

# **On Financial Stability**

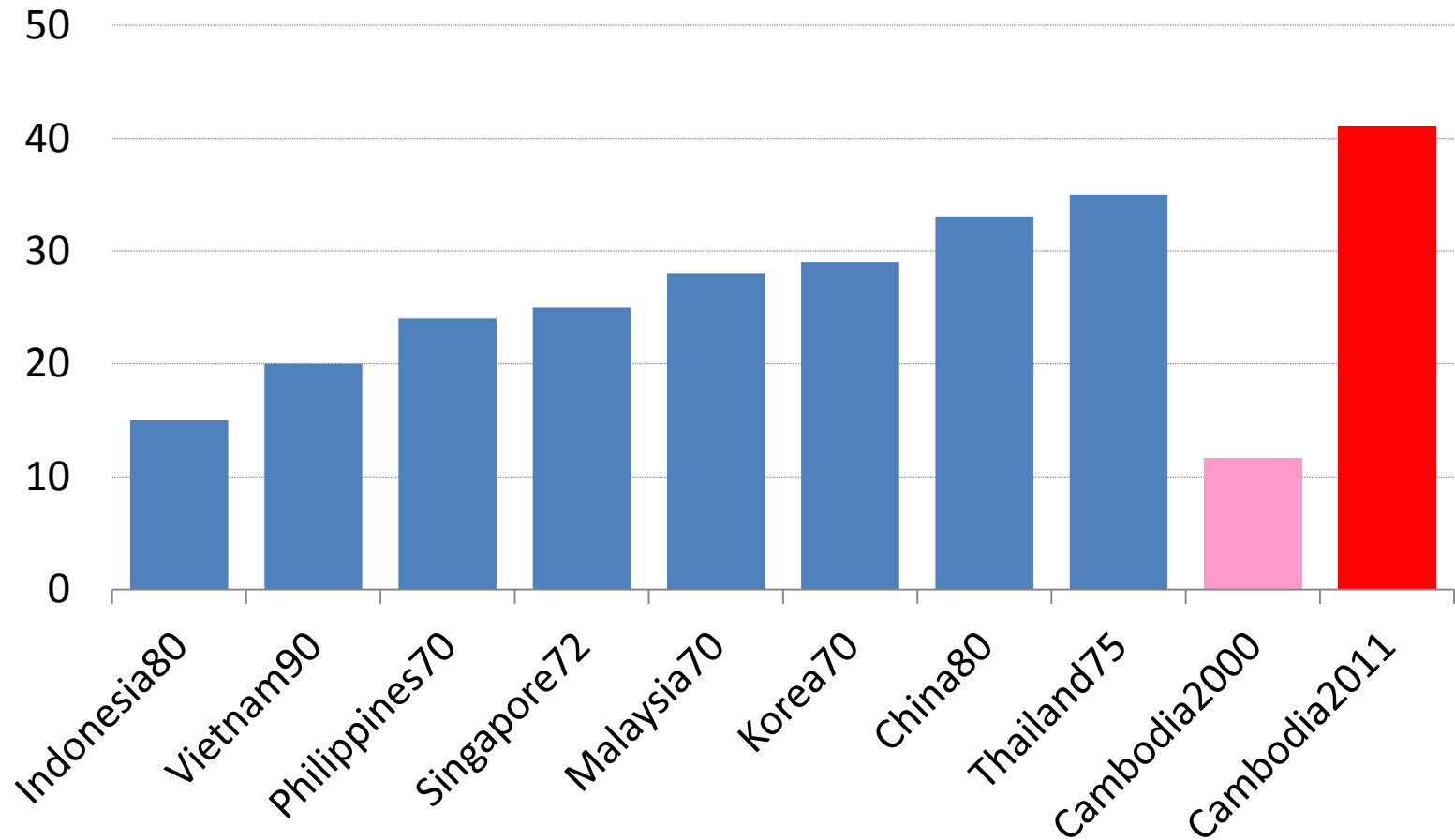
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**CEA Economic and Business Roundtable  
Financial Deepening and Stability**

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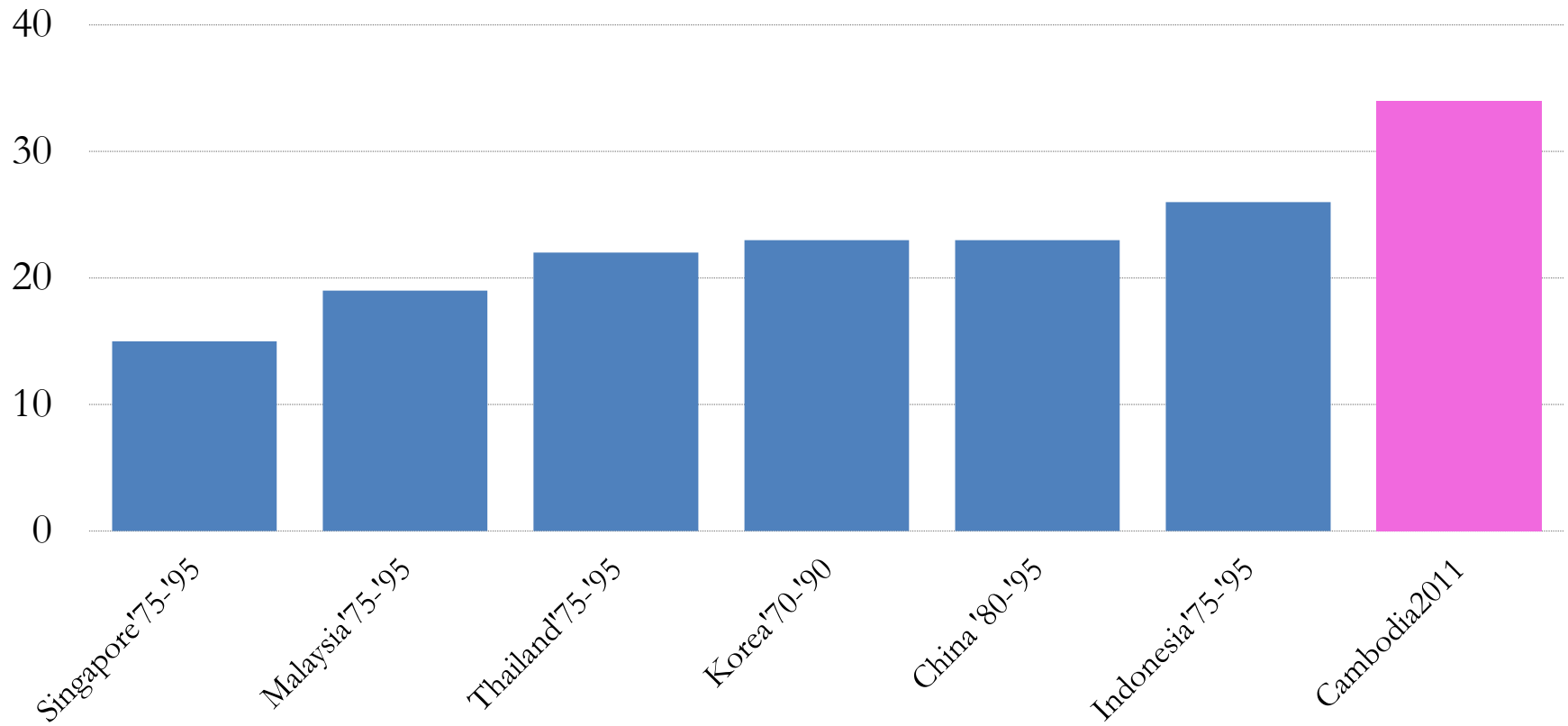
# Where is Cambodia's financial depth relative to peers at similar stage of development?

(M2/GDP, in percent)

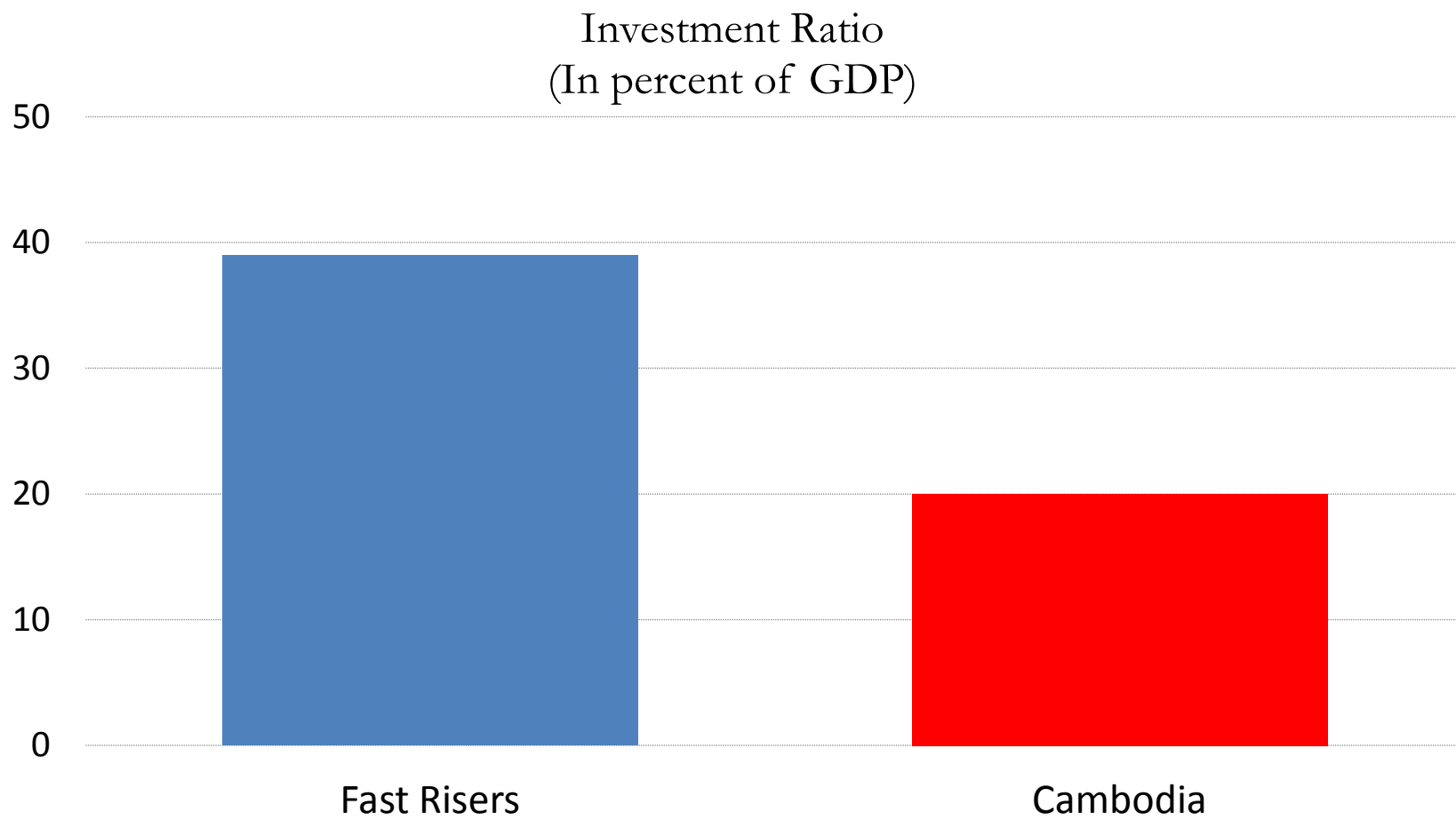


# How rapid was the credit growth during the takeoff?

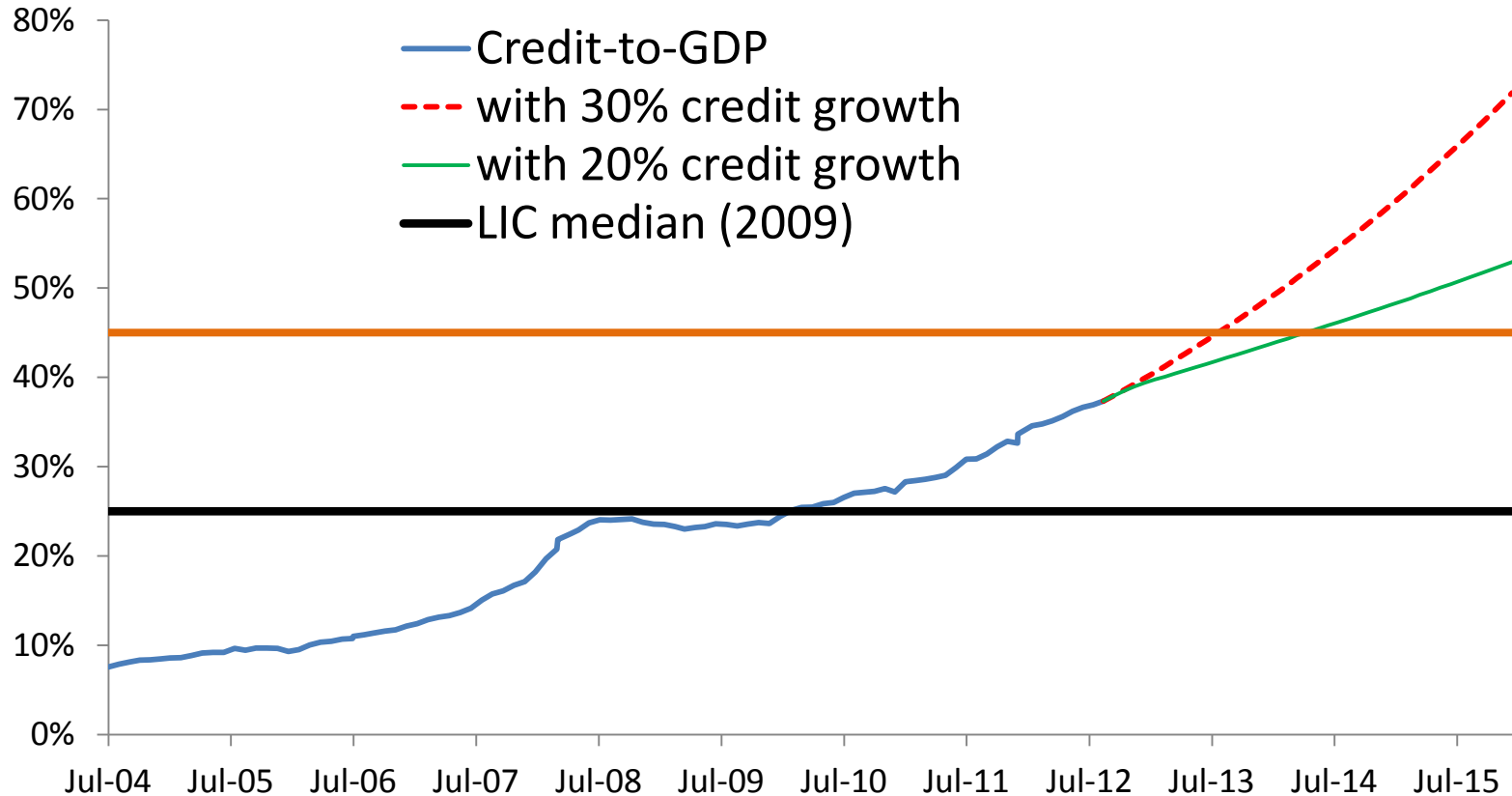
Growth in Private Sector Credit  
(In percent)



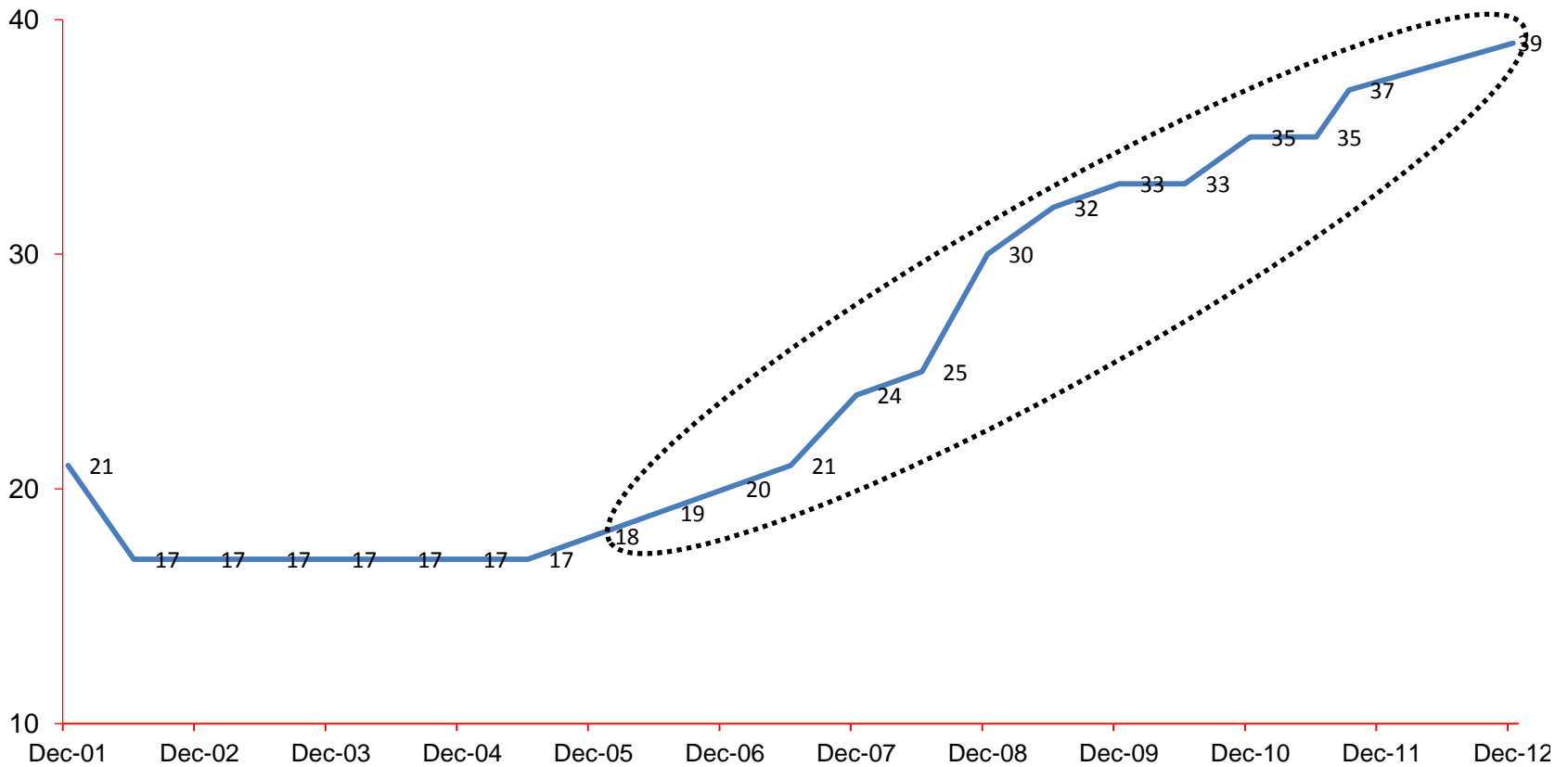
# Credit growth is noteworthy when compared to relative investment and FDIs



# Relative to the economy, financial system has reached a respectable size, highlighting the need for vigilance

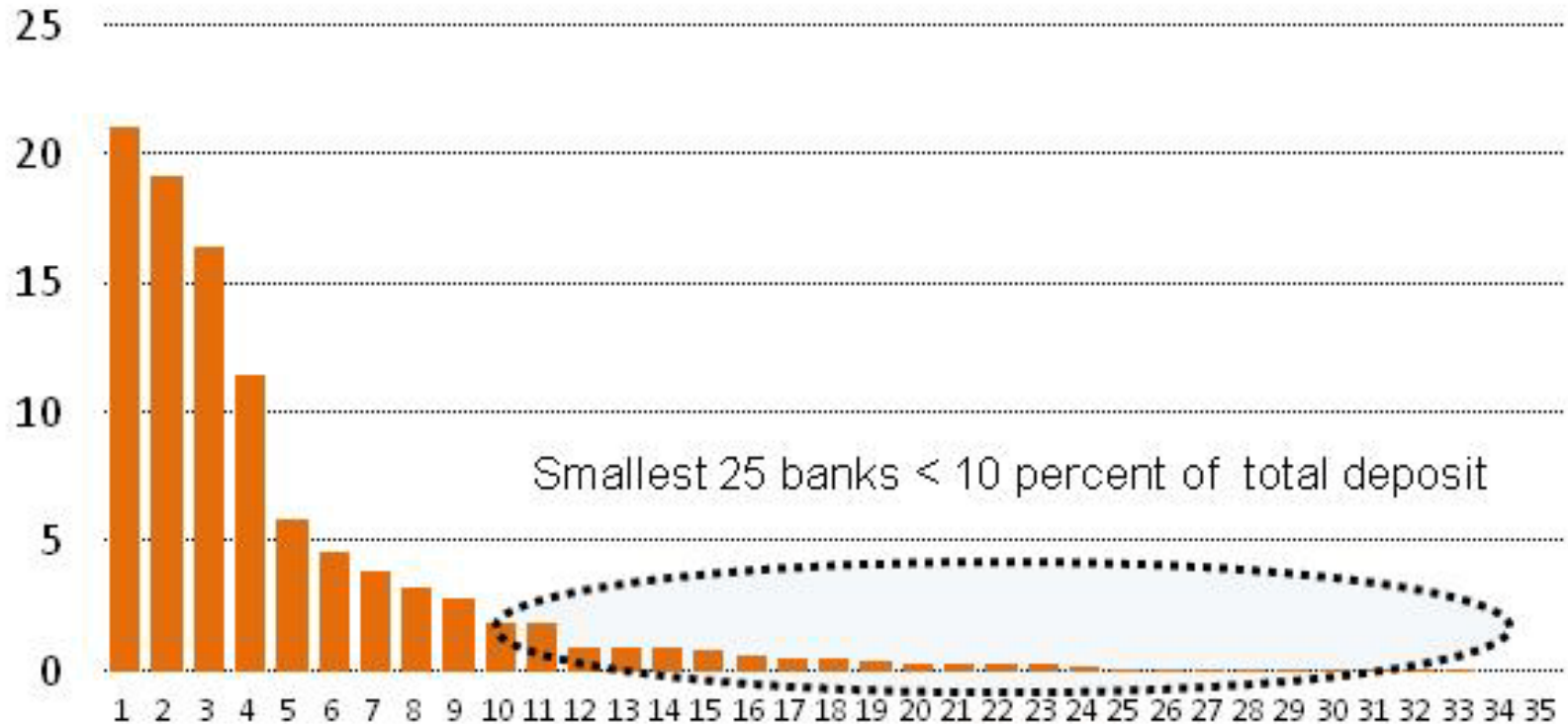


# Banking system: A growing number of players



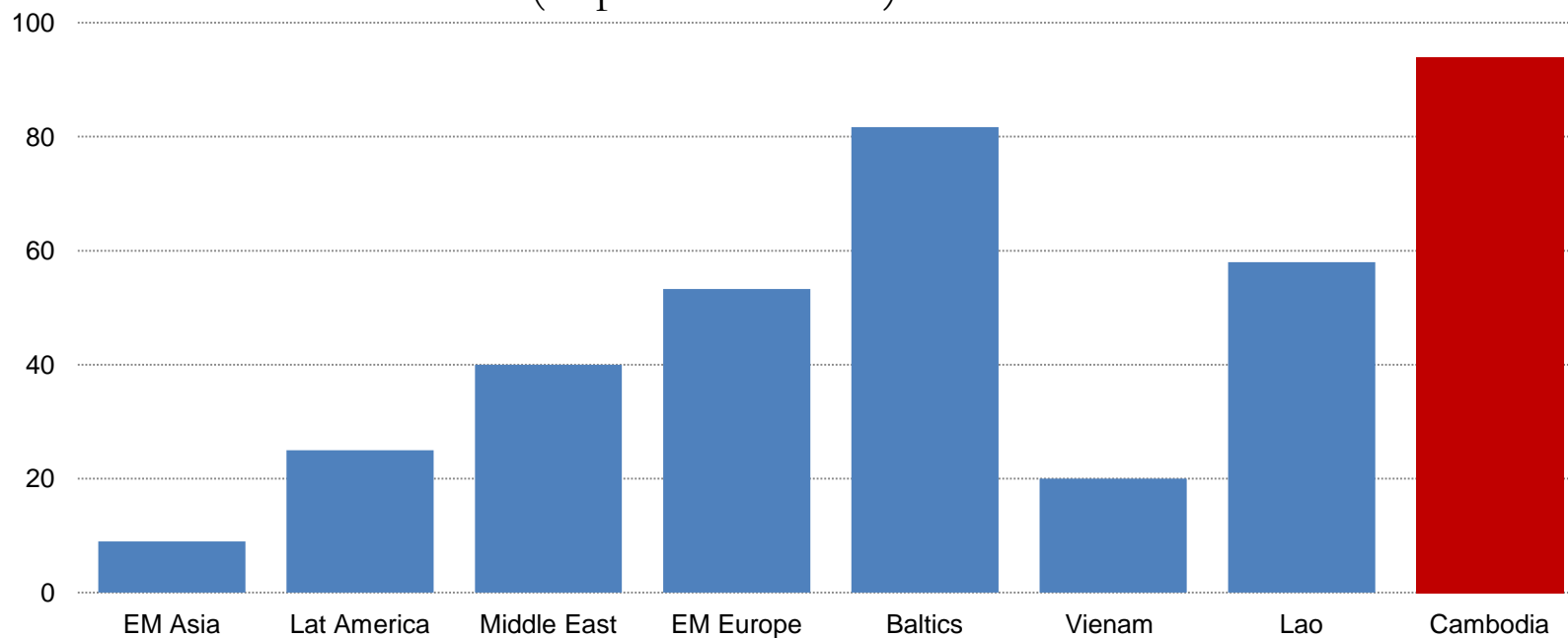
# Size distribution of the banks

**Share of Deposits by Banks**  
(In percent of total deposits)



# High dollarization can bring some stability but limits monetary policy and the lender of last resort role

**"Dollarization": Foreign Currency**  
(In percent of total)





# Challenges

- Rapid credit growth – credit boom and underwriting cycle;
- Increasing amount of foreign liability funded credit growth;
- Structure and openness of the banking system;
- Growing interconnectedness and sectoral exposure (real estate);
- Dollarization – constrained lender of the last resort role
- Growing supervisory burden
- Human resource constraints