

Leading Asia



Maybank

ANNUAL REPORT 2017

Maybank (Cambodia) Plc.

DELIVERING VALUE
ACROSS **ASEAN**



DELIVERING VALUE ACROSS **ASEAN**

As a leading financial services group in ASEAN, we are passionate about our people and we will continue to embrace the diversity of the region. Whether we are serving our customers or communities across the region, our focus on delivering the best customer experience is underpinned by our mission of Humanising Financial Services.

For more than five decades, we have grown not only our physical presence but we are also at the forefront of digital banking developments. We look to constantly deliver value through better services and products and we leverage on technology to deliver seamless banking experiences for all.

As trends continue to evolve, we look forward to serving you better and creating sustainable value for our stakeholders, now and in the future.

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MAYBANK OVERVIEW

Established in 1960, Maybank is the largest financial services group in Malaysia with an established presence in the ASEAN region. We provide a full suite of conventional and Shariah-compliant products and services in commercial banking, investment banking and insurance. Maybank established its presence in Cambodia in 1993 and has since grown from a single branch set-up to become a locally incorporated bank in 2012.

OUR VALUES

fulfil

OUR MISSION

guides

OUR ASPIRATION

Our T.I.G.E.R values are the guiding principles for all Maybankers to serve our mission of Humanising Financial Services.

- T** TEAMWORK
- I** INTEGRITY
- G** GROWTH
- E** EXCELLENCE & EFFICIENCY
- R** RELATIONSHIP BUILDING



We fulfil our customers' ambitions by building trusted relationships that last for generations through thick and thin. We believe in treating all our stakeholders fairly and in simplifying financial solutions.



HUMANISING FINANCIAL SERVICES

As we grow together with our customers, the Maybank brand has reached all 10 ASEAN countries, Greater China and other key global financial markets. Our aspiration is to be the top ASEAN bank, fulfilling our customers' ambitions in the region and linking them to Asia and beyond.



ADVANCING ASIA'S AMBITIONS WITH YOU

OUR DIFFERENTIATORS



We serve our communities in ways that are simple, fair and human, thus embodying our mission of **Humanising Financial Services**



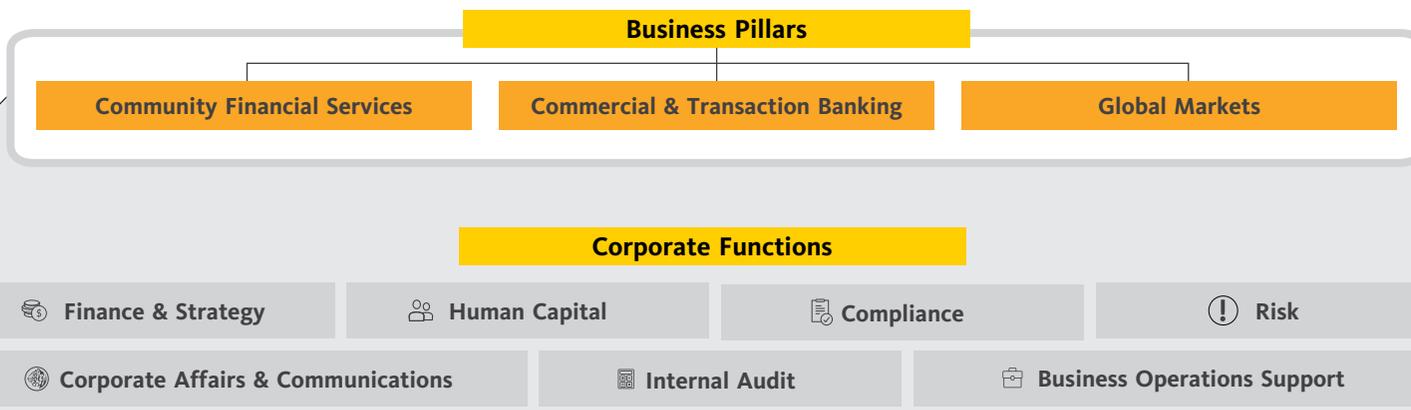
Over **43,000** Maybankers who serve the mission, empowered by the **T.I.G.E.R values**



Our **strong retail community franchise** spanning across **ASEAN**

OUR MAYBANK CAMBODIA STRUCTURE

In serving our mission, we provide an array of financial solutions through three key business pillars, supported by shared corporate functions.



GLOBAL NETWORK

HOME MARKETS

● MALAYSIA

356 branches;
7 branches via Maybank Investment Bank;
24 Etiqa branches & 4 sales offices



● SINGAPORE

21 branches;
2 branches via Maybank Kim Eng;
1 Etiqa office & 1 service centre



● INDONESIA

407 branches;
6 branches via Maybank Kim Eng;
10 branches via Maybank Syariah Indonesia;
16 offices via PT Asuransi Asoka Mas



INTERNATIONAL MARKETS

● BAHRAIN

1 branch



● BRUNEI

2 branches



● CAMBODIA

21 branches



● CHINA

4 branches



● HONG KONG

1 branch;
1 branch via Maybank Kim Eng



● INDIA

1 branch via Maybank Indonesia;
1 branch via Maybank Kim Eng



● LABUAN

1 branch;
1 Etiqa office



● LAOS

2 branches



● MAURITIUS

1 branch via Maybank Indonesia



● MYANMAR

1 branch



● PAKISTAN

1,405 branches via MCB Bank;
1 office via Pak-Kuwait Takaful Company



● PHILIPPINES

74 branches;
3 branches via Maybank Kim Eng;
8 offices via AsianLife & General Assurance



● SAUDI ARABIA

1 affiliate office via Anfaal Capital



● THAILAND

47 branches via Maybank Kim Eng



● UNITED KINGDOM

1 branch;
1 branch via Maybank Kim Eng (London)



● UNITED STATES OF AMERICA

1 branch;
2 branches via Maybank Kim Eng
(New York & San Francisco)



● UZBEKISTAN

1 office via Uzbek Leasing International



● VIETNAM

2 branches;
6 branches via Maybank Kim Eng;
165 branches via An Binh Bank



Visit www.maybank.com/worldwide for more information

DELIVERING VALUE ACROSS ASEAN

Maybank Group is a leading provider of financial services in Asia and an essential part of the ASEAN landscape for almost 60 years. Our strong foundation – robust financial strength, prudence, integrity, innovation and excellence - supports us in delivering our mission of Humanising Financial Services. This mission embodies our commitment to effectively deploy our five sources of capital; financial capital, intellectual capital, manufactured capital, human capital and social & relationship capital, to create value for our stakeholders.

We currently operate in over 2,400 branches across 20 countries including all 10 ASEAN countries. Our broad physical and digital reach enables us to offer an array of unique financial solutions and innovative services, based on cutting-edge technology and at fair terms and pricing, to our customers. And, to reach our goal of becoming the 'Digital Bank of Choice' in the region, we remain steadfast in our focus to deliver the next-generation customer experience to our growing clientele across ASEAN and around the world.

To ensure sustainability of the Maybank Group, we are cognisant of our commitment to environmental, social and governance (ESG) as we strive towards meeting our business targets and delivering on our mission. ESG best practices are embedded in our operations and our progress towards meeting our 20/20 Sustainability Plan is tracked and reported every year.

We also remain deeply committed to the communities where we operate. Maybank Foundation formulates and drives our corporate responsibility initiatives around the region. Through this foundation, Maybank Group and Maybankers actively support initiatives that address some of the region's most pressing environmental needs and most needy communities. These initiatives, which consist of social investments, volunteer efforts and long-term programmes, aim to make the biggest positive impact on its beneficiaries and further entrenches our position at the heart of the communities that we serve.

USD15 million
in community investment

We channel about 1% of net profit to community programmes through Maybank Foundation.

130,209
volunteer hours

Completed through our Cahaya Kasih (CK), which is our main employee volunteerism platform, as well as other external initiatives.

USD6 million
disbursed in scholarships

Supporting access to education across the region to foster academic and non-academic excellence.

11 million
registered M2U users

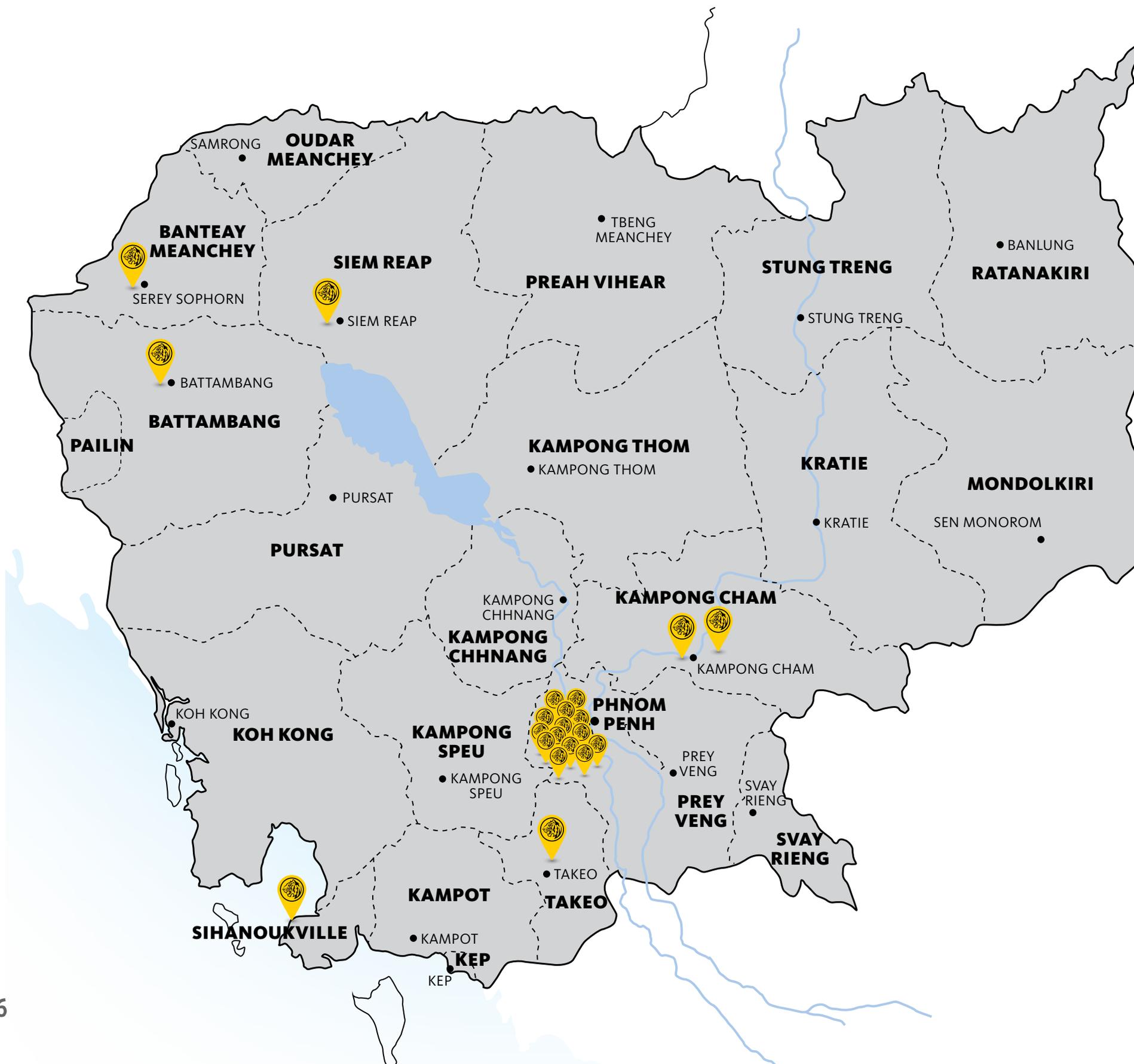
Moving towards embracing the Fourth Industrial Revolution (IR 4.0) with our regional customers. Also, our online crowd funding platform, Maybank Heart, has benefitted 61 beneficiaries and received public donations of over RM1 million.

USD28 million
spent on training & development

Upskilling of our employees to help ensure that we are future-proofing our people while promoting a culture of innovation and mobility for the sustainability of the organisation and our people.

LOCAL BRANCH NETWORK

Maybank is among Cambodia's top ten banks by assets. It was established in Phnom Penh in 1993 and has since grown from a single branch set up to become a locally incorporated bank in 2012. Maybank offers the full range of financial services ranging from corporate, commercial and consumer banking as well as internet and mobile banking. It operates in the main city of Phnom Penh and in most of the major provinces in Cambodia with a network of 21 branches.



LOCAL BRANCH NETWORK

PHNOM PENH BRANCHES



PHNOM PENH MAIN BRANCH
18 December 1993



MAO TSE TOUNG BRANCH
21 January 2009



TOUL KORK BRANCH
28 December 2009



TOEUK THLA BRANCH
17 March 2008



OLYMPIC BRANCH
19 October 2009



KAMPUCHEA KROM BRANCH
28 October 2013



OBEK KAORM BRANCH
28 October 2013



BOENG KENG KANG TI MOUY BRANCH
18 December 2014



CHROY CHANGVAR BRANCH
28 October 2013



PHNOM PENH SPECIAL ECONOMIC ZONE BRANCH
28 October 2012



CHBAR AMPOV BRANCH
10 August 2009



OU RUESSEI BRANCH
29 December 2014



STUNG MEANCHEY BRANCH
26 December 2011

PROVINCIAL BRANCHES



KRONG SOUNG BRANCH
29 December 2014



KAMPONG CHAM BRANCH
29 April 2011



SEREY SOPHORN BRANCH
28 October 2013



SIEM REAP BRANCH
15 June 2009



BATTAMBANG BRANCH
21 June 2010



SIHANOUKVILE BRANCH
13 October 2010



TAKEO PROVINCIAL BRANCH
29 December 2014



TA KHMAO BRANCH
09 June 2014

Visit www.maybank2u.com.kh/about-us for more information

Overview

Financial Capital

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THE MAYBANK BRAND

MAYBANK. HUMANISING FINANCIAL SERVICES



**Maybank
Brand Value
USD2.5
BILLION**

Maybank has been a key driving force behind the rise of businesses and economies across ASEAN and making a positive impact in the communities that we serve. We have supported the development of both infrastructure and people in business, government, communities and sports in ways we can.

With our mission of 'Humanising Financial Services', Maybank has retained lead position as Malaysia's most valuable bank brand and amongst the top 100 bank brands globally with a brand value of USD2.5 Billion. Maybank is the only AAA bank brand in Malaysia.

PEOPLE FOR PEOPLE



Maybank invests to improve the way we live and embark on technology to push our imagination. We champion ingenuity, creativity, compassion, camaraderie, teamwork and integrity. We believe this enables us to inspire each other and to push further and reach our fullest potential.

ENRICHING OFFERINGS VIA DIGITAL BANKING



Our digital approach is centred on four key areas: enriching our customer offerings, investing in strategic capabilities, exploring broadly and understanding deeply and building and participating in the digital ecosystem. This has seen us taking the lead in payments and digital wallets, channel digitalisation, in building internal R&D capabilities, in investing in data science and new applications, as well as in engaging with governments, regulators, Fintech companies and global leaders to build truly differentiated digital offerings for our customers.

CLOSER TO HEART



Our strong presence in all 10 ASEAN countries puts us in an opportune position to make a positive difference to the communities we serve, not only economically, but also socially and environmentally. Guided by our mission to 'Humanise Financial Services', we have undertaken various impactful corporate initiatives such as MaybankHeart. MaybankHeart is a unique online crowd funding platform that provides the general public with information on NGO projects that require funding. To date, Maybank Heart has benefitted 61 beneficiaries and received public donations of over RM1 million.

CELEBRATING OUR UNSUNG HEROES



This year, Maybank pays tribute to our unsung heroes; those who have fought for us in the name of honour, freedom, and to ensure our security. Our Unsung Heroes series, launched in conjunction with Malaysia's 60th Independence, showcases the sacrifices made by our elders and the troubled past of Malaysia. It reveals the hardships endured by our parents and grandparents to shape a better Malaysia for us today. By learning from the past, we can see the way ahead and understand what is needed to be a leader in unity, multi ethnicity and economic transformation. We also see how humanising every part of our lives will lead to a future that benefits all of us.

SWINGING BIG ACROSS ASEAN



Maybank is the first financial institution in Malaysia to champion a structured long term development of golf in Malaysia and across the ASEAN region, beginning its support of the game in 2006. This included direct sponsorship of selected players; creating playing platforms for ASEAN talent to experience international tournaments; monetary support through the prize purses sponsored; and creating, maintaining and promoting of the Maybank Championship that allows aspiring players the perfect platform to springboard to international success.

Part of Maybank's on-going commitment to developing excellence in golf across ASEAN, is the appointment of Gavin Green as Maybank's ASEAN Ambassador. Green, who turned professional in 2015, is now the second youngest golfer and the first Malaysian to win the accolade of Order of Merit champion on the Asian Tour. Gavin Green is an example of what we see as an effective talent development initiative where Maybank empowers dedicated, focused and ambitious young talents and help them reach new heights.

STRATEGIC BUSINESS UNITS



MALAYAN BANKING BERHAD IS THE HOLDING COMPANY AND LISTED ENTITY FOR THE MAYBANK GROUP WITH BRANCHES IN MALAYSIA, SINGAPORE AND OTHER INTERNATIONAL FINANCIAL CENTRES SUCH AS LONDON, NEW YORK, HONG KONG AND BAHRAIN.

Maybank's key overseas subsidiaries are PT Bank Maybank Indonesia Tbk, Maybank Philippines Incorporated and Maybank (Cambodia) Plc. The major operating subsidiaries are Maybank Islamic Berhad, Maybank Investment Bank Berhad, Maybank Kim Eng Holdings Limited and its subsidiaries, Etiqa Insurance Berhad, Etiqa Takaful Berhad, and Etiqa Insurance Pte Ltd. Maybank has associate companies in Pakistan (through 18.78%-owned MCB Bank), Vietnam (through 20%-owned An Binh Bank) and Uzbekistan (through 19.7%-owned Uzbek Leasing International A.O.).

ISLAMIC BANKING



MAYBANK ISLAMIC BERHAD

Maybank Islamic Berhad is Maybank Group's wholly-owned, full-fledged licensed Islamic bank and the leading provider of Islamic financial products and services in ASEAN. It leverages on the Group's system and IT infrastructure, as well as its distribution network to offer end-to-end Shariah-based financial solutions across 454 Maybank touchpoints in Malaysia, as well as our overseas operations in Indonesia, Singapore, Hong Kong, London, Labuan and Bahrain. Maybank Islamic is the domestic market leader in total assets, total financing and total funding (Deposits and Unrestricted Investment Account) as well as profitability across all key business segments.



MAYBANK SYARIAH INDONESIA

PT Bank Maybank Syariah Indonesia is a subsidiary of Maybank. Established in 1995, it offers a wide range of banking services including corporate banking, transaction banking, treasury as well as corporate advisory services and is committed to become the most prominent and preferred Wholesale Shariah financial services provider in Indonesia and the region.

INVESTMENT BANKING



MAYBANK INVESTMENT BANK BERHAD

Maybank Investment Bank Berhad is the wholly-owned subsidiary of Maybank and the Malaysian investment banking operation of Maybank Kim Eng. It offers a complete range of investment banking products and solutions including debt advisory and arrangement via bonds/sukuk, project financing, leverage financing and loan syndication, corporate finance, equity capital markets, merger and acquisition advisory, sector advisory, strategic advisory, retail and institutional securities broking, equities derivatives and research.



MAYBANK KIM ENG HOLDINGS LIMITED

Maybank Kim Eng Holdings Limited (MKE) is the wholly-owned investment banking arm of Maybank with offices in Singapore, Hong Kong, Thailand, Indonesia, the Philippines, India, Vietnam, Great Britain, and the United States of America. Having been in ASEAN for more than 40 years, MKE is a leader in many of the markets that it operates in and offers a suite of financial solutions, which include debt advisory and arrangement via bonds/sukuk, project financing, leveraged financing and loan syndication, corporate finance, equity capital markets, merger and acquisition advisory, sector advisory, strategic advisory, equities derivatives, retail and institutional securities broking and research.

STRATEGIC BUSINESS UNITS

INSURANCE & TAKAFUL



ETIQA

Etiqa represents Maybank Group's Insurance and Takaful businesses, offering a full range of Life and General conventional insurance policies as well as Family and General Takaful plans via our multi distribution channels of over 10,000 agents, 24 standalone branches throughout Malaysia, over 350 Bancassurance network via Maybank branches and third-party banks, co-operatives and brokers, as well as an online platform.

Etiqa is one of the pioneers for online direct sales through www.etiqa.com.my, www.motortakaful.com as well as the Group's Maybank2u online platform and is the No. 1 digital insurance player in Malaysia, with total premium/contribution of more than RM100 million.

Etiqa International Holdings Sdn Bhd (EIHSB), wholly-owned by Maybank, is the holding company of Etiqa. Apart from Malaysia (via Etiqa Insurance Berhad and Etiqa Takaful Berhad), Etiqa also has presence in Singapore (via Etiqa Insurance Pte Ltd), Indonesia (via PT Asuransi Asoka Mas) and the Philippines (via AsianLife and General Assurance Corporation).

Following BNM's requirement for composite license insurers to split their businesses into respective business lines effective 1 January 2018, Group Insurance and Takaful in Malaysia now operates as four different entities comprising Etiqa Life Insurance Berhad, Etiqa General Insurance Berhad, Etiqa Family Takaful Berhad and Etiqa General Takaful Berhad.

ASSET MANAGEMENT



MAYBANK ASSET MANAGEMENT GROUP BERHAD

Maybank Asset Management Group Berhad (MAMG), is one of the pioneers in the local asset management industry with a highly capable fund management team, averaging over 20 years of individual investment experience and expertise in Asian markets. MAMG offers a diverse range of conventional and Islamic investment solutions and manages portfolios that range from equity, fixed income to money market instruments for high net-worth individuals, corporates and institutions.

MAMG also offers alternative investment solutions and maintains several strategic partnerships with reputable asset managers such as BNY Mellon Investment Management and Azimut Group to leverage on their expertise and global investment capabilities.

MAMG operates across the Group's three home markets, Malaysia, Singapore and Indonesia through Maybank Asset Management Group Berhad, Maybank Asset Management Malaysia Sdn Bhd, Maybank Islamic Asset Management Sdn Bhd, Maybank Private Equity Sdn Bhd, Maybank Asset Management Singapore Pte Ltd and PT Maybank Asset Management.

INTERNATIONAL OPERATIONS



MAYBANK SINGAPORE

Maybank Singapore is a Qualifying Full Bank (QFB) with a net asset size of approximately SGD65.8 billion and staff strength of over 1,800. It provides a full suite of financial solutions in the retail, wholesale and global banking markets catering to individuals (including private and global banking clients), businesses and corporations.

Recognised by the Monetary Authority of Singapore as a domestic systemically important bank, it is one of seven major banks that is deemed to have a significant impact on Singapore's financial system and the broader economy.

Its network of 27 service locations in Singapore is one of the largest among foreign banks. As part of the atm5, Singapore's only shared ATM network among six participating QFBs, Maybank has a combined reach of more than 200 ATMs island-wide.



PT BANK MAYBANK INDONESIA TBK

PT Bank Maybank Indonesia Tbk (Maybank Indonesia) is a subsidiary of Maybank and is listed on the Indonesia Stock Exchange (Ticker: BNII). It provides a comprehensive range of products and services to individual and corporate customers through its Community Financial Services (Retail Banking and Non-Retail Banking) and Global Banking businesses through its network of 407 branches (which includes 13 Micro Functional offices, 10 Shariah branches, and two overseas branches in Mumbai and Mauritius) and 1,606 ATMs including 96 cash deposit machines. Maybank Indonesia is the ninth largest commercial bank by assets and has total customer deposits of IDR121.3 trillion and IDR173.3 trillion in assets as at 31 December 2017.

INTERNATIONAL OPERATIONS (Cont'd)



MAYBANK PHILIPPINES

Maybank Philippines Incorporated (MPI) is a full-fledged commercial bank with 74 branches - the largest branch network amongst the foreign banks in the country. Providing both retail and wholesale banking services, MPI offers a wide array of financial solutions customised for emerging affluent and affluent clients, retail SMEs, top and mid-tier corporations in the Philippines. MPI is also involved in treasury business, including money market and foreign exchange as well as trust services.



MAYBANK GREATER CHINA

Maybank Greater China consists of branches in Hong Kong, Shanghai, Beijing, Kunming and Shenzhen. We provide wholesale banking services to corporate clients in Hong Kong and China, primarily to inbound ASEAN corporates, Chinese/HK corporates with regional operations and projects as well as financial institutions. Maybank Hong Kong also offers Private Wealth products for our high net worth clients.



MAYBANK CLMV

Maybank CLMV represents Maybank's presence in Cambodia, Laos, Myanmar, and Vietnam. In Cambodia, we operate through our subsidiary, Maybank Cambodia PLC (MCP), which was established since 1993 and locally incorporated in 2012. MCP provides a full range of banking services to emerging affluent and affluent consumers, retail SMEs and corporate clients through 21 branches across Cambodia. In Laos, we serve retail SMEs and corporate clients through two branches in Vientiane. In Myanmar and Vietnam, Maybank offers wholesale banking services including capital expenditure financing, working capital, trade & FX products and project financing to regional corporate clients. Maybank is also the first and only Malaysian bank to be granted a foreign banking license by the Central Bank of Myanmar since 2015.



MAYBANK NEW YORK

Maybank New York has been in operation since 1984 and engages in wholesale banking, with an emphasis on corporate lending, treasury and capital markets as well as trade finance. The branch also participates in loan syndications and bilateral arrangements.



MAYBANK LONDON

Established in 1962, Maybank London serves as an ASEAN-Europe banking partner to corporate clients and financial institutions, focusing primarily in corporate lending, treasury, capital markets and trade finance. We also provide Shariah-compliant products to corporate and high net worth retail clients.



MAYBANK BRUNEI

Established for 57 years, Maybank Brunei provides a full range of retail and commercial banking services and products through our two branches located in Bandar Seri Begawan and Seria.

ASSOCIATES



MCB BANK LTD

MCB Bank (MCB) is an 18.78%-owned associate of Maybank. Incorporated in 1947 and privatised in 1991, it operates as one of the premier financial institutions in Pakistan with more than 70 years of experience. MCB serves through a network of 1,405 branches within Pakistan and 11 branches outside the country and has a presence in Sri Lanka, Dubai, Bahrain and Azerbaijan. MCB also caters to the financial needs of the growing Islamic segment through its wholly owned subsidiary, MCB Islamic Bank Limited. In 2017, MCB acquired NIB Bank Limited through a share swap arrangement.



AN BINH BANK

An Binh Bank (ABBank) is a 20%-owned associate of Maybank. Founded in May 1993, ABBank offers a full range of retail and commercial banking products and services through its network of 165 branches and sub-branch offices across 34 provinces in Vietnam.



UZBEK INTERNATIONAL A.O.

Uzbek Leasing International A.O. (Uzbek Leasing) is a 19.7%-owned associate of Maybank. It specialises in providing a wide spectrum of financial and leasing services across eight representative offices in the country and is a member of the Association of International Business and Technology which brings together experts and partners in the field of International business.

GROUP CORPORATE STRUCTURE

AS AT 31 DECEMBER 2017



COMMERCIAL BANKING

- **ISLAMIC BANKING**
 - 100% Maybank Islamic Berhad (Islamic Banking)
 - 100% PT Bank Maybank Syariah Indonesia (Islamic Banking)
- 98.31%* PT Bank Maybank Indonesia Tbk (Banking)
 - 100% PT Maybank Indonesia Finance (Multi-financing)
 - 68.55% PT Wahana Ottomitra Multiartha Tbk (Multi-financing)
- 99.97% Maybank Philippines, Incorporated (Banking)
- 100% Maybank (Cambodia) Plc (Banking)
- 18.78% MCB Bank Ltd (Banking)
- 20% An Binh Commercial Joint Stock Bank (Banking)
- 19.70% Uzbek Leasing International A.O. (Leasing)

INSURANCE & TAKAFUL

- 100% Etiqa International Holdings Sdn Bhd (Investment Holding)
 - 69.05% Maybank Ageas Holdings Berhad (Investment Holding)
 - 100% Etiqa Insurance Berhad (Life & General Insurance and Investment-linked Business)
 - 100% Etiqa Takaful Berhad (Family & General Takaful and Investment-linked Business)
 - 100% Etiqa Life Insurance Berhad# (Life & Investment-linked Business)
 - 100% Etiqa General Takaful Berhad# (General Takaful Business)
 - 100% Etiqa Insurance Pte Ltd (Underwriting of General Insurance and Life Insurance Businesses)
 - 100% Etiqa Life International (L) Limited (Offshore Investment-linked Insurance)
 - 100% Etiqa Offshore Insurance (L) Limited (Bureau Services)
 - 100% Etiqa Overseas Investment Pte Ltd (Investment Holding)
 - 32.50% Pak-Kuwait Takaful Company Limited (Takaful Business)
 - 75% PT Asuransi Asoka Mas (Insurance Provider)
 - 95.24%@ AsianLife & General Assurance Corporation (Insurance Provider)

INVESTMENT BANKING

- 100% Maybank International Holdings Sdn Bhd (Investment Holding)
 - 100% Maybank Kim Eng Holdings Limited (Investment Holding)
 - 100% Maybank Kim Eng Securities Pte Ltd (Dealing in Securities)
 - 83.50% Maybank Kim Eng Securities (Thailand) Plc (Dealing in Securities)
 - 100% Maybank ATR Kim Eng Capital Partners, Inc (Corporate Finance & Financial and Investment Advisory)
 - 100% Maybank ATR Kim Eng Securities Inc (Dealing in Securities)
 - 80% PT Maybank Kim Eng Securities (Dealing in Securities)
 - 100% Maybank Kim Eng Securities (London) Limited (Dealing in Securities)
 - 100% Maybank Kim Eng Securities USA Inc (Dealing in Securities)
 - 100% Kim Eng Securities (Hong Kong) Limited (Dealing in Securities)
 - 75% Kim Eng Securities India Private Limited (Dealing in Securities)
 - Other Subsidiaries
- 100% Maybank Investment Bank Berhad (Investment Banking)
 - 100% BinaFikir Sdn Bhd (Consultancy and Advisory)
 - 35.32% Anfaal Capital^ (Investment Banking)
 - Other Subsidiaries

ASSET MANAGEMENT

- 100% Maybank Asset Management Group Berhad (Investment Holding)
 - 100% Maybank Asset Management Sdn Bhd (Fund Management)
 - 99% PT Maybank Asset Management (Fund Management)
 - 100% Maybank Islamic Asset Management Sdn Bhd (Fund Management)
 - 100% Maybank Private Equity Sdn Bhd (Private Equity Investments)
 - 100% MAM DP Ltd (Fund Management)
 - 100% Maybank Asset Management Singapore Pte Ltd (Fund Management)

OTHERS

- 100% Maybank Trustee Berhad (Trustee Services)
- 100% Maybank Shared Services Sdn Bhd (IT Shared Services)
 - 100%** MBB Labs Pte Ltd (IT Development Services)
- 100% Cepak Mentari Berhad (Securities Issuers)
- Other Subsidiaries

Notes:

1. This chart is not the complete list of Maybank subsidiaries and associates. Companies that are not shown include those that are dormant, under liquidation, have ceased operations, or are property investment or nominee services companies. For the complete list please refer to Note 63: Details of Subsidiaries, Deemed Controlled Structured Entities, Associates and Joint Ventures in the Financial Statements book of the Annual Report 2017.
 2. Where investment holding companies are omitted, shareholdings are shown as effective interest.
- * Effective interest held by the Group. Refer to Note 63, footnote 15, page 282 in the Financial Statements book of the Annual Report 2017 for the details.
- ** 0.01% is held by Dourado Tora Holdings Sdn Bhd.
- ^ Joint Venture
- # New subsidiaries incorporated in Malaysia under the Companies Act, 2016. Refer to Note 60(i)(c), page 245 in the Financial Statements book of the Annual Report 2017 for the details.
- @ Effective interest held by the Group. 54.66% is held by Etiqa International Holdings Sdn Bhd and 40.58% is held by Maybank ATR Kim Eng Capital Partners, Inc.

OUR BUSINESS MODEL

USING KEY RESOURCES

TO CREATE VALUE FOR

OUR STAKEHOLDERS



Financial Capital

Our source of funds are derived from operations, equity and other liability instruments



Intellectual Capital

Our R&D, intellectual property, digital knowledge, framework, processes, policies & procedures, know-how and systems.



Manufactured Capital

Our physical & digital infrastructure



Human Capital

Maybankers, the Board, senior management and other special committees empowered by our T.I.G.E.R values



Social & Relationship Capital

Our relationship with the communities that we operate in

OUR STRATEGY

Staying true to our mission of Humanising Financial Services, Maybank is focused on two imperatives to create sustainable value to the communities we serve.

- ▶ **Maximise our potential in ASEAN**, a region with a burgeoning middle class, large young population and opportunities in the under-banked segment as well as growing trade activities from the ASEAN Economic Community (AEC). We aspire to bring financial services to everyone in ASEAN, while also partnering with our clients who would want to grow their businesses across the region.
- ▶ **Meeting the ever evolving customer needs** by continuously transforming ourselves through **digital innovation** to better serve our customers in a fast, simple and efficient manner

OUR STRATEGIC OBJECTIVES

The imperatives define our strategy to be the top ASEAN bank, which is digitally empowered to serve our customers and is executed through our current 5-year strategic plan, the Maybank²⁰²⁰ strategic objectives:

The Top ASEAN Community Bank

We aim to be a leading retail & commercial financial services provider in ASEAN, leveraging on our regional presence, banking expertise and growth opportunities in ASEAN

The Leading ASEAN Wholesale Bank Linking Asia

We aspire to be the trusted ASEAN financial partner that links Asia by leveraging our ASEAN leadership capabilities to deliver client solutions across Asia

The Leading ASEAN Insurer

We aim to be a leading ASEAN Insurer by leveraging synergies between Maybank's regional banking footprint and Etiqa's expertise in takaful & bancassurance

The Global Leader in Islamic Finance

We plan to continue delivering innovative client-centric universal financial solutions, building on our global leadership in Islamic Finance

The Digital Bank of Choice

We aspire to be the digital bank of choice by putting our customers' preferences first and transforming to deliver next-generation customer experience

OUR GOVERNANCE

In creating value, we live up to our T.I.G.E.R values and work within our well established governance structure. This structure supports strategic decision making, balancing short-term and long-term objectives to ensure sustainability of our business and the communities we serve.

Effective leadership:

Our diverse and knowledgeable Board provides counsel and oversight to the Senior Management team, which executes the Maybank Group's strategy to drive value creation and improve performance

Core values, ethics and conduct:

We anchor our practices and credibility on our strong T.I.G.E.R values

Robust risk management and internal controls:

Our effective system of managing internal and external risks safeguards our assets and stakeholder interests

Measurement of performance:

We track our progress using a balanced scorecard to evaluate our performance against our strategic objectives, which is consequential to remuneration decisions

Continuous focus on upskilling and training:

Our emphasis on employee upskilling and talent development ensures that we have a sustainable workforce for the future, particularly in the digital age

Value created is distributed to our stakeholders in both financial and non-financial value.



Customers

Our customers are amongst the first to have access to new product and channel innovations, thereby enriching their experience in fulfilling their financial needs.



Investors

Our strong focus on business growth and productivity is translated into healthy profits and dividend payout for our shareholders.



Regulators

Our continuous effort to uphold the highest standard of compliance culture, in line with evolving regulatory requirements ensures the sustainability of our business and the communities we serve.



Community

Our community programmes across ASEAN supports local communities to become financially independent.



Employees

Our focus on talent development, flexible working arrangement and reward system ensures our people have a meaningful and exciting work environment.

ORGANISATION STRUCTURE

AS AT MARCH 2018



Dato' Mohd Hanif Suadi
Chief Executive Officer

BUSINESS

COMMUNITY FINANCIAL SERVICES



DATO' MOHD HANIF SUADI
Head, Community Financial Services

- Business Banking
- RSME
- Consumer Finance
- Premier Wealth
- Funding, Deposit & Bancassurance
- Virtual Banking & Payments
- Cards Business
- Community Distribution- Branches



SOK LENG
Head, Business Banking



TY CHANKRISNA
Head, Community Distribution



KUCH BOPHA
Head, Premier Wealth



SENG SOVIDIA
Head, RSME



SANDY CHUA
Head, Consumer Finance



CHEA MARAT
Head, Virtual Banking & Payments

wef April 2018



CHEA KECH
Head, Cards Business

CORPORATE & TRANSACTION BANKING



KROURCH SATHYA
Head, Corporate & Transaction Banking

- Client Coverage
- Corporate Banking
- Transaction Banking

GLOBAL MARKETS



THANABALAN V C KARAN
Head, Global Markets, Indochina

- Money Market
- FI/ FX Sales & Advisory

ORGANISATION STRUCTURE

CORPORATE SECRETARIES

QAZREEN CHAN ABDULLAH
Corporate Secretary

LONG BEANG
Joint Corporate Secretary

INTERNAL AUDIT

SOK CHANDARA
Head, Internal Audit

COMPLIANCE

TAING LIDY
Head, Compliance

FUNCTION

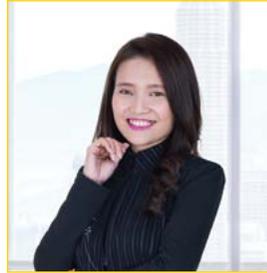
FINANCE & STRATEGY



LIONG KHAI SIM
Head, Finance & Strategy

- Finance Operations & Tax
- Strategy
- Performance Reporting
- Procurement
- Financial Regulatory Reporting
- Capital & Liquidity Management

HUMAN CAPITAL



QAZREEN CHAN ABDULLAH
Head, Human Capital, Indochina

- Recruitment
- Compensation & Benefits
- Learning & Development
- Performance Management
- Employee Effectiveness & Communications

RISK MANAGEMENT



MOHAMMAD FAUZI ABD WAHAB
Chief Risk Officer

- Credit Management
- Risk - Enterprise
- Risk - Operations

BUSINESS OPERATIONS SUPPORT



KHOO ENG HOE
Head, Business Operations Support

- Centralised Operations
- Branch Operations
- Information Technology
- Property & Security
- Customer Experience
- Credit Administration & Loan Management

CORPORATE AFFAIRS & COMMUNICATIONS



QAZREEN CHAN ABDULLAH
Head, Corporate Affairs & Communications

- Corporate & Strategic Marketing
- Corporate Affairs & Sustainability
- Branding
- Corporate Communications
- Corporate & Legal Services

“WE CONTINUE TO
FOCUS ON
EMPOWERING AND
DEVELOPING OUR
HUMAN CAPITAL IN
ORDER TO REMAIN
RELEVANT AND FUTURE-
PROOF IN A RAPIDLY
EVOLVING BUSINESS
ENVIRONMENT. ”

DATO' JOHAN BIN ARIFFIN
CHAIRMAN



DEAR SHAREHOLDERS,

I am pleased to present our 2017 Annual Report and audited accounts for the financial year ended 31 December 2017. This year proved challenging for us with the Bank registering a lower net profit of USD5.3M in the FY2017 (2016: USD14.4M) on the back of higher Provision for Loan Losses. We undertook impairment of certain loans to recognize upfront asset quality deterioration, and to make adequate loan loss provisioning for these impaired loan assets in 2017. Notwithstanding I am pleased to note the Bank managed to register double-digit growth in pre-provision operating profit of 16.7% (2016: 9.0%) on the back of stronger growth in fee-based income of 24.3% (2016: 14.4%).

On our business growth, we took the opportunity in 2017 to rebalance our loans portfolio towards retail SME and the consumer loans segments. As a consequence, Gross Loans and Advances did not register YoY growth, landing at USD558.4 million in 2017 (2016: USD560.0 million), while our Customer Deposits continued to grow at a sustainable pace of 7.4% to USD705.8 million in 2017 from USD657.1 million in 2016.

We have obtained approval to increase our registered capital by another USD10 million in March 2018 to meet the required Minimum Registered Capital of USD75 million for commercial banks as required by the National Bank of Cambodia. The Bank's Solvency Ratio remained well capitalized at 21.7% as at 31 December 2017.

We continue to focus on empowering and developing our human capital in order to remain relevant and future-proof in a rapidly evolving business environment. In 2017, we intensified a number of professional accreditation programmes for our staff, for purpose of advancing, upskilling and preparing our Maybankers in shaping the future of the Bank. Many of our young local staff have taken on leadership roles, reinforcing our commitment to our people development programmes and succession planning.

As in the past years, we also continued with our mission of Humanising Financial Services through our focus on creating sustainable value by championing initiatives for the communities in Cambodia. We invest to make an impact on the communities in which we operate, focusing on education and community empowerment. Maybank's consistent drive for corporate responsibility in the community has resulted in us being duly recognized, both within our Group and internationally. A notable achievement is the recent "Best CSR Initiative" award by the Retail Banker International Asia Trailblazer Awards, which is a testament to our contributions to the general economy, financial market and social environment of Cambodia.

On changes to the Board, I would like to welcome our newest director, Mr Anthony Brent Elam, who was appointed to the Board on 31 October 2017. With this appointment, we bid farewell to Datuk R. Karunakaran, who left the Board as a director during the same month. In early October 2017, Ms

Pollie Sim had also stepped down as a director of the Board. We would like to extend our warmest appreciation for their services and contributions to Maybank Cambodia.

In March 2018, we've also had a change in the CEO leadership with Ms Cynthia Liaw completing her assignment at Maybank Cambodia, and returning to take on a senior role in Maybank Singapore. We thank Ms Cynthia for steering Maybank Cambodia through an exciting period of change, for her commitment and dedication to building an institution that has become very well respected in the Cambodian banking industry.

Succeeding the role as the new CEO of Maybank Cambodia is Dato' Mohd Hanif Suadi, who has had a distinguished career with our Maybank Group for 43 years and is a proven versatile Banker. The Board welcomes him and we are confident that with his impressive credentials and vast experience, he will spur MCP's future plans, as well as growth momentum and bring our Bank to greater heights in Cambodia.

Finally, on behalf of the Board, I would like to thank my Board colleagues, as well as our CEO and the Executive Committee members and all Maybankers in efficiently discharging our respective responsibilities. I would also like to take this opportunity to thank all our stakeholders – regulatory authorities, customers, business partners, and the community – for the overall support you have given Maybank in enabling us to make our strides towards living our aspiration of "Advancing Asia's Ambitions with You whilst Humanising Financial Services". In particular, I am pleased to extend our thanks and appreciation for the ongoing guidance and support we have received from the National Bank of Cambodia over the years. We look forward to the continuous support from all stakeholders in ensuring Maybank continues to deliver balanced, sustainable and inclusive growth in 2018 and beyond.

Thank you.

DATO' JOHAN BIN ARIFFIN
Chairman

CHAIRMAN'S REFLECTIONS

REFLECTIONS FROM OUR CEO

“We will look at expanding with productive paranoia, our fund and fee income from selective assets growth in targeted market segments, with a clear freedom-within-framework go-to-market strategy, better discipline in asset quality and pricing coupled with institutionalizing collections while further growing our CASA base to minimize NIM compression.”

DATO' MOHD HANIF SUADI

Chief Executive Officer

DEAR SHAREHOLDERS,

Since coming on board as the new CEO on 1 March 2018, I am excited to pursue our plans to deliver delightful banking experience to our customers and in this regard are leveraging on our Group transformation journey – Maybank²⁰²⁰ to continue building on our strengths, and to develop new platforms to partner and grow with our customers and stakeholders here in the Kingdom of Cambodia.

REVIEW OF 2017 PERFORMANCE

The domestic economy continued to expand at a steady pace of 6.8 per cent in 2017 from higher public spending, robust construction and tourism activities. Overall credit growth has however slowed in line with concerted policy measures, although there is still strong credit growth in real estate-related sector supported by demand from Cambodia's growing middle income population.

Against this challenging backdrop, Maybank Cambodia has recorded a lower net profit of USD5.3M in the FY2017 (2016: USD14.4M) on the back of higher Provision for Loan Losses as we undertook impairment on certain loans.

Notwithstanding, the Bank managed to register a double-digit growth in pre-provision operating profit of 16.7% (2016: 9.0%) on the back of stronger growth in fee-based income of 24.3% (2016: 14.4%) coupled with lower overheads cost by 6.1%.

As part of our strategy to improve our fee income contribution, we have registered commendable growth in fee based income by 24.3% YoY (2016: 14.4% YoY). As a result, the fee-to-income ratio had improved to 22.1% (2016: 18.6%). This performance is a result from our conscious effort in introducing more products and services to our customers such as cross-border and cross-currencies solutions and cards business.

Our ongoing productivity improvements and cost management efforts have also yielded some results with one of the key banking productivity indicators, Cost to Income Ratio improving to 47.5% as against last year's 52.9%.

Towards the 4th quarter of FY2017, we sought to rebalance our business banking loans portfolio while pursuing a strong appetite for our core business of retail SME and consumer loans segments. This has resulted in Gross Loans and Advances not registering YoY growth, at USD558.4 million from USD560.0 million in 2016. We were able to capitalize on our bigger branch footprint and brand visibility to help strengthen our funding capability. As a result, our Customer Deposits grew higher by 7.4% to USD705.8 million in 2017 from USD657.1 million in 2016.

In the area of asset quality, we take cognizance of the need to grow responsibly and the need to balance sustainable business growth with preservation of asset quality. In light of the challenging business environment and more prudent regulatory requirements, we took steps to recognize upfront asset quality deterioration, and to provide adequately loan loss provisioning for these impaired loan assets in 2017.

Non-performing loan ratio deteriorated to 4.5% in 2017 when compared to last year's 1.8%.

WHAT'S NEXT FOR MAYBANK - OUR OUTLOOK FOR 2018

We will look at expanding with productive paranoia, our fund and fee income from selective assets growth in targeted market segments, with a clear freedom-within-framework go-to-market strategy, better discipline in asset quality and pricing coupled with institutionalizing collections while further growing our CASA base to minimize NIM compression.

We will take a controlled aggression approach to drive productivity improvements and maintain disciplined spend to ensure that our overheads growth is in a comfortable range vis-à-vis our net operating income. This is in line with our aspiration to establish a sustainable and efficient operating model.

APPRECIATION

My appointment as CEO in Maybank Cambodia would not have been possible without the support and assistance I have warmly received from all Maybankers. I wish to acknowledge all our employees for their commitment and contribution to the performance of the Bank last year as we would not be the Maybank we are today without the contribution of our employees, past and present. I would also like to extend my deepest appreciation to our customers and business partners for their continued trust and support rendered in what has

been a somewhat challenging year. Special thanks is due to our outgoing CEO, Ms Cynthia Liaw particularly in building up our consumer business capability and infrastructure, to position the Bank in the next phase of growth, which has benefitted us immensely. I am also grateful for the valuable guidance provided by the members of the Maybank Cambodia Board of Directors, as well as the regulatory bodies, particularly the National Bank of Cambodia.

Thank you.

Our Maybank, Our Future.

DATO' MOHD HANIF SUADI
Chief Executive Officer



RECOGNISED FOR
Best CSR Initiative
IN THE 9TH ANNUAL RETAIL BANKER
INTERNATIONAL ASIA TRAILBLAZER AWARDS 2018



RECOGNISED AS THE
Outstanding Retail Bank
AT THE CAMBODIA BANKING
AWARDS 2017



REFLECTIONS FROM HEAD, FINANCE & STRATEGY

SUSTAINABLE, RESILIENT FINANCIAL DELIVERABLES

As with FY2017, we intend to continue driving productivity improvements and cost management to ensure that we manage our overheads growth in a comfortable range vis-a-vis our net operating income. This is in line with our aspiration to establish a sustainable and efficient operating model, and is also aligned with the Group's Direction.

OVERVIEW OF FY2017

Profit & Loss Summary (USD)	FY2017	FY2016	YOY
Net interest income	27,501,162	27,458,346	0.16%
Net fee & commission income	7,804,722	6,280,370	24.3%
Net Operating Income	35,305,884	33,738,716	4.6%
Overhead expenses	(16,751,439)	(17,842,838)	-6.1%
Pre-provisioning Operating Profit	18,554,445	15,895,878	16.72%
Provision for loan losses	(11,427,934)	(246,912)	>100 %
Recovery from written-off loans	-	1,600,000	n/m
Profit Before Tax	7,126,511	17,248,966	-58.7%
Net Profit	5,278,928	14,357,442	-63.2%

Maybank (Cambodia) PLC (MCP) recorded a much lower net profit of USD5.3M in the FY2017 (2016: USD14.4M) on the back of higher Provision for Loan Losses as we undertook a more aggressive impairment on certain loans. Notwithstanding, Maybank Cambodia managed to register a double-digit growth in pre-provision operating profit of 16.7% (2016: 9.0%) on the back of stronger growth in fee-based income of 24.3% (2016: 14.4%) coupled with lower overheads cost by 6.1%.

As part of our strategy and effort to diversify and balance the income between fund-based and fee-based income, MCP managed to record a better fee-based income growth of 24.3% (2016: 14.4%). As a result, the fee-to-income ratio improved to 22.1% (2016: 18.6%). This performance came from our conscious effort in trying to introduce more products and services to our customers such as cross-border and cross-currencies solutions and cards business.

In FY2017, Maybank Cambodia's overhead expense was marginally lower by 6.1% when compared to FY2016. This showed that we have successfully implemented the right strategy in managing our cost to improve the Bank's overall performance. We will continue to drive productivity improvements and cost management initiative to ensure that we manage our overheads growth in a comfortable range with our net operating income.

Key Balance Sheet Highlight (USD)	FY2017	FY2016	YOY
Total Assets	900,400,572	903,824,342	-0.38%
Gross Loans and Advances	558,381,154	559,964,131	-0.28%
Non-Performing Loans	24,998,787	10,189,265	145.3%
Customer Deposits	705,829,271	657,079,611	7.4%
Shareholder Funds	121,418,792	101,139,864	20.1%

► KEY ACHIEVEMENTS IN 2017

A double-digit growth in pre-provision operating profit of 16.7% in 2017 (2016: 9.0%).

A stronger growth in fee-based income of 24.3% in 2017 (2016: 14.4%) from our conscious effort in trying to introduce more products and services to our customers such as cross-border and cross-currencies solutions and cards business.

Overhead expense was marginally lower by 6.1%.

Improved Loan to Deposit Ratio Rate further to 79.1% (2016: 85.2%) underpinned by a stronger CASA growth of 40.5% (2016: 17.9%).

REFLECTIONS FROM HEAD, FINANCE & STRATEGY

Managing liquidity and funding continued to be one of the key focus of the Bank. In the year under review, Maybank Cambodia improved its Gross Loan to Deposit Ratio further to 79.1% (2016: 85.2%) underpinned by a stronger CASA growth of 40.5% (2016: 17.9%). As a result, the CASA ratio improved to 59.6% (2016: 45.6%). Maybank Cambodia also managed to comply with a Liquidity Coverage Ratio of 105.9% as at 31 December 2017; which is above the interim observation target of 70%.

Key Ratio Indicators	FY2017	FY2016
Return on Equity	4.4%	14.2%
Net Interest Margin	3.1%	3.0%
Fee to Income Ratio	22.1%	18.6%
Cost to Income Ratio	47.5%	52.9%
Gross Loan to Deposit Ratio	79.1%	85.2%
Liquidity Coverage Ratio	105.9%	95.5%
NPL to Total Loans ratio	4.5%	1.8%

CAPITAL ADEQUACY REMAINED WELL CAPITALIZED

The key measure of capital adequacy is the Solvency Ratio which is based on net worth to aggregate credit risk exposure of no less than 15% as per regulatory requirement. As at 31 December 2017, the Bank's Solvency Ratio remained well capitalized at 21.7%. We will seek to maintain an adequate level of capital to support the underlying risk of the business, to optimize growth and to withstand capital demands.

In order to comply with the recent Prakas by the National Bank of Cambodia to meet the minimum registered capital requirements by 2018, we have obtained approval from NBC on 16 March 2018 to increase our registered capital by another USD10 million to USD75 million.

ASSET QUALITY

The NPL ratio has risen up from 1.8% in 2016 to 4.5% in 2017 as a result of the increase in the non-performing loan portfolio and a more aggressive impairment approach taken by the Bank to recognise its impaired loans assets. In order to ensure efficient and effective implementation the newly Prakas on Credit Risk Grading and Impairment Provision as well as a preparation for the adoption of the Cambodia International Financial Reporting Standards ("CIFRS"), we will focus on robust customer on-boarding process and proactive on-going monitoring the asset quality.

2018 OUTLOOK

In 2018, one of the key strategic priorities is to continue to focus on assets-light growth, namely, transaction banking, fee-based income from the cross-border and cross currencies transaction. On the liability side, the Bank will also continue to focus on building a stronger funding capability through CASA growth by leveraging on our strong branding and network coupled with exciting marketing campaigns.

On asset quality issue, the Bank will focus on robust customer on-boarding process and proactive on-going monitoring of its loans portfolio in line with the requirements of the new Prakas on Credit Risk Grading and Impairment Provision, and in preparation on adoption of the new Cambodian International Reporting Standards with effect from 1 January 2019.

Overall, the Bank will continue to focus on preserving healthy liquidity levels as measured by its Liquidity Coverage Ratio and strong capital positions.

COMMUNITY FINANCIAL SERVICES

Community Financial Services is the Bank’s retail franchise providing financial solutions covering Business Banking, Retail Small Medium Enterprise (RSME), Consumer Finance, Premier Wealth, Funding Deposit & Bancassurance, Virtual Banking & Payments and Cards Business.

Maybank Cambodia has been growing satisfactorily in 2017 in retail banking with a strong growth of both asset and liabilities. Moving into 2018, we still remain optimistic of the growth in our retail banking, specifically with our RSME and Consumer Finance solutions, wealth management and digitalization, fulfilling the aspiration to be the retail bank of choice in the country.

OVERVIEW

Community Financial Services (CFS) incorporates a wide range of banking products and services to cater for our business banking, retail SME, consumer finance and individual consumers all-inclusive of private, premier and mass affluent clients. Committing to providing the best products and services, we have continued to stay relevant by being ahead innovatively through our digital platforms, payment solutions, call center, accompanied by strategically placed self-service (ATM) and branch networks. In line with our aspiration to be the best retail bank in Cambodia, we have set targets and goals with greater trajectory to address any challenges and seize all opportunities while continuously be in the heart of the community.

In broadening our high value cross-border business solutions such as cards, wealth management and virtual banking, we have strengthened Maybank’s position in the region, by continuing to leverage on the existing cross-border synergies to fully reap our potential as the regional bank of choice. In the year 2017, we strived to reinforce our standing in the retail and commercial banking segment through consistent branding, value proposition, and operating model in the markets we operate in.

BUSINESS BANKING, RETAIL SME, CONSUMER FINANCE

To support the growing needs of business banking retail SME and consumer clients, we revitalized our business strategy and portfolio to allow for higher growth by sharpening industry focus to offer more exclusive financing packages in a secured pool of loans and mortgage.

In cementing ourselves as the key market player in retail banking, we have intensified marketing campaigns and collaborated with reputable developers to allow for end financing packages. At the same time, we rigorously adhere to the risk rating framework to avoid high risk areas to maintain our asset quality.

Stakeholder Expectations

We have identified the needs of our stakeholders and tailored our responses based on the risks and opportunities affecting our business.

CUSTOMERS



To provide an enriching customer experience

- Quick, easy and convenient banking experience
- High expectation for personalised and relevant financial advice
- Increased process efficiency and automation to reduce serving time, errors and complexity, while managing the impact of compliance and regulatory requirements

EMPLOYEES



Keeping our employees engaged and empowering them

- The need to develop new skills to remain relevant in the banking environment
- Competitive remuneration, effective performance management and recognition

INVESTORS



Enhancing shareholder value

- Ensuring sustainable business practices and sound governance
- Deploying capital to growth opportunities that create long-term value

► KEY ACHIEVEMENTS IN 2017

Community Financial Services Deposit registered 21.8% growth

Top performing bank among Manulife’s bancassurance partners

Best in Loan Finance for Cambodia Award by 2017 Euro-money Real Estate Survey

Outstanding Retail Bank Award 2017 at the Cambodia Banking Award 2017

Leadership in Product Proposition Award Debit 2017 by Visa International

Most Innovative Bank, Cambodia, 2017 by International Finance Magazine

In 2017, consumer finance continued to outpace industry growth in both loans and deposits. The launches of the new products and marketing campaigns generated exceptional results, which is a testament to our continuous focus on our aggressive campaigns and portfolio strategy.

Moving forward, we will remain efficient in offering valued added products and solutions to ensure that customers will enjoy the same experiences across multichannel, in the aim to increase customer acquisition, migration and retention. The journey towards greater customer centricity has also culminated in the bank, evidenced by the Outstanding Retail Bank Award 2017 awarded by IDG Cambodia Banking Awards and Best in Loan Finance for Cambodia by 2017 Euro Money Real Estate Survey.

DEPOSITS

In 2017, Community Financial Services deposit registered 21.8% growth mainly from the on-going marketing campaigns reaching customers across the country leveraging on social media platforms and offering best business propositions. We extended our direct marketing efforts by collaborating with external parties and targeting supply chain of new market segment, as the success of the campaign with Aeon Specialized Bank has proven. This allowed for steady asset growth and healthy loan-to-deposit ratio with manageable liquidity.

For the coming year, we aim to focus on increasing deposit through introduction of attractive products and services with more campaigns and initiatives targeting affluent segment and retail SMEs and business banking clients.

BANCASSURANCE

In line with our aspiration to provide our customers with assurance and protection in wealth management, we continue to partner with Manulife to offer insurance solutions to our clients on a need-based approach. We continued to build on the momentum as top performing bank among Manulife's bancassurance partners leveraged on bank's presence and relationship in the market space.

HIGH NET WORTH (HNW) AND AFFLUENT BANKING

Premier Wealth registered double digit growth of 120%, leveraging on the growing needs for ultra-high net worth wealth management solutions from consumer banking. We offer customer with seamless banking experience across the region, using our collective premium banking capabilities to provide cross-border services in Cambodia, Malaysia, Singapore and Indonesia under one franchise. We remain assertive in our pursue to offer comprehensive and exclusive privileges for our affluent customers.

We remained attractive in the pricing of products and services coupled in bundled financial solution with high reward. This generated strong take-up, with about 345 new sign up. We strengthened our segment value proposition for our affluent customers with variety of promotions and campaigns that increased our customers' share of wallet. These initiatives were rolled out both internally and externally leveraging on the bank's presence and relationship with potential high-net worth customers. This encouraged and resulted in robust migration and increased in our customer base in the segment.

CARDS BUSINESS

In 2017, we achieved the targeted merchant sales volume and exceeded the card member volumes with the continued success of the personalized visa debit card, offered many benefits for Maybank card holders with campaigns and promotions tapping on our close relationship with merchants. We enhanced our branding, communication and product positioning through social media platforms. We committed to exceeding customers' expectation in the segments by constantly reinforcing growth with revitalized value proposition and enhanced key products penetration via intense cross-selling collaborations.

VIRTUAL BANKING & PAYMENTS

As the leading online banking provider with innovative banking solutions, we strengthened our position by benefiting from online trend through Maybank2u third party transfer that offered customer a payment solution between Maybank account holders. Our Mobile App remained one of the most innovative banking platform in Cambodia, offered live ATM location tracker along with comprehensive loan calculator designed to allow customers to conduct eligibility checking as well as manage offline and online transactions systematically and professionally. We continued to build relationship with customers by simplified communication gateway integrated call center in Maybank2u and Mobile App, and strengthened our online presence catered to the expending needs of customers and modernized lifestyle.

We have been continuously enhancing our Maybank2e platform to support portfolio management, receivable management, payment management and liquidity management for our business and corporate clients to efficiently manage their financial position and wealth anywhere anytime.

RECOGNITION

In recognition of our commitment to deliver product and service exceeding customer's expectations, Maybank was awarded "Best in Loan Finance for Cambodia" by 2017 Euro-money Real Estate Survey along with "Outstanding Retail Bank Award 2017" at the Cambodia Banking Awards 2017. Additionally, as a testament of being the leader in innovation Cambodia, Maybank received the "Most Innovative Bank, Cambodia, 2017" by International Finance Magazine and the "Leadership in Product Proposition Award Debit 2017" by Visa International.



Maybank Cambodia receives the "Outstanding Retail Bank Award 2017" and "Outstanding Bank for Community Award 2017" at the Cambodia Banking Awards 2017.

CORPORATE & TRANSACTION BANKING

Corporate and Transaction Banking provides financial solution to local and international corporate clients, providing a wide range of products and services such as:

- ✓ Short term credit such as revolving short term loan, overdrafts, trade financing, trade facilities, and long term business loan
- ✓ Payment and cash management solution.

Our commitment is to continue supporting our existing and potential new clients by providing flexible and viable financial solutions specifically tailored for key major players in the industry, regional and multinational corporations. Our key priority is for Maybank Cambodia to be the Bank of choice for our clients and business partners in Cambodia and in the region when it comes to providing need-based financial solutions.

We continued our transformation journey in our aspiration to be the Bank of choice for our clients and business partners in Cambodia and to create sustainable value through differentiated solutions anchored by product and operational excellence. In 2017, we continued to enhance our product capabilities and features, such as in Regional Cash Management System and developed our industry knowledge, network and cross-border expertise to drive initiatives that add value to our customers especially in international trade and treasury solution. Here are some key highlights:

▶ KEY ACHIEVEMENTS IN 2017

- ▶ We have continued to strengthen product support to corporate and commercial clients through holistic and comprehensive financing propositions while drawing on local knowledge and cross-border support by engaging our clients with regional experts from Malaysia, Singapore, Vietnam and Thailand.
- ▶ We have been continuously expanding our International Trade and Treasury Solution Advisory capabilities across our regional franchise in line with our focus to facilitate connectivity between ASEAN and Asia.
- ▶ We have been continuously extending our network by collaborating with strategic partner banks across the globe to provide holistic cross border trade and cash management solutions to our clients.

OUTLOOK AND PRIORITIES FOR 2018

Moving forward, Corporate & Transaction Banking will continue our ongoing efforts to strengthen our product and channel offerings including working capitals, trade facilities and treasury advisory solutions to our clients in Cambodia and continue to undertake tactical improvements across all areas to improve our customer's experience. We place our clients at the center of all we do and are committed to helping our corporate and commercial clients with their financial needs. Our 2018 focus areas will include the following:

- i. Deploy Country-Focus Desk to support our MNC Clients for cash management, working capital, trade, and remittance and treasury solutions.
- ii. Accelerate our cash management business and be the Bank of first priority for MNCs, local corporates and SMEs for their cash management, trade and working capital needs
- iii. Network with key local and international business associations to reach out to potential MNCs, Local Corporates and SMEs in Cambodia while at the same time up-tiering our existing customers.
- iv. Continue connecting our relationship points across Maybank overseas units, leveraging on our footprints to support MNCs clients' up/down stream trade flow.
- v. Partner our clients to achieve stable and sustainable growth in ASEAN through our complete product suite and services, structuring expertise and in-depth insights of the region
- vi. Continue to be proactive and focus on the preservation of asset quality amidst heightened market volatility and uncertainties

THE DIGITAL BANK OF CHOICE

The future is in digitalisation. Recognising this trend and its exponential growth, we have been accelerating our digital innovation efforts to stay ahead in the present disruptive environment. Our digital initiatives pervade all our business segments, centering on our focus to enrich our customer offerings and improve customer experience, invest in strategic capabilities that will carry us into the new digital age as well as to help build and participate in the development of the digital ecosystem. The digital groundwork we have laid so far places us well to harness the benefits of faster service, lower operational costs, increased productivity and improved customer service.

OUR STRATEGIC OBJECTIVE

We aspire to be the Digital Bank of Choice as part of the Group's Maybank²⁰²⁰ strategic objectives. To achieve this, we leverage on our extensive and long-standing client relationships to better understand our customer needs and expectations, and based on the insights obtained, we develop customer-centric digital financial solutions, utilising the expertise of our dedicated, in-house R&D team. Meanwhile, we have also invested in the upskilling of our employees to help ensure that we are future-proofing our people while promoting a culture of innovation and mobility for the sustainability of the organisation and our people. We are committed to creating long-term value for our various stakeholder groups, such as customers, employees and shareholders.

Stakeholder Expectations

CUSTOMERS	EMPLOYEES	INVESTORS
 <p>Faster and better customer experience</p> <ul style="list-style-type: none"> Hassle-free and convenient banking experience Understanding customer expectations and reinventing their user 	 <p>Empowering our employees</p> <ul style="list-style-type: none"> Upskilling employees with digital skillsets that future-proof them. Incorporating automation and digital initiatives groupwide to improve productivity 	 <p>Improving shareholder value</p> <ul style="list-style-type: none"> The Group maintains disciplined spending on new technologies by focusing its resources on initiatives that will improve customer experience and result in sustainable income streams Process and service optimisation through automation will yield cost

MATERIAL RISKS AND OPPORTUNITIES

Material Risks & Opportunities	How It Affects Us	Our Response
<p>Opportunity: The central bank continues to craft pro-electronic banking policies</p>	<ul style="list-style-type: none"> The traditionally cash-based society presents vast opportunity for the growth of our online customer base and revenue 	<ul style="list-style-type: none"> Designed useful and 'sticky' app to maintain and increase our market share
<p>Opportunity & Risk: Technology advancements have drastically transformed customer expectations and bank-client relationships</p>	<ul style="list-style-type: none"> Need to invest in digital capabilities and clientele relationship management or risk losing market share 	<ul style="list-style-type: none"> Rapid experimentation and introduction of innovative digital solutions through our in-house R&D team Reinvented the way we approach and engage our customers in order to remain relevant. For example, P2P festive money transfers
<p>Opportunity & Risk: Disruptive technologies enable the entry of non-traditional competitors leading to increased competition</p>	<ul style="list-style-type: none"> Disintermediation and competition erode earnings as they target the same customer base Provide opportunities for us to partner disruptors to deliver new innovations to disrupt the market, and create new income streams for the Group 	<ul style="list-style-type: none"> Created Maybank Sandbox to collaborate with Fintech talents to develop real world end-to-end solutions Created Maybank Sandbox to provide a collaborative environment for Fintech and technology players to get connected to pitch, develop and test ideas. Provided developers with real banking APIs to connect and make use of existing banking functions. It also offers replicated banking data for analytics and simulation.
<p>Risk: The growing threat of cyber risks as more data is being migrated onto digital platforms</p>	<ul style="list-style-type: none"> Any security breach, be it fraud or identity theft, can pose serious reputational risk and may lose our customers' trust to continue banking with us 	<ul style="list-style-type: none"> Placed security ring fence and utilised best of breed security monitoring for detection of anomalies within Maybank's technology ecosystem. Additional authentication layers for mobile app to deter phishing and/or identity theft.

RISK MANAGEMENT

Group Risk provides oversight of risk management on an enterprise-wide level through the establishment of the Group’s risk strategies, frameworks and policies, with independent assessment and monitoring of all risks.

By virtue of Maybank (Cambodia) Plc being an entity within the Maybank Group, the leadership and Risk Management team under the guidance and supervision of Group Risk keeps abreast with trends and challenges of risk management to better support Maybank (Cambodia) Plc., (“the Bank”) and the Group in meeting its strategic and business objectives. Risk Management is responsible for providing oversight of risk management on an enterprise-wide level through the establishment of the Bank’s risk strategies, frameworks and policies, with independent assessment and monitoring of all risks challenges taking into cognizant of compliance to the in-country regulatory requirements, domestic business environment and as further guided by Group Risk.

The Bank leverages on the Group Risk’s continuous pursuit to drive efficiency through its establishment of Centres of Excellence (COEs), which builds on specialization of risk professionals, providing value-added risk insights to support business decision making. The identified COEs set consistent standards in relation to risk policies, risk reporting, risk modelling and specialization in the management of specific risk areas within the Group.

The key pillars of Group Risk functions are highlighted in Figure 1:

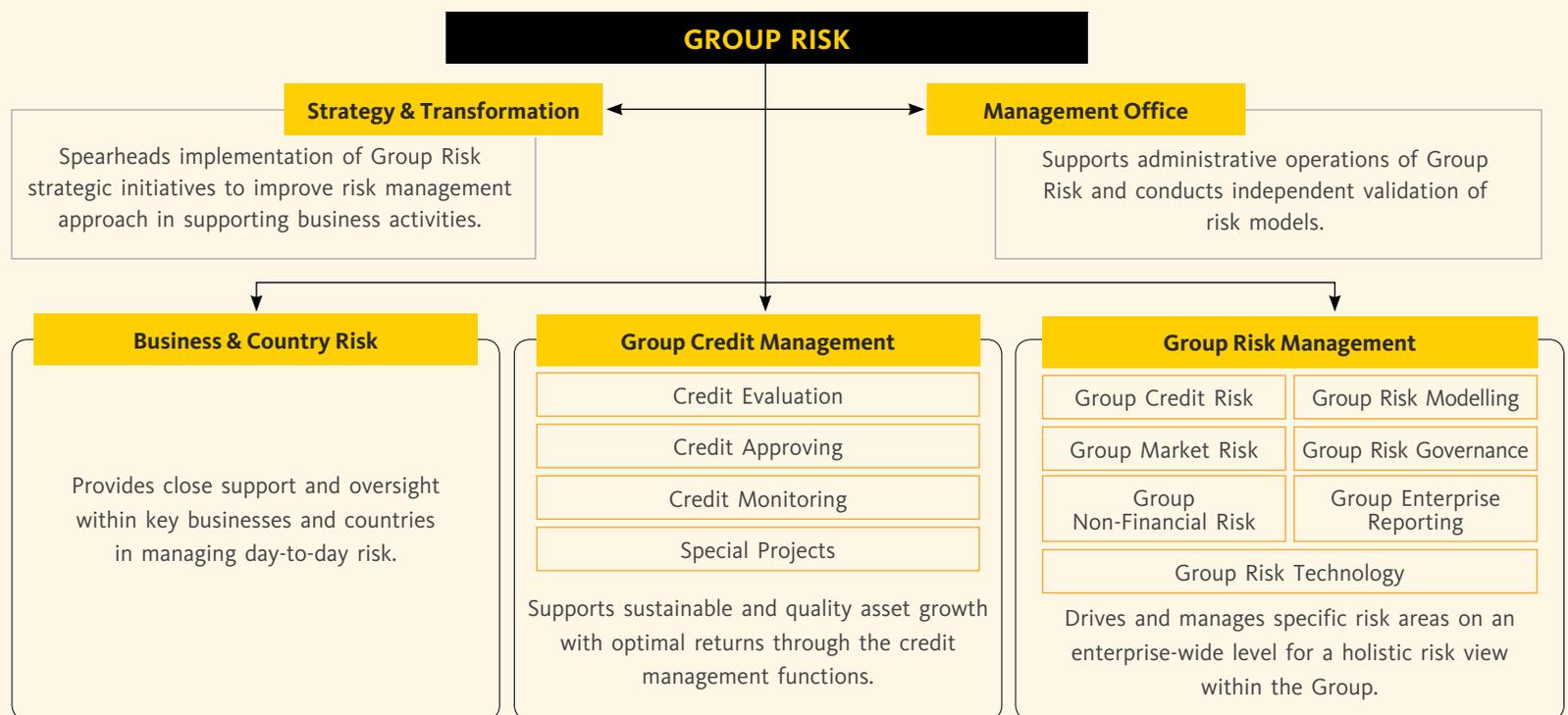


Figure 1: Group Risk Structure

► KEY HIGHLIGHTS IN 2017

Risk Management focused on creating value to support the Maybank (Cambodia) Plc’s business aspirations through the following:

Optimised our asset portfolios and managed the loan quality via continuous review and enhancement of internal credit underwriting standards, risk appetite and internal credit processes.

Re-segmentation of Retail SME loan segment with higher loan exposure of up to USD1.0Mil and enhancing the customers’ experience via a quick turnaround time and simplified credit processes.

Complimenting risk oversight on key regulatory transformations on new KHR deposits and KHR loans as well as on the national digital payment services.

OUTLOOK AND PRIORITIES FOR 2018

- Sharpen margin and segment focus through proactive management of funding costs and growing of CASA, risk based approached pricing structure, optimizing cash with strategic growth initiatives.
- Fortified earnings and asset quality through robust credit underwriting standards, re-strategizing of business operating model, strengthening loan monitoring, collections and recovery processes via a structured accounts relationship management.
- Continuing to improve productivity and maximize resources of the talents via on-job experiential training and international accredited banking certifications.

OPERATING ENVIRONMENT AND ASSOCIATED RISKS IN 2017

Against the backdrop of a rather challenging, volatile and unpredictable operating environment in recent years, global activity picked up in 2017, although tempered by the presence of new and prevailing risks.

Overall the operating landscape from Maybank Group, both the domestic and regional fronts saw areas of favourable growth. Key highlights are reflected in the following table:

Market	Operating Landscape in 2017	
	Strengths	Weaknesses
MALAYSIA	<ul style="list-style-type: none"> Growth in private sector spending and spillover from strengthening global economic activity. Improvements in services, wholesale, retail and manufacturing sectors. Introduction of digital free trade zone. 	<ul style="list-style-type: none"> Some imbalances in the property market contributed by pricing mismatch and household affordability as well as an oversupply of commercial properties. Higher cost of living impacting vulnerable segments. Cyber security related incidents across various industries.
SINGAPORE	<ul style="list-style-type: none"> Growth in electronics and manufacturing sector and an upswing in exports. 	<ul style="list-style-type: none"> Contraction in the construction sector. Noticeable downstream effects on the oil and gas industry, although expected to abate.
INDONESIA	<ul style="list-style-type: none"> Moderate growth supported by higher commodity prices, improvements in regional trade, surge in exports and relatively accommodative monetary and financial conditions. 	<ul style="list-style-type: none"> Headwinds in mining sector impacting foreign inflows. Low credit growth given credit quality concerns among banks.
CHINA	<ul style="list-style-type: none"> Sustainable growth contributed by strong external demand and rebalancing of the economy from investment to consumption and services. Tighter enforcement of capital flow measures. Strengthening local government borrowing frameworks and addressing financial sector risks. 	<ul style="list-style-type: none"> Weak mining sector and moderate demand for commodities and metals partly due to the rise in commodity prices. Overcapacity in industrial sectors, higher corporate financing costs and sluggish market demand. Rising debt levels in state-owned enterprises, corporates and individuals.
PHILIPPINES	<ul style="list-style-type: none"> Strong domestic demand, governance reforms and infrastructure spending. Private consumption supported by rapid credit growth and fiscal policy reforms. 	<ul style="list-style-type: none"> Rising unemployment, unfavourable weather conditions and vulnerability to natural disasters affecting the country's economic growth.
INDOCHINA	<ul style="list-style-type: none"> Growth supported by infrastructure investment, particularly in the energy and transport sectors in Cambodia and Laos. Growth in Myanmar driven by accommodative monetary and fiscal policies, as well as implementation of growth enhancing reforms. Steady growth in Vietnam contributed by strong exports and high real credit growth. Private consumption growth in Cambodia and rising tourism in Cambodia and Myanmar. 	<ul style="list-style-type: none"> Changes in trade policies disproportionately affecting the more open economies with sizable exports to advanced economies. Higher inflation and weakness in Vietnam's mining sector. Ethnic tension and political risk remain elevated in Myanmar. High energy costs, insufficient supply of electricity, shortcomings in the transportation network and high cost of doing business in Cambodia.

RISK MANAGEMENT



Premised on the significant risk drivers identified, we have fortified existing capabilities and established necessary mitigating actions to remain risk resilient to such challenges. This includes amongst others, measures put in place to address potential security concerns and ability to respond to potential business disruptions arising from geopolitical events. In addition, we conduct stress testing with various assumptions under various scenarios, including geopolitical risks, to assess the potential impact on the Group, its businesses and portfolios. In an increasingly digital financial services world, anticipation of evolving cyber and technology related threats, requires continuous focus on strengthening resilience and defence capabilities with appropriate safeguards in place to withstand such threats. We continuously look to ensure the core banking system remains robust while evolving our digital service offerings in pursuit of opportunities and keeping abreast with technology innovations. In addressing the changing regulations and regulators' expectations, we actively engage

with our regulators to ensure that regulatory changes are appropriately addressed and effectively implemented across the jurisdictions in which we operate, concurrently we strengthen the governance over regulatory change management. Overall the Group remains vigilant to adapt and strengthen our risk management approaches seamlessly with business, to proactively manage and effectively mitigate its risks.

Principal Risks

Associated with the key macro risk drivers arising from the operating environment in 2017, the potential impact of the Group's principal risks and the necessary actions to manage and mitigate were also taken into consideration. Our key risk categories which are viewed as sufficiently material to have a significant impact on the Group are classed into 10 principal risks. The key developments surrounding these risks are explained below.

Principal Risk	Key Developments in 2017
Credit Risk	<ul style="list-style-type: none"> Enhanced and tightened credit underwriting standards across businesses and entities to ensure consistency with credit parameters and processes, enhanced credit criteria and credit approval process to minimise risk of new facilities turning non-performing and ensuring filtering commences at point of origination as well as a more cautious stance towards selected industries with an unfavourable outlook. Strengthened monitoring through early detection of potential problem or vulnerable accounts and strengthened the management of accounts to prevent deterioration throughout the Group such as Global Banking, Community Financial Services, Maybank Islamic, Singapore, Indonesia, Greater China, Indochina and Labuan. Strengthened collection activities, as well as the centralisation of recovery activities. Reviewed and enhanced related credit policies to reflect the above in anticipation of the implementation of MFRS 9.
Market Risk	<ul style="list-style-type: none"> Reviewed the trading and non-trading book limits and supporting policies which document the risk limits and structure as well as controls for the respective books, while ensuring consistency and alignment with regulatory requirements.

Principal Risk	Key Developments in 2017
Liquidity Risk	<ul style="list-style-type: none"> Aligned and enhanced liquidity risk management procedures to the latest liquidity risk practices. In FY2017, Group Liquidity Coverage Ratio (LCR) remained above the regulatory minimum of 80%. As at 31 December 2017, Group LCR stood at 133.1%. Ongoing preparation for Net Stable Funding Ratio to ensure that the Group maintains sufficient stable funds to support its asset growth over a one year horizon. Intensified deposit action and contingency funding plans as well as mobilisation of deposits and management of funding concentration risk in Greater China. Management of liquidity risk through cost management initiatives for Maybank Islamic.
Non-Financial Risk	<ul style="list-style-type: none"> Enhanced non-financial risk policies reflecting improvements in the governance model and updates on the roles and responsibilities, processes to facilitate management, assessment, measurement, monitoring and reporting of non-financial risks. Emplaced people management policies that create the right climate for the workforce and instituted supportive solutions reflective of the value proposition. Closer collaboration between the three Lines of Defence (as defined under Risk Governance on page 77) with the aim of safeguarding the Group's information assets, data protection measures and compliance to related regulatory requirements. Strengthened operational controls, fraud prevention and application of consequence management.
Information Technology (IT) Risk	<ul style="list-style-type: none"> Continuous cyber awareness campaigns (i.e. electronic learning) and control effectiveness assessment and adoption of industry best practices. Enhanced IT infrastructure to minimise risk of disruptions. Addressed key obsolescence through refreshing, upgrading or in some instances replacing systems and continuous assessment of IT risks.
Regulatory Risk	<ul style="list-style-type: none"> Continuous engagement with regulatory authorities. Strengthen existing policies, processes and controls in preparation of meeting new and upcoming regulations such as stress testing guidelines issued by BNM and MFRS 9.
Enterprise Risk	<ul style="list-style-type: none"> Automation of selected processes in risk reporting to improve turnaround time and facilitate faster and more informed decision making as well as enrichment of risk database. In line with International Finance Corporation's Standards and other international best practices, developed the Environmental, Social and Governance (ESG) Policy to ensure Group's sustainability strategy is effectively managed by driving efforts on responsible financing. Enhanced Reputational Risk Policy reflecting updated roles and responsibilities as well as streamlining process to facilitate assessment, measurement, monitoring and reporting of reputational risks. Improved overall agility of risk governance in relation to new products approval, risk committees and risk policies, to facilitate timely risk decision making. Conducted Group stress test covering various scenarios including global economic turmoil and impact on liquidity risk due to cyberattacks, which also serve as a forward-looking risk and capital management tool in determining capital adequacy and capital buffers.
Model Risk	<ul style="list-style-type: none"> Ongoing review, maintenance and enhancements of risk models and tools.
Financial Risk	<ul style="list-style-type: none"> Identified process and portfolio improvements to allow RWA optimisation such as the application of effective maturity for Credit RWA.
Insurance Risk	<ul style="list-style-type: none"> Preparation on implementation of Financial Reporting Standard 9 in relation to investment strategies. Conducted stress testing for tail events to determine the impact on solvency and earnings as well as the associated drivers.

RISK MANAGEMENT

RISK MANAGEMENT FRAMEWORK

The risk management approach of the Group is underpinned by a sound and robust Integrated Risk Management Framework (Framework), which is constantly enhanced to remain relevant and resilient ahead of the versatile global risk landscape, changes in regulatory requirements and leading practices in ensuring effective management of risk. The overall structure of the Framework is highlighted in Figure 4.



Figure 4: Maybank Group's Integrated Risk Management Framework

The Framework is fully embedded in the business and operational functions across the Group, and is supported by a comprehensive set of risk policies and procedures to guide businesses in proactively managing risks whilst working towards achieving business objectives.

Risk Appetite

The risk appetite is a critical component of the Group's robust risk management framework and is driven by both top-down Board leadership and bottom-up involvement of management at all levels. Our risk appetite enables the Board and senior management to communicate, understand and assess the types and levels of risk that the Group is willing to accept in pursuit of its business goals.

The risk appetite is integrated into the strategic planning process, and remains dynamic and responsive to changing business and market conditions. In addition, the budgeting process is aligned to the risk appetite in ensuring that projected revenues arising from business transactions are consistent with the risk profile established. Our risk appetite also provides a consistent structure in understanding risk and is embedded in day-to-day business activities and decisions throughout the Group. The risk appetite is structured based on the general principles in Figure 5.

Guided by these set of principles, the articulation of our risk appetite is done through Risk Appetite Statements, encompassing all material risks across the Group. This forms the link in which the risk limits and controls are set in managing risk exposures arising from business activities. Acting as both a governor of risk and a driver of current and future business activities, the risk appetite ultimately balances the needs of all stakeholders and acts as a powerful reinforcement to a strong risk culture.



Figure 5: Principles of Risk Appetite

Risk Governance

The governance model adopted in the Group provides a formalised, transparent and effective structure that promotes active involvement from the Board and senior management in the risk management process to ensure a uniform view of risk across the Group.

Our governance model places accountability, ownership and agility, in ensuring an appropriate level of independence and segregation of duties. The management of risk broadly takes place at different hierarchical levels and emphasised through various levels of committees, business lines, control and reporting functions. The structure is premised on the three lines of defence which include risk-taking units, risk-control units and internal audit. Maybank (Cambodia) Plc.'s overall risk governance structure is illustrated in Figure 6.

Maybank (Cambodia) Plc. Risk Governance Model

BOARD OF DIRECTORS

The Group's ultimate governing body with overall risk oversight responsibility including defining the appropriate governance structure and risk appetite.

BOARD RISK COMMITTEES

Audit Committee

Board level oversight of transactional credits underwritten and portfolios.

Risk Management Committee (RMC)

Board level oversight of risk exposures as well as oversight on the effective implementation of risk management strategies, frameworks, policies, tolerance and risk appetite limits.

EXECUTIVE LEVEL MANAGEMENT-RISK MANAGEMENT COMMITTEES

Internal Audit Committee (IAC)

Undertake periodic testing of the effectiveness and efficiency of the risk management frameworks and internal controls in place.

Asset & Liability Management Committee (ALCO)

Oversees the management of balance sheet structure and strategies.

Credit Committee (CC)

Oversees the approval of loans/proposals based on a set of authority limits.

LINES OF DEFENCE

1st line: Risk-Taking Units

- Manage day-to-day risks inherent in business, activities and risk exposures.
- Ensure the business operates within the established risk strategies, tolerance, appetite, frameworks, policies and procedures.

2nd line: Risk-Control Units

- Provide risk oversight and guidance over the effective operation of the risk management framework, policies, practices, processes and systems.

3rd line: Internal Audit

- Provides assurance via regular and independent assessment and validation that:
- Risk management frameworks, policies and tools are sufficiently robust and consistent with regulatory standards.
 - Controls to mitigate risks are adequate.
 - Adequate oversight by Risk Control Units over Risk Taking Units.

RISK MANAGEMENT

Risk Culture

Our risk framework and governance structure is reinforced only if supported by the right risk culture. Hence in the Group, a strong risk culture is a fundamental tenet of risk management and serves as the foundation upon which a robust enterprise wide risk management structure is built.

The risk culture is driven by a strong tone from the top and strengthened by the tone from the middle, to ingrain the expected values and principles of conduct that shape the behaviour and attitude of employees at all levels of business and activities across the Group.

We are committed in our journey to continuously weave a strong risk culture into the core of the organisation, people and processes to ensure consideration for risk is inherent in every employee's mind before an action is taken, and not as an afterthought.

Stress Testing

The Group's stress testing programme is embedded within risk and capital management process and also forms a key function of the business planning process. It serves as a forward-looking tool to facilitate the understanding of the risk profile under extreme but plausible events that are contributed by various factors such as economic, political and environmental issues and ascertain the impact to the Group and how this can be proactively managed and mitigated.

During the financial year, we conducted a number of stress tests arising from the domestic and regional operating landscape to assess our ability to withstand prevailing and emerging risks. Some of these include the impact of the Trump presidency on ASEAN and Asia, property sector for retail and non-retail portfolios and global economic turmoil covering digital disruptions and cyberattacks. Further information on stress testing can be found in the Pillar 3 Disclosure on Page 302 of the Maybank Group Financial Statements Annual Report 2017 book.

Responsible Lending

Our long term financial success depends upon our ability to identify and address environmental, social and ethical issues that present risks or opportunities for our business. With this, we remain steadfast in working with the business to drive efforts on responsible financing through the established ESG Policy.

This sets the standards in ensuring that the Group's sustainability strategy is sufficiently robust and effectively managed. The Policy supports one of the Group's three pillars on "Access to Products and Services" by incorporating ESG risk assessment for business activities of which a standard governance process is in place to facilitate this assessment. Details on the ESG Policy can be found in the Sustainability Statement on page 122.

COMPLIANCE



Compliance reports directly and independently to Maybank Cambodia's Board of Directors and is tasked with fulfilling the compliance function responsibilities as set out in National Bank of Cambodia (NBC) policy on compliance. This includes identification, assessment, monitoring and reporting of compliance risk as well as providing advisory, guidance and training on regulatory requirements.

Our Compliance priorities for 2017 continues to help shape a strong compliance culture among Maybank employees and build a robust governance process that minimizes potential regulatory and reputation risk. All our efforts are channeled into strengthening the public's trust in the Maybank brand, which is built on our mission of Humanising Financial Services.

With evolving trends in money laundering and terrorist financing as well as heightened regulator requirements, the Bank has continuously worked to rejuvenate Compliance to ensure that at the end of the day the Bank complies and that the risks involved are being managed at a level which is as low as reasonably practicable.

OUTLOOK 2018

Local regulatory landscape, as well as in the region, has changed tremendously in recent years and as a leading financial institution both in Malaysia and across the region, we will play our part in supporting the local government' and regulator's effort to protect consumer's interest and the integrity of the financial system.

In 2018 we will transform compliance to deepen and strengthen compliance culture within Maybank (Cambodia) Plc. which is also part of Maybank Group's strategy to achieve Compliance's Excellence across the region. This is essential to support our ambition to expand in and beyond ASEAN. With a strong culture, we can count on our people to exercise due diligence in preventing and detecting risks, as well as complying with all relevant laws and regulations.

We will utilize our ability and resource to fight against financial crimes from the people, process and system angles to the next level. In this respect, we will invest in specialist resources and analysts in the area of Anti-Money Laundering, Countering the Financing of Terrorism, Sanctions, and Anti-Bribery and Corruption. We will also streamline our processes and upgrade our systems to enable us to know and serve our customers better. Even as we continue to pursue online and self-service banking in an increasing digital age, we maintain our motto of humanizing financial services through better customer knowledge and experiences.

CORPORATE AFFAIRS & COMMUNICATIONS

Corporate Affairs & Communications efforts are centered around building and maintaining Maybank branding, corporate communication and legal services. We drive the marketing agenda and act as the brand guardian of the Bank.

2017 has seen us continuing to create more value to the Bank and playing our role as a business partner to support the Bank's aspirations. From legal and governance aspects to providing brand and marketing communications support as well as facilitating our corporate responsibility agenda, we will continue to be dynamic in improving our capabilities in lines with impending trends.

KEY ACHIEVEMENTS IN 2017

Communications, Branding & Sustainability

In 2017, we had closely collaborated with our business partners to roll out a number of marketing communications and PR programmes to support various business initiatives. We embarked the year with the reward handover ceremony of a Garden Residency condominium unit valued at approximately USD42,000 to the winner of Maybank's "Save Now & Win Big" campaign which provided Maybank accountholders with the opportunity to win a condominium unit with every USD500 increase/growth in their Savings/Current Account.



Ambassador of Malaysia to Cambodia, Maybank Cambodia Board of Director and EXCO members during the Discover Cambodia Launch in Siem Reap.

We had also continued to launch exciting campaigns, among others, "Maybank Lucky 888", giving 88 new customers who open a Maybank Premier Wealth Prestige Current Account a lucky red package ranging from USD38 to USD888 and the "Discover Cambodia" campaign, aimed to enhance the experiences of overseas travelers to Cambodia and improve the businesses of local retail merchants, placing them on the International map, and allowing for the local merchants' products and services to be promoted to millions of card holders and customers across the region.



Presentation of the Maybank CashVille Kidz Training tool kit to H.E Im Koch, Secretary of State, Ministry of Education, Youth & Sport and H.E Chea Serey, Director General of Central Banking, National Bank of Cambodia during the Scaling Up Ceremony of Maybank CashVille Kidz Financial Literacy Programme at Maybank Tower.

As a responsible corporate citizen, we continued to reach out to the less fortunate within our communities through various acts of sustainable empowerment activities. We entered our fourth year of collaboration with our NGO partner, the People Improvement Organization with our Maybank Child Sponsorship Programme to support underprivileged children to access to formal education and regular special engagement sessions with our employees.

We also continued with our support for Maybank Foundation Flagship Programme with the rollout of the Maybank CashVille Kidz Programme, a financial literacy programme reaching almost 1,000 students in 9 private schools in Phnom Penh. During the year, we officially launched our Maybank Silk Weaving Training Centre in Takeo, Cambodia to train talented women and equip them with the skills of silk weaving, at the same time, help support a sericulture programme to help farmers produce high quality Cambodian golden silk.

 For details, please refer to Sustainability Statement page 57.

► KEY ACHIEVEMENTS IN 2017

Provided marketing and corporate communications support for various corporate events campaigns to support the Bank's lines of businesses, driving growth and market share.

Intensified our position in the heart of the community via various acts of philanthropy and community empowerment activities.

Introduced automation and process improvement initiatives for our in-house legal documentation to drive productivity and cost efficiency.

Awarded "The Best CSR Initiative" in the 9th Annual Retail Banker International Asia Trailblazer Awards 2018 and "Outstanding Bank for Community" in the Cambodia Banking Awards 2017.



A group photo of Chairman of Maybank Group, Board of Directors of Maybank Cambodia, CEO of Maybank Foundation, H.E Chan Sorey, Secretary of State, Ministry of Woman Affairs and H.E Neth Phounmary, Under Secretary of State, Ministry of Fine Art and weavers during the Maybank Silk Weaving Training Centre Official Launch in Takeo, Cambodia.

Corporate & Legal Services

The In-house Legal Documentation supporting the retail and business banking loan documentation had further matured with continuous process improvements through automation. This is part of the Bank's initiative to pursue the streamlining of process and structure to ensure that the ultimate outcome leads to greater productivity and cost efficiency. This emphasis has driven further improvement in our customer experience and the Bank's profitability.

We continue to assist and facilitate the Board of Directors in ensuring the Bank complies with local requirements and guidelines, as well as uphold our own highest standards of corporate governance.

OUTLOOK AND PRIORITIES FOR 2018

- Increase emphasis on the use of digital and social communication channels suited for today's multichannel, mobile and social-media driven world, as well as increasing the use of the Bank's owned-platform to optimize cost.
- Continue to pursue improvements in productivity and processes which will result in enhanced customer service and lower operational cost.
- Intensify the Bank's corporate responsibility initiatives to support Maybank Group's 20/20 Sustainability Plan.

RECOGNITION

In 2017, Maybank Cambodia was awarded the Best CSR Initiative in the 9th Annual Retail Banker International Asia Trailblazer Awards 2018. We also won the Outstanding Bank for Community in the Cambodia Banking Awards 2017. This bears testimony to the sustainable initiatives and employee volunteerism programmes that we have put in place to bring about positive change and difference to the communities we serve.



Maybank Cambodia received "the Best CSR Initiative" in the 9th Annual Retail Banker International Asia Trailblazer Awards 2018 in Singapore.

BUSINESS OPERATIONS SUPPORT

Business Operations Support is a key enabler of the Bank focusing on core functions in Centralized Operations, Information Technology, Property & Security, Branch Operations and Customer Experience.

The key priority is to continue strengthening peoples' skills & knowledge, improving capabilities of its system & resources to be operationally efficient, lean and simple in business/ operations processes to support Maybank Cambodia's business growth.

KEY ACHIEVEMENT IN 2017

Branch Operations

Branch Operations team had strong commitment with positive mindset of being the best partner to support the Bank's vision to be the top foreign bank in leading retail banking in Cambodia. With the aim of providing effective support to all branches, we continuously explore ways to improve operations efficiency, review processes including guidelines and have recently developed KHR operational guidelines for two new KHR products namely KHR Savings Deposits Account and FAST Payment System. We have kept reinforcing the banking policies and procedures through branch visitation, operations refresher and quarterly meetings with front line staff to share operations issues and updates. We continuously coordinate with various departments to work on operational matters and projects that requires improvement/enhancement on core banking system and other operational assistance.

Customer Experience

Driven by one of Maybank Cambodia's strategic objectives to be able to provide the excellent service to customers, we rolled out various service initiatives in 2017. We have conducted product knowledge online assessment which served as a tool to determine level of understanding of frontliners on the banking products and motivate staff to learn in order to improve their performance. Moreover, we provided customer service training to branches' staff with a purpose of developing staff competency and confidence to serve customer better. In addition, we collected feedback from our customers through external customer satisfaction survey which was done in the last quarter of year in order to identify areas of improvement. Last but not least, with continuously effort to maintain high customer satisfaction level, the team constant visit branches to ensure that banking premises cleanliness and ambience are kept to meet the bank's requirement standard. We will roll out Customer Complaint Frame work in Q1 2018 to align with the Bank's and local Regulatory requirement to ensure all complaints are looked into and resolved within the TAT required.

Centralized Operations

Our key function is to continuously provide excellent operations support to ensure remittances and banking clearing are processed in a timely accurate and efficient manner. In 2017, SWIFT Straight Through Processing (STP) was successfully implemented which has significantly reduced manual process of more than 50% and at the same time the enhancement by OFAC screening has eased the operations process and improved the effectiveness of Anti-Money Laundering (AML) monitoring.

Information Technology

Information Technology (IT) Road Map in 2017 marked another significant milestones with the successful launched of KHR SA deposits, SWIFT for Remittances and expansion 4-in-1 POS acquiring via GPRS (General Package Radio Signal). Aligned with Maybank Cambodia's vision and aspiration to be digital bank of choice, we constantly work with our International IT team to improve Information Technology platforms that would enable both business and support partners to deploy innovative and value-added products and services to the Cambodia market. Furthermore to ensure IT system stays protective and secured we have enhanced our anti-virus software for all bank computers and patch exercise for ransom wares which was carried out multiple times to protect and prevent banking data loss.

Property & Security

In 2017, the Property and Security team successfully led and conducted the first Corporate Fire Drill exercise together with all the local authorities which was conducted in a real scene at 10-storey Maybank Tower. The team has worked well to relocate Siem Reap branch to a strategic location to serve customers better. During the year an established and largest building material Corporate in Thailand namely SCG joined as our tenant at Maybank Tower. The department also continuously provide support to ensure renovations, branch/department issues, Maybank Tower maintenances and other tasks/projects are delivered on a timely basis with minimum business disruption.

► KEY ACHIEVEMENTS IN 2017

Developed KHR operational guidelines for two new KHR products namely KHR Savings Deposits Account and FAST Payment System

Conducted products knowledge online assessment/ Provided customer service training to branches

Provided excellent operations support to ensure remittances and banking clearing are processed in a timely, accurate and efficient manner

Launch of KHR SA deposits, SWIFT for Remittances and expansion 4-in-1 POS acquiring via GPRS (General Package Radio Signal)

The established and largest building material Corporate in Thailand namely SCG joined as our tenant at Maybank Tower

HUMAN CAPITAL

Human Capital focuses on achieving Maybank’s aspiration of ‘Advancing Asia’s Ambitions With You’ by ensuring the delivery of ‘Developing World Class Talent to Deliver World Class Results’ leveraging on six human capital transformation goals in a digitalised business landscape. Our transformation goals with close guidance from our Group Human Capital are:

 <p>Build superior leadership and talent pipelines</p>	 <p>Attain world class productivity levels</p>	 <p>Create global ethical mindsets</p>	 <p>Build a tech savvy workforce that is creative, nimble and agile</p>	 <p>Develop thought leaders in financial services</p>	 <p>Create a caring, meaningful and exciting work environment</p>
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Leveraging on our Group Human Capital Center of Excellence, we innovate our leadership and upskilling programmes to provide our talent with the right skills and platform to stay relevant, perform effectively and prepare them to lead in the future. Our enhanced, integrated and systematic talent management framework helps create sustainability in our talent pool by continuously attracting, developing and retaining the right talent. While we ensure that our employees are rightly and fairly remunerated and rewarded, we seek to build their sense of belonging and pride in the Bank. We also ensure that our people policies and practices are aligned with our promise to humanise people management and development.

TOP THREE 2017 HIGHLIGHTS

Increased professional certification programmes for identified roles, among others, the Asian Institute of Chartered Bankers (AICB), OMEGA Credit Certification Programme.

Introduced structured and integrated Developmental Programme for specific roles, among others, the Branch Managers Development Programme, Branch Management Entry Level Programme (BMELP).

The Sustainable Engagement Index (SEI) in 2017 was a high 88%. The transformation and training & career development categories in the Employee Engagement Survey (EES) too recorded a high favourable score at 82% and 80% respectively.



The top performers of Maybank Cambodia were rewarded with an Oversea Study Tour and invited for a visit to an outstanding Maybank branch in Penang, Malaysia.

CODE OF ETHICS & CONDUCT



Maybank, as a custodian of public funds, has a responsibility to safeguard its integrity and credibility. It is with this understanding that the organisation sets out clearly the code of ethics and conduct for its employees. The code stipulates the sound principles that will guide all employees in discharging their duties. It sets out the standards of good banking practice.

HUMAN CAPITAL

OUR OPERATING ENVIRONMENT

The new norm of today's V.U.C.A. (Volatile, Uncertain, Complex and Ambiguous) world requires employees to be agile and nimble to stay relevant today and tomorrow. In 2017, we further strengthened our current learning and development programmes with a strong emphasis on digital skillsets to navigate and seize opportunities successfully in this Industrial Revolution 4.0 era and unpredictable times.

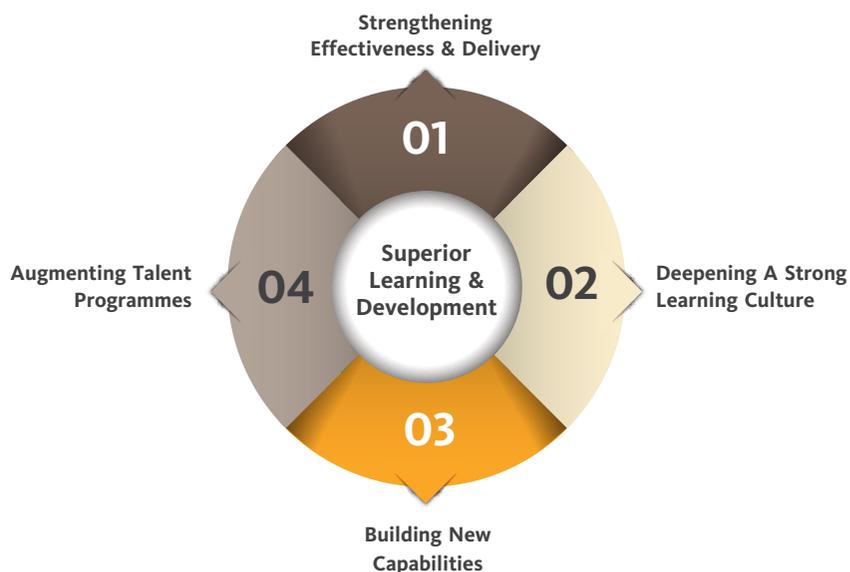
Material Risks & Opportunities	How It Affects Us		Our Response
<p>Risk: New technologies used to deliver financial services to customers more efficiently</p>	<ul style="list-style-type: none"> Talents requires the right capabilities to deliver on the current and evolving needs of our customers 		<ul style="list-style-type: none"> Targeted programmes to help talent upskill to remain relevant today and in the future
<p>Risk: Intensifying competition for skilled talent</p>	<ul style="list-style-type: none"> Regrettable loss of talent and potentially higher costs for new talent acquisition 		<ul style="list-style-type: none"> Regrettable loss is closely monitored. This was done by ensuring continuous growth of our talent in Missio Critical Positions. Keeping our talent upskilled through our targeted development programmes.
<p>Opportunity: Globally, many high performing organisations are shifting away from the traditional organisational model into a more flexible and team-centric model</p>	<ul style="list-style-type: none"> New, agile and flexible ways of working to support the evolving business needs and customers' demand 		<ul style="list-style-type: none"> We are experimenting with different ways of organising teams by breaking away from traditional structures to accelerate our business impact and empower our people to go beyond functional boundaries (such as team-based/project-based)

KEY INITIATIVES FOR 2017

Superior Learning & Development and New Talent Capabilities

We focused on strengthening our learning culture, infrastructure, and development of new programmes that enable our employees to acquire new skills and lead successfully in the rapidly changing environment.

We were able to leverage on our overall Group learning & development initiatives in 2017 which were anchored on four key focus areas:



INITIATIVE 1 – STRENGTHENING OVERALL EFFECTIVENESS & DELIVERY OF DEVELOPMENT PROGRAMMES

<p>1. Increased learning satisfaction of training programmes</p> <p>Existing training programmes were reviewed to ensure relevance to current business needs, simplicity in learning, and comprehensiveness in addressing job requirements</p>	<p>2. Tracked and ensured high levels of knowledge acquired in our training programmes</p> <p>Institutionalised knowledge assessments in all training programmes where applicable</p>	<p>3. Implemented various levels of learning effectiveness measures in 2017</p> <p>The Return of Investment (ROI) of key programmes were measured</p>
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INITIATIVE 2 – DEEPENING A STRONG LEARNING CULTURE

- | | | | |
|--|---|---|--|
| 1. Group EXCO role modelling through teaching and learning sessions, known as Leaders Teaching Leaders (LTL) were conducted and tracked since 2014 | 2. Increased the use of our own internal subject matter experts to conduct and contextualise learning materials for our employees to increase transfer of newly acquired knowledge to the job | 3. Having Maybankers Teach Maybankers (MTM), a programme where employees who attended external learning programmes will need to cascade and share their knowledge with their team or colleagues via classroom, brown bags, townhalls, and other communications forums | 4. Ensuring that our employees have opportunities for learning and growing |
|--|---|---|--|

INITIATIVE 3 – BUILDING CAPABILITIES FOR 4.0 DIGITAL ECONOMY

PROGRAMME	OBJECTIVE	OUTCOME	MEASURE
Maybank GO Ahead. Transform (MGAT)	To empower employees to be change-capable and resilient to seize endless opportunities and deliver global-class outcomes	Participants faced real-time challenges and business cases that were not 'google-able' to enhance their agility and adaptability to explore new ways of working, collaborate, brain storm and solution impactfully	A mini version held for Maybank Cambodia employees

INITIATIVE 4 – AUGMENTING HIGH POTENTIAL TALENT PIPELINE PROGRAMMES

We continued to focus on building up our strong pipeline of leaders to ensure sustainable superior performance for the Bank.

KEY SIGNATURE PROGRAMMES

PROGRAMME	OBJECTIVE	OUTCOME
Transitioning Leaders to CEOs (TLC) programme was enhanced in 2017 to incorporate Action Learning Projects on strategic level issues impacting the Bank	To prepare our internal talent to take on CEO-like and mission critical roles in the Bank	Participants were exposed to world renowned thought leaders via a customised executive education programme and mentored by our Group EXCO to address strategic business challenges. Recommendations from talent on the action learning projects were accepted by top management and relevant Board members
Global Maybank Apprentice Programme (GMAP)	To accelerate Maybank Apprentices' growth into management roles upon their graduation from the programme	Participants get familiarised with Maybank's global network operations through customised on-the-job rotations with international assignments
Maybank GO Ahead. Challenge	To spot diverse, global entry level talent	Participants are exposed to real-life pressures and expectations of a high performing organisation



Product Refreshment Training to Business Relationship Managers and Executives at Maybank Tower.



Students' activities during Maybank Go. Ahead Challenge Campus level.

HUMAN CAPITAL

NEW KEY LEADERSHIP PROGRAMMES EXECUTED IN 2017

PROGRAMME	OBJECTIVE	OUTCOME
Global Institute for Leadership Development (GILD) Asia, a unique learning platform that accelerated the growth of 400 participating global leaders of various professions and organisations in the United States, Portugal, Dubai, Australia and across Asia	To accelerate the growth of leaders by stretching their ambitions, potential and capacity through Linkage's High Impact Leadership Model namely focus drive, trusted influence, emotional intelligence, systems thinking and conceptual thinking	Talent received 1-1 personalised coaching from senior leaders and Board members on various matters impacting the growth of talent
New Executive Education Programmes i.e., the Cambridge Summer School Programme and INSEAD's Inter-Alpha Banking Programme	To prepare senior executives to become visionary leaders who can think globally and compete strategically (Maybank was the first Asian Bank to be nominated and selected into INSEAD's Inter-Alpha Banking Programme)	With Maybank's entrance into the Inter-Alpha programme, senior executives were exposed to thought leaders in the European banking environment which enables further innovation and collaboration on multiple levels
Advancing Women Leaders Programme	To provide development support, line of sight to senior leadership, and to champion their career development	Talents benefited from world-class executive education programmes via the GILD and Harvard Business Publishing's online sessions with thought leaders on key competency areas i.e., Strategic Thinking, Change Management and Transformation Talents were given special projects involving key strategic areas of the Bank and were mentored by Group Chief Human Capital Officer and other senior leaders in the Bank Talent were given the opportunity to have "up-close and personal" networking sessions with senior corporate women leaders in the country to motivate, inspire, and advise on how they could navigate their careers in the Bank

We continued to offer specialised/structured development programmes for fresh graduates such as Branch Management Entry Level Pipeline (BMELP) Programme, BMELP SME/BB and Relationship Manager Development Programme (RMDP) to nurture and retain high potential talent to assume key positions in the Group.

PROMOTING HEALTH, WELLNESS AND SAFETY

THROUGH OUR WELLNESS AND SPORTING INITIATIVES, WE ENCOURAGE OUR EMPLOYEES TO MAKE BETTER LIFESTYLE CHOICES





HEALTH AND AWARENESS SESSIONS



MAYBANK GROUP 30 DAYS STEP CHALLENGE'



MAYBANK FUTSAL CHAMPIONSHIP



INTERNATIONAL HALF MARATHON

In an effort to build a healthy working environment, Maybank Cambodia initiated several sport activities including Maybank Futsal Championship 2017.

GIVING BACK TO SOCIETY THROUGH CAHAYA KASIH INITIATIVES

Our employees are encouraged to participate in team volunteerism projects of their choice. This programme has been running since 2010 and is key to an enabling and inclusive environment. Apart from funding, recognition and coaching on how to make each initiative impactful, the Group also recognises the top 20 initiatives yearly and additional funding is routed to these initiatives. For those who volunteer on their off days, they are given unrecorded leave in appreciation of their time and efforts. Cahaya Kasih galvanises all teams across the Maybank world to proudly showcase their yearlong efforts together on Global CR Day (GCD), one day a year where they go down to the ground and volunteer their time.

In GCD 2017 themed “Enabling Communities with Solutions”, over 20,000 Maybankers volunteered in their respective initiatives.

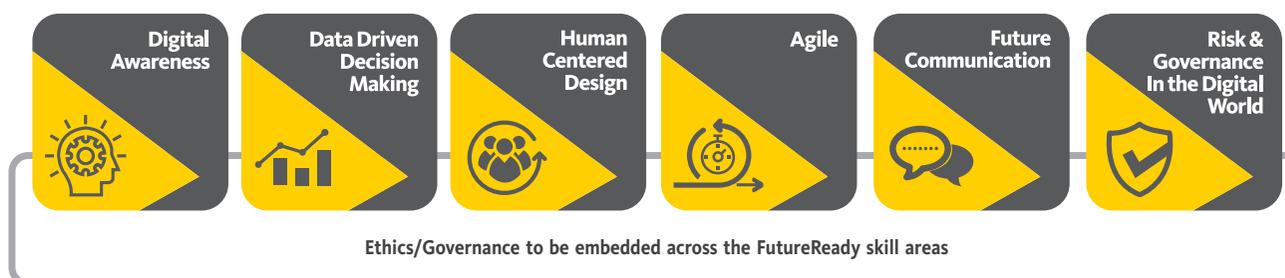
 For details, please refer to Sustainability Statement page 57.



Maybank Cambodia employees participating in Maybank Global CR Day 2017.

OUTLOOK AND PRIORITIES FOR 2018

- **Maybank Staff's mandatory FutureReady Upskilling Programme 2018** – upskilling of our employees for competitive advantage and growth to enable them to flourish, stay relevant and productive in this 4.0 digital environment.



- **Strengthening Workplace Climate and Culture** to ensure that employees deliver on Bank's strategic priorities and mission responsibly.

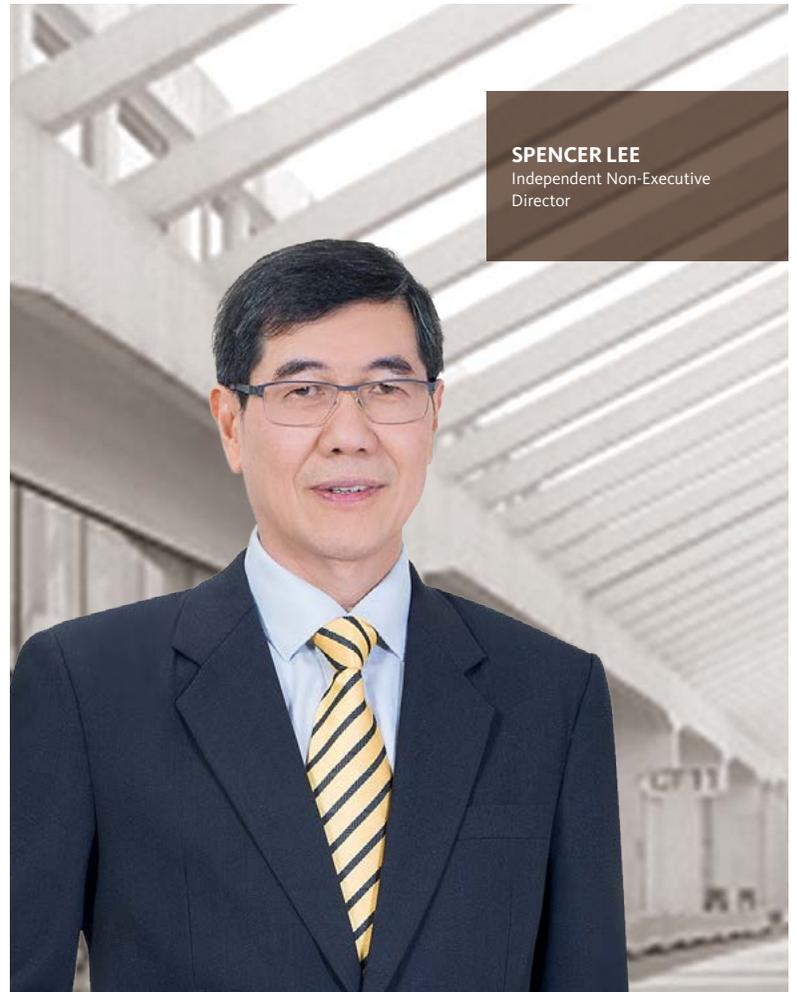
BOARD OF DIRECTORS



DATO' JOHAN ARIFFIN
Independent
Non-Executive Director
(Chairman)



**DATUK HAMIRULLAH
BOORAN**
Non-Independent
Non-Executive Director



SPENCER LEE
Independent Non-Executive
Director

BOARD OF DIRECTORS



ANTHONY BRENT ELAM
Independent
Non-Executive Director



**QAZREEN CHAN
ABDULLAH**
Corporate Secretary



LONG BEANG
Joint Corporate Secretary



SOON SU LONG
Non-Independent Executive
Non-Executive Director

Overview

Financial Capital

Intellectual Capital

Manufactured Capital

Human Capital

Ensuring Responsible Governance

Social & Relationship Capital

Financial Statements

Other Information

BOARD OF DIRECTORS' PROFILE



DATO' JOHAN BIN ARIFFIN
Independent Non-Executive Director
(Chairman)

QUALIFICATION

- Master of Business Administration, University of Miami, USA
- Bachelor of Arts in Economics, Indiana University, USA

WORKING EXPERIENCE/OTHER DIRECTORSHIPS

Present:

Within Maybank Group

- Director of Maybank
- Chairman of Maybank (Cambodia) Plc
- Director of Maybank Ageas Holdings Berhad
- Director of Etiqa International Holdings Sdn Bhd
- Director of Etiqa General Insurance Berhad (formerly known as Etiqa Insurance Berhad)
- Director of Etiqa Life Insurance Berhad
- Director of Etiqa Family Takaful Berhad (formerly known as Etiqa Takaful Berhad)
- Director of Etiqa General Takaful Berhad

Other Companies/Bodies

- Chairman of Mitraland Group of Companies
- Director of Sime Darby Property Berhad
- Chairman of Battersea Project Holding Company Limited
- Director of Battersea Project Land Company Limited
- Director of Pelaburan Hartanah Nasional Berhad
- Director of PNB Merdeka Ventures Sdn Bhd
- Director of TPPT Sdn Bhd
- Trustee of The Merdeka Heritage Trust
- National Council Member of the Real Estate Housing Developers' Association Malaysia

Past:

- Director of Maybank International (L) Ltd from January 2010 to August 2017
- Managing Director of TTDI Development Sdn Bhd
- Senior General Manager of Property Division, Pengurusan Danaharta Nasional Berhad
- Held various senior positions in several subsidiaries of public listed companies before venturing into his own successful marketing and advertising consultancy and property development business



Declaration:

All the Directors have no:

- family relationship with any director and/or major shareholder of Maybank (Cambodia) Plc.
- conflict of interest with Maybank (Cambodia) Plc. and has never been charged for any offence.



SPENCER LEE
Independent Non-Executive Director

QUALIFICATION

- Fellow of the Institute of Chartered Accountants in England and Wales
- Member of the Malaysian Institute of Accountants

WORKING EXPERIENCE/OTHER DIRECTORSHIPS

Present:

Within Maybank Group

- Director of Maybank (Cambodia) Plc.
- Commissioner of PT Bank Maybank Indonesia Tbk

Past:

- Senior Executive Vice President and Head of International Business
- Senior Executive Vice President Head of Consumer Banking
- Country Head for Maybank Singapore
- Advisor, Maybank
- Director of Maybank from December 2008 to October 2009
- Member of the Credit Review, Audit and Risk Management Committee of the Board of Maybank

Membership of Board Committees in Maybank (Cambodia) Plc.:

- Audit Committee of the Board (Chairman)
- Risk Management Committee of the Board (Member)



ANTHONY BRENT ELAM
Independent Non-Executive Director

QUALIFICATION

- Master in Business Administration (Finance and International Business), New York University, USA
- Bachelor of Science, Foreign Service, Georgetown University, USA

WORKING EXPERIENCE/OTHER DIRECTORSHIPS

Present:

Within Maybank Group

- Director of Maybank
- Director of Maybank (Cambodia) Plc

Other Companies/Bodies

- Commissioner of PT Lombok Saka
- Advisor of PT Sarana Menara Nusantara Tbk

Past:

- Chief Risk Officer/Director of PT Bank Central Asia Tbk from May 2002 to April 2016
- Advisor at PT Bahana Pembinaan Usaha Indonesia from November 1996 to December 2001
- Vice President at Dieng Djaya from February 1994 to November 1996
- Vice President at Citibank from 1986 to 1994

Membership of Board Committees in Maybank (Cambodia) Plc.:

- Risk Management Committee of the Board (Chairman)
- Audit Committee of the Board (Member)



Declaration:

All the Directors have no:

- family relationship with any director and/or major shareholder of Maybank (Cambodia) Plc.
- conflict of interest with Maybank (Cambodia) Plc. and has never been charged for any offence.

BOARD OF DIRECTORS' PROFILE



DATUK HAMIRULLAH BOORHAN
Non-Independent Non-Executive Director

QUALIFICATION

- Master of Business Administration, International Islamic University, Malaysia
- Diploma in Accountancy, Mara Institute of Technology, Malaysia
- Certified International Retail Banker, London Executive Management – International Academy of Retail Bank

WORKING EXPERIENCE/OTHER DIRECTORSHIPS

Present:

Within Maybank Group

- Director of Maybank (Cambodia) Plc.
- Senior Executive Vice President and Head of Community Financial Services of Maybank

Membership of Board Committees in Maybank (Cambodia) Plc.:

- Audit Committee of the Board (Member)
- Risk Management Committee of the Board (Member)



SOON SU LONG
Non-Independent Non-Executive Director

QUALIFICATION

- Bachelor of Science (Economics) in Accounting and Finance, University of London
- Associate Chartered Accountant, Institute of Chartered Accountants in England and Wales

WORKING EXPERIENCE/OTHER DIRECTORSHIPS

Present:

Within Maybank Group

- Director of Maybank (Cambodia) Plc.
- CEO Indochina
- Country Head of Maybank Vietnam

Past:

- Held senior management positions in Banks in Malaysia and Singapore in the areas of investment banking, commercial banking and Islamic banking

Membership of Board Committees in Maybank (Cambodia) Plc.:

- Audit Committee of the Board (Member)
- Risk Management Committee of the Board (Member)



Declaration:

All the Directors have no:

- family relationship with any director and/or major shareholder of Maybank (Cambodia) Plc.
- conflict of interest with Maybank (Cambodia) Plc. and has never been charged for any offence.



QAZREEN CHAN ABDULLAH
Corporate Secretary

QUALIFICATION

- Bachelor of Education in (Guidance & Counseling), University Putra Malaysia
- Master of Business Administration, University of Bath, United Kingdom

WORKING EXPERIENCE/OTHER DIRECTORSHIPS

Present

Within Maybank Group

- Corporate Secretary of Maybank (Cambodia) Plc.
- Head of Human Capital, Indochina
- Head of Corporate Affairs & Communications

Past:

- Head of Marketing, Indochina
- Head of Marketing and Customer Experience
- Held senior positions in Industrial Relations, Employee Communications and Employee Relations/ Employee Engagement at Maybank



LONG BEANG
Joint Corporate Secretary

QUALIFICATION

- Bachelor of Public Law, Norton University, Cambodia
- Master of International Commercial Law and Corporate Counsel (L.L.M), Royal University of Law and Economics, Cambodia in collaboration with Université Lumière Lyon 2, France

WORKING EXPERIENCE/OTHER DIRECTORSHIPS

Present:

Within Maybank Group

- Joint Corporate Secretary of Maybank (Cambodia) Plc.
- Head of Corporate & Legal Services

Past:

- Head of Legal at a telecommunication service provider
- Head of Legal at local and international law firms in Phnom Penh

EXECUTIVE COMMITTEE PROFILE



DATO' MOHD HANIF SUADI
Chief Executive Officer

 **Appointed:** 1 March 2018

Qualification:

- Banking, Corporate Finance and Securities Law at UiTM
- Advance Management Programme, INSEAD Business School, Fontainebleu, Paris
- Master of Business Administration, Finance (M.B.A), University of Wales, Cardiff

Responsibility:

- Driving the overall management and growth of Maybank (Cambodia) Plc.
- Leading Bank's business and growth strategy across all lines of businesses, ensuring a good balance between driving operational excellence, strong governance and business growth
- Leveraging on the strengths of Maybank Group to capture increased market share and at the same time strengthening Maybank's operations in Cambodia

Working Experience:

- Senior Executive Vice President & Senior Advisor, Community Financial Service, Maybank Malaysia
- Senior Executive Vice President & Head of Community Distribution, Maybank Malaysia
- Head, Corporate, Group Remedial Management
- Head, Asset Quality Management for Region Selangor, Maybank Malaysia
- Head, Regional Retail Financial Services for Region Selangor, Maybank Malaysia



LIONG KHAI SIM
Head, Finance & Strategy

 **Appointed:** 2 April 2012

Qualification:

- Master of Business Administration, University of Hull, United Kingdom
- Bachelor of Commerce, University of New South Wales, Australia
- Member of the Certified Practising Accountants Australia
- Chartered Accountant of the Malaysian Institute of Accountants
- Certified Credit Professional, Institute of Bankers, Malaysia.

Responsibility:

- Bank's strategy, financial and capital management.
- Strategy & Business Planning
- Finance & Accounts

Relevant Working Experience:

- Finance & Treasury Operations, Maybank Malaysia
- Strategy & Corporate Finance and Branch Management, Maybank Malaysia
- Corporate & Investment Banking, Pacific Bank Berhad
- Finance & Accounts and Branch Management, Pacific Bank Berhad
- Internal Audit, Visia Finance Berhad
- Accounts, Statistics & Money Market, Visia Finance Berhad.

Flags indicate nationality:



Malaysian



Cambodian



Declaration:

The Executive Committee members have no:

- family relationship with any director and/or major shareholder of Maybank (Cambodia) Plc.
- conflict of interest with Maybank (Cambodia) Plc. and has never been charged for any offence.
- convictions for offences within the past 5 years.
- public sanction or penalty imposed by the relevant regulatory body during the financial year.



KROURCH SATHYA
Head, Corporate & Transaction Banking

 **Appointed:** 1 December 2017

Qualification:

- Bachelor's Degree in Business Administration, Accounting and Finance, National University of Management, Cambodia
- Master of Business Administration (Finance), Charles Sturt University, Economics and Finance Institute (EFI), Cambodia

Responsibility:

- Driving the overall management and growth of Corporate and Transaction Banking department

Working Experience:

- Head of Business and Corporate Banking at Hong Leong (Cambodia) Plc
- Head of Credit, ANZR (Cambodia) Plc
- Head of Lending Service, ANZR (Cambodia) Plc
- Senior Relationship Manager, ANZR (Cambodia) Plc



SOK LENG
Head, Business Banking

 **Appointed:** 8 May 2015

Qualification:

- Master of Finance and Banking, Build Bright University, Cambodia

Responsibility:

- Managing and growing the local client base of the Small and Medium Enterprises (SME) and Business Banking segments.

Working Experience:

- Head of Client Relations, Global Banking, Maybank Cambodia
- Business Relationship Manager, Maybank Cambodia
- Personal Banking specialist.

Flags indicate nationality:  Malaysian  Cambodian

Declaration:

The Executive Committee members have no:

- family relationship with any director and/or major shareholder of Maybank (Cambodia) Plc.
- conflict of interest with Maybank (Cambodia) Plc. and has never been charged for any offence.
- convictions for offences within the past 5 years.
- public sanction or penalty imposed by the relevant regulatory body during the financial year.

EXECUTIVE COMMITTEE PROFILE



THANABALAN V C KARAN
Head, Global Markets, Indochina

 **Appointed:** 15 March 2015

Qualification:

- Bachelor of Arts (Hons), University of Malaya.

Responsibility:

- Oversees the running of the Global Markets units in Indochina as well as develops and enhances Maybank's Global Markets presence and reputation in the region

Working Experience:

- Head, Global Markets, Maybank London
- Trading foreign exchange, money market and fixed income securities, Maybank Malaysia.



MOHAMMAD FAUZI ABD WAHAB
Chief Risk Officer

 **Appointed:** 1 July 2014

Qualification:

- Bachelors of Science in Business Administration majoring in Marketing and Organisational Behavioral Science, University of Missouri, St. Louis, USA.
- Certified Credit Professional (Business).
- Certified credit instructor for Maybank OMEGA Credit Skills Accreditation programme

Responsibility:

- Credit and Risk Management of the Bank, providing direction on the set up and implementation of risk management strategies, frameworks, policies, procedures, methodologies, and governance.
- Provide independent assessment and monitoring of all the risks in alignment with the business objectives of the Bank.

Working Experience:

- Regional Credit Officer, Maybank Cambodia
- Group Risk - Credit Management, Maybank Malaysia
- Corporate Banking Department, Kwong Yik Bank Berhad

Flags indicate nationality:



Malaysian



Cambodian



Declaration:

The Executive Committee members have no:

- family relationship with any director and/or major shareholder of Maybank (Cambodia) Plc.
- conflict of interest with Maybank (Cambodia) Plc. and has never been charged for any offence.
- convictions for offences within the past 5 years.
- public sanction or penalty imposed by the relevant regulatory body during the financial year.



QAZREEN CHAN ABDULLAH

Head, Human Capital, Indochina
Head, Corporate Affairs & Communications



Appointed: 1 March 2017

Qualification:

- Master of Business Administration, University of Bath, UK
- Bachelor of Education (Guidance & Counselling), Universiti Putra Malaysia
- Certificate in Industrial Relations, Malaysian Institute of Management
- Certified Product Marketing Manager, Association of International Product Marketing & Management, USA

Responsibility:

- Formulates people strategy and execution plan to support the Bank's business aspiration
- Put in place robust HR framework to drive people agenda and capability, developing and maximizing people performance and productivity
- Create a positive working environment that highly engages the workforce
- Corporate communications and branding, customer experience as well as corporate and legal services
- Drives the corporate responsibility agenda for the Bank
- Corporate secretary of the bank and assists the Board in ensuring the highest standards in corporate governance

Working Experience:

- Head, Marketing & Customer Experience of Maybank Cambodia
- Head, Marketing, Indochina.
- Lead Change Communications in various major Group initiatives, Maybank Malaysia
- Lead Employee Communications, Employee Relations and Employee Engagement, Maybank Malaysia
- Pioneer team, Carrefour Malaysia



KHOO ENG HOE

Head, Business Operations Support



Appointed: 8 May 2015

Qualification:

- Certified Credit Professional (CCP – Consumer), Institute of Bankers, Malaysia.

Responsibility:

- Centralized operations
- Property and Security
- Information Technology
- Branch Operations
- Customer Experience
- Credit Administration and Loan Management

Working Experience:

- Head, Mortgage Mobile Team Perak, Maybank Malaysia
- Branch Manager, Maybank Malaysia
- Senior Operation Executive and Assistant Branch Manager, Phileo Allied Bank

Flags indicate nationality:



Malaysian



Cambodian



Declaration:

The Executive Committee members have no:

- family relationship with any director and/or major shareholder of Maybank (Cambodia) Plc.
- conflict of interest with Maybank (Cambodia) Plc. and has never been charged for any offence.
- convictions for offences within the past 5 years.
- public sanction or penalty imposed by the relevant regulatory body during the financial year.

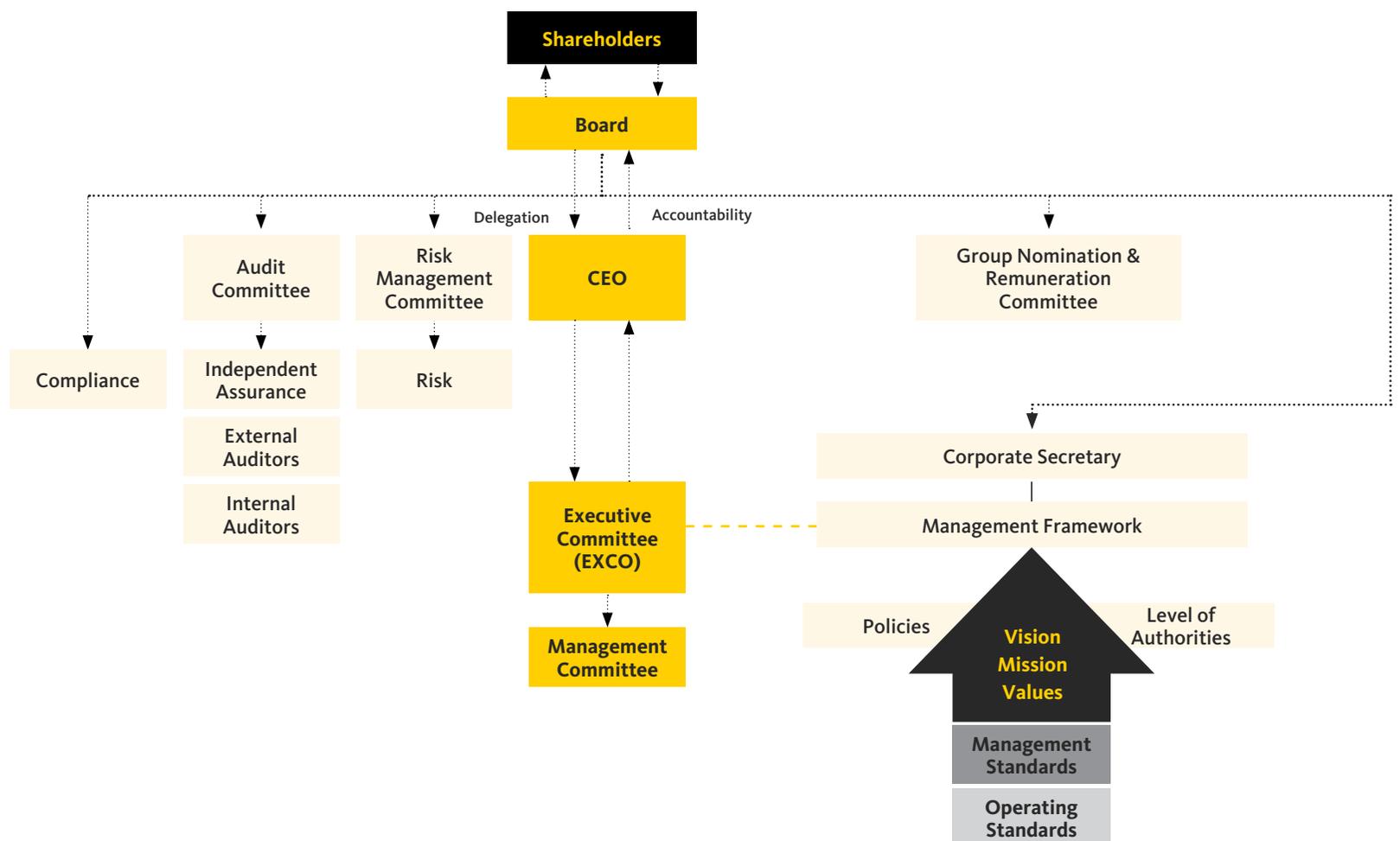
STATEMENT ON CORPORATE GOVERNANCE

INTRODUCTION

The Board of Directors (the Board) of the Maybank (Cambodia) Plc. (Maybank Cambodia or the Bank) views corporate governance as a fundamental process contributing towards achieving long term shareholder value, taking into account the interest of other stakeholders.

Amidst an increasingly challenging operating environment, the Board continuously strives to refine the Bank’s corporate governance practices and processes to meet these challenges head-on, to ensure that the Bank’s competitive edge both locally and regionally remains undiminished.

CORPORATE GOVERNANCE FRAMEWORK



Maybank Cambodia’s Corporate Governance Framework is premised upon the following statutory provisions, best practices and guidelines:

- National Bank of Cambodia’s (NBC) Prakas on Corporate Governance
- Maybank Group’s Corporate Governance Framework

CORPORATE GOVERNANCE OVERVIEW STATEMENT

A. BOARD LEADERSHIP & EFFECTIVENESS

Board Activities

The business and affairs of the Bank are managed under the direction and oversight of the Board, which also has the responsibility to periodically review and approve the overall strategies, business, organisation and significant policies of Maybank Cambodia. The Board also sets the Bank's core values, adopts proper standards to ensure that the Bank operates with integrity, and complies with the relevant rules and regulations. The roles and responsibilities of the Board are set out in Maybank Cambodia Board Charter.

Board Charter

The Board has established a Board Charter which outlines among others, the respective roles, responsibilities and authorities of the Board (both

individually and collectively) in setting the direction, management and control of the Bank. The Board Charter also includes the division of responsibilities and powers between the Board and management, and between the Chairman and the Chief Executive Officer (CEO).

Board Manual

Besides the Board Charter, the Board has in place a Board Manual, which acts as guidance to the Board in discharging their duties effectively. The Board Manual highlights the guiding principles and matters relating to Board organisation, responsibilities, and relevant internal policies and procedures which are applicable to the Board, including those mentioned in the Board Charter.

Among the key roles and responsibilities of the Board are as follows:

1	Reviewing and approving the strategies, business plans and annual budget for the Bank to ensure that they are aligned with the Bank's vision and mission
2	Overseeing the conduct and the performance of the Banks' business
3	Identifying and managing principal risks affecting the Bank's business
4	Reviewing the adequacy and integrity of the Bank's internal control systems
5	Establishing and approving policies on compliance for the Bank
6	Reviewing succession plan and talent management plans for the Bank, and approving the appointment, remuneration and compensation of senior management

Other than the above, the responsibilities for managing Maybank Cambodia's business activities are delegated to the CEO of Maybank Cambodia, who is accountable to the Board.

Board Composition

Currently, the Board consists of five Directors comprising:
 (a) three Non-Independent Non-Executive Directors; and
 (b) two Independent Non-Executive Directors

The composition of the Board is in compliance with the NBC's regulation, as at least two of its members are Independent Directors.

7	Approving new policies pertaining to boardroom diversity and remuneration structure of employees of the Bank
8	Approving changes to the corporate organization structure
9	Approving the appointment of Directors and Directors' remuneration in accordance with relevant regulatory requirements
10	Approving policies relating to corporate branding, public relations, investor relations and shareholder communication programmes
11	Reviewing the Bank's strategies on promotion of sustainability focusing on environmental, social and governance (ESG) aspects

The Board is committed to ensuring diversity and inclusiveness in its composition and deliberations and the Bank embraces the proposition that having a diverse Board would have a positive, value-relevant impact on the Bank. In this regard, the Board considers diversity from a number of different aspects, including age, cultural and educational background, nationality, professional experience, skills, knowledge and length of service.

The roles and responsibilities of the Chairman and the CEO are separated with a clear division of responsibilities and are defined, documented, and approved by the Board in line with best practices so as to ensure appropriate supervision of the Management. This distinction allows for a better understanding and distribution of jurisdictional responsibilities and accountabilities. The clear hierarchical structure with its focused approach facilitates efficiency and expedites informed decision-making.

The profile of each Director can be found on pages 44 to 47 of this Annual Report.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

Board Meetings

The Board meets on a bi-monthly basis, and the meeting dates are scheduled well in advance (before the commencement of each financial year) to enable the Directors to plan ahead. When required, the Board will meet on ad hoc basis to consider urgent matters. All the current Directors attended more than 70% of Board meetings held during FY2017.

Details of attendance of each Director at Board meetings held during FY2017 are set out in the table below:

Name of Directors	Board Number of Meetings			Risk Management Committee Number of Meetings			Audit Committee Number of Meetings		
	Held	Attended	%	Held	Attended	%	Held	Attended	%
Dato' Johan Ariffin	8	8	100	-	-	-	-	-	-
Mr Spencer Lee	8	8	100	6	6	100	6	6	100
Datuk R. Karunakaran ¹	7	7	100	5	5	100	5	5	100
Mr Anthony Brent Elam ²	1	1	100	1	1	100	1	1	100
Ms Pollie Sim ³	7	5	71	5	3	60	5	3	60
Datuk Hamirullah Boorhan	8	6	100	6	5	83	6	5	83
Mr Soon Su Long	8	8	100	6	6	100	6	6	100

Note:

1. Resigned as Independent Non-Executive Director on 31 October 2017
2. Appointed as Independent Non-Executive Director on 31 October 2017
3. Resigned as Non-Independent Non-Executive Director on 5 October 2017. On sabbatical leave from March to May 2017

Group Nomination and Remuneration Committee

The Group Nomination and Remuneration Committee (NRC) consists of a majority of INEDs and is chaired by an INED. The roles and responsibilities of the NRC are set out in its Terms of Reference which are available on Maybank Group's corporate website (www.maybank.com).

The Board delegates to the NRC the responsibility to establish a formal and transparent procedure for the nomination and appointment of new Directors to the Board. Such responsibilities include screening, conducting initial selection of internal and external candidates, and performing the requisite evaluation and assessment on the candidates' ability to discharge their duties effectively and efficiently prior to making recommendations to the Board for its approval. The NRC also ensures that candidates possess the appropriate skills, core competencies, experience and integrity to effectively discharge their role as a director.

The NRC determines the ability of the INEDs to continue bringing independent and objective judgment to the Board deliberations as well as to consider if there are any ground or reason that have come to the attention of the NRC that may affect the independence status of the INEDs. To assist the NRC in evaluating the independence of directors, the Board has established a Directors' Independence Policy (Independence Policy) which sets out Maybank's approach in determining directors' independence. The Independence Policy provides a guideline for the Board and its subsidiaries in the assessment of the independence of each INED. Consistent with the Independence Policy, the Board via the NRC assesses the independence of INEDs prior to their appointments and re-appointments as part of the annual Fit and Proper Assessment exercise.

Induction Programme

A comprehensive induction programme has been established to ease new Directors into their new role and to assist them in their understanding of the Group's and Bank's business strategy and operational matters. New Directors are required to attend the programme as soon as possible after they have been appointed. Typically undertaken within a period of two days, the programme includes intensive one-on-one sessions with the CEO and the EXCO members, wherein new Directors will be briefed and updated on the challenges and issues faced by the Bank.

Succession Plan

Succession planning is an integral part of the Board's corporate governance practices as the Board believes that the membership and composition of the Board should be reassessed from time to time, while ensuring continuity in meeting the Bank's long term goals and objectives. The NRC plays a major role in the recruitment and selection process of potential candidates, which includes procuring from time to time the curricula vitae of prospective candidates discreetly from various internal and external sources for its review and consideration, to ensure that the Board will always have a steady pool of talent for selection whenever there is a need to appoint new directors. In this regard, the Group's Policy on the Tenure of Directorships (Directors Tenure Policy) facilitates succession planning by providing the Board with the opportunity to consider and reassess its membership periodically, not only to ensure continuity in meeting its long term goals and objectives but also to ensure that the knowledge, experience, and skill set of its members would be well suited to meet the demands of the ever-changing landscape of the financial industry.

Directors' Training

The Board acknowledges the importance of continuing education for its Directors to ensure they are equipped with the necessary skills and knowledge to perform their functions and meet the challenges of the Board.

During the year, all the Board members attended various training programmes and workshops organized by the Group on issues relevant to the Bank, including key training programme for Directors of financial institutions.

Independent Professional Advice

Independent professional advice can be obtained by any individual Director, at Maybank's expense where necessary, in furtherance of his or her duties. This is clearly provided under Maybank's Policy and Procedure on Access to Independent Professional Advice, Senior Management and Corporate Secretary by Directors of Maybank Group. Copy of any report, advice or recommendations provided by independent professional advisers to the relevant Director would be forwarded by the said Director to the Corporate Secretary, who will, where appropriate, circulate them to other Directors to ensure that they are kept informed of the advice.

Directorships in Other Companies and Maybank Subsidiaries

In compliance with the Maybank Group requirements, each member of the Board holds no more than five directorships in public listed companies. This enables the Directors to focus, commit, and devote sufficient time in discharging their duties and responsibilities effectively.

Whilst the Board values the experience and perspective gained by the NEDs from their memberships on the boards of other companies, organisations, and associations; the Board Manual provides that the NEDs must first consult the Chairman to ensure that their acceptance of such other appointments would not unduly affect their time commitments and responsibilities to the Board and the Bank.

In addition to the above, the Group Board may from time to time, nominate some of its members to sit on the board of Maybank's subsidiaries which are also financial institutions. While these directors are expected to represent the interest of the Group, the Board is mindful of the duties imposed on such Directors, who must also act in the best interest of the subsidiaries that they represent.

B. EFFECTIVE AUDIT AND RISK MANAGEMENT

Audit Committee of the Board

The Audit Committee of the Board (the ACB) consists of a majority of INEDs, and is chaired by an INED.

The composition and details of meetings attended by each member can be found in pages 108 of this Annual Report.

The ACB members are equipped with vast experience from various industries and are capable of providing sound advice to the Board not only in terms of financial reporting but also on internal audit and the state of the Bank's risk and internal control environment.

The ACB and the Board place great emphasis on the objectivity and independence of the external auditors in providing relevant and transparent reports to the shareholders. In line with this, the Board has delegated the responsibility to assess the suitability, objectivity, and independence of the Bank's appointed external auditors to the ACB. This responsibility is enshrined in the ACB's Terms of Reference, while the procedures and processes for the conduct of such assessment are guided by the Bank's Framework on Appointment of External Statutory Auditors for Provision of Statutory Audit and Non-Audit Services. The ACB conducts such assessments on an annual basis. On that note, the external auditors have provided their written assurance to the Bank in respect of their independence for FY2017. In respect of fees, the details of the statutory audit and non-audit fees incurred for FY2017 are set out under Note 19 on page 91 of the Maybank Cambodia Financial Statements Annual Report 2017. To ensure full disclosure of matters, the external auditors are invited to attend the Audit Committee meetings.

The Board is also assisted by the ACB in overseeing the financial reporting process and the quality of the Bank's financial statements to ensure that the Board dispenses with its fiduciary responsibility to present to the shareholders and the public at large, a clear, balanced and meaningful evaluation of the Bank's financial position, financial performance, and prospects. The ACB is also tasked to review the appropriateness of the accounting policies applied by the Bank as well as the changes in these policies. Based on the ACB's recommendations, the Board also ensures that the Bank's financial statements prepared for each financial year sets out a true and fair view in accordance with Cambodian Financial Reporting Standards, International Financial Reporting Standards, and the requirements of the guidelines issued by NBC. The Statement on Directors' Responsibility in respect of the preparation of the audited financial statements of the Bank is set out on page 63 of the Financial Statements of this Annual Report. The Bank's financial highlights and indicators for FY2017 are set out on page 20 of this Annual Report. The Bank's financial statements are included on pages 62 to 101 of the Financial Statements of this Annual Report.

Internal Audit Function

The Internal Audit (IA) function is established by the Board to undertake continuous review and assessment on the adequacy, efficiency and effectiveness of risk management, control, and governance processes

CORPORATE GOVERNANCE OVERVIEW STATEMENT

implemented in the Bank. The IA is headed by the Head of Internal Audit (HIA) who reports functionally to the ACB and administratively to the CEO and is independent from the activities or operations of other operating units in the Bank. The IA function is guided by its Audit Charter (as approved by the ACB) which defines the mission and objective, responsibility, accountability, authority, independence and objectivity and professionalism and ethical standards of the IA function of the Bank.

The IA function has unrestricted access to the ACB and the HIA is invited to attend ACB meetings to facilitate the deliberation of audit reports. The minutes of ACB meetings are then tabled to the Board for information and serve as useful references, especially if there are pertinent issues that any Directors wish to highlight or seek clarification on.

To ensure effective management and independence of the IA function, the ACB is empowered by its Terms of Reference to appraise and approve the appointment and termination of the HIA, the scope of IA function and the required resources, as well as the performance of its senior IA staff. Further details on the activities of the ACB during FY2017, the independence of audit personnel and the Bank's internal audit framework can be found in the Audit Committee Report which is set out on pages 107 of this Annual Report.

Risk Management Committee

The Risk and Management Committee (RMC) consists exclusively of NEDs, and is chaired by an INED.

The composition of the RMC, its duties and responsibilities as well as details of meetings attended by each member can be found in pages 54 of this Annual Report.

The RMC assists the Board in ensuring that the risk exposures and outcomes affecting the Bank are effectively managed and addressed by the Board. More specifically, the RMC is responsible for formulating policies and frameworks to identify, monitor, manage and control material risks impacting the Bank.

Risk Management and Internal Control Framework

The Board takes cognisance of its overall responsibility in establishing a sound risk management and internal control system as well as reviewing its adequacy and effectiveness. The Board has established a governance structure to ensure effective oversight of risks and controls in the Bank. The effectiveness of risk management and internal controls is continuously reviewed to ensure that they are working adequately and effectively. The ACB regularly evaluates the adequacy and effectiveness of the Bank's internal control systems by reviewing the actions taken on lapses/deficiencies identified in reports prepared by Internal Audit. The ACB also reviews Internal Audit's recommendations and management responses to these recommendations to ensure any lapses/deficiencies identified are being dealt with adequately and promptly.

C. KEY FOCUS AREAS AND FUTURE PRIORITIES

Moving forward, the Board will continue to refine and seek to build upon the corporate disclosure requirements to better operationalise and improve the Bank's corporate governance practices and procedures in the best interest of all our stakeholders. The Board will also be prioritising its succession plan, particularly on the need to establish a deeper pool of talent from which new candidates for Board memberships could be efficiently assessed and evaluated prior to appointment.

This Statement of Corporate Governance was approved by the Board on 28 March 2018.

SUSTAINABILITY STATEMENT

Sustainability is an integral part of Maybank’s business practices and we have a long track record of sustainability reporting. Our financial success depends on our ability to identify and address environmental, social, and ethical issues that present risks and opportunities for our business. From the start we have believed in Humanising Financial Services, and our strategic priorities are underpinned by this belief.

We have come a long way from supporting one-off good causes to empowering communities and responding to emerging issues by changing the ways we operate. We believe in improving prospects for livelihoods and entrepreneurship as well as access to financial services and education. We want to be able to show how we create long-term value and how we have managed to integrate environmental and social thinking into our business and operations, thus presenting financial and sustainability information side by side.

We report our progress against our Maybank Group 20/20 Sustainability Plan, a five-year sustainability strategy document approved in 2014. This Maybank Group plan aims to generate long-lasting impact and value on proper across three pillars – Community and Citizenship, Our People, and Access to Products and Services.



Formulation of the Plan in 2014 helped us incorporate sustainability into ‘business as usual’ and embed it into our long-term mission of Humanising Financial Services. The Plan is operationalised with the help of the 20/20 Sustainability Plan Implementation Guide, which sets indicators to monitor our progress in fulfilling the 10 commitments. Various departments are involved in the implementation of the Plan.

This statement summarises the progress we made in 2017 towards the commitments and goals set in the 20/20 Sustainability Plan.

SUSTAINABILITY STATEMENT

OUR ROLE AS A TRUSTED COMPANY

Maybank's approach to sustainability is founded on sound decision making and robust policies and systems.

In the past, many of Maybank's charitable community programmes were implemented on an ad-hoc basis. Over the years, we have made important changes and have integrated environmental, social, and governance (ESG) practices into our organisation and invested in strategic partnerships with community organisations. We have made an effort to report transparently about our progress, and have received multiple awards for our sustainability reports.

Sustainability roles within Maybank

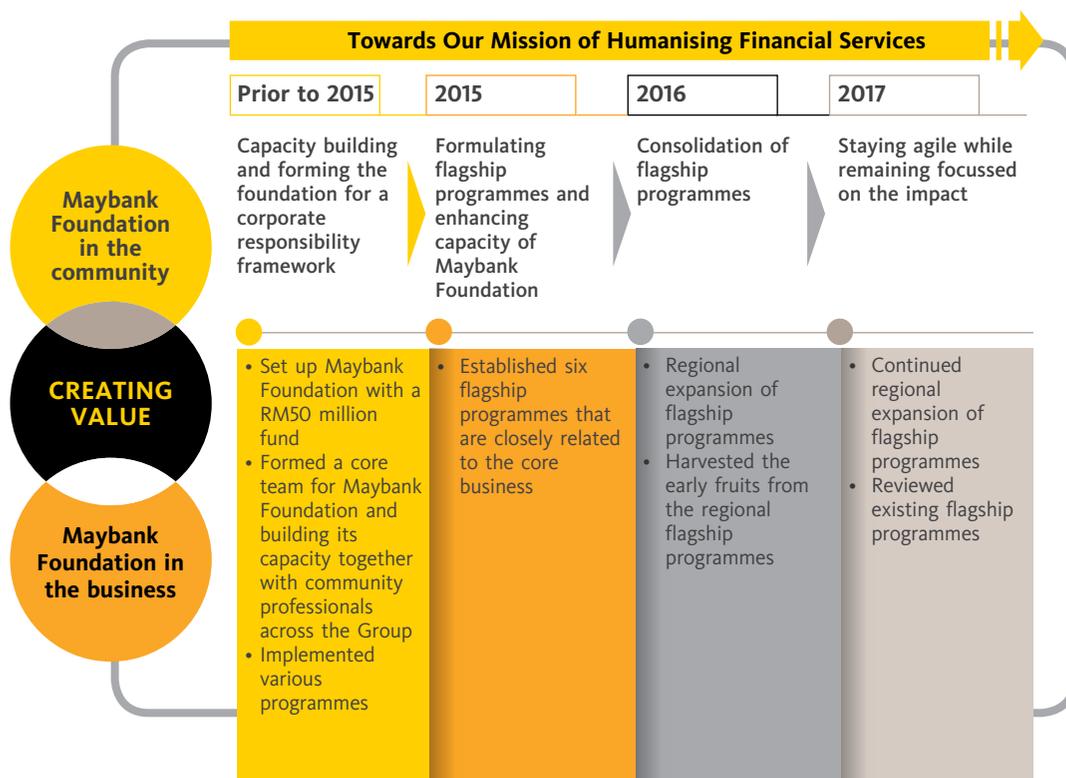
Who	Role
Maybank Group	
Board of Directors	Reviews sustainability performance and the Group's strategies on promotion of sustainability, focusing on ESG aspects.
Group Executive Committee	Deliberates and approves all key sustainability related matters.
Group Risk	Oversees overall Group Risk strategy and progress, including ESG issues and sustainability risks.
Group Corporate Affairs	Custodian of the 20/20 Sustainability Plan.
Group Human Capital	Oversees overall Group Human Capital strategy and progress.
Group Property, Security & Valuation	Management of resource consumption and usage including environmental impact from business activities.
Various departments	Operationalise the 20/20 Sustainability Plan into their respective business and operational areas. Departments and teams provide information against measurable indicators.
Maybank Foundation	
Board of Trustees	Approves and reviews programmes and performance.
Chief Executive Officer	Oversees overall strategy and progress.
Maybank Foundation team	<ul style="list-style-type: none"> Implements and monitors Maybank's flagship community programmes based on focus areas under the Community and Citizenship pillar of the 20/20 Sustainability Plan. Supports community programme partnerships and initiatives throughout the Group.

OUR ROLE IN THE COMMUNITY

Our approach to giving back to the community is threefold. With targeted social investments, volunteer efforts, and long-term partnerships, we are able to empower the communities where we operate. Maybank Foundation manages the community investments of the Group in the markets that Maybank operates in, according to the priorities set out in the 20/20 Sustainability Plan.

We channelled about 1% of net profit to community programmes, as we have been doing since 2013, and are proud to be one of the more active corporate citizens in Asia with approximately RM65 million in community investment.

In 2017, our community programmes reached out to participants and beneficiaries across ASEAN. We strive to invest for impact, focusing on education, community empowerment, arts and culture, environmental diversity, healthy living, and disaster relief.



OUR ROLE IN THE COMMUNITY (CONT'D)

CashVille Kidz

CashVille Kidz, our financial literacy programme was launched in Cambodia in March 2017. Its pilot phase targeted eight schools, reaching out to over 900 students in Phnom Penh. Our initial reports indicate an average increase of 25.49% in post-assessment scores of financial literacy knowledge among participating students in Cambodia. In the next phase, the programme will expand to more national schools in the country. The programme is expected to run in Cambodia for the next three years.

CashVille Kidz has been successful in Malaysia. In 2017, it was accepted as an extra co-curricular activity in participating schools by the Malaysian Ministry of Education.

In 2017, CashVille Kidz in Malaysia and Cambodia reached:

 **25,964**
students

 **188**
schools

Reach Independence & Sustainable Entrepreneurship (R.I.S.E.)

▶ Target

R.I.S.E. builds capabilities of people with disabilities through a structured training and mentoring programme.

Phase 2

Started: September 2015

Completed: March 2017

Target: 1,800 participants:

- Malaysia: 1,400 participants
- Indonesia: 200 participants
- The Philippines: 200 participants

▶ Performance

R.I.S.E. trained a total of **1,866 participants** in Phase 2 in Malaysia, Indonesia, and the Philippines.

Phase 3 launched on 7 December 2017 will reach out to

4,000 people

in four countries:



Malaysia
800



The Philippines
1,000



Indonesia
2,000



Laos
200

of which **70%** will be people with disabilities.

eMpowering Youths Across ASEAN

The programme reaches out to students from partner universities, enabling them to undertake community initiatives around the region. Currently, Maybank Foundation is in discussion with the ASEAN Foundation to expand the programme further. It would be managed by ASEAN Foundation and reach out to all member countries.

In 2017, Maybank was invited to showcase its work with ASEAN youth in a United Nations Volunteers (UNV) conference in Bangkok, titled South-South Exchange on Youth Volunteering for the SDGs. Maybank was one of only three invited corporates amongst NGOs and government participants.

Maybank Women Eco Weavers

Maybank Women Eco Weavers launched a silk weaving training centre in Takeo, Cambodia. To date, 50 women weavers have been trained in Cambodia, with another 25 currently undergoing training. The programme will be launched in Laos in 2018.

The programme was featured at the ASEAN 50th anniversary celebration in Jakarta in August 2017, as an example of a community programme that is in line with the ASEAN Socio-Cultural Community Blueprint – that seeks to promote high quality of life, equitable access to opportunities and protection of human rights, while preserving the arts and culture of the ASEAN region.



▲ The unveiling of Maybank Silk Weaving Training Centre during the official launch in Takeo, Cambodia.



▲ The CEO, Maybank Foundation explaining about the Maybank Women Eco Weavers to the President of the Republic of Indonesia, H.E. Joko Widodo at the ASEAN 50th Anniversary Celebration held at the ASEAN Secretariat in Jakarta.



▲ The official launch of Maybank Women Eco Weaver in Xiangkhouang, Laos.

Target: to train

150 
weavers in Cambodia

400 
weavers in Indonesia

15 
weavers in Laos
in 1st Year

SUSTAINABILITY STATEMENT

Maybank Child Sponsorship

Maybank Child Sponsorship is a continuation of Maybank Cambodia's long-term partnership with the People Improvement Organisation (PIO) to provide sponsorship support to underprivileged students, providing them the opportunities to pursue education as a way out of poverty.

In 2017, the program continued into its Phase 4, with Maybank committing to support another 50 underprivileged students. The sponsorship program entailed a monthly funding allocation to cover basic food and school support as well as special regular engagement sessions with Maybank employees.



120 students
sponsored

PIO Children participated in an exciting English programme with many fun activities led by Maybank employees during a monthly special engagement session at Maybank Tower.



Maybank Training & Learning Centre (TLC)

Maybank's second TLC was opened in Myanmar (the first TLC is operational in the Philippines).

Maybank TLC-CVT (Centre for Vocational Training) Programme 2017 is a collaboration between Maybank and CVT Myanmar, intended to provide vocational training for the youths in Myanmar.

Trained
24 youths
 in Myanmar
 and more than
30
 in the Philippines

Arts and Culture

Several art exhibitions and talks were held at the Menara Maybank gallery space Balai Seni, including EMANSIPASI in conjunction with the 60th Merdeka (National Day) celebration, Tiger Art Exhibition in conjunction with Global Tiger Day on 29 July and Maybank Plenary Art Talk in conjunction with Malaysia Day.

As part of the KataKatha programme, the Drum for Hope project in the UK was launched in collaboration with MERCY Malaysia UK.

OUR ROLE AS A LEADING EMPLOYER

We want to build an inclusive and engaged workplace to help us connect with customers and make better, more informed decisions for our business. We have made sure that we have a flexible, open and supportive working environment, where employees feel they can speak up, and everyone is valued and respected.

USD28 MILLION
spent on learning and development

Bloomberg
The only Malaysian company listed on **2017 BLOOMBERG FINANCIAL SERVICES GENDER-EQUALITY INDEX (GEI)**

Maybank has different nationalities, varying age groups, and socio-economic levels in our dynamic workforce. Tangible developments were made from the start of Maybank's people transformation journey commencing 2009 to ensure that Maybank and Maybankers embrace diversity and inclusion.

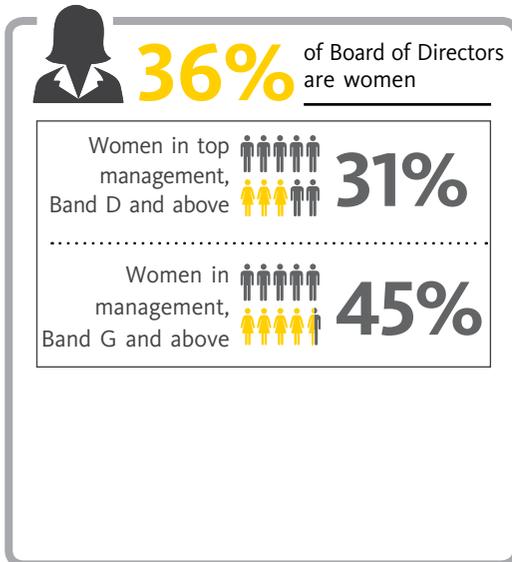
Maybank's Diversity and Inclusion Policy governs all aspects of employment practices which clearly prohibits discrimination or harassment and is based on the rule of meritocracy - embedded in our HR strategy, policies and practiced in our dealings with all stakeholders.

Constant engagement to listen and act on employee feedback through multiple forums and platforms led by Group EXCO to reinforce ways of working, and address pain points swiftly continue to be intensively pursued.

Maybank continues to maintain since 2009, the Human Capital Dashboard reviewed monthly at Management meetings which has been one of the tools enabling Maybank's many milestone successes. Maybank's Group Inclusiveness and Diversity Agenda in 2014 continue to be spurred by efforts emplaced earlier. Outcomes are monitored through a compulsory Key Performance Indicator (KPI) in the Group EXCO scorecard.

Maybank Women Mentor Women Council's main 2017 focus was to attract and retain female workforce, empower women talent through development programmes and drive career advancement of women through sponsorship programme/projects. It continues to support sub-councils for women across Maybank's presence in ASEAN, United States and United Kingdom. Some key programmes in 2017 include the International Women's Day 2017 Celebration (Kuala Lumpur), Women Conference in Indonesia and World of Women in Philippines.

OUR ROLE AS A LEADING EMPLOYER (CONT'D)



Opportunities to Volunteer

Volunteerism is a strategic people initiative as we believe that volunteering bridges the business with the community in a very tangible manner. Cahaya Kasih (CK) is our main volunteerism platform.

In 2017 our employees contributed **130,209** in numerous initiatives.



The Maybank Women Mentor Women (WMW) Council's recently launched Advancing Women Leaders Programme (AWLP) is an important platform to increase women leadership, strengthen diversity and inclusion, and contribute to achieving Maybank's aspiration. Designed and executed by Group Human Capital and championed by the Maybank WMW Council, the programme has a developmental focus on women leaders. This programme is part of the Council's initiative to inspire and empower women at Maybank to draw on their unique leadership qualities.

Number of women leaders on AWLP: **35**

Maybank GO Ahead. Challenge



OUR ROLE AS A RESPONSIBLE FINANCIAL SERVICES PROVIDER

Our business will continue to thrive if it is embedded with elements of good governance, innovation, and environmentally sound management. We are committed to getting to know our clients' businesses, including understanding the social and environmental issues of the sectors that we bank on. Digitalisation, access to finance, and funding the small businesses that fuel growth and livelihoods remain high on our agenda.



We continue to focus on managing our carbon footprint. We have participated in the CDP (formerly the Carbon Disclosure Project) for six years, and were the first Malaysian financial institution to take part. We are committed to the process and continue to disclose our carbon footprint.



The Maybank Group's Environmental, Social and Governance (ESG) Risk Management Framework, developed in consultation with country offices and business sectors and designed to be consistent with the Group's 20/20 SP, was approved by the Board in 2017. The framework is aligned with:

- United Nations' Human Rights policy
- International Finance Corporation (IFC)'s standards
- Global environmental standards

Maybank will not finance activities that are deemed not in line with our core values or international best practices. ESG risk assessment is to be conducted during the pre-deal origination and to be included as part of the overall evaluation of the activity, with all Know Your Customer (KYC) processes remaining unchanged. ESG risk assessment is to be conducted for new and existing clients. ESG risks are categorised into low risk, medium risk, or high risk.

The framework will be operationalised throughout the Group in 2018.

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CONNECTION
ANALYSIS
DATA
SEARCHING
VERIFICATION
CODING
SENDING

CONNECTION
ANALYSIS
DATA
SEARCHING
VERIFICATION
CODING
SENDING

REPORT OF THE BOARD OF DIRECTORS

The Board of Directors of Maybank (Cambodia) Plc. (“the Bank”) presents its report and the Bank’s financial statements as at 31 December 2017 and for the year then ended.

THE BANK

Maybank in Cambodia was established since 1993 and initially operated as Phnom Penh Branch (“the Branch”) of Malayan Banking Berhad (“MBB”), a bank incorporated in Malaysia.

On 2 April 2012, the Branch was incorporated as Maybank (Cambodia) Plc., a public limited company and a subsidiary of MBB. The Bank is duly incorporated under the Cambodian Law on Commercial Enterprises and licensed under the regulations of the National Bank of Cambodia (“NBC”).

The Bank is engaged in the provision of comprehensive banking and related financial services in the Kingdom of Cambodia in accordance with Banking License No. 02 issued by the NBC for an indefinite period.

The Bank’s registered office address is at No.43, Preah Norodom Boulevard, Sangkat Phsar Thmey 3, Khan Daun Penh, Phnom Penh, Cambodia.

There is no significant change in the principal activities of the Bank during the year.

FINANCIAL RESULTS

The financial results of the Bank for the year then ended were as follows:

	2017 USD	2016 USD
Profit before tax	7,126,511	17,248,966
Income tax expense	(1,847,583)	(2,891,524)
Net profit for the year	5,278,928	14,357,442
KHR’000 equivalent	21,311,032	57,960,993

SHARE CAPITAL

The total share capital of the Bank as at 31 December 2017 is USD65,000,000 (KHR 262.41 billion) (2016: USD50,000,000 or KHR201.85 billion).

RESERVES AND PROVISIONS

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

BAD AND DOUBTFUL LOANS AND ADVANCES

Before the financial statements of the Bank were drawn up, the Directors took reasonable steps to ascertain that actions had been taken in relation to writing off of bad loans and advances and the provision of allowance for loan losses, and satisfied themselves that all known bad loans and advances had been written off and adequate allowance had been made for bad and doubtful loans and advances.

At the date of this report, the Directors are not aware of any circumstances, which would render the amount written off for bad loans and advances, or the amount of allowance for loan losses in the financial statements of the Bank, inadequate to any material extent.

CURRENT ASSETS

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

At the date of this report, the Directors are not aware of any circumstances, which would render the values attributed to the current assets in the financial statements of the Bank misleading or inappropriate in any material respect.

VALUATION METHODS

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

CONTINGENT AND OTHER LIABILITIES

At the date of this report, there is:

- No charge on the assets of the Bank which has arisen since the end of the period which secures the liabilities of any other person; and
- No contingent liability in respect of the Bank that has arisen since the end of the period other than in the ordinary course of business.

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

EVENTS AFTER THE BALANCE SHEET DATE

No significant events occurred after the balance sheet date requiring disclosure or adjustment other than those already disclosed in the accompanying notes to the financial statements.

THE BOARD OF DIRECTORS

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

Dato’ Johan Ariffin	Independent non-executive Chairman
Datuk R. Karunakaran	Independent non-executive director, resigned on 31 October 2017
Anthony Brent Elam	Independent non-executive director, appointed on 31 October 2017
Spencer Lee Tien Chye	Independent non-executive director
Datuk Hamirullah Boorhan	Non-independent non-executive director
Soon Su Long	Non-independent non-executive director
Pollie Sim Sio Hoong	Non-independent non-executive director, resigned on 5 October 2017

REPORT OF THE BOARD OF DIRECTORS

AUDITOR

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

DIRECTORS' BENEFITS

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

No Director of the Bank has received or become entitled to receive any benefit by reason of a contract made by the Bank or with a firm which the Director is a member, or with a Bank which the Director has a material financial interest other than those disclosed in the financial statements.

STATEMENT OF BOARD OF DIRECTORS' RESPONSIBILITY IN RESPECT OF THE FINANCIAL STATEMENTS

The Board of Directors is responsible for ensuring that the financial statements give a true and fair view of the financial position of the Bank as at 31 December 2017, and its financial performance and its cash flows for the year then ended. In preparing these financial statements, the Board of Directors oversees preparation of these financial statements by management who is required to:

- Adopt appropriate accounting policies which are supported by reasonable and prudent judgments and estimates and then apply them consistently;
- Comply with regulations and guidelines issued by the NBC and Cambodian Accounting Standards or, if there has been any departure in the interests of fair presentation, ensure this has been appropriately disclosed, explained and quantified in the financial statements;
- Maintain adequate accounting records and an effective system of internal controls;
- Prepare the financial statements on a going concern basis unless it is inappropriate to assume that the Bank will continue operations in the foreseeable future; and
- Set overall policies for the Bank, ratify all decisions and actions by the management that have a material effect on the operations and performance of the Bank, and ensure they have been properly reflected in the financial statements.

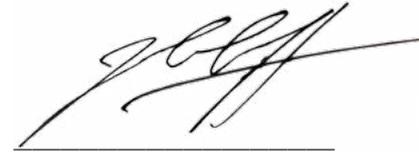
Management is responsible for ensuring that proper accounting records are kept which disclose, with reasonable accuracy at any time, the financial position of the Bank and to ensure that the accounting records comply with the registered accounting system. It is also responsible for safeguarding the assets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

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

APPROVAL OF THE FINANCIAL STATEMENTS

We hereby approve the accompanying financial statements which give a true and fair view of the financial position of the Bank as at 31 December 2017, and its financial performance and its cash flows for the year ended in accordance with Cambodian Accounting Standards and relevant regulations and guidelines issued by the National Bank of Cambodia.

On behalf of the Board of Directors



Dato' Johan Ariffin
Chairman

Phnom Penh, Kingdom of Cambodia
28 March 2018

INDEPENDENT AUDITORS' REPORT

TO: THE SHAREHOLDER OF MAYBANK (CAMBODIA) PLC.

OPINION

We have audited the accompanying financial statements of Maybank (Cambodia) Plc. ("the Bank") which comprise the balance sheet as at 31 December 2017, and the income statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements give a true and fair view of the financial position of the Bank as at 31 December 2017, and its financial performance and its cash flows for the year then ended in accordance with Cambodian Accounting Standards and relevant regulations and guidelines issued by the National Bank of Cambodia.

BASIS FOR OPINION

We conducted our audit in accordance with Cambodian International Standards on Auditing ("CISAs"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Bank in accordance with the sub-decree on the Code of Ethics for Professional Accountants and Auditors promulgated by the Royal Government of Cambodia, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

INFORMATION OTHER THAN THE FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON

The other information obtained at the date of the auditor's report comprises the Report of the Board of Directors as set out in pages 1 to 4. Management is responsible for the other information.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF MANAGEMENT AND THE BOARD OF DIRECTORS FOR THE FINANCIAL STATEMENTS

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

In preparing the financial statements, management is responsible for assessing the Bank's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Bank or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is responsible for overseeing the Bank's financial reporting process.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with CISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with CISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Bank's internal control.

INDEPENDENT AUDITORS' REPORT

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Bank's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Bank to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



Maria Cristina Calimbas
Partner

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

Phnom Penh, Kingdom of Cambodia
28 March 2018

BALANCE SHEET

AS AT 31 DECEMBER 2017

	Note	2017		2016	
		US\$	KHR'000 equivalent (Note 2.1.5)	US\$	KHR'000 equivalent (Note 2.1.5)
ASSETS					
Cash on hand		46,200,546	186,511,604	47,872,486	193,261,226
Balances with the National Bank of Cambodia	3	248,596,929	1,003,585,802	259,205,358	1,046,412,030
Balances with other banks	4	55,992,960	226,043,580	30,612,629	123,583,183
Balances with parent company	5	4,415	17,823	126,819	511,968
Balances with affiliates	6	1,647,157	6,649,573	5,578,639	22,520,966
Loans and advances	7	534,932,586	2,159,522,850	547,882,374	2,211,801,144
Property and equipment	8	5,543,920	22,380,805	6,433,822	25,973,339
Software costs	9	1,071,751	4,326,659	854,273	3,448,700
Deferred tax assets - net	12	2,718,024	10,972,662	1,833,272	7,400,919
Other assets	10	3,692,284	14,905,751	3,424,670	13,825,393
TOTAL ASSETS		900,400,572	3,634,917,109	903,824,342	3,648,738,868
LIABILITIES AND SHAREHOLDER'S EQUITY					
Liabilities					
Deposits from customers	11	705,829,271	2,849,432,767	657,079,611	2,652,630,390
Deposits from other financial institutions	11	25,116,432	101,395,036	52,275,135	211,034,719
Balances with parent company	5	2,592,784	10,467,069	47,850,963	193,174,337
Provision for income tax	12	2,172,803	8,771,606	4,716,530	19,040,632
Subordinated debt	5	30,000,000	121,110,000	30,000,000	121,110,000
Other liabilities	13	13,270,490	53,572,968	10,762,239	43,447,159
Total liabilities		778,981,780	3,144,749,446	802,684,478	3,240,437,237
Shareholder's equity					
Share capital	15	65,000,000	262,405,000	50,000,000	201,850,000
General reserve		10,000,000	40,370,000	10,000,000	40,370,000
Retained earnings		46,418,792	187,392,663	41,139,864	166,081,631
Total shareholder's equity		121,418,792	490,167,663	101,139,864	408,301,631
TOTAL LIABILITIES AND SHAREHOLDER'S EQUITY		900,400,572	3,634,917,109	903,824,342	3,648,738,868

The attached notes 1 to 25 form part of these financial statements

Overview

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INCOME STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2017

	Note	2017		2016	
		US\$	KHR'000 equivalent (Note 2.1.5)	US\$	KHR'000 equivalent (Note 2.1.5)
Interest income	16	46,465,196	187,579,996	44,420,529	179,325,676
Interest expense	17	(18,964,034)	(76,557,805)	(16,962,183)	(68,476,333)
Net interest income		27,501,162	111,022,191	27,458,346	110,849,343
Fee and commission income	18	7,210,118	29,107,246	6,104,876	24,645,384
Fee and commission expense		(1,186,386)	(4,789,440)	(682,561)	(2,755,499)
Net fee and commission income		6,023,732	24,317,806	5,422,315	21,889,885
Other income		1,780,990	7,189,857	858,055	3,463,968
Net operating income		35,305,884	142,529,854	33,738,716	136,203,196
General and administration expenses	19	(16,751,439)	(67,625,559)	(17,842,838)	(72,031,537)
Provision for loan losses	7	(11,427,934)	(46,134,570)	(246,912)	(996,784)
Recovery from written-off loans		-	-	1,600,000	6,459,200
Profit before tax		7,126,511	28,769,725	17,248,966	69,634,075
Income tax expense	12	(1,847,583)	(7,458,693)	(2,891,524)	(11,673,082)
Net profit for the year		5,278,928	21,311,032	14,357,442	57,960,993

The attached notes 1 to 25 form part of these financial statements

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2017

	Share capital (Note 15)	General reserve	Retained earnings	Total
	US\$	US\$	US\$	US\$
Balance as at 1 January 2017	50,000,000	10,000,000	41,139,864	101,139,864
Issuance of share capital	15,000,000	-	-	15,000,000
Net income for the year	-	-	5,278,928	5,278,928
Balance as at 31 December 2017	65,000,000	10,000,000	46,418,792	121,418,792
KHR'000 equivalent (Note 2.1.5)	262,405,000	40,370,000	187,392,663	490,167,663
Balance as at 1 January 2016	50,000,000	10,000,000	26,782,422	86,782,422
Net income for the year	-	-	14,357,442	14,357,442
Balance as at 31 December 2016	50,000,000	10,000,000	41,139,864	101,139,864
KHR'000 equivalent (Note 2.1.5)	201,850,000	40,370,000	166,081,631	408,301,631

The attached notes 1 to 25 form part of these financial statements

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STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2017

		2017		2016	
		US\$	KHR'000 equivalent (Note 2.1.5)	US\$	KHR'000 equivalent (Note 2.1.5)
Net cash from operating activities	20	27,856,984	112,458,645	85,128,604	343,664,175
Cash flows from investing activities					
Acquisition of:					
Property and equipment	8	(1,059,130)	(4,275,708)	(1,688,798)	(6,817,678)
Software costs	9	(481,140)	(1,942,363)	(261,720)	(1,056,564)
Proceeds from disposal of property and equipment		-	-	9,751	39,365
Net cash used in investing activities		(1,540,270)	(6,218,071)	(1,940,767)	(7,834,877)
Cash flows from financing activities					
Repayment of borrowings from parent company	5	(45,000,000)	(181,665,000)	(15,000,000)	(60,555,000)
Proceeds from issuance of share capital		15,000,000	60,555,000	-	-
Net cash used in financing activities		(30,000,000)	(121,110,000)	(15,000,000)	(60,555,000)
Increase/(decrease) in cash and cash equivalents		(3,683,286)	(14,869,426)	68,187,837	275,274,298
Cash and cash equivalents at beginning of year		243,400,125	982,606,305	175,212,288	709,609,766
Foreign currency difference		-	-	-	(2,277,759)
Cash and cash equivalents at end of year	3	239,716,839	967,736,879	243,400,125	982,606,305

The attached notes 1 to 25 form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 DECEMBER 2017 AND FOR THE YEAR THEN ENDED

1. CORPORATE INFORMATION

Establishment and operations

Maybank in Cambodia was established since 1993 and operated as Phnom Penh Branch (“the Branch”) of Malayan Banking Berhad (“the Parent Company” or “MBB”), a bank incorporated in Malaysia.

On 2 April 2012, the Branch was incorporated as Maybank (Cambodia) Plc, (“the Bank”) a public limited company and a subsidiary of the MBB. The Bank is duly incorporated under the Cambodian Law on Commercial Enterprises and licensed under the regulations of the National Bank of Cambodia (“NBC”).

The Bank is engaged in the provision of comprehensive banking and related financial services in the Kingdom of Cambodia in accordance with Banking License No. 02 issued by the NBC for an indefinite period.

Share capital

The total share capital of the Bank as at 31 December 2017 is USD 65,000,000 (KHR 262.41 billion) (2016: US\$ 50,000,000 or KHR 201.85 billion).

Board of Directors

The members of the Board of Directors during the year and at the date of the financial statements are:

Dato' Johan Ariffin	Independent non-executive Chairman
Anthony Brent Elam	Independent non-executive director, appointed on 31 October 2017
Spencer Lee Tien Chye	Independent non-executive director
Datuk Hamirullah Boorhan	Non-independent non-executive director
Soon Su Long	Non-independent non-executive director
Datuk R. Karunakaran	Independent non-executive director, resigned on 31 October 2017
Pollie Sim Sio Hoong	Non-independent non-executive director, resigned on 5 October 2017

Location

The Bank's registered office address is at No.43, Preah Norodom Boulevard, Sangkat Phsar Thmey 3, Khan Daun Penh, Phnom Penh, Cambodia. As at 31 December 2017, the Bank has a total of twenty-one (21) branches located in Phnom Penh, Siem Reap, Sihanoukville, Battambang, Tboung Khmum, Kampong Cham, Banteay Meanchey and Takeo

Employees

As at 31 December 2017, the Bank has a total of 374 employees (2016: 363 employees).

Approval of the financial statements

The financial statements were authorized for issue by the Board of Directors on 28 March 2018.

2. ACCOUNTING POLICIES

2.1 Basis of preparation

2.1.1 Statement of compliance

The financial statements have been prepared in accordance with Cambodian Accounting Standards (“CAS”) and the guidelines of the NBC on the preparation and presentation of financial statements.

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

The accounting policies set out below have been consistently applied by the Bank except on the determination of the allowance for losses on loans and advances with the introduction of new Prakas from the NBC, as more fully disclosed in Note 2.3.5.

2.1.2 Basis of measurement

The financial statements have been prepared based on the historical cost convention.

2.1.3 Fiscal year

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

2.1.4 Functional and presentation currency

The national currency of Cambodia is the Khmer Riel (“KHR”). However, the Bank transacts and maintains its accounting records primarily in United States dollar (“US\$”). Management has determined US\$ as the Bank's measurement and presentation currency as it reflects the economic substance of the underlying events and circumstances of the Bank. This is in accordance with Prakas No. B7-07-164 dated 13 December 2007.

Transactions in foreign currencies (“FC”) are translated into US\$ at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in currencies other than US\$ at the balance sheet date are translated into US\$ at the rates of exchange ruling at that date. Exchange differences arising on translation are recognized in the income statement.

2.1.5 Translation of US\$ into KHR

The translation of the US\$ amounts into KHR is presented in the financial statements to comply with the Cambodian Law on Accounting and auditing, dated 11 April 2016 and relevant Prakas of NBC, using the closing exchange rate of KHR 4,037: US\$ 1 ruling at the reporting date (2016: KHR 4,037: US\$ 1), as announced by NBC. Such translation should not be construed as a representation that the US\$ amounts represent, or have been or could be converted into KHR at that or any other rate.

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 DECEMBER 2017 AND FOR THE YEAR THEN ENDED

2. ACCOUNTING POLICIES (CONTINUED)

2.1 Basis of preparation (Continued)

2.1.6 Standards not yet adopted

On 24 March 2016, the National Accounting Council of Cambodia (“NAC”) announced that Cambodian International Financial Reporting Standards (“CIFRS”) is deferred for implementation on 1 January-2019. During the transition period, banks and financial institutions, including insurance companies, shall prepare progress report regarding the implementation of CIFRS and report annually to the NAC and other regulators. The adoption of CIFRS is expected to have a significant impact on the financial statements of the Bank.

2.2 Significant accounting judgments and estimates

In applying accounting policies, management has used its judgment and made estimates in determining the amounts recognized in the financial statements, as follows:

2.2.1 Operating lease

The Bank has entered into lease on premises used for its operations. The Bank has determined, based on the evaluation of the terms and conditions of the lease agreements (i.e., the lease does not transfer ownership of the asset to the lessee by the end of the lease term and lease term is not for the major part of the asset’s economic life), the lessor retains all the significant risks and rewards of ownership of these properties.

2.2.2 Functional currency

CAS 21 requires management to use its judgment to determine the entity’s functional currency such that it most faithfully represents the economic effects of the underlying transactions, events and conditions that are relevant to the entity. In making this judgment, the Bank considers the following:

- a) The currency that mainly influences prices for financial instruments and services (this will often be the currency in which prices for its financial instruments and services are denominated and settled);
- b) The currency in which funds from financing activities are generated; and
- c) The currency in which receipts from operating activities are usually retained.

2.2.3 Allowance for loan losses

When preparing the financial statements, the quality of loans and advances is reviewed and assessed to determine their classification and level of allowance for loan losses, as more fully disclosed in Note 2.3.5.

2.2.4 Recognition of deferred tax assets

Deferred tax assets are recognized for all unused tax losses and temporary differences to the extent that it is probable that future taxable profit will be available against which the losses can be utilized. Significant management judgment is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and level of future taxable income together with future tax planning strategies.

2.2.5 Impairment of non-financial assets

An impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs to sell and its value in use. The fair value less costs to sell calculation is based on available data from binding sales transactions in an arm’s length transaction of similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a discounted cash flow model. The Bank assesses impairment on assets whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. The factors that the Bank considers important which could trigger an impairment review include the following:

- Significant underperformance relative to expected historical or projected future operating results;
- Significant changes in the manner of use of the acquired assets or the strategy for overall business; and
- Significant negative industry or economic trends.

2.2.6 Estimated useful lives of property and equipment and software costs

The Bank estimates the useful lives of its property and equipment, and software costs. This estimate is reviewed periodically to ensure that the period of depreciation and amortization are consistent with the expected pattern of economic benefits from the items of property and equipment and software costs.

2.3 Summary of significant accounting policies

2.3.1 Change in accounting policies

The accounting policies and methods of calculation applied by the Bank are consistently applied except for the provision for losses on loans to customers as further disclosed in Note 2.3.5.

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 DECEMBER 2017 AND FOR THE YEAR THEN ENDED

2. ACCOUNTING POLICIES (CONTINUED)

2.3 Summary of significant accounting policies (Continued)

2.3.2 Segment information

The Bank operates within one business segment, commercial banking, and within one geographical segment, the Kingdom of Cambodia.

2.3.3 Cash and cash equivalents

For cash flow statement purposes, cash and cash equivalents consist of cash and bank balances, demand deposits and short-term highly liquid investments with original maturities of three months or less when purchased, and that are readily convertible to known amounts of cash and subject to an insignificant risk of changes in value.

2.3.4 Loans and advances

All loans and advances to customers are stated in the balance sheet at the amount of principal and accrued interest receivable (net of interest-in-suspense), less any amounts written off, and allowance for loan losses. Short-term loans are those with a repayment date within one year from the date the loan was advanced. Long-term loans are those with a final repayment date of more than one year from the date the loan was advanced.

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

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

2.3.5 Allowance for loan losses

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

Interest-in-suspense accruing to non-performing loans is not considered for purposes of the Bank's loan loss analysis.

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

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

On 1 December 2017, the NBC issued Prakas No. B7-017-344 on Credit Risk Grading and Impairment Provisioning which repealed NBC Prakas No. B7-09-074 on Asset Classification and Provisioning effective from the date of the newly-issued Prakas. The new Prakas requires banks and financial institutions to calculate the regulatory provision by classifying their loan portfolio into five classes based on number of days past due of principal and/or interest repayment. On 16 February 2018, the NBC issued Circular No. B7-018-001 to clarify some provisions in NBC Prakas No. B7-017-344. The mandatory level of allowance is provided depending on the loan classification based on a percentage of total outstanding loans and advances (including accrued interest), net of interest-in-suspense as follows:

Classification	Number of days past due	Allowance rate
Standard	Zero to 14 days (short-term)	1%
	Zero to 29 days (long-term)	
Special mention	15 days to 30 days (short-term)	3%
	30 days to 89 days (long-term)	
Substandard	31 days to 60 days (short-term)	20%
	90 days to 179 days (long-term)	
Doubtful	61 days to 90 days (short-term)	50%
	180 days to 359 days (long-term)	
Loss	More than 91 days (short-term)	100%
	360 days or more (long-term)	

The regulatory provision applies to all on and off balance sheet facilities of banks and financial institutions. The mandatory level of allowance required under the new Prakas resulted to an increase in the Bank's allowance for losses on loans and advances as at 31 December 2017 amounting to US\$ 3.58 million and a decrease in the net income for the year then ended by the same amount.

Further, the new Prakas requires the comparison of the regulatory provision with the impairment provision determined based on Cambodian International Financial Reporting Standards ("CIFRS") when adopted. During the transition period before the implementation of CIFRS, the Bank will follow the mandatory credit classification and regulatory provision in the new Prakas.

2.3.6 Other credit-related commitments

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

2.3.7 Other assets

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

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 DECEMBER 2017 AND FOR THE YEAR THEN ENDED

2. ACCOUNTING POLICIES (CONTINUED)

2.3 Summary of significant accounting policies (Continued)

2.3.8 Property and equipment

- (i) Items of property and equipment are stated at cost less accumulated depreciation and accumulated impairment losses, if any. Where an item of property comprises major components having different useful lives, they are accounted for as separate items of property and equipment.
- (ii) Depreciation of property and equipment is charged to the income statement on a straight-line basis over the estimated useful lives, which are as follows

	No. of Years
Leasehold improvements	5 to 15
equipment	4 to 5
Furniture and fittings	5
Motor vehicles	4

- (iii) Subsequent expenditure relating to an item of property and equipment that has already been recognized is added to the carrying amount of the asset when it is probable that future economic benefits, in excess of the originally assessed standard of performance of the existing asset, will flow to the Bank. All other subsequent expenditure is recognized as an expense in the year in which it is incurred.
- (iv) Gains or losses arising from the retirement or disposal of an item of property and equipment are determined as the difference between the estimated net disposal proceeds and the carrying amount of the assets and are recognized in the income statement on the date of retirement or disposal.
- (v) Fully depreciated property and equipment are retained in the financial statements until disposed of or written off.
- (vi) The carrying amounts of property and equipment are reviewed for impairment when there is an indication that the assets might be impaired. Impairment is measured by comparing the carrying values of the assets with their recoverable amounts. An impairment loss is charged to the income statement immediately.
- (vii) Reversal of impairment losses recognized in prior years is recorded where there is an indication that the impairment losses recognized for the asset no longer exist or have decreased. The reversal is recognized to the extent of the carrying amount of the asset that would have been determined (net of amortization and depreciation) had no impairment loss been recognized. The reversal is recognized in the income statement immediately.
- (viii) Construction in progress is transferred to each class of assets when it is complete and ready for use. Construction-in-progress is not depreciated until such time as the relevant assets are ready for use.

2.3.9 Software costs

Software costs that are paid for by the Bank are stated at cost less accumulated amortization and impairment losses, if any. Software costs are amortized on a straight-line method basis over 5 to 7 years.

2.3.10 Deposits from customers and other financial institutions

Deposits from customers and other financial institutions are stated at placement value.

2.3.11 Subordinated debt

Subordinated debt represents long-term debts that are subordinated to all other liabilities of the Bank. These are treated as part of the Bank's liabilities and included in the Bank's net worth computation under the NBC's guidelines.

2.3.12 Other liabilities

Other liabilities are stated at cost.

2.3.13 Provisions for liabilities

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

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

2.3.14 Income tax

(i) Current income tax

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

(ii) Deferred income tax

Deferred income tax is provided using the balance sheet liability method on temporary differences at the balance sheet date between the tax base of assets and liabilities and their carrying amount for financial reporting purposes. Deferred income tax liabilities are recognized for all taxable temporary differences, except where the deferred income tax liability arises from the initial recognition of an asset or liability in a transaction which at the time of the transaction affects neither the accounting profit nor taxable profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 DECEMBER 2017 AND FOR THE YEAR THEN ENDED

2. ACCOUNTING POLICIES (CONTINUED)

2.3 Summary of significant accounting policies (Continued)

(ii) Deferred income tax (Continued)

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

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

2.3.15 Offsetting financial instruments

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

2.3.16 Recognition of income and expense

(i) Interest income

Interest income is recognized on an accrual basis. Interest income on overdraft, term loans and other loans is recognized on a daily accrual basis. Where a loan becomes non-performing, the recognition of interest is suspended until it is realized on a cash basis. Loans are deemed to be non-performing where repayments are in arrears for 90 days or more.

(ii) Fee and commission income

Income from the various activities of the Bank is accrued using the following bases:

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

(iii) Interest expense

Interest expense on deposits of customers, settlement accounts of other banks and borrowings are recognized on an accrual basis.

(iv) Fee and commission expense

Fee and commission expense is recognized as incurred.

2.3.17 Operating leases

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

2.3.18 Related parties

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

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

- (i) Any person holding directly or indirectly at least ten percent (10%) of the capital or voting rights;
- (ii) Any company of which the Bank directly or indirectly holds at least 10% of the capital or voting rights;
- (iii) Any individual who participates in the administration, direction, management or internal control; and
- (iv) The external auditors.

2.3.19 Fiduciary assets

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

2.3.20 Rounding of amounts

Except as indicated otherwise, amounts in the financial statements have been rounded off to the nearest dollar and nearest thousands (“KHR’000”) for US\$ and KHR amounts, respectively.

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3. BALANCES WITH THE NATIONAL BANK OF CAMBODIA

	2017		2016	
	US\$	KHR'000 equivalent (Note 2.1.5)	US\$	KHR'000 equivalent (Note 2.1.5)
Current accounts in US\$	121,156,037	489,106,921	113,339,473	457,551,453
Current accounts in KHR	1,915,724	7,733,778	1,170,079	4,723,609
Term deposits in US\$	15,000,000	60,555,000	51,100,000	206,290,700
Statutory deposits				
Reserve requirement	104,025,168	419,949,603	88,595,806	357,661,268
Capital guarantee	6,500,000	26,240,500	5,000,000	20,185,000
	248,596,929	1,003,585,802	259,205,358	1,046,412,030

Reserve requirement

Under NBC Prakas No. B7-012-140 dated 13 September 2012, banks are required to maintain certain cash reserves with the NBC in the form of compulsory deposits, computed at 8.00% and 12.50% of customers' deposits in KHR and in foreign currency, respectively. The statutory deposit on customers' deposits fluctuate depending on the level of the customers' deposits.

Capital guarantee

Under NBC Prakas No. B7-01-136 dated 15 October 2001, banks are required to maintain a statutory deposit of 10.00% of registered capital with NBC. This deposit is not available for use in the Bank's day-to-day operations but is refundable when the Bank voluntarily ceases to operate the business in Cambodia.

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3. BALANCES WITH THE NATIONAL BANK OF CAMBODIA (CONTINUED)

For purposes of preparing the statement of cash flows, cash and cash equivalents comprise the following:

	2017		2016	
	US\$	KHR'000 equivalent (Note 2.1.5)	US\$	KHR'000 equivalent (Note 2.1.5)
Cash on hand	46,200,546	186,511,604	47,872,486	193,261,226
Balances with the NBC				
Current accounts	123,071,761	496,840,699	114,509,552	462,275,062
Term deposits*	15,000,000	60,555,000	50,000,000	201,850,000
Balances with other banks				
Settlement accounts	2,325,636	9,388,593	535,363	2,161,260
Term deposits*	51,467,324	207,773,587	24,777,266	100,025,823
Settlement accounts with parent company	4,415	17,823	126,819	511,968
Settlement accounts with affiliates	1,647,157	6,649,573	5,578,639	22,520,966
Total cash and cash equivalents	239,716,839	967,736,879	243,400,125	982,606,305

*The term deposits are unrestricted and have original maturities of three months or less.

4. BALANCES WITH OTHER BANKS

	2017		2016	
	US\$	KHR'000 equivalent (Note 2.1.5)	US\$	KHR'000 equivalent (Note 2.1.5)
Settlement accounts with overseas banks	2,294,867	9,264,378	410,774	1,658,295
Settlement account with a local bank	30,769	124,215	124,589	502,965
Term deposits	53,667,324	216,654,987	30,077,266	121,421,923
	55,992,960	226,043,580	30,612,629	123,583,183

Settlement accounts with overseas banks earn interest at 0.15% per annum (2016: 0.15% per annum) while the account with a local bank does not earn interest.

Annual interest rates on term deposits range from 1.00% to 2.50% (2016: 0.69% to 4.00% per annum).

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5. BALANCES WITH PARENT COMPANY

	2017		2016	
	US\$	KHR'000 equivalent (Note 2.1.5)	US\$	KHR'000 equivalent (Note 2.1.5)
Amounts due from parent company				
Settlement accounts	4,415	17,823	126,819	511,968
Amounts due to parent company				
Settlement accounts	1,770,053	7,145,704	1,947,743	7,863,038
Borrowings				
Short-term	-	-	15,000,000	60,555,000
Long-term	-	-	30,000,000	121,110,000
Interest payable	822,731	3,321,365	903,220	3,646,299
	2,592,784	10,467,069	47,850,963	193,174,337
Subordinated debt	30,000,000	121,110,000	30,000,000	121,110,000

Borrowings

Short-term borrowings from the parent company have average terms ranging from one to three months. Long-term borrowings have average terms of up to three years to be repaid at maturity date. These borrowings bear interest at rates ranging from 1.00% to 3.00% per annum (2016: 1.00% to 3.00% per annum). As at 31 December 2017, the Bank has fully paid all borrowings due to parent company

All borrowings were settled during the year.

Subordinated debt

On 30 December 2014, the NBC approved the subordinated debt agreement between the Bank and its parent company. The proceeds is used for working capital purposes. In January 2015, the parent company provided a subordinated debt to the Bank amounting to US\$ 30 million which bears fixed annual interest at 7.00% and has a term of 10 years. The principal amount will be repaid on maturity with interest payable every six months.

6. BALANCES WITH AFFILIATES

	2017		2016	
	US\$	KHR'000 equivalent (Note 2.1.5)	US\$	KHR'000 equivalent (Note 2.1.5)
Malayan Banking Berhad, New York Branch ("Maybank New York")	484,543	1,956,100	609,080	2,458,856
Malayan Banking Berhad, Singapore Branch ("Maybank Singapore")	125,603	507,059	1,259,059	5,082,821
Malayan Banking Berhad, London Branch ("Maybank London")	1,035,321	4,179,591	3,706,146	14,961,711
Maybank Hong Kong	382	1,542	1,413	5,704
Maybank Vietnam, Hanoi Branch ("Maybank Vietnam")	1,308	5,281	2,941	11,874
	1,647,157	6,649,573	5,578,639	22,520,966

The Bank maintains settlement accounts with the above Maybank overseas branches.

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7. LOANS AND ADVANCES

	2017		2016	
	US\$	KHR'000 equivalent (Note 2.1.5)	US\$	KHR'000 equivalent (Note 2.1.5)
Commercial lending				
Term loans	81,433,843	328,748,424	96,952,695	391,398,030
Overdraft	55,387,100	223,597,723	65,324,501	263,715,011
Trade financing	29,216,171	117,945,682	31,927,292	128,890,478
	166,037,114	670,291,829	194,204,488	784,003,519
Consumer lending				
Term loans	190,908,290	770,696,767	184,757,985	745,867,985
Residential mortgages	111,629,874	450,649,801	95,936,088	387,293,987
Overdraft	72,195,059	291,451,453	69,233,152	279,494,235
Staff related loans	10,074,545	40,670,938	9,958,383	40,201,992
Trade financing	7,536,272	30,423,930	5,874,035	23,713,479
	392,344,040	1,583,892,889	365,759,643	1,476,571,678
Gross loans and advances	558,381,154	2,254,184,718	559,964,131	2,260,575,197
Net interest receivable				
Accrued interest receivable	4,497,407	18,156,033	2,877,749	11,617,474
Interest in suspense	(4,225,627)	(17,058,856)	(2,125,758)	(8,581,685)
	271,780	1,097,177	751,991	3,035,789
Total gross loans and advances and net interest receivable	558,652,934	2,255,281,895	560,716,122	2,263,610,986
Allowance for loan losses				
Specific	(18,506,617)	(74,711,213)	(7,331,433)	(29,596,995)
General	(5,213,731)	(21,047,832)	(5,502,315)	(22,212,847)
	(23,720,348)	(95,759,045)	(12,833,748)	(51,809,842)
Loans and advances – net	534,932,586	2,159,522,850	547,882,374	2,211,801,144

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7. LOANS AND ADVANCES (CONTINUED)

Further analyses of loans and advances follow:

(a) Industrial sector

	2017		2016	
	US\$	KHR'000 equivalent (Note 2.1.5)	US\$	KHR'000 equivalent (Note 2.1.5)
Wholesale/retail	267,684,085	1,080,640,651	266,793,400	1,077,044,956
Consumers	132,357,625	534,327,732	118,266,680	477,442,587
Manufacturing	46,491,333	187,685,511	45,505,320	183,704,977
Financial services	35,491,569	143,279,464	36,892,556	148,935,249
Construction	28,559,338	115,294,048	37,556,029	151,613,689
Education	18,124,994	73,170,600	25,842,050	104,324,355
Health and others	12,133,170	48,981,607	7,503,807	30,292,869
Agriculture	7,522,566	30,368,599	7,060,679	28,503,961
Import/export	7,397,665	29,864,374	12,503,371	50,476,109
Energy	2,618,809	10,572,132	2,040,239	8,236,445
	558,381,154	2,254,184,718	559,964,131	2,260,575,197

(b) Currency, residency, relationship, exposures and interest rates

	2017		2016	
	US\$	KHR'000 equivalent (Note 2.1.5)	US\$	KHR'000 equivalent (Note 2.1.5)
US\$	558,381,154	2,254,184,718	559,964,131	2,260,575,197
Residents	558,381,154	2,254,184,718	559,964,131	2,260,575,197
Related parties	106,547	430,130	245,731	992,018
Non-related parties	558,274,607	2,253,754,588	559,718,400	2,259,583,179
	558,381,154	2,254,184,718	559,964,131	2,260,575,197
Large exposures	33,232,351	134,159,000	64,522,713	260,478,193
Non-large exposures	525,148,803	2,120,025,718	495,441,418	2,000,097,004
	558,381,154	2,254,184,718	559,964,131	2,260,575,197

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

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7. LOANS AND ADVANCES (CONTINUED)

Large exposures of off-balance sheet items aggregated to US\$ 15 million (2016: US\$ 21.75 million).

	2017	2016
Annual interest rates		
Overdraft	6.00% - 14.75%	6.00% - 11.00%
Term loans	6.50% - 12.25%	6.50% - 12.25%
Trust receipts	7.25% - 9.25%	7.25% - 9.25%
Staff loans	3.50% - 6.25%	3.50% - 6.25%

(c) Classification/performance of loans and advances

	2017		2016	
	US\$	KHR'000 equivalent (Note 2.1.5)	US\$	KHR'000 equivalent (Note 2.1.5)
Normal loans				
Secured	517,610,987	2,089,595,555	539,722,777	2,178,860,851
Unsecured	1,887,003	7,617,831	8,593,446	34,691,742
Special mention loans				
Secured	13,884,377	56,051,230	1,458,643	5,888,542
Substandard loans				
Secured	3,545,160	14,311,811	1,979,584	7,991,581
Doubtful loans				
Secured	4,601,085	18,574,580	287,327	1,159,939
Loss loans				
Secured	12,777,744	51,583,752	7,922,354	31,982,542
Unsecured	4,074,798	16,449,959	-	-
	558,381,154	2,254,184,718	559,964,131	2,260,575,197

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7. LOANS AND ADVANCES (CONTINUED)

(d) For analysis of loans and advances by maturity, refer to Note 14 on Maturity profile.

(e) Movements in the allowance for loan losses during the year are as follows:

	2017 US\$	2016 US\$
Specific allowance		
As at 1 January	7,331,433	7,903,478
Charges (reversal)	11,242,899	(572,045)
Write-off	(67,715)	-
As at 31 December	18,506,617	7,331,433
General allowance		
As at 1 January	5,502,315	4,683,358
Charges (reversal)	(288,584)	818,957
As at 31 December	5,213,731	5,502,315
Total allowance for loan losses	23,720,348	12,833,748
KHR'000 equivalent (Note 2.1.5)	95,759,045	51,809,842

Allowance for loan losses arising from the Bank's off-balance sheet items (credit commitments) is recognized as part of other liabilities amounting to US\$ 473,619 (Note 13).

8. PROPERTY AND EQUIPMENT

	2017					
	Construction in-progress US\$	Leasehold improvements US\$	Office equipment US\$	Furniture and fittings US\$	Motor vehicles US\$	Total US\$
Cost						
As at 1 January	236,140	8,625,290	5,563,344	768,644	377,500	15,570,918
Additions	134,825	343,179	496,595	37,431	47,100	1,059,130
Transfers in (out)	(309,700)	214,019	30,487	-	-	(65,194)
Disposals and write-offs	-	(24,866)	(4,830)	-	-	(29,696)
As at 31 December	61,265	9,157,622	6,085,596	806,075	424,600	16,535,158
Less accumulated depreciation						
As at 1 January	-	5,235,814	3,344,836	311,647	244,799	9,137,096
Charge for the year	-	869,212	830,330	139,747	38,372	1,877,661
Disposals and write-offs	-	(21,418)	(2,101)	-	-	(23,519)
As at 31 December	-	6,083,608	4,173,065	451,394	283,171	10,991,238
Net book value						
As at 31 December	61,265	3,074,014	1,912,531	354,681	141,429	5,543,920
KHR'000 equivalent (Note 2.1.5)	247,327	12,409,795	7,720,888	1,431,847	570,949	22,380,805

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8. PROPERTY AND EQUIPMENT (CONTINUED)

	2016					
	Construction in-progress US\$	Leasehold improvements US\$	Office equipment US\$	Furniture and fittings US\$	Motor vehicles US\$	Total US\$
Cost						
As at 1 January	2,688,257	6,381,515	4,418,412	387,114	236,500	14,111,798
Additions	502,117	-	1,045,681	-	141,000	1,688,798
Reclassifications	(2,954,234)	2,243,775	284,331	426,128	-	-
Disposals	-	-	(185,080)	(44,598)	-	(229,678)
As at 31 December	236,140	8,625,290	5,563,344	768,644	377,500	15,570,918
Less accumulated depreciation						
As at 1 January	-	4,270,756	2,702,808	213,874	236,500	7,423,938
Charge for the year	-	965,058	817,851	142,371	8,299	1,933,579
Disposals	-	-	(175,823)	(44,598)	-	(220,421)
As at 31 December	-	5,235,814	3,344,836	311,647	244,799	9,137,096
Net book value						
As at 31 December	236,140	3,389,476	2,218,508	456,997	132,701	6,433,822
KHR'000 equivalent (Note 2.1.5)	953,297	13,683,315	8,956,117	1,844,897	535,714	25,973,340

9. SOFTWARE COSTS

	2017 US\$	2016 US\$
Cost		
As at 1 January	1,508,708	1,246,988
Additions	481,140	261,720
Transfer in	65,194	-
As at 31 December	2,055,042	1,508,708
Less: Accumulated amortization		
As at 1 January	654,435	389,557
Charge for the year	328,856	264,878
As at 31 December	983,291	654,435
Net book value		
As at 31 December	1,071,751	854,273
KHR'000 equivalent (Note 2.1.5)	4,326,659	3,448,700

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10. OTHER ASSETS

	2017		2016	
	US\$	KHR'000 equivalent (Note 2.1.5)	US\$	KHR'000 equivalent (Note 2.1.5)
Deposits	1,890,550	7,632,150	1,920,632	7,753,591
Card-related receivables*	957,758	3,866,469	646,599	2,610,320
Prepayments	516,776	2,086,225	567,551	2,291,203
Interest receivable from balances with the NBC and other banks	128,547	518,944	233,320	941,913
Others	198,653	801,963	56,568	228,366
	3,692,284	14,905,751	3,424,670	13,825,393

* Net of allowance on losses amounting to US\$ 108,794

11. DEPOSITS FROM CUSTOMERS AND OTHER FINANCIAL INSTITUTIONS

Deposits from customers consist of:

	2017		2016	
	US\$	KHR'000 equivalent (Note 2.1.5)	US\$	KHR'000 equivalent (Note 2.1.5)
Current accounts	309,661,350	1,250,102,870	209,830,092	847,084,081
Term deposits	285,083,351	1,150,881,488	356,762,530	1,440,250,334
Savings accounts	110,785,135	447,239,590	89,499,556	361,309,708
Margin deposits	299,435	1,208,819	987,433	3,986,266
	705,829,271	2,849,432,767	657,079,611	2,652,630,389

Further analyses of deposits from customers are as follows:

(a) Type of customers

	2017		2016	
	US\$	KHR'000 equivalent (Note 2.1.5)	US\$	KHR'000 equivalent (Note 2.1.5)
Individuals	515,930,031	2,082,809,535	387,867,016	1,565,819,143
Domestic corporations	189,899,240	766,623,232	269,212,595	1,086,811,246
	705,829,271	2,849,432,767	657,079,611	2,652,630,389

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11. DEPOSIT FROM CUSTOMERS AND OTHER FINANCIAL INSTITUTIONS (CONTINUED)

(b) Type of currency

	2017		2016	
	US\$	KHR'000 equivalent (Note 2.1.5)	US\$	KHR'000 equivalent (Note 2.1.5)
USD	702,791,651	2,837,169,895	651,937,782	2,631,872,826
KHR	1,834,241	7,404,831	1,718,359	6,937,015
Others	1,203,379	4,858,041	3,423,470	13,820,548
	705,829,271	2,849,432,767	657,079,611	2,652,630,389

(c) Annual interest rates

	2017	2016
Current accounts	0.50% - 2.25%	0.50% - 2.25%
Savings accounts	0.50% - 1.50%	0.50% - 1.50%
Term deposits	1.50% - 5.25%	1.50% - 5.25%
Margin	Nil	Nil

(d) For maturity analysis, refer to Note 14 on Maturity profile.

Deposits from other financial institutions consist of:

	2017		2016	
	US	KHR'000 equivalent (Note 2.1.5)	US\$	KHR'000 equivalent (Note 2.1.5)
Current accounts	11,885,152	47,980,359	26,306,288	106,198,485
Term deposits	13,231,280	53,414,677	25,968,847	104,836,235
	25,116,432	101,395,036	52,275,135	211,034,720

Current accounts bear no interest while term deposits bear interest at rates ranging from 1.00% to 3.85% (2016: 1.00% to 3.85%).

12. INCOME TAX

Components of income tax expense are as follows:

	2017		2016	
	US\$	KHR'000 equivalent (Note 2.1.5)	US\$	KHR'000 equivalent (Note 2.1.5)
Current	2,732,335	11,030,436	4,243,478	17,130,921
Deferred	(884,752)	(3,571,743)	(1,351,954)	(5,457,839)
Income tax expense	1,847,583	7,458,693	2,891,524	11,673,082

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12. INCOME TAX (CONTINUED)

12.1. Current corporate income tax ("CIT")

In accordance with Cambodian tax law, the Bank has an obligation to pay current CIT of either the profit tax at the rate of 20% of taxable income or a minimum tax at 1% of gross revenue, whichever is higher.

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

	2017		2016	
	US\$	KHR'000 equivalent (Note 2.1.5)	US\$	KHR'000 equivalent (Note 2.1.5)
Profit before tax	7,126,511	28,769,725	17,248,966	69,634,075
Income tax based on statutory tax rate	1,425,302	5,753,944	3,449,793	13,926,815
Adjustments Non-deductible expenses	422,281	1,704,749	542,194	2,188,837
Temporary differences	884,752	3,571,743	251,491	1,015,269
Current income tax	2,732,335	11,030,436	4,243,478	17,130,921

	2017		2016	
	US\$	KHR'000 equivalent (Note 2.1.5)	US\$	KHR'000 equivalent (Note 2.1.5)
Profit before tax	7,126,511	28,769,725	17,248,966	69,634,075
Income tax based on statutory tax rate	1,425,302	5,753,944	3,449,793	13,926,815
Adjustments Non-deductible expenses	422,281	1,704,749	542,194	2,188,837
Movement of unrecognized deferred tax assets	-	-	(1,100,463)	(4,442,570)
Income tax expense	1,847,583	7,458,693	2,891,524	11,673,082

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

The movements of provision for income tax during the year are as follows:

	2017 US\$	2016 US\$
Balance as at 1 January	4,716,530	3,334,197
Current income tax charge	2,732,335	4,243,478
Income tax paid	(5,276,062)	(2,861,145)
Balance as at 31 December	2,172,803	4,716,530
KHR'000 equivalent (Note 2.1.5)	8,771,606	19,040,632

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12. INCOME TAX (CONTINUED)

12.2 Deferred income tax

Details of deferred income tax recognized during the year follow:

	2017		2016	
	US\$	KHR'000 equivalent (Note 2.1.5)	US\$	KHR'000 equivalent (Note 2.1.5)
Allowance for loan losses	1,221,856	4,932,633	1,109,281	4,478,167
Property and equipment and software	573,607	2,315,651	475,717	1,920,470
Unearned income	77,436	312,608	-	-
Interest in suspense	845,125	3,411,770	-	-
Accruals	-	-	250,662	1,011,922
Unrealized foreign exchange gain	-	-	(2,388)	(9,640)
	2,718,024	10,972,662	1,833,272	7,400,919

13. OTHER LIABILITIES

	2017		2016	
	US\$	KHR'000 equivalent (Note 2.1.5)	US\$	KHR'000 equivalent (Note 2.1.5)
Interest payable	4,856,423	19,605,380	5,007,067	20,213,529
Clearing account	3,428,872	13,842,356	691,332	2,790,907
Accrued expenses	1,869,545	7,547,353	1,641,093	6,625,092
Accrued bonuses	700,000	2,825,900	1,253,309	5,059,608
Provision for loan losses on credit commitments (Note 7)	473,619	1,912,000	-	-
Accounts payable to suppliers	353,326	1,426,377	525,761	2,122,497
Bankers' cheques	220,138	888,697	101,021	407,822
Card-related liabilities	121,709	491,339	706,244	2,851,107
Others	1,246,858	5,033,566	836,412	3,376,597
	13,270,490	53,572,968	10,762,239	43,447,159

Provision for loan losses on credit commitments pertains to mandatory credit provisioning required by the NBC on the Bank's credit commitments (off-balance sheet items). Others mainly include sundry accounts, rental deposit and unclaimed balances.

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14. MATURITY PROFILE

Analysis of assets and liabilities by expected date of recovery and settlement from the balance sheet date is as follows:

	2017		Total
	Within 12 months	Over 12 months	
Financial assets			
Cash and balances with banks	240,265,267	-	240,265,267
Balances with parent company	4,415	-	4,415
Balances with affiliates	1,647,157	-	1,647,157
Loans and advances	172,701,846	385,951,088	558,652,934
Other assets	1,086,305	-	1,086,305
Non-financial assets			
Statutory deposits with the NBC	-	110,525,168	110,525,168
Property and equipment	-	5,543,920	5,543,920
Software costs	-	1,071,751	1,071,751
Deferred tax assets - net	-	2,718,024	2,718,024
Other assets	2,605,979	-	2,605,979
Total	418,310,969	505,809,951	924,120,920
Allowance for loan losses			(23,720,348)
Net			900,400,572
KHR'000 equivalent (Note 2.1.5)	1,688,721,382	2,041,954,772	3,634,917,109
Financial liabilities			
Deposits from customers and other financial institutions	716,565,850	14,379,853	730,945,703
Balances with parent company	2,592,784	-	2,592,784
Subordinated debt	-	30,000,000	30,000,000
Other liabilities	7,767,815	-	7,767,815
Non-financial liabilities			
Provision for income tax	2,172,803	-	2,172,803
Other liabilities	5,502,675	-	5,502,675
Total	734,601,927	44,379,853	778,981,780
KHR'000 equivalent (Note 2.1.5)	2,965,587,979	179,161,467	3,144,749,446

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14. MATURITY PROFILE (CONTINUED)

	2016		Total
	Within 12 months	Over 12 months	
Financial assets			
Cash and balances with banks	244,094,667	-	244,094,667
Balances with the parent company	126,819	-	126,819
Balances with affiliates	5,578,639	-	5,578,639
Loans and advances -gross	180,525,283	380,190,839	560,716,122
Other assets	879,919	-	879,919
Non-financial assets			
Statutory deposits with the NBC	-	93,595,806	93,595,806
Property and equipment	-	6,433,822	6,433,822
Software costs	-	854,273	854,273
Deferred tax assets - net	-	1,833,272	1,833,272
Other assets	2,544,751	-	2,544,751
	433,750,078	482,908,012	916,658,090
Allowance for loan losses			(12,833,748)
Net			903,824,342
KHR'000 equivalent (Note 2.1.5)	1,751,049,065	1,949,499,644	3,648,738,868
Financial liabilities			
Deposits from customers and other financial institutions	684,891,429	24,463,317	709,354,746
Balances with parent company	17,850,963	30,000,000	47,850,963
Subordinated debt	-	30,000,000	30,000,000
Other liabilities	8,708,734	-	8,708,734
Non-financial liabilities			
Provision for income tax	4,716,530	-	4,716,530
Other liabilities	2,053,505	-	2,053,505
Total	718,221,161	84,463,317	802,684,478
KHR'000 equivalent (Note 2.1.5)	2,899,458,826	340,978,411	3,240,437,237

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15. SHARE CAPITAL

	2017		2016	
	US\$	KHR'000 equivalent (Note 2.1.5)	US\$	KHR'000 equivalent (Note 2.1.5)
Authorized, issued and fully paid at a par value of US\$ 1 per share:				
At the beginning of the year	50,000,000	201,850,000	50,000,000	201,850,000
Issuance during the year	15,000,000	60,555,000	-	-
At the end of the year	65,000,000	262,405,000	50,000,000	201,850,000

On 22 March 2016, the NBC issued Prakas No. B7-016-117 on Minimum Registered Capital of Banking and Financial Institutions (“the Prakas”) requiring commercial banks including foreign subsidiaries a minimum registered capital of KHR 300 billion (approximately US\$ 75 million). On 16 June 2016, the NBC issued Circular No. B7-016-001 related to this Prakas requiring banks and financial institutions to inject half of the additional required capital by 31 March 2017 and to fully comply by 22 March 2018.

On 31 January 2017, the Bank received additional capital contribution of US\$ 15 million from the parent company.

On 16 March 2018, the NBC approved the conversion of the Bank’s retained earnings into share capital amounting to US\$ 10 million to fully comply with the minimum requirement on registered capital.

16. INTEREST INCOME

	2017		2016	
	US\$	KHR'000 equivalent (Note 2.1.5)	US\$	KHR'000 equivalent (Note 2.1.5)
Lending activities	44,988,907	181,620,217	43,133,978	174,131,870
Balances with NBC and other banks	1,476,289	5,959,779	1,286,551	5,193,806
	46,465,196	187,579,996	44,420,529	179,325,676

17. INTEREST EXPENSE

	2017		2016	
	US\$	KHR'000 equivalent (Note 2.1.5)	US\$	KHR'000 equivalent (Note 2.1.5)
Deposits from customers and other financial institutions				
Term deposits	12,471,565	50,347,708	12,206,908	49,279,288
Current accounts	2,706,720	10,927,028	1,174,997	4,743,463
Savings accounts	660,532	2,666,568	420,982	1,699,504
	15,838,817	63,941,304	13,802,887	55,722,255
Subordinated debt	2,129,341	8,596,150	2,135,000	8,618,995
Borrowings	995,876	4,020,351	1,024,296	4,135,083
	18,964,034	76,557,805	16,962,183	68,476,333

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18. FEE AND COMMISSION INCOME

	2017		2016	
	US\$	KHR'000 equivalent (Note 2.1.5)	US\$	KHR'000 equivalent (Note 2.1.5)
Swift charges	1,872,640	7,559,848	1,378,014	5,563,043
Debit card fees	1,562,488	6,307,764	1,030,919	4,161,820
Service charges	888,150	3,585,462	976,209	3,940,956
Loan processing fees	834,673	3,369,575	1,055,489	4,261,009
Commission earned from trade finance	726,751	2,933,894	742,062	2,995,704
Other loan fees and charges	633,148	2,556,018	299,337	1,208,423
Loan commitment fees	476,592	1,924,002	426,644	1,722,362
Bankers' cheques	56,754	229,116	51,895	209,500
Others	158,922	641,567	144,307	582,567
	7,210,118	29,107,246	6,104,876	24,645,384

19. GENERAL AND ADMINISTRATION EXPENSES

	2017		2016	
	US\$	KHR'000 equivalent (Note 2.1.5)	US\$	KHR'000 equivalent (Note 2.1.5)
Salaries and fringe benefits	6,243,810	25,206,261	6,806,595	27,478,224
Rental	2,700,612	10,902,371	2,626,286	10,602,317
Depreciation and amortization	2,206,517	8,907,709	2,198,457	8,875,171
Taxes and licenses	1,084,895	4,379,721	1,783,539	7,200,147
Acquirer fees	757,467	3,057,894	391,469	1,580,360
Repairs and maintenance	563,841	2,276,226	704,218	2,842,928
Advertising	610,580	2,464,911	580,167	2,342,134
Utilities	505,921	2,042,403	500,850	2,021,931
Building securities	385,738	1,557,224	326,880	1,319,615
Professional fees	362,218	1,462,274	229,707	927,327
Directors' fees and meeting allowances	263,001	1,061,735	212,355	857,277
Communication	238,791	963,999	275,464	1,112,048
Management service fees	150,287	606,709	263,629	1,064,270
Stationeries and supplies	135,390	546,569	139,959	565,014
Transportation	111,359	449,556	109,871	443,549
Insurance	98,724	398,549	92,436	373,164
Representation	43,150	174,197	43,450	175,408
Trainings and seminars	19,366	78,181	21,042	84,947
Others	269,772	1,089,070	536,464	2,165,706
	16,751,439	67,625,559	17,842,838	72,031,537

Others include mainly charitable donations and provision for losses on card-related receivables.

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20. NET CASH FROM OPERATING ACTIVITIES

	2017		2016	
	US\$	KHR'000 equivalent (Note 2.1.5)	US\$	KHR'000 equivalent (Note 2.1.5)
Cash flows from operating activities				
Profit before income tax	7,126,511	28,769,725	17,248,966	69,634,075
Adjustments for:				
Loss from write-off of property and equipment	6,177	24,937	-	-
Depreciation and amortization	2,206,517	8,907,709	2,198,457	8,875,171
Gain from disposal of property and equipment	-	-	(494)	(1,994)
Income tax paid	(5,276,062)	(21,299,462)	(2,861,145)	(11,550,442)
Cash provided by operating activities before changes in net operating assets	4,063,143	16,402,909	16,585,784	66,956,810
(Increase) decrease in operating assets				
Balances with NBC	(15,829,362)	(63,903,134)	(16,434,232)	(66,344,995)
Balances with other banks	3,100,000	12,514,700	4,700,000	18,973,900
Loans and advances	12,949,788	52,278,294	(73,438,819)	(296,472,512)
Other assets	(267,614)	(1,080,357)	(1,271,067)	(5,131,297)
Increase (decrease) in operating liabilities				
Deposits from customers and other financial institutions	21,590,957	87,162,693	156,457,383	631,618,455
Balances with parent company	(258,179)	(1,042,269)	1,702,292	6,872,153
Other liabilities	2,508,251	10,125,809	(3,172,737)	(12,808,339)
Net cash from operating activities	27,856,984	112,458,645	85,128,604	343,664,175

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21. RELATED PARTY TRANSACTIONS AND BALANCES

(a) Significant related party transactions of the Bank during the year and outstanding balances at balance sheet date are as follows:

		2017		2016	
		US\$	KHR'000 equivalent (Note 2.1.5)	US\$	KHR'000 equivalent (Note 2.1.5)
Malayan Banking Berhad	Settlement accounts - nostro	4,415	17,823	126,819	511,968
	Settlement accounts - vostro	1,770,053	7,145,704	1,947,743	7,863,038
	Borrowings	-	-	45,000,000	181,665,000
	Subordinated debt	30,000,000	121,110,000	30,000,000	121,110,000
	Issuance of share capital	15,000,000	60,555,000	-	-
	Interest payable	822,731	3,321,365	903,220	3,646,299
	Interest expense	3,125,217	12,616,501	3,159,296	12,754,078
	Interest income	34	137	-	-
Maybank Shared Service	Management service fees	150,287	606,709	263,629	1,064,270
Malayan Banking Berhad, London Branch ("Maybank London")	Settlement accounts	1,035,321	4,179,591	3,706,146	14,961,711
	Interest income	22,890	92,406	-	-
Malayan Banking Berhad, New York Branch ("Maybank New York")	Settlement accounts	484,543	1,956,100	609,080	2,458,856
Malayan Banking Berhad, Singapore Branch ("Maybank Singapore")	Settlement accounts	125,603	507,059	1,259,059	5,082,821
Maybank Hong Kong	Settlement accounts	382	1,542	1,413	5,704
Maybank Vietnam, Hanoi Branch ("Maybank Vietnam")	Settlement accounts	1,308	5,281	2,941	11,874
	Interest income	41,663	168,192	-	-
Maybank Asset Management Berhad	Interest expense	270,636	1,092,558	1,109,690	4,479,818

(b) Key management personnel compensation:

	2017		2016	
	US\$	KHR'000 equivalent (Note 2.1.5)	US\$	KHR'000 equivalent (Note 2.1.5)
Remuneration of key management personnel	1,739,495	7,022,341	1,691,186	6,827,318

Key management personnel include the directors and executive management.

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22. COMMITMENTS AND CONTINGENCIES

22.1 Lending commitments

To meet the financial needs of customers, the Bank enters into various commitments and contingent liabilities, as follows:

	2017		2016	
	US\$	KHR'000 equivalent (Note 2.1.5)	US\$	KHR'000 equivalent (Note 2.1.5)
Unutilized portion of overdraft	84,060,017	339,350,289	64,924,151	262,098,798
Letters of credit	27,259,806	110,047,837	29,362,306	118,535,629
Guarantees	16,342,687	65,975,427	11,034,130	44,544,783
	127,662,510	515,373,553	105,320,587	425,179,210

22.2 Operating lease commitments

The Bank, as lessee, has entered into commercial leases on premises. There are no restrictions placed upon the lessee by entering into these leases.

Future minimum lease payments as at 31 December are as follows:

	2017		2016	
	US\$	KHR'000 equivalent (Note 2.1.5)	US\$	KHR'000 equivalent (Note 2.1.5)
Within one year	2,294,732	9,263,833	2,388,866	9,643,852
Between one to five years	7,829,953	31,609,520	7,555,256	30,500,568
More than five years	15,173,458	61,255,250	16,910,294	68,266,857
	25,298,143	102,128,603	26,854,416	108,411,277

The Bank, as lessor, has entered into commercial leases on its corporate tower. There are no restrictions placed upon the lessee by entering into these leases.

Future minimum lease receivables as at 31 December are as follows:

	2017		2016	
	US\$	KHR'000 equivalent (Note 2.1.5)	US\$	KHR'000 equivalent (Note 2.1.5)
Within one year	117,432	474,073	117,432	474,073
Between one to five years	4,462,416	18,014,773	4,579,848	18,488,846
	4,579,848	18,488,846	4,697,280	18,962,919

22.3 Taxation contingency

The taxation system in Cambodia is characterized by numerous taxes and frequently changing legislation, which is often unclear, contradictory, and subject to interpretation. Often, differing interpretations exist among numerous taxation authorities and jurisdictions. Taxes are subject to review and investigation by a number of authorities, who are enabled by law to impose severe fines, penalties and interest charges.

These facts may create tax risks in Cambodia substantially more significant than in other countries. Management believes that it has adequately provided for tax liabilities based on its interpretation of tax legislation. However, the relevant authorities may have differing interpretations and the effects could be significant.

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23. FINANCIAL RISK MANAGEMENT

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

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

The Bank intends to comply with NBC's regulations for financial risk management purposes. In addition to the minimum requirements of NBC, the Bank also adopts relevant financial risk management procedures of the parent company.

23.1 Operational risk

The operational risk which would result from inadequate or failed internal processes, people and systems is managed through established operational risk management processes, proper monitoring and reporting of the business activities by control and support units which are independent of the business units and oversight provided by the management.

The operational risk management entails the establishment of clear organizational structures, roles and control policies. Various internal control policies and measures have been implemented. These include the establishment of signing authorities, defining system parameter controls, streamlining procedures and documentation. These are reviewed continually to address the operational risks of its banking business.

23.2 Credit risk

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

(a) Credit risk measurement, mitigation and concentration control Governance

Overall supervision and responsibility in managing risk resides with the Bank's Board-level Risk Management Committee. At management level, supervision of material credit risk is being done by the Executive Committee and the Credit Committee of the Bank. Risk pricing is covered by the Asset and Liability Management Committee. These committees ensure that all the relevant risk areas are properly identified, measured, managed, priced, monitored, and disclosed within their respective terms of reference

The following are the key risk areas encountered by the Bank and how they are managed:

(i) Credit risk management framework

Develop, enhance and communicate an efficient, effective and consistent credit risk management framework, leveraging on people and technology.

(ii) Credit policies

Develop and review credit policies including providing empowerment to approve loans.

(iii) Regulatory requirements

Ensure compliance with NBC and other regulatory requirements on credit risk management.

(iv) Risk limits concentrations

Set, review and monitor risk limits and concentrations according to various categories such as a single customer group and product types.

(v) Portfolio management

Manage and control the Bank's portfolio, including providing analysis of the overall composition and quality of the various credit portfolios to identify any particular sensitivities and concentrations. At the same time, to safeguard and preserve the asset quality of the Bank by analyzing vulnerable industries where prospects have changed or are showing unfavorable signs.

(vi) Credit review

Perform post-approval review of credit proposals to assess whether loan originators, pre-evaluators and approving authorities have addressed and analyzed credit risks sufficiently and provided mitigating factors.

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

For maximum exposure of financial assets to credit risk, refer to Note 23.2 (c).

The credit exposure arising from off-balance sheet activities i.e. commitments and contingencies is disclosed in Note 22.1.

(c) Concentration of risks of financial assets with credit risk exposure

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

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23. FINANCIAL RISK MANAGEMENT (CONTINUED)

23.2 Credit risk (continued)

(c) Concentration of risks of financial assets with credit risk exposure (continued)

(i) Industry analysis

	Financial services	Import and export	Consumers	Retail and wholesale	Manufacturing and petroleum	Others	Total
2017							
Balances with the NBC	138,071,761	-	-	-	-	-	138,071,761
Balances with other banks	55,992,960	-	-	-	-	-	55,992,960
Balances with parent company and affiliates	1,651,572	-	-	-	-	-	1,651,572
Loans and advances - net	34,870,460	7,185,737	128,902,365	256,629,849	42,080,666	65,263,509	534,932,586
Other assets	1,086,305	-	-	-	-	-	1,086,305
Total in US\$	231,673,058	7,185,737	128,902,365	256,629,849	42,080,666	65,263,509	731,735,184
KHR'000 equivalent (Note 2.1.5)	935,264,135	29,008,820	520,378,848	1,036,014,700	169,879,649	263,468,786	2,954,014,938
2016							
Balances with the NBC	165,609,552	-	-	-	-	-	165,609,552
Balances with other banks	30,612,629	-	-	-	-	-	30,612,629
Balances with parent company and affiliates	5,705,458	-	-	-	-	-	5,705,458
Loans and advances - net	36,640,975	12,407,977	116,256,907	263,748,923	41,970,978	76,856,614	547,882,374
Other assets	879,919	-	-	-	-	-	879,919
Total in US\$	239,448,533	12,407,977	116,256,907	263,748,923	41,970,978	76,856,614	750,689,932
KHR'000 equivalent (Note 2.1.5)	966,653,728	50,091,003	469,329,134	1,064,754,402	169,436,838	310,270,151	3,030,535,256

(ii) Geographical analysis

	2017			Total
	Cambodia	North America	Others*	Total
Balances with the NBC	138,071,761	-	-	138,071,761
Balances with other banks	33,230,768	20,767,235	1,994,957	55,992,960
Balances with parent company and affiliates	-	484,543	1,167,029	1,651,572
Loans and advances - net	534,932,586	-	-	534,932,586
Other assets	1,086,305	-	-	1,086,305
Total in US\$	707,321,420	21,251,778	3,161,986	731,735,184
KHR'000 equivalent (Note 2.1.5)	2,855,456,573	85,793,428	12,764,937	2,954,014,938

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23. FINANCIAL RISK MANAGEMENT (CONTINUED)

23.2 Credit risk (continued)

(c) Concentration of risks of financial assets with credit risk exposure (continued)

(ii) Geographical analysis (continued)

	2016			Total
	Cambodia	North America	Others*	
Balances with the NBC	165,609,552	-	-	165,609,552
Balances with other banks	14,424,588	16,077,267	110,774	30,612,629
Balances with parent company and affiliates	-	609,080	5,096,378	5,705,458
Loans and advances - net	547,882,374	-	-	547,882,374
Other assets	879,919	-	-	879,919
Total in US\$	728,796,433	16,686,347	5,207,152	750,689,932
KHR'000 equivalent (Note 2.1.5)	2,942,151,200	67,362,783	21,021,273	3,030,535,256

* Others include Malaysia and United Kingdom.

(d) Credit quality by class of financial assets

The credit quality of financial assets is managed by the Bank using internal credit ratings. The table below shows the credit quality by class of asset for all financial assets exposed to credit risk, based on the Bank's internal credit rating system. The amounts presented are gross of any required impairment allowance.

	Neither past due nor impair	Past due but not impaired	Individually impaired	Total
2017				
Balances with the NBC	138,071,761	-	-	138,071,761
Balances with other banks	55,992,960	-	-	55,992,960
Balances with parent company and affiliates	1,651,572	-	-	1,651,572
Loans and advances – gross	519,497,990	13,884,377	24,998,787	558,381,154
Other assets	1,086,305	-	-	1,086,305
Total in US\$	716,300,588	13,884,377	24,998,787	755,183,752
KHR'000 equivalent (Note 2.1.5)	2,891,705,474	56,051,230	100,920,103	3,048,676,807
2016				
Balances with the NBC	165,609,552	-	-	165,609,552
Balances with other banks	30,612,629	-	-	30,612,629
Balances with parent company and affiliates	5,705,458	-	-	5,705,458
Loans and advances - gross	548,316,223	1,458,643	10,189,265	559,964,131
Other assets	879,919	-	-	879,919
Total in US\$	751,123,781	1,458,643	10,189,265	762,771,689
KHR'000 equivalent (Note 2.1.5)	3,032,286,704	5,888,542	41,134,063	3,079,309,309

Past due but not impaired financial assets pertain to loans classified as special mention with aging of less than 31 days for short term loan and 90 days for long term loan (Note 2.3.5).

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23. FINANCIAL RISK MANAGEMENT (CONTINUED)

23.2 Credit risk (continued)

- (e) Collateral repossessed

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

23.3 Market risk

Market risk is the risk of loss arising from adverse movement in the level of market prices or rates, the two key components being foreign currency exchange risk and interest rate risk.

23.3.1 Foreign currency exchange risk

Foreign currency exchange risk refers to the adverse exchange rate movements on foreign currency exchange positions taken from time to time. The Bank maintains a policy of not exposing itself to large foreign exchange positions. Any foreign currency exchange open positions are monitored against the operating requirements, predetermined position limits and cut-loss limits.

As at balance sheet date, balances in monetary assets and liabilities denominated in currencies other than US\$ are not significant. Therefore, no sensitivity analysis for foreign currency exchange risk was presented.

23.3.2 Interest rate risk

Interest rate risk refers to the volatility in net interest income as a result of changes in the levels of interest rate and shifts in the composition of the assets and liabilities. Interest rate risk is managed through close monitoring of returns on investment, market pricing, cost of funds and through interest rate sensitivity gap analysis. The potential reduction in net interest income from an unfavorable interest rate movement is monitored against the risk tolerance limits set.

Fair value sensitivity analysis for fixed rate instruments

The Bank does not account for any fixed rate instruments at fair value through profit or loss, and the Bank does not have derivatives as at year end. Therefore, a change in interest rates at the reporting date would not affect profit or loss.

Cash flow sensitivity analysis for variable-rate instruments

The Bank does not have significant variable-rate instruments. Therefore, no cash flow sensitivity analysis for variable-rate instruments was presented.

23.4. Liquidity risk

Liquidity risk relates to the ability to maintain sufficient liquid assets to meet its financial commitments and obligations when they fall due at a reasonable cost.

Management believes that the Bank fully complies with all liquidity requirements of NBC as it closely monitors all inflows and outflows and the maturity gaps through periodical reporting. Additionally, movements in loans and advances and customers' deposits are monitored and liquidity requirements adjusted to ensure sufficient liquid assets to meet its financial commitments and obligations as and when they fall due.

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23. FINANCIAL RISK MANAGEMENT (CONTINUED)

23.4. Liquidity risk (continued)

Analysis of the financial assets and liabilities of the Bank into relevant maturity groupings based on the remaining periods to repayment follows:

	2017						Total US\$
	On demand US\$	Up to 1 month US\$	>1 - 3 months US\$	>3 - 12 months US\$	>1 to 5 years US\$	Over 5 years US\$	
Financial assets							
Cash on hand	46,200,546	-	-	-	-	-	46,200,546
Balances with the NBC	123,071,761	15,000,000	-	-	-	-	138,071,761
Balances with other banks	2,325,636	27,767,324	23,700,000	2,200,000	-	-	55,992,960
Balances with parent company	4,415	-	-	-	-	-	4,415
Balances with affiliates	1,647,157	-	-	-	-	-	1,647,157
Loans and advances - gross	127,582,067	3,732,248	24,053,718	17,333,813	70,460,037	315,491,051	558,652,934
Other assets	-	1,086,305	-	-	-	-	1,086,305
Total financial assets	300,831,582	47,585,877	47,753,718	19,533,813	70,460,037	315,491,051	801,656,078
Financial liabilities							
Deposits from customers and other financial institutions	432,631,072	81,846,083	71,020,879	131,067,816	14,379,853	-	730,945,703
Balances with parent company	1,770,053	822,731	-	-	-	-	2,592,784
Subordinated debt	-	-	-	-	30,000,000	-	30,000,000
Other liabilities	-	7,767,815	-	-	-	-	7,767,815
Total financial liabilities	434,401,125	90,436,629	71,020,879	131,067,816	44,379,853	-	771,306,302
Net liquidity surplus (gap)	(133,569,543)	(42,850,752)	(23,267,161)	(111,534,003)	26,080,184	315,491,051	30,349,776
KHR'000 equivalent (Note 2.1.5)	(539,220,245)	(172,988,486)	(93,929,529)	(450,262,770)	105,285,703	1,273,637,373	122,522,046

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23. FINANCIAL RISK MANAGEMENT (CONTINUED)

23.4. Liquidity risk (continued)

	2016						Total US\$
	On demand US\$	Up to 1 month US\$	>1 - 3 months US\$	>3 - 12 months US\$	>1 to 5 years US\$	Over 5 years US\$	
Financial assets							
Cash on hand	47,872,486	-	-	-	-	-	47,872,486
Balances with the NBC	114,509,552	40,000,000	11,100,000	-	-	-	165,609,552
Balances with other banks	535,363	26,077,266	4,000,000	-	-	-	30,612,629
Balances with parent company	126,819	-	-	-	-	-	126,819
Balances with affiliates	5,578,639	-	-	-	-	-	5,578,639
Loans and advances - gross	134,809,380	3,917,897	22,611,894	19,186,112	84,586,152	295,604,687	560,716,122
Other assets	-	879,919	-	-	-	-	879,919
Total financial assets	303,432,239	70,875,082	37,711,894	19,186,112	84,586,152	295,604,687	811,396,166
Financial liabilities							
Deposits from customers and other banks	326,623,369	103,052,473	55,124,342	200,091,245	24,463,317	-	709,354,746
Balances with parent company	1,947,743	903,220	15,000,000	-	30,000,000	-	47,850,963
Subordinated debt	-	-	-	-	30,000,000	-	30,000,000
Other liabilities	-	8,708,734	-	-	-	-	8,708,734
Total financial liabilities	328,571,112	112,664,427	70,124,342	200,091,245	84,463,317	-	795,914,443
Net liquidity surplus (gap)	(25,138,873)	(41,789,345)	(32,412,448)	(180,905,133)	122,835	295,604,687	15,481,723
KHR'000 equivalent (Note 2.1.5)	(101,485,630)	(168,703,586)	(130,849,053)	(730,314,022)	495,885	1,193,356,121	62,499,715

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AS AT 31 DECEMBER 2017 AND FOR THE YEAR THEN ENDED

23. FINANCIAL RISK MANAGEMENT (CONTINUED)

23.5 Capital management

23.5.1 Regulatory capital

The Bank's lead regulator, NBC, sets and monitors capital requirements for the Bank as a whole.

The Bank's policy is to maintain a strong capital base so as to maintain market confidence and to sustain further development of the business.

The impact of the level of capital on shareholders' return is also recognized. As such, the Bank tries to maintain a balance between the higher returns that might be possible with greater gearing and advantages and security afforded by a sound capital position.

The Bank has complied with all externally imposed capital requirement throughout the year.

23.5.2 Capital allocation

The allocation of capital between specific operations and activities is, to a large extent, driven by optimization of the return achieved on the capital allocated. The amount of capital allocated to each operation or activity is based primarily upon the regulatory capital.

24. FAIR VALUES OF FINANCIAL ASSETS AND LIABILITIES

Fair value represents the amount at which an asset could be exchanged or a liability settled on an arms-length basis. As reliable market factors are not available, inputs for fair value analysis are not observable for a significant portion of the Bank's financial assets and liabilities. Fair values, therefore, have been based on management assumptions according to the profile of the asset and liability base. In the opinion of the management, the carrying amounts of the financial assets and liabilities included in the balance sheet are a reasonable estimation of their fair values.

25. SUBSEQUENT EVENTS

Other than as disclosed in Note 15, at the date of this report, there is no other matter or circumstance which occurred subsequent to the balance sheet date that requires adjustment or disclosure in the financial statements of the Bank.

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STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

FINANCIAL YEAR ENDED 31 DECEMBER 2017

INTRODUCTION

The Board of Directors is pleased to provide the Statement on Risk Management and Internal Control (“Statement”) which outlines the key features of the risk management and internal control system of the Bank during the year under review. The Statement was prepared in guidance with the Prakas on Internal Control of Bank and Financial Institution issued by National Bank of Cambodia.

BOARD RESPONSIBILITY

The Board takes cognisance of its overall responsibility in establishing a sound risk management and internal control system as well as reviewing its adequacy and effectiveness. In view of the inherent limitations in any internal control system, the risk management and internal control system can only provide reasonable assurance, rather than absolute assurance, that the significant risks impacting the Bank’s strategies and objectives are managed within the risk appetite set by the Board and Management. It does not in any way eliminate the risks of failure to realise the Bank’s objectives and against any material financial misstatement, fraud or loss.

Recognising the importance in ensuring compliance with the strict regulatory requirements, the Board has established a governance structure to ensure effective oversight of risk and control in the Bank. It is assisted by the Risk Management Committee and Audit Committee of the Board to oversee all matters with regard to risks and controls.

The Board is satisfied that the Bank has implemented an ongoing process to identify, evaluate, monitor, manage and respond to significant risks faced by the Bank in its achievement of the business goals and objectives amidst the dynamic and challenging business environment and increasing regulatory scrutiny. The outcome of this process is closely monitored and reported to the Board for deliberation and where required, the Board directs the Management to take the necessary remediation actions to address the gaps/deficiencies reported. This ongoing process has been in place for the entire financial year under review and up to the date of approval of this Statement for inclusion in the Annual Report.

MANAGEMENT RESPONSIBILITY

The Management is overall responsible for implementing the Board’s policies and procedures on risks and controls and its roles include:



Identifying and evaluating the risks relevant to the Bank’s business, and the achievement of business objectives and strategies;



Implementing the policies approved by the Board;



Formulating relevant policies and procedures to manage these risks in accordance with the Bank’s strategic vision and overall risk appetite;



Implementing the remedial actions to address the compliance deficiencies as directed by the Board; and



Designing, implementing and monitoring the effective implementation of risk management and internal control system;



Reporting in a timely manner to the Board any changes to the risks and the corrective actions taken.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

FINANCIAL YEAR ENDED 31 DECEMBER 2017

RISK MANAGEMENT AND INTERNAL CONTROL SYSTEM

Risk Management

Risk Management Framework

Risk management has evolved into an important driver for strategic decisions in support of business strategies while balancing the appropriate level of risk taken to the desired level of rewards. As risk management is a core discipline of the Bank, it is underpinned by a set of key principles which serve as the foundation in driving strong risk management culture, practices and processes:

- | | | | |
|---|--|--|---|
| <p>01 Establish risk appetite and strategy</p> | <p>The risk appetite which is approved by the Board, articulates the nature, type and level of risk the Bank is willing to assume.</p> | <p>05 Implement sound risk frameworks and policies</p> | <p>Implementation of integrated risk frameworks, policies and procedures to ensure that risk management practices and processes are effective at all levels.</p> |
| <p>02 Assign adequate capital</p> | <p>The approach to capital management is driven by strategic objectives and accounts for the relevant regulatory, economic and commercial environments in which the Bank operates.</p> | <p>06 Execute strong risk management practices and processes</p> | <p>Robust risk management processes are in place to actively identify, measure, control, monitor and report risks inherent in all products and activities undertaken by the Bank.</p> |
| <p>03 Ensure proper governance and oversight function</p> | <p>There is a clear, effective and robust Group governance structure with well-defined, transparent and consistent lines of responsibility established within the Bank.</p> | <p>07 Ensure sufficient resources and system infrastructure</p> | <p>Ensure sufficient resources, infrastructure and techniques are in place to enable effective risk management.</p> |
| <p>04 Promote strong risk culture</p> | <p>Institutionalisation of a strong risk culture that supports and provides appropriate standards and incentives for professional and responsible behaviour.</p> | | |

Risk Appetite

The risk appetite is a critical component of a robust risk management framework which is driven by both top-down Board leadership and bottom-up involvement of management at all levels. The risk appetite enables the Board and Senior Management to communicate, understand and assess the types and levels of risk that the Bank is willing to accept in pursuit of its business objectives. The development of the risk appetite is integrated into the annual strategic planning process and is adaptable to changing business and market conditions. The articulation of the risk appetite is done through a set of risk appetite statements that define the Bank's appetite on all material risks. The risk appetite balances the needs of all stakeholders by acting both as a governor of risk, and a driver of future and current business activities.

Risk Governance and Oversight

The risk governance model provides a transparent and effective governance structure that promotes active involvement from the Board and Senior Management in the risk management process to ensure a uniformed view of risk across the Bank. The governance model aims to place accountability and ownership whilst facilitating an appropriate level of independence and segregation of duties between the three lines of defence, which include risk-taking units, risk-control units and internal audit.

Risk and Compliance Culture

The risk and compliance culture is driven with a strong tone from the top, complemented by the actions from the middle, to ingrain the expected values and principles of conduct that shape the behaviour and attitude of employees at all levels of business and activities across the Bank. Risk and compliance frameworks and policies are clearly defined, consistently communicated and continuously reinforced throughout the Bank, to embed a robust culture that cultivates active identification, assessment and mitigation of risk as part of the responsibility of all employees across the Bank.

As part of the risk and compliance culture, the Bank has instilled a compliance culture where the Board, Senior Management and every employee of the Bank are committed to adhere to the requirement of relevant laws, rules, regulations and regulatory guidelines. This commitment is clearly demonstrated through the establishment of strong compliance policies and guidelines to ensure that non-compliance risks are effectively managed.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

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Risk Management Practices and Processes

The risk management practices and processes enables systematic identification, measurement, control, monitoring and reporting of risk exposures across the Bank.



Compliance Framework

The framework provides the key principles and guidelines for managing compliance risk within the Bank. It is adopted and implemented by all businesses and support sectors of the Bank.

This Framework serves as a guide for the Compliance function alongside Board of Directors, Senior Management and all employees in all jurisdictions in understanding, complying and managing compliance risk.

Cyber and Technology Risk Management Policy and Guideline

The Cyber Risk Management Policy is established to identify risks, build resilience, detect cyber threats and effectively respond to cyber related events. The Policy encompasses the cyber risk management strategy, governance structure and risk management enablers. It complements the Technology Risk Management Guideline and covers both Business and Technology drivers from an end-to-end perspective, which focuses on the key layers of People, Process and Technology.

Technology Risk Management Guideline sets the standards for systematically identifying the causes of failure in the organisation's technology related functionalities, assessing the impact to the business and taking the appropriate risk remedial actions. This is established to safeguard the Bank's reputation and to maintain high service levels to the customers as well as business units.

INTERNAL CONTROL SYSTEM

The key elements of the internal control system established by the Board that provides effective governance and oversight of internal control include:

- **Organisation Structure**

The Board has established an organisation structure with clearly defined lines of responsibility, authority limits, and accountability aligned to business and operations requirements which support the maintenance of a strong control environment.

- **Annual Business Plan and Budget**

An annual business plan and budget are submitted to the Board for approval. Performance achievements are reviewed against the targeted results on a monthly basis allowing timely responses and corrective actions to be taken to mitigate risks. The Board reviews regular reports from the management on the key operating statistics, as well as legal and regulatory matters. The Board also approves any changes or amendments to the Bank's policies.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

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- **Oversight by Risk Management Committee**

The Board has delegated the risk oversight responsibility to the Risk Management Committee (RMC). The committee is responsible for formulating policies and frameworks to identify, measure, monitor, manage and control the material risk components impacting the businesses. The effectiveness of the risk management system is monitored and evaluated by the Credit & Risk Management (CRM) function, on an on-going basis.

- **Executive Level Management Committees**

Various Executive Level Management Committees (ELCs) are also established by Management to assist and support the various Board Committees to oversee the core areas of business operations. These ELCs include the Executive Committee, Credit Committee, Asset and Liability Management Committee, IT Steering Committee, Internal Audit Committee and Staff Committee.

- **Written Control Policies**

A written Management Control Policy (MCP) and Internal Control Policy (ICP) from Management are in place. The MCP outlines the specific responsibilities of the various parties, the Management, the Internal Audit Committee (IAC) and the Audit Committee of the Board (ACB) pertaining to internal control. The ICP is to create awareness among all employees with regards to the internal control components and basic control policies.

- **Management of Information Assets**

Confidentiality, integrity and availability of information forms the basis for data protection of customers and stakeholders, which is critical to the day-to-day operations for management decision making. This holds true as the handling of information assets ultimately impacts the reputation of the Bank. To safeguard the information assets, the Information Risk Management Guideline is established to clearly define the processes for effective management of information assets and its associated risks. Guided by information handling rules in alignment to the information lifecycle, all information must be properly managed, controlled and protected. Additional measures include reinforcing the clear desk policy to minimise information leakage/theft and fraud.

- **Sustainability Management**

Operating in a sustainable manner is an organic part of the Bank's approach to its core business. Our long term financial success depends upon our ability to identify and address environmental, social and ethical issues that present risks or opportunities for our business. The Bank has in place a five year Sustainability Plan, a strategic document with the aim of generating long-lasting impact and value across three pillars; (1) Community and Citizenship, (2) Our People and (3) Access to Products and Services, by integrating Environmental, Social and Governance practices into our 'business-as-usual' as part of our commitment to various stakeholders which is supported by relevant policies and systems.

- **Regular Updates and Communication of Risk Management Principles, Policies, Procedures and Practices**

Risk management principles, policies, procedures and practices are reviewed and updated regularly to ensure relevance to the current business environment as well as compliance with current/applicable laws and regulations. Risk frameworks, policies and procedures are adopted in accordance with the principles prescribed by the Group while complying with the local requirements.

- **Procurement Manual and Non-Credit Discretionary Power**

The Bank Procurement Manual is designed to streamline the procurement functions within the Bank. It serves as a standard guideline on good management practices expected in the procurement process and procedures. Authority to approve any requisition against budgeted or unbudgeted expenditures shall be in accordance with the relevant approving authority policies, i.e. the Non-Credit Discretionary Power (NCDP), Delegation of Authority (DOA) or any equivalent.

The NCDP defines the authority limits approved by the Board for procurement activities, acquisition & disposal of assets, operational write-off, donations, as well as approving general and operational expenses.

- **Standard Practice Instruction**

Policies and procedures are in place to ensure compliance with internal controls and the prescribed laws and regulations. These policies and procedures are set out in the Bank's Standard Practice Instruction (SPI) and are updated from time to time in tandem with changes to the business environment or regulatory guidelines. These SPIs are published in the communication portal which is made available to all employees.

- **Human Resource Policies and Guidelines**

The Maybank Group People Policies (MGPP) serves as a baseline with clarity on the philosophy and principles for People Management and Development in Maybank Group. It incorporates key principles and philosophies that support Maybank Group's Mission of Humanising Financial Services. The MGPP consists of a set of policies and guidelines that governs all aspects of human resource management, from talent acquisition and development, performance and consequence management, code of conduct to cessation of employment. A Disciplinary Policy is also established to provide for a structure where disciplinary matters are dealt with fairly, consistently and in line with the prevailing labour laws and employment regulations.

- **Core Values and Code of Ethics and Conduct**

The Bank's core values, T.I.G.E.R. (Teamwork, Integrity, Growth, Excellence and Efficiency, Relationship Building) are the essential guiding principles to drive behavioral ethics. It is further complemented by the Code of Ethics and Conduct that sets out sound principles and standards of good practice to be observed by all.

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- **Anti-Fraud Policy**

The Anti-Fraud Policy outlines the vision, principles and strategies for the Bank to adopt by installing a culture of vigilance to effectively manage fraud from detection to remedy, and to deter future occurrences. Robust and comprehensive tools and programmes are employed to reinforce the Policy, with clear roles and responsibilities outlined at every level of the organisation in promoting high standards of integrity in every employee.

- **Reputational Risk Policy**

Protecting our reputation is paramount to operating as an institution that provides financial services. Upholding trust forms a vital part of our obligation as a financial institution. Hence, the way in which we conduct ourselves through engagements with markets, regulators, customers, and the communities we serve is crucial. Given the importance of reputation, the Reputational Risk Policy is established to effectively manage reputational risk and to institutionalise awareness on and the consequences of such risk. The Policy outlines the roles and responsibilities of key stakeholders and the guiding principles to protect the Bank's reputation.

- **Whistleblowing Policy**

Maybank Cambodia Whistleblowing Policy was revised to provide a proper and secured avenue for Maybank Cambodia employees and/or members of the public who has knowledge or is aware of any improper conduct to report any suspected fraud, corruption, criminal activity or unethical conduct/behaviour in the workplace, without facing any adverse consequences, such as retaliation.

The access to pertinent whistleblower case/information is strictly governed and administered with highest confidentiality by a designated Board level of Non-Executive Director, Head of Compliance and a Designated Whistleblowing Manager. All whistleblowing initiatives/activities are under the direct purview of Maybank Cambodia Board. Maybank Cambodia is committed to ensure that no person raising the concern is victimised, harassed, retaliated or otherwise unfairly treated by reason of raising such concern. The identity of the Whistleblower will be kept confidential at all times.

INTERNAL AUDIT

INTERNAL AUDIT FUNCTION

The Internal Audit (IA) function is established by the Board to undertake continuous review and assessment on the adequacy, efficiency and effectiveness of risk management, control and governance process implemented in the Bank. It reports directly to the Audit Committee of the Board (ACB) and is independent of the activities or operations of other operating units in the Bank. The fundamentals of the internal audit function involve identifying risks that could negatively impact the performance of the Bank and/or keep it from achieving its corporate goals, ensuring management fully understands these risks and proactively recommending improvements to minimise the risks. The Annual Audit Plan (AAP) is established based on the Maybank Risk Based Audit (MRBA) approach while the COSO Framework is used to assess the adequacy and effectiveness of internal controls. The Management follows through and ensures remedial actions taken are prompt, adequate and effective. Status reporting of the remedial actions taken is also tabled to the ACB and IAC regularly for deliberation and tracking. More detailed description on the Internal Audit function is highlighted in the Audit Committee Report.

AUDIT COMMITTEE OF THE BOARD

Audit Committee of the Board (ACB) is a Board Committee established by the Board to assist in the execution of its governance and oversight responsibilities. The responsibilities include the assessment of the effectiveness and adequacy of the Bank's internal controls system through the Internal Audit function. The ACB has active oversight on Internal Audit's independence, scope of work and resources. The ACB meets on a scheduled basis to review audit and investigation reports prepared by Internal Audit, taking into consideration the deliberation of the same report at the IAC. The ACB also deliberates on the outstanding audit findings to ensure prompt and effective remedial actions are taken by the Management. Where necessary, representatives from the parties being audited are requested to attend the ACB meeting to facilitate the deliberation of the audit reports. Minutes of the ACB meeting are then tabled to the Board. The details of the activities undertaken by the ACB are highlighted in the Audit Committee Report.

INTERNAL AUDIT COMMITTEE

Internal Audit Committee (IAC) is a management level committee chaired by the Head of Finance & Strategy to ensure adequacy of deliberation over issues/concerns raised by Internal Audit. It comprises senior level representatives from the various lines of business. It meets on a scheduled basis to deliberate on the findings highlighted in the audit and investigation reports and decide on the appropriate remedial actions required. Where necessary, representatives from the parties being audited are requested to attend the IAC meeting to enable more detailed deliberation and speedy resolution of the matters at hand. The status of the audit findings is also tabled to the IAC to ensure the committed remedial actions are promptly and effectively implemented within the set timeline. Minutes of the IAC meeting are then tabled to the ACB together with the audit reports. The IAC also follows through on the actions required by the ACB.

ASSURANCE FROM MANAGEMENT

The CEO and the Head of Finance & Strategy have provided their reasonable assurance to the Board that the Bank's risk management and internal control system is operating adequately and effectively, in all material respects, during the financial year under review and up to the date of approval of this Statement for inclusion in the Annual Report. Taking into consideration the assurance from the Management and input from the relevant assurance providers, the Board is of the view that the Bank's risk management and internal control system is operating adequately and effectively to safeguard the shareholders' investment and the company's assets.

AUDIT COMMITTEE REPORT

A. COMPOSITION AND TERMS OF REFERENCE

Composition

The Committee shall consist of at least three (3) members, with at least two (2) non-executive directors appointed by the Board from amongst its non-executive directors of the Bank:

1. The Chairman must be an independent director and at least one independent person of the committee is with expertise in finance and accounting, and one independent person with expertise in legal issues and banking.
2. Where the Chairman is unable to attend the meeting, the members shall elect a person among themselves as Chairman.
3. Review of the membership must be undertaken once every three (3) years. This review pertains to the term of office and performance of the members.

Meetings

1. Meetings shall be held at least once every quarter, to coincide with the Board of Directors meeting or at a frequency to be decided by the Committee. The Committee may invite any person to be in attendance to assist in its deliberations. The CEO and Head of Internal Audit shall normally attend the meetings. At least once a year, the Committee shall meet with the external auditor without the presence of management.
2. The Committee will regulate its own procedure particularly with regard to the calling of meetings, the notice to be given of such meetings, the voting and proceedings of such meetings, the keeping of minutes and the custody, production and inspection of such minutes.
3. Upon the request of the external auditor, a meeting is to be convened to consider any matter that the auditor believes should be brought to the attention of the directors and shareholders.

Quorum

At least 51% of the number of directors must be present to form a quorum.

Secretary

The joint secretaries to the ACB are the Head of Corporate Affairs & Communications and the Head of Corporate & Legal Services.

Authority

The Committee is authorised by the Board to:

- Investigate any activity or matter within its terms of reference.
- Have the resources, which are required to perform its duties.
- Have full and unrestricted access to any information and documents relevant to its activities.
- Have direct communication channels with external auditors, person(s) carrying out the internal audit function or activity and senior management of the Bank.

- Obtain outside legal or other independent professional advice and to secure the attendance of outsiders with relevant experience and expertise if it considers necessary.
- Convene meetings with internal and external auditors, without the attendance of the executives, whenever deemed necessary.
- In discharging the above functions, the ACB is also empowered by the Board to have:
 - Necessary resources which are required to perform its duties.
 - Full and unrestricted access to any information and documents relevant to its activities.

B. DUTIES & RESPONSIBILITIES

The primary duties and responsibilities of the ACB with regards to the Bank's internal audit function, external auditor, financial reporting, related party transactions, annual reporting and investigation are as follows:-

1. Internal Audit

- Review the adequacy of the internal audit scope and plan, functions and resources of the internal audit function, internal audit charter and that it has the necessary authority to carry out its work.
- Review the internal audit reports and ensure appropriate and prompt remedial actions are taken by the Management on lapses in controls or procedures identified by Internal Audit.
- Approve the appointment or termination of the Head of Internal Audit.
- Assess the performance of the internal auditors; determine/ approve the remuneration and annual increment of the internal auditors.
- Take cognizance of resignation of internal audit staff and the reason for resigning.

2. External Audit

- Review the appointment, performance, resignation and dismissal of the external auditors, the audit fee, and to make recommendations to the Board.
- Assess the qualification, expertise, resources and effectiveness of the external auditors.
- Monitor the effectiveness of the external auditors' performance and their independence and objectivity.
- Review the external auditors' audit scope and plan, including any changes to the planned scope of the audit plan.
- Review major audit reports and findings raised by the external auditors and the Management's responses, including the status of previous audit recommendations.

AUDIT COMMITTEE REPORT

- Review the assistance given by the Bank's officers to the external auditors and any difficulties encountered in the course of the audit work, including any restrictions on the scope of activities or access to required information.
- Approve non audit-services provided by the external auditors.

3. Internal Control System

Review, appraise and report to the Board of Directors on:

- The adequacy of established policies, procedures and guidelines on the internal control system.
- The effectiveness of the internal control system and the internal and/or external auditor's evaluation of the system.

4. Financial Reporting

Review the quarterly and year-end financial statements focusing on:-

- Any changes in accounting policy and practices.
- Significant and unusual events.
- Compliance with applicable Financial Reporting Standards and other legal and regulatory requirements.

5. Related Party Transactions

Review any related party transactions and conflict of interest situations that may arise within the Bank or Maybank Group including transactions, procedures or courses of conducts that may raise questions on Management's integrity.

6. Annual Report

Prepare an audit committee report at the end of each financial year and this report will be set out clearly in the Annual Report.

7. Investigation

Instruct the conduct of investigation into any activity or matter within its terms of reference.

8. Other Matters

Act on other matters as the Committee considers appropriate or as authorised by the Board of Directors.

C. ACTIVITIES OF ACB FOR FINANCIAL YEAR ENDED 31 DECEMBER 2017

Attendance of Meetings

A total of six (6) meetings were held during FY2017 and the details of meeting attendance are set out as follows:

Name of Committee Member	Number of Meetings Held and Attended During the FY2017
Datuk R. Karunakaran (Chairman) ¹ - Appointed on 12/10/2012 - Independent Non-Executive Director	5/5
Mr. Spencer Lee (Chairman) ² - Appointed on 23/3/2012 - Independent Non-Executive Director	6/6
Mr. Anthony Brent Elam (Member) ³ - Appointed on 31/10/2017 - Independent Non-Executive Director	1/1
Datuk Hamirullah Boorhan (Member) - Appointed on 23/3/2012 - Non-Independent Non-Executive Director	5/6
Ms. Pollie Sim (Member) ⁴ - Appointed on 28/2/2014 - Non-Independent Non-Executive Director	3/5
Mr. Soon Su Long (Member) - Appointed on 31/3/2015 - Non-Independent Non-Executive Director	6/6

¹ Resigned as Chairman of the ACB with effect from 31 October 2017.

² Appointed as Chairman of the ACB with effect from 31 October 2017.

³ Appointed as a member of the ACB with effect from 31 October 2017.

⁴ Resigned as a member of the ACB with effect from 5 October 2017. She was on sabbatical leave from March to May 2017.

To facilitate deliberation of the audit issues, the Head of Internal Audit (HIA) and Internal Audit Managers attended the ACB meetings to present their audit and investigation reports. The Head of Finance & Strategy (HFS) who is also the Chairman of the Internal Audit Committee (IAC), represents the Senior Management Team in ACB meeting to provide assurance and commitment by Management in addressing/resolving the audit issues and area of concerns. Where required, the Management of the audit subjects were called to provide explanation to the ACB on specific control lapses and issues arising from the relevant audit reports.

On the external audit aspects, the external auditors were invited to the ACB meetings to discuss their Management Letters, Audit Planning Memorandum and other matters deemed relevant. Together with the Chief Executive Officer (CEO) and HFS, the external auditors also attended the meetings where the ACB met to discuss and review the annual audited financial statements of the Bank. During FY2017, one private session was held between the ACB and the external auditors without the presence of the Management team.

During the year under review, the ACB in the discharge of its duties and functions had carried out the following activities:

Internal Audit

1. Reviewed and approved the Annual Audit Plan for FY2018 to ensure comprehensiveness of audit scope and coverage as well as adequacy of audit resources to discharge the internal audit functions effectively. The ACB also took cognisance of the Internal Audit's annual operating budget requirement for FY2018 which was later tabled to the Board for approval together with the annual operating budget requirement for the entire Bank.
2. Assessed and approved the performance rewards for the internal audit staff including the HIA for FY2016 based on the staff performance and in accordance with the matrix approved by the Board after considering the overall performance achievement of internal audit for the year.
3. Deliberated and approved the FY2017 goal setting for HIA taking into consideration the relevance and importance of the key performance indicators set for the year.
4. Reviewed the monthly audit performance reports on the status and progress of internal audit assignments against the approved audit plan as well as turnover rate of internal audit staff.
5. Deliberated on the audit and investigation reports and directed the Management to formulate and implement the necessary actions to strengthen the internal control system and prevent recurrence. Where necessary, HFS was directed to escalate the control lapses and recommendations to the EXCO for deliberation.
6. Reviewed the participants' feedback on Guest Auditor Programme where the subject matter experts from the business and support functions within the Bank were invited to guest audit for a short audit engagement. In general, the participants found the programme to be beneficial in enhancing their self-awareness and accountability of internal control.
7. Reviewed the semi-annual audit finding status reports and deliberated on the rectification action and timeline taken by the Management to ensure control lapses were addressed and resolved promptly. The ACB also deliberated on the justification given by the Management for extension of rectification timeline and approved such request where the justifications were acceptable.
8. Reviewed and noted the Internal Audit Committee (IAC) minutes of meetings for an overview of the deliberation and remedial actions taken by the Management on the control lapses raised by internal auditors.
9. Reviewed the Quality Assurance Review (QAR) report issued by KPMG Management & Risk Consulting Sdn. Bhd. on conformance of Internal Audit's activities to the International Standards promulgated by The Institute of Internal Auditors (IIA). The QAR report was tabled to the ACB in December 2017 with the conclusion that the present practices carried out by Internal Audit were in conformance with the standards and leading practices recommended by the Institute of Internal Auditors.

Annual Report

10. Reviewed and endorsed the Statement on Risk Management and Internal Control for Board's approval for inclusion in the Annual Report and submission to the National Bank of Cambodia (NBC) for FY2016.
11. Reviewed and endorsed the Audit Committee Report for Board's approval and inclusion in the Annual Report for FY2016.

Financial Reporting

12. Reviewed the annual audit financial statements of the Bank to ensure that the financial reporting and disclosure requirements are in compliance with the accounting standards, with special focus placed on the changes in accounting policy, as well as significant and unusual events or transactions.

External Audit

13. Reviewed and endorsed the reappointment of external auditors and audit fee for FY2017. Assessed the independence, objectivity, qualification, expertise, resources and effectiveness of the external auditors.
14. Reviewed the results of the audits, relevant audit reports and Management Letters together with Management's responses or comments to the audit findings.
15. Reviewed the assistance given by the Bank's officers to the external auditors and any difficulties encountered in the course of the audit work, including any restrictions on the scope of activities or access to required information.
16. Reviewed related party transactions as disclosed in the financial statements and the adequacy of Bank's procedures in identifying, monitoring, reporting and reviewing related party transactions.

AUDIT COMMITTEE REPORT

D. INTERNAL AUDIT FUNCTION

Independence

The Internal Audit (IA) function is established by the Board to undertake independent review and assessment on the adequacy and effectiveness of risk management, internal controls and governance processes implemented by the Management. The IA function of Maybank (Cambodia) Plc. is organised in-house and reports functionally to the ACB and administratively to the CEO. It is independent of the activities or operations of other operating units in the Bank. The IA function is guided by its Audit Charter (as approved by the ACB) which defines the mission & objective, responsibility, accountability, authority, independence & objectivity and professionalism & ethical standards of the IA function of the Bank.

The IA function was headed by Mr. Khalil Ab. Rahman, the Head of Internal Audit. He has over 21 years of audit experience in the financial industry. He has a Bachelor of Accounting and holds a Certificate in Internal Auditing for Financial Institution, and Certified Credit Professional.

Principal Responsibility

The principal responsibility of IA is to undertake continuous testing and assessment on the effectiveness and efficiency of the risk management framework and the internal control system in order to provide reasonable assurance that such framework and system continue to operate efficiently and effectively. The fundamentals of the IA function involve identifying risks that could negatively impact the performance of the Bank and/or keep it from achieving its corporate goals, ensuring management fully understands these risks and proactively recommending improvements to minimise these risks.

The total cost incurred for maintaining the IA function for FY2017 was approximately USD396,144, comprising mainly salaries and audit activities related spending (travelling, accommodation expenses and subsistence allowances).

The IA activities are carried out based on a risk-based annual audit plan approved by the ACB. In establishing the plan, all the auditable units are risk-ranked using the Maybank Risk Based Audit (MRBA) approach into three risk ratings, i.e. High, Medium and Low while the COSO Framework is used to assess the adequacy and effectiveness of controls in line with the three COSO Internal Control Objectives (Operations, Reporting and Compliance). The scope of coverage of the annual audit plan encompasses all units and operations of the Bank.

The IA processes and activities are governed by the regulatory guidelines as well as the Bank's Code of Ethics and The IIA's mandatory guidance, which includes the Core Principles for the Professional Practice of Internal Auditing, the Definition of Internal Auditing, the Code of Ethic and the International Standards for the Professional Practice of Internal Auditing (Standards).

In order to perform its functions effectively, the auditors undergo continuous trainings to equip themselves with the requisite product knowledge and skills especially in the areas of Asset and Liability Management, Credit, Trade Finance and Operational Risk. Trainings and guidance in these specialised audit areas are also provided by Group Audit, where required, to ensure consistency in the application of auditing standards, processes and testing.

Audit reports are submitted to the ACB for review and deliberation. The ACB reviews and deliberates on the control lapses highlighted by IA along with the audit recommendations as well as Management's responses and action plans for improvement and/or rectification. Where required and applicable, the ACB directs the Management to take cognisance of the issues raised and establish necessary steps to strengthen the system of internal controls based on audit recommendations.

Summary of IA Activities in FY2017

The following are activities undertaken by Internal Audit for FY2017:

1. Attended meetings of the various management committees such as Information Technology Steering Committee (ITSC) and Executive Committee (EXCO) on a consultative and advisory capacity to provide independent feedback on the risk management, control and governance aspects.
2. Established an Annual Audit Plan for FY2018 (AAP FY2018) using a risk-based approach, taking into consideration the Bank's business strategic plan, business landscape, regulatory requirements as well as inputs from Senior Management and the ACB. The AAP FY2018 was tabled and approved by the ACB and later presented to the Board for information.
3. Participated in a two-day offsite Regional Group Audit Challenge Session to deliberate the audit approach and coverage for 2018 prior to finalizing the AAP FY2018.
4. Conducted periodic internal control testing of business units, operations and processes in the Bank as identified in the annual audit plan and provided independent assessment and objective assurance over the adequacy and effectiveness of risk management, internal controls and governance of the units audited. Among the areas that were tested during the FY2017 were Branches, Information Technology Infrastructure and Security, Asset Quality, Risk, Fund Transfer and Payment, Card Operation, Credit Administration and Loan Management etc. Audit reports concluding the results of the audit testing conducted together with detailed audit observations, management responses and audit recommendations to improve and strengthen the system of internal controls were prepared and issued to the respective auditees, Senior Management and the ACB.

5. Conducted regional audits with Group Audit on critical areas such as Internal Capital Adequacy Assessment Process (ICAAP), Computation and Reporting of Capital Charge (including Credit, Market and Operations Risk), Group Stress Testing, Group Impaired Loans, etc. to provide an overall assessment of the controls from the Group's view.
6. Provided independent and objective reviews of the adequacy and relevance of internal controls enforced to mitigate risk exposures in the introduction of new products and enhancement of existing products and processes.
7. Participated in the Crisis Simulation Exercise to gauge and assess the readiness of the businesses/systems to resume/recover (in the event of disaster) within the agreed timeline.
8. Conducted ad-hoc assignments and investigations into activities or matters as instructed by the ACB and Senior Management. The outcomes from the investigations were tabled to the IAC and ACB for deliberation.
9. Witnessed the tender opening process for procurement of services or assets to ensure the activities in the tendering process are conducted in a fair, transparent and consistent manner.
10. Prepared the Audit Committee Report and Statement on Risk Management and Internal Control for the Bank's Annual Report for Financial Year Ended 31 December 2016.

EVENT HIGHLIGHTS 2017

BUSINESS

CORPORATE

CORPORATE RESPONSIBILITY

JANUARY

14 January

Maybank Cambodia, in a joint collaboration with JS Land Limited, rewarded a Garden Residency condominium unit valued at approximately USD42,000 to the winner of Maybank's "Save Now & Win Big" campaign. The campaign provided both new and existing Maybank accountholders with the opportunity to win the condominium unit with every USD500 increase/growth in their Savings/Current Account.



14 January

In conjunction with the celebrations of the New Year of Rooster, Maybank launched the "Lucky 888" campaign. The first 88 new customers who open a Maybank Premier Wealth Prestige Current Account received a lucky red packet (angpow) ranging from USD38 to USD888.



FEBRUARY

28 February

Maybank Cambodia, in partnership with The Indian Chamber of Commerce in Cambodia and supported by the Embassy of India in Phnom Penh, organized a seminar on "Trade Management and Insurance Landscape in Cambodia".



MAY



8 May

Maybank Cambodia contributed to the Cambodian Red Cross in conjunction with its 154th Anniversary of the World Red Cross and Red Crescent Day, under the theme "Cambodia Red Cross is Everywhere for Everyone" under the patronage of Samdech Techo Hun Sen, Primer Minsiter of The Kingdom of Cambodia and Lok Chumteav Bun Rany Hunsen, President of the Cambodian Red Cross.



JUNE



13 JUNE

13 June

Maybank Cambodia in partnership with Linkage hosted a “Leadership Development in a Growing Economic” seminar at Maybank Tower, Cambodia. The seminar provided the participants thought leadership on critical leadership competencies for the future and keys to accelerate leadership development.



JUNE

June

Maybank Cambodia hosted the 2017 edition of Maybank Go Ahead. Challenge, attracting almost 2,000 applicants from across Cambodia. The top 106 Challengers faced off against each other in a series of tasks designed to test their strategic thinking, tactical planning and quick reactions, all the while adding their business insights to the challenges presented and also keeping in mind that they are competing for the highly-sought Global Finals spots.



JUNE

JULY

31 July

Maybank Foundation announced the expansion of the Maybank CashVille Kidz Financial Literacy program with a commitment to expand the program to national schools in Cambodia, at a Grand Finale of the CashVille Kidz Challenge for its pilot phase. The event was graced by Director General of National Bank of Cambodia, Secretary of State of the Ministry of Education, Youth and Sports, as well as Maybank Group PCEO and Maybank Cambodia Board of Directors.



31 JULY



31 JULY

EVENT HIGHLIGHTS 2017

- BUSINESS
- CORPORATE
- CORPORATE RESPONSIBILITY

AUGUST

1 August

Maybank Foundation launched its first-ever silk weaving training centre in Takeo, Cambodia, aimed to further promote traditional textiles globally in a sustainable manner, and at the same time, create business opportunities for underprivileged women that will lead to economic independence. The event was officiated by the Secretary of State of the Ministry of Women Affairs, together with the Maybank Group and Maybank Foundation Chairman as well as Maybank Cambodia Board of Directors.



1 AUGUST



1 AUGUST



1 AUGUST



1 AUGUST

19 August

In conjunction with the Maybank Global CR Day 2017, Maybank Cambodia held a "Love Carnival: Empowering Our Leaders of Tomorrow" at the Maybank Tower. The Carnival introduced the guests to a variety of enriching experiences, including among others, financial literacy classes, mathematic classes of Singapore school standards, tips on healthy lifestyle, and many more. The Carnival also showcased a variety of activities and sales booth organised and aimed to promote and educate on the usage of KHR.

31 August

Maybank Cambodia held a donation handover ceremony to the People Improvement Organisation, subsequent to the conclusion of the Maybank Global CR Day "Love Carnival" that culminated with the collection of various monetary and non-monetary contributions from the community, including the board, management, employees, customers and business partners. The event was graced by the Ambassador of Malaysia to the Kingdom of Cambodia, and held in conjunction with the 60th Anniversary of the National Day of Malaysia.



19 AUGUST



19 AUGUST



31 AUGUST

SEPTEMBER

6 September

Maybank Cambodia, in collaboration with Mizuho Bank Ltd, held a special session on “Doing Business in Cambodia”, with a focus to bring together the unique capabilities of both banks to enhance the banking experience and services for the Japanese business community in Cambodia.



06 SEPTEMBER



06 SEPTEMBER

OCTOBER

October

Maybank Cambodia in partnership with VISA and MasterCard, launched its “Discover Cambodia” campaign in Siem Reap and Phnom Penh respectively. The campaign enhances the experiences of overseas travellers to Cambodia and improves the businesses of local retail merchants, placing them on the international map, allowing for the local merchants' products and services to be promoted to the millions of card holders and customer across the region. Leveraging on this campaign, local businesses will be able to reach out to previously untapped foreign volumes and encourage tourism into Cambodia.



04 OCTOBER



02 OCTOBER



02 OCTOBER

DECEMBER

03 December

To promote a healthy lifestyle, Maybank Cambodia employees participated in the Angkor Wat International Half Marathon in Siem Reap. Funds collected from the event were donated to the Angkor Children Hospital, providing free treatments to Cambodia’s poorest children and their families.



03 DECEMBER



03 DECEMBER

EVENT HIGHLIGHTS 2017

- BUSINESS
- CORPORATE
- CORPORATE RESPONSIBILITY

DECEMBER (CONT'D)

08 - 11 December

Maybank Cambodia emerged as the top performing bank among Manulife's bancassurance partners. 17 Maybankers qualified for a business incentive trip to South Korea, as part of the Maybank-Manulife sales campaign.



08-11 DECEMBER



14 DECEMBER

17 December

Maybank Cambodia held a completion ceremony for the 50 People Improvement Organisation (PIO) students sponsored under the Maybank Child Sponsorship Programme Phase 4. These students had a year-long engagement program with Maybankers, which was an invaluable experience for both the students and Maybankers.



17 DECEMBER

19 December

Maybank Cambodia supported the Norodom Primary School to install a tiled pavement within the school compound to support its mission in providing a safe and clean learning environment for its students.



21 DECEMBER

14 December

Maybank Cambodia held a graduation ceremony for the third batch women weavers under the Maybank Women Eco Weavers program. These newly graduated weavers now possess the skills and tools that will help them and their families become economically independent.

21 December

Maybank Cambodia awarded the 20 top performing students from the People Improvement Organization (PIO), as part of the Maybank Child Sponsorship program. The initiative aims to encourage education excellence.



19 DECEMBER

CORPORATE INFORMATION

BOARD OF DIRECTORS

DATO' JOHAN ARIFFIN
Independent Non-Executive Chairman

DATUK HAMIRULLAH BOORHAN
Non-Independent Non-Executive Director

SPENCER LEE
Independent Non-Executive Director

SOON SU LONG
Non-Independent Non-Executive Director

ANTHONY BRENT ELAM
Independent Non-Executive Director

CORPORATE SECRETARIES

QAZREEN CHAN ABDULLAH
Corporate Secretary

LONG BEANG
Joint Corporate Secretary

REGISTERED OFFICE

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FINANCIAL YEAR END

31 December

Overview

Financial Capital

Intellectual Capital

Manufactured Capital

Human Capital

Ensuring Responsible Governance

Social & Relationship Capital

Financial Statements

Other Information

GROUP DIRECTORY

COMMERCIAL BANKING

MALAYAN BANKING BERHAD

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MALAYAN BANKING BERHAD LONDON BRANCH

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MALAYAN BANKING BERHAD NEW YORK BRANCH

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MALAYAN BANKING BERHAD KINGDOM OF BAHRAIN BRANCH

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(formerly known as Etiqa Insurance Berhad)

ETIQA FAMILY TAKAFUL BERHAD
(formerly known as Etiqa Takaful Berhad)

ETIQA LIFE INSURANCE BERHAD
ETIQA GENERAL TAKAFUL BERHAD

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ASSET MANAGEMENT

MAYBANK ASSET MANAGEMENT GROUP BERHAD

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Dataran Maybank
No 1, Jalan Maarof
59000 Kuala Lumpur
Tel : (6)03-2297 7833
Fax : (6)03-2297 7997
Website : www.maybank-am.com

MAYBANK ASSET MANAGEMENT SDN BHD

5th Floor, Tower A, Dataran Maybank
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MAYBANK ISLAMIC ASSET MANAGEMENT SDN BHD

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59000 Kuala Lumpur
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OTHERS

MAYBANK TRUSTEES BERHAD

8th Floor, Menara Maybank
100, Jalan Tun Perak
50050 Kuala Lumpur
Tel : (6)03-2078 8363
Fax : (6)03-2070 9387
Website : www.maybank.com
Email : securitiesservices@maybank.com.my

MAYBANK (NOMINEES) SENDIRIAN BERHAD MAYBANK NOMINEES (TEMPATAN) SDN BHD MAYBANK NOMINEES (ASING) SDN BHD

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100, Jalan Tun Perak
50050 Kuala Lumpur
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Fax : (6)03-2032 1505

MAYBANK PRIVATE EQUITY SDN BHD

5th Floor, Tower A
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No. 1, Jalan Maarof
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MAYBANK ASSET MANAGEMENT SINGAPORE PTE LTD

50 North Canal Road
#03-01 Singapore 059304
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Fax : (65) 6339 1003
Website : www.maybank-am.com.sg

PT. MAYBANK ASSET MANAGEMENT

Sentral Senayan 3, Mezzanine Floor
Jl. Asia Afrika No. 8, Gelora Bung Karno Jakarta
Jakarta 10270
Indonesia
Tel : (62) 21 8065 7700
Fax : (62) 21 8065 7702
Website : www.maybank-am.co.id

MAYBANK SECURITIES NOMINEES (TEMPATAN) SDN. BHD.

MAYBANK SECURITIES NOMINEES (ASING) SDN. BHD.

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No. 1, Jalan Maarof
59000 Kuala Lumpur
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Fax : (6)03-2710 2575

BRANCH DIRECTORY

PHNOM PENH BRANCH

PHNOM PENH MAIN BRANCH (HEAD OFFICE)

No. 43, Preah Norodom Blvd,
Sangkat Phsar Thmey 3,
Khan Daun Penh, Phnom Penh
Tel : (855) 23 210 123 / 255
Fax : (855) 23 210 099

BOENG KENG KANG TI MUOY BRANCH

No. 210 Street 63,
Sangkat Boeng Keng Kang Ti Muoy,
Khan Chamkarmon,
Phnom Penh
Tel : (855) 23 210 448 / 450
Fax : (855) 23 210 467

CHBAR AMPOV BRANCH

No. 27 & 29 Eo+E1, National Road 1,
Kandal Village, Sangkat Chbar Ampov 2,
Khan Mean Chey, Phnom Penh
Tel : (855) 23 720 586 / 587
Fax : (855) 23 720 528

CHROY CHANGVAR BRANCH

No. F14 & F15, National Road No. 6A,
Sangkat Chroy Changvar,
Khan Russey Keo, Phnom Penh
Tel : (855) 23 432 290 / 291
Fax : (855) 23 432 289

KAMPUCHEA KROM BRANCH

No. 479 E1E2 & 481 E0E1E2,
Street 128, Kampuchea Krom Blvd,
Sangkat Phsar Depo III,
Khan Tuol Kork, Phnom Penh
Tel : (855) 23 883 654 / 694
Fax : (855) 23 882 714

MAO TSE TOUNG BRANCH

No. 158 BCD, Mao Tse Toung Blvd,
Sangkat Tomnoubteouk,
Khan Chamkarmon, Phnom Penh
Tel : (855) 23 216 436 / 437
Fax : (855) 23 216 438

OBEK KAORM BRANCH

No. 28 & 30, Street 271,
Sangkat Toeuk Thla,
Khan Sen Sok, Phnom Penh
Tel : (855) 23 883 920 / 923
Fax : (855) 23 883 982

OLYMPIC BRANCH

No. 323 & 325, Sihanouk Blvd,
Sangkat Veal Vong, Khan 7 Makara,
Phnom Penh
Tel : (855) 23 993 154 / 155
Fax : (855) 23 993 153

OU RUESSEI BRANCH

No. 46 E0+E1, Street 111, Phum 2,
Sangkat Ou Ruessei Ti Muoy,
Khan Prampir Meakkakra,
Phnom Penh
Tel : (855) 23 989 200 / 220
Fax : (855) 23 989 210

STUNG MEANCHEY BRANCH

No. 144, St 217 (Monireth Blvd),
Sangkat Stung Meanchey,
Khan Meanchey, Phnom Penh
Tel : (855) 23 424 482 / 483
Fax : (855) 23 424 635

PHNOM PENH SPECIAL ECONOMIC ZONE BRANCH

No. A6 & A8, National Road No. 4,
Sangkat Kantork, Khan Po Senchey,
Phnom Penh
Tel : (855) 23 729 857 / 858
Fax : (855) 23 729 856

TOUL KORK BRANCH

No. 93 A1 & A2, Street 289, Sangkat Boeung Kak II,
Khan Toul Kork, Phnom Penh
Tel : (855) 23 999 205 / 206
Fax : (855) 23 999 203

TOEUK THLA BRANCH

No. 13-17Eo, Attwood Business Centre,
Street 110A (Russian Confederation Blvd),
Sangkat Toeuk Thla, Khan Sen Sok,
Phnom Penh
Tel : (855) 23 866 052 / 053
Fax : (855) 23 866 054

PROVINCIAL BRANCH

TA KHMAO BRANCH

No. 563 & 565, Street 21, Sangkat Ta Khmao,
Krong Ta Khmao, Kandal Province
Tel : (855) 23 425 172 / 173
Fax : (855) 23 425 174

BATTAMBANG BRANCH

No. 136Eoz, Street 3, Group 39,
Phum 20 Ou Saphea,
Sangkat Svay Por, Battambang Province
Tel : (855) 53 731 207 / 208
Fax : (855) 53 731 201

SEREY SOPHORN BRANCH

No. 334, National Road No. 6, Sangkat Preah Ponlea,
Krong Serey Sophorn, Banteay Meanchey Province
Tel : (855) 54 711 386 / 387
Fax : (855) 54 711 385

SIEM REAP BRANCH

Street Sivutha, Phum Mondul II,
Svay Dangcum Commune, Siem Reap Province
Tel : (855) 63 761 062 / 063
Fax : (855) 63 761 065

SIHANOUKVILLE BRANCH

No. 212, Street Ekareach,
Sangkat Leik 2, Sihanoukville city,
Sihanoukville Province
Tel : (855) 34 935 051 / 052
Fax : (855) 34 935 053

KRONG SUONG BRANCH

Phum Cheung Lang, Sangkat Suong,
Krong Suong, Tboungkhmum Province
Tel: (855) 42 218 388 / 389
Fax: (855) 42 218 387

KAMPONG CHAM BRANCH

No. 58, Street Preah Monivong,
Sangkat Kampong Cham,
Kampong Cham City, Kampong Cham Province
Tel : (855) 42 210 572 / 573
Fax : (855) 42 210 574

TAKEO PROVINCIAL BRANCH

National Road No.2, Phum Thnal Baek,
Sangkat Roka Krau, Krong Doun Keo,
Takeo Province
Tel : (855) 32 210 664 / 665
Fax : (855) 32 210 663

Overview

Financial Capital

Intellectual
Capital

Manufactured
Capital

Human Capital

Ensuring Responsible
Governance

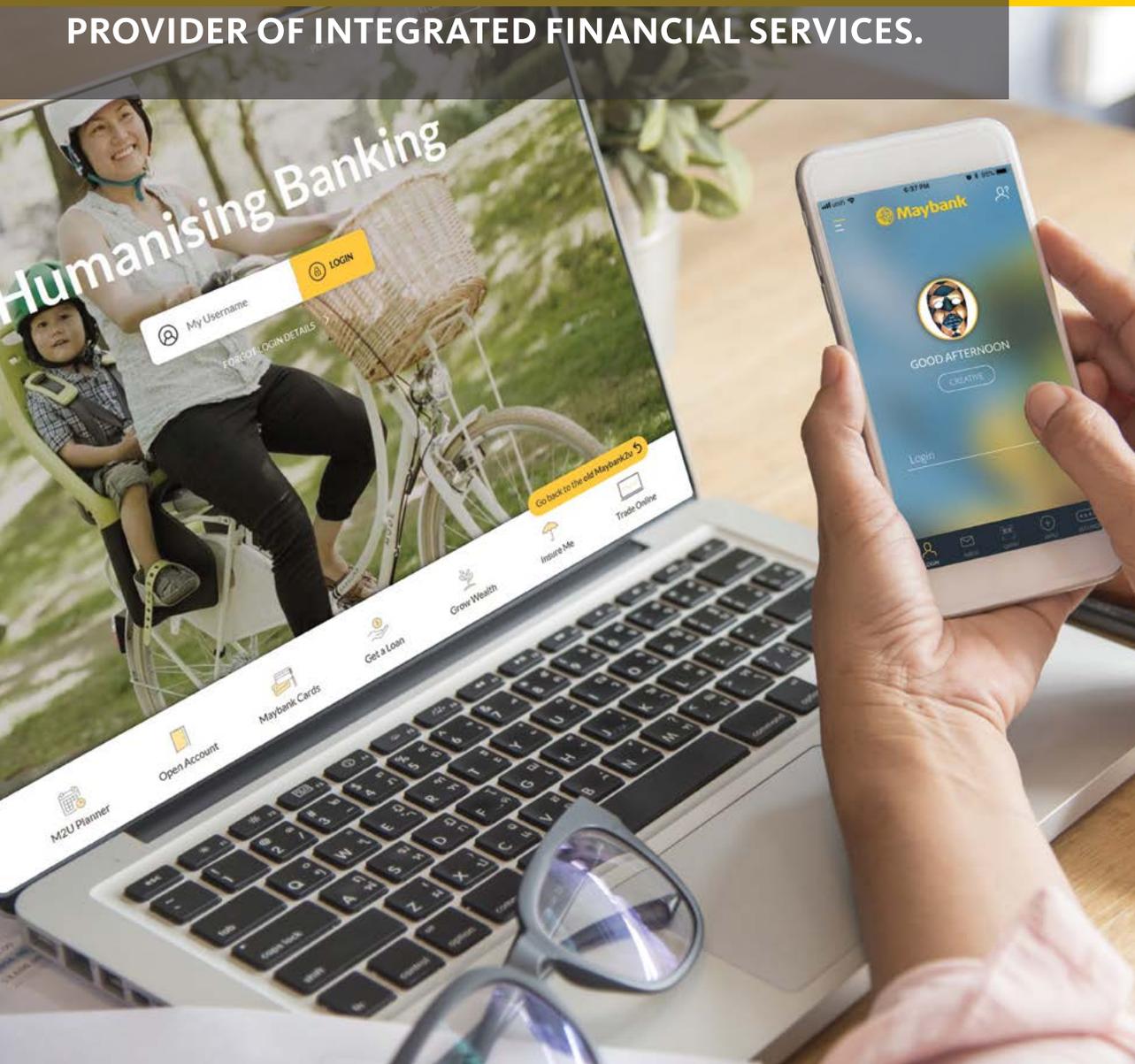
Social &
Relationship Capital

Financial Statements

Other
Information

THE DIGITAL BANK OF CHOICE

MAYBANK IS AMONG ASIA'S LEADING BANKING GROUPS, AND ALSO MALAYSIA'S LEADING PROVIDER OF INTEGRATED FINANCIAL SERVICES.



As a financial institution that grew out of a community need since we opened our doors in 1960, our commitment is deeply rooted in our culture. We are committed to providing access to financing at fair terms and pricing, to advise our customers based on their needs as well as to be at the heart of the communities that we serve. We also prioritise customer experience using next generation digital technologies. These are the brand drivers that support our mission of Humanising Financial Services.

The financial world has embraced technological changes over the years and Maybank has been at the forefront. Our digitalisation efforts are part of our strategic objective to be the Digital Bank of Choice in the region by 2020. We have introduced many innovative digital products and services in recent years, which have helped us build closer affinity with our customers.

THIS IS OUR MAYBANK, OUR FUTURE.