

Sacombank

ANNUAL
REPORT **2012**



A year of strong commitment

For Sacombank (Cambodia) Plc., 2012 was an important transitional year after transforming into 100% foreign-owned bank from a branch. This is an outstanding milestone and an opportunity for us to expand our businesses in Cambodia in order to strongly commit to our customers, our employees and the communities where we operate.

To live up to this commitment, we work exceptionally hard to offer wide range of innovative products and services to meet the evolving financial demand of corporate, SME and consumer banking needs, to give our employees more challenges and of course, more opportunities, to take part in social responsibilities. Therefore, 2012 is for us a year of strong commitment to build trust and enhance sustainability for our long-term development in Cambodia.



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EDITORIAL TEAM

Chief Editor

Mr. Nguyen Nhi Thanh
General Director

Deputy Chief Editor

Mr. Phung Thai Phung
Deputy General Director

Members

Mr. Nguyen Thai Hoc
Deputy Head, in charge of Marketing Communication

Ms. Tork Borany
Marketing Communication Officer

Graphic Designer

Mr. Chheang Hai Yama
Marketing Communication Officer

VISION

To be the first modern universal retail bank in Vietnam and the region

MISSION

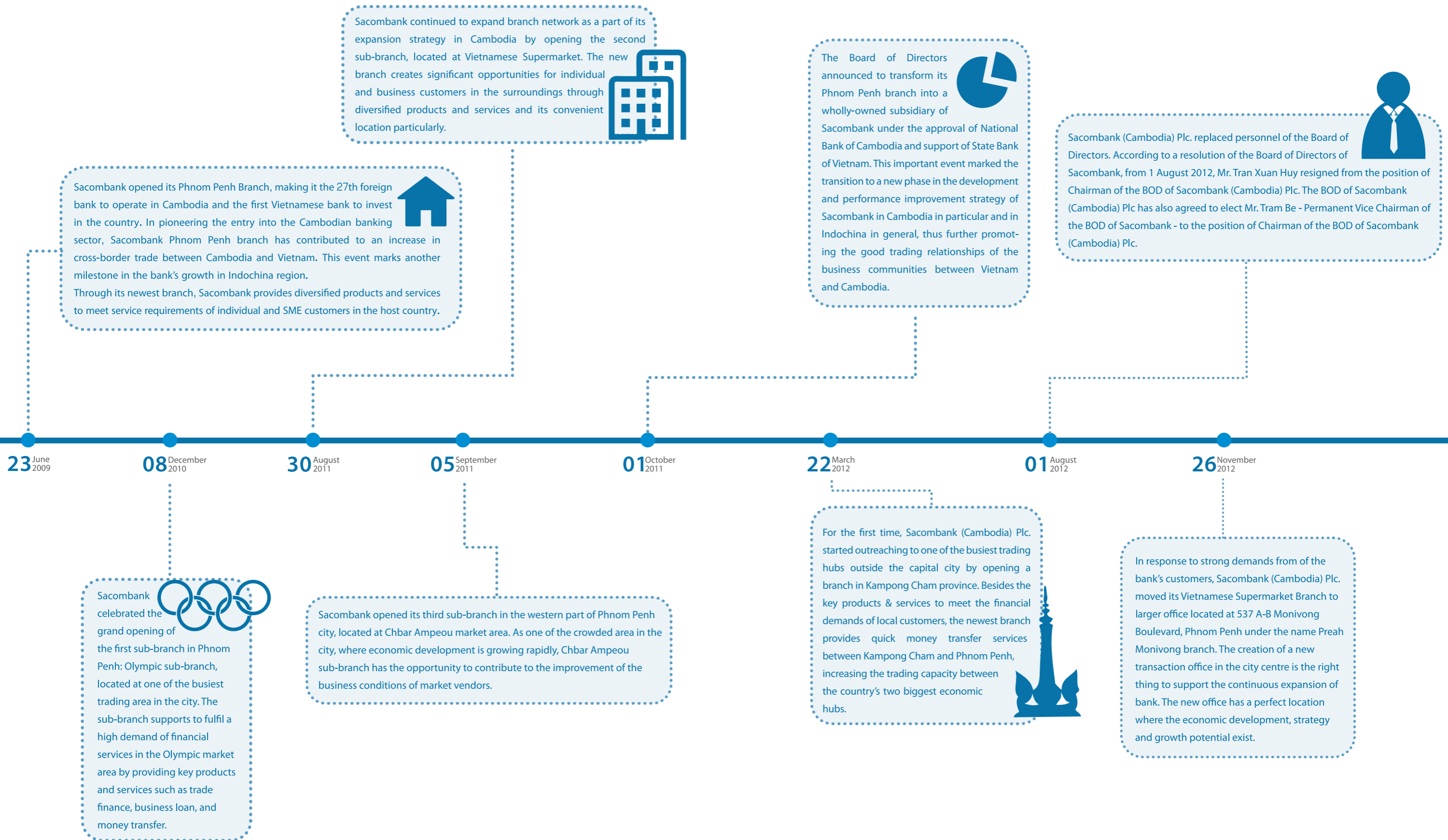
- Constantly maximize value for customers and shareholders
- Bring value to staff in terms of career development and wealth
- Contribute to the development of the community

CORE VALUES

1. **Pioneering** to be an explorer and accept challenges to discover new horizons;
2. **Novel, Dynamic and Innovative** to turn difficulties and challenges into growth opportunities;
3. **High Commitment** with the highest professionalism, dedication and prestige towards customers and partners
4. **Social Responsibility** under its slogan: Sacombank and the Community - "Growing Together"
5. **Making a Difference** with innovative breakthroughs in Products, Business Methods and Corporate Governance Models.



SACOMBANK (CAMBODIA) PLC. MILESTONES



LETTER FROM CHAIRMAN OF BOARD OF DIRECTORS



For Sacombank (Cambodia) Plc., 2012 was an important transitional year after transforming into a wholly-owned subsidiary of Sacombank from a branch.

Despite a short time of transforming into a subsidiary and the general difficulties as well as the competition in the finance and banking sector in Cambodia in 2012, we worked exceptionally hard to turn challenges into opportunities and select the right solutions to adapt our business operations in the new environment in accordance to the regulations of National Bank of Cambodia as well as other government sector.

As of 2012, total assets of Sacombank (Cambodia) Plc. was over USD 87.5 million, total lending was at USD 61.9 million while total deposits reached USD 44,9 million. The number of branch network has reached 5 branches include one Head Office, 3 branches in Phnom Penh: Olympic Branch, Chbar Ampeou, Preah Monivong Branch and 1 branch in Kampong Cham province. As the first Vietnamese bank to open its branch in Cambodia, we have been serving more than 3,000 customers. The stable customer system has played an important role in the sustainable development of our bank. Moreover, we have maintained and improved the efficiency of use of capital resources through concentrating capital resources on core businesses while enhancing our Risk Management in order to increase the long-term competitiveness of our bank.

Sacombank (Cambodia) Plc. has been providing broad range of banking products and services to the Cambodian market. Beside traditional products and services such as deposits with flexible interest payment options to allow customer to get their attractive interest paid monthly, quarterly or on maturity; innovative loan products such as consumption loan, market loan, etc... has also been providing to customers with simple procedures, competitive interest rates and quick disbursement to meet customer needs promptly. Especially, with a large network of more than 420 Sacombank branches in Indochina, we have successfully launched our 1 hour money transfer between Cambodia, Laos and Vietnam and make it a key product of our bank.

In terms of corporate governance, Sacombank (Cambodia) Plc. has improved the organizational structure with the participation of independent members to the Board of Directors and the completion of the Internal Audit Council, Risk Management Council, Investment Council, and Compensation Council. The organization of all departments has been adjusted to increase the productivity, sales capacity as well as customer care skill. In addition, Internal Audit and Risk Management have fully functioned as a supervision organ in order to increase the controlling activities of the bank according to sustainable growth and reasonable efficiency philosophy.

In terms of Human Resources, Sacombank (Cambodia) Plc. continuously recruits and trains the local workforce in order to fully meet the human resource demands in term of quantity and quality. We consider our workforce to be a core element to improve competitiveness and meet our development requirement in the new market, therefore focusing on training programs and promoting employees are our priorities.

After investing in the advanced core banking platform in the previous period, we have continued upgrading our banking technology system to the most modern version in order to improve the operation with more safety and confidence. According to the approval from National Bank of Cambodia, our Internet Banking system will launch within 2013 and aim to create more conveniences for our customers in daily banking needs while improving the competitiveness of the Bank.

We consider 2013 as a year for speed-up to complete our business strategies for the period 2011 – 2015 and establish a strong basis for setting up the business plan in the next 5 years and 10 years. Accordingly, in 2013 Sacombank (Cambodia) Plc. will focus on:

- Focus resources on promoting fund-raising from organizations and customers in Cambodia to ensure stable funds for credit growth with reasonable cost.
- Continue to review and restructure lending portfolio in accordance with sustainable credit growth policies. Manage lending carefully to prevent past due loans and accelerate bad debt management.
- Research, develop and launch additional products & services to offer more choices and fully meet customer's demands in banking services.
- Improve customer care program and train all employees to be able in taking care of customers.
- Find out more solutions to develop services such as cross-border trade payment, money transfer, etc. and therefore increase service income

- Review and adjust the organizational structure of each business units to adapt with the development requirements. Research and open new branches to satisfy customer needs

From the foundation built over the last years, we will continue to preserve, promote and improve the good values, and adjust, in a timely manner, the operational shortcomings and defects in order to keep up with the development trends of the domestic and international finance and banking sector and develop Sacombank (Cambodia) Plc. into one of the leading foreign-owned banks in Cambodia under the motto Safety – Efficiency – Sustainability.

Yours faithfully,

For the Board of Directors
Chairman of BOD
TRAM BE

INTRODUCTION OF SACOMBANK (CAMBODIA) PLC.

Sacombank (Cambodia) Plc. is a wholly-owned subsidiary of Sacombank - one of the leading commercial banks in the Vietnam and continuously growing in Cambodia and Laos with more than 10,000 employees and nearly 420 branches in the region.

On 23 June 2009, Sacombank became the first Vietnamese bank to open its branch in Cambodia. In pioneering the entry into the Cambodian banking sector, Sacombank makes a significant contribution in cross-border trade expansion between Cambodia and Vietnam.

After 2 years operating in Cambodia, Sacombank has transformed its Phnom Penh Branch into 100% foreign-owned bank under the official name of "Sacombank (Cambodia) Plc." on 01 October 2011. After the transformation, the bank continuously reform its operation, cooperate with international strategic partners, develops new products and services to meet the characteristics of local financial market and become a more competitive banking service provider in the kingdom.

English name	:	Saigon Thuong Tin Bank (Cambodia) Plc.
Abbreviated name	:	Sacombank (Cambodia) Plc.
Head office:	:	60 Preah Norodom Boulevard, Sangkat Chey Chumneas, Khan Daun Penh, Phnom Penh.
Telephone	:	(855) 23 223 422
Fax	:	(855) 23 223 433
Email	:	info@sacombank.com.kh
Website	:	www.sacombank.com.kh
Date of establishment	:	1 st October 2011
Chartered capital	:	USD 38,000,000

Sacombank (Cambodia) Plc. provides a broad range of banking services to private individuals, self-employed customers as well as small-and-medium sized enterprises. These services include:

- Receipt of demand deposits, term deposits, savings deposits and other types of deposits.
- Issuance of certificates of deposit, bills of exchange, bills of credit.
- Grant of credit in the form of:
 - Lending;
 - Discount and rediscount of commercial instruments and other valuable papers;
 - Bank's guarantee;
 - Domestic factoring and forfeiting; international factoring and forfeiting with respect to banks allowed for international payments;
 - Other forms of credit granting
- Opening of payment accounts for customers.
- Provision of payment facilities.
- Provision of the following payment services:
 - Rendering domestic payment services, including cheques, payment orders, banker's orders, bank collection, letters of credit, entrusted collection and payment services;
 - International payment services and other payment services.



EVENT HIGHLIGHTS



22 March 2012

Grand opening of Kampong Cham province branch. For the first time, Sacombank (Cambodia) Plc. started outreaching to one of the busiest trading hubs outside the capital city, increasing the trading capacity between the country's two biggest economic hubs.

29 March 2012

Official launch of Market Loan to offer an easy access to short-term capital for market vendors with simple process and flexible options of repayment and term. This product is the right solution for market vendors seeking the source of fund to stabilize, expand or set up their business in Orrusey Market and Central Market.

24 August 2012

Cooperation with Cambodia - Vietnam Insurance Plc (CVI) - one of the leading insurance companies in Cambodia to implement Money Insurance for all kinds of money (include gold) in safe of the bank or in transit. By implementing Money Insurance, Sacombank (Cambodia) Plc. wants to increase the safety in business operation and show the highest commitment to customers.

ពិធីប្រារព្ធពីងយកចិត្តទុកដាក់លើប្រាក់របស់អ្នក
Because We Care of Your Money

សាច់ប្រាក់កំរិតអស់នៅ ធនាគារ សាកលប៊ីធី (ប្រទេសវៀតណាម) ក៏ដូចជា ប្រាក់ប្រាក់កំរិតអស់នៅក្នុងស្ថានភាពដោយ គ្រប់ ខ្លួនក៏ដូចជា ក្នុងមួយសប្តាហ៍

All money at Sacombank (Cambodia) Plc is protected by CVI
24 hours a day, 7 days a week

- ✓ សុវត្ថិភាពសាច់ប្រាក់នៅក្នុងស្ថានភាពដោយប្រើប្រាស់
- Money in our bank safe
- ✓ សុវត្ថិភាពសាច់ប្រាក់នៅពេលដឹកជញ្ជូន
- Money in transit

CVI គឺជាធនាគារប្រាក់កំរិតអស់នៅក្នុងប្រទេសវៀតណាម / one of the leading insurance companies in Cambodia

01 October 2012

First anniversary celebration of Sacombank (Cambodia) Plc. after transforming into a wholly-owned subsidiary of Sacombank from Phnom Penh branch. The continuous expansion of branch networks and the competition to be one of the leading providers of financial solutions in the Kingdom of Cambodia after one year of operation as an independent entity, affirms the bank's commitment to create lasting value for customers, employees and the community where the bank operates.



09 October 2012

Strong commitment to the community by contributing to the road construction project in Takmao, Kandal province. Sacombank (Cambodia) Plc. is the main sponsor of this project with the contribution of USD 145,000. Together with other social activities, this is to affirm the bank's commitment to improve living standard for the local residents and support to the development of the provinces.



26 November 2012

Relocation of Vietnamese Supermarket branch to larger office located at 537 A-B Monivong Boulevard, Phnom Penh under a new name Preah Monivong branch. By moving to a larger and spacious office in city centre where the economic development, strategy and growth potential exist, Sacombank (Cambodia) Plc. wants to create more convenience for customer coming to the bank for transaction.



06 December 2012

ទទួលបានប្រាក់ប្រតិបត្តិការទៅកម្ពុជាដោយផ្ទាល់ប្រើប្រាស់ទឹកដី
Direct payment to Cambodia using VND

កម្រៃប្តូរទឹកដីសាមញ្ញ ជាមួយអ្នកប្រកួតប្រជែងប្រាក់ប្រតិបត្តិការ
Simple exchange rate with our competitors

ប្រាក់ប្រតិបត្តិការដោយផ្ទាល់ ងាយស្រួល
Direct and simple payment to enhance your business

EXCHANGE RATE			
BID RATE	OFFER RATE		
1,000	1,000		KH
5,2105	5,2175		VN
0,2500	0,2570		US

* អត្រាប្តូរទឹកដីសាមញ្ញប្រើប្រាស់ប្រាក់ប្រតិបត្តិការ
Exchange rate used only for information purpose

Official launch of cross-border trade payment in cooperation with Sacombank Vietnam. This service aims to streamline the process for settling cross-border trade directly in the Vietnam dong and Khmer riel electronically without holding an account in the currencies and without USD exchange rate impacts. By continuously developing new products & service that meets demand of customers, Sacombank (Cambodia) Plc. is committed to contribute to an increase cross-border trade between Cambodia and Vietnam.

BRANCH NETWORK

Head Office:

60, Preah Norodom, Phnom Penh

Tel: (855) 23 223 422 | Fax: (855) 23 223 433

Olympic Branch

319-321, Sihanouk, Phnom Penh

Tel: (855) 23 223 420 | Fax: (855) 23 223 402

Preah Monivong Branch

537A-B, Preah Monivong, Phnom Penh

Tel: (855) 23 223 421 | Fax: (855) 23 214 734

Chbar Ampeou Branch

577A-578B, National Road 1, Phnom Penh

Tel: (855) 23 223 418 | Fax: (855) 23 721 571

Kampong Cham Branch

43, National Road No 7, Sangkat Veal Vong, Kampong Cham

Tel: (855) 42 942 800 | Fax: (855) 42 942 801

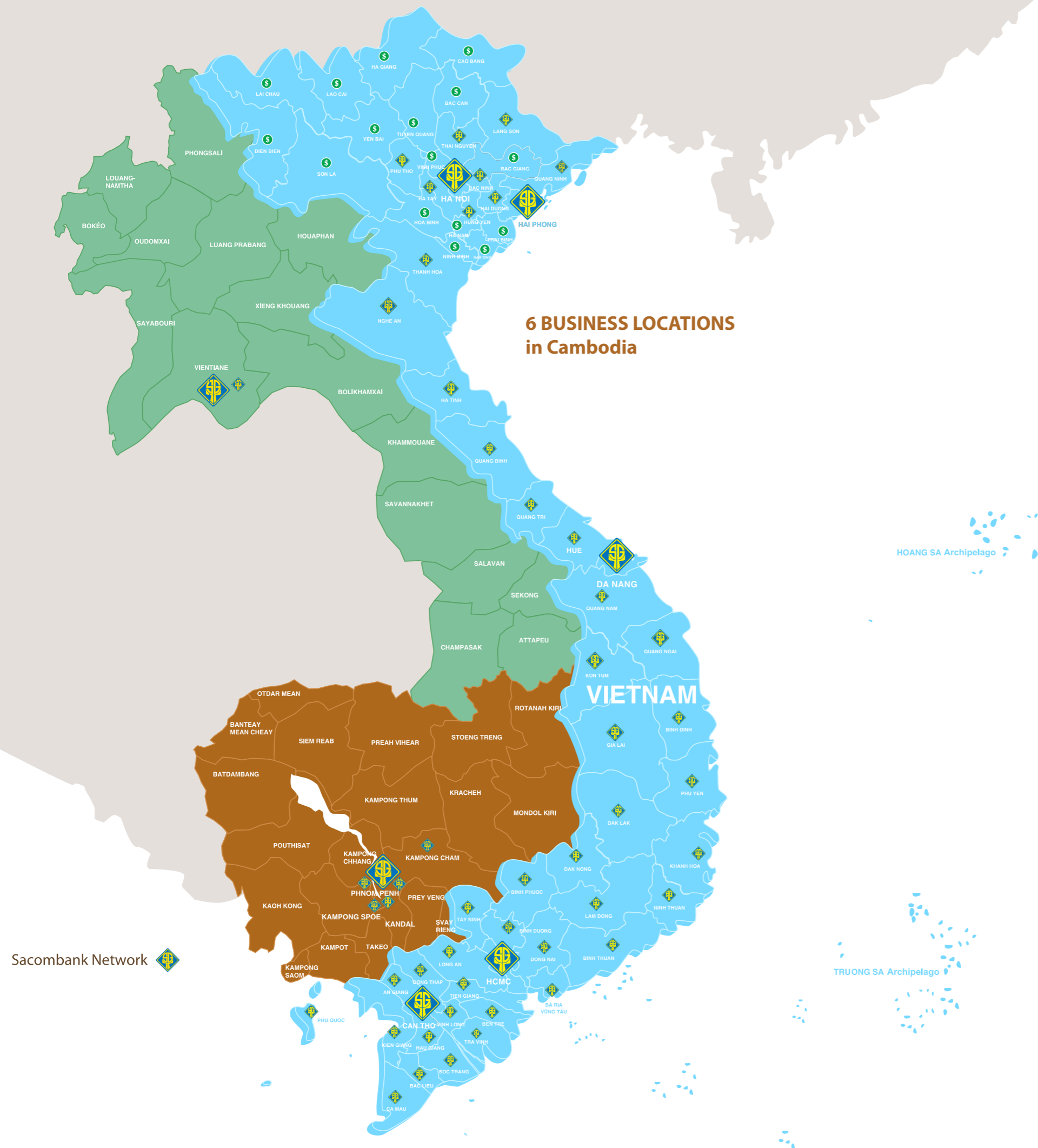
Phsar Heng Ly Branch

25-27A Street 271, Phnom Penh

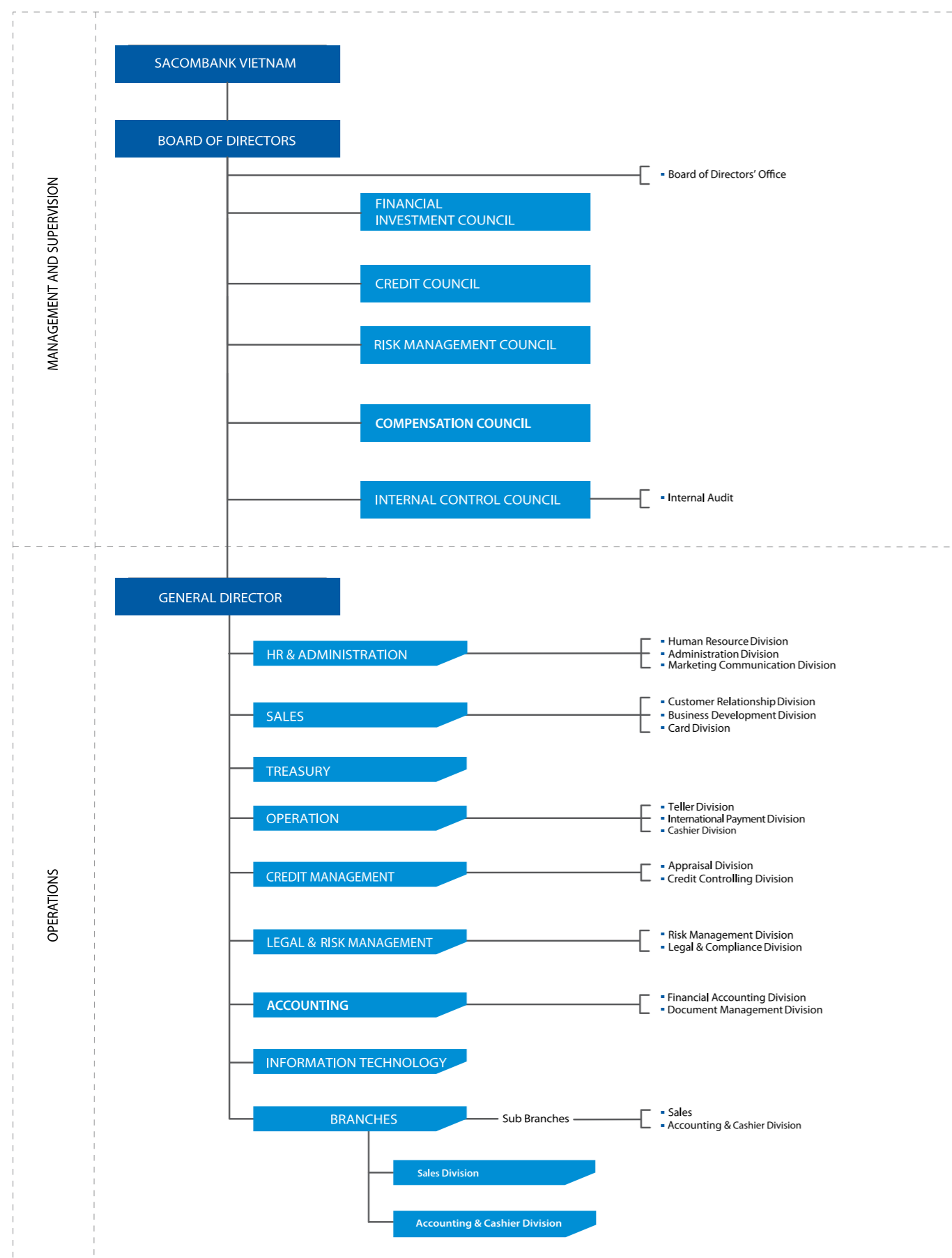
Tel: (855) 23 881 468 | Fax: (855) 23 881 665

Email: info@sacombank.com.kh

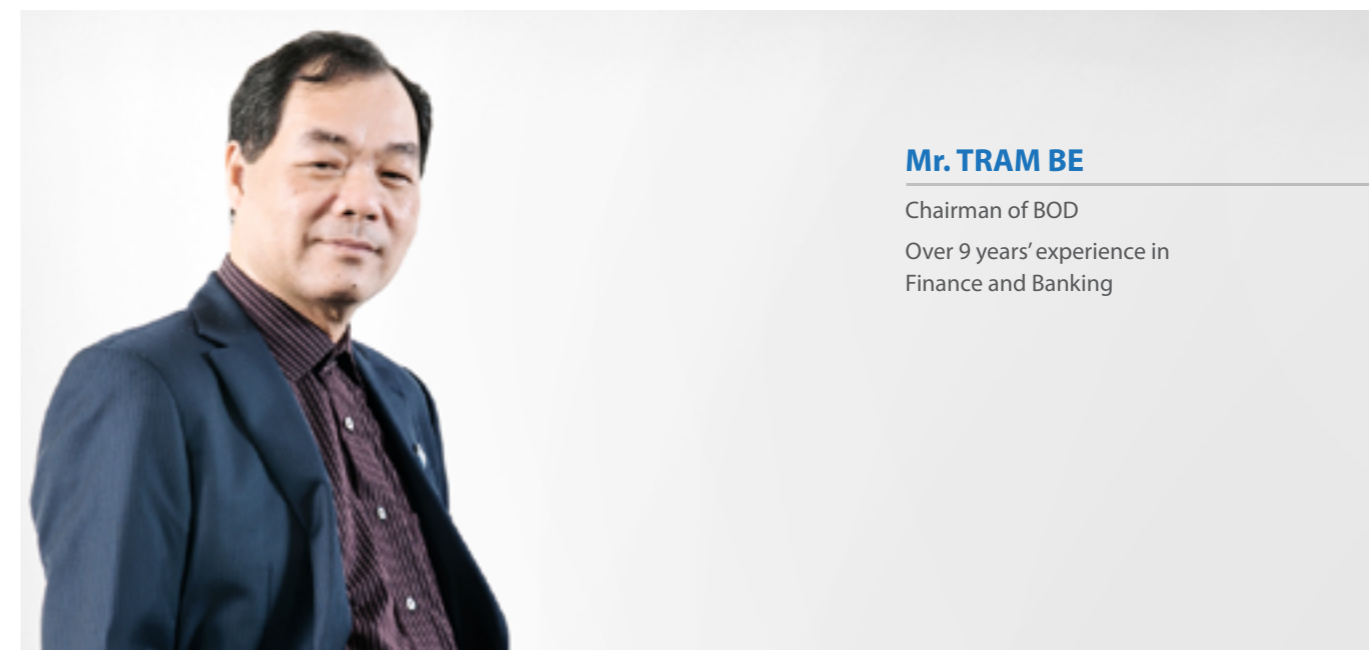
Website: www.sacombank.com.kh



ORGANIZATION CHART



INTRODUCTION OF THE BOARD OF DIRECTORS



Mr. TRAM BE

Chairman of BOD
Over 9 years' experience in Finance and Banking



Mr. TRAM KHAI HOA

Vice Chairman
Over 5 years' experience in Finance and Banking



Mr. NGUYEN MIEN TUAN

Vice Chairman
Over 15 years' experience in Finance and Banking



Mr. NGUYEN MINH TAM

Member
Over 17 years' experience in Finance and Banking



Mr. DEANG SARANN

Independent Member
Over 9 years' working experience



Mr. DUONG THE NHUT XUAN

Independent Member
Over 5 years' experience in Finance and Banking

INTRODUCTION OF THE BOARD OF MANAGERMENTS



Mr. NGUYEN NHI THANH

General Director

Over 23 years' experience in
Finance and Banking
Master Degree of Economics



Mr. PHAM QUANG PHU

Deputy General Director

Over 10 years' experience in
Finance and Banking
Bachelor of Marketing



Mr. PHUNG THAI PHUNG

Deputy General Director

Over 10 years' experience in
Finance and Banking
Bachelor of Business Administration



Ms. THEARO SIDTHIPOR

Deputy General Director

Over 10 years' experience in
Finance and Banking
Master Degree of Financial and Banking

REPORT OF THE BOARD OF MANAGEMENT

The Board of Management of Sacombank (Cambodia) Plc. (herein referred to as "the Bank") presents its report and the audited financial statements as at 31 December 2012 and for the year then ended.

THE BANK

Sacombank Cambodia Plc ("the Bank") was initially set up as a branch of SAIGON THUONG TIN COMMERCIAL JOINT STOCK BANK, incorporated in Vietnam. The Bank operates in the Kingdom of Cambodia under indefinite banking license no. 27 dated 19 June 2009 from the National Bank of Cambodia. The Bank has also obtained a license from the Ministry of Commerce, no. 523/09B dated 18 March 2009.

On 1 October 2011, the branch changed its legal status to a private limited company and the shareholder remains unchanged pursuant to the approval by the Ministry of Commerce on 20 September 2011.

PRINCIPAL ACTIVITIES

The principal activities of the Bank are to provide banking and related financial services in Cambodia.

FINANCIAL RESULTS

The financial results of the Bank for the year ended 31 December 2012 are as follows:

	2012 US\$	2011 US\$
Profit before tax	1,507,674	3,108,440
Income tax expense	(303,802)	(659,969)
Net profit for the year	1,203,872	2,448,471
KHR'000 equivalent (Note 2.1)	4,809,468	9,889,374

PAID-UP CAPITAL

The paid-up capital of the Bank was US\$ 38,000,000 as at 31 December 2012.

RESERVES AND PROVISIONS

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

REPORT OF THE BOARD OF MANAGEMENT (Continued)

BAD AND DOUBTFUL LOANS AND ADVANCES

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

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

CURRENT ASSETS

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

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

VALUATION METHODS

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

CONTINGENT AND OTHER LIABILITIES

At the date of this report, there is:

- ▶ no charge on the assets of the Bank which has arisen since the end of the financial year which secures the liabilities of any other person; and
- ▶ no contingent liability in respect of the Bank which has arisen since the end of the financial year other than in the ordinary course of banking business.

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

EVENTS AFTER THE BALANCE SHEET DATE

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

REPORT OF THE BOARD OF MANAGEMENT (Continued)

THE BOARD OF DIRECTORS

The members of the Board of Directors during the year and at the date of this report are:

<i>Name</i>	<i>Position</i>	<i>Date of appointment/resignation</i>
Mr. Tram Be	Chairman	Appointed on 1 August 2012
Mr. Tram Khai Hoa	Vice Chairman	Appointed on 1 August 2012
Mr. Nguyen Mien Tuan	Vice Chairman	Appointed on 1 August 2012
Mr. Nguyen Minh Tam	Member	Appointed on 1 August 2012
Mr. Deang Sarann	Independent member	Appointed on 1 August 2012
Mr. Duong The Nhat Xuan	Independent member	Appointed on 11 September 2012
Mr. Tran Xuan Huy	Chairman	Resigned on 31 July 2012
Mr. Nguyen Minh Tam	Vice Chairman	Resigned on 31 July 2012
Mr. To Thanh Hoang	Member	Resigned on 31 July 2012
Mr. Pham Nhat Vinh	Member	Resigned on 31 July 2012
Mr. Hua Ngoc Nghia	Member	Resigned on 31 July 2012
Mr. Doanh Thanh Viet	Member	Resigned on 31 July 2012

THE BOARD OF MANAGEMENT

The members of the Board of Management during the year and at the date of this report are:

<i>Name</i>	<i>Position</i>	<i>Date of appointment/resignation</i>
Mr. Nguyen Nhi Thanh	General Director	Appointed on 19 September 2011
Mr. Pham Quang Phu	Deputy General Director	Appointed on 16 December 2011
Mr. Phung Thai Phung	Deputy General Director	Re-appointed on 1 March 2012
Ms. Thearo Sidthipor	Customer Relationship Director	Re-appointed on 2 July 2012

AUDITOR

The auditor of the Bank is Ernst & Young (Cambodia) Limited.

THE BOARD OF MANAGEMENT'S BENEFITS

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

No manager has received or become entitled to receive a benefit (other than a benefit included in the aggregate amount of emoluments received or due and receivable by the Board of Management, or the fixed salary of a full time employee of the Bank as disclosed in Note 26(c) to the financial statements) by reason of a contract made by the Bank or with a firm of which he is a member, or with a company in which he has a material financial interest.

REPORT OF THE BOARD OF MANAGEMENT (Continued)

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

The Board of Management is responsible for ensuring that the financial statements give a true and fair view of the financial position of the Bank as at 31 December 2012, and its financial performance and cash flows for the year then ended. In preparing these financial statements, the Board of Management is required to:

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

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

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

APPROVAL OF THE FINANCIAL STATEMENTS

We hereby approve the accompanying financial statements which give a true and fair view of the financial position of the Bank as at 31 December 2012, and its financial performance and cash flows for the year then ended in accordance with Cambodian Accounting Standards and relevant regulations and guidelines issued by the National Bank of Cambodia.

On behalf of the Board of Management



Mr. Nguyen Nhi Thanh
General Director

Phnom Penh, Kingdom of Cambodia

31 January 2013

INDEPENDENT AUDITORS' REPORT

To: The owner of Sacombank (Cambodia) Plc.

We have audited the accompanying financial statements of Sacombank (Cambodia) Plc. ("the Bank"), which comprise the balance sheet as at 31 December 2012, and the income statement, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes (collectively referred to as "the financial statements").

Management's responsibility for the financial statements

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

Auditors' responsibility

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

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

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

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Bank as at 31 December 2012, and of its financial performance and cash flows for the year then ended in accordance with Cambodian Accounting Standards and relevant regulations and guidelines issued by the National Bank of Cambodia.

Other matter

The financial statements of the Bank as at 31 December 2011 and for the year then ended were audited by other auditors whose report dated 22 May 2012 expressed an unqualified opinion.



Ernst & Young (Cambodia) Ltd.

Certified Public Accountants
Registered Auditors

Phnom Penh, Kingdom of Cambodia

31 January 2013

INCOME STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2012

	Notes	2012		2011	
		US\$	KHR'000 equivalent (Note 2.1)	US\$	KHR'000 equivalent (Note 2.1)
Interest and similar income	3	5,552,438	22,181,990	5,301,728	21,413,679
Interest and similar expense	4	(1,287,282)	(5,142,692)	(610,694)	(2,466,593)
Net interest and similar income		4,265,156	17,039,298	4,691,034	18,947,086
Fees and commission income	5	715,185	2,857,164	582,811	2,353,974
Fees and commission expense		(171,407)	(684,771)	(178,423)	(720,651)
Net fees and commission income		543,778	2,172,393	404,388	1,633,323
Income from available-for-sale investments	6	75,819	302,897	-	-
Net other operating income	7	28,407	113,486	154,574	624,324
TOTAL OPERATING INCOME		4,913,160	19,628,074	5,249,996	21,204,733
General and administrative expenses	8	(3,269,795)	(13,062,831)	(1,958,728)	(7,911,302)
Provision charged for losses on loans and advances	14	(135,691)	(542,086)	(182,828)	(738,442)
PROFIT BEFORE TAX		1,507,674	6,023,157	3,108,440	12,554,989
Income tax expense	9	(303,802)	(1,213,689)	(659,969)	(2,665,615)
NET PROFIT FOR THE YEAR		1,203,872	4,809,468	2,448,471	9,889,374

BALANCE SHEET

FOR THE YEAR ENDED 31 DECEMBER 2012

	Notes	31 December 2012		31 December 2011	
		US\$	KHR'000 equivalent (Note 2.1)	US\$	KHR'000 equivalent (Note 2.1)
ASSETS					
Cash on hand	10	2,407,811	9,619,205	3,235,021	13,066,250
Gold	10	2,172,665	8,679,797	2,979,038	12,032,334
Balances with the National Bank of Cambodia	11	8,306,064	33,182,726	11,275,654	45,542,367
Balances with other banks	12	6,516,711	26,034,260	7,958,740	32,145,351
Available-for-sale investments	13	3,067,885	12,256,201	-	-
Loans and advances to customers	14	61,923,467	247,384,251	59,137,672	238,857,057
Property and equipment	15	1,099,583	4,392,834	750,083	3,029,585
Software license	16	149,733	598,183	155,095	626,429
Other assets	17	1,873,801	7,485,835	1,233,716	4,982,979
TOTAL ASSETS		87,517,720	349,633,292	86,725,019	350,282,352
LIABILITIES					
Deposits from other banks	18	21,920,752	87,573,404	30,314,777	122,441,384
Deposits from customers	19	23,088,884	92,240,092	14,147,528	57,141,866
Current income tax payable	9	401,036	1,602,139	468,432	1,891,998
Deferred income tax payable	21	58,398	233,300	68,700	277,479
Other liabilities	20	393,489	1,571,989	477,448	1,928,412
		45,862,559	183,220,924	45,476,885	183,681,139
SHAREHOLDER'S EQUITY					
Paid-up capital	22	38,000,000	151,810,000	38,000,000	153,482,000
Retained earnings		3,570,572	14,264,435	3,248,134	13,119,213
Other reserves		84,589	337,933	-	-
		41,655,161	166,412,368	41,248,134	166,601,213
TOTAL LIABILITIES AND SHAREHOLDER'S EQUITY		87,517,720	349,633,292	86,725,019	350,282,352

STATEMENT OF CHANGES IN EQUITY

AS AT 31 DECEMBER 2012

	<i>Paid-up capital US\$</i>	<i>Retained earnings US\$</i>	<i>Other reserves US\$</i>	<i>Total US\$</i>
Balance as at 1 January 2011	38,000,000	799,663	-	38,799,663
Net profit for the year	-	2,448,471	-	2,448,471
Balance as at 31 December 2011	38,000,000	3,248,134	-	41,248,134
Net profit for the year	-	1,203,872	-	1,203,872
Profit transferred to parent bank	-	(881,434)	-	(881,434)
Unrealised gain on available-for-sale investments	-	-	84,589	84,589
Balance as at 31 December 2012	38,000,000	3,570,572	84,589	41,655,161
KHR'000 equivalent (Note 2.1)	151,810,000	14,264,435	337,933	166,412,368

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2012

Notes	2012		2011		
	<i>US\$</i>	<i>KHR'000 equivalent (Note 2.1)</i>	<i>US\$</i>	<i>KHR'000 equivalent (Note 2.1)</i>	
Net cash flows from (used in) operating activities	25	2,023,896	8,085,465	(8,001,620)	(32,318,545)
Cash flow from investing activities					
Acquisition of property and equipment	15	(628,262)	(2,509,907)	(292,645)	(1,181,993)
Acquisition of computer software	16	(59,434)	(237,439)	-	-
Net cash flows used in investing activities		(687,696)	(2,747,346)	(292,645)	(1,181,993)
Cash flow from financing activity					
Profit transferred to parent bank		(881,434)	(3,521,329)	-	-
Net cash flow used in financing activity		(881,434)	(3,521,329)	-	-
Net increase (decrease) in cash and cash equivalents		454,766	1,816,790	(8,294,265)	(33,500,538)
Cash and cash equivalents at the beginning of the year		12,445,982	50,269,322	20,740,247	84,060,220
Foreign exchange difference		-	(547,623)	-	(290,360)
Cash and cash equivalents at the end of the year	24	12,900,748	51,538,489	12,445,982	50,269,322

NOTES TO THE FINANCIAL STATEMENTS

as at 31 December 2012 and for the year then ended

1. CORPORATE INFORMATION

The Bank was incorporated and registered in the Kingdom of Cambodia.

Establishment and operations

The Bank was initially set up as a branch of Saigon Thuong Tin Commercial Joint Stock Bank, incorporated in Vietnam. The Bank operates in the Kingdom of Cambodia under indefinite banking license No. 27 dated 19 June 2009 from the National Bank of Cambodia. The Bank has also obtained a license from the Ministry of Commerce, No. 523/09B dated 18 March 2009.

On 1st October 2011, the branch changed its legal status to a private limited company and the shareholder remains unchanged pursuant to approval from Ministry of Commerce on 20 September 2011.

The principal activities of the Bank are to provide banking and related financial services in Cambodia.

Paid-up capital

The actual paid-up capital of the Bank as at 31 December 2012 was US\$ 38,000,000(2011: US\$ 38,000,000).

Board of Directors

The members of the Board of Directors during the year and at the date of this report are:

Name	Position	Date of appointment/resignation
Mr. Tram Be	Chairman	Appointed on 1 August 2012
Mr. Tram Khai Hoa	Vice Chairman	Appointed on 1 August 2012
Mr. Nguyen Mien Tuan	Vice Chairman	Appointed on 1 August 2012
Mr. Nguyen Minh Tam	Member	Appointed on 1 August 2012
Mr. Deang Sarann	Independent member	Appointed on 1 August 2012
Mr. Duong The Nhat Xuan	Independent member	Appointed on 11 September 2012
Mr. Tran Xuan Huy	Chairman	Resigned on 31 July 2012
Mr. Nguyen Minh Tam	Vice Chairman	Resigned on 31 July 2012
Mr. To Thanh Hoang	Member	Resigned on 31 July 2012
Mr. Pham Nhat Vinh	Member	Resigned on 31 July 2012
Mr. Hua Ngoc Nghia	Member	Resigned on 31 July 2012
Mr. Doanh Thanh Viet	Member	Resigned on 31 July 2012

Board of Management

The members of the Board of Management during the year and at the date of this report are:

Name	Position	Date of appointment/resignation
Mr. Nguyen Nhi Thanh	General Director	Appointed on 19 September 2011
Mr. Pham Quang Phu	Deputy General Director	Appointed on 16 December 2011
Mr. Phung Thai Phung	Deputy General Director	Re-appointed on 1 March 2012
Ms.Thearo Sidthipor	Customer Relationship Director	Re-appointed on 2 July 2012

Location

The head office of the Bank is located at No. 60, Preah Norodom Boulevard, Sangkat Chey Chumneas, Khan Daun Penh, Phnom Penh, Cambodia.

Employees

As at 31 December 2012, the Bank had 141 employees including 87 employees in the Head Office, 16 employees in Olympic Branch, 14 employees in Preah Monivong Branch, 11 employees in Chbar Ampeou Branch and 13 employees in Kampong Cham Branch (2011: 109 employees).

NOTES TO THE FINANCIAL STATEMENTS

as at 31 December 2012 and for the year then ended

2. ACCOUNTING POLICIES

2.1 Basis of presentation

The Bank prepares its financial statements on the historical cost convention. The Bank maintains its records in United States dollar ("US\$") and prepares its financial statements in US\$ in accordance with NBC Prakas No. B7-07-164 dated 13 December 2007.

The accompanying financial statements, including their utilisation, are not designed for those who are not informed about the Kingdom of Cambodia's accounting principles, procedures and practices; and furthermore, are not intended to present the financial position and results of operations and cash flows in accordance with accounting principles and practices generally accepted in countries other than the Kingdom of Cambodia.

The translation of the US\$ amounts into Khmer Riel ("KHR") is presented in the financial statements to comply with the Law on Corporate Accounts, their Audit and the Accounting Profession dated 8 July 2002 and relevant Prakas of the NBC, using the average exchange rate of KHR3,995: US\$1 ruling as at 31 December 2012 (2011: KHR4,039: US\$1), as announced by the NBC. Such translation should not be construed as a representation that the US\$ amounts have been or could be, converted into KHR at this or any other rate.

The accounting policies set out below have been consistently applied by the Bank during the year.

2.2 Fiscal year and reporting period presented

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

2.3 Significant accounting judgments and estimates

In applying the Bank's accounting policies, management has used its judgments and has made estimates to determine the amounts recognised in the financial statements, as follows:

Impairment losses on loans and advances to customers

When preparing the financial statements, the quality of loans and advances is reviewed and assessed to determine their classification and level of provision for impairment losses, as more fully disclosed in Note 2.4.3.

2.4 Summary of significant accounting policies

2.4.1 Cash and cash equivalents

For statement of cash flows purposes, cash and cash equivalents consist of cash on hand, gold, balances with the NBC, balances with other banks with original maturity of less than 90 days and highly liquid short-term investments with an original maturity of less than 90 days, which are readily convertible to known amounts of cash.

2.4.2 Loans and advances

All loans and advances to customers are stated in the balance sheet at principal amount less any amounts written off and allowance for losses on loans and advances. Short-term loans are those with a repayment date within one year from the date the loan is advanced. Long-term loans are those with a final repayment date of more than one year from the date the loan is advanced. Interest accrued but not yet paid other than overdraft, is classified as other financial assets in the balance sheet.

Loans are written off when there is no realistic prospect of recovery. Recoveries of loans and advances previously written off, or provided for, decrease the amount of allowance for losses on loans and advances in the income statement.

Loans and advances classified as substandard, doubtful or loss are considered as non-performing loans.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

as at 31 December 2012 and for the year then ended

2. ACCOUNTING POLICIES (continued)

2.4 Summary of significant accounting policies (continued)

2.4.3 Allowance for losses on loans and advances

Specific provision

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

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

The Bank follows the mandatory credit classification and provisioning as required by NBC Prakas No. B7-09-074 dated 25 February 2009. The Prakas requires commercial banks to classify their loan portfolio into five classes. The mandatory level of specific provisioning is provided depending on the loan classification as follows:

Classification	Number of days past due	Provision rate
Special mention	30 days or more but less than 90 days	3%
Substandard	90 days or more but less than 180 days	20%
Doubtful	180 days or more but less than 360 days	50%
Loss	360 days or more	100%

General provision

The Bank is required to maintain a general provision at 1% of gross loans for loans graded as normal (number of days past due less than 30 days).

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

2.4.4 Other credit-related commitments

In the normal course of business, the Bank enters into other credit-related commitments including loan commitments, letters of credit and guarantees. The accounting policy and provision methodology are similar to originated loans as disclosed above. An allowance is raised against other credit-related commitments when losses are considered probable.

2.4.5 Available-for-sale investments

Available-for-sale investments are those which are designated as such or do not qualify to be classified as designated at fair value through profit and loss, held-to-maturity or loans and advances.

After initial measurement which is at cost, available-for-sale investments are subsequently measured at fair value. Unrealised gains or losses are recognised directly in equity in the available-for-sale reserve. When the security is disposed of, the cumulative gain or loss previously recognised in equity is recognised in the income statement in other operating income or other operating expense. Dividends earned whilst holding available-for-sale investments are recognised in the income statement as other operating income when the right of the payment has been established. The losses arising from impairment of such investments are recognised in the income statement and removed from the available-for-sale reserve.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

as at 31 December 2012 and for the year then ended

2. ACCOUNTING POLICIES (continued)

2.4 Summary of significant accounting policies (continued)

2.4.6 Determination of fair value

The fair value for financial instruments traded in the active markets at the balance sheet date is based on their quoted market price or dealer price quotations (bid price for long positions and ask price for short positions), without any deduction for transaction costs.

For all other financial instruments that are not listed in an active market, the fair value is determined by using appropriate valuation techniques. Valuation techniques include net present value techniques, market observable price list, and other relevant valuation models.

2.4.7 Deposits and placements with other banks

Deposits and placements with other banks are carried at cost.

2.4.8 Other assets

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

2.4.9 Statutory deposits

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

2.4.10 Software license

Software license is capitalised on the basis of the costs incurred to acquire and bring to use a specific software. These costs are amortised over five years using the straight-line method.

Costs associated with maintaining computer software programs are recognised as an expense as incurred.

2.4.11 Property and equipment

(i) Property and equipment are stated at cost less accumulated depreciation and accumulated impairment losses, if any. Where an item of property and equipment comprises major components having different useful lives, the components are accounted for as separate items of property and equipment.

(ii) Property and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

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

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

Leasehold building	15 years
Computer equipment	4 years
Furniture and equipment	4-5 years
Motor vehicles	4-5 years

NOTES TO THE FINANCIAL STATEMENTS (Continued)

as at 31 December 2012 and for the year then ended

2. ACCOUNTING POLICIES (continued)

2.4 Summary of significant accounting policies (continued)

2.4.11 Property and equipment(continued)

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. Gains or losses on disposals are determined by comparing proceeds with the carrying amounts.

These are included in the income statement.

- (iii) Subsequent expenditure relating to an item of property and equipment that has already been recognised is added to the carrying amount of the asset when it is probable that future economic benefits, in excess of the originally assessed standard of performance of the existing asset, will flow to the Bank. All other subsequent expenditure is recognised as an expense in the year in which it is incurred.
- (iv) Gain or loss arising from the retirement or disposal of an item of property and equipment is determined as the difference between the estimated net disposal proceeds and the carrying amount of the asset and is recognised in the income statement at the date of retirement or disposal.
- (v) Fully depreciated property and equipment are retained in the financial statements until disposed of or written off.
- (vi) The carrying amounts of property and equipment are reviewed for impairment when there is an indication that the assets might be impaired. Impairment is measured by comparing the carrying values of the assets with their recoverable amounts. An impairment loss is charged to the income statement immediately.

Reversal of impairment losses recognised in prior years is recorded where there is an indication that the impairment losses recognised for the asset no longer exist or have decreased. The reversal is recognised to the extent of the carrying amount of the asset that would have been determined (net of amortisation and depreciation) had no impairment loss been recognised. The reversal is recognised in the income statement immediately.

2.4.12 Liabilities

Deposits from customers, deposits and placements of banks and financial institutions are stated at their placement values. Other liabilities are stated at cost which also represents the fair value of the consideration expected to be paid in the future for goods and services received.

2.4.13 Provisions for liabilities

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

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

as at 31 December 2012 and for the year then ended

2. ACCOUNTING POLICIES (continued)

2.4 Summary of significant accounting policies (continued)

2.4.14 Corporate income tax

Current income tax

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

Deferred income tax

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

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

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

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

2.4.15 Offsetting financial instruments

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

2.4.16 Recognition of income and expense

a) Interest income

Interest income is recognised on an accrual basis. Interest income on overdraft, term loans and other loans is recognised by reference to rest year, which are either monthly or daily. Where a loan becomes non-performing, interest accruing to these loans shall instead be credited to an interest in suspense account. Loans are deemed to be non-performing where repayments are in arrears for more than ninety days.

b) Income from various activities of the Bank

Income from various activities of the Bank is accrued as follows:

- 1) Loan arrangement fees and commissions on services and facilities extended to customers are recognised on the occurrence of such transactions;
- 2) Commitment fees and guarantee fees on services and facilities extended to customers are recognised as income over the year in which the services and facilities are extended; and
- 3) Service charges and processing fees are recognised when the service is provided;

NOTES TO THE FINANCIAL STATEMENTS (Continued)

as at 31 December 2012 and for the year then ended

2. ACCOUNTING POLICIES (continued)

2.4 Summary of significant accounting policies (continued)

2.4.16 Recognition of income and expense (continued)

c) Interest expense

Interest expense on deposits from customers, settlement accounts of other banks and borrowings is recognised on an accrual basis.

d) Commission expense

Commission expense is recognised as incurred.

2.4.17 Operating leases

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

2.4.18 Related parties

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

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

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

Transactions with related parties and related account balances are disclosed in Note 26.

2.4.19 Foreign currency transactions and translation

The Bank maintains its accounting system and records all transactions in original currencies. Monetary assets and liabilities denominated in foreign currencies ("FC") as at 31 December 2012 are re-translated to US\$ at the exchange rates ruling at the reporting date (Note 29). Income and expenses arising in FC are converted into US\$ at month-end using the applicable average exchange rates rather than the exchange rates ruling at the transaction dates.

2.4.20 Fiduciary assets

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

2.4.21 Rounding of amounts

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

as at 31 December 2012 and for the year then ended

3. INTEREST AND SIMILAR INCOME

	2012		2011	
	US\$	KHR'000 equivalent (Note 2.1)	US\$	KHR'000 equivalent (Note 2.1)
Interest income from lending	5,047,036	20,162,909	5,201,198	21,007,639
Interest income from deposits	426,846	1,705,250	100,530	406,040
Interest income from available-for-sale investments	78,556	313,831	-	-
	5,552,438	22,181,990	5,301,728	21,413,679

4. INTEREST AND SIMILAR EXPENSE

	2012		2011	
	US\$	KHR'000 equivalent (Note 2.1)	US\$	KHR'000 equivalent (Note 2.1)
Interest expense on deposits from other banks	883,761	3,530,626	291,846	1,178,766
Interest expense on deposits from customers	403,521	1,612,066	318,848	1,287,827
	1,287,282	5,142,692	610,694	2,466,593

5. FEES AND COMMISSION INCOME

	2012		2011	
	US\$	KHR'000 equivalent (Note 2.1)	US\$	KHR'000 equivalent (Note 2.1)
Commission received on remittances	492,189	1,966,296	375,701	1,517,456
Loan processing fees	202,570	809,267	172,968	698,618
Other commissions and fees	20,426	81,601	34,142	137,900
	715,185	2,857,164	582,811	2,353,974

6. INCOME FROM AVAILABLE-FOR-SALE INVESTMENTS

This represents gain from trading international bonds issued by Vietnam Joint Stock Commercial Bank for Industry and Trade.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

as at 31 December 2012 and for the year then ended

7. NET OTHER OPERATING INCOME

	2012		2011	
	US\$	KHR'000 equivalent (Note 2.1)	US\$	KHR'000 equivalent (Note 2.1)
Other income				
Unrealised foreign exchange gain	69,226	276,558	713,168	2,880,486
Gain from spot foreign exchange	112,690	450,197	654,968	2,645,416
Other expenses				
Unrealised foreign exchange loss	(96,252)	(384,527)	(85,942)	(347,120)
Loss from spot foreign exchange	(40,051)	(160,004)	(1,127,620)	(4,554,458)
Loss on asset disposal	(17,206)	(68,738)	-	-
	28,407	113,486	154,574	624,324

8. GENERAL AND ADMINISTRATIVE EXPENSES

	2012		2011	
	US\$	KHR'000 equivalent (Note 2.1)	US\$	KHR'000 equivalent (Note 2.1)
Salaries and wages	1,527,427	6,102,071	682,956	2,758,459
Rental, repair and maintenance	482,882	1,929,114	328,730	1,327,740
Depreciation and amortisation	326,351	1,303,772	239,684	968,083
Tax expense	181,493	725,065	114,113	460,902
Telecommunications	124,800	498,576	23,274	94,004
Management fee	96,020	383,600	150,000	605,850
Electricity and utilities	93,315	372,793	79,424	320,794
License fee	81,983	327,522	49,251	198,925
Office supplies	76,566	305,881	42,437	171,403
Staff benefits	50,397	201,336	26,472	106,920
Marketing	53,879	215,247	41,550	167,820
Travelling and accommodation	37,995	151,790	37,591	151,830
Business meals and entertainment	24,610	98,317	50,694	204,753
Other expenses	112,077	447,747	92,552	373,819
	3,269,795	13,062,831	1,958,728	7,911,302

NOTES TO THE FINANCIAL STATEMENTS (Continued)

as at 31 December 2012 and for the year then ended

9. INCOME TAX EXPENSE

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

	2012		2011	
	US\$	KHR'000 equivalent (Note 2.1)	US\$	KHR'000 equivalent (Note 2.1)
Current	314,104	1,254,845	527,453	2,130,383
Deferred (Note 21)	(10,302)	(41,156)	132,516	535,232
Income tax expense	303,802	1,213,689	659,969	2,665,615

Current corporate income tax ("CIT")

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

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

Details of estimated CIT expense and payable are as follows:

	2012		2011	
	US\$	KHR'000 equivalent (Note 2.1)	US\$	KHR'000 equivalent (Note 2.1)
Accounting profit before income tax	1,507,674	6,023,157	3,108,440	12,554,989
Add:				
Non-deductible expense(income)	797,446	3,185,795	(471,174)	(1,903,072)
Estimated current taxable profit	2,305,120	9,208,952	2,637,266	10,651,917
Estimated current income tax, at the statutory rate of 20%	461,024	1,841,790	527,453	2,130,383
Excess provision of CIT of 2011	(146,920)	(586,945)	-	-
Estimated income tax expense during the year	314,104	1,254,845	527,453	2,130,383
CIT payable at the beginning of the year	468,432	1,891,998	261,326	1,059,154
CIT paid during the year	(381,500)	(1,524,091)	(320,347)	(1,293,882)
Foreign exchange difference	-	(20,613)	-	(3,657)
CIT payable at the end of the year	401,036	1,602,139	468,432	1,891,998

NOTES TO THE FINANCIAL STATEMENTS (Continued)

as at 31 December 2012 and for the year then ended

10. CASH ON HAND AND GOLD

	31 December 2012		31 December 2011	
	US\$	KHR'000 equivalent (Note 2.1)	US\$	KHR'000 equivalent (Note 2.1)
Cash on hand				
US\$	2,267,787	9,059,809	3,168,052	12,795,763
KHR	106,746	426,450	54,335	219,459
Other foreign currencies	33,278	132,946	12,634	51,028
	2,407,811	9,619,205	3,235,021	13,066,250
Gold				
Gold XBJ	1,734,356	6,928,753	2,412,607	9,744,519
Gold XAU	438,309	1,751,044	566,431	2,287,815
	2,172,665	8,679,797	2,979,038	12,032,334
	4,580,476	18,299,002	6,214,059	25,098,584

11. BALANCES WITH THE NATIONAL BANK OF CAMBODIA

	31 December 2012		31 December 2011	
	US\$	KHR'000 equivalent (Note 2.1)	US\$	KHR'000 equivalent (Note 2.1)
Current and settlement accounts				
Current account - US\$	1,520,517	6,074,466	4,256,930	17,193,740
Current account - KHR	28,048	112,052	16,253	65,647
Settlement account - US\$	252,493	1,008,710	-	-
Settlement account - KHR	2,503	9,999	-	-
Statutory deposits				
Capital guarantee deposit - US\$ (i)	3,800,000	15,181,000	3,800,000	15,348,200
Reserve deposit - US\$ (ii)	2,700,000	10,786,500	3,200,000	12,924,800
Reserve deposit - KHR (ii)	2,503	9,999	2,471	9,980
	8,306,064	33,182,726	11,275,654	45,542,367

(i) Capital guarantee deposit

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

(ii) Reserve deposits

Under NBC Prakas No.B7-012-140 dated 13 September 2012, banks are required to maintain certain cash reserves with the NBC in the form of compulsory deposits, computed at 8% and 12.5% of deposits from customers in KHR and in foreign currencies, respectively.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

as at 31 December 2012 and for the year then ended

11. BALANCES WITH THE NATIONAL BANK OF CAMBODIA (continued)

(ii) Reserve deposits (continued)

Annual interest rates of balances with the NBC are summarised as follows:

	2012	2011
Capital guarantee deposit - US\$	0.18% - 0.20%	0.1% - 0.11%
Reserve deposit -US\$	0.10% - 0.14%	0.13%
Reserve deposit -KHR	Nil	Nil
Current accounts	Nil	Nil
Settlement accounts	Nil	Nil

12. BALANCES WITH OTHER BANKS

	31 December 2012		31 December 2011	
	US\$	KHR'000 equivalent (Note 2.1)	US\$	KHR'000 equivalent (Note 2.1)
Local banks				
<i>Current accounts</i>				
Canadia Bank Plc - US\$	561,215	2,242,053	536,705	2,167,751
Acleda Bank - US\$	481,918	1,925,262	465,300	1,879,347
Acleda Bank (KCM) - US\$	290,795	1,161,726	-	-
Deutsche Bank - US\$	240,135	959,339	-	-
Cambodian Public Bank Limited - US\$	160,883	642,728	183,376	740,656
Bank for Investment and Development of Cambodia - US\$	153,166	611,898	395,966	1,599,307
Acleda Bank - KHR	10,544	42,123	14,577	58,877
Acleda Bank (Bavet) - US\$	1,000	3,995	1,000	4,039
SHB Plc. Phnom Penh Branch- US\$	100	400	-	-
<i>Term deposits</i>				
Bank for Investment and Development of Cambodia- US\$	-	-	6,000,000	24,234,000
Overseas banks				
<i>Current accounts</i>				
Wells Fargo Bank - US\$	385,763	1,541,123	335,370	1,354,559
Sacombank Vietnam- US\$	112,809	450,672	-	-
Sacombank Vietnam- EUR	98,583	393,839	11,455	46,267
Sacombank Vietnam- JPY	12,869	51,412	14,432	58,290
Sacombank Vietnam- AUD	6,234	24,905	-	-
Sacombank Vietnam- SGD	447	1,786	453	1,830
Sacombank Vietnam- VND	157	627	12	48
Sacombank Vietnam- GBP	93	372	94	380
<i>Term deposit</i>				
Sacombank Lao Branch - US\$	4,000,000	15,980,000	-	-
	6,516,711	26,034,260	7,958,740	32,145,351

Annual interest rates of balances with other banks are summarised as follows:

	2012	2011
Annual interest rates	2.10% - 3.60%	2.75% - 3.25%

NOTES TO THE FINANCIAL STATEMENTS (Continued)

as at 31 December 2012 and for the year then ended

13. AVAILABLE-FOR-SALE INVESTMENTS

	31 December 2012		31 December 2011	
	US\$	KHR'000 equivalent (Note 2.1)	US\$	KHR'000 equivalent (Note 2.1)
Investment in shares(i)	25,000	99,875	-	-
Investment in bonds (ii)	3,042,885	12,156,326	-	-
	3,067,885	12,256,201	-	-

(i) This represents the Bank's investment in Credit Bureau Holding Cambodia Ltd. with 1% direct ownership.

(ii) These are international bonds issued by Vietnam Joint Stock Commercial Bank for Industry and Trade which have a term of five years. Interest is payable every six-month at the annual interest rate of 8.00%.

14. LOANS AND ADVANCES TO CUSTOMERS

	31 December 2012		31 December 2011	
	US\$	KHR'000 equivalent (Note 2.1)	US\$	KHR'000 equivalent (Note 2.1)
Term loans	51,409,231	205,379,878	59,890,119	241,896,191
Overdraft	11,482,230	45,871,509	-	-
Credit card facilities	41,454	165,608	121,310	489,971
Total loans - gross	62,932,915	251,416,995	60,011,429	242,386,162
Allowance for losses on loans and advances				
Specific provision	(395,528)	(1,580,134)	(284,076)	(1,147,383)
General provision	(613,920)	(2,452,610)	(589,681)	(2,381,722)
	(1,009,448)	(4,032,744)	(873,757)	(3,529,105)
Loans and advances to customers - net	61,923,467	247,384,251	59,137,672	238,857,057

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

	2012		2011	
	US\$	KHR'000 equivalent (Note 2.1)	US\$	KHR'000 equivalent (Note 2.1)
Opening balance	873,757	3,529,105	690,929	2,800,335
Provision charged during the year	135,691	542,086	182,828	738,442
Foreign exchange differences	-	(38,447)	-	(9,672)
Closing balance	1,009,448	4,032,744	873,757	3,529,105

NOTES TO THE FINANCIAL STATEMENTS (Continued)

as at 31 December 2012 and for the year then ended

14. LOANS AND ADVANCES TO CUSTOMERS (continued)

Further analyses of loans and advances are as follows:

(a) The loan portfolio is graded as follows:

	31 December 2012		31 December 2011	
	US\$	KHR'000 equivalent (Note 2.1)	US\$	KHR'000 equivalent (Note 2.1)
Standard loans				
Secured	58,821,996	234,993,874	59,443,276	240,091,392
Unsecured	2,570,000	10,267,150	-	-
	61,391,996	245,261,024	59,443,276	240,091,392
Allowance for losses on loans and advances				
Specific provision	-	-	-	-
General provision	(613,920)	(2,452,610)	(589,681)	(2,381,722)
	60,778,076	242,808,414	58,853,595	237,709,670
Standard loans - net				
Special mention loans				
Secured	867,177	3,464,372	-	-
Unsecured	-	-	-	-
	867,177	3,464,372	-	-
Allowance for losses on loans and advances				
Specific provision	(26,015)	(103,931)	-	-
General provision	-	-	-	-
	841,162	3,360,441	-	-
Special mention loans - net				
Sub-standard loans				
Secured	74,523	297,719	-	-
Unsecured	-	-	-	-
	74,523	297,719	-	-
Allowance for losses on loans and advances				
Specific provision	(14,905)	(59,544)	-	-
General provision	-	-	-	-
	59,618	238,175	-	-
Sub-standard loans - net				

NOTES TO THE FINANCIAL STATEMENTS (Continued)

as at 31 December 2012 and for the year then ended

14. LOANS AND ADVANCES TO CUSTOMERS (continued)

(a) The loan portfolio is graded as follows (continued) :

	31 December 2012		31 December 2011	
	US\$	KHR'000 equivalent (Note 2.1)	US\$	KHR'000 equivalent (Note 2.1)
Doubtful loans				
Secured	489,222	1,954,442	568,153	2,294,770
Unsecured	-	-	-	-
	489,222	1,954,442	568,153	2,294,770
Allowance for losses on loans and advances				
Specific provision	(244,611)	(977,221)	(284,076)	(1,147,383)
General provision	-	-	-	-
	244,611	977,221	284,077	1,147,387
Doubtful loan - net				
Loss loans				
Secured	109,997	439,438	-	-
Unsecured	-	-	-	-
	109,997	439,438	-	-
Allowance for losses on loans and advances				
Specific provision	(109,997)	(439,438)	-	-
General provision	-	-	-	-
	-	-	-	-
Loss loan - net				
Total loan - net	61,923,467	247,384,251	59,137,672	238,857,057

(b) For an analysis of loans and advances by maturity, refer to Note 27 on Financial Risk Management.

(c) For an analysis of loans and advances by currency, refer to Note 27 on Financial Risk Management.

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

	31 December 2012		31 December 2011	
	US\$	KHR'000 equivalent (Note 2.1)	US\$	KHR'000 equivalent (Note 2.1)
Commercial loans	46,749,665	186,764,912	45,191,440	182,528,224
Consumer loans	16,183,250	64,652,083	14,819,989	59,857,938
Total loans - gross	62,932,915	251,416,995	60,011,429	242,386,162

NOTES TO THE FINANCIAL STATEMENTS (Continued)

as at 31 December 2012 and for the year then ended

14. LOANS AND ADVANCES TO CUSTOMERS (continued)

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

	31 December 2012		31 December 2011	
	US\$	KHR'000 equivalent (Note 2.1)	US\$	KHR'000 equivalent (Note 2.1)
Wholesale and retail Services	19,851,152	79,305,352	23,607,584	95,351,032
Real estate	9,704,914	38,771,131	4,833,181	19,521,218
Import	9,207,978	36,785,872	7,420,146	29,969,970
Textile industry	6,214,673	24,827,619	7,746,945	31,289,911
Export	743,731	2,971,205	746,663	3,015,772
Consumer items	109,997	439,438	119,998	484,672
Others	1,311,419	5,239,119	869,339	3,511,260
	15,789,051	63,077,259	14,667,573	59,242,327
Total loans - gross	62,932,915	251,416,995	60,011,429	242,386,162
Allowance for losses on loans and advances				
Specific provision	(395,528)	(1,580,134)	(284,076)	(1,147,383)
General provision	(613,920)	(2,452,610)	(589,681)	(2,381,722)
	61,923,467	247,384,251	59,137,672	238,857,057

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

	31 December 2012		31 December 2011	
	US\$	KHR'000 equivalent (Note 2.1)	US\$	KHR'000 equivalent (Note 2.1)
Residence status				
Residents	62,932,915	251,416,995	60,011,429	242,386,162
Non-residents	-	-	-	-
	62,932,915	251,416,995	60,011,429	242,386,162
Relationship				
Non-related parties	62,932,915	251,416,995	51,917,829	209,696,112
Related parties	-	-	8,093,600	32,690,050
	62,932,915	251,416,995	60,011,429	242,386,162
Exposure				
Non-large	45,207,315	180,603,223	37,669,597	152,147,503
Large	17,725,600	70,813,772	22,341,832	90,238,659
	62,932,915	251,416,995	60,011,429	242,386,162

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

	2012	2011
Short-term loans	5.5% - 19.2%	6.3% - 19.2%
Long-term loans	4.5% - 16.8%	3.0% - 16.8%

NOTES TO THE FINANCIAL STATEMENTS (Continued)

as at 31 December 2012 and for the year then ended

15. PROPERTY AND EQUIPMENT

	Leasehold building US\$	Computer equipment US\$	Furniture and equipment US\$	Motor vehicles US\$	Total US\$
Cost					
As at 1 January 2012	119,452	688,068	225,567	118,088	1,151,175
Additions	261,982	27,964	81,656	256,660	628,262
Disposal	(19,407)	-	-	(8,203)	(27,610)
As at 31 December 2012	362,027	716,032	307,223	366,545	1,751,827
Less: Accumulated depreciation					
As at 1 January 2012	(8,307)	(334,545)	(11,820)	(46,420)	(401,092)
Depreciation charged for the year	(22,812)	(149,787)	(39,656)	(49,300)	(261,555)
Disposal	2,200	-	-	8,203	10,403
As at 31 December 2012	(28,919)	(484,332)	(51,476)	(87,517)	(652,244)
Net book value					
As at 1 January 2012	111,145	353,523	213,747	71,668	750,083
As at 31 December 2012	333,108	231,700	255,747	279,028	1,099,583
KHR'000 equivalent (Note 2.1)					
As at 1 January 2012	448,915	1,427,879	863,324	289,467	3,029,585
As at 31 December 2012	1,330,766	925,642	1,021,709	1,114,717	4,392,834

NOTES TO THE FINANCIAL STATEMENTS (Continued)

as at 31 December 2012 and for the year then ended

16. SOFTWARE LICENSE

	US\$
Cost	
As at 1 January 2012	302,078
Additions	59,434
Disposal	-
As at 31 December 2012	361,512
Less: Accumulated amortisation	
As at 1 January 2012	(146,983)
Amortisation charged during the year	(64,796)
As at 31 December 2012	(211,779)
Net book value	
As at 1 January 2012	155,095
As at 31 December 2012	149,733
KHR'000 equivalent (Note 2.1)	
As at 1 January 2012	626,429
As at 31 December 2012	598,183

17. OTHER ASSETS

	31 December 2012		31 December 2011	
	US\$	KHR'000 equivalent (Note 2.1)	US\$	KHR'000 equivalent (Note 2.1)
Interest receivable	1,245,238	4,974,726	882,433	3,564,147
Office and house rental deposit	204,650	817,577	156,544	632,281
Advance for road construction (*)	145,000	579,275	-	-
Advance for Heng Ly Branch opening ceremony	95,816	382,784	-	-
Prepaid express and remittance	90,122	360,037	138,406	559,022
Advance for T24 and IBM system maintenance	86,651	346,171	-	-
Prepaid insurance	26,076	104,174	-	-
Other receivables	79,321	316,888	95,997	387,732
	1,972,874	7,881,632	1,273,380	5,143,182
Allowance for interest receivable	(99,073)	(395,797)	(39,664)	(160,203)
	1,873,801	7,485,835	1,233,716	4,982,979

(*) Represents advance to sponsor for upgrading the road named Sacombank in Kandal Province, Cambodia.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

as at 31 December 2012 and for the year then ended

17. OTHER ASSETS (continued)

Changes in the allowance for interest receivable are summarised below:

	2012		2011	
	US\$	KHR'000 equivalent (Note 2.1)	US\$	KHR'000 equivalent (Note 2.1)
Opening balance	39,664	160,203	-	-
Increase during the year	148,532	593,385	39,664	160,203
Decrease during the year	(89,123)	(356,046)	-	-
Exchange differences	-	(1,745)	-	-
Closing balance	99,073	395,797	39,664	160,203

18. DEPOSITS FROM OTHER BANKS

	31 December 2012		31 December 2011	
	US\$	KHR'0000 equivalent (Note 2.1)	US\$	KHR'000 equivalent (Note 2.1)
Demand deposits from				
Sacombank Vietnam	4,864,007	19,431,708	662,609	2,676,278
Maruhan Japan Bank	196,591	785,381	1,084	4,378
Canadia Bank	131,870	526,820	100,272	404,999
MB Bank - Phnom Penh Branch	100,100	399,900	-	-
Sacombank - Lao Branch	6,155	24,589	-	-
SHB Plc. Phnom Penh Branch	100	400	-	-
Term deposits from				
Osk Indochina Bank Limited	5,000,000	19,975,000	-	-
Sacombank Vietnam	3,500,000	13,982,500	-	-
Vattanac Bank	3,104,137	12,401,027	3,030,702	12,241,005
Phnom Penh Commercial Bank	2,000,000	7,990,000	2,500,000	10,097,500
Advanced Bank of Asia	1,017,792	4,066,079	11,000,000	44,429,000
MB Bank - Phnom Penh Branch	1,000,000	3,995,000	3,000,000	12,117,000
Acleda Bank	1,000,000	3,995,000	-	-
Maruhan Japan Bank	-	-	5,020,110	20,276,224
Canadia Bank	-	-	5,000,000	20,195,000
Total	21,920,752	87,573,404	30,314,777	122,441,384

The annual interest rates of deposits from other banks are as follows:

	2012	2011
Demand deposits	0% - 0.50%	0%
Term deposits	0.50% - 6.00%	2.50% - 4.25%

NOTES TO THE FINANCIAL STATEMENTS (Continued)

as at 31 December 2012 and for the year then ended

19. DEPOSITS FROM CUSTOMERS

	31 December 2012		31 December 2011	
	US\$	KHR'000 equivalent (Note 2.1)	US\$	KHR'000 equivalent (Note 2.1)
Fixed deposits	13,626,028	54,435,982	5,441,487	21,978,166
Savings deposits	6,977,175	27,873,814	6,763,076	27,316,064
Current accounts	2,255,885	9,012,261	1,607,582	6,493,024
Margin deposits	229,796	918,035	335,383	1,354,612
Total	23,088,884	92,240,092	14,147,528	57,141,866

The annual interest rates of deposits from customers are as follows:

	2012	2011
Fixed deposits	2.00% - 7.00%	1.50% - 7.70%
Saving deposits	0.50% - 2.00%	0.50%
Current accounts	0.50% - 2.00%	0.50%
Margin deposits	0.50%	0.50%

20. OTHER LIABILITIES

	31 December 2012		31 December 2011	
	US\$	KHR'000 equivalent (Note 2.1)	US\$	KHR'000 equivalent (Note 2.1)
Interest payable	301,091	1,202,859	137,929	557,095
Withholding taxes payable	15,578	62,234	87,061	351,639
Other payables	76,820	306,896	252,458	1,019,678
Total	393,489	1,571,989	477,448	1,928,412

21. DEFERRED INCOME TAX ASSETS(LIABILITIES)

	Balance sheet		Credit(charge) to the income statement	
	31 December 2012	31 December 2011	For the year ended 31 December 2012	For the year ended 31 December 2011
Deferred tax asset				
Unrealised exchange loss	19,250	170,935	151,685	17,465
Deferred tax liabilities				
Unrealised exchange gain	(13,845)	(143,714)	(129,869)	(142,634)
Accelerated tax depreciation	(63,803)	(95,921)	(32,118)	(7,347)
	(58,398)	(68,700)		
KHR'000 equivalent (Note 2.1)	(233,300)	(277,479)		
Net deferred income tax expense			(10,302)	(132,516)
KHR'000 equivalent (Note 2.1)			(41,156)	(535,232)

NOTES TO THE FINANCIAL STATEMENTS (Continued)

as at 31 December 2012 and for the year then ended

22. PAID-UP CAPITAL

The paid-up capital was US\$ 38,000,000 or KHR'000 151,810,000 which was fully contributed by Saigon Thuong Tin Joint Stock Commercial Bank in Vietnam (Sacombank).

23. COMMITMENTS AND CONTINGENCIES

	31 December 2012		31 December 2011	
	US\$	KHR'000 equivalent (Note 2.1)	US\$	KHR'000 Equivalent (Note 2.1)
(i) Credit-related commitments				
Undrawn credit facilities	8,323,303	33,251,595	18,807,420	75,963,169
Bank guarantee	220,000	878,900	-	-
Letters of credit	-	-	372,648	1,505,126
	8,543,303	34,130,495	19,180,068	77,468,295
(ii) Lease commitments				
Not later than 1 year	255,144	1,019,300	132,000	533,148
Later than 1 year and not later than 5 years	975,367	3,896,591	636,000	2,568,804
Over 5 years	1,339,230	5,350,224	1,236,000	4,992,204
	2,569,741	10,266,115	2,004,000	8,094,156

24. CASH AND CASH EQUIVALENTS

	31 December 2012		31 December 2011	
	US\$	KHR'000 equivalent (Note 2.1)	US\$	KHR'000 equivalent (Note 2.1)
Cash and gold on hand	4,580,476	18,299,002	6,214,059	25,098,584
Balances with the NBC - current accounts	1,803,561	7,205,227	4,273,183	17,259,387
Balances with other banks -current and deposits (less than 3 months' maturity)	6,516,711	26,034,260	1,958,740	7,911,351
	12,900,748	51,538,489	12,445,982	50,269,322

NOTES TO THE FINANCIAL STATEMENTS (Continued)

as at 31 December 2012 and for the year then ended

25. CASH GENERATED FROM (USED IN) OPERATING ACTIVITIES

	2012		2011	
	US\$	KHR'000 equivalent (Note 2.1)	US\$	KHR'000 equivalent (Note 2.1)
Cash flows from operating activities				
Profit before income tax	1,507,674	6,023,157	3,108,440	12,554,989
<i>Adjustments for:</i>				
Allowance for bad and doubtful debts (Note 14)	135,691	542,086	182,828	738,442
Allowance for interest receivable (Note 17)	59,409	237,341	39,664	160,203
Depreciation (Note 15)	261,555	1,044,912	179,269	724,067
Amortisation (Note 16)	64,796	258,859	60,415	244,016
Loss on asset disposal (Note 7)	17,206	68,738	-	-
Accrued interest receivable	(362,805)	(1,449,406)	(229,182)	(925,666)
Accrued interest payable	163,163	651,836	101,216	408,811
Income tax paid (Note 9)	(381,500)	(1,524,091)	(316,524)	(1,278,440)
Operating profit before changes in working capital	1,465,189	5,853,432	3,126,126	12,626,422
<i>Decrease (increase) in operating assets:</i>				
Reserve requirements with the NBC	499,968	1,997,372	(4)	(16)
Balances with other banks	6,000,000	23,970,000	1,000,000	4,039,000
Available-for-sale investments	(2,983,296)	(11,918,268)	-	-
Loans and advances to customers	(2,921,486)	(11,671,337)	9,081,470	36,680,057
Other assets	(336,689)	(1,345,073)	(165,365)	(667,909)
<i>Increase (decrease) in operating liabilities:</i>				
Deposits from other banks	(8,394,025)	(33,534,130)	(25,769,378)	(104,082,518)
Deposits from customers	8,941,356	35,720,717	4,456,628	18,000,320
Other liabilities	(247,121)	(987,248)	268,903	1,086,099
Net cash from(used in) operating activities	2,023,896	8,085,465	(8,001,620)	(32,318,545)

NOTES TO THE FINANCIAL STATEMENTS (Continued)

as at 31 December 2012 and for the year then ended

26. RELATED PARTY BALANCES AND TRANSACTIONS

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

	2012		2011	
	US\$	KHR'000 equivalent (Note 2.1)	US\$	KHR'000 equivalent (Note 2.1)
Income				
Interest income	226,942	906,633	348,798	1,408,796
Expense				
Interest expense	11,194	44,722	2,720	10,988

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

	2012		2011	
	US\$	KHR'000 equivalent (Note 2.1)	US\$	KHR'000 equivalent (Note 2.1)
Due from				
Ultimate parent bank	4,231,192	16,903,612	26,447	106,819
Fellow subsidiaries and others (loans and advances)	-	-	8,093,600	32,690,050
	4,231,192	16,903,612	8,120,047	32,796,869
Due to				
Ultimate parent bank	8,370,162	33,438,797	662,609	2,676,278
Fellow subsidiaries	-	-	531,939	2,148,502
	8,370,162	33,438,797	1,194,548	4,824,780

(c) Key management personnel compensation

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

	2012		2011	
	US\$	KHR'000 equivalent (Note 2.1)	US\$	KHR'000 equivalent (Note 2.1)
Salaries and other short-term benefits (key management)	357,537	1,428,358	276,097	1,115,156

NOTES TO THE FINANCIAL STATEMENTS (Continued)

as at 31 December 2012 and for the year then ended

27. FINANCIAL RISK MANAGEMENT

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

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

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

The Bank holds the following financial assets and liabilities:

	31 December 2012		31 December 2011	
	US\$	KHR'000 equivalent (Note 2.1)	US\$	KHR'000 equivalent (Note 2.1)
Financial assets				
Cash on hand	2,407,811	9,619,205	3,235,021	13,066,250
Gold	2,172,665	8,679,797	2,979,038	12,032,334
Balances with the NBC	8,306,064	33,182,726	11,275,654	45,542,367
Balances with other banks	6,516,711	26,034,260	7,958,740	32,145,351
Available-for-sale investments	3,067,885	12,256,201	-	-
Loans and advances to customers	61,923,467	247,384,251	59,137,672	238,857,057
Other financial assets	1,471,680	5,879,362	1,043,984	4,216,651
Total financial assets	85,866,283	343,035,802	85,630,109	345,860,010
Financial liabilities				
Deposits from other banks	21,920,752	87,573,404	30,314,777	122,441,384
Deposits from customers	23,088,884	92,240,092	14,147,528	57,141,866
Other financial liabilities	377,383	1,507,645	390,609	1,577,670
Total financial liabilities	45,387,019	181,321,141	44,852,914	181,160,920
Net financial assets	40,479,264	161,714,661	40,777,195	164,699,090

NOTES TO THE FINANCIAL STATEMENTS (Continued)

as at 31 December 2012 and for the year then ended

27. FINANCIAL RISK MANAGEMENT (continued)

27.1 Credit risk

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

(a) Credit risk measurement

The Bank assesses the probability of default of individual counterparties manually. Credit Risk Department is responsible for determining the risk rating policies.

(b) Risk limit control and mitigation policies

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

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

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

- ▶ Mortgages over residential properties (land, building and other properties);
- ▶ Charges over business assets such as land and buildings;
- ▶ Customers fixed deposit placed with the Bank
- ▶ Cash in the form of margin deposits; and
- ▶ Debenture over fixed and floating assets of borrowers.

(c) Impairment and provisioning policies

The Bank is required to follow the mandatory credit classification and provisioning in accordance with the relevant Prakas, as disclosed in Note 2.4.3.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

as at 31 December 2012 and for the year then ended

27. FINANCIAL RISK MANAGEMENT (continued)

27.1 Credit risk (continued)

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

	31 December 2012		31 December 2011	
	US\$	KHR'000 Equivalent (Note 2.1)	US\$	KHR'000 equivalent (Note 2.1)
Balances with other banks	6,516,711	26,034,260	7,958,740	32,145,351
Available-for-sale investments	3,067,885	12,256,201	-	-
Loans and advances to customers-net	61,923,467	247,384,251	59,137,672	238,857,057
Other financial assets	1,471,680	5,879,362	1,043,984	4,216,651
Total assets	72,979,743	291,554,074	68,140,396	275,219,059

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

(e) Concentration of risk of financial assets with credit risk exposure

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

as at 31 December 2012 and for the year then ended

27. FINANCIAL RISK MANAGEMENT (continued)

27.1 Credit risk (continued)

(e) Concentration of risk of financial assets with credit risk exposure (continued)

The Bank monitors concentration of credit risk of counterparty by industry. An analysis of concentrations of the Bank's credit risk as at the balance sheet date is shown below:

	31 December 2012				
	Balances with other banks US\$	Loans and advances to customers US\$	Available-for-sale investments US\$	Others US\$	Total US\$
Financial intermediaries	6,516,711	-	3,067,885	1,146,165	10,730,761
Wholesale and retail	-	19,851,152	-	-	19,851,152
Real estate	-	9,207,978	-	204,650	9,412,628
Services	-	9,704,914	-	-	9,704,914
Import	-	6,214,673	-	-	6,214,673
Personal use	-	743,731	-	-	743,731
Textile industries	-	109,997	-	-	109,997
Export	-	1,311,419	-	-	1,311,419
Others	-	15,789,051	-	120,865	15,909,916
	6,516,711	62,932,915	3,067,885	1,471,680	73,989,191
Less allowance for losses on loans and advances to customers	-	(1,009,448)	-	-	(1,009,448)
	6,516,711	61,923,467	3,067,885	1,471,680	72,979,743
KHR'000 equivalent (Note 2.1)	26,034,260	247,384,251	12,256,201	5,879,362	291,554,074

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

as at 31 December 2012 and for the year then ended

27. FINANCIAL RISK MANAGEMENT (continued)

27.1 Credit risk (continued)

(e) Concentration of risk of financial assets with credit risk exposure (continued):

	31 December 2011				
	Balances with other banks US\$	Loans and advances to customer US\$	Available-for-sale investments US\$	Others US\$	Total US\$
Financial intermediaries	7,958,740	-	-	882,433	8,841,173
Wholesale and retail	-	23,607,584	-	-	23,607,584
Real estate	-	7,420,146	-	156,544	7,576,690
Services	-	4,833,181	-	-	4,833,181
Import	-	7,746,945	-	-	7,746,945
Textile industries	-	746,663	-	-	746,663
Export	-	119,998	-	-	119,998
Personal use	-	869,339	-	-	869,339
Others	-	14,667,573	-	5,007	14,672,580
	7,958,740	60,011,429	-	1,043,984	69,014,153
Less allowance for losses on loans and advances	-	(873,757)	-	-	(873,757)
	7,958,740	59,137,672	-	1,043,984	68,140,396
KHR'000 equivalent (Note 2.1)	32,145,351	238,857,057	-	4,216,651	275,219,059

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

as at 31 December 2012 and for the year then ended

27. FINANCIAL RISK MANAGEMENT (continued)

27.1 Credit risk (continued)

(f) Loans and advances

	31 December 2012		31 December 2011	
	US\$	KHR'000 equivalent (Note 2.1)	US\$	KHR'000 equivalent (Note 2.1)
Loans and advances neither past due nor impaired (i)	61,116,555	244,160,637	58,683,702	237,023,473
Loans and advances past due but not impaired (ii)	1,142,618	4,564,759	759,574	3,067,919
Loans and advances individually impaired (iii)	673,742	2,691,599	568,153	2,294,770
Total loans and advances, gross	62,932,915	251,416,995	60,011,429	242,386,162
Less:				
General provision	(613,920)	(2,452,610)	(589,681)	(2,381,722)
Specific provision	(395,528)	(1,580,134)	(284,076)	(1,147,383)
Total loans and advances	61,923,467	247,384,251	59,137,672	238,857,057

(i) Loans and advances neither past due nor impaired

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

(ii) Loans and advances past due but not impaired

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

	31 December 2012		31 December 2011	
	US\$	KHR'000 equivalent (Note 2.1)	US\$	KHR'000 equivalent (Note 2.1)
Past due up to 30 days	275,441	1,100,387	759,574	3,067,919
Past due 30 - 60 days	867,177	3,464,372	-	-
Past due 60 - 90 days	-	-	-	-
1,142,618	4,564,759	759,574	3,067,919	

(iii) Loans and advances individually impaired

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

as at 31 December 2012 and for the year then ended

27. FINANCIAL RISK MANAGEMENT (continued)

27.1 Credit risk (continued)

(f) Loans and advances (continued)

	31 December 2012		31 December 2011	
	US\$	KHR'000 equivalent (Note 2.1)	US\$	KHR'000 equivalent (Note 2.1)
Not past due	-	-	-	-
Past due up to 90 days	-	-	-	-
Past due 90 - 180 days	74,523	297,719	-	-
Past due 180 - 360 days	489,222	1,954,442	568,153	2,294,770
Past due more than 360 days	109,997	439,438	-	-
	673,742	2,691,599	568,153	2,294,770

(g) Repossessed collateral

During the year, the Bank did not obtain assets by taking possession of collateral held as security.

27.2 Market risk

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

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

(i) Foreign exchange risk

The Bank operates in the Kingdom of Cambodia and transacts in many currencies, and is exposed to various currency risks, primarily with respect to KHR, USD, EUR, etc.

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

The Bank has set limits on positions by currency, based on its internal risk assessment system and the NBC's regulations. Positions are monitored on a daily basis to ensure positions are maintained within the established limits.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

as at 31 December 2012 and for the year then ended

27. FINANCIAL RISK MANAGEMENT (continued)

27.2 Market risk (continued)

(i) Foreign exchange risk (continued)

31 December 2012

	USD US\$	KHR Riel	EUR EUR	Other	Total
Financial assets					
Cash on hand	2,267,787	106,746	28,937	4,341	2,407,811
Gold	-	-	-	2,172,665	2,172,665
Balances with the NBC	8,273,010	33,054	-	-	8,306,064
Balances with other banks	6,387,784	10,544	98,583	19,800	6,516,711
Available-for-sale investments	3,067,885	-	-	-	3,067,885
Loans and advances to customers - net	61,923,467	-	-	-	61,923,467
Other financial assets	1,471,680	-	-	-	1,471,680
Total financial assets	83,391,613	150,344	127,520	2,196,806	85,866,283
Financial liabilities					
Deposits from other banks	21,768,974	-	135,118	16,660	21,920,752
Deposits from customers	20,926,507	29,540	15	2,132,822	23,088,884
Other financial liabilities	352,778	7,820	-	16,785	377,383
Total financial liabilities	43,048,259	37,360	135,133	2,166,267	45,387,019
Net on-balance sheet position	40,343,354	112,984	(7,613)	30,539	40,479,264
KHR'000 equivalent (Note 2.1)	161,171,699	451,371	(30,414)	122,005	161,714,661
Credit commitments	8,543,303	-	-	-	8,543,303
KHR'000 equivalent (Note 2.1)	34,130,495	-	-	-	34,130,495

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

as at 31 December 2012 and for the year then ended

27. FINANCIAL RISK MANAGEMENT (continued)

27.2 Market risk (continued)

(i) Foreign exchange risk (continued)

31 December 2011

	USD US\$	KHR Riel	EUR EUR	Other	Total
Financial assets					
Cash on hand	3,168,053	54,334	840	11,794	3,235,021
Gold	-	-	-	2,979,038	2,979,038
Balances with the NBC	11,256,930	18,724	-	-	11,275,654
Balances with other banks	7,917,717	14,577	11,455	14,991	7,958,740
Loans and advances to customers - net	59,137,672	-	-	-	59,137,672
Other financial assets	1,043,984	-	-	-	1,043,984
Total financial assets	82,524,356	87,635	12,295	3,005,823	85,630,109
Financial liabilities					
Deposits from other banks	30,313,693	-	-	1,084	30,314,777
Deposits from customers	14,128,152	19,082	15	279	14,147,528
Other financial liabilities	390,609	-	-	-	390,609
Total financial liabilities	44,832,454	19,082	15	1,363	44,852,914
Net on-balance sheet position	37,691,902	68,553	12,280	3,004,460	40,777,195
KHR'000 equivalent (Note 2.1)	152,237,591	276,886	49,599	12,135,014	164,699,090
Credit commitments	19,180,068	-	-	-	19,180,068
KHR'000 equivalent (Note 2.1)	77,468,295	-	-	-	77,468,295

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

as at 31 December 2012 and for the year then ended

27. FINANCIAL RISK MANAGEMENT (continued)

27.2 Market risk (continued)

(ii) Interest rate risk

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

Interest rate risk arises from the possibility that changes in interest rates will affect future profitability or the fair values of financial instruments. The Bank is exposed to interest rate risk as a result of mismatches of interest rate re-pricing of assets and liabilities. The Bank manages this risk by matching the re-pricing of assets and liabilities through risk management strategies.

The Bank has no financial assets and liabilities with floating interest rates. Balances with the NBC, balances with other banks and loans and advances earn fixed interest rates for the year of the deposits or loans. Placement and deposits from other credit institutions and deposits from customers have fixed interest rates.

27.3 Liquidity risk

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

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

The table below is an analysis of the assets and liabilities of the Bank by relevant maturity based on the remaining year at the balance sheet date to the contractual or estimated maturity dates.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

as at 31 December 2012 and for the year then ended

27. FINANCIAL RISK MANAGEMENT (continued)

27.3 Liquidity risk (continued)

31 December 2012

Financial assets

	Overdue		Current				Total US\$
	Above 3 months US\$	Up to 3 months US\$	Up to 1 month US\$	From 1 to 3 months US\$	From 3 to 12 months US\$	From 1 to 5 years US\$	
Cash on hand	-	-	2,407,811	-	-	-	2,407,811
Gold	-	-	2,172,665	-	-	-	2,172,665
Balances with the NBC	-	-	1,803,561	-	-	-	8,306,064
Balances with other banks	-	-	4,516,711	2,000,000	-	-	6,516,711
Available-for-sale investments	-	-	3,042,885	-	-	-	3,067,885
Loans and advances	1,145,391	-	3,318,043	6,682,366	24,387,805	13,301,506	61,923,467
Other financial assets	-	-	456,867	-	827,403	45,000	1,471,680
Total financial assets	1,145,391	-	17,718,543	8,682,366	25,215,208	13,346,506	85,866,283
Financial liabilities							
Deposits from other banks	-	-	5,298,823	12,104,137	4,517,792	-	21,920,752
Deposits from customers	-	-	11,978,900	1,891,615	8,897,575	320,794	23,088,884
Other financial liabilities	-	-	62,834	71,412	234,003	9,134	377,383
Total financial liabilities	-	-	17,340,557	14,067,164	13,649,370	329,928	45,387,019
Net liquidity difference	1,145,391	-	377,986	(5,384,798)	11,565,838	13,016,578	40,479,264
KHR'000 equivalent (Note 2.1)	4,575,837	-	1,510,054	(21,512,268)	46,205,523	52,001,229	161,714,661

NOTES TO THE FINANCIAL STATEMENTS (Continued)

as at 31 December 2012 and for the year then ended

27. FINANCIAL RISK MANAGEMENT (continued)

27.3 Liquidity risk (continued)

	Overdue		Current					Total US\$
	Above 3 months US\$	Up to 3 months US\$	Up to 1 month US\$	From 1 to 3 months US\$	From 3 to 12 months US\$	From 1 to 5 years US\$	Over 5 years US\$	
31 December 2011								
Financial assets								
Cash on hand	-	-	3,235,021	-	-	-	-	3,235,021
Gold	-	-	2,979,038	-	-	-	-	2,979,038
Balances with the NBC	-	-	4,273,183	-	-	-	7,002,471	11,275,654
Balances with other banks	-	-	1,958,740	-	6,000,000	-	-	7,958,740
Loans and advances to customers	284,076	-	760,308	14,192,060	20,343,061	8,298,193	15,259,974	59,137,672
Other financial assets	-	-	1,018,984	-	-	-	25,000	1,043,984
Total financial assets	284,076	-	14,225,274	14,192,060	26,343,061	8,298,193	22,287,445	85,630,109
Financial liabilities								
Deposits from other banks	-	-	3,263,965	8,000,000	19,050,812	-	-	30,314,777
Deposits from customers	-	-	11,450,855	790,782	1,305,747	600,144	-	14,147,528
Other financial liabilities	-	-	62,564	92,005	229,051	6,989	-	390,609
Total financial liabilities	-	-	14,777,384	8,882,787	20,585,610	607,133	-	44,852,914
Net liquidity difference	284,076	-	(552,110)	5,309,273	5,757,451	7,691,060	22,287,445	40,777,195
KHR'000 equivalent (Note 2.1)	1,147,383	-	(2,229,972)	21,444,154	23,254,345	31,064,191	90,018,989	164,699,090

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

as at 31 December 2012 and for the year then ended

27. FINANCIAL RISK MANAGEMENT (continued)

27.4 Fair value of financial assets and liabilities

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

27.5 Capital management

The main regulatory capital requirement of the Bank is for the banking operations to which the Bank's lead regulator, NBC, sets and monitors capital requirements for the banks as a whole.

The Bank's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain further development of the business. The Bank recognised the impact of the level of capital on shareholders' return and the need to maintain a balance between the possible higher return with greater gearing, advantages and security afforded by a sound capital position.

Management believes it has complied with all externally imposed capital requirement throughout the year.

28. SUBSEQUENT EVENTS

At the date of these financial statements, there were no events which occurred subsequent to 31 December 2012 that had significant impact on the financial position of the Bank as at 31 December 2012.

29. EXCHANGE RATES OF US DOLLAR AND APPLICABLE FOREIGN CURRENCIES AGAINST KHMER RIEL AT YEAR END

	31 December 2012 KHR	31 December 2011 KHR
USD	3,995	4,039
VND	0.192	0.192
EUR	5,286	5,231
AUD	4,151	4,098
SGD	3,266	3,108
GBP	6,457	6,225

SUPPLEMENTARY FINANCIAL INFORMATION AND OTHER DISCLOSURES REQUIRED BY THE NATIONAL BANK OF CAMBODIA

as at 31 December 2012 and for the year then ended

STATEMENT BY MANAGEMENT

I, the undersigned, being the Chief Executive Officer of Sacombank (Cambodia) Plc ("the Bank"), do hereby state that in my opinion, the accompanying supplementary financial information consisting of the disclosure requirements set by the relevant Prakas of the National Bank of Cambodia is properly drawn up so as to reflect fairly the required financial information of the Bank as at 31 December 2012 and for the year then ended. Information and data contained herein are the responsibility of the Bank's management.



Mr. Nguyen Nhi Thanh
General Director

Phnom Penh, Kingdom of Cambodia

31 January 2013

SUPPLEMENTARY FINANCIAL INFORMATION AND OTHER DISCLOSURES REQUIRED BY THE NATIONAL BANK OF CAMBODIA (Continued)

as at 31 December 2012 and for the year then ended

LIMITATION

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

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

For the purpose of this supplementary financial information, unless otherwise stated, United States dollar ("US\$") is the reporting currency. The translation of the US\$ amounts into Khmer Riel ("KHR") is included solely to comply with the guidelines issued by the NBC regarding the preparation and presentation of financial statements and have been made using the average exchange rate of KHR 3,995: US\$1 ruling as at 31 December 2012 (31 December 2011: KHR 4,039: US\$1). Such translation should not be construed as a representation that the US\$ amounts have been or could be, converted into KHR at this or any other rate.

SUPPLEMENTARY FINANCIAL INFORMATION AND OTHER DISCLOSURES REQUIRED BY THE NATIONAL BANK OF CAMBODIA (Continued)

as at 31 December 2012 and for the year then ended

NET WORTH

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

The net worth of the Bank is computed as follows:

	31 December 2012		31 December 2011	
	US\$	KHR'000 equivalent	US\$	KHR'000 equivalent
Section A				
Paid-up capital	38,000,000	151,810,000	38,000,000	153,482,000
Retained earnings	2,366,700	9,454,967	799,663	3,229,839
Net profit during the year	1,203,872	4,809,468	2,448,471	9,889,374
Total (A)	41,570,572	166,074,435	41,248,134	166,601,213
Limit check on retained earnings (<i>maximum 20% of Section A</i>)	5.69%	5.69%	1.94%	1.94%
Section B				
Own shares held (at Book Value)	-	-	-	-
Accumulated losses	-	-	-	-
Intangible assets	149,733	598,183	155,095	626,429
Loans to Shareholders, Directors and Related Parties	-	-	8,093,600	32,690,050
Total (B)	149,733	598,183	8,248,695	33,316,479
Total Tier 1 - Core Capital (A - B)	41,420,839	165,476,252	32,999,439	133,284,734
Section C				
1% General provision	613,920	2,452,610	589,681	2,381,722
Section D				
Equity participation in banking or financial institutions	25,000	99,875	-	-
Total Tier 2 - Complimentary Capital (C - D)	588,920	2,352,735	589,681	2,381,722
Limit check on tier 2 capital (<i>maximum of 100% of tier 1 capital</i>)	1.42%	1.42%	1.79%	1.79%
Net worth (A - B + C - D)	42,009,759	167,828,987	33,589,120	135,666,456

SUPPLEMENTARY FINANCIAL INFORMATION AND OTHER DISCLOSURES REQUIRED BY THE NATIONAL BANK OF CAMBODIA (Continued)

as at 31 December 2012 and for the year then ended

LIQUIDITY RATIO

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

The liquidity ratio calculations of the Bank are as follows:

	31 December 2012		31 December 2011	
	US\$	KHR'000 equivalent	US\$	KHR'000 equivalent
NUMERATOR				
Debit items				
Cash and gold	4,580,476	18,299,002	6,214,059	25,098,584
Deposits with the NBC (excluding statutory deposits)	1,803,561	7,205,227	4,273,183	17,259,387
Deposits with banks	6,516,711	26,034,260	7,958,740	32,145,351
Portion of lending to bank and financial Institutions less than one month	-	-	-	-
	12,900,748	51,538,489	18,445,982	74,503,322
Credit items				
Sight accounts with the NBC, banks and financial institutions	-	-	-	-
Borrowings from the NBC and banks less than one month	-	-	-	-
Treasury balance - lender position	12,900,748	51,538,489	18,445,982	74,503,322
Portion of lending less than one month (excluded loans to customers without maturity date - overdraft for instance)	-	-	-	-
Treasury bills less than one month	-	-	-	-
TOTAL NUMERATOR	12,900,748	51,538,489	18,445,982	74,503,322
DENOMINATOR				
Fixed deposits less than one month at 80%	2,012,835	8,041,276	4,195,851	16,947,042
Fixed deposits more than one month at 50%	13,865,956	55,394,494	14,873,742	60,075,044
Saving deposits at 50%	3,488,588	13,936,909	3,381,538	13,658,032
Demand deposits at 60%	4,670,703	18,659,458	1,624,158	6,559,974
TOTAL DENOMINATOR	24,038,082	96,032,137	24,075,289	97,240,092
Liquidity ratio - Numerator/ Denominator	53.67%	53.67%	76.62%	76.62%

SUPPLEMENTARY FINANCIAL INFORMATION AND OTHER DISCLOSURES REQUIRED BY THE NATIONAL BANK OF CAMBODIA (Continued)

as at 31 December 2012 and for the year then ended

SOLVENCY RATIO

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

The solvency ratio calculations of the Bank are as follows:

	Weighting	31 December 2012		31 December 2011	
		US\$	KHR'000 equivalent	US\$	KHR'000 equivalent
Numerator					
Bank's net worth		42,009,759	167,828,987	33,589,120	135,666,456
Denominator					
Total aggregate assets					
Cash, gold and claims on NBC	0%	-	-	-	-
Assets collateralised by deposits	0%	-	-	-	-
Claims on sovereigns rated AAA to AA-	0%	-	-	-	-
Claims on sovereigns rated A+ to A-	20%	-	-	-	-
Claims on banks rated AAA to AA-	20%	-	-	-	-
Claims on sovereigns rated BBB+ to BBB-	50%	-	-	-	-
Claim on banks rated A+ to A-	50%	192,882	770,564	167,685	677,280
Other assets	100%	74,095,684	296,012,258	52,557,641	212,280,312
Off-balance sheet items:					
Full risk	100%	-	-	-	-
Medium risk	50%	-	-	-	-
Moderate risk	20%	44,000	175,780	-	-
Low risk	0%	-	-	-	-
Total risk-weighted assets		74,332,566	296,958,602	52,725,326	212,957,592
Solvency ratio - Numerator/ Denominator		56.52%	56.52%	63.71%	63.71%

SUPPLEMENTARY FINANCIAL INFORMATION AND OTHER DISCLOSURES REQUIRED BY THE NATIONAL BANK OF CAMBODIA (Continued)

as at 31 December 2012 and for the year then ended

LOAN CLASSIFICATION AND ALLOWANCE FOR LOAN LOSSES

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

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

	31 December 2012				31 December 2011			
	Principal loans US\$	Provision %	NBC's Standard US\$	Bank's Provision US\$	Principal Loans US\$	Provision %	NBC's Standard US\$	Bank's Provision US\$
Normal	61,391,996	1%	613,920	613,920	59,443,276	1%	594,433	589,681
Special mention	867,177	3%	26,015	26,015	-	3%	-	-
Substandard	74,523	20%	14,905	14,905	-	20%	-	-
Doubtful	489,222	50%	244,611	244,611	568,153	50%	284,076	284,076
Loss	109,997	100%	109,997	109,997	-	100%	-	-
Total loans, gross	62,932,915		1,009,448	1,009,448	60,011,429		878,509	873,757
General provision	613,920				589,681			
Specific provision	395,528				284,076			
Total loans, net	61,923,467				59,137,672			
KHR'000 equivalent	247,384,251				238,857,057			

SUPPLEMENTARY FINANCIAL INFORMATION AND OTHER DISCLOSURES REQUIRED BY THE NATIONAL BANK OF CAMBODIA (Continued)

as at 31 December 2012 and for the year then ended

NET OPEN POSITION IN FOREIGN CURRENCY

In accordance with NBC Prakas No.B7-07-134 dated 27 August 2007, commercial banks shall at all times maintain their net open position in foreign currencies in either any foreign currency or overall net open position in all foreign currencies, whether long or short, not exceeding 20% of a bank's net worth.

Furthermore, in accordance with the NBC Prakas No.B7-00-50 dated 9 February 2000, the Bank is required to disclose a summary of assets and liabilities as at balance sheet date in their source currency, as follows:

As at 31 December 2012	Assets US\$	Liabilities and capital US\$	Off balance sheet - receivables US\$	Off balance sheet - payables US\$	Net open position (+) long/(-) short US\$	Net open position/net worth %	Limit %	Excess
US\$	85,043,049	(85,043,049)	-	-	-	0%	20%	None
XAU	1,734,357	(1,734,357)	-	-	-	0%	20%	None
XBJ	438,309	(438,309)	-	-	-	0%	20%	None
KHR	150,344	(150,344)	-	-	-	0%	20%	None
EUR	127,520	(127,520)	-	-	-	0%	20%	None
Other currencies	24,141	(24,141)	-	-	-	0%	20%	None
Total	87,517,720	(87,517,720)	-	-	-			
KHR'000 equivalent	349,633,292	(349,633,292)	-	-	-			

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SUPPLEMENTARY FINANCIAL INFORMATION AND OTHER DISCLOSURES REQUIRED BY THE NATIONAL BANK OF CAMBODIA (Continued)

as at 31 December 2012 and for the year then ended

NET OPEN POSITION IN FOREIGN CURRENCY (continued)

As at 31 December 2011	Assets US\$	Liabilities and capital US\$	Off balance sheet - receivables US\$	Off balance sheet - payables US\$	Net open position (+) long/(-) short US\$	Net open position/net worth %	Limit %	Excess
US\$	83,606,666	(83,606,666)	-	-	-	0%	20%	None
XAU	2,412,606	(2,412,606)	-	-	-	0%	20%	None
XBJ	566,431	(566,431)	-	-	-	0%	20%	None
KHR	100,236	(100,236)	-	-	-	0%	20%	None
EUR	12,295	(12,295)	-	-	-	0%	20%	None
Other currencies	26,785	(26,785)	-	-	-	0%	20%	None
Total	86,725,019	(86,725,019)	-	-	-			
KHR'000 equivalent	350,282,352	(350,282,352)	-	-	-			

The Bank did not enter into any hedging transaction for the above balances.

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

(i) **Minimum capital** (NBC Prakas No. B7-08-193 dated 19 September 2008)

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

The paid-up capital of the Bank at the balance sheet date is US\$ 38.00 million (equivalent to approximately KHR 151.810 billion) which meets the current minimum capital requirement.

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

The property and equipment of the Bank at the balance sheet date represent 2.62% of the net worth calculated elsewhere in this report and is within the ceiling limit of 30% of net worth as required by this Prakas.

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

Based on NBC Prakas No. B7-00-39 dated 9 February 2000, the Bank should maintain its net worth equal to at least the minimum capital of KHR150 billion. As the calculated net worth of the Bank is approximately KHR 167.8 billion, the Bank has a surplus of KHR 17.8 billion as at 31 December 2012.

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

As at 31 December 2012, the Bank has no loan to related parties.

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

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

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

As at balance sheet date, the Bank has three large exposures exceeding 10% of its net worth and has no large exposures exceeding the maximum ceiling limit of 20% for individual large exposure.

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

Details of large exposures exceeding 10% of net worth are as follows:

Item	31 December 2012			
	Exposure base US\$	Outstanding balance US\$	Net worth US\$	Exposure ratio %
Item 1	7,355,600	7,355,600	42,009,759	17.51%
Item 2	7,000,000	7,000,000	42,009,759	16.66%
Item 3	4,500,000	3,370,000	42,009,759	10.71%
	18,855,600	17,725,600		

FINANCIAL SOUNDNESS INDICATORS

	31 December 2011		31 December 2012	
	US\$	KHR'000 equivalent	US\$	KHR'000 equivalent
CAPITAL				
1. Equity to total assets				
A. Equity	41,248,134	166,601,213	41,655,161	166,412,368
B. Total assets	86,725,019	350,282,352	87,517,720	349,633,292
	47.56%	47.56%	47.60%	47.60%
2. Capital tier I to total assets				
A. Capital tier 1	32,999,439	133,284,734	41,420,839	165,476,252
B. Total assets	86,725,019	350,282,352	87,517,720	349,633,292
	38.05%	38.05%	47.33%	47.33%
Capital tier I to total assets (A/B)				
3. Capital tier I to risk-weighted assets				
A. Capital tier 1	32,999,439	133,284,734	41,420,839	165,476,252
B. Risk-weighted assets	52,725,326	212,957,592	74,332,566	296,958,602
	62.59%	62.59%	55.72%	55.72%
Capital tier I to risk-weighted assets (A/B)				
4. Capital tier I + tier II to risk-weighted assets				
A. Capital tier 1 + tier 2	33,589,120	135,666,456	42,009,759	167,828,987
B. Risk-weighted assets	52,725,326	212,957,592	74,332,566	296,958,602
	63.71%	63.71%	56.52%	56.52%
Capital tier I + tier II to risk-weighted assets (A/B)				
5. Net worth to total assets				
A. Net worth	33,589,120	135,666,456	42,009,759	167,828,987
B. Total assets	86,725,019	350,282,352	87,517,720	349,633,292
	38.73%	38.73%	48.00%	48.00%
Net worth to total assets (A/B)				

FINANCIAL SOUNDNESS INDICATORS (continued)

	31 December 2012		31 December 2011	
	US\$	KHR'000 equivalent	US\$	KHR'000 equivalent
CAPITAL (continued)				
6. Solvency ratio				
A. Net worth	42,009,759	167,828,987	33,589,120	135,666,456
B. Risk-weighted assets	74,332,566	296,958,602	52,725,326	212,957,592
Solvency ratio (A/B)	56.52%	56.52%	63.71%	63.71%
7. Debt to total assets				
A. Total liabilities	45,862,559	183,220,924	45,476,885	183,681,139
B. Total assets	87,517,720	349,633,292	86,725,019	350,282,352
Debt to total assets (A/B)	52.40%	52.40%	52.44%	52.44%
8. Debt to equity				
A. Total liabilities	45,862,559	183,220,924	45,476,885	183,681,139
B. Equity	41,655,161	166,412,368	41,248,134	166,601,213
Debt to equity (A/B)	110.10%	110.10%	110.25%	110.25%
9. Dividend to net profit				
A. Dividend	-	-	-	-
B. Net profit	1,203,872	4,809,468	2,448,471	9,889,374
Dividend to net profit (A/B)	0.00%	0.00%	0.00%	0.00%

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FINANCIAL SOUNDNESS INDICATORS (continued)

	31 December 2012		31 December 2011	
	US\$	KHR'000 equivalent	US\$	KHR'000 equivalent
ASSET QUALITY				
10. Banking reserves to total loans				
A - Banking reserves	-	-	-	-
B - Total loans (gross)	62,932,915	251,416,995	60,011,429	242,386,162
Banking reserves to total loans (A/B)	0.00%	0.00%	0.06%	0.06%
11. Banking reserves to total assets				
A - Banking reserves	-	-	-	-
B - Total assets	87,517,720	349,633,292	86,725,019	350,282,352
Banking reserves to total assets (A/B)	0.00%	0.00%	0.00%	0.00%
12. Non-performing loans ("NPL") to total loans				
A - NPL	673,742	2,691,599	568,153	2,294,770
B - Total loans (gross)	62,932,915	251,416,995	60,011,429	242,386,162
NPL to total loans (A/B)	1.07%	1.07%	0.95%	0.95%
13. NPL to total assets				
A - NPL	673,742	2,691,599	568,153	2,294,770
B - Total assets	87,517,720	349,633,292	86,725,019	350,282,352
NPL to total assets (A/B)	0.77%	0.77%	0.66%	0.66%
14. Classified assets to total loans				
A - Classified assets	1,540,919	6,155,971	568,153	2,294,770
B - Total loans (gross)	62,932,915	251,416,995	60,011,429	242,386,162
Classified assets to total loan (A/B)	2.45%	2.45%	0.95%	0.95%

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FINANCIAL SOUNDNESS INDICATORS (continued)

	31 December 2012		31 December 2011	
	US\$	KHR'000 equivalent	US\$	KHR'000 equivalent
ASSET QUALITY (continued)				
15. Classified assets to total assets				
A - Classified assets	1,540,919	6,155,971	568,153	2,294,770
B - Total assets	87,517,720	349,633,292	86,725,019	350,282,352
	1.76%	1.76%	0.66%	0.66%
16. Classified assets to equity				
A - Classified assets	1,540,919	6,155,971	568,153	2,294,770
B - Equity	41,655,161	166,412,368	41,248,134	166,601,213
	3.70%	3.70%	1.38%	1.38%
17. Loans to related parties to total loans				
A - Loans to related parties	-	-	8,093,600	32,690,050
B - Total loans (gross)	62,932,915	251,416,995	60,011,429	242,386,162
	0.00%	0.00%	13.49%	13.49%
18. Large exposures to total loans				
A - Large exposures	17,725,600	70,813,772	22,341,832	90,238,659
B - Total loans (gross)	62,932,915	251,416,995	60,011,429	242,386,162
	28.17%	28.17%	37.23%	37.23%

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FINANCIAL SOUNDNESS INDICATORS (continued)

	31 December 2012		31 December 2011	
	US\$	KHR'000 equivalent	US\$	KHR'000 equivalent
ASSET QUALITY (continued)				
19. Loans to related parties to net worth				
A - Loans to related parties	-	-	8,093,600	32,690,050
B - Net worth	42,009,759	167,828,987	33,589,120	135,666,456
	0.00%	0.00%	24.10%	24.10%
Loans to related parties to net worth (A/B)				
20. Large exposures to net worth				
A - Large exposures	17,725,600	70,813,772	22,341,832	90,238,659
B - Net worth	42,009,759	167,828,987	33,589,120	135,666,456
	42.19%	42.19%	66.52%	66.52%
Large exposures to net worth (A/B)				
21. General provision to total loans				
A - General provision	613,920	2,452,610	589,681	2,381,722
B - Total loans (gross)	62,932,915	251,416,995	60,011,429	242,386,162
	0.98%	0.98%	0.98%	0.98%
General provision to total loan (A/B)				
22. Specific provision to total loans				
A - Specific provision	395,528	1,580,134	284,076	1,147,383
B - Total loans (gross)	62,932,915	251,416,995	60,011,429	242,386,162
	0.63%	0.63%	0.47%	0.47%
Specific provision to total loans (A/B)				
23. Specific provision to NPL				
A - Specific provision	395,528	1,580,134	284,076	1,147,383
B - NPL	673,742	2,691,599	568,153	2,294,770
	58.71%	58.71%	50.00%	50.00%
Specific provision to NPL (A/B)				

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FINANCIAL SOUNDNESS INDICATORS (continued)

	31 December 2012		31 December 2011	
	US\$	KHR'000 equivalent	US\$	KHR'000 equivalent
ASSET QUALITY (continued)				
24. All allowances to total assets				
A - Total all allowances	1,009,448	4,032,744	873,757	3,529,105
B - Total assets	87,517,720	349,633,292	86,725,019	350,282,352
	1.15%	1.15%	1.01%	1.01%
25. Loans to deposits				
A - Total loans to non-bank customers (gross)	62,932,915	251,416,995	60,011,429	242,386,162
B - Customer's deposits	23,088,884	92,240,092	14,147,528	57,141,866
	272.57%	272.57%	424.18%	424.18%

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FINANCIAL SOUNDNESS INDICATORS (continued)

	31 December 2012		31 December 2011	
	US\$	KHR'000 equivalent	US\$	KHR'000 equivalent
EARNINGS				
26. Return on assets ("ROA")				
A - Net profit	1,203,872	4,809,468	2,448,471	9,889,374
B - Total assets	87,517,720	349,633,292	86,725,019	350,282,352
	1.38%	1.38%	2.82%	2.82%
27. Return on equity ("ROE")				
A - Net profit	1,203,872	4,809,468	2,448,471	9,889,374
B - Equity	41,655,161	166,412,368	41,248,134	166,601,213
	2.89%	2.89%	5.94%	5.94%
28. Gross yield				
A - Interest income	5,552,438	22,181,990	5,301,728	21,413,679
B - Total assets	87,517,720	349,633,292	86,725,019	350,282,352
	6.34%	6.34%	6.11%	6.11%
29. Net interest margin ("NIM") to total assets				
A - Interest income	5,552,438	22,181,990	5,301,728	21,413,679
B - Interest expense	1,287,282	5,142,692	610,694	2,466,593
C - Total assets	87,517,720	349,633,292	86,725,019	350,282,352
	4.87%	4.87%	5.41%	5.41%
30. Other income to total assets				
A - Other income	743,592	2,970,650	737,385	2,978,298
B - Total assets	87,517,720	349,633,292	86,725,019	350,282,352
	0.85%	0.85%	0.85%	0.85%

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FINANCIAL SOUNDNESS INDICATORS (continued)

	31 December 2012		31 December 2011	
	US\$	KHR'000 equivalent	US\$	KHR'000 equivalent
EARNINGS(continued)				
31. Provision to total assets				
A - Provision	1,009,448	4,032,744	873,757	3,529,105
B - Total assets	87,517,720	349,633,292	86,725,019	350,282,352
Provision to total assets (A/B)	1.15%	1.15%	1.01%	1.01%
32. Overhead ("OHEAD") to total assets				
A - Non-interest expense	3,441,202	13,747,602	2,137,151	8,631,953
B - Total assets	87,517,720	349,633,292	86,725,019	350,282,352
OHEAD to total assets (A/B)	3.93%	3.93%	2.46%	2.46%
33. Net income before tax ("NIBT") to total assets				
A - Net income before tax	1,507,674	6,023,157	3,108,440	12,554,989
B - Total assets	87,517,720	349,633,292	86,725,019	350,282,352
NIBT to total assets (A/B)	1.72%	1.72%	3.58%	3.58%
34. Tax to total assets				
A - Tax (all categories)	485,295	1,938,754	774,082	3,126,517
B - Total assets	87,517,720	349,633,292	86,725,019	350,282,352
Tax to total assets (A/B)	0.55%	0.55%	0.89%	0.89%
35. Interest margin to gross income				
A - Interest income	5,552,438	22,181,990	5,301,728	21,413,679
B - Interest expense	1,287,282	5,142,692	610,694	2,466,593
C - Gross income	6,296,030	25,152,640	6,039,113	24,391,977
Interest margin to gross income [(A-B)/C]	67.74%	67.74%	77.68%	77.68%

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FINANCIAL SOUNDNESS INDICATORS (continued)

	31 December 2012		31 December 2011	
	US\$	KHR'000 equivalent	US\$	KHR'000 equivalent
EARNINGS (continued)				
36. Non-interest income to gross income				
A - Non-interest income	743,592	2,970,650	737,385	2,978,298
B - Gross income	6,296,030	25,152,640	6,039,113	24,391,977
Non-interest income to gross income (A/B)	11.81%	11.81%	12.21%	12.21%
37. Non-interest expense to gross income				
A - Non-interest expense	3,441,202	13,747,602	2,137,151	8,631,953
B - Gross income	6,296,030	25,152,640	6,039,113	24,391,977
Non-interest expense to gross income (A/B)	54.66%	54.66%	35.39%	35.39%
38. Times interest earned				
A - Income before tax	1,507,674	6,023,157	3,108,440	12,554,989
B - Interest expense	(1,287,282)	(5,142,692)	(610,694)	(2,466,593)
Times interest earned [(A+B)/B]	(0.17)	(0.17)	(4.09)	(4.09)

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FINANCIAL SOUNDNESS INDICATORS (continued)

	31 December 2012		31 December 2011	
	US\$	KHR'000 equivalent	US\$	KHR'000 equivalent
LIQUIDITY				
39. Liquid assets to total assets				
A - Liquid assets	12,900,748	51,538,489	18,445,982	74,503,322
B - Total assets	87,517,720	349,633,292	86,725,019	350,282,352
	14.74%	14.74%	21.27%	21.27%
40. Short-term liabilities to total assets				
A - Short-term liabilities	45,474,233	181,669,561	44,801,052	180,951,449
B - Total assets	87,517,720	349,633,292	86,725,019	350,282,352
	51.96%	51.96%	51.66%	51.66%
41. Net liquid assets				
A - Liquid assets	12,900,748	51,538,489	18,445,982	74,503,322
B - Short-term liabilities	45,474,233	181,669,561	44,801,052	180,951,449
C - Total liabilities	45,862,559	183,220,924	45,476,885	183,681,139
	-71.02%	-71.02%	-57.95%	-57.95%
42. Quick ratio				
A - Quick assets	12,900,748	51,538,489	18,445,982	74,503,322
B - Current liabilities	45,474,233	181,669,561	44,801,052	180,951,449
	28.37%	28.37%	41.17%	41.17%
43. Deposits to total loans				
A - Total customers' deposits	23,088,884	92,240,092	14,147,528	57,141,866
B - Total loans to non-bank customers (gross)	62,932,915	251,416,995	60,011,429	242,386,162
	36.69%	36.69%	23.57%	23.57%

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