

ANNUAL REPORT 2020

BIDC Bank
BANK FOR INVESTMENT AND DEVELOPMENT OF CAMBODIA PLC.

ANNUAL REPORT 2020



BIDC Bank

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BIDC Bank

BANK FOR INVESTMENT AND DEVELOPMENT OF CAMBODIA PLC.



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BANK FOR INVESTMENT AND DEVELOPMENT OF CAMBODIA PLC.

MESSAGE FROM CHAIRMAN

DEAR VALUED CUSTOMERS AND PARTNERS,

The last year of a decade, 2020, has gone beyond expectations of the whole world with the strike of Covid-19 pandemic. Never in history had many countries experienced an economic and medical double crisis, causing such heavy damage to the socio-economic development. The Covid-19 pandemic has become a shock and a major factor pushing the world economy into a deep recession, on top of existing issues such as climate change, rising protectionism, and trade wars.

The global shock triggered by the COVID-19 pandemic significantly affected Cambodia's economy in 2020. The outbreak caused sharp deceleration in most of Cambodia's main engines of growth including tourism, manufacturing exports, and construction, which together accounting for more than 70% of the country's growth and almost 40% of paid employment. The economy in 2020 recorded negative growth of 2%, which was the sharpest decline in Cambodia's recent history. Facing the disadvantages of the economy due to the unprecedented pandemic, Bank for Investment and Development of Cambodia (BIDC) showed the

bravery and intrinsic strength of a leading bank, uniting to overcome challenges, ensuring that smooth operation, growth, and business results are consistent with market movements. Looking back at 2020, BIDC has maintained a good rate of growth in customer deposits and loans despite the impact of the Covid-19 pandemic. By the end of 2020, deposits increased by 9.6% compared to 2019, reaching USD 322 million, while outstanding loans were stable at USD 566 million. Good results were achieved in the orientation for the retail banking development, of which, retail loans reached over USD 203 million, accounting for 36% of total outstanding loans. Achievements were also observed in the collection of NPL and write-off debts, with stable control of credit quality. In 2020, BIDC had also fully applied NBC/SBV's regulations in supporting customers affected by the Covid-19 pandemic, thereby providing maximum support for these customers to overcome difficulties, at the same time allowing BIDC to obtain a stable control of credit quality.

With such achievements, BIDC has basically completed the restructuring of orientation for the period 2017 -

2020, contributing to the entire banking industry as well as the stabilization of socio-economic development of Kingdom of Cambodia.

The first year of a new decade (2021) opens a new period of development for the country with the steady growth of technology. However, as the global epidemic has not been pushed back and social distancing remains in place, changes in business structures and purchasing behaviors of consumers, as well as in financial needs, have been observed. As a matter of fact, this is a challenge, but also a motivation and an opportunity for BIDC to strongly and boldly proceed with its restructuring activities, to increase the operational scale, financial capacity, and improve its customer service capacity as well. In 2021 and the upcoming years, in response to these difficulties and challenges, BIDC will continue digging deep into the Cambodian economy by focusing on retail operations to meet Cambodian's demands and to shift the customers towards sustainable business, implement the bank's restructuring plan, concentrate on human resource development, continually investing in information

technology, develop products appropriate for modern banking services, and create more convenient customer experiences that prioritize high quality service.

On behalf of the Board of Directors, the management team and all our staff, I would like to extend my sincere gratitude and appreciation to the Royal Government of Cambodia, the National Bank of Cambodia and all of our clients for their continued support for and trust in BIDC Bank since its establishment in 2009. For a new chapter lying ahead for the development of Cambodia's financial sector, BIDC Bank and the Cambodian people, I look forward to another successful and rewarding year in the coming 2021.

Mr. Le Kim Hoa
Chairman of BIDC's BOD





◀ **TOTAL ASSETS**
USD
768 million

OUTSTANDING LOANS
USD
566 million

DEPOSITS
USD
322 million ▶

OVERVIEW OF BIDC



ABOUT BIDC

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

BIDC's a subsidiary of the joint stock commercial Bank for Investment and Development of Vietnam (BIDV), which is the largest commercial bank in Vietnam with over 63 years of business operations there. Since the first day of 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 nearly 12 years of operation, BIDC has become one large commercial banks in Cambodia in terms of size and market share. As at 31/12/2020, BIDC's total assets, outstanding loans, and deposits from customers are USD 768 million, USD 566 million, and

USD 322 million, respectively. Our network consists of 06 branches in Cambodia and 02 branches in Vietnam, with 412 employees in total.

Initially, BIDC focused on the arrangement and provision of funding for many key projects for Cambodia's economy development as well as Vietnam's major projects invested in Cambodia, promoting investments in Cambodia and trade finance between Cambodia and Vietnam.

In the coming time, with the strong development of economy and improving living standards in Cambodia, BIDC is restructuring its business activities, implementing strategies for promoting retail banking in Cambodia, focusing on individuals, households, and SMEs customers in Cambodia. With its current potential, together with additional support from BIDV's shareholders with more than 900 network points and commercial presence in 4 countries, BIDC is ready to meet the diverse needs of customers in Cambodia, partially contributing to the sustainable and prosperous development of the Cambodian economy.



BASIC PERFORMANCE INDEX OF BIDC

Total Assets (USD Million)



Total Outstanding Loans (USD Million)



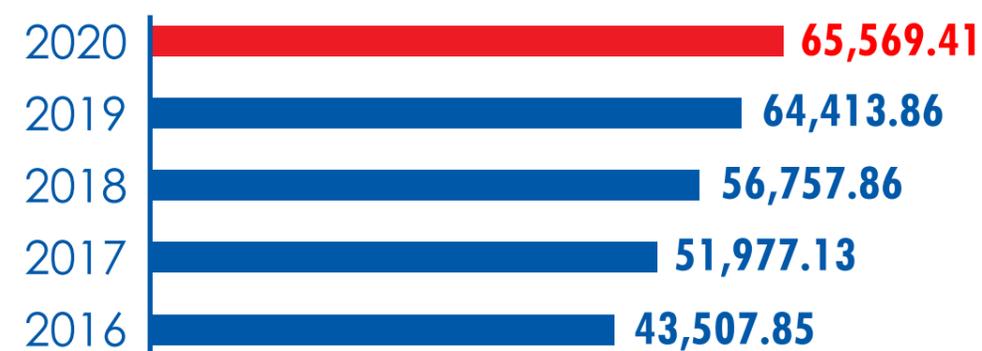
Total Deposits (USD Million)



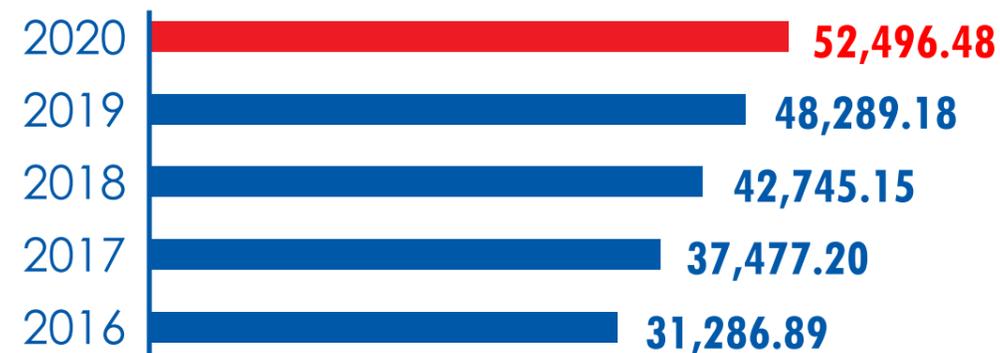
ABOUT BIDV

BIDV is proud to be the oldest established financial institution with the most valuable brand in Vietnam. BIDV has been listed in the top 2,000 world's largest companies, top 300 global banking brands (according to Brand Finance Global 500), top 4 most valuable banking brands in Vietnam, top 50 leading brands in Vietnam (by Forbes Vietnam). And according to The Asian Banker, BIDV is also the best retail bank in Vietnam for the period of 2015-2020. BIDV is the first choice for financial and banking services of economic organizations, entrepreneurs, and individuals.

Total Assets (USD Million)



Total Outstanding Loans (USD Million)



Total Deposits (USD Million)



USD/VND=23,131 (As SBV's exchange rate at 31/12/2021)



KEY MILESTONES

26 Apr 1957	24 Jun 1981	14 Nov 1990	18 Nov 1994	01 May 2012	24 Jan 2014	11 Nov 2019
Established as the Bank for Construction of Vietnam, under the Ministry of Finance.	Renamed as the Bank for Investment and Construction of Vietnam, under the State Bank of Vietnam.	Renamed as the Bank for Investment and Development of Vietnam (BIDV).	Transformed into a fully commercial bank.	Successfully equitized, converted into Joint Stock Commercial Bank for Investment and Development of Vietnam.	BIDV shares officially listed on Ho Chi Minh City Stock Exchange.	Signing the strategic cooperation agreement and announcing KEB Hana Bank (a member of Hana Financial Group) as its foreign strategic shareholder.



BIDV has a lot of experiences in providing full range of modern and convenient banking products and services. With nearly 26,000 employees and financial consultants who are well-qualified and well-trained with experience and have been accumulated and transferred for over a half off a century, BIDV always brings its customers the benefits and reliability.

BIDV's network includes 190 branches, 871 transaction offices, and nearly 71,947 ATM/POS available in 63 cities and provinces in Vietnam, with one branch in Yangon (Myanmar), and 04 overseas representative offices in Cambodia, Lao, Russia and Taiwan (China).

BIDV has been rated by international credit rating agencies such as Standard & Poor's (S&P) and Moody's for stable and positive outlook. The bank has been regarded as one of the highest rated banks in Vietnam for many years in a row.

BIDV has been recognized and awarded by various financial institutions well-known in the world for its outstanding business performance. The bank is listed in the Top 300 world's most valuable banking brands (by Brand Finance). BIDV has been named "Best Retail Bank in Vietnam" for four consecutive years, "Best Transaction Bank in Vietnam" and "Best Cash Management Bank in Vietnam" (by The Asian Banker), "Best SME Bank Vietnam" for three consecutive years (by Alpha Southeast Asia Magazine), along with numerous of IT awards. Since 2009, BIDV has ranked first amongst Vietnamese commercial banks in Vietnam ICT Index by Vietnam Ministry of Information and Communications and Vietnam Association for Information Processing.



MILESTONES OF BIDC

2020 Launched the new Headquarter in Phnom Penh and Upgrade the Corebanking T24 to Version R18

2019 Launched the fast payment service on Mobile Banking between Cambodia and Vietnam

2018 Launched the internet banking system for corporate customers; successfully implemented a system of accepting the Master Cards on ATMs and POS

2016 In September 2016 the chartered capital of BIDC has been raised from USD 70 million to USD 100 million

2015 Awarded “The Most Outstanding Performing Foreign Banking 2015 (IDG)”

2013 Implementation of VISA card services and awarded “The Most Outstanding Promising Growth Bank 2013 (IDG)”

2011 Became one of three Cash Settlement Agent for Cambodia Securities Exchange “CSX” and established Hanoi Branch

2009 Renamed and restructured as BIDC and established Ho Chi Minh Branch

2007 Formerly established as Prosperity Investment Bank (“PIB”)

In 2009, Prosperity Investment Bank (“PIB”) was acquired by Cambodia Investment and Development Co., Ltd. (“IDCC”), a financial investment company in Cambodia owned by BIDV (80%) and Phuong Nam Company (“PNC”) (20%) and was renamed as BIDC to be authorized to do the operation across Cambodia and Vietnam banking markets. In 2018, BIDV increased its ownership to 98.5% by acquiring IDCC's shares in BIDC.

BIDC is BIDV's important subsidiary in Cambodia. The bank's core mission in early operation is to support Vietnam's major projects invested in Cambodia as well as trade financial relationship between Cambodia and Vietnam for the development of Cambodia's economy.

To modernize infrastructure and to improve its services and products, BIDC (with strong support from BIDV) has developed an information technology system and staff training programs to strengthen the risk management as well as marketing strategy.

In the recent years, BIDC has shifted its business activities to promote retail banking, with a focus on individual customers, households, and SMEs. Thanks to BIDV's extensive network and operating capital, BIDC has progressively enlarged the customer base and met diverse needs of customers in Cambodia.

GENERAL INFORMATION ON BIDC

Full Name	Bank for Investment and Development of Cambodia PLC.
Business Name	Bank for Investment and Development of Cambodia PLC.
Abbreviated Name	BIDC
SWIFT Code	IDBCKHPP
Chartered Capital	USD 100,000,000 (One hundred million US dollars)
Address of Head Office	No. 235, Preah Norodom Blvd, Sangkat Tonle Bassac Khan Chamkarmon, Phnom Penh, Cambodia.
Chairman	Mr. Le Kim Hoa
Chief Executive Officer	Mr. Lam Van Hai
Telephone	+855 23 210 044
Fax	+855 23 220 511
Website	www.bidc.com.kh
Audit Firm	Ernst&Young (Campuchia) Ltd.

MAIN BUSINESS SECTORS

Commercial Banking

- Term Loan
- Overdraft
- Trade Finance
- Current Account
- Fixed Deposit
- Foreign Currency Account
- Escrow Account
- Foreign Exchange
- Transaction Services
- Revolving Credit
- Bank Guarantee
- Letter of Credit

Retail Banking

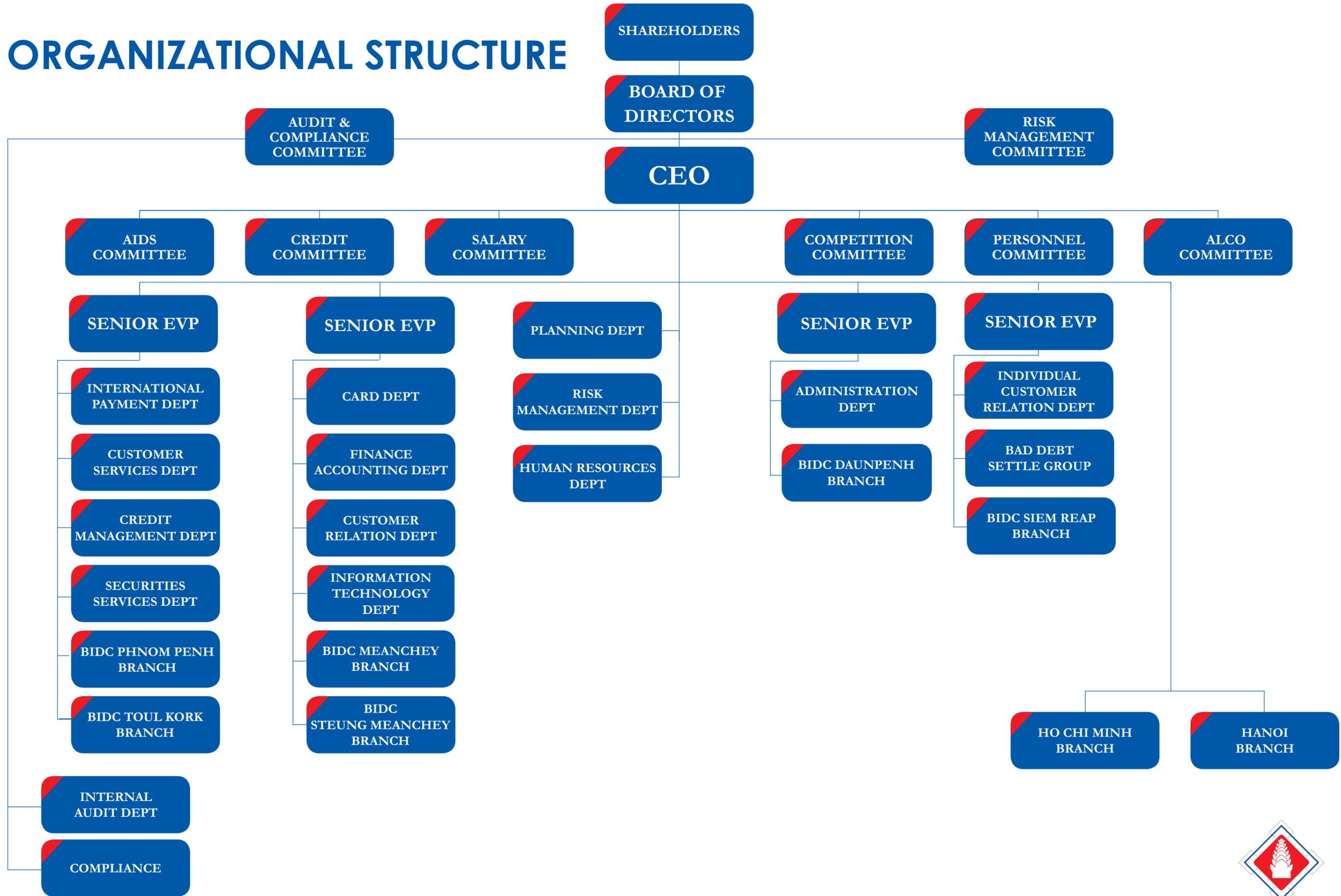
- Account Service
- Consumer Loan
- Mobile Banking
- Internet Banking
- Local Payment
- International Payment
- Card Products
- ATM/POS Payment Service
- Escrow Account
- Other Services

Digital Banking

- Mobile Banking being developed 24/7 available for use
- Internet Banking being developed for corporate customers
- ATM to be updated for money withdrawal for all credit card holders



ORGANIZATIONAL STRUCTURE



Vision, Mission and Core Value

Vision

To enter the list of Top 10 commercial banks in Cambodia in terms of scale and operation, and Top 5 commercial banks with the most cutting-edge digital technology and products in retail banking; to develop a managerial system of international standards with professional employees and an extensive and solid base of customers and network; to operate independently from and support BIDV in Cambodia market.

Mission

A commercial bank efficient in operation, trusted by customers; focusing on the development and prosperity of customers, partners, employees, and community; fostering the development of domestic economy and Cambodia-Vietnam relations.

Core value

Customer-centric approach:

Works and tasks are considered valuable only when giving true values to customers. BIDC is committed to providing its customers with a wide range of banking products and services in a convenient, steady and efficient manner.

Continuous innovation:

We strive to introduce innovative and different-making solutions; we listen, learn, improve and develop along the way.

Human resource development comes first:

Endless effort is made to develop a dynamic and professional human resource, in line with creating a professional working environment with ample opportunities for devotion and promotion.

BOARD OF DIRECTORS

The Board of Directors (BOD) is the highest authority, acting in the name of BIDC in term of making decisions, exercising rights and obligations of BIDC with all contents that are not under the authority of the General meeting of Shareholders. The BOD also has responsibility of defining and developing plans and policies such as business administration policies, business strategies and overall development plans of BIDC.

As at 31 December 2020 the BOD



Mr. Le Kim Hoa
Chairman

- › **Year of Birth:** 1965
- › **Education Level:** Master of Business Administration
- › **Experience:** Mr. Le Kim Hoa has over 33 years of working experience in banking and finance sectors. He has worked for BIDV as Director of Branch, Director of Credit Department, and Senior Executive Vice President of BIDV and become the Chairman of the Board of Directors since February 23rd, 2016.
- › Currently, he is a Member of BOD of BIDV

Mr. Hoang Van Vinh
Vice Chairman

- › **Year of Birth:** 1964.
- › **Education Level:** Bachelor of Economics
- › **Experience:** Mr. Hoang Van Vinh has become a Member of the BOD of BIDC since 2010.

Mr. Nguyen Van Hien
Member of BOD

- › **Year of Birth:** 1961
- › **Education Level:** Master of Banking and Finance.
- › **Experience:** Mr. Nguyen Van Hien has over 31 years of working experience in banking and finance sectors. He has become a Member of the BOD of BIDC in 2009.
- › Currently, he is the Director of BIDV Sai Gon Branch

Mr. Pham Van Duong
Member of BOD

- › **Year of Birth:** 1972
- › **Education Level:** Bachelor of Business Administration
- › **Experience:** Mr. Pham Van Duong has become a Member of the BOD of BIDC in 2009.

Name	Position	Date of appointment
Mr. Le Kim Hoa	Chairman	Appointed on 23 February 2016
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
Ms. Tran Thi Oanh	Member	Appointed on 1 August 2009
Mr. Nguyen Dinh Duong	Member	Appointed on 25 October 2013
Mr. Phan Thanh Hai	Member	Appointed on 11 December 2014
Mr. Nguyen Quoc Hung	Member	Appointed on 18 September 2015



BOARD OF DIRECTORS



Mrs. Tran Thi Oanh
Member of BOD

- › **Year of Birth:** 1965
- › **Education Level:** Bachelor of Banking and Finance
- › **Experience:** Ms. Tran Thi Oanh has over 31 years of working experience in banking and finance sectors. She has successfully served in several operating departments and within BIDV, holding the positions of Deputy Director of BIDV- Gia Lai Branch and Deputy Director of BIDV's Board of Internal Control. Ms. Tran has become an Independent Member of the BOD of BIDC since 2009.



Mr. Phan Thanh Hai
Member of BOD

- › **Year of Birth:** 1977
- › **Education Level:** Master of Banking and Finance
- › **Experience:** Mr. Phan Van Hai has over 21 years of working experience in banking and finance sectors. He has become a Member of the BOD of BIDC since 2014.
- › Currently, he is the Senior Executive Vice President of BIDV



Mr. Nguyen Dinh Duong
Member of BOD

- › **Year of Birth:** 1976
- › **Education Level:** Master of Banking and Finance.
- › **Experience:** Mr. Nguyen Dinh Duong has over 21 years of experience in banking and finance sectors. He has become a Member of the BOD of BIDC since 2013.
- › Currently, he is the Director of BIDV's Investment Management Department



Mr. Nguyen Quoc Hung
Member of BOD

- › **Year of Birth:** 1977
- › **Education Level:** Master of Banking and Finance.
- › **Experience:** Mr. Nguyen Quoc Hung over 22 years of experience in banking and finance sectors. He has become a Member of the BOD and the CEO of BIDC since 2015.
- › Currently, he is the Director of BIDV's Large Corporate Banking Department





BOARD OF MANAGEMENT

The Board of Management (BOM) has the responsibility for daily operations of BIDC, operating under supervision of the Board of Directors.

The Board of Management consists of Committees, including Assets and Liabilities Management, Risk Management, Capital Management,....

As at 31 December 2020 the BOM consisted of the following members:

MR. LAM VAN HAI Chief Executive Officer

- › **Year of Birth:** 1983
- › **Education Level:** Master of Business Administration
- › **Experience:** Mr. Lam Van Hai has more than 15 years of experience in banking and finance sectors. He has become the Chief Executive Officer of BIDC from August 2020.

Name	Position	Date of appointment
Mr. Lam Van Hai	Chief Executive Officer	Appointed on 1 August 2020
Mr. Mey Phy	Senior Executive Vice President	Appointed on 1 August 2009
Mr. Tran Lam Giang	Senior Executive Vice President	Appointed on 1 October 2015
Mr. Nguyen Xuan Dung	Senior Executive Vice President	Appointed on 1 August 2020
Mr. Chhuon Leng	Senior Executive Vice President	Appointed on 01 November 2018



BOARD OF MANAGEMENT



MR. MEY PHY

Senior Executive Vice President

Year of Birth: 1959

Education Level: Master of Law

Experience: Mr. Mey Phy has over 26 years of working experience in banking and finance sectors. He has become the Senior Executive Vice President of BIDC since August of 2009.

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 21 years of experience in banking and finance sectors. He has become the Senior Executive Vice President of BIDC since October of 2015.

Mr. NGUYEN XUAN DUNG

Senior Executive Vice President

› Year of Birth: 1980

› Education Level: Master of Banking and Finance

› Experience: Mr. Nguyen Xuan Dung has more than 18 years of experience in banking and finance sectors. He has become the Senior Executive Vice President of BIDC in 2020.

Mr. CHHUON LENG

Senior Executive Vice President

› Year of Birth: 1980

› Education Level: Bachelor of Economics

› Experience: Mr. Chhuon Leng has more than 14 years of experience in banking and finance sectors. He has become the Senior Executive Vice President of BIDC in 2018



BIDC Bank





Additionally, B IDC also thoroughly and proactively applied NBC's policies and guidelines to restructure debts for customers affected by Covid-19 to help them overcome difficulties, and generously contributed to the recovery effort of both the economy and banking system.

Apart from stabilizing and restructuring credit operations, B IDC gained some remarkable success in acquiring high quality deposits contributed to our 89% of loans-to-deposits ratio (LDR) – a reliable figure compared to over 100% of the LDR of the sector. Specifically, B IDC remained its efforts in strengthening and expanding its partnership with other banks worldwide, thereby enhancing mobilization of long-term and stable funds to support business operations, and re-affirm B IDC's reputation and identity not only in Cambodia but also in regional and international markets.

In October 2020, B IDC completed the construction of its new headquarter and so moved the office to the new building at No. 235, Preah Norodom Blvd, Sangkat Tonle Bassac, Khan Chamkarmon, Phnom Penh. This spacious and modern building plays a part in promoting B IDC's identity and reputation in the local market. At

(Upgraded to Version R18) in Cambodia to modernize the system and improve the serving capacity of the bank.

Employee training and development was another focus of B IDC in the past year, especially for our young staff in Cambodia. Professional and language training courses were organized for all the staff in the system to help them improve their professional skills, soft skills, and foreign language. In addition, regulations were regularly reviewed and promulgated to make appropriate policies for the benefits of the employees. With these efforts, a team of well-trained and professional staff were established as the core for the operation of the bank. As a result, the bank has enjoyed a fair amount of success with a significant number of capable leaders and senior specialists working throughout the system.

PERFORMANCE REVIEW IN 2020

Operating Environment 2020

Economically, 2020 was a tense year for countries all over the world, and Cambodia is not an exception. We all had to strive to combat the spread of Covid-19, a disease which posed not only a global health risk, but also a threat to global economic growth. Cambodia economy contracted 2% in 2020 and it is expected to expand 4% in 2021, assuming effective measures are performed by the government in response to the needs of the most affected sectors – including tourism, garments and textiles, and construction.

Despite the Covid-19 crisis, the banking sector of Cambodia has been significantly stable and therefore actively involved in supporting economic growth and reducing impact of the crisis on businesses and the poor as encouraged by state policies. The total assets of financial services were \$59.4 billion by the end of 2020, increasing 15.7% over the similar period of 2019. Outstanding loans in the financial sector, i.e., banks and microfinance institutions (MFIs), grew by 14.8% to \$37.3 billion by the end of the year, while deposits increased by

15.4% to \$33.8 billion. The modernization of payment systems and the use of new financial technologies also contributed to supporting the Royal Government in developing the economy into a digital one.

Performance Review in 2020

With all the disruption caused by the Covid-19 pandemic, pandemic prevention and safe operation were determined as priority at B IDC in 2020. At the same time, B IDC made efforts in its business operations with remarkable results. Despite impacts of the pandemic, by the end of 2020, customer deposits of the whole system reached nearly USD 322 million, an increase of USD 18.8 million (+10.6%) compared with that of 2019. For credit activities, B IDC drastically restructured credit activities to accelerate the development of retail credit. Consequently, total outstanding loans of the system remained stable at USD 566 million, while retail loans increased from 24% in 2016 to 36% in 2020. As directed by the NBC, B IDC also tried to provide and finance SMEs loans, promoting innovative credit products for SMEs set in the National Financial Inclusion Strategy 2019-2025.





Our Outlook for 2021

Since 2020, the government has been pulling out all the stops to boost local production capacity for export, and free trade agreements (FTA) are signed in hopes of reinforcing trade and investment relations regionally and globally. An economic growth is expected in the Kingdom of Cambodia for the year ahead with the introduction of economic reforms, the effective control of COVID-19 from the government, the maintenance of social and economic stability, the increase in competitiveness and resilience, and the issuing of new laws on investment and public-private partnerships (3Ps). These factors are augmented by the granting of the EBA deal from the United Kingdom, the recovery of the US economy and the vaccine rollout upcoming in Cambodia and ongoing in many countries across the globe.

NBC's Macroeconomic and Banking Sector Outlook for 2021 reports that the financial sector's active asset, mainly composed of banks, continues to grow and weather the pressures caused by the global pandemic. The report adds that the inflation rate is expected to be at a manageable level of 3%. The World Bank similarly forecasts Cambodia's

economy to grow by 4%. The Asian Development Bank (ADB) is more optimistic about Cambodia's growth forecasting it to be 5.8% in 2021. But cautions must be taken as growth may still be at risk if slowdowns in affected economic sectors persist throughout the year.

After a successful year of 2020, BIDC aims to continue with building its business strategy, making an all-out 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. Our goal is to increase market penetration, and go hand-in-hand with the economic development in Cambodia to: (1) serve local customers; (2) continue to expand its network in potential areas of growth in the country; (3) increase its investments in information technology; and (4) confirm its long-term business investment strategies in Cambodia. In line with this, we remain our role as the bridge for investment and trade cooperation between Cambodia and Vietnam. With a resilient strategy, BIDC is determined to strive to quickly become a modern bank while sustaining profitability and asset growth. Our operational strategy and orientation for the period of 2021-2025 are as follows:

Network Expansion in Potential Areas of Growth in Cambodia

- Currently, the network of BIDC comprises 06 branches locating in major cities of Cambodia and 02 offshore branches in Vietnam for regional customers.
- Develop an effective network through in-depth research on growth potential of each location.
- Leverage BIDV's international network for mutual referrals between Cambodia and international market.

A focus on Promoting Retail Business, Modern Finance and Banking Operation

- Improve marketing tools for retail banking and invest in the core banking system to modernize the infrastructure.
- Enhance internal operation and centralized risk management and financial control.

Quality Improvement in Financial Services and Assets

- Closely monitor the loan assets and strengthen risk management policy.
- Enlarge the retail customer's base and reduced the level of concentration on large corporate clients.
- Improve key performance indicators in NBC's regulation (Including liquidity ratio, solvency ratio and others).

Human Resources Development

- Organize staff training courses to increase productivity and loyalty to BIDC.
- Promote employee's sales skill and risk awareness.

Qualities Services and Products

- Customize services to meet client's financing needs.
- Provide clients with superior experiences through quality products and efficient services.
- Develop more products to modernize the banking service.

We believe, with support of authorities and cooperation from our customers, partners, and dedicated staff, that our business in Cambodia will continue to grow steadily, contributing significantly to the economic development of Cambodia.

On behalf of the Board of Management, I would like to extend my sincere gratitude to our clients for their continued trust in the bank. We are committed to always support them in all difficult times, and always appreciate their loyalty for our services. I would like to

express my sincere thanks to all BIDC staff for going beyond the call of duty for the development of the bank. I am proud of what BIDC has achieved so far and extremely excited about upcoming opportunities.

Mr. Lam Van Hai

Chief Executive Officer of BIDC



COMMERCIAL BANKING OPERATIONS

BIDC's Commercial Banking division caters for corporate customers, loan and deposit products, and transaction services to small and medium enterprises (SMEs) as well as emerging corporates. In 2020, the Commercial Banking unit is a key component of the Bank's overall performance, accounting for 64% of its total loans, with the total outstanding loans of over USD 364 million. For Cambodian domestic market, BIDC continued to support and cooperate in funding for business activities, providing banking services for many large enterprises and corporations in Cambodia such as Sokimex (petroleum), Peng Houth (real estate), Chipmong, PBC (construction, commercial), Mong Reththy (agriculture), Angkor Air (aviation) etc., contributing to the socio-economic development of Cambodia.

We also expanded the global network for two-way referrals between BIDC in Cambodia and BIDV's representatives in the international market. With its extensive network and experiences, BIDV can always support BIDC to provide our customers with more values by facilitating cross-border sourcing and business expansions.

PRODUCTS IN COMMERCIAL BANKING

- Business Loan
- Trade Finance
- Current Account
- Fixed Deposit
- Foreign Currency Account
- Escrow Account
- Foreign Exchange
- Transaction Services
- Revolving Credit
- Bank Guarantee
- Letter of Credit

BUSINESS REVIEW 2020

STABLE FUND MOBILIZATION

Despite the challenges posed by the pandemic, the total deposits from BIDC customers by 2020 reached USD 322 million, increased by nearly USD28 million (equivalent to 9.6%) compared to the end of 2019. Of which, deposits in Cambodia grew to nearly USD197 million, increased by nearly USD18.8 million (+ 10.6%), and the figure for Vietnam market was USD120 million, USD8.9 million higher (+8 %) than the number at the end of 2019. In particular, the deposit structure remained stable, with 86.5% of term deposits (of which term deposits from 6 months or longer accounted for 79%) and 13.5 % of demand deposits.



TREASURY OPERATIONS

The Treasury operation of BIDC, in collaboration with other business units, has been providing cross-border solutions to domestic and regional clients for their trade, investment, and financial requirements, including foreign exchange transactions, overseas telegraphic transfers and other services.

The day-to-day function of Treasury is to collaborate with all business units to explore opportunities to maximize revenue by cross-selling treasury products with other products and services for corporate, commercial, and retail customers.

For supporting functions, Treasury finances for balance sheet in conjunction with business units to ensure sufficient and timely funding for daily business activities. Treasury also participates in the Assets and Liabilities Management Committee to discuss balance sheet exposure, liquidity risk and interest rate pricing, to optimize the Bank's assets and liability structure.

Treasury is responsible for maintaining relationships with, and promoting inter-bank business collaboration amongst local and foreign banks operating in Cambodia. This includes facilitating the process of counterparty credit risk assessment and maintaining global limit.

ACHIEVEMENTS IN 2020

BIDC made tremendous efforts to strengthen and expand relationships with international interbank partners, thereby enhancing mobilization of long-term and stable funds to support business operations and continuing to prove our reputation and brand identity not only in Cambodia but also in regional and international markets.

BIDC has improved its main indicators of performance according to NBC requirements, and maintained a prudent risk management policy, controlling the lending/deposit ratio (LDR) at 89% in 2020 to ensure sustainability and safety in its operations.

ENHANCEMENT OF SME BANKING

In line with the policy of the Government of the Kingdom of Cambodia to expand the SMEs sector, BIDC has developed a wide range of credit policies and credit products to meet the financial needs of these customers in Cambodia. Being fully aware the importance of SMEs in economic development, we have actively joined the project launched by the National Bank of Cambodia (NBC) and the International Finance Corporation (IFC) to promote innovative credit products for SMEs set in the National Financial Inclusion Strategy 2019-2025.

BIDC readily provides credit to SMEs in major sectors such as Manufacturing, Accommodation & Food Services and Wholesale & Retail Trade. In addition to providing credit services, we also encourage these SMEs to route their transactions like receivables and payable through their bank accounts, for the ease of cash flow and financial need management. Here at BIDC, SMEs can borrow USD 200,000 for working capital and USD 300,000 for investment capital, at a 7% annual interest rate and a 4-year period of payment.



RETAIL BANKING OPERATIONS

Retail banking development is under the long-term vision of BIDC for the future. Retail Banking operates in parallel with Commercial Banking segment within the system. In 2020, our Retail Banking portfolio accounted for 36% of total loans and 63% of total deposits, with total outstanding balance over USD 203 million of loans and USD 200 million of deposits, significantly contributing to stabilizing funds mobilization and developing sustainable retail banking operations of the bank.

BIDC always strive to deliver the best products and services to our customers with our team of experts. We remain committed to improving our client engagement by exploring their specific needs for better and faster serving.

PRODUCTS IN RETAIL BANKING

- Account Service
- Consumer Loan
- Housing Loan
- Car Loan
- Mobile Banking
- Internet Banking
- Local Payment
- International Payment
- Card Products
- ATM/POS Payment Service
- Escrow Account
- Other Services



Toup ewallet: Bakong, eMoney

Topup mobile phone

Buy scratch card

DIGITAL BANKING OPERATIONS

In the previous year of 2020, BIDC has achieved a high level of stability and reliability to ensure smooth service for customers and its operations, in the context of increased competition among Cambodian banks. Some achievements we have made in terms of information technology during the year are as followed:

Information Technology infrastructure was continuously improved and upgraded

The project “Upgrade infrastructure and software version for BIDC's Core Banking T24 system in Cambodia to Version R18” was implemented to enhance the stable and efficient operation of the system, at the same time provide modern Core Banking products and services to customers.

In May 2020, we joined forces with the Bakong system of NBC, allowing customers to transfer money from BIDC's accounts to Bakong wallet and its member banks such as Commercial Banks, Micro Finance Institution, and Payment Service Provider. In September 2020, BIDC upgraded its data center infrastructure, including network and security

systems; and successfully implemented the new hardware infrastructure project for Core Banking to ensure stability and safety in banking transactions.

In December 2020, BIDC launched money transfer with the E-money system, allowing E-money's and BIDC's customers to transfer money within this channel.

We also cooperated with various financial technology companies to develop our retail services, bill payment, e-Wallet solutions, and transfer money such as E-money, Pipay, and True Money

Mobile Banking - Internet Banking

An application developed for customers to remotely use their mobile devices to conduct financial transaction which available 24/7 including checking inquiries, making transfers (including non-account holders, inter-bank Fast Payment System), mobile top-up, bill Payment, and other value-added services (Bill Payment, E-money, Fast Payment, Booking flight).

In 2020, BIDC expanded the services of express transfer 24/7 to Vietnam. This is an international

money transfer service from Cambodia to Vietnam through mobile banking for beneficiaries having accounts opened at our parent bank BIDV.

Card Services

Our nationwide ATMs welcome all customers who are VISA/Master card holders to enjoy an easy cash withdrawal. Equipped with latest operating technologies, our ATMs allow customers to have full access to VISA/Master database on a 24/7 basis.

BIDC will continue to work with the National Bank of Cambodia for card services and payment projects, participating in connecting and deploying the Cambodia Shared Switch system. We will also remain our partnership with Bakong system for inter-bank transfer in Cambodia to enhance our utility and ability to serve customers.

Strategic Priorities for 2021

To quickly overcome difficulties and challenges caused by the pandemic, we have developed a strategy-oriented business plan for 2020-2023 to penetrate deeper into the Cambodian economy development:

Focus on human resources to complete the project “Upgrade infrastructure and software version for BIDC's Core Banking T24 system in Cambodia”.

Continue participating and implementing various projects with the National Bank of Cambodia.

Deploy a new authentication method at the counter to create more convenient and safer experiences for customers.

Upgrade and expand products and services for Bill Payments, Payment System, KHQR Payment, eKYC, e-Wallet on Mobile Banking, and Internet Banking system.

Additionally, innovation will remain a focus of the bank with transformational technologies and infrastructure investment in modern IT equipment to provide fast services to customers and promote further development of digital banking products.





INFRASTRUCTURE INVESTMENT

With a long-term development orientation in Cambodia, BDC has implemented a project to build and launch a new Head Office in Phnom Penh City with a total area of 3,000m², expected to be put into use in the third quarter of 2020. BDC believes that this will promote the brand identify of BDC to a new level, contributing to a more stable and profitable business.

RISKS MANAGEMENT

Following is a list of risk factors which may affect the bank's business performance:

Economic Risk: In 2020, although not severely affected by pandemic health wise, Cambodia has been hard hit economically. Growth is expected to rebound in 2021, after an unprecedented contraction in 2020 that drove the country into recession. Cambodia is highly dependent on its exports of goods and services (about 60% of GDP in 2019) such as textiles – clothing and travel goods (75% of total). These have declined (-13% in 2020 year-on-year, according to Asian Development Bank estimates) due to the twin supply and demand shock caused by the pandemic. Tourism, another mainstay of the Cambodian economy (about 18.7% of GDP), has also been severely affected by travel restrictions resulting from the crisis. Furthermore, the Cambodian economy has been affected by a decline in FDI, 40% of which comes from China. Indeed, construction, worth 1/3 of GDP, is driven by FDI, which has seen a significant decline (49% year-on-year over the first semester of 2020) and is uncertain to recover in 2021. The downturn in FDI

might also impact the current account deficit, which largely finances. Finally, domestic demand, primarily household consumption, has declined sharply because of the measures taken to combat the pandemic and the decline in activity. As such, the Cambodian economy will face some main challenges: (i) economic growth closely tied to fluctuations in the pandemic, the political situation, natural conditions of the country, demand on foreign market and FDI flows, (ii) higher production costs, (iii) limited government revenues, low social security, (iv) excessive dollarization affecting the economy due to a decline in sources of external financing. These challenges will directly affect business activities of BDC and its customers.

Credit Risk: Credit risk refers to potential loss due to 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 such a developing economy as of Cambodian, personal income is rather low, and the

private sector which occupies most of the economy comprises mostly of some certain large enterprises, and high credit risk can be expected.

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 them inherently vulnerable to liquidity risk. Liquidity risk management is to monitor and control through cash flow projections. For preventive purposes, BDC 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 understand the market situation and ensure the liquidity ratio of BDC.

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 a few banks implementing a modern risk management system in Cambodia, we have developed our internal policy on the 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. To manage foreign exchange risks, we have promulgated a series of exchange risk policies, including foreign exchange risk management and foreign exchange risk limits. We also employ various methods to measure and control foreign exchange risks, including stop-loss and value at risk.

Legal and Compliance Risk: The Legal and Compliance Management Department is responsible for overseeing legal aspects in the operation of BDC; facilitating, advising, supporting, and supervising business units to ensure their compliance with applicable laws, regulations and guidelines. In the past year, we have strived best to comply with standards, policies, procedures, and appropriate practices. The Legal and Compliance Department encourages the engagement of relevant departments and project management units to properly follow all 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, BDC has implemented operational risk management by focusing on research, development, and application of advanced operational risk management tools as guided by international practices and according to requirements of the NBC.

Other Risks: Additionally, BDC's operation can also be affected by other risks such as fire, natural disasters, strikes, wars, and accidents. These major events are beyond our control, prevention, and expectation. These risks, should they occur, may cause damage to the business performance of any enterprise, including BDC.





ACTIVITIES OF BOARD OF DIRECTORS

In 2020, various regular meetings were made by the Board of Directors (BOD) of B IDC to determine solutions for the issues within the Board's authority, ensuring a comprehensive grasp of the situation and timely introduction of appropriate policies and decisions regarding the main issues of the entire system and the supervision of B IDC's operation and management.

Additionally, the BOD issued 10 resolutions and 19 decisions to give timely direction and settle works arising during the operation to support the Board of Management. Many important items among these have been agreed upon by the Board of Management and directed by B IDC's Executive Board.

1. The Operational Structure of the Committees Directly Under the BOD

There are two committees directly under the Board of Directors, namely: (i) the Risk Committee; (ii) the

Audit and Compliance Committee.

The Risk Committee, established upon the merge of the Risk Management Committee and the Risk Solving Committee, executes rights and responsibilities of the BOD in risk management for all activities throughout the system. The Risk Committee is chaired by the Chairman of the BOD.

The Audit and Compliance Committee undertakes the task of consulting and assisting the Board to handle matters related to auditing and monitoring compliance throughout the system. The Committee consists of three members experienced in banking operations and is chaired by the independent member of the BOD (Ms. Tran Thi Oanh).

2. Activities of the Audit and Compliance Committee in 2020

The Audit and Compliance Committee performs the functions and tasks prescribed by law, the B IDC Charter, and organizational and operational regulations

of the Committee. In 2020, through regular meetings with assisting staff, the Committee directed two departments to assist with the internal audit and compliance implementation and the completion of work plans approved by the Board of Directors, with main activities as follows:

Adding and training personnel for internal auditing; improving the internal document system and regulations; creating a legal corridor for the operation of the Audit and Compliance Committee, as well as the internal audit department, to smoothly operate in accordance with regulations and expectations.

Regularly supervising the decision-making of the BOD; monitoring the implementation recommended by the Committee. Supervision is systematically carried out from Head Office to branches, with a focus on bank governance, risk management in terms of operation and implementation levels, regular monitoring of main operations of the bank or aspects with potential risk, supervision, and evaluation of operational compliance on safety policy as regulated by the National Bank of Cambodia and the State Bank of Vietnam.

various key business areas of B IDC (credit, finance, deposits, anti-money laundering); making recommendations to improve and enhance the effectiveness of the internal control system; and developing an internal audit plan in 2020.

Through internal monitoring and auditing, the Audit and Compliance Committee has issued timely risk warnings and identified existing issues in operations, internal regulatory documents, and organizational structure to suggest required changes to make for the Board of Directors, Board of Management and management of all levels in the bank regarding regulations, procedures, and professional guidelines, henceforth strengthening internal control work to prevent and reduce risks and ensuring safety in operations.



HUMAN RESOURCE

Throughout its operation over the past 11 years, BIDC has built up a solid human resource of great experience, competence, mental fitness, and patience. This demonstrates the effectiveness of our policies on hiring and keeping people, which have been consistently implemented during the recruitment in the labor market. The real highlight of this can be seen in our strategic goals of human resource development, which give priority to local workforce in recruitment, and to increase the rate of Cambodian leaders with our investment in training. Currently, local staff who are qualified and experienced can be appointed to important positions in the bank. Below are some highlights of our human resources management in 2020:

Human resource management:

BIDC has been proactive in human resource development, recruitment, training, restructure, and allocation to ensure that job requirements are met. Favorable mechanisms, policies, and benefits for the staff are seriously considered and guaranteed. Recently, the turnover rate in the bank has been improved, creating a stimulating and pleasant working environment for employees in the context of the pandemic.

Staff training:

BIDC has been active in developing training programs, with an internal training system supported by BIDV. We have also organized professional and language training courses for all the staff in the system, helping them improve their professional skills, soft skills, and foreign language.

Competition and promotion opportunities:

Up to now, BIDC has put a focus on fostering, training, and appointing Khmer officials. The proportion of Khmer officials holding managerial positions in the bank has increased from 50% in 2017 to 61% in 2020, with many of them in/as the Board of Executive Management, Branch Manager/Deputy Manager, Head/Deputy Head of Department in the Head Quarter.

Salary and bonus policy:

Initially designed and applied separately to each department depending on the contribution to BIDC's growth and development, targets assigned to staff serves as a means to evaluate their performance and determine their salary increases and bonuses. Changes in salary and bonus policies have driven staff to strive for better accomplishments.

Efforts for employees' mental well-being



HIGHLIGHT OF BIDC ACTIVITIES IN RECENT YEAR:



HIGHLIGHT OF BIDC ACTIVITIES IN RECENT YEAR:



HIGHLIGHT OF BIDC ACTIVITIES IN RECENT YEAR:



HIGHLIGHT OF BIDC ACTIVITIES IN RECENT YEAR:



HIGHLIGHT OF BIDC ACTIVITIES IN RECENT YEAR:





DEDICATION TO A SUSTAINABLE ECONOMY

BIDC's Social Solidarity Activities from 2011 to 2020

BIDV is proud to be the oldest established financial institution with the most valuable brand in Vietnam. BIDV has been listed in the top 2,000 world's largest companies, top 300 global banking brands (according to Brand Finance Global 500), top 4 most valuable banking brands in Vietnam, top 50 leading brands in Vietnam (by Forbes Vietnam). And according to The Asian Banker, BIDV is also the best retail bank in Vietnam for the period of 2015-2020. BIDV is the first choice for financial and banking services of economic organizations, entrepreneurs, and individuals.

In 2020, in an effort to support Cambodian people and Vietnamese expatriates living in Cambodia, through the Cambodia Government's Covid Prevention Fund/Vietnam Embassy to Cambodia/Oversea Vietnamese Association in Cambodia, BIDV/BIDC has donated 10,000 USD in cash and in kind (rice/mask/hand sanitizer, etc.). BIDC has also donated 30,000 USD to Cambodia Red Cross with the aim of providing general medical assistance and resources to Cambodian people for coping with Covid epidemic. In the coming time, BIDV/BIDC will continue its sponsoring to support people suffering from Covid-19 according to the call of Cambodian government/Vietnam Embassy to Cambodia to join hands with the community to overcome difficulties caused by the epidemic.

Since its inception, BIDC has actively contributed to social welfare programs as a sponsor in Cambodia, such as the annual funding to the Cambodian Red Cross of nearly USD 500,000 since 2011. We have also been an enthusiastic contributor to disaster recovery, poverty elimination and reduction (over 5 million US dollars), medical and educational assistance in various regions of Cambodia, helping underprivileged households and individuals to settle their lives.

During the period 2016-2020, continued efforts were made by BIDC in coordinating with relevant agencies for the implementation of programs encouraging and supporting Cambodian students to study in Vietnam for their internship and future career orientation. We are proud of our contribution to the training and career opportunities for many excellent Cambodian students.



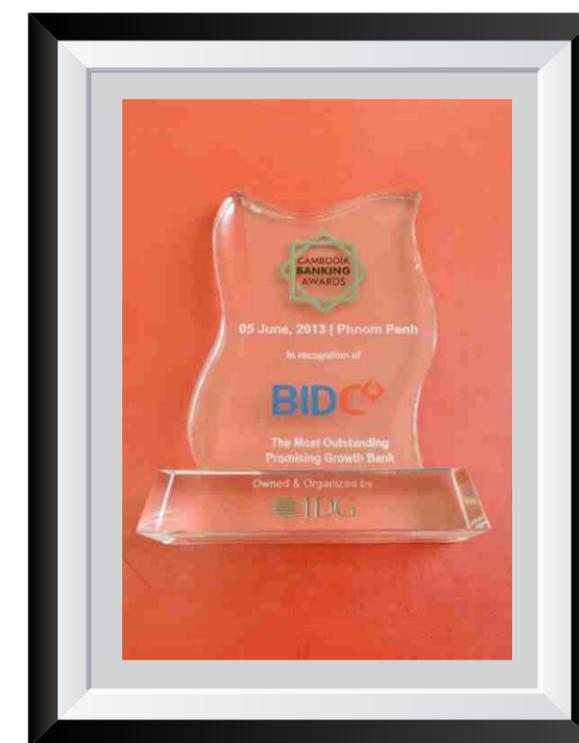
MEDALS AND AWARDS



Royal Order of Cambodia - Maha Sirivudha - Grand Cross - Class I Royal Government of Cambodia - Medal of Honor Sahametrei Type Assarith or Knight - Class II



The Most Outstanding Promising Growth Bank 2013



SOCIAL SOLIDARITY ACTIVITIES:





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INDEPENDENT AUDITORS' REPORT

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

Opinion

We have audited the accompanying consolidated financial statements of Bank for Investment and Development of Cambodia Plc and its subsidiaries (together referred to as "the Group") which comprise the consolidated statement of financial position as at 31 December 2020, and its consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2020, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Cambodian International Financial Reporting Standards ("CIFRSs").

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 *Auditors' Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the Prakas on the Code of Ethics for Professional Accountants and Auditors promulgated by the Royal Government of Cambodia, and we have fulfilled our other ethical responsibilities in accordance with its requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Information other than the consolidated Financial Statement and Auditor's Report Thereon

The other information obtained at the date of the auditor's report comprises the Report of the Board of Directors as set out in pages 1 to 5. Management is responsible for the other information.

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.

AUDITED FINANCIAL STATEMENTS 2020





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Responsibilities of Management and Those Charged with Governance 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 CIFRSs, 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.

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.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditors' Responsibilities 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 CISA 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 CISA, we exercise professional judgment 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.



Auditors' Responsibilities for the Audit of the Consolidated Financial Statements (continued)

We communicate with those charged with governance 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.



A. Guelas

Emmanuel A. Guelas
Partner

Ernst & Young (Cambodia) Ltd.
Certified Public Accountants
Registered Auditors

Phnom Penh, Kingdom of Cambodia

28 June 2021



Bank for Investment and Development of Cambodia Plc.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION as at 31 December 2020

BALANCE SHEET

Notes	31 December 2020		31 December 2019		
	US\$	KHR'000 equivalent	US\$	KHR'000 equivalent	
		(Note 2.1.1)		(Note 2.1.1)	
ASSETS					
Cash on hand and other cheque items	3	8,784,223	35,532,182	6,870,899	27,998,913
Balances with the National Bank	4	62,034,354	250,928,962	54,954,490	223,939,546
Due from other financial institutions	5	39,861,013	161,237,798	42,258,707	172,204,231
Investments in securities	6	13,614,150	55,069,237	15,782,903	64,315,330
Loans to customers	7	566,050,107	2,289,672,683	591,995,344	2,412,381,027
Property and equipment	8	18,860,309	76,289,950	16,778,985	68,374,364
Right-of-use assets	9	34,683,440	140,294,515	38,069,531	155,133,340
Intangible assets	10	2,950,616	11,935,242	2,414,656	9,839,723
Other assets	11	17,864,824	72,263,213	18,843,234	76,786,180
Deferred tax assets	15	2,959,658	11,971,817	2,768,567	11,281,911
TOTAL ASSETS		767,662,694	3,105,195,599	790,737,316	3,222,254,565
LIABILITIES AND EQUITY					
Liabilities					
Due to other financial institutions	12	306,599,462	1,240,194,824	352,132,205	1,434,938,735
Due to customers	13	322,189,726	1,303,257,442	293,765,970	1,197,096,328
Lease liabilities	14	17,339,663	70,138,937	19,245,579	78,425,734
Income tax payable	15	848,980	3,434,124	744,446	3,033,617
Provision for employee benefits	16	101,341	409,924	100,669	410,226
Other liabilities	17	10,152,232	41,065,778	13,709,475	55,866,112
Total liabilities		657,231,404	2,658,501,029	679,698,344	2,769,770,752
Equity					
Paid-up capital	18	100,000,000	411,920,000	100,000,000	411,920,000
Foreign exchange translation reserve		(423,204)	(1,709,281)	(425,923)	(1,720,366)
General banking reserves	18	4,382,610	17,709,936	4,103,259	16,571,022
Retained earnings		2,328,423	9,444,511	2,837,753	11,521,050
Total equity attributable to the equity holders of the Parent Company		106,287,829	437,365,166	106,515,089	438,291,706
Total equity attributable to non-controlling interest		4,143,461	16,695,208	4,523,883	18,246,188
Cumulative translation differences		-	(7,365,804)	-	(4,054,081)
Total equity		110,431,290	446,694,570	111,038,972	452,483,813
TOTAL LIABILITIES AND EQUITY		767,662,694	3,105,195,599	790,737,316	3,222,254,565

The attached notes 1 to 33 form part of these consolidated financial statements.

Bank for Investment and Development of Cambodia Plc.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME for the year ended 31 December 2020

Notes	2020		2019		
	US\$	KHR'000 equivalent	US\$	KHR'000 equivalent	
		(Note 2.1.1)		(Note 2.1.1)	
Interest income	19	38,323,492	156,244,877	42,786,174	173,369,577
Interest expense	20	(21,723,180)	(88,565,405)	(24,240,526)	(98,222,611)
Net interest income		16,600,312	67,679,472	18,545,648	75,146,966
Fee and commission income		8,626,476	35,170,143	10,636,856	43,100,541
Fee and commission expense		(6,167,988)	(25,146,887)	(7,527,031)	(30,499,530)
Net fee and commission income	21	2,458,488	10,023,256	3,109,825	12,601,011
Income from securities	22	28,964	118,086	30,320	122,857
Other operating income	23	544,910	2,221,598	544,279	2,205,419
TOTAL OPERATING INCOME		19,632,674	80,042,412	22,230,072	90,076,253
(Provision for) reversal of expected credit losses on loans to customers	7	(2,852,491)	(11,629,606)	1,636,155	6,629,700
(Provision for) reversal of expected credit losses on due from and loan to other credit institutions		(16,618)	(67,752)	5,367	21,747
Reversal of (provision for) impairment losses on investment and other assets		14,860	60,584	(888,011)	(3,598,221)
Recovery from loans written-off		1,842,491	7,511,836	4,679,479	18,961,249
NET OPERATING INCOME		18,620,916	75,917,474	27,663,062	112,090,728
Personnel expenses	24	(6,857,357)	(27,957,444)	(7,220,788)	(29,258,633)
Depreciation and amortization	26	(4,180,321)	(17,043,169)	(4,254,586)	(17,239,582)
Operating expenses	25	(6,754,665)	(27,538,769)	(8,154,261)	(33,041,066)
TOTAL OPERATING EXPENSE		(17,792,343)	(72,539,382)	(19,629,635)	(79,539,281)
PROFIT BEFORE TAX	15.1	828,573	3,378,092	8,033,427	32,551,447
Income tax expense	15.1	(791,375)	(3,226,436)	(2,410,271)	(9,766,418)
NET PROFIT FOR THE YEAR		37,198	151,656	5,623,156	22,785,029
Profit attribute to:					
Non-controlling interests		236,793	965,405	319,848	1,296,024
Net (loss) profit attributable to the equity holders of the Parent Company		(199,595)	(813,749)	5,303,308	21,489,005
		37,198	151,656	5,623,156	22,785,029
<i>Other comprehensive income:</i>					
Foreign exchange difference		2,719	11,085	(259,259)	(1,050,517)
Exchange differences on translation		-	(3,311,723)	-	6,146,853
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		39,917	(3,148,982)	5,363,897	27,881,365
Total comprehensive income attributable to:					
Non-controlling interest		236,793	965,405	319,848	1,296,024
Equity holders of the Parent Company		(196,876)	(4,114,387)	5,044,049	26,585,341
		39,917	(3,148,982)	5,363,897	27,881,365

The attached notes 1 to 33 form part of these consolidated financial statements.



Bank for Investment and Development of Cambodia Plc

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY for the year ended 31 December 2020

	Paid-up capital		General Banking Reserves		Foreign exchange translation reserve		Retained earnings		Total equity attributable to equity holders of the Parent Company		NCI		Currency translation differences		Total
	US\$	KHR'000 equivalent	US\$	KHR'000 equivalent	US\$	KHR'000 equivalent	US\$	KHR'000 equivalent	US\$	KHR'000 equivalent	US\$	KHR'000 equivalent	US\$	KHR'000 equivalent	
Balance as at 1 January 2020	100,000,000	411,920,000	4,103,259	16,571,022	(425,923)	(1,720,366)	2,837,753	11,521,050	106,515,089	438,291,706	4,523,883	18,246,188	(4,054,081)	111,038,972	452,483,813
Net (loss) profit for the year	-	-	-	-	-	-	(199,595)	(813,749)	(199,595)	(813,749)	236,793	965,405	-	37,198	151,656
Exchange difference on translation of foreign operations	-	-	-	-	2,719	11,085	-	-	2,719	11,085	-	-	-	2,719	11,085
Currency translation differences	-	-	-	-	-	-	-	-	-	-	-	-	(3,311,723)	-	(3,311,723)
Total comprehensive income for the year	-	-	-	-	2,719	11,085	(199,595)	(813,749)	(196,876)	(802,664)	236,793	965,405	(3,311,723)	39,917	(3,148,982)
Appropriation during the year	-	-	279,351	1,138,914	-	-	(279,351)	(1,138,914)	-	-	(588,000)	(2,397,276)	-	(588,000)	(2,397,276)
Dividend declared	-	-	-	-	-	-	-	-	(30,384)	(123,876)	(29,215)	(119,109)	-	(59,599)	(242,985)
Other decrease	-	-	-	-	-	-	(30,384)	(123,876)	(30,384)	(123,876)	(29,215)	(119,109)	-	(59,599)	(242,985)
Balance as at 31 December 2020	100,000,000	411,920,000	4,382,610	17,709,936	(423,204)	(1,709,281)	2,328,423	9,444,511	106,287,829	437,365,166	4,143,461	16,695,208	(7,365,804)	110,431,290	446,694,570
Balance as at 1 January 2019	100,000,000	411,920,000	3,853,970	15,560,903	(166,664)	(669,849)	(2,216,266)	(8,957,835)	101,471,040	417,853,219	4,204,035	16,950,164	(10,200,934)	105,675,075	424,602,449
Net profit for the year	-	-	-	-	-	-	5,303,308	21,489,004	5,303,308	21,489,004	319,848	1,296,024	-	5,623,156	22,785,028
Exchange difference on translation of foreign operations	-	-	-	-	-	-	-	-	(259,259)	(1,050,517)	-	-	-	(259,259)	(1,050,517)
Currency translation differences	-	-	-	-	-	-	-	-	-	-	-	-	6,146,853	-	6,146,853
Total comprehensive income for the year	-	-	-	-	-	-	5,303,308	21,489,004	5,044,049	20,438,487	319,848	1,296,024	6,146,853	5,363,897	27,881,364
Appropriation during the year	-	-	249,289	1,010,119	-	-	(249,289)	(1,010,119)	-	-	-	-	-	-	-
Balance as at 31 December 2019	100,000,000	411,920,000	4,103,259	16,571,022	(425,923)	(1,720,366)	2,837,753	11,521,050	106,515,089	438,291,706	4,523,883	18,246,188	(4,054,081)	111,038,972	452,483,813

The attached notes 1 to 33 form part of these financial statements.

Bank for Investment and Development of Cambodia Plc

CONSOLIDATED STATEMENT OF CASH FLOWS for the year ended 31 December 2020

	Notes	2020		2019	
		US\$	KHR'000 equivalent	US\$	KHR'000 equivalent
Net cash provided by operating activities	27	19,944,166	81,312,365	21,282,892	86,238,278
Cash flows from investing activities					
Acquisition of property and equipment		(397,761)	(1,621,672)	(387,314)	(1,569,396)
Acquisition of computer software		(8,514)	(34,712)	(138,957)	(563,054)
Investment in construction in progress		(3,765,718)	(15,266,446)	(1,756,316)	(7,116,592)
Dividend received from investments	22	28,964	118,086	30,320	122,857
Net cash used in investing activities		(4,143,029)	(16,804,744)	(2,252,267)	(9,126,185)
Net increase cash and cash equivalents		15,801,137	64,507,621	19,030,625	77,112,093
Cash and cash equivalents at beginning of year	3	66,133,357	269,493,429	47,361,991	190,300,481
Exchange difference on translation of foreign operation		2,719	11,085	(259,259)	(1,050,517)
Foreign exchange difference		-	(2,576,108)	-	3,131,372
Cash and cash equivalents at end of year	3	81,937,213	331,436,027	66,133,357	269,493,429
Additional information on operational cashflows from interest and dividends:					
Interest paid		(21,668,351)	(88,341,868)	(22,905,092)	(92,811,431)
Interest received		40,683,478	165,866,538	38,595,695	156,389,755
Dividend received		28,964	118,086	30,320	122,857

The attached notes 1 to 33 form part of these financial statements.



Bank for Investment and Development of Cambodia Plc.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2020 and for the year then ended

LOANS TO CUSTOMERS

	2020		2019	
	US\$	KHR'000 equivalent (Note 2.1.1)	US\$	KHR'000 equivalent (Note 2.1.1)
Individual loans	156,707,737	633,882,796	159,001,538	647,931,266
Loans to enterprises	410,090,884	1,658,817,626	432,086,950	1,760,754,321
Impact of amortised cost	(1,500,018)	(6,067,574)	(1,250,180)	(5,094,484)
Accrued interest receivables	21,088,000	85,300,960	23,381,041	95,277,744
Gross loans to customers	586,386,603	2,371,933,808	613,219,349	2,498,868,847
Allowance for losses on loans to customers	(20,336,496)	(82,261,125)	(21,224,005)	(86,487,820)
Net loans to customers	566,050,107	2,289,672,683	591,995,344	2,412,381,027

Further analyses of loans to customers are set out below

(a) By security

	2020		2019	
	US\$	KHR'000 equivalent (Note 2.1.1)	US\$	KHR'000 equivalent (Note 2.1.1)
Secured:				
Real Estate	491,345,247	1,987,491,524	567,748,109	2,313,573,544
Vehicle	9,274,125	37,513,836	10,562,854	43,043,630
Deposit hold -out	20,188,103	81,660,875	4,138,922	16,866,107
Others	29,590,393	119,693,140	1,796,604	7,321,161
	550,397,868	2,226,359,375	584,246,489	2,380,804,442
Unsecured	35,988,735	145,574,433	28,972,860	118,064,405
	586,386,603	2,371,933,808	613,219,349	2,498,868,847

(b) By maturity

	2020		2019	
	US\$	KHR'000 equivalent (Note 2.1.1)	US\$	KHR'000 equivalent (Note 2.1.1)
Within one month	108,303,289	438,086,804	130,826,939	533,119,777
More than 1 month to 3 months	26,339,674	106,543,981	48,353,430	197,040,227
More than 3 months to 12 months	91,045,168	368,277,705	76,822,919	313,053,395
More than 1 year to 5 years	134,104,185	542,451,428	119,084,068	485,267,577
More than 5 years	226,594,287	916,573,890	238,131,993	970,387,871
	586,386,603	2,371,933,808	613,219,349	2,498,868,847

Bank for Investment and Development of Cambodia Plc.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2020 and for the year then ended

LOANS TO CUSTOMERS (continued)

(c) By residency, relationship, currency and industry sector

	2020		2019	
	US\$	KHR'000 equivalent (Note 2.1.1)	US\$	KHR'000 equivalent (Note 2.1.1)
<i>Residency</i>				
Residents	586,386,603	2,371,933,808	613,219,349	2,498,868,847
<i>Relationship</i>				
External customers	584,921,564	2,366,007,725	612,433,313	2,495,665,750
Staff loans	1,465,039	5,926,083	786,036	3,203,097
	586,386,603	2,371,933,808	613,219,349	2,498,868,847
<i>Currency</i>				
US\$	395,406,911	1,599,420,955	414,955,174	1,690,942,334
KHR	5,449,388	22,042,775	2,163,912	8,817,941
Others	185,530,304	750,470,078	196,100,263	799,108,572
	586,386,603	2,371,933,808	613,219,349	2,498,868,847
<i>Industry sector</i>				
Consumer items	198,006,787	800,937,453	198,401,028	808,484,188
Wholesale and retail	85,518,840	345,923,708	116,082,147	473,034,749
Manufacturing	71,109,376	287,637,426	79,220,319	322,822,800
Construction	51,050,654	206,499,895	74,100,427	301,959,240
Agriculture	56,934,215	230,298,900	71,621,878	291,859,153
Real estate	77,161,703	312,119,089	20,502,425	83,547,382
Transportation, storage and communication	3,219,016	13,020,920	20,234	82,454
Others	43,386,012	175,496,417	53,270,891	217,078,881
	586,386,603	2,371,933,808	613,219,349	2,498,868,847



Bank for Investment and Development of Cambodia Plc.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2020 and for the year then ended

LOANS TO CUSTOMERS (continued)

(d) By location

	2020		2019	
	US\$	KHR'000 equivalent (Note 2.1.1)	US\$	KHR'000 equivalent (Note 2.1.1)
Branches	378,293,297	1,530,196,385	398,199,858	1,622,664,420
Head Office	208,093,306	841,737,423	215,019,491	876,204,427
	586,386,603	2,371,933,808	613,219,349	2,498,868,847

Bank for Investment and Development of Cambodia Plc.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2020 and for the year then ended

CUSTOMER DEPOSITS

DUE TO CUSTOMERS	2020		2019	
	US\$	KHR'000 equivalent (Note 2.1.1)	US\$	KHR'000 equivalent (Note 2.1.1)
Term deposits	272,371,145	1,101,741,282	241,658,975	984,760,324
Demand deposits	49,818,581	201,516,160	52,106,995	212,336,004
	322,189,726	1,303,257,442	293,765,970	1,197,096,328

Deposits from customers are further analyzed as follows:

(a) By maturity

	2020		2019	
	US\$	KHR'000 equivalent (Note 2.1.1)	US\$	KHR'000 equivalent (Note 2.1.1)
Within 1 month	61,120,825	247,233,737	103,312,637	420,998,996
More than 1 month to 3 months	14,389,659	58,206,171	42,196,639	171,951,304
More than 3 months to 12 months	152,972,289	618,772,909	135,022,224	550,215,563
More than 12 months	93,706,953	379,044,625	13,234,470	53,930,465
	322,189,726	1,303,257,442	293,765,970	1,197,096,328

(b) By relationship

	2020		2019	
	US\$	KHR'000 equivalent (Note 2.1.1)	US\$	KHR'000 equivalent (Note 2.1.1)
Non-related parties	322,189,510	1,303,256,568	293,611,113	1,196,465,286
Related parties	216	874	154,857	631,042
	322,189,726	1,303,257,442	293,765,970	1,197,096,328

NETWORK OF OPERATION



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