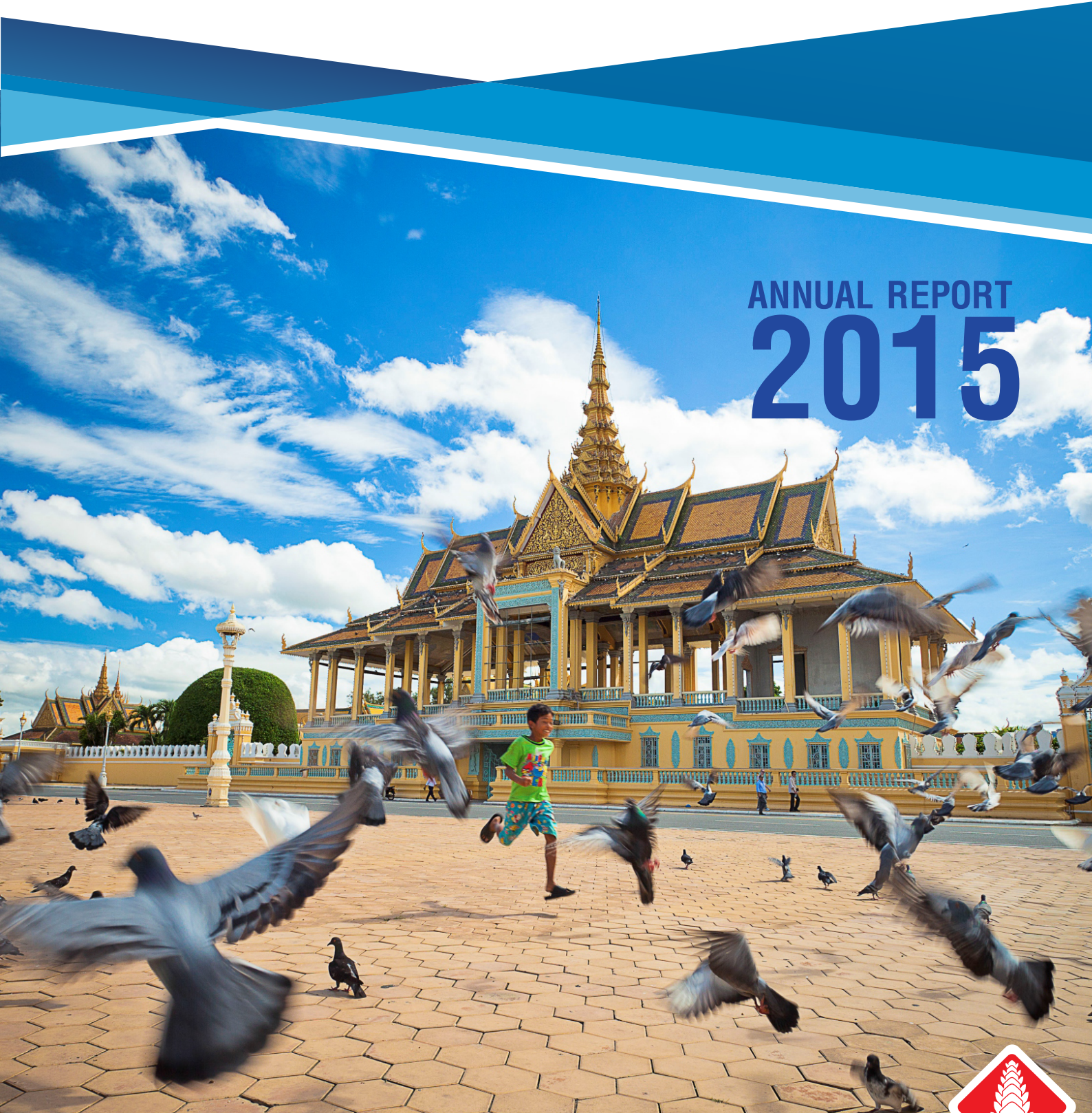


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**BANK FOR INVESTMENT AND DEVELOPMENT OF CAMBODIA PLC.**

**ANNUAL REPORT  
2015**



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**BIDC**   
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# MESSAGE OF 2015

Dear Customer, the Partners and entire officers and staff of BIDC,

In 2015, Cambodia's political situation is relatively stable. The key element and the efforts to maintain macro-economic stability of the Royal Government of Cambodia have helped the economy remain in positive growth. However, low economic growth in the countries - the main export markets of Cambodia and higher price of the American dollar in such a high dollarization situation in Cambodia, may cause certain impacts on Cambodia's economy.

In this context, BIDC has made the best efforts in deploying business operations and adjusting policy directions appropriately and adapt to the changes in the business environment. With safe, long-term, stable business objectives and gradual compliance with standards according to international practices, in 2015, BIDC has gained some remarkable results, as follows:

- The scale targets such as total assets, capital mobilization and credit balance are in higher growth than in 2014 and previous years in the 2 markets of Cambodia and Vietnam, with an increase of 21%, 14 % and 15%, respectively, compared to that in 2014.
- Customer structure has shifted strongly towards increasing the proportion of loans in the retail sector,

consumer loans. Term structure, earnings have been improved properly and more sustainably.

- Continuing to expand its network with the establishment of 01 branch, preparing resources to establish two more branches in Phnom Penh in 2016.
- Focus on developing services, implementing a number of new products such as Mobile Banking - Internet Banking, wireless POS, retailing products, consumer loans. Perfecting the system of internal management processes and standardizing some better service - oriented processes
- Focus on recruitment and training of staff to meet the long-term development requirements; enhancing and publicizing the image and brand of BIDC to the customers and the people in Cambodia; gradually building the corporate culture.

Besides BIDC's achievements and activities in 2015, there are difficulties, certain restrictions, especially in the work of dealing with debts and strengthening of risk provisioning to secure the Bank's long - term safety to have some target business growth lower than it is expected.

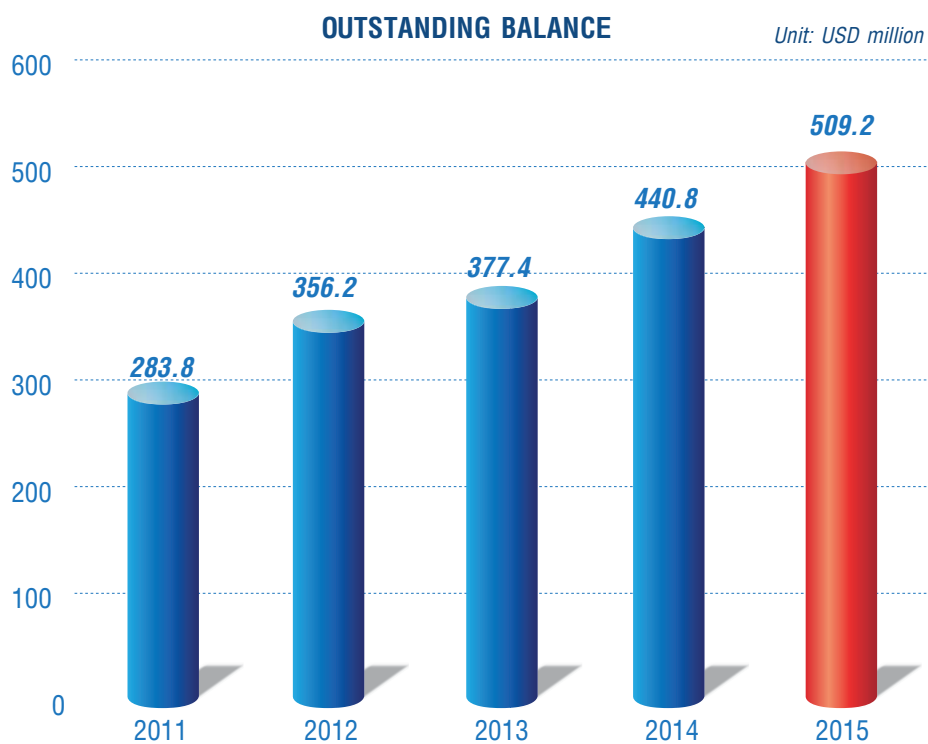
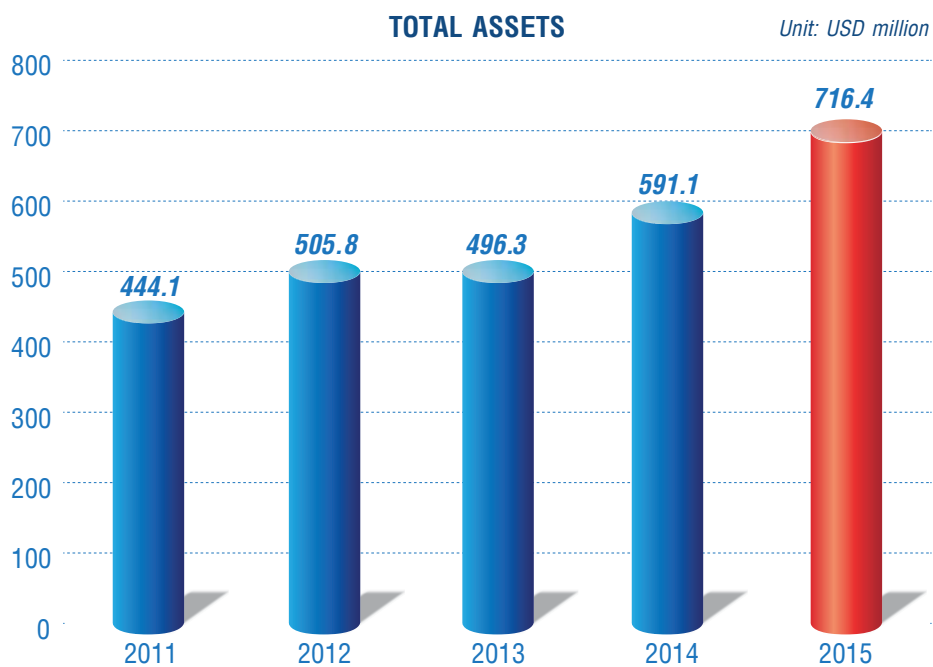
Promptly overcoming these difficulties and challenges, BIDC has constructed its business plan in the period of 2016-2018 with specific orientation,

business strategies and solutions. Accordingly, in 2016 and in the future, BIDC continues to penetrate deeper into the Cambodian economy, focuses on retail operations to meet the needs of the people of Cambodia and to shift the customers towards sustainable business; implementation of the bank's restructuring plan with strengthened financial capacity to gradually meet regulations and market practices; network expansion at the potential sites; continual investment in information technology, product development of modern banking services, creation of more conveniences and better service for customers.

Along with the support and management of NBC, we do believe that BIDC's operations in the coming time will grow, achieving more successes and contributing to the economic development of Cambodia. We would like to express our sincere gratitude to the management agencies, BIDC's customers for accompanying us in the past. BIDC hereby commits paralleling with customers, sharing difficulties, supporting the customers' business operations. We also thank our entire staff for their devotion, dedication for BIDC's common goals and we trust and believe that BIDC will always be the common home for all of BIDC's staff for personal development, capacity building and the construction of the future with success and prosperity.



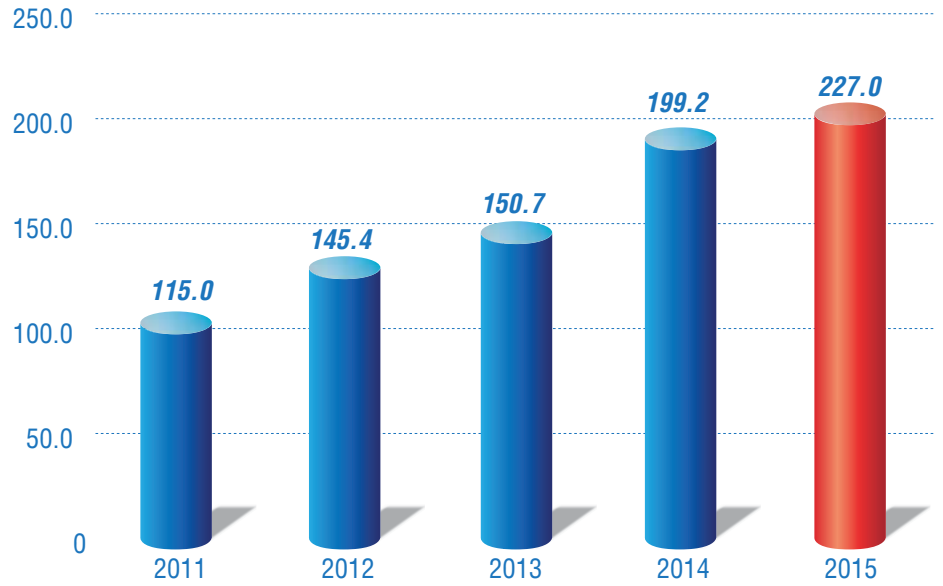
## BASIC PERFORMANCE INDICATORS



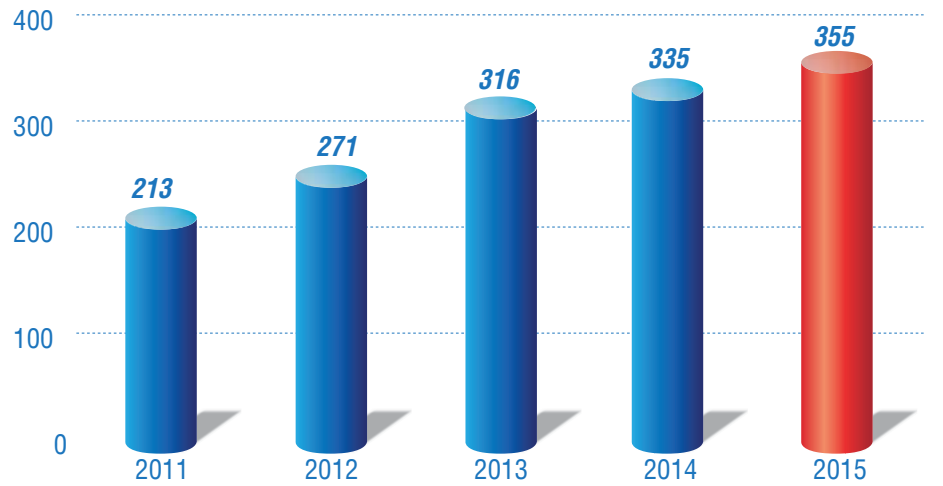
## BASIC PERFORMANCE INDICATORS

### CAPITAL MOBILIZATION

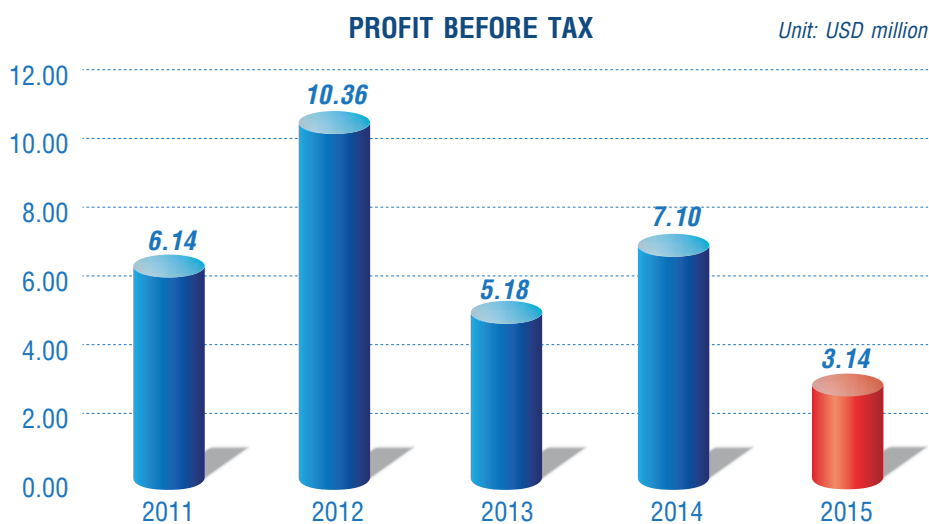
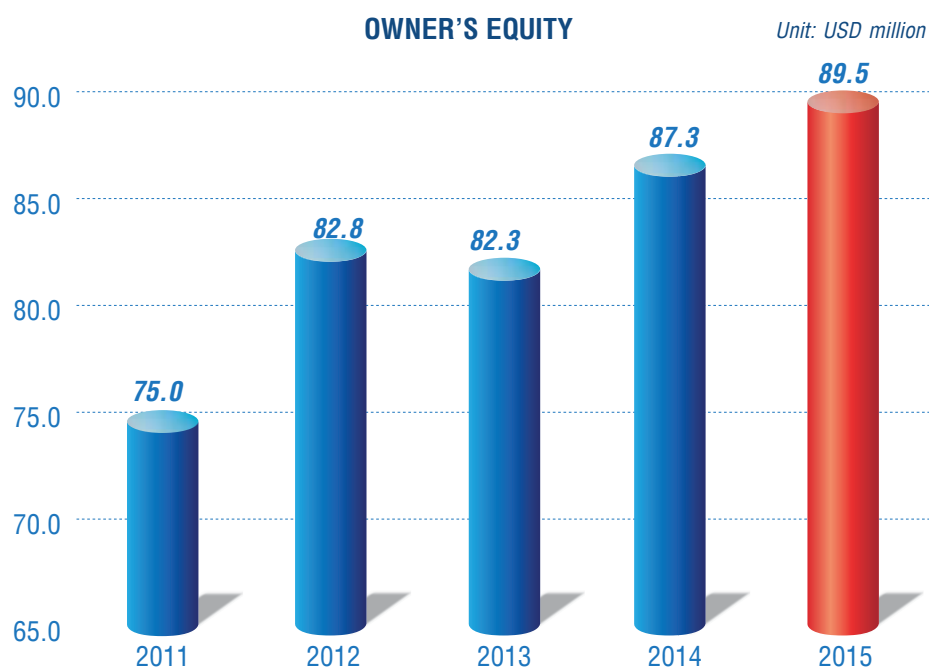
Unit: USD million



### NUMBER OF STAFF

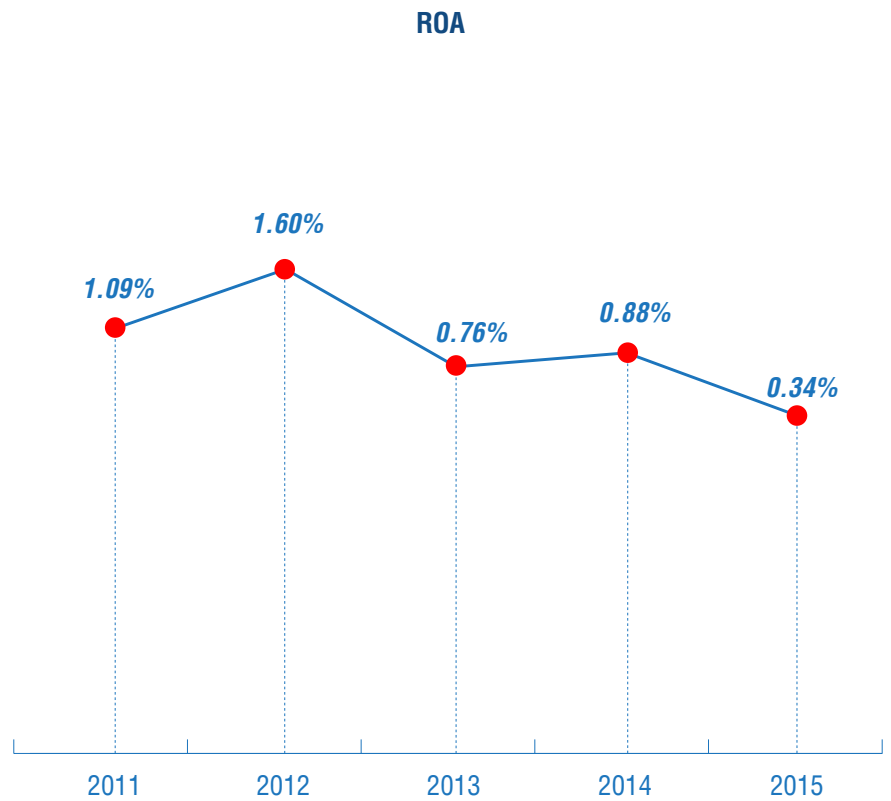
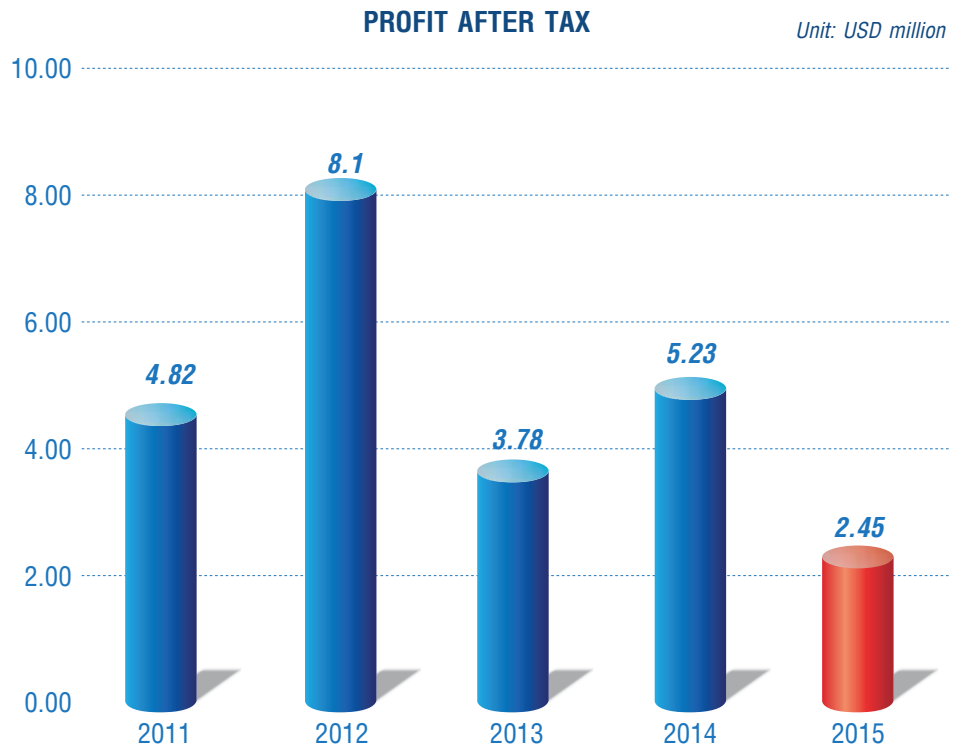


## BASIC PERFORMANCE INDICATORS





## BASIC PERFORMANCE INDICATORS







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## OVERVIEW ON BIDC



**GENERAL INFORMATION  
ON BIDC**

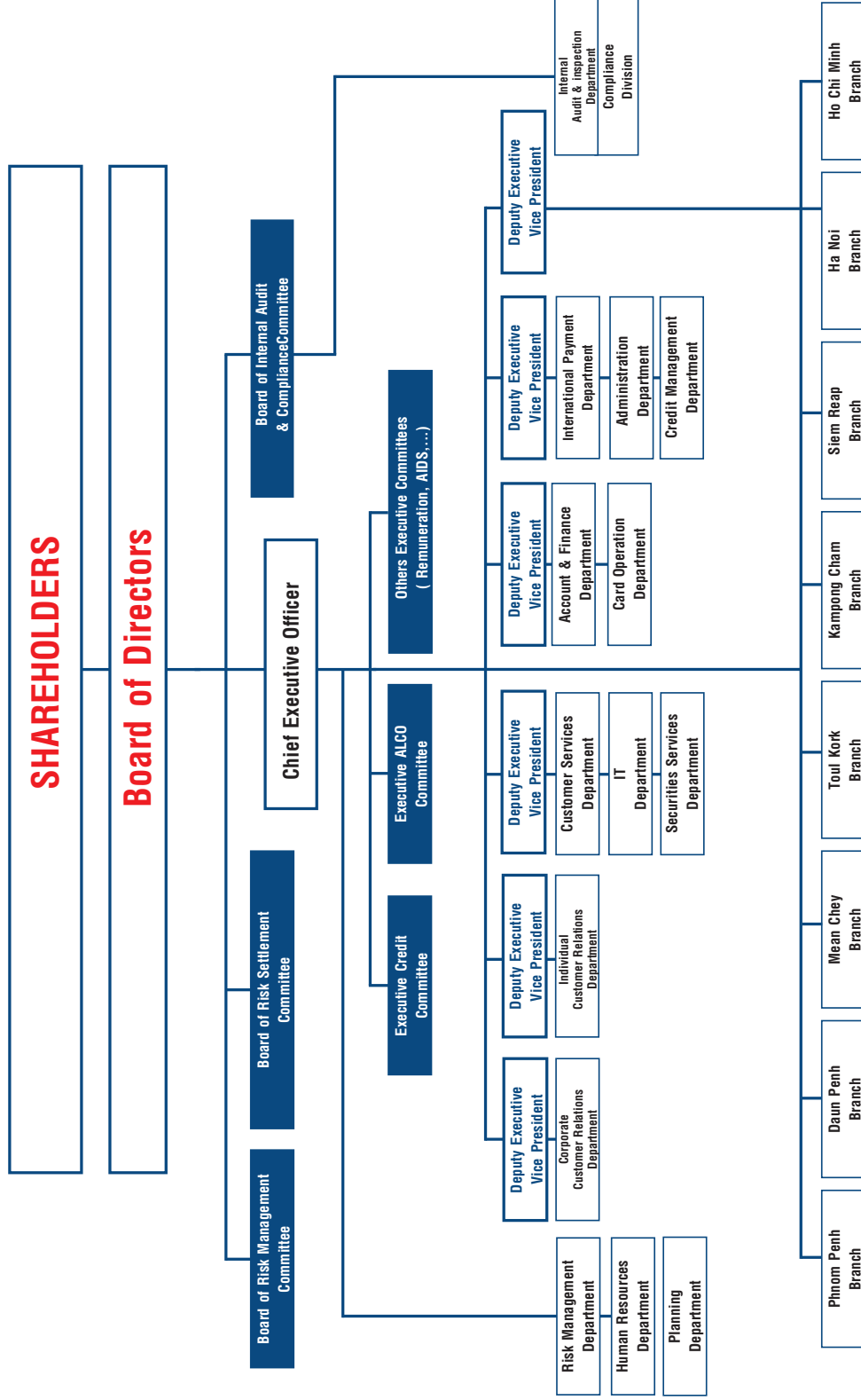
Formerly known as PIB - Prosperity Investment Bank (established in August, 2007), the Bank was restructured and renamed into the Bank for Investment and Development of Cambodia Plc. (BIDC) and started its operations on September 1st, 2009 under the Operation License No. B7.09.148 issued by the National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

BIDC's majority shareholder is the Cambodian Investment & Development Co Ltd (IDCC) - a member unit of the Bank for Investment and Development of Vietnam (BIDV) which is the largest commercial bank in Vietnam with over 59 years of business operations in Vietnam. When deploying its operations in Cambodia, BIDV has significantly supported BIDC in term of banking technology transfer, products and services, staff training and operating capital.

After more than 6 years of operation, BIDC has become one of the largest commercial banks in Cambodia in terms of size and market share. By the end of 2015, BIDC's total assets, outstanding balance, capital mobilization are over USD 716 million, over USD 500 million, nearly USD 230 million, respectively. Its network owns 8 branches in Cambodia and Vietnam with a total number of over 350 employees.

During the operation time, BIDC has made its missions in arrangements and provision of more capital for key projects to develop Cambodia's economy as well as Vietnam's major projects invested in Cambodia, promoting Cambodian investment, trade and financial market linkages with Vietnam. Currently, BIDC has gradually penetrated deeper into the Cambodian market and shifted into serving customers who are individuals, economic organizations and the retail sector in Cambodia. BIDC is implementing plans to increase charter capital by over USD 100 million in 2016, strengthening financial capacity and operational indicators, building long-term development orientations in parallel with the Cambodian economy.







**THE BOARD OF DIRECTORS**

**MR. LE DAO NGUYEN**

Chairman of the Board of Directors

- Year of birth: 1956.
- Education level: Bachelor of Economic Engineering, Master of Banking & Finance.
- Experience: over 31 years of working experience in the banking and finance sector. He has successfully experienced all major domains and is in charge of many key positions within the banking sector, including: Member of BOD of BIDV, Senior Executive Vice President of BIDV, Chairman of BIDV Asset Management Company (BAMC), Chairman of BIDV Financial Investment Company (BFI), Chairman of J.V Lao Viet Bank, Member of the BOD of Vietnam National Financial Switching JSC, BIDV-Vietnam Partners Investment Management Joint-Venture Company (BVIM), and Chairman of BIDC since November 2010.

**MR. HOANG VAN VINH**

Vice Chairman

- Year of birth: 1964.
- Education level: Bachelor of Economics.
- Experience: Became a Member of the BOD of BIDC in 2010.



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

- Year of birth: 1945.
- Education level: Bachelor of Banking & Finance
- Experience: 37 years of experience in banking and finance sector. He has successfully experienced many major domains in banking sector, namely Senior Executive Vice President of Vietnam Bank for Agriculture and Rural Development. Became a Member of the BOD of BIDC in 2009.



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

- Year of birth: 1972.
- Education level: Bachelor of Business Administration.
- Experience: Became a Member of the BOD of BIDC in 2009



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

- Year of birth: 1965.
- Education level: Bachelor of Banking & Finance.
- Experience: 26 years of experience in the banking and finance sector she has successfully experienced several operating departments and fields in BIDV such as Deputy Director of BIDV- Gia Lai Branch, Deputy Director of BIDV's Board of Internal Control. Became a Member of the BOD of BIDC in 2009.



**THE BOARD OF DIRECTORS**

**MR. NGUYEN VAN HIEN**

Member of the BOD

- Year of birth: 1961.
- Education level: Master of Banking & Finance
- Experience: Over 26 years of experience in the banking sector. Became a Member of the BOD of BIDC in 2009.

**MR. DOAN ANH SANG**

Member of the BOD

- Year of birth: 1961.
- Education level: Bachelor of Banking & Finance
- Experience: Over 26 years of experience in the banking and finance sector. Became a Member of the BOD of BIDC in 2012.





**MR. PHAN THANH HAI**

Member of the BOD

- Year of birth: 1977
- Education level: Master of Banking & Finance.
- Experience: Over 16 years of experience in the banking and finance sector. Became a Member of the BOD of BIDC since 2014.



**MR. NGUYEN DINH DUONG**

Member of the BOD and Chief Executive Officer (until October, 2015)

- Year of birth: 1976.
- Education level: Master of Banking & Finance, CFVG Hanoi 2000, Master of Business Administration in Management of Technology, AIT Thailand, 2001.
- Experience: Over 16 years of experience in the banking and finance sector. Became a Member of the BOD and CEO of BIDC from October 2013 to November, 2015 and seconded to work for BIDV.



**MR. NGUYEN QUOC HUNG**

Member of the BOD and Chief Executive Officer (from November, 2015)

- Year of birth: 1977.
- Education level: Master of Banking & Finance in 2006.
- Experience: Over 17 years of experience in the banking and finance sector. Became a Member of the BOD and CEO of BIDC in November, 2015.



**THE BOARD OF MANAGEMENT**

**MR. NGUYEN DINH DUONG**

Member of the BOD and Chief Executive Officer (until October, 2015)

- Year of birth: 1976.
- Education level: Master of Banking & Finance, CFVG Hanoi 2000, Master of Business Administration in Management of Technology, AIT Thailand, 2001.
- Experience: Over 16 years of experience in the banking and finance sector. Became a Member of the BOD and CEO of BIDC from October, 2013 to November, 2015.

**MR. NGUYEN QUOC HUNG**

Member of the BOD and Chief Executive Officer (from November, 2015)

- Year of birth: 1977.
- Education level: Master of Banking & Finance in 2006.
- Experience: Over 17 years of experience in the banking and finance sector. Became a Member of the BOD and CEO of BIDC in November 2015.



**MR. MEY PHY**  
Senior Executive Vice President

- Year of birth: 1959
- Education level: Master of Laws.
- Experience: Over 21 years of experience in the banking and finance sector. Became the Senior Executive Vice President of BIDC in August 2009.



**MRS. MAI THI NGOC HA**  
Senior Executive Vice President

- Year of birth: 1963
- Education level: Bachelor of Banking & Finance, Bachelor of Engineering.
- Experience: Over 26 years of experience in the banking sector. Became the Senior Executive Vice President of BIDC since August 2009.



**MR. DO VIET HUNG**  
Senior Executive Vice President

- Year of birth: 1973
- Education level: Master of Banking & Finance
- Experience: Over 21 years of experience in the banking sector. Became the Senior Executive Vice President of BIDC since October 2014.



**MR. DUONG VAN CO**  
Senior Executive Vice President

- Year of birth: 1967.
- Education level: Bachelor of Banking & Finance – in Hanoi, in 2007.
- Experience: More than 21 years of experience in the banking & finance services industry. Became the Senior Executive Vice President of BIDC in 2011.



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

- Year of birth: 1973.
- Education level: Bachelor of Economics.
- Experience: More than 16 years of experience in the financial services industry. Became the Senior Executive Vice President of BIDC in December, 2014.



**MR. TRAN LAM GIANG**  
Senior Executive Vice President

- Year of birth: 1976.
- Education level: Bachelor of Banking & Finance
- Experience: More than 15 years of experience in the banking & finance services industry. Became the Senior Executive Vice President of BIDC in October 2015.

**THE BOARD OF MANAGEMENT**

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**DEVELOPMENT ORIENTATIONS**

Following the results achieved in 2015 and previous years, BIDC has continued construction of its business strategy and made the best efforts to become one of the leading commercial banks in Cambodia, towards stability, safety, successfully meeting the standards and conditions prescribed by the NBC. BIDC also sets the target for the future as to deeper penetrate and link with the development of the Cambodian economy, to serve local customers, to continue to expand its network in the potential areas in Cambodia, to increase its investments in information technology, to confirm its long-term business investment strategies in Cambodia. BIDC will also continue to develop its role as a bridge for investment and trade cooperation between Cambodia and Vietnam.

Accordingly, the objectives and main directions of BIDC in the near future are as follows:

- To make the effort to be in the top 6 commercial banks in Cambodia by 2018 and to have 5% of the market share in credit and 3% of the market share in capital mobilization, to secure the Capital Adequacy Ratio and quality of operations under NBC’s Regulations and towards the international practices.
- To focus on promoting development of the retail credit operations, modern

finance & banking operations to serve the Cambodian people and to gradually reduce the level of concentration on large customers.

- To modernize infrastructure, to diversify and to improve the quality of products and services, to create a competitive advantage, to serve the customers, to accelerate the application of information technology to banking operations, to support governance and management work.
- To develop the effective network on the basis of thorough research on skills and potential development of location, to secure to improve the effective operations of the network points in order to better serve BIDC’s customers.
- To improve labor productivity, to focus on training and improve the quality of human resources. To construct and develop qualified Cambodian staff who want to be close to BIDC to ensure stable, long- term business.

We believe that, with the support of the functional authorities, the support and cooperation of customers, partners and the dedication of the staff, BIDC’s business in Cambodia is growing more strongly and more successfully thus contributing significantly to the economic development of Cambodia.





## INTERNAL AND EXTERNAL RISKS



BIDC notices some following risk factors that may affect the bank's business performance:

- *Economic Risk:* In the context of global recovery and efforts in the Government's directions in 2015, Cambodia has achieved encouraging results, having basically completed all eco-socio objectives (which are stabilizing macroeconomics, monitoring inflation, increasing GDP growth rate, ensuring employment and social benefit). However the economy still faces some challenges: (i) economic growth depends on the political situation, natural conditions in the country, demands on foreign market and FDI flows, (ii) higher production costs, (iii) limited government revenues, low social security. These obstacles hinder the economy's growth as well as affect the sustainability in macroeconomic stabilization. These challenges will directly affect business activities of BIDC's customers and BIDC.
- *Credit Risk:* Credit risk refers to the potential loss due to the failure of a borrower to meet its contractual obligation to repay a debt in accordance with the agreed terms. Such risks arise from various causes such as unstable revenues of the customers, intentional insolvency of the customers or violations of the third party in connection to the obligations to the bank as the creditor. The Credit Management Unit plays the role of the consultancy, warning and monitoring implementation of approved terms and conditions.
- *Liquidity Risk:* Liquidity is the ability of a bank to fund increases in assets and to meet obligations as they become due, without incurring unacceptable losses. The fundamental role of banks in the maturity transformation of short-term deposits into long-term loans makes the bank inherently vulnerable to liquidity risk. Liquidity risk management is to monitor and control on the basis of cash flow projections. The Risk Management Committee is responsible for independently monitoring the Bank's liquidity risk profile, and providing monthly reports to the Risk Management Committee, ALCO, so that the Bank may manage its liquidity position to meet its daily operating needs and regulatory requirements as stipulated.
- *Interest Rate Risk:* One of the major

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

- *Foreign Exchange Risk:* Foreign exchange risk is originated from adverse movements in exchange rates which causes a decrease in the foreign currency state held by the Bank. In order to manage foreign exchange risk, the Bank has promulgated a series of exchange risk managements; including foreign exchange risk management; foreign exchange risk limits, instruments to measure and control foreign exchange risks, including stop-loss limit, value at risk.

- *Legal and Compliance Risk:* Audit and Compliance Committee oversees the legal aspects of activities undertaken by the Bank, and is responsible for facilitating, advising, and monitoring the business units and supporting them to ensure that they act in accordance with the laws, regulations and guidelines. In the past year, the Bank has made its best efforts in complying with standards, policies, procedures, and practices. Audit and Compliance Committee always encourages active participation of taskforces and project steering committees in meeting the Bank's responsibilities towards regulations such as the Anti-Money Laundering and Combating Financing of Terrorism (AML/CFT) and US Foreign Account Tax Compliance Act (FATCA).

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

- *Other Risks:* In addition to the above risks, BIDC's operation is also affected by other risks such as fire, natural disasters, strikes, war, and accidents etc. These force major events beyond BIDC's control, prevention and expectation. These risks, if they happen, might cause damage to the business performance of enterprises, including BIDC.





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# OPERATIONS IN 2015



## BUSINESS ENVIRONMENT

In the period of 2011-2014, the average economic growth of Cambodia was 7.2% /year although it was affected by the slow world economic recovery along with unstable politics, strikes and protests in the country. In 2015, Cambodia's economy continued to prosper, thanks to the improved economies of the main trading partners of Cambodia (such as Thailand, the US, Japan, EU), reduced tensions of the political situation in the country. In addition, there are a number of advantages for growth such as the development of key economic sectors (tourism, textiles, footwear, construction, and agriculture), low fuel prices and a sharp increase of domestic demands. The Government of Cambodia and some world financial monetary institutions have addressed positive evaluation on the development of the economy of Cambodia with forecasts of Cambodia's stable GDP which remained at 7% in 2015 (WB: 6.9%; IMF: 7%, ADB: 7.3%) and at 7-7.5% over the period of 2016-2018.

The development potential of the banking sector in Cambodia is considered to be still greater, which is shown by: (i) the rate of loans over GDP is likely to increase from 41% in 2012 to nearly 57% at the end of 2014, reaching the average level among developing countries, but the rate is still low compared with other countries in the region (Vietnam, Thailand, Singapore with over 100% of GDP); (ii) The rates of use of banking services, a large number of people with bank account are still low (only over 15%). By the end of 2014, total customers with bank loans were nearly 450 thousand people (less than 3% of the population) meanwhile total depositors therein reached more than 2.3 million.

## EVALUATION OF BUSINESS OPERATIONS

In general, such items as total assets, capital mobilization, and outstanding balance are at a higher growth rate compared to that in 2014 and previous years in both the 2 markets of Cambodia and Vietnam.

The network development work is completed timely as planned by the Board of Directors and which is effective initially. The branches in Cambodia have good growth compared to 2014.

In the Cambodian market, BIDC has initially increased the concentration of retail activities to support gradual increase in the efficiency and quality of BIDC's business.

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



## **ORGANIZATIONAL STRUCTURE AND PERSONNEL**

BIDC has 9 members of the Board of Directors, 7 members of the Board of Management (including 1 Senior Executive Vice President of Hanoi Branch), 1 Head Office, 6 branches in Cambodia and 2 branches in Vietnam.

In 2015, BIDC dismissed and appointed the following senior leaders:

- In May, 2015: Mr. Nguyen Quoc Hung was appointed as the First Senior Executive Vice President.
- In October, 2015: Mr. Nguyen Dinh Duong ceased to keep the office of the Chief Executive Officer (to be seconded to keep the other duties but he still worked as a Member of BOD) and Mr. Nguyen Quoc Hung was appointed to keep the office of the Chief Executive Officer; Mr. Tran Lam Giang was appointed to keep the office of Senior Executive Vice President

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

In 2015, BIDC recruited 55 new staff meet its demands on increased scale of operations; established 1 more branch in Phnom Penh, thereby BIDC's transaction network in Phnom Penh increased by 4 units (in addition to the Head Office)

## **FINANCIAL SITUATIONS**

*Unit: USD*

<b>ITEMS</b>	<b>2015</b>	<b>2014</b>
Total assets	716,382,440	591,053,330
Total operating income	22,022,280	21,050,039
Taxes and payables	689,353	1,861,879
Profit before tax	3,139,340	7,096,724
Profit after tax	2,449,987	5,234,845

*Note: the data is based on the International Financial Reporting Standards (IFRS)*

While total operating income continues to grow compared to 2014, the profitability of BIDC is adapted suitably to enhance the risk reserve and to ensure the long-term stability in BIDC's development plan.

## **INVESTMENT STRUCTURE**

The charter capital of BIDC is maintained by USD 70 million by the end of 2015. In 2015, BIDC's board approved the capital increase plan by USD 100 million and it is expected to be completed in the 2nd quarter of 2016.

**IMPROVEMENT OF THE ORGANIZATIONAL STRUCTURE, MANAGEMENT POLICY**

Regarding the development of the network: Toul Kork branch was put into operation in May 2015, increasing the number of branches in Phnom Penh and Cambodia by 4 and 6 branches, respectively.

Regarding the training work: BIDC has actively built the training programs, including the following contents: BIDC's self-training, BIDV's support and hiring external trainers. BIDC has also organized self-trainings for professional and linguistic improvement to its staff throughout the system, in order to improve their professional qualifications, skills and foreign languages.

Development of Services: BIDC has focused on service development, implementing a number of new products such as Mobile Banking - Internet Banking, wireless POS services and credit products, all raising new capital.

**ACTIVITIES OF THE BOARD OF DIRECTORS**

In 2015, the Board of Directors of BIDC (BOD) held the regular meetings and asked for comments and directions in writing for the issues in the authority of the Board to ensure a comprehensive grasp of the situation and to timely make appropriate policies and decisions for the key issues of the entire system and to supervise operations of BIDC's Management.

Board issued 73 resolutions and decisions of the Board of Directors to timely direct and settle the derivative works in order to create favorable conditions and activeness to BIDC's Management.

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

There are 3 committees directly under the Board of Directors, including: (i) Risk Management Committee; (ii) Risk Solving Committee; (iii) Audit and Compliance Committee.

- Risk Management Committee consults, helps the Board to handle matters relating to the Bank's risk management. The Risk Management Committee is chaired by the member of the Board of Directors (Mr. Phan Thanh Hai).
- Risk Solving Committee consults, helps the Board to handle matters relating to treating credit risks, collection of debts throughout BIDC's system. The Risk Solving Committee is chaired by the Chairman of the Board.
- Audit and Compliance Committee consults, helps the Board to handle matters relating to auditing work and monitoring compliance throughout BIDC's system. The Audit and Compliance Committee is chaired by the independent member of the Board of Directors (Mrs. Tran Thi Oanh)



**ACTIVITIES OF THE AUDIT AND COMPLIANCE COMMITTEE IN 2015**

• Members of the Audit and Compliance Committee

Mrs. Tran Thi Oanh	Independent Member of the Board	Chairman (*)
Mr. Pham Van Duong	Member of the Board	Member
Mr. Tran Dinh Binh	Independent Member of the Board	Member
Mr. Mey Phy	Senior Executive Vice President	Member
Mrs. Mai Thi Ngoc Ha	Senior Executive Vice President	Member

• Activities in 2015

The Audit and Compliance Committee directs two underlying divisions namely; the Division of Compliance and the Division of Internal Audit to carry out the tasks of monitoring compliance with the provisions of law, the National Bank of Cambodia, the State Bank of Vietnam and BIDC’s charter of the organization and operation in governance and administration; evaluating the financial statements, internal audit and other tasks to ensure the bank’s stable, safe and effective development. The majority of the members of the Audit and Compliance Committee have a long experience in the banking sector so the tasks of monitoring implementation are done regularly and repeatedly. The Audit and Compliance Committee shall review and evaluate the income statement based on the annual operational direction adopted by the Board and identify the duties and plans in the next period. In 2015, the Audit and Compliance Committee held 3 periodical meetings and regular meetings with the Division of Compliance and the Division of Internal Audit.

In 2015, the Audit and Compliance Committee audited the units throughout BIDC. By monitoring compliance and internal audit, the Audit and Compliance Committee timely gave the risk warnings, detected shortcomings in the operation, in internally regulated documents and organizational structure to make recommendations to the Board, the Management and the management levels of the bank to correct errors, to adjust and supplement the regulations, procedures and operational guidelines, to intensify internal controls to prevent and mitigate risks and to ensure safety in operations. The Board of Control has successfully completed the tasks; subject to the orientations approved by the Board of Directors.







# SUSTAINABLE DEVELOPMENT REPORT



**TRAINING AND DEVELOPMENT OF HUMAN RESOURCES**

After more than 7 years of operation, BIDC has strengthened, built a solid workforce, in terms of experience, competence and mental fitness and endurance. It shows the policies on talent attraction and management, focused and consistently implemented on a long period by professional and prestigious recruitment within the labor market.

The most important highlight is that BIDC has clearly identified strategic goals of human resource development as the key recruiting priority and benefits to the workforce in the locality at the first time and investment in training, experience transfer from BIDV's seconded officers to gradually increase the local leaders. The local personnel are qualified, experienced with high moral are appointed and assigned within key positions at BIDC.

The objective and orientation of BIDC in training and development of human resources focus on the followings:

- To attract and exploit human resources, to form a team of experts in the key professional areas.

- To perfect the system framework of capacities, to renovate the evaluation indexes for individuals and to renew personnel assessment comprehensively in order for it to be the foundation for personnel organization.

- To improve processes and regulations on the personnel organization attached to general capacity framework, capacity management framework and professional capacity framework for each position.

- To promote the application of information technology in the workplace in order to increase productivity and labor efficiency.

- To develop a training program framework subject to the group of titles associated with the capacity framework, job description; to expand and improve the efficiency of cooperation in training human resources.

- To develop, complete and regularly update treatment and welfare policies aimed at completing comprehensive remuneration policies under the international practices and standards.

*“After more than 7 years of operation, BIDC has strengthened, built a solid workforce, in terms of experience, competence and mental fitness and endurance.”*



**BIDC'S SOCIAL SOLIDARITY ACTIVITIES FROM 2010 TO 2015**



**SOME RECOGNITIONS AND TYPICAL AWARDS IN THE PERIOD OF 2010 – 2015**



Over the past 7 years, BIDC has gradually matured, stabilized and increased the sustainability factors in terms of the breadth and depth, scale and scope of operations. BIDC has gradually proved its persistence, adaptation to all conditions and circumstances, self-innovation efforts to become a leading bank in terms of quality, efficiency, reputation, contributing to the sustainable growth of the financial and monetary market in Cambodia. In particular, BIDC is one of the units contributing, financing and implementing its responsibilities to the community for its participation in relief for poverty reduction with the social solidarity operations. Some typical social security works of BIDC in the past consist of:

- BIDC has sponsored BIDC CUP- International Champion Cup for four times since 2009, every two years. It is the regional sports tournaments for Asian young players, which is of great significance in promoting culture and sport movement in Cambodia as well as in the region. In July – August, 2015, BIDC continued to sponsor BIDC U16 AFF aimed at promoting the football future of the South East Asian region in general and in Cambodia in particular.
- Since its inception, BIDC has actively contributed to sponsoring social welfare activities in Cambodia, i.e. annual funding to the Cambodian Red Cross with a total contribution of nearly USD 500 thousand since 2010; contributing to disaster recovery, poverty elimination, medical and educational assistance in many areas of Cambodia, contributing to the work of poverty reduction and assistance to poor people and families with difficult circumstances in Cambodia

Domestic awards:

- Medal of Devotion offered by the Royal Government of Cambodia.
- Royal Medal of Honor MOHA SEREI VATH (First class), Royal Medal of Honor MOHASENA (Second class).

International awards:

- “The most outstanding and promising growth bank 2013”. Awarded by International Data Group (IDG)\* and co-organized with Association Bank of Cambodia (ABC).
- “The most excellent foreign bank in 2015” Awarded by International Data Group (IDG).

And many other domestic and international awards.

(\*IDG is the worlds leading company specializing in technology media, events and research. Founded in 1964 and headquartered in Boston, Massachusetts, IDG products and services are selected by more than 280 million technology buyers in 97 countries)



## SUMMARY OF FINANCIAL STATEMENTS







**Building a better  
working world**

Reference: 61090109/18227333/IFRS

Ernst & Young (Cambodia) Ltd.  
5th Floor, Emerald Building  
#64 Norodom Boulevard corner Street 178  
Sangkat Chey Chumneah, Khan Daun Penh  
12206 Phnom Penh, Kingdom of Cambodia

Tel: +855 23 860 450/451  
Fax: +855 23 217 805  
ey.com

## **INDEPENDENT AUDITORS' REPORT**

**To: The Shareholders of Bank for Investment and Development of Cambodia Plc**

We have audited the accompanying financial statements of Bank for Investment and Development of Cambodia Plc ("the Bank"), which comprise the statement of financial position as at 31 December 2015, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

### ***Management's responsibility for the financial statements***

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with International Financial Reporting 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.

### ***Auditors' responsibility***

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

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

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

### ***Opinion***

In our opinion, the financial statements give a true and fair view of the financial position of the Bank as at 31 December 2015, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards.

### ***Other matter***

This report is solely for management's use to meet the internal reporting requirements of the Bank and is not to be used for any other purpose or to be distributed to any other parties.



Phnom Penh, Cambodia

*(Cambodia) Ltd.*

12 April 2016

## GENERALIZED REPORTS

- STATEMENT OF FINANCIAL POSITION (AS AT 31 DECEMBER 2015)  
IFRS (INTERNATIONAL FINANCIAL REPORTING STANDARDS)

	2015 US\$	2014 US\$
<b>ASSETS</b>		
Cash and balances with central banks	59,826,954	66,478,827
Due from other financial institutions	113,393,874	50,794,823
Loans to customers	505,780,345	438,329,931
Financial investments - available for sale	1,571,513	1,572,924
Financial investments – loans and receivables	2,297,135	10,821,644
Property and equipment	6,180,473	4,415,296
Computer software	1,880,091	2,162,078
Other assets	25,452,055	16,477,807
<b>TOTAL ASSETS</b>	<b>716,382,440</b>	<b>591,053,330</b>
<b>LIABILITIES</b>		
Due to other financial institutions	396,438,726	302,477,531
Due to customers	227,031,659	199,201,272
Income tax payable	635,925	1,128,714
Other liabilities	2,772,535	929,761
<b>TOTAL LIABILITIES</b>	<b>626,878,845</b>	<b>503,737,278</b>
<b>OWNERS' EQUITY</b>		
Paid-up capital	70,000,000	70,000,000
General banking reserves	3,161,115	2,549,723
Retained earnings	16,444,105	14,785,765
Foreign exchange translation reserve	(101,625)	(19,436)
<b>TOTAL OWNERS' EQUITY</b>	<b>89,503,595</b>	<b>87,316,052</b>
<b>TOTAL LIABILITIES AND OWNERS' EQUITY</b>	<b>716,382,440</b>	<b>591,053,330</b>



• STATEMENT OF COMPREHENSIVE INCOME (FOR THE YEAR ENDED 31 DECEMBER 2015)  
IFRS (INTERNATIONAL FINANCIAL REPORTING STANDARDS)

	<b>2015 US\$</b>	<b>2014 US\$</b>
Interest and similar income	40,077,908	35,227,065
Interest and similar expense	(19,245,850)	(15,333,368)
<b><i>Net interest and similar income</i></b>	<b><i>20,832,058</i></b>	<b><i>19,893,697</i></b>
Fees and commission income	1,490,991	1,257,638
Fees and commission expense	(257,292)	(277,358)
<b><i>Net fees and commission income</i></b>	<b><i>1,233,699</i></b>	<b><i>980,280</i></b>
<b><i>Other operating (loss) income</i></b>	<b><i>(43,477)</i></b>	<b><i>176,062</i></b>
<b>TOTAL OPERATING INCOME</b>	<b>22,022,280</b>	<b>21,050,039</b>
Credit loss expense	(4,930,302)	(1,675,616)
Recovery from loans written-off	1,355,202	
<b>NET OPERATING INCOME</b>	<b>18,447,180</b>	<b>19,374,423</b>
Personnel expenses	(5,974,460)	(4,785,219)
Operating lease expenses	(1,876,193)	(1,631,962)
Depreciation and amortization	(1,038,293)	(1,073,548)
Other operating expenses	(6,418,894)	(4,786,970)
<b>TOTAL OPERATING EXPENSE</b>	<b>(15,307,840)</b>	<b>(12,277,699)</b>
<b>PROFIT BEFORE TAX</b>	<b>3,139,340</b>	<b>7,096,724</b>
Income tax expense	(689,353)	(1,861,879)
<b>NET PROFIT IN THE YEAR</b>	<b>2,449,987</b>	<b>5,234,845</b>
<b>OTHER COMPREHENSIVE INCOME, NET OF TAX</b>	<b>(82,189)</b>	<b>(19,336)</b>
Exchange difference as translation of foreign operations	(82,189)	(11,798)
Net realized gains on available-for-sale financial investments		(7,538)
<b>TOTAL COMPREHENSIVE INCOME IN THE YEAR</b>	<b>2,367,798</b>	<b>5,215,509</b>

• STATEMENT OF CHANGES IN EQUITY (FOR THE YEAR ENDED 31 DECEMBER 2015)  
IFRS (INTERNATIONAL FINANCIAL REPORTING STANDARDS)

	Paid-up capital US\$	Net realized gains on Available-for-sale-financial investments US\$	General banking reserves US\$	Retained earnings US\$	Foreign exchange translation reserve US\$	Total US\$
<b>Balance as on January 1<sup>st</sup>, 2015</b>	<b>70,000,000</b>	-	<b>2,549,723</b>	<b>14,785,765</b>	<b>(19,436)</b>	<b>87,316,052</b>
Appropriation to reserves	-	-	611,392	(611,392)	-	-
Appropriation to bonus and welfare fund	-	-	-	(180,255)	-	(180,255)
Comprehensive income for the year	-	-	-	2,449,987	(82,189)	2,367,798
<b>Balance as on December 31<sup>st</sup>, 2015</b>	<b>70,000,000</b>	-	<b>3,161,115</b>	<b>16,444,105</b>	<b>(101,625)</b>	<b>89,503,595</b>
<b>Balance as on January 1<sup>st</sup>, 2014</b>	<b>70,000,000</b>	<b>7,538</b>	<b>1,962,290</b>	<b>10,338,353</b>	<b>(7,638)</b>	<b>82,300,543</b>
Appropriation to reserves	-	-	587,433	(587,433)	-	-
Appropriation to bonus and welfare fund	-	-	-	(200,000)	-	(200,000)
Comprehensive income for the year	-	(7,538)	-	5,234,845	(11,798)	5,215,509
<b>Balance as on December 31<sup>st</sup>, 2014</b>	<b>70,000,000</b>	-	<b>2,549,723</b>	<b>14,785,765</b>	<b>(19,436)</b>	<b>87,316,052</b>

• STATEMENT OF CASH FLOWS (FOR THE YEAR ENDED 31 DECEMBER 2015)  
IFRS (INTERNATIONAL FINANCIAL REPORTING STANDARDS)

	<b>2015 US\$</b>	<b>2014 US\$</b>
<b>Cash flows from operating activities</b>		
Profit before income tax	<b>3,139,340</b>	<b>7,096,724</b>
<i>Adjustments for:</i>		
Depreciation and amortization expense	1,038,293	1,073,548
Allowance for credit losses	4,930,302	1,675,616
Income tax paid during the year	(996,290)	(1,013,683)
Loss from disposal of property and equipment	16,667	-
Foreign exchange differences		(30,528)
<b>Operating profit before changes in operating assets and liabilities</b>	<b>8,128,312</b>	<b>8,801,677</b>
<b>Changes in operating assets and liabilities</b>		
(Increase) decrease in operating assets:		
Balances with central banks	(2,661,087)	(5,276,474)
Due from other financial institutions	(30,628,089)	(8,063,417)
Loans to customers	(72,552,533)	(68,516,132)
Other assets	(6,974,248)	(14,480,403)
Increase (decrease) in operating liabilities:		
Due to other financial institutions	93,961,195	40,458,182
Due to customers	27,830,387	48,517,765
Other liabilities	1,666,950	(86,686)
Bonus and welfare paid	(190,283)	(197,963)
<b>Net cash provided from operating activities</b>	<b>18,580,604</b>	<b>1,156,549</b>
<b>Cash flows from investing activities</b>		
Acquisition of property and equipment	(261,482)	(387,306)
Acquisition of intangible assets	(10,780)	-

	<b>2015 US\$</b>	<b>2014 US\$</b>
Proceeds from disposal of property and equipment	50,820	-
Payments for construction in progress	(2,357,217)	(874,871)
Investment in securities	8,915,022	(982,642)
<b>Net cash used in investing activities</b>	<b>6,336,363</b>	<b>(2,244,819)</b>
<b>Cash flow from financing activity</b>		
Profit distributed to parent company in advance	(2,000,000)	-
<b>Net increase (decrease) in cash and cash equivalents during the year</b>	<b>22,916,967</b>	<b>(1,088,270)</b>
Cash and cash equivalents at beginning of year	82,108,197	83,088,840
Net foreign exchange difference	(87,654)	107,627
<b>Cash and cash equivalents at end of year</b>	<b>104,937,510</b>	<b>82,108,197</b>



**NOTES TO THE FINANCIAL STATEMENTS**

- LOANS TO CUSTOMERS  
IFRS (INTERNATIONAL FINANCIAL REPORTING STANDARDS)

	<b>2015 US\$</b>	<b>2014 US\$</b>
<b>Term loans</b>		
Term loans	319,358,791	266,711,317
Overdraft	110,287,910	92,091,323
Credit facilities	79,512,107	82,044,000
<b>Total loans - gross</b>	<b>509,158,808</b>	<b>440,846,640</b>
Accrued interest receivable	7,315,205	4,498,505
<b>Total gross loans and interest receivable</b>	<b>516,474,013</b>	<b>445,345,145</b>
Allowance loans losses	(9,009,679)	(5,918,304)
Unamortized loan arrangement fee	(1,683,989)	(1,096,910)
<b>Loans to customers - net</b>	<b>505,780,345</b>	<b>438,329,931</b>

- CHANGES IN ALLOWANCE FOR LOSSES ON LOANS TO CUSTOMERS WERE SUMMARIZED BELOW:

	<b>2015 US\$</b>	<b>2014 US\$</b>
<b>Balance as at 1 January</b>	5,918,304	8,718,751
Provision charged during the year	5,137,746	1,542,823
Provision used to write off bad debts	(2,010,744)	(4,322,508)
Foreign currency translation difference	(35,627)	(20,762)
<b>Balance as at 31 December</b>	<b>9,009,679</b>	<b>5,918,304</b>

• DEPOSITS FROM CUSTOMERS:  
IFRS (INTERNATIONAL FINANCIAL REPORTING STANDARDS)

	<b>2015 US\$</b>	<b>2014 US\$</b>
Current accounts	42,810,348	30,760,118
Fixed deposits	176,145,015	163,148,102
Savings deposits	2,411,646	2,254,998
Margin deposits	2,947,965	433,640
Interest payable	2,716,685	2,604,414
	<b>227,031,659</b>	<b>199,201,272</b>

TYPES OF CUSTOMERS:

	<b>2015 US\$</b>	<b>2014 US\$</b>
Domestic corporations	49,984,883	36,657,731
Foreign corporations	41,751,834	37,176,846
Resident individuals	55,061,280	49,557,994
Non-residents individuals	80,233,662	75,808,701
	<b>227,031,659</b>	<b>199,201,272</b>

## BUSINESS ORIENTATION IN 2016



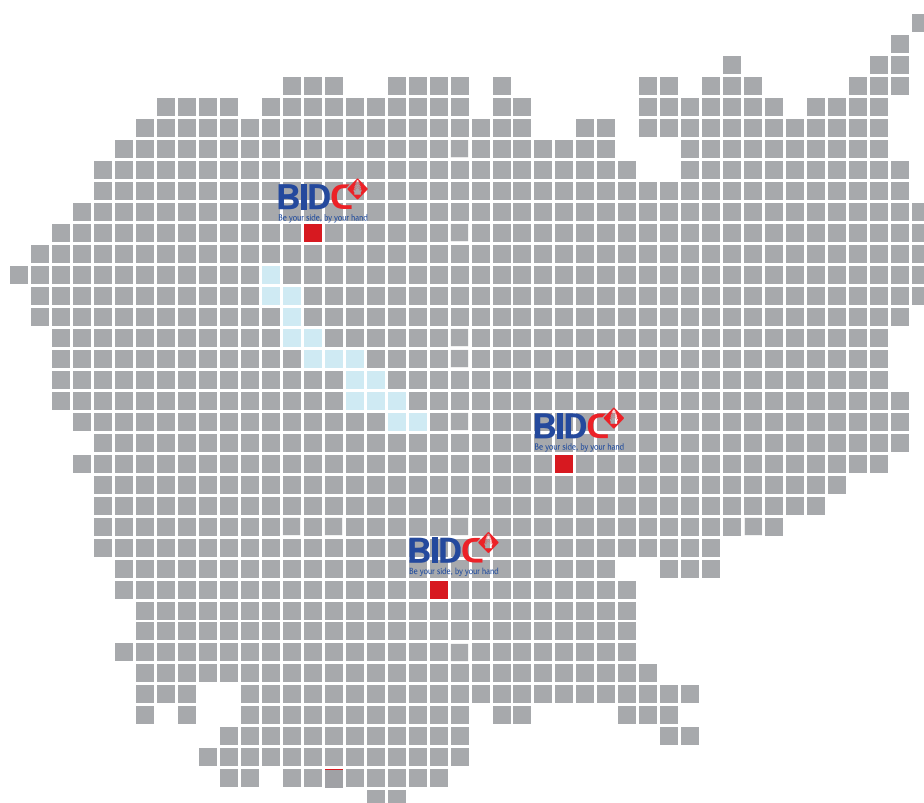
- To develop an effective network on the basis of thorough research on skills, development potentials of the area, to ensure to improve the operations effectively in the network points, to promote the brand identity of BIDC; to make the best efforts in establishing 2 more branches in Phnom Penh.
- To improve the labor productivity, to focus on training and improving the quality of human resources, especially the executive staff, to develop the professional marketing and sales staff. To build and develop qualified Cambodian personnel loyal to Cambodia in order to ensure stable business operations in the long term; to maintain and guarantee the income of employees in line with business results.
- To improve the management capacity, risk management, structural rearrangement and reorganization towards international practices.
- To modernize infrastructure, to promote IT applications in banking activities, to support the management work, sales activities and to provide services of different products with competitive strengths.
- To continue to strengthen the retail business in the right direction given from 2015.
- To strengthen relationships with customers who want two-way trade relations with Vietnam, those with large international payment demands to increase the revenue from international transfers.
- To strengthen the promotion and brand identity to ensure BIDC's brand becomes familiar with the people of Cambodia.
- To actively participate in social welfare activities to significantly contribute to the development of Cambodia





## OPERATIONS OF THE BRANCHES





**PHNOM PENH BRANCH**

**DAUN PENH BRANCH**

**MEAN CHEY BRANCH**

**TOUL KORK BRANCH**

**SIEM REAP BRANCH**

**KAMPONG CHAM BRANCH**

**HO CHI MINH BRANCH**

**HANOI BRANCH**

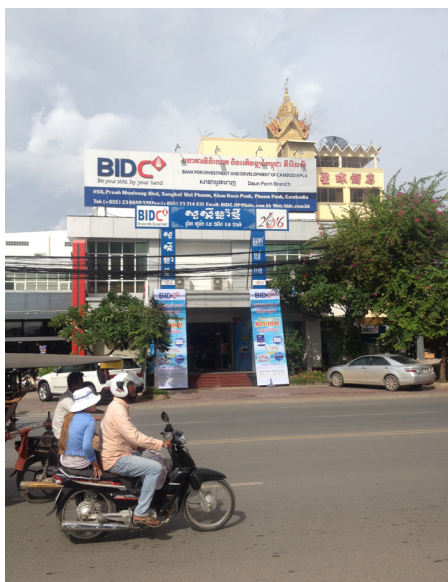
**PHNOM PENH BRANCH**



- Address: #335 Preah Monivong Blvd; Sangkat Orrusey 4, 7 Makara District, Phnom Penh, Cambodia
- Total assets as on December 31st 2015: USD 25 million
- Number of officers and staff: 28 people
- The Departments, Divisions: the Department of Customer Service, the Department of Customer Relations, the Department of Admin - Accounting - General Affairs, the Department of Credit Management (including the Division of Credit Management and the Division of Risk Management)



**DAUN PENH BRANCH**



- Address: #56, Preah Monivong Blvd, Sangkat Wat Phnom, Khan Daun Penh, Phnom Penh, Cambodia
- Total assets as on December 31st, 2015: USD 32 million
- Number of officers and staff: 20 people
- The Departments, Divisions: the Department of Customer Service & Customer Relations, the Department of Admin - Accounting – General Affairs



**MEAN CHEY BRANCH**



- Address: #583, National Road No.1, Sangkat Chba Ampov 2, Khan Chbar Ampov, Phnom Penh, Cambodia.
- Total assets as on December 31st , 2015: USD 26 million.
- Number of officers and staffs: 21 people.
- The Departments, Divisions: the Department of Customer Service & Customer Relations, the Department of Admin - Accounting – General Affairs, the Department of Credit Management (including the Division of Credit Management and the Division of Risk Management).

**TOUL KORK BRANCH**



- Address: #32A Street 271, Sangkat Boeng Salang, Khan Toul Kork, Phnom Penh, Cambodia.
- Total assets as on December 31st, 2015: USD 26 million.
- Number of officers and staff: 16 people.
- The Departments, Divisions: the Department of Customer Service & Customer Relations, the Department of Admin - Accounting – General Affairs, the Department of Credit Management (including the Division of Credit Management and the Division of Risk Management).



**SIEM REAP BRANCH**



- Address: #22-23 Tep Vong Street, Mondul 2, Svay Dangkum Village, Sangkat Svay Dangkum, Siem Reap Town, Siem Reap Province, Cambodia
- Total assets as on December 31st, 2015: USD 19 million.
- Number of officers and staff: 24 people.
- The Departments, Divisions: the Department of Customer Service & Customer Relations, the Department of Admin- Accounting – General Affairs, the Department of Credit Management (including the Division of Credit Management and the Division of Risk Management).

**KAMPONG CHAM BRANCH**



- Address: #29, Monivong Street, Village 7, Sangkat Kampong Cham, Krong Kampong Cham, Kampong Cham Province, Cambodia.
- Total assets as on December 31st, 2015: USD 39 million.
- Number of officers and staff: 20 people.
- The Departments, Divisions: the Department of Customer Service & Customer Relations, the Department of Admin- Accounting – General Affairs, the Department of Credit Management (including the Division of Credit Management and the Division of Risk Management).



**HO CHI MINH BRANCH**



- Address: No. 110, Cach Mang Thang Tam Road, Ward 7, District 3, Ho Chi Minh City, Vietnam.
- Total assets as on December 31st, 2015: USD 117 million.
- Number of officers and staff: 57 people.
- The Departments, Divisions: the Department of Customer Service, the Department of Customer Relations, the Department of Planning & General Affairs, the Department of Credit Management; the Department of Risk Management; the Department of Accounting & Finance; the Department of Information Technology; the Office.



**HANOI BRANCH**



- Address: No. 10A Hai Ba Trung, Hoan Kiem District, Hanoi City, Vietnam.
- Total assets as on December 31st, 2015: USD 213 million.
- Number of officers and staff: 50 people.
- The Departments, Divisions: the Department of Customer Relations, the Department of Customer Service & Treasury Management, the Department of Credit Management, the Department of Risk Management; the Department of Accounting & Finance; the Department of Planning & General Affairs and the Office.







[www.bidc.com.kh](http://www.bidc.com.kh)