

ASEAN CATALYST



Annual Report 2015

PG 12

T18 STRATEGY

In line with CIMB Group's T18 aspirations with Return on Equity (ROE) > 15%

PG 8

NEW PREMIUM PRODUCTS

Internet Banking and CIMB Preferred Visa Platinum to satisfy the need of loyal customers

PG 10

HIGH FULL-YEAR PROFIT

Exceeding all key targets with Profit before Tax of USD5.6million, a 304% year-on-year growth





Cover Rationale

ASEAN Catalyst embodies the potential of this vibrant region of 650 million people, and our ability to ignite its growth.



“ASEAN is energetic, youthful and inspirational and it is a privileged to serve our home as **trusted and innovative provider of financial solutions.**”



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We are banking
on an **ASEAN of tomorrow**

➤ MALAYSIA

➤ THAILAND

➤ PHILIPPINES

➤ SINGAPORE

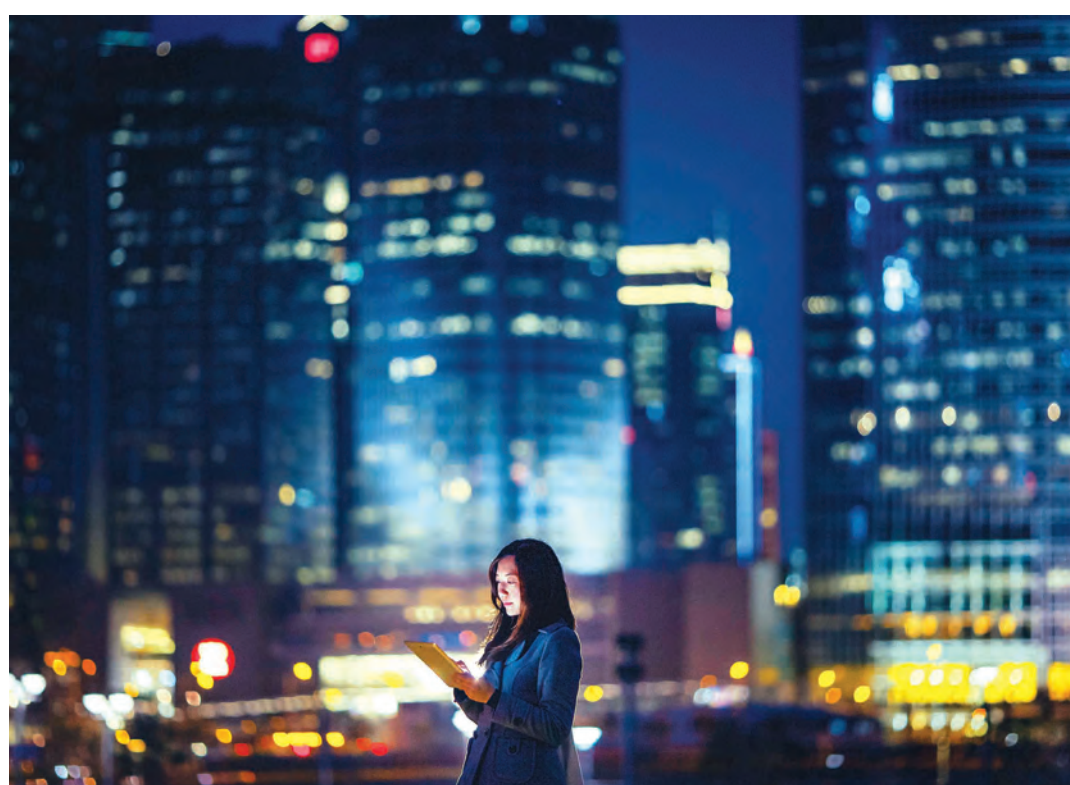
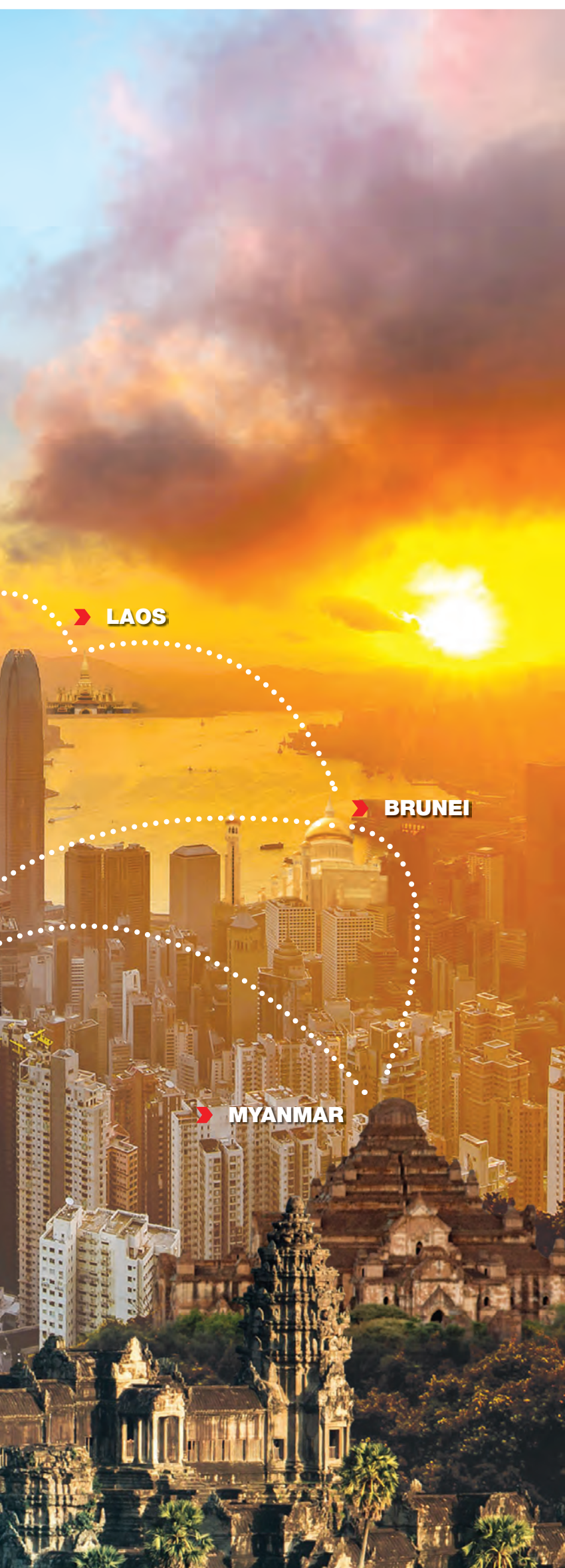
➤ VIETNAM

➤ INDONESIA

➤ CAMBODIA

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CORPORATE PROFILE



ABOUT CIMB BANK PLC

CIMB Bank PLC was established in Cambodia on 19 November 2010 with the opening of a commercial banking branch in the heart of Phnom Penh. Today, the Bank operates 11 branches with 10 cash deposit machines, 11 cheque deposit machines and 27 ATMs across five major cities: Phnom Penh, Siem Reap, Preah Sihanouk, Battambang and Kampong Cham.

We currently serve more than 19,000 corporate and individual customers. In response to a growing demand from our customers across Cambodia, the Bank offers a wide range of banking products and services including retail, commercial and Corporate & Transaction banking. In 2015, we launched new exciting products such as Internet Banking and CIMB Preferred Visa Platinum. These high-tech and premium products contributed to customers' satisfaction that allows us building our growth momentum by capitalizing on our talents and expertise, while leveraging on CIMB Group's regional platforms and resources.

As of December 2015, the Bank employed over 240 highly trained employees with diverse experience and expertise in the banking and financial industry, amongst others. As a good corporate citizen, CIMB Bank PLC has contributed to numerous community and educational projects in Cambodia. In 2015, our staff successfully organized "One School. One Library." project, aiming to develop school libraries by donating study materials, books and shelves to disadvantaged and rural communities' schools in Phnom Penh, Kampong Speu, Kandal, Kampong Cham, Siem Reap, Kep, Battambang and Preah Sihanouk province. Over the past years, besides involving in event sponsorship, the Bank also organized regional events, most noticeably the CIMB ASEAN Stock Challenge 2015.

CIMB Bank PLC is committed to building a strong and sustainable financial future for our customers. We have constantly striven, from the very beginning, to create opportunities and value through our innovative products and services. We pride ourselves on being not only a financial service provider, but also a true business partner to assist customers in making the right financial and investment decisions. CIMB Bank PLC is a Cambodian subsidiary of CIMB Group.

ABOUT CIMB GROUP

CIMB Group is a leading ASEAN universal bank and one of the region's foremost corporate advisors. It is also a world leader in Islamic finance.

The Group is headquartered in Kuala Lumpur, Malaysia, and offers consumer banking, commercial banking, investment banking, Islamic banking and asset management products and services. It is the fifth largest banking group by assets in ASEAN and, as at the end of 2015, has over 40,000 staff and approximately 12 million customers.

CIMB Group Holdings Berhad has been listed on the main market of Bursa Malaysia since 1987 with a market capitalisation of RM38.7 billion. Total assets at the end of 2015 were RM461.6 billion, with total shareholders' funds of RM41.1 billion and total Islamic assets of RM70.7 billion.

Major shareholders at the end of 2015 were Khazanah Nasional with 29.71%, Employees Provident Fund (EPF) with 17.36%, Kumpulan Wang Persaraan (KWAP) with 3.69% and Mitsubishi UFJ Financial Group with 4.62%.

COMMITMENT TO SERVICE QUALITY & EXCELLENCE

CIMB Bank is a people-driven business. The role of CIMB Bank PLC is to serve our clients and customers, or to serve people who serve our clients and customers.



Since CIMB Bank PLC’s early days, customers and clients have been core to everything we do. The first of our five values is that we are customer centric. We exist for our clients and customers and sell products and services they understand and value. The second value is high performance. We work hard and strategically for our customers, clients, staff and other stakeholders. Internally, we measure, differentiate and recognise our people according to their individual contributions, while aligning everyone to the performance of the company as a whole. Clients and customers can always rely on our people to strive for excellence in service performance.

In placing the needs of our clients and customers first, we have divided our responses to ensure that we can serve them in the manner to which they are accustomed.

In pursuit of our customer service excellence goals, CIMB Bank is upholding our customer service pledge. We have pledged to provide our customers with positive services. Each and every time, we will:

- Greet you with a **SAMPEAH**
- Serve you with a **SMILE**
- **SERVE** you within five minutes at our branches
- Focus on **SOLUTIONS** or what we can do for customers – not what we can’t.

At CIMB Bank, customers are the focus of everything that we do.

OUR VALUES

CUSTOMER-CENTRIC

We exist to serve our customers and we sell products and services that our customers understand and value.

HIGH PERFORMANCE

We work hard and we work strategically for customers, staff and other stakeholders.

ENABLING PEOPLE

We empower and align our people to innovate and deliver value in their workplace as well as for the community they serve.

STRENGTH IN DIVERSITY

We have respect for different cultures, we value varied perspectives and we recognise diversity as a source of strength.

INTEGRITY

We are honest, respectful and professional in everything we do because integrity is the founding value of CIMB Group.

OVERVIEW

MESSAGE FROM THE CHAIRMAN

MESSAGE FROM THE CHAIRMAN



CIMB Bank PLC has enjoyed another outstanding year in 2015, outperforming the industry and reaching its highest full-year profit since 2010, the year CIMB Bank PLC was established in Cambodia.

The Bank exceeded all key targets and recorded before-tax profit of USD 5.6 million, a 304% year-on-year growth from 2014 to 2015. With this positive and remarkable outcome, the Bank optimistically expects that 2016 is going to be another exciting and memorable year of growth.

Significant development in Cambodia's banking industry coupled with economic stability has enabled CIMB Bank PLC to enjoy constant growth of its business year by year. In 2015, Cambodia kept up its good performance in stabilizing its economic progress with GDP of 6.9%. With this growth and Cambodia's strong partnership within ASEAN, we are now in a strategic position to serve our ever expanding customer base within the region.

CIMB Bank PLC is a regional bank, a Cambodian subsidiary of CIMB Group. Our ambition is to bring the best of ASEAN banking to Cambodia. With the existing 11 branches covering all major cities in Cambodia, the customer base has grown to more than 19,000 from just over 15,000 in 2014. In addition, the Bank offers a wide range of banking products and services which enable our valuable customers to make their business and daily transactions with convenience. In 2015, we launched new up-to-date products such as Internet Banking and CIMB Preferred Visa Platinum. These premium products were launched as part of our commitment to better serve the needs of our loyal customers.

OVERVIEW
MESSAGE FROM THE CHAIRMAN

Building an organization with local talent for a better result and understanding inside the market, CIMB Bank PLC became the first international bank in Cambodia to be headed by a Cambodian Chief Executive Officer, Mr. Bun Yin. Above and beyond, the Bank is committed to promoting and implementing staff engagement initiatives, including training and development as well as sports and recreational activities. Apart from this, as a good corporate citizen, CIMB Bank PLC has contributed to numerous community and educational projects in Cambodia. In 2015, our staff successfully organized the “One School. One Library.” project, aiming to develop school libraries by donating study materials, books and shelves to disadvantaged and rural communities’ schools in the provinces. Over the past year, besides being involved in event sponsorship, the Bank also organized regional events, most noticeably the CIMB ASEAN Stock Challenge 2015.

On behalf of the Board and as Chairman of CIMB Bank PLC, I would like to take this opportunity to express our deepest appreciation to the Royal Government of Cambodia, National Bank of Cambodia, our loyal customers and all other stakeholders for their ongoing support of the Bank throughout the year. On a final note, I would like to thank the Management and staff of CIMB Bank PLC for their efforts in building the business momentum. I am proud to be able to rely on a professional and dedicated team who has continuously and constantly improved the Bank’s products and service quality with a firm determination to improve performance in the years ahead.



Dato' Shaarani Ibrahim
Chairman

PERFORMANCE REVIEW BY THE CHIEF EXECUTIVE OFFICER



We made significant progress in developing our most important resource – our People.

OPERATING ENVIRONMENT IN 2015

Cambodia’s economy continued to show robust growth in 2015 with GDP annual growth rate at 6.9% (7.1% in 2014). This growth was underpinned by several key sectors including the industrial sector growing at 8.7% and the service sector at 9%. The agriculture sector grew by only 1% from the year before, largely due to the drop in global demand for the commodities. However, inflation rate dropped significantly to 1.2% for 2015 compared to almost 4% in 2014.

Economic Indicators	2010	2011	2012	2013	2014	2015
GDP (in USD billion)	11.6	13.0	14.1	15.5	16.7	18.2
Inflation Index	4.0%	5.0%	5.2%	3.0%	3.9%	1.2%
Export (in USD billion)	3.9	5.2	6.0	6.5	8.0	8.5
Import (in USD billion)	5.5	6.7	8.0	9.5	10.1	11.9
FDI (in USD billion)	0.8	0.8	1.4	1.3	1.5	1.8
Banking deposits (in USD billion)	4.3	5.2	6.7	7.6	9.7	11.4
Banking lendings (in USD billion)	3.2	4.2	5.7	7.2	9.2	11.5
Foreign Reserve (in USD billion)	3.3	3.5	3.5	3.6	4.7	5.7

Source: IMF, World Bank, NBC & ADB

OVERVIEW

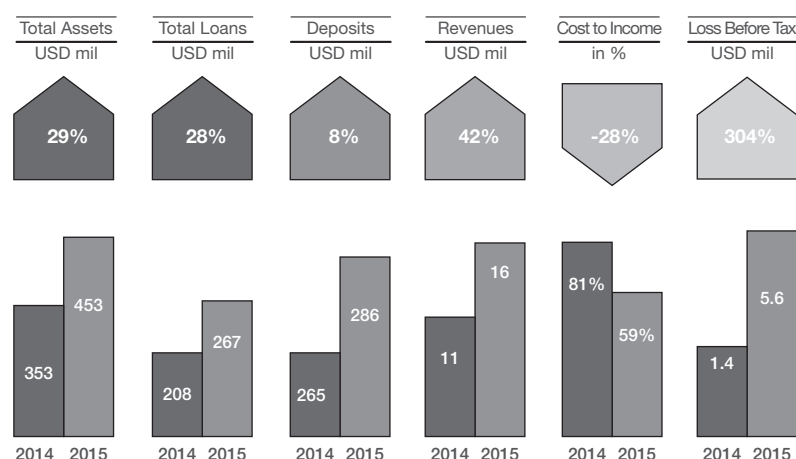
PERFORMANCE REVIEW BY THE
CHIEF EXECUTIVE OFFICER

As of end-2015, there were 48 commercial and specialized banks in the country, compared to 44 the year before. We also saw rapid growth amongst non-banking financial institutions, especially microfinance institutions, which resulted in increased competition in the market. Despite the more challenging and competitive environment, CIMB Bank PLC has been very satisfied with its overall performance for FY2015 where both gross loans and deposits increased year-on-year (y-o-y) by 28% and 8% respectively.

OUR PERFORMANCE IN 2015

CIMB Bank PLC had an excellent 2015 in terms of financial results and business performance. In its fifth year of operating in Cambodia, we recovered all net losses since the Bank's inception on 19 November 2010.

In FY2015, we recorded a remarkable profit growth of 304% y-o-y, which contributed to CIMB Group's operations breaking-even in Cambodia. The outstanding Profit Before Tax (PBT) performance was supported by high operating income growth of 42%, effective cost management and strong asset quality, with non-performing loans of almost zero percent. Our balance sheet expanded substantially, with loans and deposits growing at 28% and 8% y-o-y respectively. The mortgage segment, in particular, did very well and increased its market share with 56% growth y-o-y. We also grew strong retail deposit by 23% y-o-y. Adding to our suite of existing products and services, we officially launched the CIMB Preferred Visa Platinum and Internet Banking for our customers in response to the growing demand in local market and as well as to leverage our regional customer base.



In supporting our business growth, we prioritized employee engagement and implemented staff engagement initiatives, including the CIMB Town Hall, sports and recreation events, CSR projects focusing on education, and employment reward and recognition programs. We introduced new training modules for both hard and soft skillsets in continuing with our mission to build an organization with strong local talent.

OUTLOOK FOR 2016

Cambodia's GDP is forecast to grow at around 7.0% with continued expansion in the service, garment, and light manufacturing sectors. The industrial sector is expected to grow at almost the same rate as in 2015, at 9.5%. The construction sector is expected to ease in 2016, but we believe that domestic demand for real estate will remain resilient.

2016 will be another exciting year for CIMB Bank PLC as it looks towards greater heights after breaking-even in FY2015. We have spent the past five years building a credible track record in Cambodia, and earning the trust of the local community. Going forward, CIMB Group's corporate theme for 2016 is "Recharge", and it is with this mindset that we will approach the following focus areas:

- **Profitability:** We hope to gain more market share by focusing on the strong relationships within our customer base and their business value chains, improving on value added services through our transaction banking arm, and extending the unique value proposition of our ASEAN network to our corporate clients.
- **Products and Services:** We will continue with process and service improvement initiatives to keep pace with ever-increasing customer expectations. At the same time, we will expand our branch network and introduce new products and services to cater for existing and new customers.
- **People:** We will leverage more on CIMB Group support for the transfer of knowledge and expertise, and develop a robust, high performing workforce through coaching, team building, and most importantly, embedding CIMB's organizational culture in #teamCIMB in Cambodia.

We have full confidence in Cambodia's economic growth prospects. We expect to see an average GDP growth of about 7% going forward, in line with rising domestic consumer demand and the expansion of key industry sectors – the export of garments and footwear, light manufacturing, tourism, and construction. We will also continue to leverage on CIMB Group's regional resources and network to bring ASEAN closer to our customers and vice-versa. With strong foundations in place, and the support of CIMB Group, we are optimistic about our future in Cambodia. Our mid-term targets are in line with CIMB Group's T18 aspirations which are illustrated below.

Return on Equity (ROE)

>15%

Cost to Income Ratio (CIR)

>50%

Finally, I would like to express my sincere appreciation to all our loyal customers, our Board of Directors, my fellow Cambodian management team and staff for their support and commitment throughout the year. Last but not least, my gratitude and sincere appreciation to the Royal Government of Cambodia and, in particular, the National Bank of Cambodia for their continuous support and guidance.

Bun Yin
Chief Executive Officer

OVERVIEWMESSAGE FROM THE GROUP
CHIEF EXECUTIVE OFFICER

MESSAGE FROM THE GROUP CHIEF EXECUTIVE OFFICER



CIMB Cambodia's performance in 2015 is a clear indication of CIMB Group's commitment towards the development and growth of ASEAN.

Dear Shareholders:

I am happy to inform you that CIMB Cambodia performed well in 2015, thanks to the country's robust GDP growth of 6.9% (estimated), making it one of the fastest growing economies in ASEAN. Growth was propelled by exports of garments and footwear, while domestic drivers were construction and services – namely tourism, finance and real estate. However, agriculture suffered due to a prolonged period of poor rainfall.

CIMB Cambodia's operating income grew by a stellar 42%, mainly from growth in the Consumer segment, whilst operating expenses were managed well with a 4% increase Year-on-Year (Y-o-Y). This resulted in a marked improvement in Cost-to-Income ratio from 81% to 59%. Enhanced by a near zero non-performing loan ratio of 0.05%, CIMB Cambodia also achieved a fourfold improvement in profit-before tax of USD5.6 million in 2015, which translates into a Return on Equity of 12%.

OVERVIEWMESSAGE FROM THE GROUP
CHIEF EXECUTIVE OFFICER

Throughout 2015, we saw good traction in our Consumer segment, particularly mortgages which grew 56% Y-o-Y. We continued to cater to our customers' needs by introducing new products and services, like the CIMB Preferred Visa Platinum and internet banking. Moving forward, with Cambodia being a key import-export nation, our strategy is to expand the capabilities of our newly established Transaction Banking unit by offering a range of products including trade finance and remittance services, as well as cash management and structured products to cater to the needs of our business customers.

A milestone in 2015 for CIMB Group was the launch of our T18 Strategy. By strengthening our position as an ASEAN-focused universal bank, we recalibrated our businesses and processes Group-wide, as well as within CIMB Cambodia. In 2016, we will continue to build our franchise in Cambodia by strengthening our Consumer Banking business, growing our Transaction Banking customers, investing in local human capital and giving back to the community.

CIMB Cambodia's performance in 2015 is a clear indication of CIMB Group's commitment towards the development and growth of ASEAN. By leveraging the strength of our regional network and capabilities, enhanced Group-wide operating model and our commitment towards inculcating strong teamwork within the Group, CIMB Cambodia is well-equipped to enter 2016 with a clear roadmap to deliver better products and services to our existing and future customers. Over the medium term, the Cambodian economy is expected to expand robustly, aided by structural reforms, a rise in the population's access to education and an increase in government spending. Looking ahead, we expect the Cambodian economy to expand by 7.0% in 2016.

On behalf of CIMB Group, I would like to express my gratitude to the Government of Cambodia, the National Bank of Cambodia, our customers, shareholders, my colleagues in #teamCIMB, and all stakeholders for their continued confidence and support.


Tengku Zafrul Aziz

Group Chief Executive Officer



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➤ INDONESIA

➤ VIETNAM

➤ CAMBODIA

➤ LAOS

➤ BRUNEI

➤ MALAYSIA

➤ SINGAPORE

➤ MYANMAR

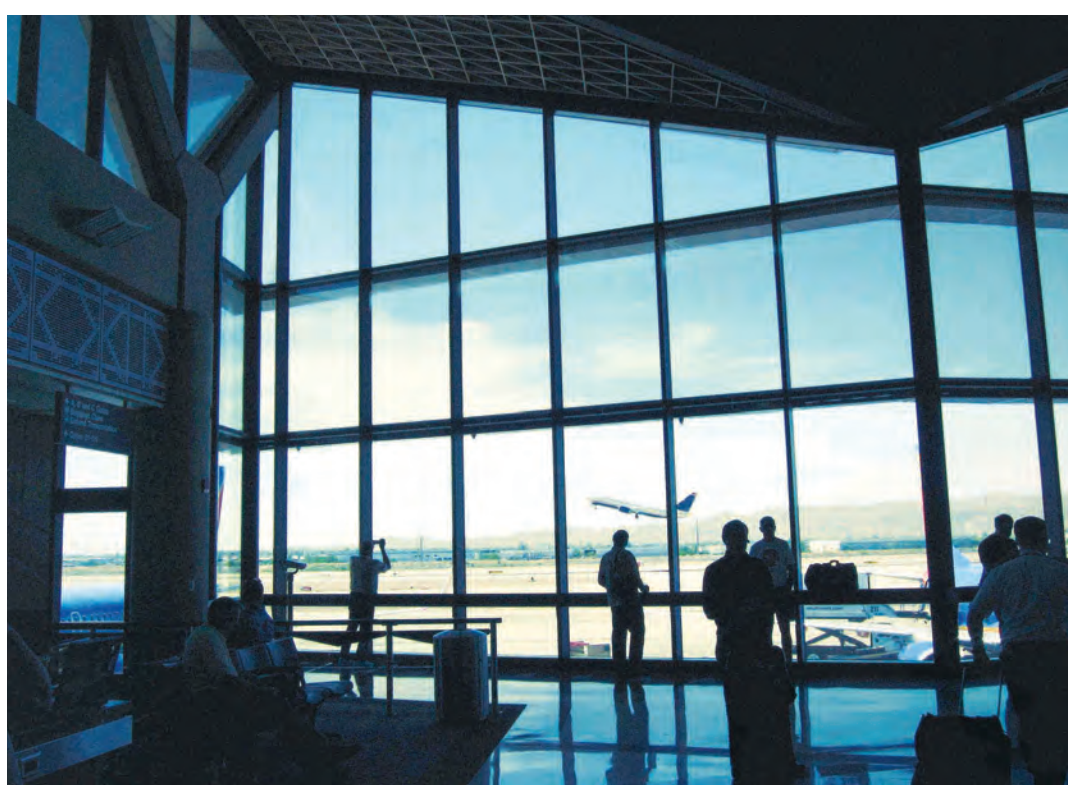
Our lands
cover over
4.5 million km²



➤ THAILAND

➤ PHILIPPINES

Connecting over
650 million people



CORPORATE & TRANSACTION BANKING



CORPORATE & TRANSACTION BANKING

At CIMB Cambodia, preparations are well under way to support the realization of the ASEAN Economic Community. Our priorities have been the enhancement of our cash management capabilities and trade finance services for our corporate clients, empowering them to adapt to new challenges and opportunities presented by regional and global changes.

On cash management services, we are excited to report that our Internet banking platform project went live in the middle of last year. It will make banking even more convenient and offer better controls for our customers. Trade finance and facilitation will also become increasingly important in supporting our clients' efforts to keep up with the growth of the economy as a whole. Growth in consumer goods and services, construction and agriculture have accelerated in the last couple of years and we are pleased to have played a role in all of these industries. Our organization is recalibrating to be more agile and new products are being lined up in response to changes in the demographic and business environments.

We stand ready to optimize the synergy of CIMB Group's position in ASEAN, an emerging economic powerhouse. With a strong presence in and an in-depth knowledge of this region, our mission is to take full advantage of our Group's strengths and make sure that our clients benefit from them.

TREASURY

Treasury of CIMB Bank PLC has been providing cross-border solutions to regional and domestic clients for their trade, investment, and financial management requirements, including foreign exchange transactions with competitive pricing. Our regional platform opened treasury markets for our customers across ASEAN with the presence of CIMB in 9 out of 10 ASEAN countries. Interest rate and derivatives products are another growing sector that the Bank is looking to serve in the Cambodian market.

The day-to-day function of Treasury is working with the business units to explore opportunities to maximize revenue by cross selling Treasury products with other product offerings for corporate, commercial and retail customers.

Under supporting functions, Treasury provides funding for the Bank's balance sheet through a number of creative strategies which is done in conjunction with business units to ensure sufficient and timely funding for daily business continuity. We also sit in the Assets and Liabilities Management Committee to discuss balance sheet exposure, liquidity risk and interest rate pricing, plus determination of key business strategies in such a way to optimize the Bank's assets and liabilities proportions with effectiveness and efficiency. Our Financial Institution function is also appointed to maintain a good relationship and promote inter-bank business collaboration amongst the local and foreign banks operating in Cambodia. This includes facilitating the process of bank counter-party credit risk assessment and proposal of global banking institution limits.

COMMERCIAL BANKING



CIMB Bank PLC's Commercial Banking handles deposits and loans in support of Cambodia's growing number of businesses. Our commercial banking business portfolio is a key component of the Bank's overall business, accounting for 54% of its total loans and 43% of its total deposits.

Commercial Banking, in parallel with the Bank's Retail Financial Services, has a network of 11 branches throughout Cambodia.

OUR PERFORMANCE IN 2015

As of end-2015, Commercial Banking's total loans portfolio stood at USD143.38 million, while deposits were USD123.96 million. We are very pleased that this robust growth was accompanied by strong asset quality with no loan impairments reported since the inception of CIMB Bank PLC.

In its fifth year of operations, Commercial Banking has continued to invest in physical infrastructure and human capital growth to better serve our customers. The Commercial Banking team had 25 members at the end of 2015. All our staff members are Cambodian nationals, reflecting CIMB Group's longstanding principle of developing local talent and leadership in all key markets.

Commercial Banking will continue to develop local talent through the transfer of technical expertise and the highest standards of corporate governance. Leveraging on CIMB Group's diverse workforce, CIMB Bank PLC's workforce has been exposed to various kinds of expertise across the banking and financial landscape. This in turn contributes to the development of our staff's knowledge and skill sets. Our local staff have benefited greatly from the experience and banking knowledge of our colleagues throughout CIMB Group, and we continuously adapt regional best practices to suit the local market and environment.

PLANS FOR 2016

Moving forward, we will build on the strong fundamentals of 2015 with the aim of doubling our profit in 2016. This will be driven primarily by loans and deposits growth, enabled by continued improvements in our banking capabilities, operating systems and processes. We will also further expand our training programs to enhance our human capital – our most important resource. We will introduce new products and improve on existing ones as we find better ways to serve the Cambodian business community.

The outlook for the Cambodian economy in 2016 is positive, and we are confident that our growth will be supported by rising demand for banking products and services. We are also cognizant of the increasing levels of interest amongst domestic and foreign investors, and will leverage CIMB Group's unparalleled ASEAN network to facilitate trade and investment flows, which will benefit the economy and the people of Cambodia.

PRODUCTS IN COMMERCIAL BANKING

1. Term Loan
2. Overdraft
3. Revolving Credit
4. Bank Guarantee
5. Letter of Credit
6. Other Trade Finance Products and Services
7. Current Account
8. Fixed Deposit
9. Foreign Currency Account
10. Escrow Account

RETAIL FINANCIAL SERVICES



2015 was a great year for Retail Financial Services, bringing CIMB Bank PLC to another milestone in conjunction with its 5th year in Cambodia by exceeding all the financial targets, in particular deposit, loans and profitability, while at the same time maintaining zero Non-Performing Loans.

In our efforts toward serving our customers better, we have introduced three main products and services to customers as well as improving our turnaround time. This earned us an improved customer service rating from our Retail customers.

THE 2015 KEY ACHIEVEMENTS

- Deposits increased by 25% from 2014;
- Loans increased by 53% to from 2014;
- Introduced digital and “convenient” banking by offering Internet banking to both individual and non-individual customers;
- Introduced credit card product to fulfill customer needs for a convenient payment method ;



- Introduced the Junior Savers Account and educated parent to save for their children's future;
- Introduced a 24/7 Call Center;
- Enhanced our home loan program, offering competitive interest rates, fee charges with improved turnaround time;
- Through our “i-commit!” theme for the year, our team went the extra mile to provide better customer service; and introduced various programs to enhance our customer service experience.

To further strengthen our frontline staff's knowledge and skills, and to better serve our customers, the Bank rolled out key training programs to different level of staff:

- ‘Customer Service Excellence for all services staff
- Service Leadership’ for all the frontline staff,
- ‘the 7 Habits of Highly Effective People’ for all the line managers
- Effective managers for all managers

OUR PLAN FOR YEAR 2016

We plan to widen our network, bringing the best of products and services closer to our customers. We continuously aim to enhance our products and services with our team of specialised experts and to increase client flow. Our plan includes:

- Expanding branches network
- Extending our Preferred facilities by attaching more Preferred Centres to our various branches to better serve our affluent customers;
- Rolling out more value-added offerings for our affluent customers;
- Rolling out more loan and deposit products;

STRATEGY & FINANCE



Strategy & Finance is responsible for developing and executing accounting policies and procedures to comply with the Cambodian Accounting Standards and guidelines stipulated by the National Bank of Cambodia. It also manages financial performance reporting and analysis for each business unit.

In our financial accounting, we ensure that all bank accounting processes are accurate, transparent and properly maintained. We also ensure constant compliance with all regulatory requirements, reporting to the National Bank of Cambodia as well as providing tax declarations to the General Department of Taxation and ensuring timely and accurate financial statement reporting to management and the Group.

ACHIEVEMENTS IN 2015

In 2015, we have been supporting business for the introducing of Credit Card and Bizlite to the market closing the bank's products & services gaps to the market. We reduced budget overhead costs by 10% through rigorous cost-control efforts, ensuring that bank disbursements to vendors are valid and safeguarded from unauthorized payment.

National Bank of Cambodia, through Circular No B7.014.908 dated 17 December 2014, requested all banks and financial institutions to submit the report by end of 2015 on the Project Plan, Gap Analysis and Impact Assessment on the adoption of CIFRS. In this regard, we engaged with group finance and KPMG Cambodia for the support in term of IFRS expertise to complete our project paper for CIMB Bank PLC's CIFRS conversion. We submitted our project paper to National Bank of Cambodia as required.

As part of capital planning and management, we injected additional regulatory capital of USD 12 million in which USD 5 million is share capital and USD 7 million is subordinated debts to support the growth of our core business.

Medium term business plan T18 and budgeting for 2016 was done early in the fourth quarter, with participation from each key business head, by applying a mixed approach of top-down and bottom-up. Each business unit head presented their business plan together with their performance review to the



Board of Directors during the Annual Management Dialogue (AMD) in mid-November 2015.

In December 2015, we introduced a Fund Transfer Pricing "FTP" mechanism into each business unit performance analysis and the bank's products and services pricing with expertise support from Group Capital Balance Sheet Management "CBSM" and technical support from the IT department.

HIGH LEVEL PLAN FOR 2016

2016: We will continue to review and reassess our resources and processes in order to improve efficiency and productivity by leveraging the strength and expertise of our people.

With the roll-out of a new regulatory liquidity framework "Liquidity Coverage Ratio - LCR" from the National Bank of Cambodia in line with Basel III; we will need to work with Group Capital Balance Sheet Management to revise our FTP framework with the incorporation of the new LCR requirement.

A new performance dashboard will be established in line with our medium-term business strategy 2016-2018 which will be published weekly for management, particularly business unit heads.

CORPORATE RESOURCES

Corporate Resources oversees Human Resources and Administration & Property Management. The key function of Human Resources includes talent acquisition, organizational development and workforce planning, rewards and performance management, learning and development, employer branding and engagement, human resource services and human resource business partner.

Administration and Property Management covers general administrative work, property projects and maintenance, procurement & tenders and security.

CIMB BANK PLC IS A PLACE where Talent grows

The financial services sector is a people-driven service industry, and talented employees bring forth an obvious competitive advantage. CIMB Bank PLC is therefore focused on ensuring a workplace environment where employees are valued, where talent is fostered and where employees can build upon their strengths within a network of experience and an environment of opportunity.

Staff and Management

Throughout the years we have been pleased to note how teamwork in the Bank has led to the team's strength and business success. We continue to encourage the growth of our employees by helping them gain valuable experience and creating new opportunities for them. Employees with significant potential will be considered for the Group's regional leadership programmes.

Working Environment

We promote and instill a culture of learning for each and every employee. Our learning agenda is very extensive to enhance staff knowledge and give them the skills to perform effectively in their current job and to support future career growth. We believe competent employees will lead to more productivity, thereby optimising the bank's performance. Moreover, we engage our employees in a regular town hall to promote a sharing dialogue with senior management. We also leverage our regional leadership and professional learning platforms to network CIMB employees across the regions.



MARKETING & COMMUNICATIONS

The Marketing & Communications Unit plays an important role in driving the Bank's communications agenda to enhance CIMB's profiling and brand consistency in Cambodia. The unit oversees internal communications between the various departments and external communications activities to expand the Bank's reputation and promote its products and services. It defines the Bank's brand positioning and its marketing and communications agenda through an integrated framework comprising various functions covering branding, advertising and marketing, media and public relations, events and sponsorship management and internal communications.

We have consistently positioned CIMB Bank PLC as a financial service provider and business partner that links our clients in Cambodia with their counterparts in ASEAN and beyond. We reinvigorated our 'ASEAN For You' tagline to position CIMB as a leading regional bank. As such, we continued to drive a major positioning agenda around ASEAN, especially through innovative services such as the Regional ATM Link services as well as other regional banking services with Preferred Centres across the region.

Our priorities for 2016 include continuing to enhance our ASEAN positioning and product propositions by leveraging the Group's regional platforms and expertise. We aim to enhance our media relations, update our website for a new attractive look and accessible feel and also have presence in the social media space, as a means to effectively communicate and continuously engage with our clients.



INTERNAL AUDIT

Internal Audit reports directly to the Audit Committee and is independent of the activities and operations of other business and support units. The principal responsibility of Internal Audit is to provide independent appraisals on the adequacy, efficiency and effectiveness of the internal control systems implemented by Management. We evaluate the Bank's control environment, risk-assessment practices, control activities, information sources, communication effectiveness and monitoring practices.

In 2015, with support from Group Internal Audit Division, we completed 18 audit assignments covering all key operations as well as investigations into specific areas. Acknowledging the importance of reinforcing awareness of risk, governance and internal controls, we conducted four training/sharing sessions on branch risk and control awareness, and branch observations, involving 87 employees.



INFORMATION TECHNOLOGY & OPERATIONS



Information & Operations Division (IOD) operates across the Bank, enabling operations and delivering information technology (IT) services. The operating model is in line with Group Information and Operations Division (GIOD). IOD reports to local management of CIMB Bank PLC and has a matrix reporting line to GIOD. IOD provides IT services and back office operations support such as centralised cash management, offsite self-service terminals, inward and outward cheque clearing, remittance, payroll and payment, trade finance and loan documentation and disbursements.

Our main focus in 2015 is to increase internal efficiency to improve customers' banking experiences. In April 2015, we internally built and delivered an Anti-Money Laundering (AML) Watch List web portal. The application enables prompt

access to consolidated watch-list records within a few seconds. The tool significantly improves customer service operations at branches as well as other Strategic Business Units that perform AML compliance checks. IOD Team continued to deliver and enhance 16 other in-house Management Information System projects, which facilitated other Strategic Business Units in performing their data analysis and report submission requirements.

In July 2015, we successfully launched Internet Banking. The platform is open to corporate, commercial, and preferred customers allowing them to transact with the Bank 24/7. The project management was done by Group GT Transformation Office and executed by project teams in both Malaysia and Cambodia.

In order to improve system and service availability, IOD initiated the consolidation and centralisation of all four provincial branches' servers back to a centralised Data Centre. This has improved maintenance and support turn-around times, and has also brought down system recovery time and cost of maintenance. The relocation did not have any impact to user experiences as there were already redundant high-speed data connections between each branch in place.

Our IT Assurance Review Team, an independent review team within the Information & Operations Division focusing on operational risks, completed 15 assignments in 2015. The review exercises were not limited to IOD, but also covered branches' operations with the aim of providing recommended mitigation controls and to ensure continuous improvements as our business grows.

RISK MANAGEMENT

The Bank considers risk management as an important element of the Bank's business and embeds a strong risk culture in day-to-day business operations and decision-making. Understanding the importance of risk management to sustainable growth, the Risk Management team is involved in the early stage of the risk-taking process to provide an independent view and input including new product assessment, strategy setting, credit evaluation, etc.

The Bank, as part of CIMB Group, employs the Enterprise Wide Risk Management (EWRM) framework to manage its risk and opportunities. The EWRM provides the Board and its management with a tool to anticipate and manage both the existing and potential risks, taking into consideration the changing risk profiles as dictated by changes in business strategies, regulatory environment, and functional activities.

The Risk Committee (RC) is a Board-delegated committee and reports to the Board of Directors on all risk-management matters. RC meets every month and administers and supervises the implementation of the Bank's risk-management activities.

Cambodia Credit Committee (CCC) reports to RC on credit-related matters of the Bank. Empowered by the Board to consider and make decisions on credit applications, CCC meets on a weekly basis.

CREDIT RISK

Credit and counterparty risk is defined as the possibility of losses due to an obligor or market counterparty or issuer of securities or other instruments held failing to perform its contractual obligations to the Bank. Credit risk undertaken by the Bank is governed by the Credit Policies Guide (CPG), Credit Procedure Manual (CPM) and the respective Credit Business Rules. The Bank has just recently developed a Credit Risk Policy for Non-Retail Credit which is applied to all non-retail lending activities.

To ensure that all credit applications receive an independent evaluation, all credit approvals require a deciding vote from a Risk-delegated person. With the enhancement of the personnel capability, the Bank also introduced joint delegated authority to individual management staff to approve credit applications under their authority. Credit Management is also established under Risk Management to provide an independent evaluation of credit applications, requiring the committee's approval.



LIQUIDITY RISK

Liquidity risk arises from a bank's inability to efficiently meet its present and future funding needs or regulatory obligations, when they come due. This can adversely affect its daily operations and incur unacceptable losses. The fundamental role of banks — the mature transformation of short-term deposits into long-term loans — leaves banks inherently vulnerable to liquidity risk. Furthermore, banks must at all times operate in compliance with regulatory requirements.

Liquidity risk is primarily monitored and managed on the basis of cash flow projections; that is, by regularly forecasting its respective cash flows arising from the maturity profiles of assets, liabilities, off balance sheet commitments and derivatives over a variety of time horizons under normal business and stress conditions.

Risk Management is responsible for independently monitoring the Bank's liquidity risk profile, and provides monthly reports to the Risk Committee in order for the Bank to manage its liquidity position to meet its daily operating needs and regulatory requirements.

OPERATIONAL RISK

Operational risk encompasses risks of direct or indirect loss resulting from inadequate or failed internal processes, people and systems or from external events.

The Bank's Operational Risk Management strategy is based on a strong risk framework, which provides good overall guiding principles and philosophy

with a good governance structure to inculcate a proactive risk management culture.

Operational Risk Management advises and monitors all departments, ensuring that policies and procedures are observed in all projects and in the Bank's day-to-day operations. The department ensures that the existing regulations and policies are strictly observed.

MARKET RISK

Market risk refers to the risk of losses in the Bank's trading books due to changes in equity prices, interest rates, credit spreads, foreign exchange rates, commodity prices and other indicators whose values are set in a public market.

The Bank's regular activities of loan offerings and deposits with different maturity dates and interest rates inevitably expose the Bank to interest rate risk.

Interest rate risk arises primarily from the different maturity dates and repricing of cash flows. Interest rate risk is currently measured by the interest sensitivity gap (or repricing gap). Risk Management is responsible for the independent review and monitoring of the interest rate risk profile of the Bank based on its interest sensitivity gap report.

LEGAL & COMPLIANCE



The Legal & Compliance Division consists of Legal, Compliance, and Company Secretarial. Legal & Compliance oversees the legal aspects of activities undertaken by the Bank, and is responsible for facilitating, advising, and monitoring the business and support units to ensure they are acting in accordance with laws, regulations and guidelines. In line with good governance, the Compliance Department reports independently to the Board and the annual compliance work plan is also tabled and approved by the Board. The Company Secretarial Department provides support to the Board in carrying out its duties and responsibilities, and also serves in an advisory capacity on governance matters, including laws and regulatory requirements, to all units within the Bank.



In the past year, efforts were made to streamline the governance standards, policies, procedures, compliance and practices across the different units in the Bank.

A number of new pieces of legislations came into effect in 2015 and Legal & Compliance played a major role in ensuring the respective business and support units as well as all employees in the Bank were made aware of and appreciated the obligations and impact of these regulations. Legal & Compliance drove the active participation of taskforces and a project working team in meeting the Bank's responsibilities towards regulations such as the Anti-Money Laundering and Combating Financing of Terrorism (AML/CFT) and the US Foreign Account Tax Compliance Act (FATCA).

At the same time, the Compliance Department worked closely with the IT Department to enhance Management Information System for AML/CFT Alert Monitoring and Customer Risk Profile.

Training is another key focus for the unit. Legal & Compliance conducted a total of 29 training programs on Compliance, 40 on AML/CFT, and several other trainings on the Laws and Regulations of Cambodia and Legal Document Requirement to staff in Phnom Penh and all CIMB provincial branches. We performed 18 onsite compliance reviews and self-testing validations on the business and support units to ensure that their processes and procedures are in compliance with the relevant laws, regulations and guidelines.

GENERAL MANAGER'S OFFICE

The General Manager's Office (GMO) is a new unit recently set up and reporting to the General Manager. Under GMO's umbrella, there are three Support Units: Product Development, Service Quality and Digital Banking. GMO coordinates and oversees internal working flow, system and policy for better operational efficiency and effective implementation of initiatives among departments in the Bank. It is also tasked with strengthening and expanding innovative products and services for customers of CIMB Bank.

PRODUCT DEVELOPMENT

Product development is an integral part of the Bank's business activity. Its purpose is to enable the Bank to remain competitive and to continue to increase market share by introducing innovative products and services that meet our customer's needs and keep CIMB ahead of the market. The Product Development unit is responsible for regular coordination, review and proper maintenance of the products of the Bank.

SERVICE QUALITY

Service Quality is responsible for the review of policy and implementing procedure enhancements to ensure their efficiency. It also ensures that effective

risk controls are in place. The unit supports the Bank's system and process work, ensuring they work efficiently and are compatible with new products. It is also responsible for program initiation for service improvement and competency building for all service staff. In 2015, the unit has improved CIMB Bank service delivery significantly, with major enhancement to the processes and systems of the Bank.

DIGITAL BANKING

Digital Banking is an integral part of the Bank's business activity. We remain competitive and continue to increase market share by introducing digital banking products and services that meet our customer's needs and keep pace with technological advances. This unit oversees Digital Banking Services and manages its service delivery.

Our 2016 plan is to continue to enhance our strong customer service delivery through holistic improvement in operational efficiency and innovation. We aim to develop more innovative products aligned with market needs, enhance the development of our digital banking service and achieve continuous improvement on service quality, in line with our aspiration of going the extra mile to delight our customers.





HIGHLIGHTS & ACHIEVEMENTS 2015

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Enhancing
our collective future



HIGHLIGHTS & ACHIEVEMENTS

EVENT HIGHLIGHTS

CORPORATE EVENT HIGHLIGHTS

Product Launch



JUNIOR SAVERS ACCOUNT OFFICIAL LAUNCH

06-07 JUNE 2015 @ MAJOR CINEPLEX, AEON MALL

CIMB Bank PLC launched Junior Savers Account (JSA) product, participated by invited CIMB customers with fun activities including free flow of foods and drink, contest and children playground.



CIMB PREFERRED VISA PLATINUM OFFICIAL LAUNCH

17 NOVEMBER 2015 @ SOFITEL HOTEL

CIMB Bank PLC launched its new premium products with around 200 existing CIMB Preferred customers, graced by Her Excellency, Deputy Governors of National Bank of Cambodia and Chairman of CIMB Bank PLC.



PHSAR HENGLY PREFERRED CENTRE OFFICIAL LAUNCH

14 JANUARY 2016 @ CIMB PHSAR HENGLY BRANCH, PHNOM PENH

CIMB Bank PLC launched its new Preferred Centre with around 60 existing CIMB Preferred customers. The event was to celebrate the launch of a new Preferred Centre and to thank our valuable preferred customers.

HIGHLIGHTS & ACHIEVEMENTS

EVENT HIGHLIGHTS

Events and Sponsorship



CIMB BANK TOWN HALL 2015

15 AUGUST 2015

Staff and management of CIMB Bank PLC gathered at CIMB Bank's 2015 town hall to share achievements, learn from each other and business updates by the CEO.



CIA FIRST SCHOOL FAMILY DAY EVENT

19 DECEMBER 2015 @ CIA FIRST SCHOOL, PHNOM PENH

CIMB Bank PLC sponsored the event to enhance business partnership with CIA First School and promote bank products and brand among participants.



LOGISTICS: CAMBODIA'S NEW GROWTH ENGINE

08 OCTOBER 2015 @ PHNOM PENH

CIMB Bank PLC sponsored the third regional seminar organized by Thailand-Cambodia Friendship Association to enhance the relationship with the organizer and also to promote bank products and brand among the participants.



HIGHLIGHTS & ACHIEVEMENTS

EVENT HIGHLIGHTS

CIMB ASEAN Stock Challenge 2015



CIMB ASEAN STOCK CHALLENGE ORIENTATION

02 SEPTEMBER 2015

CIMB Bank PLC organized an event among university students to provide information about and preparation on CIMB ASEAN Stock Challenge (CASC).



CIMB ASEAN STOCK CHALLENGE ORIENTATION

30 SEPTEMBER 2015 @ CAMBODIA-KOREA COOPERATION CENTRE

CIMB Bank PLC organized an event among university students to provide information about and preparation on CIMB ASEAN Stock Challenge (CASC), shared by Cambodia 1st Runner-up of ASC 2014.



NATIONAL AWARD CEREMONY OF CIMB ASEAN STOCK CHALLENGE 2015

19 NOVEMBER 2015 @ CAMBODIA SECURITIES EXCHANGE

CIMB Bank PLC celebrated the ceremony, National Award of CIMB ASEAN Stock Challenge 2015, to announce and congratulate to the National Champion, 1st runner-up and 2nd runner-up.



CIMB ASEAN STOCK CHALLENGE 2015 FIRST RUNNER-UP ANNOUNCEMENT

28 JANUARY 2016 @ CAMBODIA SECURITIES EXCHANGE

CIMB Bank PLC, in collaboration with Cambodia Securities Exchange, organized press conference to announce and congratulate the first runner-up of CIMB ASEAN Stock Challenge.



HIGHLIGHTS & ACHIEVEMENTS
EVENT HIGHLIGHTS

Corporate Social Responsibility Programmes



“ONE SCHOOL. ONE LIBRARY.” PROJECT

01 AUGUST 2015 @ ANG TAMAO PRIMARY SCHOOL, KAMPONG SPEU PROVINCE

As part of our CSR initiatives, CIMB Bank employees collected donations to start a project, called “One School. One Library.”



“ONE SCHOOL. ONE LIBRARY.” PROJECT

01 AUGUST 2015 @ CHONG PREK PRIMARY SCHOOL, PHNOM PENH



“ONE SCHOOL. ONE LIBRARY.” PROJECT

22 AUGUST 2015 @ BIE MET PRIMARY SCHOOL, KAMPONG CHAM PROVINCE



HIGHLIGHTS & ACHIEVEMENTS

EVENT HIGHLIGHTS



“ONE SCHOOL. ONE LIBRARY.” PROJECT

22 AUGUST 2015 @ ANGTAMAO PRIMARY SCHOOL, TAKEO PROVINCE



“ONE SCHOOL. ONE LIBRARY.” PROJECT

05 DECEMBER 2015 @ TAPICH PRIMARY SCHOOL, SIEM REAP PROVINCE



“ONE SCHOOL. ONE LIBRARY.” PROJECT

16 AUGUST 2015 @ SAMRIN SEREY DEYDOS PRIMARY SCHOOL, KANDAL PROVINCE



CIMB INTERNATIONAL CHILDREN'S DAY EVENT

01 JUNE 2015 @ MAJOR CINEPLEX, AEON MALL

CIMB Bank PLC, in collaboration with Major Cineplex, celebrated International Children's Day with poor children by providing them study material, CIMB red bags, food and drink.



HIGHLIGHTS & ACHIEVEMENTS
EVENT HIGHLIGHTS

Sports



CIMB CEO'S CUP 2015

06 SEPTEMBER 2015 @ PHNOM PENH

CIMB CEO's CUP 2015 aimed to promote sport and build better and greater team spirit among its staffs.



ANGKOR WAT INTERNATIONAL HALF MARATHON 2015

05-06 DECEMBER 2015 @ ANGKOR WAT, SIEM REAP

CIMB Bank PLC participated in the competition to support a ban on the use of antipersonnel mines and encourage health awareness among staff.



CIMB WELLNESS EXPERIENCE

12 DECEMBER 2015 @ THE PLACE

CIMB Bank PLC exclusively offered CIMB Preferred customers the premium wellness experience as part of customer loyalty appreciation program.

HIGHLIGHTS & ACHIEVEMENTS

EVENT HIGHLIGHTS



4th CIMB BOWLING CHAMPOINSHIP

13 JUNE 2015 @ @ BLU-O, AEON MALL

CIMB Bank PLC organized the 4th CIMB Bowling Championship aimed at fostering the spirit of sportsmanship and creating opportunity for business networking among the valued customers of the bank.



GRAND FINAL CIMB BOWLING CHAMPOINSHIP

09 - 10 JULY 2015 @ BLU-O, AEON MALL

CIMB Bank PLC Organized the Grand Final CIMB Bowling Championship aimed at fostering the spirit of sportsmanship and creating opportunity for business interactions.



GRAND FINAL CIMB BOWLING CHAMPOINSHIP

19 JULY 2015 @ BLU-O, AEON MALL

HIGHLIGHTS & ACHIEVEMENTS
EVENT HIGHLIGHTS

MEDIA HIGHLIGHTS

24BIZNET
FREE POST

Detail
កម្រិត: 10000000
Posted On: May 08, 2015
View: 20

Price: 5.9% per Year
Location: Phnom Penh

Description:
ធនាគារ CEN គឺជាធនាគារប្រភេទឯកជន បង្កើតឡើងដោយក្រុមហ៊ុន ធនាគារកម្ពុជា និង ក្រុមហ៊ុនផ្សេងៗទៀត ដែលមានបុគ្គលិក ២០០ នាក់ បង្កើតឡើងនៅក្នុង ខែ កញ្ញា ឆ្នាំ ២០១៥ ។ ធនាគារ CEN គឺជាធនាគារប្រភេទឯកជន បង្កើតឡើងដោយក្រុមហ៊ុន ធនាគារកម្ពុជា និង ក្រុមហ៊ុនផ្សេងៗទៀត ដែលមានបុគ្គលិក ២០០ នាក់ បង្កើតឡើងនៅក្នុង ខែ កញ្ញា ឆ្នាំ ២០១៥ ។

ស៊ី អាយ អិមប៊ី បង្កើតសេវាកម្មសម្រាប់កុមារ

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CEN
CAMBODIA EXPRESS NEWS

ស៊ី អាយ អិមប៊ី បង្កើតសេវាកម្មសម្រាប់កុមារ ដែលមានបុគ្គលិក ២០០ នាក់ បង្កើតឡើងនៅក្នុង ខែ កញ្ញា ឆ្នាំ ២០១៥ ។

ខ្មែរ មេឌី
Khmervet

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ឥណ្ឌូ គម្ពុជា
RASMEI KAMPUCHEA DAILY NEWSPAPER

ស៊ី អាយ អិមប៊ី បង្កើតសេវាកម្មសម្រាប់កុមារ ដែលមានបុគ្គលិក ២០០ នាក់ បង្កើតឡើងនៅក្នុង ខែ កញ្ញា ឆ្នាំ ២០១៥ ។

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Khmervet

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CEN
CAMBODIA EXPRESS NEWS

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CEN
CAMBODIA EXPRESS NEWS

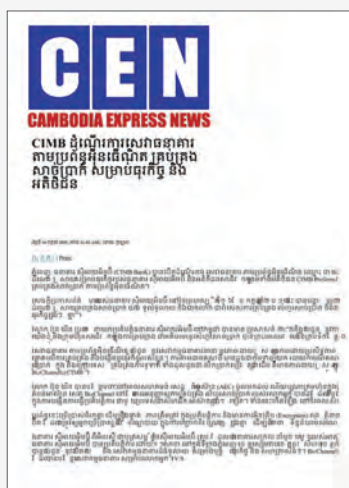
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កោះស៊ីភាព
KOH SANTEPHEAP DAILY

ស៊ី អាយ អិមប៊ី បង្កើតសេវាកម្មសម្រាប់កុមារ ដែលមានបុគ្គលិក ២០០ នាក់ បង្កើតឡើងនៅក្នុង ខែ កញ្ញា ឆ្នាំ ២០១៥ ។

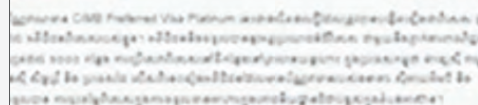
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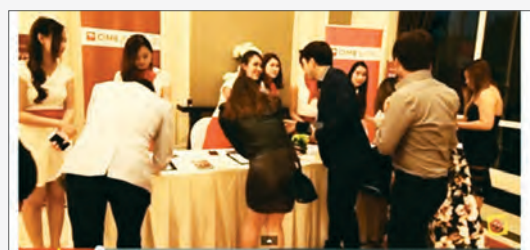
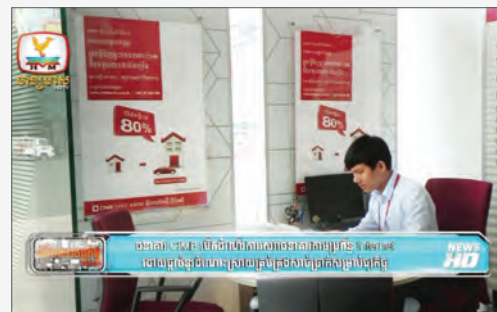
HIGHLIGHTS & ACHIEVEMENTS

MEDIA HIGHLIGHTS



HIGHLIGHTS & ACHIEVEMENTS

MEDIA HIGHLIGHTS





CIMB *preferred*

CORPORATE GOVERNANCE

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CORPORATE GOVERNANCE
STATEMENT ON CORPORATE
GOVERNANCE

STATEMENT ON CORPORATE GOVERNANCE

The Board of Directors (the “Board”) believes that strong corporate governance is essential for delivering sustainable value, enhancing business integrity and in maintaining investors’ confidence towards achieving the Bank’s corporate objectives and vision.

Effective corporate governance structure and culture are critical elements in determining how the Bank functions, which has been continuously emphasised to all employees. The governance framework adopted by the Bank is developed on the basis of the principles and best practices recommended by the Prakas on Governance in Banks and Financial Institutions and the Prakas on Fit and Proper Regulatory Requirements for Applying to Entities and Licensed Banks and Financial Institutions (the “Prakas”) issued by the National Bank of Cambodia (the “NBC”), and international best practices in corporate governance, where applicable.

BOARD OF DIRECTORS

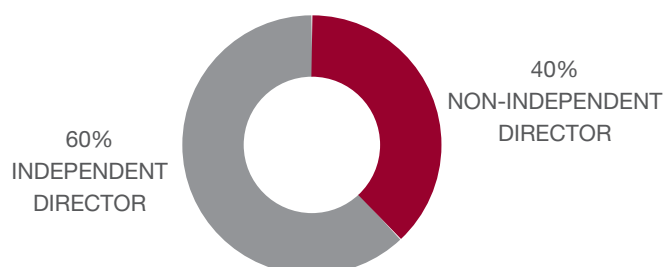
The Board and Board Balance

The Board currently has five members, with one Executive Director and four Non-Executive Directors, of whom three are Independent Directors. The Board confirms it has the appropriate number of Independent Directors who bring strong, independent judgment to the Board’s discussions. The Board is also committed to a collective decision making process.

The Board benefits from the contribution of each of the Non-Executive Directors in all areas of the Bank’s businesses. In addition to their wide range of skills and business experience, the Non-Executive Directors also bring independent judgment in the deliberations on issues of strategy, audit, performance and risk.

The structure and composition of the Board are in line with the requirements of the Prakas issued by the NBC.

Board Composition



To ensure the balance of authority, increased accountability and greater capacity for independent decision making, the roles of Chairman and Executive Director (ED) are distinct and separate with a clear division of responsibilities between the Chairman and the ED, which ensures that no individual or group dominates the decision making process.

The Chairman

The Board is led by the Chairman, Dato’ Shaarani Ibrahim. Dato’ Shaarani Ibrahim is responsible for the leadership and management of the Board and for ensuring the effective functioning of the Board and its Committees. He assumes the formal role of a leader and chairs all Board meetings, leads discussions amongst the Directors and provides leadership to the Board in its oversight of management. The Chairman facilitates the flow of information between Management and the Board, and in consultation with Management, sets the agenda for each Board meeting.

Executive Director

Mr. Bun Yin, a Cambodian national, is the Chief Executive Officer (“CEO”) of the Bank and also the Executive Director (“ED”) of the Board. He was appointed as the CEO and ED on 1 January 2015 and 29 January 2015, respectively. He is the first Cambodian to head an international foreign bank in Cambodia.

As ED/CEO, Mr. Bun Yin has overall responsibility for the implementation of the Bank’s strategy, and for carrying out the Board’s direction, managing the Bank’s businesses and driving performance within strategic goals and commercial objectives. He leads the Management in carrying out the corporate strategy and vision of the Bank. As ED/CEO, he is accountable to the Board for the day-to-day operations of the Bank’s business.

Size and Composition of Board of Directors

The Board is committed to regularly reviewing the size and composition of the Board, taking into account the scope, nature, diversity and expansion of the Bank’s business.

The Board considers its present size to be appropriate to oversee the overall businesses of the Bank. The current Directors bring to the Board a wealth of knowledge, experience and skills to drive the Bank towards the vision of the Group.

The Directors of the Bank have met the criteria for the appointment of Directors as set out in the Prakas. All Independent Directors demonstrate sound and independent judgment and do not participate in any business transaction that could impair their independent judgment and decision making.

Brief backgrounds of each Director are presented on pages 60 to 66 of the Annual Report.

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Directors' Code of Ethics

The Board of Directors observes the code of ethics set out in the Prakas issued by the NBC.

The Directors of the Bank adhere to the code of ethics, which provides guidance for the proper standards of conduct and sound and prudent business practices. It also gives the standards of ethical behaviour for Directors, based on the principles of integrity, responsibility, sincerity and corporate social responsibility.

Duties and Responsibilities of the Board

The Board is the ultimate decision making body of the Bank, with the exception of matters requiring shareholder's approval. It sets the Bank's strategic direction and vision. The Board takes full responsibility for leading, governing, guiding and monitoring the entire performance of the Bank, and enforces standards of accountability, all with a view to enabling management to execute its responsibilities effectively.

The Board has overall responsibility for putting in place a framework of good corporate governance within the Bank, including the processes of financial reporting, risk management and compliance. All Board members bring their independent judgment, diverse knowledge and experience in deliberations on issues pertaining to strategy, performance, resources and business conduct.

The Board has adopted a schedule of matters specifically reserved for the Board's approval, which include, amongst other matters, reviewing and approving the following:

- Strategic and business plans and annual budget;
- New investments, divestments, mergers and acquisitions, and corporate restructuring, including the establishment of subsidiaries, joint ventures or strategic alliances, both locally and abroad;
- Annual financial statements and interim dividends and recommending the final dividends payable to shareholders prior to public announcements and publications;
- Appointment of new Directors and the Chief Executive Officer and their emoluments and benefits.

The overall principal responsibilities of the Board are as follows:

- Providing clear objectives and policies within which the senior executives of the Bank are to operate;

- Ensuring that there are adequate controls and systems in place to facilitate the implementation of the Bank's policies;
- Monitoring management's success in implementing the approved strategies, plans and budget;
- Understanding the principal risks of all aspects of the businesses in which the Bank is engaged and ensuring that systems are in place to effectively monitor and manage these risks with a view to ensuring the Bank's long-term viability and success;
- Monitoring and assessing development which may affect the Bank's strategic plans;
- Reviewing the adequacy and integrity of the Bank's internal control systems and management information systems, including systems for compliance with the applicable laws, regulations, rules, directives and guidelines;
- Avoiding conflicts of interest and ensuring disclosure of possible conflicts of interest;
- Upholding and observing banking and other relevant laws, rules and regulations.

Apart from the aforesaid principal responsibilities of the Board, the Board has also delegated specific responsibilities to Committees. While the Committees have the authority to discuss and decide on particular issues, they will report to the Board with their decisions and/or recommendations. The ultimate responsibility for all matters lies with the entire Board.

The terms of reference and responsibilities of the Committees are set out on pages 48 to 52.

Appointments to the Board

The Bank leverages on the Group Nomination and Remuneration Committee ("GNRC"), which resides at CIMB Group Holdings Berhad. The GNRC is responsible for identifying and nominating suitable candidates for appointment to the Board for approval, either to fill vacancies or as additions to meet the changing needs of the Bank. Before recommending an appointment to the Board, the GNRC will carry out a thorough and comprehensive evaluation of the candidate based on the criteria adopted by the Board. The Bank also takes into account the Bank's businesses and will match the capabilities and contributions expected for a particular appointment.

The appointment process is conducted in accordance with the Prakas and the Group's Policies and Procedures on Fit and Proper for Key Responsible Persons (Fit and Proper Policy). The Fit and Proper Policy set out a formal process for the appointment of Directors, Chairman and Chief Executive Officer. Proper assessments are conducted on candidates and the GNRC confirms that the candidates are fit and proper for their respective roles.

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The Fit and Proper Policy also outline the following criteria for assessment of the suitability of the candidate for appointment:

- (i) Probity, personal integrity and reputation, where the candidate must have personal qualities such as honesty, integrity, diligence, independence of mind and fairness;
- (ii) Competence and capability, where the candidate must have the skills, work experience, capability and commitment necessary to carry out the role;
- (iii) Financial integrity, where the candidate must manage his debts or financial affairs prudently.

The process for identifying and nominating candidates by the GNRC for appointment involves the following five stages:

NOMINATION FRAMEWORK



Proposals for the appointment and re-appointment of Directors are subject to NBC's vetting and prior approval.

Re-appointment and Re-election of Directors

Each year, one-third of the Directors retires from office at the Annual General Meeting, and subject to eligibility, may offer themselves for re-election at the Annual General Meeting. In addition, the Memorandum and Articles of Association of the Bank requires that all Directors retire from office at least once every three years, but shall be eligible for re-election at the Annual General Meeting. Proposals for the re-appointment and re-election of Directors are recommended by the GNRC to the Board prior to the Shareholder's approval at the Annual General Meeting.

MEETINGS AND SUPPLY OF INFORMATION TO THE BOARD

The Board meets regularly to discuss business strategy, financial performance, matters pertaining to compliance and governance as well as reports on matters deliberated by the respective committees. The Board meets bi-monthly, and amongst the agenda that is tabled to the Board for discussion/approval, the Board reviews the financial performance of the Bank, risk management and compliance reports and approves the quarterly results of the Bank. The Board meetings are scheduled in advance each year to facilitate Directors to plan their

schedule. Meeting papers on proposals and various reports are delivered to the Board prior to Board meetings, giving Directors sufficient time to evaluate the proposals and, if necessary, request additional information to facilitate the effective discharge of their duties. Procedures have been established concerning the format, content, presentation and delivery of meeting papers. The meeting papers clearly address the background, objective, key issues, rationale, impact and other information relevant to each proposal to enable the Board to reach informed and effective decisions.

Directors have access to all information within the Bank. Through regular Board meetings, the Board receives updates on the development and business operations of the Bank, as well as comprehensive sets of papers, which include regular business progress reports and discussion documents related to specific matters.

Directors are also allowed to participate in the Board meetings via telephone conference. All deliberations at the Board meetings, including dissenting views, are duly minuted as records of their proceedings. The Board's decisions are communicated to Management within one working day of the Board meeting to ensure that decisions and directions are executed in a timely manner. The draft minutes are circulated to the Directors for their review and comments before the final minutes are tabled for confirmation at the next Board meeting.

At Board meetings, the ED/CEO provides a comprehensive explanation of significant issues relating to the Bank's business and financial performance. The Chairman of the Audit Committee provides a summary of the audit reports deliberated at the Audit Committee meetings for the Board's notation. Significant audit findings by the Group Internal Audit are also escalated to the Board for discussion and direction. In addition, the Head of Compliance reports on the status of compliance with the laws, regulatory requirements and internal policies and procedures adopted by the Bank. Management is also invited to present proposals and to answer queries raised by the Board on a need-basis. Management takes immediate action on all matters arising from the Board meeting and updates the Board on the status of these matters at the next Board meeting or, if urgent, via circulation of memorandum.

Any Director who has an interest in any proposal or transaction will declare his interest and will abstain from deliberation and voting on the proposal or proposed transactions. This process is duly recorded in the minutes of the proceedings.

The Board will also at the beginning of the financial year, considers the Bank's annual budget in line with the Bank's strategies and plans formulated at the Group Annual Management Dialogue.

A total of eight Board meetings were held in 2015 and the Directors' attendance at the meetings is as follows:

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No. of Meetings

Directors	Attended	Held
Dato' Shaarani Ibrahim Chairman/Independent Non-Executive Director	8	8
Dato' Wira Zainal Abidin Mahamad Zain Independent Non-Executive Director	8	8
Yew Wan Kup ^{*1} Non-Independent Executive Director	1	1
Mey Kalyan Independent Non-Executive Director	7	8
Kua Wei Jin Non-Independent Non-Executive Director	8	8
Bun Yin ^{*2} Non-Independent Executive Director & Chief Executive Officer	7	7

^{*1} Resigned as Non-Independent Executive Director on 29 January 2015

^{*2} Appointed as Non-Independent Executive Director on 29 January 2015

Training and Development of Directors

Training of Directors is an integral element of the process of appointment of new Directors and the Board is mindful of the need to keep pace with new laws, regulations, accounting standards, changing commercial risks, latest market trends and developments, key challenges in domestic and regional markets and the banking industry. To this end, the Board evaluates training needs on a continuous basis and determines areas that would further the Directors' understanding of the issues facing the Bank.

Listed below are the training sessions which the Directors attended to keep abreast of the latest developments:

Titles/Topics	Mode of Training	No. of Hours/Days	Attended by
IDFR (Institute of Diplomacy and Foreign Relations) Lecture Series 3/2015 themed "China's One Belt, One Road Initiative: Strategic Implications, Regional Responses"	Roundtable Discussion	1 day	Dato' Shaarani Ibrahim
Affin Hwang Asset Management Investment Forum 2015	Forum	1 day	
World Capital Markets Symposium	Symposium	2 days	

Governance Directors Duties and Regulatory Updates Seminar 2015	Seminar	1 day	Dato' Wira Zainal Abidin Mahamad Zain
Audit Committee Conference 2015	Conference	1 day	
Remuneration Reward Practices Seminar 2015	Seminar	1 day	
AEI (Asia-Europe Institute) Eminent Persons Lecture Series	Lecture	1 day	
Financial Communications and Effective Media Management	Seminar	Half day	
Audit, Internal Control and Fraud Detection Seminar	Seminar	2 days	
Nominating Committee Programme 2: Effective Board Evaluations	Programme	1 day	
2016 Budget Seminar: Summary & Highlights for Corporate Accounts	Seminar	1 day	
Corporate Directors Onboarding Programme (CDOP) 2015	Programme	2 days	
Basel Update & Impact to CIMB Group	Workshop	5 hours	
A Better CIMB	Workshop	2.5 hours	Mr. Kua Wei Jin
Shariah Governance Framework	Workshop	4 hours	
Invest Malaysia	Conference	2 days	
Risk & Control Self-Assessment	Workshop	2 hours	
Mckinsey Vietnam	Workshop	3 hours	
CIMB Group Annual Management Summit	Forum	2 days	Dato' Shaarani Ibrahim
Private Sector Dialogue on Offshore RMB Business and Briefing on Economic Development and Outlook	Workshop	1 day	

During the year under review, regular updates on development in legal matters, disclosure and accounting standards, corporate governance and best practices were also provided to the Directors.

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COMPANY SECRETARIES

The Company Secretaries demonstrate on-going support in advising and assisting the Board on matters relating to the affairs of the Bank, including issues pertaining to corporate compliance, corporate governance and best practices, boardroom effectiveness and Directors' duties and responsibilities. During the year under review, various Board processes were reviewed with a view to enhancing the Board's decision-making processes and the effective functioning of the Board.

The Company Secretaries ensure that the Board, Committees and Shareholders' meetings are properly convened in accordance with the laws and best practices, and records of proceedings at Board, Committee and Shareholder's meetings are duly minuted and kept.

The Company Secretaries apart from assisting the Chairman in formulating the agenda and conduct of the Board, Committees and Shareholder's meetings also facilitate the communication of key decisions and policies between the Board, Committees and Senior Executives.

All Directors have full access to the advice of the Company Secretaries and may seek independent professional advice at the Bank's expense in furtherance of their duties. An approved procedure has been established in facilitating the Directors in seeking independent professional advice.

COMMITTEES

The Board delegates specific responsibilities to the Audit Committee and Risk Committee. These Committees operate within clearly defined roles and responsibilities as set out in the duly approved formal terms of reference of each of the Committees.

The Committees report to the Board on their deliberations, findings and recommendations. The Chairmen of the Audit Committee and Risk Committee report to the Board on matters dealt with at their respective Committee's meetings. The Board accepts that while these Committees have the authority to deliberate on matters delegated to them, all decisions and/or recommendations made by these Committees are brought to the attention of the Board, who are collectively responsible for the Bank's success, business, strategy, risk management, and operational and financial performance.

Further details on the Committees are set out in the following sections.

Audit Committee

The Audit Committee comprises solely of Independent Non-Executive Directors who have financial knowledge and experience.

The key responsibilities of the Audit Committee are to ensure high corporate governance practices whilst providing oversight on the Bank's financial reporting, disclosure, regulatory compliance, risk management and monitoring of internal control processes within the Bank. The Audit Committee meets regularly to, amongst other things, review the quarterly results, full year financial statements and audit reports, which include observations pertaining to risk management and internal controls, as well as related party transactions.

The Audit Committee met six times in 2015 and the attendance of the members of the Audit Committee is as follows:

No. of Meetings

Members	Attended	Held
Dr. Mey Kalyan Chairman/Independent Non-Executive Director	6	6
Dato' Shaarani Ibrahim Independent Non-Executive Director	6	6
Dato' Wira Zainal Abidin Mahamad Zain Independent Non-Executive Director	6	6

The terms of reference of the Audit Committee are as follows:

Area	Responsibilities
Internal Control / Risk Management / Governance	To review the effectiveness of internal controls, risk management processes and governance within the Bank's Group, taking into account the requirements in the Prakas on Governance in Banks and Financial Institutions.
Internal Audit	<p>a. To ensure Internal Audit function is well placed to undertake review or investigation on behalf of the AC, and be placed under the direct authority and supervision of the AC.</p> <p>b. To review the adequacy of the scope of Internal Audit, functions, competency and resources of Internal Audit function and that it has the necessary authority to carry out its work.</p> <p>c. To review the results of the internal audit processes and, where necessary, ensure that appropriate actions are taken on the recommendations of Internal Audit function. The reports of internal auditors and the AC are not subject to the clearance of the CEO.</p> <p>d. To oversee the functions of the Internal Audit department and ensuring compliance with the Laws and Regulations Applicable to Banks and Financial Institutions.</p> <p>e. To evaluate the performance and decide on the remuneration package of the Internal Audit Head.</p> <p>f. To approve the appointment, transfer and dismissal of the Internal Audit Head or senior staff members of Internal Audit function, and to be informed of the resignation of any senior Internal Audit staff members and provide the resigning staff member with an opportunity to submit their reasons for resigning.</p>

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External Audit	<ol style="list-style-type: none"> To consider the appointment of external auditors, their remuneration and any matters related to resignation or dismissal. To discuss and review with the external auditor before the audit commences, the nature and scope of the audit, and ensure co-ordination where more than one audit firm is involved. To assess the objectivity, performance and independence of external auditors (e.g. by reviewing and assessing the various relationships between external auditors and the Bank). To approve the provision of non-audit services by external auditors, evaluating whether such non-audit services would impair their independence. To ensure that there are proper checks and balances in place so that the provision of non-audit services does not interfere with the exercise of the independent judgment of the auditors. To ensure that the accounts are prepared in a timely and accurate manner with frequent reviews of the adequacy of allowances against contingencies and asset impairment. To discuss problems and reservations arising from the interim and final audits, and any matter the auditor may wish to discuss (in the absence of management where necessary). To review the external auditors' management letters and management's responses. To meet with the external auditors at least once a year without the presence of management or executive directors to discuss key concerns and to obtain feedback. 	Audit Findings, Internal Control and Compliance Issues	<p>To review the findings of major investigations, routine audit findings, and internal control and compliance reported by the internal, external and regulatory auditors.</p>
		Review of Financial Statements	<p>To review the quarterly results of the bank prior to approval by the Board focusing particularly on:</p> <ul style="list-style-type: none"> any change in accounting policies and practices; significant adjustments arising from the audit; the going concerns assumption; and compliance with applicable financial reporting standards and other legal or regulatory requirements.
		Related Party Transactions	<p>To review all related party transactions and keep the Board informed of such transactions.</p>
		Others	<ol style="list-style-type: none"> To engage on a continuous basis with senior management in order to keep informed of matters affecting the Bank. To convene meetings with internal auditors, external auditors or both whenever deemed necessary. To review the semi-annual and annual financial statements for submission to the Board of Directors of the Bank and ensure prompt publication of annual financial statements.
		Risk Committee	<p>The primary responsibility of the Risk Committee is to ensure that the integrated risk management functions within the Bank are effectively discharged. The Risk Committee reports to the Board of Directors on all risk management matters of the Bank.</p> <p>A total of 12 Risk Committee meetings are held in 2015 and the members' attendance at the meetings is as follows:</p>

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No. of Meetings

Members	Attended	Held
Dato' Shaarani Ibrahim Chairman/Independent Non-Executive Director	12	12
Bun Yin Chief Executive Officer / Executive Director	12	12
Low Chee Hock General Manager	10	12
Hong Cheap Head, Risk Management	12	12
Heng Thida Head, Retail Financial Services	11	12
Den Davuth Head, Information & Operations	11	12
Heng Vuthy Head, Strategy & Finance	12	12
Ky Sana Head, Corporate & Transaction Banking	9	12

The terms of reference of the Risk Committee are as follows:

- Allocate capital-at-risk for different lines of businesses and different categories of risks to ensure adequate diversification of risk, complies with the regulatory limit requirements and the Bank has sufficient capital to cushion against stress scenarios.
- Enhance shareholder value through evaluation of the risk-return profiles of business activities and ensuring that they are within the parameters established by the Board of Directors.
- Review and make recommendations to the Board of Directors for approval of appropriate risk policies and limits so that the risk management framework is in line with the corporate plan, the Group's Enterprise Wide Risk Management Framework, and conforms to the legal and regulatory requirements.
- Evaluate and review proposals on new products, investments, businesses, strategic alliances and product variations, and subsequently to grant approval-in-principle or recommend to the Board of Directors for approval.
- Review and approve changes to operational procedures and processes.
- Enforce compliance to all risk policies and limits.
- Deploy proper methodologies to identify and measure risk for all positions.
- Set strategies to evaluate, monitor and control risks to maintain them within reasonable levels.
- Endorse the methodologies and tools for the measurement of the various types of quantifiable risk for Board approval.
- Review the Bank's balance sheet composition of loans and deposits.
- Ensure holistic approach is taken to manage the Bank's balance sheet through effective interest rate risk management, funding liquidity risk management, interest margins and capital management.

- Ensure the Bank maintains its asset quality through close monitoring of the processing and approval of new loans and prompt recovery of non-performing loans.
- Review and make recommendation on course of actions for monitoring, initiating recovery actions, restructuring and rescheduling of Early Alert Watchlist accounts, delinquent accounts or impaired accounts of the Bank.
- Review and decide if any performing or delinquent account should be included in the Early Alert Watchlist for monitoring and vice versa.
- Mediate issues relating to transfer of accounts between business units and recovery team when accounts turned impaired and vice versa.
- Review performance of assets including but not limited to:
 - Early Alert Watchlist, delinquent or non-performing loan accounts;
 - Provisioning of accounts pursuant to the Prakas of National Bank of Cambodia and other relevant regulations; and
 - Any other issues relating to asset quality.
- Review the Bank's contingency plan and overall business continuity management for implementation whenever necessary and propose it to the Board of Directors for approval.
- Change in individual members within the same corporate function can be approved by the Committee itself with notation to Board of Directors. Where changes in membership involve a change in corporate function of members or amendments are proposed to the Terms of Reference, approval must be sought from Board of Directors before implementation.
- Review and approve the terms of reference and composition of any Sub-Committees; including the appointment and removal of members and invitees to such Committees.

Management Committees

The following management committees have been established to assist the ED/CEO and management in managing the various businesses and support activities of the Bank:

- Management Committee
- Cambodia Credit Committee
- Asset and Liabilities Management Committee

Management Committee

The Management Committee reports to the Board of Directors on the day-to-day management matters of the Bank.

Bun Yin Chief Executive Officer	Chairman
Low Chee Hock General Manager	Member
Heng Thida Head, Retail Financial Services	Member
Heng Torang Head, Treasury	Member

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Hong Cheap	
Head, Risk Management	Member
Heng Vuthy	
Head, Strategy & Finance	Member
Oum Chendapheakdey	
Head, Corporate Resources	Member
Den Davuth	
Head, Information Technology & Operations	Member
Ky Sana	
Head, Corporate & Transaction Banking	Member
Seang Soleak ^{*1}	
Head, Marketing & Communications	Member
Mak Chamroeun ^{*2}	
Head, Marketing & Communications	Member

^{*1} Resigned as member on 04 August 2015

^{*2} Appointed as member on 04 August 2015 & Resigned as member on 31 December 2015

The terms of reference of the Management Committee are as follows:

- Advise the CEO.
- Monitor and evaluate the performance of each business division.
- Review financial and other management reports of the Bank.
- Devise strategy, business plans and budgets for the Bank (including IT-related items).
- Identify cross-departmental synergies.
- Deliberate on key regulatory issues.
- Other matters as directed by the CEO from time to time.
- Other matters as directed by the Board/Group CEO from time to time.

Cambodia Credit Committee

The Cambodia Credit Committee reports to the Risk Committee on credit related matters of the Bank.

Hong Cheap	
Head, Risk Management	Chairman
Bun Yin	
Chief Executive Officer	Alternate Chairman
Low Chee Hock ^{*1}	
General Manager	Member
Heng Thida	
Head, Retail Financial Services	Member
Kien Vatana	
Acting Head, Credit Management	Member
John Chuah Keat Kong	
Credit Advisor, Commercial Banking	Member
Heng Vuthy ^{*1}	
Head, Strategy and Finance	Member

Ky Sana ^{*3}	
Head, Corporate and Transaction Banking	Member
Chea Bunhean ^{*4}	
Commercial Banking	Member
Hong Bunroeut ^{*5}	
Commercial Banking	Member

^{*1}, ^{*3}, ^{*4} & ^{*5} Resigned as members on 02 March 2015

^{*2} Appointed as member on 02 March 2015

The terms of reference of the Cambodia Credit Committee are as follows:

- Review and approve credit facilities originating from CIMB Bank PLC, which are within the approval limits delegated by the Board.
- Recommend for Group Credit Committee's concurrence/endorsement and Board approval, all credit proposals, which exceed the CCC's approval authority.
- Ensure the Bank's overall loans portfolio meets with the guidelines of regulatory authorities, approved credit policies and procedures, within the approved risk appetite.
- Review and approve recovery actions to be taken against cases within the committee's sanctions and provisions for bad and doubtful accounts, write-offs.
- Assess the risk return trade-off when approving credit facilities.
- Review and evaluate the various credit products engaged by the Bank to ensure that they are conducted within the standards and policies set by the Board.
- Review and approve the internal credit rating of each borrower, where applicable. Review and recommend the changes in the credit policies and guidelines to the relevant Committees for endorsement and approval.
- Any other functions as and when directed by the Risk Committee.

Assets and Liabilities Management Committee

The Assets and Liabilities Management Committee reports to the Risk Committee on liquidity risk and assets and liability matters of the Bank. The Assets and Liabilities Management Committee met 20 times in 2015.

Bun Yin	
Chief Executive Officer	Chairman
Low Chee Hock	
General Manager	Member
Heng Thida	
Head, Retail Financial Services	Member
Hong Cheap	
Head, Risk Management	Member
Heng Vuthy	
Head, Strategy & Finance	Member
Heng Torang	
Head, Treasury	Member
Ky Sana	
Head, Corporate & Transaction Banking	Member

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The terms of reference of the Assets and Liabilities Management Committee are as follows:

- To review and analyse the Bank's balance sheet plan by business, asset and liability mix, currency, growth, yield and margin;
- To review variations between actual and planned balance sheet and how this impact loan-deposit and other balance sheet ratios and funding plan and whether the Bank will remain within the established risk appetites;
- To review net interest income and margin trends including forecast position, and the variances from the planned net interest rate margin, and detail any required actions as appropriate;
- To review the impact on earnings (NII) under both a base case and under stressed economic scenarios;
- To review and ensure the Cost of Fund or FTP (If applicable) is appropriate and act as the arbitrator between business lines in designing and implementing FTP and promote consistency across the Bank;
- To review the Contingency Funding Plan ("CFP") as an operational business plan and assess the capacity of the plan to ensure that any management action is realistic; and
- To ensure that early warning indicators are up-to-date and relevant based on available data.
- To review ALM framework and policies (if applicable) to ensure they are appropriate for the size and complexity of the current and future operations of the Bank;
- To promote consistent policies and practices across the Bank;
- To review and recommend Management Action Triggers ("MAT")/ limits for liquidity risk and interest rate risk in the banking book to RC for approval;
- To set, monitor and review the hedging strategies of the Bank (if applicable);
- To review and ensure that the Bank's risk profile is within established MAT/ limits for liquidity risk and interest rate risk in the banking book, including reviewing internal stress testing results across material currencies in the Bank;
- To review and recommend ALM risk model parameters and model validation results for approval by RC; and
- To identify and review Bank liquidity and funding requirements and appropriate actions to address these requirements.
- To review and recommend ALM risks framework and policies (if applicable) for RC approval;
- To review and approve ALM risks methodologies and standard (if applicable) to be met to comply with approved policies;
- To review and approve Cost of Fund or FTP framework (if applicable), policies and methodologies for the Bank;
- To approve pricing proposal based on its approved DA;
- To escalate to RC any MAT/ trigger/ limits breaches (non-regulatory) that are not viewed as material variance to the established threshold and to the capital/ liquidity/ reputation of the Bank.

ACCOUNTABILITY AND AUDIT

Financial Reporting

Pursuant to the Law on Commercial Enterprises and the Law on Banking and Financial Institutions, financial statements for each financial year are prepared in accordance with the guidelines issued by the NBC and Cambodian accounting standards. The financial statements are prepared on a going concern basis and give a true and fair view of the state of affairs of the Bank as at 31 December 2015.

Appropriate accounting policies have been applied consistently in preparing the financial statements, supported by reasonable and prudent judgment and estimates. The directors have overall responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Bank, and have ensured that the Bank's financial reporting presents a balanced and comprehensive assessment of its financial position and prospects.

The Board is satisfied that it has met its obligations to present a balanced and understandable assessment of the Bank's position and prospects in preparing the financial statements, reflected in the directors' report as set out on page 76 of the financial statements section of this annual report.

Audit Committee

The Audit Committee assists the Board in overseeing the financial reporting process. The Bank's quarterly and half-yearly results and annual financial statements are subject to review by the Audit Committee and approval of the Board, prior to submission to the NBC.

Internal Control

The Board has overall responsibility for maintaining sound internal control systems that cover financial controls, effective and efficient operations, legal and regulatory compliance as well as risk management. The size and complexity of the Bank necessitate the management of a wide and diverse spectrum of risks. The nature of these risks means that events may occur which could give rise to unanticipated or unavoidable losses. The inherent system of internal controls is designed to provide reasonable, though not absolute assurance against the risk of material errors, fraud or losses occurring.

The Board considers that the Bank's framework and system of internal controls and procedures maintained by the Bank's management, and set in place throughout the financial year up to the date of this report, is adequate to meet the needs of the Bank in the current business environment. The system of internal controls is designed to provide reasonable, but not absolute assurance for achieving certain internal control standards and helps the Bank to manage the risk of failure to achieve business objectives, rather than to eliminate it.

The statement on internal control which provides an overview of the state of internal control of the Bank is set out on pages 55 to 57 of the annual report.

The Statement on Corporate Governance is approved by the Board of Directors on 15 March 2016.

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AUDIT COMMITTEE REPORT

AUDIT COMMITTEE REPORT

OVERVIEW

The Audit Committee (AC) of CIMB Bank PLC is committed to its role of ensuring high corporate governance practices and providing oversight of the Bank's financial reporting, risk management and internal control systems.

1. ATTENDANCE OF MEETING

The details of the Audit Committee's membership and meetings held in 2015 are as follows:

No. of Committee's Meetings

Members	Status	Attended	Held
Dr. Mey Kalyan	Independent Non-Executive	6	6
Dato' Shaarani Ibrahim	Independent Non-Executive	6	6
Dato' Wira Zainal Abidin Mahamad Zain	Independent Non-Executive	6	6

The chairman of the Audit Committee reports to the Board on matters deliberated over during the Audit Committee's meetings.

2. COMPOSITION

The AC shall be comprised only of non-executive directors. The Committee must be chaired by an independent director and have at least three members, the majority of whom should be independent. It should include at least one independent person with finance and accounting expertise, and an independent person with legal and banking expertise.

The Board of Directors should implement a process to conduct an annual assessment of the effectiveness of the AC as well as the contribution of each individual member based on objective performance criteria, in line with established KPIs.

Any vacancy arising in the AC must be filled within three months.

3. AUTHORITY

The AC is a Board-delegated committee. The AC, in discharging its duties, has explicit authority to investigate any matter within its Terms of Reference. It has full access to and co-operation from Management and full discretion to invite any director or executive officer to attend its meetings. The Bank should make the necessary resources available to the AC to enable it to discharge its functions effectively. The AC has full and unrestricted access to information and is able to obtain independent professional advice, if necessary, with any related expenses to be borne by the Bank.

4. TERMS OF REFERENCE OF THE AUDIT COMMITTEE

The responsibilities and duties of the Audit Committee are as follows:

Area	Responsibilities
Internal Control / Risk Management / Governance	To review the effectiveness of internal controls, risk management processes and governance within the Bank's Group, taking into account the requirements in the Prakas on Governance in Banks and Financial Institutions.
Internal Audit	<ol style="list-style-type: none"> To ensure Internal Audit function is well placed to undertake review or investigation on behalf of the AC, and be placed under the direct authority and supervision of the AC. To review the adequacy of the scope of Internal Audit, functions, competency and resources of Internal Audit function and that it has the necessary authority to carry out its work. To review the results of the internal audit processes and, where necessary, ensure that appropriate actions are taken on the recommendations of Internal Audit function. The reports of internal auditors and the AC are not subject to the clearance of the Chief Executive Officer. To oversee the functions of the Internal Audit department and ensuring compliance with the Laws and Regulations Applicable to Banks and Financial Institutions. To evaluate the performance and decide on the remuneration package of the Internal Audit Head. To approve the appointment, transfer and dismissal of the Internal Audit Head or senior staff members of Internal Audit function, and to be informed of the resignation of any senior Internal Audit staff members and provide the resigning staff member with an opportunity to submit their reasons for resigning.

CORPORATE GOVERNANCE
AUDIT COMMITTEE REPORT

5. SUMMARY OF ACTIVITIES IN 2015

5.1 Audit Committee

- a. Reviewed and approved the annual audit plan, scope of work and resources requirements of Internal Audit.
- b. Reviewed Internal Audit's methodology in assessing the risk levels of the various auditable areas and ensured that audit emphasis was placed on areas of critical risk.
- c. Reviewed the adequacy and effectiveness of the system of controls, reporting and risk management to ensure there is a systematic methodology for identifying, assessing and mitigating risk areas.
- d. Reviewed the efficiency of operations and the economical use of resources throughout the Bank.
- e. Reviewed the appointment of external auditors and their independence and effectiveness.
- f. Reviewed the external auditors' audit plan, the scope of work and the results of the annual audit of the Bank.
- g. Met with the external auditors on 16 November 2015 without the presence of management and the executive director to discuss relevant issues and obtain feedback.
- h. Reviewed the internal control issues identified by internal and external auditors as well as management's response to audit recommendations and the implementation of agreed action plans.
- i. Reviewed the financial statements of the Bank on a quarterly basis.
- j. Reviewed related party transactions and the adequacy of the Bank's procedures in identifying, monitoring, reporting and reviewing related party transactions.
- k. Ensured compliance with regulatory requirements and internal policies, and provided a status update on follow up by management on internal and external audit recommendations.

5.2 Internal Audit Function

- a. Internal Audit, which is supported by Group Internal Audit, conducted audits for the Bank.
- b. Internal Audit provides independent and objective assurance on the adequacy and effectiveness of the internal control systems implemented by management.
- c. Internal Audit assists the Audit Committee and management in effectively discharging their responsibilities in establishing cost-effective controls, assessing risk management and recommending measures to mitigate identified risks and ensure proper governance processes are followed.
- d. Internal Audit provides periodic reports to the Audit Committee and management, reporting on the outcomes of the audits conducted which highlight the effectiveness of the systems of internal control and significant risks.
- e. Internal Audit conducts investigations on suspected fraudulent activities and other irregularities.

5.3 Internal Audit Reports

- a. Internal Audit completed 18 audit assignments during the year, covering audits of all key operations and investigations carried out.
- b. Audit reports that are rated as 'Unsatisfactory' and 'Unacceptable' require the respective management to be present at the Audit Committee meetings to respond to and provide feedback on audit issues identified by Internal Audit.
- c. All findings by Internal Audit are tracked and followed up until they are dealt with and reported on bi-monthly basis to the Audit Committee by Internal Audit Department.
- d. The implementation status of audit recommendations is reported to the Audit Committee on bi-monthly basis.

STATEMENT ON INTERNAL CONTROL

BOARD RESPONSIBILITY

The Board places importance on and is committed to maintaining a sound system of internal control. The system of internal control addresses the need for effective and efficient business operations, sound financial reporting and control procedures, and above all, compliance with the applicable laws, regulations, rules and guidelines.

The Board has overall responsibility for the Bank's internal control and management information systems. The Board also recognizes that reviewing the internal control system is a concerted and on-going process and takes into account changes in technology, the business environment and regulatory guidelines, with a view to enhancing the process for identifying, evaluating and managing risks. The internal control system is designed to identify, manage and control risks, including operational risks, rather than to eliminate the risk of failure to achieve corporate objectives.

RISK MANAGEMENT AND CONTROL FRAMEWORK

The Bank considers risk management as an important element of the Bank's business and embeds strong risk culture in the Bank's daily business operations and decision-making process. With the understanding of importance of risk management for the Bank to achieve sustainable growth, the risk management team is involved at the early stage of risk taking process to provide independent view and input including new product assessments, strategy setting, credit evaluation and etc.

The Bank as part of CIMB Group employs the Enterprise Wide Risk Management (EWRM) framework to manage its risk and opportunities. The EWRM provides the Board and its management with tools to anticipate and manage both the existing and potential risks, taking into consideration the changing risk profiles as dictated by changes in business strategies, regulatory environment, and functional activities.

INFORMATION TECHNOLOGY SECURITY

Information Security requires integrated strategy governing discipline over people, process and technology. In order to strengthen and enhance the level of information security management, the Bank adopted CIMB Group's international technology, process and management standards. By implementing the Group IT Security Blueprint, the strategies maintain and enforce an effective information technology security infrastructure to support the business.

In line with the banking business growth and IT Infrastructure expansions, our technology design was constantly reviewed and improved to effectively mitigate both internal and external risks and threats. In addition, we leverage on Group's Security Operation Center, established to monitor and respond to potential cyber-attacks in a more effective manner.

At the network security level, additional firewalls and network access control were deployed to manage security domains for group users and network resources in a logical and physical manner and allow restrictions on access and authorisation to the network. The Bank is further leveraging on Enterprise End-Point Anti-Malware, End-Point Encryption, Data Loss Prevention System, Intrusion Prevention System and Content filtering on Web and Email technology which can significantly mitigate the security risks when data traverses the network. The definition files and configurations of these tools were and continue to be updated as and when required to mitigate newly discovered vulnerabilities.

The Bank has implemented information security awareness programmes targeted at employees to raise awareness about privacy, leakage of information and security responsibility. These programmes consist of e-learning materials and periodic newsletters circulated within the organization.

KEY INTERNAL CONTROL PROCESSES

The key processes that the Board has established in reviewing the adequacy and integrity of the system of internal control, including compliance with the applicable laws, regulations, rules, directives and guidelines, are as follows:

Audit Committee

The Audit Committee (AC) comprises independent Non-Executive Directors. It is a Board-delegated committee charged with oversight of financial reporting, disclosure, regulatory compliance, risk management, governance practices and monitoring of internal control processes in the Bank. Senior management, internal auditors and external auditors report to the AC on the effectiveness and efficiency of internal controls.

All significant and material findings by the internal auditors, external auditors and regulators are reported to the AC for review and deliberation. The AC reviews and ensures the implementation of Senior Management's mitigation plans to safeguard the interests of the Bank and maintain proper governance. Management of business and support units that are rated as "Unsatisfactory" or "Unacceptable" by Internal Audit are counselled by the AC.

The AC also reviews all related party transactions, and audit and non-audit related fees proposed by the Bank's external auditors.

Presentations of business plans, current developments, operations, risks associated to the business and controls to mitigate risks are made by the relevant business and support units as and when deemed necessary by the AC.

The AC also attends the Bank's annual management summit where each business and support unit reviews its operations for the year and presents strategies and plans for the year to come.

CORPORATE GOVERNANCE

STATEMENT ON INTERNAL CONTROL

Risk Committees

The Risk Committee (RC) determines the Bank's risk policy objectives and assumes responsibility on behalf of the Board for supervision of risk management. The day-to-day responsibility of risk management supervision and control is delegated to the RC, which reports directly to the Board. The RC meets on a monthly basis or as and when required.

The Assets and Liabilities Management Committee (ALCO) reports to the RC on liquidity risk and assets and liabilities matters of the Bank. The committee meets on a monthly basis with its primary role being to monitor and strategically manage the balance sheet financial risk. It has specific accountability for the management of the cost of borrowing, developing suitable advisory inputs to the risk committee for decision making pertaining to the Bank's liquidity and interest rate risk, diversification of funding sources, and the review of the loans and deposits composition of the Bank's balance sheet. ALCO oversees overall implementation of effective processes for managing the Bank's interest rates, liquidity, and similar risks relating to the Bank's balance sheet and associated levels.

Management Committee

The Management Committee is a committee set up by the Board of Directors to manage day-to-day operational issues. The meetings of this committee are held on a monthly basis, during the first week of the month, or as and when required. It is comprised of members from each department and includes representatives from Audit and Compliance as permanent invitees.

Internal Policies and Procedures

The Board has approved the documented internal policies and procedures of all business units. Policies and procedures serve as a day-to-day operational guide to ensure compliance with internal controls and the applicable laws and regulations. This is done with the intention of ensuring continuous improvements in operational efficiency while taking into consideration the changing industry profile on regulatory requirements, risks and internal control measures for mitigation, as well as new products and services.

Internal Audit

The Internal Audit Department (IAD) reports independently to the AC, and is independent of the activities and operations of other business and support units. The principal responsibility of IAD is to provide independent appraisal on the adequacy, efficiency and effectiveness of risk management, control and governance processes implemented by Management. In evaluating internal control, IAD adopts the five components set out in the Internal Control Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO); namely control environment, risk assessment, control activities, information and communication, and monitoring activities. COSO is an internationally recognized organization providing thought leadership and guidance on internal control, enterprise risk management and fraud deterrence.

IAD's scope of coverage encompasses all business and support units. The selection of the units to be audited from the audit universe is based on an annual audit plan that is approved by the AC. The annual audit plan is developed based on assessment of the risks, exposures and strategies of the Bank. Units that are assessed as high risk are subject to an annual audit, while those that are assessed to be medium or low risk are subject to a cycle audit. Notwithstanding the risk assessment, the annual audit plan will include units that must be audited annually due to regulatory requirements, recent incidence of fraud or adverse

audit rating in the past year or recent action taken by regulators due to both market conduct or otherwise. IAD also undertakes investigations into alleged fraud by staff, customers and third parties, and recommends appropriate improvements to prevent recurrence and actions against the persons responsible.

IAD has unrestricted access to information required in the course of its work. IAD's scope of work is established in accordance with The Institute of International Auditors' (IIA) International Standards for the Professional Practice of Internal Auditing and relevant regulatory guidelines.

The Audit Report is the final product of an audit assignment, which provides the scope of audit work performed, a general evaluation of the system of internal control together with detailed audit observations, response of management, and comments and recommendations by IAD for improvement. The AC reviews and evaluates any exceptions or non-compliance raised by IAD and monitors activities to ensure that appropriate and prompt remedial actions are taken by the management.

IAD conducts training routinely for relevant staff of the Bank on governance and internal control matters.

IAD submits a report to the Group AC once every quarter. IAD follows the same audit planning and audit rating methodology as the Group Internal Audit Division with such modifications as necessary to suit the local environment and regulations.

Compliance Framework

The Board recognises that the compliance function forms an integral part of the Bank's management and internal controls, as a strong compliance culture reflects a corporate culture of high integrity and ethics.

The Bank's compliance function is driven by the Compliance Department with consultation and guidance from the Group Compliance Division which is headquartered in Malaysia. Its main function is to facilitate advice, monitor and educate the business and support units to act in accordance with laws, regulations and guidelines. In line with good governance, Compliance Department reports independently to the Board of Directors.

The Bank has established new methodology of Compliance Framework which requires all business and support units to establish a Compliance Matrix. The Compliance Matrix encompasses relevant laws, regulations and guidelines which are applicable to the business and support units. Business and support units are required to conduct a Self-Testing exercise on the Compliance Matrix and the Compliance Department will independently conduct a verification of the self-testing performed by business and support units. Additionally, Compliance Department conducts scheduled on-site compliance reviews on business and support units based on the Compliance Work Plan that has been approved by the Board. In addition, scheduled trainings are regularly conducted to create compliance awareness of the Compliance Framework and to facilitate the implementation within the Bank.

The Board of Directors is provided with compliance reports on a regular basis to facilitate the Board having a holistic and overall view of all compliance matters of the Bank.

New Product Approval Policy and Procedures

New product approval policy and procedures are enforced for all new banking products and services. New products are products and/or services that are

CORPORATE GOVERNANCE

STATEMENT ON INTERNAL CONTROL

offered by the Bank for the first time or a combination of or variation to existing products and/or services that have a material change in the risk profile, as determined by Risk Management. All new product proposals are subjected to a rigorous risk review process by the various stakeholders at Bank and Group level to ensure that all critical and relevant areas of risk are appropriately identified, assessed and mitigated prior to implementation. The product proposal is then subjected to extensive deliberations in the various Bank and Group committees before submission to the Board of Directors of the Bank for final approval.

Exceptions Management and Escalation

The Bank continuously stresses the importance of adhering to regulatory requirements, internal controls and other established procedures in preserving its brand reputation. Exceptions are addressed and managed in a timely and transparent manner. To this end, the Bank has established exception management and escalation procedures to handle escalation of any exceptions, including regulatory non-compliance, breaches of rules or limits, fraud and other non-compliance with the internal processes. This procedure advocates timely remedial measures and strengthens transparency and management oversight.

Under the exception management and escalation procedures, reports on incidents are required to be submitted within 24 hours of discovery or first notification of such incident. Each exception will then be managed based on the severity and impact of the case to the Bank's business, operations and brand reputation. Exceptions are summarised and reported to the risk committee on a monthly basis.

Code of Ethics

The Bank has in place a standard minimum code of conduct for all its employees, which encompasses all aspects of its day-to-day business operations. The guidelines of the code of conduct are adopted from the Group and incorporated in the employment contract acknowledged and signed by all employees.

Human Resources Policies and Procedures

Human Resources (HR) Policies and Procedures have been instituted throughout the Group, covering all aspects of human resource management. The policies on recruitment, promotion, transfer and termination of employees within the Group are clearly defined therein. These policies are built upon and in line with the relevant local regulations to ensure compliance. Employees are appraised on an annual basis and the appraisal is directed by key performance indicators and core competency measurements. Learning and capability development programs which include skills and/or technical training are developed and put in place to support and improve the competency of our employees to ensure that they are able to discharge their duties effectively and efficiently. Employees are periodically reminded of the relevant policies via e-mail or memoranda and also through relevant training sessions. One such training conducted is the Anti-Money Laundering (AML) session, which is carried out regularly to further emphasize the Group's zero tolerance attitude towards non-compliance of the AML policy. It is also further emphasized during the Group orientation program.

BUSINESS CONTINUITY MANAGEMENT

CIMB Group is committed in safeguarding the interests of all its key stakeholders, reputation of the organisation and value creating activities by ensuring an appropriate level of continuity on business processes and functions throughout the Group. The responsibilities for implementing and running the

Business Continuity Management ("BCM") programme lies with the Board of Directors and Management.

A BCM framework is adopted from CIMB Group and is in place to outline and enforce minimum BCM requirements, procedures and practices on business and support units, so as to ensure the continuity of critical business functions and essential services within a specified timeframe in the event of major disruptions, thus ensuring;

- (i) customer's expectations can be fulfilled and quality of services can be maintained to promote customer confidence;
- (ii) minimal impact on business operations during major disruption;
- (iii) reputation and image of the Bank will not be negatively affected, and
- (iv) regulatory compliance with BCM guidelines/principles/regulations.

The BCM framework is regularly updated and aligned with CIMB Group standards, and BCM procedures and practices include analysing the business functions and identifying continuity strategies, responses, continuity culture, exercises and plan maintenance of each business and support units.

Pursuant to the BCM, Business Continuity Plans ("BCP") are documented for mission critical functions and processes, and Disaster Recovery Plans ("DRP") are documented for application systems. The BCP and DRP are rehearsed and tested on a regular basis.

In addition, BCM workshops are conducted annually for business and support units across the Bank in efforts to increase employee awareness on their roles, responsibilities and accountabilities with respect to BCM.

Anti-Money Laundering / Counter Terrorism Financing (AML/CFT)

The Bank places importance on and is committed to establishing an effective internal control system for AML/CFT in compliance with all related laws, regulations, guidelines and industry best practices.

The Bank maintains the AML/CFT Policies and Procedures which has been duly approved by the Board.

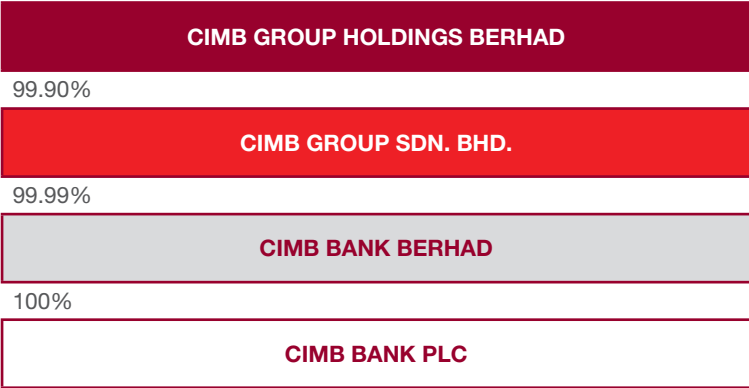
The Bank's AML/CFT systems and supporting systems facilitate AML risk, customer and transaction monitoring including Watchlist Management, CDD or "Know Your Customer" and AML/CFT Alert Monitoring.

Regular training and awareness programmes are conducted. This is supplemented with the latest updates on AML/CFT, real transaction cases studies on the risk of money laundering and financing terrorism, with emphasis on the roles and responsibilities of employees. The Bank has taken and will continue to undertake on-going measures to reduce the risk of CIMB's exposure to possible money laundering and financing of terrorism activities, and at the same time ensure compliance with regulatory guidelines.

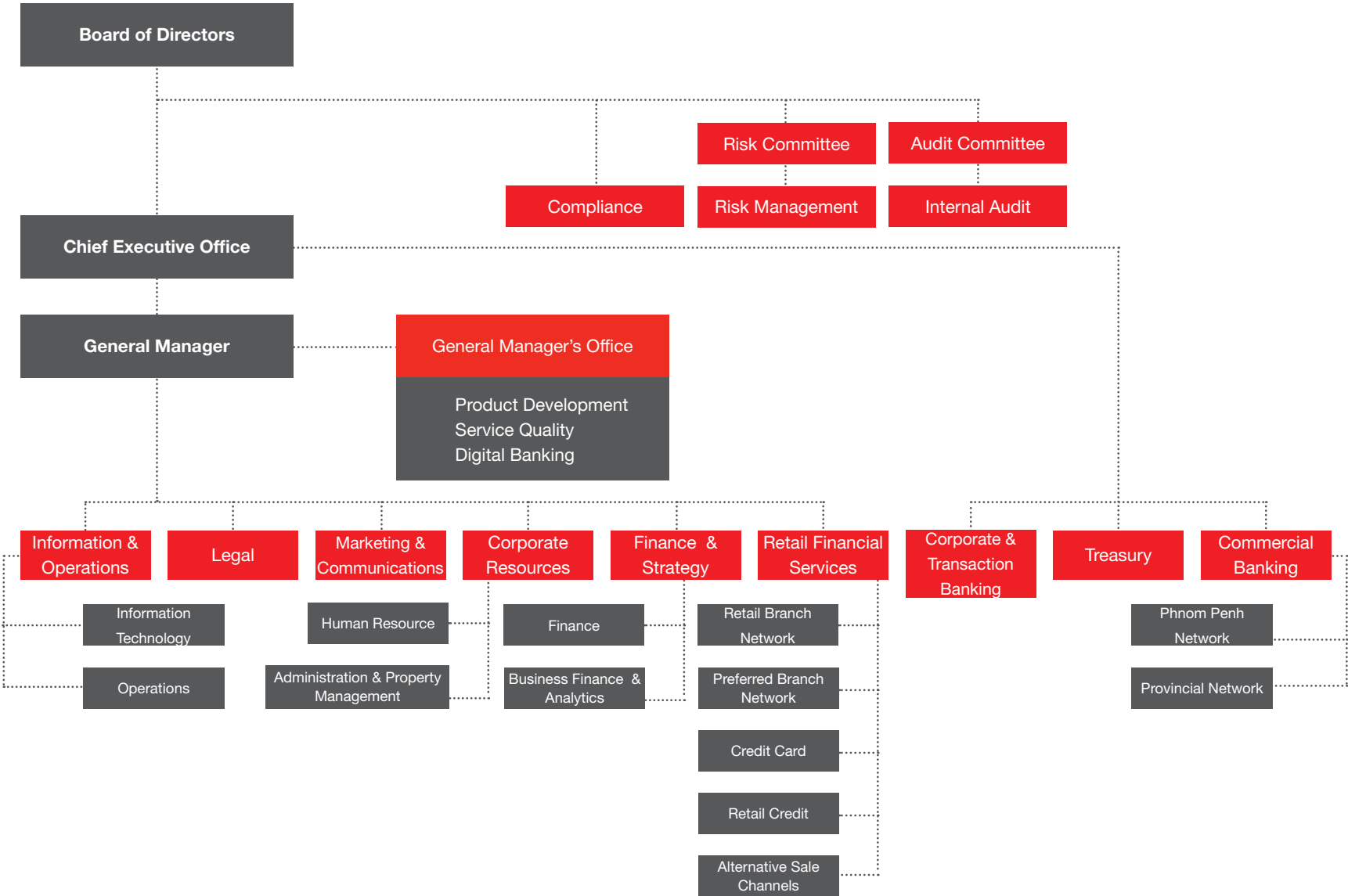
CONCLUSION

The Board believes that the system of internal control in place is adequate to safeguard shareholder interests as well as the assets of the Bank. It also acknowledges the effectiveness of the on-going process for the identification, evaluation and management of significant risks in the Bank and is committed to continuing to review the operations and effectiveness of the Bank's internal controls, including financial, operational and compliance controls and risk management.

CORPORATE STRUCTURE



ORGANISATION CHART



CORPORATE INFORMATION

AS AT 29 MARCH 2016

BOARD OF DIRECTORS

Dato' Shaarani Ibrahim
Chairman/Independent Non-Executive Director

Dato' Wira Zainal Abidin Mahamad Zain
Independent Non-Executive Director

Yew Wan Kup
*Non-Independent Executive Director
(Resigned on 29 January 2015)*

Dr. Mey Kalyan
Independent Non-Executive Director

Kua Wei Jin
Non-Independent Non-Executive Director

Bun Yin
*Non-Independent Executive Director
(Appointed on 29 January 2015)*

AUDIT COMMITTEE

Dr. Mey Kalyan
Chairman/Independent Non-Executive Director

Dato' Shaarani Ibrahim
Independent Non-Executive Director

Dato' Wira Zainal Abidin Mahamad Zain
Independent Non-Executive Director

RISK COMMITTEE

Dato' Shaarani Ibrahim
Chairman/Independent Non-Executive Director

Bun Yin
Chief Executive Officer

Low Chee Hock
General Manager

Hong Cheap
Head, Risk Management

Heng Thida
Head, Retail Financial Services

Den Davuth
Head, Information Technology & Operations

Heng Vuthy
Head, Strategy & Finance

Ky Sana
Head, Corporate & Transaction Banking

CAMBODIA CREDIT COMMITTEE

Hong Cheap
Chairman/Head, Risk Management

Bun Yin
Alternative Chairman/Chief Executive Officer

Low Chee Hock
*General Manager
(Appointed as member on 2 March 2015)*

Heng Thida
Head, Retail Financial Services

Kien Vatana
Acting Head, Credit Management

John Chuah Keat Kong
Credit Advisor, Commercial Banking

Heng Vuthy
*Head, Strategy & Finance
(Resigned as member on 2 March 2015)*

Ky Sana
*Head, Corporate & Transaction Banking
(Appointed as member on 2 March 2015)*

Chea Bunhean
*Commercial Banking
(Appointed as member on 2 March 2015)*

Hong Bunroeut
*Commercial Banking
(Appointed as member on 2 March 2015)*

ASSETS AND LIABILITIES MANAGEMENT COMMITTEE

Bun Yin
Chairman/Chief Executive Officer

Low Chee Hock
General Manager

Heng Thida
Head, Retail Financial Services

Hong Cheap
Head, Risk Management

Heng Vuthy
Head, Strategy & Finance

Heng Torang
Vice President, Treasury

Ky Sana
Head, Corporate & Transaction Banking

MANAGEMENT COMMITTEE

Bun Yin
Chairman/Chief Executive Officer

Low Chee Hock
General Manager

Heng Thida
Head, Retail Financial Services

Heng Torang
Vice President, Treasury

Hong Cheap
Head, Risk Management

Heng Vuthy
Head, Strategy & Finance

Oum Chendapheakdey
Head, Corporate Resource

Den Davuth
Head, Information Technology & Operations

Ky Sana
Head, Corporate & Transaction Banking

Seang Soleak,
*Head, Marketing & Communications
(Resigned as member on 04 August 2015)*

Mak Chamroeun
*Head, Marketing & Communications
(Appointed as member on 04 August 2015 &
Resigned as member on 31 December 2015)*

COMPANY SECRETARIES

Ly Sophea
Datin Rossaya Mohd Nashir

REGISTRATION NO.

Co.1935E/2010

REGISTERED OFFICE

20AB Corner Preah Norodom Boulevard & Street 118
Sangkat Phsar Chas, Phnom Penh 12203
Cambodia
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Fax: +855 23 988099
Website: www.cimbbank.com.kh

AUDITOR

PricewaterhouseCoopers (Cambodia) Ltd.
35 Sihanouk Blvd, Khan Chamkarmon
Phnom Penh 12210
P.O. Box 1147
Tel: +855 23 860 606
Fax: +855 23 211 594

A photograph of a man in a dark grey suit and red patterned tie, smiling and standing in a modern building lobby. The lobby features large, light-colored stone columns and a polished floor that reflects the light. Dramatic shadows from the columns are cast across the wall and floor. A small potted plant is visible on the left side of the frame.

BOARD OF DIRECTORS



BOARD OF DIRECTORS

DATO' SHAARANI IBRAHIM



Position ➤ Chairman
 ➤ Independent Non-Executive Director

Malaysian

Joined the Board on 20 September 2010
Attended all 8 Board Meetings held in 2015
Chairman of the Risk Committee
Member of the Audit Committee

Dato' Shaarani Ibrahim graduated from the University of Malaya with a Bachelor of Arts (Hons) degree in International Relations in 1973.

Dato' Shaarani Ibrahim, has since January 2009, been an Independent Director of CIMB Thai Bank Public Company Limited (CIMB Thai) and also a member of its Audit Committee and Nomination, Remuneration and Corporate Governance Committee. Since September 2010, Dato' Shaarani has also been an Independent Director of the Singapore-based Dragon Group International (DGI) where he also serves as Chairman of the Remuneration Committee and member of its Audit and Nomination Committees. Dato' Shaarani has also been appointed as an Independent Director of CIMB Vietnam from August 2015.

Prior to joining the private sector, Dato' Shaarani held office in the Administrative and Diplomatic service of the Government of Malaysia and was attached to the Ministry of Foreign Affairs since 1973, assuming various responsibilities over a span of 36 years.

While working at the Foreign Ministry, Dato' Shaarani served as the Ambassador of Malaysia to the Republic of Uzbekistan from 1996 to 1999. He was also the Ambassador of Malaysia to the Kingdom of Spain from 2002 to 2005 and the Ambassador of Malaysia to the Kingdom of Thailand from 2005 to 2008.

BOARD OF DIRECTORS
AND MANAGEMENT
BOARD OF DIRECTORS

DR. MEY KALYAN



Position ➤ Independent Non-Executive Director

Cambodian

Joined the Board on 28 June 2012
Attended 7 out of 8 Board Meetings held in 2015
Chairman of the Audit Committee

Dr. Mey Kalyan finished his doctoral course in Development Economics, Kobe University, Japan in 1984. Afterwards, he received extensive short term training on development from UN agencies, the World Bank, and Harvard University. He has extensive global experience in economic development.

He is currently a Senior Advisor to many institutions in the Royal Government of Cambodia, including the Supreme National Economic Council (SNEC), an economic think tank to the Prime Minister. Prior to this position, Dr. Mey worked for 20 years as a senior economist of the UN/FAO-World Bank Cooperative Program based in Rome, Italy. In the mid-1980s, he was also a finance officer at Kanematsu Goshu Corporation, a general trading house, in Osaka and Tokyo. Since December 2013, Dr. Mey has sat on the Board of Prudential (Cambodia) Life Assurance PLC. He has also been the Chairman of the Board of Royal University of Phnom Penh as of 2 April 2015. During his professional period, Dr. Mey has visited and experienced working in about 100 countries.

With his vast experience and knowledge acquired while serving around the globe, Dr. Mey is honoured to help in the development of Cambodia in both private and public sectors. He is convinced that the development of the financial sector is one of the prime keys to Cambodia's development and success.

**BOARD OF DIRECTORS
AND MANAGEMENT**
BOARD OF DIRECTORS**DATO' WIRA ZAINAL ABIDIN MAHAMAD ZAIN**

Position ➤ *Independent Non-Executive Director*

Malaysian

Joined the Board on 20 September 2010
Attended all 8 Board Meetings held in 2015
Member of the Audit Committee

Dato' Wira Zainal Abidin holds a Bachelor of Arts (Hons) degree in International Relations from the University of Malaya.

Dato' Wira Zainal Abidin is also an Independent Non-Executive Director of Malayan Flour Mills Berhad (MFM). Prior to his appointment to the Board of MFM, he was Malaysia's First ASEAN Permanent Representative ad-interim in the Republic of Indonesia from March 2009 to July 2009. He has been appointed as the Chairman of the CIMB Vietnam.

Dato' Wira Zainal Abidin has served at the Ministry of Foreign Affairs since 1973, having held various responsibilities over a span of 43 years in public service. He also served as Special Envoy of the Prime Minister of Malaysia to the Islamic Republic of Afghanistan, a responsibility which he assumed from June 2010 till December 2014.

His career during these 43 years to date in serving the Government of Malaysia saw him appointed as Ambassador of Malaysia to Brazil, Vietnam and Indonesia. He also served as Malaysia's first Director-General of the South-East-Asian Centre for Counter-Terrorism based in Kuala Lumpur. His other appointments were as Chargé d' Affaires of Malaysia in Tehran, the Islamic Republic of Iran; Consul-General of Malaysia in Abu Dhabi, UAE; Consul-General of Malaysia in Jeddah, Saudi Arabia and Consul General of Malaysia in Vancouver, Canada.

**BOARD OF DIRECTORS
AND MANAGEMENT**
BOARD OF DIRECTORS

KUA WEI JIN



Position ➤ *Non-Independent Non-Executive Director*

Malaysian

Joined the Board on 1 November 2013
Attended all 8 Board Meetings held in 2015

Wei Jin graduated with a Master of Arts (Business) and Bachelor of Science in Business Administration from University of Nebraska-Lincoln, USA.

He joined CIMB Investment Bank Berhad as Regional Treasurer in November 2010 with the main task of managing CIMB Group's treasury businesses outside of Malaysia namely CIMB Niaga, CIMB Thai, CIMB Singapore Branch, CIMB Cambodia, and later CIMB Hong Kong Branch, CIMB Shanghai Branch and CIMB London.

He was the alternate Chairperson to the setting up of CIMB's two latest overseas branches namely Shanghai and Hong Kong in 2013 and 2014 respectively. In addition, he has been nominated to sit in the soon to be opened CIMB Vietnam as a Non-Independent Non-Executive Director. He has also been a member of CIMB Group Asset and Liability Committee (GALCO) since 2013.

Wei Jin has more than 23 years of experience in various disciplines of treasury management, business and products including Money Market, Funding, Foreign Exchange, Rates and Derivative Trading, Structured Products and Debt Capital Markets. He began his career with Union Bank of Switzerland based out of Singapore and Hong Kong as an Assistant Vice President, Global Fixed Income Derivatives and subsequently worked in Bankers Trust Company Hong Kong as Vice President, Asia Trading and Distribution from 1993 to 1996.

He then moved to Barclays Capital, Singapore in 1999 as Director of Asia Fixed Income Derivatives Trading. In April 2001, he joined Standard Chartered Bank, Singapore as Regional Head, Interest Rate Derivative - South Asia. Thereafter, Wei Jin returned to Malaysia and joined Hong Leong Bank Berhad in February 2004 as Chief Operating Officer tasked to manage its Wholesale Banking Business prior of joining CIMB Group.

**BOARD OF DIRECTORS
AND MANAGEMENT**
BOARD OF DIRECTORS

BUN YIN



Position ➤ *Chief Executive Officer*
 ➤ *Non-Independent Executive Director*

Cambodian

Joined the Board on 29 January 2015
Attended 7 out of 7 Board meetings in 2015
Member of the Risk Committee

Bun Yin earned a Bachelor Degree from the Faculty of Finance, Accounting and Banking of the Ministry of Finance in Cambodia in 1987.

He was appointed as Chief Executive Officer (CEO) on 1 January 2015 after serving as Deputy General Manager since the first setup of the Bank in Cambodia. Bun Yin was appointed as the Bank's Executive Director (ED) on 29 January 2015. He has also served as a member of the Bank's Risk Committee.

As ED/CEO, Bun Yin has overall responsibility for the implementation of the Bank's strategy, and for carrying out the Board's direction, managing the Bank's businesses and driving performance within strategic goals and commercial objectives. He leads the Management team in carrying out the corporate strategy and vision of the Bank. He is also accountable to the Board for the day-to-day operations of the Bank's business.

He has been working in the banking industry for more than 30 years. With his extensive experience in banking and deep relationship with local and regional customers, Bun Yin has been a central part in driving the Bank's business, generating quality funds and balancing credit. He has been recognized as one of the pioneers in the Cambodia's banking industry.

**BOARD OF DIRECTORS
AND MANAGEMENT**
JOINT COMPANY SECRETARIES

DATIN ROSSAYA MOHD NASHIR



Position ➤ Joint Company Secretary

Malaysian

Datin Rossaya Mohd Nashir is the Group Company Secretary and works with the Chairman and the Board, advising them on their duties and responsibilities, governance matters, including ensuring CIMB's compliance to laws and regulatory requirements, and that a corporate governance framework is deployed in a manner that supports the Group's vision and aspirations. She plays a liaison role between the Board and its key stakeholders, both in Malaysia and in the Group's regional operations. She was appointed as the Joint Company Secretary of CIMB Cambodia on 20 September 2010.

She has more than 20 years of experience in corporate secretarial practice and has been with CIMB since 2002, when she joined the Corporate Legal Services Unit and was instrumental in setting up the Company Secretarial Department in 2004. She is also a Director of several subsidiaries in CIMB group. Prior to working in CIMB, Datin Rossaya was with Permodalan Nasional Berhad, where she was assumed the position of Joint Company Secretary for several of its subsidiaries. She began her career with Time Engineering Group.

Datin Rossaya holds a Bachelor of Laws degree (majoring in Business Law) from Coventry University, United Kingdom. She is also an affiliate of the Malaysian Institute of Chartered Secretaries and Administrators and serves as a member of the Companies Commission of Malaysia's Corporate Practice Consultative Forum, representing the interests of Government Linked Companies under the auspices of Khazanah Nasional Berhad. She actively advocates greater participation of women in the boardroom.

LY SOPHEA



Position ➤ Joint Company Secretary

Cambodian

LY Sophea is the Joint Company Secretary of CIMB Bank PLC. She also acts as the Joint Secretary to the Board of Directors and the Audit Committee of CIMB Bank PLC. She is the Secretary to the Management Committee and also sits as a permanent invitee of other committees of the Bank which includes the Risk Committee and Cambodia Credit Committee.

Prior to joining CIMB Bank PLC, Sophea was an Assistant to the Senior Vice President and Head of Legal and Corporate Affairs at a major bank in Cambodia. She simultaneously studied and worked for six years in legal and corporate secretarial roles in Legal and Corporate Affairs Division at her previous place of work.

Sophea graduated in 2004 from the Royal University of Law and Economics with a Bachelor of Law and in that same year, received a Bachelor of Accounting from the Faculty of Business Administration of the Institution of Technology and Management (now Puthisastras University). In 2007, she obtained her Master of Private Law.



CIMB



MANAGEMENT TEAM

preferred



MANAGEMENT TEAM

LOW CHEE HOCK



General Manager

Low Chee Hock is the General Manager of CIMB Bank PLC. He started his banking career with Citibank Malaysia, gaining experiences with different departments within the consumer banking portfolios of Mortgage and Credit Cards in both Sales and Credit functions. He later moved on to join Southern Bank Berhad based in Malaysia as the Head of Management Support for Collection and Recovery Department. After four successive years there, the bank was merged into CIMB Bank Malaysia in 2006. From there, he continued his career with CIMB Bank Malaysia till 2014 as Senior Vice President in Commercial Banking Division, managing CIMB Property Mart before being promoted and reassigned to CIMB Bank PLC in Cambodia as the General Manager.

As the General Manager for CIMB Bank PLC, Chee Hock is tasked to oversee all the Operational and Governance related matters of the Bank including the Consumer and Enterprise Banking business segments. On top of that, Chee Hock sits as member on the Bank's Risk Committee, Asset & Liability Committee, Audit Committee and Management Committee of CIMB Bank PLC.

Graduated with a Bachelor of Commerce in Accounting and Finance from the University of Southern Queensland, Australia, he has recently completed his INSEAD Leadership Program from INSEAD Business School, France.

HENG THIDA



First Vice President, Head, Consumer Banking

Heng Thida is responsible for the overall management and financial performance of CIMB Retail banking and her duties include product development, sales and distribution, and credit management. Thida devises business strategies and also takes care of both Preferred Banking and Credit Cards Portfolios.

She started her career as a salesperson in the import/export industry and later took on the challenge of becoming an Account Executive in an international advertising agency for four years before she left for Japan to further her studies. On her return to Cambodia, Thida was consultant to the Mekong Private Development Facility on a World Bank program.

Before joining CIMB, Thida worked for a major bank in Cambodia for seven years where she assumed various management positions, from Head of Marketing to Head of Retail Support and then Head of Sales and Distribution.

Thida earned her Bachelor's Degree from the National University of Management in Phnom Penh and then continued her major in marketing with an MBA from the International University of Japan.

**BOARD OF DIRECTORS
AND MANAGEMENT
MANAGEMENT TEAM**

KY SANA



**First Vice President,
Corporate & Transaction Banking**

Sana has worked for over 15 years in banking services covering various disciplines. She started her banking career with international banks and assumed various positions in the banking sector, both in the front line and in back office support.. As FVP for Corporate and Transactional Banking, Sana is responsible for large corporate lending and overall performance of Trade Finance and Cash Management. This entails formulating strategic and operational plans as well as execution of those plans.

In performing her duties, Sana was recipient of the following awards: Best Branch of the Year Award (2011), Most Admired Employee Award (2011) from CIMB Cambodia and Emerald Award (2013) for high performing middle managers from CIMB Group.

Sana holds a Bachelor degree in accounting from National Institute of Management and Accelerated Universal Bankers Program, Nanyang Technological University, Singapore.

HENG TORANG



**Vice President,
Head, Treasury**

Heng Torang is the Treasurer of CIMB Bank PLC. His primary duties include funding the Bank's balance sheet, currency exchange sales, investment or structured products sales and financial institutions relationship. In the course of his work, he is constantly in contact with clients, servicing both retails and wholesales segment. Torang has developed his expertise in market products i.e. foreign exchange, derivatives, money and interbank market and day to day collaboration with each business unit to optimize the Bank's profit. He joined CIMB Bank PLC in September 2010 and served in the Risk Management function and Secretary to the Risk Committee until mid 2013 before he moved to manage the Treasury Department.

Prior to joining CIMB Bank PLC, Torang was Assistant Vice President and Manager of Market and Treasury Risk, with three years' experience in cash management, Treasury, at a major bank in Cambodia.

Torang graduated from Pannasastra University of Cambodia in 2011 with a Master of Business Administration in Finance and achieved Accelerated Universal Bankers Program, Nanyang Technological University, Singapore, in 2014. He is currently pursuing the Association of Chartered Certified Accountants (ACCA) degree from the United Kingdom Licensing Centre in Cambodia.

**BOARD OF DIRECTORS
AND MANAGEMENT
MANAGEMENT TEAM**

HENG VUTHY



First Vice President, Head, Strategy & Finance

Heng Vuthy is the Head of Strategy & Finance. He was one of the pioneers in the management team of CIMB Bank PLC, joining the Bank in 2010 as Head of Finance and being promoted to Head, Strategy and Finance in 2013. His primary duties are to manage financial functions, plan, organise, direct and manage subordinate personnel involved in developing, implementing, and maintaining policies and practices for the financial management, budgeting, taxation, accounting and regulatory reporting, and business strategy of the Bank.

Vuthy also has oversight of the accounting system and reporting, financial controlling, business planning, and serves as liaison to the Group Head Office in Malaysia. Prior to joining CIMB Bank

PLC, he had eight years' experience in financial management, and was Deputy Head of the Finance Division in his last post with a major bank in Cambodia.

Vuthy holds a Master of Business Administration in Finance and an Association of Chartered Certified Accountants (ACCA) degree from the United Kingdom Licensing Centre in Cambodia.

OUM CHENDA PHEAKDEY



First Vice President, Head, Corporate Resources

Oum Chenda Pheakdey has been with CIMB Bank PLC for more than 5 years. She sits in the Management Committee of the Bank and her key role is to ensure an effective people agenda is delivered through partnership with the business units.

During her tenure, she has raised human resource management to the next level by building up employee competency ranging from soft and hard skills to management and leadership development. She actively promotes the learning and sharing culture to sustain the organization's knowledge in the long-run. Her other agenda works around ongoing engagement and culture building initiatives to ensure employees and management are well engaged with each other.

Employee development and engagement programs in line with business direction, have helped the Bank achieve good performance over the years.

Aside from Human Resource, she is also responsible for the Administration and Property Management. She oversees key property projects to ensure they are effectively managed in term of cost-efficiency and milestones.

Oum Chenda Pheakdey holds a Bachelor of Business Administration from the National Institute of Management. Prior to joining CIMB Bank PLC, she held HR leadership roles in various industries since 2002.

**BOARD OF DIRECTORS
AND MANAGEMENT
MANAGEMENT TEAM**

DEN DAVUTH



**First Vice President,
Head, Information & Operations**

Den Davuth is the Head of Information & Operations. He oversees Information Technology, Operations, business process improvement, and operational governance and assurance functions. He directs the bank and executes technical strategies to ensure they are in line with the Group Information and Operations Division’s blueprints.

Davuth joined CIMB Bank PLC as one of the pioneers in setting up the bank operations in September 2010 as Head of Information Technology before he assumed the position of Head of Information & Operations in November 2014. Prior to this, he had 5 years of experience as Head of Information Technology in a local bank.

Davuth holds two Bachelor of Arts degrees; one in Computer Science and another one in English majoring in Professional Communication Skills from the Royal University of Phnom Penh.

HONG CHEAP



**First Vice President,
Head, Risk Management**

With a large body of experience in the commercial banking sector, involving frontline customer facing and risk management, Hong Cheap has equipped himself with strong customer and industry knowledge to provide valuable insight to the Bank on business and risk management matters. Hong Cheap has also experience in risk management in Laos in the position of Chief Risk Officer for an international bank. As Head of Risk for CIMB Cambodia, Hong Cheap holds responsibility for overall risk management and works closely with other business units and Group Risk to embed a strong risk culture and have risks strongly controlled within the Bank.

As Chairman of the Credit Committee, Hong Cheap provides direction and guidance from a lending point of view to maintain and attract creditworthy customers while maintaining quality books. He also oversees other risk matters, including but not limited to operational risk, market risk, and liquidity risk. He holds a Bachelor’s and a Master’s degree in Business Administration.

**BOARD OF DIRECTORS
AND MANAGEMENT
MANAGEMENT TEAM**

KHIEU LANIN



Vice President, Internal Audit

With more than 5 years of contribution in CIMB Bank PLC, Lanin was promoted in 2014 to Vice President of Internal Audit. His scope of responsibility is overall management of the Bank's Internal Audit Department, which includes developing and overseeing audit plans, strategies, standards and policies.

Having over 13 years experiences in financial institution industry, especially in audit, Lanin has a strong ability to execute his function and assist the AC and the Management in establishing cost-effective controls, assessing risks, recommending measures to mitigate risks and assuring a proper governance process.

Lanin obtained his Bachelor degree of Finance and Banking from National University of Management and his Master degree of Finance and Accounting from Build Bright University.

LY SOPHEA



First Vice President, Head, Legal & Compliance

LY Sophea has been the Head of Legal and Compliance since CIMB Bank PLC started operations in November 2010. Sophea is responsible for the compliance functions of the Bank, and manage functions of the Legal and Corporate Secretariat. She is the joint company secretary to the Board of Directors and the Audit Committee of CIMB Bank PLC. She also acts as the Secretary to the Management Committee and sits as a permanent invitee of other committees of the Bank, including the Risk Committee and Cambodia Credit Committee.

Prior to joining CIMB Bank PLC, Sophea was an Assistant to the Senior Vice President and Head of Legal and Corporate Affairs at a major bank in Cambodia. She simultaneously studied

and worked for six years in legal and corporate secretarial role in Legal and Corporate Affairs Division at her previous place of work.

Sophea graduated in 2004 from the Royal University of Law and Economics with a Bachelor of Law and in that same year, earned a Bachelor of Accounting from the Faculty of Business Administration of Institution of the Technology and Management (now known as Puthisastras University). In 2007, she obtained her Master's Degree in Private Law from the Royal University of Law and Economics.



We believe
it's all about **people**

Unleashing our
talent & potential



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AUDITED FINANCIAL STATEMENTS DIRECTORS' REPORT

DIRECTORS' REPORT

The Board of Directors ("the Directors") hereby submit their report and the audited financial statements of CIMB Bank PLC ("the Bank") for the year ended 31 December 2015.

CIMB BANK PLC

The Bank was incorporated on 20 September 2010 and is a wholly-owned subsidiary of CIMB Bank Berhad, a licensed bank incorporated in Malaysia. CIMB Group Holdings Berhad, a quoted company incorporated in Malaysia, is the ultimate holding company.

PRINCIPAL ACTIVITIES

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

RESULTS OF OPERATIONS AND DIVIDEND

The results of operations for the year ended 31 December 2015 are set out in the income statement on page 7.

No dividends were declared or paid during the year ended 31 December 2015.

CURRENT AND NON-CURRENT ASSETS

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

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

CONTINGENT AND OTHER LIABILITIES

At the date of this report, there is:

- (a) no charge on the assets of the Bank which has arisen since the end of the period which secures the liabilities of any other person, and
- (b) no contingent liability in respect of the Bank that has arisen since the end of the period other than in the ordinary course of banking business.

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

CHANGE OF CIRCUMSTANCES

At the date of this report, the Directors are not aware of any circumstances, not otherwise dealt with in this report or the financial statements of the Bank, which would render any amount stated in the financial statements misleading in any material respect.

ITEMS OF AN UNUSUAL NATURE

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

THE BOARD OF DIRECTORS

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

Dato' Shaarani Ibrahim (Chairman)
Dato' Wira Zainal Abidin Bin Mahamad Zain
Dr. Mey Kalyan
Mr. Kua Wei Jin
Mr. Bun Yin (appointed as Executive Director on 29 January 2015)

RESPONSIBILITIES OF THE DIRECTORS IN RESPECT OF THE FINANCIAL STATEMENTS

The Directors are responsible to ensure that the financial statements are properly drawn up so as to present fairly, in all material respects, the financial position of the Bank as at 31 December 2015 and of its financial performance and cash flows for the year then ended. In preparing these financial statements, the Directors are required to:

- i). adopt appropriate accounting policies which are supported by reasonable and prudent judgements and estimates and then apply them consistently;

- ii). comply with the disclosure requirements and guidelines issued by the National Bank of Cambodia and Cambodian Accounting Standards or, if there have been any departures in the interests of fair presentation, these have been appropriately disclosed, explained and quantified in the financial statements;

- iii). maintain adequate accounting records and an effective system of internal controls;

- iv). prepare the financial statements on a going concern basis unless it is inappropriate to assume that the Bank will continue operations in the foreseeable future; and

effectively control and direct the Bank in all material decisions affecting the operations and performance and ascertain that such have been properly reflected in the financial statements.

The Directors confirm that the Bank has complied with the above requirements in preparing the financial statements.

APPROVAL OF THE FINANCIAL STATEMENTS

The accompanying financial statements, which present fairly, in all material respects, the financial position of the Bank as at 31 December 2015, and of its financial performance and cash flows for the year then ended in accordance with the guidelines issued by the National Bank of Cambodia and Cambodian Accounting Standards, were approved by the Board of Directors.

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



Bun Yin
Executive Director /Chief Executive Officer

Date: 29 Mar 2016

AUDITED FINANCIAL STATEMENTS
INDEPENDENT AUDITOR'S REPORT

INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDER OF CIMB BANK PLC

We have audited the accompanying financial statements of CIMB BANK PLC which comprise the balance sheet as at 31 December 2015 and the income statement, the statement of changes in equity and the cash flow statement for the year then ended and a summary of significant accounting policies and other explanatory information.

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the guidelines issued by the National Bank of Cambodia and Cambodian Accounting Standards, 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.

AUDITOR'S RESPONSIBILITY

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation

of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

OPINION

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Bank as at 31 December 2015, and of its financial performance and its cash flows for the year then ended in accordance with the guidelines issued by the National Bank of Cambodia and Cambodian Accounting Standards.

For PricewaterhouseCoopers (Cambodia) Ltd.

By Lang Hy
Director

Phnom Penh, Kingdom of Cambodia
Date: 29 Mar 2016

AUDITED FINANCIAL STATEMENTS
BALANCE SHEET

BALANCE SHEET

AS AT 31 DECEMBER 2015

		31 December 2015		31 December 2014	
	Note	US\$	KHR' 000	US\$	KHR' 000
ASSETS					
Cash on hand		23,965,695	97,061,065	10,573,971	43,088,932
Balances with the Central Bank	4	126,732,169	513,265,284	108,666,214	442,814,822
Deposits and placements with other banks	5	33,809,116	136,926,920	22,643,213	92,271,093
Loans and advances to customers	6	264,040,917	1,069,365,714	206,399,963	841,079,850
Amount due from related company	7	85,647	346,870	63,474	258,657
Other assets	8	2,280,541	9,236,191	1,574,874	6,417,611
Property and equipment	9	1,318,118	5,338,378	2,417,276	9,850,400
Intangible assets	10	629,578	2,549,791	254,284	1,036,207
Deferred tax assets	11	581,153	2,353,670	-	-
Total assets		453,442,934	1,836,443,883	352,593,269	1,436,817,572
LIABILITIES AND EQUITY					
LIABILITIES					
Deposits from banks	12	79,200,967	320,763,917	33,303,864	135,713,246
Deposits from customers	13	286,064,131	1,158,559,731	264,680,623	1,078,573,539
Borrowings	14	20,000,000	81,000,000	-	-
Subordinated debt	15	7,000,000	28,350,000	-	-
Amount due to related company		-	-	283,710	1,156,118
Amount due to suppliers	16	518,049	2,098,098	197,211	803,635
Current income tax liabilities		659,338	2,670,319	20,794	84,736
Other liabilities	17	9,993,029	40,471,768	14,410,370	58,722,258
Total liabilities		403,435,514	1,633,913,833	312,896,572	1,275,053,532
SHAREHOLDERS' EQUITY					
Share capital	18	50,000,000	202,500,000	45,000,000	183,375,000
Accumulated profit/(losses)		7,420	30,050	(5,303,303)	(21,610,960)
Total shareholders' equity		50,007,420	202,530,050	39,696,697	161,764,040
Total liabilities and shareholders' equity		453,442,934	1,836,443,883	352,593,269	1,436,817,572

The accompanying notes on pages 10 to 50 form an integral part of these financial statements.

AUDITED FINANCIAL STATEMENTS
INCOME STATEMENT

INCOME STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2015

	Note	For the year ended 31 December 2015		For the year ended 31 December 2014	
		US\$	KHR' 000	US\$	KHR' 000
Interest income	19	19,041,646	77,118,667	13,286,304	54,141,689
Interest expense	19	(6,315,288)	(25,576,916)	(4,569,489)	(18,620,668)
Net interest income		12,726,358	51,541,751	8,716,815	35,521,021
Fee and commission income	20	2,960,411	11,989,664	2,459,590	10,022,829
Other operating income		445,604	1,804,696	204,453	833,146
Personnel expenses	21	(4,220,283)	(17,092,147)	(4,059,376)	(16,541,957)
Depreciation and amortisation expenses	22	(1,717,001)	(6,953,855)	(1,809,063)	(7,371,932)
General and administrative expenses	23	(3,762,433)	(15,237,853)	(3,367,041)	(13,720,692)
Provision for doubtful loans	6 (a)	(838,170)	(3,394,589)	(760,947)	(3,100,859)
Profit before income tax		5,594,486	22,657,667	1,384,431	5,641,556
Income tax expense	24	(283,763)	(1,149,240)	(160,026)	(652,106)
Profit for the year		5,310,723	21,508,427	1,224,405	4,989,450
Profit attributable to:					
Equity holders of the Company		5,310,723	21,508,427	1,224,405	4,989,450

The accompanying notes on pages 10 to 50 form an integral part of these financial statements.

AUDITED FINANCIAL STATEMENTS
STATEMENT OF CHANGES IN EQUITY

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2015

	Share capital	Accumulated profit/(losses)	Total
	US\$	US\$	US\$
For the year ended 31 December 2014			
At 1 January 2014	45,000,000	(6,527,708)	38,472,292
Net profit for the year	-	1,224,405	1,224,405
At 31 December 2014	45,000,000	(5,303,303)	39,696,697
In KHR' 000 equivalent	183,375,000	(21,610,960)	161,764,040
For the year ended 31 December 2015			
At 1 January 2015	45,000,000	(5,303,303)	39,696,697
Additional paid-up capital	5,000,000	-	5,000,000
Net profit for the year	-	5,310,723	5,310,723
At 31 December 2015	50,000,000	7,420	50,007,420
In KHR' 000 equivalent	202,500,000	30,050	202,530,050

The accompanying notes on pages 10 to 50 form an integral part of these financial statements.

AUDITED FINANCIAL STATEMENTS
CASH FLOW STATEMENT

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2015

		For the year ended 31 December 2015		For the year ended 31 December 2014	
	Note	US\$	KHR' 000	US\$	KHR' 000
Cash flows from operating activities					
Cash (used in)/generated from operations	25	(4,585,613)	(18,571,734)	12,190,705	49,677,122
Interest received		18,608,978	75,366,361	12,911,470	52,614,240
Interest paid		(5,893,357)	(23,868,096)	(3,907,762)	(15,924,130)
Income tax paid		(226,372)	(916,807)	(151,241)	(616,307)
Net cash generated from operating activities		7,903,636	32,009,724	21,043,172	85,750,925
Cash flows from investing activities					
Additional statutory deposit		(500,000)	(2,025,000)	-	-
Fixed assets adjustments		-	-	24,201	98,619
Proceed from disposal of property and equipment		18,173	73,601	-	-
Purchase of property and equipment	9	(296,104)	(1,199,221)	(307,461)	(1,252,904)
Purchase of intangible assets	10	(713,064)	(2,887,909)	(89,816)	(366,000)
Net cash used in investing activities		(1,490,995)	(6,038,529)	(373,076)	(1,520,285)
Cash flows from financing activities					
Proceeds from borrowings		20,000,000	81,000,000	-	-
Proceeds from subordinated debt		7,000,000	28,350,000	-	-
Additional paid-up capital		5,000,000	20,250,000	-	-
Net cash generated from financing activities		32,000,000	129,600,000	-	-
Net increase in cash and cash equivalents		38,412,641	155,571,195	20,670,096	84,230,640
Cash and cash equivalents at beginning of the year		103,567,870	422,039,070	82,897,774	331,176,607
Currency translation differences		-	(2,589,195)	-	6,631,823
Cash and cash equivalents at the end of year	26	141,980,511	575,021,070	103,567,870	422,039,070

The accompanying notes on pages 10 to 50 form an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2015

1. BACKGROUND INFORMATION

The Bank was incorporated in Cambodia on 20 September 2010 under the Registration No. Co. 1935E/2010, dated 23 September 2010, granted by the Ministry of Commerce and commenced its operations on 19 November 2010. The Bank is a wholly owned subsidiary of CIMB Bank Berhad, a licensed bank incorporated in Malaysia. CIMB Group Holdings Berhad, a publicly listed company incorporated in Malaysia, is the ultimate holding company.

The Bank is principally engaged in all aspects of banking business and the provision of related financial services in Cambodia. The Bank holds a banking licence that was issued by the National Bank of Cambodia (“the Central Bank”) on 11 November 2010.

The registered office of the Bank is located at No. 20AB Corner Phreah Norodom Boulevard & Street 118, Sangkat Phsar Chas, Phnom Penh, the Kingdom of Cambodia.

The financial statements were authorised for issue by the Board of Directors on 29 March 2016.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

2.1 Basis of preparation

The financial statements have been prepared in accordance with the guidelines issued by the Central Bank and Cambodian Accounting Standards (“CAS”). In applying CAS, the Bank also applies the Cambodian Financial Reporting Standard (“CFRS”) CFRS7: Financial Instruments: Disclosures. The accounting principles applied may differ from generally accepted accounting principles adopted in other countries and jurisdictions. The accompanying financial statements are therefore not intended to present the financial position and results of operations and cash flows in accordance with jurisdictions other than Cambodia. Consequently, these financial statements are addressed only to those who are informed about Cambodia accounting principles, procedures and practices.

The financial statements are prepared using the historical cost convention.

The preparation of financial statements in accordance with CAS requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of financial statements and the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on management’s best knowledge of current event and actions, actual results ultimately may differ from those estimates. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 3 to the financial statements.

2.2 Changes in financial reporting framework

On 28 August 2009, the National Accounting Council of the Ministry of Economy and Finance (“the National Accounting Council”) announced the adoption of Cambodian International Financial Reporting Standards (“CIFRS”) which are based on all standards published by the International Accounting Standard Board (“IASB”), including the related interpretations and amendments. Public accountable entities are required to prepare their financial statements in accordance with CIFRS for accounting period beginning on or after 1 January 2012.

Circular 086 MoEFNAC dated 30 July 2012 issued by the National Accounting Council of the Ministry of Economy and Finance allowed banks and financial institutions to delay adoption of CIFRS until periods beginning on or after 1 January 2016. On 16 November 2015, the National Bank of Cambodia sent a letter to National Accounting Council requesting a further postponement to periods beginning on or after 1 January 2019. The Council has not yet responded to this request as at the date of this report.

CAS, the current accounting standard used, is different to CIFRS in many areas. Hence, the adoption of CIFRS will have some impacts on the financial statements of the Bank.

2.3 Foreign currencies

(i) Functional and presentation currency

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

For the sole regulatory purpose of complying with the Prakas No. B7-07-164 dated 13 December 2007 of the Central Bank, a translation to Khmer Riel (“KHR”) is provided for the balance sheet,

AUDITED FINANCIAL STATEMENTS

NOTES TO THE FINANCIAL STATEMENTS

income statement, statement of changes in equity, cash flow statement and notes to the financial statements as at and for the financial year ended 31 December 2015 using the official rate of exchange regulated by the Central Bank as at the reporting date, which was US\$ 1 to KHR 4,050 (31 December 2014: US\$1 to KHR 4,075). Such translation amounts are unaudited and should not be construed as representations that the US\$ amounts represent, or have been or could be, converted into KHR at that or any other rate.

(ii) Transactions and balances

Transactions in currencies other than US\$ are translated into US\$ at the exchange rate prevailing at the date of transaction. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in currencies other than US\$ at the period-end exchange rate, are recognised in the income statement.

2.4 Cash and cash equivalents

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

2.5 Loans and advances to customers

All loans and advances to customers are stated in the balance sheet at outstanding principal and interest, less any amounts written-off and provision for loan losses.

Loans and advances are written-off when there are no realistic prospects of recovery. Recoveries of loans and advances previously written off or provided for are recognised in the income statement.

2.6 Provision for loan losses

The Bank follows the mandatory credit classification and provisioning as required by Prakas B7-09-074 dated 25 February 2009 issued by the Central Bank. The Prakas requires commercial banks to classify their loans, advances and similar assets into five classes and the minimum mandatory level of specific provisioning is provided, depending on the classification concerned and regardless of the assets pledged as collateral as follows:

	Rate of provision (%)
General provision:	
Normal	1
Specific provision:	
Special mention	3
Substandard	20
Doubtful	50
Loss	100

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

2.7 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 those for originated loans as stated above. Specific provisions are raised against other credit-related commitments when losses are considered probable.

2.8 Staff pension fund

The Bank established a staff pension fund for the benefit of all permanent employees. Both the employees and the employer contribute 5% each of the employee's monthly salary. Staff who have been working for three years or less will receive only their accumulated contributions. After three years, they will receive both their and the Bank's contributions. The staff pension fund is maintained in a separate account as "current account", and the interest rate is a 12-month fixed deposit rate. This account is under the name of the Bank.

2.9 Property and equipment

Property and equipment are stated at cost less accumulated depreciation and impairment loss. Historical cost includes expenditure that is directly attributable to the acquisition of the assets.

Subsequent expenditure relating to an item of property and equipment are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that the 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 period in which they are incurred.

AUDITED FINANCIAL STATEMENTS

NOTES TO THE FINANCIAL STATEMENTS

Assets under construction are not depreciated. Depreciation of property and equipment is charged to the income statement on a straight-line basis over the estimated useful lives of the individual assets at the following annual rates:

	%
Leasehold improvements	20
Office equipment	10 – 20
Computer equipment	20 – 33
Motor vehicles	20

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

2.10 Intangible assets

Intangible assets, which comprise acquired computer software licenses and related costs, are stated at cost less accumulated amortisation and impairment loss. Acquired computer software licenses are capitalised on the basis of the cost incurred to acquire the specific software and bring it to use. These costs are amortised over three years using the straight-line method.

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

2.11 Interest income and expense

Interest earned on loans and advances to customers, deposits with the Central Bank and other banks is recognised on an accrual basis, except where serious doubt exists as to the collectability of loans and advances to customers, in which case, interest is suspended until it is realised on a cash basis. The policy on the suspension of interest is in conformity with the Central Bank's guidelines on the suspension of interest on non-performing loans and provision for loan losses.

Interest expense on deposits from banks and customers is recognised on an accrual basis.

2.12 Fee and commission income

Fees and commissions are generally recognised on an accrual basis when the service has been provided. Fee and commission income comprise income received from inward and outward bank transfers, ATM fee charges, trade finance and others.

Loan processing fee is recognised as income when loan is disbursed.

2.13 Operating leases

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

2.14 Provisions

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

When there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole.

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

2.15 Income taxes

The current income tax expense is calculated based on the tax laws enacted or substantively enacted at the balance sheet date in Cambodia.

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

2.16 Related-party transactions

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

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

AUDITED FINANCIAL STATEMENTS
NOTES TO THE FINANCIAL STATEMENTS

3. CRITICAL ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGEMENTS

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

a) Impairment losses on loans and advances

The Bank follows the mandatory assets classification and provisioning as required by Prakas No. B7-09-074 dated 25 February 2009 on asset classification and provisioning in the banking and financial institutions issued by the Central Bank. The Central Bank requires commercial banks to classify their loans, advances and similar assets into five classes and the minimum mandatory level of provisioning is provided, depending on the classification concerned and regardless of the assets pledged as collateral. For the purpose of loan classification, the Bank takes into account all relevant factors which may affect the counterparties' repayment abilities.

b) Taxes

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

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

4. BALANCES WITH THE CENTRAL BANK

	31 December 2015		31 December 2014	
	US\$	KHR' 000	US\$	KHR' 000
Current accounts	77,205,700	312,683,085	59,049,686	240,627,470
Reserve requirement (a)	37,526,469	151,982,199	33,815,528	137,798,277
Fixed deposit (b)	7,000,000	28,350,000	11,301,000	46,051,575
Statutory deposit (c)	5,000,000	20,250,000	4,500,000	18,337,500
	<u>126,732,169</u>	<u>513,265,284</u>	<u>108,666,214</u>	<u>442,814,822</u>

(a) Reserve requirement

Reserve deposits represent the minimum reserve requirement which is calculated at 8% and 12.5% of customers' deposits and borrowings in KHR and other currency respectively. The 4.50% reserve requirement on customers' deposits in currencies other than KHR is interest bearing while the remaining 8% and the reserve requirement on customers' deposits in KHR bear no interest.

(b) Fixed deposits

Fixed deposits with the Central Bank are short term deposits with maturity less than three months. Including in fixed deposits, the Bank pledged Negotiable Certificate of Deposits (NCDs) amounting to US\$ 7,000,000 with Central Bank as collateral for settlement clearing facility. The term of the NCD is for a period less than three months and it bears interest rate at 0.23% per annum.

(c) Statutory deposit

Pursuant to Prakas No. B7-01-136 on Bank's Capital Guarantee dated 15 October 2001 issued by the Central Bank, banks are required to maintain 10% of their paid up capital as a statutory deposit with the Central Bank. The deposit, which is not available for use in the Bank's day-to-day operations, is refundable should the Bank voluntarily cease its operations in Cambodia.

(d) Interest rates

The current accounts are non-interest bearing. Annual interest rates on other balances with the Central Bank are summarised as follows:

	2015	2014
Reserve requirement	0.09% - 0.12%	0.10% - 0.12%
Fixed deposits	0.09% - 0.22%	0.08% - 0.18%
Statutory deposit	0.08% - 0.11%	0.18% - 0.20%

5. DEPOSITS AND PLACEMENTS WITH OTHER BANKS

	31 December 2015		31 December 2014	
	US\$	KHR' 000	US\$	KHR' 000
Placements	28,870,213	116,924,363	14,608,665	59,530,310
Current accounts	4,938,903	20,002,557	8,034,548	32,740,783
	<u>33,809,116</u>	<u>136,926,920</u>	<u>22,643,213</u>	<u>92,271,093</u>

Current accounts earn no interest. Placements with other banks in 2015 are mainly with local bank. Placements are short term and earn interest from 0.25% to 2.60% per annum.

AUDITED FINANCIAL STATEMENTS
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6. LOANS AND ADVANCES TO CUSTOMERS

	31 December 2015		31 December 2014	
	US\$	KHR' 000	US\$	KHR' 000
Commercial loans:				
Long-term loans	198,780,276	805,060,118	142,369,414	580,155,362
Overdrafts	57,097,514	231,244,932	57,013,385	232,329,544
Short term loans	10,955,773	44,370,881	9,163,784	37,342,420
Total loans and advances - gross	266,833,563	1,080,675,931	208,546,583	849,827,326
Provisions for loans losses:				
Specific provision	(125,992)	(510,268)	(61,772)	(251,720)
General provision	(2,666,654)	(10,799,949)	(2,084,848)	(8,495,756)
	(2,792,646)	(11,310,217)	(2,146,620)	(8,747,476)
	264,040,917	1,069,365,714	206,399,963	841,079,850

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

(a) Provision for loans losses

Movements in the provisions for loan losses are as follows:

	31 December 2015		31 December 2014	
	US\$	KHR' 000	US\$	KHR' 000
At beginning of the year	2,146,620	8,747,476	1,385,673	5,535,763
Provision for the year	838,170	3,394,589	760,947	3,100,859
Written off during the year	(192,144)	(778,183)	-	-
Foreign exchange difference	-	(53,665)	-	110,854
At the end of the year	2,792,646	11,310,217	2,146,620	8,747,476

(b) Analysis by classification

	31 December 2015		31 December 2014	
	US\$	KHR' 000	US\$	KHR' 000
Standard loans				
Secured	266,690,361	1,080,095,962	207,675,961	846,279,541
Unsecured	143,202	579,969	870,622	3,547,785
	266,833,563	1,080,675,931	208,546,583	849,827,326

(c) Interest rate

These loans and advances to customers earn interest at annual rates ranging from 3.5% to 12% (2014: 3.5% to 12%).

7. AMOUNT DUE FROM RELATED COMPANY

The amount due from CIMB Bank Berhad was mainly related to the payments made by CIMB Bank PLC on behalf of CIMB Bank Berhad for the benefits paid to trainees from CIMB Bank Berhad and others.

8. OTHER ASSETS

	31 December 2015		31 December 2014	
	US\$	KHR' 000	US\$	KHR' 000
Accrued interest receivables	1,484,965	6,014,108	1,052,297	4,288,110
Deposits (*)	465,692	1,886,053	261,663	1,066,277
Outstanding inward transactions	165,434	670,008	79,325	323,249
Office supplies	23,645	95,762	41,708	169,960
Others	140,805	570,260	139,881	570,015
	2,280,541	9,236,191	1,574,874	6,417,611

(*) This represents office rental deposits which are only refundable at the end of the lease term. The lease term is more than one year and the deposits are non-interest-bearing.

AUDITED FINANCIAL STATEMENTS
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9. PROPERTY AND EQUIPMENT

	Leasehold improvements	Office equipment	Computer equipment	Motor vehicles	Assets under construction	Total
	US\$	US\$	US\$	US\$	US\$	US\$
Year ended 31 December 2014						
Open net book value	1,892,695	492,465	659,474	232,636	263,579	3,540,849
Additions	128,158	39,851	153,781	60,000	-	381,790
Transferred in/(out)	-	2,790	16,875	44,800	(64,465)	-
Adjustments	-	-	-	-	(24,201)	(24,201)
Depreciation charge	(782,156)	(182,167)	(396,812)	(120,027)	-	(1,481,162)
Closing net book value	1,238,697	352,939	433,318	217,409	174,913	2,417,276
As at 31 December 2014						
Cost	3,701,348	870,863	2,212,823	603,300	174,913	7,563,247
Accumulated depreciation	(2,462,651)	(517,924)	(1,779,505)	(385,891)	-	(5,145,971)
Net book value	1,238,697	352,939	433,318	217,409	174,913	2,417,276
Net book value in KHR' 000 equivalent	5,047,690	1,438,226	1,765,772	885,942	712,770	9,850,400
Year ended 31 December 2015						
Open net book value	1,238,697	352,939	433,318	217,409	174,913	2,417,276
Additions	75,197	36,863	72,074	89,400	22,570	296,104
Write-off	-	-	(173)	(15,858)	-	(16,031)
Depreciation charge	(760,947)	(186,241)	(323,623)	(108,420)	-	(1,379,231)
Closing net book value	552,947	203,561	181,596	182,531	197,483	1,318,118
As at 31 December 2015						
Cost	3,776,545	907,726	2,283,725	612,846	197,483	7,778,325
Accumulated depreciation	(3,223,598)	(704,165)	(2,102,129)	(430,315)	-	(6,460,207)
Net book value	552,947	203,561	181,596	182,531	197,483	1,318,118
Net book value in KHR' 000 equivalent	2,239,435	824,422	735,464	739,250	799,807	5,338,378

Total fixed assets addition of US\$ 381,790 for the year ended 31 December 2014 includes outstanding payable of US\$74,329.

AUDITED FINANCIAL STATEMENTS
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10. INTANGIBLE ASSETS

	Computer software	Total
	US\$	US\$
Year ended 31 December 2014		
Open net book value	492,370	492,370
Additions	89,816	89,816
Amortisation charge	(327,901)	(327,901)
Closing net book value	254,285	254,285
As at 31 December 2014		
Cost	2,372,832	2,372,832
Accumulated amortisation	(2,118,548)	(2,118,548)
Net book value	254,284	254,284
Net book value in KHR' 000 equivalent	1,036,207	1,036,207
Year ended 31 December 2015		
Open net book value	254,284	254,284
Additions	713,064	713,064
Amortisation charge	(337,770)	(337,770)
Closing net book value	629,578	629,578
As at 31 December 2015		
Cost	3,085,896	3,085,896
Accumulated amortisation	(2,456,318)	(2,456,318)
Net book value	629,578	629,578
Net book value in KHR' 000 equivalent	2,549,791	2,549,791

11. DEFERRED TAX ASSETS

	31 December 2015		31 December 2014	
	US\$	KHR' 000	US\$	KHR' 000
Deferred tax assets	581,153	2,353,670	-	-
	581,153	2,353,670	-	-

The gross movement in the deferred tax account:

	31 December 2015		31 December 2014	
	US\$	KHR' 000	US\$	KHR' 000
As at 1 January	-	-	-	-
Credit to the income statement	581,153	2,353,670	-	-
	581,153	2,353,670	-	-

The movement of deferred tax assets:

	Accelerated depreciation	Pension fund	Net unrealised exchange loss	Total
	US\$	KHR' 000	US\$	KHR' 000
As at 1 January 2015	-	-	-	-
Credit to the income statement	468,952	56,633	55,568	581,153
As at 31 December 2015	468,952	56,633	55,568	581,153
In KHR'000 equivalent	1,899,256	229,364	225,050	2,353,670

12. DEPOSITS FROM BANKS

	31 December 2015		31 December 2014	
	US\$	KHR' 000	US\$	KHR' 000
Fixed deposits	78,329,953	317,236,310	30,000,000	122,250,000
Current accounts	871,014	3,527,607	3,303,864	13,463,246
	79,200,967	320,763,917	33,303,864	135,713,246

Fixed deposits are short-term and have maturities of twelve months or less. The fixed deposits bear interest from 0.45% to 4.00% per annum (2014: 0.80% to 2.20%).

13. DEPOSITS FROM CUSTOMERS

	31 December 2015		31 December 2014	
	US\$	KHR' 000	US\$	KHR' 000
Fixed deposits	161,591,731	654,446,511	151,541,058	617,529,811
Current accounts	99,448,065	402,764,663	87,007,710	354,556,419
Saving accounts	25,024,335	101,348,557	26,131,855	106,487,309
	286,064,131	1,158,559,731	264,680,623	1,078,573,539

Current accounts are non-interest-bearing for normal customers and interest bearing for preferred customers.

AUDITED FINANCIAL STATEMENTS NOTES TO THE FINANCIAL STATEMENTS

Fixed deposits are short-term and have maturities of 12 months or less.

Savings, fixed deposits and current accounts bear the following interest rates per annum:

	2015	2014
Saving deposits	0.00% to 1.50%	0.50% to 1.50%
Fixed deposits	0.70% to 5.50%	2.00% to 5.00%
Current accounts	0.00% to 1.75%	0.00% to 1.75%

14. BORROWINGS

	31 December 2015		31 December 2014	
	US\$	KHR' 000	US\$	KHR' 000
Non-related parties				
Industrial and Commercial Bank of China Limited – ICBC (i)	10,000,000	40,500,000	-	-
Related parties:				
CIMB BANK BERHAD (ii)	10,000,000	40,500,000	-	-
	20,000,000	81,000,000	-	-

On 30 November 2015, the Bank signed an agreement with ICBC and borrowed US\$10 million with maturity of one year. The borrowing bears interest rate of 3.85% per annum and will be payable on 1 December 2016.

This represents short term borrowing from CIMB Bank Berhad, a related party with original maturity of less than three months. The borrowings bear interest ranging from 0.92% to 1.04% per annum.

15. SUBORDINATED DEBT

	31 December 2015		31 December 2014	
	US\$	KHR' 000	US\$	KHR' 000
CIMB BANK BERHAD	7,000,000	28,350,000	-	-
	7,000,000	28,350,000	-	-

On 30 July 2015, the Bank signed a subordinated debt agreement with CIMB Bank Berhad, the shareholder and borrowed US\$7 million with a maturity of ten years. The subordinated debt will be payable at the maturity date and bears interest rate of 3% per annum.

The subordinated debt was also approved National Bank of Cambodia on 28 August 2015 for the purpose of Tier 2 capital computation.

16. AMOUNT DUE TO SUPPLIERS

The amount was mainly the payables to suppliers of the office renovation and guarantee deposits from constructors. These payables will be settled within 12 months after balance sheet date.

17. OTHER LIABILITIES

	31 December 2015		31 December 2014	
	US\$	KHR' 000	US\$	KHR' 000
Banker's cheque and other collection accounts (*)	2,330,191	9,437,274	10,833,773	44,147,625
Outstanding outward transactions (**)	3,782,183	15,317,841	718,776	2,929,012
Accrual interest payable	1,941,212	7,861,909	1,519,281	6,191,070
Accrual bonus payable	921,395	3,731,650	644,024	2,624,398
Accrued tax payable	143,309	580,401	94,201	383,869
Other liabilities	874,739	3,542,693	600,315	2,446,284
	9,993,029	40,471,768	14,410,370	58,722,258

(*) These are outstanding check clearances which were subsequently cleared at NBC's clearing house.

(**) These are outstanding outward remittances which were subsequently settled to correspondence banks.

All of these liabilities are expected to be settled within one year.

18. SHARE CAPITAL

The registered capital of the Bank as at 31 December 2015 is 50 million shares (31 December 2014: 45 million shares) at a par value of US\$ 1 per share. All authorised shares are fully paid. The additional paid up capital US\$ 5 million was approved by NBC on 21 August 2015 and approved by Ministry of Commerce on 26 August 2015.

	31 December 2015		31 December 2014	
	US\$	KHR' 000	US\$	KHR' 000
Opening balance	45,000,000	183,375,000	45,000,000	179,775,000
Additional paid up capital	5,000,000	20,250,000	-	-
Foreign exchange differences	-	(1,125,000)	-	3,600,000
Closing balance	50,000,000	202,500,000	45,000,000	183,375,000

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19. NET INTEREST INCOME

	31 December 2015		31 December 2014	
	US\$	KHR' 000	US\$	KHR' 000
Interest income:				
Loans and advances				
to customers	18,737,395	75,886,450	12,962,061	52,820,399
Placements with the Central Bank and other banks	176,417	714,489	254,855	1,038,534
Loans and advances to staff	127,834	517,728	69,388	282,756
Total interest income	19,041,646	77,118,667	13,286,304	54,141,689
Interest expense:				
Fixed deposits	(5,585,317)	(22,620,534)	(3,899,121)	(15,888,918)
Current accounts (*)	(614,223)	(2,487,603)	(533,582)	(2,174,347)
Savings deposits	(115,748)	(468,779)	(136,786)	(557,403)
Total interest expense	(6,315,288)	(25,576,916)	(4,569,489)	(18,620,668)
Net interest income	12,726,358	51,541,751	8,716,815	35,521,021

(*) Current accounts of preferred customers and corporate customers are interest-bearing.

20. FEE AND COMMISSION INCOME

	31 December 2015		31 December 2014	
	US\$	KHR' 000	US\$	KHR' 000
Fund remittance fees	1,114,906	4,515,369	995,380	4,056,174
Trade finance fee	527,178	2,135,071	529,679	2,158,442
Loan processing fees	388,341	1,572,781	350,770	1,429,388
Loan commitment fees	253,645	1,027,262	190,039	774,409
Other commissions and service charges	676,341	2,739,181	393,722	1,604,416
Total	2,960,411	11,989,664	2,459,590	10,022,829

21. PERSONNEL EXPENSES

	31 December 2015		31 December 2014	
	US\$	KHR' 000	US\$	KHR' 000
Salaries and wages	2,941,477	11,912,982	2,741,949	11,173,442
Bonuses and incentive	921,395	3,731,650	644,024	2,624,398
Other short-term benefits	357,411	1,447,515	673,403	2,744,117
Total	4,220,283	17,092,147	4,059,376	16,541,957

22. DEPRECIATION AND AMORTISATION CHARGES

	31 December 2015		31 December 2014	
	US\$	KHR' 000	US\$	KHR' 000
Depreciation charge (Note 9)	1,379,231	5,585,886	1,481,162	6,035,735
Amortisation charge (Note 10)	337,770	1,367,969	327,901	1,336,197
Total	1,717,001	6,953,855	1,809,063	7,371,932

23. GENERAL AND ADMINISTRATIVE EXPENSES

	31 December 2015		31 December 2014	
	US\$	KHR' 000	US\$	KHR' 000
Rental	600,027	2,430,109	578,507	2,357,416
Bank charges	575,347	2,330,155	437,606	1,783,244
Repair and maintenance	363,991	1,474,164	380,541	1,550,705
Advertising and public relations	358,193	1,450,682	323,954	1,320,113
Security expense	270,657	1,096,161	240,867	981,533
Communication expenses	250,200	1,013,310	224,956	916,696
License fee expenses	245,605	994,700	248,973	1,014,565
Office supplies	207,144	838,933	151,034	615,464
Utilities	205,705	833,105	188,851	769,568
Travelling and accommodation	173,871	704,178	201,386	820,648
Trade finance expense	96,525	390,926	52,549	214,137
Director's fee (Note 28.d)	90,200	365,310	89,800	365,935
Legal and professional fees	60,409	244,656	23,835	97,128
Others expenses	264,559	1,071,464	224,182	913,540
Total	3,762,433	15,237,853	3,367,041	13,720,692

24. INCOME TAX EXPENSE

	31 December 2015		31 December 2014	
	US\$	KHR' 000	US\$	KHR' 000
Current tax	864,916	3,502,910	160,026	652,106
Deferred tax	(581,153)	(2,353,670)	-	-
Total	283,763	1,149,240	160,026	652,106

a) Reconciliation of income tax

The reconciliation of income tax computed at the statutory tax rate of 20% to the income tax expense shown in the income statement is as follows:

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	31 December 2015		31 December 2014	
	US\$	KHR' 000	US\$	KHR' 000
Profit before income tax	5,594,486	22,657,667	1,384,431	5,641,556
Tax calculated at 20%	1,118,897	4,531,533	276,886	1,128,311
Tax effects in respect of:				
Expenses not deductible for tax purposes	289,685	1,173,224	213,558	870,247
Tax losses for which no deferred income tax asset was not recognised previously	(543,666)	(2,201,847)	(490,444)	(1,998,558)
Tax on profit at 20%	864,916	3,502,910	-	-
Current tax expense	864,916	3,502,910	160,026	652,106

b). Minimum tax

Tax on profit of the Bank is computed based on minimum tax. Minimum tax is calculated at the rate of 1% of the annual turnover inclusive of all the taxes. Taxes are paid either:

- at 20% of taxable profit, or
- at the 1% Minimum tax rate, whichever is higher.

c) Other tax matters

The Bank's tax returns are subject to periodic examination by the General Department of Taxation. As the application of tax laws and regulations to various 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 General Department of Taxation.

25. CASH GENERATED FROM OPERATIONS

	31 December 2015		31 December 2014	
	US\$	KHR '000	US\$	KHR '000
Profit before income tax	5,594,486	22,657,667	1,384,431	5,641,556
Adjustments for:				
Provision for doubtful debt (Note 6.a)	838,170	3,394,589	760,947	3,100,859
Depreciation (Note 9)	1,379,231	5,585,886	1,481,162	6,035,735
Amortisation (Note 10)	337,770	1,367,969	327,901	1,336,197
Gain on disposal of property and equipment	(2,142)	(8,675)	-	-
Net interest income	(12,726,358)	(51,541,751)	(8,716,815)	(35,521,021)
Operating profit before changes in operating assets and liabilities	(4,578,843)	(18,544,315)	(4,762,374)	(19,406,674)
Changes in operating assets and liabilities				
Reserve deposits with the Central Bank	(3,710,941)	(15,029,311)	(11,598,475)	(47,263,786)
Loans and advances to customers	(58,479,124)	(236,840,452)	(73,627,630)	(300,032,592)
Other assets	(272,999)	(1,105,646)	1,871,791	7,627,548
Deposits from banks	45,897,103	185,883,267	22,571,513	91,978,915
Deposits from customers	21,383,508	86,603,207	73,366,408	298,968,113
Amount due from/to related company	(305,883)	(1,238,826)	219,926	896,198
Amount due to suppliers	320,838	1,299,394	57,125	232,784
Other liabilities	(4,839,272)	(19,599,052)	4,092,421	16,676,616
Cash (used in)/generated from operations	(4,585,613)	(18,571,734)	12,190,705	49,677,122

26. CASH AND CASH EQUIVALENTS

	31 December 2015		31 December 2014	
	US\$	KHR '000	US\$	KHR '000
Cash on hand	23,965,695	97,061,065	10,573,971	43,088,932
Balances with the Central Bank: (Note 4)				
Current account	77,205,700	312,683,085	59,049,686	240,627,470
Fixed deposits (maturity less than three months)	7,000,000	28,350,000	11,301,000	46,051,575
Deposit and placements with other banks: (Note 5)				
Placements	4,938,903	20,002,557	8,034,548	32,740,783
Current accounts	28,870,213	116,924,363	14,608,665	59,530,310
	141,980,511	575,021,070	103,567,870	422,039,070

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27. COMMITMENTS AND CONTINGENT LIABILITIES

a) Commitments to extend credit

At 31 December 2015, the Bank had the contractual amounts of the Bank's off-balance sheet financial instruments that commit it to extend credit to customers as follows:

	31 December 2015		31 December 2014	
	US\$	KHR '000	US\$	KHR '000
Bank guarantees	57,194,267	231,636,781	57,511,404	234,358,971
Unused portion of overdrafts	24,835,848	100,585,184	18,935,165	77,160,797
Loan commitments	2,742,471	11,107,008	13,439,880	54,767,511
	<u>84,772,586</u>	<u>343,328,973</u>	<u>89,886,449</u>	<u>366,287,279</u>

b) Operating lease commitments

As at 31 December 2015, the Bank has non-cancellable lease commitments in respect of its leases of premises.

The future aggregate minimum lease payments under non-cancellable operating leases of the Bank are as follows:

	31 December 2015		31 December 2014	
	US\$	KHR '000	US\$	KHR '000
Not later than one year	906,926	3,673,050	579,726	2,362,383
Later than one year but not more than five years	2,972,572	12,038,917	427,939	1,743,851
More than five years	7,200	29,160	-	-
	<u>3,886,698</u>	<u>15,741,127</u>	<u>1,007,665</u>	<u>4,106,234</u>

28. RELATED-PARTY TRANSACTIONS AND BALANCES

a) Related-parties and relationship

The Bank is a wholly-owned subsidiary of CIMB Bank Berhad, a licensed bank incorporated in Malaysia. CIMB Group Holdings Berhad, a quoted company incorporated in Malaysia, is the ultimate holding company.

Key management personnel of the Bank are all directors of the Bank who make critical decisions in relation to the strategic direction of the Bank and senior management staff (including their close family members).

b) Related-party balances

	31 December 2015		31 December 2014	
	US\$	KHR '000	US\$	KHR '000
Due to:				
Amounts due to related company (Note 7)				
Immediate parent company	-	-	283,710	1,156,118
Deposits from customers (Note 13)				
Deposits and placements from key management personnel	2,129,353	8,623,880	1,979,037	8,064,576
Deposit from banks (Note 12)				
Fellow subsidiaries	1,246,633	5,048,864	156,375	637,228
Due from:				
Deposits and placements with other banks (Note 5)				
Immediate parent company	19,659,500	79,620,975	5,168,772	21,062,746
Loans and advances to customers (Note 6)				
Loan and advances to related parties	1,456,048	5,896,994	1,165,568	4,749,690
Amount due from related company (Note 7)	85,647	346,870	63,474	258,657
Immediate parent company				
Borrowings (Note 14)	20,000,000	81,000,000	-	-
Subordinate debt (Note 15)	7,000,000	28,350,000	-	-

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c).Related-party transactions

	31 December 2015		31 December 2014	
	US\$	KHR' 000	US\$	KHR' 000
Expenses:				
Interest expense paid/payable on deposits from key management personnel	276,704	1,120,651	74,510	303,628
Incomes:				
Interest income received from deposits and placements with immediate parent company and fellow subsidiaries	22,222	899,991	23,259	94,780

d) Key management personnel remuneration

	31 December 2015		31 December 2014	
	US\$	KHR' 000	US\$	KHR' 000
Director's fee	90,200	365,310	89,800	365,935
Salaries and short-term benefits	205,900	833,895	347,196	1,414,824
	296,100	1,199,205	436,996	1,780,759

29. FINANCIAL RISK MANAGEMENT

The Bank's activities expose it to a variety of financial risks: credit risk, market risk (including foreign exchange risk and interest rate risk), liquidity risk and operational risk. Taking risk is core to the financial business, and the operational risks are an inevitable consequence of being in business. The Bank does not use derivative financial instruments to manage its risk exposures.

The financial assets and liabilities held by the Bank are as follows:

	31 December 2015		31 December 2014	
	US\$	KHR' 000	US\$	KHR' 000
Financial assets (Loan and receivables)				
Cash on hand	23,965,695	97,061,065	10,573,971	43,088,932
Balances with the Central Bank (*)	84,205,700	341,033,085	70,350,686	286,679,045
Deposits and placements with other banks	33,809,116	136,926,920	22,643,213	92,271,093
Loans and advances to customers	264,040,917	1,069,365,714	206,399,963	841,079,850
Amount due from related company	85,647	346,870	63,474	258,657
Other assets	2,116,091	8,570,169	1,393,285	5,677,636
	408,223,166	1,653,303,823	311,424,592	1,269,055,213
Financial liabilities (Other liabilities at amortised costs)				
Deposits from banks	79,200,967	320,763,917	33,303,864	135,713,246
Deposits from customers	286,064,131	1,158,559,731	264,680,623	1,078,573,539
Borrowings	20,000,000	81,000,000	-	-
Subordinated debt	7,000,000	28,350,000	-	-
Amount due to related company	-	-	283,710	1,156,118
Amount due to suppliers	518,049	2,098,098	197,211	803,635
Other liabilities	9,283,388	37,597,722	14,316,169	58,338,389
	402,066,535	1,628,369,468	312,781,577	1,274,584,927
Net financial assets/(liabilities)	6,156,631	24,934,355	(1,356,985)	(5,529,714)

(*) excludes statutory deposit and reserve requirement which are not financial asset.

29.1 Credit risk

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

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

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a) Credit risk measurement

The Bank has established the Core Credit Risk Policy which is designed to govern the Bank's risk undertaking activities. Extension of credit is governed by credit programmes that set out the plan for a particular product or portfolio, including the target market, terms and conditions, documentation and procedures under which a credit product will be offered and measured.

The Bank also ensures that there is a clear segregation of duties between loan originators, evaluators and approving authorities.

b) Risk limit control and mitigation policies

The Bank manages, limits and controls concentration of credit risk whenever they are identified - in particular, to individual counterparties and groups, and to industries.

The Bank structures the levels of credit risk it undertakes by placing limits on the amount of risk accepted in relation to one borrower, or groups of borrowers, and industry segments. Such risks are monitored on a revolving basis and are subject to an annual or more frequent review, when considered necessary. Limits on level of credit risk by product and industry sector are approved by Board of Directors.

Large exposure is defined by the Central Bank as overall credit exposure to any single beneficiary that exceeds 10% of the Bank's net worth. The Bank is required, under the conditions of Prakas No. B7-06-226 of the Central Bank, to maintain at all times a maximum ratio of 20% between the Bank's overall credit exposure to any 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, including requiring borrowers to pledge collateral against loans and advances granted by the Bank.

c) Impairment and provisioning policies

The Bank is required to follow the mandatory credit classification and provisioning in accordance with the relevant Prakas as stated in note 2.6 to the financial statements.

Loans and advances less than 90 days past due are not considered impaired, unless other information available indicates otherwise.

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

	31 December 2015		31 December 2014	
	US\$	KHR '000	US\$	KHR '000
Credit risks exposures relating to on-balance sheet assets:				
Balances with other banks	33,809,116	136,926,920	22,643,213	92,271,093
Loans and advances to customers	264,040,917	1,069,365,714	206,399,963	841,079,850
Amount due from related company	85,647	346,870	63,474	258,657
Other assets	2,116,091	8,570,169	1,393,285	5,677,636
	300,051,771	1,215,209,673	230,499,935	939,287,236
Credit risk exposures relating to off-balance sheet items:				
Bank guarantees	57,194,267	231,636,781	57,511,404	234,358,971
Unused portion of approved credit facilities	24,835,848	100,585,184	18,935,165	77,160,797
Loan commitments	2,742,471	11,107,008	13,439,880	54,767,511
	84,772,586	343,328,973	89,886,449	366,287,279
	384,824,357	1,558,538,646	320,386,384	1,305,574,515

The above table represents a worst case scenario of credit risk exposure to the Bank at 31 December 2015 and 2014, without taking account of any collateral held or other credit enhancement attached. For on-balance sheet assets, the exposures set out above are based on net carrying amounts less general provision.

As shown above, 60% of total maximum exposure is derived from loans and advances to customers.

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

- Most of loans and advances of the Bank are collateralised and credit is given at 60% to 70% of collateral value.
- Most of loans portfolios are considered neither past due nor impaired.
- The Bank has a proper credit evaluation process in place for granting of loans and advances to customers.

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e) Loans and advances

Loans and advances are summarised as follows:

	31 December 2015		31 December 2014	
	US\$	KHR '000	US\$	KHR '000
Loans and advances				
Loans and advances neither past due nor impaired (i)	266,665,407	1,079,994,898	208,484,811	849,575,605
Loans and advances past due but not impaired (ii)	43,468	176,045	-	-
Loans and advances individually impaired (iii)	124,688	504,988	61,772	251,721
	<u>266,833,563</u>	<u>1,080,675,931</u>	<u>208,546,583</u>	<u>849,827,326</u>
Less:				
Provision for doubtful debts				
General provision	(2,666,654)	(10,799,949)	(2,084,848)	(8,495,756)
Specific provision	(125,992)	(510,268)	(61,772)	(251,720)
	<u>(2,792,646)</u>	<u>(11,310,217)</u>	<u>(2,146,620)</u>	<u>(8,747,476)</u>
Net loans and advances	<u>264,040,917</u>	<u>1,069,365,714</u>	<u>206,399,963</u>	<u>841,079,850</u>

For the purpose of loan provisioning, expected recovery from collateral (except cash) is not taken into consideration in accordance with the Central Bank's requirement. The total provision for loan loss is US\$2,792,646 which represents 1% general provision, 3% and 100% specific provisions for all outstanding loans and advances and specific provision rate follow NBC Prakas.

(i) Loans and advances neither past due nor impaired

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

(ii) Loans and advances past due but not impaired

Loans and advances less than 90 days past due are not considered impaired, unless other information is available to indicate the contrary.

Neither loans and advances are past due nor impaired as at 31 December 2015.

(iii) Loans and advances individually impaired

In accordance with Prakas No. B7-09-074 dated 25 February 2009 on the classification and provisioning for loan losses, loans and advances past due more than 90 days are considered impaired and a minimum level of specific provision for impairment is made depending on the classification concerned, unless other information is available to indicate the contrary.

	31 December 2015		31 December 2014	
	US\$	KHR '000	US\$	KHR '000
Past due 361 days or more	<u>124,688</u>	<u>504,988</u>	<u>61,772</u>	<u>251,721</u>

(iv) Loans and advances renegotiated

There were no renegotiated loans and advances at 31 December 2015.

f) Repossessed collateral

During the year ended 31 December 2015, the Bank did not obtain assets by taking possession of collateral held as security.

g) Concentration of financial assets with credit risk exposure

(i) Geographical sector

The following table breaks down the Bank's main credit exposure at their gross carrying amount less impairment if any, as categorised by geographical region as at 31 December 2015. For this table, the Bank has allocated exposure to countries based on the country of domicile of our counterparties.

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	Cambodia	Malaysia	Thailand	America	Singapore	Indonesia	Total
	US\$	US\$	US\$	US\$	US\$	US\$	US\$
At 31 December 2015							
Deposits and placements							
with other banks	12,203,933	19,659,500	1,202,299	699,050	27,475	16,859	33,809,116
Loans and advances to customers	264,040,917	-	-	-	-	-	264,040,917
Amount due from related company	-	85,647	-	-	-	-	85,647
Other assets	2,116,091	-	-	-	-	-	2,116,091
Total financial assets	278,360,941	19,745,147	1,202,299	699,050	27,475	16,859	300,051,771
In KHR'000 equivalent	1,127,361,811	79,967,845	4,869,311	2,831,153	111,274	68,279	1,215,209,673
At 31 December 2014							
Deposits and placements							
with other banks	14,002,987	5,168,772	55,072	3,315,079	91,940	9,363	22,643,213
Loans and advances to customers	206,399,963	-	-	-	-	-	206,399,963
Amount due from related company	-	63,474	-	-	-	-	63,474
Other assets	1,393,285	-	-	-	-	-	1,393,285
Total financial assets	221,796,235	5,232,246	55,072	3,315,079	91,940	9,363	230,499,935
In KHR'000 equivalent	903,819,658	21,321,402	224,418	13,508,947	374,656	38,154	939,287,235

(ii) Industry sector

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

	Financial institution	Services	Real estate business	Wholesales and retails	Constructions	Import	Other industries	Individuals	Total
	US\$	US\$	US\$	US\$	US\$	US\$	US\$	US\$	US\$
31 December 2015									
Deposits and placements with other banks	33,809,116	-	-	-	-	-	-	-	33,809,116
Loans and advances to customers	1,934,795	7,497,209	11,389,525	84,323,406	15,231,356	32,549,364	34,350,411	76,764,851	264,040,917
Amount due from related company	85,647	-	-	-	-	-	-	-	85,647
Other assets	32,741	48,119	70,754	430,063	45,515	146,224	184,130	1,158,545	2,116,091
As at 31 December 2015	35,862,299	7,545,328	11,460,279	84,753,469	15,276,871	32,695,588	34,534,541	77,923,396	300,051,771
In KHR '000 equivalents	145,242,311	30,558,578	46,414,130	343,251,549	61,871,328	132,417,131	139,864,882	315,589,754	1,215,209,673
31 December 2014									
Deposits and placements with other banks	22,643,213	-	-	-	-	-	-	-	22,643,213
Loans and advances to customers	1,242,632	19,560,408	10,644,165	77,184,148	8,416,673	17,410,097	18,748,978	53,192,862	206,399,963
Amount due from related company	63,474	-	-	-	-	-	-	-	63,474
Other assets	229,360	111,411	63,067	330,307	147,239	77,546	72,883	361,472	1,393,285
As at 31 December 2014	24,178,679	19,671,819	10,707,232	77,514,455	8,563,912	17,487,643	18,821,861	53,554,334	230,499,935
In KHR '000 equivalents	98,528,117	80,162,662	43,631,970	315,871,404	34,897,941	71,262,145	76,699,084	218,233,912	939,287,235

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29.2 Market risk

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

As of 31 December 2015, the Bank have financial instruments carried at fair value. The Bank uses derivative financial instruments such as forward foreign exchange contract to hold its risk exposures.

a) Price risk

The Bank is not exposed to securities price risk because it does not hold any investment that is classified in the balance sheet either as available-for-sale or at fair value through profit or loss.

b) Foreign exchange risk

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

The Bank mainly transacts in US\$, which is the Bank's functional currency and the Bank does not have significant exposure to foreign exchange risk.

The table below summarises the financial assets and financial liabilities of the Bank by currency as at 31 December 2015.

	US\$	EUR	IDR	THB	JPY	CHI	Others	Total US\$
At 31 December 2015								
Financial assets								
Cash on hand	23,818,825	-	-	-	-	-	146,870	23,965,695
Balances with Central Bank	83,574,582	-	-	-	-	-	631,118	84,205,700
Deposits and placements								
with other banks	30,877,191	876,155	16,859	1,202,341	233,178	39,711	563,681	33,809,116
Loans and advances to customers	264,040,917	-	-	-	-	-	-	264,040,917
Amount due from related company	85,647	-	-	-	-	-	-	85,647
Other assets	2,044,776	-	1,899	5,464	-	-	63,952	2,116,091
	404,441,938	876,155	18,758	1,207,805	233,178	39,711	1,405,621	408,223,166
Financial liabilities								
Deposits from banks	79,199,366	253	-	1,348	-	-	-	79,200,967
Deposits from customers	208,069,837	622,469	-	43,621	233,274	39,711	77,055,219	286,064,131
Borrowings	20,000,000	-	-	-	-	-	-	20,000,000
Subordinated debt	7,000,000	-	-	-	-	-	-	7,000,000
Amount due to suppliers	418,863	-	2,730	961	-	-	95,495	518,049
Other liabilities	7,171,521	249,710	8,577	1,152,082	196	-	701,302	9,283,388
	321,859,587	872,432	11,307	1,198,012	233,470	39,711	77,852,016	402,066,535
Net on-balance sheet position								
	82,582,351	3,723	7,451	9,793	(292)	-	(76,446,395)	6,156,631
In KHR'000 equivalent	334,458,521	15,078	30,177	39,662	(1,183)	-	(309,607,900)	24,934,355
Credit commitments								
	84,772,586	-	-	-	-	-	-	84,772,586
In KHR'000 equivalent	343,328,973	-	-	-	-	-	-	343,328,973

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	US\$	IDR	THB	JPY	CHI	Others	Total US\$
At 31 December 2014							
Financial assets							
Cash on hand	10,486,895	-	-	-	-	87,076	10,573,971
Balances with Central Bank	70,191,196	-	-	-	-	159,490	70,350,686
Deposits and placements with other banks	18,569,782	9,363	55,139	251,429	68,579	3,688,921	22,643,213
Loans and advances to customers	206,399,963	-	-	-	-	-	206,399,963
Amount due from related company	63,474	-	-	-	-	-	63,474
Other assets	1,077,953	-	-	-	-	315,332	1,393,285
	<u>306,789,263</u>	<u>9,363</u>	<u>55,139</u>	<u>251,429</u>	<u>68,579</u>	<u>4,250,819</u>	<u>311,424,592</u>
Financial liabilities							
Deposits from banks	33,303,864	-	-	-	-	-	33,303,864
Deposits from customers	260,084,156	-	46,082	309,782	68,579	4,104,543	264,613,142
Amount due to related company	6,973	-	-	-	-	245,356	252,329
Amount due to suppliers	113,394	429	-	-	-	84,208	198,031
Other liabilities	14,239,046	750	15,327	-	-	61,046	14,316,169
	<u>307,747,433</u>	<u>1,179</u>	<u>61,409</u>	<u>309,782</u>	<u>68,579</u>	<u>4,495,153</u>	<u>312,683,535</u>
Net on-balance sheet position	(958,170)	8,184	(6,270)	(58,353)	-	(244,334)	(1,258,943)
In KHR'000 equivalent (Unaudited)	<u>(3,827,889)</u>	<u>32,695</u>	<u>(25,049)</u>	<u>(233,120)</u>	<u>-</u>	<u>(976,114)</u>	<u>(5,029,477)</u>
Credit commitments							
Credit commitments	89,886,449	-	-	-	-	-	89,886,449
In KHR'000 equivalent (Unaudited)	<u>359,096,364</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>359,096,364</u>

c) Interest rate risk

Interest rate risk is the risk that future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Interest margins may increase or decrease due to unexpected movements in rates. The management regularly monitors any mismatch of interest rate re-pricing undertaken.

The table below summarises the Bank's exposure to interest rate risks. The assets and liabilities at carrying amount are categorised by the earlier of contractual re-pricing or maturity dates.

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	Up to 1 month	1 to 3 months	3 to 12 months	1 to 5 Years	Over 5 years	Non- interest bearing	Total
	US\$	US\$	US\$	US\$	US\$	US\$	US\$
At 31 December 2015							
Financial assets							
Cash on hand	-	-	-	-	-	23,965,695	23,965,695
Balances with the Central Bank	7,000,000	-	-	-	-	77,205,700	84,205,700
Deposits and placements with other banks	23,734,001	5,041,183	95,029	-	-	4,938,903	33,809,116
Loans and advances to customers	11,607,131	13,509,322	28,908,260	97,768,071	112,248,133	-	264,040,917
Amount due from related company	-	-	-	-	-	85,647	85,647
Other assets	-	-	-	-	-	2,116,091	2,116,091
	42,341,132	18,550,505	29,003,289	97,768,071	112,248,133	108,312,036	408,223,166
Financial liabilities							
Deposits from banks	22,925,022	45,100,000	11,175,945	-	-	-	79,200,967
Deposits from customers	154,990,497	45,890,282	83,054,525	2,128,827	-	-	286,064,131
Borrowings	2,000,000	8,000,000	10,000,000	-	-	-	20,000,000
Subordinated debt	-	-	-	-	7,000,000	-	7,000,000
Amount due to suppliers	-	-	-	-	-	518,049	518,049
Other liabilities	-	-	-	-	-	9,283,388	9,283,388
	179,915,519	98,990,282	104,230,470	2,128,827	7,000,000	9,801,437	402,066,535
Total interest rate re-pricing gap	(137,574,387)	(80,439,777)	(75,227,181)	95,639,244	105,248,133	98,510,599	6,156,631
In KHR' 000 equivalent	(557,176,267)	(325,781,097)	(304,670,083)	387,338,938	426,254,939	398,967,925	24,934,355

	Up to 1 month	1 to 3 months	3 to 12 months	1 to 5 Years	Over 5 years	Non- interest bearing	Total
	US\$	US\$	US\$	US\$	US\$	US\$	US\$
At 31 December 2014							
Financial assets							
Cash on hand	-	-	-	-	-	10,573,971	10,573,971
Balances with the Central Bank	11,301,000	-	-	-	-	59,049,686	70,350,686
Deposits and placements with other banks	4,185,264	10,102,677	320,725	-	-	8,034,547	22,643,213
Loans and advances to customers	2,839,884	12,628,440	51,690,043	54,732,739	84,508,857	-	206,399,963
Amount due from related company	-	-	-	-	-	63,474	63,474
Other assets	-	-	-	-	-	1,393,285	1,393,285
	18,326,148	22,731,117	52,010,768	54,732,739	84,508,857	79,114,963	311,424,592
Financial liabilities							
Deposits from banks	13,303,864	10,000,000	10,000,000	-	-	-	33,303,864
Deposits from customers	59,455,493	34,930,385	82,925,912	361,123	-	87,007,710	264,680,623
Amount due to related company	-	-	-	-	-	283,710	283,710
Amount due to suppliers	-	-	-	-	-	197,211	197,211
Other liabilities	-	-	-	-	-	14,316,169	14,316,169
	72,759,357	44,930,385	92,925,912	361,123	-	101,804,800	312,781,577
Total interest rate re-pricing gap	(54,433,209)	(22,199,268)	(40,915,144)	54,371,616	84,508,857	(22,689,837)	(1,356,985)
In KHR' 000 equivalent	(221,815,327)	(90,462,017)	(166,729,212)	221,564,335	344,373,592	(92,461,086)	(5,529,715)

AUDITED FINANCIAL STATEMENTS
NOTES TO THE FINANCIAL STATEMENTS

29.3 Liquidity risk

Liquidity risk is the risk that the Bank is unable to meet its obligation when they fall due as a result of customer deposits being withdrawn, cash requirements from contractual commitments, or other cash outflows.

a) Liquidity risk management process

The management monitors balance sheet liquidity and manages the concentration and profile of debt maturities as well as the movements of main depositors and projection of their withdrawals.

b) Funding approach

The Bank's main sources of funding are from shareholder's paid-up capital and deposits from banks and customers. The sources of funding are reviewed daily through management's review of maturity profile of fixed deposits.

c) Non-derivative cash flows

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

	Up to 1 month	1 to 3 months	3 to 12 months	1 to 5 years	Over 5 years	Total
	US\$	US\$	US\$	US\$	US\$	US\$
At 31 December 2015						
Liabilities						
Deposits from banks	22,942,490	45,184,704	11,295,933	-	-	79,423,127
Deposits from customers	155,024,762	46,108,694	85,441,472	2,240,132	-	288,815,060
Borrowings	2,001,462	8,018,919	10,354,411	-	-	20,374,792
Subordinated debt	-	-	-	-	9,033,836	9,033,836
Amount due to suppliers	518,049	-	-	-	-	518,049
Other liabilities	9,283,388	-	-	-	-	9,283,388
Total financial liabilities						
(contractual maturity dates)	189,770,151	99,312,317	107,091,816	2,240,132	9,033,836	407,448,252
Total financial assets						
(contractual maturity dates)	131,573,885	5,052,406	95,462	-	50,000,000	186,721,753
Net liquidity gap - US\$	58,196,266	94,259,911	106,996,354	2,240,132	(40,966,164)	220,726,499
In KHR' 000 equivalent	235,694,878	381,752,640	433,335,234	9,072,535	(165,912,964)	893,942,323

AUDITED FINANCIAL STATEMENTS
NOTES TO THE FINANCIAL STATEMENTS

	Up to 1 month	1 to 3 months	3 to 12 months	1 to 5 years	Over 5 years	Total
	US\$	US\$	US\$	US\$	US\$	US\$
At 31 December 2014						
Liabilities						
Deposits from banks	13,315,371	10,017,479	10,067,507	-	-	33,400,357
Deposits from customers	146,434,909	35,109,288	84,327,035	375,381	-	266,246,613
Amount due to related company	-	-	283,710	-	-	283,710
Amount due to suppliers	-	-	197,211	-	-	197,211
Other liabilities	12,796,888	-	-	-	-	12,796,888
Total financial liabilities (contractual maturity dates)	172,547,168	45,126,767	94,875,463	375,381	-	312,924,779
Total financial assets (contractual maturity dates)						
	131,307,273	22,841,177	52,770,230	73,834,120	158,313,467	439,066,267
Net liquidity gap - US\$	41,239,895	22,285,590	42,105,233	(73,458,739)	(158,313,467)	(126,141,488)
In KHR' 000 equivalent	168,052,572	90,813,779	171,578,824	(299,344,361)	(645,127,378)	(514,026,564)

AUDITED FINANCIAL STATEMENTS
NOTES TO THE FINANCIAL STATEMENTS

d) Off-balance sheet items

(i) Loan commitments

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

(ii) Other financial facilities

Other financial facilities are also included below based on the earliest contractual date.

The table below presents the cash outflows arising from the financial commitments of the Bank as at 31 December 2015 based on the contractual maturity dates:

	Not later than 1 year	Total
At 31 December 2015		
Bank guarantees (US\$)	57,194,267	57,194,267
Unused portion of approved overdraft (US\$)	24,835,848	24,835,848
Loan commitments (US\$)	2,742,471	2,742,471
	84,772,586	84,772,586
Financial commitments - KHR' 000 equivalent	343,328,973	343,328,973
At 31 December 2014		
Bank guarantees (US\$)	57,511,404	57,511,404
Unused portion of approved overdraft (US\$)	18,935,165	18,935,165
Loan commitments (US\$)	13,439,880	13,439,880
	89,886,449	89,886,449
Financial commitments - KHR' 000 equivalent	366,287,280	366,287,280

29.4 Operational risk

Operational risk is the risk of loss resulting from inadequate or failed internal processes, people or systems, or from external events. This includes legal, compliance, accounting and fraud risk.

The Bank has established policies and procedures to provide guidance to the key operating units on the risk governance structure and baseline internal controls necessary to identify, assess, monitor and control their operational risks. Internal control policies and measures that have been implemented including the establishment of signing authorities, defining system parameters controls, streamlining procedures and documentation ensuring compliance with regulatory and legal requirements. The policies and procedures are reviewed periodically, taking into account the business objectives and strategies of the Bank as well as regulatory requirements.

The immediate holding company's internal audit function provides independent assessment of the adequacy of the internal control policies and procedures of the Bank to mitigate risk associated with operational activities. Any findings arising from the audit and review will be escalated to the Audit Committee and senior management of the Bank.

29.5 Fair value of financial assets and liabilities

As at the balance sheet date, the fair values of financial instruments of the Bank approximate their carrying amounts.

The estimated fair values are based on the following methodologies and assumptions:

a) Deposits and placements with other banks

Deposits and placements with other banks include current accounts, which are non-interest bearing and short term fixed deposits. The fair values of deposits and placements with other banks approximate their carrying amounts.

b) Loans and advances to customers

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

c) Deposits from banks and customers

The fair values of deposits payable on demand (current and savings accounts), or deposits with remaining maturity of less than one year are estimated to approximate their carrying amounts. The fair values of deposits with remaining maturity of more than one year are estimated based on discounted cash flows using prevailing market rates for similar deposits from banks and customers.

d) Other assets and liabilities

The carrying amounts of other financial assets and liabilities are assumed to approximate their fair values as these items are not materially sensitive to the shift in market interest rates.

29.6 Capital management

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

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

AUDITED FINANCIAL STATEMENTS
NOTES TO THE FINANCIAL STATEMENTS

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

The table below summarises the composition of the Bank's regulatory capital:

	31-Dec-15		31-Dec-14	
	US\$	KHR' 000	US\$	KHR' 000
Tier 1 (core capital)				
Statutory capital	50,000,000	202,500,000	45,000,000	183,375,000
Accumulated profit/(losses)	7,420	30,050	(5,303,303)	(21,610,960)
	50,007,420	202,530,050	39,696,697	161,764,040
Less:				
Intangible assets	(629,578)	2,549,791	(254,284)	(1,036,207)
Loan and advance to related party	(1,456,048)	(5,896,994)	(1,165,568)	(4,749,690)
	47,921,794	199,182,847	38,276,845	155,978,143
Tier 2 (complementary capital)				
General provision (Prakas on Asset Classification)	2,666,654	10,799,949	2,084,848	8,495,756
Subordinated debts approved by the Central Bank	7,000,000	28,350,000	-	-
Regulated capital/ net worth	57,588,448	238,332,796	40,361,693	164,473,899

30. EVENT AFTER PERIOD END

The National Bank of Cambodia issued a Prakas No. B7-016-117 dated 22 March 2016 on "new minimum registered capital requirement for banks and financial institutions". It is required that commercial banks being a local entity or a subsidiary of foreign bank must have a minimum registered capital of at least KHR 300 billion (approximately US\$75 million). Commercial banks are required to fulfil the requirement within two years from the date of this Prakas.

APPENDIX

NOTES ON REQUIREMENT WITH THE CENTRAL
BANK'S PRAKAS UNAUDITED

NOTES ON REQUIREMENT WITH THE CENTRAL BANK'S PRAKAS UNAUDITED

FOR THE YEAR ENDED 31 DECEMBER 2015

1. LIQUIDITY RATIO, PRAKAS NO. B7-04-207

The Bank is required to maintain a Liquidity Ratio of at least 50%. As at 31 December 2015, the Bank's Liquidity Ratio was 67.18% (2014: 62.67%).

The Liquidity Ratio calculation is detailed in Schedule 1.

2. MINIMUM CAPITAL REQUIREMENT, PRAKAS NO. B7-00-39

The Central Bank's Prakas No. B 7-08-139 on new capital requirement and criteria for licensing approval of banks requires that commercial banks locally incorporated as companies that have at least one influential shareholder, being a bank or financial institution with an "investment grade" rating, extended by a reputable rating agency must have minimum capital equal to at least KHR 50 billion (or US\$13 million) and commercial banks having as shareholders individuals or companies must have a minimum capital of at least KHR 150 billion (approximately US\$37.5 million) by the end of year 2010.

As at 31 December 2015, the Bank has a paid-up statutory capital of US\$50million (2014: US\$45million).

3. NET WORTH, PRAKAS NO. B7-010-182

The Bank's net worth as at 31 December 2015 amounted to US\$57,589,434 (2014: US\$40,361,693) as computed in Schedule 2.

The Banks must maintain their net worth at least equal to the minimum capital. As at 31 December 2015, the Bank's net worth of US\$57,589,434 is higher by US\$20,089,434 compared to the minimum capital of US\$37,500,000.

4. SOLVENCY RATIO, PRAKAS NO. B7-04-206

As at 31 December 2015, the Bank maintained a Solvency Ratio of 19.33% (2014: 15.86%), representing the Bank's net worth as a percentage of its risk-weighted assets and off-balance sheet items.

The Bank is required to maintain a Solvency Ratio of at least 15%.

The Solvency Ratio calculation is detailed in Schedule 3.

5. FOREIGN CURRENCY TRANSACTIONS, PRAKAS NO. B7-00-50

The Bank transacts its business primarily in United States dollars (US\$) and maintains its books of accounts in US\$. Accordingly, all currencies other than US\$ are considered as foreign currencies.

Balance sheet items

As at 31 December 2015, in accordance with Prakas No. B7-00-50, all assets and liabilities of the Bank that were denominated in foreign currencies were translated using the year end exchange rate

Off-balance sheet items

The Bank is required to record off-balance sheet items from the commitments arising from the purchase and sale of foreign currencies relating to spot transactions (with a completion period of two days) and forward foreign exchange transactions.

6. NET OPEN POSITION IN FOREIGN CURRENCY, PRAKAS NO. B7-07-134

Net open position in foreign currencies in either any foreign currency or overall net open position in all foreign currencies, whether long or short, shall not exceed 20% of Bank's net worth.

As at 31 December 2015, the Bank did not have net open position in foreign currencies exceeding 20% of the Bank's net worth. The calculation is detailed in Schedule 4.

7. CLASSIFICATION OF AND PROVISIONING FOR LOSSES ON LOANS AND ADVANCES,

Prakas No. B7-00-51, ITS AMENDMENT PER Prakas B7-02-145 AND Circular B7-04-01

The Bank is in requirement with the Central Bank's requirement, with respect to the minimum level of specific provisioning to be applied on the respective classification of loans and advances, as defined by this Prakas.

The details of the computation of the required loan provision to comply with the Central Bank's requirements are provided in Schedule 5.

8. LARGE CREDIT EXPOSURES, PRAKAS NO. B7-00-52 AND B7-06-226 BK

Banks are required, under the conditions of the above Prakas, to maintain at all times a maximum ratio of 20% between their overall exposure resulting from their operations with each individual beneficiary and their net worth and the aggregate individual large credit exposure must not be more than 300% of the Bank's net worth.

Banks are required, under the conditions of this Prakas, to maintain at all times a maximum ratio of 20% between their overall exposure resulting from their operations with each individual beneficiary and their net worth.

As at 31 December 2015, the Bank had no exposure with a single beneficiary where such exposure exceeded 20% and 300% as aggregate of individual large credit exposure of the regulatory net worth.

9. LOANS TO RELATED PARTIES, PRAKAS NO. B7-02-146

The Bank was in requirement with this Prakas which requires the total of the weighted outstanding balances of loans to related parties to be not more than 10% of the Bank's net worth.

As at 31 December 2015, loans to related parties exposure did not exceed 10% of the net worth.

10. FIXED ASSETS, PRAKAS NO. B7-01-186

Fixed assets acquired by banks for operational purposes shall be less than 30% of the Bank's total net worth as defined in Prakas B7-00-47. Fixed assets with no direct link to operating the Bank shall be sold not later than one year after the date they became the property of the Bank.

As at 31 December 2015, the Bank's fixed assets amounting to US\$1,318,118 (2014: US\$2,417,276) were equivalent to 2.29% (2014: 5.99%) of the Bank's net worth.

APPENDIX
SCHEDULE

SCHEDULE

LIQUIDITY RATIO AS AT 31 DECEMBER 2015

SCHEDULE 1

LIQUIDITY RATIO	
	US\$
NUMERATOR	
1. Treasury balance	
- Debit items	
- Cash on hand	23,965,695
- Deposits with the Central Bank (excluding statutory deposits and reserve requirement)	82,524,165
- Balance and placement with other banks and financial institutions	33,809,116
- Portion of lending to banks and FI with not more than one month to run	-
	140,298,976
Less:	
- Credit items	
- Credit balances on sight accounts maintained by the Central Bank, banks or financial institutions	871,014
- Borrowings from the Central Bank and banks with not more than one month to run	2,000,000
	2,871,014
Net balance - Lender position	137,427,962
1. Lending with not more than one month to run (exclude loans with no maturity)	2,252,529
2. Treasury bills with not more than one month to run	-
TOTAL NUMERATOR (A)	139,680,491
DENOMINATOR	
1. 80% of Fixed Deposits and Certificate of Deposits having not more than one month to run	42,057,684
2. 50% of Fixed Deposits and Certificate of Deposits having more than one month to run	93,674,790
3. 50% of savings deposits	12,512,168
4. 60% of demand deposits	59,668,839
TOTAL DENOMINATOR (B)	207,913,481
LIQUIDITY RATIO (A/B)	67.18%

SCHEDULE 2

NET WORTH	
	US\$
Tier (Core Capital)	
I. Subtotal - A	
Paid-up capital	50,000,000
Reserves (other than revaluation: Translation reserve, general reserve and capital reserve)	-
Audited net income for the last financial period	5,310,723
Retained earnings brought forward (restated)	-
Other Item (NBC approved)	-
Premiums related to capital	-
Other items approved by the Central Bank	-
Total (A)	55,310,723
Limited check on retained earnings: Max 20% of Total A	10%
II. Subtotal - B	
Own shares held (at Book Value)	-
Accumulated losses	5,303,303
Intangible assets to be deducted	629,578
Shareholders, Directors, Related Parties (deduct)	-

1. Unpaid portion(s) of capital (a)	-
2. Loans, overdrafts and other advances (b)	1,456,048
3. Debt instruments held bearing signature of shareholders, directors, related parties (c)	-
Other losses	-
Total (B)	7,388,929
Total Tier 1 (Core Capital) (A) - (B)	47,921,794
Tier (Complementary Capital)	
III. Sub-Total C	
Revaluation reserves approved by the Central Bank	-
Provisions for general banking risks	-
1% General provision (Prakas on Asset Class.)	2,666,654
Subordinated debts approved by the Central Bank	7,000,000
Other items approved by the Central Bank	-
Total (C)	9,666,654
Limit check on Subordinated Debt (max. 50 % of Tier 1 Capital)	20.17%
IV. Sub-Total D (Tier 2, Deductions)	
Equity participation banking & Fin. Institution	-
Other items to be deducted (def. charge...)	-
Total (D)	-
Total Tier 2 (Complementary Capital) (C) - (D)	9,666,654
Limit check on Tier 2 capital (Tier 2 = max. 100 % of Tier 1)	20.17%
Regulatory Net Worth (A)- (B) + (C) - (D)	57,588,448

SCHEDULE 3

SOLVENCY RATIO			
			US\$
Numerator			
Net Worth as computed above (N)			57,588,448
	Assets	Weighting	
Denominator			
Total gross assets			
- Cash, gold and claims on NBC	150,700,817	0%	-
- Assets collateralised by deposits	1,492,250	0%	-
- Claims on sovereign rated AAA to AA-	-	0%	-
- Claims on sovereign rated A+ to A-	-	20%	-
- Claims on banks rated AAA to AA-	-	20%	-
- Claims on sovereign rated BBB+ to BBB-	-	50%	-
- Claims on banks rated A+ to A-	20,388,877	50%	10,194,439
- Other assets	278,270,500	100%	278,270,500
Total assets as reported in the balance sheet	450,852,444		288,464,939
Off balance sheet items			
- Full risk		100%	-
- Medium risk	17,824,492	50%	8,912,246
- Moderate risk	2,567,691	20%	513,538
- Low risk	64,380,403	0%	-
	84,772,586		9,425,784
Denominator (D1)	-		297,890,723
SOLVENCY RATIO: (S = N / D1)			19.33%

APPENDIX
SCHEDULE

SCHEDULE 4

N°	Currency	Elements after deduction of affected provision				Net open position	Net open position/ Net worth (%)	Limit (%)	Excess
		Assets	Liabilities and Capital	Currency receivables	Currency Payables				
				Off-balance sheet	Off-balance sheet				
		1	2	3	4	5 = 1-2+3-4			
1	USD	451,828,379	451,707,794	82,372,137	82,342,703	150,019	0.00%	20%	No
2	KHR	788,648	815,340	-	-	(26,692)	0.00%	20%	No
3	EUR	872,444	872,432	-	-	12	0.00%	20%	No
4	SGD	80,334	66,982	-	-	13,352	0.00%	20%	No
5	THB	1,207,805	1,198,012	2,097,381	2,101,496	5,678	0.00%	20%	No
6	JPY	233,461	233,471	149,572	149,572	(10)	0.00%	20%	No
7	AUD	258,873	277,395	21,234	-	2,712	0.00%	20%	No
8	CAD	207	217	-	-	(10)	0.00%	20%	No
9	GBP	174,143	128,658	-	46,553	(1,068)	0.00%	20%	No
10	CNY	2,853	-	-	-	2,853	0.00%	20%	No
11	OTHERS	171,972	318,818	-	-	(146,846)	0.00%	20%	No
Total		455,619,119	455,619,119	84,640,324	84,640,324	-			

The details of the Central Bank's required provision following its mandatory provisioning requirements based on the prescribed credit classification of loans and advances to customers are provided in the following table.

SCHEDULE 5

The Central Bank required

	Loan Amount	Classification	Rate	Provision	Provision recorded by the Bank	Estimated collateral value	Over/(Under) provision amount
	US\$		%	US\$	US\$	US\$	US\$
Loans and advances	266,665,407	General provision	1%	2,666,654	2,666,654	-	-
Loans and advances	43,468	Special mention	3%	1,304	1,304	-	-
Loans and advances	-	Substandard	20%	-	-	-	-
Loans and advances	-	Doubtful	50%	-	-	-	-
Loans and advances	124,688	Loss	100%	124,688	124,688	-	-
Grand Total	266,833,563			2,792,646	2,792,646	-	-

APPENDIX

COMPUTATION OF OTHER RATIOS

COMPUTATION OF OTHER RATIOS

(Amounts in US\$)

CAPITAL

1 Equity to total asset (A/B)	11.03%
A- Equity	50,007,420
B- Total assets	453,442,934

2 Capital Tier I to total asset (A/B)	10.57%
A- Capital Tier I	47,921,794
B- Total assets	453,442,934

3 Capital Tier I to risk weighted asset (A/B)	16.09%
A- Capital Tier I	47,921,794
B- Risk Weighted Assets	297,890,723

Capital Tier I + Tier 2 to risk weighted asset (A/B)	
4 asset (A/B)	19.96%
A- Capital Tier I + Tier 2	57,588,448
B- Risk Weighted Assets	288,464,939

5 Net Worth to total assets (A/B)	12.70%
A- Net worth	57,588,448
B- Total assets	453,442,934

6 Solvency Ratio (A/B)	19.96%
A- Net worth	57,588,448
B- Risk Weighted Assets	288,464,939

7 Debt to total asset (A/B)	88.97%
A- Total liabilities	403,435,514
B- Total assets	453,442,934

8 Debt to equity (A/B)	806.73%
A- Total liabilities	403,435,514
B- Equity	50,007,420

9 Dividend to net profit (A/B)	0.00%
A- Dividend	-
B- Net profit	5,310,723

ASSET QUALITY

10 Banking reserve to total loans (A/B)	0.00%
A- Banking reserves	-
B- Total loans (gross)	266,833,563

11 Banking reserve to total assets (A/B)	0.00%
A- Banking reserves	-
B- Total assets	453,442,934

12 NPL to total loan (A/B)	0.05%
A- NPL	124,688
B- Total loans (gross)	266,833,563

13 NPL to total asset (A/B)	0.03%
A- NPL	124,688
B- Total assets	453,442,934

14 Classified asset to total loan (A/B)	0.05%
A- Classified assets	124,688
B- Total loans (gross)	266,833,563

15 Classified asset to total asset (A/B)	0.03%
A- Classified assets	124,688
B- Total assets	453,442,934

16 Classified asset to total equity (A/B)	0.25%
A- Classified assets	124,688
B- Equity	50,007,420

17 Loan to related parties to total loan (A/B)	0.55%
A- Loan to related parties	1,456,048
B- Total loans (gross)	266,833,563

18 Large exposure to total loan (A/B)	14.63%
A- Large exposure	39,039,760
B- Total loans (gross)	266,833,563

19 Loan to related parties to net worth (A/B)	2.53%
A- Loan to related parties	1,456,048
B- Net worth	57,588,448

20 Large exposure to net worth (A/B)	67.79%
A- Large exposure	39,039,760
B- Net worth	57,588,448

21 General provision to total loan (A/B)	1.00%
A- General provision	2,666,654
B- Total loans (gross)	266,833,563

22 Specific provision to total loan (A/B)	0.05%
A- Specific provision	125,992
B- Total loans (gross)	266,833,563

23 Specific provision to NPL (A/B)	101.05%
A- Specific provision	125,992
B- NPL	124,688

24 All allowances to total assets (A/B)	0.62%
A- Total all allowances	2,792,646
B- Total assets	453,442,934

25 Loans to deposits (A/B)	93.28%
A- Total loans to non-bank customers (gross)	266,833,563
B- Customer's deposits	286,064,131

EARNINGS

26 ROA (A/B)	1.17%
A- Net profit	5,310,723
B- Total assets	453,442,934

27 ROE (A/B)	10.62%
A- Net profit	5,310,723
B- Equity	50,007,420

28 Gross Yield (A/B)	4.20%
A- Interest income	19,041,646
B- Total assets	453,442,934

Net Interest margin (NIM) to total

29 asset ((A-B)/C)	2.81%
A- Interest income	19,041,646
B- Interest expense	6,315,288
C- Total assets	453,442,934

30 Other Income (OTNC) = (A/B)	0.65%
A- Other income	2,960,411
B- Total assets	453,442,934

31 Provision to total assets (A/B)	0.62%
A- Provision	2,792,646
B- Total assets	453,442,934

32 Overhead (OHEAD) = (A/B)	2.14%
A- Non-interest expenses	9,699,717
B- Total assets	453,442,934

Net income/(losses) before tax (NIBT)

33 = (A/B)	1.23%
A- Net income/(losses) before tax	5,594,486
B- Total assets	453,442,934

34 Tax to total assets (A/B)	0.06%
A- Tax	283,763
B- Total assets	453,442,934

Interest margin to gross income

35 ((A-B)/C)	56.69%
A- Interest income	19,041,646
B- Interest expense	6,315,288
C- Gross income	22,447,661

Non-interest income to gross income

36 (A/B)	15.17%
A- Non-interest income	3,406,015
B- Gross income	22,447,661

Non-interest expense to Gross Income

37 (A/B)	43.21%
A- Non-interest expense	9,699,717
B- Gross income	22,447,661

38 Time interest earned ((A+B)/C)	188.59%
A- Income/(losses) before tax	5,594,486
B- Interest expense	6,315,288
C- Interest expense	6,315,288

LIQUIDITY

39 Liquid asset (A/B)	30.94%
A- Liquid asset (less than 3 months)	140,298,976
B- Total assets	453,442,934

40 Short-term Liabilities (A/B)	84.49%
A- Short-term liabilities (less than one year)	383,136,271
B- Total assets	453,442,934

41 Net Liquid asset ((A-B)/C)	-60.19%
A- Liquid asset (less than 3 months)	140,298,976
B- Short-term liabilities	383,136,271
C- Total liabilities	403,435,514

42 Quick Ratio (A/B)	36.62%
A- Quick assets (including cheque waiting for clearance amounting	140,298,976
B- Current liabilities	383,136,271

43 Deposit to total loans (A/B)	107.21%
A- Total customers' deposits	286,064,131
B- Total loans to non-bank customers (gross)	266,833,563



CORPORATE DIRECTORY

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Let's talk
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BRANCH NETWORK

BRANCH LOCATION		CIMB PREFERRED CENTRE	
1	Norodom North Branch 20A/B, Preah Norodom Boulevard Corner of Street 118, Sangkat Phsar Chas, Khan Daun Penh, Phnom Penh	1	Norodom North 20A/B, Preah Norodom Boulevard Corner of Street 118, Sangkat Phsar Chas, Khan Daun Penh, Phnom Penh
2	Norodom South Branch 216 (iCON), Preah Norodom Boulevard, Sangkat Tonle Basac, Khan Chamkarmon, Phnom Penh	2	Norodom South 216 (iCON), Preah Norodom Boulevard, Sangkat Tonle Basac, Khan Chamkarmon, Phnom Penh
3	Preah Sihanouk Boulevard Branch 57F, Preah Sihanouk Boulevard, Sangkat Chaktomok, Khan Daun Penh, Phnom Penh	3	Olympic 201, Jawaharlal Nehru Boulevard, Sangkat Phsar Doeum Kor, Khan Toul Kork, Phnom Penh
4	Mao Tse Toung Boulevard Branch 187 E0E1, Mao Tse Toung Boulevard, Sangkat Toul Svay Prey I, Khan Chamkarmon, Phnom Penh	4	Mao Tse Toung 187 E0E1, Mao Tse Toung Boulevard, Sangkat Toul Svay Prey I, Khan Chamkarmon, Phnom Penh
5	Olympic Branch 201, Jawaharlal Nehru Boulevard, Sangkat Phsar Doeum Kor, Khan Toul Kork, Phnom Penh	5	Phsar Hengly 12Z, Street 271, Sangkat Teuk Laark III, Khan Toul Kork, Phnom Penh
6	Toul Kork Branch 150F2D EOE1, Street 289, Sangkat Boeung Kak I, Khan Toul Kork, Phnom Penh	6	Krong Siem Reap 38-39-40, Sivatha Street, Sangkat Svay Dangkom, Krong Siem Reap, Siem Reap Province
7	Phsar Hengly Branch 12Z, Street 271, Sangkat Teuk Laark III, Khan Toul Kork, Phnom Penh	Offsite ATMs	
8	Krong Preah Sihanouk Branch 90, Ek Reach Boulevard, Sangkat No 4, Krong Preah Sihanouk, Preah Sihanouk Province	1	Naga World Samdech Techo Hun Sen Park, Phnom Penh
9	Krong Siem Reap Branch 38-39-40, Sivatha Street, Sangkat Svay Dangkom, Krong Siem Reap, Siem Reap Province	2	T&C Samdech Pan No.35-37, Street 214, Samdech Pan Avenue, Phnom Penh
10	Krong Kampong Cham Branch Village 4, Sangkat Veal Vong, Krong Kampong Cham, Kampong Cham Province	3	U-Care riverside No. 207-209, Sisowath Quay, Sangkat Phsar Kandal I, Khan Daun Penh, Phnom Penh
11	Krong Battambang Branch 98-99, Sangkat Svay Por, Krong Battambang, Battambang Province	4	HSC (Linex) No.37 ABCD, St.110, Russian Boulevard, Sangkat Monorom, Khan 7 Makara, Phnom Penh
		5	Bona Business Center No.126, Preah Norodom Boulevard, Sangkat Tonle Bassac, Khan Chamkarmorn, Phnom Penh
6	Royal Inn No.128D6-7-8, Samdech Sothearos Boulevard, Sangkat Tonle Bassac, Khan Chamkarmon, Phnom Penh	6	Angkor Mini Mart Along Sivatha Street, Sangkat Svay Dangkom, Siem Reap City, Siem Reap Province
7	Brown Coffee No.1, Street 98 Corner Sisowath Quay, Phnom Penh	7	TK Avenue No.80, Street 315 Corner Street 516, Sangkat Boeung Kak I, Khan Toul Kork, Phnom Penh
8	U-Care Kampuchea Krom No.844 E0, Street 128, Sangkat Tek Laork I, Khan Toul Kork, Phnom Penh	8	AEON Mall Behind Adidas, AEON mall, No.132, Samdech Sothearos Boulevard, Sangkat Tonle Bassac, Khan Chamkarmon, Phnom Penh
9	ELT No.22A, Street 273, Sangkat Boeung Kak I, Khan Toul Kork, Phnom Penh	9	Steung Mean Chey Mall No.6A, Samdach Monireth Boulevard, Sangkat Steung Mean Chey, Khan Mean Chey, Phnom Penh
10	The Place No. 129, Street 51, Sangkat Boeung Keng Kang I, Khan Chamkarmorn, Phnom Penh	10	Pochentong No.7A, Russian Boulevard, Sangkat Kakab, Khan Posenchey, Phnom Penh
11		11	Toy Center No.30, Monivong Boulevard, Sangkat Sras Chak, Khan Duan Penh, Phnom Penh
12		12	Central Hotel Street 23 Tola, Sangkat 2, Krong Preah Sihanouk, Preah Sihanouk Province

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