



# **ANNUAL REPORT** **2016**

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A hand holding a pen over a desk with a laptop, a cup, and papers, with a BIDC logo in the top right corner.

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# STATEMENT REGARDING 2016



IN 2016, CAMBODIA'S SOCIO-ECONOMIC SITUATION WAS RELATIVELY STABLE. CAMBODIA'S ECONOMY CONTINUES TO FLOURISH THANKS TO THE IMPROVEMENTS IN THE ECONOMIES OF CAMBODIA'S MAIN TRADING PARTNERS (INCLUDING THAILAND, THE U.S.A., AND OTHERS), A NARROW TRADE DEFICIT, AND INCREASED AGRICULTURAL EXPORTS.

**D**ear Customers, Partners, and all officers and staff of BIDC!

In 2016, Cambodia's socio-economic situation was relatively stable. Cambodia's economy continues to flourish thanks to the improvements in the economies of Cambodia's main trading partners (including Thailand, the U.S.A., and others), a narrow trade deficit, and increased agricultural exports. The banking and financial market in Cambodia has also become increasingly competitive, due to an increase in the number and size of operations of commercial banks and microfinance companies.

In this context, BIDC has exerted every effort in deploying business operations, adjusting policy directions appropriately, and adapting to the changes in the local business environment. With

safe, long-term, stable business objectives, as well as gradual compliance with standards according to international practices, BIDC has gained some remarkable results in 2016, as detailed below:

◆ Retail activity has been focused, and initially achieved positive results in line with orientation set out at the beginning of 2016. For example, retail credit rose from 15,8% in 2015 to 24,4% in 2016, while retail caused capital mobilization to rise from 62,7% to 73%.

◆ BIDC's image, brand prestige, and market positioning for large enterprises in Cambodia - supported by the government and management agencies of Vietnam and Cambodia - serves as the bridge to promote trade investment activities between the two countries.



◆ The initial customer base has been developed, is stable, and tends to develop well. Customers are confident and willing to cooperate with BIDC, and our aim is always to improve quality of service and the efficiency of each party.

◆ A team has been developed of well-qualified and dynamic cadres as the core of the Bank's operations. Most of the departments at the head office and branch offices now are led by native Cambodians. In addition, BIDC has gradually developed and promulgated documentation and regulations to improve policies and regulations for employees.

◆ Building infrastructure and development of information technology infrastructure: Construction of the complex for officials in Cambodia has been completed, and is operational. In terms of information technology, BIDC's T24 core banking system is well appreciated both in Cambodia and Vietnam, ensuring BIDC's ability to operate and develop.

Apart from these achievements, BIDC has also faced certain difficulties and constraints in 2016 while concentrating resources towards retail orientation. Accordingly, the concentration of credit and capital mobilization customers remains high, while the level of competition among Cambodian banks is rising.

Promptly overcoming these difficulties and challenges, BIDC

has constructed its business plan in the period of 2016-2018 with specific orientation towards successful business strategies and solutions. Accordingly, in 2016 and in the future, BIDC has and will continue to penetrate deeper into the Cambodian economy: focusing on retail operations to meet the needs of the people of Cambodia and to shift the customers towards sustainable business; implementing the bank's restructuring plan; continually investing in information technology; developing products appropriate for modern banking services; and creating more convenient customer experiences that prioritize high quality service.

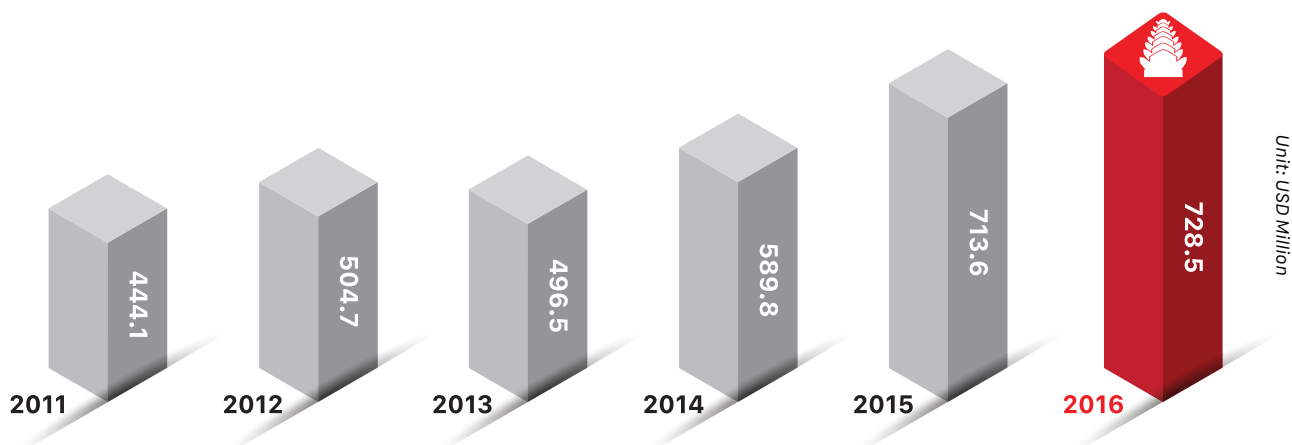
Along with the support and management of NBC, we believe that BIDC's continuing operations will lead to further growth, achieving further success and contributing to the economic development of Cambodia. We would like to express our sincere gratitude to the management agencies and BIDC's customers for placing your confidence in us through to the present. BIDC hereby commits to paralleling with customers, sharing challenges, and supporting clients' business operations.

We also thank our entire staff for their devotion and dedication to BIDC's common goals. We trust and believe that BIDC will always be the common home for all staff in their personal development, capacity building, and the successful construction of a prosperity future.

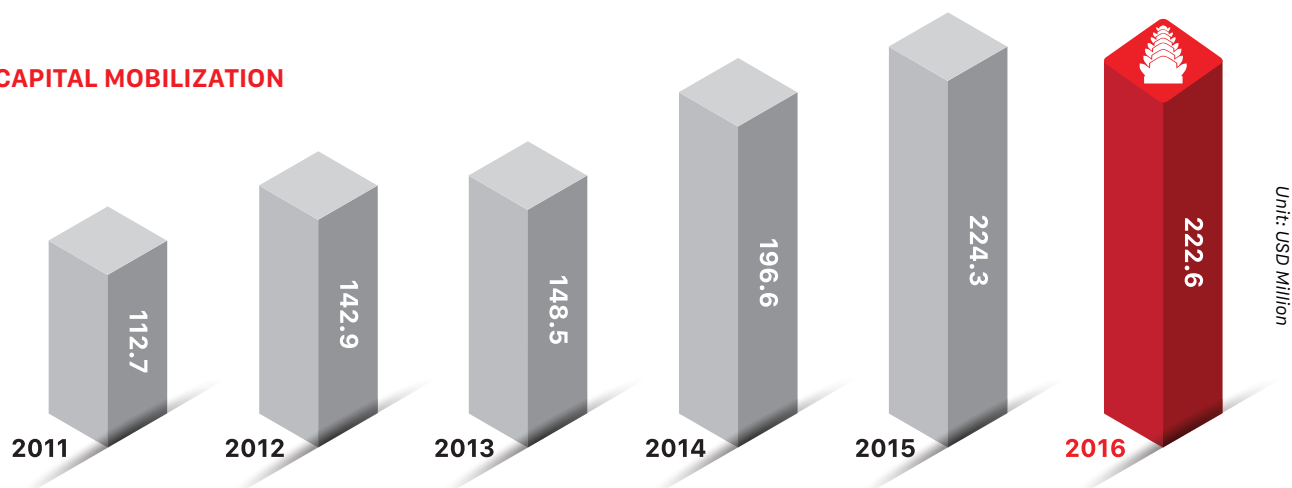


## BASIC PERFORMANCE INDICATORS

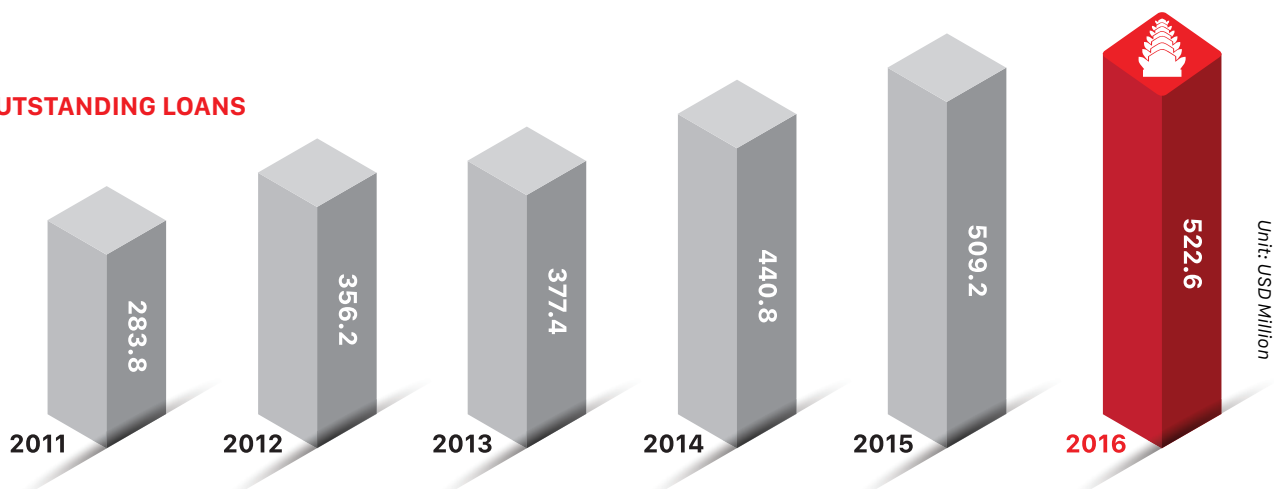
### TOTAL ASSETS



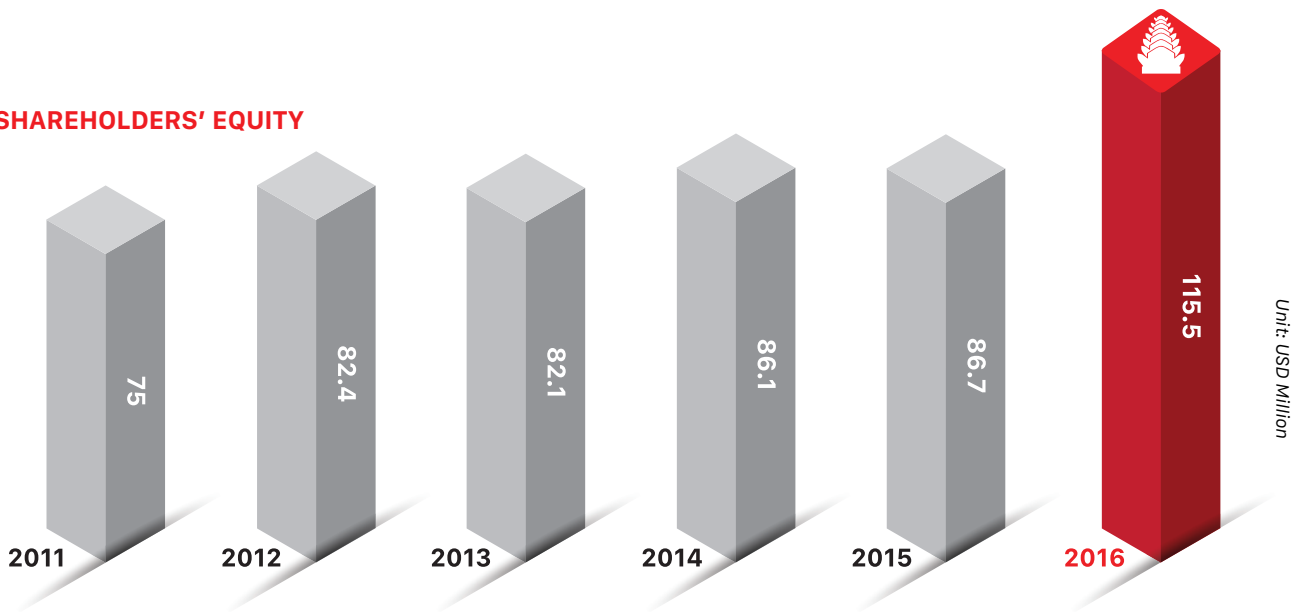
### CAPITAL MOBILIZATION



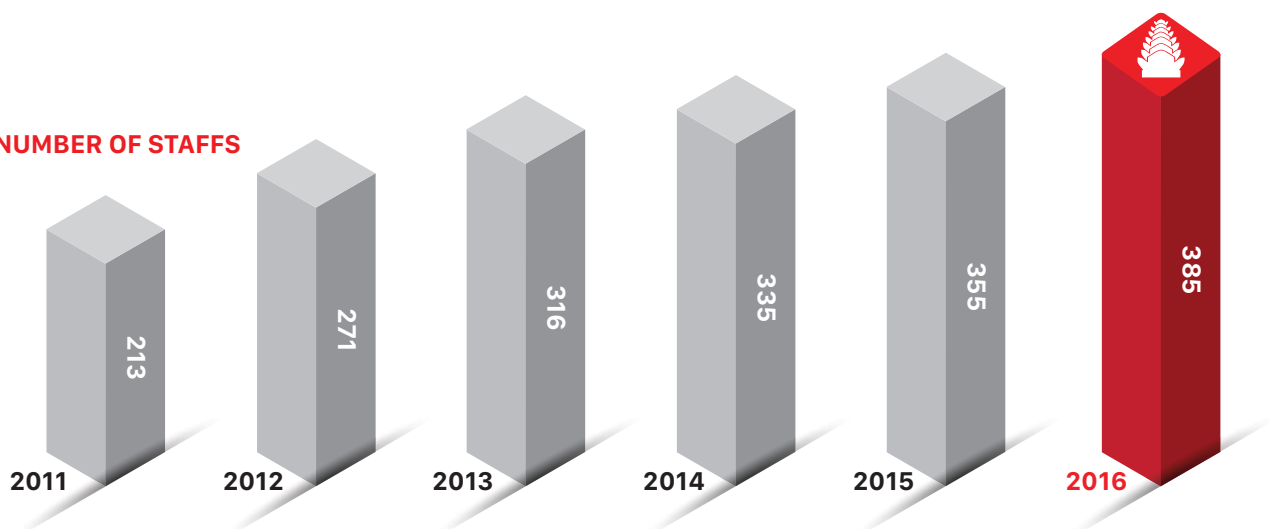
### OUTSTANDING LOANS



## SHAREHOLDERS' EQUITY



## NUMBER OF STAFFS





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# OVERVIEW OF BIDC



## GENERAL INFORMATION OF BIDC



Formerly known as PIB - Prosperity Investment Bank (established in August, 2007), the Bank was restructured and renamed as the Bank for Investment and Development of Cambodia Plc. (BIDC), beginning operations on September 1st, 2009 under the Operation License No. B7.09.148 issued by the National Bank of Cambodia on August 14th, 2009.

BIDC's majority shareholder is the Cambodian Investment and Development Co., Ltd (IDCC) - a member unit of the Bank for Investment and Development of Vietnam (BIDV), which is the largest commercial bank in Vietnam with over 60 years of business operations there. When deploying its operations in Cambodia, BIDV has significantly supported BIDC in terms of banking technology transfer, products and services, staff training, and operating capital.

After more than 7 years of operation, BIDC has become one of the largest commercial banks in Cambodia in terms of size and market share. By the end of 2016, BIDC's total assets, outstanding loans, and capital mobilization are over USD 728 million, over USD 522 million, and over USD 222 million, respectively. Its network owns seven branches in Cambodia and two branches in Vietnam, with a total of nearly 400 employees.

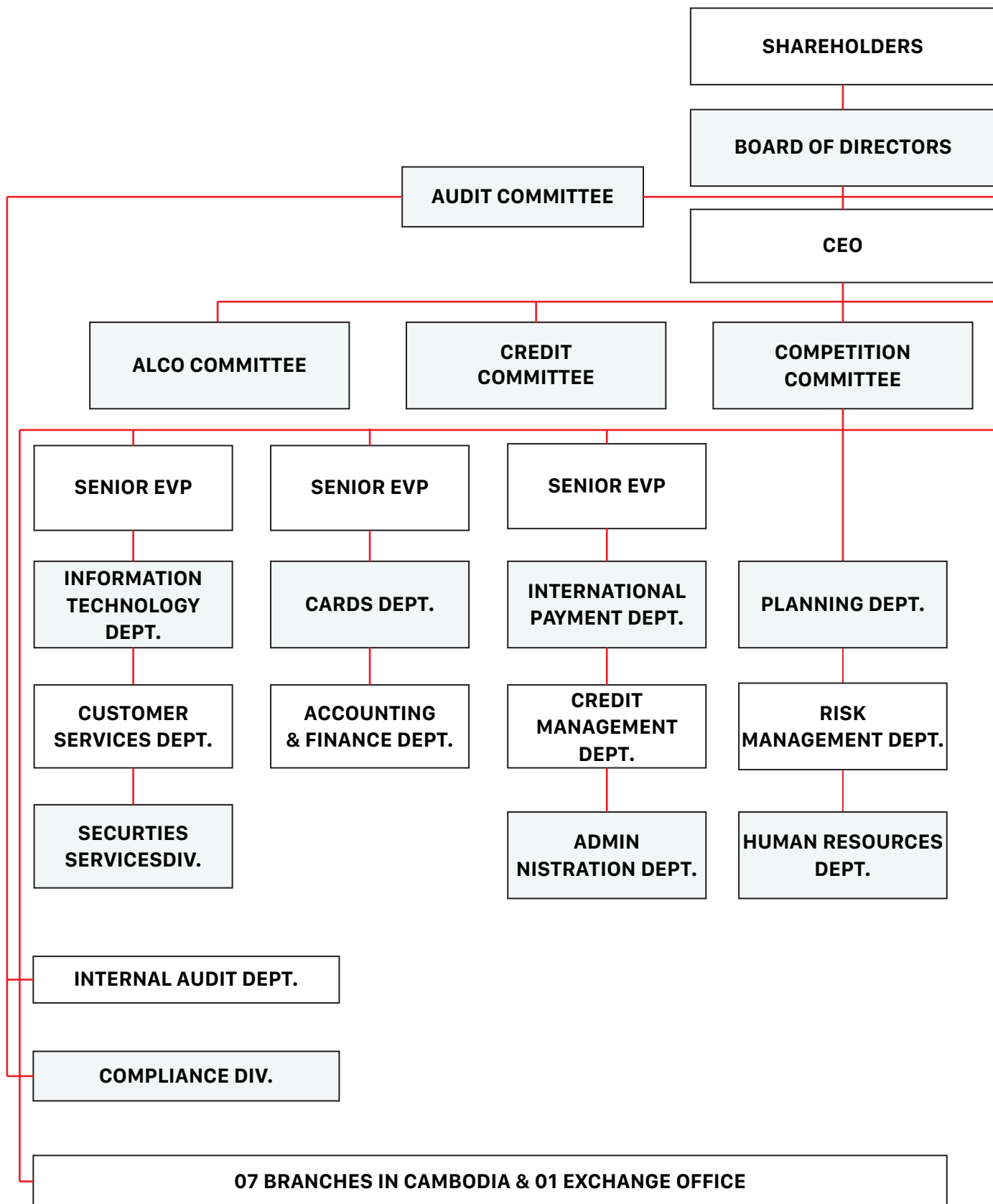
During initial operations, BIDC has focused its mission on: arrangements and provision of additional capital for key projects to develop Cambodia's economy as well as Vietnam's major projects invested in Cambodia, promoting Cambodian investments, and trade/financial market linkages with Vietnam. BIDC has gradually penetrated deeper into the Cambodian market and shifted into serving individual customers, economic organizations, and the retail sector in Cambodia. In 2016, BIDC increased its chartered capital to exceed USD 100 million, established an additional branch in Phnom Penh, strengthened financial capacity and operational indicators, and built long-term development orientations in parallel with the Cambodian economy.

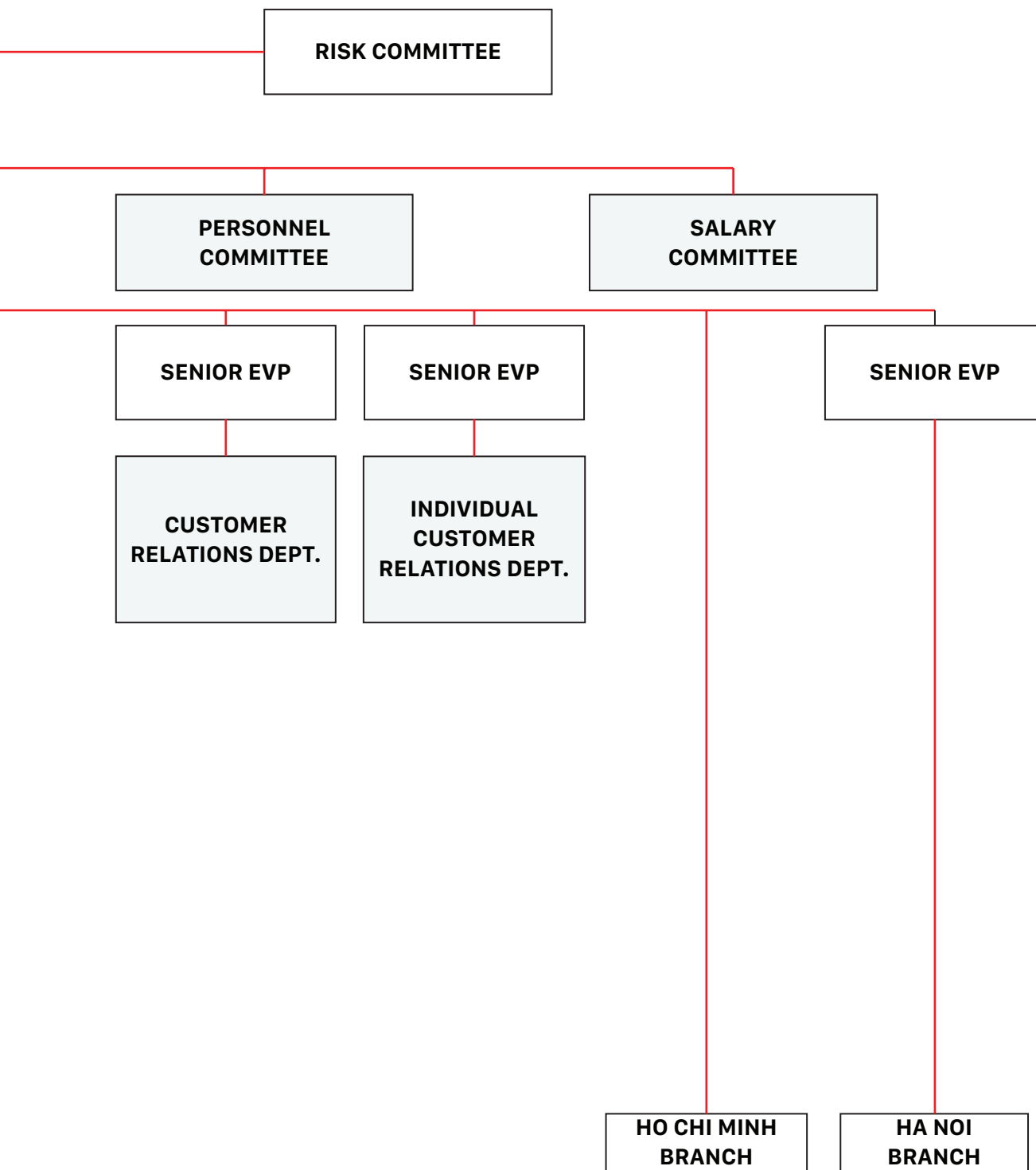


- ◆ FULL NAME: **Bank for Investment and Development of Cambodia PLC.**  
INTERNATIONAL BUSINESS NAME: **Bank for Investment and Development of Cambodia PLC.**
- ◆ ABBREVIATED NAME: **BIDC**  
SWIFT TRANSACTION CODE: **IDBCKHPP**  
CHARTERED CAPITAL: **USD 100,000,000 (One hundred million US dollars)**  
ADDRESS OF HEAD OFFICE: **No. 370, Preah Monivong Blvd, Sangkat Boeng Keng Kang I, Khan Chamkarmon, Phnom Penh, Cambodia.**
- ◆ CHAIRMAN OF THE BOARD OF DIRECTORS: **Mr. Le Kim Hoa**  
CHIEF EXECUTIVE OFFICER: **Mr. Nguyen Quoc Hung**
- ◆ TELEPHONE: **+855 23 210 044**  
FAX: **+855 23 220 511**  
WEBSITE: **www.bidc.com.kh**  
AUDIT FIRM: **Deloitte (Cambodia) Co., Ltd**
- ◆ MAIN BUSINESS SECTORS:  
**Credit granting: Loans, guarantees, and related services**  
**Capital mobilization service: Savings accounts**  
**Trade financing service**  
**Payment service: Domestic payments, international payments**  
**Account service**  
**Banking card service**  
**Other products and services according to business registration certificate requirements**



## BIDC ORGANIZATION CHART







## THE BOARD OF DIRECTORS

**MR. LE KIM HOA**  
Chairman of the BOD

<b>MR. LE KIM HOA</b>	— Chairman of the BOD
<b>MR. HOANG VAN VINH</b>	— Vice Chairman of the BOD
<b>MR. TRAN DINH DINH</b>	— Independent Member of the BOD
<b>MR. PHAM VAN DUONG</b>	— Member of the BOD
<b>MRS. TRAN THI OANH</b>	— Member of the BOD
<b>MR. NGUYEN VAN HIEN</b>	— Member of the BOD
<b>MR. PHAN THANH HAI</b>	— Member of the BOD
<b>MR. NGUYEN DINH DUONG</b>	— Member of the BOD
<b>MR. NGUYEN QUOC HUNG</b>	— Member of the BOD and Chief Executive Officer

Year of Birth: 1965

Education Level: Master of Business Administration

Experience: Mr. Le Kim Hoa has over 29 years of working experience in the banking and finance sector. He has worked for BIDV as Director of Branch, Director of Credit Department, Senior Executive Vice President of BIDV and Chairman of the Board of Directors of BIDC since February 23<sup>rd</sup>, 2016.





**MR. HOANG VAN VINH**  
Vice Chairman of the BOD

Year of Birth: 1964.

Education Level: Bachelor of Economics

Experience: Mr. Hoang Van Vinh became a Member of the BOD of BIDC in 2010.



**MR. TRAN DINH DINH**  
Independent Member of the BOD

Year of Birth: 1945.

Education Level: Bachelor of Banking and Finance.

Experience: Mr. Tran Dinh Dinh has over 38 years of working experience in the banking and finance sector. He has held many key positions within the banking and finance sector, such as Senior Executive Vice President of Vietnam Bank for Agriculture and Rural Development. Mr. Tran Dinh Dinh became an Independent Member of the BOD of BIDC in 2009.



**MR. PHAM VAN DUONG**  
Member of the BOD

Year of Birth: 1972.

Education Level: Bachelor of Business Administration

Experience: Mr. Pham Van Duong became a Member of the BOD of BIDC in 2009.



**MRS. TRAN THI OANH**  
Member of the BOD



**MR. NGUYEN VAN HIEN**  
Member of the BOD

**THE BOARD  
OF DIRECTORS**

Year of Birth: 1965

Education Level: Bachelor of Banking and Finance

Experience: Mrs. Tran Thi Oanh has over 27 years of working experience in the banking and finance sector. She has successfully served in several operating departments and within in BIDV, holding the positions of Deputy Director of BIDV- Gia Lai Branch and Deputy Director of BIDV's Board of Internal Control. Mrs. Tran became an Independent Member of the BOD of BIDC in 2009.

Year of Birth: 1961

Education Level: Master of Banking and Finance.

Experience: Mr. Nguyen Van Hien has over 27 years of working experience in the banking and finance sector. He became a Member of the BOD of BIDC in 2009.



**MR. PHAN THANH HAI**  
Member of the BOD



**MR. NGUYEN DINH DUONG**  
Member of the BOD



**MR. NGUYEN QUOC HUNG**  
Member of the BOD and  
Chief Executive Officer

Year of Birth: 1977

Education Level: Master of Banking and Finance

Experience: Mr. Phan Van Hai has over 17 years of working experience in the banking and finance sector. He became a Member of the BOD of BIDC in 2014.

Year of Birth: 1976

Education Level: Master of Banking and Finance.

Experience: Mr. Nguyen Dinh Duong has over 17 years of experience in the banking and finance sector. He became a Member of the BOD of BIDC in 2013.

Year of Birth: 1977

Education Level: Master of Banking and Finance.

Experience: Mr. Nguyen Quoc Hung over 18 years of experience in the banking and finance sector. He became a Member of the BOD and CEO of BIDC in 2015.





## THE BOARD OF MANAGEMENT

**MR. NGUYEN QUOC HUNG**  
Member of the BOD and Chief Executive Officer

- MR. NGUYEN QUOC HUNG** — **Member of the BOD and Chief Executive Officer**
- MR. MEY PHY — Senior Executive Vice President
- MRS. MAI THI NGOC HA — Senior Executive Vice President
- MR. DO VIET HUNG — Senior Executive Vice President
- MR. LE NAM TRUNG — Senior Executive Vice President
- MR. TRAN LAM GIANG — Senior Executive Vice President
- MR. DUONG VAN CO — Senior Executive Vice President

Year of Birth: 1977

Education Level: Master of Banking and Finance

Experience: Mr. Nguyen Quoc Hung has over 18 years of working experience in the banking and finance sector. He became a Member of the BOD and CEO of BIDC in November of 2015.



**MR. MEY PHY**

Senior Executive Vice President



**MRS. MAI THI NGOC HA**

Senior Executive Vice President



**MR. DO VIET HUNG**

Senior Executive Vice President

Year of Birth: 1959

Education Level: Master of Law

Experience: Mr. Mey Phy has over 22 years of working experience in the banking and finance sector. He became the Senior Executive Vice President of BIDC in August of 2009.

Year of Birth: 1963

Education Level: Bachelor of Banking and Finance, Bachelor of Engineering.

Experience: Mrs. Mai Thi Ngoc Ha has over 29 years of working experience in the banking and finance sector. She became the Senior Executive Vice President of BIDC in August of 2009.

Year of Birth: 1973

Education Level: Master of Banking and Finance

Experience: Mr. Do Viet Hung has over 20 years of working experience in the banking and finance sector. He became the Senior Executive Vice President of BIDC in October of 2014.



**THE BOARD OF  
MANAGEMENT**

**MR. LE NAM TRUNG**  
Senior Executive Vice President

Year of Birth: 1973

Education Level: Bachelor of Economics

Experience: Mr. Le Nam Trung has more than 17 years of experience in the financial services industry. He became the Senior Executive Vice President of BIDC in December of 2014.



**MR. TRAN LAM GIANG**

Senior Executive Vice President

Year of Birth: 1976

Education Level: Bachelor of Banking and Finance

Experience: Mr. Tran Lam Giang has more than 16 years of experience in the banking and finance services industry. He became the Senior Executive Vice President of BIDC in October of 2015.

**MR. DUONG VAN CO**

Senior Executive Vice President

Year of Birth: 1967

Education Level: Bachelor of Banking and Finance (received in Hanoi, in 2007)

Experience: Mr. Duong Van Co has more than 22 years of experience in the banking and finance services industry. He became the Senior Executive Vice President of BIDC in 2011.





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## DEVELOPMENT ORIENTATIONS



Following the results achieved in 2016 and previous years, BIDC has continued construction of its business strategy, exerting every effort to become a leading commercial bank in Cambodia and working towards stability and safety while successfully meeting the standards and conditions prescribed by the NBC. BIDC's target for the future is to increase market penetration and link with the development of the Cambodian economy, to serve local customers, to continue to expand its network in potential areas of growth in Cambodia, to increase its investments in information technology, and to confirm its long-term business investment strategies in Cambodia. BIDC will also continue to develop its role as a bridge for investment and trade cooperation between Cambodia and Vietnam. Accordingly, the objectives and main directives of BIDC in the near future are as follows:

- ◆ To continue to maintain a higher growth rate exceeding the market average, striving to

remain among the top 10 largest commercial banks in Cambodia;

- ◆ To focus on promoting development of retail credit operations, modern finance, and banking operations to serve the Cambodian people and to gradually reduce the level of concentration on large customers;

- ◆ To improve financial capacity and quality of assets while extracting more risk-preventing provisions for bad debts to meet the specified safety rate under NBC's Regulations, towards compliance with international practices;

- ◆ To apply and operate according to international standards and practices in modern banking;

- ◆ To govern banking operations in accordance with the law and towards common practices, while ensuring transparency, publicity, efficiency, banking business organizations under the modern and advanced banking model;

- ◆ To modernize infrastructure, to diversify and to improve the quality of products and services,

to create a competitive advantage, to serve the customers, to accelerate the application of information technology to banking operations, to support governance and management work;

- ◆ To develop an effective network through research on potential development capacity of locations, to secure and improve the effective operations of network points in order to better serve BIDC's customers;

- ◆ To improve labor productivity, focusing on training and improving the quality of human resources, with the goal of developing qualified Cambodian staff with strong company loyalty to BIDC to ensure stable, long-term business.

We believe that with the support of the functional authorities as well as the support and cooperation of customers, partners, and dedicated staff, BIDC's business in Cambodia will continue to grow stronger and more successful, contributing significantly to the economic development of Cambodia.

## INTERNAL AND EXTERNAL RISKS



**BIDC** notes the following risk factors which may affect the bank's business performance:

**Economic Risk:** In 2016, Cambodia has achieved encouraging results, fulfilling its basic objectives (stabilizing macroeconomics, monitoring inflation, increasing GDP growth rate, and ensuring employment and social benefits). However, the economy still faces some challenges: (i) economic growth closely tied to fluctuations in the political situation, natural conditions in the country, demands on foreign market and FDI flows, (ii) higher production costs, (iii) limited government revenues, low social security, (iv) excessive dollarization projected to have a major impact on the Cambodian economy as external funding sources decline. These challenges will directly affect business activities of BIDC's customers and BIDC.

**Credit Risk:** Credit risk refers

to the potential loss due to the failure of a borrower to meet their contractual obligation to repay a debt in accordance with the agreed terms. Such risks arise from various causes, such as unstable revenues of the customers, intentional insolvency of the customers, or violations of the third party in connection to the obligations to the bank as the creditor. In the context of the underdeveloped Cambodian economy, income of individuals is often low, and the private sector occupies most of the economy but is concentrated around several large enterprises. This results in a high credit risk.

**Liquidity Risk:** Liquidity is the ability of a bank to fund increases in assets and to meet obligations as they become due, without incurring unacceptable losses. The fundamental role of banks in the maturity transformation of short-term deposits into long-term loans makes the bank inherently vulnerable to liquidity

risk. Liquidity risk management is to monitor and control on the basis of cash flow projections. For prevention, BIDC always maintains the liquidity ratio equal to or higher than NBC's regulations, focusing on high liquidity assets such as cash, cash at NBC, and regular meetings of the ALCO Council to study the market situation and ensure the liquidity ratio of BIDC.

**Interest Rate Risk:** A major risks arises when market interest rates fluctuate, which will negatively affect the bank's net interest income. As one of the major banks in Cambodia in implementing modern risk management system, BIDC has fully established its internal regulations on interest rate risk management system in compliance with relevant regulations.

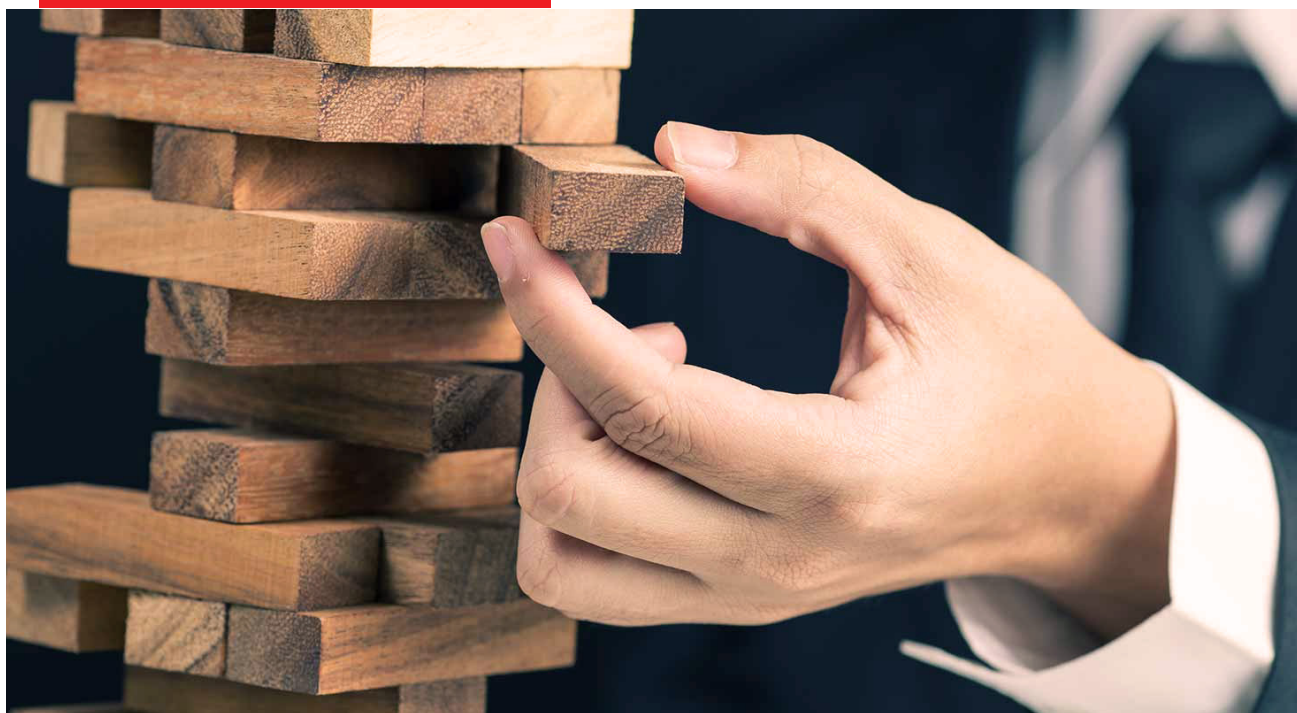
**Foreign Exchange Risk:** Foreign exchange risk originates from adverse movements in exchange rates, which cause a decrease

in the foreign currency state held by the Bank. In order to manage foreign exchange risk, the Bank has promulgated a series of exchange risk managements; including foreign exchange risk management; foreign exchange risk limits, and instruments to measure and control foreign exchange risks, including stop-loss limits and value at risk.

**Legal and Compliance Risk:** The Legal and Compliance Management Department is responsible for overseeing the legal aspects of the activities that BIDC undertakes, is responsible for facilitating, advising and supervising business units and assists to ensure that they act in accordance with applicable laws, regulations and guidelines. In the past year, the Bank has exerted every effort to comply with standards, policies, procedures, and best practices. The Legal and Compliance Department always encourages the active involvement of the relevant departments and project-steering committees in meeting the Bank's responsibilities towards regulations such as the Anti-Money Laundering and Combating Financing of Terrorism (AML/CFT) and US Foreign Account Tax Compliance Act (FATCA).

**Operational Risk:** Operational risk is a risk that may occur in most of the bank's activities. It is inherent to banking activities but unpredictable. Operational risk may stem from human factors (negligence or fraud), a gap in the operating procedures, weakness in information systems, internal control systems; or from changes of unexpected external factors (government policies, natural disasters, or sabotage). To prevent and mitigate operational risk, BIDC has implemented operational risk management by focusing on research, development, and application of advanced operational risk management tools towards international practices and to meet the requirements of the NBC.

**Other Risks:** In addition to the above risks, BIDC's operation can also be affected by other risks such as fire, natural disasters, strikes, war, and accidents etc. These major events are beyond BIDC's control, prevention, and expectation. These risks, if they materialize, may cause damage to the business performance of any enterprise, including BIDC.

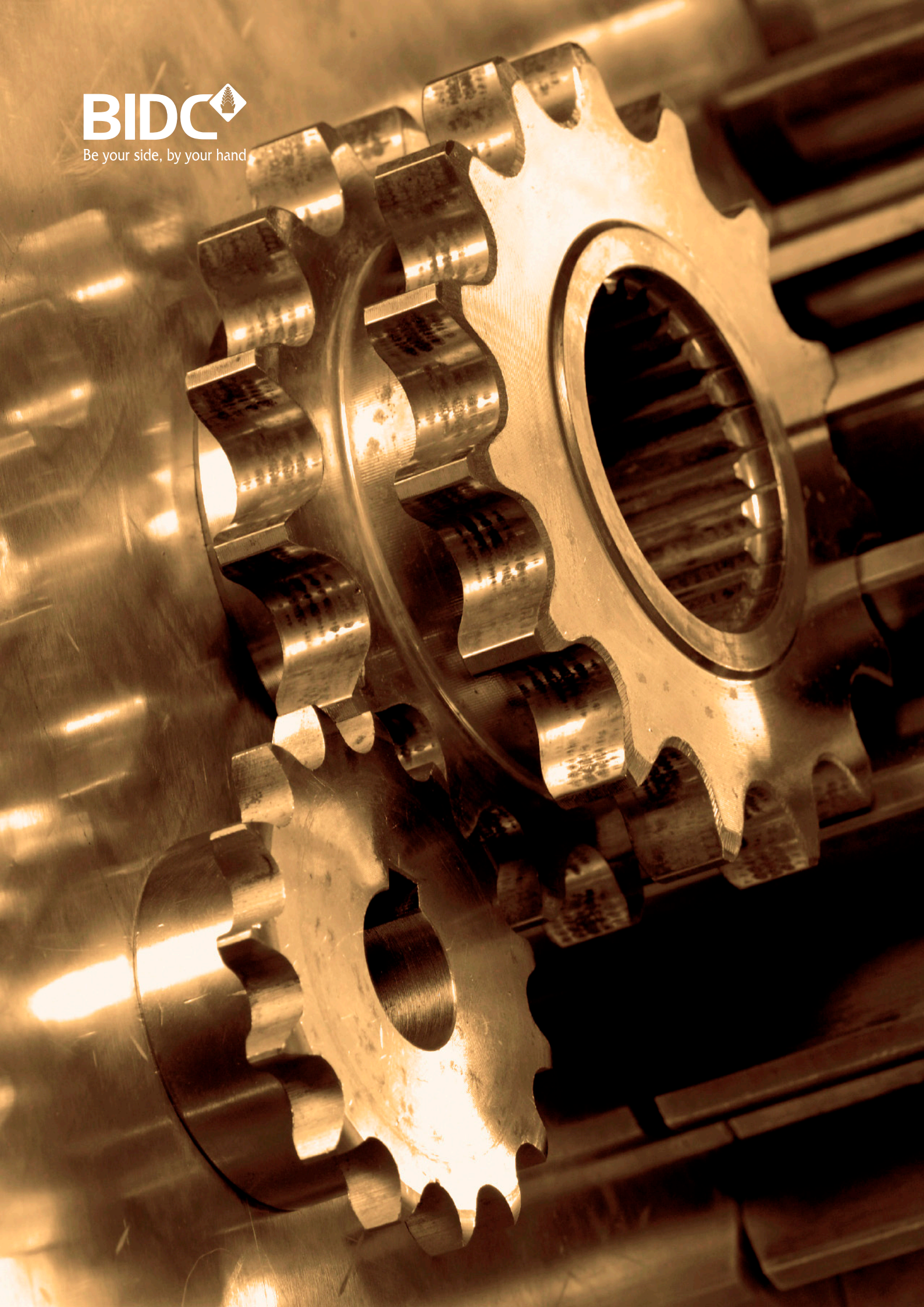








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**OPERATION IN 2016**



## BUSINESS ENVIRONMENT



In the year 2016, Cambodia's economy continued to prosper, thanks to the improved economies of the main trading partners of Cambodia (including Thailand, the U.S.A., Japan, and the EU) and reduced tensions within the political situation of the country. There are a number of advantages for growth such as: the development of key economic sectors (tourism, textiles, footwear, construction, and agriculture), low fuel prices, and a sharp increase of domestic demands. The Government of Cambodia and some world financial monetary institutions have addressed positive evaluation on the development of the economy of Cambodia, with forecasts of Cambodia's stable GDP, which remained at 7% in 2015 and stable at 7-7,5% in the period of 2017-2019. It is noteworthy that from 2017-2018, the political and economic environment in Cambodia may be strongly influenced, directly affecting the operation of the financial and banking market due to the occurrence of significant elections such as the election of Communes in 2017, and especially the National Assembly elections in 2018.

The development potential of the banking sector in Cambodia is considered to be still greater, which is shown by: (i) the rate of loans over GDP is likely to increase, reaching the average level among developing countries, although still a low rate compared with other countries in the region (including Vietnam, Thailand, and Singapore); (ii) The rates of use of banking services, due to the fact that a large number of people with bank account are still low. By the end of 2014, total customers with bank loans were nearly 450 thousand people (less than 3% of the population), meanwhile total depositors therein reached more than 2.3 million.

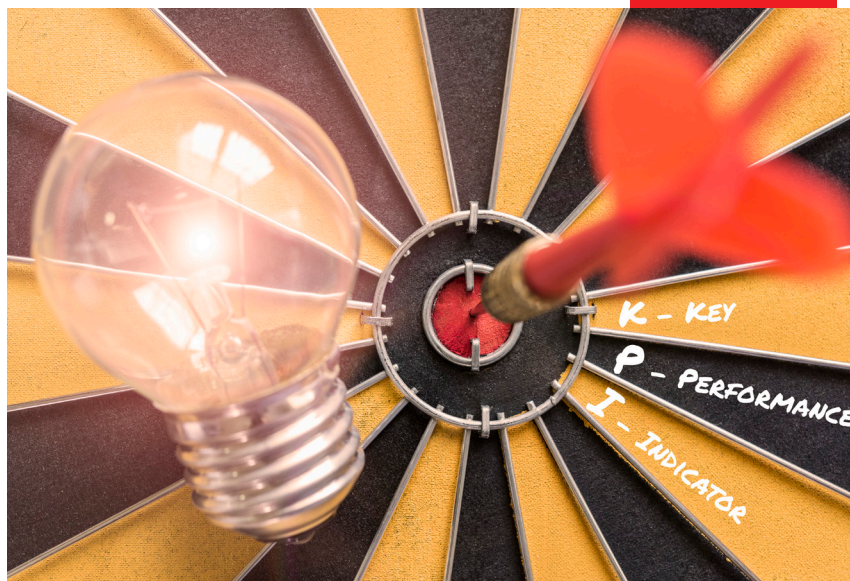
According to the evaluation and analysis of market research experts, two niche markets of high interest to Cambodian banks that have not yet been significantly exploited are Cambodian SMEs and the private sector. Along with economic development, the income forecast of this customer area will increase and the demand for banking services will grow accordingly. Therefore, the development of retail banking services is now trending as a means for commercial banks to increase their market share and increase stable revenue, diversifying the range of banking products and services they offer as well as diversifying risk. This trend helps to consolidate the presence of banks in the market, contributing to the bank's competitiveness.

## EVALUATION OF BUSINESS OPERATIONS

◆ Network development work is being completed in a timely manner as planned by the Board of Directors, proving effective initially.

◆ In the Cambodian market, BIDC has gradually reduced its large loans and continued to focus on retail activities as well as both small and medium customers, thereby incrementally enhancing the efficiency and quality of BIDC's business operations.

◆ In the market of Vietnam, BIDC's branches in Hanoi and HCM have developed continually in terms of scale, retaining their important role in meeting the payment needs of customers



In general, such items as total assets, capital mobilization, and outstanding balance are at a higher growth rate compared to that in 2015 and previous years in both Cambodian and Vietnamese markets.

## ORGANIZATIONAL STRUCTURE AND PERSONNEL

BIDC has nine members of the Board of Directors, seven members of the Board of Management (including one Senior Executive Vice President and Director of Hanoi Branch, one Senior Executive Vice President and Director of Toul Kork branch) one Head Office, seven branches in Cambodia, and two branches in Vietnam.

In 2016, BIDC completed the procedures for the dismissal and appointment of senior leaders as follows:

◆ In February, 2016, Mr. Le Dao Nguyen was dismissed and Mr. Le Kim Hoa was appointed to the office of Chairman of BOD of BIDC.

◆ In February, 2016, Mr. Doan Anh Sang was dismissed as Member of BOD of BIDC.

For mid-level leaders, BIDC has focused on and appointed many officials in charge of mid-level leadership positions, of which most of them are Cambodian staff, preparing staff resources to ensure network development activities and operation of long-term stability of BIDC.

In 2016, BIDC recruited 39 new staff to meet the demands of increased scale of operations and established one additional branch in Phnom Penh, thereby increasing BIDC's transaction network in Phnom Penh by 5 units (in addition to the Head Office).

## FINANCIAL SITUATIONS

Unit USD

While total operating income continues to grow compared to 2015, the profitability of BIDC is adapted suitably to enhance risk reserve and to ensure the long-term stability in BIDC's development plan.

Items	Year 2016	Year 2015
Total assets	728,522,614	713,605,236
Total operating income	27,325,947	22,660,752
Taxes and payables	620,562	689,353
Profit before tax	852,702	1,578,211
Profit after tax	232,140	888,858

**\* Note:** Data is based on Cambodian Accounting Standards (CAS)

## INVESTMENT STRUCTURE

Following the approval of BIDC Board of Directors, since September 2016 the chartered capital of BIDC has been raised to USD 100 million. This is an important premise upon which BIDC can maintain stable financial capacity for its sustainable development plan in the coming years.





## IMPROVEMENT OF THE ORGANIZATIONAL STRUCTURE AND MANAGEMENT POLICY

Regarding network development: BIDC changed the name of BIDC Toul Kork Branch to BIDC Steung Mean Chey Branch, and put into operation a new branch called BIDC Toul Kork Branch from September 2016, bringing the number of branches in the Phnom Penh area up from 05 branches to 07 branches in Cambodia.

Regarding developing card services: In 2016, BIDC successfully implemented the Visa Card Acceptance Service on POS equipment and the Visa EMV Acceptance Card project on ATM/POS equipment, contributing to risk reduction for BIDC for disputed settlements on ATM/POS systems. The Windows 7 Upgrade Project, deploying the Solidcore Suite for APTRA anti-piracy software, ATM Symphony ASM network management and control system for ATM NCR has been approved, and will be completed in the 1st quarter of 2017 for the purpose of enhanced security against ATM theft attacks. In order to diversify its card products, BIDC has also commenced the implementation of The Connected Project in order to facilitate the acceptance of MasterCard payments on ATM/POS, which is expected to be completed by the end of 2017.

Regarding information technology activities: In 2016, BIDC has implemented many important information technology activities, including successful implementation of a disaster



prevention project to ensure safety for banking operations. Also, BIDC developed many management software solutions and reporting mechanisms for the management of the Leadership. The deployment of a number of flexible deposit savings products brings competitive advantages for banks in raising capital mobilization activities. In particular, BIDC was one of the first 13 financial institutions



in Cambodia to successfully implement the "Fast Payment System" project, which is linked by the National Bank of Cambodia (NBC). BIDC also negotiated and signed the contract renewal and maintenance of Core Banking T24 software with contractor Temenos Company.

Regarding recruitment: In 2016, BIDC continued to carry out intensive recruitment for the entire system in Cambodia. This has resulted in the recruitment of 39 new staff to meet the requirements of increased scale of operations. BIDC has attracted suitable candidates, contributing to improving the quality of human resources for the benefit and expansion of the network, scale, and quality of operations.

Regarding staff training: BIDC has been active in developing training programs, including self-training systems within BIDC that are supported by BIDV through the



hiring of trainers. BIDC has also organized professional and language training courses for staffs of the entire system, in order to improve their professional skills, soft skills, and foreign languages.

Regarding the planning and appointment of cadres: Planning work is conducted in accordance with the general standards of BIDC. Implementation has always been open and dynamic, with list of plans being adjusted on the basis of monitoring the development of cadres, removal from the list of cadres who are no longer eligible, standardization, and to add to the list with new potential candidates. The appointment of cadres has been handled with professionalism to help BIDC select exemplary and prestigious cadres in the professional field.

Regarding salary and bonus policy: Initially researched and deployed separately to each department depending on the contribution to BIDC's activities; assigning business targets to staff serves as a basis for evaluating results of accomplishing tasks and implementing salary and bonus payments accordingly. Changes in the salary and bonus policies have created new motivation for staff to strive to fulfill their assigned tasks.

## ACTIVITIES OF THE BOARD OF DIRECTORS

In 2016, the Board of Directors of BIDC (BOD) held regular meetings and requested comments and directions in writing for the issues in the authority of the Board, ensuring a comprehensive grasp of the situation and timely arrival at appropriate policies and decisions regarding the key issues of the entire system and supervision of operations of BIDC's Management.

The Board of Directors issued 37 resolutions and 40 decisions of the BOD to give timely direction and settle derivative works in order to create favorable conditions and reactivity in BIDC's Management. Among these, a number of major and important contents have been agreed upon by the Managing Board and directed by BIDC's Executive Board, including:

- ◆ Raising the chartered capital of BIDC from USD 70 million to USD 100 million
- ◆ Changing the name of BIDC Toul Kork Branch to BIDC Steung Mean Chey Branch and putting into operation a new branch called BIDC Toul Kork Branch

## THE OPERATIONAL STRUCTURE OF THE COMMITTEES DIRECTLY UNDER THE BOARD OF DIRECTORS

There are two committees directly under the Board of Directors, including: (i) the Risk Committee; (ii) the Audit and Compliance Committee.

◆ The Risk Committee is under the Board of Directors (that was established by merging the Risk Management Committee and the Risk Solving Committee) and executes the rights and the responsibilities of the Board of Directors in risk management for the activities throughout BIDC's system. The Risk Committee is chaired by the Chairman of the Board.

◆ The Audit and Compliance Committee consults, helping the Board to handle matters relating to auditing work and monitoring compliance throughout BIDC's system. The Audit and Compliance Committee consists of three members with longtime experience in banking operations, and is chaired by the independent member of the Board of Directors (Mrs. Tran Thi Oanh)

## ACTIVITIES OF THE AUDIT AND COMPLIANCE COMMITTEE IN 2016

### MEMBERS OF THE AUDIT AND COMPLIANCE COMMITTEE

MRS. TRAN THI OANH	— Independent Member of the BOD	— Chairman (*)
MR. NGUYEN DINH DUONG	— Member of the BOD	— Member
MR. TRAN DINH DINH	— Independent Member of the BOD	— Member

### ACTIVITIES IN 2016

The Audit and Compliance Committee performed the functions and tasks prescribed by law, the BIDC Charter, regulations on organization and operation of the Audit and Compliance Committee. In 2016, the Audit and Compliance Committee through regular meetings with the assisting staff directed two departments to assist Internal Audit and Compliance implementation and completion of work plans approved by the Board of Directors, with main activities including:

- ◆ Supplementation and strengthening of personnel for internal auditing; perfecting of the system of internal documents and regulations, creation of a legal corridor for the operation of the Audit and Compliance Committee and compliance with the internal inspection and auditing department to operate smoothly and in compliance with regulations, meeting the requirements of operation.
- ◆ Regular supervision of the implementation of resolutions and decisions of the BOD; monitoring of the implementation of the recommendations of the Audit and Compliance Committee; Supervision being systematically carried out from Head Office to Branches, with a focus on comprehensive supervision of bank governance, risk management in fields of operation and implementation levels; regular monitoring of key bank operations or potential risk areas; supervision and evaluation of compliance with regulations on safety of operation of banks in accordance with regulations of the National Bank of Cambodia and the State Bank of Vietnam.
- ◆ Auditing and evaluation of internal control system in a number of key BIDC business areas (credit, finance, deposits, anti-money laundering); making recommendations to improve and enhance the effectiveness of the internal control system; development of an internal audit plan in 2017.

Through internal monitoring and auditing, the Audit and Compliance Committee has issued timely risk warnings, identified issues that are still present in the operations, internal regulatory documents, and organizational structure for recommendations to the Board of Directors, Board of Management and all levels of management of the bank to correct and supplement regulations, procedures, and professional guidelines, strengthening internal control work to prevent and reduce risks and ensuring safety in operations.







**SUSTAINABLE DEVELOPMENT  
REPORT**



## TRAINING AND DEVELOPMENT OF HUMAN RESOURCES

After more than seven years of operation, BDC has strengthened and built a solid workforce in terms of experience, competence, mental fitness, and endurance. This demonstrates the effectiveness of policies on talent attraction and management, focused and consistently implemented on a long period by professional and prestigious recruitment within the labor market.

The most important highlight is that BDC has clearly identified strategic goals of human resource development as the key recruiting priority and benefits to the workforce in the locality at the initial investment in training, and has experienced transfer from BIDV's seconded officers to gradually increase the ratio local leaders. Through to the present, local personnel are qualified and experienced with high ethical standards, who can be appointed and assigned within key positions at BDC.



The objective and orientation of BDC in training and development of human resources focus on the following:

- ◆ To attract and exploit human resources, forming a team of experts in key professional areas.
- ◆ To perfect the system framework of capacities, renovating evaluation indexes for individuals and renewing personnel assessment comprehensively in order for it to be the foundation for personnel organization.
- ◆ To improve processes and regulations on the personnel organization attached to general capacity framework, capacity management framework and professional capacity framework for each position.
- ◆ To promote the application of information technology in the workplace, increasing productivity and labor efficiency.
- ◆ To develop a training program framework subject to the group of titles associated with the capacity framework and job description.
- ◆ To expand and improve the efficiency of cooperation in training human resources.
- ◆ To develop, complete, and regularly update treatment and welfare policies aimed at completing comprehensive remuneration policies under the international practices and standards.

## BIDC'S SOCIAL SOLIDARITY ACTIVITIES FROM 2011 TO 2016

Over the past seven years, BIDC has gradually matured, stabilized and increased sustainability factors in terms of the breadth and depth, scale, and scope of operations. BIDC has gradually proved its persistent self-innovation efforts to become a leading bank in terms of quality, efficiency, and reputation, contributing to the sustainable growth of the financial and monetary market in Cambodia. In particular, BIDC is one of the pioneers and a major contributor to social welfare activities and poverty reduction in Cambodia. Some typical social security works of BIDC in the past consist of:

- ◆ Sponsorship of the BIDC CUP - International Champion Cup for four times since 2009, i.e. every two years. This event is the regional sports tournaments for young Asian players, which is of great significance in promoting culture and sport advancement in Cambodia as well as in the region.
- ◆ Since its inception, BIDC has actively contributed to sponsoring social welfare activities in Cambodia, i.e. annual funding to the Cambodian Red Cross with a total contribution of nearly USD 500 thousand since 2011; contributing to disaster recovery, poverty elimination, medical and educational assistance in many areas of Cambodia, contributing to the work of poverty reduction, and assistance to poor people and families with difficult circumstances in Cambodia.





20 220
1 342
44 872
51 20
19 544
63 118
70 93
54 1
80



Net sales	1,070,000	1
<b>Cost of Sales</b>		<b>Current Mo</b>
	<b>Amount</b>	<b>% of</b>
Beginning inventory	540,000	1
Plus goods purchased/manufactured	123,000	0
Total goods available	200,000	0
Less ending inventory	38,000	0
Total cost of goods sold	20,000	0
Gross profit (loss)	1,050,000	1

<b>Operating Expenses</b>		<b>Current Mon</b>
	<b>Amount</b>	<b>% of</b>
<b>Selling</b>		
Salaries and wages	122,000	
Commissions	112,000	0
Advertising	335,000	0
Depreciation	10,000	0
Total selling expenses	680,000	1
<b>General/Administrative</b>		
Salaries and wages	70,000	0
Employee benefits	83,000	
Payroll taxes	70,000	



Line Item	January	February	March	April	May	June
<b>PROFIT AND LOSS</b>						
Revenue (Actual - Budget)	65,000	75,000	85,000	75,000	80,000	90,000
Variance (Actual - Budget)	60,000	70,000	88,000	95,000	65,000	88,000
Variance (Actual - Prior year)	-5,000	-5,000	3,000	20,000	-15,000	-2,000
Sold	55,000	60,000	70,000	75,000	80,000	90,000
	5,000	10,000	18,000	20,000	-15,000	-2,000
Actual	50,000	55,000	65,000	55,000	60,000	70,000
Budget variance (Budget - Actual)	47,500	55,000	63,000	45,000	55,000	63,000
Prior year	2,500	0	2,000	10,000	5,000	7,000
Prior year variance (Prior year - Actual)	45,000	48,000	54,000	49,000	51,000	51,000
	-2,500	-7,000	-9,000	-4,000	-4,000	-4,000
<b>Sales and Marketing Costs</b>						
Budget	8,000	3,000	4,000	40,000	42,000	30,000
Actual	10,000	4,000	3,000	115,000	123,000	110,000
Budget variance (Budget - Actual)	-2,000	-1,000	1,000	-8,000	-2,000	-3,000
Prior year	7,000	6,000	2,000	75,000	30,000	31,000
Prior year variance (Prior year - Actual)	-3,000	2,000	1,000	-48,000	-12,000	-12,000
<b>Labor Expense</b>						
Budget	35,000	3,000	4,000	11,000	31,000	15,000
Actual	40,000	4,000	3,000	12,000	31,000	15,000
Budget variance (Budget - Actual)	-5,000	-1,000	1,000	-1,000	0	0
Prior year	7,000	6,000	2,000	7,000	18,000	8,000
Prior year variance (Prior year - Actual)	-3,000	2,000	1,000	-5,000	-13,000	-7,000



Year to Date	
Amount	% of Sales
45,000	0
250,000	0
295,000	0
200,000	0
95,000	0
1,825,000	1

Year to Date	
Amount	% of Sales
32,000	0
22,000	0
37,000	0

Q2	July	August	September	Q3
245,000	95,000	100,000	105,000	300,000
248,000	95,000	100,000	105,000	300,000
3,000	0	0	0	0
245,000	90,000	95,000	100,000	285,000
3,000	5,000	5,000	5,000	15,000

October	November	December	Q4	Annual
20,000	130,000	145,000	395,000	1,165,000
120,000	130,000	145,000	395,000	1,161,000
0	0	0	0	-4,000
110,000	120,000	130,000	360,000	1,075,000
10,000	10,000	15,000	35,000	86,000

### Name: EXPEN

Actual	Actual Cost Br
\$300,00	
\$300,00	
Actual	
\$500,00	

13%

21%

# SUMMARY OF FINANCIAL STATEMENTS



## INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Bank for Investment and Development of Cambodia Plc.

### Opinion

We have audited the consolidated financial statements of Bank for Investment and Development of Cambodia Plc. (the "Bank"), and its subsidiaries (together referred to as the "Group") which comprise the consolidated balance sheet as at 31 December 2016, and the consolidated income statement, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies as set out on pages 6 to 46.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 December 2016, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Cambodian Accounting Standards and relevant accounting regulations and guidelines issued by the National Bank of Cambodia.

### Basis for Opinion

We conducted our audit in accordance with Cambodian International Standards on Auditing ("CISAs"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Cambodia, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Other matters

The consolidated financial statements of the Group as at and for the year ended 31 December 2015 were audited by another auditor who expressed an unmodified opinion on those statements on 12 April 2016.

### Information Other than the Consolidated Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. The other information comprises the Report of Director as set out on pages 1 to 3, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### Responsibilities of Management and the Board of Directors for the Consolidated Financial Statements

Management is responsible for the preparation of consolidated financial statements that give a true and fair view 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

KQ



In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is responsible for overseeing the Group's financial reporting process.

## **Auditor's responsibility for the Audit of the Consolidated Financial Statements**


Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with CISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.


As part of an audit in accordance with CISAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

For Deloitte (Cambodia) Co., Ltd.

  
Khoy Kimleng  
Director



Phnom Penh, Kingdom of Cambodia  
Date: 13 April 2017



**GENERALIZED REPORTS**  
**CONSOLIDATED BALANCE SHEET (As at December 31, 2016)**  
**CAS (Cambodian Accounting Standards)**

	2016		2015	
	US\$	KHR'000	US\$	KHR'000
<b>ASSETS</b>				
Cash on hand	6,966,714	28,124,624	7,446,271	30,157,398
Balances with central bank	78,674,923	317,610,664	52,380,683	212,141,766
Due from other financial institutions	48,779,733	196,923,782	112,746,161	456,621,952
Investments in securities	22,793,138	92,015,898	3,866,634	15,659,868
Loans to customers	510,652,133	2,061,502,661	495,687,935	2,007,536,137
Property and equipment	18,871,038	76,182,380	6,180,473	25,030,916
Intangible assets	1,979,088	7,989,578	1,880,091	7,614,369
Other assets	38,914,291	157,096,993	33,416,988	135,338,801
Deferred tax assets	891,556	3,599,212	-	-
<b>TOTAL ASSETS</b>	<b>728,522,614</b>	<b>2,941,045,792</b>	<b>713,605,236</b>	<b>2,890,101,207</b>
<b>LIABILITIES</b>				
Due to other financial institutions	381,638,754	1,540,675,650	394,215,012	1,596,570,799
Deposit from customers	222,576,586	898,541,678	224,314,974	908,475,645
Income tax payable	1,087,524	4,390,334	635,925	2,575,496
Other liabilities	7,709,123	31,121,730	7,712,934	31,237,383
<b>TOTAL LIABILITIES</b>	<b>613,011,987</b>	<b>2,474,729,392</b>	<b>626,878,845</b>	<b>2,538,859,323</b>
<b>SHAREHOLDERS' EQUITY</b>				
Paid-up capital	100,000,000	403,700,000	70,000,000	283,500,000
Foreign exchange translation reserves	(1,624,215)	(6,556,956)	(101,625)	(411,581)
General banking reserves	3,346,491	13,509,784	3,161,115	12,802,516
Retained earnings	11,378,918	45,936,692	13,666,901	55,350,949
Non-controlling interests	2,409,433	9,726,880	-	-
<b>TOTAL SHAREHOLDERS' EQUITY</b>	<b>115,510,627</b>	<b>466,316,400</b>	<b>86,726,391</b>	<b>351,241,884</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>728,522,614</b>	<b>2,941,045,792</b>	<b>713,605,236</b>	<b>2,890,101,207</b>

**CONSOLIDATED INCOME STATEMENT**  
**For the fiscal year ended December 31, 2016**  
**CAS (Cambodian Accounting Standards)**

	2016		2015	
	US\$	KHR'000	US\$	KHR'000
Interest income	43,548,888	175,806,861	38,995,253	157,930,775
Interest expenses	(19,429,289)	(78,436,040)	(19,245,850)	(77,945,693)
<b>Net interest income</b>	<b>24,119,599</b>	<b>97,370,821</b>	<b>19,749,403</b>	<b>79,985,082</b>
Fees and commission income	2,889,047	11,663,083	3,160,725	12,800,936
Fees and commission expenses	(225,870)	(911,837)	(257,292)	(1,042,033)
<b>Net fees and commission income</b>	<b>2,663,177</b>	<b>10,751,246</b>	<b>2,903,433</b>	<b>11,758,903</b>
<b>Net gain from investment securities</b>	<b>200,924</b>	<b>811,130</b>	<b>51,393</b>	<b>208,142</b>
Other operating income/(expenses) - net	342,247	1,381,651	(43,477)	(176,082)
<b>Total operating income</b>	<b>27,325,947</b>	<b>110,314,848</b>	<b>22,660,752</b>	<b>91,776,045</b>
Operating expenses	(17,018,424)	(68,703,378)	(15,307,840)	(61,996,752)
Allowance for losses of loans to customer	(11,493,575)	(46,399,562)	(7,129,903)	(28,876,107)
Recovery from loans written-off	2,038,754	8,230,450	1,355,202	5,488,568
<b>Profit before tax</b>	<b>852,702</b>	<b>3,442,358</b>	<b>1,578,211</b>	<b>6,391,754</b>
Income tax expenses	(620,562)	(2,505,209)	(689,353)	(2,791,880)
<b>Net profit for the year</b>	<b>232,140</b>	<b>937,149</b>	<b>888,858</b>	<b>3,599,875</b>
<b>Non-controlling interests</b>	<b>95,060</b>	<b>383,757</b>	<b>-</b>	<b>-</b>
<b>Net profit attributable to the equity holders of the Bank</b>	<b>137,080</b>	<b>553,392</b>	<b>888,858</b>	<b>3,599,875</b>



**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**For the fiscal year ended December 31, 2016**  
**CAS (Cambodian Accounting Standards)**

	<b>Paid-up capital</b>	<b>General banking</b>	<b>Foreign</b>	<b>Retained</b>	<b>Non-controlling</b>	<b>Total</b>
	<b>US\$</b>	<b>reserves</b>	<b>exchange</b>	<b>earnings</b>	<b>interests</b>	<b>US\$</b>
	<b>US\$</b>	<b>US\$</b>	<b>difference</b>	<b>US\$</b>	<b>US\$</b>	<b>US\$</b>
	<b>reserves</b>	<b>reserves</b>	<b>reserves</b>	<b>earnings</b>	<b>interests</b>	<b>US\$</b>
<b>Balance as at</b>						
<b>1 January 2015</b>	<b>70,000,000</b>	<b>2,549,723</b>	<b>(19,436)</b>	<b>13,569,690</b>	<b>-</b>	<b>86,099,977</b>
Net profit for the year	-	-	-	888,858	-	888,858
Appropriation to reserves	-	611,392	-	(611,392)	-	-
Appropriation to bonus and welfare funds	-	-	-	(180,255)	-	(180,255)
Exchange difference on translation of foreign operations	-	-	(82,189)	-	-	(82,189)
<b>Balance as at</b>						
<b>31 December 2015</b>	<b>70,000,000</b>	<b>3,161,115</b>	<b>(101,625)</b>	<b>13,666,901</b>	<b>-</b>	<b>86,726,391</b>
<b>KHR'000 equivalent</b>	<b>283,500,000</b>	<b>12,802,516</b>	<b>(411,581)</b>	<b>55,350,949</b>	<b>-</b>	<b>351,241,884</b>
<b>As at 1 January 2016</b>	<b>70,000,000</b>	<b>3,161,115</b>	<b>(101,625)</b>	<b>13,666,901</b>	<b>-</b>	<b>86,726,391</b>
Received from acquisitions	-	21,768	(1,504,398)	712,412	2,322,044	1,551,826
Capital injection from HO	30,000,000	-	-	-	-	30,000,000
Exchange difference on translation of foreign operations	-	-	(18,192)	20,971	(7,671)	(4,892)
Appropriation to reserves	-	128,885	-	(128,885)	-	-
Appropriation to bonus and welfare funds	-	34,723	-	(38,000)	-	(3,277)
Net profit for the year	-	-	-	137,080	95,060	232,140
Dividend payment to HO	-	-	-	(2,700,000)	-	(2,700,000)
Dividend payment to other shareholders	-	-	-	(291,561)	-	(291,561)
<b>Balance as at</b>						
<b>31 December 2016</b>	<b>100,000,000</b>	<b>3,346,491</b>	<b>(1,624,215)</b>	<b>11,378,918</b>	<b>2,409,433</b>	<b>115,510,627</b>
<b>KHR'000 equivalent</b>	<b>403,700,000</b>	<b>13,509,784</b>	<b>(6,556,956)</b>	<b>45,936,692</b>	<b>9,726,880</b>	<b>466,316,400</b>

**CONSOLIDATED STATEMENT OF CASH FLOWS**  
For the fiscal year ended December 31, 2016  
CAS (Cambodian Accounting Standards)

	2016		2015	
	US\$	KHR'000	US\$	KHR'000
<b>Cash flows from operating activities</b>				
Profit before income tax	852,701	3,442,354	1,578,211	6,391,755
<i>Adjustments for:</i>				
Depreciation and amortization	1,091,869	4,407,875	1,038,293	4,205,087
Allowance for losses on loans	11,493,575	46,399,562	7,129,903	28,876,107
General provision for corporate bonds	-	-	(51,393)	(208,142)
Loss from disposal of property and equipment	(225)	(908)	16,667	67,501
Income tax paid during the year	(310,669)	(1,254,171)	(996,290)	(4,034,975)
<b>Operating profit before changes in working capital</b>	<b>13,127,251</b>	<b>52,994,712</b>	<b>8,715,391</b>	<b>35,297,333</b>
<i>(Increase) decrease in operating assets:</i>				
Capital guarantees and reserve deposits with NBC	(7,311,854)	(29,517,955)	(2,661,087)	(10,777,402)
Due from other financial institutions	38,183,141	154,145,340	(30,175,879)	(122,212,310)
Loans to customers	(26,614,656)	(107,443,366)	(70,322,912)	(284,807,794)
Investment in securities	-	-	7,100,454	28,756,839
Other assets	(12,260,208)	(49,494,460)	(8,510,165)	(34,466,168)
<i>Increase (decrease) in operating liabilities:</i>				
Due to other financial institutions	(12,576,258)	(50,770,354)	93,426,454	378,377,139
Due to customers	(1,738,388)	(7,017,872)	27,718,116	112,258,370
Other liabilities	811,963	3,277,895	2,313,963	9,371,550
Bonus and welfare paid	(12,068)	(48,719)	(190,283)	(770,646)
<b>Net cash (used in)/generated from operating activities</b>	<b>(8,391,077)</b>	<b>(33,874,779)</b>	<b>27,414,052</b>	<b>111,026,911</b>

	2016		2015	
	US\$	KHR'000	US\$	KHR'000
<b>Net cash (used in)/generated from operating activities</b>	<b>(8,391,077)</b>	<b>(33,874,779)</b>	<b>27,414,052</b>	<b>111,026,911</b>
<i>Cash flows from investing activities</i>				
Purchases of property and equipment	(595,132)	(2,402,548)	(261,482)	(1,059,002)
Acquisition of computer software	(30,963)	(124,998)	(10,780)	(43,659)
Proceeds from disposal of property and equipment	500	2,019	50,820	205,821
Payments for construction in progress	(12,742,544)	(51,441,650)	(2,357,217)	(9,546,729)
Investments in securities	(18,926,504)	(76,406,297)	-	-
<b>Net cash used in investing activities</b>	<b>(32,294,643)</b>	<b>(130,373,474)</b>	<b>(2,578,659)</b>	<b>(10,443,569)</b>
<i>Cash flow from financing activity</i>				
Capital paid	30,000,000	121,110,000	-	-
Fund appropriation	34,723	140,177	-	-
Profit distributed to parent company	(700,000)	(2,825,900)	(2,000,000)	(8,100,000)
<b>Net cash used in financing activity</b>	<b>29,334,723</b>	<b>118,424,277</b>	<b>(2,000,000)</b>	<b>(8,100,000)</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(11,350,997)</b>	<b>(45,823,976)</b>	<b>22,835,393</b>	<b>92,483,342</b>
Cash and cash equivalents at the beginning of the year	104,805,424	423,099,497	82,048,031	332,294,526
Foreign exchange difference	(1,529,492)	(6,174,559)	(78,000)	(315,900)
Cash received from acquisition	5,421,458	21,886,426	-	-
<b>Cash and cash equivalents at the end of the year</b>	<b>97,346,393</b>	<b>392,987,388</b>	<b>104,805,424</b>	<b>424,461,968</b>



**DETAILED REPORT  
LOANS TO CUSTOMERS  
CAS (Cambodian Accounting Standards)**

	2016		2015	
	US\$	KHR'000	US\$	KHR'000
<b>Loans</b>				
Term loans	314,682,223	1,270,372,136	319,358,791	1,293,403,104
Overdraft	120,910,841	488,117,065	110,287,910	446,666,036
Credit facilities	86,958,357	351,050,887	79,512,107	322,024,033
<b>Total loans - gross</b>	<b>522,551,421</b>	<b>2,109,540,088</b>	<b>509,158,808</b>	<b>2,062,093,173</b>
Allowance for losses on loans	(11,899,288)	(48,037,427)	(13,470,873)	(54,557,036)
<b>Loans and advances to customers - net</b>	<b>510,652,133</b>	<b>2,061,502,661</b>	<b>495,687,935</b>	<b>2,007,536,137</b>

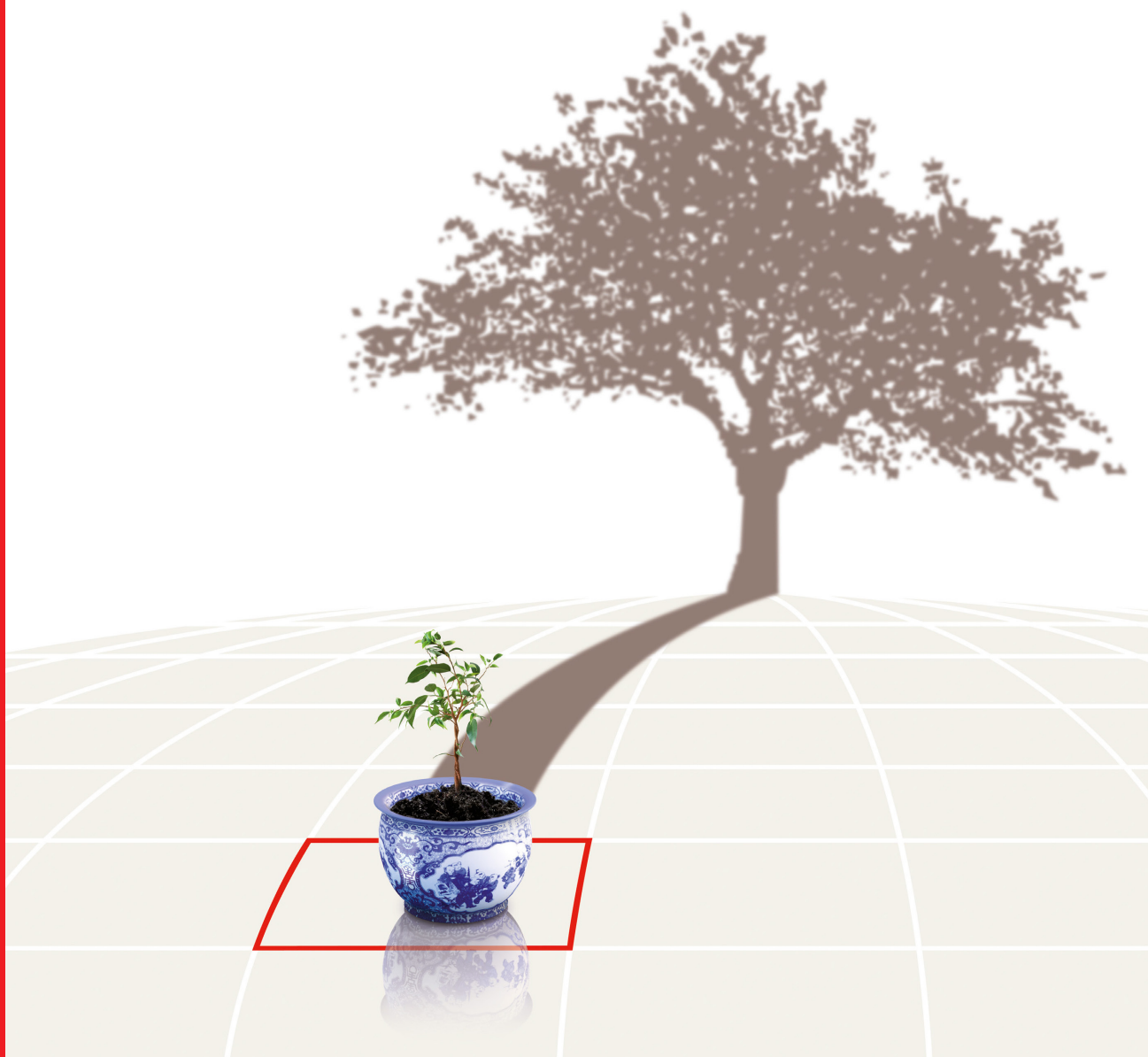
Provision for losses on loans to customers were summarized below:

	2016		2015	
	US\$	KHR'000	US\$	KHR'000
<b>Balance as at 1 January</b>	<b>13,470,873</b>	<b>54,557,036</b>	<b>8,331,564</b>	<b>33,951,123</b>
Provision charged for the year	11,672,148	47,120,463	7,185,680	29,102,004
Provision used to write off bad debts	(13,019,872)	(52,561,224)	(2,010,744)	(8,143,513)
Reversal of provision	(202,171)	(816,164)		
Foreign exchange difference	(21,690)	(262,684)	(35,627)	(352,578)
<b>Balance as at 31 December</b>	<b>11,899,288</b>	<b>48,037,427</b>	<b>13,470,873</b>	<b>54,557,036</b>

**DEPOSITS FROM CUSTOMERS**  
**CAS (Cambodian Accounting Standards)**

	<b>2016</b>		<b>2015</b>	
	<b>US\$</b>	<b>KHR'000</b>	<b>US\$</b>	<b>KHR'000</b>
Current accounts	30,768,900	124,214,049	42,810,348	173,381,909
Fixed deposits	189,250,144	764,002,832	176,145,015	713,387,311
Saving deposits	2,298,704	9,279,868	2,411,646	9,767,167
Margin deposits	258,838	1,044,929	2,947,965	11,939,258
	<b>222,576,586</b>	<b>898,541,678</b>	<b>224,314,974</b>	<b>908,475,645</b>

# POTENTIAL DEVELOPMENT

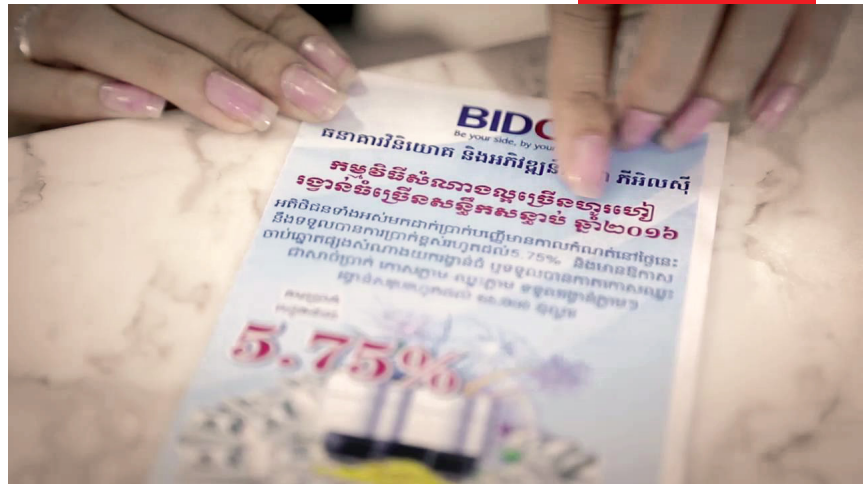






**BUSINESS ORIENTATION IN 2017**

**BUSINESS ORIENTATION IN 2017**



To exploit the network thoroughly, to ensure the performance of the network, and to promote the brand identity of BIDC.

To improve labor productivity, to focus on training and improving the quality of human resources, especially of the executive staff, to develop the professional marketing and sales staff.

To build and develop qualified Cambodian personnel loyal to Cambodia in order to ensure stable business operations in the long term; to maintain and guarantee the income of employees in line with business results.

To improve management capacity and risk management towards international practice. To continue to improve financial capacity and ensure safety factors and performance criteria according to the standards set by the National Bank of Cambodia.

To modernize infrastructure, to promote IT applications in banking activities, to support management work, sales activities and to provide services of different products with competitive strengths.

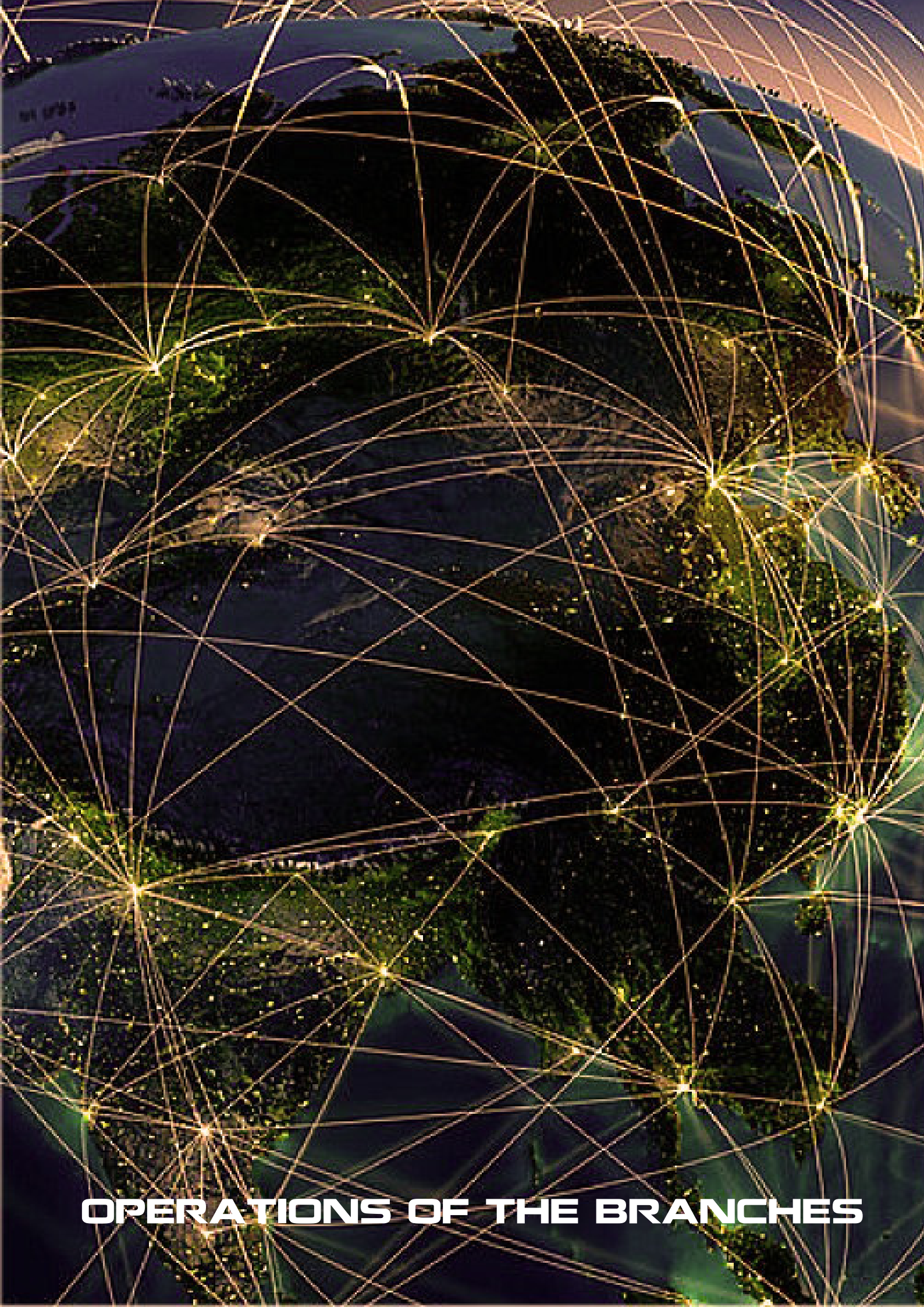
To continue to strengthen the retail business in the prescribed direction given in 2015.

To strengthen relationships with customers who desire two-way trade relations with Vietnam, those with large international payment demands to increase revenue from international transfers.

To strengthen promotion and brand identity to ensure BIDC's brand becomes widely recognized among the people of Cambodia.

To actively participate in social welfare activities to significantly contribute to the development of Cambodia.





# **OPERATIONS OF THE BRANCHES**







**DAUN PENH BRANCH**

Address: **#56, Preah Monivong Blvd, Sangkat Wat Phnom, Khan Daun Penh, Phnom Penh, Cambodia.**

Total assets as of December 31, 2016: **USD 32 millions**

Number of officers and staff: **22 people**

Departments and Divisions: **Customer Relations Department, Customer Service Department, Credit Management Department, Administration and Accounting Department .**

Tel.: **+855 23 666 0328**

Email: **BIDC.DP@bidc.com.kh**



**MEAN CHEY BRANCH**

Address: **#583, National Road No.1, Sangkat Chba Ampov 2, Khan Chbar Ampov, Phnom Penh, Cambodia**

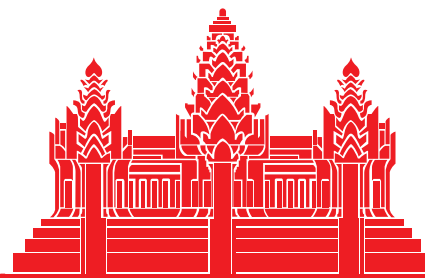
Total assets as of December 31, 2016: **USD 29 millions**

Number of officers and staff: **20 people**

Departments and Divisions: **Customer Service Department, Credit Management Division and Risk Management Division, Administration and Accounting Department.**

Tel.: **+855 88 247 247**

Email: **INFO@bidc.com.kh**



**PHNOM PENH BRANCH**

Address: **#335 Preah Monivong Blvd, Sangkat Orrusey 4, Khan 7 Makara, Phnom Penh, Cambodia**

Total assets as of December 31, 2016: **USD 29 millions**

Number of officers and staff: **26 people**

Departments and Divisions: **Customer Service Department, Customer Relations Department, Administration and Accounting Department, Credit Management Department (including Credit Management Division and Risk Management Division)**

Tel.: **+855 23 210 440**

Email: **INFO@bidc.com.kh**



**STEUNG MEAN CHEY BRANCH**

Address: **#32A, St. 271, Sangkat Boeng Salang, Khan Toul Kork, Phnom Penh, Cambodia**

Total assets as of December 31, 2016: **USD 24 millions**

Number of officers and staff: **18 people**

Departments and Divisions: **Customer Relations Department, Customer Service Department, Administration and Accounting Department.**

Tel.: **+855 23 882 482**

Email: **INFO@bidc.com.kh**





**TOUL KORK BRANCH**

Address: **#1-2, St 289, Sangkat Boeung Kok II, Khan Toul Kork, Phnom Penh Cambodia**

Total assets as of December 31, 2016: **USD 6 millions**

Number of officers and staff: **14 people**

Departments and Divisions: **Customer Relations Department, Customer Service Department, Administration and Accounting Department.**

Tel.: **+855 23 880 069**

Email: **INFO@bidc.com.kh**



**KAMPONG CHAM BRANCH**

Address: **#29, Monivong Street, Village 7, Sangkat Kampong Cham, Krong Kampong Cham, Kampong Cham Province, Cambodia**

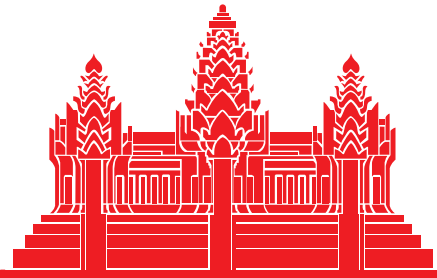
Total assets as of December 31, 2016: **USD 41 millions**

Number of officers and staff: **21 people**

Departments and Divisions: **Customer Relations Department, Customer Service Department, Administration and Accounting Department, Management Department**

Tel.: **+855 42 210 012**

Email: **INFO.KPC@bidc.com.kh**



### SIEM REAP BRANCH

Address: **#22-23 Tep Vong Street, Mondul 2, Svay Dangkm Village, Sangkat Svay Dangkm, Siem Reap Town, Siem Reap Province, Cambodia**

Total assets as of December 31, 2016: **USD 26 millions**

Number of officers and staff: **19 people**

Departments and Divisions: **Customer Relations Department, Customer Service Department, Credit Management Department**

Tel.: **+855 63 760 123**

Email: **AFD.SR@bidc.com.kh**





**HO CHI MINH BRANCH**

Address: **No. 110 Cach Mang Thang Tam street, Ward 07, District 03, Ho Chi Minh City, Vietnam**

Total assets as of December 31, 2016: **USD 160 millions**

Number of officers and staff: **63 people**

Departments and Divisions: **Customer Relations Department; Individual Customer Relations Department; Customer Service and Treasury Management Department; Planning and General Affairs Department; Credit Management Department; Risk Management Department; Accounting and Finance Department; Information Technology Department; the Administration Department.**

Tel.: **+848 62 666 999**

Email: **INFO@bidc.vn**



**HANOI BRANCH**

Address: **No. 10A Hai Ba Trung Street, Hoan Kiem District, Hanoi, Vietnam**

Total assets as of December 31, 2016: **USD 172 millions**

Number of officers and staff: **52 people**

Departments and Divisions: **Customer Relations Department, Individual Customer Relations Department, Customer Service and Treasury Management Department, Credit Management Department, Risk Management Department; Accounting and Finance Department; Planning and General Affairs Department and the Administration Department.**

Tel.: **+844 39 388 559**

Email: **BIDCHN@bidc.vn**





**BIDC**   
Be your side, by your hand



 [info@bidc.com.kh](mailto:info@bidc.com.kh)



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