



ព្រះរាជាណាចក្រកម្ពុជា
Kingdom of Cambodia
ជាតិ សាសនា ព្រះមហាក្សត្រ
Nation Religion King

Press Release

Prakas on Credit Risk for Capital Adequacy Ratios in Deposit-Taking Banks and Financial Institutions of National Bank of Cambodia

Credit Guarantee Corporation of Cambodia (CGCC) is pleased to inform the Participating Financial Institutions (PFIs) that on 29th June 2023 the National Bank of Cambodia (NBC) announced the implementation of **“Prakas on Credit Risk for Capital Adequacy Ratios in Deposit-Taking Banks and Financial Institutions”**. In the press release issued on the same day about this Prakas on Credit Risk for Capital Adequacy Ratios in Deposit-Taking Banks and Financial Institutions, NBC stated the purpose of this Prakas is to develop a comprehensive credit risk weight, which varies according to the type of credit, borrowers, or counterparties and reflect the level of risk that the institution may actually face in order to strengthen the effectiveness of risk management.

The press release of NBC also mentioned the implementation of prudent and well-balanced measures and careful consideration to promoting the development of the banking and financial sector and national economic growth, as well as to support the Royal Government of Cambodia in implementing relevant policies, including special attention to **“Support credit guarantee mechanisms established by the Royal Government of Cambodia, such as the Credit Guarantee Corporation of Cambodia (CGCC), with a zero percent risk weight on the part of the exposure that is guaranteed in order to facilitate Micro, Small and Medium Enterprises in access to more sources of fund”**.

CGCC is the first-ever credit guarantee corporation in Cambodia, established by the decision of **Samdech Akka Moha Sena Padei Techo Hun Sen, Prime Minister** as a state-owned enterprise under the technical and financial guidance of the Ministry of Economy and Finance. CGCC’s main mission is to provide credit guarantees to lenders on loans made to businesses based on international standards to share the risk with lenders and to improve financial inclusion.

Phnom Penh, 03 July 2023

