESTIMATED USEFUL LIVES OF PROPERTY AND EQUIPMENT, AND SOFTWARE COST

The Bank estimates the useful lives of its property and equipment, and software cost. This estimate is reviewed periodically to ensure that the period of depreciation and amortization are consistent with the expected pattern of economic benefits from the items of property and equipment, and software cost.

Refer to Note 2.3.11 and 2.3.12 for the estimated useful lives of property and equipment and software cost, respectively.

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2013

1. CORPORATE INFORMATION

Bank for Investment and Development of Cambodia Plc (herein referred to as “the Bank” or “BIDC”) was incorporated and registered in the Kingdom of Cambodia.

Establishment and operations

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2. ACCOUNTING POLICIES

2.1 BASIS OF PREPARATION

2.1.1 STATEMENT OF COMPLIANCE

The financial statements have been prepared in accordance with Cambodian Accounting Standards (“CAS”) and the guidelines of the NBC on the preparation and presentation of financial statements.

The accompanying financial statements, including their utilization, are not designed for those who are not informed about the Kingdom of Cambodia’s accounting principles, procedures and practices and furthermore are not intended to present the financial position and results of operations and cash flows in accordance with accounting principles and practices generally accepted in countries other than the Kingdom of Cambodia. The accounting policies set out below have been consistently applied by the Bank.

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2013

2. ACCOUNTING POLICIES *(continued)*

2.3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.3.1 CHANGE IN ACCOUNTING POLICIES

The accounting policies and methods of computation applied by the Bank are consistent with those adopted in prior periods.

2.3.2 SEGMENT INFORMATION

The Bank operates within two geographical segments, the Kingdom of Cambodia and the Socialist Republic of Vietnam.

Segment information is presented in respect of the Bank's business segments only. The primary format and business segments are based on internal management reports, which are used by senior management for decision-making and performance management. Transactions between segments are recorded within the segment as if they are third party transactions and are eliminated upon consolidation. All inter-segment transactions are conducted on an arm's length basis on normal commercial terms that are not more favourable than those generally available to the public.

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

2.3.3 CASH AND CASH EQUIVALENTS

For cash flow statement purposes, cash and cash equivalents consist of cash, demand deposits, short-term deposits and highly liquid investments with original maturities of three months or less, and that are readily convertible to known amounts of cash and subject to an insignificant risk of changes in value.

2.3.4 DEPOSITS AND PLACEMENTS WITH BANKS

Deposits and placements with banks are carried at cost.

2.3.5 STATUTORY DEPOSITS

Statutory deposits for banking activities are maintained with the NBC in compliance with the Cambodian Law on Banking and Financial Institutions and are determined by defined percentages of minimum share capital and customers' deposits as required by the NBC.

2.3.6 LOANS AND ADVANCES

All loans and advances to customers are stated in the balance sheet at principal amount, less any amounts written off and allowance for losses on loans and advances. Short-term loans are those with a repayment date within one year from 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. Recoveries of loans and advances previously written off, or provided for, decrease the amount of allowance for losses on loans and advances in the income statement.

Loans and advances classified as substandard, doubtful or loss are considered as nonperforming loans.

NOTES TO THE FINANCIAL STATEMENTS *(continued)* AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2013

2. ACCOUNTING POLICIES *(continued)*

2.3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

2.3.7 ALLOWANCE FOR LOSSES ON LOANS AND ADVANCES

Kingdom of Cambodia

Allowance for losses on loans and advances is made with regard to specific risks and relate to those loans and advances that have been individually reviewed and specifically identified as special mention, substandard, doubtful or loss. In addition, a general allowance is also vmaintained for loans classified as normal.

The allowance is based on a percentage of total outstanding loans and advances.

The Bank follows the mandatory credit classification and provisioning as required by NBC Prakas No. B7-09-074 dated 25 February 2009, which is to classify their loan portfolio into five classes. The Prakas also requires that minimum general and specific allowances be provided depending on loan classification.

The allowance is based on a percentage of total outstanding loans and advances as follows:

Classification	Number of days past due	_____ Allowance percentage
General allowance		
Normal	Less than 30 days	1%
Specific allowance		
Special mention	30 days or more but less than 90 days	3%
Substandard	90 days or more but less than 180 days	20%
Doubtful	180 days or more but less than 360 days	50%
Loss	360 days or more	100%

An uncollectible loan or portion of a loan classified as bad is written off after taking into consideration the realisable value of the collateral, if any, when in the judgment of the management, there is no prospect of recovery.

Socialist Republic of Vietnam

Loans and advances to customers are classified and provided for in accordance with the Law on Credit Institutions No. 47/2010/QH12 effective from 1 January 2011, Decision No. 1627/2001/QD-NHNN dated 31 December 2001 by the Governor of the State Bank of Vietnam on lending statutory, Decision No. 127/2005/QD-NHNN dated 3 February 2005 amending and supplementing Decision No. 1627/2001/QD-NHNN, Decision No. 493/2005/QD-NHNN dated 22 April 2005, and Decision No. 18/2007/QD-NHNN dated 25 April 2007 by the State Bank of Vietnam on loan classification and provision. Accordingly, loans are classified into Current, Special Mention, Substandard, Doubtful and Loss on the basis of payment arrear status and other qualitative factors.

In accordance with Decision No. 493/2005/QD-NHNN, loans and advances to customers are classified at the end of each quarter for the first three quarters and at 30 November for the fourth quarter of the financial year.

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2013

2. ACCOUNTING POLICIES *(continued)*

2.3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

2.3.7 ALLOWANCE FOR LOSSES ON LOANS AND ADVANCES *(continued)*

On 23 April 2012, the State Bank of Vietnam issued Decision No. 780/QD-NHNN stipulating the loan classification for restructured loans and advances. Accordingly, credit institutions are permitted to keep the same group of loans and advances which have been rescheduled or extended for repayment based on the credit evaluation of the financial performance and the ability to repay the loans after restructuring or extension.

Specific provision

Specific provision is created based on the net credit exposure for each individual customer using fixed provision rates as follows:

<u>Group</u>	<u>Category</u>	<u>Specific provision rate</u>
1	Current	0%
2	Special Mention	5%
3	Substandard	20%
4	Doubtful	50%
5	Loss	100%

Net credit exposure for each loan to individual customer is calculated by subtracting from the loan balance the discounted value of collateral assets which is subject to certain accepted discount rates in accordance with Decision No. 493/2005/QD-NHNN and Decision No.18/2007/QD-NHNN.

General provision

In accordance with Decision No. 493/2005/QD-NHNN, a general provision is made for loan losses which have not been identified yet during the process of loan classification and specific provision and for the credit institutions' potential financial difficulties due to deterioration in loan quality. As such, the Bank is required to fully create and maintain a general provision at 0.75% of total loans and advances to customers which are classified in groups 1 to 4.

2.3.8 INVESTMENTS IN SECURITIES

2.3.8.1 AVAILABLE-FOR-SALE FINANCIAL INVESTMENTS

AFS investment is a non-derivative financial asset which is designated as such and is purchased and held indefinitely, and may be sold in response to liquidity requirements or changes in market conditions.

2.3.8.2 HELD-TO-MATURITY FINANCIAL INVESTMENTS

Held-to-maturity financial investments are non-derivative financial assets with fixed or determinable payments and fixed maturities, which the Bank has the intention and ability to hold to maturity.

2.3.9 OTHER CREDIT-RELATED COMMITMENTS

In the normal course of business, the Bank enters into other credit-related commitments including loan commitments, letters of credit and guarantees. The accounting policy and provision methodology are similar to originated loans as disclosed above.

NOTES TO THE FINANCIAL STATEMENTS *(continued)* AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2013

2. ACCOUNTING POLICIES *(continued)*

2.3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

2.3.7 ALLOWANCE FOR LOSSES ON LOANS AND ADVANCES

2.3.10 OTHER ASSETS

Other receivables are carried at anticipated realisable values. An estimate is made for doubtful debts based on a review of all outstanding amounts as at the balance sheet date.

2.3.11 INTANGIBLE ASSET

Computer software is stated at cost less accumulated amortisation. Computer software is amortised on a straight-line basis at the rate of 10% per annum.

2.3.12 PROPERTY AND EQUIPMENT

- (i) Items of property and equipment are stated at cost less accumulated depreciation and accumulated impairment losses, if any. Where an item of property and equipment comprises major components having different useful lives, the components are accounted for as separate items of property and equipment.
- (ii) Land and construction in progress are not subject to depreciation. Buildings and leasehold improvements are depreciated on straight-line method at the rate of 5%. Depreciation of other property and equipment items is charged to the income statement by the reducing balance method at the following rates: Furniture, fixtures and equipment 25%
Information technology ("IT") equipment 50%
Motor vehicles 25%
- (iii) Subsequent expenditure relating to an item of property and equipment that has already been recognised is added to the carrying amount of the asset when it is probable that future economic benefits, in excess of the originally assessed standard of performance of the existing asset, will flow to the Bank. All other subsequent expenditure is recognised as an expense in the year in which it is incurred.
- (iv) Land and construction in progress are stated at cost. The costs of construction include cost of construction, equipment and other direct costs. Construction in progress is not depreciated until such time as the construction is completed and the relevant assets are put into operational use.
- (v) Gains or losses arising from the retirement or disposal of an item of property and equipment are determined as the difference between the estimated net disposal proceeds and the carrying amount of the assets and are recognised in the income statement at the date of retirement or disposal.
- (vi) Fully depreciated property and equipment are retained in the financial statements until disposed of or written off.
- (vii) The carrying amounts of property and equipment are reviewed for impairment when there is an indication that the assets might be impaired. Impairment is measured by comparing the carrying values of the assets with their recoverable amounts. An impairment loss is charged to the income statement immediately.

NOTES TO THE FINANCIAL STATEMENTS *(continued)* AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2013

2. ACCOUNTING POLICIES *(continued)*

2.3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

2.3.13 DUE TO OTHER FINANCIAL INSTITUTIONS AND DUE TO CUSTOMERS

Due to other financial institutions and due to customers are stated at their placement values.

2.3.14 OTHER LIABILITIES

Other liabilities are stated at cost which also represents the fair value of the consideration expected to be paid in the future for goods and services received.

2.3.15 PROVISIONS FOR LIABILITIES

Provisions for liabilities are recognised when the Bank has a present obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount can be made.

Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate. Where the effect of the time value of money is material, the amount of the provision is the present value of the expenditure expected to be required to settle the obligation.

2.3.16 CORPORATE INCOME TAX

Current tax

Current tax assets and liabilities for the current and prior periods are measured at the amounts expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted at the balance sheet date.

Deferred tax

Deferred tax is provided using the balance sheet liability method on temporary differences at the balance sheet date between the tax base of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognized for all taxable temporary differences, except where the deferred tax liability arises from the initial recognition of an asset or liability in a transaction which at the time of the transaction affects neither the accounting profit nor taxable profit or loss.

Deferred tax assets are recognized for all deductible temporary differences to the extent that it is probable that future taxable profits will be available against which these differences can be utilized, except where the deferred tax arises from the initial recognition of an asset or liability in a transaction which at the time of the transaction affects neither the accounting profit nor taxable profit or loss.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the assets to be recovered. Unrecognized deferred income tax assets are re-assessed at each balance sheet date and are recognized to the extent that it has become probable that future taxable profit will allow the deferred tax assets to be recovered.

NOTES TO THE FINANCIAL STATEMENTS *(continued)* AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2013

2. ACCOUNTING POLICIES *(continued)*

2.3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

2.3.17 PROVISION FOR OFF-BALANCE-SHEET COMMITMENTS

Socialist Republic of Vietnam

According to Decision No 493/2005/QĐ-NHNN and Decision No 18/2007/QĐ-NHNN by the SBV, credit institutions must classify and make provision for guarantees, payment acceptances, and irrevocable loan commitments with specific effective date (generally called off-balance-sheet commitments) into groups such as Current, Special Mention, Substandard, Doubtful and Loss based on the overdue status and other qualitative factors.

Provision for off-balance-sheet commitments is calculated similarly to the provision for loans and advances to customers. Provision expense is recorded as “Provision for credit losses” in the income statement and provision balance is recorded as other liabilities in the balance sheet.

2.3.18 OFFSETTING FINANCIAL INSTRUMENTS

Financial assets and financial liabilities are offset and the net amount reported in the balance sheet if, and only if, there is a current enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the asset and settle the liability simultaneously. This is not generally the case with master netting agreements, and the related assets and liabilities are presented gross in the balance sheet.

2.3.19 RECOGNITION OF INCOME AND EXPENSE

a) Interest income

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Bank and the revenue can be reliably measured.

Interest income from loans and advances to customers, balances with the NBC and due from other financial institutions, investments in debt securities are recognized on a daily accrual basis, except for loans and advances to customers that have been classified as substandard, doubtful or loss. Interest accruing to these loans shall instead be credited to an interest in suspense account.

b) Income from various activities of the Bank

Income from various activities of the Bank is accrued using the following bases:

- 1) Loan arrangement fees and commissions on services and facilities extended to customers are recognised on the occurrence of such transactions;
- 2) Service charges and processing fees are recognised when the service is provided;
- 3) Dividend income is recognized when the Bank's right to receive the payment is established.

c) Interest expense

Interest expense on due to other financial institutions and due to customers are recognized on an accrual basis.

2.3.20 OPERATING LEASES

Payments made under operating leases are recognised in the income statement on a straight-line basis over the term of the lease.

NOTES TO THE FINANCIAL STATEMENTS *(continued)* AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2013

2. ACCOUNTING POLICIES *(continued)*

2.3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

2.3.18 OFFSETTING FINANCIAL INSTRUMENTS

Financial assets and financial liabilities are offset and the net amount reported in the balance sheet if, and only if, there is a current enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the asset and settle the liability simultaneously. This is not generally the case with master netting agreements, and the related assets and liabilities are presented gross in the balance sheet.

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Interest expense on due to other financial institutions and due to customers are recognized on an accrual basis.

2.3.20 OPERATING LEASES

Payments made under operating leases are recognised in the income statement on a straight-line basis over the term of the lease.

NOTES TO THE FINANCIAL STATEMENTS *(continued)* AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2013

2. ACCOUNTING POLICIES *(continued)*

2.3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

2.3.21 RELATED PARTIES

Related parties, as defined in Article 49 and 50 of the Cambodian Law on Banking and Financial Institutions, include the following:

- (a) any person holding directly or indirectly at least ten percent (10%) of the capital or voting rights;
- (b) any company of which the Bank directly or indirectly holds at least 10% of the capital or voting rights;
- (c) any individual who participates in the administration, direction, management or internal control; and
- (d) the external auditors.

Under CAS 24 on Related Party Disclosures, parties are also considered to be related if the Bank has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions, or vice-versa, or where the Bank and the party are subject to common control or significant influence. Related parties may be individuals or corporate entities and include close family members of any individual considered to be a related party.

2.3.22 FIDUCIARY ASSETS

Assets held in trust or in a fiduciary capacity are not reported in the financial statements since they are not the assets of the Bank.

2.3.23 ROUNDING OF AMOUNTS

Amounts in the financial statements have been rounded off to the nearest dollar and nearest thousand KHR for US\$ and KHR amounts, respectively.

2.3.24 CORRESPONDING FIGURES

Certain corresponding figures have been reclassified to conform with current year's presentation.

3. CASH ON HAND

	2013 US\$	2013 KHR'000 (Note 2.1)	2012 US\$	2012 KHR'000 (Note 2.1)
US\$	3,297,668	13,174,184	3,717,190	14,850,173
KHR	53,672	214,421	255,590	1,021,083
Other foreign currencies	347,905	1,389,879	337,770	1,349,391
	3,699,245	14,778,484	4,310,550	17,220,647

NOTES TO THE FINANCIAL STATEMENTS *(continued)* AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2013

3. CASH ON HAND *(continued)*

For the purpose of the statement of cash flows, cash and cash equivalents comprise:

	2013 US\$	2013 KHR'000 (Note 2.1)	2012 US\$	2012 KHR'000 (Note 2.1)
Cash on hand	3,699,245	14,778,484	4,310,550	17,220,647
Balances with the NBC - current account	27,610,014	110,302,006	17,314,841	69,172,790
Balances with other banks - current and deposits with original maturity of less than three months	51,642,858	206,313,218	49,459,981	197,592,624
	82,952,117	331,393,708	71,085,372	283,986,061

4. BALANCES WITH THE NATIONAL BANK OF CAMBODIA

	2013 US\$	2013 KHR'000 (Note 2.1)	2012 US\$	2012 KHR'000 (Note 2.1)
Current accounts	27,610,014	110,302,006	17,314,841	69,172,790
KHR	1,188,104	4,746,476	16,250,247	64,919,737
US\$	26,421,910	105,555,530	1,064,594	4,253,053
Statutory deposits	21,825,562	87,193,120	19,670,562	78,583,895
Capital guarantee deposit - US\$	7,000,000	27,965,000	2,000,000	7,990,000
Reserve deposits - KHR	179,602	717,510	179,602	717,510
Reserve deposits - US\$	14,645,960	58,510,610	17,490,960	69,876,385
	49,435,576	197,495,126	36,985,403	147,756,685

(i) Capital guarantee deposit

Under NBC Prakas No. B7-01-136 dated 15 October 2001, banks are required to maintain a statutory deposit of 10% of registered capital with the NBC. This deposit is not available for use in the Bank's day-to-day operations but it is refundable when the Bank voluntarily ceases to operate the business in Cambodia.

(ii) Reserve deposits

Under NBC Prakas No. B7-09-075 dated 25 February 2009, banks are required to maintain certain cash reserves with the NBC in the form of compulsory deposits, computed at 8% and 12% of deposits from customers in KHR and in foreign currencies, respectively. Annual interest rates of deposits and placements with the NBC were summarized as follows:

	2013	2012
Capital guarantee deposit - US\$	0.11%	0.18%
Reserve deposits - US\$ and KHR	0.08%	0.10%
Current accounts	Nil	Nil

NOTES TO THE FINANCIAL STATEMENTS *(continued)* AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2013

5. DUE FROM OTHER FINANCIAL INSTITUTIONS

	2013 US\$	2013 KHR'000 (Note 2.1)	2012 US\$	2012 KHR'000 (Note 2.1)
Local financial institutions	2,178,410	8,702,747	548,320	2,190,538
Overseas financial institutions	49,464,448	197,610,471	79,238,911	316,559,450
Less: Impairment of loans to other financial institutions	(105,980)	(423,390)	258,355	1,032,128
	51,536,878	205,889,828	79,528,876	317,717,860

Changes in the allowance for losses on due from other financial institutions were summarised below:

	2013 US\$	2013 KHR'000 (Note 2.1)	2012 US\$	2012 KHR'000 (Note 2.1)
Balance as at 1 January	258,355	1,032,128	-	-
(Reversal) provision for the year	149,821	(598,535)	258,355	1,032,128
Exchange difference	(2,554)	(10,203)	-	-
Balance as at 31 December	105,980	423,390	258,355	1,032,128

Annual interest rates of balances with other credit institutions were as follows:

	2013	2012
Demand deposits	0.10% - 0.50%	0.10% - 0.50%
Term deposits and loans to other banks – VND	3.20% - 5.70%	8.00% - 13.00%
Term deposits and loans to other banks - USD	N/A	1.2%

6. LOANS AND ADVANCES TO CUSTOMERS

	2013 US\$	2013 KHR'000 (Note 2.1)	2012 US\$	2012 KHR'000 (Note 2.1)
Loans				
Term loans	228,393,313	912,431,285	185,005,550	739,097,172
Overdraft	81,661,223	326,236,586	88,262,232	352,607,617
Credit card facilities	67,306,670	268,890,147	82,977,221	331,493,998
Total loans – gross	377,361,206	1,507,558,018	356,245,003	1,423,198,787
Allowance for losses on loans and advances	(9,735,674)	(38,894,016)	(4,367,919)	(17,449,837)
Loans and advances to customers - net	367,625,532	1,468,664,002	351,877,084	1,405,748,950

NOTES TO THE FINANCIAL STATEMENTS *(continued)* AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2013

6. LOANS AND ADVANCES TO CUSTOMERS *(continued)*

Changes in the allowance for losses on loans and advances were summarised below:

	2013 US\$	2013 KHR'000 (Note 2.1)	2012 US\$	2012 KHR'000 (Note 2.1)
Balance as at 1 January	4,367,919	17,449,836	2,491,502	9,953,550
Provision expense in the year	5,381,766	21,500,155	1,906,075	7,614,770
Exchange differences	(14,011)	(55,975)	(29,658)	(118,483)
Balance as at 31 December	9,735,674	38,894,016	4,367,919	17,449,837

Further analyses of loans and advances were as follows:

(a) The loan portfolio was graded as follows:

	2013 US\$	2013 KHR'000 (Note 2.1)	2012 US\$	2012 KHR'000 (Note 2.1)
Normal loans				
Secured	280,647,911	1,121,188,404	268,601,697	1,073,063,779
Unsecured	75,588,432	301,975,785	80,359,384	321,035,739
Special mention loans				
Secured	2,221,947	8,876,680	2,341,663	9,354,944
Unsecured	-	-	2,950,595	11,787,627
Substandard loans				
Secured	14,590,589	58,289,402	379,297	1,515,292
Unsecured	-	-	-	-
Doubtful loans				
Secured	1,782,200	7,119,889	1,444,361	5,770,222
Unsecured	-	-	-	-
Loss loans				
Secured	2,530,127	10,107,858	168,006	671,184
Unsecured	-	-	-	-
Total	377,361,206	1,507,558,018	356,245,003	1,423,198,787

(b) For an analysis of loans and advances by maturity, refer to Note 26 on Financial Risk Management.

(c) For an analysis of loans and advances by currency, refer to Note 26 on Financial Risk Management.

(d) Analysis of loans and advances by type of loans was as follows:

	2013 US\$	2013 KHR'000 (Note 2.1)	2012 US\$	2012 KHR'000 (Note 2.1)
Commercial loans	341,710,046	1,365,131,635	313,353,764	1,251,848,287
Consumer loans	35,651,160	142,426,383	42,891,239	171,350,500
Total gross loans	377,361,206	1,507,558,018	356,245,003	1,423,198,787

NOTES TO THE FINANCIAL STATEMENTS *(continued)* AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2013

6. LOANS AND ADVANCES TO CUSTOMERS *(continued)*

(e) Analysis of loan portfolio by industrial sector was as follows:

	2013 US\$	2013 KHR'000 (Note 2.1)	2012 US\$	2012 KHR'000 (Note 2.1)
Wholesale and retail	124,921,369	499,060,868	144,202,355	576,088,408
Agriculture	46,788,142	186,918,627	38,940,706	155,568,120
Manufacturing	43,399,488	173,380,955	49,191,677	196,520,750
Construction	41,597,495	166,181,993	30,986,688	123,791,819
Consumer items	35,651,160	142,426,384	42,891,239	171,350,500
Real estate	5,797,206	23,159,838	-	-
Transportation, storage and communication	1,222,471	4,883,772	10,988,788	43,900,208
Others	77,983,875	311,545,581	39,043,550	155,978,982
Total gross loans	377,361,206	1,507,558,018	356,245,003	1,423,198,787

(f) Further analyses of loans and advances by residency, relationship, and exposure were as follows:

	2013 US\$	2013 KHR'000 (Note 2.1)	2012 US\$	2012 KHR'000 (Note 2.1)
Residence status				
Residents	245,300,727	979,976,404	233,965,121	934,690,658
Non-residents	132,060,479	527,581,614	122,279,882	488,508,129
	377,361,206	1,507,558,018	356,245,003	1,423,198,787
Relationship				
Related parties	4,737,261	18,925,358	2,811,240	11,230,904
Non-related parties	372,623,945	1,488,632,660	353,433,763	1,411,967,883
	377,361,206	1,507,558,018	356,245,003	1,423,198,787
Exposure				
Large	149,538,605	597,406,726	129,336,643	516,699,889
Non-large	227,822,601	910,151,292	226,908,360	906,498,898
	377,361,206	1,507,558,018	356,245,003	1,423,198,787

The annual interest rates of loans and advances to customers were as follows:

	2013	2012
Term loans	5.05% - 12.00%	5.05% - 12.00%

NOTES TO THE FINANCIAL STATEMENTS *(continued)* AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2013

7. INVESTMENTS IN SECURITIES

	2013 US\$	2013 KHR'000 (Note 2.1)	2012 US\$	2012 KHR'000 (Note 2.1)
Investment in bonds (Note 7.1)	9,982,402	39,879,696	10,081,439	40,275,349
Investment in stocks (Note 7.2)	1,525,000	6,092,375	1,525,000	6,092,375
	11,507,402	45,972,071	11,606,439	46,367,724

7.1 INVESTMENT IN BONDS

	2013 US\$	2013 KHR'000 (Note 2.1)	2012 US\$	2012 KHR'000 (Note 2.1)
Bonds issued by Tai Nguyen				
Construction - Manufacture - Trade Co., Ltd	9,507,511	37,982,506	9,602,458	38,361,820
Government debt securities	474,891	1,897,190	478,981	1,913,529
	9,982,402	39,879,696	10,081,439	40,275,349

- Bonds are issued by Tai Nguyen Construction - Manufacture - Trade Co., Ltd to finance the construction of Phuoc Nguyen Hung Apartments (Kenton Residences) at Phuoc Kien, Nha Be District, Ho Chi Minh City and a multi-functional urban center at Phu My Ward, District 7, Ho Chi Minh City. These bonds have original term of three years and bear interest at 16.00% p.a for the first year. Interest rate for the following years is equal to the average interest rate on 12-month saving deposits in VND with interest payment in arrears offered by BIDV (Transaction Center II), Agribank (Saigon branch), Vietinbank (HCM branch) and VCB (HCM branch) plus a margin of 4.5% p.a. Interest is paid annually. The principal and interest (at 15% rate) payments are guaranteed by Bank for Investment and Development of Vietnam (BIDV) – Transaction Center II. The bonds matured on 15 December 2013 and are approved for extension of repayment until 31 March 2014 by the Board of Directors. The Bank is also in progress of reaching an agreement with BIDV – Transaction Center II for the extension of principal payment. Management believes that the extension will be agreed by BIDV – Transaction Center II.
- Government debt securities include treasury bonds with 3-year term and interest rates at 9.6% p.a. Interest is paid annually.

7.2 INVESTMENT IN STOCKS

	2013			2012		
	US\$	KHR'000 (Note 2.1)	% owned by the Bank	US\$	KHR'000 (Note 2.1)	% owned by the Bank
Cambodia - Vietnam Securities Plc	1,500,000	5,992,500	15	1,500,000	5,992,500	15
Credit Bureau of Cambodia Company	25,000	99,875	1	25,000	99,875	1
	1,525,000	6,092,375		1,525,000	6,092,375	

NOTES TO THE FINANCIAL STATEMENTS *(continued)* AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2013

8. PROPERTY AND EQUIPMENT

Property and equipment comprise:

	2013 US\$	2013 KHR'000 (Note 2.1)	2012 US\$	2012 KHR'000 (Note 2.1)
Property and equipment (Note 8.1)	3,573,295	14,275,312	3,947,955	15,772,080
Construction in progress (Note 8.2)	617,487	2,466,862	610,577	2,439,256
	4,190,782	16,742,174	4,558,532	18,211,336

8.1 PROPERTY AND EQUIPMENT

Movements of property and equipment during the year were as follows:

	Buildings and leasehold improve- ments US\$	Furniture, fixtures and equipment US\$	IT equipment US\$	Motor vehicles US\$	Total US\$
Cost					
As at 1 January 2013	2,548,335	905,134	1,909,384	599,987	5,962,840
Additions	4,140	53,452	34,833	82,280	174,705
Transferred from construction in progress (Note 8.2)	553,493	191,286	72,757	142,822	960,358
Disposals	(943,623)	(279,295)	-	-	(1,222,918)
Transferred to tool and supplies	-	(12,728)	(71,241)	-	(83,969)
Foreign exchange difference	-	(685)	(2,138)	(2,577)	(5,400)
As at 31 December 2013	2,162,345	857,164	1,943,595	822,512	5,785,616
Accumulated depreciation					
As at 1 January 2013	255,781	406,661	1,143,557	208,886	2,014,885
Charges	127,995	129,028	328,638	74,958	660,619
Disposals	(178,694)	(233,148)	-	-	(411,842)
Transferred to tool and supplies	-	(7,468)	(41,025)	-	(48,493)
Foreign exchange difference	-	(260)	(2,265)	(323)	(2,848)
As at 31 December 2013	205,082	294,813	1,428,905	283,521	2,212,321
Net book value					
As at 1 January 2013	2,292,554	498,473	765,827	391,101	3,947,955
As at 31 December 2013	1,957,263	562,351	514,690	538,991	3,573,295
KHR'000 equivalent (Note 2.1)					
As at 1 January 2013	9,158,753	1,991,400	3,059,479	1,562,448	15,772,080
As at 31 December 2013	7,819,266	2,246,591	2,056,186	2,153,269	14,275,312

NOTES TO THE FINANCIAL STATEMENTS *(continued)* AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2013

8. PROPERTY AND EQUIPMENT *(continued)*

8.2 CONSTRUCTION IN PROGRESS

	2013 US\$	2013 KHR'000 (Note 2.1)	2012 US\$ (Restated)	2012 KHR'000 (Note 2.1) (Restated)
As at 1 January	610,577	2,439,256	939,629	3,753,818
Additions	1,583,929	6,327,798	752,932	3,007,963
Transferred to buildings and leasehold improvement (Note 8.1)	(553,493)	(2,211,204)	(657,146)	(2,625,298)
Transferred to motor vehicles (Note 8.1)	(142,822)	(570,572)	(159,457)	(637,031)
Transferred to IT equipment (Note 8.1)	(72,757)	(290,665)	-	-
Transferred to furniture, fixtures and equipment (Note 8.1)	(191,286)	(764,189)	(259,201)	(1,035,507)
Transferred to computer software (Note 9)	(404,189)	(1,614,735)	(6,180)	(24,689)
Transferred to tools and supplies	(212,344)	(848,316)	-	-
	617,615	2,467,373	610,577	2,439,256
Foreign exchange difference	(128)	(511)	-	-
As at 31 December	617,487	2,466,862	610,577	2,439,256

9. INTANGIBLE ASSET

	Computer software US\$
Cost	
As at 1 January 2013	3,148,143
Additions	37,720
Transferred from construction in progress (Note 8.2)	404,189
Transferred to tools and supplies	(1,526)
Foreign exchange difference	(10,864)
As at 31 December 2013	3,577,662
Accumulated amortization	
As at 1 January 2013	785,304
Charges	342,133
Transferred to tools and supplies	(398)
Foreign exchange difference	(1,973)
As at 31 December 2013	1,125,066
Net book value	
As at 1 January 2013	2,362,839
As at 31 December 2013	2,452,596
KHR'000 equivalent (Note 2.1)	
As at 1 January 2013	9,439,542
As at 31 December 2013	9,798,121

NOTES TO THE FINANCIAL STATEMENTS (continued) AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2013

10. OTHER ASSETS

	2013 US\$	2013 KHR'000 (Note 2.1)	2012 US\$ (Restated)	2012 KHR'000 (Note 2.1) (Restated)
Interest receivable	4,489,719	17,936,427	4,939,255	19,732,324
Rental deposit	767,204	3,064,980	650,678	2,599,459
Receivable from disposal of fixed assets	350,000	1,398,250	-	-
Advances and prepayments	254,419	1,016,404	390,864	1,561,501
Advances for dividends	-	-	4,000,000	15,980,000
Entrusted investments	-	-	2,880,737	11,508,546
Others	383,878	1,533,592	595,576	2,379,324
Total	6,245,220	24,949,653	13,457,110	53,761,154
Provision for doubtful debts	(168,791)	(674,320)	-	-
	6,076,429	24,275,333	13,457,110	53,761,154

11. DUE TO OTHER FINANCIAL INSTITUTIONS

	2013 US\$	2013 KHR'000 (Note 2.1)	2012 US\$	2012 KHR'000 (Note 2.1)
Demand deposits	201,463	804,845	25,869,591	103,349,015
Term deposits and loans	260,732,508	1,041,626,369	247,160,553	987,406,410
Total	260,933,971	1,042,431,214	273,030,144	1,090,755,425

The annual interest rates of deposits from credit institutions were as follows:

	2013 US\$	2012 US\$
Demand deposits	0.00%	0.00%
Term deposits	1.00% - 6.00%	1.40% - 6.00%

12. DUE TO CUSTOMERS

	2013 US\$	2013 KHR'000 (Note 2.1)	2012 US\$	2012 KHR'000 (Note 2.1)
Current accounts	15,833,820	63,256,111	33,798,648	135,025,600
Fixed deposits	129,251,347	516,359,131	80,571,250	321,882,144
Savings deposits	1,449,584	5,791,088	27,586,496	110,208,052
Margin deposits	1,946,494	7,776,244	969,257	3,872,181
Total	148,481,245	593,182,574	142,925,651	570,987,977

NOTES TO THE FINANCIAL STATEMENTS *(continued)* AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2013

12. DUE TO CUSTOMERS *(continued)*

Further analyses of deposits from customers are as follows:

(a) Types of customers

	2013 US\$	2013 KHR'000 (Note 2.1)	2012 US\$	2012 KHR'000 (Note 2.1)
Domestic corporations	30,957,000	123,673,215	83,566,023	333,846,262
Foreign corporations	36,074,818	144,118,898	291,671	1,165,226
Resident individuals	27,549,001	110,058,259	52,556,222	209,962,107
Non-residents individuals	53,900,426	215,332,202	6,511,735	26,014,382
Total	148,481,245	593,182,574	142,925,651	570,987,977

(b) For maturity analysis, refer to Note 26 on Financial risk management.

(c) For deposits from related parties, refer to Note 24 on Related party transactions and balances.

(d) The annual interest rates of deposits from customers were as follows:

	2013	2012
Fixed deposits	0.20% - 12.00%	2.50% - 7.00%

13. TAXATION

Major components of tax expense for the year were as follows:

	2013 US\$	2013 KHR'000 (Note 2.1)	2012 US\$	2012 KHR'000 (Note 2.1)
Corporate income tax				
Current	1,396,271	5,578,104	2,254,398	9,006,320
Deferred	-	-	-	-
Total tax expense for the year	1,396,271	5,578,104	2,254,398	9,006,320

Current corporate income tax ("CIT")

The Bank's tax returns are subject to examination by the tax authorities. Because the application of tax laws and regulations to many types of transactions is susceptible to varying interpretations, amounts reported in the financial statements could be changed at a later date upon final determination by the tax authorities.

In accordance with Cambodian tax regulations, current CIT is calculated at the higher of the taxable income for the year multiplied by the tax rate of 20% at the reporting date and 1% of turnover.

In accordance with Vietnamese tax regulations, current CIT is calculated at the tax rate of 25% of taxable income.

NOTES TO THE FINANCIAL STATEMENTS *(continued)* AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2013

13. TAXATION *(continued)*

Details of estimated CIT expense were as follows:

	2013 US\$	2013 KHR'000 (Note 2.1)	2012 US\$	2012 KHR'000 (Note 2.1)
Cambodia operation	406,548	1,624,159	1,217,113	4,862,367
Hanoi branch	607,353	2,426,375	525,908	2,101,002
Hochiminh branch	382,370	1,527,570	511,377	2,042,951
Total current CIT	1,396,271	5,578,104	2,254,398	9,006,320

A reconciliation between the tax expense and the accounting profit multiplied by 20% tax rate is as follows:

	2013 US\$	2013 KHR'000 (Note 2.1)	2012 US\$	2012 KHR'000 (Note 2.1)
Accounting profit before tax	5,447,509	21,762,797	9,893,116	39,523,000
Statutory income tax rate of 20%	1,089,502	4,352,560	1,978,623	7,904,600
<i>Adjustments in respect of current income tax of current year</i>				
- Effect of different tax rates between Vietnam and Cambodia	192,310	768,280	191,103	763,455
- Non-deductible expenses	21,986	87,834	30,598	122,239
Current income tax expense	1,303,798	5,208,674	2,200,324	8,790,294
Additional tax payments for prior year	92,473	369,430	54,074	216,026
Income tax expense in the income statement	1,396,271	5,578,104	2,254,398	9,006,320

	2013 US\$	2013 KHR'000 (Note 2.1)	2012 US\$	2012 KHR'000 (Note 2.1)
Balance at the beginning of the year	1,504,190	6,009,239	989,444	3,952,828
Current tax charge for the year	1,396,271	5,578,104	2,254,398	9,006,321
Payment of tax during the year	2,179,872)	(8,708,589)	(1,739,652)	(6,949,910)
Net off with advances for State budget for 2012	(199,618)	(797,474)	-	-
Foreign exchange difference	(2,445)	(9,768)	-	-
Balance at the end of the year	518,526	2,071,512	1,504,190	6,009,239

NOTES TO THE FINANCIAL STATEMENTS *(continued)* AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2013

14. OTHER LIABILITIES

	2013 US\$	2013 KHR'000 (Note 2.1)	2012 US\$ (Restated)	2012 KHR'000 (Note 2.1) (Restated)
Interest payable	3,287,639	13,134,119	4,158,896	16,614,789
Wages and salaries payable	320,800	1,281,595	272,476	1,088,542
Others	861,801	3,442,895	399,772	1,597,088
	4,470,240	17,858,609	4,831,144	19,300,419

15. PAID-UP CAPITAL AND RESERVES

The paid-up capital amounting to US\$ 70,000,000 or KHR'000 279,650,000 was fully contributed by one individual owner and Cambodian Investment and Development Co Ltd. ("IDCC"), a company incorporated in Cambodia, which was co-founded by Bank for Investment and Development of Vietnam ("BIDV") (owning 80%) and Phuong Nam Company (owning 20%).

General banking reserve

According to Decree No. 57/2012/ND-CP effective from 20 July 2012, the Bank is required to make the following statutory reserves based on the percentage of profit after tax as follows:

	Basis for calculation	Maximum balance
Supplementary capital reserve	5% of profit after tax	100% charter capital
Financial reserve	10% of profit after tax	25% of charter capital

Cambodia operation

The Bank also makes the supplementary capital reserve, financial reserve and other reserve based on the percentage of profit after tax approved by the owners.

	Supplementary capital reserve US\$	Financial reserve US\$	Bonus and welfare fund US\$	Total US\$
Balance as at 1 January 2013	294,778	559,897	17,469	872,144
Appropriations to reserve	381,936	725,679	326,555	1,434,170
Utilisation of reserve	-	-	(318,845)	(318,845)
Balance as at 31 December 2013	676,714	1,285,576	25,179	1,987,469

NOTES TO THE FINANCIAL STATEMENTS (continued) AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2013

16. INTEREST AND SIMILAR INCOME

	2013 US\$	2013 KHR'000 (Note 2.1)	2012 US\$ (Restated)	2012 KHR'000 (Note 2.1) (Restated)
Interest income from lending	32,450,148	129,638,342	27,304,522	109,081,565
Interest income from deposits:				
NBC	20,016	79,963	10,550	42,147
Local credit institutions	121,821	486,674	6,408	25,601
Overseas credit institutions	1,636,714	6,538,673	7,749,994	30,961,226
institutions	1,472,003	5,880,652	1,775,975	7,095,020
Interest income from investments in debt securities	35,700,702	142,624,304	36,847,449	147,205,559

17. INTEREST AND SIMILAR EXPENSE

	2013 US\$	2013 KHR'000 (Note 2.1)	2012 US\$	2012 KHR'000 (Note 2.1)
Interest expense on due to other financial institutions	8,783,581	35,090,406	12,540,675	50,099,996
Interest expense on due to customers	7,558,780	30,197,327	7,128,036	28,476,504
	16,342,361	65,287,733	19,668,711	78,576,500

18. FEES AND COMMISSION INCOME

	2013 US\$	2013 KHR'000 (Note 2.1)	2012 US\$	2012 KHR'000 (Note 2.1)
Loan arrangement fees	1,848,547	7,384,945	1,887,068	7,538,837
Commission received on remittances	485,239	1,938,530	502,166	2,006,153
Trade finance	323,280	1,291,504	420,395	1,679,478
Loan processing fees	99,791	398,665	75,130	300,144
Other commissions and fees	344,987	1,378,223	360,447	1,439,986
	3,101,844	12,391,867	3,245,206	12,964,598

19. OTHER OPERATING INCOME

	2013 US\$	2013 KHR'000 (Note 2.1)	2012 US\$	2012 KHR'000 (Note 2.1)
Foreign exchange gain	71,994	287,616	372,062	1,486,387
Others	3,030	12,105	(183,180)	(731,803)
	75,024	299,721	188,882	754,584

NOTES TO THE FINANCIAL STATEMENTS *(continued)* AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2013

20. GENERAL AND ADMINISTRATIVE EXPENSES

	2013 US\$	2013 KHR'000 (Note 2.1)	2012 US\$	2012 KHR'000 (Note 2.1)
Personnel	4,040,262	16,140,848	3,030,549	12,107,043
Operating lease expense	1,176,409	4,699,754	782,698	3,126,878
Depreciation and amortisation	1,002,752	4,005,994	950,800	3,798,446
Advertising expense	890,825	3,558,846	422,877	1,689,394
Repairs and maintenance	537,864	2,148,767	468,689	1,872,412
Donation and social activities	537,650	2,147,912	76,533	305,749
Other tax expenses	446,867	1,785,234	473,371	1,891,117
Loss on disposal of fixed assets	434,676	1,736,532	-	-
Business meals and entertainment	366,127	1,462,677	278,848	1,113,998
Tools and supplies	302,430	1,208,208	263,462	1,052,531
Convention and conference	283,674	1,133,278	319,183	1,275,136
Telephone and telex	275,842	1,101,989	234,317	936,096
Utilities	236,104	943,235	223,467	892,751
Travelling and accommodation	205,854	822,387	131,684	526,078
Building security	110,435	441,188	77,138	308,166
Bank license fees	89,317	356,821	62,434	249,424
Board of Directors' meeting	85,954	343,385	30,246	120,833
Motor operating expense	64,294	256,855	63,500	253,683
Directors' remuneration	55,188	220,475	47,827	191,069
Deposit insurance expense	41,459	165,629	17,428	69,625
Professional fees	33,193	132,605	29,700	118,651
Insurance	18,115	72,369	13,873	55,423
Dues and memberships, stamp and registration expenses	17,290	69,074	6,291	25,133
Patent tax	7,212	28,812	39,106	156,228
Others	144,421	576,961	173,684	693,867
	11,404,214	45,559,835	8,217,705	32,829,731

NOTES TO THE FINANCIAL STATEMENTS *(continued)* AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2013

21. PROVISION FOR CREDIT LOSSES

	2013 US\$	2013 KHR'000 (Note 2.1)	2012 US\$	2012 KHR'000 (Note 2.1)
Provision for due from other financial institutions	(149,821)	(598,535)	258,355	1,032,128
Provision for loans and advances to customers	5,381,766	21,500,155	1,906,075	7,614,770
Provision for off-balancesheet commitments	(5,741)	(22,935)	-	-
Provision for doubtful debts	168,791	674,320	-	-
	5,394,995	21,553,005	2,164,430	8,646,898

22. NET CASH PROVIDED BY OPERATING ACTIVITIES

	2013 US\$	2013 KHR'000 (Note 2.1)	2012 US\$	2012 KHR'000 (Note 2.1)
Cash flows from operating activities				
Profit before income tax	5,447,509	21,762,797	9,893,116	39,523,000
Adjustments for:	1,002,752	4,005,994	950,800	3,798,446
Depreciation and amortization expense	5,394,995	21,553,005	2,164,430	8,646,898
Allowance for losses on loans and advances	(2,179,872)	(8,708,589)	(1,739,652)	(6,949,910)
Income tax paid during the year	(1,472,003)	(5,880,652)	(1,775,975)	(7,095,020)
Interests from bond investments	434,676	1,736,531	-	-
Loss from disposal of property and equipment	(71,994)	(287,616)	170,352	680,552
Foreign exchange differences				
Operating profit before changes in working capital	8,556,063	34,181,470	9,663,071	38,603,966
(Increase) decrease in operating assets:				
Capital guarantee and reserve deposits with NBC	(2,155,000)	(8,609,225)	(3,917,995)	(15,652,390)
Placements with and loans other credit institutions	30,196,803	120,636,227	(29,636,723)	(118,398,708)
Loans and advances to customers	(21,130,214)	(84,415,205)	(72,447,390)	(289,427,323)
Investments in securities	99,037	395,653	-	-
Other assets	2,406,650	9,614,567	13,090,704	52,297,363
Increase (decrease) in operating liabilities:				
Due to other financial institutions	(12,096,173)	(48,324,211)	21,207,792	84,725,129
Due to customers	5,555,594	22,194,598	30,181,854	120,576,507
Other liabilities	(429,333)	(1,715,187)	1,082,011	4,322,634
Bonus and welfare paid	(318,845)	(1,273,786)	(187,723)	(749,952)
Net cash provided by (used in) operating activities	10,684,582	42,684,901	30,964,399	(123,702,774)

NOTES TO THE FINANCIAL STATEMENTS *(continued)* AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2013

23. COMMITMENTS AND CONTINGENCIES

	2013 US\$	2013 KHR'000 (Note 2.1)	2012 US\$	2012 KHR'000 (Note 2.1)
(i) Credit-related commitments				
Unutilised portion of overdrafts	26,335,729	105,211,238	11,945,908	47,723,902
Letters of credit	9,330,561	37,275,590	7,226,329	28,869,183
Bank guarantees	3,490,896	13,946,130	2,595,708	10,369,853
Others	-	-	955,072	3,815,514
	39,157,186	156,432,958	22,723,017	90,778,452
(ii) Lease commitments				
Not later than 1 year	1,273,831	5,088,957	1,057,245	4,223,694
Later than 1 year and not later than 5 years	4,244,903	16,958,387	5,891,618	23,537,014
Over 5 years	5,117,500	20,444,412	3,430,831	13,706,170
	10,636,234	42,491,756	10,379,694	41,466,878

24. RELATED PARTY TRANSACTIONS AND BALANCES

a) Significant transactions with related parties during the year included:

	2013 US\$	2013 KHR'000 (Note 2.1)	2012 US\$	2012 KHR'000 (Note 2.1)
Interest income				
BIDV (Head Office)	-	-	1,574	6,287
Interest expense				
Cambodia Vietnam Insurance Company	392,075	392,075	410,795	1,641,126
BIDV (Head Office)	4,508,842	4,508,842	8,619,698	34,435,694
BIDV (Representative Office)	481	481	2,131	8,513
IDCC	50,592	50,592	181,591	725,455
Cambodia - Vietnam Securities Plc	508,016	508,016	516,788	2,064,568
	5,460,006	5,460,006	9,731,003	38,875,356

NOTES TO THE FINANCIAL STATEMENTS *(continued)* AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2013

24. RELATED PARTY TRANSACTIONS AND BALANCES *(continued)*

b) Outstanding amounts due from/to related parties included the following:

	2013 US\$	2013 KHR'000 (Note 2.1)	2012 US\$	2012 KHR'000 (Note 2.1)
Due from related parties				
BIDV (Hochiminh Branch)	2,309,347	9,225,841	1,876,191	7,495,383
BIDV (Ha Thanh Branch)	390,277	1,559,156	2,085,523	8,331,664
BIDV (Transaction Center II)	104,966	419,340	5,423	21,665
BIDV (Nam Ky Khoi Nghia Branch)	110	439	7,162	28,612
BIDV (Head Office)	9,613,792	38,407,101	5,928,009	23,682,396
Lao Viet Bank (Head Office)	-	-	4,840,870	19,339,276
Lao Viet Bank (Hochiminh City Branch)	-	-	2,436,455	9,733,638
Lao Viet Bank (Hanoi Branch)	-	-	16,450,521	65,719,831
	12,418,492	49,611,877	33,630,154	134,352,465
Due to related parties				
BIDV (Head Office)	185,404,830	740,692,296	179,700,403	717,903,110
BIDV (Representative Office)	70,719	282,523	74,752	298,634
Cambodia - Vietnam Securities Plc	8,512,554	34,007,653	9,270,785	37,036,786
Cambodia Vietnam Insurance Company	6,659,971	26,606,583	6,255,233	24,989,656
IDCC	168,510	673,198	109,427	437,161
BIDV Insurance Corporation	2,139,190	8,546,064	-	-
Lao Viet Bank (Head Office)	18,412	73,556	2,454,895	9,807,306
Lao Viet Bank (Hochiminh City Branch)	-	-	2,461,114	9,832,150
Lao Viet Bank (Hanoi Branch)	-	-	14,482,008	57,855,622
	202,974,186	810,881,873	214,808,617	858,160,425
Loans and advances to related parties				
Loan to Cavifoods Co., Ltd	4,671,000	18,660,645	2,713,000	10,838,435
Loans to employees	66,261	264,713	98,240	392,469
	4,737,261	18,925,358	2,811,240	11,230,904

NOTES TO THE FINANCIAL STATEMENTS *(continued)* AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2013

24. RELATED PARTY TRANSACTIONS AND BALANCES *(continued)*

(c) Key management personnel compensation

The details of remuneration of directors and other members of key management of the Bank are as follows:

	2013 US\$	2013 KHR'000 (Note 2.1)	2012 US\$	2012 KHR'000 (Note 2.1)
Board of Directors	33,680	134,552	15,000	59,925
Board of Management	303,495	1,212,463	375,066	1,498,389
Net remuneration	337,175	1,347,015	390,066	1,558,314

The details of remuneration of directors and other members of key management of the Bank are as follows:

25. GEOGRAPHICAL MARKETS

The Bank operates in two geographic markets: Kingdom of Cambodia (“domestic”) and Socialist Republic of Vietnam (“Vietnam”). The assets allocation based on geographical region as at 31 December 2013 was as follows:

	Domestic US\$	Vietnam US\$	Total US\$
ASSETS			
Cash on hand	3,239,490	459,755	3,699,245
Balances with the NBC	49,435,576	-	49,435,576
Due from other financial institutions	13,684,191	37,852,687	51,536,878
Loans and advances to customers	237,665,536	129,959,996	367,625,532
Investments in securities	1,525,000	9,982,402	11,507,402
Property and equipment	3,648,659	542,123	4,190,782
Intangible assets	1,706,821	745,775	2,452,596
Other assets	2,994,808	3,081,621	6,076,429
TOTAL ASSETS	313,900,081	182,624,359	496,524,440
LIABILITIES			
Due to other financial institutions	169,114,377	91,819,594	260,933,971
Due to customers	62,812,214	85,669,031	148,481,245
Income tax payable	320,257	198,269	518,526
Other liabilities	3,004,200	1,466,040	4,470,240
TOTAL LIABILITIES	235,251,048	179,152,934	414,403,982

NOTES TO THE FINANCIAL STATEMENTS *(continued)* AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2013

26. FINANCIAL RISK MANAGEMENT

The Bank's activities are exposed to a variety of financial risks: credit risk, market risk (including currency risk and interest rate risk) and liquidity risk. Taking risk is core to the financial business, and 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.

A primary objective of the Bank in risk management is to comply with the NBC's regulations. On the other hand, the Bank has recognized the importance of achieving international best practices on risk management. The Bank has established a Risk Management Department to formulate broad parameters of acceptable risk for the Bank and monitor the activities against these parameters.

The Bank holds the following financial assets and liabilities:

	2013		2012	
	US\$	KHR'000 equivalent (Note 2.1)	US\$	KHR'000 equivalent (Note 2.1)
Financial assets				
Cash on hand	3,699,245	14,778,484	4,310,550	17,220,647
Balances with the National Bank of Cambodia	49,435,576	197,495,126	36,985,403	147,756,685
Due from other financial institutions	51,642,858	206,313,218	79,787,231	318,749,988
Loans and advances to customers	377,361,206	1,507,558,018	356,245,003	1,423,198,787
Investments in securities	11,507,402	45,972,071	11,606,439	46,367,724
Other assets	5,329,646	21,291,936	8,470,670	33,840,329
Total financial assets	498,975,933	1,993,408,853	497,405,296	1,987,134,160
Financial liabilities				
Due to other financial institutions	260,933,971	1,042,431,214	273,030,144	1,090,755,425
Due to customers	148,481,245	593,182,574	142,925,651	570,987,977
Other liabilities	3,576,055	14,286,340	4,158,896	16,614,790
Total financial liabilities	412,991,271	1,649,900,128	420,114,691	1,678,358,192
Net financial assets	85,984,662	343,508,725	77,290,605	308,775,968

26.1 CREDIT RISK

The Bank takes on exposure to credit risk, which is the risk that a 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 Credit Risk Department.

(a) Credit risk measurement

The Bank assesses the probability of default of individual counterparties in accordance with its credit policy, procedures and practices. Credit Risk Department is responsible for determining the risk rating policies.

NOTES TO THE FINANCIAL STATEMENTS *(continued)* AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2013

26. FINANCIAL RISK MANAGEMENT *(continued)*

26.1 CREDIT RISK *(continued)*

(b) Risk limit control and mitigation policies

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

The Bank is required, under the conditions of NBC Prakas No. B7-06-226 of the NBC, to maintain at all times a maximum ratio of 20% between the Bank's overall credit exposure to any single beneficiary and the Bank's net worth. The aggregation of large credit exposure must not exceed 300% of the Bank's net worth. As at 31 December 2013, the Bank has eleven large exposures exceeding 10% of its net worth and has two large exposures exceeding the maximum ceiling limit of 20% for individual large exposure. The Bank has obtained approval from NBC for these exceptional cases.

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 a 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;
- Customers' fixed deposits placed with the Bank ;
- Cash in the form of margin deposits; and
- Debenture over fixed and floating assets of borrowers.

(c) Impairment and provisioning policies

The Bank is required to follow the mandatory credit classification and provisioning in accordance with the relevant Prakas, as disclosed in Note 2.3.7.

(d) Maximum exposure to credit risk before collateral held or other credit enhancements

	2013		2012	
	US\$	KHR'000 equivalent (Note 2.1)	US\$	KHR'000 equivalent (Note 2.1)
Due from other financial institutions	51,642,858	206,313,218	79,787,231	318,749,988
Loans and advances to customers	377,361,206	1,507,558,018	356,245,003	1,423,198,787
Investments in securities	9,982,402	39,879,696	10,081,439	40,275,349
Other assets	5,329,646	21,291,936	8,470,670	33,840,329
	444,316,112	1,775,042,868	454,584,343	1,816,064,453

The details of credit risk exposure relating to off-balance-sheet items are disclosed in Note 23 on Credit-related commitments.

NOTES TO THE FINANCIAL STATEMENTS *(continued)* AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2013

26. FINANCIAL RISK MANAGEMENT *(continued)*

26.1 CREDIT RISK *(continued)*

e) Credit quality by class of financial assets

The Bank manages the credit quality of financial assets using internal credit ratings. The table below shows the credit quality by class of asset for all financial assets exposed to credit risk, based on the Bank's internal credit rating system. The amounts presented are gross of impairment allowance.

2013	Past due but not impaired (ii)						Total US\$
	Neither past due nor impaired (i) US\$	Less than 90 days US\$	From 91 to 180 days US\$	From 181 to 360 days US\$	Over 360 days US\$	Individually Impaired (iii) US\$	
Due from other financial institutions	51,642,858	-	-	-	-	-	51,642,858
Loans and advances to customers	355,661,528	2,096,497	-	573,312	-	19,029,869	377,361,206
Investments in securities	9,982,402	-	-	-	-	-	9,982,402
	417,286,788	2,096,497	-	573,312	-	19,029,869	438,986,466
KHR'000 equivalent (Note 2.1)	1,667,060,716	8,375,506	-	2,290,381	-	76,024,327	1,753,750,930

(i) Loans and advances neither past due nor impaired

Loans and advances that are 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

Past due but not impaired loans and advances are those for which contractual interest or principal payments are past due more than 30 days but less than 90 days, unless other information is available to indicate otherwise. In compliance with NBC guidelines such loan are classified as special mention with a provision of 3%.

(iii) Loans and advances individually impaired

Individually impaired loans and advances are loans and advances for which the Bank determines that there is an objective evidence of impairment and it does not expect to collect all principal and interest due according to the contractual terms of the loans and advances. In accordance with NBC Prakas No. B7-00-51 dated 17 February 2000 on the classification and provisioning for bad and doubtful debts, loans and advances more than 90 days past due 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.

NOTES TO THE FINANCIAL STATEMENTS *(continued)* AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2013

26. FINANCIAL RISK MANAGEMENT *(continued)*

26.1 CREDIT RISK *(continued)*

f) *Concentration of risks of financial assets with credit risk exposure*

Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographic region, or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of the Bank's performance to developments affecting a particular industry or geographic location.

The Bank monitors concentration of credit risk of counterparty by industry. An analysis of concentrations of the Bank's credit risk as at 31 December 2013 is shown below:

	Financial services US\$	Government US\$	Consumers US\$	Retail and wholesale US\$	Construction US\$	Manufacturing US\$	Agriculture US\$	Others US\$	Total US\$
Financial assets									
Due from other financial institutions	51,642,858	-	-	-	-	-	-	-	51,642,858
Loans and advances to customers	-	-	35,651,160	124,921,369	41,597,495	43,399,488	46,788,142	85,003,552	377,361,206
Investments in securities	-	474,891	-	-	9,507,511	-	-	-	9,982,402
	51,642,858	474,891	35,651,160	124,921,369	51,105,006	43,399,488	46,788,142	85,003,552	438,986,466
KHR'000 equivalent (Note 2.1)	206,313,216	1,897,190	142,426,384	499,060,869	204,164,499	173,380,955	186,918,627	339,589,190	1,753,750,930

NOTES TO THE FINANCIAL STATEMENTS *(continued)* AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2013

26. FINANCIAL RISK MANAGEMENT *(continued)*

26.2 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 fulfill commitments to lend.

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 projection for the next day, week and month respectively, as these are key periods for liquidity management. Management monitors the movements of the main depositors and projection of their withdrawals.

In accordance with NBC Prakas No.B7-00-38 dated 9 February 2000 amended by Prakas No. B7-02-187 dated 13 September 2002 and by Prakas No. B7-04-207 dated 29 December 2004, banks are required to calculate a liquidity ratio which should be at least 50%. The Bank has complied with this requirement during 2013.

Analysis of financial assets and liabilities by remaining contractual maturities

An analysis of the assets and liabilities of the Bank by relevant maturity based on the remaining period as at 31 December 2013 to the contractual or estimated maturity dates is set out on the next page.

	Overdue			Current				Total US\$
	Above 3 months US\$	Up to months US\$	Up to 1 month US\$	From 1 to 3 months US\$	From 3 to 12 months US\$	From 1 to 5 years US\$	Over 5 years US\$	
Financial assets								
Cash on hand	-	-	3,699,245	-	-	-	-	3,699,245
Balances with the NBC	-	-	27,610,014	-	-	-	21,825,562	49,435,576
Due from other financial institutions	-	-	42,135,347	9,507,511	-	-	-	51,642,858
Loans and advances to customers	19,476,229	2,223,449	30,631,890	43,007,232	163,455,894	27,245,693	91,320,819	377,361,206
Investments in securities	-	-	-	9,507,511	474,891	1,525,000	-	11,507,402
Other assets	337,582	-	4,039,511	102,234	44,171	116,115	690,033	5,329,646
Total discounted financial assets	19,813,811	2,223,449	108,116,007	62,124,488	163,974,956	28,886,808	113,836,414	498,975,933
Financial liabilities								
Due to other financial institutions	-	-	136,971,376	94,858,206	29,104,389	-	-	260,933,971
Due to customers	-	-	44,920,473	45,489,746	57,566,541	504,485	-	148,481,245
Other liabilities	-	-	1,063,653	747,461	1,759,100	5,841	-	3,576,055
Total discounted financial liabilities	-	-	182,955,502	141,095,413	88,430,030	510,326	-	412,991,271
Net discounted financial assets (liabilities)	19,813,811	2,223,449	(74,839,495)	(78,970,925)	75,544,926	28,376,482	113,836,414	85,984,662
KHR'000 equivalent (Note 2.1)	79,156,175	8,882,679	(298,983,783)	(315,488,845)	301,801,979	113,364,046	454,776,474	343,508,725

NOTES TO THE FINANCIAL STATEMENTS *(continued)* AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2013

26. FINANCIAL RISK MANAGEMENT *(continued)*

26.3 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 and currency, 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 and foreign exchange rates.

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

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 and 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 re-pricing that may be undertaken; however, the management regularly monitors the mismatch.

Balances with the NBC, due from other financial institutions and loans and advances earn fixed interest rates for the period of the deposits or loan. Due to other financial institutions and due to customers have fixed interest rates.

NOTES TO THE FINANCIAL STATEMENTS *(continued)* AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2013

26. FINANCIAL RISK MANAGEMENT *(continued)*

26.3 MARKET RISK *(continued)*

Interest rate risk *(continued)*

The table below analyses the Bank's interest rate risk exposure on financial assets and liabilities as at 31 December 2013. The Bank's assets and liabilities are included at carrying amount and categorised by the earlier of contractual re-pricing or maturity dates.

	Subject to re-pricing of interest rate in period								
	Overdue US\$	Non-interest bearing US\$	Less than 1 month US\$	1 to 3 months US\$	3 to 6 months US\$	6 to 12 months US\$	1 to 5 years US\$	Over 5 years US\$	Total US\$
Financial assets									
Cash on hand	-	3,699,245	-	-	-	-	-	-	3,699,245
Balances with the NBC	-	-	27,610,014	14,825,562	7,000,000	-	-	-	49,435,576
Due from other financial institutions	-	-	42,135,347	9,507,511	-	-	-	-	51,642,858
Loans and advances to customers	21,699,678	-	30,631,890	43,007,232	48,085,572	115,370,322	27,245,693	91,320,819	377,361,206
Investments in securities	-	1,525,000	-	9,507,511	-	474,891	-	-	11,507,402
Other assets	337,582	4,992,064	-	-	-	-	-	-	5,329,646
Total financial assets	22,037,260	10,216,309	100,377,251	76,847,816	55,085,572	115,845,213	27,245,693	91,320,819	498,975,933
Financial liabilities									
Due to other financial institutions	-	-	136,971,375	94,858,206	8,302,778	20,801,612	-	-	260,933,971
Due to customers	-	584,233	44,336,240	45,489,746	34,048,961	23,517,580	504,485	-	148,481,245
Other liabilities	-	3,576,055	-	-	-	-	-	-	3,576,055
Total financial liabilities	-	4,160,288	181,307,615	140,347,952	42,351,739	44,319,192	504,485	-	412,991,271
Total interest sensitivity gap	22,037,260	6,056,021	(80,930,364)	(63,500,136)	12,733,833	71,526,021	26,741,208	91,320,819	85,984,662
KHR'000 equivalent (Note 2.1)	88,038,854	24,193,804	(323,316,805)	(253,683,043)	50,871,663	285,746,454	106,831,126	364,826,672	343,508,725

NOTES TO THE FINANCIAL STATEMENTS *(continued)* AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2013

26. FINANCIAL RISK MANAGEMENT *(continued)*

26.3 MARKET RISK

Currency risk

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 Bank was incorporated and is operating in Cambodia and Vietnam, and USD is the reporting currency. The major currency in which the Bank transacts is also USD. However, some transactions were denominated in KHR, VND, EUR and other foreign currencies. The Bank's management has set limits to control the positions of the currencies. Positions are monitored on a daily basis and hedging strategies are used to ensure positions of the currencies are maintained within established limits.

Assets and liabilities denominated in other currencies which were translated into USD as at 31 December 2013 were as follows:

	KHR equivalent to US\$	VND equivalent to US\$	EUR equivalent to US\$	Other for- eign currencies equivalent to US\$	Total US\$
Financial assets					
Cash on hand	53,672	320,241	27,474	189	401,576
Balances with the NBC	1,367,707	-	-	-	1,367,707
Due from other financial institutions	17,869	33,286,945	142,858	936	33,448,608
Loans and advances to customers	-	111,220,197	-	-	111,220,197
Investments in securities	-	9,982,402	-	-	9,982,402
Other assets	68	2,915,805	-	-	2,915,873
Total financial assets	1,439,316	157,725,590	170,332	1,125	159,336,363
Financial liabilities					
Due to other financial institutions	-	90,819,594	-	-	90,819,594
Due to customers	277,802	63,006,672	9,885	-	63,294,359
Other liabilities	1,311	1,425,102	2	-	1,426,415
Total financial liabilities	279,113	155,251,368	9,887	-	155,540,368
Foreign exchange position on- balance-sheet	1,160,203	2,474,222	160,445	1,125	3,795,995
KHR'000 equivalent (Note 2.1)	4,635,011	9,884,517	640,978	4,494	15,165,000

NOTES TO THE FINANCIAL STATEMENTS *(continued)* AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2013

26. FINANCIAL RISK MANAGEMENT

26.4 FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES

Fair value represents the amount at which an asset could be exchanged or a liability settled on an arms-length basis. As verifiable market prices are not available, market prices are not available for a significant proportion of the Bank's financial assets and liabilities. Fair values, therefore, have been based on management assumptions according to the profile of the asset and liability base. In the opinion of the management, the carrying amounts of the financial assets and liabilities included in the balance sheet are a reasonable estimation of their fair values. In making this assessment, the management assumes that loans and advances are mainly held to maturity with fair values equal to the book value of loans adjusted for allowance for loan losses, if any.

26.5 CAPITAL MANAGEMENT

The main regulatory capital requirement of the Bank is for the banking operations to which the Bank's lead regulator, NBC, sets and monitors capital requirements for the banks as a whole. The Bank's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain further development of the business. The Bank recognized the impact of the level of capital on shareholders' return and the need to maintain a balance between the possible higher return with greater gearing, advantages and security afforded by a sound capital position.

The Bank has complied with all externally imposed capital requirement throughout the year.

27. SUBSEQUENT EVENTS

Other than as disclosed elsewhere in these financial statements, at the date of this report, there were no events which occurred subsequent to 31 December 2013 that had significant impact on the financial position of the Bank as at 31 December 2013.

NOTES TO THE FINANCIAL STATEMENTS *(continued)* AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2013

28. RECLASSIFICATION OF CORRESPONDING FIGURES

Certain corresponding figures have been reclassified to conform with the current year's presentation of the financial statements. The balances as at 31 December 2012 were reclassified as follows:

Balance sheet	US\$	KHR'000 (Note 2.1)
Other assets		
Balance stated previously	13,469,965	53,812,511
Reclassification of the construction in progress to property and equipment	(12,855)	(51,357)
Restated balance	13,457,110	53,761,154
Property and equipment		
Balance stated previously	4,545,677	18,159,979
Reclassification of the construction in progress from other assets	12,855	51,357
Restated balance	4,558,532	18,211,336
Other liabilities		
Balance stated previously	4,848,613	19,370,208
Reclassification of the welfare and bonus funds to general banking reserves	(17,469)	(69,789)
Restated balance	4,831,144	19,300,419
General banking reserve		
Balance stated previously	854,675	3,414,427
Reclassification of the welfare and bonus funds from other liabilities	17,469	69,789
Restated balance	872,144	3,484,216
Income statement		
Interest and similar income		
Income stated previously	35,071,474	140,110,539
Reclassification of the interest income from bond investments from income from investments	1,775,975	7,095,020
Restated balance	36,847,449	147,205,559
Income from investments		
Income stated previously	1,775,975	7,095,020
Reclassification of the interest income from bond investments to interest and similar income	(1,775,975)	(7,095,020)
Restated balance	-	-

SUPPLEMENTARY FINANCIAL INFORMATION AND OTHER DISCLOSURES REQUIRED BY THE NATIONAL BANK OF CAMBODIA AS AT 31 DECEMBER 2013 AND FOR THE YEAR THEN ENDED

STATEMENT BY MANAGEMENT

I, the undersigned, being the Chief Executive Officer of Bank for Investment and Development of Cambodia Plc (“the Bank”), do hereby state that in our opinion, the accompanying supplementary financial information consisting of the disclosure requirements set by the relevant Prakas of the National Bank of Cambodia (“NBC”) is properly drawn up so as to reflect fairly the required financial information of the Bank as at 31 December 2013 and for the year then ended. Information and data contained herein are the responsibility of the Bank’s management.



Mr. Nguyen Dinh Duong
Chief Executive Officer
Phnom Penh, Kingdom of Cambodia
27 January 2014

SUPPLEMENTARY FINANCIAL INFORMATION AND OTHER DISCLOSURES REQUIRED BY THE NATIONAL BANK OF CAMBODIA (continued) AS AT 31 DECEMBER 2013 AND FOR THE YEAR THEN ENDED

LIMITATION

This supplementary financial information is prepared by the management of the Bank solely for the use of the NBC. It is not to be used for any other purpose without written consent of the Directors or management of the Bank.

The computations in the supplementary financial information were made according to the definitions of the relevant Prakas and applicable notices set out in the respective schedules, form an integral part of, and should be read in conjunction with this supplementary financial information.

For the purpose of this supplementary financial information, unless otherwise stated, United States dollar ("US\$") is the reporting currency. The translation of US\$ amounts into Khmer Riel ("KHR") is included solely to comply with the guidelines issued by the NBC regarding the preparation and presentation of financial statements and have been made using the prescribed official exchange rate of US\$1 to KHR3,995 published by the NBC on 31 December 2013 (2012: KHR3,995). This translation should not be construed as a representation that the US\$ amounts have been, could have been, or could in the future be, converted into KHR at this or any other rate of exchange.

SUPPLEMENTARY FINANCIAL INFORMATION AND OTHER DISCLOSURES REQUIRED BY THE NATIONAL BANK OF CAMBODIA (continued) AS AT 31 DECEMBER 2013 AND FOR THE YEAR THEN ENDED

NET WORTH

On 15 October 2010, the National Bank of Cambodia (“NBC”) issued Prakas B7-010-182 on calculation of the Bank’s net worth. The regulatory calculations aims at adopting the international standards related to the regulatory capital’s structure, by operating a distinction between core capital (“Tier 1”) and complimentary capital (“Tier 2”).

The Bank’s net worth is calculated as follows:

	2013		2012	
	US\$	KHR'000	US\$	KHR'000
Section A				
Paid-up capital	70,000,000	279,650,000	70,000,000	279,650,000
Reserves other than revaluation	1,987,469	7,939,939	854,675	3,414,427
Retained earnings	6,089,390	24,327,114	3,884,842	15,519,944
Net profit during the year	4,051,238	16,184,693	7,638,718	30,516,678
	82,128,097	328,101,746	82,378,235	329,101,049
Limit check on retained earnings (maximum 20% of Section A)	12.35%	12.35%	13.99%	13.99%
Section B				
Accumulated losses	2,452,596	9,798,121	2,362,839	9,439,542
Intangible assets				
Shareholders, directors, and any other related party				
1. Unpaid portions of capital (a)	-	-	-	-
2. Loans, overdrafts and other advances (b)	4,737,261	18,925,358	6,811,240	27,210,904
3. Debt instruments held bearing signature of Shareholders, Directors, Related parties (c)	-	-	-	-
Other loss	-	-	-	-
	7,189,857	28,723,479	9,174,079	36,650,446
Total Tier 1 - Core Capital (A - B)	74,938,240	299,378,267	73,204,156	292,450,603
Section C				
1% General provision	3,523,381	14,075,908	3,372,644	13,473,713
Section D				
Equity participation in banking or financial institutions	1,525,000	6,092,375	1,500,000	5,992,500
Total Tier 2 - Complimentary Capital (C - D)	1,998,381	7,983,533	1,872,644	7,481,213
Limit check on tier 2 capital (maximum of 100% of tier 1 capital)	2.67%	2.67%	2.56%	2.56%
Net worth (A - B + C - D)	76,936,621	307,361,800	75,076,800	299,931,816

SUPPLEMENTARY FINANCIAL INFORMATION AND OTHER DISCLOSURES REQUIRED BY THE NATIONAL BANK OF CAMBODIA (continued) AS AT 31 DECEMBER 2013 AND FOR THE YEAR THEN ENDED

LIQUIDITY RATIO

In accordance with NBC Prakas No.B7-00-38 dated 9 February 2000 amended by Prakas No. B7-02-187 dated 13 September 2002 and by Prakas No. B7-04-207 dated 29 December 2004, banks are required to calculate a liquidity ratio which should be at least 50%.

The Bank's liquidity ratio is calculated as follows:

	2013		2012	
	US\$	KHR'000	US\$	KHR'000
Numerator				
Debit items				
Cash and gold	3,699,245	14,778,484	4,310,550	17,220,647
Deposits with the NBC (excluding statutory deposits)	27,610,014	110,302,006	17,314,841	69,172,790
Deposits with banks	51,536,878	205,889,828	79,528,876	317,717,860
Portion of lending to bank and financial Institutions less than one month	-	-	-	-
	82,846,137	330,970,318	101,154,267	404,111,297
Credit items				
Sight accounts with the NBC, banks and financial institutions	201,463	804,845	21,508,731	85,927,380
Borrowings from the NBC and banks less than one month	2,376,878	9,495,627	1,960,246	7,831,183
	2,578,341	10,300,472	23,468,977	93,758,563
Lender position	80,267,796	320,669,846	77,685,290	310,352,734
Numerator				
Treasury balance - lender position	80,267,796	320,669,846	77,685,290	310,352,734
Portion of lending less than one month (excluded loans to customers without maturity date)	30,631,890	122,374,401	44,946,485	179,561,208
Treasury bills less than one month	-	-	-	-
Numerator	110,899,686	443,044,247	122,631,775	489,913,942
Denominator				
Treasury balance - borrower position	-	-	-	-
Fixed deposits less than one month at 80%	27,069,604	108,143,068	22,857,210	91,314,554
Fixed deposits more than one month at 50%	84,182,571	336,309,371	25,999,869	103,869,477
Savings deposits at 50%	724,792	2,895,544	13,793,248	55,104,026
Demand deposits at 60%	10,789,066	43,102,319	20,860,743	83,338,668
Denominator	122,766,033	490,450,302	83,511,070	333,626,725
Liquidity ratio - Numerator/ Denominator	90%	90%	147%	147%

SUPPLEMENTARY FINANCIAL INFORMATION AND OTHER DISCLOSURES REQUIRED BY THE NATIONAL BANK OF CAMBODIA (continued) AS AT 31 DECEMBER 2013 AND FOR THE YEAR THEN ENDED

SOLVENCY RATIO

In accordance with NBC Prakas No.B7-00-46 dated 16 February 2000 amended by Prakas No. B7-04-206 dated 29 December 2004 and Prakas No.B7-07-135 dated 27 August 2007, banks shall observe a solvency ratio, which is the ratio of their net worth to their aggregate credit risk exposures, of not less than 15 percent.

The Bank's solvency ratio is calculated as follows:

Numerator	Weighting	2013		2012	
		US\$	KHR'000	US\$	KHR'000
Bank's net worth		76,936,621	307,361,798	75,076,800	299,931,816
Denominator Total aggregate assets*			-		
Cash, gold and claims on NBC			-		-
Assets collateralised by deposits	0%	-	-	-	-
Claims on sovereigns rated AAA to AA-	0%	-	-	-	-
Claims on sovereigns rated A+ to A-	20%		507,730		
Claims on banks rated AAA to AA-	20%	507,730	2,028,381	174,361	696,572
Claims on sovereigns rated BBB+ to BBB-	50%	-	-	-	-
Claim on banks rated A+ to A-	50%		837,863	212,604	849,353
Investment securities	120%	209,728	47,855,634	-	-
Other assets	100%	11,978,882	1,575,320,944	452,286,891	1,806,886,130
Off-balance-sheet items		394,323,140			
Full risk	100%	2,952,392	11,794,806	7,226,329	28,869,184
Medium risk	50%	3,965,593	15,842,544	1,775,390	7,092,683
Moderate risk	20%	-	-	-	-
Total risk-weighted assets		413,937,465	1,653,680,172	461,675,575	1,844,393,922
Solvency ratio -Numerator/Denominator		18.59%	18.59%	16.26%	16.26%

SUPPLEMENTARY FINANCIAL INFORMATION AND OTHER DISCLOSURES REQUIRED BY THE NATIONAL BANK OF CAMBODIA (continued) AS AT 31 DECEMBER 2013 AND FOR THE YEAR THEN ENDED

LOAN CLASSIFICATION AND ALLOWANCE FOR LOAN LOSSES

In accordance with NBC Prakas No. B7-09-074 dated 25 February 2009, banks shall classify their loan portfolio and their off-balance sheet commitments into five classes defined as normal, special mention, substandard, doubtful and loss. The mandatory level of general and specific allowance for loan losses are provided depending on the loan classification.

The loan classification and allowance for loan losses are as follows:

	2013					2012				
	Principal loans US\$	Allowance %	NBC's Standard US\$	Bank's Allowance US\$	Difference (*) US\$	Principal Loans US\$	Allowance %	NBC's Standard US\$	Bank's Allowance US\$	Difference (*) US\$
Normal	356,236,343	1%	3,562,363	3,401,084	161,279	348,961,081	1%	3,489,611	3,276,328	116,967
Special mention	2,221,947	3%	66,658	125,607	(58,949)	5,292,258	3%	158,768	224,400	(65,632)
Substandard	14,590,589	20%	2,918,118	2,900,783	17,335	379,297	20%	75,859	42,500	33,359
Doubtful	1,782,200	50%	891,100	891,100	-	1,444,361	50%	722,181	722,181	-
Loss	2,530,127	100%	2,530,127	2,417,100	113,027	168,006	100%	168,006	102,510	65,496
Total loans, gross	377,361,206		9,968,366	9,735,674	232,692	356,245,003		4,614,425	4,367,919	150,190
Provision	(9,735,674)					(4,367,919)				
Toal loans, net	367,625,532					351,877,084				
KHR'000 equivalent	1,468,664,002					1,405,748,950				

(*) The outstanding loans of the Bank include the loans at Head Office and branches in Cambodia and Vietnam. The difference is due to different regulations between National Bank of Cambodia and State Bank of Vietnam in calculating provision for loan losses.

SUPPLEMENTARY FINANCIAL INFORMATION AND OTHER DISCLOSURES REQUIRED BY THE NATIONAL BANK OF CAMBODIA (continued) AS AT 31 DECEMBER 2013 AND FOR THE YEAR THEN ENDED

NET OPEN POSITION IN FOREIGN CURRENCY

In accordance with NBC Prakas No.B7-07-134 dated 27 August 2007, commercial banks shall at all times maintain their net open position in foreign currencies in either any foreign currency or overall net open position in all foreign currencies, whether long or short, not exceeding 20% of a bank's net worth. Furthermore, in accordance with the NBC Prakas No.B7-00-50 dated 9 February 2000, the Bank is required to disclose a summary of assets and liabilities as

at balance sheet date in their source currency, as follows:

2013	Assets US\$	Liabilities and capital US\$	Off-balance sheet - receivables US\$	Off-balance sheet - payables US\$	Net open position (+) long / (-) short US\$	Net open position / net worth %	Limit %	Excess
US\$	338,099,151	(337,792,681)	-	-	306,470	0.4%	20%	None
KHR	1,442,259	(279,126)	-	-	1,163,133	1.5%	20%	None
EUR	170,333	(9,887)	-	-	160,446	0.2%	20%	None
VND	156,811,571	(158,442,746)	-	-	(1,631,175)	-2.1%	20%	None
Other currencies	1,126	-	-	-	1,126	0.0%	20%	None
Total	496,524,440	(496,524,440)	-	-	-			
KHR'000 equivalent	1,983,615,139	(1,983,615,139)	-	-	-			
US\$	336,732,187	(337,634,817)	22,723,017	(22,723,017)	(902,630)	-1.20%	20%	None
KHR	1,512,238	(209,546)	-	-	(1,302,692)	1.74%	20%	None
EUR	207,520	(66,395)	-	-	141,125	0.19%	20%	None
Other currencies	169,607,532	(170,148,719)	-	-	(541,187)	-0.72%	20%	None
Total	508,059,477	(508,059,477)	22,723,017	(22,723,017)	-			
KHR'000 equivalent	2,029,697,611	(2,029,697,611)	90,778,453	(90,778,453)	-			

SUPPLEMENTARY FINANCIAL INFORMATION AND OTHER DISCLOSURES REQUIRED BY THE NATIONAL BANK OF CAMBODIA (continued) AS AT 31 DECEMBER 2013 AND FOR THE YEAR THEN ENDED

OTHER INFORMATION AND PRUDENTIAL REGULATIONS REQUIRED BY THE LAW ON BANKING AND FINANCIAL INSTITUTIONS

- (i) **Minimum capital** (NBC Prakas No. B7-00-39 dated 9 February 2000 and Prakas No. B7-08-193 dated 19 September 2008)

Under NBC Prakas No. B7-08-193, effective end of 2010, commercial banks having shareholders as individuals or companies must have a minimum capital of at least KHR150 billion.

The paid-up capital of the Bank at the balance sheet date is US\$70.00 million (equivalent to approximately KHR279.65 billion) which meets the current minimum capital requirement.

- (ii) **Fixed assets** (NBC Prakas No. B7-01-186 dated 8 November 2001)

The fixed assets of the Bank at the balance sheet date represent 8.63% of the net worth calculated elsewhere in this report and is within the ceiling limit of 30% of net worth as required by this Prakas.

- (iii) **Net worth** (NBC Prakas No. B7-00-39 dated 9 February 2000)

Based on NBC Prakas No. B7-00-39 dated 9 February 2000, the Bank should maintain its net worth equal to at least the minimum capital of KHR150 billion. As the calculated net worth of the Bank is KHR307.36 billion, the Bank has a surplus of KHR157.36 billion as at 31 December 2013.

- (iv) **Loans to related parties** (NBC Prakas No. B7-01-137 dated 15 October 2001)

As at 31 December 2013, the Bank has loans to related parties of USD 4,737,261, representing 1.26% of the loan portfolio of the Bank.

- (v) **Large exposures** (NBC Prakas No. B7-06-226 dated 3 November 2006)

Based on NBC Prakas No. B7-06-226, large exposure is defined as the overall gross exposure resulting from banking operations with one single beneficiary, where such exposure exceeds 10% of the Bank's net worth. Exposure means the higher of two items: (a) the outstanding loans or commitments, and (b) the authorized loans or commitments.

Banks are further required: (a) to maintain at all times the ratio not exceeding 20% between their overall exposure resulting from their operations with each individual beneficiary and their net worth, and (b) to maintain at all times a maximum ratio of 300% between the total of their large exposures and their net worth.

As at 31 December 2013, the Bank has eleven large exposures exceeding 10% of its net worth and has two large exposures exceeding the maximum ceiling limit of 20% for individual large exposure.

The Bank maintains the ratio between the total of the large exposures and net worth within the maximum ratio of 300% as disclosed in item 20 on Financial soundness indicators.

SUPPLEMENTARY FINANCIAL INFORMATION AND OTHER DISCLOSURES REQUIRED BY THE NATIONAL BANK OF CAMBODIA (continued) AS AT 31 DECEMBER 2013 AND FOR THE YEAR THEN ENDED

(v) Large exposures (NBC Prakas No. B7-06-226 dated 3 November 2006) (continued)

Details of large exposure exceeding 10% of net worth:

Item	Outstanding loan balance US\$	Commitment US\$	Net worth US\$	2013	
				Exposure ratio %	Maximum (%)
Item 1	13,697,292	-	76,936,621	18%	20%
Item 2	13,759,410	-	76,936,621	18%	20%
Item 3	13,996,405	-	76,936,621	18%	20%
Item 4 (*)	30,000,000	-	76,936,621	39%	20%
Item 5 (**)	19,087,062	3,576,800	76,936,621	29%	20%
Item 6	9,846,784	-	76,936,621	13%	20%
Item 7	9,664,151	-	76,936,621	13%	20%
Item 8	9,180,290	-	76,936,621	12%	20%
Item 9	12,429,863	-	76,936,621	16%	20%
Item 10	8,968,851	-	76,936,621	12%	20%
Item 11	8,908,497	-	76,936,621	12%	20%
	149,538,605	3,576,800			

(*) Pursuant to Letter No. 0650/2011 dated 16 June 2011 requesting an increase in the credit limit to this company and Reply Letter No. 7-011-103 from NBC dated 1 July 2011, NBC agreed to increase the credit limit up to US\$ 30,000,000.

(**) Pursuant to Letter No. 957/2010-BIDC dated 12 November 2010 requesting to increase credit limit to this company and Reply Letter No. 7-10-209 from NBC dated 26 November 2010, NBC agreed to increase the credit limit up to US\$ 20,000,000 and LC commitment up to US\$10,000,000.

SUPPLEMENTARY FINANCIAL INFORMATION AND OTHER DISCLOSURES REQUIRED BY THE NATIONAL BANK OF CAMBODIA (continued) AS AT 31 DECEMBER 2013 AND FOR THE YEAR THEN ENDED

FINANCIAL SOUNDNESS INDICATORS

	2013 US\$	2013 KHR'000	2012 US\$	2012 KHR'000
CAPITAL				
1. Equity to total assets				
A. Equity	82,120,458	328,071,230	85,750,879	342,574,762
B. Total assets	496,524,440	1,983,615,139	508,059,477	2,029,697,611
Equity to total assets (A/B)	16.54%	16.54%	16.88%	16.88%
2. Capital tier I to total assets				
A. Capital tier 1	74,938,239	299,378,265	73,204,156	292,450,603
B. Total assets	496,524,440	1,983,615,139	508,059,477	2,029,697,611
Capital tier I to total assets (A/B)	15.09%	15.09%	14.41%	14.41%
3. Capital tier I to risk-weighted assets				
A. Capital tier 1	74,938,239	299,378,265	73,204,156	292,450,603
B. Risk-weighted assets	413,937,465	1,653,680,172	461,675,575	1,844,393,922
Capital tier I to risk-weighted assets (A/B)	18.10%	18.10%	15.86%	15.86%
4. Capital tier I + tier II to risk-weighted assets				
A. Capital tier 1 + tier 2	76,936,621	307,361,798	75,076,800	299,931,816
B. Risk-weighted assets	413,937,465	1,653,680,172	461,675,575	1,844,393,922
Capital tier I + tier II to risk-weighted assets (A/B)	18.59%	18.59%	16.26%	16.26%

SUPPLEMENTARY FINANCIAL INFORMATION AND OTHER DISCLOSURES REQUIRED BY THE NATIONAL BANK OF CAMBODIA (continued) AS AT 31 DECEMBER 2013 AND FOR THE YEAR THEN ENDED

FINANCIAL SOUNDNESS INDICATORS (continued)

	2013 US\$	2013 KHR'000	2012 US\$	2012 KHR'000
CAPITAL (continued)				
5. Net worth to total assets				
A. Net worth	76,936,621	307,361,800	307,361,800	299,931,816
B. Total assets	496,524,440	1,983,615,139	1,983,615,139	2,029,697,611
Net worth to total assets (A/B)	15.50%	15.50%	15.50%	14.78%
6. Solvency ratio				
A. Net worth	76,936,621	307,361,800	75,076,800	299,931,816
B. Risk-weighted assets	413,937,465	1,653,680,172	461,675,575	1,844,393,922
Solvency ratio (A/B)	18.59%	18.59%	16.26%	16.26%
7. Debt to total assets				
A. Total liabilities	414,403,982	1,655,543,909	422,308,598	1,687,122,849
B. Total assets	496,524,440	1,983,615,139	508,059,477	2,029,697,611
Debt to total assets (A/B)	83.46%	83.46%	83.12%	83.12%
8. Debt to equity				
A. Total liabilities	414,403,982	1,655,543,909	422,308,598	1,687,122,849
B. Equity	82,120,458	328,071,230	85,750,879	342,574,762
Debt to equity (A/B)	504.63%	504.63%	492.48%	492.48%
9. Dividend to net profit				
A. Dividend	4,000,000	15,980,000	-	-
B. Net profit	4,051,238	16,184,693	7,638,718	30,516,680
Dividend to net profit (A/B)	98.74%	98.74%	0.00%	0.00%

SUPPLEMENTARY FINANCIAL INFORMATION AND OTHER DISCLOSURES REQUIRED BY THE NATIONAL BANK OF CAMBODIA (continued) AS AT 31 DECEMBER 2013 AND FOR THE YEAR THEN ENDED

FINANCIAL SOUNDNESS INDICATORS (continued)

	2013 US\$	2013 KHR'000	2012 US\$	2012 KHR'000
ASSET QUALITY				
10. Banking reserves to total loans				
A - Banking reserves	1,987,469	7,939,939	3,372,644	13,473,713
B - Total loans (gross)	377,361,206	1,507,558,018	356,245,003	1,423,198,787
Banking reserves to total loans (A/B)	0.53%	0.53%	0.95%	0.95%
11. Banking reserves to total assets				
A - Banking reserves	1,987,469	7,939,939	3,372,644	13,473,713
B - Total assets	496,524,440	1,983,615,139	508,059,477	2,029,697,611
Banking reserves to total assets (A/B)	0.40%	0.40%	0.66%	0.66%
12. Non-performing loans ("NPL") to				
A - NPL	18,902,916	75,517,149	1,991,664	7,956,698
B - Total loans (gross)	377,361,206	1,507,558,018	356,245,003	1,423,198,787
NPL to total loans (A/B)	5.01%	5.01%	0.56%	0.56%
13. NPL to total assets				
A - NPL	7,956,698	75,517,149	1,991,664	7,956,698
B - Total assets	1,423,198,787	1,983,615,139	508,059,477	2,029,697,611
NPL to total assets (A/B)	0.56%	3.81%	0.39%	0.39%
14. Classified assets to total loans				
A - Classified assets	21,124,863	84,393,828	1,991,664	7,956,698
B - Total loans (gross)	377,361,206	1,507,558,018	356,245,003	1,423,198,787
Classified assets to total loan (A/B)	5.60%	5.60%	0.56%	0.56%

SUPPLEMENTARY FINANCIAL INFORMATION AND OTHER DISCLOSURES REQUIRED BY THE NATIONAL BANK OF CAMBODIA (continued) AS AT 31 DECEMBER 2013 AND FOR THE YEAR THEN ENDED

FINANCIAL SOUNDNESS INDICATORS (continued)

	2013 US\$	2013 KHR'000	2012 US\$	2012 KHR'000
ASSET QUALITY (continued)				
15. Classified assets to total assets				
A - Classified assets	21,124,863	84,393,828	1,991,664	7,956,698
B - Total assets	496,524,440	1,983,615,139	508,059,477	2,029,697,611
Classified assets to total assets (A/B)	4.25%	4.25%	0.39%	0.39%
16. Classified assets to equity				
A - Classified assets	21,124,863	84,393,828	1,991,664	7,956,698
B - Equity	82,120,458	328,071,230	85,750,879	342,574,762
Classified assets to equity (A/B)	25.72%	25.72%	2.32%	2.32%
17. Loans to related parties to total loans				
A - Loans to related parties	4,737,261	18,925,358	2,811,240	11,230,904
B - Total loans (gross)	377,361,206	1,507,558,018	356,245,003	1,423,198,787
Loans to related parties to total loans (A/B)	1.26%	1.26%	0.79%	0.79%
18. Large exposures to total loans				
A - Large exposures	149,538,605	597,406,726	132,834,323	530,673,120
B - Total loans (gross)	377,361,206	1,507,558,018	356,245,003	1,423,198,787
Large exposures to total loans (A/B)	39.63%	39.63%	37.29%	37.29%

SUPPLEMENTARY FINANCIAL INFORMATION AND OTHER DISCLOSURES REQUIRED BY THE NATIONAL BANK OF CAMBODIA (continued) AS AT 31 DECEMBER 2013 AND FOR THE YEAR THEN ENDED

FINANCIAL SOUNDNESS INDICATORS (continued)

	2013 US\$	2013 KHR'000	2012 US\$	2012 KHR'000
ASSET QUALITY (continued)				
19. Loans to related parties to net worth				
A - Loans to related parties	4,737,261	18,925,358	2,811,240	11,230,904
B - Net worth	76,936,621	307,361,800	75,076,800	299,931,816
Loans to related parties to net worth (A/B)	6.16%	6.16%	3.74%	3.74%
20. Large exposures to net worth				
A - Large exposures	149,538,605	597,406,726	132,834,323	530,673,120
B - Net worth	76,936,621	307,361,800	75,076,800	299,931,816
Large exposures to net worth (A/B)	194.37%	194.37%	176.93%	176.93%
21. General provision to total loans				
A - General provision	3,417,402	13,652,519	3,372,644	13,473,713
B - Total loans (gross)	377,361,206	1,507,558,018	356,245,003	1,423,198,787
General provision to total loan (A/B)	0.91%	0.91%	0.95%	0.95%
22. Specific provision to total loans				
A - Specific provision	6,318,272	25,241,497	1,091,591	4,360,906
B - Total loans (gross)	377,361,206	1,507,558,018	356,245,003	1,423,198,787
Specific provision to total loans (A/B)	1.67%	1.67%	0.31%	0.31%
23. Specific provision to NPL				
A - Specific provision	6,318,272	25,241,497	1,091,591	4,360,906
B - NPL	18,902,916	75,517,149	1,991,664	7,956,698
Specific provision to NPL (A/B)	33.42%	33.42%	54.81%	54.81%

SUPPLEMENTARY FINANCIAL INFORMATION AND OTHER DISCLOSURES REQUIRED BY THE NATIONAL BANK OF CAMBODIA (continued) AS AT 31 DECEMBER 2013 AND FOR THE YEAR THEN ENDED

FINANCIAL SOUNDNESS INDICATORS (continued)

	2013 US\$	2013 KHR'000	2012 US\$	2012 KHR'000
ASSET QUALITY (continued)				
24. All allowances to total assets				
A - Total all allowances	6,487,063	25,915,817	4,464,235	17,834,619
B - Total assets	496,524,440	1,983,615,139	508,059,477	2,029,697,611
All allowances to total assets (A/B)	1.31%	1.31%	0.88%	0.88%
25. Loans to deposits				
A - Total loans to non-bank customers (gross)	377,361,206	1,507,558,018	356,245,003	1,423,198,787
B - Customer's deposits	148,481,245	593,182,574	415,955,795	1,661,743,401
Loans to deposits (A/B)	254.15%	254.15%	85.64%	85.64%

SUPPLEMENTARY FINANCIAL INFORMATION AND OTHER DISCLOSURES REQUIRED BY THE NATIONAL BANK OF CAMBODIA (continued) AS AT 31 DECEMBER 2013 AND FOR THE YEAR THEN ENDED

FINANCIAL SOUNDNESS INDICATORS (continued)

	2013 US\$	2013 KHR'000	2012 US\$	2012 KHR'000
EARNINGS				
26. Return on assets ("ROA")				
A - Net profit	4,051,238	16,184,696	7,638,718	30,516,680
B - Total assets	496,524,440	1,983,615,139	508,059,477	2,029,697,611
ROA (A/B)	0.82%	0.82%	1.50%	1.50%
27. Return on equity ("ROE")				
A - Net profit	4,051,238	16,184,696	7,638,718	30,516,680
B - Equity	82,120,458	328,071,230	85,750,879	342,574,762
ROE (A/B)	4.93%	4.93%	8.91%	8.91%
28. Gross yield				
A - Interest income	35,700,702	142,624,304	35,071,474	140,110,539
B - Total assets	496,524,440	1,983,615,139	508,059,477	2,029,697,611
Gross yield (A/B)	7.19%	7.19%	6.90%	6.90%
29. Net interest margin ("NIM") to total				
A - Interest income	35,700,702	142,624,304	35,071,474	140,110,539
B - Interest expense	16,342,361	65,287,733	19,668,711	78,576,500
C - Total assets	496,524,440	1,983,615,139	508,059,477	2,029,697,611
NIM to total assets [(A-B)/C]	3.90%	3.90%	3.03%	3.03%
30. Other income to total assets				
A - Other income	75,024	299,721	188,882	754,584
B - Total assets	496,524,440	1,983,615,139	508,059,477	2,029,697,611
Other income to total assets (A/B)	0.02%	0.02%	0.04%	0.04%

SUPPLEMENTARY FINANCIAL INFORMATION AND OTHER DISCLOSURES REQUIRED BY THE NATIONAL BANK OF CAMBODIA (continued) AS AT 31 DECEMBER 2013 AND FOR THE YEAR THEN ENDED

FINANCIAL SOUNDNESS INDICATORS (continued)

	2013 US\$	2013 KHR'000	2012 US\$	2012 KHR'000
EARNINGS (continued)				
31. Provision to total assets				
A - Provision	5,394,995	21,553,005	4,464,235	17,834,619
B - Total assets	496,524,440	1,983,615,139	508,059,477	2,029,697,611
Provision to total assets (A/B)	1.09%	1.09%	0.88%	0.88%
32. Overhead ("OHEAD") to total assets				
A - Non-interest expense	18,483,971	73,843,464	8,119,279	32,436,520
B - Total assets	496,524,440	1,983,615,139	508,059,477	2,029,697,611
OHEAD to total assets (A/B)	3.72%	3.72%	1.60%	1.60%
33. Net income before tax ("NIBT") to total assets				
A - Net income before tax	5,447,509	21,762,797	9,893,116	39,523,000
B - Total assets	496,524,440	1,983,615,139	508,059,477	2,029,697,611
NIBT to total assets (A/B)	1.10%	1.10%	1.95%	1.95%
34. Tax to total assets				
A - Tax (all categories)	1,780,155	7,111,718	2,254,398	9,006,320
B - Total assets	496,524,440	1,983,615,139	508,059,477	2,029,697,611
Tax to total assets (A/B)	0.36%	0.36%	0.44%	0.44%
35. Interest margin to gross income				
A - Interest income	35,700,702	142,624,304	35,071,474	140,110,539
B - Interest expense	16,342,361	65,287,733	19,668,711	78,576,500
C - Gross income	38,877,570	155,315,892	37,036,331	147,960,142
Interest margin to gross income [(A-B)/C]	49.79%	49.79%	41.59%	41.59%

SUPPLEMENTARY FINANCIAL INFORMATION AND OTHER DISCLOSURES REQUIRED BY THE NATIONAL BANK OF CAMBODIA (continued) AS AT 31 DECEMBER 2013 AND FOR THE YEAR THEN ENDED

FINANCIAL SOUNDNESS INDICATORS (continued)

	2013 US\$	2013 KHR'000	2012 US\$	2012 KHR'000
EARNINGS (continued)				
36. Non-interest income to gross income				
A - Non-interest income	3,176,868	12,691,588	5,210,063	20,814,202
B - Gross income	38,877,570	155,315,892	37,036,331	147,960,142
Non-interest income to gross income (A/B)	8.17%	8.17%	14.07%	14.07%
37. Non-interest expense to gross income				
A - Non-interest expense	18,483,971	73,843,464	8,119,279	32,436,520
B - Gross income	38,877,570	155,315,892	37,036,331	147,960,142
Non-interest expense to gross income (A/B)	47.54%	47.54%	21.92%	21.92%
38. Times interest earned				
A - Income before tax	5,447,509	21,762,797	9,893,116	39,523,000
B - Interest expense	16,342,361	65,287,733	19,688,711	78,656,400
Times interest earned [(A+B)/B]	133.33%	133.33%	150.15%	150.15%

SUPPLEMENTARY FINANCIAL INFORMATION AND OTHER DISCLOSURES REQUIRED BY THE NATIONAL BANK OF CAMBODIA (continued) AS AT 31 DECEMBER 2013 AND FOR THE YEAR THEN ENDED

FINANCIAL SOUNDNESS INDICATORS (continued)

	2013 US\$	2013 KHR'000	2012 US\$	2012 KHR'000
LIQUIDITY				
39. Liquid assets to total assets				
A - Liquid assets	82,846,137	330,970,318	101,154,267	404,111,297
B - Total assets	496,524,440	1,983,615,139	508,059,477	2,029,697,611
Liquid assets to total assets (A/B)	16.69%	16.69%	19.91%	19.91%
40. Short-term liabilities to total assets				
A - Short-term liabilities	412,943,753	1,649,710,293	422,000,415	1,685,891,658
B - Total assets	496,524,440	1,983,615,139	508,059,477	2,029,697,611
Short-term liabilities to total assets (A/B)	83.17%	83.17%	83.06%	83.06%
41. Net liquid assets				
A - Liquid assets	82,846,137	330,970,318	101,154,267	404,111,297
B - Short-term liabilities	412,943,753	1,649,710,293	422,000,415	1,685,891,658
C - Total liabilities	414,403,982	1,655,543,908	422,308,598	1,687,122,849
Net liquid assets [(A-B)/C]	-79.66%	-79.66%	-75.97%	-75.97%
42. Quick ratio				
A - Quick assets	82,846,137	330,970,318	101,154,267	404,111,297
B - Current liabilities	412,943,753	1,649,710,293	422,308,598	1,687,122,849
Quick ratio (A/B)	20.06%	20.06%	23.95%	23.95%
43. Deposits to total loans				
A - Total customers' deposits	148,481,245	593,182,575	415,955,795	1,661,743,401
B - Total loans to non-bank customers (gross)	377,361,206	1,507,558,018	356,245,003	1,423,198,787
Deposits to total loans (A/B)	39.35%	39.35%	116.76%	116.76%

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