



# ANNUAL REPORT 2020

LEVERAGING DIGITALIZATION  
AND DATA ANALYTICS FOR IMPACT





# CONTENT

## CHAIRWOMAN'S MESSAGE

## CEO'S MESSAGE

### I. ABOUT US

- Our Mission, Our Vision and Our Core Values
- Our Strategic Focus Areas
- Key Milestones
- Our Impact

### II. CORPORATE GOVERNANCE

- Organizational Chart
- Shareholders
- Board of Directors
- Board Committees
- Management Team

### III. OUR SOLUTIONS

- B2C
- B2B

### IV. 2020 - A YEAR IN REVIEW

- New Products Launched

- Global Excellence Award
- Member Engagement
  - Member Working Committee
  - Member Training
- Staff Engagement
  - Training and Development
  - Rewards and Recognition
  - Staff Engagement Activities
- Commitment to Responsible Actions
  - Consumer Talks
  - CBC Breakfast Talk
  - World Fintech Festival
  - Reverse Innovation
  - Lending Guidelines
  - Strengthening Rural Credit Institutions

### V. CAMBODIAN CREDIT MARKET AT A GLANCE

- Key Economic and Financial Indicators
- Consumer Credit Market Landscape
- Commercial Credit Market Landscape



# CHAIRWOMAN'S MESSAGE

**H.E. CHEA SEREY**

*CHAIRWOMAN OF  
THE BOARD OF DIRECTORS*

P. 01

CREDIT BUREAU (CAMBODIA) CO., LTD  
ANNUAL REPORT 2020

On behalf of the Board of Directors, I am pleased to present the Annual Report of Credit Bureau (Cambodia) Co., Ltd. for the fiscal year 2020. I am writing this message at an unprecedented time when the global economy is facing shocks with Covid19 and adapting to the new normal. Despite the uncertainty in 2020, I am pleased to report that we were able to sustain robust and smooth operations to continuously serve the financial industry in the country to promote credit market transparency and credit risk management.

With the onset of the pandemic, the National Bank of Cambodia took a timely initiative to enable all lending institutions to develop policies and procedures for loan restructuring to maintain financial stability, support economic activities and ease the burden of debtors. In response, CBC adopted prompt and proactive measures to develop and implement mechanisms to integrate such restructuring into the credit reporting system.

Since 2012, CBC has been providing transparent and trusted comprehensive credit information to both public and private sectors to support financial sector stability and ensure healthy economic growth. Our operations are vital in effectively ensuring the true level of a borrower's indebtedness. This helps reduce the possibility of over-indebtedness which ultimately affects not only individual borrowers but also financial institutions and their fund providers.

We are also thankful to the National Bank of Cambodia for supporting a regulatory environment that enables comprehensive credit reporting in Cambodia. The updated Prakas on credit reporting promulgated in 2020 has provided us ability to onboard a wide array of data providers and sources with expanded consideration for data privacy. The regulatory guidance from NBC enables us to adapt with fast evolving industry landscape while ensuring trust and accountability.

In order to keep pace with rapidly evolving financial markets and consumer behavior, CBC launched new generation of credit score that shall strengthen predictive analytics product offerings to lending financial institutions as well as automate credit decision-making.

In 2020, CBC took digitalization a step ahead to enable financial health check available to all individuals throughout the country by developing and launching a mobile app that allows remote identity

authentication. With the growth in the use of smartphones, rapid rise in digital financial services and greater access to the internet, this move shall help inculcate responsible financial behavior among all citizens of the kingdom.

I would like to take this opportunity to express my appreciation to exemplary leadership of our CEO, Mr. OEUR Sotheaorath, and his dynamic and hardworking team. I thank every one of them for delivering results and achieving the goals. In 2020, the management team has been able to roll out new growth initiatives keeping a balance between technology and infrastructure investments as well as operating expenses while adapting to unanticipated changes in work and business environment.

Owing to our exceptional contributions to the Cambodian financial industry, the company received Excellence in Consumer Credit Reporting Award from the UK-based Global Business outlook. I believe that with my trust in the competent team of CBC and strong partnerships we have developed with institutional members and stakeholders, we shall continue making positive impact to the financial sector and economic environment in the kingdom. Against a backdrop of a challenging and uncertain economic environment, I strongly believe that with our focus on data, analytics and technology, we can help our member institutions, individuals and society make the most of and adapt to the new normal, contribute to financial sector stability and innovate to power new opportunities. Alongside my fellow members of the Board of Directors, I look forward to working closely with the management team to ensure the company remains well-positioned for the future.

I extend my gratitude to our management, staff, bankers and business associates for their commitment and contributions. I would also like to express my appreciation to my fellow Directors for providing guidance amidst a challenging operating environment. Last but not the least, I extend my gratitude to our shareholders for their support.

We will continue to forge ahead in building a more sustainable business for our members while enhancing our shareholders' value.

# CEO'S MESSAGE



**OEUR SOTHEAROATH**

*CHIEF EXECUTIVE OFFICER*

P. 03

CREDIT BUREAU (CAMBODIA) CO., LTD  
ANNUAL REPORT 2020

2020 was a year of unprecedented worldwide health crisis leading to economic slowdown in global as well as national economies. Despite the uncertainties, I am pleased to report that we remained strong and continued to serve our members resiliently. We successfully rolled out major initiatives on Data Analytics and Digitalisation which gives us a bright outlook for future growth. It gives me immense pleasure to present some of the year's major milestones and achievements.

As of December 2020, CBC was serving a member base of 168 financial institutions including commercial banks, specialized banks, microfinance institutions, leasing companies and rural credit institutions. Although the credit market also witness slowdown due to the pandemic, we generated over 5 million consumer credit reports, which is 7.5% lower than previous year. Our credit reporting database contains credit activities and repayment histories of more than seven million consumers – representing more than 60% of the adult population in the country and more than 22,000 commercial entities with contributions from 62 member financial institutions reporting commercial data. With the onset of the pandemic, we enabled reporting and tracking COVID-19 related loan restructuring and offered credit enquiries for free on restructured loans. As of December 2020, more than 260,000 loan accounts were restructured.

In 2020, we launched two new products that blend data and digitalisation for credit-risk management for member financial institutions. The new generation of K-Score was made available factoring in market trends incorporating both positive and negative information on credit history of borrowers. The second version of our business intelligence suite, Data Analytics Report (DAR), was launched enabling wider and deeper views for member financial institutions to analyse their performance across loan management cycle compared to the industry. With rapidly rising adoption of smartphones and mobile banking, we launched CBC Mobile app to enable convenient and smart access to financial health check to Cambodians to improve financial literacy and inclusion in an efficient and convenient way.

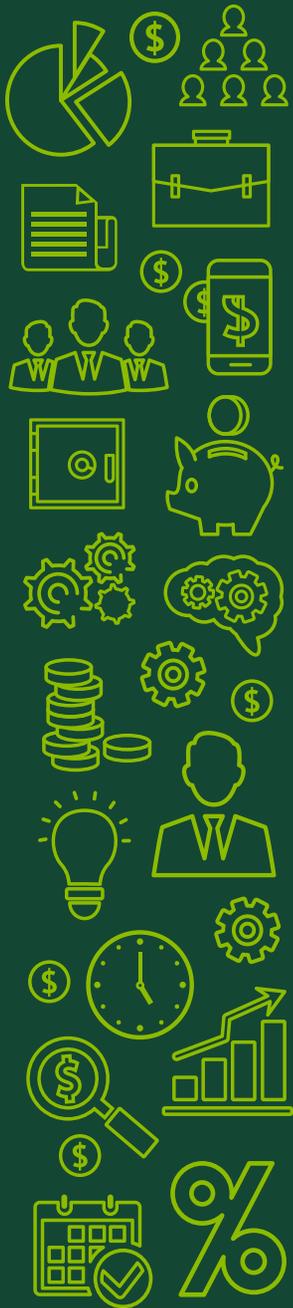
We believe in accelerating business growth by investing in our people, talent, boosting employee satisfaction and enabling them to serve our members and the society better. We continue to introduce accredited training and development programmes to improve staff competency

while building a culture of continuous growth in all aspects of our business.

In recognition of our contributions to industry-wide credit risk management by filling in critical information gaps between lender and borrower, we received the Excellence in Consumer Credit Reporting Award from the Global Business Outlook, an international business magazine based out of the United Kingdom. Moreover, we also supported and participated in the World Fintech Festival and collaborated with the Techo Startup Centre in advancing the Reverse Innovation programme to prepare next generation of young leaders who can employ analytics and digital technologies to solve complex business decision-making problems.

Our operational resilience, infrastructural strength and acceleration towards digitalisation sets a strong foundation for the next phase of growth, ensuring the company is well-positioned for an innovation and growth roadmap to transform big data analytics and data-driven business decision-making landscape in the country. I am looking forward to leading our multi-functional and dynamic team in implementing our plans throughout 2021 and the years ahead. As we move into 2021, one of our key priorities will be diversifying data sources to harness both traditional and alternative data or enabling our members to adopt broader tools to conduct credit risk management and frictionless data driven decision-making. Along with new data sources, we are also enhancing our advanced data analytics capabilities to develop a continuous stream of credit reporting and Value Added Services in response to the needs of our members.

Before I conclude, I would like to extend my deepest gratitude for the invaluable guidance provided by the Board of Directors, the National Bank of Cambodia and the International Finance Corporation. I would also like to express my appreciation for the continuous support and collaboration from the key financial sector industry associations – Association of Banks in Cambodia and Cambodia Microfinance Association. I am also grateful to all member institutions, business partners and individual consumers for their continued trust and support. And last but not the least, I wish to acknowledge our employees or their commitment, energy and valuable drive towards continuously improving our capabilities and pushing forward as one CBC Team.

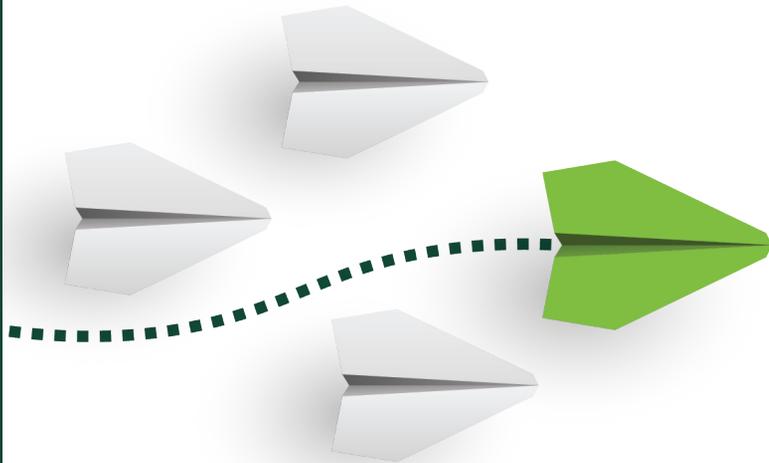


# I. ABOUT US



# OUR MISSION

- ▲ Serve our members and consumers with comprehensive credit reporting on individuals and businesses.
- ▲ Enlarge our range of solutions that help organizations solve their business issues.
- ▲ Facilitate decision making with our data analysis capabilities.



▲ **BE THE LEADING PROVIDER  
OF DECISION-MAKING DATA  
IN THE KINGDOM OF CAMBODIA**

# OUR VISION

# OUR CORE VALUES

## "CREDIT"



### CONFIDENTIALITY

C

We are the trusted partner with the highest ethics and professionalism ensuring maximum privacy protection above and beyond that required by law.



### DATA SECURITY

D

Data security is the fundamental function of CBC. We commit to put all efforts into ensuring all kinds of data are kept in a secure environment and in compliance with data privacy requirements.



### RESPONSIBILITY

R

The responsibility of solving customers' problems belongs to everyone. We place no limits on employee initiatives in servicing the needs of the customers.



### INTEGRITY

I

Integrity is our most valued principle and we maintain high ethical standards in everything we do. We are committed to pro-actively monitor and validate data as it is provided and addresses all concerns in a respectful manner.



### EXCELLENCE

E

Excellence is a shared responsibility by every employee. We take great pride in the quality of our work to achieve excellence and it's reflected in the quality of the solutions we develop for our customers and the value they receive from our products and services.



### TEAMWORK

T

We believe that team spirit is a very important key factor driving success. As long as we work together, there is no limit to the possibilities. The sum of our collaborative efforts is much larger than the sum of our individual efforts and in this manner our customers are best served.

# OUR STRATEGIC FOCUS AREAS

Six Strategic Focus Areas drive our business and operational plans to strengthen our competitive position, leverage new market opportunities and achieve our sustainable growth aspirations.



## 1. CREDIT MARKET EFFICIENCY

We focus on bridging information asymmetry between lenders and borrowers, thereby, leading to simpler and faster credit risk assessment and decisioning enhancing the experiences for our members as well as their customers.



## 3. DATA SOURCE DIVERSIFICATION

Identifying and tapping new traditional and alternative sources of data is critical for CBC to drive the product roadmap and meet evolving data-driven decision-making needs of financial sector.



## 5. TALENT & INNOVATION CULTURE

We constantly focus on upskilling our workforce to ensure they are able to apply the skills in line with rapidly changing market needs.



## 2. TECHNOLOGY AND SECURITY

We strive to adopt latest technological infrastructure to accelerate innovation and new product development, smoothen member or partner integration as well as facilitate customer experience while keeping data security and information protection as our top priority.



## 4. FINANCIAL LITERACY AND INCLUSION

We are driven to promote credit market transparency to enable greater access to financial services while also ensuring that we are preparing individuals to develop responsible financial behaviour and access credit at affordable terms.



## 6. STRATEGIC PARTNERSHIPS

We are open to developing strategic collaboration and alliances that build scalable synergy to cater to the needs of the financial market.

# KEY MILESTONES

## EVOLUTION OF THE CBC:

2020



Launched “CBC Mobile” App as the First Integrated Digital Platform enabling individuals to check credit report, credit score and receive credit monitoring alerts. Introduced new generation of K-Score and made it available for individual consumers as well in addition to financial institutions. Launched new version of Data Analytics Report. Received “Excellence in Consumer Credit Reporting” Award from Global Business Outlook.

2018



Launched our “Financial Health Check” service, partnering with AMK Microfinance and ACLEDA Bank Plc to make it convenient for the public to request personal credit reports at selected branches of both institutions.

2019



Officially launched “Commercial Credit Reporting”. Hosted a workshop on “Credit Reporting in Cambodia” and “Credit Scoring Development” for senior officers from the financial sectors and related stakeholders.

2017



Celebrated our 5th anniversary and awarded members who have achieved excellence in contributing to the financial sector. Contributed to making credit easier to acquire in the Kingdom, which was reflected in a World Bank Group report that ranked Cambodia seventh in the world for ease of “Getting Credit”.

## 2016



CBC had a total of 132 member institutions including 37 commercial banks, 13 specialized banks, 7 microfinance deposit-taking institutions (MDIs), 60 microfinance institutions (MFIs), 10 leasing companies and 5 rural credit institutions. Customized Solutions services launched to provide analytical solutions tailored to customers' requirements and needs.

## 2014



Introduced three solutions: Data Analytics Report, Portfolio Monitoring Service and Portfolio Review Service.

## 2012

### Launching

CBC launched on March 19, 2012 to foster a fair, transparent and well-managed credit market.

## 2015



Launched K-Score, a solution that summarizes all information in a credit report into a single score to allow members to measure applicants' potential credit risks and predict the likelihood of payment defaults

## 2013

46th

After a year of operation, Cambodia's "Getting Credit" ranking in the annual World Bank Group report remarkably improved, increasing by 46 places from 98th in 2012 to 52nd in 2013.

# OUR IMPACT

## Creating Consistent Impact as a Key Financial Infrastructure for Credit Market Transparency, Credit Market Efficiency and Improving Financial Health

CBC's solutions allow public and private institutions to unlock considerable benefits: individuals are empowered by access to credit profiles while financial institutions use our solutions to better manage credit performance and streamline overall efficiency. As a result, the Kingdom can enjoy stable financial industry growth and economic development.



### FOR CONSUMERS:





## FOR THE FINANCIAL SECTOR:

1

Broader and fairer access to credit: as information gaps become narrower between borrowers and lenders, there is more expansive access to credit and lower costs of credit for good borrowers.

2

Improved loan performance: lenders can accurately evaluate risks and improve portfolio quality.

3

Over-indebtedness prevention: lenders get insights into potential future liabilities with calculated repayment services that allow for better decision-making.

4

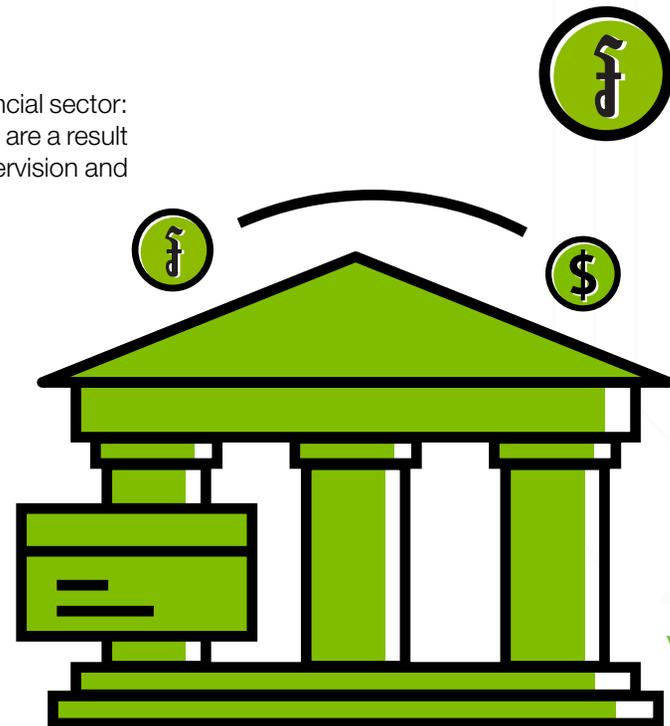
Improved profitability: the introduction of credit scoring and automated underwriting lowers lenders' operational costs.

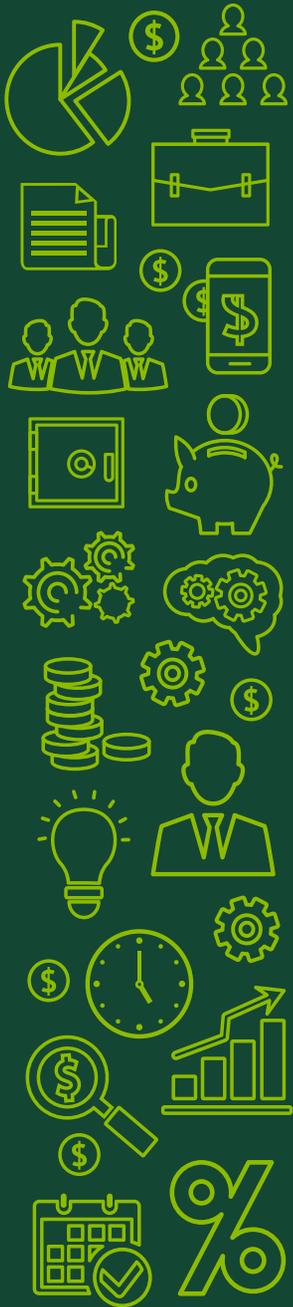
5

Heightened stability in the financial sector: positive economy-wide effects are a result of CBC's support of bank supervision and systematic risk monitoring.

6

Increased competition and responsible financial practices.

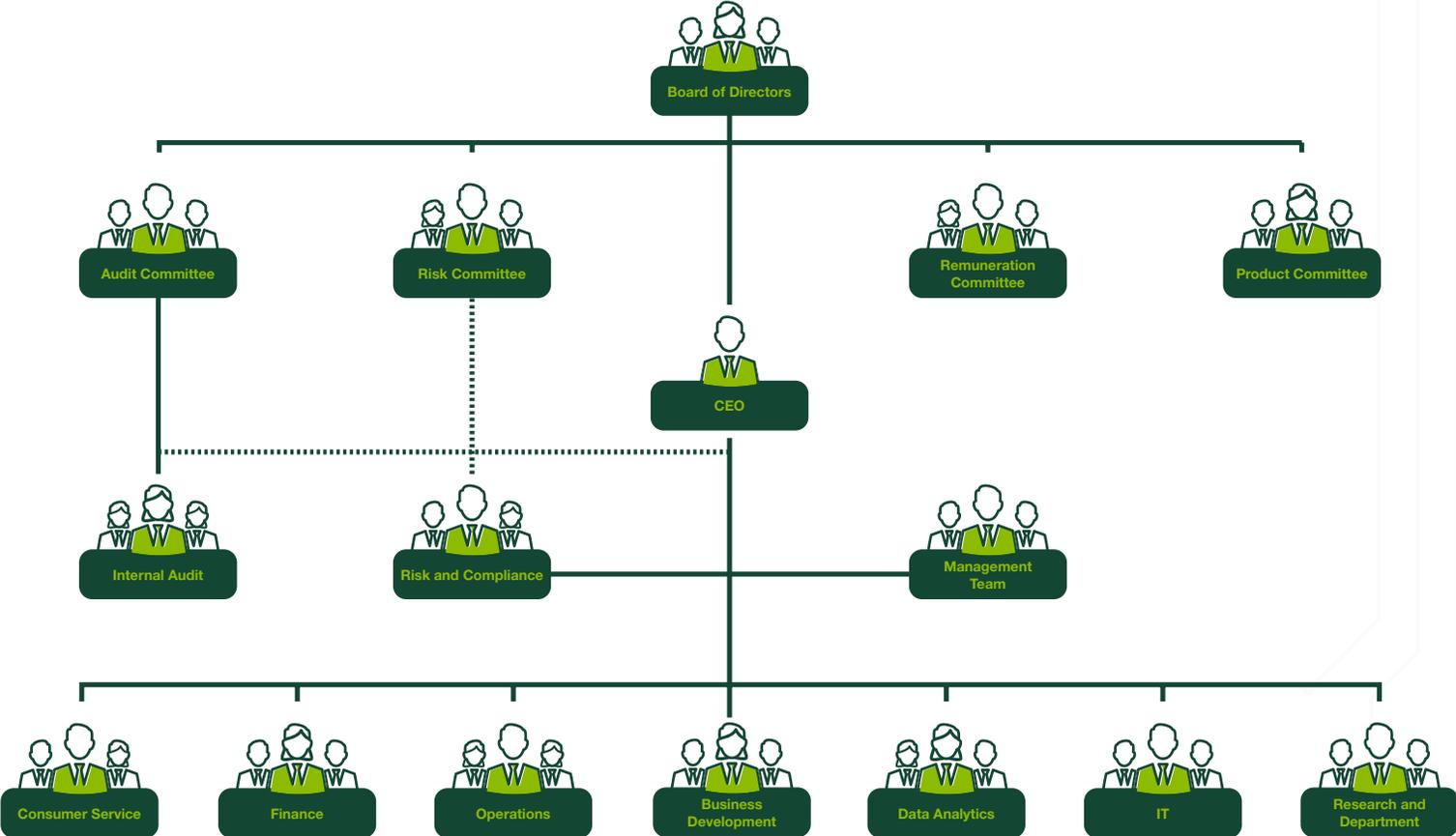




# II. CORPORATE GOVERNANCE



# ORGANIZATIONAL CHART



# SHAREHOLDERS

CBC's shareholding structure is a combination of national and international companies sharing an aim of establishing a world-class private credit bureau company in the Kingdom of Cambodia. The shareholding structure is simple, with only two shareholders.

## CREDIT BUREAU HOLDING (CAMBODIA) LTD.

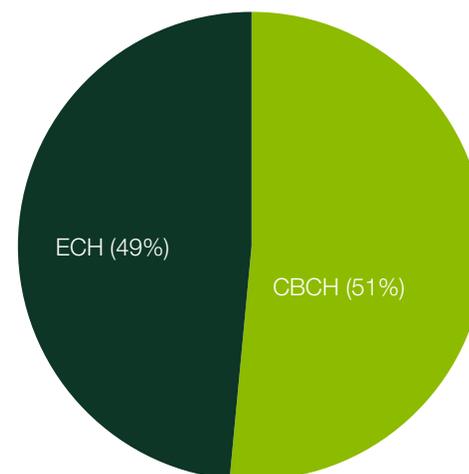
Credit Bureau Holding (Cambodia) Ltd, registered in the Kingdom of Cambodia, holds 51% of shares in the CBC. This company "CBHC" represents the then-entire banking sector, whose shares are wholly taken up by the sector. They comprise of :

- The Association of Banks in Cambodia (ABA)
- Cambodia Microfinance Association (CMA)
- ACLEDA Bank Plc
- Union Commercial Bank Plc
- First Commercial Bank Plc

## EQUIFAX CAMBODIA HOLDING PTE. LIMITED

Equifax Cambodia Holdings Pte. Limited, registered in Singapore, was established in 2010 with the sole purpose of holding 49% of shares in the CBC. This company "ECH" is a joint-venture by two strategic partners, who collectively have a significant global footprint operating leading credit bureaus. These partners are: (1) Asia Credit Bureau Holdings Pte. Ltd., a Singapore-based company and (2) Equifax Inc., a United States-based company.

- Credit Bureau Holding (Cambodia) Limited (CBHC)
- Equifax Cambodia Holding Plc Limited (ECD)



# BOARD OF DIRECTORS





**H.E. CHEA SEREY**

**CHAIRWOMAN**

H.E. Serey CHEA is an Assistant Governor at National Bank of Cambodia (NBC). Since Cambodia is a highly dollarized economy, she as a central banker is a vocal proponent for greater use of the local currency to promote the country's greater independence on economic and monetary policy. Under her guidance, innovative policy instruments were introduced to develop the interbank markets and promote the use of local currency. She is also a member of different policy-driven committees within the bank and on a national level. As a chairwoman of Clearing House Operation Committee, she has been leading the Bakong Project, an acclaimed initiative of the NBC in exploring and introducing a new generation of payment system using Blockchain technology.

Serey serves as an International Council Member of the Global FinTech Institute and member of the Southeast Asia Advisory Council of Women World Banking. She is a member of Young Global Leaders, Class of 2019, of World Economic Forum (WEF). Also, she is a member of the WEF's Digital Currency Governance Consortium and the Advisory Committee of the Digital Payments for Trade and Commerce project.

H.E. Serey was a senior fellow of Lee Kuan Yew School of Public Policy and is currently pursuing her PhD degree with the University of Adelaide (Australia).



**MR. KEA BORANN**

**DIRECTOR**

Mr. KEA Borann is a senior executive with extensive experience in microfinance leadership. He is currently the Chief Executive Officer at AMK Microfinance, a leading institution with the largest customer bases in Cambodia.

Mr. KEA Borann has been with AMK for more than a decade, serving in various positions since 2004 and holding numerous leadership roles throughout his time, including Finance Manager, CFO and Deputy CEO. Prior to AMK, he was a Finance Director for World Relief Cambodia /CREDIT (a microcredit program).

Mr. KEA Borann holds a BBA in Finance and Accounting and ACCA (Association of Chartered Certified Accountants) accreditation. He has been an ACCA member since 2008.



**MR. RAYMOND SIA SAY GUAN**

**DIRECTOR**

Mr. RAYMOND Sia currently serves as the Chief Executive Officer and Executive Board Director of Canadia Bank.

Prior to Canadia Bank, Mr. RAYMOND Sia served in various senior management and leadership roles with international and regional banks in Malaysia and Vietnam, namely Public Bank, Standard Chartered Bank (Malaysia & Vietnam), and Hong Leong Bank (Vietnam) where he was the Chief Executive Officer/General Director. Mr. RAYMOND Sia started his banking career as Graduate Trainee with Public Bank in Malaysia where he spent 11 years in different roles such as Head of Syndication & Capital Markets and Head of Credit Processing.

At Standard Chartered Bank, Mr. RAYMOND Sia held various leadership roles from Director of Local Corporates to Head of Global Corporates, with his last position as Head of SME Banking & General Director/CEO of Hanoi Branch, Standard Chartered Bank.

Mr. RAYMOND Sia has more than 25 years of Banking, Treasury and Financial Services experience across multiple senior management roles in Cambodia, Malaysia & Vietnam.



**MR. SOENG PHORN**

**DIRECTOR**

Mr. SOENG Phorn is a Senior Vice President and a Head of Credit Division as well as a Chairman of the Management Credit Committee of ACLEDA Bank Plc. In ACLEDA Bank Lao Ltd, he is a Member of Board Risk Management Committee and Board Audit Committee. He is also a Trainer at the ACLEDA Institute of Business. Mr. SOENG Phorn has been with ACLEDA Bank Plc for more than 22 years since 1998, with the various leadership roles, audit credit, and trade finance such as an Assistant Vice President and a Manager of Internal Auditor, a Team Leader, a Credit Department Manager, a Deputy Head of Credit and Trade Finance Services Division, a Deputy Head of Credit Division and a Credit Consultant in Cambodia, Myanmar and Lao PDR.

He received BBA in Accounting and MBA in Business Management.



**MR. CHARANIA SHAHID**

**DIRECTOR**

Mr. Shahid CHARANIA is the Managing Director for Emerging Markets of Equifax Inc., appointed in July 2008. He leads the company's efforts to expand emerging markets, which includes international markets in Russia, China, India, Indonesia, Turkey and beyond. He is responsible for creating a strategic direction for business expansion, building and maintaining relationships within these markets and operating Equifax's businesses in these countries.

Mr. CHARANIA Shahid has more than 25 years of experience in operations, outsourcing and business development, where he held various positions in several companies and oversaw various territories. He has held board-level positions in several companies and territories, including companies like Fidelity, E-funds, Equifax Russia and Fortune BPO. Prior to Equifax, he held an executive-level position in Fidelity's National Information Services.

Mr. CHARANIA Shahid holds a Bachelor of Science in Computer Information Systems.



**MR. LIM WILLIAM**

**DIRECTOR**

Mr. William LIM is the Executive Director of Credit Bureau Singapore. He was part of the team that established CBS, and has been managing CBS since it commenced operations in 2002. He has led the initiative to establish ASEAN credit bureaus and has obtained licenses and approval to operate credit bureaus in Singapore, Malaysia, Cambodia, Myanmar and Indonesia.

Mr. William LIM sits on the board of Credit Bureau Singapore, Dun & Bradstreet Singapore, Dun & Bradstreet Malaysia, Infocredit Holdings, Credit Bureau Cambodia and Credit Bureau Myanmar. He also serves on the advisory board of the Financial Planning Association of Singapore.

A lawyer by training, Mr. William LIM graduated from the National University Law School and commenced his career with the Singapore Legal Service in the judiciary, where he served as a Deputy Registrar, Magistrate and District Judge before leaving for private practice. His areas of legal practice included litigation, corporate law, property law and criminal law. He left practice in 1999 to join the company.



**H.E. SOK SIPHANNA**

**INDEPENDENT DIRECTOR**

H.E. SOK Siphanna is a practicing attorney and the Principal at SokSiphanna & Associates, a law and consulting firm in Phnom Penh specializing in international trade and corporate law.

H.E. SOK Siphanna has had unique experiences and developed insights related to the development of the Cambodian legal system, the business environment and the intricacies of commercial and investment law evolution in Cambodia over the course of a long career. As a former Commerce Secretary of State (Vice Minister) in the Cambodian Government, he worked extensively on issues related to commercial and investment legal framework, trade promotion, trade policies, trade development and economic integration, which gave him a unique perspective on both the macro and micro needs of businesses and foreign investors. In the area of policy formulation, he was responsible for leading a large, multidisciplinary interagency task force to prepare complex action plans (including the National Legislative and Regulatory Agenda) and successfully negotiated Cambodia's accession to the WTO. He was also instrumental in initiating the development of the very first trade "Sector Wide Approach" (SWAp) in Cambodia.

He received his Juris Doctorate from the Widener School of Law in Delaware, United States and his Doctorate of Philosophy from Bond School of Law in Queensland, Australia.

# BOARD COMMITTEES

The Board of Directors operates four different committees. Each is responsible for directing, representing and supervising top company managers to ensure the company fulfills its corporate objectives for the benefit of all shareholders.

These committees comprise of :

- Risk Committee
- Audit Committee
- Remuneration Committee
- Product Committee



## RISK COMMITTEE

The Risk Committee oversees the key risk exposures of all proposed business strategies. It advises the Board on the company's risk tolerance, taking into account current and prospective macroeconomic and financial industry environments to draw suggestions over time regarding the development of the bureau. This committee also supports the Board by evaluating and making decisions regarding the Internal Control and Risk Management Framework. The committee holds meetings once every three months, each led by the Chairman. In addition to risk assessment, the committee is open to potential valuable input from external entities that may prove useful for the smooth and robust growth of bureau operations.

The Risk Committee comprises three directors with extensive experience in banking and credit bureau operations.

The composition of the Risk Committee is as follows:



**Mr. LIM William**  
*Chairman*



**H.E. CHEA Serey**  
*Member*



**Mr. RAYMOND Sia Say Guan**  
*Member*



## AUDIT COMMITTEE

The Audit Committee plays an important role in providing oversight and monitoring the integrity of the company's accounting and financial reporting processes, financial statements and system of internal controls regarding compliance. This oversight mechanism also serves to provide confidence in the integrity of the company's practices. The Audit Committee performs its role by conducting internal audits, with an eye on the scope of internal and external audits to avoid overlaps.

The Audit Committee consists of four members and is chaired by one of CBC's prestigious Board of Directors, who plays an important role in leading the committee and exercising powers on behalf of its members.

The composition of the Audit Committee is as follows:

-  **Mr. KEA Borann**  
*Chairman*
-  **Mr. RAYMOND Sia Say Guan**  
*Member*
-  **Mr. SOENG Phorn**  
*Member*
-  **Mr. CHARANIA Shahid**  
*Member*



## REMUNERATION COMMITTEE

The Remuneration Committee was established to ensure the effectiveness of remuneration arrangements, which should necessarily be in support of the bureau's overall strategic plans and enables the recruitment, motivation and retention of CBC employees. In this regard, the committee has the responsibility of establishing remuneration not only by proposing reasonable incentives, but by also proposing other welfare benefits like rewards that sustainably support company operations and improve competitive working conditions for staff.

The Remuneration Committee consists of three members and is chaired by a director with vast experience in the field.

The composition of the Remuneration Committee is as follows:

-  **H.E. SOK Siphanna**  
*Chairman*
-  **H.E. CHEA Serey**  
*Member*
-  **Mr. LIM William**  
*Member*



## PRODUCT COMMITTEE

Product development is an important element in the company's strategy of ensuring long-term value creation for the benefit of shareholders, customers, employees and other stakeholders. Therefore, the Product Committee aims to provide direction, oversee the company's product pipeline and product development efforts, including monitoring the strategic direction of the company's product development. With this regard, the committee is in charge of increasing significance to CBC's further development with a view of being a competitive business generating attractive earnings.

The Product Committee consists of four members and is chaired by a director with many years of professional experience.

The composition of the Product Committee is as follows:

-  **H.E. CHEA Serey**  
*Chairwoman*
-  **Mr. KEA Borann**  
*Member*
-  **Mr. SOENG Phorn**  
*Member*
-  **Mr. CHARANIA Shahid**  
*Member*

# MANAGEMENT TEAM





**MR. OEUR SOTHEAROATH**

**CHIEF EXECUTIVE OFFICER**

Mr. OEUR Sothearoath is a seasoned Business Analytics leader with more than 15 years' experience in financial sector, research and development. He is currently serving as the Chief Executive Officer of the company. Prior to assuming this role in 2017, he led the Business Development team at CBC for four years. He has led the company through Digitalization and Analytics transformation enabling the company to launch the 2nd generation of credit score (K-Score), Cambodia's first mobile app for Integrated Financial Health Check and manage robust technological infrastructure to consistently serve 167+ financial institutions in the country.

Between 2009 and 2013, he served as the Chief of Research and Product Development unit at one of the leading Microfinance Institutions in Cambodia. During this term, he played an instrumental role in creating a dedicated Research and Development team and expanding the market base of the bank by establishing more than 50 new branches. In the past, Mr. Sothearoath also held significant achievements during his tenure with the International Water Management Institute (IWMI) and CARE International in Cambodia.

Mr. Sothearoath received his Bachelor's degree in Agricultural Economics from the Royal University of Agriculture and an MBA from Norton University. He is also a Tokyo Development Learning Center and Asian Development Bank Certified Microfinance Trainer.



**MR. ORN PEAKLY**

**HEAD OF INFORMATION TECHNOLOGY**

The Information Technology Department is the core department responsible for Technology, given the rapid changes in the industry. It is led by Mr. ORN Peakly, an IT professional with numerous certifications and an all embracing experience of 14 years in the banking sector. He is an extremely passionate Strategic IT Leader and has demonstrated acumen for driving complex transformational technology programs within Cambodian banking institutions. He has been working in several prestigious organizations on reputable designations.

Mr. ORN Peakly also leads the strategic direction of the IT department through the deployment of information systems plans and spearheads all IT and network system deployment.

He obtained his Bachelor's degree in Computer Science from the Royal University of Phnom Penh and his Master's degree in Computer Science from the Royal Academy of Cambodia. He has received a number of certifications from MIT, Harvard, Berkeley School of Information on Blockchain Technologies: Business Innovation and Application, FinTech, Data Science Essentials, AWS DevOps Engineer, AWS Administrator, AWS Architect Professional, Azure Administrator and Azure DevOps Engineer.



**MR. KHOM CHANDARA**

**DEPUTY HEAD OF OPERATIONS**

The Operations Department plays a major role in the company as it takes care of the portfolios of the company's members. It is led by Mr. KHOM Chandara with more than 12 years of professional experience in finance and banking.

Mr. KHOM Chandara joined the CBC as Deputy Head Of Operations in January 2019. Prior to joining CBC, he was Chief of R&D, Deputy Head of Planning & Strategy, and Deputy Head of Operations with both microfinance and bank in Cambodia, where he was in charge of market research and product development, market intelligence, branch network distribution, operational branch support, credit management, and staff training and marketing activities.

Mr. KHOM Chandara graduated with a Bachelor's degree in Economic Development and Master's degree in General Management from the Royal University of Law and Economics (RULE).



**MS. SISOWATH REAKSMEY**

**HEAD OF BUSINESS DEVELOPMENT**

The Business Development Department drives the company values by promoting sales and products that best serve the market. The department is led by Ms. SISOWATH Reaksmeay, who joined CBC in January 2018 as the Head of Business Development responsible for the growth and profitability of the Value Added Services. She leads and develops the Relationship Team, which actively works with clients and prospective clients for the company.

Prior to CBC, Ms. SISOWATH Reaksmeay was with J Trust Royal Bank, former name of ANZ Royal Bank. She has spent more than 11 years in the banking and finance industry in various roles and departments, including Credit Assessment in Business Financial Service, Relationship Manager in Commercial Banking, Credit Mediator between Business and Risk, Product & Business Development Manager in Retail Banking, and Business Executive Manager in the CEO's Office. She also had spent her first career with Nestle (Cambodia) Co., Ltd. in the company's Finance & Control Department.

Ms. SISOWATH Reaksmeay holds a Bachelor's degree in Finance and Accounting from the National Institute of Management Cambodia, and a Bachelor of English from Norton University Phnom Penh. She pursued her MBA in Finance at Charles Sturt University.



**MR. PRADHAN PRASHANTA**

**HEAD OF RESEARCH AND DEVELOPMENT**

Mr. Prashanta PRADHAN joined CBC in January 2020 and serves as the Head of Research and Development Department. R&D Department is responsible for driving the product roadmap of the company, managing policy and industry research initiatives as well as leading marketing and communications functions.

Prior to CBC, he worked as Private Sector Development Consultant with UNDP Cambodia where he advised the government partner on developing data analytics systems and capabilities for effective governance and regulation of the private sector. Mr. Prashanta PRADHAN moved to Cambodia in 2016 as a Trade Policy Consultant for GIZ (German federal enterprise for international development) where he supported governments and businesses in Cambodia, Laos, Myanmar and Vietnam on integrating into the ASEAN Single Market. Before this, he worked as Consultant in the Asia-Pacific Public Sector Team of Frost & Sullivan, a growth strategy consulting firm in Malaysia.

Mr. Prashanta PRADHAN received a Master's degree in Public Policy from the Lee Kuan Yew School of Public Policy, National University of Singapore. Additionally, he holds an MBA from India and Bachelor's in Information System from Nepal.



**MS. PON PAGNAVATTEY**

**HEAD OF DATA ANALYTICS**

The Data Analytic Department handles analytical solutions and data massaging. It is led by Ms. PON Pagnavattay, who has more than 11 years of experience in data management roles that include data analytics and verification, quality control and report design.

She began her career at CBC as a Data Analyst in December 2013 and has been involved in various key projects, such as developing online data analytic reports and creating portfolio review solutions to enable members to review a client's entire portfolio, up-to-date solutions and reports. Prior to CBC, she worked for international NGO, the Mines Advisory Group, as an Information Coordinator responsible for database management through data entry, data verification, data quality and reporting. In addition, she was involved in developing matching map by utilizing analytical GIS and SPSS tools for implementing analyses and consensus surveys.

Ms. PON Pagnavattay graduated from the Royal University of Phnom Penh with a Master's degree in Computer Science and Engineering.



**MR. PHAY SOPHAL**

**DEPUTY HEAD OF CONSUMER SERVICE**

The Consumer Service Department has 3 functions: Human Resources, Administration and Procurement, and Consumer Service, with an aim of serving either internal or external customers to check their credit report via Mobile App, agents, and CBC office. It is led by Mr. PHAY Sophal with more than 11 years of experience in Banking and Finance, Fintech, and NGOs. He joined CBC as Product Manager in 2016 and subsequently moved to the role of Marketing Manager responsible for building brand awareness, engaging stakeholders, and managing all means of public communication. He was promoted to be a Deputy Head of Consumer Service in 2020.

Prior to CBC, Mr. PHAY Sophal used to work in various fields including Research and Development, Product Development, Product Marketing, Marketing, and Human Resource. He started his career with Population Service International (PSI) as an Interpersonal Communicator before working at one of the prestigious Microfinance Institutions in Cambodia. Then, he joined Wing Cambodia Specialized Bank as Research and Product Development Officer and later promoted to be a Senior Product Marketing Officer responsible for developing product strategies and go-to-marketing.

He obtained his Master's Degree in Entrepreneurship and Project Management, a dual degree program between the Royal University of Law and Economics (RULE) and the University of Lumière Lyon 2 in France. He also graduated with a Bachelor's Degree in Enterprise Management from RULE and and Bachelor of Arts from the Institute of Foreign Languages (IFL).



**MR. CHREK SOTHEA**

**HEAD OF RISK AND COMPLIANCE**

Risk and Compliance Department plays a key role by taking care of the compliance matters and identifying direct and indirect potential risks. Given his vast practical experience within CBC, Mr. CHREK Sothea, a senior executive with 11 years of experience in banking and data administration, was moved from Operations to Risk and Compliance Department. During his mandate in the Operations, he took care of and facilitated the operational flows and processes with the then-members during CBC's early stages. He started with the CBC as a Business Development Executive responsible for engaging the then-banking and microfinance institutions joining CBC, as well facilitating the company's registration and incorporation process. He has been with CBC since its inception and has played a major part in its formation.

Prior to CBC, Mr. CHREK Sothea was with the Association of Banks in Cambodia (ABC) for six years. His contribution to the Association led to a remarkable improvement in the relationship among members. During his tenure, Sothea also served the administrative role for five different working committees comprising the Payment Committee, SWIFT Committee, PSWG (Private Sector Working Group) Committee, Organizing Committee, and most crucially, the Credit Bureau Working Committee.

He graduated with bachelor's degree of Economics and Finance from Norton University, Phnom Penh, and continued for master's degree of General Management from Build Bright University, Phnom Penh.



**MS. LIANG SOLIDA**

**INTERNAL AUDIT MANAGER**

The Internal Audit Department, which reviews the company's faulty parts and loopholes that need sealing, is led by Ms. LIANG Solida, who has been with CBC as an Internal Audit Manager since October 2017. Prior to joining CBC, she was an Audit Manager at Covenant Ltd, a licensed regional accounting firm with the Kampuchea Institute of Certified Public Accountants and Auditors in Phnom Penh, and a former employee at EY and Canadia Bank.

She holds an advanced diploma in Accounting and Business from The Association of Chartered Certified Accountants, a Bachelor's degree in Accounting from the Royal University of Law and Economics, and a diploma in Cambodian Business Law and Cambodian Tax from the CamEd Business School.

Ms. LIANG Solida has also completed her Internal Audit Master Class training with the International Finance Corporation.



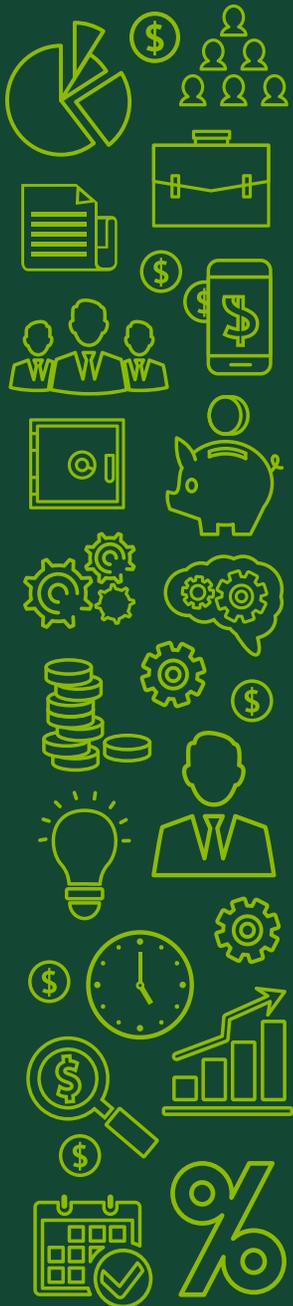
**MS. KEAR SOAVARIN**

**FINANCE MANAGER**

Finance Department is the one of major departments in providing accurate financial information to internal and external users to utilize it in business functions requirements to operate efficiently, to support business planning and decision making in company.

Ms. KEAR Soavarin is a finance professional with various certificates and experiences spanning around 9 years in micro finance and trading sector. She is a leader in providing the direction for finance department.

She obtained a Bachelor's degree in accounting from Vanda Institute and is a certified Tax agent from General Department of Taxation. She has also attended other courses related to accounting and financial management.



# III. OUR SOLUTIONS



# B2C



1

Personal Credit Report



2

K-Score



3

Personal Credit Monitoring



4

CBC Mobile

CBC enables individual consumers to conduct their Financial Health Check. This service allows individuals to take control of their credit profile and fully utilize the benefits it can offer by Checking One's Credit Report and Credit Score as well as Monitoring regular activities on their loan account. Financial Health Check helps individuals to:

- Build good credit habit
- Improve data validation and accuracy
- Establish financial literacy and inclusion
- Create customer convenience



## PERSONAL CREDIT REPORT

A Personal Credit Report is a detailed breakdown of an individual borrower's credit payment history that includes various types of accounts as well as other relevant information reported to CBC by the individual's lenders and creditors. CBC collects credit information on individuals and creates credit reports based on that information. Potential creditors and lenders also use credit reports and other details to determine loan applicants' creditworthiness as part of their decision-making process to decide whether to extend credit and to determine terms — a good credit payment history makes it easier to obtain credit and qualify for loans. Additionally, employers also find it useful to check credit report of potential candidates before offering employment. Information in credit report is also relevant for insurance companies in their underwriting.

It is important to check credit reports regularly to ensure information contained within is accurate and complete. It is the responsibility of each individual to check their reports and take steps to correct any incorrect information. Customers can get Personal Credit Report from three main channels, which are CBC Mobile, CBC Office and branches of ACLEDA Bank Plc. or AMK Microfinance Institution Plc and mobile app of third party financial institution partners.



Personal Credit Report



## K-SCORE

K-Score provides a measure of your potential credit risk and predicts the likelihood of default. It is generated from a statistical process that summarizes all the information from credit report into a single score. K-Score ranges from 100 (Lowest) to 1700 (Highest).

K-Score of an individual serves as an important information for many lenders to decide whether to approve someone for a loan or credit card, and to determine what interest rate to charge. CBC introduced the new generation K-Score in 2020, which is now available through CBC Mobile.

### Key Contributing Factors towards K-Score:

#### Length of Credit History:

A borrower who has been able to maintain a responsible credit history over a long period of time tends to have a higher credit score.

#### Credit Commitment:

The number and type of credit products an individual has and the frequency of products they have opened in recent months can be an early indication for over-indebtedness and will impact their score.

#### Payment Behavior:

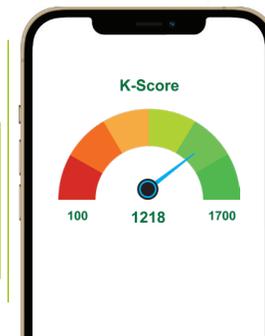
Individuals with consistent, timely payment behavior tend to have a higher score compared with those with bad late payment behavior.

#### Adverse Information:

Any write-off record with banks, MFIs and other sectors within the bureau is likely to negatively affect the score of an individual.

#### Enquiry Activity:

Applicants with a higher credit risk typically tend to shop around more often. K-score will observe the enquiry trend of individual within particular period of time.

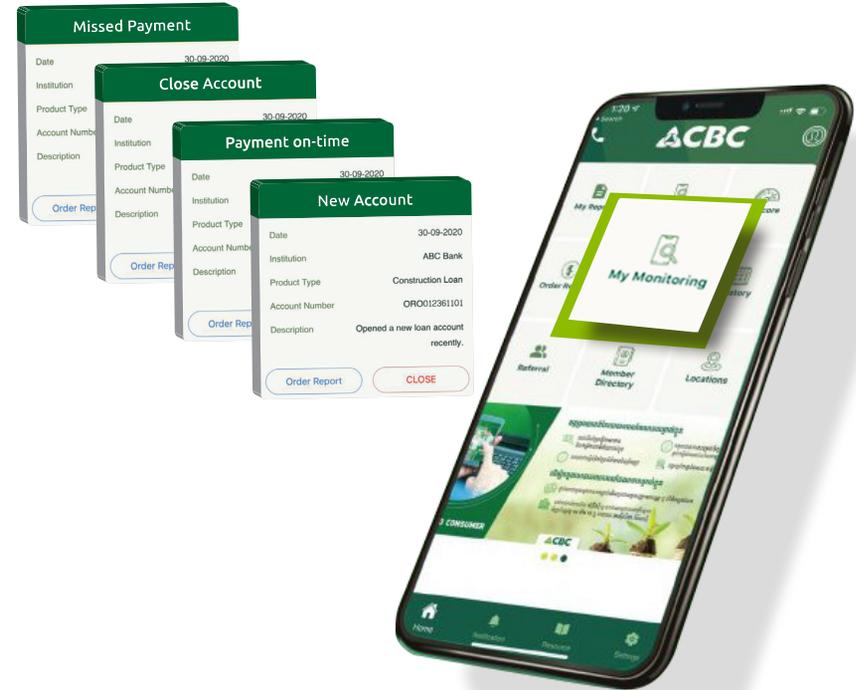




## PERSONAL CREDIT MONITORING

Monitoring your credit can help you spot possible fraud earlier and avoid surprises when you apply for loan. CBC introduces My Monitoring via CBC Mobile to protect customers. Receive on-time monitoring alert based on selective criteria during your loan cycle. Customers will be able to receive alerts if they perform or incur the following actions:

<p><b>Missed Payment:</b> alert customer if they missed paying loan instalment at an FI</p>	<p><b>New Loan Request:</b> alert customer if they recently applied for a loan at an FI</p>
<p><b>Payment on-time:</b> alert customer if they paid their loan on time at an FI</p>	<p><b>New Account:</b> alert customer if they recently opened a new account at an FI</p>
<p><b>Close Account:</b> alert customer if their account at an FI was recently paid off and closed</p>	



## CBC MOBILE – ONE DIGITAL PLATFORM FOR ALL PRODUCTS

Customers can use CBC mobile application to check their credit reports with a hassle-free experience without having to physically present themselves to our office or branches of authorised agents. The application offers a fully online experience as once the account is fully activated, customers can check their credit report anytime and anywhere to track their credit history with all financial institutions and review their credit worthiness.

In addition, customers can better monitor their financial health through My Monitoring for maintaining good credit habits, preparing themselves for financial opportunities and credit exposures, heightening their negotiating power as well as improving accuracy of their information through our online dispute handling service. Customers can also get their K-Score from CBC Mobile.



**3,900 RIEL  
PER MONTH**

Standard 9,900 KHR/Month	Premium 19,900 KHR/Month	Basic 3,900 KHR/Month
<ul style="list-style-type: none"> <li>Charged Annually</li> <li>✓ 4 credit reports, delivered quarterly.</li> <li>✓ 6 K-Scores, delivered bimonthly.</li> <li>✓ Monthly alerts:                             <ul style="list-style-type: none"> <li>Missed Payment</li> <li>New Loan Request ( Daily Alert )</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>Charged Annually</li> <li>✓ 6 credit reports, delivered bimonthly.</li> <li>✓ 2 K-Scores, delivered monthly.</li> <li>✓ Monthly alerts:                             <ul style="list-style-type: none"> <li>Missed Payment</li> <li>New Loan Request ( Daily Alert )</li> <li>Close Account</li> <li>New Account Opened</li> <li>On-time Payment</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>Charged Annually</li> <li>✓ 1 credit report, delivered annually.</li> <li>✓ 2 K-Scores, delivered semestery.</li> <li>✓ Monthly alerts:                             <ul style="list-style-type: none"> <li>Missed Payment</li> </ul> </li> </ul>

Besides, CBC mobile provides a wide pool of educational materials and resources on financial literacy, easy access to credit information, latest updates from credit markets and emerging trends on financial industry that will, in turn, reduce asymmetries of information between borrowers and lenders for broader access to credit and better loan performance. CBC Mobile will contribute to building responsible financial behaviour among consumers and subsequently, promoting financial stability and sustainability in Cambodia.

# B2B



1

Commercial Credit Report



2

Consumer Credit Report



3

K-Score



4

Scorecard Development



5

Data Analytics Reports



6

Portfolio Monitoring



7

Portfolio Review Service



8

Customized Solution



## COMMERCIAL CREDIT REPORT

Commercial Credit Report is a record of legal entity's credit payment history consolidated from banks and financial institutions. This reporting service was launched by CBC in July 2019. As companies grow, they are likely to need funds to expand their business. One source of the fund is taking commercial loans from banks. During the loan assessment process, banks will review the Commercial Credit Report of the company applying for commercial loan in CBC's platform to understand creditworthiness and credit history of the company. Additionally, suppliers and investors are increasingly relying on information compiled in a credit report for their decision-making.

It is necessary to regularly monitor and be aware of the condition of your company status because you will be able to analyze about creditworthiness and payment capacity ahead when your company needs to apply for a new loan, validate if the profile and loan information are correct or not, and be able to file dispute with CBC if there is any incorrect information in the report. Commercial entities can visit CBC office to get their Commercial Credit Report.

**Commercial Credit Report includes 4 main sections:**

- 1** Company Profile
- 2** Credit Summary
- 3** Previous Enquiries
- 4** Account Details
- 5** Shareholder Information



## CONSUMER CREDIT REPORT

A Consumer Credit Report is a record of an individual borrower's credit history compiled from banks, microfinance institutions and other financial institutions. The report is pulled by a lender as part of their application assessment process. Financial institutions that are CBC members have direct access to individual borrower credit reports via CBC's platform. Consent from borrowers, however, is required prior to these institutions accessing any borrower's credit report.

Consumer credit reporting has played a major role in bridging information asymmetry between lender and borrower and subsequently, contributing to credit risk management and efficient credit decisioning.

- Improving Risk Assessment**  
 Improve the accuracy of credit risk assessment leading to lower rates of default and over-indebtedness
- Promoting Competition and Efficiency**  
 Enabling availability of more credit at lower costs by reducing information barriers
- Responsible Lending**  
 Enables creditors to lend only what borrowers can afford to repay and help to prevent overindebtedness

## Information Displayed in Consumer Credit Report

### Demographic Information:

Generic information of your identity such as your name, gender, marital status, date of birth, place of birth, and nationality.

### Previous Enquiries:

Shows a list of various lenders that have searched on your information

### Employment Details:

Display your occupation type such as working place, position, length of service and salary.

### Summary:

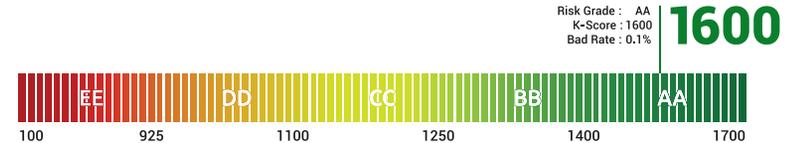
Summary of your enquiries and accounts hold, aggregate credit limits and liabilities of both primary as well as guaranteed accounts.

### Account Details:

Display of all the detail of credit accounts both active and close you have with our members.



**K-SCORE**



K-Score is calculated based on an individual's available credit data and is a number which may change from time to time in tandem with change in their credit file. Key contributing factors:

- 1 Utilization Pattern
- 2 Credit Commitment
- 3 Payment Behavior
- 4 Adverse Information
- 5 Enquiry Activity

K-Score (Khmer Score) is a number that provides a lender with a measure of a borrower's potential credit risk and predicts the likelihood of payment default. K-Score is based on industry-wide reported data reported to CBC and factors in payment behaviour and history across all financial institutions. Optimal results are achieved when a lender uses K-Score in conjunction with internal credit score to provide a complete and comprehensive of a customer's risk of default.



Report Date		30/01/2019		Enquiry Type		New Application																																																																																													
Enquiry Number		279945340		Product Type		Public Housing Loan																																																																																													
Number of Applicants		1		Account Type		Single																																																																																													
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## Benefits of K-Score for lenders:

### A. CREDIT APPLICATION ASSESSMENT

#### Application screening

- Lenders can filter only applicants above a certain threshold of K-Score for further assessment

#### Loan underwriting

- Lenders can assign a certain weight to K-Score in their loan underwriting

*\*A higher score can speed up or automate screening and underwriting process by reducing the number of additional documentary and field assessments.*

### B. PRODUCT and PORTFOLIO MANAGEMENT

#### Risk-based pricing

- Lenders can use K-Score as one of the indicators of risk for determining interest rates across borrowers with different risk profiles.

#### Risk-based packaging

- Lenders can use K-Score as one of the indicators of risk for setting terms and conditions of a credit product (eg: flexible tenure, collateral etc.)

#### Portfolio review and benchmarking

- Lenders can request for K-scores of existing borrowers - institution or segment wise to review their portfolio as well as compare across multiple segments and take corrective actions, if needed.

### C. CREDIT EXPOSURE MANAGEMENT

- Lenders seek to limit their credit exposures by extending credit to customers with higher credit scores. Hence, K-Score can be used as one of tools to aid credit exposure management.



## CREDIT SCORECARD DEVELOPMENT

Credit scorecard refers to mathematical credit scoring model that are developed using information relevant to a particular financial institution to determine credit score of a loan applicant or an existing borrower. Credit scorecards developed for a particular institution can also take K-Score as an input variable along with other payment behaviour related information that the institution may have. Optimal results are achieved when a lender uses internal credit score developed from their customised scorecard in conjunction with K-Score to provide a complete and comprehensive of a customer's risk of default.

### Benefits of Credit Scoring

Effective use of credit scorecards allows financial institutions to make better, cheaper and faster decisions, which in turn, leads to higher profitability as well as enhanced regulatory compliance. More specifically, institutions have experienced the following:

#### Increase Efficiency

- Simplify and streamline credit decision processes to enable automation for a higher volume of business;
- Reduce overall processing cycle time and provide customers with a quicker decision.

#### Increase Consistency

- Standardize credit decision processes and increase transparency of credit decisions;
- Minimize or eliminate inconsistent human decisions in the process and facilitate measurable adjustments to credit policy

#### Improve Overall Portfolio Quality

- Provide a mature and proven credit risk management tool to benchmark and refine credit decisions over time;
- Allow business to design and apply multiple strategies to optimize business performance.

#### Optimize Credit Assessment and Decisioning

- To account for rapidly evolving markets and increasingly complex laws and regulations, many large and successful banks adopt credit scorecards and iterative learning approach to further optimize their credit assessment process and credit decisions throughout credit lifecycle.

#### Optimize Credit Strategy

- Cheaper and easier to use analytics tools have significantly lowered the threshold to adopt data driven approach to derive effective credit risk management solutions. Today, Landers are competing ferociously to know their customers intimately to win their business. Robust credit assessment processes and quick and intelligent credit decisioning have become essential business capabilities.



## DATA ANALYTICS REPORT

The Data Analytics Report (DAR) is a business intelligence analytics suite enabling all members to view their performance compared to the industry. DAR comprises of 5 dashboards as follow:

### Acquisition Management:

Qualify onboard customers to grow your loan portfolio.

### Delinquency Management:

Monitor your portfolio to mitigate risk.

### Collection Management:

Explore opportunities to improve your collection.

### Account Management:

Gain in-depth understanding to manage quality of the loan portfolio.

### Retention Management:

Reduce client drop-out and improve your retention strategy.

## Benefits:

Easily monitor and compare an institution's performance to corresponding sectors and industries

Track details of each product's performance compared to industry standards

Know the institution's customer attraction power from competitors based on acquisitions

Gain important insights on market performance of the products not offered by the institution, which is vital for new product development strategies.



## PORTFOLIO MONITORING

**Portfolio Monitoring Service (PMS)** is an on-time monitoring alert enabled financial institutions to monitor their existing customers base on selective criteria. The service includes 13 main triggers as follow:

- |   |  |  |  |
|---|--|--|--|
| <b>1</b><br>Credit report request on a subject is made                      | <b>2</b><br>Subject got a new loan contract      | <b>3</b><br>Subject's identification data is changed |  |
| <b>4</b><br>Subject's loan status has been settled from normal to write off | <b>5</b><br>Contract loan write off changed      | <b>6</b><br>Contract loan changed to close           |  |
| <b>7</b><br>Subject has negative cycle change                               | <b>8</b><br>Subject has positive cycle change    | <b>9</b><br>Subject has past due payment             |  |
| <b>10</b><br>Subject settled past due payment                               | <b>11</b><br>Subject has past due payment change | <b>12</b><br>Subject has updated new address         | <b>13</b><br>Subject has reached lost status |

### New Trigger: 'Restructure Loan'

Since the onset of Covid-19 pandemic, financial institutions developed policies and procedures to allow loan restructuring to borrowers impacted by the pandemic. This meant that such lenders were required to regularly review and monitor their client performance. To respond well on the members' needs to monitor and track borrower restructuring across all financial institutions, CBC introduced Restructured Loan Trigger in 2020, which provides an alert when an individual restructures their loan.

## Benefits of PMS:

- Keep track of existing customer performance and credit health
- Timely monitoring of existing customer performance
- Reduce risk with proactive approaches to customer performance
- Cost-effective monitoring of own customers



## PORTFOLIO REVIEW SERVICE

The **Portfolio Review Service (PRS)** is an offline solution enabling members to conduct batch review of information from credit reports for their entire customer base and thus, ascertain the credit situation of their portfolio faster and more cost-effectively. Its primary goal is to analyze and keep track of risk level related to the portfolio of respective institutions.



### Detailed

raw data of your customer information



### Many

fields of information (many critical aspects)



### Rooms

for extensive analyses for strategic purposes

## Benefits of Portfolio Review Service:

- Understand customer profiles and their credit reports
- Enable members to be proactive against possible risks
- Allow all members to use the reports for further analysis



## CUSTOMIZED SOLUTIONS

**Customized Solutions** are data analytics services tailored to customer needs. We listen to our members' and clients' pain points, strategic goals, and propose what kind of analytical solution can serve them better. CBC uses live data to provide accurate numbers and metrics for superior insight extraction, dashboard visualizations with key performance indicators and other storytelling information.

Below are some of our customized analytical capability:

Market Research for operational branch expansion

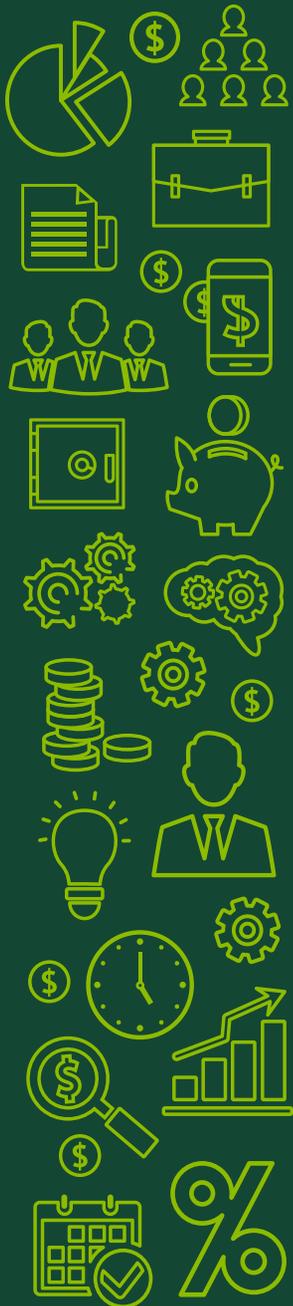
Market Analysis on Auto Loan Market

Small Business Market Analysis

Market Analysis on Mortgage

Microfinance Market Analysis





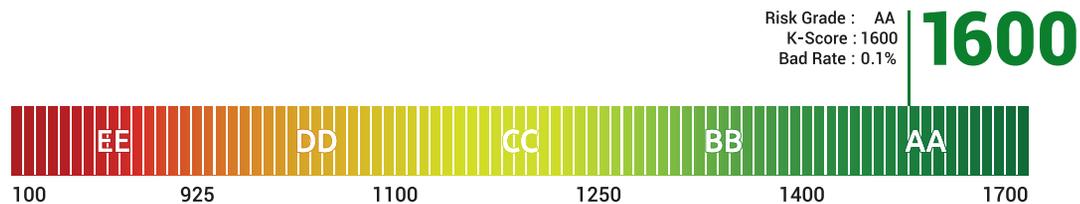
# IV. 2020 - A Year in Review



# NEW PRODUCTS LAUNCHED

## K-SCORE GEN. 2

The second generation K-Score was launched in November 2020 to both member financial institutions as well as individual consumers. Free trial was offered to all members of CBC to enable them to experience the new version of credit score with major enhancement since 2015. K-Score Gen. 2 not only integrates a single score across all industry segments but also factors in latest market trends and also incorporates positive information in generating the score which are major enhancements from the previous version.

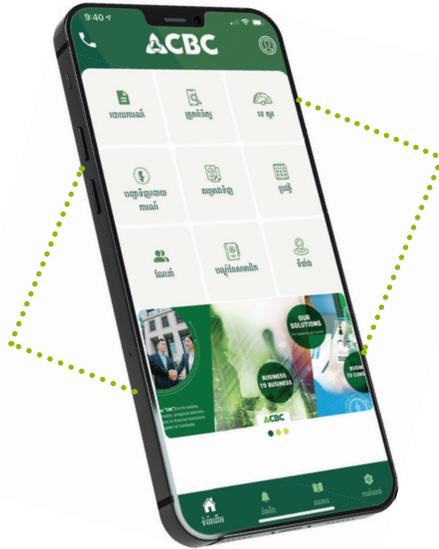


K-Score is calculated based on an individual's available credit data and is a number which may change from time to time in tandem with change in their credit file. Key contributing factors:

- 1 Utilization Pattern
- 2 Credit Commitment
- 3 Payment Behavior
- 4 Adverse Information
- 5 Enquiry Activity

## CBC MOBILE

As part of its mission to digitalize consumer services, CBC launched a mobile app in December 2020 that allows users to check their credit score, view credit reports, and receive credit monitoring alerts. This enabled the first ever integrated digital platform that promotes financial health checks, credit monitoring, and financial literacy.



With the “CBC Mobile” app, CBC is attempting to fill what it perceives to be a service gap in the country’s growing credit and financial sectors. After registering with the app, available on both iOS and Android smartphones, anyone with a loan history can check their credit score, view their credit reports, and receive real-time credit monitoring alerts.

## DAR

A new version of DAR was launched in September 2020. The three new types of analytic dashboards were developed specifically suitable for executive or management level enabling them to track their financial institution’s performance across each phase of loan management cycle.



## BUSINESS TO BUSINESS



# GLOBAL EXCELLENCE AWARD

INTERNATIONAL RECOGNITION FOR EXCELLENCE IN CONSUMER CREDIT REPORTING



## GLOBAL BUSINESS OUTLOOK

Excellence in Consumer  
Credit Reporting - Cambodia

# 2020 WINNER

CBC received the “Excellence in Consumer Credit Reporting” Award from the Global Business Outlook (GBO), a reputed international business magazine based out of the United Kingdom. The jury of GBO selected and evaluated CBC for this award based on exceptional performance of CBC in consumer reporting landscape in Cambodia. CBC is the only company from Cambodia to receive GBO award under the Finance category in 2020. GBO awards recognize companies around the world that have performed in exceptional terms, created great value, business edge and market recognition.

*The award recognises CBC's contribution to industry-wide credit risk management by promoting credit market transparency and efficiency which contributes to overall financial sector stability in the country.*



# MEMBER ENGAGEMENT



## MEMBER WORKING COMMITTEE (MWC)

**168**  
**Institutions**

*as CBC members as of  
2020*

**03 Working  
Committee Meeting**

**687** participants, **154** Institutions

The Member Working Committee offers an ideal discussion platform and effective communication channel to provide latest updates latest updates to daily users of CBC's services. The committee regularly conducts meetings once every three to four months with participation from all members. All committee members strive to uphold the values and objectives of their respective organizations, act with integrity and avoid any personal conflicts of interest.

During these meetings, CBC's members share their successful experiences, exchange information or knowledge, and voice their concerns for adjustment and gain advantage for future opportunities resulting in additional benefits to the members.



## MEMBER TRAINING

**21**  
**Training Sessions**

**792** Trainees,  
**133** Institutions

CBC conducts extensive, in-depth training sessions every month for the benefit of all members. Sessions are facilitated by experienced expert trainers, who support, assist and guide members to enhance their staff capacity building. Training ensures participants continuously develop skills and competencies that make them more effective, well-rounded and able to contribute to their respective companies to the best of their abilities.

Sessions are also aimed at upgrading member knowledge about CBC's working processes and systems, as well as obtaining and monitoring pertinent information and data. Aside from these, it is hoped that participating institutions use the solutions presented at these sessions to continuously overcome any challenges that may come their way.

# STAFF ENGAGEMENT

## TRAINING AND DEVELOPMENT



Training and development is considered as a strategy for growth in CBC. We have learnt about the values of staff development and improvement. We know that training and development is important because it represents a good opportunity for employees to grow their knowledge base and improve their job skills to become more effective in the workplace.

CBC has invested on various programs including internal sharing session, external training project, CBC Internal Library and E-Learning Platform. Internal Sharing Session allows senior management team and staffs to share their experience and knowledge on skillsets or relevant job knowledge. While external training project is where we send our staffs or use a professional training service provider to deliver a fruitful training on various topics based on our Training Needs Analysis.



In 2020, CBC has deployed many training courses both hard skills and soft skills in the purpose of enhancing skills and improving efficiency, productivity and growth to our employees. Despite the COVID 19 situation, we managed to successfully arrange 4 internal sharing sessions which are the trend topics in the credit reporting industry to our staffs.

External training sessions covered both online and face-to-face training where we focused on all aspects to ensure our staffs skillsets, work knowledge as well as their soft skills. In 2020, we managed to send 38 staff to join 58 courses, 70% were the online courses.

CBC E-Learning platform which was launched in 2019 is still on as one of our own platform to broadcast different topics that we believe our staffs need and can learn on their own since it is totally accessible from anywhere and anytime. On top of that, CBC has also initiated “CBC Library” where we gather all the books and lessons we can find both hard and soft copies. All the books and learning materials has been categorized into folders which makes it easier for our staffs to access and find their related desired books or lessons.

CBC always promotes training and development to everyone inside our organization because we are committed to provide our staffs with the resources needed to ensure that they can perform their job to the highest level with all the support from their line managers and management team.

## REWARDS AND RECOGNITION



Rewards and Recognition is what we never miss to celebrate. To honour the achievements our hardworking staffs has put throughout the year, we make sure that their effort is highly appreciated. CBC annually rewards and recognizes individuals who go the extra miles in doing their job as below categories:

- **Customer Service Excellence Award:** provided to a staff from the Operations Department who outperform and dedicate their time and effort to provide the excellence service to the members while he/she is highly recommended and appreciated from their internal team.
- **Sales of the Year Award:** provided to a staff from the Business Development Department who outperform in term of revenue generation.
- **Employee of the Year Award:** provided to both Manager and Non-Manager staff who outperform among the staff level. There are 5 criteria for evaluation: Performance, Contribution, Engagement, Motivation, and Creativity.



## STAFF ENGAGEMENT ACTIVITIES



To make sure our staff is aligned with the company direction and to entertain the staff, CBC organizes several engagement activities throughout the year such as Townhall meeting and Team Building. Not only for the joy and fun, our team-building activities were designed to give our employees trust, collaboration, communication and to bring everyone together. Despite the difficult situation of COVID-19, we tried our best to organize a few activities in 2020 to keep our staffs motivated.

In August 2020, CBC held a semi-annual Townhall Meeting at a premium hotel in Phnom Penh, Rosewood Phnom Penh. The event aimed to keep our staff updated of our on-going business and plans we have for the second half of the year followed by the games, wonderful lunch and presentations from our Management Team.

In early November 2020, CBC organized an annual team building trip to Siem Reap. The 3-day trip was very memorable as we spent one day to participate in a CSR activity organized by the Association of Banks in Cambodia (ABC) during which we cycled 18km at the Terrace of the Elephants area to deepen the Cambodian Sustainable Finance principles. There were 2 key take-aways from this exercise: 1. no one was left behind, 2. The performance of the team was equal to the performance of the last people. And a wonderful gala dinner accompanied by games, awards and an after-party.



# COMMITMENT FOR RESPONSIBLE ACTIONS

## CONSUMER TALKS: PROMOTING FINANCIAL LITERACY AND CONSUMER RIGHTS ON CREDIT REPORTING



Consumer Talk is the platform where CBC and the public can share necessary information related to credit report. The main target of this public event is those who currently use credit facilities, plan to use credit, or want to know about credit information.

The purpose of these talks is to share the knowledge about the credit reporting system in Cambodia, the ways to read credit information in their credit report, and the importance of credit report and maintaining their good credit.

Despite the COVID-19 outbreak, CBC still managed to arrange the online sharing and discussion in Q3 2020 with a total of 27 participants including professionals from banking, finance, real estate, pawnshops, other private institutions as well as students. There was a fruitful discussion among the participants during this 3-hour event.

CBC commits to arrange this kind of event with the exciting topics to the concerned participants in the upcoming year.



## GOLD AWARD FOR TAX COMPLIANCE



CBC received the GOLD Award for Tax Compliance from the General Department of Taxation (GDT). The Gold Award is given to companies that meet the assessment criteria set by GDT on compliance, timeliness of tax return payments and accurate documentation.

## CBC BREAKFAST TALK: THOUGHT LEADERSHIP ON DIGITALISATION, DATA ANALYTICS AND CREDIT RISK MANAGEMENT



CBC organised the first CBC Breakfast Talk bringing together more than 50 senior leaders from the financial sector to promote discussions on trends and evolving practices on harnessing digitalisation for prudent credit risk management by financial institutions. The event, held at Rosewood Phnom Penh on 13 October 2020, was attended by senior representatives from banks and MFIs, National Bank of Cambodia, Cambodia Microfinance Association, Association of Banks in Cambodia, Techo Startup Centre, Institute of Banking and Finance, among others. The event was exclusively live streamed online for member institutions of CBC as well.

Giving her keynote speech, Her Excellency Chea Serey, Assistant Governor and Director General, National Bank of Cambodia and Chairwoman, Credit Bureau Cambodia, emphasised the timeliness of dialogue on a theme blending digitalisation and credit risk management. Amidst COVID-19 pandemic, credit markets have been impacted with economic slowdown and financial institutions are increasingly moving towards digital delivery models.

Ms. Ratana Phurik-Callebuat, Senior Private Sector and Investment Consultant, moderated an insightful panel discussion with senior experts and leaders on leveraging on data diversification and digitalisation for comprehensive credit risk management. Members of the panel included Mr. Kea Borann, *CEO, AMK Microfinance Institution*, Mr. Malay Kumer Paul, *Deputy CEO, Cambodia Post Bank*, Mr. Shing Chang Moo, *President, Phnom Penh Commercial Bank* and Mr. Stephen Higgins, *Managing Partner, Mekong Strategic Partners*.



**SUPPORTING THE WORLD FINTECH FESTIVAL 2020: BRINGING TOGETHER TOP**

**LEADERS AND EXPERTS IN FINANCE AND TECHNOLOGY**

CBC supported the World Fintech Festival in Cambodia bringing together top leaders and experts from the worlds of finance and technology organised parallelly in 35 countries around the world. This 5-day event organised from 7-11 December 2020 by Singapore Fintech Festival together with Cambodia Association of Finance and Technology, National Bank of Cambodia and the Association of Banks in Cambodia featured international and local speakers and panel discussions bringing out key insights about the current state of the Cambodian Fintech Industry including rise of digital currencies, financial infrastructure, financial inclusion, future economic outlook, among others. It also provided an avenue for key stakeholders in the ecosystem to connect and explore potential collaboration. With the ongoing global coronavirus pandemic, the event was held virtually where CBC also hosted a virtual booth.



**ENABLING DIGITAL INNOVATION AND STARTUP ECOSYSTEM DEVELOPMENT THROUGH REVERSE INNOVATION MODEL**



CBC supported the Reverse Innovation Programme of Techo Startup Centre, a public administrative institution tasked with building emerging tech startups borne out of innovation that can be launched and scaled up to contribute to development of a strong digital economy. In this programme, large companies identify some of the problems they face to the startups in search of potential solutions which is the reverse of the normal innovation process where startups lead the identification of problems and find solutions that large companies can buy. The RI model was first introduced by two Harvard professors to bring technology from high income countries to find any innovation that can solve low-income countries’s problems and then scale globally. RI model is being implemented in Cambodia to solve the problems of large companies that need innovation to increase their competitiveness, provide opportunity for startups to receive investment and to contribute to vibrant startup ecosystem.

In addition to being a Platinum Sponsor, CBC also provided two key challenges on eKYC and alternative credit scoring from the financial industry in Cambodia for startup groups to find solutions.

## LENDING GUIDELINES IMPLEMENTATION FOR FINANCIAL SECTOR STABILITY IN CAMBODIA

In an effort to take possible steps to manage overindebtedness in the country, CBC joined hands with CMA and a number of donors since 2016 to develop Lending Guidelines and carry out ongoing monitoring of the compliance of MFIs to the guidelines. LGs are self-regulated mechanisms aimed at promoting lending practices that reduce market risk to ensure borrowing capacity of clients is thoroughly assessed and sufficient data is available to monitor institutional and sectoral exposure. In its third phase in 2020, the project team put in efforts to refine indicators for LG and take steps to expand LGs to the wider financial sector.



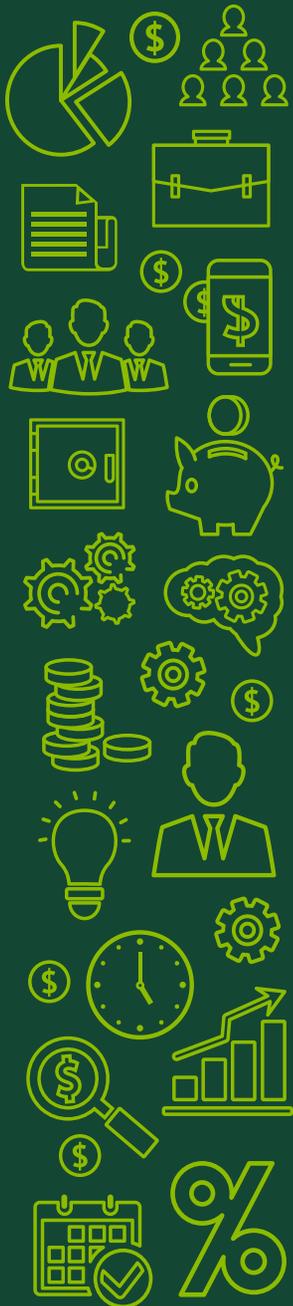
## STRENGTHENING GOVERNANCE OF RURAL CREDIT INSTITUTIONS FOR SUSTAINABLE

## DEVELOPMENT OF FINANCIAL SECTOR IN THE KINGDOM



CBC joined hands with Cambodia Microfinance Association (CMA) to carry out a series of consultative and knowledge sharing workshops with 25 Rural Credit Institutions (RCIs) in 2020 to review progress of outcomes made by RCIs as well as validation of strategic approaches that could support RCIs to strengthen their governance to enable them to play important role in sustainable development of the financial sector in Cambodia.

As RCIs provide loans in microfinance space and must be equipped with up-to-date knowledge and tools to strengthen themselves to be able to cope with the challenges of growth, complexity and competition. CBC is also closely supporting RCIs to adopt CIRFS through strengthening of their reporting and governance systems.



# **IV. CAMBODIAN CREDIT MARKET AT A GLANCE**



# KEY ECONOMIC AND FINANCIAL INDICATORS

Category	Indicators	2019	2020
Output and Economic Growth	GDP (USD billion)	26.7	26
	GDP Growth Rate (annual percent)	7.1	-4**
	GDP Per Capita (USD)	1,710	1,660
Money and Prices	Inflation (annual percent)	2	2.9
	Liquidity - M2 (percent of GDP)	96.6	129.6
	Liquidity - M2 Growth rate (percent)	17.9	30.9
	Domestic credit to private sector (percent of GDP)	118.8	143
	Total Deposits in banking system (USD billion)	25.60	29.99
	Nominal Exchange Rate (KHR per USD)	4,070	4,050
	Short-term interest rate (annual percent)	9.5*	9.3**

Category	Indicators	2019	2020
External Accounts	Export growth (percent)	9.5*	-18.5**
	Import growth (percent)	9.0*	-17.8**
	Merchandise Exports (percent of GDP)	56.4	67.7
	Merchandise Imports (percent of GDP)	83.7	81.6
	Services, net (percent of GDP)	10.6	-0.5
	Income, net (percent of GDP)	1.4	2.5
	Current account balance (current USD million)	-4,077	-3,089
	Current account balance (percent of GDP)	-15.3	-11.9
	Foreign Direct Investment, net inflows (current USD million)	2,845*	2,328**
	Gross international reserves (USD million)	18,732*	16,859**

Source: National Bank of Cambodia, IMF and World Bank ; exchange rate of 1 USD = KHR 4,045 was applied

\*&\*\* indicates ADB's and World Bank's estimates and prediction

# CONSUMER CREDIT MARKET LANDSCAPE IN CAMBODIA

Compared to previous year, the consumer credit market in Cambodia witnessed relative slowdown with an overall reduction of 7.5% in credit enquiries in 2020. With the economic contraction, the credit quality also saw a drop with an increment in 30+ DPD ration by 0.42 percentage points to 1.69%. Despite the challenges, the market showed resilience with 8% increase in the number of active borrowers and 4% in the number of accounts.

75% borrowers fall in the age group of 20-49. In the overall loan portfolio, women form the majority with 54% of female borrowers with higher share of women for all age groups from under 19 to 69. More than half of the borrowers are clustered in the plain areas. Across the provinces, the highest concentration of borrowers is in Phnom Penh at 12.28% followed by Kandal, Kampong Speu, Siemreap, Takeo and Prey Veng.

16% of the loans are mortgage with the lowest non-performing loan ratio at 0.93%. Small business loans comprise a very high share of the loan portfolio at 61% of the outstanding balance with the second lowest non-performing loan ratio at 1.5%. The highest 30+ DPD of 2.92% is found in Personal Finance that makes up 14% of the portfolio.

Active Borrowers

7.93%



Loan Accounts

4.13%



Credit Enquiries

7.53%



30+ DPD

0.42%



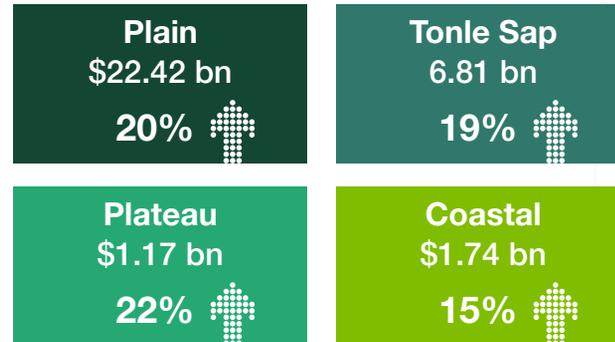
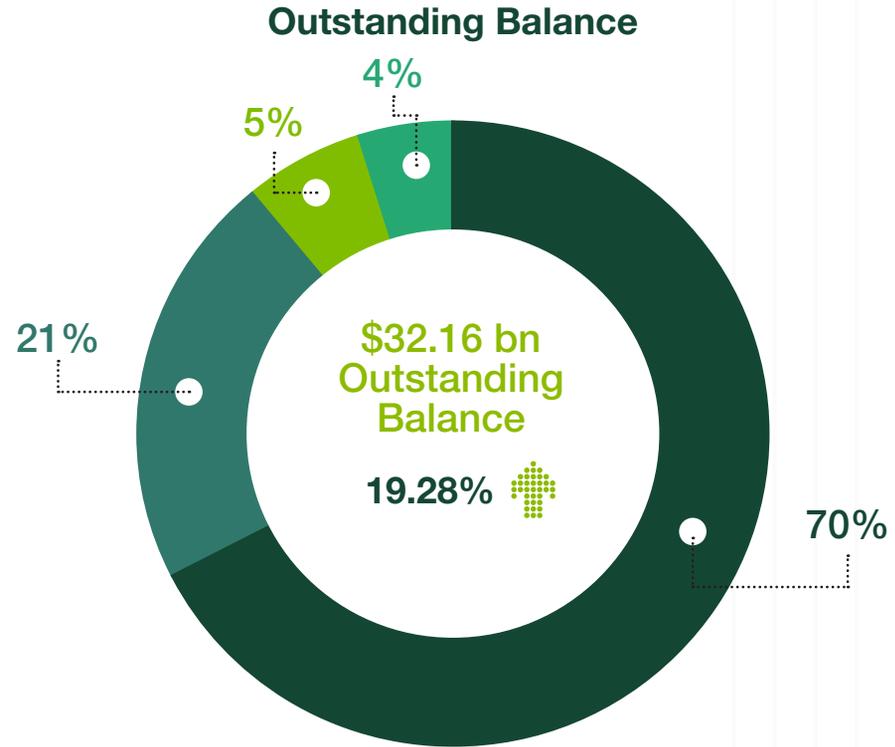
## Regional Performance

The Plain Region is the largest region for credit. It accounts for 70% of the outstanding balances and 56% of borrowers.

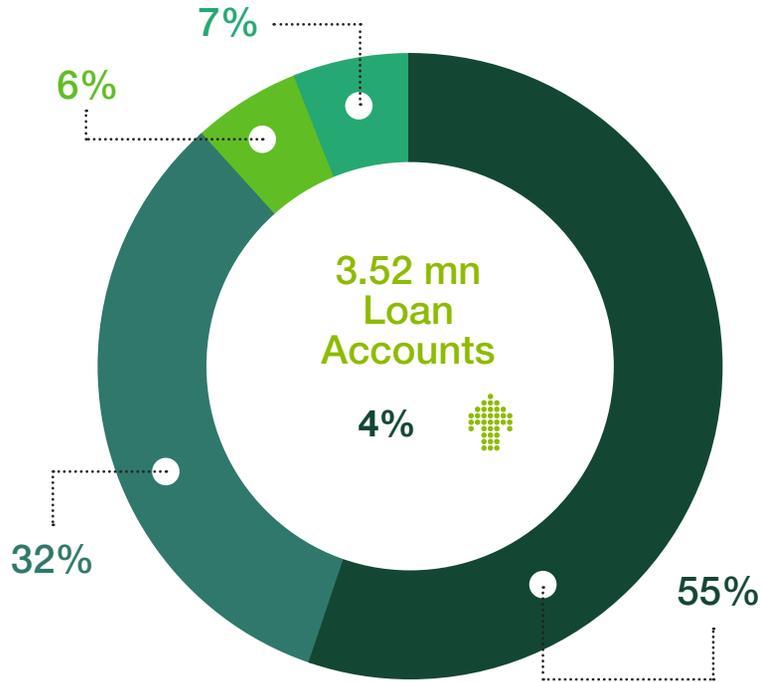
This is followed by Tonle Sap region with 21% of outstanding balances and 31% of borrowers. The Coastal region accounts for 5% of the outstanding balances and 7% of borrowers.

The Plateau region accounts for 4% of the outstanding balances and 7% of borrowers.

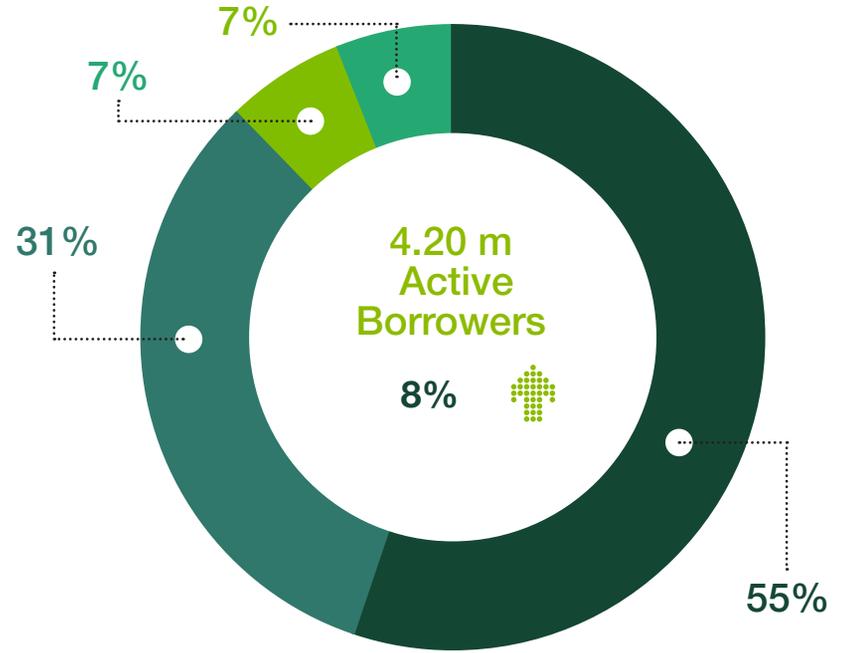
The spread of financial institutions is relatively more balanced ranging from 21% in the Plateau to 29% in the Plains.



### Loan Accounts



### Active Borrowers



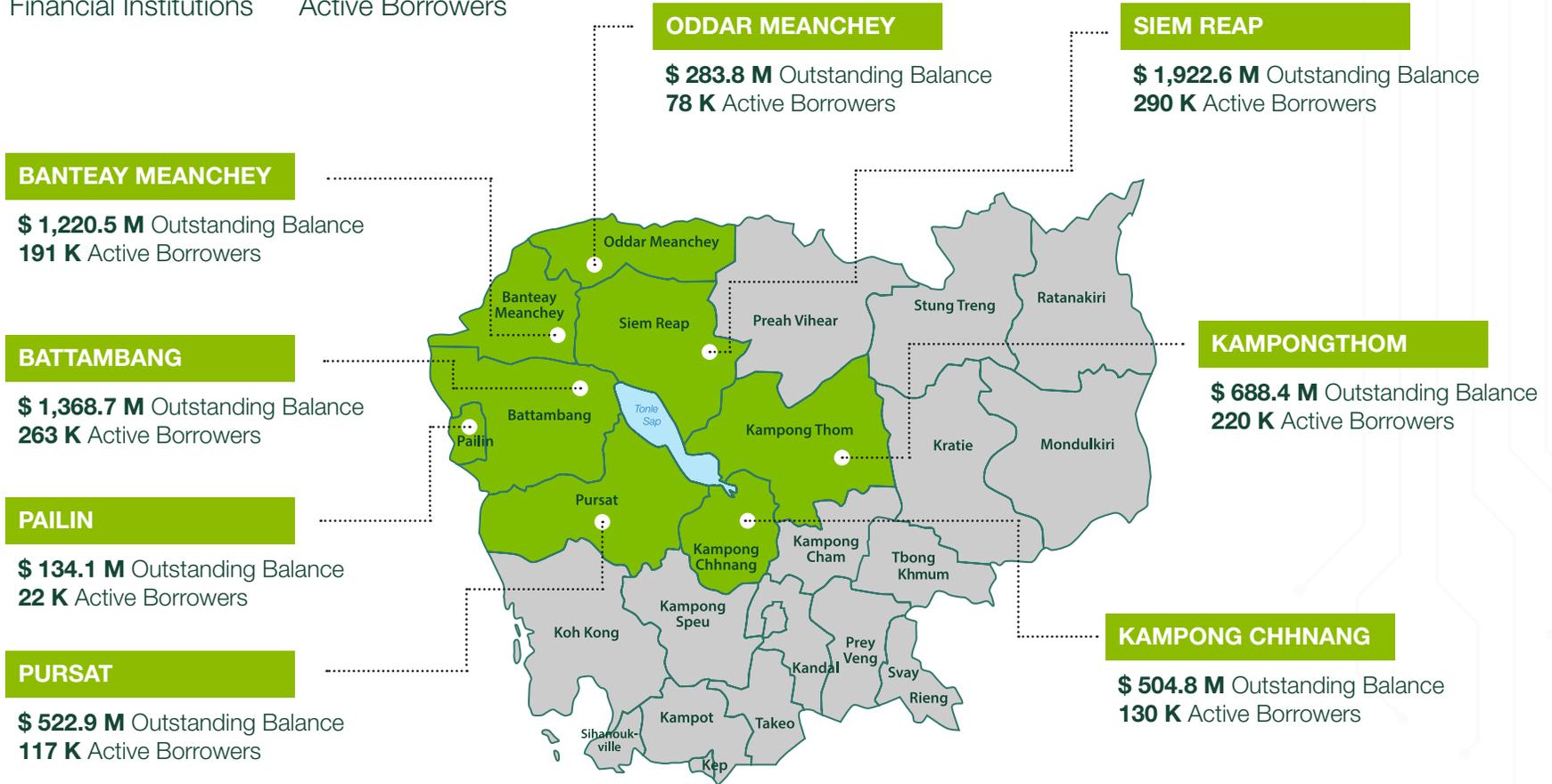
# Tonle Sap Region

**8**  
Provinces

**\$ 6,815.4 M**  
Outstanding Balance

**147**  
Financial Institutions

**1,309 K**  
Active Borrowers



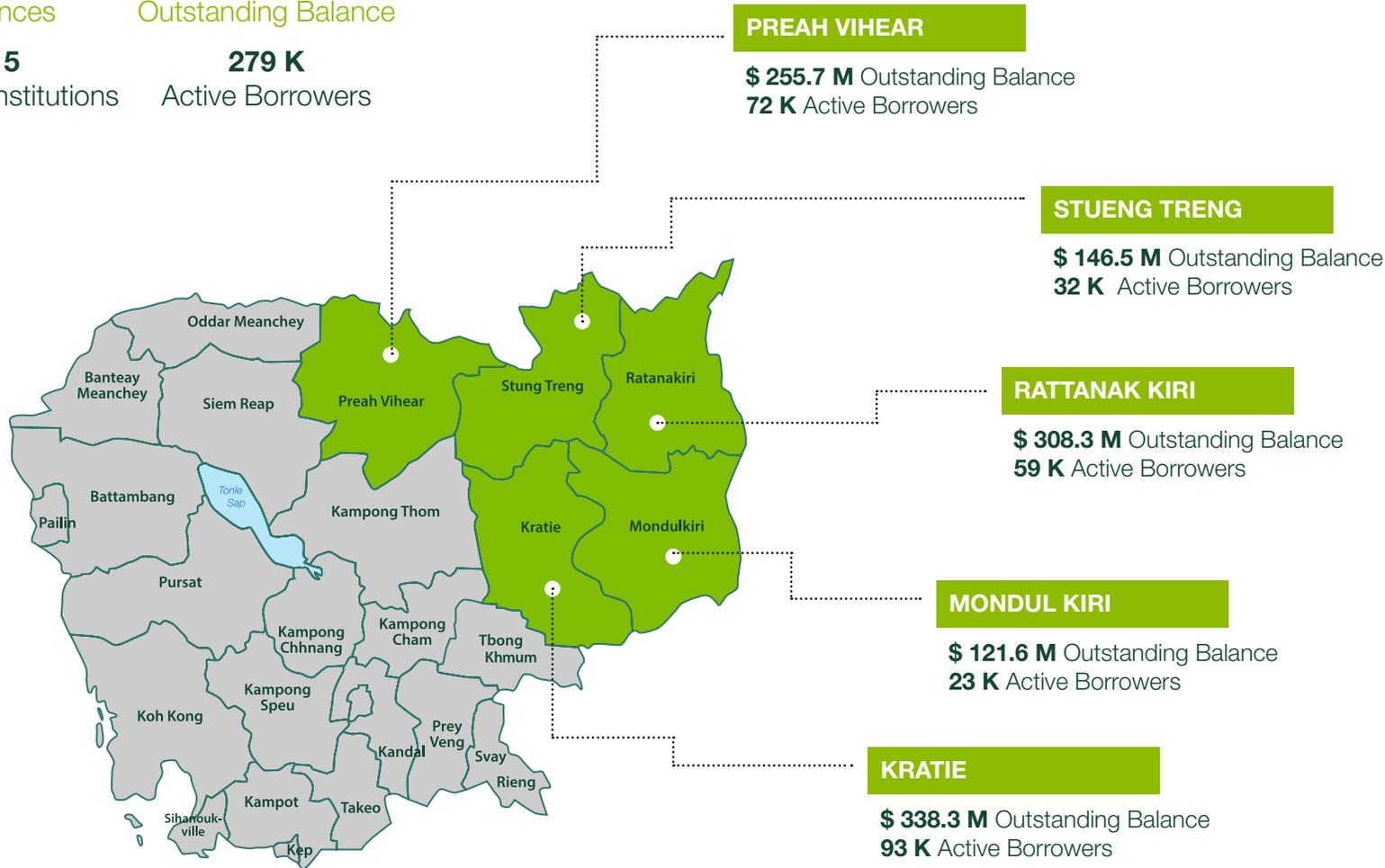
## Plateau Region

**5**  
Provinces

**\$ 1,170.5 M**  
Outstanding Balance

**115**  
Financial Institutions

**279 K**  
Active Borrowers



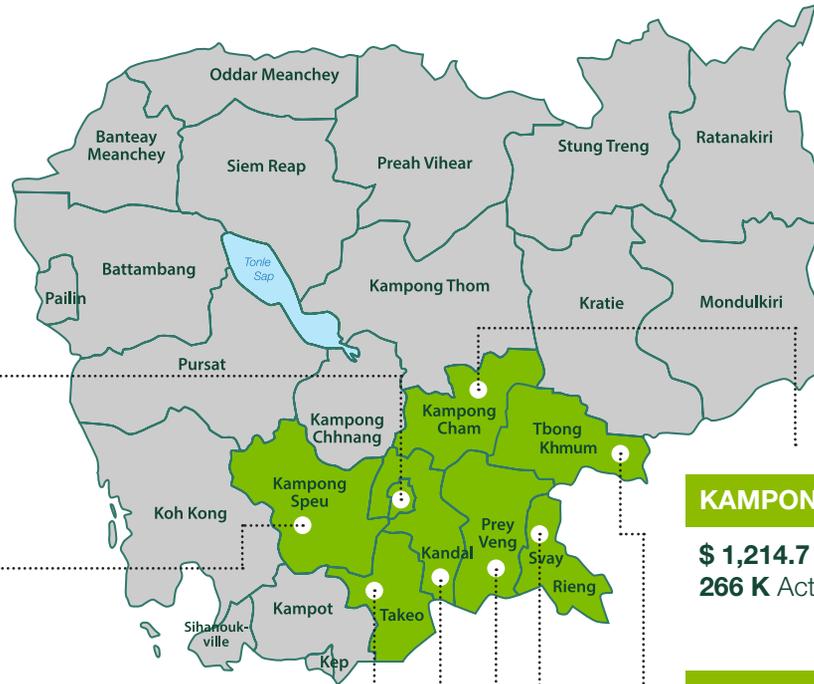
## Plain Region

**8**  
Provinces

**\$ 22,429.6 M**  
Outstanding Balance

**160**  
Financial Institutions

**2,335 K**  
Active Borrowers



### PHNOM PENH

**\$ 13,931.5 M** Outstanding Balance  
**516 K** Active Borrowers

### KAMPONG SPEU

**\$ 1,467.7 M** Outstanding Balance  
**300 K** Active Borrowers

### TAKEO

**\$ 1,286.9 M** Outstanding Balance  
**280 K** Active Borrowers

### KANDAL

**\$ 1,905.5 M** Outstanding Balance  
**338 K** Active Borrowers

### PREY VENG

**\$ 1,061.1 M** Outstanding Balance  
**276 K** Active Borrowers

### KAMPONG CHAM

**\$ 1,214.7 M** Outstanding Balance  
**266 K** Active Borrowers

### THBOUNG KHMUM

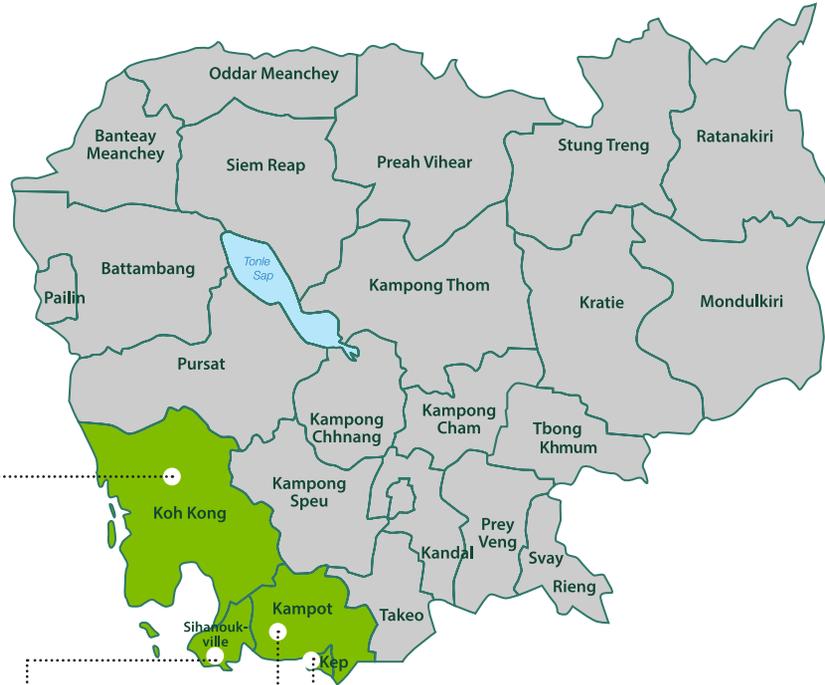
**\$ 736.8 M** Outstanding Balance  
**180 K** Active Borrowers

### SVAY RIENG

**\$ 825.3 M** Outstanding Balance  
**178 K** Active Borrowers

# Coastal Region

**4** Provinces  
**\$ 1,742.4 M** Outstanding Balance  
**136** Financial Institutions  
**282 K** Active Borrowers



## KOH KONG

**\$ 214.7 M** Outstanding Balance  
**34 K** Active Borrowers

## PREAH SIHANOUK

**\$ 633.2 M** Outstanding Balance  
**63.6 K** Active Borrowers

## KAMPOT

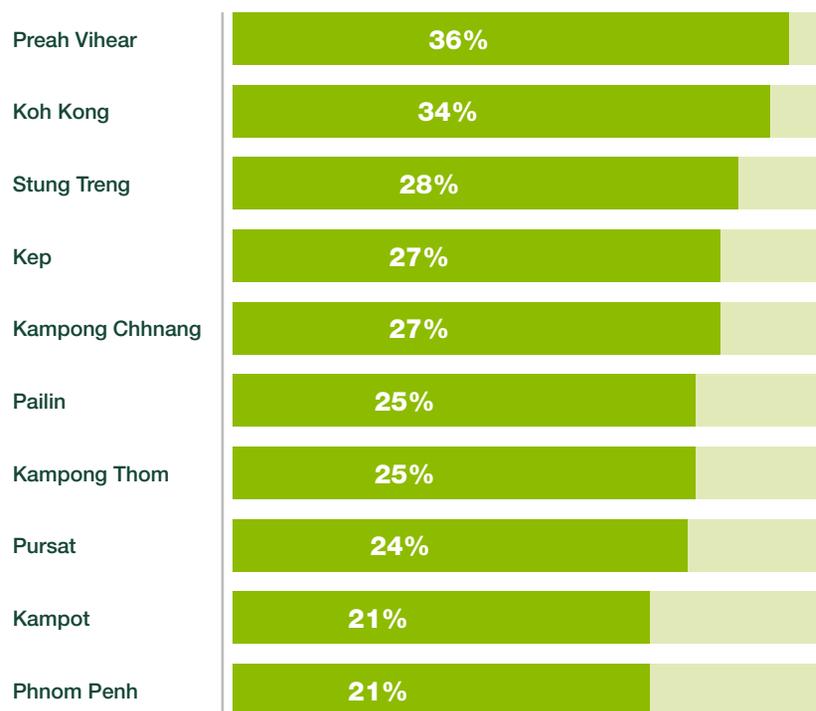
**\$ 837.8 M** Outstanding Balance  
**173 K** Active Borrowers

## KEP

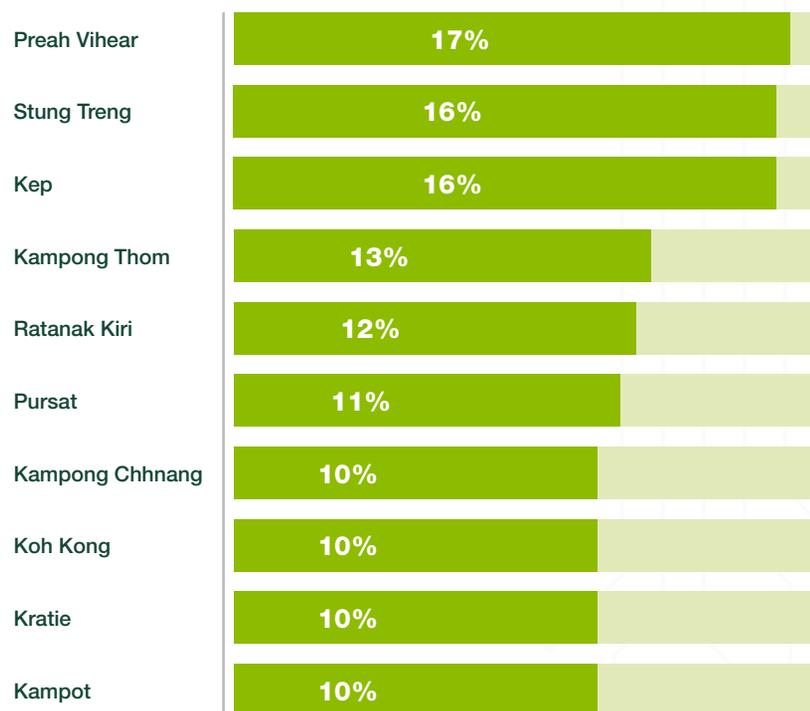
**\$ 56.8 M** Outstanding Balance  
**11 K** Active Borrowers

## Top 10 High Growth Markets

Top 10 provinces grew between 21 – 36% in outstanding balances in 2020. Preah Vihear, Koh Kong and Stung Treng saw the highest growth.



Top 10 provinces grew between 10 – 17% on number of borrowers in 2020. Preah Vihear, Stung Treng and Kep saw the highest growth.

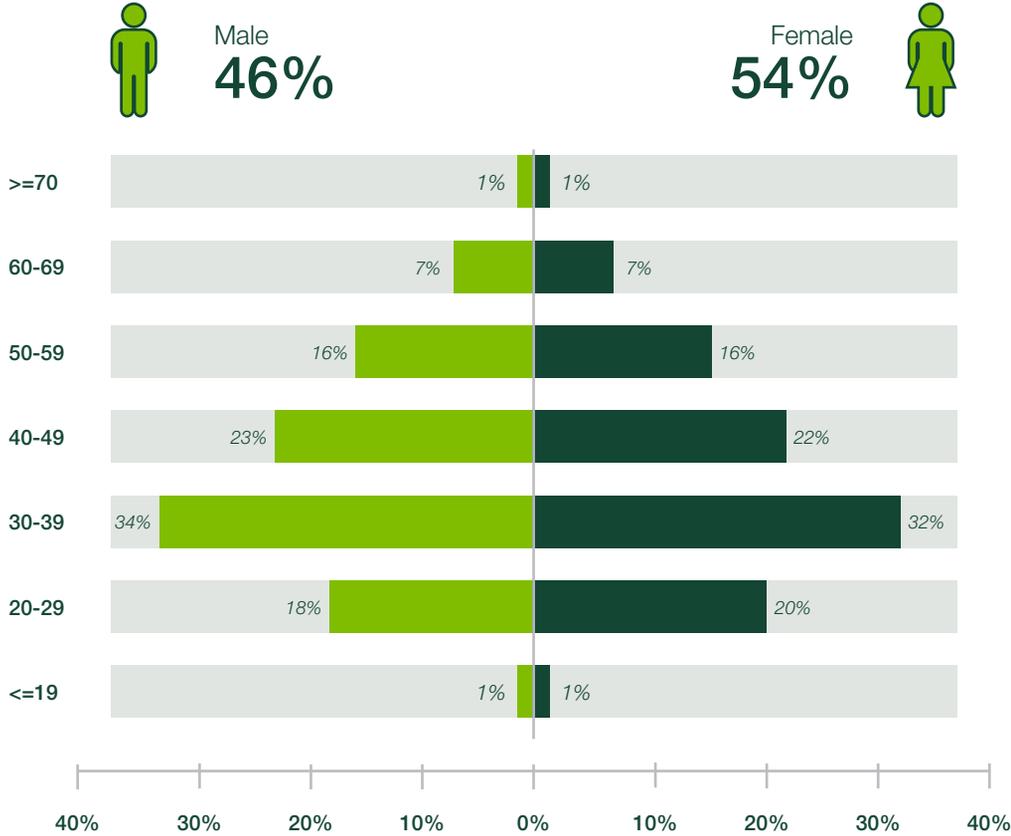


# Demographic Distribution of Credit

54% of the borrowers are female and 46% are male. Age group of 30-39 holds the largest share of borrower population at 33%. Age groups of 20-49 hold 75% of the borrower share.



Percentage of Consumers by Age Group



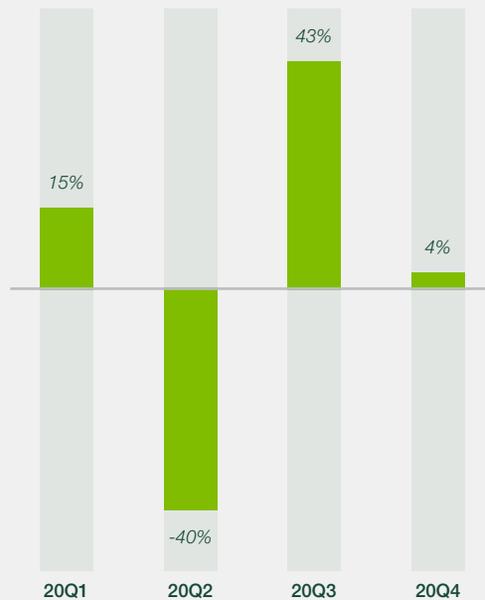
# Credit Application

**- 7.5 %**  
**in number of**  
**credit applications**  
**2020**

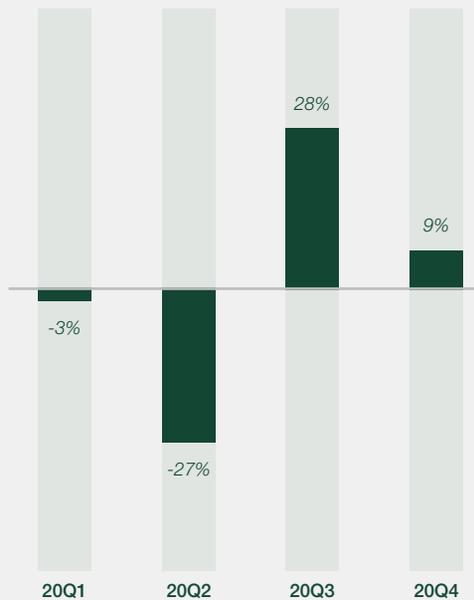
**- 0.8 %**  
**Total credit**  
**amount**

Credit Application represents an intention of consumer to acquire credit. Growth in credit enquiries indicates an increase in demand for credit and signals a vibrant market. There was 7.5% decline in annual growth of the number of credit enquiries whereas the total amount of enquiries also went down by 0.8%. While the number of enquiries have fluctuated across quarters, the total amount of enquiries and consequently, average amount per enquiry has increased across quarters.

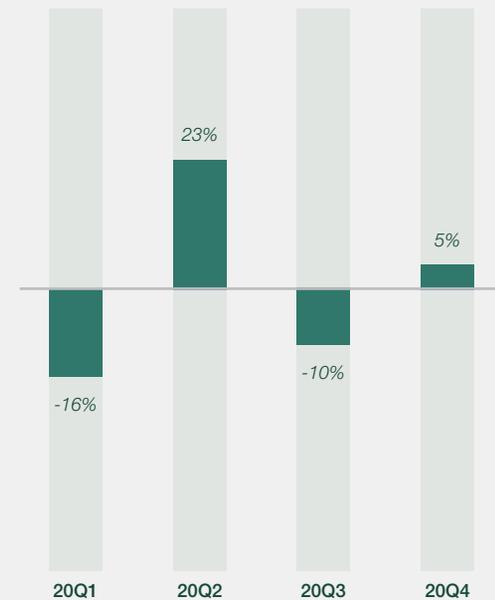
Percentage Growth of Average Credit Application Amount Quarter on Quarter



Percentage Growth of Total Credit Application Amount Quarter on Quarter



Percentage Growth of Average Credit Application Amount Quarter on Quarter

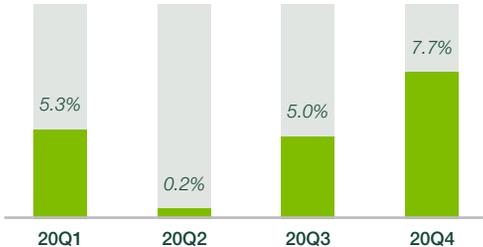


# Credit Performance

Credit Growth Performance indicates the volume of loan as of the reporting year reflecting an active credit market

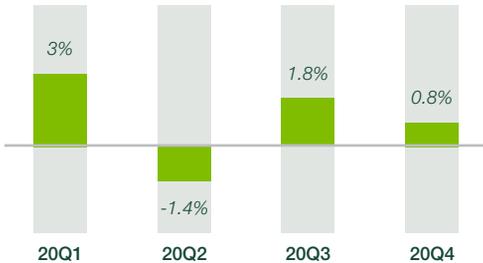
**+ 19.28% in outstanding balance in 2020**

Percentage Growth of Loan Outstanding Balance Quarter on Quarter



**+ 4% in number of loan accounts in 2020**

Percentage Growth of Loan Account Quarter on Quarter



Balance by Product Group



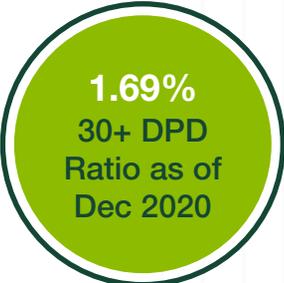
Balance by Currency



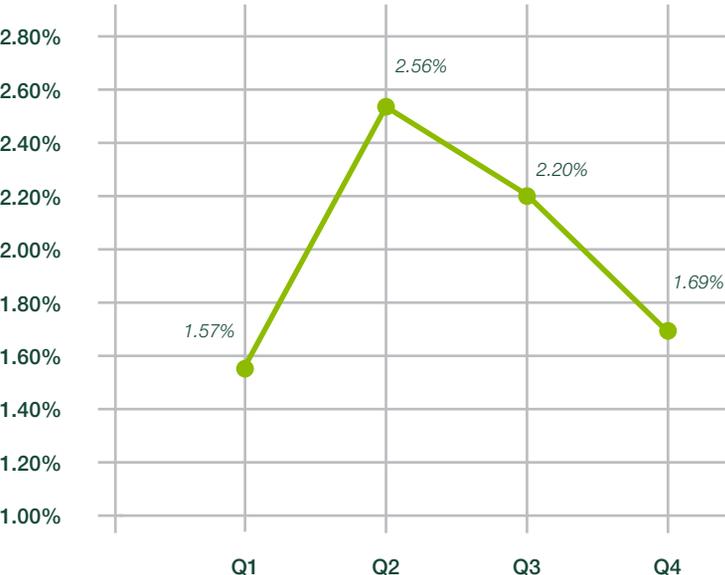
# Credit Quality

Credit Quality is an important measure of credit market that indicates creditworthiness or risk of default of the portfolio. It is measured by taking the ratio of loan accounts with late repayments 30 days past their due date indicated as Non-Performing Loans 30 days (30+ DPD).

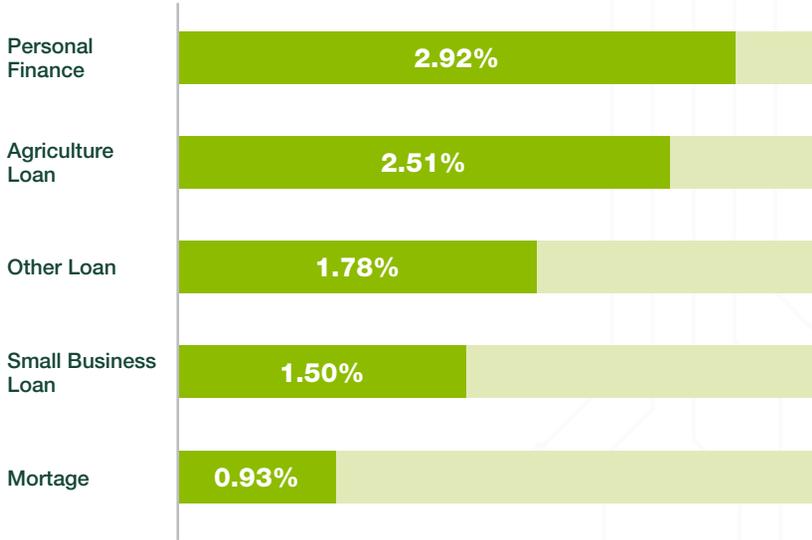
There was quarter on quarter slight increase in 30+ DPD ratio with the steepest increase in Q2. Mortgage showed the lowest 30+ DPD ratio whereas personal finance had the highest 30+ DPD ratio.



30+ DPD Ratio Quarter on Quarter



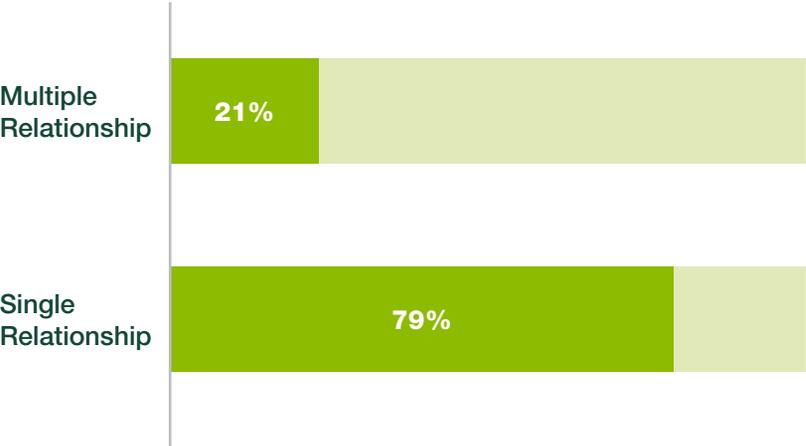
Percentage of 30+ DPD Ratio as of Dec 2020



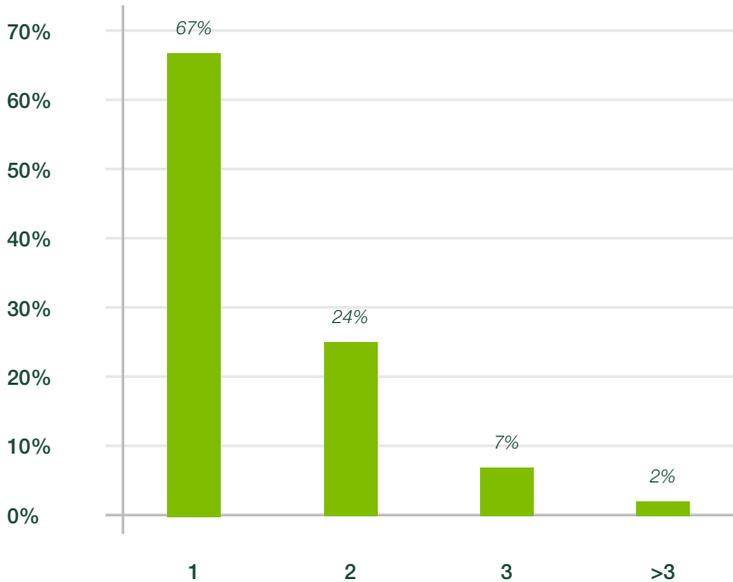
# Loan Relationship

There is an increasing diversification of loan relationship profile of borrowers. A large majority of borrowers have relationship with only one financial institution. While borrowers with one account dominate the portfolio at 67%, there is an increasing distribution in the share of borrowers with more than one account.

### Customer Relationship with Financial Institution



### Percentage of Customers holding Accounts

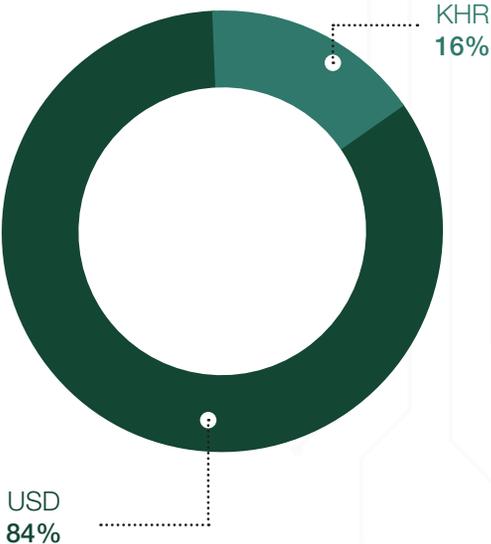


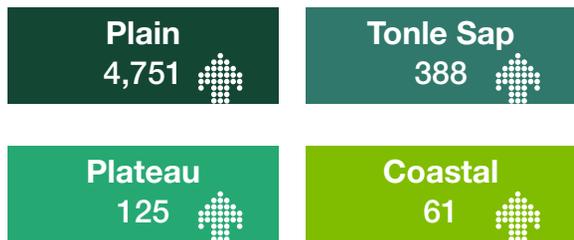
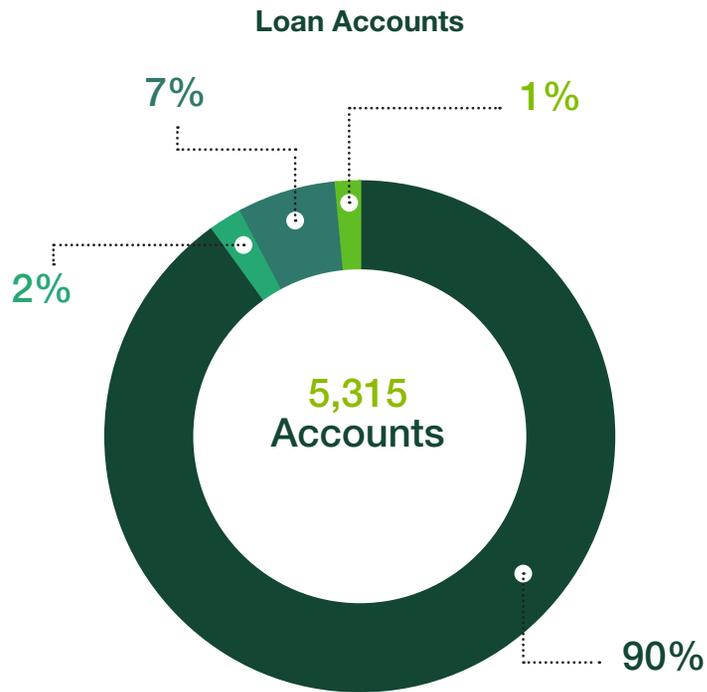
# COMMERCIAL CREDIT MARKET LANDSCAPE IN CAMBODIA

In 2020, there were 3,476 credit inquiries and USD 5.58 billion loan outstanding. The ratio of late repayments past 30 days due was 2.37%. There were 1,330 active commercial borrowers with 5,315 loan accounts. Phnom Penh had the highest concentration of commercial borrowing followed by Siem Reap and Kandal.

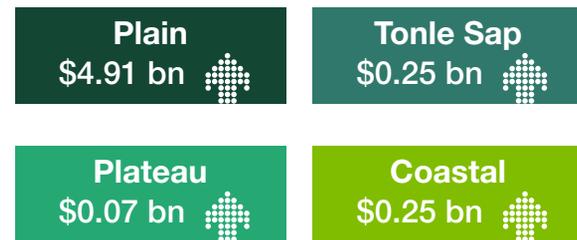
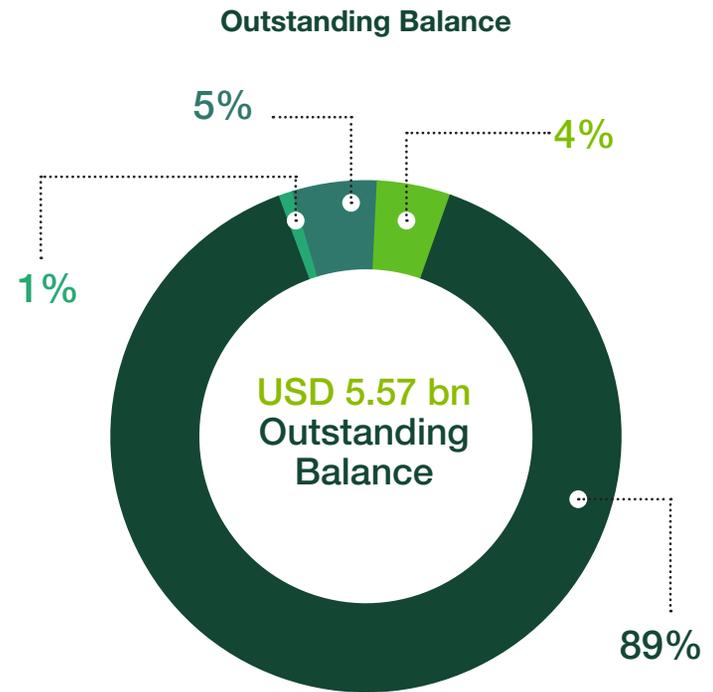
<b>Active Companies</b>  <b>1,330</b>	<b>Loan Accounts</b>  <b>5,315</b>
<b>Credit Enquiries</b>  <b>3,476</b>	<b>30+ DPD</b>  <b>2.37%</b>

Balance by Currency





*\*Additional 8 accounts from other countries*



*\*Additional \$62 mn from other countries*





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Phnom Penh 2020**