



ANNUAL REPORT 2022

WE TRY HARDER TOGETHER

to bring seamless, convenient,
and secure financial products
and services for your individual
lifestyle or business needs.

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Overview

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ABOUT US

Prince Bank Plc. (“the Bank”) started its operations in 2015 as a private micro-finance institution under the name “Prince Finance Plc.” On 18th July 2018, a commercial banking license was granted by the National Bank of Cambodia. The Bank maintains a head office located at #175ABCD, Mao Tse Toung Blvd., Phum Phum 5, Sangkat Tuol Svay Prey Ti Muoy, Khan Boeng Keng Kang, Phnom Penh. The Bank is incorporated as a public limited company under business registration No. 00014627 at the Ministry of Commerce. With a strong capital base, robust technological capabilities, solid expertise, and extensive knowledge of the local market, the Bank aspires to become “the Best Digital Bank in Cambodia” by offering differentiated innovative financial solutions through a mix of channels including state-of-the-art technology platforms with great convenience and security for our customers.

We have been working tirelessly to be the best digital bank and, ultimately, we aspire to be the bank of the choice for all Cambodians. To underpin this, Prince Bank is progressively and committedly expanding our strategic partnership and strengthening our ecosystem, both locally and internationally, to provide a complete and seamless banking experience with special care, professionalism, and benefits to our existing and potential customers.

This has resulted in us standing shoulder to shoulder with the key banks in Cambodia as the best financial service provider for both the people and the Kingdom of Cambodia. In addition to this, we aim not to be a local bank, but also an international bank to be recognized worldwide. To achieve this, our management team and Board of Directors have been steering the bank with wisdom and care inching itself to the forefront of the banking in Cambodia by trying and working harder at every step to ensure we reach this vision.

As of the end of 2022, Prince Bank Plc. has a total of 33 branches, 11 located in Phnom Penh and 22 in other provinces. The locations in Phnom Penh are Prince Bank Plc. Head office, Khan Chraoy Chongvar - Sangkat Preaek Lieb Branch, Khan Prampir Meakkakra - Sangkat Veal Vong Branch, Khan Chamkar Mon - Sangkat Tonle Basak Branch, Khan Chbar Ampov - Sangkat Nirouth Branch, Khan Prampir Makara - Sangkat Boeung Proluet Branch, Khan Meanchey - Sangkat Stueng Mean Chey 2 branch, Khan Russey Keo - Sangkat Toul Sangkae 2 Branch, Khan Pur Senchey - Sangkat Chaom Chau 3 Branch, and Khan Toul Kouk - Sangkat Boeng Kak Ti Muoy Branch. Other 22 provincial branches including Krong Ta Khmao Provincial Branch, Battambang Provincial Branch, Siem Reap Provincial Branch, Krong Siemreap Branch, Kampong Cham Provincial Branch, Preah Sihanouk Provincial Branch, Prey Veng Provincial Branch, Svay Rieng Provincial Branch, Kratie Provincial Branch, Ratanak Kiri Provincial Branch, Kampong Speu Provincial Branch, Takeo Provincial Branch, Preah Vihear Provincial Branch, Kampong Chhnang Provincial Branch, Kampong Thom Provincial Branch, Krong Paoy Paet Provincial Branch, Tboung Khmum Provincial Branch, Pursat Provincial Branch, Stung Treng Provincial Branch, Banteay Meanchey Provincial Branch, Kampot Provincial Branch, and Mondulkiri Provincial Branch.

In addition to the branches, we have a total of 81 ATM and Cash Deposit Machine locations including Cambodia’s first drive-through ATM.

THE CHAIRMAN'S MESSAGE



NEAK OKNHA CHEN ZHI

Shareholder and Chairman of the Board of Directors

Over the past two years, the COVID-19 pandemic has necessitated modifications in our daily life and at work. In this setting, new remote access practices have taken over many facets of society, from shopping to the way we work. The epidemic has increased the demand for the significance of digital transformation, particularly in the financial services sector.

The year has not been without its challenges and notably debilitating crises, both natural and man-made, but we managed to stick to our strategy and the guideline from the National Bank of Cambodia to overcome those hardships. While the local banking industry has gone through a major period of consolidation, we have been able to capitalize on it, leading to expand market share among customers and depositors, also the loan demand across our core business remains brisk. In addition, we continue to invest in people and technology, speeding up our digital transformation and enhancing the customer experience.

Each year, we try to develop more innovative and indispensable products for our customers and always place their needs as our top priority. To achieve this, the Bank has continuously invested in digital banking services to offer customers convenient services around the clock, by considering the needs that the customers desire for their daily banking operations to ensure that we can keep pace with the serving needs of our valued customers in this digital era. Despite digital banking, our traditional channels and face-to-face interactions will also be our focus too as it will continue to be crucial for giving business a "human touch". Prince Bank intends to focus on and pay attention to every part of the banking process, continually developing and improving each aspect, as well as managing transparency and fairness in accordance with our vision and mission to be a "Cambodians bank of choice", and our sustainable development policy by taking the responsibility and initiative in developing our society, communities, and environment.

As we embark on 2023, our customers and business partners can rest assured and rely on our bank's services as we are constantly trying harder to offer unique and creative products and services along with incentives to reward our customers. Being the most dependable bank in Cambodia will be made possible by having a solid capital foundation. Our workforce is made up of professionals that are adept at offering clients the best financial solutions and services based on their needs. Additionally, we are also the bank that takes Corporate Social Responsibility (CSRs) seriously in cooperation with the Government and Non-governmental Organizations (NGOs) to improve the living standard of our Cambodians and the society at large.

On behalf of the Board of Directors and Executive Officers of Prince Bank, I would like to express my heartfelt and sincere gratitude & thanks to the National Bank of Cambodia and other competent authorities for their continuous guidance and support. I also would like to express our deepest appreciation to all shareholders, the Bank's executive management, and staff for their dedication and commitment, as well as business alliances and customers for their loyalty and continued placing trust and support for Prince Bank Plc. throughout the years. We will strive to professionally operate our services to complement and augment the financial well-being of our customers and all the stakeholders.

NEAK OKNHA CHEN ZHI

Shareholder and Chairman of the Board of Directors

THE CEO'S MESSAGE



MR. HONN SORACHNA

Non-Independent Executive Director /
Chief Executive Officer

2022 has been a year of recovery from the world pandemic, and health restrictions have been lifted, enabling people to travel freely without following stringent precautionary measures. Yet, the world economy expanded slower than expected due to the consequences of global financial tightening and other serious factors. According to the International Monetary Fund (IMF), global economic growth decelerated to 3.2% and the Association of Southeast Asian (ASEAN) economies achieved a growth rate of 5.2% wherein Cambodia's economy recover by 5.1%. For the banking system in Cambodia, under the supervision of the National Bank of Cambodia, the banks and financial institutions remained healthy and supported the economic recovery with consumer deposits increasing by 11.3% to USD 44.6 billion and outstanding loans increasing by 20.2% to USD 56.1 billion in 2022. Considering the prolonged health pandemic and slower than expected economic recovery, the NPL ratio for the banking industry marginally rose and was recorded at 3.2%.

The quick relaxation of the pandemic has enabled the private and public sectors to start operating their businesses shorter than expected, the economic activities are in full swing, enabling the country's economy to swiftly return to normal. This quick recovery from the pandemic was a result of the commitment and dedication of the government for taking wise and prompt action to bring back the revival of the economy against this world-hit pandemic. This has shown a positive prospect for businesses, especially financial institutions, to proceed with operating businesses.

The transition of operating businesses from physical to digital has accelerated the sheer volume of operating every aspect of businesses, especially financial institutions to apply digital banking systems for customers. For instance, the KHQR payment of the Bakong system launched by the National Bank of Cambodia to strengthen security, reduce operating costs, and improve financial inclusion, has skyrocketed for the public. Prince Bank has integrated this payment system to offer seamless and convenient digital payment in a cross-banking system where customers can make payments instantly from one bank to another with zero fees. This digital payment has indirectly encouraged people to start depositing their money in banks since it facilitates their online payment. As a result, by the end of 2022, the number of e-wallet accounts in Cambodia expanded substantially to 17.9 million account holders.

The pandemic has shifted our view to start transforming to adapt to utilizing digital banking without exposure to human interaction. At that moment, Prince Bank has already taken a proactive strategy in applying digital banking to serve the needs of our valued customers. We have worked hard to enhance and innovate banking products and services to accelerate the best banking process and experience for our esteemed customers so that they can have a banking service with peace of mind. In 2022, we developed a bunch of seamless features integration on the PRINCE Mobile App. One is the Payment function, where our customers can pay their premium to AIA Life Insurance and make various types of payments to the Ministry of Public Work and Transport as well as the Bill24 merchants. Additionally, on the International Remittance function, the customers can perform real-time outbound and inbound transfers via Ria Money Transfer via their mobile app, and no need to visit the branch. Another special feature is Personal KHQR, which enables customers to receive cross-bank payments and funds from other Bakong members. Besides PRINCE Mobile App enhancement, we also upgraded the features of the PRINCE Merchant App and PRINCE MobileBiz App to simplify their daily business transaction management.

To further develop our banking operation and customer needs, we built strategic partnerships with other potential businesses to ensure that our valued customers can enjoy ONE-STOP services at Prince Bank. We have partnered up with AIA Cambodia to launch bancassurance products & services and install the AIA Insurance Counter at all Prince Bank branches nationwide to offer insurance consultation services while banking with Prince Bank. In addition to that, we integrated the international remittance system with Ria Money Transfer to allow Prince Bank customers to perform the real-time oversea funds transfer via PRINCE Mobile App or at Prince Bank branches. For the payment partnership, we incorporated our payment gateway with WOWNOW Food Delivery Company to enable online payment via Prince Bank account on WOWNOW Super App. We have also extended our partnership with Major Cineplex by Smart to continue offering special discounts and privileges to our customers.

At Prince Bank, we deploy customer-centricity, meaning we place our valued customers' needs as our priority, and that is the reason we put our slogan as "We try harder for you". Thus, every year we are trying to initiate and come up with innovative ideas to establish new products and services to ensure that we can serve as the bank of choice for Cambodians. Prince Bank will continue to leverage future technological developments to stay ahead in addition to world-class customer service and the best customer experience to meet our customers' needs. Through our mobile banking applications and expansion of branches and self-service banking machines nationwide, we are able to serve our customers from offline to online in a way that suits our customers' preferences.

On the financial front, leveraging our position as a strong capital base local bank, we reported a paid-up capital of USD 250 million, which is well above the minimum regulatory requirement of USD 75 million for a commercial bank. Our total assets are USD 1,015 million which increase of 26.1% compared to assets in 2021, mainly from the growth of net customer loans and advances by 47% to USD 709 million and funded by healthy deposits from customer deposits growing by 55% to USD 611 million. This has contributed to the Bank's continued year-on-year growth in its net operating income (before credit impairment loss and taxation) to USD 6.60 million. However, higher credit impairment loss provision occurred, in line with the central bank's guidelines to be more prudent, in view of the prolonged health pandemic and slower economic recovery than anticipated. Despite the higher credit impairment, the Bank continued to grow and remained profitable with a net profit for 2022 of USD 781 thousand. Even though we fell backward for the net profit compared to 2021 due to the challenge of credit impairment but with the strong capital base, we are still on a solid foundation to significantly strengthen our financial position making us one of the most highly capitalized and fastest growing banks in Cambodia.

Prince Bank received numerous internationally acclaimed awards in 2022, we are very honored and delighted to achieve such recognitions from international institutions such as the "Best Commercial Bank Cambodia 2022" and "Best Innovation in Retail Banking Cambodia 2022" for three consecutive years from International Banker Award, "Global Best Employer Brands Award 2022 for Managing Health at Work" and "Cambodia Best Employer Brand Award 2022 for Best E-Learning Model-Online" from the World HRD Congress. These are evidence of our dedication and hard work in 2022 to achieve the bank's goals and meet the customers' and internal staff needs.

On behalf of the senior management team, I would like to thank our customers, employees, business partners, and shareholders for their ongoing support. This achievement would not be possible without the trust & support of our customers and the strong contribution and dedication of our employees on our incredible journey thus far.

MR. HONN SORACHNA

Non-Independent Executive Director / Chief Executive Officer

VISION, MISSION, AND CORE VALUES



VISION

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



MISSION

To help our customers succeed through professional financial services.



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, and 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.

RESULT-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, and fiercely protect the Prince Bank brand and reputation.

NOBLE

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, and fiercely protect the Prince Bank brand and reputation.

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.

A summary of us

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DIRECTOR PROFILES



Neak Oknha Chen Zhi is a shareholder and the Chairman of the Board of Directors of Prince Bank Plc. He participates in making core decisions for the Bank that include strategies on how to increase and expand business operations.

In addition to his investment in the banking industry, Neak Oknha Chen Zhi has other business interests that encompass various sectors. He has investments across the real estate sector such as architectural decoration, hotel properties, property development, and property management.

In terms of media-related businesses, he invests in marketing agencies and internet service providers.

Neak Oknha Chen Zhi also has interests in businesses that provide services in yacht management, retail chain, gardening, and equity investments.



After years in the private sector, Mr. Guy Chhay decided to set up his own business with the collaboration of his business partners in early 2010. His focus at that time was on real estate development. With strong support from his investment partners, he was able to expand his investments across various sectors, especially within the finance sector. Mr. Chhay established Prince Finance Plc. with the goal of using it as a starting point for the current commercial bank that we know today.

Mr. Chhay is a businessman with great vision who understands the economic potential of any business endeavor and seizes every opportunity that arises. Additionally, he is very knowledgeable about Cambodia's domestic business environment, especially the potential opportunities within the trade sector.

Mr. Chhay has other businesses in marketing and printing services, internet service provisions, the distribution of fast-moving consumer goods, and real estate investment.



MR. HONN SORACHNA

NON-INDEPENDENT EXECUTIVE DIRECTOR /
CHIEF EXECUTIVE OFFICER

He has currently been the CEO at Prince Bank Plc. since 2015. He has a long term and clear vision and pragmatic strategies to manage and lead Prince Bank to remarkably grow. Besides that, he used to work for more than 10 years in senior management in the banking and insurance sector.

He holds a M.A. International Management, Audencia Nantes, Business School of Management, Nantes, France in 2008 and a B.A. Computer Science from Royal University of Phnom Penh, Phnom Penh, Cambodia in 2003.



MR. THEN SAMVISOTH

INDEPENDENT NON-EXECUTIVE DIRECTOR

Mr. Then Samvisoth is an Independent Non-Executive Director. He was a lecturer of Accounting and Taxation for various universities here in Cambodia as well as in France.

In addition to being an educator, Mr. Samvisoth is also the successful Director-Owner of AT&B Consulting Co. Ltd., His company offers tax advisory and services, accounting services, and training. Prior to this, he was the financial director of Meas Development Holding Co. Ltd., a company that manages various food-related establishments.

Mr. Samvisoth holds a B.A. in Business Administration from the Royal University of Law and Economics in Phnom Penh, a B.A in Law from Norton University, and an M.B.A from the Asian Institute of Technology (AIT) in Bangkok, Thailand. He also holds a master's in financial management from the IAE at the Université Pierre Mendès-Grenoble 2 in France.



MR. SIM HOY CHHOUNG

INDEPENDENT NON-EXECUTIVE DIRECTOR

Mr. Sim Hoy Chhoung is an Independent Non-Executive Director of Prince Bank Plc. He has over 20 years of work experience in the fields of accounting and finance, risk management, internal control, and banking from several financial institutions in Cambodia.

He holds both a B.A. and an M.A. in Economics from the Royal Academy of Cambodia. He earned an additional M.A. in Business Administration with a concentration on International Finance from the prestigious International Business School of Brandeis University in Massachusetts, USA.

Mr. Chhoung is also a certified public accountant who received his professional certificate from the Association of Chartered Certified Accountants (ACCA), based in the United Kingdom.



Tan Sri Muhammad Bin Ibrahim is an Independent Non-Executive Director of Prince Bank Plc. He has over 30 years of experiences in banking, insurance, finance, monetary policy and financial stability. He was appointed as the Deputy Governor of Bank Negara Malaysia (BNM), the central bank of Malaysia in 2010 and served two terms before being appointed as the 8th Governor of the central bank of Malaysia from May 2016 to June 2018. During his time at the central bank, he pioneered many developmental initiatives, including leading the taskforce to modernize the payment system, handling of monetary policy, financial stability, banking, insurance, foreign exchange, banking regulation and supervision, investment operations, international reserve management, and financial markets.

As Governor, Tan Sri Muhammad sought to strengthen the outreach of financial services to the Malaysian public in the areas of financial education, fintech and financial inclusion.

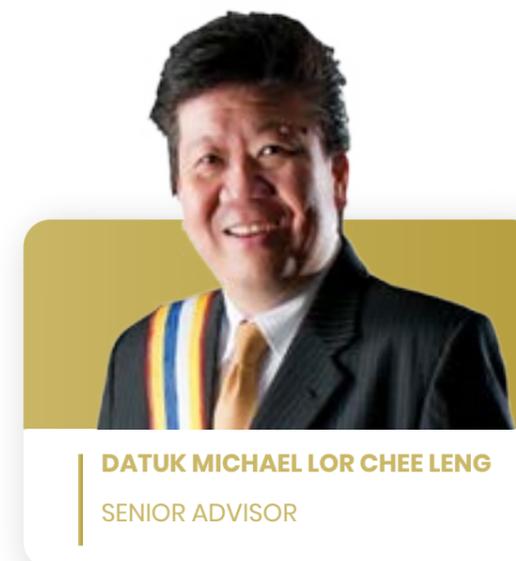
He championed the use of technology in finance, putting the Fintech agenda to the forefront. Tan Sri Muhammad also pushed for greater professionalism in the financial sector through greater commitment to ethical conduct and lifelong education.

Given his expertise, he had the privilege to serve as Director on various Boards, including the Petronas, Malaysian Deposit Insurance Corporation, Chairman of the Asian Institute of Finance, the Financed Accreditation Agency, Labuan Financial Services Authority and the International Centre for Education in Islamic Finance.

He is presently also the Chairman of the Board of Directors at GDEX Berhad and Hexstar Technology Solutions Berhad.

He is a chartered accountant of Malaysian Institute of Accountant and also a fellow Chartered Banker. He holds an M.A in Public Administration at Harvard University and an M.A of Science in Islamic Banking and Finance at International Islamic University.

ADVISOR PROFILE



DATUK MICHAEL LOR CHEE LENG is the Senior Advisor to the Board of Directors of Prince Bank Plc. He has built a distinguished track-record of over 30 years across the Southeast Asian region as a senior-level banker with extensive experience in strategic business transformation, risk management and corporate governance, organization, and human capital development.

He is presently an Advisor to Cambodia's Ministry of Economy and Finance.

DATUK MICHAEL LOR CHEE LENG has held various professional appointments: he was previously the CEO of Canadia Bank Plc. in Cambodia, and prior to that, the Group CEO of EON Bank Group in Malaysia. He was also the Group Head of Consumer Banking for RHB Bank in Malaysia before joining Hewlett Packard as the Worldwide Director for Banking Solutions.

Datuk Michael Lor was a Managing Director with DBS Bank Singapore for 17 years, serving in various senior management capacities in both their Singapore and Thailand banking operations.

During his professional career, he has been involved in both the banking and technology industries, and has led businesses in Singapore, Thailand, Malaysia, Cambodia, Laos, Myanmar and China, respectively.

As a passionate advocate of digital transformation and innovation in the region's financial services industry, DATUK MICHAEL LOR CHEE LENG presently serves in various advisory functions and roles.

He was conferred The Royal Order of Sahametrei with the rank of Knight from the Royal Government of Cambodia for his contribution and cooperation with the Ministry of Economy and Finance.

He holds a bachelor's degree from the National University of Singapore, majoring in Economics and Statistics.

Executive Committee of Prince Bank Plc.



Mr. Khun Bunnarith | Head, Branch Management

Mr. Ky Vanmroath | Head, Digital Bank

Mr. Ong Pisey | Head, Technology Services

Mrs. Leang Soklang | Head, Transformation and Data Management

Mrs. Te Mueyry | Head, Business Financial Services

Mrs. Peng Liya | Head, Retail Financial Services



Mr. Leslie Lee Chee Wei | Chief Business Officer

Mr. Ngow E Van | Chief People and Culture Officer

Mr. Leng Senglan | Chief Operating Officer

Mr. Honn Sorachna | Chief Executive Officer

Mr. Keo Vuthy | Chief Internal Audit Officer

Mr. Looi Kok Soon | Deputy Chief Executive Officer

Mr. Winston Tan Kok Weng | Chief Finance Officer



Ms. Haing Huy | Head, Credit Management Department

Mr. Lim Eng Keat | Head, Corporate Communications and Marketing

Mrs. Sea Soklin | Head of Compliance

Mrs. Keo Rosnisay | Head of Legal Services and Corporate Secretary

Mrs. Kong Somtraranya | Head (Acting), Risk Management

MANAGEMENT PROFILES

MR. HONN SORACHNA

NON-INDEPENDENT EXECUTIVE DIRECTOR /
CHIEF EXECUTIVE OFFICER



He has currently been the CEO at Prince Bank Plc. since 2015. He has a long term and clear vision and pragmatic strategies to manage and lead Prince Bank to remarkably grow. Besides that, he used to work for more than 10 years in senior management in the banking and insurance sector.

He holds a M.A. International Management, Audencia Nantes, Business School of Management, Nantes, France in 2008 and a B.A. Computer Science from Royal University of Phnom Penh, Phnom Penh, Cambodia in 2003.



MR. LOOI KOK SOON

DEPUTY CHIEF EXECUTIVE OFFICER

Kok Soon has over 30 years of experience as a banker & entrepreneur in South East Asia. He held various positions in distribution and operations at OCBC Bank Malaysia, EON Bank Malaysia, and Standard Chartered Bank in South East Asia (SEA) before leading his own renewable energy business. Kok Soon, as he is widely known, built his banking career with OCBC Malaysia, where he spent 15 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 over 120 branches across South East Asia. He then went on to become an entrepreneur, starting Renosun to ride the emerging non-fossil fuel energy sector.

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

MR. LESLIE LEE CHEE WEI (LESLIE LEE)

CHIEF DISTRIBUTION OFFICER



Mr. Leslie Lee, Chief Distribution Officer. He leads key distribution channels including branch management and contact centre. He has over 25 years of extensive experience in the banking sector. Mr. Leslie also has 5 years of experience in Myanmar in various leadership roles in the microfinance and digital banking & fintech sectors, prior to his posting in Cambodia.

He holds a Bachelor of Commerce degree from Curtin University of Technology, Perth.

**MR. KEO VUTHY**

CHIEF INTERNAL AUDIT OFFICER

Mr. Vuthy is currently working as the Chief Internal Audit Officer. Prior to joining with Prince Bank Plc., he has experienced as senior internal auditor, Manager, and Head of Internal Audit Department in finance and banking industry for 9 years and worked in the field of accounting, financing, and other related sectors for more than 10 years.

He holds three master's degrees – Master Accounting & Master Auditing at Vanda Institute of Accounting (Cambodia) and Master of Business Administration in Finance, at the University of Business and Finance (Switzerland). He also holds a Postgraduate Diploma in Finance, 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, CAT, etc.

MR. LENG SENGLAN

CHIEF OPERATING OFFICER



Mr. Senglan is currently working as the Chief Operating Officer. He has 11 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), BBA and bachelor's in economics, RULE, and bachelor's in computer science, Norton, Cambodia (2010).

**MR. WINSTON TAN KOK WENG**

CHIEF FINANCE OFFICER

Mr. Winston is the Chief Finance Officer at Prince Bank Plc. Prior to joining the Bank, he was Head of Finance & Planning for OCBC Bank Malaysia's consumer banking business.

He was also the Chief Finance Officer for Prudential Vietnam Finance Plc. in Vietnam. He has over 17 years of experience in the banking industry in areas such as finance management, strategy and business planning, decision management and product marketing. He also has audit experience working as an auditor with KPMG in his early career.

He holds a Bachelor of Accounting (Hons) and graduated from the National University of Malaysia.

MR. NGOW E VAN

CHIEF PEOPLE AND CULTURE OFFICER



Evan 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 organisations by developing programmes to hack both corporate systems and individual mindsets and behaviours.

A renowned engagement specialist, Evan has helped organisations create bespoke strategic leadership and team intervention programmes with objectives ranging from personal to strategic enterprise outcomes such as: motivation, conflict, emotional intelligence, decision making, culture, leadership, communication, succession, growth and performance.

Evan has coached and trained various corporate leaders across South East 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 University of Malaya and a Master of Arts (Applied Linguistics) from Curtin University of Technology, Australia.

**MRS. PENG LIYA**

HEAD OF RETAIL FINANCIAL SERVICES

Mrs. Liya is the Head of Retail Financial Services at Prince Bank Plc. She has over 15 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.

In her current role, Mrs. Liya is responsible for driving the Bank's retail banking business by increasing the number of customer loans and deposits, and by expanding the Bank's card offerings to increase the number of customers and transaction volume. She is also involved with other company-wide projects related to the mobile banking app, and the card project. Prior to joining Prince Bank Plc., Mrs. Liya held various positions at Hong Leong Bank (Cambodia) Plc. and WING Cambodia.

She holds an accounting degree from Guang Zhou China, and a Bachelor of Science in Computer Science from Norton University. Additionally, she has extensive academic qualifications in English including a diploma from PUC and several English for Business classes offered by leading Cambodian educational institutions like the Institute of Foreign Languages (IFL) and the Australian Centre for Education (ACE).

Mrs. Liya is also multilingual— she is fluent in Khmer, English, Mandarin, and Cantonese.

MR. ONG PISEY

HEAD OF TECHNOLOGY SERVICES



Mr. ONG Pisey is the Head of Technology Services. He's had professional jobs in the 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 systems such as Core Banking Systems, Network infrastructures, enlarging ATM System and developing the linking projects of big systems of the bank.

Mr. ONG Pisey Holds 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. TE MUYNY**

HEAD OF BUSINESS FINANCIAL SERVICES

Mrs. Muyny is the Head of Business Financial Services, she oversees the Prince Bank's Corporate businesses, which include Loan facility, and Business Product Development covering Trade Financing Product, among others.

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.

MR. KY VANNROATH

HEAD OF DIGITAL BANK



Mr. Vannroath is an experienced banking executive with over a decade of work experience, gained from 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.

During his services, Prince Bank has witnessed remarkable growth in customer acquisition and modernized its offerings through various features in the Prince Bank Mobile Banking app. He is also experienced with the latest advancements in AI and big data where he developed a predictive analytics smart factory solution with his previous employer. He has a strong dedication toward innovation and customer satisfaction to contribute to the success of Prince Bank.

He holds 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.

**MRS. LEANG SOKLANG**

HEAD OF TRANSFORMATION AND DATA MANAGEMENT

Mrs. Soklang is the Head of Transformation and Data Management. She is responsible of coordinating the transformation of business, technology, and digital solutions and processes and anticipates changes and obstacles along the way. Oversee a range of data-related functions that include data management, ensuring data quality, and creating data strategy.

She has more than 18 years of experience in banking information technology. Her key competencies are analysis and improving banking solutions based on industry trends and professionalism. Fully utilizing banking solution capabilities in order to support business process improvements. Translates business requirements to specific and complete functional requirements.

She holds a bachelor's degree in Management Information Systems (MIS) from the National University of Management (NUM) and master's degree in Financial Management from the Royal University of Law and Economics.

MR. KHUN BUNNARITH

HEAD OF BRANCH MANAGEMENT



Mr. Bunnarith is Head of Branch Management. He has been working in banking industry for almost 25 years with holding many positions such as Head, Channels & Distribution, Head, Internal Audit, Head, Bancassurance, and Head, Centralized Operation divisions in Canadia Bank PLC in Cambodia.

He holds MBA degree in Management from Phnom Penh International University in 2008.

**MRS. KEO ROSNISAY**

HEAD OF LEGAL AND CORPORATE SECRETARY

Mrs. Keo Rosnisay is the Head of Legal and Corporate Secretary at Prince Bank Plc. She has extensive experience in 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, 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), a M.A. from Lyon 2 University in France, and a JD (Juris Doctor) from Florida State University College of Law in Florida, USA.

MR. ALEX LIM ENG KEAT

HEAD OF CORPORATE COMMUNICATIONS AND MARKETING



Mr. Alex Lim is the Head of Corporate Communications and Marketing. Alex is a seasoned marketing & corporate communications specialist with 28 years' work experience in banking, property development and advertising agencies. His experience covers the breadth and depth across markets in Malaysia, Singapore, Thailand, and Indonesia.

He started his communications formative years in the branding, advertising, CRM/Direct marketing, telemarketing, and activation in international agencies such as Ogilvy, Euro RSCG, Young & Rubicam, and Draft-Lowe before slipping over to the 'client side' with the banking industry in RHB Bank and Hong Leong Bank. He then joins KSK Berhad, an investment holding company with an interest in general insurance, property development, hospitality, Insurtech & Autotech.

He was recent with two property developers with seafront to township projects to mix developments including branded residences.

Alex holds an MBA from University of Bath, United Kingdom, and a BSC from Campbell University, USA. In addition, he is a certified Chartered Marketer by the Chartered Institute of Marketing, United Kingdom where he holds a Post Graduate Diploma in Marketing, and a Certificate in Public Relations from the Institute of Public Relations Malaysia.



MRS. SEA SOKLIN

HEAD OF COMPLIANCE

Mrs. Soklin is the Head of Compliance at Prince Bank Plc. She has more than 15 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 the Revelatory Compliance Certificate from IBF and ICA International Advance Certificate in Anti Money Laundering, UK.

MS. HAING HUY

HEAD OF CREDIT MANAGEMENT



Ms. Huy is Head of Credit Management, she has more than 10 years experiences in the banking industry while intensively focusing on credit risk analysis. Particularly, she is certified for the specialization of credit assessment skill by Moody's Analytics and Omega Performance, USA. Ms. Huy is a specialist in business and financial analysis, risk identification, and loan valuation compliance to the country regulation for both retail and corporate loan.

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



MS. KONG SONITRARANYA

HEAD (ACTING) OF RISK MANAGEMENT

Ms. Ranya is currently working as the Head (Acting) of Risk 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, I 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 RULE. She has also completed a certified program of Certified Expert in Risk Management (CERM in 2021) online from the Frankfurt School of Business, Germany.

2022 BUSINESS HIGHLIGHTS

Prince Bank is striving toward becoming the best digital bank in Cambodia. Practically, the Bank has never stopped improving, developing, and updating new digital banking products to serve the needs of our different client segments. In addition, we have lately extended our operation nationwide to serve our customers in terms of convenience and effectiveness to match their lifestyle needs. In the part of the branch address, we are focusing on locations optimizing the best service to our valued customer's convenience and accessibility, and by end of 2022, we have operated **33 branches** and **81 ATM locations** nationwide.

We have introduced new products and services to the market across the available channel to deliver the best possible service to customers and support future growth. We partnered with AIA Cambodia to offer bancassurance products, we have AIA counters at all 33 branches nationwide to provide insurance consultation while they are banking with us. On the other hand, we also launched cooperation with Ria Money Transfer and MTA for international remittance services to enable our customers to perform overseas funds transfer to their business partners, family members, or friends. Additionally, we launched our payment function on the WOWNOW food delivery app to allow users to pay their bills via Prince Bank account so that they can enjoy the fast and secure payment gateway.

In terms of customer base, the Bank's paid-up capital at USD 250 million, which is well above the minimum regulatory requirement of USD 75 million for a commercial bank. Our total assets are USD 1,015 million, customer loans of USD 709 million, customer deposits of USD 611 million, gross revenue of USD 61.4 million, and a net profit after tax of USD 781 thousand. The strong capital base has enabled the Bank to significantly strengthen its financial position facilitating it to become one of the most highly capitalized and the fastest-growing banks in Cambodia.

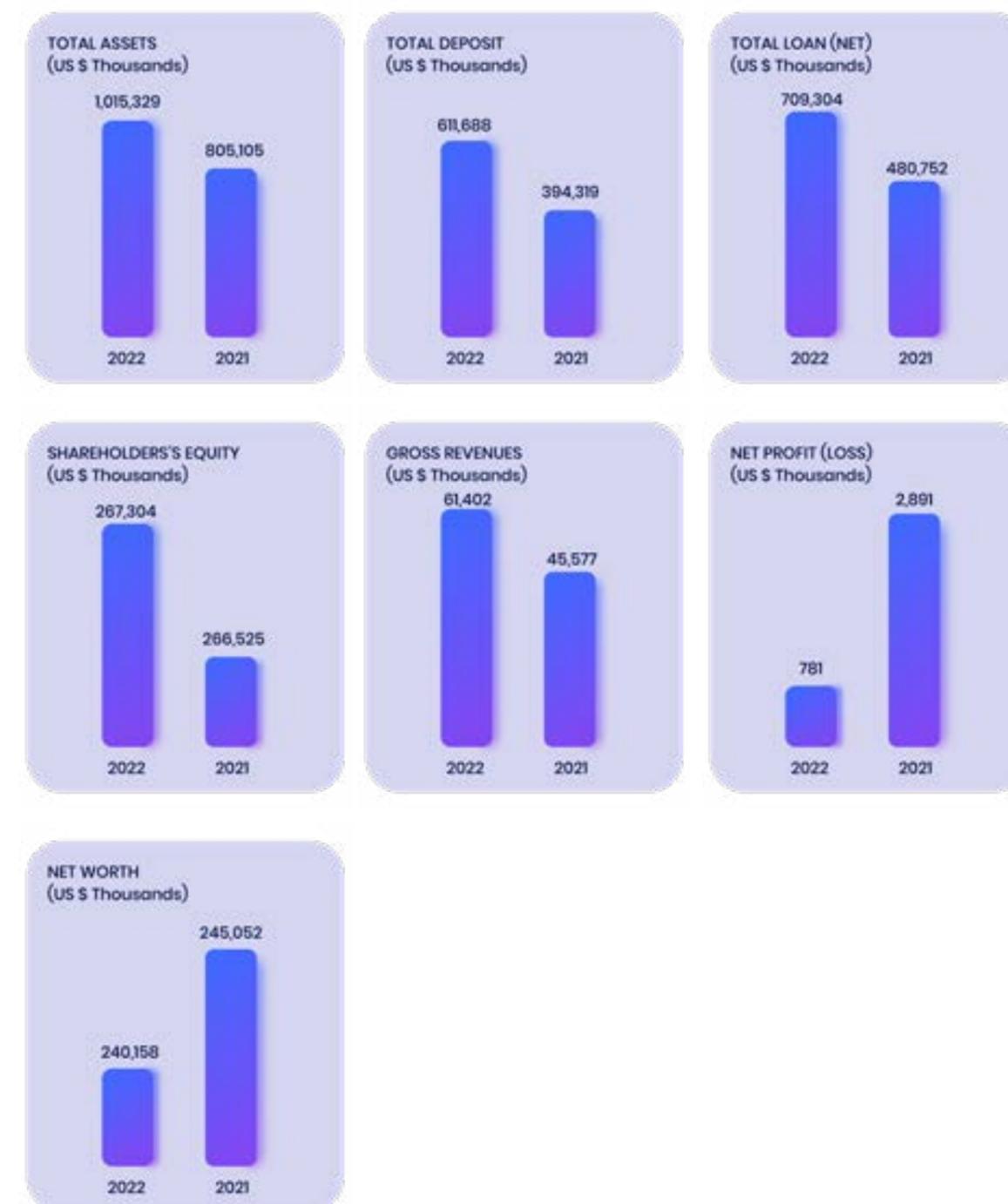
During 2022, we have been awarded as the "Best Commercial Bank Cambodia 2022" and the "Best Innovation in Retail Banking Cambodia 2022" (3 years in a row) from International Banker, "Global Best Employer Brands Award 2022 for Managing Health at Work" and "Cambodia Best Employer Brand Awards 2022" under the category of "Award for Best e-learning model – online" from the World HRD Congress.

For next year's strategy, Prince Bank plans to strengthen and promote its business wisely under Technology transformation to accommodate customers' financial transactions. Ultimately, we try harder and aim for the best to be the financial institution of choice for Cambodians.

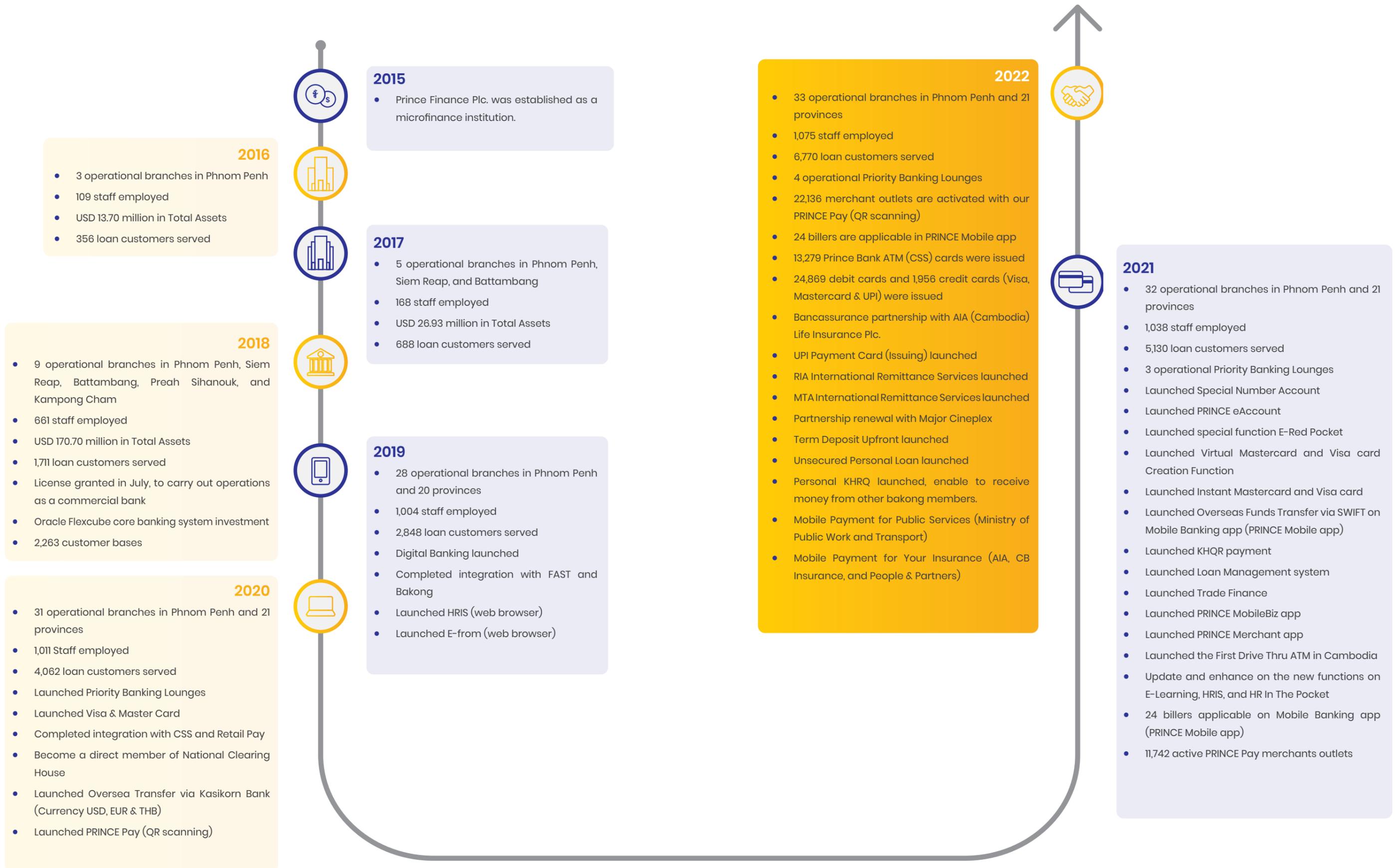
KEY FINANCIAL HIGHLIGHTS

Year End 31 st December KEY PERFORMANCE INDICATORS (%)	2022	2021
Returns on Shareholders' Equity (ROE)	0.29%	1.08%
Returns on Assets (ROA)	0.08%	0.36%
Solvency Ratio	28.82%	43.10%
Liquidity Coverage Ratio (LCR)	119.68%	136.84%

SIMPLIFIED FINANCIAL RESULTS

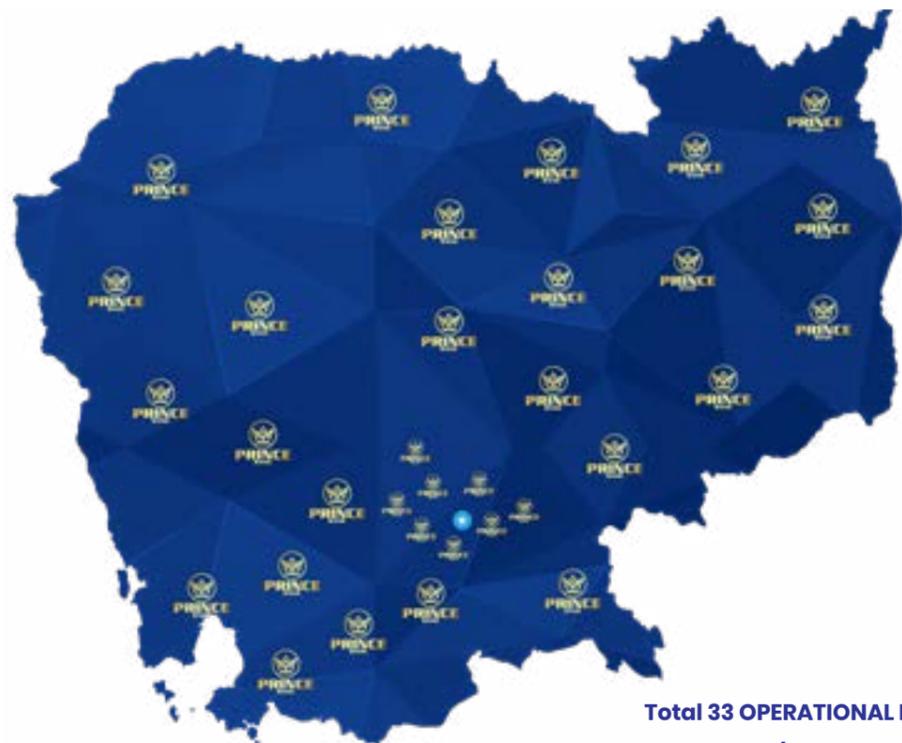


MILESTONES



BRANCH NETWORK

As of December 31st, 2022, Prince Bank Plc. had 33 operational branches.



**Total 33 OPERATIONAL BRANCHES
and 81 ATM / CDM LOCATIONS**

1. Prince Bank Plc. Head office

N°175 ABCD, Mao Tse Toung Blvd, Phum Phum 5, Sangkat Toul Svay Prey Ti Muoy, Khan Boeng Keng Kang, Phnom Penh.

3. Prince Bank Plc. Khan Prampir Meakkakra – Sangkat Veal Vong Branch

Building S2-01, The Olympia City, Preah Monireth Blvd., (217) and Tep Phan Street (182), Sangkat Vealvong, Khan Prampir Meakakara, Phnom Penh

5. Prince Bank Plc. Khan Chbar Ampov – Sangkat Nirouth Branch

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

2. Prince Bank Plc. Khan Chraoy Chongvar – Sangkat Preaek Lieb Branch

N° 8 and 10, National Road N° 6A, Khtor Village, Sangkat Preaek Lieb, Khan Chraoy Chongvar, Phnom Penh.

4. Prince Bank Plc. Khan Chamkar Mon – Sangkat Tonle Basak Branch

Bloc A-1, Lot. N° 71, N°rodom Blvd, Sangkat Tonle Basak, Khan Chamkar Mon, Phnom Penh.

6. Prince Bank Plc. – Khan Chamkar Mon – Sangkat Phsar Daeum Thkov Branch

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

7. Prince Bank Plc. – Khan Prampir Makara Sangkat Boeung Proluet Branch

Phnom Penh Tower, N°445, Monivong Blvd (St. 93/232) Sangkat Boeung Prolet, Khan Prampir Makara, Phnom Penh, Cambodia.

9. Prince Bank Plc. Khan Russey Keo – Sangkat Toul Sangkae 2 Branch

N°211 Eo, Street 598, Sangkat Tuol Sangkae 2, Khan Russey keo, Phnom Penh.

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

Ground floor, TK Star International, Street No. 516, Sangkat Boeng Kak Ti Mouy, Khan Tuol Kouk, Phnom Penh.

13. Prince Bank Plc. – Battambang Provincial Branch

Prek Moha Tep Village, Sangkat Svay Por, Krong Battambang, Battambang Province.

15. Prince Bank Plc. – Kampong Cham Provincial Branch

Phum Ti Buon, Sangkat Veal Vong, Krong Kampong Cham, Kampong Cham Province.

17. Prince Bank Plc. – Prey Veng Provincial Branch

Lekh Prampir Village, Sangkat Kampong Leav, Krong Prey Veng, Prey Veng Province.

19. Prince Bank Plc. – Kratie Provincial Branch

Doun Chroam Village, Sangkat Kratie, Krong Kraties, Kratie Province.

8. Prince Bank Plc. – Khan Meanchey Sangkat Stueng Mean Chey 2 branch

N°2959 & 2951, N°32A & 33A, Preah Monireth Blvd., Phum Damnak Thum Mouy, Sangkat Stueng Mean Chey 2, Khan Mean Chey, Phnom Penh.

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

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

12. Prince Bank Plc. – Krong Ta Khmao Provincial Branch

National Road 21, Thmei Village, Sangkat Ta Khmao, Krong Ta Khmao, Kandal Province.

14. Prince Bank Plc. – Siem Reap Provincial Branch

Sala Kanseng Village, Sangkat Svay Dankum, Krong Siem Reap, Siem Reap Province.

16. Prince Bank Plc. – Preah SihaNouk Provincial Branch

Phum Muoy, Sangkat Pir, Krong Preah SihaN°uk, Preah SihaNouk Province.

18. Prince Bank Plc. – Svay Rieng Provincial Branch

Suon Thmei Village, Sangkat Prey Chhlak, Krong Svay Rieng, Svay Rieng Province.

20. Prince Bank Plc. – Ratanak Kiri Provincial Branch

Chey Chumnas Village, Sangkat Labansiek, krong ban lung, Ratanak Kiri Province.

21. Prince Bank Plc. - Kampong Speu Provincial Branch

Lot N° 884, Peanicheakkam Village, Sangkat Rokar Thum, Krong Chbar Mon, Kampong Speu Province.

23. Prince Bank Plc. - Preah Vihear Provincial Branch

Andoung Pou Village, Sangkat Kampong Pranak, Krong Preah Vihear, Preah Vihear Province.

25. Prince Bank Plc. - Kampong Thom Provincial Branch

Lot N° 1200, Kampong Thum Villange, Sangkat Kampong Roteh, Krong Stueng Saen, Kampong Thom Province.

27. Prince Bank Plc. - Tboung Khmum Provincial Branch

Lot N°0819, National Road N°7, Cheung Lang Village, Sangkat Suong, Krong Suong, Tboung Khmum 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.

31. Prince Bank Plc. - Kampot Provincial Branch

Lot N°AI 0687, St. Soun Chhar Krong, Phum Muoy Ousaphea, Sangkat Kampong Kandal, Krong Kampot, Kampot Province.

33. Prince Bank Plc. - Krong Siemreap Branch

N°1526, Sivutha Blvd., Phum Vihear Chen, Sangkat Svay Danhum, Krong Siemreap, Siemreap province.

22. Prince Bank Plc. - Takeo Provincial Branch

Lot N° 792, Louri Village, Sangkat Roka, Krong Doun Kaev, Takeo Province.

24. Prince Bank Plc. - Kampong Chhnang Provincial Branch

La Tuek Trei Village, Sangkat Kampong Chhnang, Krong Kampong Chhnang, Kampong Chhnang Province.

26. Prince Bank Plc. - Krong Paoy Paet Provincial Branch

Baliley 1 Village, Sangkat Paoy Paet, Krong Paoy Paet, Banteay Meanchey Province.

28. Prince Bank Plc. - Pursat Provincial Branch

Lot N°0532, National Road N°5, Sthani Village, Sangkat Svay At, Krong Pursat, Pursat 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.

32. Prince Bank Plc. - Monduliri Provincial Branch

Lot N°618, Phum Kondal, Sangkat Spean Mean Chey, Krong SenmoN°rom, Monduliri Province.

ATM NETWORK

As of December 31st, 2022, Prince Bank Plc. had 81 ATM locations.

Phnom Penh Network

1. Head Office
2. Khan Chraoy Chongvar - Sangkat Preaek Lieb Branch
3. Khan Prampir Meakkakra - Sangkat Veal Vong Branch
4. Khan Chamkar Mon - Sangkat Tonle Basak Branch
5. Khan Chbar Ampov - Sangkat Nirouth Branch
6. Khan Chamkar Mon - Sangkat Phsar Daeum Thkov Branch
7. Khan Prampir Makara - Sangkat Boeung Proluet Branch
8. Khan Meanchey - Sangkat Stueng Mean Chey 2 Branch
9. Khan Russey Keo - Sangkat Toul Sangkae 2 Branch
10. Khan Pur Senchey - Sangkat Chaom Chau 3 Branch
11. Khan Prampir Makara - Sangkat Boeung Proluet Branch
12. Khan Toul Kouk - Sangkat Boeng Kak Ti Muoy Branch
13. AEON Sen Sok (Ground Floor)
14. TK Roundabout
15. Koh Pich
16. SKY Tree Residence
17. Total Gas Station Phsar Thmey
18. PTT Gas Station Road 6A
19. Aeon Mall Phnom Penh
20. Sonthomok High School
21. Norodom Primary School
22. Total Gas Station Phnom Penh Thmey
23. Total Gas Station St.310
24. Toul Tompong Market
25. Caltex Station Vengsreng
26. Caltex Station St.271 Corner St.371
27. Caltex Station Takhmao
28. Peng Hout Euro Park
29. Tela Station Teuk Thla
30. RULE University
31. Peng Hout The Star Ptermire St. 598
32. Amazon Drive Thru Global House Sen Sok
33. Cambodia Russia Friendship Hospital
34. Gong Cha BKK
35. Tela Station Mao Tse Tong
36. Phnom Penh Parking Centre
37. Cambodia Post (Ems)
38. Chroy Changva 6A Park
39. PTT Station Street 2004
40. Caltex Station Steng Mean Chey
41. Paiks Noodle Bkk
42. Aeon Meanchey
43. Garden City Hotel
44. Krou Sar Mall Chhouk Meas
45. City Tower

Provincial Network

46. Krong Ta Khmao Branch
47. Battambang Branch
48. Krong Siemreap Branch
49. Siem Reap Branch
50. Kampong Cham Branch
51. Preah SihaNouk Branch
52. Prey Veng Branch
53. Svay Rieng Branch
54. Kratie Branch
55. Ratanak Kiri Branch
56. Kampong Speu Branch
57. Takeo Branch
58. Preah Vihear Branch
59. Kampong Chhnang Branch
60. Kampong Thom Branch
61. Krong Paoy Paet Branch
62. Tboung Khmum Branch
63. Pursat Branch
64. Stung Treng Branch
65. Banteay Meanchey Branch
66. Kampot Branch
67. Monduliri Branch
68. Ucare Pamacy old Market Siem Reap
69. Amber Angkor Hotel Siem Reap
70. PTT gas station Phsar Leu
71. Hong Hout Pharmacy
72. Speedwind Sihanouk Ville
73. Prince Huan Yu Mall
74. Classy Hotel BTB
75. Caltex Station BTB
76. Poi Pet Grand Puthi Plaza
77. Baby Outlet Sivutha
78. Jin Bei Casino & Hotel
79. Jin Bei Artisan Hotel
80. Jin Bei Palace Hotel
81. AAA Market Siem Reap

PRODUCTS AND PROMOTIONS

Retail Products and Services

Prince Bank offer a variety of financial products and services to supply all retail consumers' needs. These products include Loan, Deposit, Cards, Remittance, and many more. In addition, to ensure we provide better experience and the best solutions for the customers, we have developed and enhanced our products & services through both digital and non-digital platforms, payment solution as well as new branch launched.

Mortgage

In response to the market demand, we continue to enhance our key products and initiate strategic activities to build up customer acquisitions. As a result, we have taken actions as following:

- Enhancement of personal loan products by rolled-out unsecured personal loan without collateral required to facilitate personal needs and improve market share.
- Extension new condo loan products to finance the local and foreign customers on purchasing the condominiums.
- Booth activation to promote our products and services. The event was conducted at PH Euro Park Grand Star Platinum project to provide consultation services on deposits and loans, especially Housing Loan and Home Loan Refinance, and many other fun activities.
- Cycling activities to raise awareness of the Home Loan Refinance campaign. The activities took place in Borey New World Chomka Doung 1, Borey Sambath Mean Heng 3 Project 2 (Prek Eng) & Borey New World Kour Srov 2. Not only in Phnom Penh but also in Siem Reap province too.



Deposit



Strategically to deposit customer, Prince Bank has offered special offers by launched many campaigns on Term Deposit account such as promoting Riel currency at a rate up to 6.25% p.a., provide a benefit package that contained Covid-19 Insurance, Free health check-up, tumbler and so on for the customers when they bundled their money with us. What's even more special, Prince Bank has launched an amazing campaign on the Term Deposit account which offers 6% p.a. on 6 months tenure and 7% p.a. on 7 months tenure to celebrate our 7 years anniversary.

Besides these special campaigns, we also have specific special offers for booth activations during the festival celebration or special occasions.

In addition, we also enhanced and extended the Term Deposit option called "Term Deposit Interest Up-front" which allows customers to receive the interest before the maturity date. Certainly, campaigns and enhancement are not enough to be the bank of choice for customers, therefore, we have come up with another way to get the market share, by partnering with WOWNOW Food Delivery to integrate the payment function on WOWNOW app and offer special discount for the order placement that pay via Prince Bank payment option. The purpose is to increase the number of account openings and deposits.

Bancassurance

Another milestone that Prince Bank has achieved in 2022 was the partnership launching with AIA (Cambodia) Life Insurance Plc. on the bancassurance products and services to offer customers a convenient one-stop service and the opportunity to effortlessly access a wide range of best-in-class insurance and banking solutions. All 33 branches of Prince Bank Plc. have AIA counter to offer the insurance consultation while customers are banking with us.



Card Products and Promotions

Throughout our efforts and commitments to distribute the variety of Card products to the customers, in the year 2022, Prince Bank UnionPay cards have been officially launched both debit and credit cards. And our new product, the UnionPay Diamond card, is designed to perfectly fit our VIP customers with a special offering of Accident Insurance coverage as well as Airport Lounge Access up to 8 times per annum.

Besides, we have brought up many attractive campaigns for new and existing customers to enjoy the benefits and privileges while spending with our Prince Bank cards, including offer cashback, discounts, or cash vouchers via partnership promotion with the popular and well-known merchants such as AEON Mall Cambodia, Major Cineplex by Smart, Café Amazon, Phnom Penh Safari, Agoda traveling accommodation agent, Singapore Airlines, Foodpanda, Phnom Penh – Sihanouk Ville Expressway and so on.

Mastercard Campaign offers



Special cashback of up to 28% of the total purchase at AEON Mall Phnom Penh and AEON Mall Sen Sok for Chinese New Year Celebration

Special cashback of up to 28% of the total purchase at AEON Mall Phnom Penh and AEON Mall Sen Sok for Khmer New Year Celebration



Special cashback of up to 25% of the total purchase at AEON Mall Phnom Penh and AEON Mall Sen Sok for Pchum Ben Day Celebration

Special offer with Cashback of 30% or maximum at \$20 on entrance ticket and offer 200P=\$2 for new account opening at the Prince Bank Booth at Phnom Penh Safari



Special offer with Cashback of 30% or maximum at \$20 on entrance ticket and offer 200P=\$2 for new account opening at the Prince Bank Booth at Garden City Water Park

Special deals up to 20% for accommodation booking, food and beverages, spa, and online order



Exclusive offer with 1% cashback on the total expense with Prince Bank Mastercard Platinum

Special offer with Singapore Airline on the flight tickets



Daily offer with \$3 voucher for expense of \$20 at AEON Malls, AEON Max Valu, and AEON Online.

Get KHR 4000 for 10 times on Grab Ride and Grab Food.





Daily offer with \$5 voucher for expense of \$20 at AEON Malls and AEON Online

Visa card campaign offers

Special deals and promotions up to 15% at popular apps and websites locally and internationally



Special discount of \$2 for minimum expense of \$15 on Taobao app

UnionPay Card Campaign offers

Enjoy the privilege of Travel Accident Insurance up to \$450,000 and free access to airport lounge worldwide



Special discount of 50% instant off on foodpanda

Enjoy 10% off or up to \$5 off for Phnom Penh – Preah Sihanouk Expressway pass



All Cards Campaign Offers

Fantastic offers up to 60% off on the daily movie ticket 2D/3D/VIP/KID at Major Cineplex by Smart



Free popcorn for the movie ticket paying with Prince Bank cards



Exclusive access to airport lounge worldwide with the Platinum or Diamond card



Long term deals with 7% off for accommodation booking on agoda



Business Products and Services



Prince Bank offers various types of corporate banking products specifically on Business Loan (Term Loan and Overdraft Loan), Business Account (Business Check Account and Business Plus Account), Trade Finance services and Merchant Services to fulfill the financial need of business customers. With our vision "To be the financial institution of choice for our target customers", we have been launched a bunch of campaigns and promotions on our product as well as the corporation with CGCC and SME scheme to support Small and Medium Entrepreneurs who lack of collateral to get the fund to expend or develop their business.

Loan



Prince Bank has launched a Business Loan campaign to offer the customer the compatible interest rate of 7.25% for the first 2 years on Term Loans and Overdraft Loans. Business Loan Referral Reward Campaign for internal staff up to \$50 for those who successfully referred new loan customers.

Deposit

We launched special offers during Prince Bank Plc. Tuol Kouk branch launching to the first 50 new Business Check and Business Plus account customers with 3% cashback on the initial deposit (maximum cashback of \$50), free checkbook (one book/month, for 12 months), and card annual fee waiver for first year. Besides, there was also a Business Account Referral Reward Campaign for internal staff up to \$60 for those who successfully referred new customers to open Business Account with Prince Bank.



Trade Finance Services

Strategically to grow Trade Finance products, Prince Bank offered the Trade Finance Campaign to business customers by providing the special discount on Bank Guarantee issuance Fee of 0.08% p.m. (Min. USD20 p.m.), Trade Finance Loan with lowest interest at 8% p.a. and Credit limit approval fee discount to 0.5% for the first year. Additionally, we also launched the Incentive Campaign for internal staff for those who have successfully referred a new customer.



Merchant and Partnership Services

KHQR Promotion for PRINCE Mobile users and PRINCE KHQR Merchant

The purpose of this campaign was to promote Prince Bank KHQR along with the official announcement of National Bank of Cambodia about KHQR payment service. It was also an encouragement to our existing customers and the public use and chose PRINCE KHQR as the first option for the payment channel and on-board new customers & new merchants.

For PRINCE KHQR Merchants

Receive payment via PRINCE KHQR with a minimum of USD 5 or KHR 20,000 per transaction, the merchant can receive a cashback of USD 0.50 or KHR 2,000 per transaction for the weekday reward and cashback of USD 1 or KHR 4,000 per transaction for the weekend, maximum monthly cashback of USD 50 or KHR 200,000

For PRINCE Mobile Users

Make a scanned payment via PRINCE KHQR with a minimum of USD 5 or KHR 20,000 per transaction, the customer can receive a cashback of USD 0.50 or KHR 2,000 per transaction for the weekday reward and cashback of USD 1 or KHR 4,000 per transaction for the weekend, maximum monthly cashback of USD 5 or KHR 40,000.



Public Road Show

We have done the public road show in big and famous local markets to promote PRINCE KHQR and get new on boarding merchants such as Toul Tompong Market, Beung Keng Kong Market, Kandal Market, Olympic Market, Chas Market and Orussey Market.

Merchant Partnership Discount

A total of 70 merchants signed the agreement with Prince Bank to join the partnership discount, which the merchants will offer special discounts on the products and services when the customers make payment via PRINCE KHQR. There are various types of merchants such as coffee and bakery shop, restaurant, hospital, Salon shop, Eyes Optic Shop, School, and many more.



Priority Banking Products and Services



In July 2022, Prince Bank official launched its 4th Priority Banking Lounge in newly open Khan Toul Kork Branch, which increased the total number of Prince Bank Priority Banking Lounge to 04 Lounges in Phnom Penh. By the end of 2022, Prince Bank have around 430 Priority Banking Customers which is the double of 2021.

Priority Banking customers can enjoy the comforts of our Priority Lounges, instant welcome gift for account opening and the most personalized banking services from your personal relationship manager, as well as exclusive offers from Prince Bank Global Partners.

HUMAN RESOURCE

People Planning and Resourcing

- As part of the Prince Bank transformation agenda, an analysis of the recruitment process was conducted to identify areas that could be streamlined and improved. A pilot recruitment initiative was launched in early 2022, with the aim of reducing overall time-to-hire from an average of 90 calendar days to 60 calendar days (or 40 working days), primarily through the improvement of candidate screening services. By 2022, improvements were seen, with an average time-to-hire reduction to 58 calendar days. The lessons learned from the pilot initiative have been documented accompanied by recommendations for the next phase of the pilot, which will explore additional new tools, including recruitment dashboard and psychometric testing, as well as approaches to address bottlenecks
- The Bank continues to attract diverse and talented people from a range of backgrounds, we proactively executed talent acquisition strategies which a total of 383 vacancies were fulfilled mainly via virtual interviews and selections to provide workforce in a timely manner in response to the Bank's business expansion.

Learning and People Development

- Continuous professional development of our people is key to enabling them to serve high quality of services to our customers to sustain our business and continue to grow. In 2022, we continued to develop and provide various training courses for our employees, both new and existing. This is to ensure that they have the right knowledge, skills, and attitude to perform their jobs effectively and to deliver excellent services to our customers.
- We reviewed and updated 'Training Syllabus by Role' which contains a list of mandatory training courses (both technical/hard & soft skills) required for staff in specific roles and job levels to complete within specified timelines. This training syllabus is intended to enable them to perform their roles effectively.
- We also developed sales kits for all sales and service staff. The sales kits, a handbook containing quick summaries of our key products, was initiated to strengthen our sales and service staff's product knowledge and support them in presenting the products clearly and accurately to customers.
- Besides, we created and delivered tele-sales training to support Customer Contact Center team whose responsibility was extended to do tele-sales in addition to their existing tasks.
- By understanding that customer experience is a competitive differentiator and critical to sustain the business growth, we also initiated 'Customer Experience Principles Training' for all staff to cultivate a customer first mindset and culture across the bank and "Professional Grooming and Make-up Training" for frontline staff. Both training courses are part of our customer experience strategy plan for building our bank's capacity to provide superior experience to our customers.
- In addition, we strengthened our branch managers' capabilities to manage their business operations more effectively by reinforcing their understanding of roles and responsibilities as branch managers.

- Following the training master plan, we rolled out our flagship leadership development program called '**Leadership Excellence and Performance (LEAP)**' to all staff in early July. This program is aimed at preparing our employees for their next career move and becoming effective leaders. It has several modules divided by leadership turns based on job levels.
- Last but not least, we enrolled a half of number of targeted employees (207 employees) for 'Responsible Lending Certification Program' which is one of the mandatory courses required by the National Bank of Cambodia.

Compensations and Benefits

- As one of the Best Companies to work for, Prince Bank has maintained its strong position as one of the industry leaders providing attractive remuneration package to our employees despite side effects of COVID-19 pandemic and uncertain global economic climate.
- Our sales incentive scheme was improved in 2022 to attract and motivate the high performers.
- In addition to existing medical insurance applicable for both staff and dependents, Prince Bank has increased its care to our employees and their family by purchasing life insurance from AIA Cambodia for all employees.
- As one of our HR priorities is to create great employee experience, we have continued to digitalize more HR services in 2022 such as leave application, medical reimbursement, and so on through our employee mobile app called "HR Pocket".

Performance Management and HR Business Partners

Performance Management

- To support the strategic growth of the bank in 2022, the Performance Management Guideline has been revised to make it more practical, standard, and follow business strategies. The guideline included areas of probation KPI setting and evaluation as well as the conditions of KPI setting for employees' movement like transfer, promotion, demotion, changing of line manager and so on, that has also been improved digitally in 2022, where line manager can set probation KPI, access to review, and approve their staff performance result.

HR Business Partner

- Our HRBP team has been strengthening their capacity to be stronger in supporting business team to manage people issues more effectively. They have been able to accomplish people projects include staff retention, staff mobility, performance improvement plan, and people engagement that have improved better relationship among people in the team and across the bank. We designed various programs in order to engage better with people; especially, the people at the branch as they are the key contributor to the bank's revenue.

HR Awards

- Prince Bank Plc. is proud to present two awards which received in 2022 as:



"Global Best Employer Brands Award 2022 for Managing Health at Work" from the World HRD Congress



"Cambodia Best Employer Brand Awards 2022 for Best E-learning Model - Online" from the World HRD Congress

After transforming into a full-fledged commercial bank in July 2018, the Bank significantly increased the number of employees. During this relatively short period of time, Prince Bank had been focusing on its "Employer of Choice" campaign by establishing guidelines and procedures, streamlining the recruitment and on-boarding processes, investing in staff training and development, instilling a performance-based and values-driven culture, and providing opportunities for employees to speak up. Prince Bank is honored to have been selected for these awards.

DIGITALIZATION PROJECT



2022 was a year of transitions uplifted by a recent relaxation of COVID-19 restrictions, which was in turn underpinned by our digital innovations and transformations. We shipped a lot - 9 brand new features, seamless integrations, and many small improvements and fixes. Let's dive into what we released on PRINCE Mobile in 2022.

- Started off the year with AIA insurance policy payment feature where users can now pay their AIA policy premium and set up or cancel Standing Instructions for the policy anywhere, anytime.
- On top of this AIA insurance payment, another great feature is a payment feature to the Ministry of Public Work and Transport that allows users to pay any purchased plate number invoiced issued by the ministry right away.
- A small but nonetheless super useful and time-saving feature is the instant card activation for any physical card. With this feature, customers are no longer required to visit any physical ATM to activate their cards but just tap a few easy options on the screen.
- Regarding international remittance - both outbound and inbound, users can now take money transfers on the go and in real-time via Ria Money Transfer.
- We released a much-anticipated feature, Personal KHQR, to allow users to accept payment from anyone and any Bakong-membered application and receive fund transfers simply, securely, and free of charge.
- Along with Personal KHQR, an enhancement on Priority Account offers a whole new package for users to instantly open a new account and enjoy a convenient and personalized banking experience.
- We also released a couple of useful integrations and extensions as well. These include Cellcard Referral, a digital referral program where Cellcard users can become a PRINCE Bank customer by creating an eAccount from Cellcard to PRINCE Mobile app, and PRINCE Pay Online (PPO) with the first partner, WowNow, in which users can pay their WowNow orders with PRINCE Mobile. Within the first several weeks of launching, the transaction trend dramatically grew up to almost 90% from late May till July when the trend slightly slowed down.



- Merchant Locator is a helpful feature that eases the users to locate the closest partner merchants quickly. Users can find merchant contact and operation hours as well as navigate to the store via Google Maps and Apple Map easily.
- On the security front, we added a runtime application self-protection (RASP) feature at the backend to monitor any suspicious behavior at runtime and to defend against threat actors attempting to tamper with the application. This RASP feature also covered other digital banking applications, PRINCE MobileBiz and PRINCE Merchant.

On top of releasing new and interesting features, we have also enhanced customer journey of our existing features by offering a smoother customer experience along with other enhancements to support our regulator initiative to improve the experience of using Bakong KHQR.

From the above release features and the enhancement of artificial intelligence (AI) on mobile banking, we can capture the growth of mobile users as below:



(The figure include eAccounts onboarding)

In the meantime, accelerating digital transformation in our daily operations has always been at our core. One of these key transformations was a complete revamp of the customer onboarding process by introducing brand-new Flexi Services. This revamp focused on providing the best customer service by integrating various systems including PAO, AML, and Core Banking into one interface so the Customer Service team can provide services to customers such as CIF creating, account opening, and card opening on one single window, hence fasten the service turnaround time. In addition, it improved our customer data quality through creating a list of values instead of allowing free text input and field. Finally, yet importantly, the means to onboard a customer was also simplified for the Customer Service Team in which the team can now access the system on a tablet in addition to the current access to the computer only.

Other in-house solutions include enhancements to HR Pocket application, eForm, Fixed Assets, and eProcurement & Payment Systems. Since launching HR in the Pocket in 2020, the application has eased internal staff's way of accessing HR information. Lately, we added two new features including Vaccine Declaration and Leave Application. On the eForm system, we released an AIA Referral function and added a Dispute Request log to centralize all numbers of referrals and requests for Business and Digital Operations works respectively. For Finance and Procurement works, we enhanced our current eProcurement & Payment Systems and brought in a Fixed Assets system to reduce manual touchpoints and eliminate the paper-based process.

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 of Internal Control 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 and Combating the Financing of Terrorism (AML/CFT)

Prince Bank Plc. is strongly committed to anti-money laundering and financing of terrorism "AML/CFT" measures by establishing an AML/CFT Policy seeks to protect Prince Bank from being used, intentionally or unintentionally, for money laundering or terrorist financing activities in line with the applicable laws and Prakas on AML/CFT. Moreover, the Bank has invested in the "CORAL iSEM AML/CFT System" that automates the control work and ensures effectiveness and efficiency.

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 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 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 the 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.

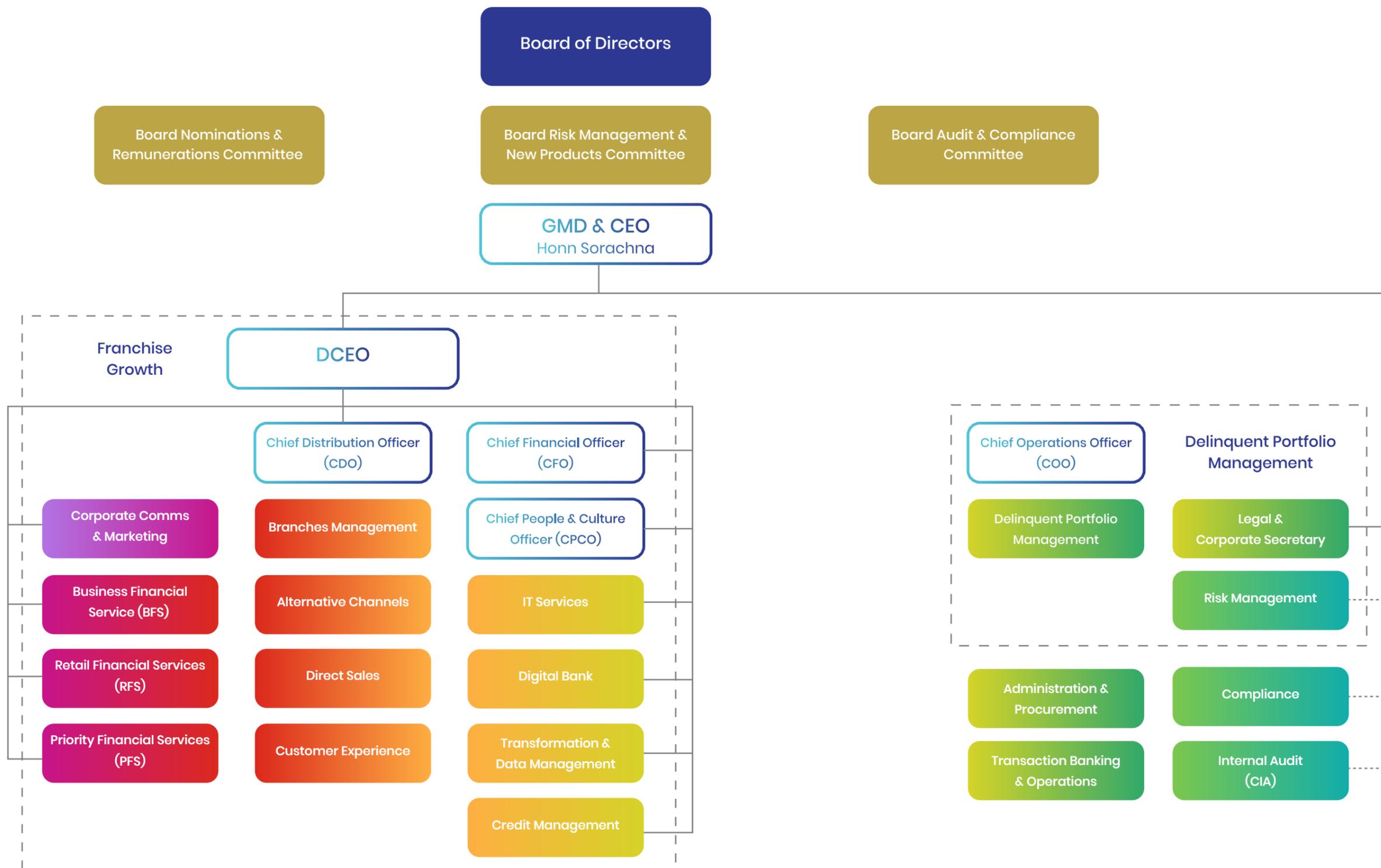
Corporate structure



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ORGANIZATIONAL STRUCTURE



- Board
- SC
- Exco
- ALCO
- Risk Mgt
- HRC
- PSC
- MCC



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 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.

CODE OF CONDUCT

The trust and confidence that customers and the public have in the Bank are crucial for its continued growth and success. Prince Bank Plc. actively seeks to conduct itself and abide by the Bank's code of conduct. The directors, staff, contractors, and suppliers are required to acknowledge and implement the Bank's code of conduct with which the Bank requires strict compliance.

SHAREHOLDERS

Currently, there are two Prince Bank Plc. 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 six members, two of whom are independent directors.

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 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. GUY CHHAY, Member

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 report 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 a timely basis 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. GUY CHHAY, Member

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. GUY CHHAY, Member
- 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), Management Credit Committee (MCC), Project Steering Committee (PSC), and the Assets and Liabilities Committee (ALCO).

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

1. Mr. HONN SORACHNA, Chief Executive Officer (CEO), as a Chairman of Executive Committee.
2. MR. LOOI KOK SOON, Deputy Chief Executive Officer (DCEO), as member (effective from April 17, 2023).
3. MR. LESLIE LEE CHEE WEI, Chief Distribution Officer (CDO), as member.
4. MR. WINSTON TAN KOK WENG, Chief Finance Officer (CFO), as member.
5. MR. LENG SENGLAN, Chief Operating Officer (COO), as member.
6. MR. KEO VUTHY, Chief Internal Audit (CIA), as member.
7. MR. NGOW E VAN, Chief People and Culture Officer, as member (effective from April 17, 2023).
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. MRS. PENG LIYA, Head, Retail Financial Services (HRF), as member.
11. MRS. TE MUYN, Head, Business Financial Services (HBF), as member.
12. MS. HAING HUY, Head, Credit Management Department (HCM), as member.
13. MR. ONG PISEY, Head, Technology Services (HTS), as member.
14. MR. LIM ENG KEAT, Head, Corporate Communications and Marketing (HCCM), as member.
14. MRS. LEANG SOKLANG, Head, Transformation and Data Management (HTDM), as member.
16. MR. KHUN BUNNARITH, Head, Branch Management (HBM), as member.
17. MR. KY VANNROATH, Head, Digital Bank (HDB), as member (effective from March 01, 2023).
18. MS. KONG SONITRARANYA, Head (Acting), Risk Management (HRM), as member (effective from April 17, 2023).

Social responsibilities

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SUSTAINABLE FINANCE IMPLEMENTATION

As a member of the Association of Banks in Cambodia (ABC), Prince Bank Plc. has adopted the Cambodia Sustainable Finance Principles. Adhering to these principles can help banks lower investment risks and find new business opportunities while preserving the environment and supporting local communities.

Throughout 2022, to support our business decision-making at all levels and provide a frame of reference for how to deal with business opportunities and risks in the context of direct and indirect sustainability impacts, we have developed a sustainable finance policy framework consisting of a general policy, four core policies, two theme policies, and nine sensitive sector policies. Each policy outlines the key environmental and social issues, our solution commitments, and what we expect our clients and business partners to do.

Environmental and social risk management procedures were also put into place to provide step-by-step guidance on identifying, assessing, and managing environmental and social risks. In addition to incorporating environmental and social risks in our credit and procurement process, we are committed to promoting financial literacy and inclusion, developing capacity building and awareness related to sustainable finance, developing a green finance policy to provide affordable products and services for renewable energies and green innovation, and reducing our own environmental and social footprints.



CORPORATE SOCIAL RESPONSIBILITIES

1. Health

Co-Financing Samdech Techo Volunteer Youth Doctor Association (TYDA) Signing Ceremony



[April 12, 2022] Prince Bank is honored to hold the Signing Memorandum of Understanding ceremony with the Samdech Techo Volunteer Youth Doctor Association (TYDA) which was signed by H.E. Dr. Hun Manet, Chairman of the Board of Directors of TYDA and Mr. Honn Sorachna, Managing Director and CEO of Prince Bank Plc. Under this MOU, Prince Bank will co-finance TYDA for 3 years in the amount of USD 300,000 (USD 100,000 per year) to lead medical projects, including programs and activities in the field of health care, public health, and related fields, to provide free health checks and treatment for people to alleviate the financial burden of needy families in Provinces and remote areas across the country.

2. Sports



The 10th Phnom Penh International Half Marathon

[June 18, 2022] The management and staff of Prince Bank participated in “The 10th Phnom Penh International Half Marathon”, one of Cambodia’s largest running events, which took place in front of the Royal Palace of Cambodia, run throughout the capital alongside the Mekong River. The purpose of this year’s event is to celebrate Queen Norodom Monineath Sihanouk’s birthday, as well as to commemorate World Environment Day and Olympic Day. Funds raised from the event will be donated to Kantha Bopha Children’s Hospitals to support the medical care for Cambodian Children.

Exclusive Sponsorship to Visakha Football Club



Visakha Football Club made new history by becoming the first club to win the Samdech Techo Hun Sen Cup three consecutive times for 2020, 2021, and 2022 seasons. It's an honor for Prince Bank to be an exclusive sponsor of Visakha Football Club since 2020 and contribute towards Cambodia's sports development.

Co-organizer with the Royal University of Phnom Penh Student Association on the "RUPP Annual Sport Championship"



[September 15, 2022] Prince Bank is honored and pleased to be a co-organizer with the Royal University of Phnom Penh Student Association on the "RUPP Annual Sport Championship". Prince Bank believes that this event is a great opportunity and platform for promoting sportsmanship as well as building friendships and networking among Cambodian youth.

Exclusive Sponsorship to Cambodia Billiard & Snooker Federation



[September 22, 2022] Prince Bank is glad to have joined the Second Mandate of the Cambodia Billiard & Snooker Federation as the exclusive sponsor for Cambodian National Players to participate in the upcoming "Asian 6-Red Snooker Championship 2022" that will take place in Kuala Lumpur, Malaysia. Prince Bank is delighted to contribute our support to Cambodian athletes, and to cheer them on to compete on the international stage with support and encouragement.

Sponsorship to the Association of Bank in Cambodia (ABC) on the "Bankers' Cycling 2022"



[October 30, 2022] Prince Bank Plc. was honored to be a Gold Sponsor of Bankers' Cycling 2022 organized by the Association of Bank in Cambodia (ABC), Cambodia Cycling Federation (CCF), and Cambodian Sustainable Finance. The event was held to promote Khmer Riel and the Sustainability of the Banking Sector.

The 27th Angkor Wat International Half Marathon



[December 04, 2022] The management and staff of Prince Bank participated in “The 27th Angkor Wat International Half Marathon” which took place in front of Angkor Wat Temple, Siem Reap province. The purpose of the event this year is to support a ban on the manufacture and inhumane use of anti-personnel mines. The Entry fee will be used to support the landmine victims by helping provide prosthetic limbs, and social reintegration programs, also to support Angkor Children Hospital and Kantha Bopha Children Hospital to support the medical care for Cambodian Children.

Sponsorship to Garden City Golf Club on the event “IMG TROPHY 2022”



[December 10, 2022] Prince Bank Plc. was honored to be the Platinum Sponsor of the IMG TROPHY Golf Tournament organized by Garden City Golf Club. This is our third straight year sponsoring this prestigious event. The IMG TROPHY 2022 offered an opportunity for golfers from various countries to participate in the golf tournament and help build friendships and strengthen connections.

3. Environment

Sponsorship to JCI’s Chaktomuk “Let’s Plant 2022” Project

[July 31, 2022] Prince Bank Plc. is honored to be the Platinum Sponsor of JCI’s Chaktomuk “Let’s Plant 2022” project to plant mangrove trees at Trapeang Sangke fishery community, Kampot Province. The event was held in order to build environmental awareness among its members and the public. Sustainability and the environment form one of the cores of Corporate Social Responsibility (CSR) at Prince Bank Plc. Additionally, sports, health, and education are the other CSR cores.



4. Business & Finance

Sponsorship to the National Bank of Cambodia on the 42nd anniversary of the Re-introduction of the Riel celebration



[March 20, 2022] Prince Bank extended its support to the National Bank of Cambodia as a Platinum sponsor on the 42nd anniversary of the Re-introduction of the Riel celebration. Prince Bank is proud to continue its commitment in its role of promoting and supporting the usage of our national currency, the Riel by offering the most favorable rate of savings to our customers.

Sponsorship to the Cambodian Chamber of Commerce on “The Understanding of Cambodian Traders on Business Operation to Reduce Legal Challenges” Workshops



[July 27, 2022] Prince Bank joined a “Sponsors’ Meet & Greet Ceremony” organized by the Cambodian Chamber of Commerce. Prince Bank is honored to join and support a workshop on “The Understanding of Cambodian Traders on Business Operation to Reduce Legal Challenges” to disseminate new laws and regulations, such as relevant regulations, investment laws, competition laws, and consumer protection laws, to the members of the Chamber of Commerce, Traders, and Merchants in 17 provinces to better understand.

Sponsorship to the Association of Bank in Cambodia (ABC) for the event “ASEAN SAVINGS DAY”



[November 02, 2022] Prince Bank Plc. is honored with the opportunity to be a Gold Sponsor of ASEAN SAVINGS DAY organized by the Association of Bank in Cambodia (ABC), National Bank of Cambodia, and Cambodia Microfinance Association (CMA). The event was held in order to create understanding and knowledge of personal finances and encourage people to put their savings in banks or other formal financial institutions for their future.

Sponsorship to the Ministry of Industry, Science, Technology, and Innovation (MISTI) on the event “Cambodia Tech Expo 2022”



[November 11, 2022] Prince Bank is honored to be a Silver Sponsor of the Cambodia Tech Expo 2022, which is the first and largest technology expo in Cambodia, held as an official side event of the ASEAN Summit 2022, and the first annual program hosted in the Kingdom of Cambodia by the Ministry of Industry, Science, Technology and Innovation (MISTI).

Sponsorship to the National Entrepreneurship Awards 2022 (NEA)



[November 24, 2022] Prince Bank was delighted to be the platinum sponsor of the National Entrepreneurship Awards 2022 (NEA) organized by the National Institute of Entrepreneurship (NIEI) and the Khmer Enterprise (KE). The NEA event was held to disseminate information on managing SMEs; partnership between the private and public sector; and take part in corporate social responsibility in Cambodia.

Establishing recognition



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COMPANY NEWS

Bancassurance Partnership with AIA (Cambodia) Life Insurance Plc.



[January 12, 2022] Prince Bank Plc and AIA (Cambodia) Life Insurance Plc today entered a bancassurance partnership to offer customers a convenient one-stop service and the opportunity to effortlessly access a wide range of best-in-class insurance and banking solutions. Prince Bank Plc and AIA Cambodia try hard together to help Cambodians live healthier, longer, and better life.

The signing ceremony was attended by His Excellency Bou Chanphirou, the Director General of the Insurance Regulator of Cambodia, His Excellency Rath Sovannorak, Director General of Banking Supervision of National Bank of Cambodia, Mr. Huy Vutharo, Chairman of the Insurance Association of Cambodia, Mr. Bun Yin, Deputy Chairmen of The Association of Banks in Cambodia, senior management from the AIA Group, AIA Cambodia, and Prince Bank.

Partnership Extension with Plaza Premium Lounge

[April 06, 2022] Prince Bank Plc. and Plaza Premium Lounge in a signing ceremony today, ink their partnership extension at the Phnom Penh International Airport bringing continued free access to Plaza Premium Lounges and Partner Lounges around the World for its customers. With this partnership extension, Prince Bank customers who have Priority Banking ATM cards, Mastercard Platinum Credit/Debit cards, Visa Platinum Credit/Debit cards, and UnionPay Diamond Credit cards can access Plaza Premium Lounges and its Third-party Lounges worldwide, up to 1280 lounges in 148 different countries.



Additional USD 35 million in Techo International Airport Guaranteed Bond



[April 07, 2022] Prince Bank Plc. invested an additional USD 35 million, totaling USD 50 million in the Techo International Airport (TIA) Guaranteed Bond. The additional investment in the Guaranteed Bond Agreement was signed by Mr. Honn Sorachna, the CEO and Managing Director of Prince Bank, and Mr. Charles Vann, the Director of CAIC. The signing ceremony was witnessed by Neak Oknha Dr. Pung Kheav Se, the Chairman of OCIC and CAIC, and Neak Oknha Chen Zhi, the Chairman of Prince Bank.

Remittance Partnership with Ria Money Transfer

[May 03, 2022] Prince Bank and Ria Money Transfer today launched a business partnership to enable customers to do international remittances through Prince Bank's channels and access Ria's extensive global network of more than 490k locations. Customers now can send and receive money internationally through any of our 33 branches nationwide with Ria Money Transfer. Also, with this partnership launching, we have a special offer to all customers by waiving the fee for the first 100 outbound transactions.



Co-branded Visa Credit Card with A Klasse Auto



[May 09, 2022] Prince Bank and A Klasse Auto unveiled their co-branded Visa Credit Card. A Klasse Auto membership will offer this exclusive co-branded credit card, and points & special privileges for car maintenance & repairs. Customers can now make payments at A Klasse Auto with Prince Bank KHQR too.

Payment Partnership with WOWNOW Super App



[May 26, 2022] Prince Bank Plc. and WOWNOW today launched a partnership that enables a simpler and more secure online payment via Prince Bank account on the WOWNOW Super App mobile application.

To celebrate this partnership, Prince Bank and WOWNOW launched a joint promotion for its customers "Spend \$6 up, get an instant \$2 off" for orders on the WOWNOW Super App when they choose to pay via Prince Bank account. What's more, additional offers of Prince Reward Points, gifts, and a free delivery coupon for your next purchase could be yours too.

MOU Signing Ceremony on the SME Co-Financing Scheme with SME Bank Plc.



[June 16, 2022] Memorandum of Understanding was signed between Prince Bank Plc. and SME Bank of Cambodia Plc on the implementation of Co-Financing Scheme to support and boost the recovery of tourism sector.

This SME Co-Financing Scheme is a program that offers support to local SMEs in the tourism sector terms of financing by offering affordable loan rates and favorable loan terms & conditions.

Businesses can now apply for loans of up to US\$ 400, 000 with a special rate at only 6.5% per annum.

Partnership Renewal with Major Cineplex by Smart

[June 30, 2022] Prince Bank announced its partnership renewal with Major Cineplex by Smart for another three years, benefiting its customers with continued rewards and privileges. As part of the strategic partnership tie-up, Prince Bank will continue to offer additional benefits to its customers, including discounted cinema rates every day for all Prince Bank cardholders as well as free movie tickets and popcorn during special events.



Prince Bank Plc. Khan Tuol Kouk – Sangkat Boeng Kak Ti Mouy Branch Launching



[July 07, 2022] Another milestone for Prince Bank, the 33rd branch was officially launched in Tuol Kouk. We are truly thrilled and honored to have His Excellency Rath Sovannorak, Assistant Governor and Director General of Banking Supervision of the National Bank of Cambodia, for spending his precious time gracing this inauguration ceremony.

Prince Bank Plc. Khan Tuol Kouk – Sangkat Boeng Kak Ti Mouy Branch will offer all banking products and services covering Retail, Business, and Priority Banking services.

AWARDS & RECOGNITION



Prince Bank won numerous awards from international institutions in the areas of Innovation, Human Resources, Digital Banking, and Overall (Best commercial bank) Category. We are proud and honored that our banking services for our customers and for employee welfare are rewarded with these recognitions. In addition, these are also a testimony to our dedication and focus on making Prince Bank one of the leading Commercial Banks in Cambodia. These awards were made possible by the team's effort and dedication of all at Prince Bank including our business partners. The continuous support from our customers and business partners will make Prince Bank strive harder in the future. Thank You for your unending support and belief in us, we look forward to bringing the most innovative products and services to serve your future needs.

Best Commercial Bank Cambodia 2022

Date: September 2022

From: International Banker

This is the 3rd year that the bank won this award. This underscores Prince Bank's leadership and position in the Cambodian financial community in defining the future of banking, and its commitment to becoming a "Cambodian Bank of Choice" by delivering a seamless and professional banking service with innovative products & services that are simple, convenient, and secured.



Best Innovation in Retail Banking Cambodia 2022

Date: September 2022

From: International Banker

The bank was awarded the Best Innovation in Retail Banking for three consecutive years for its efforts and dedication during the pandemic, particularly how we invested in digital banking and innovative products & services that enabled us to serve customers in their time of need with seamless, convenient, and safe banking services.



Leadership in Spending Per Active Card for Visa Debit & Credit in Affluent Segment 2022

Date: February 2023

From: Visa

These awards are the testament of the bank efforts in promoting and offering the benefits to encourage the customers spending with their Prince Bank Visa cards.

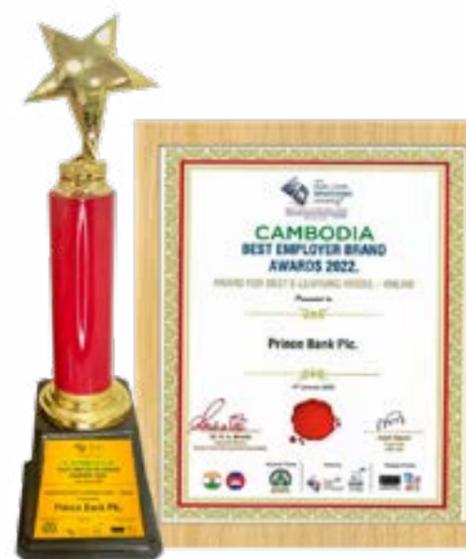


Cambodia Best Employer Brand Awards 2022

Date: January 2022

From: World HRD Congress

The bank won this award under the category of "Award for Best e-learning model – online". This award recognizes the hard work and continuous effort that the bank has invested in the digital enhancement for its employees to develop their skills and knowledge that's accessible and convenient. With the e-learning program on "HR in the Pocket app", our employees not only learn for their self-improvement but also to track their health condition via completing the daily health assessment and weekly COVID-19 rapid test, to ensure they are healthy and protected from the deadly virus.



Global Best Employer Brands Award 2022

Date: February 2022

From: World HRD Congress

The award recognized Prince Bank as one of the best employers with Excellence HR Through Technology in managing health at work. The bank launched HR In The Pocket app, which allows all employees to conduct COVID-19 health assessments and tracking their daily health conditions, and medical claim on the e-form system which employees can claim their medical expenses digitally.



Financial statement



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DIRECTORS' REPORT

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 2022 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 microfinance business 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 issued a 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 OPERATION AND DIVIDEND

The results of financial performance for the year ended 31 December 2022 are set out in the statement of profit or loss and other comprehensive income on page 97.

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 making of allowance for impairment losses and satisfied themselves that all known bad loans and advances had been written off and that adequate loss allowance has 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 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 is:

- (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. Chen Zhi	Chairman
Mr. Guy Chhay	Vice Chairman and Director
Mr. Honn Sorachna	Chief Executive Officer and Managing Director
Mr. Then Samvisoth	Independent Director
Mr. Sim Hoy Chhoung	Independent Director
Mr. Muhammad Bin Ibrahim	Independent Director (appointed on 02 November 2022)

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 2022, 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 Directors confirm 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 2022, and of its financial performance and its cash flows for the year then ended in accordance with the CIFRSs, were approved by the Directors.

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

MR. HONN SORACHNA

Chief Executive Officer and Managing Director

Phnom Penh, Kingdom of Cambodia

Date: 23 March 2023

INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS OF 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 2022, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Bank as at 31 December 2022, and its financial performance and cash flows for the year then ended, in accordance with Cambodian International Financial Reporting Standards ("CIFRSs") and the guidelines of the National Bank of Cambodia.

Basis for opinion

We conducted our audit in accordance with Cambodian International Standards on Auditing ("CISAs"). Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Bank in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) ("IESBA Code") together with the ethical requirements that are relevant to our audit of the financial statements in the Kingdom of Cambodia, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. 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, 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.

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to the Board of Directors and respond to that matter in accordance with the requirements of CISA 720 (revised).

Responsibilities of Management and the Board of Directors 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

Auditor's responsibilities for the audit of the financial statements

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

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

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

Grant Thornton 

GRANT THORNTON (CAMBODIA) LIMITED

Certified Public Accountants

Registered Auditors



NG YEE ZENT

Partner – Audit and assurance

Phnom Penh, Kingdom of Cambodia

Date: 23 March 2023

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (continue)

	Note	For the year ended		For the year ended	
		31 December 2022		31 December 2021	
		US\$	KHR'000	US\$	KHR'000
Other operating income			807,742	144,161	586,447
Other (losses)/gains - net	25	(63,052)	(2,579,110)	(304,577)	(1,239,019)
Total other operating (losses)/income		(433,415)	(1,771,368)	(160,416)	(652,572)
Credit impairment losses - net	26	(4,221,681)	(17,254,010)	(439,225)	(1,786,767)
Net other operating losses		(4,655,096)	(19,025,378)	(599,641)	(2,439,339)
Personnel expenses	27	(7,229,321)	(70,416,235)	(15,426,267)	(62,754,053)
Depreciation and amortization charges	28	(5,443,284)	(22,246,700)	(4,733,576)	(19,256,187)
Other operating expenses	29	(9,077,765)	(37,100,627)	(7,658,226)	(31,153,663)
Profit before income tax		2,376,144	9,771,300	3,995,003	16,251,674
Income tax expense	30	(1,595,162)	(6,519,427)	(1,104,464)	(4,492,960)
Net profit for the year		780,982	3,191,873	2,890,539	11,758,714
Other comprehensive income:					
<i>Items that will not be reclassified to profit or loss</i>					
Currency translation differences		-	182,604	-	223,488
Total comprehensive income for the year		780,982	3,374,477	2,890,539	11,982,202
Profit attributable to:		780,982	3,191,873	2,890,539	11,758,714
Owners of the Bank					
Total comprehensive income attributable to:		780,982	3,374,477	2,890,539	11,982,202
Owners of the Bank					

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

STATEMENT OF CHANGES IN EQUITY

	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	US\$	KHR'000
Balance at 1 January 2022	250,000,000	1,018,500,000	12,669,783	51,616,696	(3,021,145)	(12,290,016)	6,876,159	27,933,842	-	61,502	266,524,797	1,085,822,022
Net profit for the year	-	-	-	3,191,873	780,982	3,191,873	-	-	-	-	780,982	3,191,873
Other comprehensive income	-	-	-	-	-	-	-	-	-	182,604	-	182,604
Total comprehensive income for the year	-	-	-	-	780,982	3,191,873	-	-	-	182,604	780,982	3,374,477
Transactions with owners in their capacity as owners:												
Transfer to regulatory reserves	-	-	-	-	(6,672,142)	(27,269,044)	6,672,142	27,269,044	-	-	-	-
Currency translation differences	-	10,750,000	-	544,801	(1,601)	-	-	-	-	-	(1,601)	11,294,801
Total transactions with owners	-	10,750,000	-	544,801	(6,673,743)	(27,269,044)	6,672,142	27,269,044	-	-	(1,601)	11,294,801
Balance at 31 December 2022	250,000,000	1,029,250,000	12,669,783	52,161,497	(6,913,906)	(13,548,301)	13,548,301	55,202,886	244,106	244,106	267,304,178	1,100,491,300
As per restated Balance at 1 January 2021	250,000,000	1,011,250,000	12,669,783	51,249,272	(5,211,599)	(21,200,744)	6,176,063	25,085,651	-	(161,986)	263,634,258	1,066,222,393
Net profit for the year	-	-	-	2,890,539	780,982	2,890,539	780,982	2,890,539	-	-	2,890,539	11,758,714
Other comprehensive loss	-	-	-	-	-	-	-	-	-	223,488	-	223,488
Total comprehensive income for the year	-	-	-	2,890,539	2,890,539	2,890,539	2,890,539	2,890,539	-	223,488	2,890,539	11,982,202
Transactions with owners in their capacity as owners:												
Transfer to regulatory reserves	-	-	-	-	(700,096)	(2,847,991)	700,096	2,847,991	-	-	-	-
Currency translation differences	-	7,250,000	-	387,424	-	-	-	-	-	-	-	7,617,424
Total transactions with owners	-	7,250,000	-	387,424	(700,096)	(2,847,991)	700,096	2,847,991	-	-	-	7,617,424
Balance at 31 December 2021	250,000,000	1,018,500,000	12,669,783	51,616,696	(3,021,145)	(12,290,016)	6,876,159	27,933,842	-	61,502	266,524,797	1,085,822,022

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

STATEMENT OF CASHFLOW

Notes	For the year ended 31 December 2022		For the year ended 31 December 2021 As per restated	
	US\$	KHR'000	US\$	KHR'000
Operating activities				
Profit before income tax	2,376,144	9,711,300	3,995,003	16,251,674
Adjustments for:				
Depreciation-tangible	12	2,531,928	10,347,990	2,194,762
Amortisation-intangible	14	764,932	3,126,277	629,218
Amortisation-right of use assets	13	2,146,424	8,772,435	1,909,596
Expected credit losses on:				
Loans and advances		4,135,160	16,900,399	449,331
Credit commitment and financial guarantee		64,034	261,707	(4,227)
Balances with other banks		6,132	25,061	(7,797)
Investment securities		-	-	(6,979)
Other financial assets		12,121	49,539	8,897
Other advances		4,234	17,304	-
Disposal/write off property and equipment and intangible assets		1,625	6,641	83,843
Interest expenses on lease liability		927,027	3,788,759	948,795
Finance charged on capital contribution		4,889,298	19,982,561	2,630,516
Provision for employee benefits		766,905	3,134,341	671,221
Changes in:				
Statutory deposit		(11,206,087)	(45,799,278)	(17,161,273)
Balances with other banks		(41,660,141)	(170,264,996)	-
Balances with the Central Bank		15,529,578	63,469,385	(12,593,255)
Loan and advances		(232,690,951)	(951,007,917)	(131,073,103)
Other assets		(2,290,386)	(9,360,808)	(1,268,935)
Deposits from customers		217,369,364	888,388,591	194,144,953
Employee benefits		(789,849)	(3,228,113)	(680,943)
Other liabilities		(3,117,442)	(12,740,985)	4,057,760
Cash (used in)/generated from operations		(40,229,950)	(164,419,806)	48,927,383
Income tax paid		(1,675,931)	(6,849,530)	(1,182,215)
Net cash (used in)/generated from operating activities		(41,905,881)	(171,269,337)	47,745,168
Cash flow from investing activities				
Acquisition of property and equipment		(2,007,049)	(8,202,809)	(2,322,408)
Acquisition of intangible assets		(271,207)	(1,108,423)	(2,018,187)
Proceeds from disposal of property and equipment		1,199	4,900	13,094
Investment securities		(31,031,781)	(126,826,889)	(10,065,301)
Net cash used in investing activities		(33,308,838)	(136,133,221)	(58,549,919)
Cash flow from financing activities				
Proceeds from borrowings and subordinate debts		-	-	2,736,120

STATEMENT OF CASHFLOW (continue)

Notes	For the year ended 31 December 2022		For the year ended 31 December 2021 As per restated	
	US\$	KHR'000	US\$	KHR'000
Repayment of borrowings	(10,505,936)	(42,937,760)	-	-
Payments of principal portion of lease liabilities and interest expenses	(2,618,416)	(10,701,466)	(2,442,180)	(9,934,788)
Net cash/(used in) from financing activities	(13,124,352)	(53,639,226)	293,940	1,195,748
Net (decrease)/increase in cash and cash equivalents	(88,339,071)	(361,007,180)	33,646,306	136,873,173
Cash and cash equivalents at 1 January	202,822,649	826,299,472	169,176,343	684,318,306
Currency translation difference	-	6,071,202	-	5,107,993
Cash and cash equivalents at 31 December	114,483,578	471,328,890	202,822,649	826,299,472

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

NOTES TO THE FINANCIAL STATEMENTS AS AT 31 DECEMBER 2022 AND FOR THE YEAR THEN ENDED

1. The Bank

Prior to 18 July 2018, Prince Bank Plc. ("the Bank") 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 microfinance business 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") issued a 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 No. 175 ABCD, Mao Tse Tung Blvd, Phum Phum 5, Sangkat Tuol Svay Prey Ti Muoy, Khan Boeng Keng Kang, Phnom Penh, Cambodia.

The Bank is in the process of changing the new register head office to Prince Phnom Penh Tower Building No. 445, 1st Floor, 15th Floor, and 18th Floor, Monivong Blvd, Cornner Street No. 232, Sangkat Boeng Proluet, Khan Prampir Meakkakra, Phnom Penh, Cambodia. The request has submitted to NBC on 17th Jan 2023.

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 Boards (“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 revalued amounts or fair values at the end of each reporting period, as explained in the 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 consolidated 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 33 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

a). New and revised accounting standards effective during the year

The Bank adopted all accounting standards and interpretations as at 31 December 2022. The new and revised accounting standards and interpretations assessed to be applicable to the Bank’s financial statements follow:

- COVID-19-Related Rent Concessions beyond 31 December 2021 (Amendment to CIFRS 16, Leases)

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, CAS 39, Financial Instruments, CIFRS 7, Financial Instruments, CIFRS 4, Insurance Contracts, and CIFRS 16): was assessed to be not applicable to the Bank.
- Extension of the Temporary Exemption from Applying CIFRS 9 (Amendments to CIFRS 4)

b). New and revised accounting standards which are not yet effective

At the date of authorization 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:

- CIFRS 17, Insurance Contracts
- Amendments to IFRS 17 ‘Insurance Contracts’ (Amendments to IFRS 17 and IFRS 4)
- Classification of Liabilities as Current or Non-current (Amendments to IAS 1)
- Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2)
- Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction (Amendments to IAS 12)
- Disclosure of Accounting Policies (Amendments to IAS 1)
- Definition of Accounting Estimates (Amendments to IAS 8)

4. Summary of significant accounting policies

The significant 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 and shareholders' capital 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 2022 and 2021. As at the reporting date, the yearly average rate was US\$ 1 to KHR 4,087 (2021: US\$ 1 to KHR 4,068) and the closing rate was US\$1 to KHR 4,117 (2021: US\$ 1 to KHR 4,074).

4.2. Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents comprises 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 full ability to withdraw for general purpose whenever needed and 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 their 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). Recognition and derecognition

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.

On 28 December 2021, the NBC issued Circular No. B7.021.2314 on Classification and Provisioning Requirements on Restructured Loans. On 18 January 2022, a workshop between all banks and financial institutions ("BFIs") under the Association of Banks in Cambodia and the NBC was held to assist BFIs in their application of the Circular and to discuss other related practical issues. Following this workshop, the NBC informed BFIs through letter No. B7.022.167 dated 20 January 2022, the deferment of monthly report submission to 10 February 2022, and the change in financial data to be used for reporting purposes to January 2022, among others.

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 realise 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 amount 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 economic 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.

Customer loyalty points

The Bank recognises provision for customer loyalty points on a monthly basis which is measured based on the US\$ equivalent amount of total points earned by the customers from transactions. The amount recognised is credited to customer account in the following month. Provision for customer loyalty points is recognised as other liabilities in the statement of financial position.

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 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 favorable and unfavorable, that occur between the end of the reporting period and the date when the financial statements are authorized 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 behavior (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

d). Leases

The evaluation of whether an arrangement contains a lease is based on the substance. An arrangement is, or contains, a lease when the fulfilment of the arrangement depends on a specific asset or assets and the arrangement conveys the right to use the asset.

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.

Coronavirus and impact on ECL

Management provides its best estimate on the possible outcomes of COVID-19 on the Bank, however, this estimate may move materially as events unfold. In the event the impacts are more severe or prolonged than anticipated in the scenarios, this will have a corresponding impact on the ECL, the financial position and performance of the Bank.

Management has considered the impact of COVID-19 by:

- Incorporated forward-looking information through the use of regression analysis in computing the probability of default for ECL computation;
- Moving the stage of clients that have had significant increase in credit risk since initial recognition from stage 1 to stage 2; and,
- Moving the stage of clients that have had objective evidence of impairment at the reporting date from stage 2 to stage 3.

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.

5.3. Restatement

In 2022, the General Department of Taxation (GDT) conducted a comprehensive tax audit covering taxable years 2016 and 2017, and a limited tax audit for taxable year 2020. The Bank received tax reassessment in the amount of KHR483,361,501 and KHR25,361,345 as a result of the comprehensive and limited tax audit, respectively. The Bank paid these tax assessments in 2022 and made prior period adjustments. The impact of which is a restatement on retained earnings of the earliest comparative period of 1 January 2021 for a total amount of US\$124,870 (KHR508,722,846).

Moreover, the Bank initiated an internal review of its income tax liability for taxable year 2021 and identified certain non-deductible expenses to be added back for tax on income computation purposes. As such, the Bank restated the error in tax computation accordingly. The impact of which is a restatement to increase income tax expense in the amount of US\$483,625 for the period ended 31 December 2021.

The Bank also identified an overstatement in regulatory reserve as of 2017 in the amount of US\$6,025 and made a prior period adjustment to restate regulatory reserve by transferring the same amount to retained earnings as at 1 January 2021.

The effects of the restatements in the financial statements as at 31 December 2022, 31 December 2021 and 1 January 2021 are summarized as follow:

Statement of Financial Position:

	31 December 2020 As per report		Adjustment		01 January 2021 As per restated	
	US\$	KHR'000	US\$	KHR'000	US\$	KHR'000
Other assets	3,468,524	14,030,180	(124,870)	(505,100)	3,343,654	13,525,080
Total assets	599,513,924	2,425,033,824	(124,870)	(505,100)	599,389,054	2,424,528,724
Retained earnings	(5,086,718)	(20,008,722)	(118,845)	(484,175)	(5,205,563)	(20,492,897)
Regulatory reserves	6,176,063	25,085,851	(6,025)	(24,567)	6,170,038	25,061,284
Total equities	263,759,128	1,066,905,673	(124,870)	(505,100)	263,634,258	1,066,400,573
Total liabilities and equities.	599,513,924	2,425,033,824	(124,870)	(505,100)	599,389,054	2,424,528,724

	31 December 2021 As per report		Adjustment		31 December 2021 As per restated	
	US\$	KHR'000	US\$	KHR'000	US\$	KHR'000
Other assets	5,212,187	21,234,450	(608,495)	(2,479,009)	4,603,692	18,755,441
Total assets	805,713,420	3,282,476,473	(608,495)	(2,479,009)	805,104,925	3,279,997,464
Retained earnings	(2,418,674)	(9,663,861)	(602,471)	(2,626,157)	(3,021,145)	(12,290,018)
Regulatory reserves	6,882,184	27,958,351	(6,025)	(24,509)	6,876,159	27,933,842
Total equities	267,133,292	1,088,301,031	(608,495)	(2,479,009)	266,524,797	1,085,822,022
Total liabilities and equities.	805,713,420	3,282,476,473	(608,495)	(2,479,009)	805,104,925	3,279,997,464

Statement of Profit or Loss and Other Comprehensive Income

	31 December 2021 As per report		Adjustment		31 December 2021 As per restated	
	US\$	KHR'000	US\$	KHR'000	US\$	KHR'000
Other operating expenses	(7,174,601)	(29,186,274)	(483,625)	(1,967,389)	(7,658,226)	(31,153,663)
Profit before income tax	4,478,628	18,219,063	(483,625)	(1,967,389)	3,995,003	16,251,674
Net profit for the year	3,374,164	13,726,103	(483,625)	(1,967,389)	2,890,539	11,758,714

Statement of Changes in Equity

	31 December 2021 As per report		Adjustment		31 December 2021 As per restated	
	US\$	KHR'000	US\$	KHR'000	US\$	KHR'000
Accumulated losses						
Balance at 1 January 2021	(5,086,719)	(20,517,464)	(124,870)	(683,280)	(5,211,589)	(21,200,744)
Profit for the year	3,374,164	13,726,103	(483,625)	(1,967,386)	2,890,539	11,758,717
Total transactions with owners	(706,120)	(2,872,500)	6,025	24,509	(700,095)	(2,847,991)
Balance at 31 December 2021	(2,418,675)	(9,663,861)	(602,470)	(2,626,157)	(3,021,145)	(12,290,018)

Statement of Cash Flows

	31 December 2021 As per report		Adjustment		31 December 2021 As per restated	
	US\$	KHR'000	US\$	KHR'000	US\$	KHR'000
Profit before income tax	4,478,628	18,219,060	(483,625)	(1,967,386)	3,995,003	16,251,674

6. Cash on hand

	2022		2021	
	US\$	KHR'000	US\$	KHR'000
US Dollars	15,229,864	62,701,350	13,932,976	56,762,944
Khmer Riel	3,586,969	14,767,551	2,645,364	10,777,213
	<u>18,816,833</u>	<u>77,468,901</u>	<u>16,578,340</u>	<u>67,540,157</u>

7. Deposits and placements with the Central Bank

	2022		2021	
	US\$	KHR'000	US\$	KHR'000
Current accounts	65,896,213	271,294,709	103,543,519	421,836,296
Settlement accounts	4,672,251	19,235,657	9,681,136	39,440,948
Negotiable certificate of deposits	4,714,202	19,408,370	31,693,500	129,119,319
	<u>75,282,666</u>	<u>309,938,736</u>	<u>144,918,155</u>	<u>590,396,563</u>

Negotiable certificate of deposits

The Bank pledged its negotiable certificate of deposits amounting to US\$4,100,000 (2021: US\$17,850,000 and KHR7,250,000,000) with the Central Bank as collateral for settlement clearing facility. As at 31 December 2022 and 2021, the Bank has yet to utilise the settlement clearing facility.

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

	2022	2021
Current accounts	Nil	Nil
Settlement accounts	Nil	Nil
Negotiable certificate of deposits	0.04%-3.34%	0.02% - 1.64%

Total interest income earned from placements with the Central Bank amounted to US\$633,559 or KHR2,589,356,000 and US\$23,329 or KHR94,902,000 as at 31 December 2022 and 2021, respectively.

8. Deposits and placements with other banks

(a) By residency status

	2022		2021	
	US\$	KHR'000	US\$	KHR'000
Deposit and placements with local banks	43,691,724	179,878,828	57,586,269	234,606,460
Deposit and placements with overseas banks	22,452,495	92,436,922	3,369,463	13,727,192
Less:				
Allowance for expected credit loss (Note 34.1 (f)(iii))	(85,483)	(351,934)	(79,352)	(323,280)
	<u>66,058,736</u>	<u>271,963,816</u>	<u>60,876,380</u>	<u>248,010,372</u>

(b) By account type

	2022		2021	
	US\$	KHR'000	US\$	KHR'000
Deposits and placements with local banks				
Current accounts	2,019,097	8,312,622	642,248	2,616,519
Savings accounts	12,488	51,418	13,002	52,970
Fixed deposits	41,660,139	171,514,792	56,931,019	231,936,971
Less: allowance for expected credit loss (Note 34.1 (f) (iii))	(56,150)	(231,170)	(74,949)	(305,342)
	<u>43,635,574</u>	<u>179,647,662</u>	<u>57,511,320</u>	<u>234,301,118</u>
Deposits and placements with overseas banks				
Current accounts	22,452,495	92,436,922	3,369,463	13,727,192
Less: allowance for expected credit loss (Note 34.1 (f) (iii))	(29,333)	(120,768)	(4,403)	(17,938)
	<u>22,423,162</u>	<u>92,316,154</u>	<u>3,365,060</u>	<u>13,709,254</u>
	<u>66,058,736</u>	<u>271,963,816</u>	<u>60,876,380</u>	<u>248,010,372</u>

(c) By maturity

	2022		2021	
	US\$	KHR'000	US\$	KHR'000
Current	<u>66,058,736</u>	<u>271,963,816</u>	<u>60,876,380</u>	<u>248,010,372</u>

(d) By interest rates

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

	2022	2021
Current accounts	2.08%	Nil
Savings accounts	0.25% to 2.08%	Nil
Fixed deposits	1% - 5.50%	0.02% - 1.64%

9. Loans and advances

	2022		2021	
	US\$	KHR'000	US\$	KHR'000
<i>At amortised cost</i>				
Commercial loans:				
Financial institutions	11,073,211	45,588,410	6,487,252	26,429,065
Short-term	663,846	2,733,054	14,162,877	57,699,561
Overdrafts	18,886,300	77,754,897	5,576,910	22,720,331
Long-term loans	452,417,800	1,862,604,083	298,807,379	1,217,341,262
	<u>483,041,157</u>	<u>1,988,680,444</u>	<u>325,034,418</u>	<u>1,324,190,219</u>
Consumer loans:				
Real estate mortgages	174,539,955	718,580,995	110,976,164	452,116,892
Credit cards	2,601,605	10,710,808	2,311,612	9,417,507
Others	56,713,460	233,489,314	45,887,266	186,944,722
	<u>233,855,020</u>	<u>962,781,117</u>	<u>159,175,042</u>	<u>648,479,121</u>
Total gross loans	716,896,177	2,951,461,561	484,209,460	1,972,669,340
Less: Allowance for expected credit loss (Note 34.1 (f) (i))	(7,592,281)	(31,257,421)	(3,457,121)	(14,084,311)
Total net loans	<u>709,303,896</u>	<u>2,920,204,140</u>	<u>480,752,339</u>	<u>1,958,585,029</u>

(a) Allowance for expected credit loss

Movements for allowance for expected credit loss are as follows:

	2022		2021	
	US\$	KHR'000	US\$	KHR'000
Loss allowance as of 1 January	3,457,121	14,232,967	3,007,790	12,166,511
Net remeasurement of loss allowance	2,464,166	10,144,971	(161,350)	(656,372)
New financial assets originated or purchased	2,381,893	9,806,254	1,554,001	6,321,676
Financial assets derecognized during the year other than write off	(710,899)	(2,926,771)	(833,315)	(3,389,925)
Unwinding of discount	-	-	(110,005)	(447,500)
Currency translation difference	-	-	-	89,921
Loss allowance as of 31 December	<u>7,592,281</u>	<u>31,257,421</u>	<u>3,457,121</u>	<u>14,084,311</u>

(b) Analysis by industry

	2022		2021	
	US\$	KHR'000	US\$	KHR'000
Wholesale and retail trade	201,309,823	828,792,541	139,980,752	570,281,584
Real estate and mortgages	215,635,682	887,772,103	120,885,318	492,486,786
Personal lending	35,090,731	144,468,540	40,115,638	163,431,109
Building and construction	86,948,939	357,968,782	36,245,757	147,665,214
Services	53,862,007	221,749,883	28,361,501	115,544,755
Manufacturing	26,205,735	107,889,011	26,198,195	106,731,446
Agriculture, forestry and fishing	17,394,504	71,613,173	12,186,334	49,647,125
Financial institutions	10,999,981	45,286,922	6,784,534	27,640,192
Import and exports	6,906,633	28,434,608	5,995,413	24,425,313
Other lending	54,949,861	226,228,577	63,998,897	260,731,505
Total net loans	709,303,896	2,920,204,140	480,752,339	1,958,585,029

(c) Analysis by loan classification

	2022		2021	
	US\$	KHR'000	US\$	KHR'000
<i>Performing</i>				
Gross amount	674,386,410	2,776,448,850	458,024,956	1,865,993,671
Exposure at default	1,017,196,454	4,187,797,801	711,089,114	2,896,977,050
Allowance for expected credit loss	2,828,712	11,645,807	1,923,123	7,834,803
<i>Under-performing</i>				
Gross amount	15,693,421	64,609,814	20,792,310	84,707,871
Exposure at default	25,200,601	103,750,874	30,645,635	124,850,317
Allowance for expected credit loss	208,170	857,036	224,107	913,012
<i>Non-performing</i>				
Gross amount	26,816,347	110,402,901	5,392,194	21,967,798
Exposure at default	41,088,726	169,162,285	9,438,286	38,451,577
Allowance for expected credit loss	4,555,399	18,754,578	1,309,891	5,336,496
Total				
Gross amount	716,896,179	2,951,461,570	484,209,460	1,972,669,340
Exposure at default	1,083,485,781	4,460,710,960	751,173,035	3,060,278,944
Allowance for expected credit loss	7,592,281	31,257,421	3,457,121	14,084,311

(d) Analysis by maturity

	2022		2021	
	US\$	KHR'000	US\$	KHR'000
Not later than 1 year	40,015,385	164,743,341	38,800,055	158,071,424
Later than 1 year and not later than 3 years	50,412,934	207,550,049	19,337,039	78,779,097
Later than 3 years and not later than 5 years	33,477,806	137,828,127	23,973,590	97,668,406
Later than 5 years	585,397,771	2,410,082,623	398,641,655	1,624,066,102
Total net loans	709,303,896	2,920,204,140	480,752,339	1,958,585,029

(e) Analysis by exposure

	2022		2021	
	US\$	KHR'000	US\$	KHR'000
Large exposure	-	-	-	-
Non-large exposure	709,303,896	2,920,204,140	480,752,339	1,958,585,029
Total net loans	709,303,896	2,920,204,140	480,752,339	1,958,585,029

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) Analysis by relationship

	2022		2021	
	US\$	KHR'000	US\$	KHR'000
Related parties	2,660,209	10,952,081	1,491,206	6,075,173
Non-related parties	706,643,687	2,909,252,059	479,261,133	1,952,509,856
Total net loans	709,303,896	2,920,204,140	480,752,339	1,958,585,029

(g) Analysis by residency

	2022		2021	
	US\$	KHR'000	US\$	KHR'000
Residents	709,303,896	2,920,204,140	480,752,339	1,958,585,029
Non-residents	-	-	-	-
Total net loans	709,303,896	2,920,204,140	480,752,339	1,958,585,029

(h) Interest rates

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

	2022	2021
Commercial loans:		
Financial institutions	8.50% to 9.00%	8.50% to 9%
Short term loan	7.75% to 18.00%	7.50% to 14.40%
Overdraft	7.25% to 11.00%	6% to 11%
Long term loan	5.00% to 18.00%	5% to 18%
Consumer loans:		
Real estate mortgage loan	3.00% to 14.40%	3% to 14.40%
Credit card	18%	18%
Others	5.50% to 18.00%	6.90% to 20.40%

10. Investment securities

	2022		2021	
	US\$	KHR'000	US\$	KHR'000
Investment securities at amortised cost	46,110,240	189,835,858	15,078,459	61,429,642
Impairment loss allowance (Note 34.1 (f)(iv))	-	-	-	-
Net investment securities	<u>46,110,240</u>	<u>189,835,858</u>	<u>15,078,459</u>	<u>61,429,642</u>

On 20 April 2022, the Bank invested in three corporate debt securities with face value of US\$10,000,000, US\$10,000,000, and US\$15,000,000. The debt securities earn annual interest at the rates of 3.5%, 4.25% and 5.5% for first year, second year and third year, respectively.

On 14 December 2022, the one-year corporate debt securities with face value of US\$5,000,000 each and earn annual interest at the rate of 3.5% was fully collected. As at 31 December 2022, the remaining principle of debt securities is US\$45,000,000.

11. Statutory deposits with the Central Bank

	2022		2021	
	US\$	KHR'000	US\$	KHR'000
Current – Reserve requirement	44,239,825	182,135,360	33,110,190	134,890,914
Non-current – Capital guarantee deposits	25,081,917	103,262,252	25,005,466	101,872,269
	<u>69,321,742</u>	<u>285,397,612</u>	<u>58,115,656</u>	<u>236,763,183</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 and 2021, as required by NBC Prakas B7-020-230 Pro Kor, on Licensing of Bank and MDIs. 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 Central Bank, 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

	2022	2021
Reserve requirement	Nil	Nil
Capital guarantee	1.19%	0.04%

12. Property and equipment

	Leasehold improvements	Motor vehicles	Computer equipment	Office furniture and equipment	Construction work-in-progress	Total
	US\$	US\$	US\$	US\$	US\$	US\$
For the year ended 31 December 2022						
Opening net book value	252,110	1,927,360	2,003,872	1,649,146	148,018	5,980,506
Additions	328,132	254,805	207,788	220,285	996,040	2,007,050
Reclassifications	1,485	-	573,195	41,107	(615,787)	-
Disposal/write off	-	-	(2,824)	-	-	(2,824)
Depreciation charge	(118,311)	(384,866)	(1,132,760)	(895,991)	-	(2,531,928)
Closing net book value	<u>463,416</u>	<u>1,797,299</u>	<u>1,649,271</u>	<u>1,014,547</u>	<u>528,271</u>	<u>5,452,804</u>
As at 31 December 2022						
Cost	680,913	3,136,122	4,291,327	3,773,636	148,018	12,030,016
Addition	328,132	254,805	207,788	220,287	996,040	2,007,052
Reclassifications	1,485	-	573,195	41,107	(615,787)	-
Disposal/write off	-	-	(27,244)	-	-	(27,244)
Closing cost amount	<u>1,010,530</u>	<u>3,390,927</u>	<u>5,045,066</u>	<u>4,035,030</u>	<u>528,271</u>	<u>14,009,824</u>
As at 31 December 2022						
Accumulate depreciation	(428,803)	(1,208,762)	(2,287,455)	(2,124,492)	-	(6,049,512)
Depreciation Charge	(118,311)	(384,866)	(1,132,760)	(895,991)	-	(2,531,928)
Disposal/write off	-	-	24,420	-	-	24,420
Closing Accumulated depreciation	<u>(547,114)</u>	<u>(1,593,628)</u>	<u>(3,395,795)</u>	<u>(3,020,483)</u>	<u>-</u>	<u>(8,557,020)</u>
Net book value	<u>463,416</u>	<u>1,797,299</u>	<u>1,649,271</u>	<u>1,014,547</u>	<u>528,271</u>	<u>5,452,804</u>
<i>In KHR'000 equivalents</i>	<u>1,907,885</u>	<u>7,399,480</u>	<u>6,790,047</u>	<u>4,176,889</u>	<u>2,174,893</u>	<u>22,449,194</u>
For the year ended 31 December 2021						
Opening net book value	287,791	1,698,740	1,540,548	1,994,954	380,418	5,902,451
Additions	35,574	551,100	517,120	401,728	816,886	2,322,408
Transfer	4,895	-	872,864	125,950	(1,003,709)	-
Disposals/write off	-	-	(2,986)	(1,028)	(45,577)	(49,591)
Depreciation charge	(76,150)	(322,480)	(923,674)	(872,458)	-	(2,194,762)
Closing net book value	<u>252,110</u>	<u>1,927,360</u>	<u>2,003,872</u>	<u>1,649,146</u>	<u>148,018</u>	<u>5,980,506</u>
As at 31 December 2021						
Cost	680,913	3,136,122	4,291,327	3,773,636	148,018	12,030,016
Accumulated depreciation	(428,803)	(1,208,762)	(2,287,455)	(2,124,490)	-	(6,049,510)
Net book value	<u>252,110</u>	<u>1,927,360</u>	<u>2,003,872</u>	<u>1,649,146</u>	<u>148,018</u>	<u>5,980,506</u>
<i>In KHR'000 equivalents</i>	<u>1,027,096</u>	<u>7,852,065</u>	<u>8,163,775</u>	<u>6,718,625</u>	<u>603,025</u>	<u>24,364,581</u>

13. 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

	2022		2021	
	US\$	KHR'000	US\$	KHR'000
Right-of-use assets				
At the beginning of the year	10,967,025	44,679,660	12,469,348	50,438,513
Additions during the year	3,023,691	12,448,536	515,234	2,099,080
Depreciation for the year	(2,146,424)	(8,772,434)	(1,909,596)	(7,768,237)
Lease termination during the year	(1,422)	(5,854)	(107,961)	(439,833)
Currency translation differences	-	407,188	-	350,137
At the end of the year	<u>11,842,870</u>	<u>48,757,096</u>	<u>10,967,025</u>	<u>44,679,660</u>

	2022		2021	
	US\$	KHR'000	US\$	KHR'000
As at 31 December				
Cost	19,593,953	80,668,305	16,571,684	67,513,041
Accumulated depreciation	(7,751,083)	(31,911,209)	(5,604,659)	(22,833,381)
	<u>11,842,870</u>	<u>48,757,096</u>	<u>10,967,025</u>	<u>44,679,660</u>

	2022		2021	
	US\$	KHR'000	US\$	KHR'000
<i>Right-of-use assets (non-current)</i>				
Buildings	11,707,952	48,201,639	10,724,172	43,690,277
Equipment	134,918	555,457	242,853	989,383
	<u>11,842,870</u>	<u>48,757,096</u>	<u>10,967,025</u>	<u>44,679,660</u>

	2022		2021	
	US\$	KHR'000	US\$	KHR'000
Lease liabilities				
At the beginning of the year	12,474,574	50,821,414	13,564,170	54,867,068
Additions during the year	3,023,691	12,448,536	515,234	2,099,063
Interest expense for the year	927,027	3,788,759	948,657	3,859,137
Payment of principal and interest for the year	(2,618,416)	(10,701,466)	(2,439,180)	(9,922,584)
Lease termination during the year	(1,487)	(6,122)	(114,307)	(465,687)
Currency translation differences	-	485,666	-	384,417
At the end of the year	<u>13,805,389</u>	<u>56,836,787</u>	<u>12,474,574</u>	<u>50,821,414</u>

	2022		2021	
	US\$	KHR'000	US\$	KHR'000
Lease liabilities				
Less than one year	2,212,787	9,110,044	1,738,920	7,084,360
One to five years	8,684,356	35,753,494	8,938,916	36,417,144
More than five years	2,908,246	11,973,249	1,796,738	7,319,910
	<u>13,805,389</u>	<u>56,836,787</u>	<u>12,474,574</u>	<u>50,821,414</u>

	2022		2021	
	US\$	KHR'000	US\$	KHR'000
Lease liabilities				
Current	2,212,787	9,110,044	1,738,920	7,084,360
Non-current	11,592,602	47,726,743	10,735,654	43,737,054
	<u>13,805,389</u>	<u>56,836,787</u>	<u>12,474,574</u>	<u>50,821,414</u>

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

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

	2022		2021	
	US\$	KHR'000	US\$	KHR'000
<i>Depreciation charge of right-of-use assets</i>				
Buildings	2,038,490	8,331,309	1,802,378	7,332,074
Equipment	107,934	441,125	107,218	436,163
Depreciation charge (Note 28)	<u>2,146,424</u>	<u>8,772,434</u>	<u>1,909,596</u>	<u>7,768,237</u>
<i>Interest expense on lease liabilities</i>				
Buildings	913,702	3,734,300	932,320	3,792,678
Equipment	13,325	54,459	16,337	66,459
Interest expense (Note 23)	<u>927,027</u>	<u>3,788,759</u>	<u>948,657</u>	<u>3,859,137</u>
Expense relating to short-term leases (included in other operating expenses)	<u>215,210</u>	<u>879,563</u>	<u>118,311</u>	<u>481,289</u>

(iii) Amounts recognized in the statement of cash flows

	2022		2021	
	US\$	KHR'000	US\$	KHR'000
Total cash outflow for leases	<u>2,146,424</u>	<u>8,772,434</u>	<u>1,909,596</u>	<u>7,768,237</u>

14. Intangible assets

	Computer software	Construction work-in-progress	Total
	US\$	US\$	US\$
For the year ended 31 December 2022			
Opening net book value	5,950,429	663,410	6,613,839
Additions	81,883	189,325	271,208
Transfers	185,613	(185,613)	-
Amortisation	(764,932)	-	(764,932)
Closing net book value	5,452,993	667,122	6,120,115
As of 31 December 2022,			
Cost as of Jan'22	7,075,352	663,410	7,738,762
Addition	81,883	189,325	271,208
Transfers	185,613	(185,613)	-
Closing cost amount	7,342,848	667,122	8,009,970
As of 31 December 2022,			
Opening accumulated depreciation	(1,124,923)	-	(1,124,923)
Amortisation	(764,932)	-	(764,932)
Closing accumulated amortisation	(1,889,855)	-	(1,889,855)
Net book value	5,452,993	667,122	6,120,115
In KHR'000 equivalents	22,449,974	2,746,539	25,196,513

	Computer software	Construction work-in-progress	Total
	US\$	US\$	US\$
For the year ended 31 December 2021			
Opening net book value	4,422,214	850,002	5,272,216
Additions	905,940	1,112,247	2,018,187
Transfers	1,298,839	(1,298,839)	-
Write-off	(47,346)	-	(47,346)
Amortisation	(629,218)	-	(629,218)
Closing net book value	5,950,429	663,410	6,613,839
As of 31 December 2021			
Cost	7,075,353	663,410	7,738,763
Accumulated amortisation	(1,124,924)	-	(1,124,924)
Net book value	5,950,429	663,410	6,613,839
In KHR'000 equivalents	24,242,049	2,702,732	26,944,780

15. Deferred tax assets

	2022		2021	
	US\$	KHR'000	US\$	KHR'000
Deferred tax assets	3,692,929	15,203,789	3,150,006	12,833,130
Deferred tax liabilities	(3,556,044)	(14,640,233)	(2,529,472)	(10,305,074)
Net deferred tax assets – non-current	136,885	563,556	620,534	2,528,056

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

	2022		2021	
	US\$	KHR'000	US\$	KHR'000
As of 1 January,	620,534	2,528,056	179,759	727,125
Recognised in profit or loss (Note 30 (a))	(483,649)	(1,976,673)	440,775	1,793,073
Currency translation differences	-	12,173	-	7,858
As of 31 December,	136,885	563,556	620,534	2,528,056

Deferred tax assets are mainly from the temporary differences, and they are recognized as it is probable that the Bank will be able to utilize those temporary differences in the future.

Deferred tax assets:

	Impairment loss	Unamortised loan fees	Lease liabilities	Seniority payment	Unrealised exchange	Total
	US\$	US\$	US\$	US\$	US\$	US\$
As of 1 January 2022,	-	644,046	2,494,915	11,045	-	3,150,006
Recognised in profit or loss	-	287,805	266,163	(11,045)	-	542,923
As of 31 December 2022,	-	931,851	2,761,078	-	-	3,692,929
In KHR'000 equivalents	-	3,836,431	11,367,358	-	-	15,203,789
As of 1 January 2021,	-	490,348	2,712,834	12,990	63,027	3,279,199
Recognised in profit or loss	-	153,698	(217,919)	(1,945)	(63,027)	(129,193)
As of 31 December 2021,	-	644,046	2,494,915	11,045	-	3,150,006
In KHR'000 equivalents	-	2,623,845	10,164,286	44,999	-	12,833,130

Deferred tax liabilities

	Accelerated depreciation	Right-of-use assets	Impairment loss	Other impairment loss	Total
	US\$	US\$	US\$	US\$	US\$
As at 1 January 2022	(174,422)	(2,193,404)	(117,204)	(44,442)	(2,529,472)
Recognised in profit or loss	(34,221)	(175,170)	(734,824)	(82,357)	(1,026,572)
As at 31 December 2022	(208,643)	(2,368,574)	(852,028)	(126,799)	(3,556,044)
<i>In KHR'000 equivalents</i>	<i>(858,983)</i>	<i>(9,751,420)</i>	<i>(3,507,799)</i>	<i>(522,031)</i>	<i>(14,640,233)</i>
As at 1 January 2021	(339,893)	(2,493,870)	(264,281)	-	(3,098,044)
Recognised in profit or loss	165,471	300,466	147,077	(44,442)	568,572
As at 31 December 2021	(174,422)	(2,193,404)	(117,204)	(44,442)	(2,529,472)
<i>In KHR'000 equivalents</i>	<i>(710,596)</i>	<i>(8,935,930)</i>	<i>(477,490)</i>	<i>(181,058)</i>	<i>(10,305,074)</i>

16. Other assets

	2022		2021 As per restated	
	US\$	KHR'000	US\$	KHR'000
Deposits, gross	2,811,664	11,575,621	2,323,760	9,466,998
Allowance for expected credit loss (Note 34.1 (f)(v))	(39,422)	(162,300)	(27,301)	(111,224)
	2,772,242	11,413,321	2,296,459	9,355,774
Prepayments	1,308,241	5,386,028	959,938	3,910,787
Others	2,801,474	11,533,668	1,347,295	5,488,880
	6,881,957	28,333,017	4,603,692	18,755,441

	2022		2021 As per restated	
	US\$	KHR'000	US\$	KHR'000
Current	1,381,442	5,687,397	934,496	3,807,136
Non-current	5,500,515	22,645,620	3,669,196	14,948,305
	6,881,957	28,333,017	4,603,692	18,755,441

17. Deposits from customers

	2022		2021	
	US\$	KHR'000	US\$	KHR'000
Current accounts	294,639,270	1,213,029,875	194,687,422	793,156,557
Savings deposits	19,950,124	82,134,661	21,141,083	86,128,772
Fixed deposits	287,617,706	1,184,122,096	175,496,766	714,973,825
	602,207,100	2,479,286,632	391,325,271	1,594,259,154
Accrued interest payable	9,480,817	39,032,524	2,993,284	12,194,639
	611,687,919	2,518,319,163	394,318,555	1,606,453,793

	2022		2021	
	US\$	KHR'000	US\$	KHR'000
Current	500,931,573	2,062,335,287	333,494,082	1,358,654,890
Non-current	110,756,346	455,983,876	60,824,473	247,798,903
	611,687,919	2,518,319,163	394,318,555	1,606,453,793

Annual interest rates for deposits from customers are as follows:

	2022	2021
Current accounts	1.00% - 1.75%	1.00% - 2.00%
Savings deposits	1.00% - 1.75%	1.00% - 1.75%
Fixed deposits	2.00% - 8.00%	2.00% - 8.00%

18. Borrowings

	2022		2021	
	US\$	KHR'000	US\$	KHR'000
Non-current:				
Mr. Chen Zhi	65,728,621	270,604,733	63,200,597	257,479,233
Oceanic Opportunity Fund	40,000,000	164,680,000	50,000,000	203,700,000
SME Bank of Cambodia	4,786,923	19,707,762	4,012,360	16,346,355
	110,515,544	454,992,495	117,212,957	477,525,588

On 14 July 2016, the Bank entered into a loan agreement with Mr. Chen Zhi, a shareholder of the Bank with a total amount of US\$6 million. During 2018, the Bank entered into other loan agreements with him for additional loans aggregating US\$55 million.

On 5 June 2015 and 17 December 2015, the Bank entered into loan agreements with Mr. Guy Chhay, another shareholder of the Bank, for facilities amounting to US\$2 million, and US\$3 million, respectively. On 8 February 2018, Mr. Guy Chhay entered into a settlement agreement with Mr. Chen Zhi to transfer these facilities to Mr. Chen Zhi. Therefore, the outstanding borrowings from Mr. Chen Zhi is US\$66 million as at 31 December 2018. The loans are unsecured and bear interest rate at 4% per annum.

On 12 February 2019, the Bank entered into another new loan agreement with Mr. Chen Zhi for a total amount of US\$78 million with interest rate of 4% per annum. The Bank has fully drawdown the US\$78 million.

On 14 June 2019, the Bank entered into a loan agreement with Mr. Chen Zhi with total amount of US\$128 million at zero interest rate. As at 31 December 2020, the Bank has drawn down US\$76 million. The Bank is required to pay within 5 years from each drawdown date.

On 29 October 2019, the Bank entered into a loan agreement with Oceanic Opportunity Fund Pcc, for facilities of US\$50 million guaranteed by Mr. Chen Zhi. The loan bears interest rate at 3% per annum. The maturity of the loan is 5 years from each drawdown date. On 10th Mar 2022, US\$10 million is paid to Oceanic Opportunity Fund Pcc.

On 31 March 2020, the Bank entered into a loan facility agreement with the SME Bank of Cambodia to obtain funds in order to provide loans to SME customers. The loan bears interest rate of 2% and 3% per annum. As at 31 December 2022, the Bank has drawn down amounting to US\$4,980,461 and KHR3,280,000,000 (2021: US\$3,553,932 and KHR1,867,634,700).

	2022		2021	
	US\$	KHR'000	US\$	KHR'000
Principal amount	110,515,544	454,992,495	117,212,957	477,525,588
Interest payable	1,280,498	5,271,810	199,725	813,678
	<u>111,796,042</u>	<u>460,264,305</u>	<u>117,412,682</u>	<u>478,339,266</u>

Changes in liabilities arising from financing activities – borrowings

	2022		2021	
	US\$	KHR'000	US\$	KHR'000
<i>Principal amount</i>				
At 1 January	117,212,957	477,525,588	111,846,321	452,418,369
Additions	(10,505,936)	(43,252,939)	2,736,120	11,146,953
Finance charges	3,808,523	15,679,689	2,630,516	10,716,722
Currency translation differences	-	5,040,157	-	3,243,544
At 31 December	<u>110,515,544</u>	<u>454,992,495</u>	<u>117,212,957</u>	<u>477,525,588</u>

	2022		2021	
	US\$	KHR'000	US\$	KHR'000
<i>Interest payables</i>				
At 1 January	199,724	813,675	197,334	798,215
Charge during the year (Note 23)	3,892,385	15,908,177	3,965,217	16,130,503
Finance charges	(2,528,024)	(10,332,034)	(2,430,792)	(9,888,462)
Interest payments	(283,587)	(1,159,020)	(1,532,034)	(6,232,315)
Currency translation differences	-	4,102	-	5,737
At 31 December	<u>1,280,498</u>	<u>5,271,810</u>	<u>199,725</u>	<u>813,678</u>

19. Current income tax liabilities

	2022		2021	
	US\$	KHR'000	US\$	KHR'000
At 1 January	1,126,685	4,590,115	763,661	3,089,009
Additions	1,615,715	6,603,427	1,545,239	6,286,033
Payments	(2,180,133)	(8,910,204)	(1,182,215)	(4,809,251)
Currency translation differences	-	31,515	-	24,324
On 31 December	<u>562,267</u>	<u>2,314,853</u>	<u>1,126,685</u>	<u>4,590,115</u>

20. Employee benefits

	2022		2021	
	US\$	KHR'000	US\$	KHR'000
On 1 January	55,228	224,999	64,950	262,723
Additions	766,905	3,134,341	680,943	2,770,076
Payments	(782,669)	(3,198,768)	(680,943)	(2,770,076)
Adjustments	(7180)	(29,345)	(9,722)	(39,549)
Currency translation differences	-	1,686	-	1,825
On 31 December	<u>32,284</u>	<u>132,913</u>	<u>55,228</u>	<u>224,999</u>

21. Other liabilities

	2022		2021	
	US\$	KHR'000	US\$	KHR'000
Amount due to related parties (Note 33 (f))	4,432,634	18,249,154	10,209,060	41,591,710
Accrued bonus/incentive payable	1,758,249	7,238,712	1,717,638	6,997,657
Taxes payable	207,350	853,660	54,566	222,302
Impairment loss for ECL on credit commitment and financial guarantee contracts (Note 34.1 (f)(ii))	103,642	426,694	39,608	161,363
Others	3,638,790	14,980,898	1,171,532	4,772,823
	<u>10,140,665</u>	<u>41,749,118</u>	<u>13,192,404</u>	<u>53,745,855</u>

	2022		2021	
	US\$	KHR'000	US\$	KHR'000
Current	10,140,665	41,749,118	13,192,404	53,745,855
Non-current	-	-	-	-
	<u>10,140,665</u>	<u>41,749,118</u>	<u>13,192,404</u>	<u>53,745,855</u>

22. Share capital

The total authorized numbers of shares of the Bank as at 31 December 2022 was 250,000 shares (2021: 250,000 shares) with a par value of US\$1,000 per share (2021: US\$1,000 per share). All authorized shares are issued and fully paid up.

	2022		2021	
	US\$	KHR'000	US\$	KHR'000
On 1 January	250,000,000	1,018,500,000	250,000,000	1,011,250,000
Currency translation differences	-	10,750,000	-	7,250,000
On 31 December	<u>250,000,000</u>	<u>1,029,250,000</u>	<u>250,000,000</u>	<u>1,018,500,000</u>

Shareholders

	2022			2021		
	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
	<u>250,000</u>	<u>100%</u>	<u>250,000,000</u>	<u>250,000</u>	<u>100%</u>	<u>250,000,000</u>
<i>In KHR'000 equivalents</i>			<u>1,029,250,000</u>			<u>1,018,500,000</u>

23. Net interest income

	2022		2021	
	US\$	KHR'000	US\$	KHR'000
Interest income from financial assets at amortised cost:				
Loans and advances	53,393,274	218,218,311	40,759,072	165,807,905
Deposits and placements with other banks	1,203,346	4,918,075	1,720,436	6,998,734
Deposits and placements with the Central Bank	633,559	2,589,356	23,329	94,902
Investment securities	1,694,281	6,924,526	78,459	319,171
Loan processing fees	1,160,759	4,744,022	1,071,513	4,358,915
	<u>58,085,219</u>	<u>237,394,290</u>	<u>43,652,809</u>	<u>177,579,627</u>
Interest expense on financial liabilities at amortised cost:				
Deposits from customers	17,423,966	71,211,750	7,974,873	32,441,783
Borrowings (Note 18)	3,892,385	15,908,177	3,965,217	16,130,503
Lease liabilities (Note 13 (ii))	927,027	3,788,759	948,657	3,859,137
Lease security deposit	26,359	107,729	25,250	102,717
	<u>22,269,737</u>	<u>91,016,415</u>	<u>12,913,997</u>	<u>52,534,140</u>
Net interest income	<u>35,815,482</u>	<u>146,377,875</u>	<u>30,738,812</u>	<u>125,045,487</u>

24. Net fee and commission income

	2022		2021	
	US\$	KHR'000	US\$	KHR'000
Fee and commission income:				
Processing fee for late payment	1,738,373	7,104,730	1,167,060	4,747,600
Miscellaneous loan charges	37,953	155,114	55,508	225,807
Other fees	1,342,752	5,487,828	557,311	2,267,141
	<u>3,119,078</u>	<u>12,747,672</u>	<u>1,779,879</u>	<u>7,240,548</u>
Fee and commission expense	(152,950)	(625,107)	(105,978)	(431,119)
Net fee and commission income	<u>2,966,128</u>	<u>12,122,565</u>	<u>1,673,901</u>	<u>6,809,429</u>

25. Other losses

	2022		2021	
	US\$	KHR'000	US\$	KHR'000
Loss on foreign exchange	(629,427)	(2,572,469)	(220,734)	(897,946)
Loss on disposal of assets	(1,625)	(6,641)	(83,843)	(341,073)
	<u>(631,052)</u>	<u>(2,579,110)</u>	<u>(304,577)</u>	<u>(1,239,019)</u>

26. Credit impairment losses - net

	2022		2021	
	US\$	KHR'000	US\$	KHR'000
Expected credit loss (ECL):				
Loans and advances	4,135,160	16,900,399	449,331	1,827,879
Credit commitment and financial guarantee	64,034	261,707	(4,227)	(17,195)
Deposits and placements with other banks	6,132	25,061	(7,797)	(31,718)
Investment securities	-	-	(6,979)	(28,391)
Other financial assets	12,121	49,539	8,897	36,192
Other advances	4,234	17,304	-	-
	<u>4,221,681</u>	<u>17,254,010</u>	<u>439,225</u>	<u>1,786,767</u>

27. Personnel expenses

	2022		2021	
	US\$	KHR'000	US\$	KHR'000
Salaries and wages	12,108,959	49,489,315	10,821,803	44,023,095
Bonuses and incentive	3,204,646	13,097,388	2,996,263	12,188,798
Seniority payments	799,373	3,267,037	671,221	2,730,527
Employee training	237,924	972,397	88,407	359,640
Other employee benefits	878,419	3,590,098	848,573	3,451,993
	<u>17,229,321</u>	<u>70,416,235</u>	<u>15,426,267</u>	<u>62,754,053</u>

28. Depreciation and amortization charge

	2022		2021	
	US\$	KHR'000	US\$	KHR'000
Depreciation charge on property and equipment (Note 12)	2,531,928	10,347,989	2,194,762	8,928,292
Depreciation charge on right-of-use assets (Note 13)	2,146,424	8,772,434	1,909,596	7,768,237
Amortization charge on intangible assets (Note 14)	764,932	3,126,277	629,218	2,559,658
	<u>5,443,284</u>	<u>22,246,700</u>	<u>4,733,576</u>	<u>19,256,187</u>

29. Other operating expenses

	2022		2021	
	US\$	KHR'000	US\$	KHR'000
Professional fees	2,605,387	10,648,221	1,860,910	7,570,181
Marketing and advertising costs	1,185,126	4,843,606	1,048,775	4,266,417
Card expenses	609,577	2,491,341	438,085	1,782,130
License and patent fees	454,045	1,855,682	443,672	1,804,858
Communication	449,156	1,835,701	414,256	1,685,193
Utilities	431,682	1,764,284	397,110	1,615,443
Directors' fees	413,094	1,688,315	354,219	1,440,963
Office supplies	350,067	1,430,724	321,601	1,308,273
Repairs and maintenance	309,987	1,266,917	224,945	915,076
Motor vehicle and running costs	301,094	1,230,571	176,239	716,940
Business and public relations	267,070	1,091,515	121,866	495,751
Security	263,644	1,077,513	239,736	975,246
Rental	215,210	879,563	118,311	481,289
Traveling	206,095	842,310	46,527	189,272
Insurance	71,421	291,898	51,698	210,307
Printing	53,647	219,255	30,404	123,683
Stamp and registration	45,833	187,319	43,239	175,896
Charitable donation	18,948	77,440	25,882	105,288
Others	826,682	3,378,652	1,300,751	5,291,457
	<u>9,077,765</u>	<u>37,100,827</u>	<u>7,658,226</u>	<u>31,153,663</u>

30. Income tax expense

(a) Income tax expense

	2022		2021	
	US\$	KHR'000	US\$	KHR'000
Current income tax	1,111,513	4,542,754	1,545,239	6,286,033
Deferred income tax (Note 15)	483,649	1,976,673	(440,775)	(1,793,073)
	<u>1,595,162</u>	<u>6,519,427</u>	<u>1,104,464</u>	<u>4,492,960</u>

(b) Reconciliation between income tax expenses and accounting profit

	2022		2021	
	US\$	KHR'000	US\$	KHR'000
Profit before income tax	2,376,144	9,711,300	3,995,003	16,251,674
Tax effect of reconciling items:				
Expenses not deductible for tax purposes	5,599,666	22,885,835	1,527,317	6,213,126
Taxable profit	7,975,810	32,597,135	5,522,320	22,464,800
Income tax expense	<u>1,595,162</u>	<u>6,519,427</u>	<u>1,104,464</u>	<u>4,492,960</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.

Effective from 2017, the Bank may be exempted from Minimum Tax provided the Bank complies with the conditions governing the maintenance of proper accounting records. The tax regulations also defined five criteria of improper accounting records. At the reporting date, the Bank has yet to claim the exemption on Minimum Tax.

(c) Other matter

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

	2022		2021	
	US\$	KHR'000	US\$	KHR'000
Cash on hand (Note 6)	18,816,833	77,468,901	16,578,340	67,540,157
Deposits and placements with the Central Bank:				
Current accounts (Note 7)	65,896,213	271,294,709	103,543,519	421,836,296
Settlement accounts (Note 7)	4,672,251	19,235,657	9,681,136	39,440,948
Negotiable certificate of deposits (Note 7)	614,202	2,528,670	12,063,922	49,148,419
Deposits and placements with other banks:				
Current accounts (Note 8)	24,471,592	100,749,544	4,011,711	16,343,711
Savings accounts (Note 8)	12,487	51,409	13,002	52,970
Term deposits (maturity of three months or less) (Note 8)	-	-	56,931,019	231,936,971
	<u>114,483,578</u>	<u>471,328,890</u>	<u>202,822,649</u>	<u>826,299,472</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:

	2022		2021	
	US\$	KHR'000	US\$	KHR'000
Credit commitment	25,480,929	104,904,985	27,570,001	112,320,184
Financial guarantee contracts	4,320,479	17,787,412	3,256,290	13,266,125
Total exposure	<u>29,801,408</u>	<u>122,692,397</u>	<u>30,826,291</u>	<u>125,586,309</u>

	2022		2021	
	US\$	KHR'000	US\$	KHR'000
Credit commitments and financial guarantee contracts	29,801,408	122,692,397	30,826,291	125,586,309
Allowance for expected credit loss (Note 34.1)	(103,642)	(426,694)	(39,608)	(161,363)
Net exposure	<u>29,697,766</u>	<u>122,265,703</u>	<u>30,786,683</u>	<u>125,424,946</u>

(b) Capital commitment

	2022		2021	
	US\$	KHR'000	US\$	KHR'000
Intangible assets	2,023,268	8,329,794	2,026,665	8,256,633
Tangible assets	<u>107,166</u>	<u>441,202</u>	<u>91,489</u>	<u>372,726</u>

(c) Operating lease commitments

The Bank recognized 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 13 for further information). The lease commitments of short-term leases are insignificant.

33. Related party transactions and balances

The Bank entered 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 relating 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

	2022		2021	
	US\$	KHR'000	US\$	KHR'000
Related companies	920,124	3,788,151	930,180	3,789,553
Interest income	78,023	318,881	88,450	359,815

Loans and advances to companies under common control are secured and bear interest at the rate of 10% per annum.

(c) Loans and advances to key management personnel

	2022		2021	
	US\$	KHR'000	US\$	KHR'000
Loans to key management personnel	1,917,284	7,893,458	632,230	2,575,705
Interest income	96,892	395,997	28,428	115,645

Loans and advances to key management personnel are secured and bear interest at the rate of 5.50% to 8.00 % per annum.

(d) Deposits from related parties

	2022		2021	
	US\$	KHR'000	US\$	KHR'000
Related companies	21,144,574	87,052,213	10,297,767	41,953,103
Directors and key management	191,693,030	789,200,204	130,148,714	530,225,861
	<u>212,837,604</u>	<u>876,252,417</u>	<u>140,446,481</u>	<u>572,178,964</u>
Interest expenses	<u>3,104,740</u>	<u>12,689,072</u>	<u>1,882,869</u>	<u>7,659,511</u>

Average interest rates during the year are as follows:

	2022	2021
Related companies	1%- 2%	1%- 2%
Directors and key management	1%- 2%	1%- 2%

(e) Borrowings from a shareholder

	2022		2021	
	US\$	KHR'000	US\$	KHR'000
Borrowings from shareholder balance	<u>65,728,621</u>	<u>270,604,733</u>	<u>63,200,597</u>	<u>257,479,233</u>
Interest expense (imputed based on market rate of 4%)	<u>2,528,024</u>	<u>10,332,034</u>	<u>2,430,792</u>	<u>9,888,462</u>

Borrowing from a shareholder is at zero percent for 2022 (2021: 0% per annum) (Note 18).

(f) Amount due to related parties

	2022		2021	
	US\$	KHR'000	US\$	KHR'000
Related companies	<u>4,432,634</u>	<u>18,249,154</u>	<u>10,209,060</u>	<u>41,591,710</u>

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

(g) Key management compensation

	2022		2021	
	US\$	KHR'000	US\$	KHR'000
Salaries and short-term benefits	<u>2,683,662</u>	<u>11,048,635</u>	<u>2,171,862</u>	<u>8,848,166</u>

(h) Other transactions with related parties

	2022		2021	
	US\$	KHR'000	US\$	KHR'000
Office rental	1,567,783	6,407,529	1,406,901	5,723,273
Purchasing services	164,619	672,798	88,461	359,859
	<u>1,732,402</u>	<u>7,080,327</u>	<u>1,495,362</u>	<u>6,083,132</u>

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:

	2022		2021	
	US\$	KHR'000	US\$	KHR'000
Assets				
Financial assets at amortised costs				
Cash on hand	18,816,833	77,468,901	16,578,340	67,540,157
Deposits and placements with the Central Bank	75,282,666	309,938,736	144,918,155	590,396,563
Deposits and placements with other banks	66,058,736	271,963,816	60,876,380	248,010,372
Statutory deposits with the Central Bank	69,321,742	285,397,612	58,115,656	236,763,183
Loans and advances	709,303,896	2,920,204,140	480,752,339	1,958,585,029
Investment securities	46,110,240	189,835,858	15,078,459	61,429,642
Other financial assets*	592,539	2,439,483	575,481	2,344,510
Total assets	<u>985,486,652</u>	<u>4,057,248,546</u>	<u>776,894,810</u>	<u>3,165,069,456</u>

*Excludes prepayments and non-refundable deposits

	2022		2021	
	US\$	KHR'000	US\$	KHR'000
Liabilities				
Financial liabilities at amortised cost				
Deposits from customers	611,687,919	2,518,319,163	394,318,555	1,606,453,793
Borrowings	111,796,042	460,264,305	117,412,682	478,339,266
Employee benefits	32,284	132,913	55,228	224,999
Other financial liabilities*	9,933,315	40,895,461	13,137,837	53,523,549
Not within scope of CIFRS 9				
Lease liabilities	13,805,389	56,836,782	12,474,574	50,821,414
Total liabilities	747,254,949	3,076,448,624	537,398,876	2,189,363,021

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.

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 recognize 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 recognized 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 recognized.

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 recognized.

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

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.

(iii) 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.

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 amortizing 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 10% to hard title secured facilities and 20% to soft title secured facilities, 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 incorporate 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 2022 and 2021, 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 analyzed 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.

Macroeconomic variable assumptions

The most significant period-end assumptions used for the ECL estimate as of 31 December 2022 and 31 December 2021 are set out below. The scenario “base”, “best”, and “worst” were used for all portfolios.

	31 December 2022				
	2023	2024	2025	2026	2027
Gross fixed investment					
Base	28.00	27.5	27.00	27.00	27.00
Best	26.72	26.22	25.72	25.72	25.72
Worst	29.28	28.78	28.28	28.28	28.28

	31 December 2021				
	2022	2023	2024	2025	2026
Gross fixed investment					
Base	8.40	8.40	8.40	8.40	8.40
Best	10.25	10.45	10.45	10.45	10.45
Worst	6.15	6.35	6.35	6.35	6.35

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.

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.

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 Gross Fixed Investment, 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 2021 and 31 December 2022 that would result from reasonably possible changes in these parameters from the actual assumptions used in the Bank's economic variable assumptions:

	ECL US\$
GROSS FIX INVESTMENT	
Annual growth rate increase by 25%	7,047,484
No change	7,695,923
Annual growth rate decreases by 25%	8,344,360

(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.

(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% 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 recognized 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:

	2022		2021	
	US\$	KHR'000	US\$	KHR'000
Credit risk exposure related to on-balance sheet assets:				
Deposits and placements with other banks	66,144,218	272,315,746	60,955,732	248,333,652
Loans and advances	716,896,177	2,951,461,561	484,209,460	1,972,669,340
Investment securities	46,110,240	189,835,858	15,078,459	61,429,642
Other financial assets	592,539	2,439,483	575,481	2,344,510
Credit risk exposure related to off-balance sheet items:				
Credit related commitments	25,480,929	104,904,985	27,570,001	112,320,184
Financial guarantee contracts	4,320,479	17,787,412	3,256,290	13,266,125
Total gross credit exposure	859,544,582	3,538,745,045	591,645,423	2,410,363,453
Loss allowance (ECL)	(7,820,828)	(32,198,349)	(3,603,382)	(14,680,178)
Total net credit exposure	851,723,754	3,506,546,696	588,042,041	2,395,683,275

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, 83.41% for the Bank (2021: 81.84%) 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 ranging from 50% to 80%.
- 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.

Credit quality description is summarised as follows:

Credit Quality	Description
Standard monitoring	Obligors in this category exhibit strong capacity to meet financial commitment. 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.
Special monitoring	Obligors in this category have an acceptable capacity to meet financial commitments. 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.
Default/Credit impaired	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/federal government or guarantee by central banks/federal 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.

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

	2022				2021			
	12-month	Lifetime ECL	Lifetime ECL	Total	12-month	Lifetime ECL	Lifetime ECL	Total
	ECL	not credit-impaired	credit-impaired	US\$	ECL	not credit-impaired	credit-impaired	US\$
Deposits and placements with other banks								
Investment grade	63,104,148	-	-	63,104,148	43,798,555	-	-	43,798,555
No rating	3,040,071	-	-	3,040,071	17,157,177	-	-	17,157,177
Gross carrying amount	66,144,219	-	-	66,144,219	60,955,732	-	-	60,955,732
Loss allowance (ECL)	(85,483)	-	-	(85,483)	(79,352)	-	-	(79,352)
Net carrying amount	<u>66,058,736</u>	-	-	<u>66,058,736</u>	<u>60,876,380</u>	-	-	<u>60,876,380</u>
<i>In KHR000 equivalents</i>	<u>271,963,816</u>	-	-	<u>271,963,816</u>	<u>248,010,372</u>	-	-	<u>248,010,372</u>
Loans and advances at amortised cost								
Standard monitoring	674,386,409	-	-	674,386,409	458,024,956	-	-	458,024,956
Special monitoring	-	15,693,421	-	15,693,421	-	20,792,310	-	20,792,310
Default	-	-	26,816,347	26,816,347	-	-	5,392,194	5,392,194
Gross carrying amount	<u>674,386,409</u>	<u>15,693,421</u>	<u>26,816,347</u>	<u>716,896,177</u>	<u>458,024,956</u>	<u>20,792,310</u>	<u>5,392,194</u>	<u>484,209,460</u>
Loss allowance (ECL)	(2,828,712)	(208,170)	(4,555,399)	(7,592,281)	(1,923,123)	(224,107)	(1,309,891)	(3,457,121)
Net carrying amount	<u>671,557,697</u>	<u>15,485,251</u>	<u>22,260,948</u>	<u>709,303,896</u>	<u>456,101,833</u>	<u>20,568,203</u>	<u>4,082,303</u>	<u>480,752,339</u>
<i>In KHR000 equivalents</i>	<u>2,764,803,038</u>	<u>63,752,778</u>	<u>91,648,323</u>	<u>2,920,204,140</u>	<u>1,858,158,868</u>	<u>83,794,859</u>	<u>16,631,302</u>	<u>1,958,585,029</u>

(f) Loss allowance

	2022				2021			
	12-month	Lifetime ECL	Lifetime ECL	Total	12-month	Lifetime ECL	Lifetime ECL	Total
	ECL	not credit-impaired	credit-impaired	US\$	ECL	not credit-impaired	credit-impaired	US\$
Investment securities								
Standard monitoring	46,110,240	-	-	46,110,240	15,078,459	-	-	15,078,459
Special monitoring	-	-	-	-	-	-	-	-
Default	-	-	-	-	-	-	-	-
Gross carrying amount	<u>46,110,240</u>	-	-	<u>46,110,240</u>	<u>15,078,459</u>	-	-	<u>15,078,459</u>
Loss allowance (ECL)	-	-	-	-	-	-	-	-
Net carrying amount	<u>46,110,240</u>	-	-	<u>46,110,240</u>	<u>15,078,459</u>	-	-	<u>15,078,459</u>
<i>In KHR000 equivalents</i>	<u>189,835,858</u>	-	-	<u>189,835,858</u>	<u>61,429,642</u>	-	-	<u>61,429,642</u>
Credit commitments and financial guarantee contract								
Standard monitoring	29,801,408	-	-	29,801,408	30,826,291	-	-	30,826,291
Special monitoring	-	-	-	-	-	-	-	-
Default	-	-	-	-	-	-	-	-
Gross carrying amount	<u>29,801,408</u>	-	-	<u>29,801,408</u>	<u>30,826,291</u>	-	-	<u>30,826,291</u>
Loss allowance (ECL)	(103,642)	-	-	(103,642)	(39,608)	-	-	(39,608)
Net carrying amount	<u>29,697,766</u>	-	-	<u>29,697,766</u>	<u>30,786,683</u>	-	-	<u>30,786,683</u>
<i>In KHR000 equivalents</i>	<u>122,265,703</u>	-	-	<u>122,265,703</u>	<u>125,424,946</u>	-	-	<u>125,424,946</u>
Other assets (Rental deposit)								
Standard monitoring	592,539	-	-	592,539	575,481	-	-	575,481
Special monitoring	-	-	-	-	-	-	-	-
Default	-	-	-	-	-	-	-	-
Gross carrying amount	<u>592,539</u>	-	-	<u>592,539</u>	<u>575,481</u>	-	-	<u>575,481</u>
Loss allowance (ECL)	(39,422)	-	-	(39,422)	(27,301)	-	-	(27,301)
Net carrying amount	<u>553,117</u>	-	-	<u>553,117</u>	<u>548,180</u>	-	-	<u>548,180</u>
<i>In KHR000 equivalents</i>	<u>2,277,183</u>	-	-	<u>2,277,183</u>	<u>2,233,285</u>	-	-	<u>2,233,285</u>

(i) Expected credit loss reconciliation – loans and advances

	2022				2021			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
	12-month ECL	Lifetime ECL not credit impaired	Lifetime ECL credit impaired	US\$	12-month ECL	Lifetime ECL not credit impaired	Lifetime ECL credit impaired	US\$
Expected credit losses								
Loss allowance	1,923,123	224,107	1,309,891	3,457,121	1,943,831	217,023	846,936	3,007,790
<i>Changes due to exposure as at 1 January:</i>								
Transfer to stage 1	47,105	(35,043)	(12,062)	-	(24,484)	17,629	6,855	-
Transfer to stage 2	(20,680)	90,510	(69,830)	-	(3,054)	-	3,054	-
Transfer to stage 3	(33,088)	(94,025)	127,113	-	32,605	3,078	(35,683)	-
Net remeasurement of loss allowance (*)	(114,436)	(16,295)	2,594,897	2,464,166	(52,888)	(68,368)	(40,094)	(161,350)
New financial assets originated or purchased	1,569,763	76,743	735,388	2,381,894	633,094	142,331	778,576	1,554,001
Financial assets derecognised during the year other than write off	(543,074)	(37,827)	(29,998)	(710,899)	(605,981)	(87,566)	(189,748)	(833,315)
Unwinding of discount	-	-	-	-	-	-	(110,005)	(110,005)
Loss allowance as at 31 December	2,828,712	208,170	4,555,399	7,592,281	1,923,123	224,107	1,309,891	3,457,121
<i>In KHR000 equivalents</i>	11,645,807	857,036	18,754,578	31,257,421	7,834,803	913,012	5,336,497	14,084,311
Gross carrying amount								
Gross carrying amount as at 1 January	458,024,956	20,792,310	5,392,194	484,209,460	343,042,863	6,338,892	3,754,602	353,136,357
<i>Changes due to financial instruments recognised as at 1 January:</i>								
Transfer to stage 1	3,120,606	(3,063,137)	(57,469)	-	(4,772,537)	3,478,206	1,294,331	-
Transfer to stage 2	(6,197,632)	6,431,086	(233,454)	-	(103,420)	-	103,420	-
Transfer to stage 3	(9,483,328)	(8,711,057)	18,194,385	-	24,769	12,780	(254,549)	-
Net remeasurement of gross carrying amount	(20,814,246)	(1,593,298)	60,719	(22,346,825)	-	-	-	-
New financial assets originated or purchased	359,924,443	5,939,782	4,180,042	370,044,267	304,654,916	14,345,469	1,586,178	320,586,563
Financial assets derecognised during the year other than write off	(10,188,392)	(4,102,265)	(720,070)	(15,010,727)	(185,038,635)	(3,383,037)	(1,091,788)	(189,513,460)
Gross carrying amount as at 31 December	674,386,410	15,693,421	26,816,347	716,896,178	458,024,956	20,792,310	5,392,194	484,209,460
<i>In KHR000 equivalents</i>	2,776,448,850	64,609,814	110,402,901	2,951,461,565	1,865,993,671	84,707,871	21,967,798	1,972,669,340

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

(ii) Expected credit loss reconciliation – credit commitments and financial guarantee contracts

	2022				2021			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
	12-month ECL	Lifetime ECL not credit impaired	Lifetime ECL credit impaired	US\$	12-month ECL	Lifetime ECL not credit impaired	Lifetime ECL credit impaired	US\$
Expected credit losses								
Loss allowance	39,608	-	-	39,608	43,835	-	-	43,835
<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	(29,573)	-	-	(29,573)	(40,709)	-	-	(40,709)
New financial assets originated or purchased	93,607	-	-	93,607	36,482	-	-	36,482
Loss allowance as at 31 December	103,642	-	-	103,642	39,608	-	-	39,608
<i>In KHR000 equivalents</i>	426,694	-	-	426,694	161,363	-	-	161,363
Gross carrying amount								
Gross carrying amount as at 1 January	30,826,291	-	-	30,826,291	9,865,808	-	-	9,865,808
<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	(1024,883)	-	-	(1,024,883)	-	-	-	-
New financial assets originated or purchased	-	-	-	-	20,960,483	-	-	20,960,483
Gross carrying amount as at 31 December	29,801,408	-	-	29,801,408	30,826,291	-	-	30,826,291
<i>In KHR000 equivalents</i>	122,692,397	-	-	122,692,397	125,586,309	-	-	125,586,309

(v) Expected credit loss reconciliation – Rental deposit

	2022			2021			
	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\$	US\$	
Expected credit losses							
Loss allowance as at 1 January	27,301	-	-	27,301	18,404	-	18,404
<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	12,121	-	-	12,121	8,897	-	8,897
Loss allowance as at 31 December	39,422	-	-	39,422	27,301	-	27,301
<i>In KHR000 equivalents</i>	162,300	-	-	162,300	111,224	-	111,224
Gross carrying amount							
Gross carrying amount as at 1 January	575,481	-	-	575,481	600,261	-	600,261
<i>Changes due to financial instruments recognized as of 1 January:</i>							
Transfer to stage 1	-	-	-	-	-	-	-
Transfer to stage 2	-	-	-	-	-	-	-
Transfer to stage 3	-	-	-	-	-	-	-
New financial assets originated or purchased	17,058	-	-	17,058	-	-	-
Financial assets derecognized during the year	-	-	-	(24,780)	-	-	(24,780)
Gross carrying amount as at 31 December	592,539	-	-	592,539	575,481	-	575,481
<i>In KHR000 equivalents</i>	2,439,483	-	-	2,439,483	2,344,510	-	2,344,510

(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 2022. 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\$	US\$	US\$
31 December 2022					
Deposits and placements with other banks	43,635,574	22,423,162	-	-	66,058,736
Loans and advances	709,303,896	-	-	-	709,303,896
Investment securities	46,110,240	-	-	-	46,110,240
Other financial assets	553,117	-	-	-	553,117
Credit commitments	25,377,287	-	-	-	25,377,287
Financial guarantee contracts	4,320,479	-	-	-	4,320,479
Total credit exposure	829,300,593	22,423,162	-	-	851,723,755
<i>In KHR000 equivalents</i>	3,414,230,541	92,316,157	-	-	3,506,546,698
31 December 2021					
Deposits and placements with other banks	57,511,320	3,365,060	-	-	60,876,380
Loans and advances	480,752,339	-	-	-	480,752,339
Investment securities	15,078,459	-	-	-	15,078,459
Other financial assets	548,180	-	-	-	548,180
Credit commitments	27,530,393	-	-	-	27,530,393
Financial guarantee contracts	3,256,290	-	-	-	3,256,290
Total credit exposure	584,676,981	3,365,060	-	-	588,042,041
<i>In KHR000 equivalents</i>	2,381,974,017	13,709,258	-	-	2,395,683,275

(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\$
31 December 2022											
Deposits and placements with other banks	-	-	66,058,736	-	-	-	-	-	-	-	66,058,736
Loans and advances	17,394,504	86,948,939	10,999,981	6,906,633	26,205,735	54,949,860	35,090,731	215,635,682	53,862,007	201,309,823	709,303,896
Investment securities	-	-	46,110,240	-	-	-	-	-	-	-	46,110,240
Other financial assets	-	-	-	-	-	-	-	-	592,539	-	592,539
Credit commitments	99,717	528,757	-	61,124	116,866	141,468	2,480,752	15,657,607	6,660,176	2,000,191	27,766,659
Financial guarantee contracts	1,495	39,623	-	50,000	-	-	-	2,680,433	-	1,548,928	4,320,479
Total credit exposure	17,495,716	87,517,319	123,168,957	7,017,757	26,322,601	55,091,328	37,571,483	233,973,722	61,134,722	204,858,942	854,152,549
<i>In KHR'000 equivalents</i>	72,029,865	360,308,804	507,086,596	28,892,106	108,370,147	226,810,997	154,681,794	963,269,812	251,691,653	843,404,266	3,516,546,044
31 December 2021											
Deposits and placements with another bank	-	-	60,876,380	-	-	-	-	-	-	-	60,876,380
Loans and advances	12,186,334	36,245,757	6,784,534	5,995,413	26,198,195	63,998,897	40,115,638	120,885,318	28,361,501	139,980,752	480,752,339
Investment securities	-	-	15,078,459	-	-	-	-	-	-	-	15,078,459
Other financial assets	-	-	-	-	-	-	-	-	575,481	-	575,481
Credit commitments	402,394	149,971	-	74,179	431,878	318,020	8,904,484	7,324,309	7,237,148	2,688,010	27,530,393
Financial guarantee contracts	-	-	-	-	-	-	-	2,641,000	-	615,290	3,256,290
Total credit exposure	12,588,728	36,395,728	82,739,373	6,069,592	26,630,073	64,316,917	49,020,122	130,850,627	36,174,130	143,284,052	588,069,342
<i>In KHR'000 equivalents</i>	51,286,478	148,276,196	337,080,206	24,727,518	108,490,917	262,027,120	199,707,977	533,085,454	147,373,405	583,739,226	2,395,794,497

(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 31 December 2022 and 31 December 2021.

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 recognized 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\$			In US\$ equivalent		
	US\$	KHR	Others	US\$	KHR	Total
As of 31 December 2022,						
Financial assets						
Cash on hand	15,229,864	3,586,969	-	18,816,833		
Deposits and placements with the Central Bank	71,637,917	3,644,749	-	75,282,666		
Deposits and placements with other banks	65,745,278	130,787	182,670	66,058,736		
Statutory deposits with the Central Bank	68,695,918	625,825	-	69,321,742		
Loans and advances	634,621,109	74,682,788	-	709,303,896		
Investment securities	46,110,240	-	-	46,110,240		
Other financial assets	592,539	-	-	592,539		
Total financial assets	902,632,865	82,671,118	182,670	985,486,652		
Financial liabilities						
Deposits from customers	602,984,241	8,703,677	-	611,687,919		
Borrowings	111,147,327	648,715	-	111,796,042		
Employee benefits	32,284	-	-	32,284		
Other financial liabilities	8,061,583	18,717,32	-	9,933,316		
Total financial liabilities	722,225,435	11,224,124	-	733,449,561		
Net position	180,407,430	71,446,994	182,670	252,037,091		
<i>In KHR000 equivalents</i>	742,737,390	294,147,274	752,052	1,037,636,704		

	US\$			In US\$ equivalent		
	US\$	KHR	Others	US\$	KHR	Total
As at 31 December 2022						
Off-balance sheet						
Credit commitments	24,881,564	495,723	-	25,377,287		
Financial guarantee contracts	4,320,479	-	-	4,320,479		
	29,202,043	495,723	-	29,697,766		
<i>In KHR000 equivalent</i>	120,224,811	2,040,892	-	122,265,703		
As at 31 December 2021						
Financial assets						
Cash on hand	13,932,976	2,645,364	-	16,578,340		
Deposits and placements with the Central Bank	142,683,364	2,234,791	-	144,918,155		
Deposits and placements with other banks	60,347,318	162,028	367,034	60,876,380		
Statutory deposits with the Central Bank	58,115,656	-	-	58,115,656		
Loans and advances	426,815,947	53,936,392	-	480,752,339		
Investment securities	15,078,459	-	-	15,078,459		
Other financial assets	2,503,971	-	-	2,503,971		
Total financial assets	719,477,691	58,978,575	367,034	778,823,300		
Financial liabilities						
Deposits from customers	386,951,597	7,366,958	-	394,318,555		
Borrowings	116,954,254	458,428	-	117,412,682		
Employee benefits	55,228	-	-	55,228		
Other financial liabilities	13,117,438	20,399	-	13,137,837		
Total financial liabilities	517,078,517	7,845,785	-	524,924,302		
Net position	202,399,174	51,132,790	367,034	253,898,998		
<i>In KHR000 equivalent</i>	824,574,235	208,314,966	1,495,297	1,034,384,518		
Off-balance sheet						
Credit commitments	26,503,000	1,027,393	-	27,530,393		
Financial guarantee contracts	3,256,290	-	-	3,256,290		
	29,759,290	1,027,393	-	30,786,683		
<i>In KHR000 equivalent</i>	121,239,347	4,185,599	-	125,424,946		

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.

	Impact on post tax profit/loss			Impact on other component of equity		
	US\$	KHR'000	US\$	US\$	KHR'000	KHR'000
2022						
US\$/KHR exchange rate- increase by 5%	(2,728,749)	(11,234,260)	-	-	-	-
US\$/KHR exchange rate- decrease by 5%	3,015,986	12,416,814	-	-	-	-
2021						
US\$/KHR exchange rate- increase by 5%	(1,683,063)	(6,866,799)	-	-	-	-
US\$/KHR exchange rate- decrease by 5%	1,860,227	7,578,565	-	-	-	-

(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.

	1 month	1 to 3 months	3 to 12 months	1 to 5 years	Over 5 years	Total	
	US\$	US\$	US\$	US\$	US\$	US\$	US\$
As at 31 December 2022							
Financial assets							
Cash on hand	-	-	-	-	-	18,816,833	18,816,833
Deposits and placements with the Central Bank	-	4,700,000	-	-	-	70,582,666	75,282,666
Deposits and placements with other banks	-	41,587,164	-	-	-	24,471,572	66,058,736
Statutory deposits with the Central Bank	44,239,825	-	-	-	25,081,918	-	69,321,742
Loan and advances	10,177,982	10,582,314	26,737,920	76,407,909	585,397,771	-	709,303,896
Investment securities	-	-	1,110,240	45,000,000	-	-	46,110,240
Other financial assets	-	-	-	-	-	592,539	592,539
Total financial assets	54,417,807	56,869,478	27,848,160	121,407,909	610,479,689	114,463,610	985,486,652
Financial liabilities							
Deposits from customers	2,445,349	3,846,578	463,299,140	110,761,251	-	31,335,600	611,687,919
Borrowing	-	-	-	46,067,421	-	65,728,621	111,796,042
Employee benefits	-	-	-	-	-	32,284	32,284
Other financial liabilities	-	-	-	-	-	9,933,316	9,933,316
Total financial liabilities	2,445,349	3,846,578	463,299,140	156,828,672	-	107,029,821	733,449,561
Total interest repricing gap	51,972,458	53,022,900	(435,450,980)	(35,420,763)	610,479,689	7,433,789	252,037,091
<i>In KHR'000 equivalents</i>	<i>213,970,610</i>	<i>218,295,279</i>	<i>(1,792,751,686)</i>	<i>(145,827,280)</i>	<i>2,513,344,880</i>	<i>30,604,910</i>	<i>1,037,636,704</i>
Off-Balance sheet							
Credit commitment	25,377,287	-	-	-	-	-	25,377,287
Financial guarantee contract	-	-	4,320,479	-	-	-	4,320,479
Total interest repricing gap	25,377,287	-	4,320,479	-	-	-	29,697,766
<i>In KHR'000 equivalents</i>	<i>104,476,291</i>	<i>-</i>	<i>17,787,412</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>122,263,703</i>

	1 month		1 to 3 months		3 to 12 months		1 to 5 years		Over 5 years		Non-interest bearing		Total	
	US\$		US\$		US\$		US\$		US\$		US\$		US\$	
As of 31 December 2021														
Financial assets														
Cash on hand	-	-	-	-	-	-	-	-	-	-	-	16,578,340	-	16,578,340
Deposits and placements with the Central Bank	-	-	31,690,010	-	-	-	-	-	-	-	-	113,228,145	-	144,918,155
Deposits and placements with other banks	-	-	56,664,765	-	-	-	-	-	-	-	-	4,011,615	-	60,676,380
Statutory deposits with the Central Bank	-	-	-	-	25,005,466	-	-	-	-	-	-	33,110,190	-	58,115,656
Loan and advances	13,461,742	-	9,383,882	18,241,427	18,241,427	41,023,633	398,641,655	-	-	-	-	-	-	480,752,339
Investment securities	-	-	1235,962	13,842,497	-	-	-	-	-	-	-	-	-	15,078,459
Other financial assets	-	-	-	-	-	-	-	-	-	-	-	2,503,971	-	2,503,971
Total financial assets	13,461,742		99,174,619	57,089,390	41,023,633	41,023,633	398,641,655	169,432,261	779,823,300					
Financial liabilities														
Deposits from customers	2,695,473	-	8,392,967	310,781,092	60,824,474	-	-	-	-	-	-	11,624,549	-	394,318,555
Borrowings	-	-	-	-	54,212,085	-	-	-	-	-	-	63,200,597	-	117,412,682
Employee benefits	-	-	-	-	-	-	-	-	-	-	-	55,228	-	55,228
Other financial liabilities	-	-	-	-	-	-	-	-	-	-	-	13,137,837	-	13,137,837
Total financial liabilities	2,695,473		8,392,967	310,781,092	115,036,559	88,018,211	162,406,102	331,680,840	1,034,384,518					
Total interest repricing gap	10,766,269		90,781,652	(253,691,702)	(74,012,926)	398,641,655	81,414,050	253,898,998						
<i>In KHR000 equivalents</i>	43,861,780		369,844,450	(1,093,599,994)	(301,528,661)	1,624,066,102	331,680,840	1,034,384,518						
Off-balance sheet														
Credit commitment	27,530,393	-	-	-	-	-	-	-	-	-	-	-	-	27,530,393
Financial guarantee contract	-	-	-	3,256,290	-	-	-	-	-	-	-	-	-	3,256,290
Total interest repricing gap	27,530,393		3,256,290	3,256,290	-	-	-	-	30,786,683					
<i>In KHR000 equivalents</i>	112,156,822		13,266,125	-	-	-	-	-	125,424,947					

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.

	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\$	US\$	US\$	US\$	US\$	US\$	US\$
As at 31 December 2022												
Financial assets												
Cash on hand	18,816,833	-	-	-	-	-	-	-	-	-	-	18,816,833
Deposits and placements with the Central Bank	70,582,666	4,700,000	-	-	-	-	-	-	-	-	-	75,282,666
Deposits and placements with other banks	24,471,572	41,587,164	-	-	-	-	-	-	-	-	-	66,058,736
Statutory deposits with the Central Bank	44,239,825	-	-	-	-	-	-	-	-	25,081,918	-	69,321,742
Loans and advances	10,341,269	10,837,983	28,071,623	91,336,439	942,898,486	-	-	-	-	-	-	1,083,485,780
Investment securities	-	-	1,110,240	45,000,000	-	-	-	-	-	-	-	46,110,240
Other financial assets	2,240	-	3,300	200,085	386,914	-	-	-	-	-	-	592,539
Total financial assets by remaining contractual maturities	168,454,405	57,125,147	29,185,163	136,536,524	968,367,298	1,359,668,536						
Financial liabilities												
Deposits from customers	34,400,242	5,297,495	480,321,307	119,854,656	-	-	-	-	-	-	-	639,873,700
Borrowings	-	-	1,308,965	117,031,903	-	-	-	-	-	-	-	118,340,868
Employee benefits	32,284	-	-	-	-	-	-	-	-	-	-	32,284
Other financial liabilities	9,933,316	-	-	-	-	-	-	-	-	-	-	9,933,316
Total financial liabilities by remaining contractual maturities	44,365,842	5,297,495	481,630,272	236,886,559	-	-	-	-	-	-	-	768,180,168
Net liquidity surplus (gap)	124,088,563	51,827,652	(452,445,110)	(100,350,035)	968,367,298	591,488,368						
<i>In KHR000 equivalents</i>	<i>510,872,614</i>	<i>213,374,443</i>	<i>(1,862,716,516)</i>	<i>(413,141,095)</i>	<i>3,986,768,167</i>	<i>2,435,157,610</i>						
Off-balance sheet												
Credit commitments	25,377,287	-	-	-	-	-	-	-	-	-	-	25,377,287
Financial guarantee contracts	-	-	4,320,479	-	-	-	-	-	-	-	-	4,320,479
Liquidity-off-balance sheet	25,377,287	-	4,320,479	-	-	-	-	-	-	-	-	29,697,766
<i>In KHR000 equivalents</i>	<i>104,478,291</i>	<i>-</i>	<i>17,787,412</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>122,265,703</i>

	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\$	US\$	US\$	US\$	US\$	US\$	US\$
As at 31 December 2021												
Financial assets												
Cash on hand	16,578,340	-	-	-	-	-	-	-	-	-	-	16,578,340
Deposits and placements with the Central Bank	113,228,145	31,690,010	-	-	-	-	-	-	-	-	-	144,918,155
Deposits and placements with other banks	4,011,615	56,864,765	-	-	-	-	-	-	-	-	-	60,876,380
Statutory deposits with the Central Bank	-	-	33,110,190	-	-	-	25,005,466	-	-	-	-	58,115,656
Loans and advances	13,556,957	9,699,223	19,354,047	49,621,011	658,941,798	-	-	-	-	-	-	751,73,036
Investment securities	-	-	5,078,459	10,000,000	-	-	-	-	-	-	-	15,078,459
Other financial assets	2,503,971	-	-	-	-	-	-	-	-	-	-	2,503,971
Total financial assets by remaining contractual maturities	149,879,028	98,253,998	57,542,696	59,621,011	683,947,264	1,049,243,997						
Financial liabilities												
Deposits from customers	14,603,976	8,987,798	316,673,293	66,954,039	-	-	-	-	-	-	-	409,219,106
Borrowings	-	-	1591,002	123,776,691	-	-	-	-	-	-	-	125,367,693
Employee benefits	55,228	-	-	-	-	-	-	-	-	-	-	55,228
Other financial liabilities	13,137,837	-	-	-	-	-	-	-	-	-	-	13,137,837
Total financial liabilities by remaining contractual maturities	27,797,041	8,987,798	318,264,295	192,730,730	-	-	547,779,864					
Net liquidity surplus (gap)	122,081,987	89,266,200	(260,721,599)	(133,109,719)	683,947,264	501,464,133						
<i>In KHR000 equivalents</i>	<i>497,362,015</i>	<i>363,670,499</i>	<i>(1,062,179,794)</i>	<i>(542,288,995)</i>	<i>2,786,401,154</i>	<i>2,042,964,879</i>						
Off-balance sheet												
Credit commitments	27,530,393	-	-	-	-	-	-	-	-	-	-	27,530,393
Financial guarantee contracts	-	-	3,256,290	-	-	-	-	-	-	-	-	3,256,290
Liquidity-off-balance sheet	27,530,393	-	3,256,290	-	-	-	-	-	-	-	-	30,786,683
<i>In KHR000 equivalents</i>	<i>112,158,821</i>	<i>-</i>	<i>13,266,125</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>125,424,946</i>

34.4. Maturity analysis of assets and liabilities

The table below shows an analysis of assets and liabilities analyzed according to when they are expected to be recovered or settled.

	2022			2021		
	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	18,816,833	-	18,816,833	16,578,340	-	16,578,340
Deposits and placements with the Central Bank	75,282,666	-	75,282,666	144,918,155	-	144,918,155
Deposits and placements with other banks	66,058,736	-	66,058,736	60,876,380	-	60,876,380
Statutory deposits with the Central Bank	44,239,825	25,081,918	69,321,743	33,110,190	25,005,466	58,115,656
Loans and advances	49,250,875	1,034,234,905	1,083,485,780	42,610,227	708,562,809	751,173,036
Investment securities	1,110,240	45,000,000	46,110,240	5,078,459	10,000,000	15,078,459
Other financial assets	77,591	2,772,242	2,849,834	567,007	1,916,964	2,503,971
	254,836,766	1,107,089,065	1,361,925,832	303,758,758	745,485,239	1,049,243,997
Non-financial assets						
Property and equipment	-	5,452,804	5,452,804	-	5,980,506	5,980,506
Right-of-use assets	-	11,842,870	11,842,870	-	10,967,025	10,967,025
Intangible assets	-	6,120,115	6,120,115	-	6,613,839	6,613,839
Deferred tax assets	-	136,885	136,885	-	620,534	620,534
Other non-financial assets	1,303,851	2,728,272	4,032,122	347,489	1,752,232	2,099,721
	1,303,851	26,280,946	27,584,796	347,489	25,934,136	26,281,625
Total assets	256,140,617	1,133,370,011	1,389,510,628	304,106,247	771,419,375	1,075,525,622
<i>In KHR000 equivalents</i>	1,054,530,919	4,666,084,337	5,720,615,256	1,241,407,859	3,142,762,534	4,384,170,393

	2022			2021		
	Within 1 year	Beyond 1 year	Total	Within 1 year	Beyond 1 year	Total
	US\$	US\$	US\$	US\$	US\$	US\$
Financial liabilities						
Deposits from customers	520,019,044	119,854,656	639,873,700	340,265,067	68,954,039	409,219,106
Borrowings	1,308,965	117,093,903	118,340,868	1,591,002	123,776,691	125,367,693
Employee benefits	32,284	-	32,284	55,228	-	55,228
Other financial liabilities	9,933,316	-	9,933,316	13,137,837	-	13,137,837
	531,293,609	236,886,559	768,180,168	355,049,134	192,730,730	547,779,864
Non-financial liabilities						
Lease liabilities	2,212,787	11,592,602	13,805,389	1,738,920	10,735,654	12,474,574
Current income tax liabilities	562,267	-	562,267	1,126,685	-	1,126,685
Other non-financial liabilities	207,350	-	207,350	54,566	-	54,566
	2,982,404	11,592,602	14,575,006	2,920,171	10,735,654	13,655,825
Total liabilities	534,276,013	248,479,161	782,755,174	357,969,305	203,466,384	561,435,689
<i>In KHR000 equivalents</i>	2,199,614,347	1,022,988,706	3,222,603,052	1,458,366,949	828,922,048	2,287,288,997

34.5. Fair value of financial assets and liabilities

(a) Financial instruments measured at fair value

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:

	2022		2021	
	US\$	KHR'000	US\$	KHR'000
Tier 1 capital				
Share capital	250,000,000	1,029,250,000	250,000,000	1,018,500,000
Accumulated losses	(8,913,906)	(36,367,189)	(3,021,145)	(12,290,018)
Less: Intangible assets	(6,120,115)	(25,196,513)	(6,613,839)	(26,944,780)
Less: Loans to related parties	(2,859,105)	(11,770,935)	(1,562,410)	(6,365,258)
	<u>232,106,874</u>	<u>955,915,363</u>	<u>238,802,606</u>	<u>972,899,944</u>
Tier 2 complementary capital				
General provision	8,050,899	33,145,550	5,647,224	23,006,791
Less: Equity participation in banking or financial institutions	-	-	-	-
	<u>8,050,899</u>	<u>33,145,550</u>	<u>5,647,224</u>	<u>23,006,791</u>
Total capital Tier I + Tier II	<u>240,157,773</u>	<u>989,060,913</u>	<u>244,449,830</u>	<u>995,906,735</u>

35. Subsequent events to the reporting period

Except for the ongoing impact of COVID-19 to the Bank as disclosed in Note 5 to the financial statements, no other significant events occurred after the end of the reporting period and the date of authorization of these financial statements, which would require adjustments or disclosures to be made in the financial statements.

36. Authorisation of financial statements

The financial statements as at 31 December 2022 and for the year then ended were approved for issue by the Board of Directors on 23 March 2023.

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