



**PRINCE**  
BANK

# ANNUAL REPORT 2024



## **ANNIVERSARY**

**Trust . Growth . Excellence**

**TOGETHER, WE ARE FOCUSED ON  
EXCEEDING EXPECTATIONS**

A decade of trust, growth, and excellence to serving you with integrity and innovation. As we mark this milestone, we remain dedicated to shaping a future of financial success and reliability.



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# 01

## Chairman and CEO Message

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# THE CHAIRMAN'S MESSAGE

## MR. HONN SORACHNA

*Chairman & Co-Founder of Prince Bank Plc.*



It is with great honor that I step into the role of Chairman of Prince Bank, leading our institution into a future filled with opportunities, innovation, and a continued commitment to excellence. As we reflect on the achievements of 2024 and prepare for the road ahead, I extend my deepest gratitude to our valued customers, shareholders, partners, and dedicated team members for their unwavering trust and support.

Since its inception, Prince Bank has been built on the pillars of innovation, customer-centricity, and financial inclusion. In an era where technology is redefining the banking landscape, we remain steadfast in our digital-first approach, ensuring that our services are not only modern and efficient but also intuitive, secure, and accessible to all Cambodians. Our investments in cutting-edge banking solutions have enhanced the way our customers interact with us, reinforcing our commitment to seamless and personalized financial services.

However, digital transformation alone is not our destination. At Prince Bank, we believe in balancing technological advancement with human connection, ensuring that our customers receive world-class digital banking while still experiencing the warmth and personal attention of traditional banking. This dual focus enables us to provide a comprehensive banking experience tailored to the evolving financial needs of individuals and businesses alike.

Looking ahead, we are committed to solidifying our position as the 'Cambodian Bank of Choice'—a trusted partner that drives financial empowerment, economic growth, and community prosperity. Our core values of transparency, fairness, and operational excellence remain at the heart of our mission, guiding us as we set new benchmarks in Cambodia's banking sector.

Beyond financial success, we recognize our responsibility to the communities we serve. Through sustainability initiatives, corporate social responsibility (CSR) programs, and strategic partnerships, we aim to contribute meaningfully to Cambodia's economic resilience, environmental sustainability, and social development. By fostering financial literacy and inclusion, we are committed to enriching lives and empowering individuals

across the nation.

I would also like to extend my heartfelt appreciation to the National Bank of Cambodia for its unwavering support and visionary leadership in shaping a resilient and progressive financial sector. Its steadfast commitment to regulatory excellence, financial stability, and innovation has been instrumental in fostering an environment where institutions like Prince Bank can thrive and contribute meaningfully to Cambodia's economic development. We are grateful for its guidance, which empowers us to continuously elevate our standards and serve our customers with the highest level of trust and integrity.

As we embark on the next chapter of our journey, let me reaffirm Prince Bank's dedication to innovation, customer satisfaction, and sustainable growth. With a dynamic team, a strong vision, and a passion for progress, we are poised to continue delivering exceptional financial solutions to shape a brighter future for our valued stakeholders including our customers.

Thank you for your trust and partnership. Together, we will build a stronger, smarter, and more inclusive banking future.



# THE CEO'S MESSAGE

## MR. LOOI KOK SOON

*Non-Independent Executive Director / Chief Executive Officer*



Dear Esteemed Shareholders, Customers, Partners, and our stakeholder It is with profound honor and a deep sense of responsibility that I address you as the newly appointed Chief Executive Officer of Prince Bank Plc. Since taking on this role on December 17, 2024, I have been truly inspired by the unwavering dedication, innovative spirit, and commitment that characterize our institution. I am both eager and determined to lead Prince Bank into a transformative chapter of growth, operational excellence, and financial empowerment.

As I reflect on the past year, I take immense pride in presenting our annual progress. In the face of global economic challenges, we have exemplified resilience, adaptability, and an unwavering commitment to excellence in banking. Our dedicated focus on innovation, exceptional customer service, and sustainable growth has reinforced our position as a leading financial institution in Cambodia, ensuring robust financial performance and securing our role as a long-term market leader.

The past year has indeed marked a pivotal moment in Prince Bank's history, characterized by impressive financial achievements, strategic expansion, and a steadfast commitment to innovation. Our dedication to customer-centric solutions, digital transformation, and sustainable banking practices has solidified our reputation as a premier financial institution in Cambodia. We take great pride in our ability to deliver world-class banking services to individuals, small and medium enterprises (SMEs), as well as large corporations.

Looking ahead, our vision remains resolute: to redefine the banking experience in Cambodia through technology, innovation, and a

customer-first approach. The financial landscape is evolving rapidly, and we are uniquely positioned to stay ahead of the curve by embracing digital banking, enhancing financial inclusivity, and nurturing enduring relationships with our valued clients and stakeholders.

Moreover, we recognize that our mission extends beyond business growth. Corporate social responsibility (CSR) is fundamentally integrated into our ethos. We are committed to the economic and social development of Cambodia, actively supporting initiatives in education, healthcare, and sustainability through projects designed to create lasting and meaningful impact. At Prince Bank, we firmly believe that our success should be measured not only by our financial achievements but also by the positive contributions we make within our communities.

I would like to take this opportunity to express my heartfelt gratitude to our esteemed board members, management team, employees, customers, and business partners. Your trust and support have been instrumental to our progress, and together, we can achieve even greater milestones. As we forge ahead, Prince Bank remains steadfast in its commitment to innovation, operational excellence, and financial inclusion, working toward sustainable growth and prosperity for all stakeholders involved.

Thank you for your continued support.



# 02

## Overview

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## ABOUT PRINCE BANK PLC.

### Prince Bank Plc. in 2024: A Year of Growth and Innovation

Since its establishment as Prince Finance Plc. in 2015 and its transition into a fully licensed commercial bank in 2018, granted by the National Bank of Cambodia (NBC), Prince Bank Plc. has continually evolved to meet the growing financial needs of the country. Today, we are at the forefront of the banking industry, utilizing cutting-edge technology and a customer-centric approach to redefine modern banking.

In 2024, Prince Bank Plc. remains committed to becoming Cambodia's premier digital bank. Our strategic investments in digital platforms, AI-driven financial solutions, and seamless omnichannel banking services have enhanced customer experiences, making banking more accessible, secure, and efficient. Additionally, we are expanding our strategic partnerships and international presence, reaffirming our commitment to delivering world-class financial services.

Our rapid expansion is a testament to our dedication to serving communities across Cambodia. As of early 2024, Prince Bank Plc. operates 36 branches nationwide, including 13 in Phnom Penh and 23 in key provinces. We have also installed 84 Cash Deposit Machines and ATMs, featuring Cambodia's first drive-through ATM, further demonstrating our commitment to convenience and innovation.

Guided by a highly experienced management team and visionary leadership, Prince Bank Plc. is not just keeping pace with industry trends; we are setting new benchmarks. As we progress through 2024, we remain focused on driving financial inclusion, enhancing digital banking experiences, and positioning ourselves as a significant player in both the regional and global banking landscape.

Prince Bank Plc. is more than just a financial institution; we are a catalyst for economic growth and digital transformation, ensuring our customers receive the best banking services today and into the future.





## VISION, MISSION, AND CORE VALUES

### OUR VISION

To be the financial institution of choice for our target customers.

### OUR MISSION

To help our customers succeed through professional financial services.



## OUR CORE VALUES



### PASSIONATE

We are passionate for excellence, and passionate about helping our customers succeed.

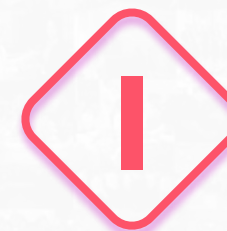
Passion is at the heart of all we do - we are passionate about helping our customers succeed by doing the right things right the first time, every time. We aim for excellence, always moving forward, innovating, and improving. At the same time, we value, promote, and fiercely protect the Prince Bank brand and reputation.



### RESULTS-ORIENTED

We do what we do with the end in mind, with a strong sense of urgency and a steady focus on completing what we start.

Our customers trust us to deliver solutions that make their lives better and we take that responsibility seriously. We do what we do with the end in mind, with a strong sense of urgency and a steady focus on getting what needs to be done, done. We expect and overcome challenges and persist in the pursuit of our goals as one team.



### INNOVATIVE

We value a culture of innovation where we experiment with fresh solutions in a safe and collaborative environment.

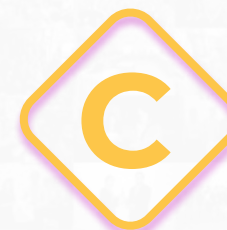
We never want to be complacent and accept the status quo just because that is the way things have always been done. We seek adventure and the freedom to be creative in our solutions. We value a culture of innovation where people experiment with fresh solutions in a safe and highly collaborative environment. At the same time, we are disciplined when experimenting and hold each other accountable for outcomes.



### NOBLE

We are honest, transparent, and committed to doing what is best for our customers and the bank.

We are honest, transparent, and committed to doing what is best for our customers and the bank. We conduct ourselves with integrity in all we do and our reputation as individuals and as a company is paramount. Our word is our bond - we say what we mean, and we do what we say. We have no tolerance for politics, hidden agendas, or self-serving behaviors.



### COLLABORATIVE

We build strong and lasting ties with colleagues, partners, and customers to jointly drive success.

Prince Bank is made up of exceptional people, but it is only through teamwork that we achieve greatness. We connect with and build strong and lasting ties with colleagues, partners, and customers to drive success. To do this, we build trust and discover shared goals and common ground with our collaborators.



### ENTREPRENEURIAL

We see beyond our current situation and resources and have the courage to make tough "yes or no" decisions.

We are bold and daring, but not reckless. We are not afraid to take risks and to make mistakes. We have the vision to see beyond the current situation and limited resources to appreciate the potential of a new venture. We have 'Edge' - the courage to make tough "yes or no" decisions even without all the information. And very importantly, we have the fortitude to finish what we start.



## 2024 BUSINESS HIGHLIGHTS

Prince Bank continued to expand and diversify its innovative financial offerings to serve a wide range of customer segments—ranging from small and medium enterprises (SMEs) to individual and high-net-worth clients. By delivering tailored financial solutions and fostering innovation, the Bank enhanced convenience, confidence, and financial prudence for all customers amid a rapidly evolving and competitive economic landscape.

Business Financial Services focused on delivering integrated solutions through lending, deposits, and trade finance facilities to support the growth of SMEs and corporate clients across both local and international markets. Key products such as term loans, overdrafts, trade finance, and merchant platforms were strategically bundled to provide comprehensive support tailored to each client's operational needs. To further promote inclusive financing, Prince Bank partnered with the Credit Guarantee Corporation of Cambodia (CGCC), offering collateral-free loans especially to women-led enterprises, ensuring broader access to capital and sustainable business growth.

In parallel, Retail Financial Services continued to evolve with customer-centric loan offerings—including housing loans through individual customer and partnership with residential developers, auto loans, personal loans, and salary loans—alongside enriched innovative saving products, Clever Savings Builder, High-Yield Deposit Campaign, Bancassurance (save & protection), card promotion and digital banking enhancements. Campaigns were launched throughout the year to increase product adoption, while lifestyle-driven promotions and digital convenience elevated customer experience and engagement.

On the premium side, Prince Bank strengthened its Priority Financial Services, offering a blend of exclusive banking, lifestyle privileges, and financial protection. Through dedicated Priority Banking Lounges, clients received personalized relationship management and access to curated events focused on health, financial planning, and family well-being. Complementing this was the launch of Wealth Double Fortune Services, an elite offering that combined attractive interest returns with free medical insurance coverage of up to USD 1.32 million, promoting financial growth and protection for the Bank's affluent clientele.

Through these integrated service lines, Prince Bank reaffirmed its commitment to being a trusted financial partner across every stage of a customer's journey, empowering individuals and businesses alike to achieve their goals with confidence and resilience.

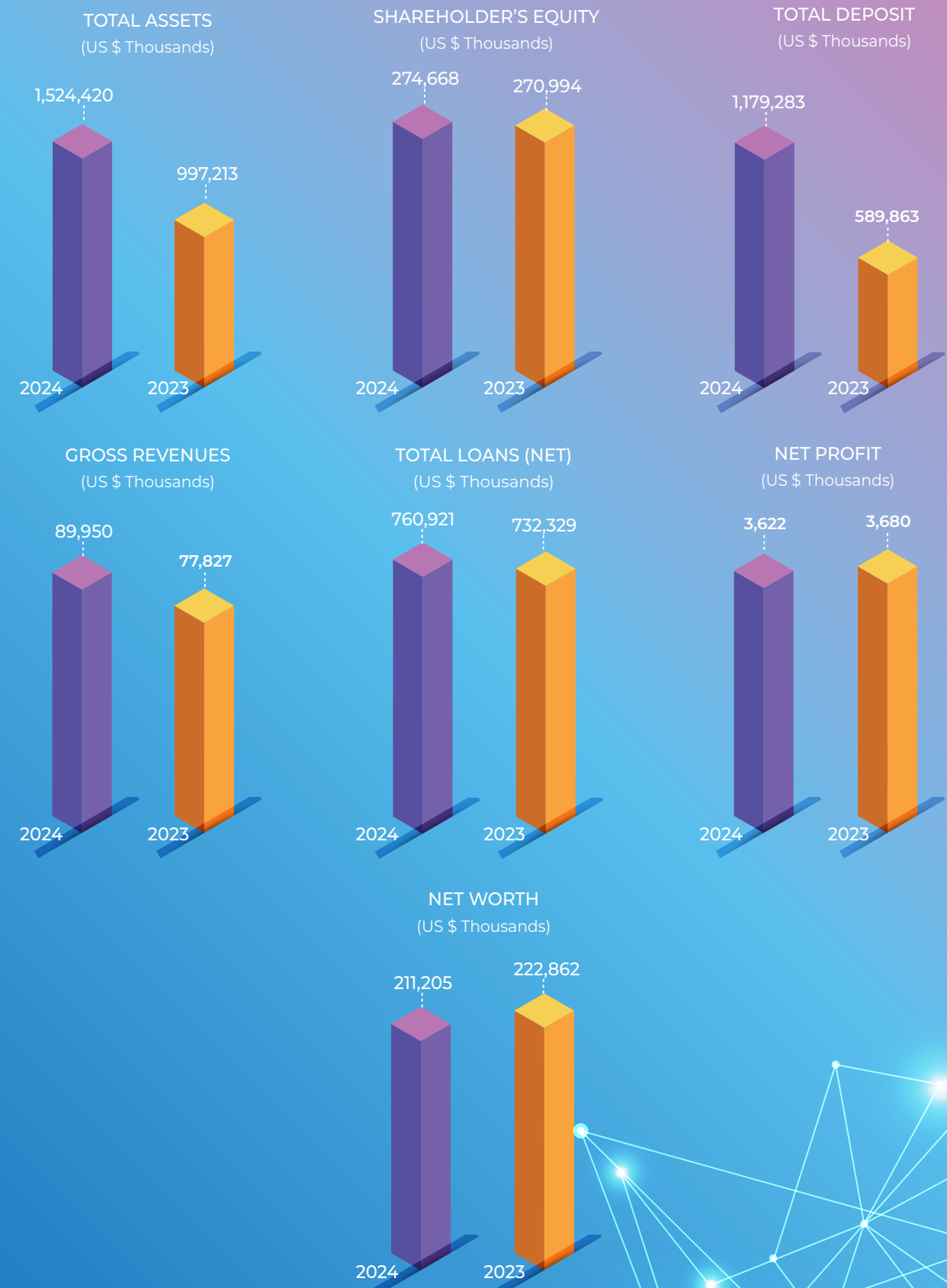
## KEY FINANCIAL HIGHLIGHTS

YEAR END 31<sup>ST</sup> DECEMBER

KEY PERFORMANCE INDICATORS (%)

|                                      | 2024    | 2023    |
|--------------------------------------|---------|---------|
| Return on Shareholders' Equity (ROE) | 1.32%   | 1.36%   |
| Return on Assets (ROA)               | 0.24%   | 0.37%   |
| Solvency Ratio                       | 22.11%  | 26.85%  |
| Liquidity Coverage Ratio (LCR)       | 244.14% | 160.91% |

## SIMPLIFIED FINANCIAL RESULTS





## MILESTONES

2015

Prince Finance Plc. was established as a microfinance institution.

2016

- 3 operational branches in Phnom Penh
- 109 staff employed
- USD 13.70 million in Total Assets
- 356 loan customers served

2017

- 5 operational branches in Phnom Penh, Siem Reap, and Battambang
- 168 staff employed
- USD 26.93 million in Total Assets
- 688 loan customers served

2018

- 9 operational branches in Phnom Penh, Siem Reap, Battambang, Preah Sihanouk, and Kampong Cham
- 661 staff employed
- USD 170.70 million in Total Assets
- 1,711 loan customers served
- License granted in July, to carry out operations as a commercial bank
- Oracle Flexcube core banking system investment
- 2,263 customer base

2019

- 28 operational branches across 20 other provinces, including Phnom Penh.
- 1,004 staff employed
- 2,848 loan customers served
- Digital Banking launched
- Completed integration with FAST and Bakong
- Launched HRIS (web browser)
- Launched E-form (web browser)

2020

- 31 operational branches across 21 other provinces, including Phnom Penh.
- 1,011 Staff employed
- 4,062 loan customers served
- Launched Priority Banking Lounges
- Launched Visa & Mastercard
- Completed integration with CSS and Retail Pay
- Become a direct member of National Clearing House
- Launched Overseas Transfer via Kasikorn Bank (Currency USD, EUR & THB)
- Launched PRINCE Pay (QR scanning)





# 2021

- 32 operational branches across 21 other provinces, including Phnom Penh.
- 1,038 staff employed
- 5,130 loan customers served
- 3 operational Priority Banking Lounges
- Launched Special Number Account
- Launched PRINCE eAccount
- Launched special function E-Red Pocket
- Launched Virtual Mastercard and Visa card Creation Function
- Launched Instant Mastercard and Visa card
- Launched Overseas Funds Transfer via SWIFT on Mobile Banking app (PRINCE Mobile app)
- Launched KHQR payment
- Launched Loan Management system
- Launched Trade Finance
- Launched PRINCE MobileBiz app
- Launched PRINCE Merchant app
- Launched the First Drive Thru ATM in Cambodia
- Update and enhance on the new functions on E-Learning, HRIS, and HR In The Pocket
- 24 billers available on Mobile Banking app (PRINCE Mobile app)
- 11,742 active PRINCE Pay merchants outlets

- 33 operational branches across 21 other provinces, including Phnom Penh.
- 1,075 staff employed
- 6,770 loan customers served
- 4 operational Priority Banking Lounges
- 22,136 merchant outlets are activated with our PRINCE Pay (QR scanning)
- 24 billers are available in PRINCE Mobile app
- Bancassurance with AIA (Cambodia) Life Insurance Plc.
- UPI Payment Card (Issuing) launched
- RIA International Remittance Services launched
- MTA International Remittance Services launched
- Partnership renewal with Major Cineplex
- Term Deposit Upfront launched
- Unsecured Personal Loan launched
- Personal KHQR launched, enable to receive money from other Bakong members.
- Mobile Payment for Public Services (Ministry of Public Work and Transport)
- Mobile Payment for Your Insurance (AIA, CB Insurance, and People & Partners)

# 2022



# 2023

- 36 operational branches across 21 other provinces, including Phnom Penh.
- 1,015 staff employed
- 8,365 loan customers served
- 4 operational Priority Banking Lounges
- 26,246 merchant outlets are activated with our PRINCE Pay (QR scanning)
- 27 billers are available in PRINCE Mobile app
- Clever Savings Account Launched
- Auto Loan Launched
- Launched new features on PRINCE Mobile App
  - Create a UPI Virtual Card
  - Create a Virtual Card without a physical card
  - Link accounts
  - Change card limits
  - E-statement
  - Make top-up payment for PPSHV
  - EDC payment enhancement

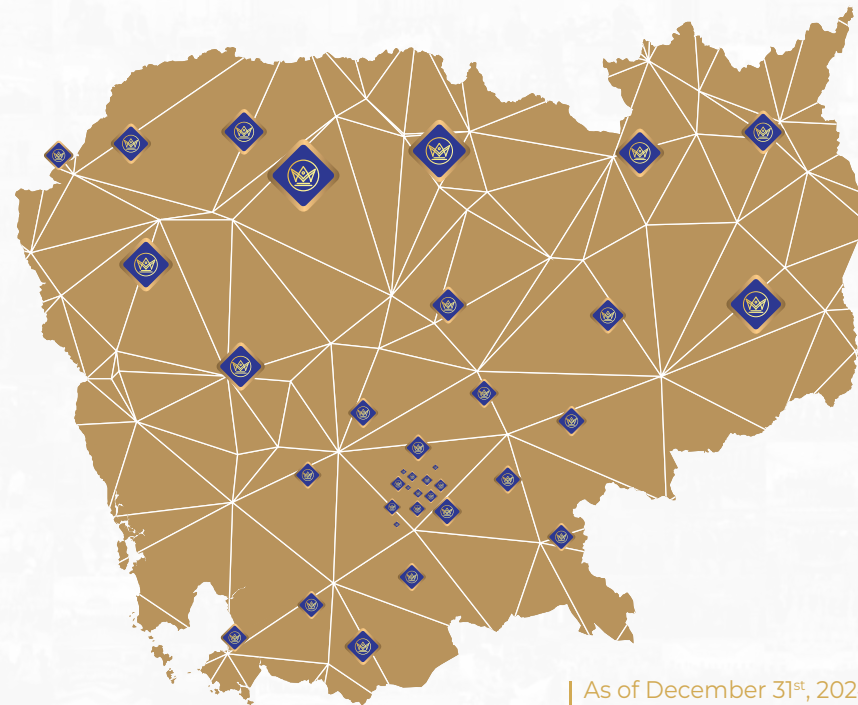
# 2024



- 36 operational branches across 23 other provinces, including Phnom Penh.
- 1,009 staff employed
- 118,370 total active customers
- 8,866 loans customer served
- 93 ATMs deployed (47 ATMs Branch & 46 Offsite ATMs)
- 2 VTMs deployed (Olympia branch & Boeung Proluet branch)
- 6,590 (only CSS BIN 9) Prince ATM cards (CSS)
- 14,403 debit cards (Visa, Master & UPI)
- 2,420 credit cards (Visa, Master, & UPL)
- 113,556 users have used our PRINCE Mobile App.
- 410 users have used our PRINCE MobileBiz App.
- 1,323 users have used our PRINCE Merchant App.
- 49,224 merchant outlets have been activated.
- 35 billers
- Wealth Double Fortune Account
- Clever Savings Builder Account
- Bancassurance Partnership with Forte Insurance (Cambodia)
- Complaint Logs via e-Form allow the internal support team to raise complaints or issues raised by Customers and assign them to related PIC team/person
- Dispute Logs via e-Form used by Contact Center to raise dispute cases (financial related issues) and assign to related teams/channels to process checking and solve dispute cases including Digital, ATM|CDM, CSS, OTC Transfer....)



## BRANCH NETWORK



As of December 31<sup>st</sup>, 2024, Prince Bank Plc.  
had 36 operational branches.

### 01 Prince Bank Plc. Head office

Building N°445, 1<sup>st</sup>, 15<sup>th</sup> & 18<sup>th</sup> Floor, Monivong Blvd.  
street 232, Sangkat Boeng Proluet, Khan Prampir  
Meakkakra, Phnom Penh.

### 02 Prince Bank Plc. Khan Chrouy Changvar - Sangkat Preaek Lieb Branch

N° 8 & 10, National Road N° 6A, Phum Khtor Village,  
Sangkat Preaek Lieb, Khan Chrouy Changvar,  
Phnom Penh.

### 03 Prince Bank Plc. Khan Prampir Meakkakra - Sangkat Veal Vong Branch

Building The Olympia City, N° S2-01, Preah Monireth  
Blvd N° 217 & Tep Phan Street N° 182, Sangkat Veal  
Vong, Khan Prampir Meakkakra, Phnom Penh.

### 04 Prince Bank Plc. Khan Chamkar Mon - Sangkat Tonle Basak Branch

Bloc A-1, Slot N° 71, Preah Norodom Blvd, Sangkat  
Tonle Basak, Khan Chamkar Mon, Phnom Penh.

### 05 Prince Bank Plc. Khan Chbar Ampov - Sangkat Nirouth Branch

Building N° 218-218A, National Road N° 1, Phum  
Ruessei Sras, Sangkat Nirouth, Khan Chbar Ampov,  
Phnom Penh.

### 06 Prince Bank Plc. Khan Chamkar Mon - Sangkat Phar Daeum Thkov Branch

N° 363, Street N° 271, Phum 3, Sangkat Phsar Daeum  
Thkov, Khan Chamkar Mon, Phnom Penh.

### 07 Prince Bank Plc. Khan Boeng Keng Kang - Sangkat Tuol Svay Prey Ti Muoy Branch

N° 175 A B C & D, Mao Tse Toung Blvd, Phum 5,  
Sangkat Tuol Svay Prey Ti Muoy, Khan Boeng Keng  
Kang, Phnom Penh.

### 08 Prince Bank Plc. Khan Mean Chey - Sangkat Stueng Mean Chey 2 Branch

Lot N° 2950 & 2951 and N° 32A & 33A, Preah Monireth  
Blvd., Phum Damnak Thum Mouy, Sangkat Stueng  
Mean Chey 2, Khan Mean Chey, Phnom Penh.

### 09 Prince Bank Plc. Khan Russey Keo - Sangkat Tuol Sangkae 2 Branch

# 211 E0, Street 598, Sangkat Tuol Sangkae 2, Khan  
Russey keo, Phnom Penh.

### 10 Prince Bank Plc. Khan Pur Senchey - Sangkat Chaom Chau 3 Branch

# 2111, National Road 4, Phum Prey Pring Khang  
Cheung 1, Sangkat Chaom Chau 3, Khan Pur  
Senchey, Phnom Penh.

### 11 Prince Bank Plc. Khan Toul Kouk - Sangkat Boeng Kak Ti Muoy Branch

TK Star International Building, Ground Floor, Street  
N° 516, Sangkat Boeng Kak Ti Mouy, Khan Tuol Kouk,  
Phnom Penh.

### 12 Prince Bank Plc. Ta Khmau - Sangkat Ta Khmao Branch

N° 38E0, National Road N° 21, Phum Thmei, Sangkat  
Ta Khmao, Krong Ta Khmau, Kandal Province.

### 13 Prince Bank Plc. Battambang Provincial Branch

Lot N° AI 2469, Phum Prek Moha Tep, Sangkat Svay  
Por, Krong Battambang, Battambang Province.

### 14 Prince Bank Plc. Siemreap Provincial Branch

Phum Sala Kanseng, Sangkat Svay Dankum, Krong  
Siem Reap, Siemreap Province.

### 15 Prince Bank Plc. Kampong Cham Provincial Branch

Lot N° 62, Phum Ti Buon, Sangkat Veal Vong, Krong  
Kampong Cham, Kampong Cham Province.

### 16 Prince Bank Plc. Preah Sihanouk Provincial Branch

Lot N° 233, Phum Mouy, Sangkat Pir, Krong Preah  
Sihanouk, Preah Sihanouk Province.

### 17 Prince Bank Plc. Prey Veng Provincial Branch

Lot N° 237, Phum Lekh Prampir, Sangkat Kampong  
Leav, Krong Prey Veng, Prey Veng Province.

### 18 Prince Bank Plc. Svay Rieng Provincial Branch

Lot N° Sor.Vor 009318 (All 0266), Phum Suon Thmei,  
Sangkat Prey Chhlak, Krong Svay Rieng, Svay Rieng  
Province.

### 19 Prince Bank Plc. Kratie Provincial Branch

Lot N° AXII 0763, Phum Doun Chroam, Sangkat  
Kracheh, Krong Kracheh, Kratie Province.

### 20 Prince Bank Plc. - Ratanak Kiri Provincial Branch

Lot N° 1053, Phum Chey Chumnas, Sangkat  
Labansiek, Krong Ban Lung, Ratanak Kiri Province.



**21** Prince Bank Plc. - Kampong Speu Provincial Branch  
Lot N° 884, Phum Peanicheakkam, Sangkat Rokar Thum, Krong Chbar Mon, Kampong Speu Province.

**22** Prince Bank Plc. - Takeo Provincial Branch  
Lot N° 792, Phum Louri, Sangkat Roka Knong, Krong Doun Kaev, Takeo Province.

**23** Prince Bank Plc. - Preah Vihear Provincial Branch  
Phum Andoung Pou, Sangkat Kampong Pranak, Krong Preah Vihear, Preah Vihear Province.

**24** Prince Bank Plc. - Kampong Chhnang Provincial Branch  
Lot N° TII 0916, Phum La Tuek Trei, Sangkat Kampong Chhnang, Krong Kampong Chhnang, Kampong Chhnage Province.

**25** Prince Bank Plc. - Kampong Thom Provincial Branch  
Lot N° 1200, Phum Kampong Thum, Sangkat Kampong Roteh, Krong Stueng Saen, Kampong Thom Province.

**26** Prince Bank Plc. - Krong Paoy Paet - Sangkat Paoy Paet Branch  
Phum Baliley 1, Sangkat Paoy Paet, Krong Paoy Paet, Banteay Meanchey Province.

**27** Prince Bank Plc. - Tboung Khmum Provincial Branch  
Lot N° 0819, National Road N° 7, Phum Cheung Lang, Sangkat Suong, Krong Suong, Tboung Khmum Province.

**28** Prince Bank Plc. - Pursat Provincial Branch  
Lot N° 0532, National Road N° 5, Phum Sthani, Sangkat Svay At, Krong Pursat, Pursat Province.

**29** Prince Bank Plc. - Stung Treng Provincial Branch  
Lot N° 45, Road N° 63, Phum Preaek, Sangkat Stueng Traeng, Krong Stueng Traeng, Stung Treng Province.

**30** Prince Bank Plc. - Banteay Meanchey Provincial Branch  
Lot N° AIII 1188, National Road N° 6A, Phum Muoy, Sangkat Preah Ponlea, Krong Serei Saophoan, Banteay Meanchey Province.

**31** Prince Bank Plc. - Kampot Provincial Branch  
Lot N° AI 0687, Soun Chbar Krong Street, Phum Muoy Ousaphea, Sangkat Kampong Kandal, Krong Kampot, Kampot Province.

**32** Prince Bank Plc. - Mondul Kiri Provincial Branch  
Lot N° 618, Phum Kandal, Sangkat Spean Mean Chey, Krong Saen Monourom, Mondul Kiri Province.

**33** Prince Bank Plc. - Krong Siem Reap - Sangkat Svay Dankum Branch  
Lot N° 1526, Sivutha Blvd, Phum Vihear Chen, Sangkat Svay Dankum, Krong Siem Reap, Siemreap Province.

**34** Prince Bank Plc. Khan Saensokh -Sangkat Tuek Thla Branch  
Prince International Plaza, Building N° 616, Russian Federation Blvd, Sangkat Tuek Thla, Khan Saensokh, Phnom Penh.

**35** Prince Bank Plc. Chhuk District - Chhuk Commune Branch  
Lot N° 2771 & 2830, Chheu Teal Village, Chhuk Commune, Chhuk District, Kampot Province

**36** Prince Bank Plc. Khan Praek Pnov - Sangkat Samraong Branch  
Lot N° 898 & 899, Phum Samraong Kandal, Sangkat Samraong, Khan Praek Pnov, Phnom Penh.

## ATM NETWORK

As of December 31<sup>st</sup>, 2024, Prince Bank Plc. had 84 ATM locations.

### Phnom Penh Network

- |                                   |                              |
|-----------------------------------|------------------------------|
| 01 CHBAR AMPOV BRANCH             | 15 BABY WORLD ST 598         |
| 02 TAKHMAO BRANCH                 | 16 WELCARE PLUS IFL          |
| 03 STEUNG MEANCHEY BRANCH         | 17 KOH PICH                  |
| 04 PHSAR DEUM THKOV 271 ST BRANCH | 18 GONG CHA BKK              |
| 05 CHOM CHAU BRANCH               | 19 PHNOM PENH PARKING CENTER |
| 06 OLYMPIA BRANCH                 | 20 SKY TREE RESIDENCE        |
| 07 BEOUNG KANG KONG BRANCH        | 21 CAMBODIA POST (EMS)       |
| 08 PRINCE PLAZZA BRANCH           | 22 CHROY CHANGVA 6A PARK     |
| 09 CHROY CHANGVA BRANCH           | 23 PTT GAS STATION 6A        |
| 10 TOUL SANGKE BRANCH             | 24 MC PARK SMC               |
| 11 HEAD OFFICE BRANCH             | 25 PTT ST 2004               |
| 12 TOUL KORK BRANCH               | 26 7 ELEVEN PHSAR KANDAL     |
| 13 TEUK THLA BRANCH               | 27 NORODOM PRIMARY SCHOOL    |
| 14 PREAK PHNOV BRANCH (SAMRONG)   | 28 BVM STATION PREK ANHANH   |



- |                                      |                              |
|--------------------------------------|------------------------------|
| 29 TOUL TUMPONG MARKET               | 37 KROUR SA MALL CHHOUK MEAS |
| 30 CALTEX STATION TAKHMAO            | 38 PRINCE MANOR              |
| 31 PENG HUOT EURO PARK               | 39 CITY TOWER                |
| 32 PTT GRAND PHNOM PENH              | 40 AEON 3 MEANCHEY           |
| 33 RULE UNIVERSITY                   | 41 AEON 2 SEN SOK            |
| 34 PENG HOUT THE STAR PREMIER St.598 | 42 AEON 1 PHNOM PENH         |
| 35 AMAZON DRIVE THRU                 | 43 MAJOR CINEPLX AEON 1      |
| 36 PTT TEP PHAN                      | 44 MAJOR CINEPLX AEON 2      |

#### PROVINCIAL NETWORK

- |                               |                            |
|-------------------------------|----------------------------|
| 45 KAMPONG SPEU BRANCH        | 58 KAMPONG THOM BRANCH     |
| 46 TAKEO BRANCH               | 59 PREAH VIHEAR BRANCH     |
| 47 KAMPOT BRANCH              | 60 BANTEAY MEANCHEY BRANCH |
| 48 RIVER MART KOMPOT          | 61 PAOY PAET BRANCH        |
| 49 CHHUK                      | 62 KRATIE BRANCH           |
| 50 CCJ BAVIT SVAY RIENG ATM 1 | 63 STUNG TRENG BRANCH      |
| 51 CCJ BAVIT SVAY RIENG ATM 2 | 64 RATANAK KIRI BRANCH     |
| 52 KAMPONG CHHNANG BRANCH     | 65 MONDUL KIRI BRANCH      |
| 53 PURSAT BRANCH              | 66 KAMPONG CHAM BRANCH     |
| 54 POST OFFICE PURSAT         | 67 TBOUNG KHMUM BRANCH     |
| 55 BATANGBONG BRANCH          | 68 SVAY RAING BRANCH       |
| 56 CLASSY HOTEL BTB           | 69 PREY VENG BRANCH        |
| 57 CALTEX STATION BTB         | 70 SIEM REAP 1 BRANCH      |

- |                           |                                 |
|---------------------------|---------------------------------|
| 71 BABY OUTLET SIVUTHA SR | 78 PREAH SIHANOUK VILLE BRANCH  |
| 72 U-CARE OLD MATKET SR   | 79 PRINCE MALL SHV              |
| 73 MARVELINN SR           | 80 JIN BEI CASINO & HOTEL SHV   |
| 74 AMBER ANGKOR HOTEL SR  | 81 JIN BEI PALACE HOTEL SHV     |
| 75 ANGKOR HOLIDAY HOTEL   | 82 JIN BEI ENTERTAINMENT CENTER |
| 76 MEI LI SHOP SR         | 83 WHITE SAND HOTEL SHV         |
| 77 SIEM REAP 2 BRANCH     | 84 PRINCE TREASURE ISLAND       |

## BUSINESS FINANCIAL SERVICES

Business Financial Services is one the key business segments whose functions are to ensure our SMEs, Corporate, and Institutional Customers always find the best financial solution to their business endeavors at Prince Bank. We keep up with the market trend and always enhance and innovate our best-in class products and services, including lending, deposits, trade finance, and merchant platform together with the focus on technology-based innovation for every financial solution we develop.

We always believe our customers will bolster their business growth through the deployment of our bundled financial-solutions, and the support from our top-notch and experienced relationship team. We and our strategic partner, Credit Guarantee Corporation of Cambodia (CGCC), enable collateral-free lending to SMEs, especially women-led enterprises, fostering sustainable growth in addition to various business campaigns and programs to support its customers.



## BUSINESS LOAN CAMPAIGN PROGRAM 2024



### 1. Portfolio Guarantee Scheme Program (PGS5-WE)

Prince Bank kept continuing to support SMEs, especially, women owned enterprise by providing the Business Term Loan without collateral up to \$100,000 (One hundred thousand united states dollars) to support and sustain their businesses. We made it simple and convenient to access to it with the collaboration with CGCC in guaranteeing their loan.

### 2. Portfolio Guarantee Scheme for Rice Millers/Exporters (PGS4-Rice Sector)

To support our Royal Government's plan to export One Million Metric Tons of rice, Prince Bank, in May 2024, participated in CGCC program to offer financial support to Cambodia Rice Millers/Rice Exporter in offering working capital loans without collateral with a loan limit up to \$3 Million for each customer. It was a successful program with the full amount of \$6 Million fully lent out.

### 3. Clever Merchant Account

The Clever Merchant Account is designed to support small and medium-sized businesses by providing not only an easy way to manage finances, but also key benefits such as personal accident insurance coverage of up to USD 25,000, medical insurance for accidents up to USD 2,500 per case, and the option to apply for a business overdraft loan of up to USD 5,000 without collateral, as long as meeting the required criteria—offering businesses the safety, flexibility, and support they need to grow with confidence.



## Retail Products and Services

We provide a wide range of products and services tailored to meet the needs of retail consumers. Our offerings include loans, deposits, cards, bancassurance, remittances, and more. To enhance customer experience and deliver optimal solutions, we continuously develop and improve our products and services across digital and non-digital platforms and payment. These efforts have supported the Bank's broader strategies to deepen customer engagement, strengthen market presence, and promote financial inclusion across Cambodia.

### Retail Loan

We remained focused on meeting the financial needs of our retail customers by strengthening our core retail loan products and executing targeted strategies to drive deeper retail customer engagement, improved service experience, and sustainable portfolio growth.

In 2024, Prince Bank strengthened its retail lending portfolio through focused strategic partnerships, value-added programs, and tailored financial solutions:

- End-Financing: Expanded strategic alliances with key residential developers, offering competitive home loan packages with attractive rates and flexible terms.
- Auto Loan: Partnered with leading car distributor AiQAR to offer exclusive car financing packages with favorable repayment terms.
- Employee Banking Program: Enhanced our Prince Payroll offering with custom loan packages designed to improve financial convenience for salary-based clients.

Through these ongoing efforts, we remain committed to delivering innovative financial solutions that empower our customers at every stage of their journey, making their aspirations more attainable and their financial future more secure.

### Retail Deposit:

In 2024, Prince Bank achieved significant milestones in its deposit products and campaigns, reinforcing our commitment to providing competitive savings solutions and enhancing customer experience. Through strategic product launches and promotional campaigns, we successfully attracted new deposits and strengthened our position in the market.

- Launch of Clever Savings Builder (June 2024): An innovative savings product encouraging long-term savings, bundled with Personal Accident Insurance for added personal security.
- Term Deposit Upfront Campaign: Introduced an attractive Term Deposit with competitive interest rate receiving upfront.
- Bundled KHR Deposit Campaign: Combined Term Deposit accounts with Clever Savings and insurance with added health or accident coverage.
- Cross-Border Remittance Campaigns: Rolled out Ria and MoneyGram services via PRINCE Mobile and branch network, promoting affordable international money transfer services

### Conclusion

In 2024, Prince Bank successfully launched multiple deposit and remittance initiatives, reinforcing our commitment to customer-centric banking solutions. By offering attractive interest rates, bundled savings products, and cost-effective remittance services, we strengthened our market presence and enhanced customer satisfaction. Moving forward, we will continue to innovate and provide value-driven financial products to support our customers' financial well-being.



## Bancassurance Business

In 2024, Prince Bank strengthened its Bancassurance business through strategic partnerships, innovative insurance solutions, and enhanced customer engagement.

### Key Highlights:

- **Product Integration:** Bundled Personal Accident Insurance with deposit products such as Clever Savings Builder.
- **Segment-Focused Solutions:** Launched tailored insurance offerings for high-net-worth individuals and SME owners.
- **Operational Enhancements:** Improved claims handling processes and introduced financial literacy campaigns to build awareness and trust.

### Conclusion

Product innovation, strategic partnerships, and a customer-first approach drove Prince Bank's Bancassurance growth in 2024. Moving forward, we will continue to expand and enhance our offerings to provide seamless financial protection solutions.

## Card Promotion

In 2024, Prince Bank continued to enhance its card product ecosystem and lifestyle offerings, with a focus on rewarding customer spending behavior and driving digital payment adoption.

- **Cashback Partnership with Caltex:** Delivered one of the year's most successful card campaigns by offering cashback discounts on fuel purchases at Caltex petrol stations nationwide up to 25%. This promotion boosted card usage in essential daily spending categories.
- **Ongoing Collaboration with Major Cineplex:** Maintained our strategic entertainment partnership with Major Cineplex, offering exclusive ticket discounts and promotions for cardholders up to 60%, particularly popular among young and urban customers.



## PRIORITY FINANCIAL SERVICES

In 2024, Prince Bank organized an impressive range of events for its Priority Banking Customers at Priority Banking Lounges and other venues such as hotels and restaurants. These events featured diverse topics presented by expert speakers, including General Health Talks, Heart Disease Awareness, Dental Care, Stress Management, Make-Up Training, and Kid Competitions.

At Prince Bank, we offered more than just banking services—we designed experiences to help our customers succeed in every aspect of their lives.

## WEALTH DOUBLE FORTUNE SERVICES

In 2024, we introduced a brand-new top-tier savings product and exclusive service for Priority Banking Customers. This offering not only provided competitive interest rates but also included free medical insurance coverage of up to USD 1.32 million.

This initiative encouraged sound financial habits while providing protection in the event of unforeseen circumstances. We also aimed to promote financial literacy and effective cash management among Cambodians.



# HUMAN RESOURCES ASPECTS IN 2024

## HUMAN CAPITAL MANAGEMENT

### TALENT ACQUISITION

- “We conducted 7 On-the-Spot Hiring events.”
- “We launched an Internal Job Posting Program (IJP).”
- “A total of 18 employees were offered new positions.”
- “We strengthened and successfully implemented key initiatives.”
- “We held an awards ceremony.”
- “We aligned compensation and benefits.”
- “We developed a recognition culture to reward outstanding employee contributions.”

In 2024, Prince Bank focused on enhancing talent acquisition and mobility by conducting seven On-the-Spot Hiring events, attracting more than 800 applicants and leading to 135 new hires. We also launched an Internal Job Posting Program (IJP), through which 18 employees were promoted to new roles.

Throughout the year, we strengthened various human capital initiatives, including employee recognition, rewards and remuneration schemes, and performance appraisal frameworks. This ensured that the bank's compensation system was aligned with business objectives and motivated excellence.

## PRINCE BANK AS EMPLOYER OF CHOICE

### Awards

- Being the First Employer of Choice remains as our top priority. Through our strong leadership's initiatives and strategies, Prince Bank has consistently been recognized with the prestigious “Cambodia Best Employer Brand Award” and “Global Best Employer Brand Award” in 2024.



### Social Channel - Telegram

- Our [Career@PrinceBank](#) telegram channel has achieved a subscriber count of 8,600, surpassing our initial target of 6,000 by the end of December 2024. This social channel ([Career@PrinceBank telegram](#)) has effectively engaged young, talented individuals. In return, we have received 1,712 applications to populate our candidates' pipeline and have reserved additional pools for potential replacement roles.

## PRINCE BANK AS EMPLOYER OF CHOICE

To support a culture of performance management with a focus on results for greater efficiency, we have closely monitored the implementation and improvement of annual KPI setting, employee progress monitoring, and annual KPI appraisal. In 2024, Prince Bank strengthened and successfully implemented key initiatives in our performance management process, which include:

- **Set SMART KPIs:** KPI setting is conducted using the SMART approach, ensuring that all employees establish the right KPIs that deliver results not only for the individual but also for the bank's overall business objectives. To support employees in setting KPIs using the SMART framework, we have provided training and sharing to all line managers, helping them understand the rationale and methodology. This effort is further supported by our center of excellence department, in collaboration with Human Resources Business Partners (HRBPs).
- **Conduct Mid-Year Performance Reviews:** To support line managers in conducting mid-year performance reviews effectively and accurately, we have provided a refresher course and shared techniques for delivering constructive feedback and conducting reviews with employees. This initiative was supported by the relevant departments within the People and Culture division.
- **Revise the Assessment of Core Competencies:** The assessment of core competencies is an important part of the annual appraisal process and directly affects the overall evaluation results. To enhance the effectiveness of assessing employees' core competencies, we have revised the process by providing additional explanations and separating the information to be assessed in greater detail for each core competency. Additionally, we have revised the scoring system from four levels to five levels.
- **Annual Performance-Based Appraisal:** The annual appraisal is a critical process that we prioritize, offering support to both employees and managers to ensure that the appraisal process proceeds smoothly and transparently. The results of the annual appraisal are based on the performance of each individual, the performance of each branch or division, and the overall results of the bank.
- **Recognition and Bonuses:** In alignment with our performance management approach, which is primarily based on results, we have provided and distributed annual performance bonuses to each division. These bonuses will be distributed to employees based on the results of their annual appraisal.

## COMPENSATIONS AND BENEFITS

- In the past year, our bank has made significant strides in aligning compensation and benefits with performance-driven roles, fostering a culture of accountability and excellence. By implementing a structured performance management system, we have emphasized the importance of measurable outcomes and individual contributions to our overall success. This approach not only incentivizes our employees to strive for their best but also ensures that rewards are directly linked to the achievement of key performance indicators. As a result, we have witnessed enhanced employee engagement and motivation, translating into improved service delivery and customer satisfaction.
- To celebrate the outstanding achievements of our team, we held an awards ceremony that recognized individuals and teams who exemplified our core values and exceeded performance benchmarks. This event not only honored excellence but also reflects our commitment to recognizing and rewarding high performers within the bank.



## HR Business Partners

- HR Business Partners (HRBPs) at Prince Bank have undertaken a significant initiative to enhance the organizational culture and align employee mindsets with the bank's vision and core values, by conducting Culture Tour Workshops across all 36 branches and head office. In addition, HRBPs engaged directly with employees to identify and address people-related issues and challenges. Focused on improving key processes improvement within the organization. Moreover, HRBPs have accomplished People Projects include Staff Retention: Initiatives aimed at keeping talented employees within the bank. Staff Mobility: Programs designed to encourage movement and growth within the organization, allowing employees to explore different roles and departments. Employee Engagement Activities: Events and activities that foster better relationships among team members and across the bank. This comprehensive approach not only addresses immediate people issues but also sets a foundation for a stronger organizational culture that supports long-term success.

## Employee Welfare

### 1. International Women's Day Celebration

On March 7, 2024, we celebrated International Women's Day to promote women's empowerment and honor female role models within the bank.



### 2. Online Health Seminar

On March 22 and 29, 2024, we conducted online health seminars for staff, which focused on gastrointestinal health and aimed to improve awareness and reduce potential risks.

### 3. Malaysian Ambassador's Cup

On June 22, 2024, our football team, led by captain Mr. Hour Sophea, participated in the Malaysian Ambassador's Cup and reached the finals, where we lost to NagaWorld.

### 4. AIA Corporate Cup

On December 8, 15, and 22, 2024, our team competed in the AIA Corporate Cup. We won our first two matches and lost the third. The competition promoted health and teamwork across organizations.

### 5. Pink Run Participation

On October 13, 2024, around 30 employees took part in the Pink Run with AIA to promote physical fitness and breast cancer awareness.

### 6. Angkor Wat International Half Marathon

On December 1, 2024, about 40 employees joined the Angkor Wat Half Marathon, reflecting our commitment to health, unity, and community.

### 7. Employee Engagement Program

In 2024, we launched the Employee Engagement Program themed "One Prince. One Team. One Goal." Through interactive sessions, we fostered collaboration and a stronger sense of unity across the organization.





## The Center of Excellence (CoE) - Prince Bank's Center of Excellence is Transforming the Banking Knowledge Landscape in Cambodia through Cultivating Excellence

In 2024, Prince Bank's People and Culture Division achieved a remarkable milestone by transforming its Learning and People Development Department into the Center of Excellence (CoE), redefining what it means to produce leaders and build an organization in the financial services industry by fostering excellence in people, processes, and systems. This strategic evolution of our Learning and People Development represents more than just an organizational change—it symbolizes our unwavering commitment to excellence across every dimension of our operations.

The Center of Excellence (CoE) was conceived with a bold vision: to create a bank where exceptional performance becomes standard practice. This isn't merely about training employees but about fostering a culture where continuous improvement, innovation, and responsible banking practices permeate every level of our organization. By focusing on people development, process optimization, and system enhancement, we've created a sustainable framework for success in an increasingly competitive financial landscape.

**Building Foundations for Success\_** Our journey began with a robust orientation program designed to accelerate onboarding while instilling core values and essential knowledge. Every new employee participated in a comprehensive orientation that leveraged a blended learning approach, seamlessly integrating face-to-face sessions with digital e-learning modules. This dynamic method covered our organizational culture, products, services, and operational framework and capabilities, ensuring team members were not only informed but also engaged and inspired from day one.

**Empowering Leaders and People Excellence\_** Leadership and talent development have been at the heart of our Center of Excellence (CoE) initiatives. Through our LEAP (Leadership Excellence And Performance) Program, we've created a pipeline of talents prepared to guide our organization through changing market conditions. In 2024, we expanded the program across multiple levels with tailored batches. LEAP Level 1 - Personal Effectiveness equipped 253 team leaders with essential management skills. LEAP Level 2.1- First Time Manager developed 128 middle managers. Additionally, LEAP Level 2.2 - Managing Function and Performance trained 64 managers.

**Driving Operational Excellence\_** The Center of Excellence has significantly enhanced our operational performance through a strategic blend of core banking and functional programs. Our comprehensive training spans both core banking initiatives such as lending roles focused on loan product features and credit policy and functional programs, including the Mobile Financial Consultant (MFC) Program, Teller Program, Customer Service Officer (CSO) Program, and Sales Program. This dual approach has empowered employees to excel in their specific roles while aligning with our broader operational goals, enhancing our ability to serve customers effectively and manage risk appropriately.

**Adhering to Responsible Banking\_** We ensure Responsible Lending by strictly adhering to regulatory compliance and requiring all our lending employees to complete the Responsible Lending Certification program. This commitment upholds ethical banking practices that benefit our customers, our institution, and the broader economy.

**Creating a Culture of Engagement\_** Employee engagement isn't a nice to have it's a business imperative. In 2024, Prince Bank's Center of Excellence orchestrated 14 tailored engagement sessions across 22 divisions and 36 branches nationwide. These dynamic, interactive experiences reinforced core values sparked meaningful connections among team members, and ensured every employee was aligned with the bank's strategic goals and purpose.



# DIGITALIZATION PROJECT

## INTRODUCTION: A NEW ERA OF DIGITAL TRANSFORMATION

In the financial year 2024, Prince Bank embarked on a transformative journey to redefine the future of banking by embracing digital innovation at its core. As we navigate an increasingly digital-first world, our commitment to delivering seamless, secure, and personalized banking experiences has never been stronger. This year marked a pivotal chapter in our evolution as we transitioned from traditional banking practices to a fully integrated digital ecosystem. Guided by our vision to be the financial institution of choice for our target customers, we implemented groundbreaking initiatives that not only enhanced operational efficiency but also set new benchmarks for customer satisfaction and engagement.

Our transformation strategy was built on three pillars: innovation, accessibility, and sustainability. By leveraging cutting-edge technologies, fostering collaboration across teams, and prioritizing cost-effective solutions, we have successfully positioned ourselves as a leader in the digital banking landscape. The achievements outlined below reflect our dedication to driving meaningful change and creating lasting value for our customers, employees, and stakeholders.

## LAYING THE FOUNDATION FOR A DIGITAL FUTURE

The first quarter of FY2024 focused on strengthening our digital infrastructure and laying the groundwork for a robust and scalable platform. These foundational efforts were critical in ensuring that we could support advanced features while maintaining the highest standards of security and reliability.

- **EDC Scan Barcode:** Introduced barcode scanning functionality for Electricité Du Cambodge, streamlining payment processes and reducing friction caused by manual entry of customer number.
- **Clever Merchant Account with PA:** Enhanced the Clever Merchant Account product by bundling it with Personal Accident insurance, securing both customers' financial safety and personal well-being.
- **Wealth Double Fortune:** Enhanced our "Wealth Double Fortune" feature, offering exclusive benefits and rewards to high-net-worth clients, including medical shields and protection against unforeseen events, with peace of mind through the Wealth Double Fortune Account.
- **AIA Policy Referral:** Integrated AIA policy referral services into our banking app, enabling seamless insurance product recommendations tailored to individual customer needs.
- **Near-Dormant/Dormant Status:** Implemented automated tracking and notification systems for near-dormant and dormant accounts, ensuring compliance and encouraging customer engagement.
- **Merchant Logo on Payment Screen:** Enhanced user experience by displaying merchant logos on payment screens, adding a personal touch to transactions and improving brand recognition.

These initiatives underscored our commitment to building a customer-centric digital ecosystem, where every interaction is intuitive, secure, and rewarding.

## ELEVATING USER EXPERIENCE AND PRODUCTIVITY

As we moved into the second quarter, our focus shifted toward enhancing the overall user experience and optimizing productivity for both customers and internal teams. By leveraging data-driven insights and customer feedback, we introduced several features that streamlined operations and empowered users to take control of their finances.

- **Improved Funds Transfer UI:** Redesigned the user interface for funds transfers, making it more intuitive and user-friendly. This enhancement significantly reduced the time required to complete transactions.
- **Improved Display Names:** Updated account display names to reflect personalized and meaningful labels, improving clarity for users and helping them better manage their finances.
- **View Account Detailed Information:** Provided customers with enhanced access to detailed account information, empowering them with better financial insights and decision-making capabilities.
- **Improved Account Summary & Transaction History:** Upgraded the account summary section to include comprehensive transaction history, aiding in financial management and transparency.
- **Clever Savings Builder:** Launched the "Clever Savings Builder" account product to help customers achieve their savings goals, fostering a culture of financial wellness and encouraging savings.
- **CIFTP (Cross-Border Interbank Fund Transfer and Payment):** Facilitated faster and more efficient interbank fund transfers and payments with higher transaction limits and standardized experiences.

By prioritizing user-centric design and functionality, we ensured that our digital banking solutions remained accessible, engaging, and impactful for all customers.

## OPTIMIZING EFFICIENCY AND SECURITY

The third quarter was dedicated to optimizing operational efficiency and fortifying the security of our digital platforms. Recognizing the growing importance of cybersecurity in the digital age, we implemented technologies to protect customer data while enhancing the speed and reliability of our services.

- **Default Account Selection:** Implemented default account selection for recurring transactions, saving time and effort for customers and reducing the likelihood of account selection errors.
- **Faster Account Query:** Improved the speed and accuracy of account queries, ensuring quicker responses to customer inquiries and enhancing overall satisfaction while reducing wait times.
- **Faster QR Code Scanning Speed:** Enhanced QR code scanning capabilities, speeding up contactless payments and aligning with the growing demand for cashless transactions.
- **Faster Own Account Transfer:** Streamlined internal account transfers, reducing processing times significantly and improving convenience for customers.
- **Improved Transfers to Bakong Wallet/Other Local Banks:** Enhanced interoperability with Bakong and other local banks, promoting financial inclusion and enabling seamless cross-bank transactions.
- **Updated App Security (RASP):** Strengthened application security by enhancing our currently available Runtime Application Self-Protection (RASP) technology, safeguarding customer data against emerging threats and vulnerabilities.



- Transaction Receipts: Introduced real-time transaction receipts, providing instant confirmation of all transactions and enhancing transparency.
- OD Limit Usage for Merchant Accounts: Optimized Overdraft (OD) limits for merchant accounts, balancing risk and convenience while supporting business growth directly from the mobile app.
- Bakong Large Value: Expanded support for large-value transactions through the Bakong system, meeting diverse customer needs and positioning us as a leader in digital payments.
- Swipe to Display KHQR: Enabled swipe functionality to display Khmer Quick Response (KHQR) codes, simplifying mobile payments and catering to swiping preferences.
- Shake to Scan QR: Introduced shake-to-scan QR functionality, offering an alternative and convenient way to initiate payments and delighting tech-savvy customers.
- ATM Cardless Transfers: Upgraded security and usability for withdrawals without a physical card.

These advancements not only improved efficiency but also reinforced our reputation as a trusted and forward-thinking financial institution.

## DRIVING INNOVATION AND COST SAVINGS

The final quarter of FY2024 was marked by bold strides in innovation and cost optimization. Our efforts culminated in the successful completion of digital projects, which not only streamlined operations but also delivered substantial cost savings without compromising quality or performance.

- EDC Direct Debit: Launched EDC Direct Debit functionality, allowing customers to set up recurring payments directly from their accounts, enhancing convenience and reducing manual intervention.
- Digital Channels Enhancement Project: Successfully enhanced the capabilities of our merchant system, improving support for multi-tier merchants and enabling faster transaction processing times.
- Prince Mobile Availability in Huawei App Gallery: Expanded accessibility for Huawei device users, supporting the growing base of customers using Huawei devices.
- Total Cost Savings: Achieved cost savings through various initiatives, demonstrating operational efficiency and strategic planning.

By embracing lean methodologies and adopting best practices in digital transformation, we have laid a strong foundation for sustainable growth and profitability.

## CONCLUSION: CHARTING A PATH FORWARD

The financial year 2024 was a testament to Prince Bank's unwavering commitment to becoming the financial institution of choice for our target customers. Through relentless innovation, strategic investments, and a customer-first mindset, we have transformed challenges into opportunities and achieved remarkable milestones along the way. Our journey toward digital excellence is far from over, and we remain steadfast in our mission to deliver exceptional value to all stakeholders.

As we look ahead, we will continue to push boundaries, explore new frontiers, and harness the power of technology to create a banking experience that is truly unparalleled. Together, we are shaping the future of finance—one digital step at a time.

## COMPLIANCE POLICY

In compliance with prevailing laws and regulations, professional and ethical standard, and to ensure Bank fully compliance, Prince Bank Plc. has developed Compliance Policy in line with the Prakas on Internal Control of Bank and Financial Institutions to assist management and Board in identifying, measuring, monitoring, and controlling non-compliance risk and to promote sound management of the bank, in accordance with relevant laws and regulations particularly with National Bank of Cambodia.

This Policy is intended to present how the Bank defines compliance functions that is the critically important in identifying, evaluating, and addressing compliance and regulatory risks and will help Prince Bank to mitigate and eliminate the risk of violations of law, regulations, and ethical behavior.

### Anti-Money Laundering, Combating Financing of Terrorism and Combating Financing of Proliferation of Weapons of Mass Destruction (AML, CFT AND CPF)

Prince Bank Plc. is strongly committed to anti-money laundering, financing of terrorism and combating financing of proliferation of weapons of Mass Destruction "AML, CFT and CPF" measures by establishing an AML, CFT and CPF Policy seeks to protect Prince Bank from being used, intentionally or unintentionally, for money laundering, terrorist financing and financing of proliferation of weapons of mass destruction in line with the applicable laws and Prakas on AML, CFT and CPF. Moreover, the Bank has invested in the "CORAL iSEM AML/CFT System" that automates the control work and ensures effectiveness and efficiency of risk mitigation and prevention of ML, FT and PF.

More importantly, the Bank has an on-going conducting employee training program to all new and existing staff, especially all operation staff are required to attend the AML, CFT and CPF refresher training once a year and pass the post-training test. This training requirement is one of the compliance strategies to strengthen staff's AML, CFT and CPF education and awareness that is a key deterrent to any attempt to improperly use the Bank's services and products.

### Whistle Blowing Policy

To be aware of inappropriate behavior or any unethical action likely to occur at any time and in line with the Prakas on Internal Control of Bank and Financial Institutions, Prince Bank has established Whistleblowing Policy to determine the responsible person and receiving the information of employees' serious concerns through creating security communication channel where employees will be able to report serious concerns related to practices, behaviors, and conduct that may lead to adverse effects on the Bank's activities.

This Whistleblowing Policy is designed to encourage employees to raise serious concerns internally, without fear of reprisal or victimization, in a responsible and effective manner rather than overlooking a problem or blowing the whistle outside. This policy will also help management to take actions to address or prevent any misconduct in a timely manner. It is also crucial that the implementation of the whistleblowing policy is transparent and accountable (so that employees trust the process), which ensures the confidentiality of the reporter and the information reported.



## SUSTAINABLE FINANCE

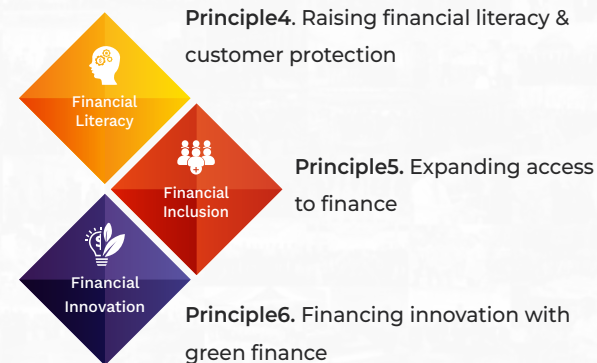
Prince Bank Plc. is committed to adopt on Cambodian Sustainable Financial Principles as we aim to contribute to economic, environmental and social progress with a view to achieving sustainable development by integrating the sustainable finance approaches into business decision making in order to minimize the potential threat of adverse environmental and social impacts associated with our business activities and operation. To drive our sustainability journey, we also conduct the annual training to all staffs to raise their awareness and capacity building to foster on the sustainable finance approach of the bank and inspire staff to do the same.

## CAMBODIAN SUSTAINABLE FINANCE PRINCIPLES

### Protecting the Environment, our People and our cultural Heritage



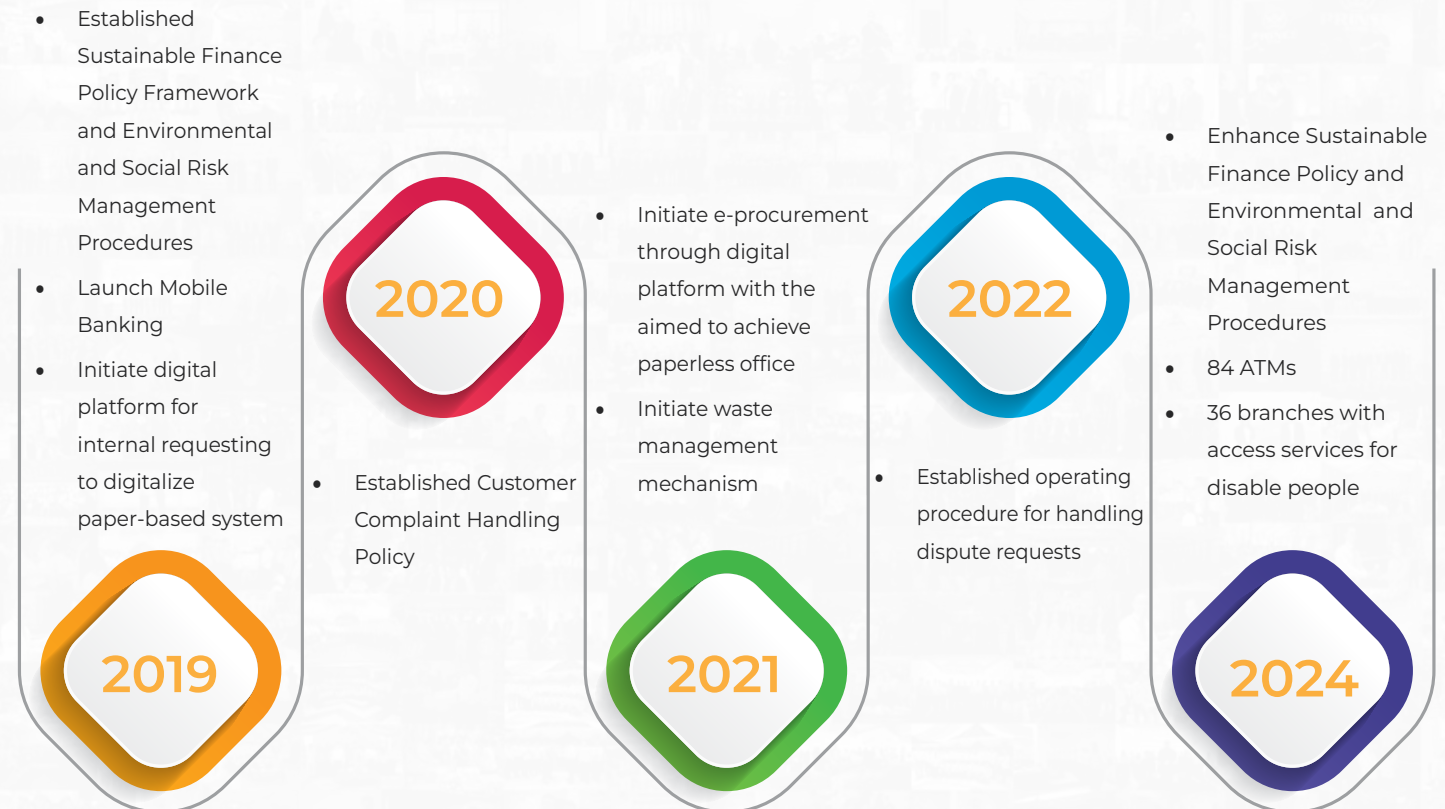
### Financing the Future of Cambodia



### Leading the Way



## OUR SUSTAINABILITY JOURNEY



## SUSTAINABILITY GOVERNANCE

### Board of Directors

The Board believes that ESG has gained importance as an integral part of corporate responsibility. Thus, the Board oversee and approve on the Sustainable Finance Policy and ensure the effectiveness of the framework's implementation to align with the Cambodian Sustainable Financial Principles.

### Senior Management

Senior Management is the executive body to implement on the framework, approve on the Environmental and Social Risk Management Procedures and frequently report on the achievement and results of our journey toward sustainability implementation to the Board of Directors.

### Credit management

Credit management will oversee and monitor on the credit process and procedure as well as to ensure the E&S risk management procedures is integrated into all loan approval decision. It's required to assess on the E&S risk assessment in order to identify the likely E&S risk issues potentially associated with the client's business activity.

### ESRM Lead

ESRM Lead is responsible for developing necessary procedures and guidelines for effectively executing the framework's implementation and reviewing on the annual basis to ensure that it remains relevant and effective over time.





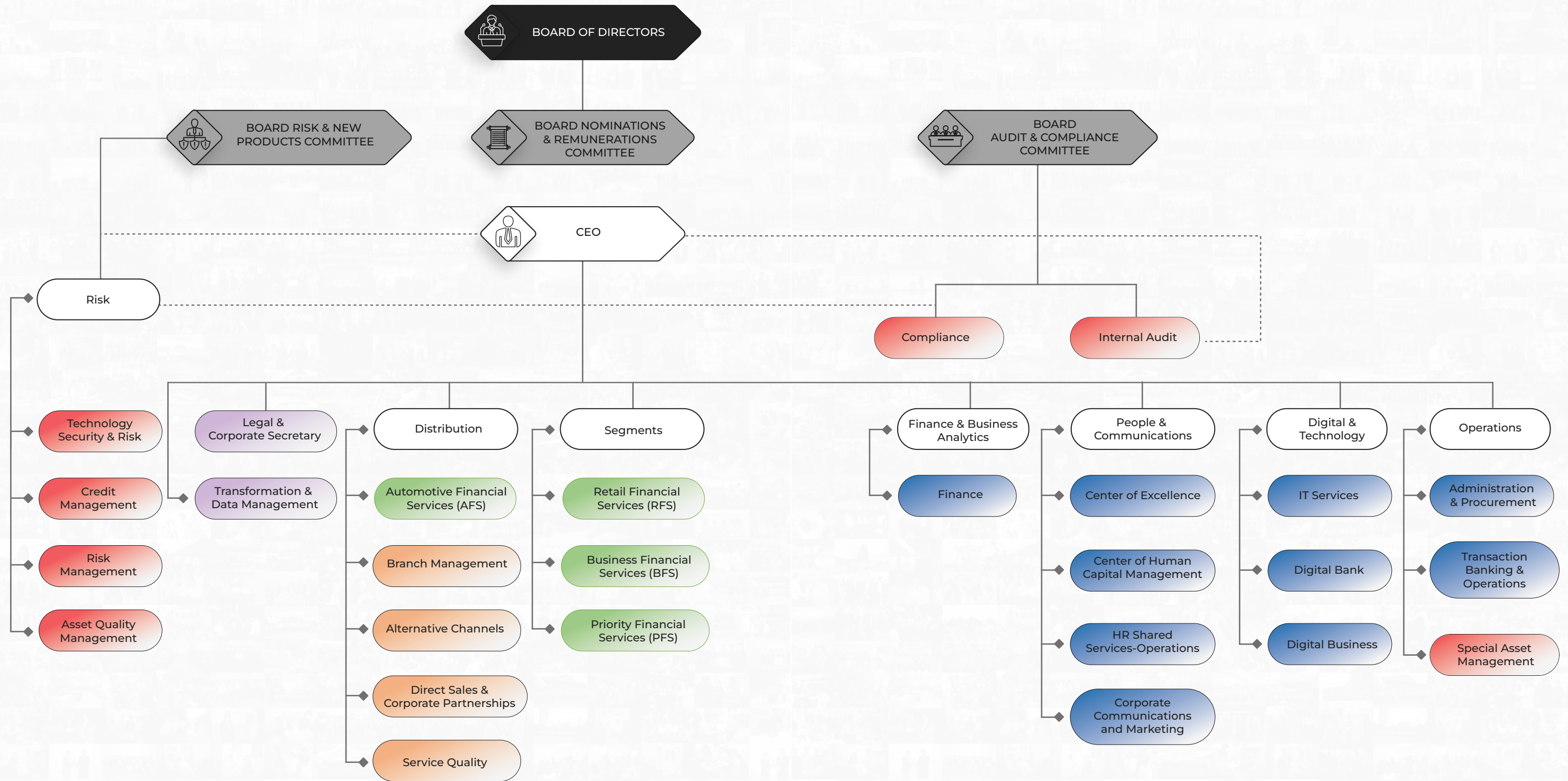
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## Corporate Structure

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# ORGANIZATIONAL STRUCTURE



## Management Committees:





## CORPORATE GOVERNANCE

The Bank clearly understands that effective corporate governance is critical for the Bank to properly function. Therefore, the Bank has adopted the best corporate governance practice in the banking industry with a check and balance mechanism whereby the Board oversees business operations that are performed by management.

The Bank is structured to ensure the separation of duties between business functions that directly control business operations and the oversight function comprising of compliance and risk which independently challenge the business function by reporting directly to the Board Committee via the Board Risk and New Products Committee and the Board Audit and Compliance Committee. Furthermore, the internal audit function performs assurance on the controls of the business function and the oversight by compliance and risk and reports directly to the Board Committee via the Board Audit and Compliance Committee.

## SHAREHOLDERS

Currently, Prince Bank Plc. has two shareholders. Neak Oknha Chen Zhi, a Cambodian citizen, is the majority shareholder of Prince Bank Plc. He participates in the Bank's core decision-making process which includes increasing capital and expanding business operations. Mr. Guy Chhay, a Cambodian citizen is the second shareholder of Prince Bank Plc. He is a passionate entrepreneur with expertise and experience in a range of industries such as real estate, hotels, resorts, restaurant development and management information technology, and transportation.

## BOARD OF DIRECTORS

The Board of Directors (the "Board") is composed of five members, three of whom are independent directors and all directors are appointed by the shareholders.

The Board is the ultimate decision-making body of the Bank apart from matters requiring the shareholders' approval as provided in the Memorandum of Article of Association and Law on Commercial Enterprise. The Board takes full responsibility for leading, governing, guiding, and monitoring the entire performance of the Bank, and enforces standards of accountability to enable management to execute its responsibilities effectively and efficiently.

The Board holds a meeting every quarter and holds an ad hoc meeting whenever it deems necessary and adopts a collective decision-making process in all aspects of its judgment. With this effort, the Board benefits from the in-depth knowledge and contribution of each of its Directors in all areas of the Bank's businesses and operations. In addition to their wide range of skills and expertise, the Independent Directors bring independent judgment in the deliberations on key issues regarding strategy, audit, performance, and risk.

The Board has always ensured regulatory compliance as provided in the laws and regulations, particularly with respect to all the Prakas issued by the National Bank of Cambodia ("NBC"). In this regard, the structure and composition of the Board is aligned with NBC requirements. This guarantees that the Bank benefits from the balance of authority which increases accountability and provides greater capacity for independent decision making.

The Board believes that strong corporate governance is vital and essential to successfully undertake the Bank's mission. The corporate governance framework adopted by the Bank is developed on the basis of principles provided by the Prakas No.B7-08-211 on Governance in Banks and Financial Institutions dated 25-November-2008 ("Prakas on Governance"), the Prakas No. B7-08-212 on Fit and Proper Regulatory Requirements for Applying to Entities and Licensed Banks and Financial Institutions dated 25-November-2008 ("Prakas on Fit and Proper"), and Prakas No. B7-010-1072 on the Internal Control of Bank and Financial Institutions dated 28-September-2010 ("Prakas on Internal Control") issued by the NBC, together with other international and best practices in corporate governance, where applicable.

Three committees have been set up at the Board level:

### Board Audit and Compliance Committee ("BACC")

#### Composition:

- Mr. THEN SAMVISOTH, Chairman (Non-Executive, Independent Director)
- Mr. MUHAMMAD BIN IBRAHIM, Member (Non-Executive, Independent Director)
- Mr. LOOI KOK SOON, Member (Executive Director)

#### Key Duties and Responsibilities

### a) Internal Process and Controls

1. Endorse for Board's Approval on principles, policies, processes, and control frameworks for management of the Bank's business operations.
2. Review adequacy of internal controls, including financial, operational, and compliance controls established by the management.
3. The BACC should ensure that a review of the effectiveness of internal control is conducted on a regular basis.
4. Review the compliance with laws, regulations, and the Bank's code of conduct. Consider the major findings of any relevant internal investigations into control weakness, fraud or misconduct, and management's response (in the absence of management where applicable).
5. Direct the relevant units to update the BACC and advise on implications of any possible or actual changes in the regulatory environment.
6. Recommend taking appropriate actions to address any adverse impact that the above may have on the Bank's operations or capitalize on opportunities provided.

### b) Financial Reporting

To oversee the financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient, and credible. This could include, but is not limited to the following:

1. Review accounting policies.
2. Review significant financial reporting issues and judgements to ensure the integrity of the financial statements.
3. Report to the Board in a timely manner all issues that could significantly impact the financial condition.
4. Review the quarterly, half-yearly, and annual financial statements before submission to the Board focusing primarily on:



- Any changes in accounting policies and practices.
- Major accounting entries based on exercise of judgement by management.
- Qualifications, if any, in draft audit report.
- Significant adjustments arising out of audit.
- Representation letter to the auditor.
- Going concern assumption.
- Compliance with the accounting standards
- Compliance with legal and regulatory requirements concerning financial statements.
- Any related party transactions, i.e. transactions of material nature with promoters or the management, their related/ associated companies or relatives, etc. that may have potential conflict with the interest of the institution at large.

### c) External Audit

1. Review the scope of the audit and its cost effectiveness, and the independence and objectivity of external auditors. Where the auditors also supply a substantial volume of non-audit services, The BACC should keep the nature and extent of such services under review, seeking to balance the maintenance of objectivity, and value for money.
2. Make recommendations to the Board on the appointment, re-appointment and removal of external auditor and approve the remuneration and terms of engagement of external auditor.
3. Review the findings of the audit with the external auditor, considering the external auditor's management letter and management's response to the auditor's findings and recommendations.

### d) Internal Audit

1. Review the scope, activities, and effectiveness of internal audit function.
2. Review the annual internal audit plan and ensure that the internal audit function is adequately resourced and has appropriate access to information standing within the institution.
3. Review quarterly reports and recommendations from internal auditors and ensure that corrective actions are properly taken by the management within the deadlines.
4. Recommend to the Board the appointment of or removal of the executive in charge of Internal Audit Function.
5. Review the findings of any internal investigations by the internal auditor into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.

### e) Compliance

1. Monitor and proactively review the Bank's adherence to both legal and regulatory compliance requirements applicable to the business and operations of the Bank including without limitation to the control over Anti-Money Laundering and Combating the Financing of Terrorism, and regularly report to the Board in timely manner on any non-compliance issue with appropriate recommendation or corrective action.
2. Review any related party transaction and conflict of interest situation that may arise within the Bank including any transaction, procedure or course of conduct that arises questions of management integrity.

### f) Others

1. Coordinate with the Board Risk and New Products Committee to ensure that the Business Continuity Plan is effectively implemented.
2. Perform other duties and activities that it or the Board considers appropriate in the context of these terms of reference.

## BOARD RISK AND NEW PRODUCTS COMMITTEE ("BRNPC")

### Composition:

- Mr. MUHAMMAD BIN IBRAHIM, Chairman (Non-Executive, Independent Director)
- Mr. SIM HOY CHHOUNG, Member (Non-Executive, Independent Director)
- Mr. LOOI KOK SOON, Member (Executive Director)

### Key Duties and Responsibilities

### a) Risk

1. Review management reports detailing the adequacy and overall effectiveness of the Bank's risk management functions and its implementation by management, and reports on internal control, any recommendations, and confirm that appropriate action has been taken.
2. Review the risk philosophy, framework, strategy and policies as recommended by management, ensuring compliance with such policies, and with the overall risk profile of the Institution. Risk in the broadest sense includes market risk, credit risk, liquidity risk, operational risk and commercial risk.
3. Review adequacy of insurance coverage.
4. Review risk identification and measurement methodologies.
5. Have due regard for the principles of governance and codes of best practice.
6. Detailed items that should be published in the Bank's Annual Report relating to the activities of the BRNPC, including the Risk Framework and Methodologies.
7. Obtain external independent advice, in writing or orally, as necessary.
8. Form sub-risk committees from its membership to address specific aspects of its duties.
9. Review and assess the adequacy of risk management policies and framework in identifying, measuring, monitoring and controlling risk and the extent to which these are operating effectively.
10. Ensure infrastructure, resources and systems are in place for risk management i.e. ensure that the staff responsible for implementing risk management systems perform those duties independently of the Bank's risk originating activities.
11. Review periodic reports from the Risk Management Department on risk exposures, risk portfolio composition and risk management activities.



## b) New Products

1. Review and recommend new products including but not limited to features, terms and conditions, strategy and target segments as well as risk management strategies, policies and risk tolerance for BRNPC's endorsement and the Board's approval.
2. Monitor and review the performance of new products introduced to customers and ensure that the new products are consistent with the short and long-term strategic goals as set by the Board.
3. To monitor and evaluate business conditions and developments in the financial markets on an ongoing basis and evaluate the impact arising from changes in legislation and regulation.

## BOARD NOMINATION AND REMUNERATION COMMITTEE ("BNRC")

### Composition:

- Mr. SIM HOY CHHOUNG, Chairman (Non-Executive, Independent Director)
- Mr. HONN SORACHNA, Member (Non-Executive, Non-Independent Director)
- Mr. THEN SAMVISOTH, Member (Non-Executive, Independent Director)

### Key Duties and Responsibilities

- a) To establish the minimum requirements for the Board i.e.) required mix of skills, experience, qualifications, and other core competencies required of a director;
- b) To establish minimum requirements for the CEO and Executive Committee members; and
- c) To establish a mechanism for the formal assessment on the effectiveness of the Board as a whole, each director's effective contribution to the Board, the various committees' contributions to the Board, the CEO, and Executive Committee members' performances; and
- d) To recommend and assess the nominees for directorship, board committee members, the CEO, and Executive Committee members.
- e) To assess directors for reappointment, before an application for approval is submitted to the National Bank of Cambodia ("NBC");
- f) To oversee the overall composition of the Board, in terms of the appropriate size and experience, and the balance between Executive Directors, Non-Executive Directors and Independent Directors by conducting an annual review;
- g) To oversee the appointment, management, succession planning, and performance evaluation of key senior management officers; and
- h) To recommend a framework of remuneration for directors, the CEO, and key senior management officers for the Board's full approval;
- i) To recommend specific remuneration packages for executive directors, the CEO, and Executive Committee members;

## Executive Committee

The Executive Committee (EXCO) serves as the highest executive management-decision making of the Bank at the executive management level. In addition, there are Management Committees that are an extension of the EXCO, established to assist the EXCO in discharging its duties and responsibilities. Those committees include the Human Resources Committee (HRC), Risk Management Committee (RMC), Credit Committee (CC), Asset Quality Management Committee (AQMC), Technology Steering Committee (TSC), and the Assets and Liabilities Committee (ALCO).

### At the executive management level, the committee is composed of:

- |  |                                 |
|--|---------------------------------|
| 1. Mr. Looi Kok Soon, Chief Executive Officer (CEO),                         | as Chairperson of the Committee |
| 2. Mr. Ng Yok Chin, Chief Risk Officer (CRO),                                | as member                       |
| 3. Mr. Lee Kok Seng, Chief Distribution Officer (CDO),                       | as member                       |
| 4. Mr. Ngow E Van, Chief People and Communications Officer (CPCO),           | as member                       |
| 5. Mr. Liong Khai Sim, Chief Financial Officer (CFO),                        | as member                       |
| 6. Mr. Leng Senglan, Chief Operating Officer (COO),                          | as member                       |
| 7. Mrs. Peng Liya, Chief Segments Officer (CSGO),                            | as member                       |
| 8. Mrs. Keo Rosnisay, Head of Legal Services and Corporate Secretary (HLCS), | as member                       |
| 9. Mrs. Sea Soklin, Head of Compliance (HC),                                 | as member                       |
| 10. Mr. Ly Panha, Head, Retail Financial Services (HRFS),                    | as member                       |
| 11. Mr. Khoo Hun Khim, Chief Information Officer (CIO),                      | as member                       |
| 12. Mrs. Te Muny, Head, Branch Management (HBM),                             | as member                       |
| 13. Ms. Haing Huy, Head, Credit Management Department (HCM),                 | as member                       |
| 14. Mr. Ong Pisey, Head, Technology Services (HTS),                          | as member                       |
| 15. Mrs. Leang Soklang, Head, Transformation and Data Management (HTDM),     | as member                       |
| 16. Mr. Ky Vannroath, Head Digital Bank (HDB),                               | as member                       |
| 17. Mrs. Kong Sonitraranya, Head of Asset Quality Management (HAQM),         | as member                       |



## DIRECTOR PROFILES

Mr. Honn Sorachna is the Chairman and Co-Founder of Prince Bank Plc. where his strategic vision has been key to the bank's significant growth. Under his leadership, Prince Bank has strengthened its market presence and expanded its service offerings, supporting sustainable development and customer satisfaction.

Previously, he served as CEO and Managing Director from 2015 to December 2024, driving transformative initiatives that enhanced operational excellence and competitiveness.

With over 20 years in the financial sector, including over a decade in senior management roles, Mr. Sorachna has a deep understanding of banking and insurance. His expertise enables him to navigate challenges and seize opportunities, ensuring Prince Bank's continued success.

His vision and leadership are vital in positioning Prince Bank as a key industry player, focused on delivering value to stakeholders and fostering long-term growth.



### MR. HONN SORACHNA

Chairman and Co-Founder

### MR. LOOI KOK SOON

Non-Independent Executive Director /  
Chief Executive Officer



Mr. Looi Kok Soon is a seasoned banker and entrepreneur with over 30 years of diverse experience in the Southeast Asian financial landscape. He has held various strategic roles in distribution and operations at prominent institutions, including OCBC Bank Malaysia, EON Bank Malaysia, and Standard Chartered Bank, before transitioning to lead his own successful renewable energy venture.

Commonly known as KS, he began his banking career at OCBC Malaysia, where he dedicated 16 years to developing his expertise in the industry. His tenure there laid a strong foundation for his future achievements. Following this, he joined EON Bank BHD, where he was instrumental in transforming the branch network into a sales and service-oriented model, significantly enhancing customer engagement and operational efficiency.

At Standard Chartered Bank, Mr. Looi Kok Soon took on a leadership role overseeing the management of 123 branches and 600 self-service terminals throughout Southeast Asia. His ability to drive performance and streamline operations during this period solidified his reputation as a formidable leader in the banking sector.

In 2015, following an illustrious banking career, Mr. Looi Kok Soon embraced his entrepreneurial spirit by launching a renewable energy business. This initiative reflects his commitment to sustainability and innovation, allowing him to leverage his extensive industry experience to contribute to the growth of clean energy solutions in the region.

KS's journey through the banking and entrepreneurial landscapes underscores his versatility and commitment to excellence, making him a recognized figure in Southeast Asia's financial and renewable energy sectors. His leadership continues to shape the future of the industries he engages with, promoting both growth and sustainability.



Mr. Then Samvisoth serves as an Independent Non-Executive Director. He has a strong background in academia, having lectured in Accounting and Taxation at various universities in Cambodia and France.

In addition to his educational role, Mr. Samvisoth is the Director-Owner of AT&B Consulting Co. Ltd., which provides tax advisory, accounting services, and training. Previously, he held the position of Financial Director at Meas Development Holding Co. Ltd., overseeing several food-related businesses. He is also an independent director at Huione Insurance Plc.

Mr. Samvisoth holds multiple degrees, including a B.A. in Business Administration from the Royal University of Law and Economics, a B.A. in Law from Norton University, an M.B.A. from the Asian Institute of Technology in Bangkok, and a master's in Financial Management from the IAE at Université Pierre Mendès-Grenoble 2 in France.

## MR. THEN SAMVISOTH

Independent Non-Executive Director



## MR. SIM HOY CHHOUNG

Independent Non-Executive Director



Mr. Sim Hoy Chhoung is a highly accomplished Independent Non-Executive Director at Prince Bank Plc. bringing more than 20 years of extensive experience in accounting, finance, risk management, internal control, and banking across various financial institutions in Cambodia. His depth of knowledge in these areas equips him to make significant contributions to the bank's strategic oversight and governance.

Mr. Sim Hoy Chhoung holds both a Bachelor's and a Master's degree in Economics from the Royal Academy of Cambodia, underscoring his solid academic foundation in economic principles. Additionally, he furthered his education by obtaining an M.A. in Business Administration with a focus on International Finance from the prestigious International Business School at Brandeis University in Massachusetts, USA. This international exposure enhances his understanding of global financial markets and best practices.

As a certified public accountant, Mr. Sim Hoy Chhoung has been credentialed by the Association of Chartered Certified Accountants (ACCA) in the United Kingdom, further validating his expertise in financial management and accounting. His professional qualifications and diverse experience make him a valuable asset to Prince Bank as it seeks to navigate the complexities of the financial landscape while ensuring robust internal controls and risk management practices.

Mr. Sim Hoy Chhoung's commitment to excellence and continuous improvement reflects in his active role in promoting sound financial governance, ultimately contributing to the sustainable growth and success of Prince Bank Plc.



Tan Sri Muhammad Bin Ibrahim is an Independent Non-Executive Director at Prince Bank Plc. bringing over 30 years of expertise in banking, finance, insurance, and monetary policy. He served as Deputy Governor of Bank Negara Malaysia (BNM) from 2010 and then as the 8th Governor from May 2016 to June 2018. During his tenure, he initiated various developmental projects, including modernizing the payment system and enhancing financial stability and regulation.

As Governor, he focused on expanding financial services outreach, promoting financial education and fintech, and advocating for professionalism in the financial sector through ethical conduct and lifelong learning.

In addition to his role at Prince Bank, Tan Sri Muhammad has served on various boards, including Petronas, Malaysian Deposit Insurance Corporation, and is currently the Chairman of GDEX Berhad and Hexstar Technology Solutions Berhad.

He is a chartered accountant and a fellow Chartered Banker, holding an M.A. in Public Administration from Harvard University and an M.A. in Islamic Banking and Finance from the International Islamic University.

## TAN SRI MUHAMMAD BIN IBRAHIM

Independent Non-Executive Director



## ADVISOR PROFILE

### DATUK MICHAEL LOR

Senior Advisor to the Board



Datuk Michael Lor is a transformative leader in Southeast Asia's banking and financial services sector, with over 35 years of impact spanning strategic growth, digital innovation, risk management, corporate governance, and human capital development.

He is currently an Advisor to Cambodia's Ministry of Economy and Finance, where he led the development of key frameworks for the SME Bank of Cambodia, the SME Sector Rejuvenation Initiative, and the Credit Guarantee Corporation of Cambodia. In recognition of his contributions in the Kingdom, he was awarded the Royal Medal of Sahametrei in 2022.

He was previously CEO of Cambodia's Canadia Bank PLC, driving its regional expansion, and Group CEO of EON Bank Group in Malaysia, where he repositioned the brand as a fast-growing universal bank.

Datuk Michael Lor also served as Global Subject Matter Expert for Banking Solutions at Hewlett Packard Worldwide, Group Head of Consumer Banking at RHB Bank, Malaysia, and spent 17 years at DBS Bank, Singapore, in senior roles across Singapore and Thailand. His career spans leadership in banking and technology across Singapore, Thailand, Malaysia, Cambodia, Laos, Myanmar, and China. He remains an influential advocate in advancing digital transformation and innovation in the region's financial industry.



## MANAGEMENT PROFILES



- 1 **MR. LOOI KOK SOON**  
Non-Independent Executive Director /  
Chief Executive Officer
- 2 **MR. LIONG KHAI SIM**  
Chief Financial Officer
- 3 **MR. LENG SENGLAN**  
Chief Operating Officer
- 4 **MR. NGOW E VAN**  
Chief People and Communications Officer
- 5 **MR. KEO VUTHY**  
Chief Internal Audit
- 6 **MR. KHOO HUN KHIM (REMY)**  
Chief Information Officer
- 7 **MRS. PENG LIYA**  
Chief Segments Officer
- 8 **MR. NG YOK CHIN (ROCKY)**  
Chief Risk Officer
- 9 **MR. LEE KOK SENG (ERIC)**  
Chief Distribution Officer

- 10 **MRS. TE MUYN**  
Head, Branch Management
- 11 **MRS. LEANG SOKLANG**  
Head, Transformation and Data Management
- 12 **MRS. KONG SONITRARANYA**  
Head, Asset Quality Management
- 13 **MR. ONG PISEY**  
Head, Information and Technology Services
- 14 **MS. HAING HUY**  
Head, Credit Management
- 15 **MRS. KEO ROSNISAY**  
Head, Legal and Corporate Secretary
- 16 **MRS. SEA SOKLIN**  
Head, Compliance
- 17 **MR. KY VANNROATH**  
Head, Digital Bank







## MR. LOOI KOK SOON

Non-Independent Executive Director /  
Chief Executive Officer

Mr. Looi Kok Soon has over 30 years of experience as a banker & entrepreneur in Southeast Asia. He held various positions in distribution and operations at OCBC Bank Malaysia, EON Bank Malaysia, and Standard Chartered Bank in Southeast Asia (SEA) before leading his own renewable energy business.

KS, as he is widely known, built his banking career with OCBC Malaysia, where he spent 16 years, and later with EON Bank BHD where he transformed the branch network, making them sales & service oriented.

At Standard Chartered Bank, he was responsible for leading and managing 123 branch networks with 600 self-service terminals across Southeast Asia. He then went on to become an entrepreneur in 2015, starting a renewable energy business.

KS holds a Bachelor of Economics (Accounting) from the University of Adelaide, South Australia.



## MR. LIONG KHAI SIM

Chief Financial Officer

Mr. Liong Khai Sim is a seasoned banker with 35 years of experience in the finance industry across Malaysia and Cambodia. Having worked in Cambodia from 2012-2018, Mr. Liong Khai Sim is back and ready to utilize his core skills and local knowledge covering key areas of commercial banking.

Previously, Mr. Liong Khai Sim held senior finance roles in Maybank Group, Maybank (Cambodia) PLC, Panda Commercial Bank PLC, and various roles in Commercial Lending and Branch Management in Maybank Group.

Mr. Liong Khai Sim brings with him many years of functional experience in both business and support functions such as bank lending, branch management, sales management, core finance, operations, and audit. Additionally, his various job exposures have equipped him with leadership, transformation, and management skills to manage resources to implement projects and deliver organizational results.

He holds a Master of Business Administration from the University of Hull, United Kingdom. Bachelor of Commerce (With Merit) from the University of New South Wales, Australia; and Certified Credit Professional (CCP) from the Institute of Bankers Malaysia.

He is also a Fellow member of the Australian CPA, Australia, and a Member of the Malaysian Institute of Accountants, Malaysia.





## MR. LENG SENGLAN

Chief Operating Officer

He is currently working as the Chief Operating Officer. He has 17 years of experience in banking, insurance, and finance and security market. He is also experienced with management system development, risk management, finance, and taxation.

He holds one master's degree and two bachelor's degrees: One master's in finance, ESCP-EAP, France and Asian Institute of Technology, Thailand (2005), a BBA and a bachelor's in economics, RULE, and a bachelor's in computer science, Norton, Cambodia (2010).



## MR. NGOW E VAN

Chief People and Communications Officer

Mr. Ngow E Van is a passionate developer and leader of people, with over 25 years of leadership experience in corporate, consulting, and coaching roles. His work involves the strategic intervention and embedment of high-performance cultures within organizations by developing programs to hack both corporate systems and individual mindsets and behaviors.

A renowned engagement specialist, Mr. Ngow E Van has helped organizations create bespoke strategic leadership and team intervention programs with objectives ranging from personal to strategic enterprise outcomes such as motivation, conflict, emotional intelligence, decision-making, culture, leadership, communication, succession, growth, and performance.

Mr. Ngow E Van has coached and trained various corporate leaders across Southeast Asia, including numerous GLCs, TTLCs, MNCs, and SMEs like KWAP, American Express, OCBC Bank, and RHB Bank in Malaysia, Singapore, and Cambodia. He holds a Bachelor of Education (TESL) from the University of Malaya and a Master of Arts (Applied Linguistics) from Curtin University of Technology, Australia.





## MR. KEO VUTHY

Chief Internal Audit

He is currently serving as the Chief Internal Audit Officer at Prince Bank Plc. Prior to his current role, he gained extensive experience over nine years working in various capacities, including Senior Internal Auditor, Manager, and Head of the Internal Audit Department. His professional expertise extends to the fields of accounting, finance, investigation, and other associated sectors, with a total experience spanning over ten years.

He holds three master's degrees – a Master of Accounting & Master of Auditing at Vanda Institute of Accounting (Cambodia) and a Master of Business Administration in Finance, at the University of Business and Finance (Switzerland). He also holds a Postgraduate Diploma in Finance, from the University of Wale (UK). Moreover, he obtains many professional certificates from international professional institutions/associations such as CND, WVTS, CCII, GCMA, QIA, CAME, FCPA, CFIP, CAIP, CBFA, CFE, CIA.



## MR. KHOO HUN KHIM (REMY)

Chief Information Officer

Mr. Remy is the Chief Information Officer of Prince Bank Plc. overseeing technology and digital, with over 20 years of experience across IT, telecommunications, and financial services.

Passionate about enriching lives via technology, Remy has held various leadership positions in digital throughout his career from expanding the prepaid alternate channels at Maxis to driving digital innovation at Maybank by helping launch QR payments, eKYC, MAE e-wallet and growing Maybank2u internet & mobile banking to 6 million users, prior to running the retail digital business at AmBank.

He holds a Bachelor of Science (Forestry) from the University Putra Malaysia (UPM).





## MR. NG YOK CHIN (ROCKY)

Chief Risk Officer

He has over 41 years of working experience in Maybank, the largest financial institution in Malaysia covering the areas of Credit Management, Asset Quality Management and Risk Management. He was the Chief Risk Officer of Maybank Philippines Inc. for 16 years from June 1999 to June 2015 and Maybank (Cambodia) Plc. for more than 5 years from May 2018 to Dec 2023 prior to joining Prince Bank.

He holds a bachelor's degree in economics (Business Administration) from University of Malaya, Malaysia.



## MRS. PENG LIYA

Chief Segments Officer

Mrs. Peng Liya is the Chief Segments Officer, overseeing various business teams including Corporate Business, Affluent Banking, Retail Financial Services, Merchant Portfolio Management, and Trade Finance & Products Development. Previously, she was the Head of Business and Affluent Banking, and before that, she was the Head of Retail Financial Services, managing Retail Products & Service Development, Banca, and Card.

Prior to joining Prince Bank, Mrs. Liya held various positions at Hong Leong Bank (Cambodia) Plc. and WING Cambodia.

She has almost 20 years of experience in the financial and banking sectors where she led various marketing strategies and was involved in product development initiatives including bancassurance business.

Mrs. Peng Liya holds an accounting degree from Guang Zhou, China, and a Bachelor of Science in Computer Science from Norton University. She has extensive English academic qualifications, including a diploma from PUC and several business English classes from institutions like IFL and ACE. She is multilingual, fluent in Khmer, English, Mandarin, and Cantonese.





## MR. LEE KOK SENG (ERIC)

Chief Distribution Officer

Mr. Eric brings 25 years of experience in the banking industry coupled with 10 years of experience in managing automotive brands and he is now the Chief Distribution Officer at Prince Bank Plc. Cambodia.

He started his banking career as a credit officer and took on various positions in sales and operations before becoming the Head of the Automobile Finance Division - first at EON Bank, followed by Hong Leong Bank. As Head of the Automobile Finance Division, he manages the third largest automobile loan business amongst Malaysian financial institutions at US\$ 4.8 billion. Upon leaving the banking industry, Mr. Eric ran automotive sales and service dealerships for European and Japanese marquees for a decade including Volkswagen, Toyota, Mazda, and Proton.

Mr. Eric holds an Associate Diploma in Business Administration from the Institute Training & Development College, Malaysia and he is also a Certified Credit Professional (CCP) by The Institute of Bankers Malaysia.



## MRS. TE MUYNY

Head, Branch Management

Mrs. Muyny is the Head Branch Management at Prince Bank Plc. She oversees the Prince Bank's operations and business at branches. A veteran of the banking industry, Mrs. Muyny has over 15 years of professional experience with international and regional banks. Her main skills include Retail and Commercial Banking as well as Credit and Premier Customer Relationship Management.

She holds a bachelor's in business administration, majoring in Finance and Banking from the National University of Management. She also holds a Diploma in English and a Diploma in Chinese Mandarin.





## MRS. LEANG SOKLANG

**Head, Transformation and Data Management**

She is Head of Transformation and Data management. Soklang is responsible for coordinating the transformation of business, technology, and digital solution and process including the review for robotic process automation (RPA), and participates changes and obstacles along the way.

Oversee a range of data-related functions that include data management, ensuring data quality, and creating data strategy.

Soklang has more than 20 years of banking experience. Her key competencies are banking application solution, system flow and analysis.

Improving banking solution based on industry trends and professional. Fully utilizing banking solution capabilities in order to support business.

Improve data asset functionality, using advance analytics techniques to address more complex business problem and opportunity.

She holds a bachelor's degree in management information systems (MIS) from the National University of Management (NUM) and a master's degree in financial management from Royal University of Law and Economics.



## MS. HAING HUY

**Head, Credit Management**

She has more than 10 years of experience in the banking industry while intensively focusing on credit risk analysis. Particularly, she is certified for the specialization of credit assessment skills by Moody's Analytics and Omega Performance, USA. Ms.

Haing Huy is a specialist in business and financial analysis, risk identification, and loan valuation compliance with the country's regulations for both retail and corporate loans.

She holds a bachelor's degree in accounting and a master's degree in finance at the Pannasastra University of Cambodia.





## MR. ONG PISEY

**Head, Information and Technology Services**

Mr. ONG Pisey is a Head of Technology Services. He's had professional jobs in banking field for over 14 years. He has experienced migration Core Banking System, Networks Security, conducting research and other projects as well as strategic planning development.

He spent nearly 10 years working at Bank for Investment and Development of Cambodia. In his job there, he participated in installing technology systems and organizing teams to meet the vision of the bank.

In December 2018, he started his job at Prince Bank as a Senior Manager of Technology Program. Presently, he has been taking important responsibilities leading system such as Core Banking Systems, Network infrastructures, enlarging ATM System and developing the linking projects of big systems of the bank.

Pisey graduated a Bachelor of Computer Science and Engineering from Royal University of Phnom Penh of Cambodia and obtaining the certificates from Oracle University, Efma, Saïd Business School, University of Oxford, and National University of Singapore Business School Executive Education.



## MRS. KONG SONITRARANYA

**Head, Asset Quality Management**

She is currently working as the Head, Asset Quality Management. She has 10 Years of experience in the banking and insurance sector. She is also experienced with project management, system development life cycle (SDLC), business analysis, portfolio analysis, quality assurance, branch operations management, and risk management. Prior to Prince Bank, she worked at Hong Leong Bank and AIA Insurance.

She holds a master's degree in Banking, Insurance, and Risk Management from Panha Chet University (2014), Cambodia with a bachelor's degree in Banking and Finance (2012) from the Royal University of Laws and Economics. She also completed a certified program of Certified Expert in Risk Management (CERM in 2021) from the Frankfurt School of Business, Germany.





## MR. KY VANNROATH

Head, Digital Bank

He is an experienced banking executive with over a decade of work experience, gained in both domestic and international environments. He currently serves as the Head of Digital Bank, bringing extensive technical knowledge in core systems of the bank and customer experience. He is also experienced with the latest advancements in AI and big data where he developed a predictive analytics and anomaly detection so-called smart factory solution with his previous employer. He has a strong dedication to innovation and customer satisfaction.

He holds an associate degree in Banking and Finance from the Centre of Banking Studies of the National Bank of Cambodia, a bachelor's degree in computer science from the University of Cambodia, and a master's degree in engineering from the Gyeongsang National University in South Korea.

Mr. Vannroath is fluent in English and Korean.



## MRS. KEO ROSNISAY

Head, Legal and Corporate Secretary

She is the Head of Legal and Corporate Secretary at Prince Bank Plc. She has extensive experience handling corporate and commercial affairs, real estate transactions, and dispute resolution matters. She provided legal advice on market entry and exit strategies, company formation and corporate governance, real estate acquisition structures, and the negotiation, drafting, and preparation of sales and purchase agreements related to land, land development, and condominiums.

She also reviewed real estate documents for short-term and long-term leases, and advised clients on civil and criminal litigation, arbitration, and other matters related to dispute resolutions.

She holds a B.A. in Law from the Royal University of Law and Economics (RULE), an M.A. from Lyon 2 University in France, and a JD (Juris Doctor) from Florida State University College of Law in Florida, USA.





## MRS. SEA SOKLIN

Head, Compliance

She is the Head of Compliance at Prince Bank Plc. She has more than 20 years of experience in the banking sector and has held management roles in several areas: internal audit, financial accounting, risk management, and compliance.

Additionally, her expertise extends to AML and CFT system development.

She holds a B.A. in Accounting and Finance. She's currently pursuing an ACCA qualification at CamEd Business School. She has achieved a Revelatory Compliance Certificate from IBF and an ICA International Advance Certificate in Anti Money Laundering, UK. She has received certificate of participation for ESG Risk Management under ASEAN Low Carbon Energy Program partnership with NBC in 2022.





A hand holding a small globe of moss, surrounded by icons representing community, environment, and innovation.

# 04

## Corporate Social Responsibility

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## SUSTAINABLE FINANCE IMPLEMENTATION

### Sustainable Finance Implementation

As a member of the Association of Banks in Cambodia (ABC), Prince Bank Plc. has adopted the Cambodia Sustainable Finance Principles. By adhering to these principles, we aim to reduce investment risks, uncover new business opportunities, protect the environment, and support local communities.

To guide our business decisions and manage risks and opportunities through a sustainability lens, we have developed a comprehensive Sustainable Finance Policy Framework. This framework includes a general policy, four core policies, two thematic policies, and nine sensitive sector policies. Each policy outlines key environmental and social issues, our commitments to address them, and the expectations we have of our clients and business partners.

We have also implemented Environmental and Social Risk Management Procedures, providing clear, step-by-step guidance for identifying, assessing, and managing environmental and social risks. These considerations are integrated into our credit and procurement processes.

In addition, we are committed to:

- Promoting financial literacy and inclusion,
- Enhancing capacity building and awareness around sustainable finance,
- Developing a Green Finance Policy to offer affordable products and services that support renewable energy and green innovation, and
- Reducing our own environmental and social footprints.

Through these efforts, we strive to contribute meaningfully to sustainable development while ensuring responsible and resilient growth. The nine sustainable finance principles include the following:

**9**  
sustainable  
finance principles



## 2024 CSR ACTIVITIES

### EDUCATION

#### Supporting Financial Literacy

On February 1, 2024, Prince Bank proudly participated as a Gold Sponsor in the workshop on the "Implementation of the Financial Literacy Project in the General Education Curriculum, Phase 3," organized by the National Bank of Cambodia in collaboration with the Ministry of Education, Youth and Sports. The event was hosted by the Honorable Dr. Chea Serey, Governor of the National Bank of Cambodia, and the Honorable Kim Sedhani, Permanent Secretary of State of the Ministry of Education, Youth and Sports. The workshop aimed to showcase the progress of the collaboration between the two institutions and seek financial support for the continuation of the project. As a responsible corporate citizen, Prince Bank is committed to supporting initiatives that promote financial literacy in Cambodia. We believe that educating the youth about financial management is crucial for empowering the next generation. By sponsoring this important cause, we aim to contribute to a brighter future for Cambodia, where young people are equipped with the knowledge and skills to make informed financial decisions. We are honored to be part of this meaningful initiative and remain dedicated to supporting such impactful projects.





### Safe Finance in the Community project

Prince Bank was absolutely delighted to be the platinum sponsor and honored to take part in the Workshop on the Dissemination of the Results of the Safe Finance in the Community project on October 8, 2024, which was organized by the National Bank of Cambodia at the Center for Banking Studies. This workshop was led by H.E. Yim Leat, Deputy Governor of the National Bank of Cambodia, to support the Printing of Books on a set of five Safe Finance training modules.



### 44<sup>th</sup> Anniversary of the Re-introduction of the Riel: The Journey of the Riel and the Bakong System

On Morning March 20<sup>th</sup>, 2024, Prince Bank is honored to be invited to participate in a seminar on “44<sup>th</sup> Anniversary of the Re-introduction of the Riel: The Journey of the Riel and the Bakong System” at the Center for Banking Studies hosted by the National Bank of Cambodia. The event aims to raise awareness of the benefits of riel usage and share experiences and perspectives on the evolution of the national currency and the banking system from expert speakers in the fields of banking, finance, and trade. Present at the event were H.E. Dr. Chea Serey, Governor of the National Bank of Cambodia, senior officials of the National Bank of Cambodia, senior management from Prince Bank Plc., entrepreneurs, researchers, professors, and students from higher education institutions.



### Sponsorship to ASEAN SAVINGS DAY organized by NBC

Prince Bank is proud to sponsor the ASEAN Savings Day event, organized by the Banking Association of Cambodia (ABC), the National Bank of Cambodia (NBC), and the Cambodian Microfinance Association (CMA). The event took place on October 31, 2024, at the Independence Monument in Kampong Speu province. Its main goal is to encourage people to start saving money and to highlight the importance of saving from a young age. Prince Bank is committed to supporting the National Bank of Cambodia's initiative to promote financial literacy early in life. We invite you to visit the Prince Bank booth to learn more about our products and services.



### Riel Day

Prince Bank is honored to be the Premier Sponsor of the National Bank of Cambodia's Riel Day program, showcasing our commitment to promoting the Riel as our national currency. We aim to enhance financial literacy, educate the public on the benefits of using the Riel, and offer special savings rates on Riel accounts with additional interest for our valued customers.

The event will also feature photos from the “Riel and the Bakong System” promotional program, celebrating the 44<sup>th</sup> anniversary of the reintroduction of Riel in Phnom Penh and six other provinces: Prey Veng, Svay Rieng, Siem Reap, Banteay Meanchey, Ratanakiri, and Mondulakiri.





## SPORT

### Exclusive Sponsor to Mate JR sport club

On February 24<sup>th</sup>, 2024, Prince Bank is excited to be the main sponsor of Europe Trail, a unique football program that aims to inspire and motivate young people to develop & showcase their potential in football competitions organized by Mate JR Sports Club.

As part of our commitment to corporate social responsibility (CSR), we understand the importance of providing young people with the necessary resources and support to achieve their goals & dreams, and we are honored to be part of this journey. We are dedicated to making a positive impact in our communities, and through our sponsorship of the Europe Trail, we hope to contribute to the growth and success of young footballers as they achieve remarkable accomplishments in the years to come.



### Prince Bank participated in the 'Malaysian Ambassador's Award Competition' at Chea Sim Chroy Changvar High School, organized by the Malaysian Embassy

On 22<sup>nd</sup> June 2024, which was organized by the Embassy of Malaysia Phnom Penh. During the event, our Prince Bank staffs form as a group to play along with other teams to display great sportsmanship and enjoyed the event immensely. It was a memorable event that fostered unity and friendship while celebrating the spirit of sportsmanship.



### Visakha Football Clinic "Sharing Love with Visakha Football Club"

On June 28-30, 2024, Prince Bank participated in Visakha Football Club's CSR program "Sharing Love with Visakha Football Club" in the following locations:

- Battambang Special Education High School, Battambang Province: June 28, 2024
- Visakha of Hope Wat Khchas, Banteay Meanchey Province: June 29, 2024
- Siemreap Special Education High School, Siem Reap Province: June 30, 2024

The charity program was led by Mr. So Moniroth, the vice president of Visakha club, representing H.E. Ke Suon Sophy, and participated by Visakha club's management team, coaches, and trainers, along with representatives from Prince Bank Head office and branch.

The purpose of this participation is to share football experiences with students, as well as to donate study materials and have a solidarity meal with everyone.





### Prince Bank took part in the “Share the Love with Visakha Football Club” program, attended by His Excellency Dr. Sar Sokha and Her Excellency Ke Soun Sophy.

On July 27, 2024, Prince Bank, a Cambodian Bank, had the privilege of taking part in the “Sharing Love with Visakha Football Club” initiative. This significant event was held at the Prey Veng Provincial Stadium and was graced by the esteemed presence of His Excellency Abhi Santi Bandit Sar Sokha, Deputy Prime Minister and Minister of the Ministry of Interior and Chairman of the Prey Veng Provincial Government Working Group. Also in attendance was Lok Chumteav Ke Suon Sophy Sar Sokha, who led the ceremony.

During the event, educational materials and mementos were distributed to the young residents of the Prey Veng Orphanage. This is one way Prince Bank supports the community and sports.



### Platinum Sponsor of Member Appreciation Day & Club Championship Tournament 2024

On August 31, 2024, Prince Bank was honored to be the Platinum Sponsor of Member Appreciation Day & Club Championship Tournament 2024 organized by Garden City Golf Club, and it attracted 130 players to participate in this amazing golf tournament.

The club championship tournament provides a platform for golfers from all sectors and nationalities to participate in and foster friendships and strengthen connections.



### Platinum Sponsor for the Red Hornet Chairman's Cup 2024 - Golf for a Cause golf tournament at Chhun On Golf Resort

On November 29, 2023, Prince Bank is honored to be Platinum Sponsor for the Red Hornet Chairman's Cup 2024 - Golf for a Cause golf tournament at Chhun On Golf Resort. This tournament aims to promote camaraderie among golfers and support local communities in the Kingdom through CSR activities. The fundraising program donates all proceeds to the Cambodia Kantha Bopha Foundation.



### Sponsorship to Cambodian Distance Runner Bou Samnang

From June 2023- May 2025, Prince Bank proudly supported rising star Bo Samnang, a determined athlete who showcased exceptional perseverance during the Women's 5,000m race at the SEA Games, despite challenging weather conditions. Bo's inspiring journey from a disadvantaged background to becoming a symbol of resilience aligns with our values and the bank's tagline, “We try harder for you.” We sponsored her education, living expenses, and health to aid her sports development, with a two-year budget of USD 12,000, as part of our broader commitment to the “Sports for Peace” Fund. This initiative, valued at KHR 1,000,000,000 (USD 250,000), supports talented Cambodian athletes in their pursuit of excellence and success on the international stage, particularly for the 33rd SEA Games in 2025. We remain committed to identifying and empowering deserving Cambodian sportsmen and sportswomen to represent the Kingdom of Cambodia with pride.





## HEALTH

### Donate blood to save life and create a healthy community!

Prince Bank Plc. is very pleased & proud to sponsor a blood donation event under the theme “Donate Blood, Save Lives” with The Association of Banks in Cambodia on Wednesday, March 7, 2024, at the Centre of Banking Studies to raise awareness about the importance of donating blood as a life-saving gift to the community for blood supply adequacy.



### Support the Indonesian Embassy's “Indonesia Health Fest 2024”

Prince Bank is delighted to support the Indonesian Embassy's “Indonesia Health Fest 2024” in Sihanoukville with fun and healthy activities such as workshops, health insurance and products exhibition, free health check-ups, sport game and lucky draw to win EV Bikes, etc. Aligned with our CSR vision, Prince Bank has sponsored 4 Onion EV Bikes Model X1 for the Indonesia Health Fest. We are so honored and proud to be participating in such a meaningful event to support the community and in health knowledge sharing.



### Free Eye Check-up and Treatment Program support of H.E. Dr. Chea Serey the Governor of the National Bank of Cambodia (NBC)

On August 10, 2024, Prince Bank proudly sponsors the “Free Eye Check-up and Treatment Program” at Khmer-Soviet Hospital. In collaboration with Australian Health Humanitarian Aid (AHHA) and with the support of H.E. Dr. Chea Serey the Governor of the National Bank of Cambodia (NBC), the program aims to provide comprehensive eye check treatment to underserved communities from Kompong Thom Province.

The program, scheduled from August 10 to 17, 2024, will offer complimentary eye examinations, treatment for a variety of eye conditions, and eye surgeries. This sponsorship demonstrates our dedication to improving public health and increasing access to essential medical care as part of our corporate social responsibility initiatives.





## Sponsorship to Smile Cambodia “Walk for A Smile 2024”

On March 23<sup>rd</sup>, 2024, Prince Bank is delighted to support the worthy cause of Smile Cambodia’s “Walk For A Smile 2024” fundraising event that offers FREE surgery to Cambodian children in Siem Reap province who suffer from cleft lip, cleft palate, and other facial deformities. The surgical mission took place at Siem Reap Provincial Referral Hospital and was concluded successfully, with over 60 patients screened and 44 operations performed. We also made a visit to witness the process of the surgical operation and the recovery of patients. In additions to the hospital visiting, we also joined the next day event which is “Walk For A Smile” within the Angkor Wat Archeological Park. Aligned with our CSR vision, Prince Bank is proud to participate in such a meaningful event to support our Cambodian Children to have a brighter future and a beautiful smile with great hope.



## ENVIRONMENT

### Prince Bank joined The River Ocean Cleanup Organization for the 7<sup>th</sup> World Cleanup Day, themed “Clean Cambodia, Khmer Can Do It.”

On the morning of September 21, 2024, Prince Bank joined the River Ocean Cleanup Organization for the 7<sup>th</sup> World Cleanup Day, “Clean Cambodia, Khmer Can Do It” This event focused on tackling waste that harms our water sources. Activities included garbage collection, proper waste sorting, and educating the community to help keep our rivers and seas clean and beautiful.



## BUSINESS AND NETWORKING

### 65<sup>th</sup> anniversary of diplomatic relations between the Kingdom of Cambodia and the Republic of Indonesia

On the evening of Friday, 6 December 2024, Prince Bank was honored to be invited by the Indonesian Embassy in Cambodia to participate in a cultural celebration marking the 65<sup>th</sup> anniversary of diplomatic relations between the Kingdom of Cambodia and the Republic of Indonesia. Held at the Chaktomuk Conference Hall, the event served as a meaningful platform to celebrate and strengthen the longstanding friendship between the two nations. Prince Bank is proud to support the continued growth of this vital bilateral relationship.



### Celebrating the opening ceremony of the Funan Techo Canal

On 05 August 2024, Prince Bank would like to extend its heartiest congratulations to the Kingdom of Cambodia on this momentous occasion, which is a major accomplishment for all Cambodian Peoples—the groundbreaking ceremony of Funan Techo Canal.





### Press conference with the Indonesian Embassy in Cambodia

On August 30, 2024, Prince Bank proudly participated in a press conference with the Indonesian Embassy in Cambodia to announce the “Sousdey Indonesia Event”. This prestigious event is scheduled to take place on September 13-14, 2024, at the Koh Pich Convention and Exhibition Hall buildings J, K, and L, running from 9 am to 8 pm. Furthermore, the primary focus of the Sousdey Indonesia event is to strengthen business relationships between Indonesia and Cambodia, fostering a more interconnected and prosperous future for both countries. Prince Bank is proud to be one of the sponsors for this event.



### Sponsoring “Sousdey Indonesia” exhibition event with the Indonesian Embassy

Prince Bank is proud to sponsor the Sousdey Indonesia Expo, taking place from September 13 to 14, 2024 at the Koh Pich Convention and Exhibition Hall. The bank is pleased to contribute 4 Onion EV motorbikes as prizes and a variety of souvenirs for the event. The expo will showcase Indonesian businesses, industries as well as its rich fashion and culinary extravaganza.



### Honor of hosting an event delegation from the National Bank of the Republic of Belarus, including their esteemed Chairman of the Board, Mr Pavel Kallaur

Prince Bank had the honor of hosting an event delegation from the National Bank of the Republic of Belarus, including their esteemed Chairman of the Board, Mr Pavel Kallaur during their visit to Cambodia.

This meeting marks an exciting step forward in fostering a better understanding of the National Bank of the Republic of Belarus and Neo Bank Asia. With the insights shared, we truly look forward to potential future collaborations.

Our deepest gratitude to the delegation for visiting us and taking precious time to understand Prince Bank and our business aspirations. Here's to new horizons and shared success!







# 05

## Establishing Recognition



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## COMPANY NEWS

### Prince Bank introduces Clever Savings, a product that combines savings and medical coverage, the first for Cambodia

On January 23, 2024, Prince Bank launched the Clever Savings Account, a unique product designed to help Cambodians save for the future while offering free medical coverage. This innovative account allows customers to earn interest and protect themselves from rising healthcare costs. CEO Mr. Honn Sorachna highlighted the product's potential to positively impact customers' financial well-being. Additionally, the bank is supporting Cambodian athlete Bou Samnang through its "One Billion Riels Sports Funds" initiative. Prince Bank invites customers to visit a branch or call 1800 20 8888 (toll-free) to learn more and enroll in Clever Savings.



### MoneyGram has partnered with Prince Bank to offer an exceptional promotion for international money transfers

Customers can now transfer funds from Cambodia to over 200 countries with reduced fees—only USD 3 per transaction, up to USD 10,000 per day, from June 3 to December 3, 2024. This partnership aims to provide faster, secure, and affordable services, making it easier for individuals to send money for various needs, such as school fees, gifts, or living expenses abroad. Visit any Prince Bank branch to take advantage of this limited-time offer and enjoy seamless, cost-effective transfers.



### Prince Bank is introducing a New product, Clever Savings Builder, featuring premium benefits for customers

Prince Bank introduces the "Clever Savings Builder" account, a unique savings product offering competitive interest rates and valuable features, including Free Personal Accident Insurance (up to \$10,000/year) and Free Medical Insurance (up to \$3,000 per case). Designed to help customers build savings steadily, the account encourages regular saving habits. The account requires an initial deposit of \$100 and a monthly top-up of \$100, with options to upgrade for higher savings plans. With comprehensive coverage and high interest rates, the Clever Savings Builder helps customers secure their financial future.





## Prince Bank celebrates 9 incredible years of growth, success, and commitment to be the leading trusted bank in Cambodia

Prince Bank recently celebrated its 9<sup>th</sup> anniversary, marking nearly a decade of growth and success since its founding in 2015. From its beginnings as a microfinance institution to becoming a full-fledged commercial bank in 2018, Prince Bank has built significant assets totaling \$1.4 billion, with deposits nearing \$1 billion and loans close to \$800 million. The bank has expanded its services to include various loans, digital banking apps, and high-yield savings products like the Clever Savings Builder account, offering customers added protection through bancassurance. With a strong focus on SMEs, financial literacy, and community contributions, Prince Bank also received multiple international awards in 2023. The bank continues to focus on exceptional customer service and financial innovation, guided by its mission to support Cambodia's growth.



## Prince Bank Appoints New Chairman and CEO

Prince Bank has appointed Mr. Honn Sorachna as Chairman of the Board and Mr. Looi Kok Soon as Chief Executive Officer, effective December 17, 2024. Mr. Sorachna, formerly CEO, will focus on strategic direction and corporate governance, succeeding Neak Okhna Chen Zhi, who steps down to concentrate on Prince Holding Group's growth. Mr. Looi, with extensive experience in Southeast Asia's banking and renewable energy sectors, will enhance customer experience and financial solutions. These appointments reflect Prince Bank's commitment to strong leadership and innovation as it celebrates its 10th anniversary.



## AWARDS & RECOGNITION



### Cambodia Best Employer Brand Awards 2024

From: Best Employment Branding Institute, India.

Prince Bank has been honored with the "Cambodia Best Employer Brand Awards 2024" in the "Innovation in HR Strategy at Work" category by the Best Employment Branding Institute, India. This recognition highlights the bank's excellence in talent acquisition, management, performance, learning and development, and employee benefits. Prince Bank actively enhances employee skills through meetings and training sessions. For more details or career opportunities,

### Asian Management Excellence Award 2024

From: The Asian Business Review

The Asian Management Excellence Award has been awarded to Prince Bank by The Asian Business Review for its outstanding employee engagement initiative. This recognition underscores the bank's commitment to fostering a positive workplace culture that inspires and empowers employees to succeed. Through a focus on teamwork, recognition, and open communication, Prince Bank has significantly strengthened employee engagement, contributing to higher satisfaction and retention. The award highlights the bank's dedication to creating a collaborative and supportive work environment where employees can thrive.







### Leadership in Debit Volume 2024

#### From: Mastercard

We're proud to have received recognition from Mastercard in 2024 for our leadership in Debit Volume. This honor reinforces our continued efforts to deliver innovative, secure, and dependable banking solutions to our customers.

### Best Innovation in Retail Banking Cambodia 2024

#### From: International Banker

Prince Bank has been awarded the International Banker award for the fifth consecutive year, reaffirming its leadership, innovation, and excellence in Cambodia's financial sector.



### Global Best Employer Brands Award 2024

#### From: World HRD Congress

The Global Best Employer Brands Award 2024 for Excellence in Training by the World HRD Congress has been awarded to Prince Bank, recognizing its commitment to employee development. The bank's Core Banking Program, Leadership and Soft Skill Program, and External Training Program were key contributors to this achievement, ensuring a well-rounded approach to skill, knowledge, and mindset development.

Believing that strong training programs shape both its employees and its future, Prince Bank remains dedicated to fostering growth and excellence in the financial industry through continuous learning and development.



### Best Commercial Bank Cambodia 2024

#### From: International Banker

For the fifth consecutive year, Prince Bank has been honored with the International Banker Award, solidifying its position as a leader in Cambodia's banking industry. This recognition highlights the bank's ongoing commitment to innovation, excellence, and customer-focused solutions.

CEO Mr. Honn Sorachna emphasized that the award reflects Prince Bank's agility and strategic foresight, using technology and digital banking advancements to enhance customer service.

Winning this award five times showcases the bank's resilience, innovation, and dedication to high standards in the global financial sector.





### Outstanding Performance in the Number of Guaranteed Accounts 2024

**From: Credit Guarantee Corporation of Cambodia (CGCC)**

Prince Bank is proud to be recognized by the Credit Guarantee Corporation of Cambodia (CGCC) for "Outstanding Performance in the Number of Guaranteed Accounts 2024."



### Best Bank for SMEs in Cambodia 2024

**From: Euromoney**

Prince Bank has been named the "Best Bank for SMEs in Cambodia 2024" by Euromoney, recognizing its dedication to supporting SMEs with innovative financial solutions.

CEO Mr. Honn Sorachna credited the award to the trust of customers and partners, highlighting the bank's role in providing essential resources and digital platforms for SME growth.

Prince Bank offers services like business loans, trade finance, and digital platforms such as PRINCE Mobile. In partnership with the Credit Guarantee Corporation of Cambodia (CGCC), the bank also offers specialized SME loans, including those for women entrepreneurs.



### Leadership in Debit Activation Rate and Leadership in Spend Per Active Card

**From: Visa Inc.**

Prince Bank is proud to announce that we have won two Visa Card Awards for Leadership in Debit Activation Rate and Leadership in Spend Per Active Card for Visa Credit in the Affluent Segment for 2023. This marks our second consecutive year receiving these prestigious awards from Visa, a global leader in payment and technology.

We extend our heartfelt gratitude to our valued customers for their trust and support, which have been instrumental in achieving this milestone. Committed to delivering beneficial and convenient banking services, Prince Bank will continue striving to meet your financial needs.





# 06

## Financial Statements

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## REPORT OF THE BOARD OF DIRECTORS

The Board of Directors (“the Directors”) has the pleasure in submitting its report and the audited financial statements of Prince Bank Plc. (“the Bank”) as at 31 December 2024 and for the year then ended.

### THE BANK

Prior to 18 July 2018, Prince Bank Plc. was named as Prince Finance Plc. which was a private limited company formed under the Laws of the Kingdom of Cambodia to operate as a micro-finance institution in the Kingdom of Cambodia under registration number 00014627 dated 28 April 2015, issued by the Ministry of Commerce. On 18 July 2018, the National Bank of Cambodia (“NBC” or “the Central Bank”) issued the new license for the Bank to become a private commercial bank with the name changed to Prince Bank Plc. The transaction was also acknowledged and endorsed by the Ministry of Commerce on 21 August 2018.

### PRINCIPAL ACTIVITIES

The principal activities of the Bank consist of the provision of various types of banking and related financial services.

### RESULTS OF OPERATIONS AND DIVIDEND

The results of financial performance for the year ended 31 December 2024 are set out in the statement of profit or loss and other comprehensive income on page 8.

There were no dividends declared or paid during the year.

### SHARE CAPITAL

The Bank has share capital of US\$250 million with 250,000 ordinary shares of US\$1,000 par value per share.

### BAD AND DOUBTFUL LOANS AND ADVANCES

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 advances or the allowance for impairment losses and satisfied themselves that all known bad loans and advances had been written off and that adequate loss allowance had been made for bad and doubtful loans and advances.

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

### ASSETS

Before the financial statements of the Bank were prepared, the Directors took reasonable steps to ensure that any assets 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 and based on the best of their knowledge, the Directors are not aware of any circumstances which would render the values attributed to the assets in the financial statements of the Bank misleading in any material respect.

### CONTINGENT AND OTHER LIABILITIES

At the date of this report, there are:

- (a) no 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) no 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 substantially affect 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.

### ITEMS OF UNUSUAL NATURE

The financial performance of the Bank for the financial year was not, in the opinion of the Directors, substantially affected by any item, 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 affect substantially the financial performance of the Bank for the current financial year in which this report is made.

### THE BOARD OF DIRECTORS

The members of the Directors during the year and as at the date of this report are:

|                          |   |
|--------------------------|---|
| Mr. Honn Sorachna        | Chairman (appointed on 10 December 2024)  |
| Mr. Chen Zhi             | Chairman (resigned on 10 December 2024)   |
| Mr. Guy Chhay            | Vice Chairman and Director (resigned on 10 December 2024)                                   |
| Mr. Looi Kok Soon        | Non-Independent Executive Director/ Chief Executive Officer (appointed on 10 December 2024) |
| Mr. Then Samvisoth       | Independent Director  |
| Mr. Sim Hoy Chhoung      | Independent Director  |
| Mr. Muhammad Bin Ibrahim | Independent Director  |

### DIRECTORS' RESPONSIBILITY IN RESPECT OF THE FINANCIAL STATEMENTS

The Directors are responsible for ascertaining that the financial statements are properly drawn up so as to present fairly, in all material respects, the financial position of the Bank as at 31 December 2024, and its financial performance and its cash flows for the year then ended.

In preparing these financial statements, the Directors are required to:

- (i) adopt appropriate accounting policies in accordance with Cambodian International Financial Reporting Standards (“CIFRSs”) and guidelines of the National Bank of Cambodia, which are supported by reasonable and prudent judgments and estimates, and then apply them consistently;
- (ii) comply with the disclosure requirements of CIFRSs or, if there have been any departures in the interest of true and fair presentation, ensure that these have been appropriately disclosed, explained and quantified in the financial statements;



- (iii) maintain adequate accounting records and an effective system of internal control;
- (iv) prepare the financial statements on the going concern basis unless it is inappropriate to assume that the Bank will continue its operations in the foreseeable future; and,
- (v) control and direct effectively the Bank in all material decisions affecting its operations and performance and ascertain that such decisions and/or instructions have been properly reflected in the financial statements.

The Directors are also responsible for safeguarding the assets of the Bank and, hence, for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

#### APPROVAL OF THE FINANCIAL STATEMENTS

The accompanying financial statements, together with the notes thereto, have been properly drawn up and, present fairly, in all material respects, the financial position of the Bank as at 31 December 2024, and its financial performance and its cash flows for the year then ended in accordance with CIFRSs, and were approved by the Directors.

*Signed on behalf of the Directors in accordance with a resolution of the Directors.*



**Mr. Looi Kok Soon**

Non-Independent Executive Director/ Chief Executive Officer

Phnom Penh, Kingdom of Cambodia 17 March 2025

## REPORT OF THE INDEPENDENT AUDITORS

### TO THE SHAREHOLDERS PRINCE BANK PLC.

#### OPINION

We have audited the financial statements of Prince Bank Plc. ("the Bank"), which comprise the statement of financial position as at 31 December 2024, and the statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising material accounting policies and other explanatory information as set out on pages 112 to 185.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Bank as at 31 December 2024, and its financial performance and its cash flows for the year then ended in accordance with Cambodian International Financial Reporting Standards. ("CIFRSs").

#### BASIS FOR OPINION

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

#### OTHER INFORMATION

Management is responsible for the other information. The other information comprises the Report of the Board of Directors, but does not include the financial statements and our auditor's report thereon, which we obtained prior to the date of this auditor's report, and the annual report, which is expected to be made available to us after that date.

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

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

#### RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE FINANCIAL STATEMENTS

Management is responsible for the preparation and fair presentation of the financial statements in accordance with CIFRSs, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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



## AUDITORS' RESPONSIBILITY FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Bank's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Bank's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our audit report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Bank to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

For Fii&Associates Co., Ltd.

**Seng Chanthan**

Audit Partner

Phnom Penh, Kingdom of Cambodia  
17 March 2025

## STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2024

|   | Note | 2024          |               | 2023         |               |
|---|------|---------------|---------------|--------------|---------------|
|   |      | US\$          | KHR'000       | US\$         | KHR'000       |
|   |      | (Note 4.1.c)  |               | (Note 4.1.c) |               |
| ASSETS  |      |               |               |              |               |
| Cash on hand                                  | 6    | 27,762,271    | 111,743,141   | 27,883,725   | 113,905,017   |
| Deposits and placements with the Central Bank | 7    | 366,515,584   | 1,475,225,226 | 53,723,117   | 219,458,933   |
| Deposits and placements with other banks      | 8    | 174,786,869   | 703,517,148   | 36,179,501   | 147,793,262   |
| Loans and advances                            | 9    | 760,921,389   | 3,062,708,591 | 732,328,682  | 2,991,562,666 |
| Investment securities                         | 10   | 46,470,137    | 187,042,301   | 46,224,521   | 188,827,168   |
| Statutory deposits with the Central Bank      | 11   | 113,244,821   | 455,810,405   | 69,279,326   | 283,006,047   |
| Other assets                                  | 12   | 18,117,600    | 72,923,340    | 11,504,536   | 46,996,030    |
| Property and equipment                        | 13   | 3,075,488     | 12,378,839    | 4,280,933    | 17,487,611    |
| Right-of-use assets                           | 14   | 8,120,988     | 32,686,977    | 10,099,916   | 41,258,157    |
| Intangible assets                             | 15   | 5,405,213     | 21,755,982    | 5,708,646    | 23,319,819    |
| TOTAL ASSETS                                  |      | 1,524,420,360 | 6,135,791,950 | 997,212,903  | 4,073,614,710 |
| LIABILITIES AND EQUITY                        |      |               |               |              |               |
| LIABILITIES                                   |      |               |               |              |               |
| Deposits from customers                       | 16   | 1,179,282,640 | 4,746,612,626 | 589,863,482  | 2,409,592,324 |
| Borrowings                                    | 17   | 46,444,252    | 186,938,114   | 114,653,030  | 468,357,628   |
| Lease liabilities                             | 14   | 10,161,100    | 40,898,428    | 12,196,224   | 49,821,575    |
| Employee benefits                             | 19   | 13,260        | 53,372        | 18,491       | 75,536        |
| Other liabilities                             | 20   | 13,401,377    | 53,940,542    | 8,070,445    | 32,967,768    |
| Deferred tax liabilities                      | 21   | 449,888       | 1,810,799     | 1,417,173    | 5,789,152     |
| TOTAL LIABILITIES                             |      | 1,249,752,517 | 5,030,253,881 | 726,218,845  | 2,966,603,983 |
| EQUITY  |      |               |               |              |               |
| Share capital                                 | 22   | 250,000,000   | 1,029,250,000 | 250,000,000  | 1,029,250,000 |
| Capital contribution                          | 22   | 12,669,783    | 52,161,497    | 12,669,783   | 52,161,497    |
| Accumulated losses                            |      | (53,470,245)  | (218,685,871) | (26,286,550) | (107,809,650) |
| Regulatory reserves                           |      | 65,468,305    | 267,390,661   | 34,610,825   | 141,769,860   |
| Other reserves                                |      | -             | (24,578,218)  | -            | (8,360,980)   |
| TOTAL EQUITY                                  |      | 274,667,843   | 1,105,538,069 | 270,994,058  | 1,107,010,727 |
| TOTAL LIABILITIES AND EQUITY                  |      | 1,524,420,360 | 6,135,791,950 | 997,212,903  | 4,073,614,710 |

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



# STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2024

| Note  | 2024         |              | 2023          |              |
|---|--------------|--------------|---------------|--------------|
|   | US\$         | KHR'000      | US\$          | KHR'000      |
|   | (Note 4.1.c) |              | (Note 4.1.c)  |              |
| Interest income                                       | 23           | 80,136,619   | 326,236,176   | 71,830,137   |
| Interest expense                                      | 23           | (44,525,604) | (181,263,734) | (27,718,625) |
| Net interest income                                   | 23           | 35,611,015   | 144,972,442   | 44,111,512   |
| Fee and commission income                             | 24           | 8,586,420    | 34,955,316    | 5,187,063    |
| Fee and commission expense                            | 24           | (186,135)    | (757,756)     | (141,020)    |
| Net fee and commission income                         | 24           | 8,400,285    | 34,197,560    | 5,046,043    |
| Other operating income                                |              | 253,249      | 1,030,977     | 207,522      |
| Other gains / (losses) - net                          | 25           | 973,855      | 3,964,564     | 602,536      |
| Total other operating income                          |              | 1,227,104    | 4,995,541     | 810,058      |
| Credit impairment losses - net                        | 26           | (10,472,993) | (42,635,555)  | (12,721,617) |
| Net other operating losses                            |              | (9,245,889)  | (37,640,014)  | (11,911,559) |
| Personnel expenses                                    | 27           | (16,744,217) | (68,165,707)  | (17,078,366) |
| Depreciation and amortisation                         | 28           | (4,867,462)  | (19,815,438)  | (5,203,325)  |
| Operating expenses                                    | 29           | (10,499,160) | (42,742,080)  | (9,730,317)  |
| Profit before income tax                              |              | 2,654,572    | 10,806,763    | 5,233,988    |
| Income tax credit/(expense)                           | 30           | 967,285      | 3,937,817     | (1,554,058)  |
| Net profit for the year                               |              | 3,621,857    | 14,744,580    | 3,679,930    |
| Other comprehensive Income/(loss):                    |              |              |               |              |
| Items that will not be reclassified to profit or loss |              |              |               |              |
| Currency translation difference                       |              | -            | (16,217,238)  | -            |
| Total comprehensive income/(loss) for the year        |              | 3,621,857    | (1,472,658)   | 3,679,930    |
| Profit attributable to:                               |              |              |               |              |
| Owners of the Bank                                    |              | 3,621,857    | 14,744,580    | 3,679,930    |
| Total comprehensive income/(loss) attributable to:    |              |              |               |              |
| Owners of the Bank                                    |              | 3,621,857    | (1,472,658)   | 3,679,930    |

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



## STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2024

| Attributable to owners of the Bank                    |                      |               |                    |              |                     |              |                |              |               |
|---|----------------------|---------------|--------------------|--------------|---------------------|--------------|----------------|--------------|---------------|
| Share capital   | Capital contribution |               | Accumulated losses |              | Regulatory reserves |              | Other reserves |              | Total         |
| US\$  | KHR'000              | US\$          | KHR'000            | US\$         | KHR'000             | US\$         | KHR'000        | US\$         | KHR'000       |
| (Note 4.1.c)  | (Note 4.1.c)         | (Note 4.1.c)  | (Note 4.1.c)       | (Note 4.1.c) | (Note 4.1.c)        | (Note 4.1.c) | (Note 4.1.c)   | (Note 4.1.c) | (Note 4.1.c)  |
| 250,000,000   | 1,029,250,000        | 12,669,783    | 52,161,497         | (26,286,550) | (107,809,650)       | 34,610,825   | 141,769,860    | -            | 270,994,058   |
| Balance at 1 January 2024                             |                      |               |                    |              |                     |              |                |              | 1,107,010,727 |
| Net profit for the year                               | -                    | -             | -                  | 3,621,857    | 14,744,580          | -            | -              | 3,621,857    | 14,744,580    |
| Other comprehensive loss                              | -                    | -             | -                  | -            | -                   | -            | (16,217,238)   | -            | (16,217,238)  |
| Total comprehensive income/(loss) for the year        | -                    | -             | -                  | 3,621,857    | 14,744,580          | -            | (16,217,238)   | 3,621,857    | (1,472,658)   |
| Transactions with owners in their capacity as owners: |                      |               |                    |              |                     |              |                |              |               |
| Transfer to regulatory reserves                       | -                    | -             | -                  | (30,857,480) | (125,620,801)       | 30,857,480   | 125,620,801    | -            | -             |
| Currency translation differences                      | -                    | -             | -                  | 51,928       | -                   | -            | -              | 51,928       | -             |
| Total transactions with owners                        | -                    | -             | -                  | (30,805,552) | (125,620,801)       | 30,857,480   | 125,620,801    | 51,928       | -             |
| Balance at 31 December 2024                           | 250,000,000          | 1,029,250,000 | 12,669,783         | 52,161,497   | (53,470,245)        | 65,468,305   | 267,390,661    | 274,667,843  | 1,105,538,069 |
| Balance at 1 January 2023                             | 250,000,000          | 1,029,250,000 | 12,669,783         | 52,161,497   | (8,913,906)         | 13,548,301   | 55,202,886     | 267,304,178  | 1,100,491,300 |
| Net profit for the year                               | -                    | -             | -                  | 3,679,930    | 15,124,513          | -            | -              | 3,679,930    | 15,124,513    |
| Other comprehensive loss                              | -                    | -             | -                  | -            | -                   | -            | (8,605,086)    | -            | (8,605,086)   |
| Total comprehensive income/loss for the year          | -                    | -             | -                  | 3,679,930    | 15,124,513          | -            | (8,605,086)    | 3,679,930    | 6,519,427     |



## STATEMENT OF CHANGES IN EQUITY (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

|  | Share capital |               | Capital contribution |             | Accumulated losses |               | Regulatory reserves |             | Other reserves |             | Total       |               |
|--|---------------|---------------|----------------------|-------------|--------------------|---------------|---------------------|-------------|----------------|-------------|-------------|---------------|
|  | US\$          | KHR'000       | US\$                 | KHR'000     | US\$               | KHR'000       | US\$                | KHR'000     | US\$           | KHR'000     | US\$        | KHR'000       |
|  |               | (Note 4.1c)   |                      | (Note 4.1c) |                    | (Note 4.1c)   |                     | (Note 4.1c) |                | (Note 4.1c) |             | (Note 4.1c)   |
| Transactions with owners in their capacity |               |               |                      |             |                    |               |                     |             |                |             |             |               |
| as owners:                                 |               |               |                      |             |                    |               |                     |             |                |             |             |               |
| Transfer to regulatory reserves            | -             | -             | -                    | -           | (21,062,524)       | (86,566,974)  | 21,062,524          | 86,566,974  | -              | -           | -           | -             |
| Currency translation differences           | -             | -             | -                    | -           | 9,950              | -             | -                   | -           | -              | -           | 9,950       | -             |
| Total transactions with owners             | -             | -             | -                    | -           | (21,052,574)       | (86,566,974)  | 21,062,524          | 86,566,974  | -              | -           | 9,950       | -             |
| Balance at 31 December 2023                | 250,000,000   | 1,029,250,000 | 12,669,783           | 52,161,497  | (26,286,550)       | (107,809,650) | 34,610,825          | 141,769,860 | -              | (8,360,980) | 270,994,058 | 1,107,010,727 |

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

## STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2024

|  | Note | 2024               |                      | 2023                |                      |
|--|------|--------------------|----------------------|---------------------|----------------------|
|  |      | US\$               | KHR'000              | US\$                | KHR'000              |
|  |      | (Note 4.1.c)       |                      | (Note 4.1.c)        |                      |
| Cash flows from operating activities                               |      |                    |                      |                     |                      |
| Net profit for the year  |      | 3,621,857          | 14,744,580           | 3,679,930           | 15,124,513           |
| Adjustments for:   |      |                    |                      |                     |                      |
| Income tax (credit)/expense  | 30   | (967,285)          | (3,937,817)          | 1,554,058           | 6,387,178            |
| Depreciation-tangible  | 13   | 1,582,632          | 6,442,895            | 1,970,597           | 8,099,154            |
| Amortisation-intangible  | 15   | 880,540            | 3,584,678            | 840,300             | 3,453,633            |
| Amortisation-right-of-use assets                                   | 14   | 2,404,290          | 9,787,865            | 2,392,428           | 9,832,879            |
| Expected credit losses on:   |      |                    |                      |                     |                      |
| Loans and advances   |      | 8,604,358          | 35,028,341           | 12,667,468          | 52,063,293           |
| Credit commitment and financial guarantee                          |      | (69,963)           | (284,819)            | 80,472              | 330,740              |
| Balances with other banks  |      | 179,616            | 731,217              | (39,281)            | (161,445)            |
| Other financial assets   |      | 1,758,982          | 7,160,816            | 12,958              | 53,257               |
| Disposal/write-off of property and equipment and intangible assets |      | 281,495            | 1,145,966            | 12,803              | 52,620               |
| Finance cost on lease liabilities                                  | 14   | 793,799            | 3,231,556            | 893,035             | 3,670,374            |
| Finance cost on borrowings   | 17   | 1,642,235          | 6,685,539            | 2,629,145           | 10,805,786           |
| Provision for employee benefits                                    | 19   | 973,900            | 3,964,747            | 603,399             | 2,479,970            |
| Changes in:  |      |                    |                      |                     |                      |
| Statutory deposits   |      | (43,965,495)       | (178,983,530)        | 42,416              | 174,330              |
| Balances with other banks  |      | 17,057,600         | 69,441,490           | 14,027,257          | 57,652,026           |
| Balances with the Central Bank                                     |      | 276,403            | 1,125,237            | (400,000)           | (1,644,000)          |
| Loan and advances  |      | (37,197,065)       | (151,429,252)        | (35,692,254)        | (146,695,164)        |
| Other assets   |      | (8,372,046)        | (34,082,599)         | (4,635,537)         | (19,052,057)         |
| Deposits from customers  |      | 589,419,158        | 2,399,525,392        | (21,824,437)        | (89,698,436)         |
| Employee benefits  |      | (979,131)          | (3,986,042)          | (617,192)           | (2,536,659)          |
| Other liabilities  |      | <u>6,552,508</u>   | <u>26,675,260</u>    | <u>(2,148,373)</u>  | <u>(8,829,813)</u>   |
| Cash used in operations  |      | 544,478,388        | 2,216,571,520        | (23,950,808)        | (98,437,821)         |
| Income tax paid  |      | <u>-</u>           | <u>-</u>             | <u>(562,267)</u>    | <u>(2,310,917)</u>   |
| Net cash generated from/(used in) operating activities             |      | <u>544,478,388</u> | <u>2,216,571,520</u> | <u>(24,513,075)</u> | <u>(100,748,738)</u> |
| Cash flows from investing activities                               |      |                    |                      |                     |                      |
| Acquisition of property and equipment                              | 13   | (413,172)          | (1,682,023)          | (811,529)           | (3,335,384)          |
| Acquisition of intangible assets                                   | 15   | (826,345)          | (3,364,050)          | (428,831)           | (1,762,495)          |
| Proceeds from disposal of property and equipment                   |      | 3,728              | 15,177               | 1,323               | 5,438                |
| Investment securities  |      | <u>(245,616)</u>   | <u>(999,903)</u>     | <u>(114,281)</u>    | <u>(469,695)</u>     |
| Net cash used in investing activities                              |      | <u>(1,481,405)</u> | <u>(6,030,799)</u>   | <u>(1,353,318)</u>  | <u>(5,562,136)</u>   |



## STATEMENT OF CASH FLOWS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

|  | Note | 2024                |                      | 2023               |                     |
|--|------|---------------------|----------------------|--------------------|---------------------|
|  |      | US\$                | KHR'000              | US\$               | KHR'000             |
|  |      | (Note 4.1.c)        |                      | (Note 4.1.c)       |                     |
| Cash flows from financing activities                 |      |                     |                      |                    |                     |
| Repayments of borrowings                             | 17   | (70,958,894)        | (288,873,657)        | 227,843            | 936,435             |
| Payments of principal portion of lease liabilities   | 14   | <u>(3,246,089)</u>  | <u>(13,214,828)</u>  | <u>(3,151,266)</u> | <u>(12,951,703)</u> |
| Net cash used in financing activities                |      | <u>(74,204,983)</u> | <u>(302,088,485)</u> | <u>(2,923,423)</u> | <u>(12,015,268)</u> |
|  |      |                     |                      |                    |                     |
| Net increase/(decrease) in cash and cash equivalents |      | 468,792,000         | 1,908,452,236        | (28,789,816)       | (118,326,142)       |
| Cash and cash equivalents at 1 January               |      | 85,693,762          | 350,059,018          | 114,483,578        | 471,328,890         |
| Currency translation difference                      |      | <u>-</u>            | <u>(26,706,062)</u>  | <u>-</u>           | <u>(2,943,730)</u>  |
| Cash and cash equivalents at 31 December             | 31   | <u>554,485,762</u>  | <u>2,231,805,192</u> | <u>85,693,762</u>  | <u>350,059,018</u>  |

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

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

### 1. The Bank

Prior to 18 July 2018, Prince Bank Plc. ("the Bank") was known as Prince Finance Plc. which was a private limited company formed under the Laws of the Kingdom of Cambodia to operate as a micro-finance institution in the Kingdom of Cambodia under registration number 00014627 dated 28 April 2015, issued by the Ministry of Commerce. On 18 July 2018, the National Bank of Cambodia ("NBC" or "the Central Bank") issued the banking license for the Bank to become a private commercial bank with the name changed to Prince Bank Plc. The transaction was also acknowledged and endorsed by the Ministry of Commerce on 21 August 2018.

The principal activities of the Bank consist of the provision of various types of banking and related financial services.

The registered head office of the Bank is currently located at Phnom Penh Tower, Building N°445, 1<sup>st</sup>, 15<sup>th</sup> & 18<sup>th</sup> Floor, Monivong Blvd. street 232, Sangkat Boeng Proluet, Khan Prampir Meakkakra, Phnom Penh.

At 31 December 2024, the Bank had 1,006 employees (2023: 1,051 employees)

### 2. Financial reporting framework and basis of preparation and presentation

#### 2.1. Statement of compliance with Cambodian International Financial Reporting Standards

The financial statements have been prepared in accordance with Cambodian International Financial Reporting Standards ("CIFRSs"). CIFRSs are equivalent to International Financial Reporting Standards ("IFRSs") as issued by the International Accounting Standards Board ("IASB") because IFRSs are adopted by the National Accounting Council, now the Accounting and Auditing Regulator, without modification as CIFRSs.

#### 2.2. Basis of preparation

The financial statements of the Bank, which are expressed in United States Dollars ("US\$"), have been prepared on the historical cost basis, except for financial instruments that are measured at fair values at the end of each reporting period, as explained in the material accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Bank takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis.

In addition, for financial reporting purposes, fair value measurements are categorized into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:



- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

### 2.3. Basis of aggregation

The financial statements include the financial statements of the head office and its branches after the elimination of all significant inter-branch balances and transactions.

### 2.4. Rounding of amounts

Amounts in the financial statements have been rounded off to the nearest dollar and thousand Khmer Riel (KHR'000) for US\$ and KHR amounts, respectively.

## 3. Adoption of new and revised accounting standard

### 3.1. New and revised accounting standards effective during the year

The Bank adopted all accounting standards and interpretations as at 31 December 2024. The new and revised accounting standards and interpretations assessed to be applicable to the Bank's financial statements are as follows:

- Amendments to CIFRS 17 'Insurance Contracts' (Amendments to IFRS C17 and CIFRS 4)
- Disclosure of Accounting Policies (Amendments to CIAS 1 and CIFRS Practice Statement 2)
- Definition of Accounting Estimates (Amendments to CIAS 8, Accounting Policies, Changes in Accounting Estimates and Errors)
- Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction (Amendments to CIAS 12)
- International Tax Reform—Pillar Two Model Rules (Amendments to CIAS 12)
- Lease Liability in a Sale-and-Leaseback (Amendments to CIFRS 16, Leases)
- Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants (Amendments to IAS 1, Presentation of Financial Statements)
- Supplier Finance Arrangements (Amendment to CIAS 7, Statement of Cash Flows and CIFRS 7, Financial Instruments: Disclosures)

The management assessed that the adoption of the accounting standards below have no material impact on the financial statements of the Bank.

- Interest Rate Benchmark Reform — Phase 2 (Amendments to CIFRS 9, Financial Instruments, CIFRS 7, Financial Instruments, CIFRS 4, Insurance Contracts, and CIFRS 16).
- Extension of the Temporary Exemption from Applying CIFRS 9 (Amendments to CIFRS 4).

### 3.2. New and revised accounting standards which are not yet effective

At the date of authorisation of these financial statements, the following new and revised accounting standards that have been issued but are not yet effective were assessed to have a significant impact on the financial statements of the Bank:

- Lack of exchangeability (Amendment to CIAS 21, The Effects of Changes in Foreign Exchange Rates)
- Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9, Financial Instruments and CIFRS 7, Financial Instruments: Disclosures)

## 4. Material accounting policies

The material accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

### 4.1. Foreign currency translation

#### a) Functional and presentation currency

Items included in the financial statements of the Bank are measured using the currency of the primary economic environment in which the Bank operates ("the functional currency"). The US\$ reflects the economic substance of underlying events and circumstances of the Bank. The financial statements are therefore presented in US\$, which is the Bank's functional and presentation currency.

#### b) Transactions and balances

Transactions in currencies other than US\$ are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in currencies other than US\$ are recognised in profit or loss.

#### c) Presentation in Khmer Riel

In compliance with the Law on Accounting and Auditing, a translation of the financial statements from US\$ to Khmer Riel is required. The statements of profit or loss and other comprehensive income and cash flows are translated into Khmer Riel using the average rates for the year. Assets and liabilities for each statement of financial position presented are translated at the closing rates as of the reporting dates. Resulting exchange difference arising from the translation of shareholders' capital is recognised directly in equity; all other resulting exchange differences are recognised in other comprehensive income.

The Bank used the official rate of exchange published by the NBC for the years 2024 and 2023. As at the reporting date, the yearly average rate was US\$ 1 to KHR 4,071 (2023: US\$ 1 to KHR 4,110) and the closing rate was US\$1 to KHR 4,025 (2023: US\$ 1 to KHR 4,085).

### 4.2. Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents comprise cash on hand, unrestricted deposits and placements with the Central Bank, deposits and placements with other banks, and other short-term highly liquid investments with original maturities of three months or less where the Bank has the full ability to withdraw for general purposes whenever needed and are subject to an insignificant risk of changes in value.

### 4.3. Financial assets

#### a) Classification

The Bank classifies its financial assets as measured at amortised cost, which include cash on hand, deposits and placements with the Central Bank and other banks, loans and advances, investment securities and certain other assets.

The classification depends on the Bank's model for managing financial assets and the contractual terms of the financial assets cash flows.

The Bank classifies its financial assets at amortised cost only if both of the following criteria are met and is not designated as at fair value through profit and loss ("FVPL"):



- The asset is held within a business model with the objective of collecting the contractual cash flows, and
- The contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding.

A debt instrument is measured at fair value through other comprehensive income ("FVOCI") only if it meets both of the following conditions and is not designated as at FVPL:

- The asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding.

On initial recognition of an equity investment that is not held for trading, the Bank may irrevocably elect to present subsequent changes in fair value in other comprehensive income. This election is made on an investment-by-investment basis.

All other financial assets are classified as FVPL.

In addition, on initial recognition, the Bank may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

#### b) Recognition and derecognition

Financial assets are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issuance of financial assets (other than financial assets at fair value through profit or loss) are added to or deducted from the fair value of the financial assets, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets at fair value through profit or loss are recognised immediately in profit or loss.

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Bank has transferred substantially all the risks and rewards of ownership. A gain or loss on derecognition of a financial asset measured at amortised cost is recognised in profit or loss when the financial asset is derecognised.

#### c) Measurement

At initial recognition, the Bank measures a financial asset at its fair value plus, in the case of a financial asset not at FVPL, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss. Immediately after initial recognition, an expected credit loss allowance ("ECL") is recognised for financial assets measured at amortised cost, which results in an accounting loss being recognised in profit or loss when an asset is newly originated.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

##### *Debt instruments*

Subsequent measurement of debt instruments depends on the Bank's business model for managing the assets and the cash flow characteristics of the assets. The Bank classifies its debt instruments as financial assets measured at amortised cost.

Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows are solely payments of principal and interest, are measured at amortised cost. The carrying amount of these assets is adjusted by any expected credit loss allowance recognised. Interest earned from these financial assets is included in interest income in the statement of profit or loss using the effective interest rate method.

#### d) Reclassification of financial assets

The Bank reclassifies financial assets when and only when their business model for managing those assets changes.

#### e) Impairment

The Bank assesses on a forward-looking basis the ECL associated with its debt instrument assets carried at amortised cost and FVOCI and with the exposure arising from credit commitments (including overdraft and revolving facilities) and financial guarantee contracts. The Bank recognises a loss allowance for such losses at each reporting date. The measurement of ECL reflects:

- An unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- The time value of money; and,
- Reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

The Bank applies a three-stage approach to measure ECL for the following categories:

- Debt instruments measured at amortised cost; and
- Credit commitments (including undrawn overdraft and revolving facilities) and financial guarantee contract

The three-stage approach is based on the change in credit risk since initial recognition:

##### (a) Stage 1: 12-months ECL

Stage 1 includes financial assets which have not had a significant increase in credit risk since initial recognition or which have low credit risk at reporting date. 12-months ECL is recognised and interest income is calculated on the gross carrying amount of the financial assets.

##### (b) Stage 2: Lifetime ECL – not credit impaired

Stage 2 includes financial assets which have had a significant increase in credit risk since initial recognition (unless they have low credit risk at the reporting date) but do not have objective evidence of impairment. Lifetime ECL is recognised and interest income is calculated on the gross carrying amount of the financial assets.

##### (c) Stage 3: Lifetime ECL – credit impaired

Stage 3 includes financial assets that have objective evidence of impairment at the reporting date. Lifetime ECL is recognised and interest income is calculated on the net carrying amount of the financial assets.

#### ***Restructured financial assets***

If the terms of a financial asset are renegotiated or modified or an existing financial asset is replaced with a new one due to financial difficulties of the borrower, then an assessment is made of whether the financial asset should be derecognised and ECL are measured as follows.

- If the expected restructuring will not result in derecognition of the existing asset, then the expected cash flows arising from the modified financial asset are included in calculating the cash shortfalls from the existing asset.
- If the expected restructuring will result in derecognition of the existing asset, then the expected fair value of the new asset is treated as the final cash flow from the existing financial asset at the time of its derecognition. This amount is included in calculating the cash shortfalls from the existing financial asset that are discounted from the expected date of derecognition to the reporting date using the original effective interest rate of the existing financial asset.



#### 4.4. Financial liabilities

Financial liabilities are recognised when the Bank becomes a party to the contractual provision of the instruments. Financial liabilities of the Bank include deposits from customers, borrowings and certain other liabilities.

Financial liabilities are initially recognised at fair value less transaction costs for all financial liabilities not carried at fair value through profit or loss.

Financial liabilities that are not classified as fair value through profit or loss are measured at amortised cost. The financial liabilities measured at amortised cost are deposits from customers, borrowings, lease liabilities, employee benefits and certain other liabilities.

For borrowings from shareholders with interest rate below market rate, such borrowings are initially recognised at the present value of the future cash payments discounted at a market rate of interest for similar borrowings. Differences between the amount of cash received and the present value of the future cash payments are recognised as capital contribution in equity.

Financial liabilities are derecognised when they have been redeemed or otherwise extinguished.

#### 4.5. Credit commitments and financial guarantee contracts

Credit commitments (including undrawn overdraft and revolving facilities) provided by the Bank are measured at the amount of the loss allowance. The Bank has not provided any commitment to provide loans at a below-market interest rate, or that can be settled net in cash or by delivering or issuing another financial instrument.

For credit commitments (including undrawn overdraft and revolving facilities), the expected credit losses are recognised as provisions (presented with other liabilities). However, for contracts that include both a loan and an undrawn commitment and that the Bank cannot separately identify the expected credit losses on the undrawn commitment component from those on the loan component, the expected credit losses on the undrawn commitment are recognised together with the loss allowance for the loan. To the extent that the combined expected credit losses exceed the gross carrying amount of the loan, the expected credit losses are recognised as a provision.

Financial guarantee contracts are contracts that require the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due, in accordance with the terms of a debt instrument. Such financial guarantees are given to banks, financial institutions and other bodies on behalf of customers to secure loans, overdrafts and other banking facilities.

Financial guarantees are initially recognised in the financial statements at fair value on the date the guarantee was given. The guarantees are agreed on arm's length terms and the value of the premium agreed corresponds to the value of the guarantee obligation. No receivable for the future premiums is recognised. Financial guarantee contracts are subsequently measured at the higher of the amount determined in accordance with the expected credit loss model under CIFRS 9 'Financial Instruments' and the amount initially recognised less cumulative amount of income recognised in accordance with the principles of CIFRS 15 'Revenue from Contracts with Customers', where appropriate.

These estimates are determined based on experience of similar transactions and history of past losses, supplemented by the judgement of management. The fee income earned is recognised on a straight-line basis over the life of the guarantee.

Any increase in the liability relating to guarantees is reported in profit or loss within other operating expenses.

#### 4.6. Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously.

#### 4.7. Property and equipment

Property and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amounts or recognised as a separate asset, as appropriate, only when it is possible that future economic benefits associated with the item will flow to the Bank and the cost of the item can be measured reliably. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.

Construction work-in-progress is not depreciated until it is ready for its intended use. Depreciation on other property and equipment are depreciated using the straight-line method to allocate their cost to their residual value over their estimated useful lives, as follows:

|                                | Years   |
|--------------------------------|---|
| Leasehold improvements         | Shorter of lease period and its useful life of 10 years |
| Motor vehicles                 | 4 to 8  |
| Computer equipment             | 4   |
| Office furniture and equipment | 4   |

The assets' useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing the proceeds within the carrying amount and are recognised in profit or loss.

#### 4.8. Intangible assets

Intangible assets, which comprise acquired computer software license for the core banking system and related costs and other software, are stated at cost less accumulated amortisation and impairment loss. Acquired computer software licenses are capitalised on the basis of costs incurred to acquire the specific software license and bring them into use. These costs are amortised over their estimated useful lives of ten years using the straight-line method. Intangible work-in-progress is not depreciated until it is ready for its intended use.

Costs associated with maintaining computer software are recognised as expenses when incurred.

#### 4.9. Impairment of non-financial assets

At the end of each reporting period, the Bank assesses whether there is any indication that any of its tangible and intangible assets may have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any. When it is not possible to estimate the recoverable amount of an individual asset, the Bank estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation or depreciation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and its value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.



Impairment losses recognised in prior periods are assessed at the end of each reporting period for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised. A reversal of an impairment loss is recognised as an income in profit or loss.

#### 4.10. Leases

##### *The Bank as a lessee*

At inception of contract, the Bank assesses whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Contracts may contain both lease and non-lease components. The Bank allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices.

Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants other than the security interests in the lease assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes.

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use.

Assets and liabilities arising from a lease are initially measured on a present value basis.

##### a) Lease liabilities

Lease liabilities include the net present value of the lease payments from fixed payments (including in-substance fixed payments), less any lease incentives receivable.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Bank, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

To determine the incremental borrowing rate, the Bank where possible, uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received.

Lease payments are allocated between principal and interest expense. The interest expense was charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

##### b) Right-of-use assets

Right-of-use assets are measured at cost comprising the following:

- The amount of the initial measurement of lease liability,
- any lease payments made at or before the commencement date less any lease incentives received,
- any initial direct cost, and
- restoration cost, if any.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Bank is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

Subsequently the right-of-use asset is measured at cost less depreciation and any accumulated impairment losses.

##### c) Recognition exemptions

Payments associated with all leases of short-term leases are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less.

#### 4.11. Income tax

The income tax expense is the tax payable on the current period's taxable income, based on the applicable income tax rate, adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax law enacted or substantively enacted at the reporting date in country where the Bank operates and generates taxable income.

Deferred tax is provided in full, using the liability method, providing for temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax is determined using tax rates based on laws that have been enacted or substantively enacted by the reporting date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which temporary difference can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets and they relate to income taxes levied by the same tax authority on the same taxable entity.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

#### 4.12. Provision

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 will be required to settle the obligation; and the amount has been reliably estimated.

When there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

#### 4.13. Regulatory reserves

Banks and financial institutions are required to compute regulatory provisions, according to Prakas No. B7-017-344 dated 1 December 2017 and Circular No. B7-018-001 dated 16 February 2018 on credit risk classification and provisions on impairment. If the accumulated regulatory provision is higher than the accumulated impairment based on CIFRS 9, the 'topping up' will be recorded as regulatory reserves presented under equity. The reserve is subsequently reversed (up to zero) should the accumulated regulatory provision equal or be lower than accumulated impairment based on CIFRS 9. The regulatory reserve is set aside as a buffer, which is non-distributable and is not allowed to be included in the net worth calculation.



#### 4.14. Employee benefits

##### a) Short-term employee benefits

Short-term employee benefits are accrued in the year in which the associated services are rendered by the employees of the Bank.

##### b) Other long term employment benefits - seniority payments

In June 2018, the Cambodian government amended the Labour Law to introduce seniority pay scheme. Subsequently on 21 September 2018, Prakas No. 443 K.B/Br.K.Kh.L, was issued to provide guidelines on the implementation of the law. In accordance with the law/Prakas, each entity is required to pay each employee with unspecified duration employment contract the following seniority scheme:

- Annual service - effective January 2019, 15 days of their average monthly salary and benefits each year, and is payable every six month on 30 June and 31 December (7.5 days each payment).
- Regarding to Notification No. 018/20 K.B/S.Ch.N.Kh.L from the Ministry of Labour and Vocational Training issued on 02 June 2020 on Postponement of Payment of Back Pay Seniority Indemnity before 2019 and New Seniority Indemnity in 2020. Based on Bank's memorandum No. 023/HRS/2020 issued on 12 June 2020 decided to continue payment of seniority indemnity 2020 to all employees who are using unspecified duration contract as schedule in June and December 2020, respectively.

The annual service pay is considered as short-term employee benefits. These are accrued in the year in which the associated services are rendered by the employees of the Bank.

The past years of seniority service is classified as long-term employee benefits. Past seniority liability is recognised at the present value of defined obligations at the reporting period using the projected unit credit method to better estimate the ultimate cost to the Bank that employees have earned in return for their service in the current and prior period. That obligation arises as employees render the services that the Bank expected to pay in the future reporting periods. The present value of the past seniority payment is determined by discounting the estimated future payments by reference to the high-quality corporate bond of the currency that the liability is denominated.

#### 4.15. Interest income and expense

Interest income and expense from financial instruments at amortised cost are recognised within "interest income" and "interest expense" respectively in the statement of profit or loss using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial asset or a financial liability and of allocating the interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts throughout the expected life of the financial instruments or, when appropriate, a shorter period to the net carrying amount of the financial asset or financial liability. When calculating the effective interest rate, the Bank takes into account all contractual terms of the financial instrument and includes any fees or incremental costs that are directly attributable to the instrument and are an integral part of the effective interest rate, but not future credit losses.

Interest income is calculated by applying effective interest rate to the gross carrying amount of a financial asset except for:

- Purchased or originated credit-impaired financial assets ("POCI"), for which the original credit-adjusted effective interest rate is applied to the amortised cost of the financial assets.
- Financial assets that are not POCI but have subsequently become credit-impaired (or 'stage 3'), for which interest revenue is calculated by applying the effective interest rate to their amortised cost (i.e. net of the expected credit loss provision).

#### 4.16. Fee and commission income

Fees and commissions are recognised as income when all conditions precedent are fulfilled (performance obligations are satisfied and control is transferred over time or point in time).

Commitment fees for loans, advances and financing that are likely to be drawn down are deferred (together with related direct costs) and income which forms an integral part of the effective interest rate of a financial instrument is recognised as an adjustment to the effective interest rate on the financial instrument.

#### 4.17. Related party transactions

A related party transaction is a transfer of resources, services or obligations between the Bank and a related party, regardless of whether a price is charged.

Parties are considered related if one party has control, joint control, or significant influence over the other party in making financial and operating decisions. An entity that has a post-employment benefit plan for the employees and key management personnel of the Bank are also considered to be related parties.

#### 4.18. Events after the reporting period

The Bank identifies events after the end of each reporting period as those events, both favourable and unfavourable, that occur between the end of the reporting period and the date when the financial statements are authorised for issue. The financial statements of the Bank are adjusted to reflect those events that provide evidence of conditions that existed at the end of the reporting period. Non-adjusting events after the end of the reporting period are disclosed in the notes to the financial statements if it is material.

### 5. Critical accounting estimates, assumptions and judgements

The Bank makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, rarely equal the related actual results. To enhance the information content of the estimates, certain key variables that are anticipated to have material impact to the Bank's results and financial position are tested for sensitivity to changes in the underlying parameters. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year are outlined below:

#### 5.1. Critical judgements in applying accounting policies

The following are the critical judgements, apart from those involving estimations (which are presented separately below), that the Directors have made in the process of applying the Bank's accounting policies and that have the most significant effect on the amounts recognised in financial statements.

##### a) Functional currency

Based on the economic substance of underlying circumstances relevant to the Bank, management determines the functional currency of the Bank to be the US\$. The US\$ is the currency of the primary economic environment in which the Bank operates and it is the currency that mainly influences the loans to customers and interest income.

##### b) Business model assessment

The Bank uses various models and assumptions in estimating ECL. Judgement is applied in identifying the most appropriate model for each type of asset, as well as for determining the assumptions used in these models, including assumptions that relate to key drivers of credit risk.

##### c) Expected credit loss allowance on financial assets at amortised cost

The expected credit loss allowance for financial assets measured at amortised cost requires the use of complex models and significant assumptions about future economic conditions and credit behaviour (e.g. the likelihood of customers defaulting and the resulting losses).



A number of significant judgements are also required in applying the accounting requirements for measuring ECL, such as:

- Determining criteria for significant increase in credit risk
- Choosing appropriate models and assumptions for the measurement of ECL
- Establishing the number and relative weightings of forward-looking scenarios for each type of product/market and the associated ECL
- Establishing groups of similar financial assets for the purposes of measuring ECL

## 5.2. Key sources of estimation uncertainty

Information about key estimation uncertainties that have the most significant effect on the amounts recognised in financial statements includes the following:

### a) Calculation of loss allowance

When measuring expected credit losses, the Bank establishes the number and relative weightings of forward-looking scenarios for each type of product and determines the forward-looking information relevant to each scenario. The Bank uses reasonable and supportable forward-looking information, which is based on assumptions for the future movement of different economic drivers and how these drivers will affect each other.

Loss given default is an estimate of the loss arising on default. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, taking into account cash flows from collateral and integral credit enhancements.

Probability of default constitutes a key input in measuring ECL. Probability of default is an estimate of the likelihood of default over a given time horizon, the calculation of which includes historical data, assumptions and expectations of future conditions.

### b) Other long term employee benefits - seniority payment

The present value of the seniority payment obligations depends on a number of factors that are determined on a basis using a number of assumptions. The assumptions used in determining the ultimate cost for seniority payment include the staff turnover and discount rate. Any changes in these assumptions will impact the carrying amount of seniority payment obligations.

### c) Lease terms

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

### d) Income tax

The taxation system in Cambodia is characterised by numerous taxes and frequently changing legislation, which is often unclear, contradictory and subject to interpretation. Taxes are subject to review and investigation by a number of authorities, which are empowered by law to impose fines, penalties and interest charges.

These factors may create potential tax exposures for the Bank. Directors believe that they have understood relevant tax regulations and adequately provided for tax liabilities based on their interpretation of the current tax legislation. However, where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the tax amount reported in the period in which such determination is made.

### e) Deferred tax assets

The Bank reviews the carrying amounts at the end of each reporting period and reduces deferred tax assets to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax assets to be utilized. However, there is no assurance that the Bank will generate sufficient taxable profit to allow all or part of its deferred tax assets to be utilized.

### f) Estimating useful lives of assets

The useful lives of the Bank's assets with definite life are estimated based on the period over which the assets are expected to be available for use. The estimated useful lives of Bank's property and equipment and right-of-use assets are reviewed periodically and are updated if expectations differ from previous estimates due to physical wear and tear, technical or commercial obsolescence and legal or other limits on the use of the Bank's assets. In addition, the estimation of the useful lives is based on the Bank's collective assessment of industry practice, internal technical evaluation and experience with similar assets. It is possible, however, that future results of operations could be materially affected by changes in estimates brought about by changes in factors mentioned above. The amounts and timing of recorded expenses for any period would be affected by changes in these factors and circumstances. A reduction in the estimated useful lives of property and equipment and right of use assets would increase the recognised operating expenses and decrease non-current assets.

### g) Estimating cost of right-of-use assets

Determining the cost of right-of-use asset includes the amount of lease liabilities recognised and the estimated costs to be incurred in dismantling and removing its underlying asset or restoring to the condition required by the contract.

Lease liabilities is measured at the present value of lease payments to be made over the lease term. In calculating the lease liabilities, the Bank uses its borrowing cost at the time of the commencement of the lease term.

### h) Impairment of non-financial assets

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs to sell and its value in use. The fair value less costs to sell calculation is based on available data from binding sales transactions in an arm's length transaction of similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a discounted cash flow model. The cash flows are derived from the budget and do not include restructuring activities that the Bank is not yet committed to or significant future investments that will enhance the asset's performance of the cash generating unit being tested. The recoverable amount is most sensitive to the discount rate used for the discounted cash flow model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes.

### i) Fair value measurement

The Directors use valuation techniques to determine the fair value of financial instruments (where active market quotes are not available) and non-financial assets. This involves developing estimates and assumptions consistent with how market participants would price the instrument. The Directors based their assumptions on observable data as far as possible, but this is not always available. In that case, Directors used the best information available. Estimated fair values may vary from the actual prices that would be achieved in an arm's length transaction at the reporting date.



## 6. Cash on hand

|            | 2024              |                    | 2023              |                    |
|------------|-------------------|--------------------|-------------------|--------------------|
|            | US\$              | KHR'000            | US\$              | KHR'000            |
|            | (Note 4.1)        |                    | (Note 4.1)        |                    |
| US Dollars | 22,510,964        | 90,606,630         | 23,837,266        | 97,375,232         |
| Khmer Riel | 5,251,307         | 21,136,511         | 4,046,459         | 16,529,785         |
|            | <u>27,762,271</u> | <u>111,743,141</u> | <u>27,883,725</u> | <u>113,905,017</u> |

## 7. Deposits and placements with the Central Bank

|  | 2024               |                      | 2023              |                    |
|--|--------------------|----------------------|-------------------|--------------------|
|  | US\$               | KHR'000              | US\$              | KHR'000            |
|  | (Note 4.1.c)       |                      | (Note 4.1.c)      |                    |
| Current accounts                       | 242,382,044        | 975,587,727          | 36,293,354        | 148,258,351        |
| Settlement accounts                    | 31,018,633         | 124,849,998          | 12,926,453        | 52,804,561         |
| Negotiable certificate of deposits (*) | 93,114,907         | 374,787,501          | 4,503,310         | 18,396,021         |
|  | <u>366,515,584</u> | <u>1,475,225,226</u> | <u>53,723,117</u> | <u>219,458,933</u> |

(\*) The Bank pledged its negotiable certificate of deposits amounting to US\$4,098,447 (2023: US\$4,500,000) with the Central Bank as collateral for settlement clearing facility. As at 31 December 2024, the Bank has yet utilised the settlement clearing facility.

Annual interest rate of deposits and placements with the Central Bank is as follows:

|                                    | 2024          | 2023          |
|------------------------------------|---------------|---------------|
| Current accounts                   | Nil           | Nil           |
| Settlement accounts                | Nil           | Nil           |
| Negotiable certificate of deposits | 0.20% - 1.15% | 0.53% - 3.60% |

Total interest income earned from placements with the Central Bank amounted to US\$943,353 or KHR3,840,390,100 and US\$374,542 or KHR1,539,367,600 as at 31 December 2024 and 2023, respectively.

## 8. Deposits and placements with other banks

## a) By residency status

|  | 2024               |                    | 2023              |                    |
|--|--------------------|--------------------|-------------------|--------------------|
|  | US\$               | KHR'000            | US\$              | KHR'000            |
|  | (Note 4.1.c)       |                    | (Note 4.1.c)      |                    |
| Deposit and placements with local banks                          | 100,065,834        | 402,764,982        | 32,347,080        | 132,137,822        |
| Deposit and placements with overseas banks                       | 74,946,853         | 301,661,083        | 3,878,623         | 15,844,175         |
| Less: Allowance for expected credit loss<br>(Note 34.1 (f)(iii)) | <u>(225,818)</u>   | <u>(908,917)</u>   | <u>(46,202)</u>   | <u>(188,735)</u>   |
|  | <u>174,786,869</u> | <u>703,517,148</u> | <u>36,179,501</u> | <u>147,793,262</u> |

## b) By account type

|   | 2024               |                    | 2023              |                    |
|---|--------------------|--------------------|-------------------|--------------------|
|   | US\$               | KHR'000            | US\$              | KHR'000            |
|   | (Note 4.1.c)       |                    | (Note 4.1.c)      |                    |
| Deposits and placements with local banks    |                    |                    |                   |                    |
| Current accounts                            | 4,981,007          | 20,048,553         | 4,708,685         | 19,234,979         |
| Savings accounts                            | 6,953              | 27,986             | 2,922             | 11,936             |
| Fixed deposits                              | 95,077,873         | 382,688,439        | 27,635,473        | 112,890,907        |
| Less: allowance for expected credit loss    | <u>(129,117)</u>   | <u>(519,696)</u>   | <u>(41,074)</u>   | <u>(167,787)</u>   |
|   | <u>99,936,716</u>  | <u>402,245,282</u> | <u>32,306,006</u> | <u>131,970,035</u> |
| Deposits and placements with overseas banks |                    |                    |                   |                    |
| Current accounts                            | 74,944,474         | 301,651,507        | 3,878,623         | 15,844,175         |
| Savings accounts                            | 2,380              | 9,580              | -                 | -                  |
| Less: allowance for expected credit loss    | <u>(96,701)</u>    | <u>(389,221)</u>   | <u>(5,128)</u>    | <u>(20,948)</u>    |
|   | <u>74,850,153</u>  | <u>301,271,866</u> | <u>3,873,495</u>  | <u>15,823,227</u>  |
|   | <u>174,786,869</u> | <u>703,517,148</u> | <u>36,179,501</u> | <u>147,793,262</u> |

## c) By maturity

|         | 2024         |             | 2023         |             |
|---------|--------------|-------------|--------------|-------------|
|         | US\$         | KHR'000     | US\$         | KHR'000     |
|         | (Note 4.1.c) |             | (Note 4.1.c) |             |
| Current | 174,786,869  | 703,517,148 | 36,179,501   | 147,793,262 |

## d) By interest rates

Annual interest rates of deposits and placements with other banks are as follows:

|                  | 2024          | 2023          |
|------------------|---------------|---------------|
| Current accounts | 2.08%         | 2.08%         |
| Savings accounts | 0.25% - 1.00% | 0.25% - 1.00% |
| Fixed deposits   | 2.00% - 5.50% | 3.10% - 6.20% |



## 9. Loans and advances

|   | 2024                      |                             | 2023                      |                             |
|---|---------------------------|-----------------------------|---------------------------|-----------------------------|
|   | US\$                      | KHR'000                     | US\$                      | KHR'000                     |
|   | (Note 4.1.c)              |                             | (Note 4.1.c)              |                             |
| At amortised cost   |                           |                             |                           |                             |
| Commercial loans:   |                           |                             |                           |                             |
| Financial institutions  | 6,562,879                 | 26,415,588                  | 7,776,107                 | 31,765,398                  |
| Short-term  | 9,380,800                 | 37,757,720                  | 43,238                    | 176,627                     |
| Overdrafts  | 26,336,120                | 106,002,883                 | 21,214,003                | 86,659,202                  |
| Long-term loans   | <u>464,054,353</u>        | <u>1,867,818,771</u>        | <u>444,741,520</u>        | <u>1,816,769,109</u>        |
|   | <u>506,334,152</u>        | <u>2,037,994,962</u>        | <u>473,774,868</u>        | <u>1,935,370,336</u>        |
| Consumer loans:   |                           |                             |                           |                             |
| Real estate mortgages   | 205,273,415               | 826,225,495                 | 197,377,304               | 806,286,287                 |
| Credit cards  | 4,313,787                 | 17,362,993                  | 4,605,414                 | 18,813,116                  |
| Others  | <u>73,906,864</u>         | <u>297,475,128</u>          | <u>76,840,093</u>         | <u>313,891,780</u>          |
|   | <u>283,494,066</u>        | <u>1,141,063,616</u>        | <u>278,822,811</u>        | <u>1,138,991,183</u>        |
| Total gross loans   | <u>789,828,218</u>        | <u>3,179,058,578</u>        | <u>752,597,679</u>        | <u>3,074,361,519</u>        |
| Less: Allowance for expected credit loss<br>(Note 34.1 (f) (i)) | <u>(28,906,829)</u>       | <u>(116,349,987)</u>        | <u>(20,268,997)</u>       | <u>(82,798,853)</u>         |
| Total net loans   | <u><u>760,921,389</u></u> | <u><u>3,062,708,591</u></u> | <u><u>732,328,682</u></u> | <u><u>2,991,562,666</u></u> |

## a) Allowance for expected credit loss

Movements for allowance for expected credit loss are as follows:

|   | 2024                     |                           | 2023                     |                          |
|---|--------------------------|---------------------------|--------------------------|--------------------------|
|   | US\$                     | KHR'000                   | US\$                     | KHR'000                  |
|   | (Note 4.1.c)             |                           | (Note 4.1.c)             |                          |
| Loss allowance as of 1 January  | 20,268,997               | 81,582,713                | 7,592,281                | 31,014,468               |
| Net remeasurement of loss allowance                                   | 3,688,049                | 14,844,397                | 10,670,013               | 43,587,003               |
| New financial assets originated or purchased                          | 10,293,956               | 41,433,173                | 3,334,293                | 13,620,587               |
| Financial assets derecognised during the year<br>other than write off | <u>(5,344,173)</u>       | <u>(21,510,296)</u>       | <u>(1,327,590)</u>       | <u>(5,423,205)</u>       |
| Loss allowance as of 31 December                                      | <u><u>28,906,829</u></u> | <u><u>116,349,987</u></u> | <u><u>20,268,997</u></u> | <u><u>82,798,853</u></u> |

## b) By industry

|                                   | 2024                      |                             | 2023                      |                             |
|-----------------------------------|---------------------------|-----------------------------|---------------------------|-----------------------------|
|                                   | US\$                      | KHR'000                     | US\$                      | KHR'000                     |
|                                   | (Note 4.1.c)              |                             | (Note 4.1.c)              |                             |
| Real estate and mortgages         | 308,470,462               | 1,241,593,610               | 258,592,094               | 1,056,348,704               |
| Wholesale and retail trade        | 188,412,333               | 758,359,640                 | 187,544,009               | 766,117,277                 |
| Manufacturing                     | 55,803,033                | 224,607,208                 | 23,566,331                | 96,268,462                  |
| Building and construction         | 55,016,337                | 221,440,756                 | 98,169,618                | 401,022,890                 |
| Services                          | 51,995,326                | 209,281,187                 | 45,544,673                | 186,049,989                 |
| Other lending                     | 48,153,551                | 193,818,043                 | 53,983,594                | 220,522,981                 |
| Personal lending                  | 27,019,740                | 108,754,454                 | 35,689,789                | 145,792,788                 |
| Agriculture, forestry and fishing | 14,319,563                | 57,636,241                  | 16,569,445                | 67,686,183                  |
| Financial institutions            | 6,340,078                 | 25,518,814                  | 7,513,019                 | 30,690,683                  |
| Import and exports                | <u>5,390,966</u>          | <u>21,698,638</u>           | <u>5,156,110</u>          | <u>21,062,709</u>           |
| Total net loans                   | <u><u>760,921,389</u></u> | <u><u>3,062,708,591</u></u> | <u><u>732,328,682</u></u> | <u><u>2,991,562,666</u></u> |

## c) By loan classifications

|                                    | 2024                        |                             | 2023                        |                             |
|------------------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
|                                    | US\$                        | KHR'000                     | US\$                        | KHR'000                     |
|                                    | (Note 4.1.c)                |                             | (Note 4.1.c)                |                             |
| Performing                         |                             |                             |                             |                             |
| Gross amounts                      | 592,113,450                 | 2,383,256,637               | 632,305,624                 | 2,582,968,474               |
| Exposure at default                | 851,542,371                 | 3,427,458,043               | 930,757,851                 | 3,802,145,821               |
| Allowance for expected credit loss | 3,904,713                   | 15,716,470                  | 4,676,717                   | 19,104,389                  |
| Under-performing                   |                             |                             |                             |                             |
| Gross amounts                      | 93,916,329                  | 378,013,224                 | 34,623,502                  | 141,437,006                 |
| Exposure at default                | 159,245,980                 | 640,965,070                 | 47,341,175                  | 193,388,700                 |
| Allowance for expected credit loss | 2,801,495                   | 11,276,017                  | 621,357                     | 2,538,244                   |
| Non-performing                     |                             |                             |                             |                             |
| Gross amounts                      | 103,798,439                 | 417,788,717                 | 85,668,553                  | 349,956,039                 |
| Exposure at default                | 185,037,965                 | 744,777,809                 | 140,038,774                 | 572,058,392                 |
| Allowance for expected credit loss | 22,200,621                  | 89,357,500                  | 14,970,923                  | 61,156,220                  |
| Total                              |                             |                             |                             |                             |
| Gross amounts                      | <u><u>789,828,218</u></u>   | <u><u>3,179,058,578</u></u> | <u><u>752,597,679</u></u>   | <u><u>3,074,361,519</u></u> |
| Exposure at default                | <u><u>1,195,826,316</u></u> | <u><u>4,813,200,922</u></u> | <u><u>1,118,137,800</u></u> | <u><u>4,567,592,913</u></u> |
| Allowance for expected credit loss | <u><u>28,906,829</u></u>    | <u><u>116,349,987</u></u>   | <u><u>20,268,997</u></u>    | <u><u>82,798,853</u></u>    |



## d) By maturity

|   | 2024               |                      | 2023               |                      |
|---|--------------------|----------------------|--------------------|----------------------|
|   | US\$               | KHR'000              | US\$               | KHR'000              |
|   | (Note 4.1.c)       |                      | (Note 4.1.c)       |                      |
| Not later than 1 year                         | 92,539,914         | 372,473,154          | 57,511,913         | 234,936,164          |
| Later than 1 year and not later than 3 years  | 95,834,450         | 385,733,661          | 58,641,678         | 239,551,255          |
| Later than 3 years and not later than 5 years | 53,020,480         | 213,407,432          | 41,366,431         | 168,981,871          |
| Later than 5 years                            | 519,526,545        | 2,091,094,344        | 574,808,660        | 2,348,093,376        |
| Total net loans                               | <u>760,921,389</u> | <u>3,062,708,591</u> | <u>732,328,682</u> | <u>2,991,562,666</u> |

## e) By exposure

|                    | 2024               |                      | 2023               |                      |
|--------------------|--------------------|----------------------|--------------------|----------------------|
|                    | US\$               | KHR'000              | US\$               | KHR'000              |
|                    | (Note 4.1.c)       |                      | (Note 4.1.c)       |                      |
| Large exposure     | 36,331,122         | 146,232,766          | -                  | -                    |
| Non-large exposure | <u>724,590,267</u> | <u>2,916,475,825</u> | <u>732,328,682</u> | <u>2,991,562,666</u> |
| Total net loans    | <u>760,921,389</u> | <u>3,062,708,591</u> | <u>732,328,682</u> | <u>2,991,562,666</u> |

Large exposure is defined by the Central Bank as overall credit exposure to any individual beneficiary which exceeds 10% of the Bank's net worth.

## f) By relationship

|                     | 2024               |                      | 2023               |                      |
|---------------------|--------------------|----------------------|--------------------|----------------------|
|                     | US\$               | KHR'000              | US\$               | KHR'000              |
|                     | (Note 4.1.c)       |                      | (Note 4.1.c)       |                      |
| Related parties     | 2,624,994          | 10,565,601           | 2,287,329          | 9,343,739            |
| Non-related parties | <u>758,296,395</u> | <u>3,052,142,990</u> | <u>730,041,353</u> | <u>2,982,218,927</u> |
| Total net loans     | <u>760,921,389</u> | <u>3,062,708,591</u> | <u>732,328,682</u> | <u>2,991,562,666</u> |

## g) By residency

|                 | 2024               |                      | 2023               |                      |
|-----------------|--------------------|----------------------|--------------------|----------------------|
|                 | US\$               | KHR'000              | US\$               | KHR'000              |
|                 | (Note 4.1)         |                      | (Note 4.1)         |                      |
| Residents       | 760,921,389        | 3,062,708,591        | 732,328,682        | 2,991,562,666        |
| Non-residents   | -                  | -                    | -                  | -                    |
| Total net loans | <u>760,921,389</u> | <u>3,062,708,591</u> | <u>732,328,682</u> | <u>2,991,562,666</u> |

## h) By securities

|                 | 2024               |                      | 2023               |                      |
|-----------------|--------------------|----------------------|--------------------|----------------------|
|                 | US\$               | KHR'000              | US\$               | KHR'000              |
|                 | (Note 4.1)         |                      | (Note 4.1)         |                      |
| Secured loans   | 732,386,951        | 2,947,857,478        | 709,611,450        | 2,898,762,773        |
| Unsecured loans | <u>28,534,438</u>  | <u>114,851,113</u>   | <u>22,717,232</u>  | <u>92,799,893</u>    |
| Total net loans | <u>760,921,389</u> | <u>3,062,708,591</u> | <u>732,328,682</u> | <u>2,991,562,666</u> |

## i) By interest rates

These loans and advances to customers earn annual interest rates as below:

|                           | 2024             | 2023             |
|---------------------------|------------------|------------------|
| Commercial loans:         |                  |                  |
| Financial institutions    | 8.50% to 9.00%   | 8.50% to 9.00%   |
| Short term loan           | 11.00% to 18.00% | 12.00% to 18.00% |
| Overdraft                 | 7.99% to 18.00%  | 7.99% to 18.00%  |
| Long term loan            | 5.00% to 18.00%  | 5.00% to 18.00%  |
| Consumer loans:           |                  |                  |
| Real estate mortgage loan | 3.00% to 18.00%  | 3.00% to 18.00%  |
| Credit card               | 18.00%           | 18.00%           |
| Others                    | 5.00% to 18.00%  | 5.50% to 18.00%  |

## 10. Investment securities

|   | 2024              |                    | 2023              |                    |
|---|-------------------|--------------------|-------------------|--------------------|
|   | US\$              | KHR'000            | US\$              | KHR'000            |
|   | (Note 4.1.c)      |                    | (Note 4.1.c)      |                    |
| Investment securities at amortised cost       | 46,470,137        | 187,042,301        | 46,224,521        | 188,827,168        |
| Impairment loss allowance (Note 34.1 (f)(iv)) | -                 | -                  | -                 | -                  |
| Net investment securities                     | <u>46,470,137</u> | <u>187,042,301</u> | <u>46,224,521</u> | <u>188,827,168</u> |

In 2024, four Techo International Bonds matured and were extended for another year. The bonds had values of US\$5 million, US\$5 million, US\$10 million, and US\$10 million, each earning an interest rate of 6.5% per annum.

As at 31 December 2024, the remaining principal of debt securities is US\$45,000,000 (2023: US\$45,000,000)



## 11. Statutory deposits with the Central Bank

|                            | 2024               |                    | 2023              |                    |
|----------------------------|--------------------|--------------------|-------------------|--------------------|
|                            | US\$               | KHR'000            | US\$              | KHR'000            |
|                            | (Note 4.1.c)       |                    | (Note 4.1.c)      |                    |
| <i>Current –</i>           |                    |                    |                   |                    |
| Reserve requirement (i)    | 88,079,725         | 354,520,894        | 44,117,655        | 180,220,621        |
| <i>Non-current –</i>       |                    |                    |                   |                    |
| Capital guarantee deposits | 25,165,096         | 101,289,511        | 25,161,671        | 102,785,426        |
|                            | <u>113,244,821</u> | <u>455,810,405</u> | <u>69,279,326</u> | <u>283,006,047</u> |

## (i) Reserve requirement

The reserve requirement represents the minimum reserve requirement which is calculated at 7% of the total deposits from customers during 2022, as required by the National Bank of Cambodia (“NBC”) Prakas B7-020-230 Pro Kor, on Licensing of Bank and MDIs.

On 9 January 2023 NBC issued Prakas No. B7-023-005 required Banks and financial institutions to maintain reserve requirements with the Central Bank in the form of compulsory deposit at 9% and 12.5% for foreign currencies of deposits and borrowings, effective from 1 January 2023 to 31 December 2023, and from 1 January 2024 onward, respectively. The reserve requirement for local currency (“KHR”) is still maintained at 7%.

On 21 August 2024, NBC approved to maintain the Reserve Requirement Rate at 7% for foreign currencies deposit and borrowings until 31 December 2025.

The reserve requirement on customers’ deposits and borrowings earns no interest.

## (ii) Capital guarantee

Pursuant to Prakas No. B7-01-136 on Bank’s Capital Guarantee dated 15 October 2001 issued by the National Bank of Cambodia, banks are required to maintain 10% of its paid-up capital as a statutory deposit with the Central Bank. The deposit, which is not available for use in the Bank’s day-to-day operations, is refundable should the Bank voluntarily cease its operations in Cambodia.

## (iii) Interest rate

|                     | 2024  | 2023  |
|---------------------|-------|-------|
| Reserve requirement | Nil   | Nil   |
| Capital guarantee   | 1.31% | 1.33% |

## 12. Other assets

|   | 2024              |                   | 2023              |                   |
|---|-------------------|-------------------|-------------------|-------------------|
|   | US\$              | KHR'000           | US\$              | KHR'000           |
|   | (Note 4.1.c)      |                   | (Note 4.1.c)      |                   |
| Deposits, gross                                       | 1,539,935         | 6,198,238         | 3,298,245         | 13,473,331        |
| Accrue for penalty charge for overdue                 | 6,601,979         | 26,572,965        | -                 | -                 |
| Allowance for expected credit loss (Note 34.1 (f)(v)) | (1,811,361)       | (7,290,728)       | (52,379)          | (213,968)         |
| Sub-total   | <u>6,330,553</u>  | <u>25,480,475</u> | <u>3,245,866</u>  | <u>13,259,363</u> |
| Prepayments   | 2,688,804         | 10,822,436        | 1,922,964         | 7,855,308         |
| Pre-funding   | 3,551,772         | 14,295,883        | 1,610,914         | 6,580,584         |
| Others  | 5,546,471         | 22,324,546        | 4,724,792         | 19,300,775        |
|   | <u>18,117,600</u> | <u>72,923,340</u> | <u>11,504,536</u> | <u>46,996,030</u> |
| Current   | 3,780,689         | 15,217,273        | 2,554,318         | 10,434,389        |
| Non-current   | 14,336,911        | 57,706,067        | 8,950,218         | 36,561,641        |
|   | <u>18,117,600</u> | <u>72,923,340</u> | <u>11,504,536</u> | <u>46,996,030</u> |

|             | 2024              |                   | 2023              |                   |
|-------------|-------------------|-------------------|-------------------|-------------------|
|             | US\$              | KHR'000           | US\$              | KHR'000           |
|             | (Note 4.1.c)      |                   | (Note 4.1.c)      |                   |
| Current     | 3,780,689         | 15,217,273        | 2,554,318         | 10,434,389        |
| Non-current | 14,336,911        | 57,706,067        | 8,950,218         | 36,561,641        |
|             | <u>18,117,600</u> | <u>72,923,340</u> | <u>11,504,536</u> | <u>46,996,030</u> |

## 13. Property and equipment

| 2024                                       | Leasehold improvements | Motor vehicles   | Computer equipment | Office furniture and equipment | Construction work-in-progress | Total            |
|--|------------------------|------------------|--------------------|--------------------------------|-------------------------------|------------------|
|  | US\$                   | US\$             | US\$               | US\$                           | US\$                          | US\$             |
| <b>For the year ended 31 December 2024</b> |                        |                  |                    |                                |                               |                  |
| Opening net carrying amounts               | 684,510                | 1,406,378        | 1,148,667          | 875,109                        | 166,269                       | 4,280,933        |
| Additions                                  | 16,750                 | -                | 344,762            | 42,859                         | 8,801                         | 413,172          |
| Reclassifications                          | -                      | -                | 8,800              | -                              | (8,800)                       | -                |
| Disposal                                   | -                      | -                | -                  | -                              | -                             | -                |
| Write off                                  | -                      | -                | (638)              | (15)                           | -                             | (653)            |
| Depreciation                               | (159,595)              | (387,177)        | (617,021)          | (418,839)                      | -                             | (1,582,632)      |
| Adjustment                                 | -                      | -                | -                  | -                              | (35,332)                      | (35,332)         |
| Closing net carrying amounts               | <u>541,665</u>         | <u>1,019,201</u> | <u>884,570</u>     | <u>499,114</u>                 | <u>130,938</u>                | <u>3,075,488</u> |



### 13. Property and equipment (continued)

| 2024                                    | Leasehold improvements | Motor vehicles     | Computer equipment | Office furniture and equipment | Construction work-in-progress | Total               |
|---|------------------------|--------------------|--------------------|--------------------------------|-------------------------------|---------------------|
|   | US\$                   | US\$               | US\$               | US\$                           | US\$                          | US\$                |
| <b>As at 31 December 2024</b>           |                        |                    |                    |                                |                               |                     |
| Cost                                    | 1,381,706              | 3,390,927          | 5,299,804          | 4,532,067                      | 166,269                       | 14,770,773          |
| Additions                               | 16,750                 | -                  | 344,762            | 42,859                         | 8,801                         | 413,172             |
| Reclassifications                       | -                      | -                  | 8,800              | -                              | (8,800)                       | -                   |
| Disposal                                | -                      | -                  | (58,212)           | (1,056)                        | -                             | (59,268)            |
| Write off                               | -                      | -                  | (699)              | (7,481)                        | -                             | (8,180)             |
| Adjustment                              | -                      | -                  | -                  | -                              | (35,332)                      | (35,332)            |
| <b>Closing cost amounts</b>             | <b>1,398,456</b>       | <b>3,390,927</b>   | <b>5,594,455</b>   | <b>4,566,389</b>               | <b>130,938</b>                | <b>15,081,165</b>   |
| <b>As at 31 December 2024</b>           |                        |                    |                    |                                |                               |                     |
| Accumulate depreciation                 | (697,196)              | (1,984,549)        | (4,151,137)        | (3,656,958)                    | -                             | (10,489,840)        |
| Depreciation                            | (159,595)              | (387,177)          | (617,021)          | (418,839)                      | -                             | (1,582,632)         |
| Disposal                                | -                      | -                  | 58,212             | 1,056                          | -                             | 59,268              |
| Write off                               | -                      | -                  | 60                 | 7,467                          | -                             | 7,527               |
| <b>Closing accumulated depreciation</b> | <b>(856,791)</b>       | <b>(2,371,726)</b> | <b>(4,709,886)</b> | <b>(4,067,274)</b>             | <b>-</b>                      | <b>(12,005,677)</b> |
| <b>Net carrying amounts</b>             | <b>541,665</b>         | <b>1,019,201</b>   | <b>884,569</b>     | <b>499,115</b>                 | <b>130,938</b>                | <b>3,075,488</b>    |
| In KHR'000 equivalents (Note 4.1.c)     | 2,180,202              | 4,102,284          | 3,560,390          | 2,008,938                      | 527,025                       | 12,378,839          |

| 2023                                       | Leasehold improvements | Motor vehicles   | Computer equipment | Office furniture and equipment | Construction work-in-progress | Total            |
|--|------------------------|------------------|--------------------|--------------------------------|-------------------------------|------------------|
|  | US\$                   | US\$             | US\$               | US\$                           | US\$                          | US\$             |
| <b>For the year ended 31 December 2023</b> |                        |                  |                    |                                |                               |                  |
| Opening net carrying amounts               | 463,416                | 1,797,299        | 1,649,271          | 1,014,547                      | 528,271                       | 5,452,804        |
| Additions                                  | 180,520                | -                | 99,263             | 186,382                        | 345,364                       | 811,529          |
| Transfers                                  | 190,656                | -                | 155,475            | 352,055                        | (698,186)                     | -                |
| Disposals/write off                        | -                      | -                | -                  | (3,623)                        | (9,180)                       | (12,803)         |
| Depreciation                               | (150,082)              | (390,921)        | (755,342)          | (674,252)                      | -                             | (1,970,597)      |
| <b>Closing net carrying amounts</b>        | <b>684,510</b>         | <b>1,406,378</b> | <b>1,148,667</b>   | <b>875,109</b>                 | <b>166,269</b>                | <b>4,280,933</b> |
| <b>As at 31 December 2023</b>              |                        |                  |                    |                                |                               |                  |
| Cost                                       | 1,381,706              | 3,390,927        | 5,299,804          | 4,532,067                      | 166,269                       | 14,770,773       |
| Accumulated depreciation                   | (697,196)              | (1,984,549)      | (4,151,137)        | (3,656,958)                    | -                             | (10,489,840)     |
| <b>Net carrying amounts</b>                | <b>684,510</b>         | <b>1,406,378</b> | <b>1,148,667</b>   | <b>875,109</b>                 | <b>166,269</b>                | <b>4,280,933</b> |
| In KHR'000 equivalents (Note 4.1.c)        | 2,796,223              | 5,745,054        | 4,692,305          | 3,574,820                      | 679,209                       | 17,487,611       |

### 14. Leases

This note provides information for leases where the Bank is a lessee.

The Bank leases various buildings for its head office and branch operations, and equipment such as generators to support branch operations. Rental contracts are typically made for fixed periods from 2 to 10 years. The leases have varying terms, escalation clauses and renewal rights. On renewal, the terms of the leases are renegotiated.

The Bank has recognised right-of-use assets for these leases, except for short-term leases.

(i) Amounts recognised in the statement of financial position

#### Right-of-use assets

|  | 2024             |                   | 2023              |                   |
|--|------------------|-------------------|-------------------|-------------------|
|  | US\$             | KHR'000           | US\$              | KHR'000           |
|  | (Note 4.1.c)     |                   | (Note 4.1.c)      |                   |
| At the beginning of the year             | 10,099,916       | 41,258,157        | 11,842,870        | 48,757,096        |
| Additions during the year                | 432,684          | 1,761,457         | 659,201           | 2,709,316         |
| Depreciation for the year                | (2,404,290)      | (9,787,865)       | (2,392,428)       | (9,832,879)       |
| Lease termination during the year        | (7,322)          | (29,808)          | (9,727)           | (39,978)          |
| Currency translation differences         | -                | (514,964)         | -                 | (335,398)         |
| <b>At the end of the year</b>            | <b>8,120,988</b> | <b>32,686,977</b> | <b>10,099,916</b> | <b>41,258,157</b> |
| <b>As at 31 December</b>                 |                  |                   |                   |                   |
| Cost                                     | 20,668,790       | 83,191,880        | 20,243,428        | 82,694,404        |
| Accumulated depreciation                 | (12,547,802)     | (50,504,903)      | (10,143,512)      | (41,436,247)      |
| <b>At the end of the year</b>            | <b>8,120,988</b> | <b>32,686,977</b> | <b>10,099,916</b> | <b>41,258,157</b> |
| <i>Right-of-use assets (non-current)</i> |                  |                   |                   |                   |
| Buildings                                | 7,940,518        | 31,960,585        | 10,072,932        | 41,147,927        |
| Equipment                                | 180,470          | 726,392           | 26,984            | 110,230           |
| <b>At the end of the year</b>            | <b>8,120,988</b> | <b>32,686,977</b> | <b>10,099,916</b> | <b>41,258,157</b> |

#### Lease liabilities

|   | 2024              |                   | 2023              |                   |
|---|-------------------|-------------------|-------------------|-------------------|
|   | US\$              | KHR'000           | US\$              | KHR'000           |
|   | (Note 4.1.c)      |                   | (Note 4.1.c)      |                   |
| At the beginning of the year                    | 12,196,224        | 49,821,575        | 13,805,389        | 56,836,787        |
| Additions during the year                       | 432,684           | 1,761,457         | 659,202           | 2,709,320         |
| Interest expense for the year                   | 793,799           | 3,231,556         | 893,035           | 3,670,374         |
| Payments of principal and interest for the year | (3,253,848)       | (13,246,415)      | (3,151,266)       | (12,951,703)      |
| <b>At the end of the year</b>                   | <b>10,161,100</b> | <b>40,898,428</b> | <b>12,196,224</b> | <b>49,821,575</b> |
| Lease termination during the year               | (7,759)           | (31,587)          | (10,136)          | (41,659)          |
| Currency translation differences                | -                 | (638,158)         | -                 | (401,544)         |
| <b>At the end of the year</b>                   | <b>10,161,100</b> | <b>40,898,428</b> | <b>12,196,224</b> | <b>49,821,575</b> |



## 14. Leases (continued)

|                          | 2024              |                   | 2023              |                   |
|--------------------------|-------------------|-------------------|-------------------|-------------------|
|                          | US\$              | KHR'000           | US\$              | KHR'000           |
|                          | (Note 4.1.c)      |                   | (Note 4.1.c)      |                   |
| <b>Lease liabilities</b> |                   |                   |                   |                   |
| Less than one year       | 2,397,509         | 9,649,974         | 2,370,108         | 9,681,891         |
| One to five years        | 6,789,927         | 27,329,456        | 8,162,325         | 33,343,098        |
| More than five years     | <u>973,664</u>    | <u>3,918,998</u>  | <u>1,663,791</u>  | <u>6,796,586</u>  |
|                          | <u>10,161,100</u> | <u>40,898,428</u> | <u>12,196,224</u> | <u>49,821,575</u> |
|                          |                   |                   |                   |                   |
|                          | 2024              |                   | 2023              |                   |
|                          | US\$              | KHR'000           | US\$              | KHR'000           |
|                          | (Note 4.1.c)      |                   | (Note 4.1.c)      |                   |
| <b>Lease liabilities</b> |                   |                   |                   |                   |
| Current                  | 2,397,509         | 9,649,974         | 2,370,108         | 9,681,891         |
| Non-current              | <u>7,763,591</u>  | <u>31,248,454</u> | <u>9,826,116</u>  | <u>40,139,684</u> |
|                          | <u>10,161,100</u> | <u>40,898,428</u> | <u>12,196,224</u> | <u>49,821,575</u> |

(ii) Amounts recognised in the statement of profit or loss

The statement of profit or loss shows the following amounts relating to leases:

|   | 2024             |                  | 2023             |                  |
|---|------------------|------------------|------------------|------------------|
|   | US\$             | KHR'000          | US\$             | KHR'000          |
|   | (Note 4.1.c)     |                  | (Note 4.1.c)     |                  |
| <i>Depreciation charge of right-of-use assets</i>                         |                  |                  |                  |                  |
| Buildings   | 2,305,447        | 9,385,475        | 2,284,493        | 9,389,266        |
| Equipment   | <u>98,843</u>    | <u>402,390</u>   | <u>107,935</u>   | <u>443,613</u>   |
|   |                  |                  |                  |                  |
| Depreciation charge (Note 28)   | <u>2,404,290</u> | <u>9,787,865</u> | <u>2,392,428</u> | <u>9,832,879</u> |
|   |                  |                  |                  |                  |
| <i>Interest expense on lease liabilities</i>                              |                  |                  |                  |                  |
| Buildings   | 776,051          | 3,159,304        | 886,964          | 3,645,422        |
| Equipment   | <u>17,748</u>    | <u>72,252</u>    | <u>6,071</u>     | <u>24,952</u>    |
|   |                  |                  |                  |                  |
| Interest expense (Note 23)  | <u>793,799</u>   | <u>3,231,556</u> | <u>893,035</u>   | <u>3,670,374</u> |
|   |                  |                  |                  |                  |
| Expense relating to short-term leases<br>(included in operating expenses) | <u>204,164</u>   | <u>831,153</u>   | <u>225,973</u>   | <u>928,749</u>   |

## 15. Intangible assets

| 2024                                       | Computer software  | Construction work-in-progress | Total              |
|--|--------------------|-------------------------------|--------------------|
|  | US\$               | US\$                          | US\$               |
| <b>For the year ended 31 December 2024</b> |                    |                               |                    |
| Opening net carrying amounts               | 5,057,868          | 650,778                       | 5,708,646          |
| Additions                                  | 107,330            | 719,015                       | 826,345            |
| Transfers                                  | 21,808             | (21,808)                      | -                  |
| Amortisation                               | (880,540)          | -                             | (880,540)          |
| Adjustment                                 | <u>-</u>           | <u>(249,238)</u>              | <u>(249,238)</u>   |
|  |                    |                               |                    |
| Closing net carrying amounts               | <u>4,306,466</u>   | <u>1,098,747</u>              | <u>5,405,213</u>   |
| <b>As of 31 December 2024,</b>             |                    |                               |                    |
| Cost as of 1 January 2024                  | 7,788,023          | 650,778                       | 8,438,801          |
| Additions                                  | 107,330            | 719,015                       | 826,345            |
| Transfers                                  | 21,808             | (21,808)                      | -                  |
| Adjustment                                 | <u>-</u>           | <u>(249,238)</u>              | <u>(249,238)</u>   |
|  |                    |                               |                    |
| Closing cost amount                        | <u>7,917,161</u>   | <u>1,098,747</u>              | <u>9,015,908</u>   |
|  |                    |                               |                    |
| <b>As of 31 December 2024</b>              |                    |                               |                    |
| Opening accumulated depreciation           | (2,730,155)        | -                             | (2,730,155)        |
| Amortisation                               | <u>(880,540)</u>   | <u>-</u>                      | <u>(880,540)</u>   |
| Closing accumulated amortisation           | <u>(3,610,695)</u> | <u>-</u>                      | <u>(3,610,695)</u> |
|  |                    |                               |                    |
| Net carrying amounts                       | <u>4,306,466</u>   | <u>1,098,747</u>              | <u>5,405,213</u>   |
| In KHR'000 equivalents (Note 4.1.c)        | <u>17,333,526</u>  | <u>4,422,456</u>              | <u>21,755,982</u>  |
|  |                    |                               |                    |
| 2023                                       | Computer software  | Construction work-in-progress | Total              |
|  | US\$               | US\$                          | US\$               |
| <b>For the year ended 31 December 2023</b> |                    |                               |                    |
| Opening net carrying amounts               | 5,452,993          | 667,122                       | 6,120,115          |
| Additions                                  | 388,359            | 40,472                        | 428,831            |
| Transfers                                  | 56,816             | (56,816)                      | -                  |
| Amortisation                               | <u>(840,300)</u>   | <u>-</u>                      | <u>(840,300)</u>   |
|  |                    |                               |                    |
| Closing net carrying amounts               | <u>5,057,868</u>   | <u>650,778</u>                | <u>5,708,646</u>   |
|  |                    |                               |                    |
| <b>As of 31 December 2023</b>              |                    |                               |                    |
| Cost                                       | 7,788,023          | 650,778                       | 8,438,801          |
| Accumulated amortisation                   | <u>(2,730,155)</u> | <u>-</u>                      | <u>(2,730,155)</u> |
|  |                    |                               |                    |
| Net carrying amounts                       | <u>5,057,868</u>   | <u>650,778</u>                | <u>5,708,646</u>   |
|  |                    |                               |                    |
| In KHR'000 equivalents (Note 4.1.c)        | <u>20,661,391</u>  | <u>2,658,428</u>              | <u>23,319,819</u>  |



## 16. Deposits from customers

|                           | 2024                        |                             | 2023                      |                             |
|---------------------------|-----------------------------|-----------------------------|---------------------------|-----------------------------|
|                           | US\$                        | KHR'000                     | US\$                      | KHR'000                     |
|                           | (Note 4.1.c)                |                             | (Note 4.1.c)              |                             |
| Current accounts          | 509,591,247                 | 2,051,104,769               | 216,712,987               | 885,272,552                 |
| Savings deposits          | 31,681,202                  | 127,516,838                 | 27,197,124                | 111,100,252                 |
| Fixed deposits            | <u>619,478,754</u>          | <u>2,493,401,985</u>        | <u>337,257,546</u>        | <u>1,377,697,075</u>        |
|                           | <b>1,160,751,203</b>        | <b>4,672,023,592</b>        | <b>581,167,657</b>        | <b>2,374,069,879</b>        |
| Accrued interest payables | <u>18,531,437</u>           | <u>74,589,034</u>           | <u>8,695,825</u>          | <u>35,522,445</u>           |
|                           | <b><u>1,179,282,640</u></b> | <b><u>4,746,612,626</u></b> | <b><u>589,863,482</u></b> | <b><u>2,409,592,324</u></b> |

|             | 2024                        |                             | 2023                      |                             |
|-------------|-----------------------------|-----------------------------|---------------------------|-----------------------------|
|             | US\$                        | KHR'000                     | US\$                      | KHR'000                     |
|             | (Note 4.1.c)                |                             | (Note 4.1.c)              |                             |
| Current     | 752,203,124                 | 3,027,617,574               | 484,962,456               | 1,981,071,633               |
| Non-current | <u>427,079,516</u>          | <u>1,718,995,052</u>        | <u>104,901,026</u>        | <u>428,520,691</u>          |
|             | <b><u>1,179,282,640</u></b> | <b><u>4,746,612,626</u></b> | <b><u>589,863,482</u></b> | <b><u>2,409,592,324</u></b> |

Annual interest rates for deposits from customers are as follows:

|                  | 2024          | 2023          |
|------------------|---------------|---------------|
| Current accounts | 1.00% - 1.75% | 1.00% - 1.75% |
| Savings deposits | 1.00% - 1.75% | 1.00% - 1.75% |
| Fixed deposits   | 2.00% - 8.00% | 2.00% - 8.00% |

## 17. Borrowings

|                          | 2024                     |                           | 2023                      |                           |
|--------------------------|--------------------------|---------------------------|---------------------------|---------------------------|
|                          | US\$                     | KHR'000                   | US\$                      | KHR'000                   |
|                          | (Note 4.1.c)             |                           | (Note 4.1.c)              |                           |
| Principal amounts        |                          |                           |                           |                           |
| Shareholder              | -                        | -                         | 68,357,765                | 279,241,470               |
| Oceanic Opportunity Fund | 40,000,000               | 161,000,000               | 40,000,000                | 163,400,000               |
| SME Bank of Cambodia     | <u>3,252,433</u>         | <u>13,091,043</u>         | <u>3,983,184</u>          | <u>16,271,307</u>         |
|                          | <b>43,252,433</b>        | <b>174,091,043</b>        | <b>112,340,949</b>        | <b>458,912,777</b>        |
| Interest payable         | <u>3,191,819</u>         | <u>12,847,071</u>         | <u>2,312,081</u>          | <u>9,444,851</u>          |
|                          | <b><u>46,444,252</u></b> | <b><u>186,938,114</u></b> | <b><u>114,653,030</u></b> | <b><u>468,357,628</u></b> |

Changes in liabilities arising from financing activities – borrowings

|                                  | 2024                     |                           | 2023                      |                           |
|----------------------------------|--------------------------|---------------------------|---------------------------|---------------------------|
|                                  | US\$                     | KHR'000                   | US\$                      | KHR'000                   |
|                                  | (Note 4.1.c)             |                           | (Note 4.1.c)              |                           |
| Principal amounts                |                          |                           |                           |                           |
| At 1 January                     | 112,340,949              | 458,912,777               | 110,515,544               | 454,992,495               |
| Repayment                        | (70,730,751)             | (287,944,887)             | (803,740)                 | (3,283,278)               |
| Finance charges                  | 1,642,235                | 6,685,539                 | 2,629,145                 | 10,740,057                |
| Currency translation differences | -                        | (3,562,386)               | -                         | (3,536,497)               |
| At 31 December                   | <b><u>43,252,433</u></b> | <b><u>174,091,043</u></b> | <b><u>112,340,949</u></b> | <b><u>458,912,777</u></b> |

|                                  | 2024                    |                          | 2023                    |                         |
|----------------------------------|-------------------------|--------------------------|-------------------------|-------------------------|
|                                  | US\$                    | KHR'000                  | US\$                    | KHR'000                 |
|                                  | (Note 4.1.c)            |                          | (Note 4.1.c)            |                         |
| Interest payables                |                         |                          |                         |                         |
| At 1 January                     | 2,312,081               | 9,444,851                | 1,280,498               | 5,271,810               |
| Charge during the year (Note 23) | 2,750,116               | 11,195,722               | 3,930,471               | 16,154,236              |
| Finance charges                  | (1,642,235)             | (6,685,539)              | (2,629,145)             | (10,805,786)            |
| Interest payments                | (228,143)               | (928,770)                | (269,743)               | (1,108,644)             |
| Currency translation differences | -                       | (179,193)                | -                       | (66,765)                |
| At 31 December                   | <b><u>3,191,819</u></b> | <b><u>12,847,071</u></b> | <b><u>2,312,081</u></b> | <b><u>9,444,851</u></b> |



## a) By currency

|                      | 2024              |                    | 2023               |                    |
|----------------------|-------------------|--------------------|--------------------|--------------------|
|                      | US\$              | KHR'000            | US\$               | KHR'000            |
|                      | (Note 4.1.c)      |                    | (Note 4.1.c)       |                    |
| United State Dollars | 46,025,290        | 185,251,792        | 114,118,409        | 466,173,701        |
| Cambodian Riels      | 418,962           | 1,686,322          | 534,621            | 2,183,927          |
|                      | <u>46,444,252</u> | <u>186,938,114</u> | <u>114,653,030</u> | <u>468,357,628</u> |

## b) By maturity

|                        | 2024              |                    | 2023               |                    |
|------------------------|-------------------|--------------------|--------------------|--------------------|
|                        | US\$              | KHR'000            | US\$               | KHR'000            |
|                        | (Note 4.1.c)      |                    | (Note 4.1.c)       |                    |
| Within one month       | 43,241,226        | 174,045,934        | -                  | -                  |
| Between 1 to 3 months  | -                 | -                  | -                  | -                  |
| Between 3 to 12 months | 26,034            | 104,787            | 70,734,837         | 288,951,810        |
| More than 1 year       | 3,176,992         | 12,787,393         | 43,918,193         | 179,405,818        |
|                        | <u>46,444,252</u> | <u>186,938,114</u> | <u>114,653,030</u> | <u>468,357,628</u> |

## c) By interest rate

|                                 | 2024               | 2023               |
|---------------------------------|--------------------|--------------------|
| Borrowed fund from shareholders | 0% per annum       | 0% per annum       |
| Oceanic Opportunity Fund        | 3% per annum       | 3% per annum       |
| SME bank                        | 2% to 3% per annum | 2% to 3% per annum |

## 18. Current income tax liabilities

|                                  | 2024         |          | 2023         |             |
|----------------------------------|--------------|----------|--------------|-------------|
|                                  | US\$         | KHR'000  | US\$         | KHR'000     |
|                                  | (Note 4.1.c) |          | (Note 4.1.c) |             |
| At 1 January                     | -            | -        | 562,267      | 2,314,853   |
| Additions                        | -            | -        | -            | -           |
| Payments                         | -            | -        | (562,267)    | (2,310,917) |
| Currency translation differences | -            | -        | -            | (3,936)     |
| On 31 December                   | <u>-</u>     | <u>-</u> | <u>-</u>     | <u>-</u>    |

## 19. Employee benefits

|                                  | 2024          |               | 2023          |               |
|----------------------------------|---------------|---------------|---------------|---------------|
|                                  | US\$          | KHR'000       | US\$          | KHR'000       |
|                                  | (Note 4.1.c)  |               | (Note 4.1.c)  |               |
| On 1 January                     | 18,491        | 75,536        | 32,284        | 132,913       |
| Additions                        | 973,900       | 3,964,747     | 603,399       | 2,479,970     |
| Payments                         | (977,621)     | (3,979,895)   | (617,192)     | (2,536,659)   |
| Adjustments                      | (1,510)       | (6,147)       | -             | -             |
| Currency translation differences | -             | (869)         | -             | (688)         |
| On 31 December                   | <u>13,260</u> | <u>53,372</u> | <u>18,491</u> | <u>75,536</u> |

## 20. Other liabilities

|   | 2024              |                   | 2023             |                   |
|---|-------------------|-------------------|------------------|-------------------|
|   | US\$              | KHR'000           | US\$             | KHR'000           |
|   | (Note 4.1.c)      |                   | (Note 4.1.c)     |                   |
| Amounts due to related parties (Note 33 (f))  | 2,393,990         | 9,635,810         | 3,780,181        | 15,442,039        |
| Accrued bonus/incentive payable   | 2,314,262         | 9,314,905         | 2,282,891        | 9,325,610         |
| Taxes payable   | 343,335           | 1,381,923         | 368,289          | 1,504,461         |
| Impairment loss for ECL on credit commitment and financial guarantee contracts (Note 34.1 (f)(iii)) | 114,152           | 459,462           | 184,115          | 752,110           |
| Others  | 8,235,638         | 33,148,442        | 1,454,969        | 5,943,548         |
|   | <u>13,401,377</u> | <u>53,940,542</u> | <u>8,070,445</u> | <u>32,967,768</u> |

|             | 2024              |                   | 2023             |                   |
|-------------|-------------------|-------------------|------------------|-------------------|
|             | US\$              | KHR'000           | US\$             | KHR'000           |
|             | (Note 4.1.c)      |                   | (Note 4.1.c)     |                   |
| Current     | 13,401,377        | 53,940,542        | 8,070,445        | 32,967,768        |
| Non-current | -                 | -                 | -                | -                 |
|             | <u>13,401,377</u> | <u>53,940,542</u> | <u>8,070,445</u> | <u>32,967,768</u> |



## 21. Deferred tax

|   | 2024         |              | 2023         |              |
|---|--------------|--------------|--------------|--------------|
|   | US\$         | KHR'000      | US\$         | KHR'000      |
|   | (Note 4.1.c) |              | (Note 4.1.c) |              |
| Deferred tax assets                                 | 9,317,786    | 37,504,089   | 6,132,281    | 25,050,368   |
| Deferred tax liabilities                            | (9,767,674)  | (39,314,888) | (7,549,454)  | (30,839,520) |
| Net deferred tax (liabilities)/assets – non-current | (449,888)    | (1,810,799)  | (1,417,173)  | (5,789,152)  |

The movement of net deferred tax liabilities/assets during the year as follows:

|   | 2024         |             | 2023         |             |
|---|--------------|-------------|--------------|-------------|
|   | US\$         | KHR'000     | US\$         | KHR'000     |
|   | (Note 4.1.c) |             | (Note 4.1.c) |             |
| As of 1 January                               | (1,417,173)  | (5,789,152) | 136,885      | 563,556     |
| Recognised in profit or loss<br>(Note 30 (a)) | 967,285      | 3,937,817   | (1,554,058)  | (6,387,178) |
| Currency translation differences              | -            | 40,536      | -            | 34,470      |
| As of 31 December                             | (449,888)    | (1,810,799) | (1,417,173)  | (5,789,152) |

Deferred tax liabilities are mainly from the temporary differences, and they are recognised as it is the future tax payment that the bank is expected to make to the tax authorities.

## Deferred tax assets

|                                     | Accelerated depreciation | Unamortised loan fees | Lease liabilities | Performance Bonus | Others     | Total      |
|-------------------------------------|--------------------------|-----------------------|-------------------|-------------------|------------|------------|
|                                     | US\$                     | US\$                  | US\$              | US\$              | US\$       | US\$       |
| As of 1 January 2024                | 54,687                   | 957,666               | 2,439,245         | -                 | 2,680,683  | 6,132,281  |
| Recognised in profit or loss        | (30,074)                 | (162,282)             | (407,025)         | 288,354           | 3,496,532  | 3,185,505  |
| As of 31 December 2024              | 24,613                   | 795,384               | 2,032,220         | 288,354           | 6,177,215  | 9,317,786  |
| In KHR'000 equivalents (Note 4.1.c) | 99,067                   | 3,201,421             | 8,179,686         | 1,160,625         | 24,863,290 | 37,504,089 |
| As of 1 January 2023                | -                        | 931,851               | 2,761,078         | -                 | -          | 3,692,929  |
| Recognised in profit or loss        | 54,687                   | 25,815                | (321,833)         | -                 | 2,680,683  | 2,439,352  |
| As of 31 December 2023              | 54,687                   | 957,666               | 2,439,245         | -                 | 2,680,683  | 6,132,281  |
| In KHR'000 equivalents (Note 4.1.c) | 223,396                  | 3,912,066             | 9,964,316         | -                 | 10,950,590 | 25,050,368 |

## 21. Deferred tax (continued)

## Deferred tax liabilities

|                                     | Accelerated depreciation | Right-of-use assets | Impairment loss | Other impairment loss | Total        |
|-------------------------------------|--------------------------|---------------------|-----------------|-----------------------|--------------|
|                                     | US\$                     | US\$                | US\$            | US\$                  | US\$         |
| As at 1 January 2024                | -                        | (2,019,983)         | (5,192,084)     | (337,387)             | (7,549,454)  |
| Recognised in profit or loss        | -                        | 395,785             | (2,757,942)     | 143,937               | (2,218,220)  |
| As at 31 December 2024              | -                        | (1,624,198)         | (7,950,026)     | (193,450)             | (9,767,674)  |
| In KHR'000 equivalents (Note 4.1.c) | -                        | (6,537,397)         | (31,998,855)    | (778,636)             | (39,314,888) |
| As at 1 January 2023                | (208,643)                | (2,368,574)         | (852,028)       | (126,799)             | (3,556,044)  |
| Recognised in profit or loss        | 208,643                  | 348,591             | (4,340,056)     | (210,588)             | (3,993,410)  |
| As at 31 December 2023              | -                        | (2,019,983)         | (5,192,084)     | (337,387)             | (7,549,454)  |
| In KHR'000 equivalents (Note 4.1.c) | -                        | (8,251,631)         | (21,209,663)    | (1,378,226)           | (30,839,520) |

## 22. Share capital

The total authorised numbers of shares of the Bank as at 31 December 2024 was 250,000 shares (2023: 250,000 shares) with a par value of US\$1,000 per share (2023: US\$1,000 per share). All authorised shares are issued and fully paid up.

|                                  | 2024             |               | 2023          |                  |        |             |
|----------------------------------|------------------|---------------|---------------|------------------|--------|-------------|
|                                  | US\$             | KHR'000       | US\$          | KHR'000          |        |             |
|                                  | (Note 4.1.c)     |               | (Note 4.1.c)  |                  |        |             |
| On 1 January                     | 250,000,000      | 1,029,250,000 | 250,000,000   | 1,029,250,000    |        |             |
| Currency translation differences | -                | -             | -             | -                |        |             |
| On 31 December                   | 250,000,000      | 1,029,250,000 | 250,000,000   | 1,029,250,000    |        |             |
| Shareholders                     | 2024             |               | 2023          |                  |        |             |
|                                  | Number of shares | %             | US\$          | Number of shares | %      | US\$        |
| Mr. Chen Zhi                     | 248,900          | 99.56%        | 248,900,000   | 248,900          | 99.56% | 248,900,000 |
| Mr. Guy Chhay                    | 1,100            | 0.44%         | 1,100,000     | 1,100            | 0.44%  | 1,100,000   |
|                                  | 250,000          | 100%          | 250,000,000   | 250,000          | 100%   | 250,000,000 |
| In KHR'000 equivalents           | 1,029,250,000    |               | 1,029,250,000 |                  |        |             |



### 23. Net interest income

|  | 2024              |                    | 2023              |                    |
|--|-------------------|--------------------|-------------------|--------------------|
|  | US\$              | KHR'000            | US\$              | KHR'000            |
|  | (Note 4.1.c)      |                    | (Note 4.1.c)      |                    |
| Interest income from financial assets at amortised cost: |                   |                    |                   |                    |
| Loans and advances                                       | 70,720,751        | 287,904,177        | 65,233,395        | 268,109,253        |
| Deposits and placements with other banks                 | 3,779,842         | 15,387,737         | 2,697,017         | 11,084,740         |
| Deposits and placements with the Central Bank            | 943,353           | 3,840,390          | 374,542           | 1,539,368          |
| Investment securities                                    | 2,595,616         | 10,566,753         | 2,201,781         | 9,049,320          |
| Loan processing fees                                     | 2,097,057         | 8,537,119          | 1,323,402         | 5,439,182          |
|  | <u>80,136,619</u> | <u>326,236,176</u> | <u>71,830,137</u> | <u>295,221,863</u> |

|  | 2024              |                    | 2023              |                    |
|--|-------------------|--------------------|-------------------|--------------------|
|  | US\$              | KHR'000            | US\$              | KHR'000            |
|  | (Note 4.1.c)      |                    | (Note 4.1.c)      |                    |
| Interest expense on financial liabilities at amortised cost: |                   |                    |                   |                    |
| Deposits from customers                                      | 40,950,263        | 166,708,521        | 22,864,918        | 93,974,813         |
| Borrowings (Note 17)   | 2,750,116         | 11,195,722         | 3,930,471         | 16,154,236         |
| Lease liabilities (Note 14 (ii))                             | 793,799           | 3,231,556          | 893,035           | 3,670,374          |
| Lease security deposit                                       | 31,426            | 127,935            | 30,201            | 124,126            |
|  | <u>44,525,604</u> | <u>181,263,734</u> | <u>27,718,625</u> | <u>113,923,549</u> |
| Net interest income  | <u>35,611,015</u> | <u>144,972,442</u> | <u>44,111,512</u> | <u>181,298,314</u> |

### 24. Net fee and commission income

|                                 | 2024             |                   | 2023             |                   |
|---------------------------------|------------------|-------------------|------------------|-------------------|
|                                 | US\$             | KHR'000           | US\$             | KHR'000           |
|                                 | (Note 4.1.c)     |                   | (Note 4.1.c)     |                   |
| Fee and commission income:      |                  |                   |                  |                   |
| Processing fee for late payment | 5,846,340        | 23,800,450        | 3,180,002        | 13,069,808        |
| Miscellaneous loan charges      | 191,853          | 781,034           | 22,173           | 91,131            |
| Other fees                      | 2,548,227        | 10,373,832        | 1,984,888        | 8,157,890         |
|                                 | <u>8,586,420</u> | <u>34,955,316</u> | <u>5,187,063</u> | <u>21,318,829</u> |
| Fee and commission expense      | (186,135)        | (757,756)         | (141,020)        | (579,592)         |
| Net fee and commission income   | <u>8,400,285</u> | <u>34,197,560</u> | <u>5,046,043</u> | <u>20,739,237</u> |

### 25. Other gains / (losses) - net

|                            | 2024           |                  | 2023           |                  |
|----------------------------|----------------|------------------|----------------|------------------|
|                            | US\$           | KHR'000          | US\$           | KHR'000          |
|                            | (Note 4.1.c)   |                  | (Note 4.1.c)   |                  |
| Loss on foreign exchange   | 970,780        | 3,952,046        | 603,859        | 2,481,861        |
| Loss on disposal of assets | 3,075          | 12,518           | (1,323)        | (5,438)          |
|                            | <u>973,855</u> | <u>3,964,564</u> | <u>602,536</u> | <u>2,476,423</u> |

### 26. Credit impairment losses - net

|   | 2024              |                   | 2023              |                   |
|---|-------------------|-------------------|-------------------|-------------------|
|   | US\$              | KHR'000           | US\$              | KHR'000           |
|   | (Note 4.1.c)      |                   | (Note 4.1.c)      |                   |
| Expected credit loss (ECL):               |                   |                   |                   |                   |
| Loans and advances                        | 8,604,358         | 35,028,341        | 12,667,468        | 52,063,293        |
| Credit commitment and financial guarantee | (69,963)          | (284,819)         | 80,472            | 330,740           |
| Deposits and placements with other banks  | 179,616           | 731,217           | (39,281)          | (161,445)         |
| Other financial assets                    | 1,758,982         | 7,160,816         | 12,958            | 53,257            |
|   | <u>10,472,993</u> | <u>42,635,555</u> | <u>12,721,617</u> | <u>52,285,845</u> |

### 27. Personnel expenses

|                         | 2024              |                   | 2023              |                   |
|-------------------------|-------------------|-------------------|-------------------|-------------------|
|                         | US\$              | KHR'000           | US\$              | KHR'000           |
|                         | (Note 4.1.c)      |                   | (Note 4.1.c)      |                   |
| Salaries and wages      | 13,147,478        | 53,523,383        | 12,476,952        | 51,280,273        |
| Bonuses and incentive   | 1,822,556         | 7,419,625         | 2,780,771         | 11,428,969        |
| Seniority payments      | 822,864           | 3,349,879         | 850,083           | 3,493,841         |
| Employee training       | 122,664           | 499,365           | 168,644           | 693,127           |
| Other employee benefits | 828,655           | 3,373,455         | 801,916           | 3,295,874         |
|                         | <u>16,744,217</u> | <u>68,165,707</u> | <u>17,078,366</u> | <u>70,192,084</u> |



## 28. Depreciation and amortisation

|  | 2024             |                   | 2023             |                   |
|--|------------------|-------------------|------------------|-------------------|
|  | US\$             | KHR'000           | US\$             | KHR'000           |
|  | (Note 4.1.c)     |                   | (Note 4.1.c)     |                   |
| Depreciation of property and equipment (Note 13) | 1,582,632        | 6,442,895         | 1,970,597        | 8,099,152         |
| Depreciation of right-of-use assets (Note 14)    | 2,404,290        | 9,787,865         | 2,392,428        | 9,832,879         |
| Amortisation of intangible assets (Note 15)      | 880,540          | 3,584,678         | 840,300          | 3,453,633         |
|  | <u>4,867,462</u> | <u>19,815,438</u> | <u>5,203,325</u> | <u>21,385,664</u> |

## 29. Other operating expenses

|                                 | 2024              |                   | 2023             |                   |
|---------------------------------|-------------------|-------------------|------------------|-------------------|
|                                 | US\$              | KHR'000           | US\$             | KHR'000           |
|                                 | (Note 4.1.c)      |                   | (Note 4.1.c)     |                   |
| Professional fees               | 3,420,652         | 13,925,474        | 2,929,901        | 12,041,893        |
| Card expenses                   | 1,144,898         | 4,660,880         | 947,519          | 3,894,303         |
| Marketing and advertising costs | 1,117,921         | 4,551,056         | 891,955          | 3,665,935         |
| Repairs and maintenance         | 549,858           | 2,238,472         | 568,297          | 2,335,701         |
| Utilities                       | 529,826           | 2,156,922         | 490,130          | 2,014,434         |
| License and patent fees         | 493,242           | 2,007,988         | 474,370          | 1,949,661         |
| Communication                   | 457,690           | 1,863,256         | 461,564          | 1,897,028         |
| Directors' fees                 | 450,460           | 1,833,823         | 450,460          | 1,851,391         |
| Security                        | 317,593           | 1,292,921         | 305,087          | 1,253,908         |
| Motor vehicle and running costs | 278,824           | 1,135,093         | 303,100          | 1,245,741         |
| Business and public relations   | 231,352           | 941,834           | 274,833          | 1,129,564         |
| Rental                          | 204,164           | 831,152           | 225,973          | 928,749           |
| Office supplies                 | 157,927           | 642,921           | 171,456          | 704,684           |
| Traveling                       | 153,023           | 622,957           | 172,708          | 709,830           |
| Insurance                       | 64,743            | 263,569           | 70,302           | 288,941           |
| Stamp and registration          | 62,113            | 252,862           | 55,361           | 227,534           |
| Audit remuneration              | 46,731            | 190,242           | 30,256           | 124,352           |
| Printing                        | 16,463            | 67,021            | 38,512           | 158,284           |
| Charitable donation             | 124               | 505               | 465              | 1,911             |
| Others                          | <u>801,556</u>    | <u>3,263,132</u>  | <u>868,068</u>   | <u>3,567,761</u>  |
|                                 | <u>10,499,160</u> | <u>42,742,080</u> | <u>9,730,317</u> | <u>39,991,605</u> |

## 30. Income tax expense

### (a) Income tax expense

|                     | 2024             |                    | 2023             |                  |
|---------------------|------------------|--------------------|------------------|------------------|
|                     | US\$             | KHR'000            | US\$             | KHR'000          |
|                     | (Note 4.1.c)     |                    | (Note 4.1.c)     |                  |
| Current income tax  | -                | -                  | -                | -                |
| Deferred income tax | (967,285)        | (3,937,817)        | 1,554,058        | 6,387,178        |
| Income tax expense  | <u>(967,285)</u> | <u>(3,937,817)</u> | <u>1,554,058</u> | <u>6,387,178</u> |

### (b) Reconciliation between income tax expenses and accounting profit

|  | 2024             |                    | 2023             |                   |
|--|------------------|--------------------|------------------|-------------------|
|  | US\$             | KHR'000            | US\$             | KHR'000           |
|  | (Note 4.1.c)     |                    | (Note 4.1.c)     |                   |
| Profit before income tax                         | <u>2,654,572</u> | <u>10,806,763</u>  | <u>5,233,988</u> | <u>21,511,691</u> |
| Income tax using statutory tax rate at 20%       | 530,914          | 2,161,351          | 1,046,798        | 4,302,338         |
| Tax effects in respect of:                       |                  |                    |                  |                   |
| Non-deductible expenses                          | 497,884          | 2,026,886          | 892,171          | 3,666,823         |
| Origination and reversal of temporary difference | 337,387          | 1,373,502          | -                | -                 |
| Effects of unrecognised deferred tax             | 180,204          | 733,610            | (320,652)        | (1,317,880)       |
| Others   | <u>(579,104)</u> | <u>(2,357,532)</u> | <u>(64,259)</u>  | <u>(264,103)</u>  |
| Income tax expense                               | <u>967,285</u>   | <u>3,937,817</u>   | <u>1,554,058</u> | <u>6,387,178</u>  |

### Minimum tax

Under the Cambodian tax regulations, the Bank has an obligation to pay Income Tax at 20% of taxable profit or Minimum Tax at 1% of total revenue exclusive of value added tax, whichever is higher.

Minimum tax is calculated at the rate of 1% of the annual turnover. This minimum tax can be exempted, if the Company maintains proper accounting records as defined in the Prakas No. 638 issued on 4 July 2017 by the General Department of Taxation ("GDT") in which is subject to be approved by the GDT.

On 29 August 2022, the Bank obtained confirmation No. 13353 from GDT for maintaining proper accounting records for the financial years 2023 and 2024 which qualified for exemption from the payment of minimum tax according to Prakas No. 638 dated on 4 July 2017. Accordingly, the surplus of payments amounting to US\$1,563,120 is recognised as assets (Note 12). At the reporting date, the Bank has yet to claim the exemption on Minimum Tax.

### (c) Other matters

Taxes are calculated based on current interpretation of the tax regulations enacted as at reporting date. The management periodically evaluates position taken in tax returns with respect to situations in which applicable tax regulation is subjected to interpretation. It establishes provisions where appropriate based on amounts expected to be paid to the tax authorities.

However, these regulations are subject to periodic variation and the ultimate determination of tax liabilities will be made following inspection by the tax authorities. Where the final tax outcome of these matters is different from the amounts initially recorded, such differences will impact the taxes liabilities and balances in the period in which the determination is made.



**31. Cash and cash equivalents**

|   | 2024               |                      | 2023              |                    |
|---|--------------------|----------------------|-------------------|--------------------|
|   | US\$               | KHR'000              | US\$              | KHR'000            |
|   | (Note 4.1.c)       |                      | (Note 4.1.c)      |                    |
| Cash on hand (Note 6)                                     | 27,762,271         | 111,743,141          | 27,883,725        | 113,905,017        |
| Deposits and placements with the Central Bank:            |                    |                      |                   |                    |
| Current accounts (Note 7)                                 | 242,382,044        | 975,587,727          | 36,293,354        | 148,258,351        |
| Settlement accounts (Note 7)                              | 31,018,633         | 124,849,998          | 12,926,453        | 52,804,561         |
| Negotiable certificate of deposits (Note 7)               | 88,888,000         | 357,774,200          | -                 | -                  |
| Deposits and placements with other banks:                 |                    |                      |                   |                    |
| Current accounts (Note 8)                                 | 79,925,481         | 321,700,060          | 8,587,308         | 35,079,153         |
| Savings accounts (Note 8)                                 | 9,333              | 37,566               | 2,922             | 11,936             |
| Term deposits (maturity of three months or less) (Note 8) | 84,500,000         | 340,112,500          | -                 | -                  |
|   | <u>554,485,762</u> | <u>2,231,805,192</u> | <u>85,693,762</u> | <u>350,059,018</u> |

**32. Contingent liabilities and commitments****(a) Loan commitments, guarantee and other financial facilities**

The Bank had contractual off-balance sheet financial instruments that commit it to extend credit to customers, guarantee and other facilities as follows:

|                               | 2024              |                    | 2023              |                    |
|-------------------------------|-------------------|--------------------|-------------------|--------------------|
|                               | US\$              | KHR'000            | US\$              | KHR'000            |
|                               | (Note 4.1.c)      |                    | (Note 4.1.c)      |                    |
| Credit commitments            | 35,045,082        | 141,056,455        | 40,706,775        | 166,287,176        |
| Financial guarantee contracts | <u>2,558,814</u>  | <u>10,299,226</u>  | <u>4,728,789</u>  | <u>19,317,103</u>  |
| Total exposure                | <u>37,603,896</u> | <u>151,355,681</u> | <u>45,435,564</u> | <u>185,604,279</u> |

|  | 2024              |                    | 2023              |                    |
|--|-------------------|--------------------|-------------------|--------------------|
|  | US\$              | KHR'000            | US\$              | KHR'000            |
|  | (Note 4.1.c)      |                    | (Note 4.1.c)      |                    |
| Credit commitments and financial guarantee contracts | 37,603,896        | 151,355,681        | 45,435,564        | 185,604,279        |
| Allowance for expected credit loss (Note 34.1)       | <u>(114,152)</u>  | <u>(459,462)</u>   | <u>(184,115)</u>  | <u>(752,110)</u>   |
| Net exposure   | <u>37,489,744</u> | <u>150,896,219</u> | <u>45,251,449</u> | <u>184,852,169</u> |

**(b) Capital commitment**

|                   | 2024         |           | 2023          |                |
|-------------------|--------------|-----------|---------------|----------------|
|                   | US\$         | KHR'000   | US\$          | KHR'000        |
|                   | (Note 4.1.c) |           | (Note 4.1.c)  |                |
| Intangible assets | 624,759      | 2,514,655 | 2,032,435     | 8,302,497      |
| Tangible assets   | <u>-</u>     | <u>-</u>  | <u>35,332</u> | <u>144,331</u> |

**(c) Operating lease commitments**

The Bank recognised right-of-use assets and lease liabilities for lease contracts where the Bank is a lessee, except for short term leases (see Note 4.10 and Note 14 for further information). The lease commitments of short-term leases are insignificant.

**33. Related party transactions and balances**

The Bank entered into a number of transactions with related parties in the normal course of business. The volume of related party transactions, outstanding balance at the year end and related expenses and income for the year are as follows:

**(a) Related parties and relationship**

The related parties of and their relationship with the Bank are as follows:

| Related party            | Relationship  |
|--------------------------|---|
| Mr. Chen Zhi             | Shareholder   |
| Mr. Guy Chhay            | Shareholder   |
| Related company          | Entity under the same shareholders  |
| Key management personnel | All directors of the Bank who make critical decisions in relation to the strategic direction of the Bank and senior management staff (including their close family members) |

**(b) Loans and advances to related parties**

|                   | 2024           |                  | 2023           |                  |
|-------------------|----------------|------------------|----------------|------------------|
|                   | US\$           | KHR'000          | US\$           | KHR'000          |
|                   | (Note 4.1.c)   |                  | (Note 4.1.c)   |                  |
| Related companies | <u>603,400</u> | <u>2,428,685</u> | <u>857,331</u> | <u>3,502,197</u> |
| Interest income   | <u>65,137</u>  | <u>262,176</u>   | <u>10,467</u>  | <u>43,019</u>    |

Loans and advances to companies under common control are secured and bear interest at the rate of 8.5% per annum.



## (c) Loans and advances to key management personnel

|                                   | 2024         |           | 2023         |           |
|-----------------------------------|--------------|-----------|--------------|-----------|
|                                   | US\$         | KHR'000   | US\$         | KHR'000   |
|                                   | (Note 4.1.c) |           | (Note 4.1.c) |           |
| Loans to key management personnel | 2,250,492    | 9,058,230 | 1,887,568    | 7,710,715 |
| Interest income                   | 133,731      | 538,267   | 120,428      | 494,960   |

Loans and advances to key management personnel are secured and bear interest at the rate of 4.00% to 9.00 % per annum.

## (d) Deposits from related parties

|  | 2024         |               | 2023         |             |
|--|--------------|---------------|--------------|-------------|
|  | US\$         | KHR'000       | US\$         | KHR'000     |
|  | (Note 4.1.c) |               | (Note 4.1.c) |             |
| Related companies                                    | 40,868,093   | 164,494,074   | 25,786,090   | 105,336,178 |
| Shareholders, Directors and key management personnel | 357,037,371  | 1,437,075,418 | 80,912,157   | 330,526,161 |
|  | 397,905,464  | 1,601,569,492 | 106,698,247  | 435,862,339 |
| Interest expenses                                    | 432,481      | 1,740,736     | 3,253,242    | 13,370,825  |

Average interest rates during the year are as follows:

|  | 2024       | 2023       |
|--|------------|------------|
| Related companies                      | 1% - 5%    | 1% - 5%    |
| Directors and key management personnel | 1% - 6.25% | 1% - 6.99% |

## (e) Borrowings from a shareholder

|   | 2024         |             | 2023         |             |
|---|--------------|-------------|--------------|-------------|
|   | US\$         | KHR'000     | US\$         | KHR'000     |
|   | (Note 4.1.c) |             | (Note 4.1.c) |             |
| Borrowings from shareholder balance                   | -            | -           | 68,357,765   | 279,241,470 |
| Interest expense (imputed based on market rate of 4%) | (1,642,235)  | (6,685,539) | 2,629,145    | 10,805,786  |

Borrowing from a shareholder was interest – free (see Note 17) and was repaid upon maturity in 2024.

## (f) Amounts due to related parties

|                   | 2024         |           | 2023         |            |
|-------------------|--------------|-----------|--------------|------------|
|                   | US\$         | KHR'000   | US\$         | KHR'000    |
|                   | (Note 4.1.c) |           | (Note 4.1.c) |            |
| Related companies | 2,393,990    | 9,635,810 | 3,780,181    | 15,442,039 |

Amount due to related parties are non-interest-bearing payables that are unsecured and are repayable on demand.

## (g) Key management personnel compensation

|                                  | 2024         |            | 2023         |            |
|----------------------------------|--------------|------------|--------------|------------|
|                                  | US\$         | KHR'000    | US\$         | KHR'000    |
|                                  | (Note 4.1.c) |            | (Note 4.1.c) |            |
| Salaries and short-term benefits | 2,706,847    | 10,895,058 | 2,618,695    | 10,697,369 |

## (h) Other transactions with related parties

|                     | 2024         |           | 2023         |           |
|---------------------|--------------|-----------|--------------|-----------|
|                     | US\$         | KHR'000   | US\$         | KHR'000   |
|                     | (Note 4.1.c) |           | (Note 4.1.c) |           |
| Office rental       | 2,005,126    | 8,070,632 | 2,197,185    | 9,030,430 |
| Purchasing services | 308,342      | 1,241,077 | 187,159      | 769,223   |
|                     | 2,313,468    | 9,311,709 | 2,384,344    | 9,799,653 |

## 34. Financial risk management

The Bank embraces risk management as an integral part of the Bank's business, operations, and decision-making process. In ensuring that the Bank achieves optimum returns whilst operating within a sound business environment, the risk management teams are involved at the early stage of the risk-taking process by providing independent inputs, including relevant valuations, credit evaluations, new product assessments and quantification of capital requirements. These inputs enable the business units to assess the risk-vs-reward of their propositions, thus enabling risk to be priced appropriately in relation to the return.

Generally, the objectives of the Bank's risk management activities are to:

- identify the various risk exposures and capital requirements.
- ensure risk-taking activities are consistent with risk policies and the aggregated risk position are within the risk appetite as approved by the Board; and
- create shareholders' value through sound risk management framework.

The Bank holds the following financial instruments:



**34. Financial risk management (continued)**

|   | 2024                        |                             | 2023                      |                             |
|---|-----------------------------|-----------------------------|---------------------------|-----------------------------|
|   | US\$                        | KHR'000                     | US\$                      | KHR'000                     |
|   | (Note 4.1.c)                |                             | (Note 4.1.c)              |                             |
| Financial assets                              |                             |                             |                           |                             |
| Financial assets at amortised costs           |                             |                             |                           |                             |
| Cash on hand                                  | 27,762,271                  | 111,743,141                 | 27,883,725                | 113,905,017                 |
| Deposits and placements with the Central Bank | 366,515,584                 | 1,475,225,226               | 53,723,117                | 219,458,933                 |
| Deposits and placements with other banks      | 174,786,869                 | 703,517,148                 | 36,179,501                | 147,793,262                 |
| Loans and advances                            | 760,921,389                 | 3,062,708,591               | 732,328,682               | 2,991,562,666               |
| Investment securities                         | 46,470,137                  | 187,042,301                 | 46,224,521                | 188,827,168                 |
| Other financial assets*                       | <u>6,330,553</u>            | <u>25,480,476</u>           | <u>584,670</u>            | <u>2,388,377</u>            |
| <b>Total financial assets</b>                 | <b><u>1,382,786,803</u></b> | <b><u>5,565,716,883</u></b> | <b><u>896,924,216</u></b> | <b><u>3,663,935,423</u></b> |

\*Excludes prepayments and non-refundable deposits

|   | 2024                        |                             | 2023                      |                             |
|---|-----------------------------|-----------------------------|---------------------------|-----------------------------|
|   | US\$                        | KHR'000                     | US\$                      | KHR'000                     |
|   | (Note 4.1.c)                |                             | (Note 4.1.c)              |                             |
| Financial liabilities                   |                             |                             |                           |                             |
| Financial liabilities at amortised cost |                             |                             |                           |                             |
| Deposits from customers                 | 1,179,282,640               | 4,746,612,626               | 589,863,482               | 2,409,592,324               |
| Borrowings                              | 46,444,252                  | 186,938,114                 | 114,653,030               | 468,357,628                 |
| Employee benefits                       | 13,260                      | 53,372                      | 18,491                    | 75,536                      |
| Other financial liabilities*            | 13,058,042                  | 52,558,619                  | 7,702,156                 | 31,463,307                  |
| Not within scope of CIFRS 9             |                             |                             |                           |                             |
| Lease liabilities                       | <u>10,161,100</u>           | <u>40,898,428</u>           | <u>12,196,224</u>         | <u>49,821,575</u>           |
| <b>Total financial liabilities</b>      | <b><u>1,248,959,294</u></b> | <b><u>5,027,061,159</u></b> | <b><u>724,433,383</u></b> | <b><u>2,959,310,370</u></b> |

\*Excludes taxes payable

**34.1. Credit risk**

Credit risk is the risk of suffering financial loss, should any of the Bank's customers or market counterparties fail to fulfil their contractual obligations to the Bank. Credit risk arises from deposits and placements with the Central Bank and other banks, loans and advances, other financial assets, and credit commitments and financial guarantee contract. Credit exposure arises principally in lending activities.

**a) Credit risk measurement**

Credit risk is managed on a group basis.

For loans and advances and credit commitments, the estimation of credit exposure for risk management purposes requires the use of models, as the exposure varies with changes in market conditions, expected cash flows and the passage of time. The assessment of credit risk of a portfolio of assets entails further estimations as to the likelihood of default occurring, of the associated loss ratios and of default correlations between counterparties. The Bank measures credit risk using Probability of Default ("PD"), Exposure at Default ("EAD") and Loss Given Default ("LGD") for the purposes of measuring ECL under CIFRS 9.

**a) Credit risk measurement (continued)**

Deposits and placements with the Central Bank and other banks are considered to be low credit risk. The credit ratings of these assets are monitored for credit deterioration. Measurement for impairment is limited to 12-month expected credit loss. Other financial assets at amortised cost are monitored for its credit rating deterioration, and the measurement of impairment follows three-stage approach in Note 34.1 (c).

**b) Risk limit control and mitigation policies**

The Bank operates and provides loans and advances to individuals or enterprises within the Kingdom of Cambodia. The Bank manages limits and controls the concentration of credit risk whenever it is identified.

The Bank employs a range of policies and practices to mitigate credit risk. The most traditional of these is the taking of security in the form of collaterals for loans and advances to customers, which is common practice. The Bank implements guidelines on the acceptability of specific classes of collaterals or credit risk mitigation. The principal collateral types to secure loans and advances to customers are:

- Mortgages over residential properties (land, building and other properties);
- Cash in the form of margin deposits, if any.

**c) Impairment (expected credit loss) policies**

The measurement of expected credit loss allowance under the CIFRS 9's three-stage approach is to recognise lifetime expected credit loss allowance for financial instrument for which there has been a significant increase in credit risk since initial origination or is credit-impaired as at the reporting date. The financial instrument which has not undergone any significant deterioration in credit risk shall be recognised with 12-month expected credit loss allowance.

Under the three-stage approach, the financial instrument is allocated into three stages based on the relative movement in the credit risk.

Stage 1 includes financial instruments that neither have a significant increase in credit risk since initial recognition nor credit impaired as at reporting date. For these assets, 12-month expected credit loss allowance are recognised.

Stage 2 includes financial instruments that have had a significant increase in credit risk since initial recognition but do not have objective evidence of impairment. For these assets, lifetime expected credit loss allowance are recognised.

Stage 3 includes financial instruments that have objective evidence of impairment at the reporting date. For these assets, lifetime expected credit loss allowance are recognised.

Purchased or originated credit-impaired financial assets are those financial assets that are credit-impaired on initial recognition. Their expected credit loss allowance is always measured on a lifetime basis (Stage 3).

The key judgements and assumptions adopted by the Bank in addressing the requirements of the standard on the measurement of allowances are:

**(i) Significant increase in credit risk ("SICR")**

The assessment of SICR shall be a multifactor and holistic analysis and based on a mixture of quantitative and/or qualitative information. To determine whether the risk of default of a loan/financing has increased significantly since initial recognition, the current risk of default at the reporting date is compared with the risk of default at initial recognition. A borrower is considered to have credit risk increased significantly since initial recognition if any of the following criteria is met:

- Past due 30 days for short-term on its contractual payment, and
- Past due 90 days for long-term on its contractual payment.



## (ii) Definition of default and credit impaired

In alignment with the Bank's internal credit risk management, which is consistent with the NBC's definition of default in its Prakas No. B7-017-344 dated 1 December 2017 and Circular No. B7-018-001 dated 16 February 2018 on credit risk classification and provisions on impairment, the Bank defines a financial instrument as in default which is also credit-impaired when it meets one of the following criteria:

- The principal or interest or both of the loan is past due for more than 30 days and 90 days, for short term and long-term loan, respectively. In the case of revolving facilities (e.g., overdraft), the facility shall be classified as impaired where the outstanding amount has remained more than the approved limit for a period of 90 days or more consecutive days. To ascertaining the period in arrears:
  - (1) Repayment on each of the instalment amount must be made in full. A partial repayment made on an instalment amount shall be deemed to be in arrears.
  - (2) Where a moratorium on loan repayment is granted in relation to the rescheduling and restructuring, the determination of period in arrears shall exclude the moratorium period granted. The moratorium shall be for a period of not more than 6 months from the date of the obligor's/counterparty's application for the moratorium.
  - (3) Where repayments are scheduled on interval of 90 days or longer, the loan is classified as impaired as soon as a default occurs, unless it does not exhibit any weakness that would render it classified according to the credit risk grading policy.
- The loan is forced impaired due to various reasons, such as bankruptcy, significant financial difficulty, etc. In the event where a loan is not in default or past due but force impaired, the loan shall be classified as impaired upon approval by Credit Committee.
- Restructuring and rescheduling of a loan facility involves any modification made to the original repayment terms and conditions of the loan facility following an increase in the credit risk of a obligor/counterparty.
- When an obligor/counterparty has multiple loans with the Bank and cross default obligation applies, an assessment of provision is required under which default of one debt obligation triggers default on another debt obligation (cross default). Where there is no right to set off clause is available, assessment of provision needs to be performed on individual loan level instead of consolidated obligor/counterparty level.
- Write-off/charged-off accounts.

## (ii) Measuring (ECL - inputs, assumptions, and estimation techniques)

The ECL is measured on either a 12-month or lifetime basis depending on whether a significant increase in credit risk has occurred since initial recognition or whether an asset is credit-impaired. The ECL is assessed and measured on collective basis.

For collective assessment, the ECL is determined by projecting the PD, LGD and EAD for each future month and for collective segment. The three components are multiplied together to calculate an ECL for each future year, which is then discounted back to the reporting date and summed. The discount rate used in the ECL calculation is the original effective interest rate or an approximation thereof.

Probability of Default

The PD represents the likelihood of a borrower will be unable to meet its financial obligation either over the next 12 months (12-month PD) or over the remaining lifetime (Lifetime PD) of the obligation.

The lifetime PD is developed by applying a maturity profile to the current 12-month PD. The maturity profile looks at how defaults develop on a portfolio from the point of initial recognition through the lifetime of the loans. The maturity profile is based on historical observed data and is assumed to be the same across all assets within a portfolio. This is supported by historical analysis.

## (ii) Measuring (ECL - inputs, assumptions, and estimation techniques) (continued)

Exposure at Default

EAD is the total amount that the Bank is exposed to at the time the borrower defaults.

The 12-month and lifetime EADs are determined based on the expected payment profile, which varies by product type.

- For amortising products and bullet repayment loans, this is based on the contractual repayments owed by the borrower over a 12-month or remaining maturity.
- For revolving products, the exposure at default is predicted by taking current drawn balance and adding a "credit conversion factor" which allows for the expected drawdown of the remaining limit by the time of default.

Loss Given Default

LGD represents the Bank's expectation of the extent of loss on a defaulted exposure. LGD varies by type of counterparty, type and seniority of claim and availability of collateral or other credit support. LGD is expressed as a percentage loss per unit of exposure at the time of default. LGD is the percentage of loss expected to be made if the default occurs over the remaining expected lifetime of the loan.

As there is no sufficient historical data for LGD study and no observable market data is available in Cambodia, the Bank assessed that it is appropriate to assign 0% to cash/ fixed deposit secured facilities, 10% to hard title secured facilities and 20% to soft title secured facilities and guaranteed by CGCC, and 50% to moveable assets secured facilities and 100% LGD to unsecured facilities.

The assumptions underlying the ECL calculation are monitored and reviewed periodically. There have been no significant changes in estimation techniques or significant assumptions made during the reporting period.

## (iv) Forward-looking information incorporated into the ECL models

The calculation of ECL incorporates forward-looking information. The Bank has performed historical analysis and identified the key economic variables impacting credit risk and expected credit losses for each portfolio.

These economic variables and their associated impact on the PD, EAD and LGD vary by financial instrument. Expert judgement has also been applied in this process. The historical and forecasts of these economic variables ("the based economic scenario") are sourced from external research house. The impact of these economic variables on the PD, EAD and LGD has been determined by performing statistical regression analysis to understand the impact changes in these variables have had historically on default rates and on the components of LGD and EAD.

In addition to the based economic scenario, the Bank considers other possible scenarios along with scenario weightings. The number of other scenarios used is set based on the analysis of each major product type to ensure non-linearities are captured. The number of scenarios and their attributes are reassessed at each reporting date. On 31 December 2024 and 2023, the Bank concluded that three scenarios appropriately captured non-linearities. The scenario weightings are determined by a combination of statistical analysis and expert credit judgement, taking account of the range of possible outcomes each chosen scenario is representative of.

As with any economic forecasts, the projects and likelihoods of occurrence are subject to a high degree of inherent uncertainty and therefore the actual outcomes may be significantly different to those projected. The Bank considers these forecasts to represent its best estimate of the possible outcomes and has analysed the non-linearities and asymmetries within the Bank's different portfolios to establish that the chosen scenarios are appropriately representative of the range of possible scenarios.



## (iv) Forward-looking information incorporated into the ECL models (continued)

Macroeconomic variable assumptions

The most significant period-end assumptions used for the ECL estimate as of 31 December 2024 and 31 December 2023 are set out below. The scenario “base”, “best”, and “worst” were used for all portfolios.

|                          | 31 December 2024 |      |      |      |      |
|--------------------------|------------------|------|------|------|------|
|                          | 2024             | 2025 | 2026 | 2027 | 2028 |
| <b>Unemployment Rate</b> |                  |      |      |      |      |
| Base                     | 0.50             | 0.55 | 0.54 | 0.53 | 0.52 |
| Best                     | 0.37             | 0.42 | 0.41 | 0.40 | 0.39 |
| Worst                    | 0.63             | 0.68 | 0.67 | 0.66 | 0.65 |

|                               | 31 December 2023 |       |       |       |       |
|-------------------------------|------------------|-------|-------|-------|-------|
|                               | 2023             | 2024  | 2025  | 2026  | 2027  |
| <b>Gross fixed investment</b> |                  |       |       |       |       |
| Base                          | 26.41            | 26.57 | 26.45 | 26.34 | 26.75 |
| Best                          | 24.06            | 24.22 | 24.09 | 23.99 | 24.40 |
| Worst                         | 28.76            | 28.92 | 28.80 | 28.69 | 29.10 |

Bank established the number and relative weightings of forward-looking information relevant to each scenario. Bank applied standard deviation to forecast the MEVs for Good and Bad scenario from the Baseline as the mean. Upon exercise of careful judgement, the Bank applied baseline scenario as it will arrive in a more conservative ECL calculation and is more reflective of the current bank portfolio performance and economic stress situations.

Other forward-looking considerations not otherwise incorporated within the above scenarios, such as the impact of any regulatory, legislative or political changes, have also been considered, but are not deemed to have a material impact and therefore no adjustment has been made to the ECL for such factors. This is reviewed and monitored for appropriateness periodically.

Sensitivity analysis

The most significant assumptions affecting the ECL allowance is unemployment rate, given the significant impact on obligors' ability to meet contractual repayments, business performance, and collateral valuation.

Set out below are the changes to the ECL as at 31 December 2023 and 31 December 2024 that would result from reasonably possible changes in these parameters from the actual assumptions used in the Bank's economic variable assumptions:

|                                     | ECL<br>US\$ |
|-------------------------------------|-------------|
| Unemployment Rate                   |             |
| Annual growth rate increase by 25%  | 32,768,565  |
| No change                           | 30,835,235  |
| Annual growth rate decreases by 25% | 29,063,973  |

## (v) Grouping of exposure for ECL measured on collective basis

For expected credit loss provisions modelled on a collective basis, a grouping of exposures is performed based on shared risk characteristics, such that risk exposures within a group are homogeneous.

In performing this grouping, there must be sufficient information for the group to be statistically credible. Where sufficient information is not available internally, the Bank has considered benchmarking internal/external supplementary data to use for modelling purposes.

The appropriateness of groupings is monitored and reviewed on a periodic basis by the Credit Risk Committee.

## c) Impairment (expected credit loss) policies (continued)

## (vi) Write off policy

Write-off is usually taken when relevant recovery actions have been exhausted or further recovery is not economically feasible or justifiable. When a loan or debt instrument is deemed uncollectible, it is written off against the related allowance for impairment. Such loans are either written off in full or partially after taking into consideration the realizable value of collateral (if any) and when in the judgement of the management, there is no prospect of recovery. All write-offs must be approved by the Board or its delegated authorities.

## (vii) Modification of loans

The Bank sometimes renegotiates or otherwise modifies the contractual cash flows of loans to customers. When this happens, the Bank assess whether the new terms are substantially different from the original terms. The Bank does this by considering, among others, the following factors:

- If the borrower is in financial difficulty, whether the modification merely reduces the contractual cash flows to amounts the borrower is expected to be able to pay.
- Whether any substantial new terms are introduced, such as a profit share/equity-based return that substantially affects the risk profile of the loan.
- Significant extension of the loan term when the borrower is not in financial difficulty.
- Significant change in the interest rate.
- Change in the currency the loan is denominated in.
- Insertion of collateral, other security, or credit enhancements that significant affect the credit risk associated with the loan.

The risk of default of such loans after modification is assessed at the reporting date and compared with the risk under the original terms at initial recognition, when the modification is not substantial and so does not result in derecognition of the original loans. The Bank monitors the subsequent performance of modified assets. The Bank may determine that the credit risk has significantly improved after restructuring, so that the assets are moved from Stage 3 or Stage 2 (Lifetime ECL) to Stage 1 (12-month ECL). This is only the case for assets which have performed in accordance with the new terms for six consecutive months or more.

## (viii) Off-balance sheet exposures

Off-balance sheet exposures are exposures such as trade facilities and undrawn commitments. The Bank applied Credit Conversion Factor (CCF) to estimate the EAD of off-balance sheet item. EAD is estimated at 100% for trade finance facilities, 20% for term loans, overdraft, credit card facilities of the off-balance sheet exposure using the CCF.

## d) Maximum exposure to credit risk before collateral held or other credit enhancements

The maximum exposure to credit risk for financial assets recognised in the statements of financial position is their carrying amounts. For contingent liabilities, the maximum exposure to credit risk is the maximum amount that the Bank would have to pay if the obligations of the instruments issued are called upon. For credit commitments, the maximum exposure to credit risk is the full amount of the undrawn credit facilities granted to customers. The table below shows the maximum exposure to credit risk for the Bank on financial instruments subject to impairment:



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

|  | 2024          |               | 2023         |               |
|--|---------------|---------------|--------------|---------------|
|  | US\$          | KHR'000       | US\$         | KHR'000       |
|  | (Note 4.1.c)  |               | (Note 4.1.c) |               |
| Credit risk exposure related to on-balance sheet assets: |               |               |              |               |
| Deposits and placements with other banks                 | 175,012,687   | 704,426,065   | 36,225,703   | 147,981,997   |
| Loans and advances                                       | 789,828,218   | 3,179,058,578 | 752,597,679  | 3,074,361,519 |
| Investment securities                                    | 46,470,137    | 187,042,301   | 46,224,521   | 188,827,168   |
| Other financial assets                                   | 6,330,553     | 25,480,476    | 637,049      | 2,602,345     |
| Credit risk exposure related to off-balance sheet items: |               |               |              |               |
| Credit related commitments                               | 35,045,082    | 141,056,455   | 40,706,775   | 166,287,176   |
| Financial guarantee contracts                            | 2,558,814     | 10,299,226    | 4,728,789    | 19,317,103    |
| Total gross credit exposure                              |               |               |              |               |
|  | 1,055,245,491 | 4,247,363,101 | 881,120,516  | 3,599,377,308 |
| Loss allowance (ECL)                                     |               |               |              |               |
|  | (31,058,160)  | (125,009,094) | (20,551,693) | (83,953,666)  |
| Total net credit exposure                                |               |               |              |               |
|  | 1,024,187,331 | 4,122,354,007 | 860,568,823  | 3,515,423,642 |

The table above represents a worst-case scenario of credit risk exposure to the Bank since collateral held and/or other credit enhancement attached were not taken into account. For on-balance sheet assets, the exposures set out above are based on net carrying amounts. As shown above, 77.61% for the Bank (2023: 90.06%) of total maximum exposure is derived from loans and advances. Management is confident of its ability to continue to control and sustain minimal exposure on credit risk resulting from the Bank's loans and advances due to the following:

- Almost all loans and advances are collateralized and loan to collateral value approximately 50%.
- The Bank has a proper credit evaluation process in place for granting of loans and advances to customers.
- Deposits and placements with other banks were held with local banks and management has done proper risk assessment and believe there will be no material loss from these local banks.

e) Credit quality of financial assets

The Bank assess credit quality of loans, advances and financing using internal rating techniques tailored to the various categories of products and counterparties. These techniques have been developed internally and combine statistical analysis with credit officers' judgement.

e) Credit quality of financial assets (continued)

Credit quality description is summarised as follows:

| Credit Quality          | Description  |
|-------------------------|--|
| Standard monitoring     | Obligors in this category exhibit strong capacity to meet financial commitment.  |
| Special monitoring      | The Bank monitors obligors in this category by delinquency status. Obligors that are less than 30 days past due on its contractual payments for both short-term and long-term facilities are in standard monitoring.<br>Obligors in this category have an acceptable capacity to meet financial commitments.                     |
| Default/Credit impaired | The Bank monitors obligors in this category by delinquency status. Obligors that are 30 days past due on its contractual payments for short-term facilities or are from 31 to 89 days past due on its contractual payments for long-term facilities are included in special monitoring.<br>Obligors are assessed to be impaired. |

The credit quality of financial instruments other than loans, advances and financing are determined based on the ratings of counterparties as defined equivalent ratings of other international rating agencies as defined below:

| Credit Quality       | Description   |
|----------------------|---|
| Sovereign            | Refer to financial asset issued by central banks/government or guarantee by central banks/government.   |
| Investment grade     | Refers to the credit quality of the financial asset that the issuer is able to meet payment obligation and expose the bondholder to low credit risk of default. |
| Non-investment grade | Refers to low credit quality of the financial asset that is highly exposed to default risk.   |
| Un-graded            | Refers to financial asset which are currently not assigned with ratings due to unavailability of ratings models.  |
| Credit impaired      | Refers to the asset that is being impaired.   |



e) Credit quality of financial assets (continued)

The following table shows an analysis of the credit exposure by stages, together with the ECL allowance provision:

|  | 2024          |                                  |                              |               | 2023          |                                  |                              |               |
|--|---------------|----------------------------------|------------------------------|---------------|---------------|----------------------------------|------------------------------|---------------|
|  | 12-month ECL  | Lifetime ECL not credit-impaired | Lifetime ECL credit-impaired | Total         | 12-month ECL  | Lifetime ECL not credit-impaired | Lifetime ECL credit-impaired | Total         |
|  | US\$          | US\$                             | US\$                         | US\$          | US\$          | US\$                             | US\$                         | US\$          |
| Deposits and placements with other banks |               |                                  |                              |               |               |                                  |                              |               |
| Investment grade                         | -             | -                                | -                            | -             | 31,112,537    | -                                | -                            | 31,112,537    |
| No rating                                | 175,012,687   | -                                | -                            | 175,012,687   | 5,113,166     | -                                | -                            | 5,113,166     |
| Gross carrying amount                    | 175,012,687   | -                                | -                            | 175,012,687   | 36,225,703    | -                                | -                            | 36,225,703    |
| Loss allowance (ECL)                     | (225,818)     | -                                | -                            | (225,818)     | (46,202)      | -                                | -                            | (46,202)      |
| Net carrying amount                      | 174,786,869   | -                                | -                            | 174,786,869   | 36,179,501    | -                                | -                            | 36,179,501    |
| In KHR'000 equivalents (Note 4.1.c)      | 703,517,148   | -                                | -                            | 703,517,148   | 147,793,262   | -                                | -                            | 147,793,262   |
| Loans and advances at amortised cost     |               |                                  |                              |               |               |                                  |                              |               |
| Standard monitoring                      | 592,113,450   | -                                | -                            | 592,113,450   | 632,305,624   | -                                | -                            | 632,305,624   |
| Special monitoring                       | -             | 93,916,329                       | -                            | 93,916,329    | -             | 34,623,502                       | -                            | 34,623,502    |
| Default                                  | -             | -                                | 103,798,439                  | 103,798,439   | -             | -                                | 85,668,553                   | 85,668,553    |
| Gross carrying amount                    | 592,113,450   | 93,916,329                       | 103,798,439                  | 789,828,218   | 632,305,624   | 34,623,502                       | 85,668,553                   | 752,597,679   |
| Loss allowance (ECL)                     | (3,904,713)   | (2,801,495)                      | (22,200,621)                 | (28,906,829)  | (4,676,717)   | (621,357)                        | (14,970,923)                 | (20,268,997)  |
| Net carrying amount                      | 588,208,737   | 91,114,834                       | 81,597,818                   | 760,921,389   | 627,628,907   | 34,002,145                       | 70,697,630                   | 732,328,682   |
| In KHR'000 equivalents (Note 4.1.c)      | 2,367,540,166 | 366,737,207                      | 328,431,217                  | 3,062,708,591 | 2,563,864,085 | 138,898,762                      | 288,799,819                  | 2,991,562,666 |

f) Loss allowance



|   | 2024         |                                  |                              |             | 2023         |                                  |                              |             |
|---|--------------|----------------------------------|------------------------------|-------------|--------------|----------------------------------|------------------------------|-------------|
|   | 12-month ECL | Lifetime ECL not credit-impaired | Lifetime ECL credit-impaired | Total       | 12-month ECL | Lifetime ECL not credit-impaired | Lifetime ECL credit-impaired | Total       |
|   | US\$         | US\$                             | US\$                         | US\$        | US\$         | US\$                             | US\$                         | US\$        |
| Investment securities                               |              |                                  |                              |             |              |                                  |                              |             |
| Standard monitoring                                 | 46,470,137   | -                                | -                            | 46,470,137  | 46,224,521   | -                                | -                            | 46,224,521  |
| Special monitoring                                  | -            | -                                | -                            | -           | -            | -                                | -                            | -           |
| Default   | -            | -                                | -                            | -           | -            | -                                | -                            | -           |
| Gross carrying amount                               | 46,470,137   | -                                | -                            | 46,470,137  | 46,224,521   | -                                | -                            | 46,224,521  |
| Loss allowance (ECL)                                | -            | -                                | -                            | -           | -            | -                                | -                            | -           |
| Net carrying amount                                 | 46,470,137   | -                                | -                            | 46,470,137  | 46,224,521   | -                                | -                            | 46,224,521  |
| In KHR'000 equivalents (Note 4.1.c)                 | 187,042,301  | -                                | -                            | 187,042,301 | 188,827,168  | -                                | -                            | 188,827,168 |
| Credit commitments and financial guarantee contract |              |                                  |                              |             |              |                                  |                              |             |
| Standard monitoring                                 | 36,580,232   | -                                | -                            | 36,580,232  | 43,919,601   | -                                | -                            | 43,919,601  |
| Special monitoring                                  | -            | 544,443                          | -                            | 544,443     | -            | 1,405,138                        | -                            | 1,405,138   |
| Default   | -            | -                                | 479,221                      | 479,221     | -            | -                                | 110,825                      | 110,825     |
| Gross carrying amount                               | 36,580,232   | 544,443                          | 479,221                      | 37,603,896  | 43,919,601   | 1,405,138                        | 110,825                      | 45,435,564  |
| Loss allowance (ECL)                                | (94,868)     | (887)                            | (18,397)                     | (114,152)   | (167,780)    | (7,028)                          | (9,307)                      | (184,115)   |
| Net carrying amount                                 | 36,485,364   | 543,556                          | 460,824                      | 37,489,744  | 43,751,821   | 1,398,110                        | 101,518                      | 45,251,449  |
| In KHR'000 equivalents (Note 4.1.c)                 | 146,853,589  | 2,187,813                        | 1,854,817                    | 150,896,219 | 178,726,189  | 5,711,279                        | 414,701                      | 184,852,169 |
| Other assets (Rental deposit & Penalty Charge)      |              |                                  |                              |             |              |                                  |                              |             |
| Standard monitoring                                 | 8,141,914    | -                                | -                            | 8,141,914   | 637,049      | -                                | -                            | 637,049     |
| Special monitoring                                  | -            | -                                | -                            | -           | -            | -                                | -                            | -           |
| Default   | -            | -                                | -                            | -           | -            | -                                | -                            | -           |
| Gross carrying amount                               | 8,141,914    | -                                | -                            | 8,141,914   | 637,049      | -                                | -                            | 637,049     |
| Loss allowance (ECL)                                | (1,811,361)  | -                                | -                            | (1,811,361) | (52,379)     | -                                | -                            | (52,379)    |
| Net carrying amount                                 | 6,330,553    | -                                | -                            | 6,330,553   | 584,670      | -                                | -                            | 584,670     |
| In KHR'000 equivalents (Note 4.1.c)                 | 25,480,476   | -                                | -                            | 25,480,476  | 2,388,377    | -                                | -                            | 2,388,377   |





- f) Loss allowance (continued)
- (i) Expected credit loss reconciliation – loans and advances

|   | 2024          |                                  |                              | 2023          |                                  |                              |
|---|---------------|----------------------------------|------------------------------|---------------|----------------------------------|------------------------------|
|   | Stage 1       | Stage 2                          | Stage 3                      | Stage 1       | Stage 2                          | Stage 3                      |
|   | 12-month ECL  | Lifetime ECL not credit-impaired | Lifetime ECL credit-impaired | 12-month ECL  | Lifetime ECL not credit-impaired | Lifetime ECL credit-impaired |
|   | US\$          | US\$                             | US\$                         | US\$          | US\$                             | US\$                         |
| <b>Expected credit losses</b>   |               |                                  |                              |               |                                  |                              |
| Loss allowance as at 1 January  | 4,676,717     | 621,357                          | 14,970,923                   | 2,828,712     | 208,170                          | 4,555,399                    |
| <i>Changes due to exposure as at 1 January:</i>                         |               |                                  |                              |               |                                  |                              |
| Transfer to stage 1   | 184,372       | (51,123)                         | (133,249)                    | 13,979        | (13,979)                         | -                            |
| Transfer to stage 2   | (187,190)     | 617,070                          | (429,880)                    | (91,825)      | 91,825                           | -                            |
| Transfer to stage 3   | (68,845)      | (77,211)                         | 146,056                      | (143,457)     | (145,600)                        | 289,057                      |
| Net remeasurement of loss allowance (*)                                 | (1,618,515)   | (80,450)                         | 5,387,015                    | 1,067,072     | 410,482                          | 9,192,459                    |
| New financial assets originated or purchased                            | 2,092,146     | 2,251,074                        | 5,950,736                    | 1,485,623     | 90,086                           | 1,758,584                    |
| Financial assets derecognised during the year other than write off      | (1,173,973)   | (479,221)                        | (3,690,980)                  | (483,387)     | (19,627)                         | (824,576)                    |
| Loss allowance as at 31 December  | 3,904,712     | 2,801,496                        | 22,200,621                   | 4,676,717     | 621,357                          | 14,970,923                   |
| <i>In KHR'000 equivalents (Note 4.1.c)</i>                              | 15,716,466    | 11,276,021                       | 89,357,500                   | 19,104,389    | 2,538,243                        | 61,156,220                   |
| <b>Gross carrying amount</b>  |               |                                  |                              |               |                                  |                              |
| Gross carrying amount as at 1 January                                   | 632,305,624   | 34,623,502                       | 85,668,553                   | 674,386,410   | 15,693,421                       | 26,816,347                   |
| <i>Changes due to financial instruments recognised as at 1 January:</i> |               |                                  |                              |               |                                  |                              |
| Transfer to stage 1   | 2,651,057     | (1,996,180)                      | (654,877)                    | 1,069,253     | (1,069,253)                      | -                            |
| Transfer to stage 2   | (32,315,452)  | 33,543,609                       | (1,228,157)                  | (28,928,917)  | 28,928,917                       | -                            |
| Transfer to stage 3   | (9,598,122)   | (3,589,010)                      | 13,187,132                   | (43,310,945)  | (11,196,199)                     | 54,507,144                   |
| Net remeasurement of gross carrying amount                              | (30,866,122)  | (270,404)                        | 3,864,293                    | (33,993,608)  | (290,204)                        | 2,646,104                    |
| New financial assets originated or purchased                            | 207,293,743   | 59,980,519                       | 24,835,503                   | 155,842,933   | 4,032,055                        | 7,396,419                    |
| Financial assets derecognised during the year other than write off      | (177,357,278) | (28,375,708)                     | (21,874,007)                 | (92,759,502)  | (1,475,235)                      | (5,697,461)                  |
| Gross carrying amount as at 31 December                                 | 592,113,450   | 93,916,328                       | 103,798,440                  | 632,305,624   | 34,623,502                       | 85,668,553                   |
| <i>In KHR'000 equivalents (Note 4.1.c)</i>                              | 2,383,256,636 | 378,013,221                      | 417,788,721                  | 2,582,968,474 | 141,437,006                      | 349,956,039                  |

(\*) Impact of the measurement of ECL due to changes in EAD and PD during the year arising from regular refreshing of inputs to models.



- f) Loss allowance (continued)
- (ii) Expected credit loss reconciliation – credit commitments and financial guarantees contract

|   | 2024         |                                  |                              | 2023         |                                  |                              |
|---|--------------|----------------------------------|------------------------------|--------------|----------------------------------|------------------------------|
|   | Stage 1      | Stage 2                          | Stage 3                      | Stage 1      | Stage 2                          | Stage 3                      |
|   | 12-month ECL | Lifetime ECL not credit-impaired | Lifetime ECL credit-impaired | 12-month ECL | Lifetime ECL not credit-impaired | Lifetime ECL credit-impaired |
|   | US\$         | US\$                             | US\$                         | US\$         | US\$                             | US\$                         |
| <b>Expected credit losses</b>   |              |                                  |                              |              |                                  |                              |
| Loss allowance as at 1 January  | 167,780      | 7,028                            | 9,307                        | 99,076       | 82                               | 4,484                        |
| <i>Changes due to exposure as at 1 January:</i>                         |              |                                  |                              |              |                                  |                              |
| Transfer to stage 1   | -            | -                                | -                            | -            | -                                | -                            |
| Transfer to stage 2   | -            | -                                | -                            | -            | -                                | -                            |
| Transfer to stage 3   | -            | -                                | -                            | -            | -                                | -                            |
| Reversal of prior year provision  | (85,618)     | (6,589)                          | (151)                        | (6,605)      | 502                              | 3,005                        |
| New financial assets originated or purchased                            | 12,706       | 448                              | 9,241                        | 75,309       | 6,444                            | 1,818                        |
| Loss allowance as at 31 December  | 94,868       | 887                              | 18,397                       | 167,780      | 7,028                            | 9,307                        |
| <i>In KHR'000 equivalents (Note 4.1.c)</i>                              | 381,844      | 3,570                            | 74,048                       | 685,382      | 28,709                           | 38,019                       |
| <b>Gross carrying amount</b>  |              |                                  |                              |              |                                  |                              |
| Gross carrying amount as at 1 January                                   | 43,919,601   | 1,405,138                        | 110,825                      | 25,400,929   | 30,000                           | 50,000                       |
| <i>Changes due to financial instruments recognised as at 1 January:</i> |              |                                  |                              |              |                                  |                              |
| Transfer to stage 1   | -            | -                                | -                            | -            | -                                | -                            |
| Transfer to stage 2   | -            | -                                | -                            | -            | -                                | -                            |
| Transfer to stage 3   | -            | -                                | -                            | -            | -                                | -                            |
| Exposure derecognised or expired  | (18,998,389) | (1,225,570)                      | (37,504)                     | (12,801,062) | 34,611                           | 34,798                       |
| New financial assets originated or purchased                            | 11,659,020   | 364,875                          | 405,900                      | 31,319,734   | 1,340,527                        | 26,027                       |
| Gross carrying amount as at 31 December                                 | 36,580,232   | 544,443                          | 479,221                      | 43,919,601   | 1,405,138                        | 110,825                      |
| <i>In KHR'000 equivalents (Note 4.1.c)</i>                              | 147,235,433  | 2,191,383                        | 1,928,865                    | 179,411,570  | 5,739,989                        | 452,720                      |



## f) Loss allowance (continued)

## (iii) Expected credit loss reconciliation – deposits and placements with other banks

|  | 2024                 |   |   |             | 2023                 |   |   |              |
|--|----------------------|---|---|-------------|----------------------|---|---|--------------|
|  | Stage 1              | Stage 2                                     | Stage 3                                 | Total       | Stage 1              | Stage 2                                     | Stage 3                                 | Total        |
|  | 12-month ECL<br>US\$ | Lifetime ECL<br>not credit-impaired<br>US\$ | Lifetime ECL<br>credit-impaired<br>US\$ | US\$        | 12-month ECL<br>US\$ | Lifetime ECL<br>not credit-impaired<br>US\$ | Lifetime ECL<br>credit-impaired<br>US\$ | US\$         |
| Expected credit losses   |                      |   |   |             |                      |   |   |              |
| Loss allowance as at 1 January                                   | 46,202               | -   | -                                       | 46,202      | 85,483               | -   | -                                       | 85,483       |
| <i>Changes due to exposure as at 1 January:</i>                  |                      |   |   |             |                      |   |   |              |
| Transfer to stage 1  | -                    | -   | -                                       | -           | -                    | -   | -                                       | -            |
| Transfer to stage 2  | -                    | -   | -                                       | -           | -                    | -   | -                                       | -            |
| Transfer to stage 3  | -                    | -   | -                                       | -           | -                    | -   | -                                       | -            |
| New financial assets originated or purchased                     | 26,085               | -   | -                                       | 26,085      | (40,745)             | -   | -                                       | (40,745)     |
| Financial assets derecognised during the year                    | 153,531              | -   | -                                       | 153,531     | 1,464                | -   | -                                       | 1,464        |
| Loss allowance as at 31 December                                 | 225,818              | -   | -                                       | 225,818     | 46,202               | -   | -                                       | 46,202       |
| <i>In KHR000 equivalents (Note 4.1.c)</i>                        | 908,917              | -   | -                                       | 908,917     | 188,735              | -   | -                                       | 188,735      |
| <b>Gross carrying amount</b>                                     |                      |   |   |             |                      |   |   |              |
| Gross carrying amount as of 1 January                            | 36,225,703           | -   | -                                       | 36,225,703  | 66,144,218           | -   | -                                       | 66,144,218   |
| Changes due to financial instruments recognised as of 1 January: |                      |   |   |             |                      |   |   |              |
| Transfer to stage 1  | -                    | -   | -                                       | -           | -                    | -   | -                                       | -            |
| Transfer to stage 2  | -                    | -   | -                                       | -           | -                    | -   | -                                       | -            |
| Transfer to stage 3  | -                    | -   | -                                       | -           | -                    | -   | -                                       | -            |
| New financial assets originated or purchased                     | 20,216,253           | -   | -                                       | 20,216,253  | 1,106,043            | -   | -                                       | 1,106,043    |
| Financial assets derecognised during the year                    | 118,570,731          | -   | -                                       | 118,570,731 | (31,024,558)         | -   | -                                       | (31,024,558) |
| Gross carrying amount as at 31 December                          | 175,012,687          | -   | -                                       | 175,012,687 | 36,225,703           | -   | -                                       | 36,225,703   |
| <i>In KHR000 equivalents (Note 4.1.c)</i>                        | 704,426,065          | -   | -                                       | 704,426,065 | 147,981,997          | -   | -                                       | 147,981,997  |

## f) Loss allowance (continued)

## (iv) Expected credit loss reconciliation – Investment securities

|  | 2024                 |   |   |              | 2023                 |   |   |             |
|--|----------------------|---|---|--------------|----------------------|---|---|-------------|
|  | Stage 1              | Stage 2                                     | Stage 3                                 | Total        | Stage 1              | Stage 2                                     | Stage 3                                 | Total       |
|  | 12-month ECL<br>US\$ | Lifetime ECL<br>not credit-impaired<br>US\$ | Lifetime ECL<br>credit-impaired<br>US\$ | US\$         | 12-month ECL<br>US\$ | Lifetime ECL<br>not credit-impaired<br>US\$ | Lifetime ECL<br>credit-impaired<br>US\$ | US\$        |
| Expected credit losses   |                      |   |   |              |                      |   |   |             |
| Loss allowance as at 1 January                                   | -                    | -   | -                                       | -            | -                    | -   | -                                       | -           |
| <i>Changes due to exposure as at 1 January:</i>                  |                      |   |   |              |                      |   |   |             |
| Transfer to stage 1  | -                    | -   | -                                       | -            | -                    | -   | -                                       | -           |
| Transfer to stage 2  | -                    | -   | -                                       | -            | -                    | -   | -                                       | -           |
| Transfer to stage 3  | -                    | -   | -                                       | -            | -                    | -   | -                                       | -           |
| New financial assets originated or purchased                     | -                    | -   | -                                       | -            | -                    | -   | -                                       | -           |
| Financial assets derecognised during the period                  | -                    | -   | -                                       | -            | -                    | -   | -                                       | -           |
| Loss allowance as at 31 December                                 | -                    | -   | -                                       | -            | -                    | -   | -                                       | -           |
| <i>In KHR000 equivalents (Note 4.1.c)</i>                        | -                    | -   | -                                       | -            | -                    | -   | -                                       | -           |
| <b>Gross carrying amount</b>                                     |                      |   |   |              |                      |   |   |             |
| Gross carrying amount as at 1 January                            | 46,224,521           | -   | -                                       | 46,224,521   | 46,110,240           | -   | -                                       | 46,110,240  |
| Changes due to financial instruments recognised as at 1 January: |                      |   |   |              |                      |   |   |             |
| Transfer to stage 1  | -                    | -   | -                                       | -            | -                    | -   | -                                       | -           |
| Transfer to stage 2  | -                    | -   | -                                       | -            | -                    | -   | -                                       | -           |
| Transfer to stage 3  | -                    | -   | -                                       | -            | -                    | -   | -                                       | -           |
| Collection   | (29,754,384)         | -   | -                                       | (29,754,384) | 114,281              | -   | -                                       | 114,281     |
| New financial assets originated or purchased                     | 30,000,000           | -   | -                                       | 30,000,000   | -                    | -   | -                                       | -           |
| Gross carrying amount as at 31 December                          | 46,470,137           | -   | -                                       | 46,470,137   | 46,224,521           | -   | -                                       | 46,224,521  |
| <i>In KHR000 equivalents (Note 4.1.c)</i>                        | 187,042,301          | -   | -                                       | 187,042,301  | 188,827,168          | -   | -                                       | 188,827,168 |



f) Loss allowance (continued)

(v) Expected credit loss reconciliation – Rental deposit and Accrue penalty for loan overdue

|  | 2024              |                                       |                                   |           | 2023              |                                       |                                   |           |
|--|-------------------|---------------------------------------|-----------------------------------|-----------|-------------------|---------------------------------------|-----------------------------------|-----------|
|  | Stage 1           | Stage 2                               | Stage 3                           | Total     | Stage 1           | Stage 2                               | Stage 3                           | Total     |
|  | 12-month ECL US\$ | Lifetime ECL not credit-impaired US\$ | Lifetime ECL credit-impaired US\$ |           | 12-month ECL US\$ | Lifetime ECL not credit-impaired US\$ | Lifetime ECL credit-impaired US\$ |           |
| Expected credit losses   |                   |                                       |                                   |           |                   |                                       |                                   |           |
| Loss allowance as at 1 January                                   | 52,379            | -                                     | -                                 | 52,379    | 39,422            | -                                     | -                                 | 39,422    |
| Changes due to exposure as at 1 January:                         |                   |                                       |                                   |           |                   |                                       |                                   |           |
| Transfer to stage 1  | -                 | -                                     | -                                 | -         | -                 | -                                     | -                                 | -         |
| Transfer to stage 2  | -                 | -                                     | -                                 | -         | -                 | -                                     | -                                 | -         |
| Transfer to stage 3  | -                 | -                                     | -                                 | -         | -                 | -                                     | -                                 | -         |
| New financial assets originated or purchased                     | 1,758,982         | -                                     | -                                 | 1,758,982 | 12,957            | -                                     | -                                 | 12,957    |
| Loss allowance as at 31 December                                 | 1,811,361         | -                                     | -                                 | 1,811,361 | 52,379            | -                                     | -                                 | 52,379    |
| In KHR'000 equivalents (Note 4.1.c)                              | 7,290,728         | -                                     | -                                 | 7,290,728 | 213,968           | -                                     | -                                 | 213,968   |
| Gross carrying amount  |                   |                                       |                                   |           |                   |                                       |                                   |           |
| Gross carrying amount as at 1 January                            | 637,049           | -                                     | -                                 | 637,049   | 592,539           | -                                     | -                                 | 592,539   |
| Changes due to financial instruments recognised as of 1 January: |                   |                                       |                                   |           |                   |                                       |                                   |           |
| Transfer to stage 1  | -                 | -                                     | -                                 | -         | -                 | -                                     | -                                 | -         |
| Transfer to stage 2  | -                 | -                                     | -                                 | -         | -                 | -                                     | -                                 | -         |
| Transfer to stage 3  | -                 | -                                     | -                                 | -         | -                 | -                                     | -                                 | -         |
| New financial assets originated or purchased                     | 7,504,864         | -                                     | -                                 | 7,504,864 | 44,510            | -                                     | -                                 | 44,510    |
| Financial assets derecognised during the year                    | -                 | -                                     | -                                 | -         | -                 | -                                     | -                                 | -         |
| Gross carrying amount as at 31 December                          | 8,141,913         | -                                     | -                                 | 8,141,913 | 637,049           | -                                     | -                                 | 637,049   |
| In KHR'000 equivalents (Note 4.1.c)                              | 6,198,238         | -                                     | -                                 | 6,198,238 | 2,602,345         | -                                     | -                                 | 2,602,345 |

- g) Concentration of financial assets with credit risk exposure
- (i) Geographical sector

The following table breaks down the Bank's main credit exposure at their carrying amount, as categorised by geographical region as of 31 December 2024 and 2023. For this table, the Bank has allocated exposure to countries based on the country of domicile of its counterparties.

|  | Cambodia      | Other ASEAN countries | Total         |
|--|---------------|-----------------------|---------------|
|  | US\$          | US\$                  | US\$          |
| 31 December 2024                         |               |                       |               |
| Deposits and placements with other banks | 99,936,716    | 74,850,153            | 174,786,869   |
| Loans and advances                       | 760,921,389   | -                     | 760,921,389   |
| Investment securities                    | 46,470,137    | -                     | 46,470,137    |
| Other financial assets                   | 6,330,553     | -                     | 6,330,553     |
| Credit commitments                       | 34,932,457    | -                     | 34,932,457    |
| Financial guarantee contracts            | 2,557,287     | -                     | 2,557,287     |
| Total credit exposure                    | 951,148,539   | 74,850,153            | 1,025,998,692 |
| In KHR'000 equivalents (Note 4.1.c)      | 3,828,372,869 | 301,271,866           | 4,129,644,735 |
| 31 December 2023                         |               |                       |               |
| Deposits and placements with other banks | 32,306,006    | 3,873,495             | 36,179,501    |
| Loans and advances                       | 732,328,682   | -                     | 732,328,682   |
| Investment securities                    | 46,224,521    | -                     | 46,224,521    |
| Other financial assets                   | 584,670       | -                     | 584,670       |
| Credit commitments                       | 40,522,660    | -                     | 40,522,660    |
| Financial guarantee contracts            | 4,728,789     | -                     | 4,728,789     |
| Total credit exposure                    | 856,695,328   | 3,873,495             | 860,568,823   |
| In KHR'000 equivalents (Note 4.1.c)      | 3,499,600,415 | 15,823,227            | 3,515,423,642 |



## g) Concentration of financial assets with credit risk exposure (continued)

## (ii) Industry sector

The following table breaks down the Bank's main credit exposure at their gross carrying amounts less impairment if any, as categorised by the industry sectors of its counterparties.

|  | Agriculture, Forestry and Fishing | Building and Construction | Financial Institutions | Import and Exports | Manufacturing | Other Lending | Personal Lending | Real Estate and Mortgages | Services    | Wholesale and Retail Trade | Total         |
|--|-----------------------------------|---------------------------|------------------------|--------------------|---------------|---------------|------------------|---------------------------|-------------|----------------------------|---------------|
|  | US\$                              | US\$                      | US\$                   | US\$               | US\$          | US\$          | US\$             | US\$                      | US\$        | US\$                       | US\$          |
| <b>31 December 2024</b>                    |                                   |                           |                        |                    |               |               |                  |                           |             |                            |               |
| Deposits and placements with other banks   | -                                 | -                         | 174,786,869            | -                  | -             | -             | -                | -                         | -           | -                          | 174,786,869   |
| Loans and advances                         | 27,019,740                        | 55,016,337                | 14,319,563             | 6,340,078          | 48,153,551    | 5,390,966     | 55,803,033       | 188,412,333               | 51,995,326  | 308,470,462                | 760,921,389   |
| Investment securities                      | -                                 | -                         | 46,470,137             | -                  | -             | -             | -                | -                         | -           | -                          | 46,470,137    |
| Other financial assets                     | -                                 | -                         | -                      | -                  | -             | -             | -                | -                         | 6,330,553   | -                          | 6,330,553     |
| Credit commitments                         | 239,311                           | 753,247                   | -                      | 8,895              | 50,448        | 1,066,959     | 23,211,263       | 6,320,932                 | 1,554,636   | 1,726,766                  | 34,932,457    |
| Financial guarantee contracts              | -                                 | 33,278                    | -                      | -                  | -             | -             | -                | -                         | 2,299,000   | 225,009                    | 2,557,287     |
| Total credit exposure                      | 27,259,051                        | 55,802,862                | 235,576,569            | 6,348,973          | 48,203,999    | 6,457,925     | 79,014,296       | 194,733,265               | 62,179,515  | 310,422,237                | 1,025,998,692 |
| <i>In KHR'000 equivalents (Note 4.1.c)</i> | 109,717,680                       | 224,606,520               | 948,195,690            | 25,554,616         | 194,021,096   | 25,993,148    | 318,032,541      | 783,801,392               | 250,272,548 | 1,249,449,504              | 4,129,644,735 |
| <b>31 December 2023</b>                    |                                   |                           |                        |                    |               |               |                  |                           |             |                            |               |
| Deposits and placements with another bank  | -                                 | -                         | 36,179,501             | -                  | -             | -             | -                | -                         | -           | -                          | 36,179,501    |
| Loans and advances                         | 16,569,445                        | 98,169,618                | 7,513,019              | 5,156,110          | 23,566,331    | 53,983,594    | 35,689,789       | 258,592,094               | 45,544,673  | 187,544,009                | 732,328,682   |
| Investment securities                      | -                                 | -                         | 46,224,521             | -                  | -             | -             | -                | -                         | -           | -                          | 46,224,521    |
| Other financial assets                     | -                                 | -                         | -                      | -                  | -             | -             | -                | -                         | 584,670     | -                          | 584,670       |
| Credit commitments                         | 174,185                           | 2,247,023                 | -                      | 80,848             | 564,243       | 807,979       | 17,424,265       | 16,525,146                | 535,269     | 2,163,703                  | 40,522,661    |
| Financial guarantee contracts              | -                                 | 150,581                   | -                      | -                  | -             | -             | -                | 2,909,501                 | 21,435      | 1,647,272                  | 4,728,789     |
| Total credit exposure                      | 16,743,630                        | 100,567,222               | 89,917,041             | 5,236,958          | 24,130,574    | 54,791,573    | 53,114,054       | 278,026,741               | 46,686,047  | 191,354,984                | 860,568,824   |
| <i>In KHR'000 equivalents (Note 4.1.c)</i> | 68,397,729                        | 410,817,102               | 367,311,112            | 21,392,973         | 98,573,395    | 223,823,576   | 216,970,911      | 1,135,739,237             | 190,712,502 | 781,685,110                | 3,515,423,646 |

## h) Repossessed collateral

Reposessed collaterals are sold as soon as practicable. The Bank does not utilise the reposessed collaterals for its business use.

The Bank did not obtain assets by taking possession of collateral held as security as at 2024 and 2023.

## 34.2. Market risk

The Bank takes on exposure to market risk, which is the risk that the fair value or future cash flow of a financial instrument, will fluctuate because of changes in market prices. Market risk arises from open positions in interest rates, currency and equity products, all of which are exposed to general and specific market movements and changes in the level of volatility of market rates or prices such as interest rates, credit spreads, foreign exchange rates and equity prices.

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

## (i) Foreign exchange risk

Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the Bank's functional currency.

The Bank operates in Cambodia and transacts in many currencies, and is exposed to various currency risks, primarily with respect to Khmer Riel.

The management monitors the Bank's foreign exchange risk against functional currencies. However, the Bank does not hedge its foreign exchange risk exposure arising from future commercial transactions.

The Bank's policy is to maintain foreign currency exposure within acceptable limits and within existing regulatory guidelines.

The table below summarises the Bank's exposure to foreign currency exchange rate risk. Included in the table are and Bank's financial instruments at their carrying amounts by currency in US\$ equivalent.

|   | US\$                 | KHR                | Others           | Total                |
|---|----------------------|--------------------|------------------|----------------------|
|   | In US\$ equivalents  |                    |                  |                      |
| <b>As at 31 December 2024</b>                 |                      |                    |                  |                      |
| <b>Financial assets</b>                       |                      |                    |                  |                      |
| Cash on hand                                  | 22,510,964           | 5,251,307          | -                | 27,762,271           |
| Deposits and placements with the Central Bank | 360,969,802          | 5,545,782          | -                | 366,515,584          |
| Deposits and placements with other banks      | 174,044,996          | 440,631            | 301,242          | 174,786,869          |
| Loans and advances                            | 674,800,908          | 86,120,481         | -                | 760,921,389          |
| Investment securities                         | 46,470,137           | -                  | -                | 46,470,137           |
| Other financial assets                        | 5,865,462            | 465,091            | -                | 6,330,553            |
| <b>Total financial assets</b>                 | <b>1,284,662,269</b> | <b>97,823,292</b>  | <b>301,242</b>   | <b>1,382,786,803</b> |
| <b>As at 31 December 2024</b>                 |                      |                    |                  |                      |
| <b>Financial liabilities</b>                  |                      |                    |                  |                      |
| Deposits from customers                       | 1,163,471,493        | 15,811,147         | -                | 1,179,282,640        |
| Borrowings                                    | 46,025,290           | 418,962            | -                | 46,444,252           |
| Employee benefits                             | 13,260               | -                  | -                | 13,260               |
| Other financial liabilities                   | 12,979,033           | 79,009             | -                | 13,058,042           |
| <b>Total financial liabilities</b>            | <b>1,222,489,076</b> | <b>16,309,118</b>  | <b>-</b>         | <b>1,238,798,194</b> |
| <b>Net position</b>                           | <b>62,173,193</b>    | <b>81,514,174</b>  | <b>301,242</b>   | <b>143,988,609</b>   |
| <i>In KHR'000 equivalents (Note 4.1.c)</i>    | <b>250,247,102</b>   | <b>328,094,550</b> | <b>1,212,499</b> | <b>579,554,151</b>   |



## (ii) Foreign exchange risk (continued)

|   | US\$                | KHR                | Others           | Total              |
|---|---------------------|--------------------|------------------|--------------------|
|   | In US\$ equivalents |                    |                  |                    |
| <b>As at 31 December 2024</b>                 |                     |                    |                  |                    |
| <b>Off-balance sheet</b>                      |                     |                    |                  |                    |
| Credit commitments                            | 34,042,413          | 890,045            | -                | 34,932,458         |
| Financial guarantee contracts                 | 2,533,966           | 23,320             | -                | 2,557,286          |
|   | <u>36,576,379</u>   | <u>913,365</u>     | <u>-</u>         | <u>37,489,744</u>  |
| <i>In KHR'000 equivalent (Note 4.1.c)</i>     | <u>147,219,925</u>  | <u>3,676,294</u>   | <u>-</u>         | <u>150,896,219</u> |
| <b>As at 31 December 2023</b>                 |                     |                    |                  |                    |
| <b>Financial assets</b>                       |                     |                    |                  |                    |
| Cash on hand                                  | 23,837,266          | 4,046,459          | -                | 27,883,725         |
| Deposits and placements with the Central Bank | 49,464,530          | 4,258,587          | -                | 53,723,117         |
| Deposits and placements with other banks      | 35,484,111          | 400,879            | 294,511          | 36,179,501         |
| Loans and advances                            | 656,574,345         | 75,754,337         | -                | 732,328,682        |
| Investment securities                         | 46,224,521          | -                  | -                | 46,224,521         |
| Other financial assets                        | 584,670             | -                  | -                | 584,670            |
| <b>Total financial assets</b>                 | <u>812,169,443</u>  | <u>84,460,262</u>  | <u>294,511</u>   | <u>896,924,216</u> |
| <b>Financial liabilities</b>                  |                     |                    |                  |                    |
| Deposits from customers                       | 581,651,192         | 8,212,290          | -                | 589,863,482        |
| Borrowings                                    | 114,118,409         | 534,621            | -                | 114,653,030        |
| Employee benefits                             | 18,491              | -                  | -                | 18,491             |
| Other financial liabilities                   | 7,716,882           | (14,726)           | -                | 7,702,156          |
| <b>Total financial liabilities</b>            | <u>703,504,974</u>  | <u>8,732,185</u>   | <u>-</u>         | <u>712,237,159</u> |
| <b>Net position</b>                           | <u>108,664,469</u>  | <u>75,728,077</u>  | <u>294,511</u>   | <u>184,687,057</u> |
| <i>In KHR'000 equivalent (Note 4.1.c)</i>     | <u>443,894,356</u>  | <u>309,349,195</u> | <u>1,203,077</u> | <u>754,446,628</u> |
| <b>As at 31 December 2023</b>                 |                     |                    |                  |                    |
| <b>Off-balance sheet</b>                      |                     |                    |                  |                    |
| Credit commitments                            | 39,731,428          | 791,232            | -                | 40,522,660         |
| Financial guarantee contracts                 | 4,632,039           | 96,750             | -                | 4,728,789          |
|   | <u>44,363,467</u>   | <u>887,982</u>     | <u>-</u>         | <u>45,251,449</u>  |
| <i>In KHR'000 equivalent (Note 4.1.c)</i>     | <u>181,224,763</u>  | <u>3,627,406</u>   | <u>-</u>         | <u>184,852,169</u> |

## Sensitivity analysis

As shown in the table above, the group is primarily exposed to changes in US\$/KHR exchange rates. The sensitivity of profit or loss to changes in the exchange rates arises mainly from US-dollar denominated financial instruments.

## (ii) Foreign exchange risk (continued)

|  | Impact on post tax profit/loss |              | Impact on other component of equity |         |
|--|--------------------------------|--------------|-------------------------------------|---------|
|  | US\$                           | KHR'000      | US\$                                | KHR'000 |
| <b>2024</b>                            |                                |              |                                     |         |
| US\$/KHR exchange rate- increase by 5% | (3,116,778)                    | (12,545,031) | -                                   | -       |
| US\$/KHR exchange rate- decrease by 5% | 3,444,860                      | 13,865,562   | -                                   | -       |
| <b>2023</b>                            |                                |              |                                     |         |
| US\$/KHR exchange rate- increase by 5% | (2,896,099)                    | (11,830,564) | -                                   | -       |
| US\$/KHR exchange rate- decrease by 5% | 3,200,951                      | 13,075,885   | -                                   | -       |

## (ii) Price risk

The Bank is not exposed to a securities price risk because it does not have any investment held and classified on the statement of financial position at fair value.

## (iii) Interest rate risk

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Fair value interest rate risk is the risk that the value of a financial instrument will fluctuate because of changes in market interest rates. Interest margins may increase as a result of changes but may reduce losses in the event that unexpected movements arise. The management of the Bank at this stage does not have a policy to set limits on the level of mismatch of interest rate repricing that may be undertaken; however, the management regularly monitors the mismatch.

The table on the next page summarises the Bank's exposure to interest rate risks. It includes the Bank's financial instruments at carrying amounts, categorised by the earlier of contractual repricing or maturity dates.

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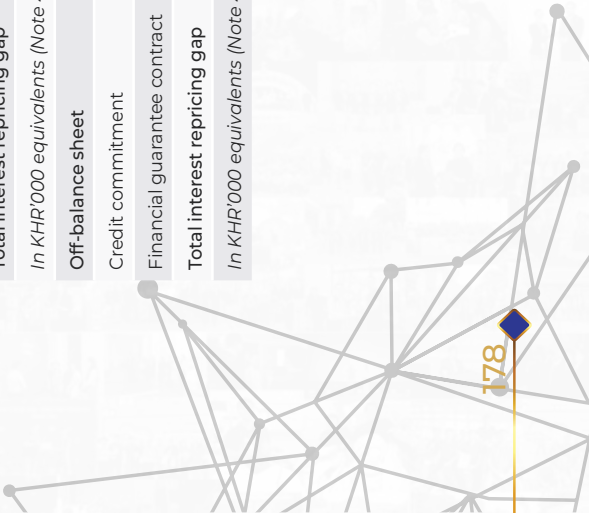
(iii) Interest rate risk (continued)

|   | 1<br>month<br>US\$ | 1 to 3<br>months<br>US\$ | 3 to 12<br>months<br>US\$ | 1 to 5<br>years<br>US\$ | Over 5 years<br>US\$ | Non-interest<br>bearing<br>US\$ | Total<br>US\$ |
|---|--------------------|--------------------------|---------------------------|-------------------------|----------------------|---------------------------------|---------------|
| As at 31 December 2024                        |                    |                          |                           |                         |                      |                                 |               |
| Financial assets                              |                    |                          |                           |                         |                      |                                 |               |
| Cash on hand                                  | -                  | -                        | -                         | -                       | -                    | 27,762,271                      | 27,762,271    |
| Deposits and placements with the Central Bank | -                  | 128,460                  | -                         | -                       | -                    | 366,387,124                     | 366,515,584   |
| Deposits and placements with other banks      | -                  | 94,861,387               | -                         | -                       | -                    | 79,925,482                      | 174,786,869   |
| Loan and advances                             | 92,539,914         | 95,834,450               | 53,020,480                | 519,526,545             | -                    | -                               | 760,921,389   |
| Investment securities                         | -                  | 15,000,000               | 31,470,137                | -                       | -                    | -                               | 46,470,137    |
| Other financial assets                        | -                  | -                        | -                         | -                       | -                    | 6,330,553                       | 6,330,553     |
| Total financial assets                        | 92,539,914         | 205,824,297              | 84,490,617                | 519,526,545             | -                    | 480,405,430                     | 1,382,786,803 |
| Financial liabilities                         |                    |                          |                           |                         |                      |                                 |               |
| Deposits from customers                       | 33,054,035         | 46,242,491               | 702,006,567               | 367,408,069             | -                    | 30,571,478                      | 1,179,282,640 |
| Borrowing                                     | 43,241,226         | -                        | 26,034                    | 3,090,201               | 86,791               | -                               | 46,444,252    |
| Employee benefits                             | -                  | -                        | -                         | -                       | -                    | 13,260                          | 13,260        |
| Other financial liabilities                   | -                  | -                        | -                         | -                       | -                    | 13,058,042                      | 13,058,042    |
| Total financial liabilities                   | 76,295,261         | 46,242,491               | 702,032,601               | 370,498,270             | 86,791               | 43,642,780                      | 1,238,798,194 |
| Total interest repricing gap                  | 16,244,653         | 159,581,806              | (617,541,984)             | 149,028,275             | (86,791)             | 436,762,650                     | 143,988,609   |
| In KHR'000 equivalents (Note 4.1.c)           | 65,384,728         | 642,316,769              | (2,485,606,486)           | 599,838,807             | (349,334)            | 1,757,969,666                   | 579,554,150   |
| Off-Balance sheet                             |                    |                          |                           |                         |                      |                                 |               |
| Credit commitment                             | 34,932,458         | -                        | -                         | -                       | -                    | -                               | 34,932,458    |
| Financial guarantee contract                  | -                  | -                        | 2,557,286                 | -                       | -                    | -                               | 2,557,286     |
| Total interest repricing gap                  | 34,932,458         | -                        | 2,557,286                 | -                       | -                    | -                               | 37,489,744    |
| In KHR'000 equivalents (Note 4.1.c)           | 140,603,143        | -                        | 10,293,076                | -                       | -                    | -                               | 150,896,219   |



(iii) Interest rate risk (continued)

|   | 1<br>month<br>US\$ | 1 to 3<br>months<br>US\$ | 3 to 12<br>months<br>US\$ | 1 to 5<br>years<br>US\$ | Over 5 years<br>US\$ | Non-interest<br>bearing<br>US\$ | Total<br>US\$ |
|---|--------------------|--------------------------|---------------------------|-------------------------|----------------------|---------------------------------|---------------|
| As of 31 December 2023                        |                    |                          |                           |                         |                      |                                 |               |
| Financial assets                              |                    |                          |                           |                         |                      |                                 |               |
| Cash on hand                                  | -                  | -                        | -                         | -                       | -                    | 27,883,725                      | 27,883,725    |
| Deposits and placements with the Central Bank | -                  | 4,500,000                | -                         | -                       | -                    | 49,223,117                      | 53,723,117    |
| Deposits and placements with other banks      | -                  | 27,594,778               | -                         | -                       | -                    | 8,584,723                       | 36,179,501    |
| Loan and advances                             | 2,001,384          | 480,304                  | 35,650,387                | 98,765,636              | 595,430,971          | -                               | 732,328,682   |
| Investment securities                         | -                  | -                        | 31,224,521                | 15,000,000              | -                    | -                               | 46,224,521    |
| Other financial assets                        | -                  | -                        | -                         | -                       | -                    | 584,670                         | 584,670       |
| Total financial assets                        | 2,001,384          | 32,575,082               | 66,874,908                | 113,765,636             | 595,430,971          | 86,276,235                      | 896,924,216   |
| Financial liabilities                         |                    |                          |                           |                         |                      |                                 |               |
| Deposits from customers                       | 2,164,771          | 2,895,931                | 453,437,965               | 100,200,865             | -                    | 31,163,950                      | 589,863,482   |
| Borrowings                                    | -                  | -                        | -                         | 46,295,265              | -                    | 68,357,765                      | 114,653,030   |
| Employee benefits                             | -                  | -                        | -                         | -                       | -                    | 18,491                          | 18,491        |
| Other financial liabilities                   | -                  | -                        | -                         | -                       | -                    | 7,702,156                       | 7,702,156     |
| Total financial liabilities                   | 2,164,771          | 2,895,931                | 453,437,965               | 146,496,130             | -                    | 107,242,362                     | 712,237,159   |
| Total interest repricing gap                  | (163,387)          | 29,679,151               | (386,563,057)             | (32,730,494)            | 595,430,971          | (20,966,127)                    | 184,687,057   |
| In KHR'000 equivalents (Note 4.1.c)           | (667,436)          | 121,239,332              | (1,579,110,088)           | (133,704,068)           | 2,432,335,517        | (85,646,629)                    | 754,446,628   |
| Off-balance sheet                             |                    |                          |                           |                         |                      |                                 |               |
| Credit commitment                             | 40,522,660         | -                        | -                         | -                       | -                    | -                               | 40,522,660    |
| Financial guarantee contract                  | -                  | -                        | 4,728,789                 | -                       | -                    | -                               | 4,728,789     |
| Total interest repricing gap                  | 40,522,660         | -                        | 4,728,789                 | -                       | -                    | -                               | 45,251,449    |
| In KHR'000 equivalents (Note 4.1.c)           | 165,535,066        | -                        | 19,317,103                | -                       | -                    | -                               | 184,852,169   |





### 34.3. Liquidity risk

Liquidity risk is the risk that the Bank is unable to meet its payment obligations associated with its financial liabilities when they fall due and to replace funds when they are withdrawn. The consequence of this may be the failure to meet obligations to repay depositors and fulfil commitments to lend.

#### a) Liquidity risk management process

The Bank's management monitors its liquidity and manages the concentration and profile of debt maturities. Monitoring and reporting take the form of the daily cash position and project for the next day, week and month respectively, as these are key periods for liquidity management. The management monitors the movement of the main depositors and projection of their withdrawals.

#### b) Funding approach

The Bank's main sources of liquidities arise from shareholder's paid-up capital, borrowings and customers' deposits. The sources of liquidity are regularly reviewed daily through management's review of maturity of term deposits and key depositors.

#### c) Non-derivative cash flows

The table on the next page presents the cash flows payable by the Bank under non-derivative financial liabilities based on remaining contractual maturities at the reporting date. The amounts disclosed in the table are the contractual undiscounted cash flows, whereas the Bank manages the inherent liquidity risk based on expected undiscounted cash flows.

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#### c) Non-derivative cash flows (continued)

|  | Up to 1 month        | 1 to 3 months      | 3 to 12 months         | 1 to 5 years       | Over 5 years      | Total                |
|--|----------------------|--------------------|------------------------|--------------------|-------------------|----------------------|
|  | US\$                 | US\$               | US\$                   | US\$               | US\$              | US\$                 |
| <b>As at 31 December 2024</b>  |                      |                    |                        |                    |                   |                      |
| <b>Financial assets</b>  |                      |                    |                        |                    |                   |                      |
| Cash on hand   | 27,762,271           | -                  | -                      | -                  | -                 | 27,762,271           |
| Deposits and placements with the Central Bank                          | 366,387,124          | 128,460            | -                      | -                  | -                 | 366,515,584          |
| Deposits and placements with other banks                               | 79,925,482           | 94,861,387         | -                      | -                  | -                 | 174,786,869          |
| Loans and advances   | 92,539,914           | 95,834,450         | 53,020,480             | 519,526,545        | -                 | 760,921,389          |
| Investment securities  | -                    | 15,000,000         | 31,470,137             | -                  | -                 | 46,470,137           |
| Other financial assets   | -                    | -                  | -                      | -                  | 6,330,553         | 6,330,553            |
| <b>Total financial assets by remaining contractual maturities</b>      | <b>566,614,791</b>   | <b>205,824,297</b> | <b>84,490,617</b>      | <b>519,526,545</b> | <b>6,330,553</b>  | <b>1,382,786,803</b> |
| <b>Financial liabilities</b>   |                      |                    |                        |                    |                   |                      |
| Deposits from customers  | 63,625,513           | 46,242,491         | 702,006,567            | 367,408,069        | -                 | 1,179,282,640        |
| Borrowings   | 43,241,226           | -                  | 26,034                 | 3,090,201          | 86,791            | 46,444,252           |
| Employee benefits  | 13,260               | -                  | -                      | -                  | -                 | 13,260               |
| Other financial liabilities  | 13,058,042           | -                  | -                      | -                  | -                 | 13,058,042           |
| <b>Total financial liabilities by remaining contractual maturities</b> | <b>119,938,041</b>   | <b>46,242,491</b>  | <b>702,032,601</b>     | <b>370,498,270</b> | <b>86,791</b>     | <b>1,238,798,194</b> |
| <b>Net liquidity surplus/(gap)</b>                                     | <b>446,676,750</b>   | <b>159,581,806</b> | <b>(617,541,984)</b>   | <b>149,028,275</b> | <b>6,243,762</b>  | <b>143,988,609</b>   |
| <i>In KHR'000 equivalents (Note 4.1.c)</i>                             | <i>1,797,873,919</i> | <i>642,316,769</i> | <i>(2,485,606,486)</i> | <i>599,838,807</i> | <i>25,131,142</i> | <i>579,554,151</i>   |
| <b>Off-balance sheet</b>   |                      |                    |                        |                    |                   |                      |
| Credit commitments   | 34,932,458           | -                  | -                      | -                  | -                 | 34,932,458           |
| Financial guarantee contracts  | -                    | -                  | 2,557,286              | -                  | -                 | 2,557,286            |
| <b>Liquidity- off-balance sheet</b>                                    | <b>34,932,458</b>    | <b>-</b>           | <b>2,557,286</b>       | <b>-</b>           | <b>-</b>          | <b>37,489,744</b>    |
| <i>In KHR'000 equivalents (Note 4.1.c)</i>                             | <i>140,603,143</i>   | <i>-</i>           | <i>10,293,076</i>      | <i>-</i>           | <i>-</i>          | <i>150,896,219</i>   |



c) Non-derivative cash flows (continued)

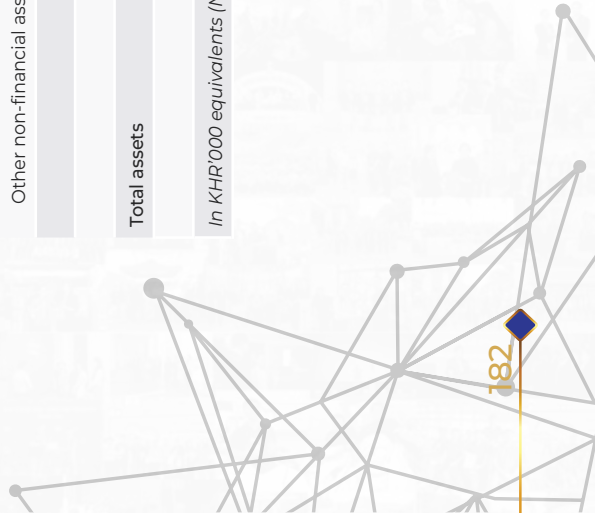
| As at 31 December 2023  | Up to 1 month | 1 to 3 months | 3 to 12 months  | 1 to 5 years  | Over 5 years  | Total         |
|---|---------------|---------------|-----------------|---------------|---------------|---------------|
|   | US\$          | US\$          | US\$            | US\$          | US\$          | US\$          |
| Financial assets  |               |               |                 |               |               |               |
| Cash on hand  | 27,883,725    | -             | -               | -             | -             | 27,883,725    |
| Deposits and placements with the Central Bank                   | 49,223,117    | 4,500,000     | -               | -             | -             | 53,723,117    |
| Deposits and placements with other banks                        | 8,584,723     | 27,594,778    | -               | -             | -             | 36,179,501    |
| Loans and advances  | 1,970,301     | 487,448       | 37,548,782      | 118,483,557   | 980,485,996   | 1,138,976,084 |
| Investment securities   | -             | -             | 31,224,521      | 15,000,000    | -             | 46,224,521    |
| Other financial assets  | 2,000         | 1,000         | 39,780          | 295,150       | 300,119       | 637,049       |
| Total financial assets by remaining contractual maturities      | 87,663,866    | 32,583,226    | 68,812,083      | 133,778,707   | 980,786,115   | 1,303,623,997 |
| Financial liabilities   |               |               |                 |               |               |               |
| Deposits from customers   | 35,134,707    | 4,928,458     | 474,190,652     | 111,383,675   | -             | 625,637,492   |
| Borrowings  | 101,918       | 193,973       | 818,218         | 115,019,602   | -             | 116,133,711   |
| Employee benefits   | 18,491        | -             | -               | -             | -             | 18,491        |
| Other financial liabilities                                     | 7,702,156     | -             | -               | -             | -             | 7,702,156     |
| Total financial liabilities by remaining contractual maturities | 42,957,272    | 5,122,431     | 475,008,870     | 226,403,277   | -             | 749,491,850   |
| Net liquidity surplus/(gap)                                     | 44,706,594    | 27,460,795    | (406,196,787)   | (92,624,570)  | 980,786,115   | 554,132,147   |
| In KHR'000 equivalents (Note 4.1.c)                             | 182,626,436   | 112,177,348   | (1,659,313,875) | (378,371,368) | 4,006,511,280 | 2,263,629,820 |
| Off-balance sheet   |               |               |                 |               |               |               |
| Credit commitments  | 40,522,660    | -             | -               | -             | -             | 40,522,660    |
| Financial guarantee contracts                                   | -             | -             | 4,728,789       | -             | -             | 4,728,789     |
| Liquidity- off-balance sheet                                    | 40,522,660    | -             | 4,728,789       | -             | -             | 45,251,449    |
| In KHR'000 equivalents (Note 4.1.c)                             | 165,535,066   | -             | 19,317,103      | -             | -             | 184,852,169   |



34.4. Maturity analysis of assets and liabilities

The table below shows an analysis of assets and liabilities analysed according to when they are expected to be recovered or settled.

|   | 2023          |               |               | 2024          |               |               |
|---|---------------|---------------|---------------|---------------|---------------|---------------|
|   | Within 1 year | Beyond 1 year | Total         | Within 1 year | Beyond 1 year | Total         |
|   | US\$          | US\$          | US\$          | US\$          | US\$          | US\$          |
| Financial assets                              |               |               |               |               |               |               |
| Cash on hand                                  | 27,762,271    | -             | 27,762,271    | 27,883,725    | -             | 27,883,725    |
| Deposits and placements with the Central Bank | 366,515,584   | -             | 366,515,584   | 53,723,117    | -             | 53,723,117    |
| Deposits and placements with other banks      | 174,786,869   | -             | 174,786,869   | 36,179,501    | -             | 36,179,501    |
| Loans and advances                            | 241,394,844   | 519,526,545   | 760,921,389   | 38,132,075    | 694,196,607   | 732,328,682   |
| Investment securities                         | 46,470,137    | -             | 46,470,137    | 31,224,521    | 15,000,000    | 46,224,521    |
| Other financial assets                        | -             | 6,330,553     | 6,330,553     | 41,780        | 542,890       | 584,670       |
|   | 856,929,705   | 525,857,098   | 1,382,786,803 | 187,184,719   | 709,739,497   | 896,924,216   |
| Non-financial assets                          |               |               |               |               |               |               |
| Statutory deposits with the Central Bank      | -             | 113,244,821   | 113,244,821   | -             | 69,279,326    | 69,279,326    |
| Property and equipment                        | -             | 3,075,488     | 3,075,488     | -             | 4,280,933     | 4,280,933     |
| Right-of-use assets                           | -             | 8,120,988     | 8,120,988     | -             | 10,099,916    | 10,099,916    |
| Intangible assets                             | -             | 5,405,213     | 5,405,213     | -             | 5,708,646     | 5,708,646     |
| Other non-financial assets                    | 3,780,689     | 8,006,358     | 11,787,047    | 2,512,537     | 8,407,329     | 10,919,866    |
|   | 3,780,689     | 137,852,868   | 141,633,557   | 2,512,537     | 97,776,150    | 100,288,687   |
| Total assets                                  | 860,710,394   | 663,709,966   | 1,524,420,360 | 189,697,256   | 807,515,647   | 997,212,903   |
| In KHR'000 equivalents (Note 4.1.c)           | 3,464,359,336 | 2,671,432,614 | 6,135,791,950 | 774,913,291   | 3,298,701,419 | 4,073,614,710 |





## 34.4. Maturity analysis of assets and liabilities (continued)

|   | 2023                  |                       |                      | 2024                  |                       |                      |
|---|-----------------------|-----------------------|----------------------|-----------------------|-----------------------|----------------------|
|   | Within 1 year<br>US\$ | Beyond 1 year<br>US\$ | Total<br>US\$        | Within 1 year<br>US\$ | Beyond 1 year<br>US\$ | Total<br>US\$        |
| <b>Financial liabilities</b>              |                       |                       |                      |                       |                       |                      |
| Deposits from customers                   | 811,874,571           | 367,408,069           | 1,179,282,640        | 458,498,667           | 131,364,815           | 589,863,482          |
| Borrowings                                | 43,267,260            | 3,176,992             | 46,444,252           | 70,734,836            | 43,918,194            | 114,653,030          |
| Employee benefits                         | 13,260                | -                     | 13,260               | 18,491                | -                     | 18,491               |
| Other financial liabilities               | 13,058,042            | -                     | 13,058,042           | 7,702,156             | -                     | 7,702,156            |
|   | <u>868,213,133</u>    | <u>370,585,061</u>    | <u>1,238,798,194</u> | <u>536,954,150</u>    | <u>175,283,009</u>    | <u>712,237,159</u>   |
| <b>Non-financial liabilities</b>          |                       |                       |                      |                       |                       |                      |
| Lease liabilities                         | 2,397,509             | 7,763,591             | 10,161,100           | 2,370,108             | 9,826,116             | 12,196,224           |
| Current income tax liabilities            | -                     | -                     | -                    | -                     | -                     | -                    |
| Deferred tax liabilities                  | -                     | 449,888               | 449,888              | 1,417,173             | -                     | 1,417,173            |
| Other non-financial liabilities           | 343,335               | -                     | 343,335              | 368,289               | -                     | 368,289              |
|   | <u>2,740,844</u>      | <u>8,213,479</u>      | <u>10,954,323</u>    | <u>2,738,397</u>      | <u>11,243,289</u>     | <u>13,981,686</u>    |
| <b>Total liabilities</b>                  | <u>870,953,977</u>    | <u>378,798,540</u>    | <u>1,249,752,517</u> | <u>539,692,547</u>    | <u>186,526,298</u>    | <u>726,218,845</u>   |
| <i>In KHR'000 equivalents (Note 4.1c)</i> | <u>3,505,589,757</u>  | <u>1,524,664,124</u>  | <u>5,030,253,881</u> | <u>2,204,644,055</u>  | <u>761,959,928</u>    | <u>2,966,603,983</u> |

## 34.5. Fair value of financial assets and liabilities

## a) Liquidity risk management process

The Bank did not have financial instruments measured at fair value.

## b) Financial instruments not measured at fair value

As at the statement of financial position date, the fair values of financial instruments of the Bank approximate their carrying amounts.

The estimated fair values are based on the following methodologies and assumptions:

## i. Deposits and placements with the Central Bank and other banks

The carrying amounts of deposits and placements with the Central Bank and other banks approximate their fair values, since these accounts consist mostly of current, savings and short-term deposits.

## ii. Loans and advances to customers

For fixed rate loans with remaining period to maturity of less than one year, the carrying amounts are generally reasonable estimates of their fair values.

For fixed rate loans with remaining period to maturity of one year and above, fair values are estimated by discounting the estimated future cash flows using a current lending rate as the prevailing market rates of loans with similar credit risks and maturities have been assessed as insignificantly different from the contractual lending rates. As a result, the fair value of non-current loans and advances to customers approximate to their carrying value as at reporting date.

## iii. Deposits from customers

The fair value of deposits from customers with maturities of less than one year approximate their carrying amounts due to the relatively short maturity of these instruments. The fair value of deposits from customers with remaining maturities of more than one year approximate their carrying amounts due to the Bank offered similar interest rate of the instrument with similar maturities and terms.

The estimated fair value of deposits with no stated maturities, which includes non-interest-bearing deposits, deposits payable on demand is the amount payable at the reporting date.

## iv. Other financial assets and other financial liabilities

The carrying amounts of other financial assets and other financial liabilities approximate their fair values as these items are not materially sensitive to the shift in market interest rates.

## v. Borrowings

Borrowings are not quoted in active market and their fair values approximate their carrying amounts.



34.6.Capital management

The Bank's objectives when managing capital, which is a broader concept than the 'equity' on the face of the statement of financial position, are:

- To comply with the capital requirement set by the Central Bank;
- To safeguard the Bank's ability to continue as a going concern so that it can continue to provide returns for shareholders and benefits for other stakeholders; and
- To maintain a strong capital base to support the development of business.

The Central Bank requires all commercial banks to i) hold minimum capital requirement, ii) maintain the Bank's net worth at least equal to minimum capital and iii) comply with solvency, liquidity and other ratios.

The table below summarises the composition of regulatory capital:

|   | 2024               |                     | 2023               |                     |
|---|--------------------|---------------------|--------------------|---------------------|
|   | US\$               | KHR'000             | US\$               | KHR'000             |
|   |                    | (Note 4.1.c)        |                    | (Note 4.1.c)        |
| Tier 1 capital  |                    |                     |                    |                     |
| Share capital   | 250,000,000        | 1,006,250,000       | 250,000,000        | 1,021,250,000       |
| Accumulated losses  | (53,470,245)       | (218,685,871)       | (26,286,550)       | (107,809,650)       |
| Less: Intangible assets   | (5,405,213)        | (21,755,982)        | (5,708,646)        | (23,319,819)        |
| Less: Loans to related parties                                  | <u>(2,878,273)</u> | <u>(11,585,049)</u> | <u>(2,770,093)</u> | <u>(11,315,830)</u> |
|   | <u>188,246,269</u> | <u>754,223,098</u>  | <u>215,234,711</u> | <u>878,804,701</u>  |
| Tier 2 complementary capital                                    |                    |                     |                    |                     |
| General provision   | 22,958,748         | 92,408,961          | 7,626,802          | 31,155,486          |
| Less: Equity participation in banking or financial institutions | <u>-</u>           | <u>-</u>            | <u>-</u>           | <u>-</u>            |
|   | <u>22,958,748</u>  | <u>92,408,961</u>   | <u>7,626,802</u>   | <u>31,155,486</u>   |
| Total capital Tier I + Tier II                                  | <u>211,205,017</u> | <u>846,632,059</u>  | <u>222,861,513</u> | <u>909,960,187</u>  |

35. Subsequent events to the reporting period

No significant events occurred after the end of the reporting period and the date of authorisation of these financial statements that would require adjustments or disclosures in the financial statements.

36. Authorisation of financial statements

The financial statements as at 31 December 2024 and for the year then ended were approved for issue by the Board of Directors on 17 March 2025.



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