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របាយការណ៍ប្រចាំឆ្នាំ ២០០៥

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សារព័ន្ធយកប្រតិបត្តិ

ធនាគារកាណាឌីយ៉ា បានធ្វើដំណើរយ៉ាងរឹងមាំជាប់តាំងពីឆ្នាំ ១៩៩១ ។ ដោយយើងបានឆ្លើយតបនូវរាល់តំរូវការរបស់អតិថិជន និងសហគមន៍ភាគច្រើន យើងបានមានកិត្តិយសទទួលបាននូវតួនាទីជាធនាគារឈានមុខគេនៅក្នុងប្រទេសកម្ពុជាជាច្រើនឆ្នាំបន្តបន្ទាប់គ្នារហូតមកដល់ពេលបច្ចុប្បន្ន ។

ច្រើនឆ្នាំមកនេះទោះបីជាធនាគារយើងបានជួបនូវឧបសគ្គមួយចំនួនធំក៏ដោយ ក៏យើងនៅតែអាចរក្សាបាននូវការជឿទុកចិត្តពីសំណាក់អតិថិជនរបស់យើង និងបានបំពេញតាមសំណូមពររបស់អ្នកគ្រប់គ្រងផងដែរ ។ ជាងនេះទៅទៀតយើងក៏បានស្ថាបនានូវទំនាក់ទំនងដែលមានអត្ថប្រយោជន៍រវាងគ្នានិងគ្នាយ៉ាងរឹងមាំជាមួយស្ថាប័នអន្តរជាតិ និង ដៃគូសហការផ្សេងៗទៀត ។

ភស្តុតាងបង្ហាញពីការរីកចម្រើនជាក់ស្តែងរបស់យើង

លទ្ធផលអាជីវកម្មរបស់ធនាគារយើងឆ្នាំ ២០០៥ គឺជាភស្តុតាងបង្ហាញយ៉ាងច្បាស់លាស់នូវការរីកចម្រើនរបស់យើង ។ ឆ្នាំ២០០៥ជាឆ្នាំដែលធនាគារកាណាឌីយ៉ាទទួលបានលទ្ធផលដ៏ត្រចះត្រចង់ម្តងទៀត គឺយើងទទួលបានប្រាក់ចំណេញសុទ្ធក្រោយកាត់ពន្ធរួចស្មើនឹង ៦.០៣១.១៩៦ ដុល្លារ អាមេរិក គឺកើន ៥៩.៣៤% ធៀបនឹង ឆ្នាំ២០០៤ ។

ផលប្រយោជន៍របស់ភាគទុនិក

លទ្ធផលទាំងនេះ រួមទាំងជំនឿទុកចិត្តទៅនឹងអនាគតរបស់យើង ក្រុមប្រឹក្សាភិបាលបានសម្រេចប្រកាសភាគលាភចុងក្រោយស្មើនឹង ៦% សំរាប់ភាគហ៊ុនធម្មតានីមួយៗ ។

ជំហរដ៏រឹងមាំរបស់យើង

ជាក់ស្តែងលទ្ធផលដ៏ល្អដែលយើងទទួលបានមកនេះ គឺអាស្រ័យទៅនឹងស្ថានភាពពេញលេញដ៏មានអំណោយផលរបស់កម្ពុជានៅឆ្នាំ ២០០៥ ដែលមានអត្រាកំណើនដ៏អស្ចារ្យរហូតដល់១៣% ។

ដៃគូសហការរបស់យើង

ការគាំទ្រយ៉ាងសកម្មរបស់ដៃគូសហការ បានរួមចំណែកដល់ការអភិវឌ្ឍរបស់យើង ។ សាជីវកម្មហិរញ្ញវត្ថុអន្តរជាតិ (IFC) ដែលស្ថិតនៅក្រោមឱវាទនៃធនាគារពិភពលោក បានផ្តល់មូលនិធិរយៈពេលវែង ដើម្បីគាំទ្រដល់គំរោងអភិវឌ្ឍន៍ឥណទានលំនៅស្ថានរបស់យើង ។ ក្នុងអំឡុងឆ្នាំ ២០០៥ គំរោងនេះទទួលបាននូវលទ្ធផលគួរជាទីពេញចិត្តក្នុងការបង្កើតនូវស្ថេរភាពផ្នែកឥណទានលំនៅស្ថាន និងបានចូលរួមចំណែកក្នុងការអភិវឌ្ឍន៍កម្មសិទ្ធិលំនៅស្ថាននៅក្នុងសហគមន៍ ។

សាជីវកម្មហិរញ្ញវត្ថុអន្តរជាតិ (IFC) ក៏បានផ្តល់ជំនួយផ្នែកបច្ចេកទេសក្នុងការបង្កើត និងកែលម្អនូវរចនាសម្ព័ន្ធគ្រប់គ្រងដែលនាំមកនូវលទ្ធផលគួរជាទីពេញចិត្ត ។

ជាមួយនឹងការគាំទ្ររបស់ធនាគារអភិវឌ្ឍន៍អាស៊ីម៉ង់ KfW ធនាគារយើងបានយល់ដឹងពីគោលបំណងរបស់ធនាគារអភិវឌ្ឍន៍អាស៊ីម៉ង់KfW ដែលផ្តល់មូលនិធិសំរាប់ផ្តល់ឥណទានដល់សហគ្រាសចុះតូច និងមធ្យម ។ ផ្នែកលើ មូលដ្ឋាននេះ KfW បានយល់ព្រមថាបង្កើនបញ្ចេញ គំរោងវគ្គទី២ក្នុងឆ្នាំ ២០០៦ ។

គោលដៅរបស់ដៃគូសហការនៃធនាគារកាណាឌីយ៉ា គឺមិនត្រឹមតែអភិវឌ្ឍន៍អាជីវកម្មប៉ុណ្ណោះទេ ថែមទាំងចូលរួមចំណែកយ៉ាងសំខាន់និងវិជ្ជមាន ក្នុងការអភិវឌ្ឍន៍សេដ្ឋកិច្ច និងសង្គមជាតិយើងទៀតផង ។ ការដែលគេជ្រើសរើសធនាគារកាណាឌីយ៉ាជាដៃគូ ព្រោះយើងមានគោលបំណងដូចគ្នាក្នុងការអភិវឌ្ឍន៍សេដ្ឋកិច្ច និងសង្គម ។

ការទទួលខុសត្រូវផ្នែកសង្គម

ធនាគារកាណាឌីយ៉ាជាអ្នកឧបត្ថម្ភយ៉ាងសំខាន់ របស់កាកបាទក្រហមកម្ពុជា និងអង្គការសហគមន៍ដទៃ ទៀតផងដែរ ។

វិស័យហិរញ្ញវត្ថុ

ធនាគារកាណាឌីយ៉ាបច្ចុប្បន្នមានតួនាទីដូចខាងក្រោម ៖

- ១- អនុប្រធានសមាគមធនាគារនៃកម្ពុជា (ABC)
- ២- សហប្រធានក្រុមការងារសេវាកម្មធនាគារ និងហិរញ្ញវត្ថុ សំរាប់វិស័យឯកជន(PSWG)
- ៣- គណៈកម្មការ នៃសវនកម្មផ្ទៃក្នុងនៃវិទ្យាស្ថានធនាគារនៃកម្ពុជា(CIB) ។

បរិស្ថាននយោបាយ

បរិស្ថាននយោបាយក្នុងឆ្នាំ២០០៥កន្លងមក មានស្ថេរភាព និងមានការរីកចម្រើនទូទៅ ។ យើងសង្ឃឹមថាស្ថានភាពនេះនឹងកាន់តែប្រសើរឡើងនៅឆ្នាំ ២០០៦ ផងដែរ ដើម្បីនាំមកនូវផលប្រយោជន៍សំរាប់វិស័យធនាគារ ប្រទេសជាតិ ហើយនិងប្រជាជនទាំងមូល ។

ស្ថានភាពទីផ្សារអចលនទ្រព្យ

ក្នុងឆ្នាំ ២០០៥ ដោយមានតំរូវការក្នុងស្រុកយ៉ាងច្រើន ការអភិវឌ្ឍន៍ផ្នែកអចលនទ្រព្យជាកត្តាដ៏សំខាន់រួមចំណែកមួយនៃកំណើនសេដ្ឋកិច្ចទាំងមូល ។ ផ្អែកលើមូលដ្ឋានដ៏រឹងមាំនេះ យើងសង្ឃឹមថាស្ថានភាពដ៏មានអំណោយផល បែបនេះនឹងបន្តកើតឡើងនៅក្នុងឆ្នាំ២០០៦ ទៀត ។

ផែនការយុទ្ធសាស្ត្ររបស់យើង

យុទ្ធសាស្ត្រជាអាទិភាពរបស់យើង សំរាប់ឆ្នាំ ២០០៦ គឺ ៖

- ឈានចូលទីផ្សារថ្មី និងពង្រីកទីផ្សារបច្ចុប្បន្នដែលមានស្រាប់របស់យើងនៅក្នុងទីក្រុងសំខាន់ៗ ។ យើង នឹងបន្តពង្រីកសេវាកម្មរាយនិងការផ្តល់ហិរញ្ញប្បទានប្រើប្រាស់នៅតាមសាខារបស់យើង ហើយនិង ដំណើរការសេវាកម្មយុទ្ធសាស្ត្រសំខាន់ៗមួយ គឺផ្នែកសេវាកម្មពិសេស Private Banking ។
- អភិវឌ្ឍន៍បន្ថែមនូវប្រព័ន្ធទូទៅនិងប្រព័ន្ធស្តង់ដារ ទូទាំងធនាគារដើម្បីផ្តល់ភាពងាយស្រួលដល់អតិថិជនដែលមកធ្វើប្រតិបត្តិការសេវាកម្មធនាគារយើង មិនថាសាខាឬតាមរយៈ ATM ឡើយ ។
- បន្តស្រូបយក និងអភិវឌ្ឍន៍ទេពកោសល្យបុគ្គលិកក្នុងស្រុកអោយបានប្រសើរបំផុតដោយសង្កត់ធ្ងន់លើអាជីពរយៈពេលយូរអង្វែង និងការអភិវឌ្ឍន៍បុគ្គលិករបស់យើង ។ ហើយនឹងបន្តជាជម្រើសដ៏ប្រសើរបំផុតសំរាប់ ពលរដ្ឋកម្ពុជាដែលមានបំណងចាប់យកអាជីពផ្នែកធនាគារ ។
- បន្តលើកកម្ពស់ប្រសិទ្ធភាពនៃការប្រើប្រាស់មូលធន និងដើម្បីទទួលបាននូវប្រាក់ចំណេញ និងអត្រា កំណើនកាន់តែខ្ពស់ឡើង ។

យើងខ្ញុំជឿជាក់ថា យើងមិនត្រឹមតែអាចបំពេញបាននូវតំរូវការអតិថិជនប៉ុណ្ណោះទេ ប៉ុន្តែនឹងធ្វើឱ្យបានល្អជាងនេះទៅទៀត ។ ដើម្បីឈានដល់គោលដៅនេះ យើងនឹងបន្តប្រឹងប្រែងកែលម្អសេវាកម្មអតិថិជន ជាពិសេសពេលវេលារង់ចាំរបស់អតិថិជនឱ្យបានកាន់តែឆាប់ និងសមរម្យ ។

ផែនការកំណើនរបស់ធនាគារកាណាឌីយ៉ា រួមមានការស្របយកអតិថិជនថ្មី ការរក្សាឱ្យបាននូវអតិថិជនចាស់ និងបង្កើនចំណែកទីផ្សារនិងបន្តស្វែងរកឱកាសវិកចំរើនដែលមាននៅក្នុងទីផ្សារកម្ពុជា ។ គោលដៅរបស់យើងគឺត្រូវរក្សាអោយបាននូវតំណែងជាធនាគារលំដាប់ថ្នាក់លេខ១ នៅក្នុងស្រុក ។

ធនាគារកាណាឌីយ៉ា បានបង្កើតផ្នែកសេវាកម្មធនាគារពិសេស (Private Banking) ដែលមានធនាគារិកដ៏ជំនាញផ្តល់នូវសេវាកម្មនិងការគ្រប់គ្រងទ្រព្យសម្បត្តិដ៏ប្រសើរជូនដល់អតិថិជន ។ យើងបានសាងសង់ជាន់ថ្មីមួយ សំរាប់ជាការិយាល័យសេវាកម្មធនាគារពិសេស (Private Banking) នៅស្នាក់ការកណ្តាល ។

សេចក្តីរំពឹងទុកដ៏ជឿជាក់

ដោយយើងរំពឹងថា នឹងមានការប្រកួតប្រជែងផ្នែកទីផ្សារធនាគារកាន់តែខ្លាំងឡើងក្នុងឆ្នាំ ២០០៦ នេះក៏ដោយក៏យើងមានជំនឿយ៉ាងខ្លាំងថាយើងមានសមត្ថភាព នឹងអាចយកជ័យជំនះលើការប្រកួតប្រជែងនេះបាន ។ យើងរំពឹងទុកថាអត្រាកំណើនប្រាក់ចំណូលដែលបានមកពីការអភិវឌ្ឍន៍អាជីវកម្ម និងផលិតផល ឬសេវាកម្មបញ្ចេញថ្មីដែលបាននិងកំពុងតែដំណើរការនិងមានការកើនឡើងជាបន្តបន្ទាប់ ។ យើងសង្ឃឹមយ៉ាងមុតមាំថាក្នុងឆ្នាំខាងមុខនេះធនាគារកាណាឌីយ៉ា នឹងបន្តផ្តល់នូវលទ្ធផលដ៏ប្រសើរជូនដល់ដៃគូសហការរបស់យើង ។

សេចក្តីជឿជាក់នេះ គឺផ្អែកលើភាពខ្លាំង និងទេពកោសល្យរបស់បុគ្គលិកដ៏ឆ្នើមរបស់ធនាគារយើង ។ វាជាកិត្តិយសមួយដែលបានរួមការងារជាមួយពួកគេ និងចូលរួមចំណែកលើ និងការពារគាំទ្រក្នុងនាមអតិថិជនរបស់យើង ។ ចុងបញ្ចប់សូមថ្លែងអំណរគុណដ៏ស្មោះស្ម័គ្រម្តងទៀតដល់ការខិតខំប្រឹងប្រែងដោយពុំគិតពីភាពឆ្លើយហត់ពេញមួយឆ្នាំរបស់ពួកគេ ។



ពុទ្ធ យាវសៃ

ប្រធានក្រុមប្រឹក្សាភិបាល និង នាយកប្រតិបត្តិ
ថ្ងៃទី២១ ខែមិថុនា ឆ្នាំ២០០៦

執行董事致股東的信

自1991年創立以來，加華銀行已經走過了一段漫長的路。由於符合廣大客戶和社區的需要，多年來我們已經榮幸地獲得并牢牢掌握着柬埔寨銀行界的領先地位。

加華的發展歷程中，曾經歷過數個崎嶇艱難時期，但我們總能夠齊心協力，排除萬難，堅持在嚴格符合國家法律和市場需求的前提下，取得銀行事業的不斷前進，并由此贏得顧客們的充分信任，也與國際機構和其他合作對象建立起堅固的合作關係。

我們的實際發展証據

2005年我們銀行的營業成績是最好的證據。

當年我們除稅後的淨利潤達到了6,031,196美元。比2004年增長了59.34%！這也是我們在連續多年取得好的業績表現後，又一次取得輝煌的成績。

股東利潤

這個好的成績，也讓董事局得以宣布：今年每個普通股的股息為6%。我們確信：每位股東的滿意將更映襯我們的成功和對將來的信心。

健全形勢

柬埔寨經濟去年獲得高速發展，全年經濟增長率達到驚人的13%，我們的輝煌業績當然與國家的發展大勢密不可分。

合作對象

合作對象的積極支持同樣促成了我們的發展。世界銀行屬下的國際金融組織（IFC）向我們提供長期資金，支持了我行的房屋貸款項目，2005年裏，該項目已建立起穩定的抵押貸款業務，取得了令人滿意的成績，社區內更多人也因此實現了擁有自己房屋的心願。IFC還提供技術援助，幫助我們在管理與組織方面得到改善。

經德國發展銀行（KfW）的支持，我們順利地實現了由KfW資金援助的中小企業貸款項目，根據這個基礎KfW同意執行我們從2006年開始的第二階段計劃。

加華銀行合作對象的宗旨不僅是發展業務牟利，也注重為促進國家經濟和社會發展作出應有的貢獻。他們選擇加華銀行，是因為我們共享他們的營業宗旨。

公司承擔的社會及行業責任

加華銀行是柬埔寨紅十字會及一些社團機構的主要贊助者之一。

金融業

在金融業加華銀行還擔任：

1. 柬埔寨銀行公會（ABC）副主席。
2. 私人領域的銀行與金融服務業工作組聯合主席。
3. 柬埔寨銀行專校（CIB）審計委員會委員。

政治環境

2005年的政治環境是相對穩定，又具備了全面性發展。我們期望這個現象會在2006年表現得更好，使銀行業、國家和全體人民都獲得益處。

房地產市場情況

2005年期間，由于有利環境及國內強大的需求，房地產開發成為整體經濟增長的重要因素。在這個堅固的基礎上，我們希望這種旺勢將在2006年繼續下去。

我們的戰略性計劃

2006年優先戰略如下：

進入新市場及各個重要城市，在現有市場更深入發揮我們的業務，不斷繼續擴展我們分行對零售服務和消費者融資方面的業務，并首創一個值得注意的新戰略：私人理財業務。

發展普及標準銀行服務系統，讓在分行或自動提款機處理業務的客戶與我行的交易更迅速便利。

繼續吸收和開發國內的人材，着重改善職員的工作環境，提高他們的職業水平。對于希望選擇在銀行界工作的柬埔寨公民來說，我們將繼續成為他們最佳的目標。

繼續提高我們資本的效益，提高盈利率與使用率。

我們不僅要做到符合顧客們的需要，還將力爭做出超越他們期望的成績。為了保證能達到這個目標，我們將更努力改善我們的客戶服務工作，特別是提高服務速度，避免顧客久等，并靈活地解決顧客的要求。

加華銀行的擴充計劃包括獲得更多的新客戶，保住原有的客戶，增加我們在柬埔寨現有市場中的市場占有率，繼續尋找發展壯大的新機會。我們的目標是堅持捍衛加華銀行為柬埔寨銀行界的第一號國內銀行的銜頭。

加華銀行正設立私人理財業務，我們在總行大樓新建了一個私人理財辦事處，專業的銀行家將為客戶提供整套財富管理的服務。

信心的展望

我們預料2006年的銀行市場將更具競爭性，但我們也具有高度的自信，相信能以我們的實力和毅力獲得競爭勝利，我們期望正在進行中的多方面業務發展和產品將繼續增加我們的盈利。

我們期望在未來的一年裏，加華銀行將能繼續為自己的合作伙伴交付最佳的成績表。

這一信心是建立在加華銀行全體員工的努力及所具才華的基礎上，能和他們共享他們的職業奉獻及得到我行顧客的支持是我本人的榮幸。為此我要再一次地感謝我們員工一年中的積極努力和辛勤付出。

方僑生

董事長兼首席执行官

2006年6月21日

Message from the Chief Executive Officer

Canadia Bank has certainly come a long way since 1991. By respecting and meeting the needs of our customers and the broader community, we have been privileged to attain and hold over many years the position of the leading bank in Cambodia.

Over many years, and through a few rough patches, we have been able to maintain the confidence of our customers, to meet the requirements of regulators, and to build strong mutually beneficial relationships with international institutions and other stakeholders.

Evidencing of our real progress

Results of our bank in 2005 provide clear evidence of the progress we have made.

2005 was another excellent year for Canadia Bank PLC. Our net profit after tax achieved another record, increasing 59.34% over 2004, to US\$ 6,031,196.

Shareholders Benefits

These results and our confidence in our future have allowed the Board to declare a final dividend of 6% for each ordinary share.

Soundly Positioned

Undoubtedly, our results have benefited from continued positive economic conditions in the context of Cambodia's spectacular 13% economic growth in 2005.

Our Stakeholders

Active support from stakeholders has contributed to our development. The World Bank Group affiliated International Finance Corporation (IFC) made long term funds available to support our bank's Housing Loans Program. During 2005 this program achieved very satisfactory result in building up a portfolio of stable mortgage loans, while contributing to the development of home ownership in our community.

International Finance Corporation (IFC) also provided technical assistance to set up and improve our corporate governance, with highly satisfactory results.

With the support of the German "World Bank," KfW, our bank has successfully realized the near-term objectives of a KfW-funded SME lending program. On this basis, KfW agreed to commence Phase Two of the project during 2006.

The objectives of Canadia Bank's stakeholders have been not only business development, but also making a significant, positive contribution to economic and social development in our country. They have chosen to work with Canadia Bank because we share their objectives.

Corporate Social Responsibility

Canadia Bank is a major sponsor of the Cambodian Red Cross and other community organizations.

Financial Industry

Canadia Bank currently holding the following positions :

1. Vice Chairman for the Association Bank of Cambodia (ABC).
2. Co-Chairman Private Sector Working Group for Banking and Finance (PSWG).
3. Internal Auditor Committee for Cambodia Institute of Banking (CIB).

Political Environment

The political environment in 2005 was one of relative stability and overall progress. We expect this situation to prevail as well in 2006, to a benefit of the banking industry and to the country and people as whole.

Property Market Condition

During 2005, under conditions of strong domestic demand, property development was a major source of growth for the economy as a whole. Based on strong fundamentals, we expect his favorable and largely healthy situation to continue during 2006.

Our Strategic Plan

Our 2006's strategic priorities:

- To penetrate new markets and deepen our presence in existing markets within the principal cities. We will continue to expand our retail and consumer finance branch operations, and will launch a significant new strategic initiative: Private Banking.
- To further develop common systems and standards across Canadia Bank so clients can transact business with us more easily, no matter at which branch or ATM they are conducting business.
- To continue to attract and develop the best local talent, emphasizing long term careers and development of our employees. We will continue to be the best choice for Cambodians seeking a long term, rewarding career in banking.
- To continue to raise the efficiency of our capital and to deploy it in higher-return and higher-growth uses. .

We believe that we must not just meet our clients' expectations. We must exceed them. To ensure that we reach this goal, we continue efforts to improve customer service, particularly in respect to waiting times and quick, flexible responses to customer requests.

Canadia Bank's plan for growth includes acquiring new customers, retaining existing customers, increasing our market share and pursuing the extensive growth opportunities that certainly exist within the Cambodian market place. Our aim is to firmly retain our position as the Number One Local Bank in Cambodia.

Canadia Bank is establishing Private Banking, whose specialist bankers will provide clients with integrated wealth management services. We have built new floor for Private Banking in our head office.

Confidence Prospects

While we expect a more competitive banking marketplace in 2006, we are highly confident of our ability to compete successfully. We are anticipating continuing earnings growth deriving from our many business development and productivity initiatives that are already underway.

We fully expect that Canadia Bank will to continue to deliver strong outcomes for all its stakeholders into the coming year.

This confidence is built on the strength and diversity of the great people that make up the Canadia Bank. It is an honor to serve with them and to share their dedication and advocacy on behalf of our customers. I again thank them sincerely for their tireless efforts throughout the year.

Pung Kheav Se

Chairman and Chief Executive Officer

June 21, 2006

ធនាគារកាណាឌីយ៉ា ក.ស

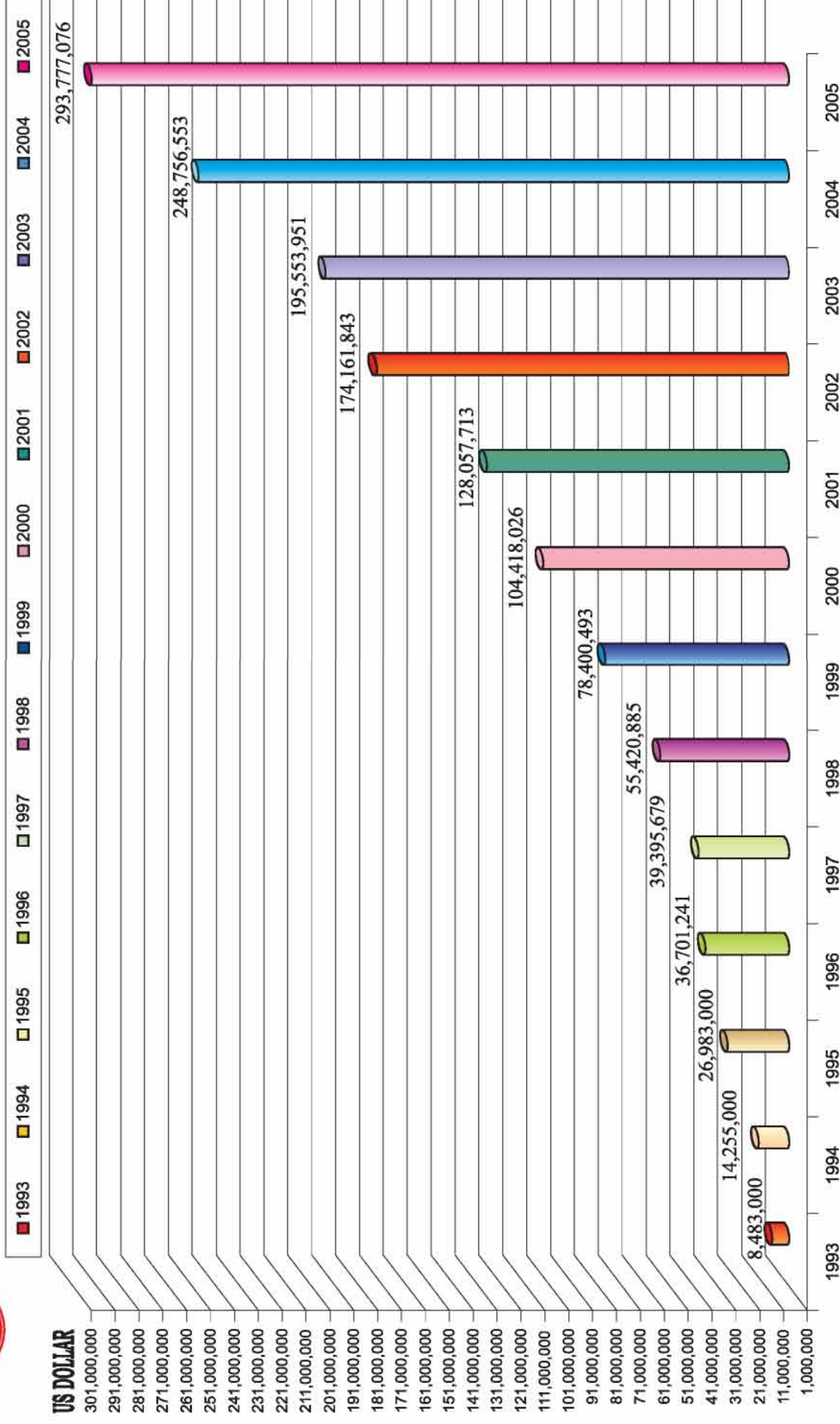
加華銀行

CANADIA BANK PLC.

ប្រព័ន្ធសកម្ម និង កំណើន

資産與增長

Assets & Growth (1993 ~ 2005)



ធនាគារ កាណាឌីយ៉ា ភ.អ.

(ចុះបញ្ជីអាជីវកម្មនៅព្រះរាជាណាចក្រកម្ពុជា)

របាយការណ៍ហិរញ្ញវត្ថុ

និង

សេចក្តីរបាយការណ៍របស់ស្ថាប័នការគណនី

សម្រាប់កាលបរិច្ឆេទចប់ថ្ងៃទី ៣១ ខែ ធ្នូ ឆ្នាំ ២០០៥

CANADIA BANK Plc

(Incorporated in the Kingdom of Cambodia)

FINANCIAL STATEMENTS

AND

REPORT OF INDEPENDENT AUDITORS

FOR THE YEAR ENDED 31 DECEMBER 2005

CANADIA BANK Plc

(Incorporated in the Kingdom of Cambodia)

Financial Statements for the Year Ended 31 December 2005

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THIS REPORT CONTAINS A SECTION FOR THE NATIONAL BANK OF CAMBODIA USE
WHICH DOES NOT FORM PART OF THE FINANCIAL STATEMENTS (PAGE I TO XIX)



ធនាគារ កាណាឌីយ៉ា ភ.ស ភ្នំពេញ-កម្ពុជា

加 華 銀 行

CANADIA BANK PLC.

No. 265 - 269

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DIRECTORS' REPORT

The directors hereby submit their report and the audited financial statements of Canada Bank Plc ("the Bank") for the year ended 31 December 2005.

PRINCIPAL ACTIVITIES

The principal activities of the Bank comprise the operation of core banking business and the provision of related financial services.

There have been no significant changes in the nature of these principal activities during the year under review.

RESULTS

The results of operations for the year ended 31 December 2005 are set out in the statement of income and retained earnings on page 9.

DIVIDENDS

There were no dividends declared or paid during the year under review.

SHARE CAPITAL

During the year under review, the Bank has increased its paid up capital from USD 23 million to 26 million by issuing 3,000 ordinary shares of USD 1,000 at par value by cash payment. This capital increase was authorised in principle by the National Bank of Cambodia Banking Supervision Department on 16 December 2005 for a USD 2 million increase and on 23 December 2005 for a USD 1 million increase.

RESERVES AND PROVISIONS

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

BAD AND DOUBTFUL LOANS

Before the financial statements of the Bank were drawn up, the directors took reasonable steps to ascertain that action had been taken in relation to the writing off of bad loans and the making of provisions for doubtful loans, and satisfied themselves that all known bad loans had been written off and that adequate provisions have been made for bad and doubtful loans.

At the date of this report, the directors are not aware of any circumstances which would render the amount written off for bad loans or the amount of the provision for bad and doubtful loans 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 loans, which were unlikely to be realised in the ordinary course of business at their value as shown in the accounting records of the Bank, have been written down to an amount which they might be expected to realise.

At the date of this report, 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 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 does not exist:

- (a) any charge on the assets of the Bank which has arisen since the end of the financial year which secures the liabilities of any other person, or
- (b) any contingent liability in respect of the Bank that has arisen since the end of the financial year other than in the ordinary course of banking business.

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

CHANGE OF CIRCUMSTANCES

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

ITEMS OF AN UNUSUAL NATURE

The results of the operations of the Bank for the financial year were not, in the opinion of the directors, materially affected by any items, transaction or event of a material and unusual nature.

There has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the directors, to substantially affect the results of the operations of the Bank for the year in which this report is made.

DIRECTORS

The directors who served at the date of the last report are:

Mr Pung Kheav Se @ Pung Sovann

Mrs Lim Sophany

Mr Phuong Khanh Hoa

Mr Au Siek Kheang

Mr Pung Way

Dr Sam Ghanty (appointed on 1 March 2006)

Mr Jimmy Leow Min Fong (appointed on 1 March 2006).

The Bank has on 1 March 2006 appointed two independent non-executive directors, namely Dr Sam Ghanty and Mr Jimmy Leow Min Fong. These appointments are pending approval from NBC.

DIRECTORS' INTERESTS

Directors who dealt in Canadia Bank Plc shares through OCIC are: Messrs Pung Kheav Se, Phuong Khanh Hoa and Pung Way and Mrs Lim Sophany.

DIRECTORS' BENEFITS

During and at the end of the financial year, no arrangements subsisted to which the Bank is a party with the object of enabling directors of the Bank to acquire benefits by means of the acquisition of shares in or debentures of the Bank or any other body corporate.

Since the end of the previous financial year to the date of this report, no director of the Bank has received or become entitled to receive any benefit by reason of a contract made by the Bank with the directors or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest other than those disclosed in the financial statements.

INVESTMENTS

• Investment in Capital Investment Holding's subsidiaries

During the year under review, the Bank has converted the loans given to subsidiaries of Capital Investment Holding (□CIH□) into the Bank's ~~equity~~ investment as per conditional approval from NBC on 22 November 2004. However, subsequent to the year-end, as per a letter from the National Bank of Cambodia dated 2 February 2006, the Bank has been instructed to reverse all investments in CIH subsidiaries back to loan assets for further consideration and study.

• Investment in Foreign Trade Bank of Cambodia

On 28 October 2005, the Bank entered into a sale and purchase agreement with the Privatisation Committee (acting on behalf of the Royal Government of Cambodia), to acquire 46% of the share capital of Foreign Trade Bank of Cambodia (□FTB□) for a consideration of USD 10,580,000.

RESPONSIBILITIES OF THE DIRECTORS IN RESPECT OF THE FINANCIAL STATEMENTS

The Board of Directors is responsible to ensure that the financial statements are properly drawn up so as to give a true and fair view of the state of affairs of the Bank and of its results of operations and cash flows for the year then ended. In preparing those financial statements, the Board of Directors is required to:

- i) adopt appropriate accounting policies which are supported by reasonable and prudent judgements and estimates and then apply them consistently;
- ii) comply with the disclosures requirements and guidelines issued by the National Bank of Cambodia and the Ministry of Economy and Finance of the Kingdom of Cambodia, or if there have been any departures in the interests of true and fair presentation, these have been appropriately disclosed, explained and quantified in the financial statements;
- iii) maintain adequate accounting records and an effective system of internal controls;
- iv) prepare the financial statements on a going concern basis unless it is inappropriate to assume that the Bank will continue operations in the foreseeable future; and
- v) effectively control and direct the Bank in all material decisions affecting the operations and performance and ascertain that such have been properly reflected in the financial statements.

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

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



Mr Pung Kheav Se @ Pung Sovann
Executive Director

Date: 25 March 2006



Mr Phuong Khanh Hoa
Executive Director

Date: 25 March 2006

STATEMENT BY DIRECTORS

We, the undersigned, being two of the directors of Canadia Bank Plc, do hereby state that in our opinion:

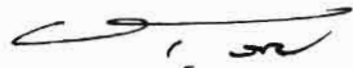
- i) the results of the operations of the Bank for the year ended 31 December 2005 have not been materially affected by any item, transaction and event of any material and unusual nature nor has any such item, transaction and event occurred in the interval between the end of the year and the date of this report other than as disclosed in the financial statements, and
- ii) the accompanying financial statements of the Bank have been drawn up so as to give a true and fair view of the state of affairs of the Bank as at 31 December 2005 and of the results of its operations and cash flows for the year ended on that date, in compliance with the National Bank of Cambodia's guidelines and the accounting policies set out in the notes to the financial statements.



Mr Pung Kheav Se @ Pung Sovann

Executive Director

Date: 25 March 2006



Mr Phuong Khinh Hoa

Executive Director

Date: 25 March 2006



ម៉ូរីសុង កាក & អាស៊ីស៊េ

MORISON KAK & ASSOCIÉS

CERTIFIED PUBLIC ACCOUNTANTS, CAMBODIA

REPORT OF INDEPENDENT AUDITORS TO THE SHAREHOLDER OF CANADIA BANK Plc

We have audited the accompanying financial statements of Canada Bank Plc ("the Bank"), which have been prepared in accordance with the accounting policies set out in the notes to the financial statements. These financial statements are the responsibility of the management of the Bank. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with the Cambodian Standards on Auditing and the requirements of the National Bank of Cambodia ("NBC"). Those principles require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

Opinion

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Bank as at 31 December 2005, and of the results of its operations and cash flows for the year then ended, in accordance with the NBC's guidelines and the accounting policies set out in the notes to the financial statements.

Emphasis of matters

Further matters to be emphasised are as follows:

- As stated in note 8(f) to the financial statements, the Bank has three large exposure loans totalling USD 57,180,362; each of which is over the maximum percentages allowable by the NBC (10% for related party loan and 20% for non related party of the Bank's net worth). USD 38,705,898 of the amount is the total of loans granted at a favourable rate to Capital Investment Holding Co., Ltd ("CIH") and its affiliated companies. NBC has granted exemption from the 10% rule for loans granted to CIH and the total amount of which is not being deducted from the Bank's net worth calculation. These CIH affiliated companies have been taken over by the Bank during the financial year; however, as per a letter from NBC dated 2 February 2006, the Bank has been instructed to reverse all investments in these companies back to loan assets for further consideration and study. The other two large exposures are related to two high risk groups of businesses in the (i) construction and power industries and (ii) land dealers. These significant concentrations of credit risk have to be given special attention.
- The Bank total fixed assets to its total net worth is 33.33% which is more than the maximum allowable of 30% set by the NBC's *Prakas* No. B7-01-137 dated 15 October 2001. *SM*

(Continued)



ម៉ូរីសុង កាក & អាស៊ីស៊េ

MORISON KAK & ASSOCIÉS

CERTIFIED PUBLIC ACCOUNTANTS, CAMBODIA

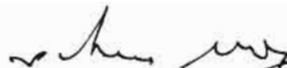
**REPORT OF INDEPENDENT AUDITORS
TO THE SHAREHOLDER OF CANADIA BANK Plc (continued)**

Emphasis of matters (continued)

Further matters to be emphasised are as follows (continued):

- The Bank continues to hold foreclosed properties with recorded value of USD 1,223,000 over the maximum period allowed by the NBC's *Prakas* No. B7-01-186. However, the Bank has obtained written approval to continue holding the property from the NBC until 31 March 2006 and 31 December 2006.
- Note 17 to the financial statements: the Bank has obtained tax clearance up to the fiscal year 2001. The remaining tax years have not yet been audited by the Tax Department and accordingly its tax for these years are not considered final. The outcome of a tax audit cannot at present be determined.

The accompanying financial statements are prepared for jurisdiction of Cambodia and the guidelines issued by the National Bank of Cambodia. It is not intended to present the financial position and results of operations and cash flows in accordance with accounting principles and practices generally accepted in other countries and jurisdictions other than Cambodia.


Saksom Meas
Managing partner



Morison Kak & Associés
Certified Public Accountants
Registered Auditors
Date: 25 March 2006

តារាងតុល្យការនាថ្ងៃទី ៣១ ខែ ធ្នូ ឆ្នាំ ២០០៥

		2005		2004
	កំណត់សំគាល់	ដុល្លារអាមេរិក	ពាន់រៀល	ដុល្លារអាមេរិក
ទ្រព្យសកម្ម				
សាច់ប្រាក់	4	25,349,958	104,239,027	20,783,660
សមតុល្យជាមួយធនាគារកណ្តាល	5	13,708,322	56,368,620	27,924,033
ប្រាក់តំកល់តាមច្បាប់នៅធនាគារកណ្តាល	6	18,601,216	76,488,200	16,401,242
សមតុល្យជាមួយធនាគារនិងគ្រឹះស្ថានហិរញ្ញវត្ថុផ្សេងទៀត	7	51,620,571	212,263,788	37,649,667
ការឱ្យខ្ចីចងការ និងបុរេប្រទានចំពោះអតិថិជន	8	158,246,151	650,708,172	129,503,067
កិច្ចវិនិយោគមានកាលកំណត់	9	2,214,014	9,104,026	2,186,924
ទ្រព្យសកម្មផ្សេងទៀត	10	2,420,442	9,952,858	4,065,975
ទ្រព្យវិនិយោគ		-	159,004	-
ការវិនិយោគក្នុងដើមទុនធនាគារពាណិជ្ជកម្មក្រៅប្រទេស	11	10,580,000	43,504,960	-
អចលនទ្រព្យ	12	8,216,673	33,786,960	7,232,978
ដី និង អគារ រ៉ែបង្កើនបំណុល	13	2,807,204	11,543,223	2,812,428
អាជ្ញាបណ្ណ-សិទ្ធិសញ្ញា MasterCard	14	12,525	51,502	37,575
សរុបទ្រព្យសកម្ម		293,777,076	1,208,011,336	248,756,553
ទ្រព្យអកម្ម និង ដើមទុន				
ទ្រព្យអកម្ម				
ប្រាក់បញ្ញើធនាគារ និងគ្រឹះស្ថានហិរញ្ញវត្ថុផ្សេងទៀត	15	2,833,654	11,651,984	5,476,040
ប្រាក់បញ្ញើរបស់អតិថិជនមិនមែនជាធនាគារ	16	236,768,485	973,592,010	208,947,016
សិទ្ធិធនលើពន្ធ	17	1,258,013	5,172,949	779,897
ទ្រព្យអកម្មផ្សេងៗ	18	3,759,921	15,460,797	3,145,855
កម្ចីរយៈពេលវែង	19	5,492,001	22,583,108	2,853,939
សរុបទ្រព្យអកម្ម		250,112,074	1,028,460,848	221,202,747

(តទៅទំព័របន្ទាប់)

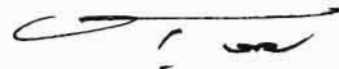
តារាងតុល្យការទាមទារថ្ងៃទី ៣១ ខែ ធ្នូ ឆ្នាំ ២០០៥ (តម្លៃកម្រិត)

		2005		2004	
	កំណត់សំគាល់	ដុល្លារអាមេរិក	ពាន់រៀល	ដុល្លារអាមេរិក	
ដើមទុន និងទុនបម្រុង					
ដើមទុន	20	26,000,000	106,912,000	23,000,000	
ឥណទេយ្យជាប់លក្ខខណ្ឌ	21	7,080,000	29,112,960	-	
លទ្ធផលបង្ក		10,585,002	43,525,528	4,553,806	
សរុបដើមទុន និងទុនបម្រុង		43,665,002	179,550,488	27,553,806	
សរុបទ្រព្យអកម្ម និង ដើមទុន		293,777,076	1,208,011,336	248,756,553	
កិច្ចសន្យាឥណទាន	32.2	21,696,416	89,215,663	23,226,755	

អនុញ្ញាតអោយបញ្ជូនប្រាក់ និងប្រាក់បញ្ញើទៅកាន់ក្រុមហ៊ុនរបស់ធនាគារ



លោក **ពុទ្ធ យាវ សែ** ហៅ **ពុទ្ធ សុវណ្ណ**
អភិបាលគ្រប់គ្រង
ថ្ងៃទី 25 ខែ មីនា ឆ្នាំ 2006



លោក **គុន យ៉ិម**
អភិបាលគ្រប់គ្រង
ថ្ងៃទី 25 ខែ មីនា ឆ្នាំ 2006

BALANCE SHEET AS AT 31 DECEMBER 2005

ASSETS	Note	2005		2004
		USD	KHR'000	USD
Cash in hand	4	25,349,958	104,239,027	20,783,660
Balances with central bank	5	13,708,322	56,368,620	27,924,033
Statutory deposits with central bank	6	18,601,216	76,488,200	16,401,242
Balances with banks and OFIs	7	51,620,571	212,263,788	37,649,667
Loans and advances to customers	8	158,246,151	650,708,172	129,503,067
Investment securities	9	2,214,014	9,104,026	2,186,924
Other assets	10	2,420,442	9,952,858	4,065,975
Investment assets		-	-	159,004
Investment in FTB	11	10,580,000	43,504,960	-
Property and equipment	12	8,216,673	33,786,960	7,232,978
Properties foreclosed	13	2,807,204	11,543,223	2,812,428
MasterCard-franchise/license	14	12,525	51,502	37,575
TOTAL ASSETS		293,777,076	1,208,011,336	248,756,553
LIABILITIES AND CAPITAL				
LIABILITIES				
Deposits and balances of banks	15	2,833,654	11,651,984	5,476,040
Deposits from non-bank customers	16	236,768,485	973,592,010	208,947,016
Provision for income tax	17	1,258,013	5,172,949	779,897
Other liabilities	18	3,759,921	15,460,797	3,145,855
Other borrowings	19	5,492,001	22,583,108	2,853,939
TOTAL LIABILITIES		250,112,074	1,028,460,848	221,202,747
CAPITAL				
Share capital	20	26,000,000	106,912,000	23,000,000
Subordinated debt	21	7,080,000	29,112,960	-
Retained earnings		10,585,002	43,525,528	4,553,806
TOTAL CAPITAL		43,665,002	179,550,488	27,553,806
TOTAL LIABILITIES AND CAPITAL		293,777,076	1,208,011,336	248,756,553
Commitments and contingencies	32.2	21,696,416	89,215,663	23,226,755

Signed and authorised for release on behalf of the Board


Mr Pung Kheav Se @ Pung Sovann
Executive Director

Date: 25 March 2006


Mr Phuong Khanh Hoa
Executive Director

Date: 25 March 2006

The accompanying notes form an integral part of these financial statements.

資產負債表

資產	備注	2005		2004
		美元	萬東幣	美元
現金	4	25,349,958	104,239,027	20,783,660
中央銀行結余	5	13,708,322	56,368,620	27,924,033
中央銀行法定存款	6	18,601,216	76,488,200	16,401,242
銀行及海外存款	7	51,620,571	212,263,788	37,649,667
客戶貸款及預付款	8	158,246,151	650,708,172	129,503,067
投資有價証券	9	2,214,014	9,104,026	2,186,924
其他資產	10	2,420,442	9,952,858	4,065,975
投資資產		-	-	159,004
外貿銀行投資款	11	10,580,000	43,504,960	-
固定資產	12	8,216,673	33,786,960	7,232,978
沒收物業	13	2,807,204	11,543,223	2,812,428
萬事達卡特許/執照	14	12,525	51,502	37,575
總資產		293,777,076	1,208,011,336	248,756,553
負債及資本金				
負債				
銀行存款結余	15	2,833,654	11,651,984	5,476,040
客戶存款	16	236,768,485	973,592,010	208,947,016
備付所得稅	17	1,258,013	5,172,949	779,897
其它負債	18	3,759,921	15,460,797	3,145,855
其它借款	19	5,492,001	22,583,108	2,853,939
總負債		250,112,074	1,028,460,848	221,202,747
資本金				
股本	20	26,000,000	106,912,000	23,000,000
附屬債券	21	7,080,000	29,112,960	-
未分配利潤		10,585,002	43,525,528	4,553,806
總資本		43,665,002	179,550,488	27,553,806
總負債及資本		293,777,076	1,208,011,336	248,756,553
承擔義務和應急儲備金	32.2	21,696,416	89,215,663	23,226,755

董事會代表審批簽字



方僑生

董事總經理

2006年3月25日



Mr Phuong Khanh Hoa

常務董事

2006年3月25日

隨附的備注都是這些財務報表的主要部分。

គណនីលក្ខណៈ និង របាយការណ៍លក្ខណៈបង្ក ទៅថ្ងៃទី ៣១ ខែ ធ្នូ ឆ្នាំ ២០០៥

គណនីលក្ខណៈ	កំណត់ សំគាល់	2005		2004
		ដុល្លារអាមេរិក	ពាន់រៀល	ដុល្លារអាមេរិក តុល្យការកំណត់ឡើងវិញ
ចំណូលពីការប្រាក់	22	19,200,198	78,951,213	13,854,028
ចំណាយការប្រាក់	23	(5,175,209)	(21,280,460)	(5,904,058)
ចំណូលសុទ្ធពីការប្រាក់		14,024,989	57,670,753	7,949,970
ចំណូលពីប្រតិបត្តិការផ្សេងៗ	24	4,279,665	17,597,982	3,816,798
បៀវត្ស និងសោហ៊ុយបុគ្គលិកដទៃទៀត		(1,708,556)	(7,025,582)	(1,331,865)
រំលស់លើទ្រព្យសកម្មរូបិយ និង អរូបិយ		(614,474)	(2,526,717)	(642,925)
ចំណេញ/(ខាត) ពីការប្តូរប្រាក់		(705,572)	(2,901,312)	430,332
ចំណាយលើប្រតិបត្តិការផ្សេងៗ	25	(4,191,490)	(17,235,405)	(2,237,453)
ប្រាក់ចំណេញពីប្រតិបត្តិការមុនសិវិធានធន		11,084,562	45,579,719	7,984,857
សិវិធានធនសំរាប់ឥណទានអាចបាត់បង់	26	(1,842,599)	(7,576,767)	(3,227,418)
សិវិធានធនសំរាប់លិខិតឥណទាន	27	(1,702,969)	(7,002,609)	-
លទ្ធផលមុនបង់ពន្ធ		7,538,994	31,000,343	4,757,439
ចំណាយបង់ពន្ធ	28	(1,507,798)	(6,200,065)	(972,539)
លទ្ធផលក្រោយបង់ពន្ធ		6,031,196	24,800,278	3,784,900

(តទៅទំព័របន្ទាប់)

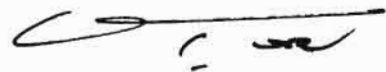
គណនីលទ្ធផល និង របាយការណ៍លទ្ធផលបន្ត ទាមទារី ៣១ ខែ ធ្នូ ឆ្នាំ ២០០៥
(តារាងទំរង់)

របាយការណ៍លទ្ធផលបន្ត	កំណត់ សំគាល់	2005		2004
		ដុល្លារអាមេរិក	ពាន់រៀល	ដុល្លារអាមេរិក
លទ្ធផលមិនទាន់បែងចែកនៅដើមការិយបរិច្ឆេទ		4,553,806	18,725,250	3,468,906
លទ្ធផលនៃការិយបរិច្ឆេទ		6,031,196	24,800,278	3,784,900
ភាគលាភបានបង់		-	-	(2,700,000)
លទ្ធផលមិនទាន់បែងចែកនៅចុងការិយបរិច្ឆេទ		10,585,002	43,525,528	4,553,806

អនុញ្ញាតរបាយចេញផ្សាយ និងចុះហត្ថលេខាក្នុងឈ្មោះនាយកដ្ឋានរបស់ធនាគារ



លោក យ៉ាន សែង ហៅ ពុទ្ធ សុវណ្ណ
អភិបាលគ្រប់គ្រង
ថ្ងៃទី 25 ខែ មីនា ឆ្នាំ 2006



លោក អ៊ុង ឃីងហូ
អភិបាលគ្រប់គ្រង
ថ្ងៃទី 25 ខែ មីនា ឆ្នាំ 2006

កំណត់សំគាល់ភ្ជាប់ត្រូវបានអានជាមួយរបាយការណ៍នេះ ។

**STATEMENT OF INCOME AND RETAINED EARNINGS
FOR THE YEAR ENDED 31 DECEMBER 2005**

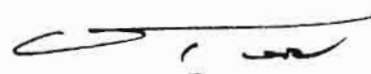
	Note	2005 USD	KHR'000	2004 USD (Restated)
STATEMENT OF INCOME				
Interest income	22	19,200,198	78,951,213	13,854,028
Interest expense	23	(5,175,209)	(21,280,460)	(5,904,058)
Net interest income		14,024,989	57,670,753	7,949,970
Other operating income	24	4,279,665	17,597,982	3,816,798
Payroll and other staff cost		(1,708,556)	(7,025,582)	(1,331,865)
Depreciation and amortisation expenses		(614,474)	(2,526,717)	(642,925)
Foreign exchange translation gain/(loss)		(705,572)	(2,901,312)	430,332
Other operating expenses	25	(4,191,490)	(17,235,405)	(2,237,453)
Operating profit before provision for impairment		11,084,562	45,579,719	7,984,857
Provision for loan impairment losses	26	(1,842,599)	(7,576,767)	(3,227,418)
Provision for losses in relation to four L/C	27	(1,702,969)	(7,002,609)	-
Profit before income tax		7,538,994	31,000,343	4,757,439
Income tax expense	28	(1,507,798)	(6,200,065)	(972,539)
Net income for the year		6,031,196	24,800,278	3,784,900
STATEMENT OF RETAINED EARNINGS				
Unappropriated profits at beginning of year		4,553,806	18,725,250	3,468,906
Net income for the year		6,031,196	24,800,278	3,784,900
Dividends paid during the year		-	-	(2,700,000)
Unappropriated profits at end of year		10,585,002	43,525,528	4,553,806

Signed and authorised for release on behalf of the Board



Mr Pung Kheav Se @ Pung Sovann
Executive Director

Date: 25 March 2006



Mr Phuong Kinh Hoa
Executive Director

Date: 25 March 2006

The accompanying notes form an integral part of these financial statements.

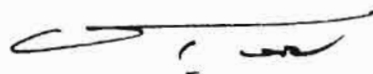
損益表

	備注	2005 美元	2005 東幣(千為單位)	2004 美元 (重新標明的數字)
收入報表				
利息收入	22	19,200,198	78,951,213	13,854,028
利息支出	23	(5,175,209)	(21,280,460)	(5,904,058)
淨利息收入		14,024,989	57,670,753	7,949,970
其它營業收入	24	4,279,665	17,597,982	3,816,798
工資和其它職員費用		(1,708,556)	(7,025,582)	(1,331,865)
折舊支出		(614,474)	(2,526,717)	(642,925)
外匯兌換升/降		(705,572)	(2,901,312)	430,332
其它營業支出	25	(4,191,490)	(17,235,405)	(2,237,453)
損耗預備金支出前營業利潤		11,084,562	45,579,719	7,984,857
貸款損耗預備金	26	(1,842,599)	(7,576,767)	(3,227,418)
相關信用証損耗預備金	27	(1,702,969)	(7,002,609)	-
所得稅支出前的利潤		7,538,994	31,000,343	4,757,439
所得稅開支	28	(1,507,798)	(6,200,065)	(972,539)
年淨收入		6,031,196	24,800,278	3,784,900
營業盈餘表				
年初未分配利潤		4,553,806	18,725,250	3,468,906
年淨收入		6,031,196	24,800,278	3,784,900
年利息支出		-	-	(2,700,000)
年終未分配利潤		10,585,002	43,525,528	4,553,806

董事會代表審批簽字



方 僑 生
董事總經理
2006年3月25日



Mr Phuong Khanh Hoa
常務董事
2006年3月25日

隨附的備注都是這些財務報表的主要部分。

គណនីបង្គោល និង របាយការណ៍បង្គោលបង្កើន តាមថ្ងៃទី ៣១ ខែ ធ្នូ ឆ្នាំ ២០០៥

គណនីបង្គោល	កំណត់ សំគាល់	2005		2004
		ដុល្លារអាមេរិក	ពាន់រៀល	ដុល្លារអាមេរិក តុល្យការកំណត់ឡើងវិញ
ចំណូលពីការប្រាក់	22	19,200,198	78,951,213	13,854,028
ចំណាយការប្រាក់	23	(5,175,209)	(21,280,460)	(5,904,058)
ចំណូលសុទ្ធពីការប្រាក់		14,024,989	57,670,753	7,949,970
ចំណូលពីប្រតិបត្តិការផ្សេងៗ	24	4,279,665	17,597,982	3,816,798
បៀវត្ស និងសោហ៊ុយបុគ្គលិកដទៃទៀត		(1,708,556)	(7,025,582)	(1,331,865)
រំលស់លើទ្រព្យសកម្មរូបិយ និង អរូបិយ		(614,474)	(2,526,717)	(642,925)
ចំណេញ/(ខាត) ពីការប្តូរប្រាក់		(705,572)	(2,901,312)	430,332
ចំណាយលើប្រតិបត្តិការផ្សេងៗ	25	(4,191,490)	(17,235,405)	(2,237,453)
ប្រាក់ចំណេញពីប្រតិបត្តិការមុនសិវិធានធន		11,084,562	45,579,719	7,984,857
សិវិធានធនសំរាប់ឥណទានអាចបាត់បង់	26	(1,842,599)	(7,576,767)	(3,227,418)
សិវិធានធនសំរាប់លិខិតឥណទាន	27	(1,702,969)	(7,002,609)	-
លទ្ធផលមុនបង់ពន្ធ		7,538,994	31,000,343	4,757,439
ចំណាយបង់ពន្ធ	28	(1,507,798)	(6,200,065)	(972,539)
លទ្ធផលក្រោយបង់ពន្ធ		6,031,196	24,800,278	3,784,900

(តទៅទំព័របន្ទាប់)

របាយការណ៍បន្ថែមលទ្ធផលនិយ្យាសភាគហ៊ុននាការិយបរិច្ឆេទចប់ថ្ងៃទី ៣១ ខែ ធ្នូ ឆ្នាំ ២០០៥

	ដើមទុន	ឥណទេយ្យ	លទ្ធផលបង្ក	សរុប
	ដុល្លារអាមេរិក	ដុល្លារអាមេរិក	ដុល្លារអាមេរិក	ដុល្លារអាមេរិក
សមតុល្យនៅថ្ងៃទី 1 មករា ឆ្នាំ 2004	18,000,000	-	3,468,906	21,468,906
ភាគលាភបានបង់	-	-	(2,700,000)	(2,700,000)
លទ្ធផលនៃការិយបរិច្ឆេទ 2004	-	-	3,784,900	3,784,900
កំណើនដើមទុនបានបង់	5,000,000	-	-	5,000,000
សមតុល្យនៅថ្ងៃទី 31 ធ្នូ ឆ្នាំ 2004	23,000,000	-	4,553,806	27,553,806
សមតុល្យនៅថ្ងៃទី 1 មករា ឆ្នាំ 2005	23,000,000	-	4,553,806	27,553,806
លទ្ធផលនៃការិយបរិច្ឆេទ 2005	-	-	6,031,196	6,031,196
កំណើនដើមទុនបានបង់	3,000,000	-	-	3,000,000
ឥណទេយ្យជាប់លក្ខខ័ណ្ឌ	-	7,080,000	-	7,080,000
សមតុល្យនៅថ្ងៃទី 31 ធ្នូ ឆ្នាំ 2005	26,000,000	7,080,000	10,585,002	43,665,002
សមតុល្យនៅថ្ងៃទី 31 ធ្នូ ឆ្នាំ 2005 (ពាន់រៀល)	106,912,000	29,112,960	43,525,528	179,550,488

កំណត់សំគាល់ភ្ជាប់ត្រូវបានដាក់ជាមួយរបាយការណ៍នេះ ។

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2005

	Share capital USD	Subordinated debt USD	Retained profits USD	Total USD
Balance as at 01 January 2004	18,000,000	-	3,468,906	21,468,906
Dividends paid	-	-	(2,700,000)	(2,700,000)
Net profit for the year 2004	-	-	3,784,900	3,784,900
Proceeds from issue of shares	<u>5,000,000</u>	<u>-</u>	<u>-</u>	<u>5,000,000</u>
Balance as at 31 December 2004	<u>23,000,000</u>	<u>-</u>	<u>4,553,806</u>	<u>27,553,806</u>
Balance as at 01 January 2005	23,000,000	-	4,553,806	27,553,806
Net profit for the year 2005	-	-	6,031,196	6,031,196
Proceeds from issue of shares	3,000,000	-	-	3,000,000
Subordinated debt	<u>-</u>	<u>7,080,000</u>	<u>-</u>	<u>7,080,000</u>
Balance as at 31 December 2005	<u>26,000,000</u>	<u>7,080,000</u>	<u>10,585,002</u>	<u>43,665,002</u>
<i>Balance as at 31 December 2005 (KHR'000)</i>	<i><u>106,912,000</u></i>	<i><u>29,112,960</u></i>	<i><u>43,525,528</u></i>	<i><u>179,550,488</u></i>

The accompanying notes form an integral part of these financial statements.

淨資產報表

	股本資金	附屬債券	未分配利潤	總額
	美元	美元	美元	美元
2004年1月1日結余	18,000,000	-	3,468,906	21,468,906
利息支出	-	-	(2,700,000)	(2,700,000)
2004年淨利潤	-	-	3,784,900	3,784,900
發行股本收入	<u>5,000,000</u>	<u>-</u>	<u>-</u>	<u>5,000,000</u>
2004年12月31日結余	<u>23,000,000</u>	<u>-</u>	<u>4,553,806</u>	<u>27,553,806</u>
2005年1月1日結余	23,000,000	-	4,553,806	27,553,806
2005年淨利潤	-	-	6,031,196	6,031,196
發行股本收入	3,000,000	-	-	3,000,000
附屬債券	<u>-</u>	<u>7,080,000</u>	<u>-</u>	<u>7,080,000</u>
2005年12月31日結余	<u>26,000,000</u>	<u>7,080,000</u>	<u>10,585,002</u>	<u>43,665,002</u>
2005年12月31日結余	<u>106,912,000</u>	<u>29,112,960</u>	<u>43,525,528</u>	<u>179,550,488</u>

隨附的備註都是這些財務報表的主要部分。

របាយការណ៍ចរន្តសាច់ប្រាក់នាការិយបរិច្ឆេទបង់ថ្លៃទី ៣១ ខែ ធ្នូ ឆ្នាំ ២០០៥

	2005		2004
	ដុល្លារអាមេរិក	ពាន់រៀល	ដុល្លារអាមេរិក
ចរន្តសាច់ប្រាក់ពីសកម្មភាពប្រតិបត្តិការ			តួលេខកំណត់ឡើងវិញ
លទ្ធផលមុនបង់ពន្ធ	7,538,994	31,000,343	4,757,439
<u>និយ័តកម្ម :</u>			
សវិធានធនសំរាប់ឥណទានអាចបាត់បង់	1,842,599	7,576,767	3,227,418
សវិធានធនសំរាប់លិខិតឥណទាន	1,702,969	7,002,609	-
វិលសំលើទ្រព្យសកម្មរូបិយ និង អរូបិយ	614,474	2,526,717	642,925
ចំណេញពីការលក់អចលនទ្រព្យ	(23,289)	(95,764)	(8,196)
និយ័តកម្មលើអចលនទ្រព្យ	12,475	51,297	-
លទ្ធផលមុនការផ្លាស់ប្តូរទុនចល័ត	11,688,222	48,061,969	8,619,586
<u>ការកើនឡើង/(ការថយចុះ) នៃសាច់ប្រាក់បណ្តាលមកពីការប្រែប្រួល</u>			
<u>ទ្រព្យសកម្ម និង អកម្ម :</u>			
ប្រាក់តំកល់តាមច្បាប់នៅធនាគារកណ្តាល	(2,199,974)	(9,046,293)	(3,799,984)
ប្រាក់បញ្ញើនៅធនាគារ និងគ្រឹះស្ថានហិរញ្ញវត្ថុផ្សេងទៀត	7,535,583	30,986,317	4,424,657
ការឱ្យខ្ចីចុងការ និងបុរេប្រទានចំពោះអតិថិជន	(30,585,683)	(125,768,328)	(36,215,115)
កិច្ចវិនិយោគមានកាលកំណត់	(27,090)	(111,394)	1,884,120
ទ្រព្យសកម្មផ្សេងទៀត	1,645,533	6,766,432	840,450
ទ្រព្យវិនិយោគ	159,004	653,824	-
ដី និង អគាររឹបអូសពីកូនបំណុល	5,224	21,481	(1,882,735)
ប្រាក់បញ្ញើពីធនាគារ និងគ្រឹះស្ថានហិរញ្ញវត្ថុផ្សេងទៀត	(2,642,386)	(10,865,491)	2,358,076
ប្រាក់បញ្ញើរបស់អតិថិជនមិនមែនជាធនាគារ	27,821,469	114,401,881	46,508,910
ទ្រព្យអកម្មផ្សេងៗ	(610,786)	(2,511,552)	(2,834, 234)
សាច់ប្រាក់បានពីប្រតិបត្តិការអាជីវកម្ម	12,789,116	52,588,846	19,903,542
ចំណាយបង់ពន្ធ	(1,507,798)	(6,200,065)	(972,539)
សាច់ប្រាក់សុទ្ធបានពីសកម្មភាពប្រតិបត្តិការ (តទៅទំព័របន្ទាប់)	11,281,318	46,388,781	18,931,003

របាយការណ៍បន្តសាច់ប្រាក់នាការិយបរិច្ឆេទចប់ថ្ងៃទី ៣១ ខែ ធ្នូ ឆ្នាំ ២០០៥ (ត្រូវកែតម្រូវ)

	2005		2004
	ដុល្លារអាមេរិក	ពាន់រៀល	ដុល្លារអាមេរិក
បន្តសាច់ប្រាក់ពីសកម្មភាពវិនិយោគ			តុល្យភាពដើមទុន
ការវិនិយោគក្នុងដើមទុនធនាគារពាណិជ្ជកម្មក្រៅប្រទេស	(10,580,000)	(43,504,960)	-
ការលក់អចលនទ្រព្យ	310,800	1,278,010	9,280
ការទិញអចលនទ្រព្យ	(1,873,106)	(7,702,212)	(3,980,938)
សាច់ប្រាក់សុទ្ធប្រើក្នុងសកម្មភាពវិនិយោគ	(12,142,306)	(49,929,162)	(3,971,658)
បន្តសាច់ប្រាក់ពីសកម្មភាពហិរញ្ញវត្ថុ			
ចំណូលពីកម្ចីរយៈពេលវែង - KfW	950,562	3,908,711	1,272,639
ចំណូលពីកម្ចីរយៈពេលវែង - IFC	2,500,000	10,280,000	-
ចំណាយសងកម្ចីរយៈពេលវែង - KfW	-	-	(187,500)
ចំណាយសងកម្ចីរយៈពេលវែង - RDB	(812,500)	(3,341,000)	-
ភាគលាភបានបង់	-	-	(2,700,000)
ឥណទេយ្យជាប់ស័ក្ខខ័ណ្ឌ	7,080,000	29,112,960	-
សាច់ប្រាក់បានពីការបង់បន្ថែមដើមទុន	3,000,000	12,336,000	5,000,000
សាច់ប្រាក់សុទ្ធប្រើក្នុងសកម្មភាពហិរញ្ញវត្ថុ	12,718,062	52,296,671	3,385,139
បំរែបំរួលសាច់ប្រាក់ និងសាច់ប្រាក់សមមូល	11,857,074	48,756,290	18,344,484
សាច់ប្រាក់ និងសាច់ប្រាក់សមមូល :			
នៅដើមការិយបរិច្ឆេទ	76,321,777	313,835,145	57,977,293
នៅចុងការិយបរិច្ឆេទ	88,178,851	362,591,435	76,321,777
គំណាត់ដោយ :			
សាច់ប្រាក់	25,349,958	104,239,027	20,783,660
សមតុល្យជាមួយធនាគារកណ្តាល	13,708,322	56,368,620	27,924,033
សមតុល្យជាមួយធនាគារនិងគ្រឹះស្ថានហិរញ្ញវត្ថុផ្សេងទៀត (*)	49,120,571	201,983,788	27,614,084
	88,178,851	362,591,435	76,321,777

(*) សមតុល្យជាមួយធនាគារដែលមានកាលកំណត់លើសពីមួយខែក្នុងចំនួនប្រាក់ 2.5 លានដុល្លារអាមេរិកមិនត្រូវបានរាប់បញ្ចូលក្នុងសមតុល្យនេះទេ (សូមមើលកំណត់សំគាល់លេខ 7) ។ កំណត់សំគាល់ភ្ជាប់ត្រូវបានអានជាមួយរបាយការណ៍នេះ ។

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2005

	2005 USD (Restated)	KHR'000	2004 USD
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before income tax	7,538,994	31,000,343	4,757,439
Adjustments for:			
Provision for impairment losses	1,842,599	7,576,767	3,227,418
Provision for losses in relation with L/C	1,702,969	7,002,609	-
Depreciation and amortisation	614,474	2,526,717	642,925
Gain on disposals of property and equipment	(23,289)	(95,764)	(8,196)
Reclassification of property and equipment	12,475	51,297	-
Operating profit before changes in working capital	11,688,222	48,061,969	8,619,586
Increase/(decrease) in cash attributable to changes in assets and liabilities:			
Statutory deposits with NBC	(2,199,974)	(9,046,293)	(3,799,984)
Deposits and placements with banks	7,535,583	30,986,317	4,424,657
Loans and advances to customers	(30,585,683)	(125,768,328)	(36,215,115)
Investment securities	(27,090)	(111,394)	1,884,120
Other assets	1,645,533	6,766,432	840,450
Investment assets	159,004	653,824	-
Foreclosed properties	5,224	21,481	(1,882,735)
Deposits and balances of banks	(2,642,386)	(10,865,491)	2,358,076
Deposits from non-bank customers	27,821,469	114,401,881	46,508,910
Other liabilities	(610,786)	(2,511,552)	(2,834,423)
Cash generated from operations	12,789,116	52,588,846	19,903,542
Income tax expense	(1,507,798)	(6,200,065)	(972,539)
Net cash generated from operating activities	11,281,318	46,388,781	18,931,003
CASH FLOWS FROM INVESTING ACTIVITIES			
Investment in Foreign Trade Bank	(10,580,000)	(43,504,960)	-
Proceeds from sales of property and equipment	310,800	1,278,010	9,280
Purchases of property and equipment	(1,873,106)	(7,702,212)	(3,980,938)
Net cash used in investing activities	(12,142,306)	(49,929,162)	(3,971,658)

(Continued)

**STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2005
(CONTINUED)**

	2005 USD	KHR'000	2004 USD
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from borrowed funds - KfW	950,562	3,908,711	1,272,639
Proceeds from borrowed funds - IFC	2,500,000	10,280,000	-
Repayments of borrowed funds - KfW	-	-	(187,500)
Repayments of borrowed funds - RDB	(812,500)	(3,341,000)	-
Dividends paid	-	-	(2,700,000)
Subordinated debt	7,080,000	29,112,960	-
Proceeds from issue of shares	3,000,000	12,336,000	5,000,000
Net cash generated from financing activities	12,718,062	52,296,671	3,385,139
NET CHANGES IN CASH & CASH EQUIVALENTS	11,857,074	48,756,290	18,344,484
CASH AND CASH EQUIVALENTS:			
AT BEGINNING OF YEAR	76,321,777	313,835,145	57,977,293
AT END OF YEAR	88,178,851	362,591,435	76,321,777
<i>Represented by:</i>			
Cash in hand	25,349,958	104,239,027	20,783,660
Deposits and placements with central bank	13,708,322	56,368,620	27,924,033
Deposits and placements with banks and OFIs (*)	49,120,571	201,983,788	27,614,084
	88,178,851	362,591,435	76,321,777

(*) Deposits with maturity of more than one month totalling to USD 2,500,000 is not included in the figure (please see note 7).

The accompanying notes form an integral part of these financial statements.

現金流量表

	2005 美元 (重新標明的數字)	東幣(千為單位)	2004 美元
營業活動現金流量			
所得稅支出前的利潤	7,538,994	31,000,343	4,757,439
調整：			
損失預備金	1,842,599	7,576,767	3,227,418
相關信用証損失預備金	1,702,969	7,002,609	-
折舊	614,474	2,526,717	642,925
固定資產處理款	(23,289)	(95,764)	(8,196)
固定資產再分類	12,475	51,297	-
轉換營運資本的營業利潤	11,688,222	48,061,969	8,619,586
資產分債務增加/減少			
中央銀行法定存款	(2,199,974)	(9,046,293)	(3,799,984)
銀行存款及投資	7,535,583	30,986,317	4,424,657
客戶貸款及預付款	(30,585,683)	(125,768,328)	(36,215,115)
投資有價証券	(27,090)	(111,394)	1,884,120
其它資產	1,645,533	6,766,432	840,450
投資資產	159,004	653,824	-
沒收物業	5,224	21,481	(1,882,735)
銀行存款結余	(2,642,386)	(10,865,491)	2,358,076
非銀行客戶存款	27,821,469	114,401,881	46,508,910
其它負債	(610,786)	(2,511,552)	(2,834,423)
營業現金	12,789,116	52,588,846	19,903,542
所得稅支出	(1,507,798)	(6,200,065)	(972,539)
營業活動淨現金	11,281,318	46,388,781	18,931,003
投資活動現金流量			
外貿銀行投資金	(10,580,000)	(43,504,960)	-
固定資產銷售收入	310,800	1,278,010	9,280
固定資產購買款	(1,873,106)	(7,702,212)	(3,980,938)
投資活動使用的淨現金	(12,142,306)	(49,929,162)	(3,971,658)

(請續后頁)

現金流量表

	2005 美元	東幣(千為單位)	2004 美元
金融運作現金流量			
借款所收到的現金 - KfW	950,562	3,908,711	1,272,639
借款所收到的現金 - IFC	2,500,000	10,280,000	-
償還債務所支付的現金 - KfW	-	-	(187,500)
償還債務所支付的現金 - RDB	(812,500)	(3,341,000)	-
利息支出	-	-	(2,700,000)
附屬債券	7,080,000	29,112,960	-
發行股票收入	3,000,000	12,336,000	5,000,000
金融運作淨現金	12,718,062	52,296,671	3,385,139
淨資產現值	11,857,074	48,756,290	18,344,484
資產現值			
年初	76,321,777	313,835,145	57,977,293
年終	88,178,851	362,591,435	76,321,777
說明:			
現金	25,349,958	104,239,027	20,783,660
中央銀行存款	13,708,322	56,368,620	27,924,033
銀行及海外存款(*)	49,120,571	201,983,788	27,614,084
	88,178,851	362,591,435	76,321,777

(*) 總額達250萬美元超過1個月的到期存款不包括在圖表內 (參見備注7)

隨附的備注都是這些財務報表的主要部分。

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2005

1. Principal activities and operating environment

1.1 Principal activities

Canadia Bank Plc was incorporated in 1991 under the joint venture of the National Bank of Cambodia (“NBC”) and overseas Cambodians. On 4 February 1998, the NBC disposed off all its shares to private investors.

In 2001, Overseas Cambodian Investment Corporation (“OCIC”), a public limited company incorporated in the Kingdom of Cambodia, acquired the entire shares of the Bank and consequently became the holding company of Canadia Bank Plc.

The principal activities of the Bank comprise the operations of core banking business and the provision of related financial services through its head office and various branches in Phnom Penh and the provinces. There have been no significant changes in the nature of these principal activities during the year under review.

1.2 Operating environment

The banking sector in the Kingdom of Cambodia is particularly sensitive to adverse economic conditions. Furthermore, the need for developments in the Bankruptcy Law, the lack of effective procedures for the registration and enforcement of collateral, and other legal impediments contribute to the difficulties experienced by banks currently operating in the Kingdom of Cambodia.

As such, the risk inherent in the Bank’s portfolio depends upon both the financial well being and creditworthiness of the borrowers and their abilities to meet payments as they become due. The ultimate recovery of all loans is susceptible to future factors beyond the Bank’s control. These factors may result in losses or recoveries differing significantly from those provided for in the financial statements.

2. Basis of preparation and aggregation

2.1 Basis of preparation

The financial statements of the Bank are prepared under the historical cost convention in accordance with the guidelines issued by the NBC, accounting principles generally accepted in the Kingdom of Cambodia and practices within the banking industry. Those principles require that financial instruments be carried at cost less provision for impairment. This practice differs from the International Financial Reporting Standards which require that loans and receivables be carried at amortised cost using the effective interest method of any difference between the initial amount and the maturity amount, and minus any reduction for impairment or uncollectability.

2. Basis of preparation and aggregation (continued)

2.1 Basis of preparation (continued)

The presentation of financial statements in conformity with accounting principles generally accepted in the Kingdom of Cambodia requires the management to make the best estimates and reasonable assumptions that affect the reported amount of assets and liabilities and disclosures of contingent assets and liabilities as of the date of the financial statements and their reported amounts of revenues and expenses during the reporting period. These estimates and assumptions are based on the information available as of the date of the financial statements. Actual results, therefore, could differ from those estimates.

The accompanying financial statements are prepared for jurisdiction of Cambodia and are not intended to present the financial position and results of operations and cash flows in accordance with generally accepted accounting principles and practice in other countries and those who are not informed about Cambodia's procedures and practices.

The national currency of Cambodia is the Khmer Riel ("KHR"). However, as the Bank transacts essentially in US Dollar ("USD") and maintains its books of accounts primarily in USD, the management has determined the USD to be the Bank's measurement and functional currency as it reflects the economic substance of the underlying events and circumstances of the Bank.

In compliance with the requirements of the NBC, all assets, liabilities, profit and loss statement items in foreign currencies at the end of the year are converted into thousand Khmer Riel (KHR'000) using the official exchange rate announced by the NBC at the balance sheet date, of 1 USD = KHR 4,112 (31 December 2004: KHR 4,027). Such conversions should not be construed as representations that the KHR amounts have been, could be, or could in the future be, converted into USD at this or any other rate of exchange.

2.2 Basis of aggregation

The financial statements include the financial statements of the head office in Phnom Penh and all its branches operating within Cambodia. All significant inter-branch balances are eliminated on aggregation of balances.

3. Significant accounting policies

3.1 Transactions in foreign currencies

Assets and liabilities expressed in currencies other than USD are translated into USD at the rate of exchange quoted by the NBC at the date of the balance sheet. Income and expenses arising in foreign currencies are converted at the rate of exchange prevailing on the transaction dates. Exchange differences arising from conversion are reported on a net basis in the statement of income.

3.2 Cash and cash equivalents

Cash and cash equivalents comprise cash, bank balances and short-term funds which is convertible in cash within one month.

3. Significant accounting policies (continued)

3.3 Statutory deposits with central bank

Statutory deposits represent mandatory reserve deposits and cash maintained with the NBC in compliance with the Law on Banking and Financial Institutions (“LBFI”) and are not available to finance the Bank day-to-day operations and hence are not considered as part of cash and cash equivalents for the purpose of the statement of cash flows.

3.4 Investment in subsidiaries or associates

Subsidiaries are entities over which the Bank holds either directly or indirectly more than 50% of the voting rights or has significant influence and control of the business decisions taken.

Associates are those entities for which the Bank has significant influence, which is the power to participate in the financial and operating policy decisions of the associates but is not control or joint control over those policies. Significant influence generally exists when the Bank holds between 20% and 50% of the voting power, including potential voting rights, if any.

3.5 Loans and advances to customers

Loans originated by the Bank by providing money directly to the borrowers at draw down are categorised as loans and advances and are carried at cost, less provisions for impairment. Interest in suspense represents interest accrued on loan receivables that are substandard, doubtful or bad.

3.6 Provision for loan impairment

Provision for loan impairment is based on the latest NBC guidelines and is made with regard to specific risks on loans individually reviewed and classified as substandard, doubtful or loss regardless of the assets (except cash) lodged as collateral.

NBC guidelines require the following loan classification and level of provisioning:

Classification	Overdue	Rate of provision
Substandard	More than ninety days	10%
Doubtful	More than six months	30%
Loss	More than one year	100%

Exception on the above provision rate may be considered but this is conditional on the actual market value of the collateral having been deemed acceptable by the NBC on a case-by-case basis.

3.7 Other credit related commitments

In the normal course of business, the Bank enters into other credit related commitments including loan commitments, letters of credit, and guarantees. The accounting policy and allowance methodology are similar to those for originated loans noted above. Specific allowances are raised against other credit related commitments when losses are considered probable.

3. Significant accounting policies (continued)

3.8 Recognition of interest income

Interest earned on loans and advances to customers are recognised on the accrual basis, except where loans become doubtful of collection, in which case no interest is recognised as income.

Where an account is classified as non-performing, recognition of interest income is suspended until it is realised on a cash basis. Customer's loan accounts are classified as non-performing where repayments are in arrears for more than ninety days.

3.9 Recognition of interest expenses

Interest expenses on the deposits and borrowings are recognised on an accrual basis.

3.10 Recognition of fees and other income

Loan arrangement fee and commissions are recognised in the statement of income when all the conditions precedent are fulfilled.

Commitment fees and guarantee fees on a variety of services and facilities extended to customers are recognised as income based on time apportionment.

Service charges and processing fees are recognised when received.

3.11 Property and equipment

Property and equipment are stated at cost less accumulated depreciation, except freehold land which is not depreciated. Investment properties are not subject to depreciation and profit from the sales of these properties is recognised in the statement of income.

Effective 1 January 2004, the Bank adopted the provisions of the new Article 13 of the Law on Taxation which allows the following rates and methods of depreciation except MasterCard franchise which is depreciated on a straight line basis according to its useful life.

Buildings - straight-line	5%
Renovations - straight-line	5%
Motor vehicles - declining	25%
Office equipment and furniture - declining	25%
Computers and IT equipment - declining	50%

3.12 Properties foreclosed

Foreclosed properties are related to properties taken over from customers, who are unable to repay their loans. Under the guidelines of the NBC, properties foreclosed are to be disposed of within twelve months.

3. Significant accounting policies (continued)

3.13 Other provisions

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

3.14 Income tax

Income tax is calculated on the basis of taxable profit, which is calculated by adjusting the financial result for certain expense items (such as costs of representation, over/under depreciation, etc.) in accordance with Cambodian regulations. Taxes other than on income are recorded within operating expenses.

Provision is made, where material, for deferred taxation in respect of timing difference arising from the recognition of items of income and expenditure in the financial statements on bases different from that used for taxation purposes.

3.15 Leases

- **Operating leases**

Payments made under operating leases are charged against income in equal instalments over the period of the lease.

- **Finance leases**

Finance leases are recognized as assets and liabilities in the balance sheet at amounts equal at the inception of the lease to the fair value of the leased property.

3.16 Subordinated debts

Subordinated debts are financial liabilities of the Bank which consist of liabilities in the form of subordinated loan capital. In accordance with NBC guidelines, subordinated debts are included in Tier II in the calculation of the net worth. Subordinated debts, normally, are interest-free with no fixed terms of repayment.

3.17 Related parties

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

Under the LBFI, the definition of related parties includes parties who hold, directly or indirectly, at least 10 percent of the capital or voting rights and includes any individual who participates in the administration, direction, management or internal control of the Bank.

4. Cash in hand

	2005		2004
	USD	KHR'000	USD
Cash in hand	24,402,930	100,344,848	19,593,390
Gold	319,318	258,529	1,063,071
Cash items in the process of collection	688,499	2,831,108	870,952
	25,349,958	104,239,027	20,783,660

5. Balances with central bank

	2005		2004
	USD	KHR'000	USD
Demand deposits with NBC	5,708,322	23,472,620	3,924,033
Deposits and placements with NBC	8,000,000	32,896,000	24,000,000
	13,708,322	56,368,620	27,924,033

Deposits and placements with central bank will mature within one month earn interest at the following rates per annum:

	2005	2004
	%	%
Fixed deposits within one month	1.80 - 3.29	0.81 - 1.82

6. Statutory deposits with central bank

	2005		2004
	USD	KHR'000	USD
Statutory capital deposit, interest bearing	2,600,000	10,691,200	2,300,000
Statutory customer deposit, non-interest bearing	16,001,216	65,797,000	14,101,242
	18,601,216	76,488,200	16,401,242

Under NBC's *Prakas* No. B 7-01-136 dated 15 October 2001; the Bank is required to maintain a statutory deposit of ten per cent of its capital. This statutory deposit is interest bearing at ½ of the six-month period refinancing rate set by the NBC for statutory deposit maintained in Khmer Riel and 3/8 of the six-month period SIBOR rate for statutory deposit maintained in US Dollar.

The reserve deposit with the NBC is to comply with the NBC's *Prakas* No. B 7-97-02 dated 26 December 1997, on reserve requirement. The required deposit is at the minimum of 8% of total deposits from customers and other borrowings.

7. Balances with banks and other financial institutions

	2005		2004
	USD	KHR'000	USD
Deposits with banks:			
In Cambodia	340,625	1,400,650	493,384
Fixed deposits outside Cambodia	22,500,000	92,520,000	20,069,710
Current deposits outside Cambodia	28,779,946	118,343,138	17,086,573
	51,620,571	212,263,788	37,649,667
Analysis by maturity period:			
Within one month	49,120,571	201,983,788	10,034,127
One to three months	-	-	10,035,583
Four to five months	-	-	-
Six to twelve months	2,500,000	10,280,000	17,579,957

The above deposits earn interest at the following rates per annum:

	2005	2004
	%	%
HSBC Bank New York - one month term	4.00	-
HSBC Bank New York - one week term	4.00	-
United Overseas Bank, Singapore - one year term	3.64	-
United Overseas Bank, Singapore - three months term	3.09 - 3.49	2.10
United Overseas Bank, Singapore - one week term	-	1.77 - 2.30

(Continued)

8. Loans and advances to customers

	2005		2004
	USD	KHR'000	USD
Commercial loans:			
Overdrafts	38,073,003	156,556,188	26,777,369
Short term loans	57,058,006	234,622,521	35,159,635
Long term loans	19,643,099	80,772,423	23,290,687
Venture capital loans	38,705,898	159,158,653	36,614,157
Micro-financing loans	124,222	510,801	745,000
Other commercial loans	-	-	9,181,709
	<u>153,604,228</u>	<u>631,620,586</u>	<u>131,768,557</u>
Consumer loans:			
Mortgage loans	13,462,933	55,359,580	4,992,129
Credit card facilities	520,565	2,140,563	467,849
	<u>13,983,498</u>	<u>57,500,144</u>	<u>5,459,978</u>
Total loans (gross)	<u>167,587,726</u>	<u>689,120,729</u>	<u>137,228,535</u>
Interests receivable	<u>2,878,748</u>	<u>11,837,412</u>	<u>609,900</u>
	<u>170,466,474</u>	<u>700,958,141</u>	<u>137,838,435</u>
Provisions for impairment losses - Specific (*)	(9,856,220)	(40,528,777)	(8,117,670)
Interest in suspense (**)	<u>(2,364,103)</u>	<u>(9,721,192)</u>	<u>(217,698)</u>
Net loans receivable	<u>158,246,151</u>	<u>650,708,172</u>	<u>129,503,067</u>

(*) Movements on provisions for impairment are as follows:

	2005		2004
	USD	KHR'000	USD
At beginning of year	8,117,670	33,379,859	4,892,146
Unrealised exchange gain	(3,082)	(12,673)	(1,894)
Addition during the year	5,351,572	22,005,664	6,207,874
Amount written off	(99,803)	(410,390)	(109,602)
Recovery during the year	<u>(3,510,137)</u>	<u>(14,433,683)</u>	<u>(2,870,854)</u>
At end of year	<u>9,856,220</u>	<u>40,528,777</u>	<u>8,117,670</u>

(**) Movements on interest in suspense are as follows:

	2005		2004
	USD	KHR'000	USD
At beginning of year	217,698	895,175	23,477
Interest suspended during the year	<u>2,146,405</u>	<u>8,826,017</u>	<u>194,221</u>
At end of year	<u>2,364,103</u>	<u>9,721,192</u>	<u>217,698</u>

8. Loans and advances to customers (continued)

Further classification of loans and advances to customers is as follows:

	2005		2004
	USD	KHR'000	USD
Standard loans:			
- Secured	153,033,879	629,275,310	125,940,431
- Unsecured	1,395,164	5,736,914	38,774
Substandard loans:			
- Secured	1,272,000	5,230,464	367,500
- Unsecured	5,465	22,472	-
Doubtful loans:			
- Secured	3,067,552	12,613,774	464,904
- Unsecured	7,798	32,065	-
Loss loans:			
- Secured	8,684,058	35,708,846	9,699,717
- Unsecured	121,810	500,883	717,209
	167,587,726	689,120,729	137,228,535

Further analysis of the above loans and advances to customers is provided below:

	2005		2004
	USD	KHR'000	USD
(a) By maturity period:			
Within one month	-	-	1,133,987
One to three months	5,517,154	22,686,537	2,953,735
Four to six months	12,158,833	49,997,121	11,139,451
Seven to twelve months	116,187,316	477,762,243	55,636,175
Over one year but within three years	11,134,614	45,785,533	50,290,641
Over three years but within five years	7,894,863	32,463,677	8,154,150
Over five years	14,694,946	60,425,618	7,920,396
	167,587,726	689,120,729	137,228,535
(b) By currency denomination:			
US Dollar	166,118,363	683,078,709	135,341,855
Khmer Riel	230,620	948,309	584,845
Thai Baht	1,238,743	5,093,711	1,301,835
	167,587,726	689,120,729	137,228,535
(c) By status of residence:			
Residents	167,587,726	689,120,729	137,228,535
	167,587,726	689,120,729	137,228,535

8. Loans and advances to customers (continued)

	2005		2004
	USD	KHR'000	USD
(d) By relationship:			
Non-related parties	128,881,828	529,962,077	100,614,378
Related parties	38,705,898	159,158,652	36,614,157
	167,587,726	689,120,729	137,228,535
(e) By economic sectors:			
Agriculture	2,227,766	9,160,574	1,802,741
Manufacturing	13,045,038	53,641,196	3,746,140
Building and construction	31,070,497	127,761,884	12,697,826
Mortgage	13,462,933	55,359,580	4,992,129
Wholesales and retails	26,993,306	110,996,474	31,314,917
Import and export	7,540,767	31,007,634	11,799,170
Transport, storage and communication	1,283,845	5,279,171	30,000
Services	68,869,048	283,189,525	61,806,012
Professional and private individuals (except housing loans)	520,565	2,140,563	161,740
Others	2,573,961	10,584,128	8,877,860
	167,587,726	689,120,729	137,228,535
(f) By large exposures:			
Large exposures (*)	57,180,362	235,125,649	51,437,124
Non-large exposures	110,407,364	453,995,080	85,791,411
	167,587,726	689,120,729	137,228,535

(*) There are three large exposure loans related to the amount, and all are over the maximum limit of 10% for related party loans and 20% for non related party of the Bank's net worth.

(i) Loans granted to Capital Investment Holding Co., Ltd and its affiliated companies ("CIH") totalling USD 38,705,898 (31 December 2004: USD 36,614,157) at interest rate of 4% per annum.

In August 2004, the Bank submitted a proposal to NBC to transform CIH loans to Canada Bank investment in the form of Subsidiary Development Capital Company ("DCC") where all business components of the CIH are to be owned by Canada Bank and CIH is dissolved. NBC granted approval on 22 November 2004 under the following conditions: (a) adhere to NBC guidelines, in particular solvency ratio; (b) all newly created subsidiaries must be public limited companies and operate under the business law of the Kingdom of Cambodia; (c) all problem loans (loans granted out to each of the Capital Investment Group's affiliate) before they can be taken out from the Bank's balance sheet must be audited by an independent audit firm recognised by the National Bank of Cambodia; (d) the Bank is required to provide cash flow forecast for each of the DCC business component to NBC; (e) all DCC components are to be audited in every accounting period by an independent audit firm recognised by the National Bank of Cambodia; (f) the Bank is required to prepare a consolidated balance sheet for the Bank and its DCC business components and subject to consolidated supervision basis; (g) all newly created subsidiaries must be 100% managed by the Bank until the establishment of the stock market in Cambodia and then the Bank is required to seek investment partner to invest in the subsidiaries to reduce the Bank's holding; (h) NBC will not be a member of the board of directors of the DCC.

During the year under review, the Bank has converted the loans given to CIH subsidiaries into the Bank's equity investment as per conditional approval from NBC on 22 November 2004. The subsidiaries new sets of Memorandum and Articles of Association have been registered with the Ministry of Commerce. However, subsequent to the year-end, as per a letter from the National Bank of Cambodia dated 2 February 2006, the Bank has been instructed to reverse all investments in CIH subsidiaries back to loan assets for further consideration and study.

(ii) Loans to two groups of business clients totalling to USD 18,474,464.

9. Investment securities

	2005		2004
	USD	KHR'000	USD
Omnia Life (Bermuda) Ltd. - trust	2,000,000	8,224,000	2,000,000
Accrued interests receivable	214,014	880,026	186,924
	2,214,014	9,104,026	2,186,924

Fixed-maturity investments are intended to be held to maturity and are recognised at cost less principal repayment and amortisation.

The coupon rates or average return per annum are as follows:

	2005	2004
65% of Omnia Life (Bermuda) Ltd.	3.60%	3.60%
35% of Omnia Life (Bermuda) Ltd.	Floating rate	Floating rate

Subsequent to the year-end, on 16 January 2006, the Bank has requested an earlier termination of its investment in Omnia Life due to unfavourable interest yield. A refund of USD 2,135,534 (net of earlier termination cost and unearned interest) was transferred to the Bank on 20 January 2006.

10. Other assets

	2005		2004
	USD	KHR'000	USD
Deposits with companies outside Cambodia	301,318	1,239,020	300,425
Accrued interests receivable	78,152	321,361	1,129,058
Prepaid expenses	34,795	143,077	81,697
Advances to related party	-	-	125,000
Other advances	177,050	728,030	302,506
Traveller's checks purchased	138,196	568,262	124,678
Guarantee deposits for MasterCard and Visa	872,821	3,589,040	865,782
Inter-branches clearing	-	-	245,392
Other debtors	818,110	3,364,068	891,437
	2,420,442	9,952,858	4,065,975

11. Investment in Foreign Trade Bank of Cambodia

On 28 October 2005, the Bank entered into a sale and purchase agreement with the Privatisation Committee (acting on behalf of the Royal Government of Cambodia), to acquire 46% of the share capital of Foreign Trade Bank of Cambodia ("FTB") for a consideration of USD 10,580,000. A new Memorandum and Articles has been drafted and has yet to be submitted for approval by the Shareholders and for registration with the relevant Cambodian Authorities.

12. Property and equipment

	Freehold lands	Buildings	Building in progress	Furniture and fixtures	Office equipment	Computer and IT equipment	Vehicles	Total
Cost								
At 1 January 2005	4,224,364	2,932,245	-	162,764	1,560,404	1,019,832	711,619	10,611,228
Additions	62,000	110,350	993,010	32,398	139,322	364,024	172,002	1,873,106
Disposals	(171,600)	(128,400)	-	-	-	-	(12,500)	(312,500)
Adjustments	-	-	(15,000)	72,510	(426,916)	329,103	-	(40,303)
At 31 December 2005	4,114,764	2,914,195	978,010	267,672	1,272,810	1,712,959	871,121	12,131,531
Accumulated depreciation								
At 1 January 2005	-	851,230	-	130,119	1,334,912	689,897	372,092	3,378,250
Charge for the year	-	150,213	-	12,372	74,323	257,558	94,958	589,424
Disposals	-	(12,489)	-	-	-	-	(12,499)	(24,988)
Adjustments	-	-	-	68,454	(278,831)	181,594	955	(27,828)
At 31 December 2005	-	988,954	-	210,945	1,130,404	1,129,049	455,506	3,914,858
Net book value								
At 31 December 2005	6,043,339	1,925,241	978,010	56,727	142,406	583,910	415,615	8,216,673
At 31 December 2004	4,224,364	2,081,015	-	32,645	225,492	329,935	339,527	7,232,978
Depreciation charge for 2004	-	136,540	-	8,189	211,099	172,070	68,646	596,544

12. Property and equipment (continued)

Equivalents in KHR'000	Freehold lands KHR'000	Buildings KHR'000	Building in progress KHR'000	Furniture and fixtures KHR'000	Office equipment KHR'000	Computer and IT equipment KHR'000	Vehicles KHR'000	Total KHR'000
Cost								
At 1 January 2005	17,370,585	12,057,391	-	669,286	6,416,381	4,193,549	2,926,177	43,633,369
Additions	254,944	453,759	4,083,257	133,221	572,892	1,496,867	707,272	7,702,212
Disposals	(705,619)	(527,981)	-	-	-	-	(51,400)	(1,285,000)
Adjustments	-	-	(61,680)	298,161	(1,755,479)	1,353,272	-	(165,726)
At 31 December 2005	16,919,910	11,983,169	4,021,577	1,100,668	5,233,794	7,043,688	3,582,049	49,884,855
Accumulated depreciation								
At 1 January 2005	-	3,500,258	-	535,049	5,489,158	2,836,856	1,530,042	13,891,363
Charge for the year	-	617,676	-	50,874	305,616	1,059,078	390,467	2,423,711
Disposals	-	(51,355)	-	-	-	-	(51,396)	(102,751)
Adjustments	-	-	-	281,483	(1,146,553)	746,715	3,927	(114,428)
At 31 December 2005	-	4,066,579	-	867,406	4,648,221	4,642,649	1,873,040	16,097,895
Net book value								
At 31 December 2005	16,919,910	7,760,590	4,021,577	233,262	585,573	2,401,039	1,709,009	33,786,960
At 31 December 2004	17,370,585	8,557,134	-	134,236	927,223	1,356,693	1,396,135	29,742,007
Depreciation charge for 2004	-	561,452	-	33,673	868,039	707,552	282,272	2,452,989

13. Properties foreclosed

These represent bad loan collaterals foreclosed in the course of banking operations. These foreclosed assets are recorded at value equal to the corresponding loan principal outstanding plus interest receivable. These assets will not be held for operational purposes and with the intention to be disposed of to recover the outstanding amount within the maximum allowable period of twelve months as per NBC's guidelines. Assets realised in excess of outstanding amount plus disposal costs will be returned to the borrower after the settlement.

14. MasterCard-franchise/license

	2005		2004
	USD	KHR'000	USD
Cost of acquiring MasterCard franchise/licence	125,250	515,028	125,250
Accumulated amortisation from previous year	(87,675)	(360,520)	(62,625)
Amortisation during the year	(25,050)	(103,006)	(25,050)
Net balance at end of year	12,525	51,502	37,575

The initial cost of acquiring the MasterCard franchise and license is recognised as an intangible asset and amortised on a straight-line basis over the period of five years.

15. Deposits and balances of banks

	2005		2004
	USD	KHR'000	USD
Current accounts	2,521,900	10,370,053	3,569,760
Savings accounts	311,754	1,281,931	1,604,513
Fixed deposits	-	-	301,000
	2,833,654	11,651,984	5,475,273
Accrued interests payable	-	-	767
	2,833,654	11,651,984	5,476,040

	2005		2004
	USD	KHR'000	USD
The maturity analysis is as below:			
Within one month	2,833,654	11,651,984	5,175,040
One to three months	-	-	500
Four to six months	-	-	500
Seven to twelve months	-	-	300,000
Over one year but within three years	-	-	-
Over three years but within five years	-	-	-
	2,833,654	11,651,984	5,476,040

16. Deposits from non-bank customers

	2005		2004
	USD	KHR'000	USD
Current accounts	13,633,722	56,061,865	10,917,659
Savings accounts	121,538,332	499,765,621	103,122,545
Fixed deposits	98,300,697	404,212,466	90,621,462
Margin deposits	1,374,065	5,650,155	2,558,527
	234,846,816	965,690,107	207,220,193
Accrued interests payable	1,921,669	7,901,903	1,726,823
	236,768,485	973,592,010	208,947,016

Further analysis of the above deposits is provided below.

	2005		2004
	USD	KHR'000	USD
(a) By maturity period:			
Within one month	136,546,118	561,477,637	116,598,731
One to three months	16,082,517	66,131,310	2,811,318
Four to six months	22,878,024	94,074,435	18,079,241
Seven to twelve months	55,202,824	226,994,012	25,332,801
Over one year but within three years	4,137,333	17,012,713	44,398,102
	234,846,816	965,690,107	207,220,193
(b) By status of residence:			
Residents	232,781,720	957,198,432	204,768,367
Non-residents	2,065,096	8,491,675	2,451,826
	234,846,816	965,690,107	207,220,193
(c) By relationship:			
Related parties	985,146	4,050,920	851,082
External customers	233,861,670	961,639,187	206,369,111
	234,846,816	965,690,107	207,220,193
(d) By currency denomination:			
US Dollar	228,299,356	938,766,952	200,364,427
Khmer Riel	3,879,985	15,954,498	3,550,900
Thai Baht	2,417,406	9,940,373	2,974,923
Gold	250,069	1,028,284	329,500
Other currencies	-	-	443
	234,846,816	965,690,107	207,220,193

16. Deposits from non-bank customers (continued)

	2005 USD	KHR'000	2004 USD
(e) By type of customers:			
Government enterprises & state enterprises	8,754,621	35,999,002	5,140,511
Other inland finance institutions	428,502	1,762,000	356,395
Business enterprises	70,234,212	288,803,080	58,141,089
Individuals	147,708,869	607,378,869	133,117,117
Not-for-profit organisations	4,032,498	16,581,632	3,961,142
Other	3,688,114	15,165,525	6,503,939
	234,846,816	965,690,107	207,220,193

(f) The savings accounts and fixed deposits bear the following interest rates per annum:

	2005 %	2004 %
Saving deposits	0.75 - 2.00	0.75 - 2.00
Fixed deposits	3.00 - 5.50	3.00 - 7.00

17. Provision for income tax

	2005 USD	KHR'000	2004 USD
Balance at beginning of year	779,897	3,206,936	747,802
Charge during the year	1,507,798	6,200,065	951,488
Income tax paid during the year	(1,026,713)	(4,221,844)	(940,444)
(Over) / under provision from prior year	(2,969)	(12,209)	21,051
	1,258,013	5,172,949	779,897

Provision for income tax is calculated by applying accounting net income before tax to corporate tax rate. No effect has been taken into account on items deemed not deductible by the Law on Taxation.

The Bank has obtained tax clearance up to the fiscal year 2001. The remaining tax years have yet to be reassessed by the Tax Department and accordingly its tax for these years are not considered final. The outcome of a tax audit cannot at present be determined.

18. Other liabilities

	2005		2004
	USD	KHR'000	USD
Rental deposits	4,500	18,504	31,700
Guarantee deposits	-	-	517,519
Accrued interests payable	54,041	222,217	28,519
Tax payables	61,428	252,592	86,035
Staff bonus payable	61,620	253,381	-
Accounts payable	15,488	63,687	84,000
Accrued expense	26,576	109,281	-
Suspense account for ATM	160,756	661,029	32,404
Suspense remittance (to overseas and local)	-	-	1,879,276
Suspense remittance (from overseas and local)	1,569,457	6,453,607	51,950
Unearned income	3,662	15,058	214,400
Amount due to MasterCard International	80,692	331,806	219,068
Provision for losses in relation with 4 L/C (*)	1,702,969	7,002,609	-
Other liabilities	18,732	77,026	984
	3,759,921	15,460,797	3,145,855

(*) See also note 27.

19. Other borrowings

	2005		2004
	USD	KHR'000	USD
Borrowed funds from RDB	-	-	812,500
Borrowed funds from IFC	2,500,000	10,280,000	-
Borrowed funds from KfW through MoEF	2,992,001	12,303,108	2,041,439
	5,492,001	22,583,108	2,853,939

The USD 2.5 million borrowings from the International Finance Corporation ("IFC") is the result of the Loan Agreement between the Bank and the IFC dated 20 September 2004 whereby IFC agrees to lend the Bank USD 2.5 million to be loaned out to eligible sub-borrowers to finance acquisition of residential property in Cambodia.

20. Share capital

Shares of USD 1,000 each:	2005		2004
	USD	KHR'000	USD
Registered:			
At beginning of year	23,000,000	94,576,000	18,000,000
Increase during the year	3,000,000	12,336,000	5,000,000
At end of year	26,000,000	106,912,000	23,000,000
Issued and fully paid:			
At beginning of year	23,000,000	94,576,000	18,000,000
Issued during the year	3,000,000	12,336,000	5,000,000
At end of year	26,000,000	106,912,000	23,000,000

During the year under review, the Bank has increased its paid up capital from USD 23 million to 26 million by issuing 3,000 ordinary shares of USD 1,000 at par value by cash payment. This capital increase was authorised in principle by the National Bank of Cambodia Banking Supervision Department on 16 December 2005 for a USD 2 million increase and on 23 December 2005 for a USD 1 million increase.

The Bank has yet to make various formalities with the relevant authorities regarding this matter.

21. Subordinated debt

On 28 October 2005, the Bank has entered into agreement with Mr. Pung Kheav Se (a main shareholder of the Bank through OCIC) whereby the latter is willing to provide the Bank with a subordinated loan of USD 7,080,000 for acquiring shares in Foreign Trade Bank of Cambodia ("FTB"). This subordinated debt is interest free with no fixed terms of repayment. This subordinated was approved in principle by NBC on 28 December 2005.

22. Interest income

Interest income was made from the following sources:

	2005		2004
	USD	KHR'000	USD
Loans, overdraft and advances to customers	17,996,164	74,000,226	13,111,152
Placements with overseas banks	968,513	3,982,525	359,802
Placements with NBC	208,431	857,068	267,194
Investment securities	27,090	111,394	115,880
	19,200,198	78,951,213	13,854,028

23. Interest expense

Interest expense is incurred on:	2005		2004
	USD	KHR'000	USD
Deposits from customers	4,918,210	20,223,680	5,793,736
Borrowed funds from RDB & KfW	256,999	1,056,780	110,322
	5,175,209	21,280,460	5,904,058

24. Other operating income

	2005		2004
	USD	KHR'000	USD (Restated)
Loan commitment fees	497,519	2,045,798	156,888
Miscellaneous loan fees and service charges	413,888	1,701,907	416,754
ATM/Credit card annual fees	67,731	278,510	-
Income from letters of credit	174,939	719,349	359,234
Fees for telex, fax and phone	541,844	2,228,063	527,207
Fees for credit card advances and late charge	65,249	268,304	50,648
Fees for wire transfer	193,970	797,605	1,354,490
Commissions from remittance service	1,136,721	4,674,197	-
Other fees and commissions	604,957	2,487,583	478,456
Rental income	127,495	524,259	204,821
Foreign exchange currency gains	240,129	987,410	98,793
Gains from disposal of foreclosed property	86,353	355,084	218
Gains from disposal of property and equipment	23,289	95,764	8,196
Others	105,581	434,149	701,873
	4,279,665	17,597,982	4,357,578

(Continued)

25. Other operating expenses

	2005		2004
	USD	KHR'000	USD
Repair and maintenance	77,766	319,774	34,723
Building rental	117,730	484,106	121,400
Utilities	156,597	643,927	127,506
Advertising and public relations	256,241	1,053,663	104,141
Legal and professional fees	254,198	1,045,262	426,825
Travel, accommodation and food	178,130	732,471	220,270
Communication	147,429	606,228	123,026
Stationery and supplies	106,320	437,188	61,877
Printing and forms	58,026	238,603	53,110
Insurance	39,780	163,575	9,672
Charitable donations and gifts	113,473	466,601	93,808
Internet E-commerce	9,010	37,049	303,470
Bank's license fees	126,647	520,772	147,986
Fees and commissions paid to banks and OFIs	166,853	686,100	157,922
ATM/Credit card	267,508	1,099,993	-
Loss on investment with MFI	-	-	11,770
Loss on disposal of foreclosed properties	271,580	1,116,737	-
Loss on foreign exchange currency	133,218	547,792	133,590
Loan losses written off	-	-	109,602
Loss on foreign currency counterfeit	5,477	22,521	-
Taxes and duties	137,339	564,738	4,692
Motor vehicles	58,046	238,685	45,367
Other furniture, fixture and equipment expenses	47,923	197,059	17,319
Fraud losses by staff written off (*)	1,444,156	5,938,369	-
Other operational costs	18,043	74,192	39,825
	4,191,490	17,235,405	2,347,901

(*) See also note 29.

26. Provision for loan impairment losses

Provision for impairment losses is calculated in accordance with NBC guidelines as stated in note 3.6.

27. Provision for LC claim

Since November 2004, the Bank has been subject to a financial claim from Foreign Trade Bank of Vietnam for non payment of four irrevocable letters of credit issued by the Bank amounting to USD 1.7 million. The Bank has obtained professional advices from legal experts and in their expert opinions, the Bank has no duty to pay. For this reason, no provision has been made in the financial year 2004 for this potential payment and its related costs. However, the Bank has fully provisioned the amount claimed during the financial year 2005.

Subsequent to the year-end, on 7 March 2006, the Bank entered into a settlement agreement with Foreign Trade Bank of Vietnam to arrive at a full settlement of the dispute whereas the Bank will make payment to Foreign Trade Bank of Vietnam of the USD 1.7 million claims in four instalments, the first beginning on or before 15 March 2006 and the last on or before 31 December 2008. The first instalment amounting to USD 416,237 has been settled on 9 March 2006. The settlement agreement further stated that both banks agreed that the settlement here above is without admission of liability on the part of either party (or any other person).

28. Income tax expense

Income tax expense is represented by current year profit multiplied by 20%. No adjustment has been taken into account for the effect of permanent differences relating to items not allowed as deduction for tax purposes.

Under the Cambodian Law on Taxation, the Bank has the obligation to pay corporation income tax of either the profit tax at 20% of taxable profit or minimum tax at 1% of total revenue exclusive of value-added tax, whichever is higher.

29. Fraud losses

During the financial year 2004, the Bank has suffered financial loss of approximately USD 1.54 million due to the embezzlement of the depositors' Letter of Credit (LC) margin deposits by a former LC manager and no loss has been recognised in the financial year 2004. Since the beginning of the year, certain amount has been recovered and the remaining balance of USD 1,333,847 is considered irrecoverable and has been recognised as expense in the financial statements.

In July 2005, the Bank suffered a fraud loss of USD 110,309 perpetrated by its then Siem Reap branch loan officer. The whereabouts of this former staff is unknown, however, as the Bank is insured for a maximum sum of USD 500,000 a year on fidelity loss, formalities for insurance claim have been made on 28 December 2005. The amount has been fully expended in the statement of income during the financial year.

30. Non-operational assets

With the expected future increase in banking activities, the Bank holds more lands than its current requirements. The lands are totalling USD 3,132,424 as of 31 December 2005. This fact had been brought into the attention of the NBC and NBC required the Bank to conduct a valuation assessment on these non-operational assets. As per NBC's instruction, a valuation assessment had been conducted by an independent assessor and the Bank submitted the valuation report to the NBC on 30 June 2005. Based on the valuation report, the Bank non-operational assets are valued at USD 5,640,600.

31. Interest rate, liquidity, currency and credit risks

31.1 Interest rate risk

The Bank interest rates are generally fixed on a short-term basis. Also, interest rates that are contractually fixed on both assets and liabilities are often renegotiated to reflect current market conditions. The management is satisfied that the Bank's position is such that exposure to movements in interest rates is minimised.

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

(Continued)

31.1 Interest rate risk (continued)

AS AT 31 DECEMBER 2005	Up to 1 month	1-3 months	3-6 months	6-12 months	1 to 5 years	Over 5 years	Non-interest bearing	Total	Effective interest rate
	USD	USD	USD	USD	USD	USD	USD	USD	%
TOTAL ASSETS									
Cash in hand	-	-	-	-	-	-	25,349,958	25,349,958	-
Balances with central bank	8,000,000	-	-	-	-	-	5,708,322	13,708,322	1.80 - 3.29
Statutory deposits with central bank	-	-	-	-	-	2,600,000	16,001,216	18,601,216	1.39 - 1.75
Balances with banks and OFIs	20,000,000	-	-	2,500,000	-	-	29,120,571	51,620,571	2.10 - 3.64
Loans and advances to customers:									
- Performing	-	2,265,802	10,171,874	110,006,907	17,289,513	14,694,946	-	167,587,726	3.96 - 18.00
- Non-performing	-	3,251,352	1,986,959	6,180,409	1,739,964	-	-	13,158,684	3.96 - 18.00
- Specific provisions	-	-	-	-	-	-	(9,856,220)	(9,856,220)	-
- Interests receivable	-	-	-	-	-	-	2,878,748	2,878,748	-
- Interests in suspense	-	-	-	-	-	-	(2,364,103)	(2,364,103)	-
Investment securities	-	-	-	-	-	2,000,000	214,014	2,214,014	3.60 - 6.50
Other assets	-	-	-	-	-	872,821	1,547,621	13,000,442	1.50 - 3.20
Property and equipment	-	-	-	-	-	-	8,216,673	8,216,673	-
Investment in FTB	-	-	-	-	-	-	10,580,000	10,580,000	-
Properties foreclosed	-	-	-	-	-	-	2,807,204	2,807,204	-
MasterCard-franchise/license	-	-	-	-	-	-	12,525	12,525	-
TOTAL ASSETS	28,000,000	5,517,154	12,158,833	118,687,316	19,029,477	20,167,767	90,216,529	293,777,076	
LIABILITIES									
Deposits and balances of banks	311,754	-	-	-	-	-	2,521,900	2,833,654	0.75 - 5.50
Deposits from non-bank customers	121,538,332	16,082,517	22,878,024	55,202,824	4,137,332	-	16,929,456	236,768,486	0.75 - 5.50
Provision for income tax	-	-	-	-	-	-	1,258,013	1,283,013	-
Other liabilities	-	-	-	-	-	-	3,759,921	3,759,921	-
Other borrowings	-	-	-	-	-	5,492,001	-	5,492,001	3.66 - 7.50
TOTAL LIABILITIES	121,850,086	16,082,517	22,878,024	55,202,824	4,137,332	5,492,001	24,469,290	250,112,074	
Interest sensitivity gap 2005 (USD)	(93,850,086)	(10,565,363)	(10,719,191)	63,484,492	14,892,145	14,675,766	65,747,239	43,665,002	

31.1 Interest rate risk (continued)**AS AT 31 DECEMBER 2004**

TOTAL ASSETS	Up to 1 month	1-3 months	3-6 months	6-12 months	1 to 5 years	Over 5 years	Non-interest bearing	Total	Effective interest rate
	USD	USD	USD	USD	USD	USD	USD	USD	%
Cash in hand	-	-	-	-	-	-	20,783,660	20,783,660	-
Balances with central bank	24,000,000	-	-	-	-	-	3,924,033	27,924,033	0.81 - 1.82
Statutory deposits with central bank	-	-	-	-	-	2,300,000	14,101,242	16,401,242	0.73 - 0.84
Balances with banks and OFIs	10,034,127	10,035,583	-	-	-	-	17,579,957	37,649,667	1.77 - 2.30
Loans and advances to customers:									
- Performing	1,133,987	2,825,481	9,470,623	46,294,283	58,334,434	7,920,396	-	125,979,204	4.00 - 18.00
- Non-performing	-	128,254	1,668,828	9,341,892	110,357	-	-	11,249,331	4.00 - 18.00
- Specific provisions	-	-	-	-	-	-	(8,117,670)	(8,117,670)	-
- Interests receivable	-	-	-	-	-	-	609,900	609,900	-
- Interests in suspense	-	-	-	-	-	-	(217,698)	(217,698)	-
Investment securities	-	-	-	-	-	2,000,000	186,924	2,186,924	3.60 - 6.50
Other assets	-	-	-	-	-	865,782	3,200,193	4,065,975	0.85
Investment assets	-	-	-	-	-	-	159,004	159,004	-
Property and equipment	-	-	-	-	-	-	7,232,978	7,232,978	-
Properties foreclosed	-	-	-	-	-	-	2,812,428	2,812,428	-
MasterCard-franchise/license	-	-	-	-	-	-	37,575	37,575	-
TOTAL ASSETS	35,168,114	12,989,318	11,139,451	55,636,175	58,444,791	13,086,178	62,292,526	248,756,553	
LIABILITIES									
Deposits and balances of banks	5,174,273	500	500	300,000	-	-	767	5,476,040	0.75 - 7.00
Deposits from non-bank customers	116,598,731	2,811,318	18,079,241	25,332,801	44,398,102	-	1,726,823	208,947,016	0.75 - 7.00
Provision for income tax	24,112	755,785	-	-	-	-	-	779,897	-
Other liabilities	-	-	-	-	-	-	3,145,855	3,145,855	-
Other borrowings	-	-	-	-	812,500	2,041,439	-	2,853,939	3.72 - 6.64
TOTAL LIABILITIES	121,797,116	3,567,603	18,079,741	25,632,801	45,210,602	2,041,439	4,873,445	221,202,747	
Interest sensitivity gap 2004 (USD)	(86,629,002)	9,421,715	(6,940,290)	30,003,374	13,234,189	11,044,739	57,419,081	27,553,806	

31.2 Liquidity risk

Liquidity risk is defined as the risk when the maturity of assets and liabilities does not match. Liquidity risk management at the Bank is performed on the basis of measuring liquidity surplus/deficit and liquidity ratios that are calculated using scenario analysis.

The matching and/or controlled mismatching of the maturities and interest rates of assets and liabilities is fundamental to the management of the Bank. It is unusual for banks ever to be completely matched since business transactions are often of an uncertain term and of different types. An unmatched position potentially enhances profitability, but can also increase the risk of losses.

The maturities of assets and liabilities and the ability to replace, at an acceptable cost, interest-bearing liabilities as they mature, are important factors in assessing the liquidity of the Bank and its exposure to changes in interest and exchange rates.

The table below analyses assets and liabilities of the Bank into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual or estimated maturity dates.

(Continued)

31.2 Liquidity risk (continued)**AS AT 31 DECEMBER 2005****TOTAL ASSETS**

	Up to 1 month	1-3 months	3-6 months	6-12 months	1 to 5 years	Over 5 years	No fixed maturity date	Total
	USD	USD	USD	USD	USD	USD	USD	USD
Cash in hand	25,349,958	-	-	-	-	-	-	25,349,958
Balances with central bank	13,708,322	-	-	-	-	-	-	13,708,322
Statutory deposits with central bank	-	-	-	-	-	-	18,601,216	18,601,216
Balances with banks and other financial institutions	49,120,571	-	-	2,500,000	-	-	-	51,620,572
Loans and advances to customers:								
- Performing	-	2,265,802	10,171,874	110,006,907	17,289,513	14,694,946	-	154,429,042
- Non-performing	-	3,251,352	1,986,959	6,180,409	1,739,964	-	-	13,158,684
- Specific provisions	-	-	-	-	-	-	(9,856,220)	(9,856,220)
- Interests receivable	2,878,748	-	-	-	-	-	-	2,878,748
- Interests in suspense	-	-	-	-	-	-	(2,364,103)	(2,364,103)
Investment securities	214,014	-	-	-	2,000,000	-	-	2,214,014
Other assets	1,547,621	-	-	-	-	-	872,821	2,420,442
Investment in FTB	-	-	-	-	-	-	10,580,000	10,580,000
Property and equipment	-	-	-	-	8,216,673	-	-	8,216,673
Properties foreclosed	-	-	-	2,807,204	-	-	-	2,807,204
MasterCard-franchise/license	-	-	-	-	12,525	-	-	12,525

TOTAL ASSETS **92,819,234** **5,517,154** **12,158,833** **121,494,520** **29,528,675** **14,694,946** **17,833,714** **293,777,076**

LIABILITIES

Deposits and balances of banks	2,833,654	-	-	-	-	-	-	2,833,654
Deposits from non-bank customers	138,467,788	16,082,517	22,878,024	55,202,824	4,137,332	-	-	236,768,485
Provision for income tax	22,843	1,235,170	-	-	-	-	-	1,258,013
Other liabilities	2,056,952	-	-	-	-	-	1,709,969	3,759,921
Other borrowings	-	-	-	-	-	5,492,001	-	5,492,001

TOTAL LIABILITIES

143,381,237 **17,317,687** **22,878,024** **55,202,824** **4,137,332** **5,492,001** **1,709,269** **250,112,074**

Net liquidity surplus / (gap) 2005 - USD

(50,562,002) **(11,800,533)** **(10,719,191)** **66,291,696** **25,121,343** **9,202,945** **16,130,745** **43,665,002**

31.2 Liquidity risk (continued)**AS AT 31 DECEMBER 2004**

	Up to 1 month USD	1-3 months USD	3-6 months USD	6-12 months USD	1 to 5 years USD	Over 5 years USD	No fixed maturity date USD	Total USD
Total assets	81,235,083	12,989,318	11,139,451	61,278,481	65,044,470	7,920,396	9,149,354	248,756,553
Total liabilities	126,670,561	3,567,603	18,079,741	25,632,801	45,210,602	2,041,439	0	221,202,747
Net liquidity surplus / (gap) 2004 – USD	(45,435,478)	9,421,715	(6,940,290)	35,645,680	19,833,868	5,878,957	9,149,354	27,553,806

31.3 Currency risk

Currency risk is the risk that the value of financial instruments will fluctuate due to changes in foreign exchange rates.

The Bank has no material exposures to currency risk as it transacts essentially in US Dollar. Significant presence of US Dollar is a normal practice of banks operating in Cambodia as this is a *de facto* currency in use in Cambodia.

31.4 Credit risk

The Bank assumes exposure to credit risk which is the risk that a counterparty will be unable to pay amounts in full when due. The Bank structures the levels of credit risk it undertakes by placing limits on the amount of risk accepted in relation to one borrower, or group of borrowers, and the geographical and industry segments. Procedures of risk limit setting, monitoring, usage, and control are governed by internal regulations. Such risks are monitored on a regular basis.

Exposure to credit risk is managed through regular analysis of the ability of the borrowers and potential borrowers to meet interest and capital repayment obligations and reviewing these lending limits where appropriate. Exposure to credit risk is also managed in part by obtaining collateral and corporate or personal guarantees as well as by providing for loan losses.

Commitments to extend credit represent unused portions of approved loans, guarantees or letters of credit. In general, all of the Bank's guarantees and letters of credit are collateralised with cash deposits or collateral pledged to the Bank, and accordingly the Bank normally assumes minimal risks.

32. Commitments and contingencies

32.1 Tax interpretation

The application of tax laws and regulations to many types of transactions is susceptible to varying interpretations when reviewed by the various tax authorities. The Bank's judgement of its business activities may not coincide with the interpretation of the same activities by tax authorities.

If a particular treatment was to be challenged by those various tax authorities, the Bank may be assessed additional taxes, penalties and interest, which can be significant. Tax years remain open to review by the tax authorities for three years with possible extension to ten years.

32.2 Credit related commitments

In the normal course of business, the Bank makes various commitments or incurs certain contingent liabilities with legal recourse to its customers. No material losses are anticipated as a result of these transactions. At the balance sheet date, the commitments of the Bank are as follows:

	2005		2004
	USD	KHR'000	USD
Documentary credits	5,429,427	22,325,804	3,632,822
Bankers' acceptance	1,912,217	7,863,036	-
Bankers' guarantees	181,625	746,842	61,842
Performance guarantees	314,317	1,292,473	292,093
Tender bonds	192,994	793,591	567,900
Retention guarantees	17,217	70,796	-
Financing commitments (*)	13,558,636	55,753,111	18,582,082
Others	89,983	370,010	90,016
	21,696,416	89,215,663	23,226,755

(*) This item represents the difference between the approved customers' overdraft limit and the amount outstanding.

33. Fair value of financial assets and liabilities

Fair value is the amount at which a financial instrument could be exchanged in a current transaction between willing parties, other than in a forced sale or liquidation.

The management has estimated that the fair value of certain balance sheet items is not materially different from their recorded values. These balance sheet items include cash, deposits and placements with the central bank and other financial institutions, loans and advances to customers, property and equipment, deposits from customers and other short-term assets and liabilities which are of a contractual nature. The management believes that the carrying amount of these particular financial assets and liabilities approximates to their fair value, partially due to the fact that it is practical to renegotiate interest rates to reflect current market conditions.

34. Significant related party transactions

Significant related party transactions entered by the Bank during the year on terms negotiated and agreed between the parties were as follows:

	2005		2004
	USD	KHR'000	USD
Loan, overdrafts and advances:			
Venture capital loans	38,705,898	159,158,653	36,614,157
Other assets:			
Advances to related party	-	-	125,000
Deposits by customers:			
Other related party deposits	536,306	2,205,290	851,082
Subordinated debt received	7,080,000	29,112,960	-
Interest income:			
Interests income on venture capital loans	1,517,380	6,239,467	1,039,353
Interests income on advances to related party	-	-	1,118,786
Interest expenses:			
Interests paid to related party deposits	19,299	79,357	4,214
Operating expenses:			
Salaries for directors and management	275,752	1,133,892	300,230

35. Lease commitments

The Bank has lease commitments for the lease of its branches in Phnom Penh and provincial offices as follows:

	2005		2004
	USD	KHR'000	USD
Not later than one year	107,622	442,542	121,415
Later than one year and not later than three years	270,440	1,112,049	261,042
Over three years	2,575,750	10,591,484	2,718,210
	2,953,812	12,146,075	3,100,667

36. Comparative figures

Certain comparative figures have been reclassified whenever necessary to accord with current year presentation.

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