

Cambodian Commercial Bank Limited

26 Monivong Blvd, Sangkat Phsar Thmei II,
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Kingdom of Cambodia.

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ANNUAL REPORT

2024

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CAMBODIAN COMMERCIAL BANK



Cambodian Commercial Bank Ltd.

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Message from the Board of Directors

Performance in 2024

2024 was a good year for CCB, with a 27% increase in operating profit compared to the previous year. Growth was driven by an increase in total income and effective cost management. CCB has maintained a healthy liquidity position and complied with all regulatory requirements.

The Outlook for 2025

Cambodia's economy is forecasted to grow in 2025, supported by external demand for manufactured goods and continued recovery in the tourism sector. However, downside risks to the outlook have increased due to global trade policy shifts, slow down in China's property sector, and ongoing geopolitical tensions affecting supply chains. Potential rate cuts by the US Federal Reserve could ease Cambodia's financial conditions and reduce pressure on high non-performing loans and weak loan growth. However, the timing and pace of these rate cuts remain uncertain. We will continue to monitor the situation closely to stay prepared.

Our Focus 2025

Amid significant global uncertainty, we remain committed to pursuing our business aspirations with prudence by strengthening governance and focusing on building a strong foundation for sustainable growth. This focus aligns with the SCBx Group's vision to become "The Most Admired Financial Technology Group in ASEAN."

Acknowledgement

On behalf of the Board of Directors, I would like to express my sincere gratitude to our shareholders and all stakeholders, including the National Bank of Cambodia, for their ongoing support over the years. I also extend our appreciation to the management team and staff of CCB for their dedication and hard work throughout the year. We are committed to directing CCB's business operations in a prudent manner to ensure steady growth and to be recognized as a valuable corporate citizen.

Chairman of the Board of Directors



Mr. Kamalkant Ishwarlal Agarwal

Cambodian Commercial Bank

Corporate Information

Bank	Cambodian Commercial Bank Ltd.	
Registration No.	00001622	
Registered office	26 Monivong Blvd., Sangkat Phsar Thmey II Khan Daun Penh, Phnom Penh Kingdom of Cambodia	
Shareholder	Siam Commercial Bank PCL, Thailand SCB Plus Company Limited, Thailand	
Board of Directors	Mr. Kamalkant Ishwarlal Agarwal Mr. Sakda Dumnakkaew Mr. Patiphan Lerdprasertsiri Mr. Chiradej Chakrabandhu Mrs. Apiradee Sinsukpermpoon Mr. Prakid Punyashthiti Mr. Senee Vacharatitham Mr. Watcharapong Pornchaichanakit	Chairman Director Director Director Director Independent Director Independent Director Director (Appointed on 16 May 2024)
Audit Committee	Mr. Prakid Punyashthiti Mr. Patiphan Lerdprasertsiri Mr. Pattanapong Srinarm	Chairman Member Member
Risk Committee	Mr. Chiradej Chakrabandhu Mr. Sakda Dumnakkaew Mr. Watcharapong Pornchaichanakit	Chairman Member Member

Management Team	Mr. Watcharapong Pornchaichanakit	General Manager (Appointed on 16 May 2024)
	Mr. Roeung Thaibun	Advisor (From 1 December 2023 to 30 November 2025)
	Mrs. Khov Manil	Deputy General Manager (Appointed on 1 January 2025 and approved by NBC on 12 February 2025)
Auditors	KPMG Cambodia Ltd	

Cambodian Commercial Bank

Board of Director's Profile CCB is led and managed by the Board of Directors whose members are appointed by the Bank's Shareholders General Assembly and approved by the National Bank of Cambodia.



Mr. Kamalkant Ishwarlal Agarwal
Chairman



Ms. Apiradee Symsukpermpoon
Director



Mr. Chiradej Chakrabandhu
Director



Mr. Sakda Dumnakkaew
Director



Mr. Patiphan Lerdprasertsiri
Director



Mr. Prakid Punyashtithi
Independence Director



Mr. Senee Vacharasiritham
Independence Director



Mr. Watcharapong Pornchaichanakit
Director
Appointed on 16 May 2024

Cambodian Commercial Bank

Banking Products and Services



Trade Finance & Remittance

- **Trade Finance**

Assisting with meeting working capital shortfall by providing financial support and loans to importers to buy goods

- **Trust Receipt (T/R)**

Providing the loan or financial support to buyers or Importers to pay or buy goods for sale.

- **Shipping Guarantees (S/G)**

A Letter of Guarantee (L/G) issued by the Bank on behalf of applicant or buyer to a shipping company to obtain goods prior to the arrival of the original bill of lading.

- **Packing Credits (P/C)**

Short-term loans that Cambodian Commercial Bank provides to exporters and/or manufacturers for the purpose of promoting the export industry (except re-export).

Remittance

- **Domestic Transfer**

To pay to your personal and/or business partners in Cambodia by a fast electronic transfer and accuracy and also to receive funds from non Cambodian Commercial Bank customers locally.

- **International Transfer**

From our extensive network and swift online system with global alliance of leading correspondent banks, you can transfer money in safe and quick to anyone around the world.



Business Lending

Working Capital Facilities

For the business. The liquidity of the business.

- **Promissory Note (P/N)**

Short-term financing with flexible repayment terms to support working capital requirements which can be customized to suit business needs.

Term Loan

A Service facilitate your business to get the most benefit from all borrowed capital and offer the competitive interest rate

- **Short Term / Long Term**

Credit line with a definite amount and repayment term for long term investment in fixed assets and business expansion, allowing you to effectively plan future financial needs.

Guarantee Service

The Bank offers a variety of Bank Guarantee services to support your business.

- **Standby Letters of Credit**

The Bank can issue a Letter of Credit for customers to provide payment undertaking to a beneficiary against any obligation or commitment in compliance with documents as stated in the Letter of Credit. The service is available both domestically and internationally.

- **Domestic Letters of Credit**

The Bank can issue a Domestic Letter of Credit for customers to provide payment undertaking to a beneficiary in Thailand against a Bill of Exchange or commercial documents containing required conditions as stated in the Letter of Credit.



Business Cash Management

Business Cash Management

- **Payroll**

This is to facilitate the business of the company. Or customers can bring cash.

- **Bill Payment**

Payment forms for SME and large business. To help easily process payments for your business.



Treasury Services

Foreign Exchange

Providing Foreign Exchange Services such as buy and sell a foreign currency with trading services available in up to 8 major currencies. (USD, EUR, GBP, AUD, THB, JPY, KHR and HKD) You can deposit, withdraw, or transfer foreign currency amounts with any account type at competitive rates.

1.1. Spot Foreign Exchange Transactions

1.2. Forward Foreign Exchange Contract

A service which offer solutions for you in foreign exchange to exporters and importers to mitigate foreign exchange volatility risk by entering into a forward exchange bought/sold contract to fix the exchange rate in advance of the delivery date.



Deposit Account for Business

Deposit Account for Business

- **Current Account**

Foreign Currency Deposit Accounts which design for both personal and business customer.

- **Saving Account**

Suitable for managing working capital to gain optimal benefits with low risks with maximize the return from your savings.

- **Fixed Account**

Deposit Accounts for personal and Business and you also can open a foreign currency deposit account at our CCB.

Digital Banking Service

Digital Banking

- **Business Net**

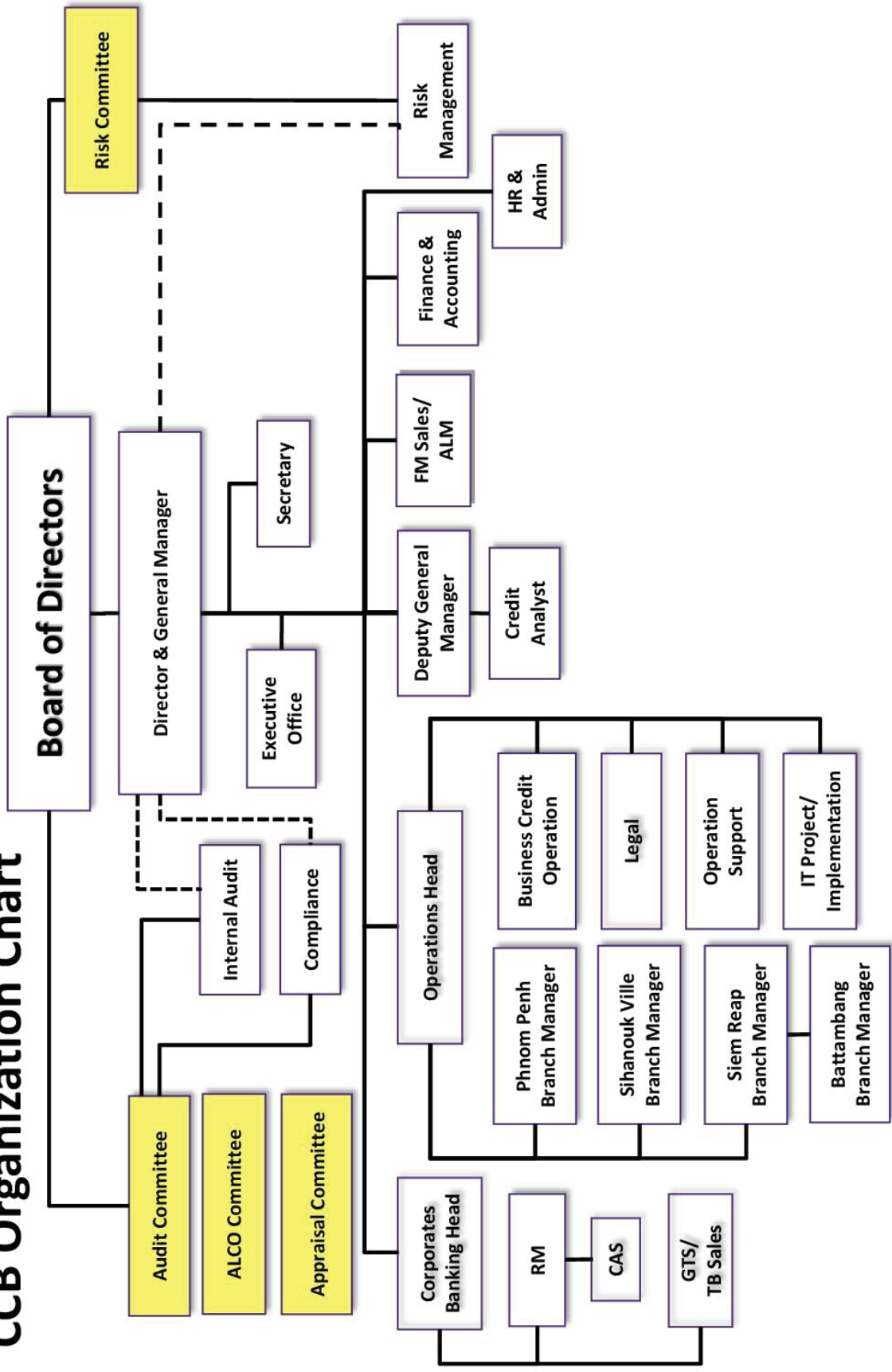
Business Net: Business becomes even more convenient as CCB is always at your service.

- **CCB Trade Net**

CCB Trade Net was developed to facilitate you to access a wide range of product and service in import and export transactions via CCB internet Banking.

Cambodian Commercial Bank

CCB Organization Chart



Report of the Directors

The Board of Directors (“the Directors”) have pleasure in submitting their report together with the audited financial statements of Cambodian Commercial Bank Ltd. (“the Bank”) for the year ended 31 December 2024.

Principal activities

The Bank is principally engaged in all aspects of banking business and the provision of related financial services.

There were no significant changes to these principal activities during the financial year.

Financial results

The financial results of the Bank for the year ended 31 December 2024 were as follows:

	2024 US\$	2023 US\$	2024 KHR'000 (Note 5)	2023 KHR'000 (Note 5)
Profit before income tax	5,130,366	3,164,227	20,885,721	13,004,971
Income tax expense	<u>(1,037,457)</u>	<u>(788,881)</u>	<u>(4,223,487)</u>	<u>(3,242,301)</u>
Net profit for the year	<u>4,092,909</u>	<u>2,375,346</u>	<u>16,662,234</u>	<u>9,762,670</u>

Dividends

At the reporting date, no dividend was declared or paid and the Director does not recommend any dividend to be paid in respect of the year ended 31 December 2024.

Cambodian Commercial Bank Ltd.

Share capital

On 8 June 2020, the extraordinary shareholders' meeting was held to approve the sale and transfer of 1 (one) share with a par value of US\$100 per share from Siam Commercial Bank PCL. ("SCB") to SCB Plus Company Limited ("SCB Plus"), the Company incorporated in Thailand. The agreement was signed on 17 July 2020. On 23 December 2020, the National Bank of Cambodia ("NBC") approved on the sale and transfer agreement. The amended Memorandum and Articles of Association has been submitted to Ministry of Commerce for endorsement and still waiting for the response as at the date of this report.

Reserves and provisions

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

Written off and allowance for financial assets

Before the financial statements were prepared, the Directors took reasonable steps to ascertain that action had been taken in relation to write off of financial assets that have no reasonable expectations of recovering the contractual cash flows in their entirety or a portion thereof and making of allowance for expected credit losses ("ECL") on financial assets, and satisfied themselves that all known financial assets that have no reasonable expectations of recovering the contractual cash flows were written off and that adequate allowance for ECL on financial assets have been made.

At the date of this report, the Directors are not aware of any circumstances which would render the amount of the allowance for expected credit losses on financial assets 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, other than debts, which were unlikely to be realised in the ordinary course of business at their value as shown in the accounting records of the Bank had been written down to an amount which they might be expected to realise.

At the date of this report, the Directors are not aware of any circumstances, which would render the values attributed to the assets in the financial statements of the Bank misleading.

Valuation methods

At the date of this report, the Directors are not aware of any circumstances which have arisen which render adherence to the existing method of valuation of assets and liabilities in the financial statements of the Bank misleading or inappropriate.

Cambodian Commercial Bank Ltd.

Contingent and other liabilities

At the date of this report, there does not exist:

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

No contingent or other liability of the Bank has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the Directors, will or may 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 results of the operations of the Bank for the financial year were 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 results of the operations of the Bank for the current period in which this report is made.

The Board of Directors

The Directors who served during the year and at the date of this report are:

Mr. Kamalkant Ishwarlal Agarwal	Chairman
Mr. Sakda Dumnakkaew	Director
Mr. Patiphan Lerdprasertsiri	Director
Mr. Chiradej Chakrabandhu	Director
Mrs. Apiradee Synsukpermpoon	Director
Mr. Watcharapong Pomchaichanakit	Director (appointed on 16 May 2024 and approved by NBC on 11 June 2024)
Mr. Sensee Vacharasiritham	Independent Director
Mr. Prakid Punyashthiti	Independent Director

Cambodian Commercial Bank Ltd.

Directors' interests

None of the Directors held or dealt directly in the shares of the Bank during the financial year.

Directors' benefit

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

During the financial year, no Director of the Bank has received or become entitled to receive any benefit (other than a benefit included in the aggregate amount of emoluments received or due and receivable by the Directors as disclosed in the financial statements) by reason of a contract made by the Bank or a related corporation with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest other than as disclosed in the financial statements.

Directors' responsibility in respect of the financial statements

The Board of Directors is responsible for ascertaining that the financial statements as set out on pages 9 to 96 present fairly, in all material respects, the financial position of the Bank as at 31 December 2024, and its financial performance and its cash flows for the year then ended. In preparing these financial statements, the Board of Directors is required to:

- (i) adopt appropriate accounting policies which are supported by reasonable and prudent judgments and estimates and then apply them consistently;
- (ii) comply with Cambodian International Financial Reporting Standards ("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) oversee the Bank's financial reporting process and maintain adequate accounting records and an effective system of internal controls;
- (iv) assess 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; and
- (v) control and direct effectively the Bank in all material decisions affecting the operations and performance and ascertain that such have been properly reflected in the financial statements.

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

Cambodian Commercial Bank Ltd.

Approval of the financial statements

We hereby approve the accompanying financial statements which, in our opinion, present fairly, in all material respects, the financial position of the Bank as at 31 December 2024, and its financial performance and its cash flows for the year then ended in accordance with CIFRSs.

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



Mr. Kamalkant Ishwarlal Agarwal
Chairman



Mr. Watcharapong Pomchaichanakit
Director and General Manager

Phnom Penh, Kingdom of Cambodia

Date: 28 March 2025



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Report of the Independent Auditors

To the shareholders of Cambodian Commercial Bank Ltd.

Opinion

We have audited the financial statements of Cambodian Commercial Bank Ltd. (“the Bank”), which comprise the statement of financial position as at 31 December 2024, the statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising material accounting policies and other explanatory information as set out on pages 9 to 96 (hereafter referred to as “the financial statements”).

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

Basis for Opinion

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

Other Information

Management is responsible for the other information. The other information obtained at the date of this auditors’ report is the information included in the Report of the Board of Directors as set out on pages 1 to 5, and annual report, which is expected to be made available to us after the date of auditors’ report. 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 identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.



If, based on the work we have performed on the other information obtained prior to the date of this auditors' report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

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

In preparing the financial statements, 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.

Those charged with governance are responsible for overseeing the Bank's financial reporting process.

Auditors' 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 auditors' 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 auditors' 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 auditors' report. However, future events or conditions may cause the Bank to cease to continue as a going concern.



- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

For KPMG Cambodia Ltd

Yim Lundy
Director

Phnom Penh, Kingdom of Cambodia

28 March 2025

Cambodian Commercial Bank Ltd.

Statement of financial position as at 31 December 2024

	Note	31 December		31 December	
		2024	2023	2024	2023
		US\$	US\$	KHR'000	KHR'000
				(Note 5)	(Note 5)
ASSETS					
Cash and cash equivalents	6	132,886,415	120,048,574	534,867,820	490,398,425
Placements with the National Bank of Cambodia and other banks	7	23,693,472	16,869,150	95,366,225	68,910,478
Statutory deposits	8	18,373,913	17,471,359	73,955,000	71,370,502
Loans and advances to customers	9	77,145,834	85,819,057	310,511,982	350,570,848
Other assets	10	717,174	605,572	2,886,627	2,473,761
Intangible assets	11	150,204	278,274	604,571	1,136,749
Property and equipment	12	1,778,199	1,870,794	7,157,251	7,642,193
Right-of-use assets	13	71,215	106,639	286,640	435,620
TOTAL ASSETS		254,816,426	243,069,419	1,025,636,116	992,938,576
LIABILITIES AND SHAREHOLDER'S EQUITY					
Liabilities					
Deposits from customers	14	146,995,429	140,948,855	591,656,602	575,776,073
Borrowings	15	9,628,213	9,148,538	38,753,557	37,371,778
Provision for off-balance sheet commitments	28A	1,407,808	1,026,364	5,666,427	4,192,697
Lease liabilities	16	49,845	83,455	200,626	340,914
Other liabilities	17	591,422	915,661	2,380,474	3,740,473
Provision for employee benefits	18	1,052,276	911,137	4,235,411	3,721,995
Deferred tax liabilities – net	19A	651,165	1,209,508	2,620,940	4,940,841
Current income tax liability	19B	1,477,363	15,167	5,946,386	61,957
Total liabilities		161,853,521	154,258,685	651,460,423	630,146,728
Shareholders' equity					
Share capital	20	75,000,000	75,000,000	302,915,000	302,915,000
Regulatory reserves	21	7,753,496	7,515,051	31,628,993	30,669,252
Retained earnings		10,209,409	6,295,683	41,464,833	25,521,084
Currency translation reserves		-	-	(1,833,133)	3,686,512
Total shareholders' equity		92,962,905	88,810,734	374,175,693	362,791,848
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		254,816,426	243,069,419	1,025,636,116	992,938,576

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

Cambodian Commercial Bank Ltd.

Statement of profit or loss and other comprehensive income for the year ended 31 December 2024

	Note	2024 US\$	2023 US\$	2024 KHR'000 (Note 5)	2023 KHR'000 (Note 5)
Operating income					
Interest income	22	11,096,519	10,751,002	45,173,929	44,186,618
Interest expense	23	<u>(1,853,996)</u>	<u>(2,174,646)</u>	<u>(7,547,618)</u>	<u>(8,937,795)</u>
Net interest income		9,242,523	8,576,356	37,626,311	35,248,823
Net fee and commission income	24	1,228,253	1,351,901	5,000,218	5,556,313
Other income	25	<u>783,260</u>	<u>701,167</u>	<u>3,188,652</u>	<u>2,881,796</u>
Total operating profit		11,254,036	10,629,424	45,815,181	43,686,932
Personnel expenses	26	(2,692,259)	(2,920,377)	(10,960,186)	(12,002,750)
Other operating expenses	27	<u>(1,691,236)</u>	<u>(2,307,886)</u>	<u>(6,885,022)</u>	<u>(9,485,412)</u>
Operating profit before impairment		6,870,541	5,401,161	27,969,973	22,198,770
Impairment losses on financial instruments	9A	<u>(1,740,175)</u>	<u>(2,236,934)</u>	<u>(7,084,252)</u>	<u>(9,193,799)</u>
Profit before income tax		5,130,366	3,164,227	20,885,721	13,004,971
Income tax expense	19C	<u>(1,037,457)</u>	<u>(788,881)</u>	<u>(4,223,487)</u>	<u>(3,242,301)</u>
Net profit for the year		<u>4,092,909</u>	<u>2,375,346</u>	<u>16,662,234</u>	<u>9,762,670</u>
Other comprehensive income					
<i>Items that will not be reclassified to profit or loss</i>					
Remeasurement gains on provision for employee benefits		74,077	126,549	301,567	520,116
Related tax		<u>(14,815)</u>	<u>(25,310)</u>	<u>(60,311)</u>	<u>(104,024)</u>
		<u>59,262</u>	<u>101,239</u>	<u>241,256</u>	<u>416,092</u>
Currency translation differences		<u>-</u>	<u>-</u>	<u>(5,519,645)</u>	<u>(2,824,605)</u>
Other comprehensive income, net of tax		<u>59,262</u>	<u>101,239</u>	<u>(5,278,389)</u>	<u>(2,408,513)</u>
Total comprehensive income for the year		<u>4,152,171</u>	<u>2,476,585</u>	<u>11,383,845</u>	<u>7,354,157</u>

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

Cambodian Commercial Bank Ltd.

Statement of changes in equity for the year ended 31 December 2024

	Share capital		Regulatory reserves		Retained earnings		Currency translation reserves		Total	
	US\$	KHR'000 (Note 5)	US\$	KHR'000 (Note 5)	US\$	KHR'000 (Note 5)	US\$	KHR'000 (Note 5)	US\$	KHR'000 (Note 5)
At 1 January 2024	75,000,000	302,915,000	7,515,051	30,669,252	6,295,683	25,521,084	-	3,686,512	88,810,734	362,791,848
Transactions recognised directly in equity										
Transfers from retained earnings to regulatory reserves (Note 21)	-	-	238,445	959,741	(238,445)	(959,741)	-	-	-	-
Total comprehensive income for the year										
Net profit for the year	-	-	-	-	4,092,909	16,662,234	-	-	4,092,909	16,662,234
Remeasurement gain on provision for employee benefits	-	-	-	-	59,262	241,256	-	-	59,262	241,256
Currency translation differences	-	-	-	-	-	-	-	(5,519,645)	-	(5,519,645)
At 31 December 2024	75,000,000	302,915,000	7,753,496	31,628,993	10,209,409	41,464,833	-	(1,833,133)	92,962,905	374,175,693
At 1 January 2023	75,000,000	302,915,000	6,255,004	25,521,960	5,079,145	20,489,614	-	6,511,117	86,334,149	355,437,691
Transactions recognised directly in equity										
Transfers from retained earnings to regulatory reserves (Note 21)	-	-	1,260,047	5,147,292	(1,260,047)	(5,147,292)	-	-	-	-
Total comprehensive income for the year										
Net profit for the year	-	-	-	-	2,375,346	9,762,670	-	-	2,375,346	9,762,670
Remeasurement gain on provision for employee benefits	-	-	-	-	101,239	416,092	-	-	101,239	416,092
Currency translation differences	-	-	-	-	-	-	-	(2,824,605)	-	(2,824,605)
At 31 December 2023	75,000,000	302,915,000	7,515,051	30,669,252	6,295,683	25,521,084	-	3,686,512	88,810,734	362,791,848

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

Cambodian Commercial Bank Ltd.

Statement of cash flows for the year ended 31 December 2024

	Note	2024 US\$	2023 US\$	2024 KHR'000 (Note 5)	2023 KHR'000 (Note 5)
Cash flows from operating activities					
Net profit for the year		4,092,909	2,375,346	16,662,234	9,762,670
<i>Adjustments for:</i>					
Income tax expense	19C	1,037,457	788,881	4,223,487	3,242,301
Impairment losses on financial instruments	9A	1,740,175	2,236,934	7,084,252	9,193,799
Unwind of discount		956,724	-	3,894,823	-
Depreciation and amortisation	27	372,097	433,968	1,514,806	1,783,609
Gain on lease termination		(262)	-	(1,067)	-
Gain on disposal of property and equipment		(38,392)	-	(156,294)	-
Net interest income		(9,242,523)	(8,576,356)	(37,626,311)	(35,248,823)
Dividend income		(48,191)	(67,394)	(196,186)	(276,989)
Provision for employee benefits		254,910	235,484	1,037,739	967,840
Unrealised loss on exchange rate	15,18	88,417	13,910	359,946	57,170
		(786,679)	(2,559,227)	(3,202,571)	(10,518,423)
<i>Changes in:</i>					
Placements with the National Bank of Cambodia and other banks		(6,496,690)	54,290,187	(26,448,025)	223,132,669
Loans and advances to customers		7,825,270	(157,450)	31,856,674	(647,120)
Statutory deposits		(902,554)	4,074,093	(3,674,297)	16,744,522
Other assets		(111,602)	158,822	(454,332)	652,758
Deposits from customers		6,047,408	(48,807,727)	24,618,996	(200,599,758)
Other liabilities		(324,239)	151,270	(1,319,977)	621,720
Cash generated from operations		5,250,914	7,149,968	21,376,468	29,386,368
Income tax paid	19B	(148,419)	(160,544)	(604,214)	(659,836)
Interest received		9,258,825	10,386,672	37,692,677	42,689,222
Interest paid		(1,836,852)	(2,187,146)	(7,477,823)	(8,989,170)
Dividend received		48,191	67,394	196,186	276,989
Employment benefits paid	18	(48,248)	(46,590)	(196,418)	(191,485)
Net cash generated from operating activities		12,524,411	15,209,754	50,986,876	62,512,088

Cambodian Commercial Bank Ltd.

Statement of cash flows (continued) for the year ended 31 December 2024

	Note	2024 US\$	2023 US\$	2024 KHR'000 (Note 5)	2023 KHR'000 (Note 5)
Cash flows from investing activities					
Proceeds from disposals of property and equipment		38,550	-	156,937	-
Purchase of property and equipment		(66,119)	(66,530)	(269,170)	(273,438)
Purchase of intangible assets		(55,000)	-	(223,905)	-
Net cash used in investing activities		(82,569)	(66,530)	(336,138)	(273,438)
Cash flows from financing activities					
Proceed from borrowing	15	7,904,472	-	32,179,106	-
Repayment of borrowing	15	(7,522,639)	(5,434,429)	(30,624,663)	(22,335,503)
Payment of lease liabilities	16	(28,395)	(27,346)	(115,596)	(112,392)
Net cash generated from/ (used in) financing activities		353,438	(5,461,775)	1,438,847	(22,447,895)
Net increase in cash and cash equivalents		12,795,280	9,681,449	52,089,585	39,790,755
Cash and cash equivalents at beginning of the year		120,095,662	110,414,213	490,590,779	454,575,315
Currency translation differences		-	-	(7,794,323)	(3,775,291)
Cash and cash equivalents at end of the year	6	132,890,942	120,095,662	534,886,041	490,590,779

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

Cambodian Commercial Bank Ltd.

Notes to the financial statements for the year ended 31 December 2024

These notes form an integral part of and should be read in conjunction with the accompanying financial statements.

1. Reporting entity

Cambodian Commercial Bank Ltd. (“the Bank”) was incorporated in the Kingdom of Cambodia on 1 July 1991 under the Registration No. Co. 425E/1998 and commenced operations on the same date. On 10 June 2016, the Bank obtained the new registration No. 00001622 from Ministry of Commerce. The Bank is a wholly owned subsidiary of Siam Commercial Bank PCL, a bank incorporated in Thailand.

The principal activities of the Bank comprise the operations of core banking business and the provision of related financial services through its head office and other branches in the Kingdom of Cambodia. The Bank holds a commercial banking licence which was renewed for an indefinite period on 28 November 2006. The Bank has four branches located in Phnom Penh, Battambang, Siem Reap and Sihanouk Ville. There were no changes in the nature of these principal activities during the year.

The registered office of the Bank is located at 26 Monivong Blvd., Sangkat Phsar Thmey II Khan Daun Penh, Phnom Penh Kingdom of Cambodia.

As at 31 December 2024, the Bank had 84 employees (31 December 2023: 85 employees).

2. Basis of accounting

The financial statements of the Bank have been prepared in accordance with the Cambodian International Financial Reporting Standards (“CIFRSs”).

Details of the Bank’s material accounting policies are included in Note 33.

The financial statements were authorised for issued by the Bank’s Board of Directors on 28 March 2025.

3. Functional and presentation currency

The Bank transact their business and maintain their accounting records in United States Dollars (“US\$”). Management has determined the US\$ to be the Bank’s functional and presentation currencies as it reflects the economic substance of the underlying events and circumstances of the entities.

These financial statements are presented in US\$, which is the Bank’s functional currency. All amounts have been rounded to the nearest dollar, except when otherwise indicated.

Cambodian Commercial Bank Ltd.

Notes to the financial statements (continued) for the year ended 31 December 2024

4. Use of judgments and estimates

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of the Bank's accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

A. Judgements

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the financial statements is included in the following notes:

- Note 33C(ii): classification of financial assets: assessment of the business model within which the assets are held and assessment of whether the contractual terms of the financial asset are SPPI on the principal amount outstanding;
- Note 33C(vii): establishing the criteria for determining whether credit risk on the financial asset has increased significantly since initial recognition, determining methodology for incorporating forward-looking information into measurement of Expected Credit Loss ("ECL") and selection and approval of models used to measure ECL.

B. Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities in the next financial year is included in the following notes:

- Note 18A(i): measurement of defined benefit obligations: key actuarial assumptions;
- Note 33C(vii): impairment of financial instruments: determining inputs into the ECL measurement model, including key assumptions used in estimating recoverable cash flows, and incorporation of forward-looking information; and
- Note 33C(vi): determination of the fair value of financial instruments with significant unobservable inputs.

5. Translation of United States Dollars into Khmer Riel

The financial statements are expressed in United States Dollars ("US\$") which is the Bank's functional currency. The translations of US\$ amount into Khmer Riel ("KHR") meets the presentation requirements pursuant to Law on Accounting and Auditing and has been done in compliance with CIAS 21–*The Effects of Changes in Foreign Exchange Rates*.

Cambodian Commercial Bank Ltd.

Notes to the financial statements (continued) for the year ended 31 December 2024

5. Translation of United States Dollars into Khmer Riel (continued)

Assets and liabilities are translated at the closing rate as at the reporting date and equity accounts are translated at the historical rate. The statements of profit or loss and other comprehensive income and cash flows are translated into KHR at the average rate for the year, which have been deemed to approximate the exchange rates at the date of transaction as exchange rates have not fluctuated significantly during the period. Exchange differences arising from the translation are recognised as “Currency Translation Differences” in the other comprehensive income.

The Bank uses the following exchange rates:

Financial year end			Closing rate	Average rate
31 December 2024	US\$1	=	KHR4,025	KHR4,071
31 December 2023	US\$1	=	<u>KHR4,085</u>	<u>KHR4,110</u>

The translations to Khmer Riel should not be construed as representations that the United States Dollars amounts have been, could have been, or could in the future be, converted into Khmer Riel at this or any other rate of exchange.

6. Cash and cash equivalents

	31 December		31 December	
	2024	2023	2024	2023
	US\$	US\$	KHR'000	KHR'000
			(Note 5)	(Note 5)
Cash on hand	3,760,542	3,575,564	15,136,182	14,606,178
<i>Cash equivalents with other banks:</i>				
Current accounts	11,103,597	15,077,045	44,691,977	61,589,729
Term deposits (original maturity up to three months)	93,351,584	65,244,774	375,740,126	266,524,902
<i>Cash equivalents with NBC:</i>				
Current accounts	22,849,928	31,106,469	91,970,960	127,069,926
Settlement accounts	<u>1,825,291</u>	<u>5,091,810</u>	<u>7,346,796</u>	<u>20,800,044</u>
	132,890,942	120,095,662	534,886,041	490,590,779
Less: Impairment loss allowance	<u>(4,527)</u>	<u>(47,088)</u>	<u>(18,221)</u>	<u>(192,354)</u>
	<u>132,886,415</u>	<u>120,048,574</u>	<u>534,867,820</u>	<u>490,398,425</u>

Cambodian Commercial Bank Ltd.

Notes to the financial statements (continued) for the year ended 31 December 2024

6. Cash and cash equivalents (continued)

Movements of impairment loss allowance on cash and cash equivalents during the year were as follows:

	2024 US\$	2023 US\$	2024 KHR'000 (Note 5)	2023 KHR'000 (Note 5)
At 1 January	47,088	52,999	192,354	218,197
Recognised in profit or loss (Note 9A)	(42,561)	(5,911)	(173,266)	(24,294)
Currency translation differences	-	-	(867)	(1,549)
At 31 December	<u>4,527</u>	<u>47,088</u>	<u>18,221</u>	<u>192,354</u>

7. Placements with the National Bank of Cambodia and other banks

	31 December		31 December	
	2024 US\$	2023 US\$	2024 KHR'000 (Note 5)	2023 KHR'000 (Note 5)
National Bank of Cambodia ("NBC")				
- Negotiable Certificate of Deposits ("NCD") (*)	2,051,441	5,780,000	8,257,050	23,611,300
Other banks				
- Term deposits (**)	21,667,262	11,113,222	87,210,730	45,397,512
	<u>23,718,703</u>	<u>16,893,222</u>	<u>95,467,780</u>	<u>69,008,812</u>
Less: Impairment loss allowance	(25,231)	(24,072)	(101,555)	(98,334)
	<u>23,693,472</u>	<u>16,869,150</u>	<u>95,366,225</u>	<u>68,910,478</u>

(*) During the year, the Bank has pledged the Negotiable Certificate of Deposits ("NCD") amounting to US\$2,050,000 with the NBC as collateral for overdraft facility with limit amount of KHR200,000,000 and US\$2,000,000 (2023: US\$5,780,000 with the NBC as collateral for overdraft facility with limit amount of KHR900,000,000 and US\$2,000,000). There is no outstanding overdraft balance as at 31 December 2024 (31 December 2023: Nil).

The NCD have original maturity of 6 months and earned interest rates at 1.16% (2023: 0.90% to 1.06%) per annum during the year.

(**) Placements with other banks has original maturity of 1 year and earned interest rates ranging from 2.25% to 5.00% (2023: 2.25% to 3%) per annum during the year. Included in term deposit is an amount of US\$11,333,500 (31 December 2023: US\$11,000,000) pledged as collateral for borrowing from Canadia Bank Plc. (Note 15).

Cambodian Commercial Bank Ltd.

Notes to the financial statements (continued) for the year ended 31 December 2024

7. Placements with the National Bank of Cambodia and other banks (continued)

Movements of impairment loss allowance on placements with the NBC and other banks during the year were as follows:

	2024 US\$	2023 US\$	2024 KHR'000 (Note 5)	2023 KHR'000 (Note 5)
At 1 January	24,072	209,146	98,334	861,054
Recognised in profit or loss (Note 9A)	1,159	(185,074)	4,718	(760,654)
Currency translation differences	-	-	(1,497)	(2,066)
At 31 December	<u>25,231</u>	<u>24,072</u>	<u>101,555</u>	<u>98,334</u>

8. Statutory deposits

		31 December		31 December	
		2024 US\$	2023 US\$	2024 KHR'000 (Note 5)	2023 KHR'000 (Note 5)
Statutory capital deposit	A	7,500,000	7,500,000	30,187,500	30,637,500
Reserve requirements on customers' deposits and other banks' deposit	B	<u>10,873,913</u>	<u>9,971,359</u>	<u>43,767,500</u>	<u>40,733,002</u>
		<u>18,373,913</u>	<u>17,471,359</u>	<u>73,955,000</u>	<u>71,370,502</u>

A. Statutory capital deposit

Under the NBC's Prakas No. B7-01-136 dated 15 October 2001, the Bank is required to maintain a statutory deposit 10% of its capital. This deposit is refundable should the Bank voluntarily cease its operations in Cambodia and it is not available for use in the Bank's day-to-day operations.

B. Reserve requirements on customers' deposits and other banks' deposit

Pursuant to the National Bank of Cambodia's Prakas No. B7-020-230, bank and financial institutions are required to maintain the reserve requirements, which is calculated at 7% for both KHR and other currencies of the total daily average amount of deposits from customers, and borrowings from banks and financial institutions, at the National Bank of Cambodia.

Cambodian Commercial Bank Ltd.

Notes to the financial statements (continued) for the year ended 31 December 2024

8. Statutory deposits (continued)

B. Reserve requirements on customers' deposits and other banks' deposit (continued)

On 9 January 2023, the National Bank of Cambodia (“NBC”) announced the increase of the Reserve Requirements Rate (“RRR”) to 9% and 12.5% for foreign currencies deposits and borrowings, which is effective from 1 January 2023 to 31 December 2023, and from 1 January 2024 onward, respectively. However, the Reserve Requirement Rate for local currency deposits and borrowings still maintain at 7%.

On 23 November 2023, the NBC approved to keep the Reserve Requirement Rate (“RRR”) at 7% for foreign currencies deposits and borrowings until 31 December 2024, and this RRR will be continued to maintain at the rate of 7% until 31 December 2025 followed the NBC approved letter No. B7-024-1718 Chhor Tor dated 21 August 2024.

C. By interest rate (per annum):

Annual interest rates applicable to statutory deposits at the year end were as follows:

	31 December 2024	31 December 2023
Statutory capital deposit	1.31%	1.33%
Reserve requirements on customers' deposits and other banks' deposit	<u>Nil</u>	<u>Nil</u>

9. Loans and advances to customers

A. Analysis by type of loans

	31 December		31 December	
	2024 US\$	2023 US\$	2024 KHR'000 (Note 5)	2023 KHR'000 (Note 5)
Commercial loans:				
Overdrafts	13,278,914	13,403,669	53,447,629	54,753,988
Term loans	58,830,707	58,323,874	236,793,596	238,253,025
Trust receipts	10,430,305	17,186,776	41,981,978	70,207,980
Staff loans	<u>1,717,059</u>	<u>1,659,032</u>	<u>6,911,162</u>	<u>6,777,146</u>
Gross loans and advances to customers	84,256,985	90,573,351	339,134,365	369,992,139
Less: Impairment loss allowance	<u>(7,111,151)</u>	<u>(4,754,294)</u>	<u>(28,622,383)</u>	<u>(19,421,291)</u>
Loans and advances – net	<u>77,145,834</u>	<u>85,819,057</u>	<u>310,511,982</u>	<u>350,570,848</u>

Cambodian Commercial Bank Ltd.

Notes to the financial statements (continued) for the year ended 31 December 2024

9. Loans and advances to customers (continued)

A. Analysis by type of loans (continued)

- (i) The movements of impairment loss allowance on loans and advances to customers during the year were as follows:

	2024 US\$	2023 US\$	2024 KHR'000 (Note 5)	2023 KHR'000 (Note 5)
At 1 January	4,754,294	2,586,372	19,421,291	10,648,094
Recognised in profit or loss	1,400,133	2,167,922	5,699,941	8,910,159
Unwind of discount	956,724	-	3,894,823	-
Currency translation differences	-	-	(393,672)	(136,962)
At 31 December	<u>7,111,151</u>	<u>4,754,294</u>	<u>28,622,383</u>	<u>19,421,291</u>

- (ii) Allowance for impairment losses on financial instruments recognised in profit or loss is summarised as follows:

	2024 US\$	2023 US\$	2024 KHR'000 (Note 5)	2023 KHR'000 (Note 5)
Impairment (losses)/gains on:				
Loans and advances to customers	(1,400,133)	(2,167,922)	(5,699,941)	(8,910,159)
Off balance sheet (Note 28A)	(381,444)	(259,997)	(1,552,859)	(1,068,588)
Cash and cash equivalents (Note 6)	42,561	5,911	173,266	24,294
Placements with other banks (Note 7)	(1,159)	185,074	(4,718)	760,654
	<u>(1,740,175)</u>	<u>(2,236,934)</u>	<u>(7,084,252)</u>	<u>(9,193,799)</u>

Gross amounts of loans and advances to customers were further analysed as follows:

B. Analysis by type of maturity

	31 December		31 December	
	2024 US\$	2023 US\$	2024 KHR'000 (Note 5)	2023 KHR'000 (Note 5)
Within 1 month	12,640,550	33,398,048	50,878,214	136,431,026
> 1 to 3 months	32,747,681	19,728,193	131,809,416	80,589,669
> 3 to 6 months	5,865,549	8,966,297	23,608,835	36,627,323
> 6 to 12 months	8,503,220	215,721	34,225,461	881,220
> 1 to 5 years	12,412,626	14,631,870	49,960,820	59,771,189
Over 5 years	12,087,359	13,633,222	48,651,619	55,691,712
	<u>84,256,985</u>	<u>90,573,351</u>	<u>339,134,365</u>	<u>369,992,139</u>

Cambodian Commercial Bank Ltd.

Notes to the financial statements (continued) for the year ended 31 December 2024

9. Loans and advances to customers (continued)

Gross amounts of loans and advances to customers were further analysed as follows: (continued)

C. Analysis by type of industry

	31 December		31 December	
	2024 US\$	2023 US\$	2024 KHR'000 (Note 5)	2023 KHR'000 (Note 5)
Commercial trading	54,291,727	57,743,106	218,524,201	235,880,589
Industrial business	13,017,898	15,608,944	52,397,039	63,762,535
Financial institutions	9,642,024	9,165,880	38,809,147	37,442,620
Construction	1,496,365	1,382,535	6,022,869	5,647,656
Others	5,808,971	6,672,886	23,381,109	27,258,739
	<u>84,256,985</u>	<u>90,573,351</u>	<u>339,134,365</u>	<u>369,992,139</u>

D. Interest rates (per annum)

Annual interest rates applicable to loans and advances to customers at the year end were as follows:

	31 December 2024	31 December 2023
Overdrafts	3% – 18%	3% – 18%
Term loans	5.8% – 18%	5.8% – 18%
Trust receipts	5.8% – 18%	5.8% – 18%
Staff loans	<u>1.5% – 7%</u>	<u>1.5% – 7%</u>

For additional analysis of gross amount of loans and advances to customers, refer to Note 31B.

10. Other assets

	31 December		31 December	
	2024 US\$	2023 US\$	2024 KHR'000 (Note 5)	2023 KHR'000 (Note 5)
Unamortised employee benefits	439,712	425,412	1,769,841	1,737,808
Advances and prepayments	211,295	126,798	850,462	517,970
Deposit	63,371	53,358	255,068	217,967
Others	2,796	4	11,256	16
	<u>717,174</u>	<u>605,572</u>	<u>2,886,627</u>	<u>2,473,761</u>

Cambodian Commercial Bank Ltd.

Notes to the financial statements (continued) for the year ended 31 December 2024

11. Intangible assets

	2024 US\$	2023 US\$	2024 KHR'000 (Note 5)	2023 KHR'000 (Note 5)
Computer software				
Cost				
At 1 January	2,177,680	2,177,680	8,895,823	8,965,509
Additions	55,000	-	223,905	-
Currency translation differences	-	-	(133,191)	(69,686)
At 31 December	<u>2,232,680</u>	<u>2,177,680</u>	<u>8,986,537</u>	<u>8,895,823</u>
Less: Accumulated amortisation				
At 1 January	1,899,406	1,672,792	7,759,074	6,886,885
Amortisation for the year	183,070	226,614	745,278	931,384
Currency translation differences	-	-	(122,386)	(59,195)
At 31 December	<u>2,082,476</u>	<u>1,899,406</u>	<u>8,381,966</u>	<u>7,759,074</u>
Carrying amounts				
At 1 January	<u>278,274</u>	<u>504,888</u>	<u>1,136,749</u>	<u>2,078,624</u>
At 31 December	<u>150,204</u>	<u>278,274</u>	<u>604,571</u>	<u>1,136,749</u>

Included in the cost of intangible assets were items costing US\$788,367 which were fully depreciated as at 31 December 2024 (31 December 2023: US\$174,229), but which are still in active use.

Cambodian Commercial Bank Ltd.

Notes to the financial statements (continued) for the year ended 31 December 2024

12. Property and equipment

2024	Land US\$	Building and improvement US\$	Furniture and equipment US\$	Computer and IT equipment US\$	Motor vehicles US\$	Total	
						US\$	KHR'000 (Note 5)
Cost							
At 1 January	1,274,500	3,929,399	757,242	534,233	474,145	6,969,519	28,470,485
Additions	-	-	15,590	50,529	-	66,119	269,170
Reclassification	-	-	14,335	(14,335)	-	-	-
Written off	-	-	(127,413)	(142,163)	(237,100)	(506,676)	(2,062,678)
Currency translation differences	-	-	-	-	-	-	(397,905)
At 31 December	1,274,500	3,929,399	659,754	428,264	237,045	6,528,962	26,279,072
Less: Accumulated depreciation							
At 1 January	-	3,505,950	679,830	448,789	464,156	5,098,725	20,828,292
Depreciation	-	70,889	47,642	31,365	8,660	158,556	645,481
Written off	-	-	(127,386)	(142,033)	(237,099)	(506,518)	(2,062,035)
Currency translation differences	-	-	-	-	-	-	(289,917)
At 31 December	-	3,576,839	600,086	338,121	235,717	4,750,763	19,121,821
Carrying amounts							
At 1 January	1,274,500	423,449	77,412	85,444	9,989	1,870,794	7,642,193
At 31 December	1,274,500	352,560	59,668	90,143	1,328	1,778,199	7,157,251

Included in the cost of property and equipment were items costing US\$3,083,553 which were fully depreciated as at 31 December 2024 (31 December 2023: US\$3,279,306), but which are still in active use.

Cambodian Commercial Bank Ltd.

Notes to the financial statements (continued) for the year ended 31 December 2024

12. Property and equipment (continued)

	Land US\$	Building and improvement US\$	Furniture and equipment US\$	Computer and IT equipment US\$	Motor vehicles US\$	Total US\$	KHR'000 (Note 5)
2023							
Cost							
At 1 January	1,274,500	3,929,399	746,792	478,153	474,145	6,902,989	28,419,606
Additions	-	-	10,450	56,080	-	66,530	273,438
Currency translation differences	-	-	-	-	-	-	(222,559)
At 31 December	1,274,500	3,929,399	757,242	534,233	474,145	6,969,519	28,470,485
Less: Accumulated depreciation							
At 1 January	-	3,435,060	627,909	407,971	451,453	4,922,393	20,265,492
Depreciation	-	70,890	51,921	40,818	12,703	176,332	724,725
Currency translation differences	-	-	-	-	-	-	(161,925)
At 31 December	-	3,505,950	679,830	448,789	464,156	5,098,725	20,828,292
Carrying amounts							
At 1 January	1,274,500	494,339	118,883	70,182	22,692	1,980,596	8,154,114
At 31 December	1,274,500	423,449	77,412	85,444	9,989	1,870,794	7,642,193

Cambodian Commercial Bank Ltd.

Notes to the financial statements (continued) for the year ended 31 December 2024

12. Property and equipment (continued)

The Bank, in substance, has full right over the land where office buildings are located. However, the majority of the plots of land at Phnom Penh Head Office and Sihanoukville branch were registered under the names of former directors or employees except the land plots at Siem Reap branch which are under the Bank's name.

Article 44 of the Constitution of the Kingdom of Cambodia and article 16 of the 1994 Investment Law specify that only Cambodian controlled legal entities and citizens of Cambodian nationality have the rights to own land in Cambodia. The holding of the Siem Reap branch by the Bank, a foreign entity, is not in compliance with the Constitution of the Kingdom of Cambodia.

13. Right-of-use assets

The Bank leases many assets including Office Building and Automated Teller Machine ("ATM") Space. Information about leases for which the Bank is a lessee is presented below:

	Office Building US\$	ATM Space US\$	US\$	Total KHR'000 (Note 5)
2024				
Cost				
At 1 January	244,164	59,721	303,885	1,241,370
Terminated	-	(59,721)	(59,721)	(243,124)
Currency translation differences	-	-	-	(15,486)
At 31 December	<u>244,164</u>	<u>-</u>	<u>244,164</u>	<u>982,760</u>
Less: Accumulated amortisation				
At 1 January	148,533	48,713	197,246	805,750
Amortisation for the year	24,416	6,055	30,471	124,047
Terminated	-	(54,768)	(54,768)	(222,961)
Currency translation differences	-	-	-	(10,716)
At 31 December	<u>172,949</u>	<u>-</u>	<u>172,949</u>	<u>696,120</u>
Carrying amounts				
At 31 December	<u>71,215</u>	<u>-</u>	<u>71,215</u>	<u>286,640</u>

Cambodian Commercial Bank Ltd.

Notes to the financial statements (continued) for the year ended 31 December 2024

13. Right-of-use assets (continued)

The Bank leases many assets including Office Building and ATM Space. Information about leases for which the Bank is a lessee is presented below: (continued)

	Office Building US\$	ATM Space US\$	US\$	Total KHR'000 (Note 5)
2023				
Cost				
At 1 January	244,164	46,511	290,675	1,196,709
Additions	-	13,210	13,210	54,293
Currency translation differences	-	-	-	(9,632)
At 31 December	<u>244,164</u>	<u>59,721</u>	<u>303,885</u>	<u>1,241,370</u>
Less: Accumulated amortisation				
At 1 January	124,116	42,108	166,224	684,344
Amortisation for the year	24,417	6,605	31,022	127,500
Currency translation differences	-	-	-	(6,094)
At 31 December	<u>148,533</u>	<u>48,713</u>	<u>197,246</u>	<u>805,750</u>
Carrying amounts				
At 31 December	<u>95,631</u>	<u>11,008</u>	<u>106,639</u>	<u>435,620</u>

14. Deposits from customers

	31 December		31 December	
	2024 US\$	2023 US\$	2024 KHR'000 (Note 5)	2023 KHR'000 (Note 5)
Saving accounts	114,165,458	115,513,804	459,515,968	471,873,890
Demand deposits	19,727,219	22,293,105	79,402,056	91,067,334
Fixed deposits	11,478,454	3,122,098	46,200,777	12,753,770
Margin deposits (*)	1,624,298	19,848	6,537,801	81,079
	<u>146,995,429</u>	<u>140,948,855</u>	<u>591,656,602</u>	<u>575,776,073</u>

(*) The margin deposits are interest free and are encumbered for trade line and guarantee granted to customers.

Cambodian Commercial Bank Ltd.

Notes to the financial statements (continued) for the year ended 31 December 2024

14. Deposits from customers (continued)

Deposits from customers were analysed as follows:

	31 December		31 December	
	2024	2023	2024	2023
	US\$	US\$	KHR'000	KHR'000
			(Note 5)	(Note 5)
A. By maturity:				
Within 1 month	135,615,582	137,589,137	545,852,718	562,051,625
> 1 to 3 months	11,375,550	2,885,741	45,786,589	11,788,252
> 3 to 6 months	4,081	6,297	16,426	25,723
> 6 to 12 months	216	467,680	869	1,910,473
	<u>146,995,429</u>	<u>140,948,855</u>	<u>591,656,602</u>	<u>575,776,073</u>
B. By customer type:				
Individuals	23,902,660	37,526,236	96,208,207	153,294,674
Business enterprises	123,092,769	103,422,619	495,448,395	422,481,399
	<u>146,995,429</u>	<u>140,948,855</u>	<u>591,656,602</u>	<u>575,776,073</u>
C. By residency status:				
Residents	133,082,638	117,399,116	535,657,618	479,575,389
Non-residents	13,912,791	23,549,739	55,998,984	96,200,684
	<u>146,995,429</u>	<u>140,948,855</u>	<u>591,656,602</u>	<u>575,776,073</u>
D. By interest rate (per annum):				

Annual interest rates applicable to deposits from customers at the year end were as follows:

	31 December 2024	31 December 2023
Saving accounts	Nil – 2.00%	Nil – 2.00%
Demand deposits	Nil	Nil
Fixed deposits	<u>Nil – 3.75%</u>	<u>Nil – 3.75%</u>

Cambodian Commercial Bank Ltd.

Notes to the financial statements (continued) for the year ended 31 December 2024

15. Borrowings

	31 December		31 December	
	2024 US\$	2023 US\$	2024 KHR'000 (Note 5)	2023 KHR'000 (Note 5)
Local bank	<u>9,628,213</u>	<u>9,148,538</u>	<u>38,753,557</u>	<u>37,371,778</u>

The Bank entered into three borrowing agreements with Canadia Bank Plc. as followings:

Total credit facilities	On 31 December 2024, the totalling amount is KHR38,668,000,000 from 4 agreements: 1) KHR20,000,000,000 2) KHR4,000,000,000 3) KHR8,000,000,000 4) KHR6,668,000,000 (Roll-over from KHR13,334,000,000 in 2023)	On 31 December 2023, the totalling amount is KHR37,334,000,000 from 3 agreements: 1) KHR16,000,000,000 2) KHR8,000,000,000 3) KHR13,334,000,000
Maturity	Maturity of borrowings as followings: 1) 11 June 2024 to 11 June 2025 2) 11 April 2024 to 1 April 2025 3) 5 April 2024 to 1 April 2025 4) 29 December 2024 to 29 December 2025. (Roll-over from original maturity date 29 December 2022 to 29 December 2023, and roll-over from 29 December 2023 to 29 December 2024)	
Interest rate (per annum)	5.00% – 6.00%	
Collateral	The Bank pledges the fixed deposits amounting to US\$11,333,500 (31 December 2023: US\$11,000,000) to secure the above borrowings.	

Further analysis by maturity period was as follows:

	31 December		31 December	
	2024 US\$	2023 US\$	2024 KHR'000 (Note 5)	2023 KHR'000 (Note 5)
Within 1 month	21,256	9,248	85,557	37,778
> 1 to 3 months	1,987,578	3,907,521	8,000,000	15,962,222
> 3 to 6 months	5,962,733	1,964,912	24,000,000	8,026,667
> 6 to 12 months	1,656,646	3,266,857	6,668,000	13,345,111
	<u>9,628,213</u>	<u>9,148,538</u>	<u>38,753,557</u>	<u>37,371,778</u>

Cambodian Commercial Bank Ltd.

Notes to the financial statements (continued) for the year ended 31 December 2024

15. Borrowings (continued)

Borrowings movement recognised in the statement of cash flows are as follow:

	2024 US\$	2023 US\$	2024 KHR'000 (Note 5)	2023 KHR'000 (Note 5)
At 1 January	9,148,538	14,587,105	37,371,778	60,055,111
Interest expense	551,196	633,756	2,243,919	2,604,737
Interest paid	(539,188)	(637,894)	(2,195,034)	(2,621,744)
Proceeds from borrowings	7,904,472	-	32,179,106	-
Repayment of borrowings	(7,522,639)	(5,434,429)	(30,624,663)	(22,335,503)
Currency translation differences	85,834	-	(221,549)	(330,823)
At 31 December	<u>9,628,213</u>	<u>9,148,538</u>	<u>38,753,557</u>	<u>37,371,778</u>

16. Lease liabilities

	31 December		31 December	
	2024 US\$	2023 US\$	2024 KHR'000 (Note 5)	2023 KHR'000 (Note 5)
Present value of lease liabilities				
Current	24,416	28,959	98,274	118,298
Non-current	25,429	54,496	102,352	222,616
	<u>49,845</u>	<u>83,455</u>	<u>200,626</u>	<u>340,914</u>

Maturity analysis – contractual undiscounted cash flows

	2024 US\$	2023 US\$	2024 KHR'000 (Note 5)	2023 KHR'000 (Note 5)
Less than one year	30,000	37,200	120,750	151,962
One to five years	57,500	92,300	231,438	377,046
	<u>87,500</u>	<u>129,500</u>	<u>352,188</u>	<u>529,008</u>

Amounts recognised in profit or loss:

	2024 US\$	2023 US\$	2024 KHR'000 (Note 5)	2023 KHR'000 (Note 5)
Interest on lease liabilities	8,205	9,854	33,403	40,500
Expenses relating to leases of low-value assets, excluding short-term leases of low-value assets	<u>30,080</u>	<u>25,839</u>	<u>122,456</u>	<u>106,198</u>

Cambodian Commercial Bank Ltd.

Notes to the financial statements (continued) for the year ended 31 December 2024

16. Lease liabilities (continued)

Amounts recognised in profit or loss: (continued)

The movement of lease liabilities during the year were as follows:

	2024 US\$	2023 US\$	2024 KHR'000 (Note 5)	2023 KHR'000 (Note 5)
At 1 January	83,455	97,591	340,914	401,782
Additions	-	13,210	-	54,293
Terminated	(5,215)	-	(21,230)	-
Interest expense	8,205	9,854	33,403	40,500
Interest paid	(8,205)	(9,854)	(33,403)	(40,500)
Principal repayment	(28,395)	(27,346)	(115,596)	(112,392)
Currency translation differences	-	-	(3,462)	(2,769)
At 31 December	<u>49,845</u>	<u>83,455</u>	<u>200,626</u>	<u>340,914</u>

17. Other liabilities

	31 December		31 December	
	2024 US\$	2023 US\$	2024 KHR'000 (Note 5)	2023 KHR'000 (Note 5)
Accrued expense	302,272	625,429	1,216,645	2,554,877
Deferred income	277,548	288,877	1,117,131	1,180,063
Other payables	11,602	1,355	46,698	5,533
	<u>591,422</u>	<u>915,661</u>	<u>2,380,474</u>	<u>3,740,473</u>

18. Provision for employee benefits

		31 December		31 December	
		2024 US\$	2023 US\$	2024 KHR'000 (Note 5)	2023 KHR'000 (Note 5)
Post-employment benefits	A	970,965	822,826	3,908,134	3,361,245
Seniority indemnity	B	81,311	88,311	327,277	360,750
		<u>1,052,276</u>	<u>911,137</u>	<u>4,235,411</u>	<u>3,721,995</u>

Cambodian Commercial Bank Ltd.

Notes to the financial statements (continued) for the year ended 31 December 2024

18. Provision for employee benefits (continued)

A. Post-employment benefits

The movements in provision for post-employment benefits during the year were as follows:

	2024 US\$	2023 US\$	2024 KHR'000 (Note 5)	2023 KHR'000 (Note 5)
At 1 January	822,826	721,953	3,361,245	2,972,280
Service cost	249,204	242,405	1,014,509	996,285
Interest cost	5,971	5,357	24,308	22,017
Remeasurement gain	(74,077)	(126,549)	(301,567)	(520,116)
Payments made during the year	(35,542)	(34,250)	(144,692)	(140,768)
Loss on exchange rate	2,583	13,910	10,515	57,170
Currency translation differences	-	-	(56,184)	(25,623)
At 31 December	<u>970,965</u>	<u>822,826</u>	<u>3,908,134</u>	<u>3,361,245</u>

(i) Actuarial assumptions

	2024	2023
Discount rate	<u>0.75%</u>	<u>0.75%</u>
Rate of salary increases		
- Ages up to 29	11%	11%
- Ages 30 to 39	11%	11%
- Ages 40 to 49	7%	7%
- Ages 50 and above	<u>7%</u>	<u>7%</u>

The principal actuarial assumptions are based on the latest actuarial valuation performed as of 31 December 2024.

(ii) Sensitivity analysis

	2024 US\$	2024 US\$	2023 US\$	2023 US\$
(Decrease)/increase in present value of benefit obligations:	1%	-1%	1%	-1%
- Discount rate	(107,618)	129,281	(88,787)	106,917
- Expected salary	<u>119,343</u>	<u>(102,390)</u>	<u>98,588</u>	<u>(84,405)</u>

Cambodian Commercial Bank Ltd.

Notes to the financial statements (continued) for the year ended 31 December 2024

18. Provision for employee benefits (continued)

B. Seniority indemnity – Back-pay

	31 December		31 December	
	2024 US\$	2023 US\$	2024 KHR'000 (Note 5)	2023 KHR'000 (Note 5)
Current	4,996	5,407	20,109	22,088
Non-current	76,315	82,904	307,168	338,662
	<u>81,311</u>	<u>88,311</u>	<u>327,277</u>	<u>360,750</u>

This represents provision for seniority indemnity payments required by Prakas No. 443 issued by the Ministry of Labour and Vocational Training (“MoLVT”) on 21 September 2018, and subsequently amended by the Instruction No. 042/19 dated 22 March 2019. It requires all employers to settle the seniority indemnity to their employee as follows:

- Current pay: starting from 2019 onwards at the amounts equal to 15 days of wages and other benefits per year.
- Retrospective (back-pay): starting from 2021 onwards at the amounts equal to 6 days of net wages per year. The provision of back-pay seniority indemnity is calculated at a maximum amount of 6 months net wages (depends on the length of the service employee served) to the employee who has seniority before 2019.

Payments will be made twice a year, in June and December respectively. Employee does not entitle to the remaining back-pay seniority indemnity which is not yet due, if he/she resigns from the Bank.

Movements of provision for back-pay seniority indemnity during the year were as follows:

	2024 US\$	2023 US\$	2024 KHR'000 (Note 5)	2023 KHR'000 (Note 5)
At 1 January	88,311	107,572	360,750	442,874
Recognised in profit or loss	5,706	(6,921)	23,229	(28,445)
Payments made during the year	(12,706)	(12,340)	(51,726)	(50,717)
Currency translation differences	-	-	(4,976)	(2,962)
At 31 December	<u>81,311</u>	<u>88,311</u>	<u>327,277</u>	<u>360,750</u>

Cambodian Commercial Bank Ltd.

Notes to the financial statements (continued) for the year ended 31 December 2024

19. Income tax

A. Deferred tax liabilities – net

	31 December		31 December	
	2024 US\$	2023 US\$	2024 KHR'000 (Note 5)	2023 KHR'000 (Note 5)
Deferred tax assets	282,162	272,829	1,135,702	1,114,506
Deferred tax liabilities	<u>(933,327)</u>	<u>(1,482,337)</u>	<u>(3,756,642)</u>	<u>(6,055,347)</u>
Deferred tax liabilities – net	<u>(651,165)</u>	<u>(1,209,508)</u>	<u>(2,620,940)</u>	<u>(4,940,841)</u>

Deferred tax are attributable to the following:

	31 December		31 December	
	2024 US\$	2023 US\$	2024 KHR'000 (Note 5)	2023 KHR'000 (Note 5)
<i>Deferred tax assets:</i>				
Provision for bank balance	5,952	14,232	23,957	58,138
Deferred income	55,786	59,679	224,539	243,789
Provision for post-employment benefits	194,193	164,565	781,627	672,248
Provision for employee benefits	16,262	17,662	65,455	72,149
Lease liabilities	<u>9,969</u>	<u>16,691</u>	<u>40,124</u>	<u>68,182</u>
	<u>282,162</u>	<u>272,829</u>	<u>1,135,702</u>	<u>1,114,506</u>
<i>Deferred tax liabilities:</i>				
Allowance for loan losses	(190,065)	(927,973)	(765,012)	(3,790,770)
Unrealised revaluation gain on foreign exchange	(559)	-	(2,250)	-
Right-of-use of assets	(14,243)	(21,328)	(57,328)	(87,125)
Property and equipment and Intangible assets	(12,240)	(88,351)	(49,266)	(360,914)
Other	<u>(716,220)</u>	<u>(444,685)</u>	<u>(2,882,786)</u>	<u>(1,816,538)</u>
	<u>(933,327)</u>	<u>(1,482,337)</u>	<u>(3,756,642)</u>	<u>(6,055,347)</u>
Deferred tax liabilities – net	<u>(651,165)</u>	<u>(1,209,508)</u>	<u>(2,620,940)</u>	<u>(4,940,841)</u>

Cambodian Commercial Bank Ltd.

Notes to the financial statements (continued) for the year ended 31 December 2024

19. Income tax (continued)

A. Deferred tax liabilities – net (continued)

The movements of net deferred tax during the year were as follows:

	2024 US\$	2023 US\$	2024 KHR'000 (Note 5)	2023 KHR'000 (Note 5)
At 1 January	(1,209,508)	(552,350)	(4,940,841)	(2,274,025)
Recognised in profit or loss	573,158	(631,848)	2,333,326	(2,596,895)
Recognised in OCI	(14,815)	(25,310)	(60,311)	(104,024)
Currency translation differences	-	-	46,886	34,103
At 31 December	<u>(651,165)</u>	<u>(1,209,508)</u>	<u>(2,620,940)</u>	<u>(4,940,841)</u>

B. Current income tax liability

	2024 US\$	2023 US\$	2024 KHR'000 (Note 5)	2023 KHR'000 (Note 5)
At 1 January	15,167	18,678	61,957	76,897
Current income tax	1,610,615	157,033	6,556,813	645,406
Income tax paid	(148,419)	(160,544)	(604,214)	(659,836)
Currency translation differences	-	-	(68,170)	(510)
At 31 December	<u>1,477,363</u>	<u>15,167</u>	<u>5,946,386</u>	<u>61,957</u>

In accordance with Cambodian Law on Taxation, the Bank has an obligation to pay corporate income tax of either the profit tax at the rate of 20% of taxable profits or the minimum tax at 1% of gross revenues, whichever is higher.

C. Income/Minimum tax expense

i. Amount recognised in profit or loss

	2024 US\$	2023 US\$	2024 KHR'000 (Note 5)	2023 KHR'000 (Note 5)
Current income tax				
Current year	1,611,106	137,918	6,558,813	566,843
(Over)/Under provision in prior year	<u>(491)</u>	<u>19,115</u>	<u>(2,000)</u>	<u>78,563</u>
	1,610,615	157,033	6,556,813	645,406
Deferred tax	<u>(573,158)</u>	<u>631,848</u>	<u>(2,333,326)</u>	<u>2,596,895</u>
Income tax expense	<u>1,037,457</u>	<u>788,881</u>	<u>4,223,487</u>	<u>3,242,301</u>

Cambodian Commercial Bank Ltd.

Notes to the financial statements (continued) for the year ended 31 December 2024

19. Income tax (continued)

C. Income/Minimum tax expense (continued)

i. Amount recognised in profit or loss (continued)

The reconciliation of income tax computed at the statutory tax rate of 20% to the income tax expense shown in profit or loss is as follows:

	2024			2023		
	US\$	KHR'000 (Note 5)	%	US\$	KHR'000 (Note 5)	%
Profit before income tax	<u>5,130,366</u>	<u>20,885,721</u>		<u>3,164,227</u>	<u>13,004,971</u>	
Income tax using statutory rate at 20%	1,026,073	4,177,143	20.00	632,845	2,600,993	20.00
Non-deductible expense (Over)/under provision in prior year	99,068 (491)	403,306 (2,000)	1.93 -0.01	163,983 19,115	673,970 78,563	5.18 -0.86
Others	<u>(87,193)</u>	<u>(354,962)</u>	<u>-1.70</u>	<u>(27,062)</u>	<u>(111,225)</u>	<u>0.60</u>
Income tax expense	<u>1,037,457</u>	<u>4,223,487</u>	<u>20.22</u>	<u>788,881</u>	<u>3,242,301</u>	<u>24.93</u>

ii. Amount recognised in OCI

	Before tax	Tax expense	Net of tax	
	US\$	US\$	US\$	KHR'000 (Note 5)
31 December 2024				
Remeasurement of provision for employment benefits	<u>74,077</u>	<u>(14,815)</u>	<u>59,262</u>	<u>241,256</u>
31 December 2023				
Remeasurement of provision for employment benefits	<u>126,549</u>	<u>(25,310)</u>	<u>101,239</u>	<u>416,092</u>

The calculation of taxable income is subject to the final review and approval of the tax authorities.

Cambodian Commercial Bank Ltd.

Notes to the financial statements (continued) for the year ended 31 December 2024

20. Share capital

	31 December		31 December	
	2024	2023	2024	2023
	US\$	US\$	KHR'000 (Note 5)	KHR'000 (Note 5)
Registered, issued and fully paid 750,000 ordinary share of US\$100 each	<u>75,000,000</u>	<u>75,000,000</u>	<u>302,915,000</u>	<u>302,915,000</u>

The Bank's shares are wholly owned by Siam Commercial Bank PCL. There were no changes in share capital during the year.

On 8 June 2020, the extraordinary shareholders' meeting was held to approve the sale and transfer of 1 (one) share with a par value of US\$100 per share from Siam Commercial Bank PCL. ("SCB") to SCB Plus Company Limited ("SCB Plus"), the Company incorporated in Thailand. The agreement was signed on 17 July 2020. On 23 December 2020, the National Bank of Cambodia ("NBC") approved on the sale and transfer agreement. The amended Memorandum and Articles of Association has not been endorsed by the Ministry of Commerce as at the date of this report yet.

Cambodian Commercial Bank Ltd.

Notes to the financial statements (continued) for the year ended 31 December 2024

22. Interest income

	2024 US\$	2023 US\$	2024 KHR'000 (Note 5)	2023 KHR'000 (Note 5)
Loans and advances	6,035,660	6,701,877	24,571,172	27,544,714
Placements with other banks	4,924,639	3,875,561	20,048,205	15,928,556
Placements with the NBC	136,220	173,564	554,552	713,348
	<u>11,096,519</u>	<u>10,751,002</u>	<u>45,173,929</u>	<u>44,186,618</u>

23. Interest expense

	2024 US\$	2023 US\$	2024 KHR'000 (Note 5)	2023 KHR'000 (Note 5)
Saving accounts	1,218,043	1,394,641	4,958,654	5,731,975
Borrowings	551,196	633,756	2,243,919	2,604,737
Fixed deposits	70,582	131,038	287,339	538,566
Lease liabilities	8,204	9,854	33,398	40,500
Post employee benefit	5,971	5,357	24,308	22,017
	<u>1,853,996</u>	<u>2,174,646</u>	<u>7,547,618</u>	<u>8,937,795</u>

24. Net fee and commission income

	2024 US\$	2023 US\$	2024 KHR'000 (Note 5)	2023 KHR'000 (Note 5)
<i>Fee and commission income:</i>				
Inward and outward remittance	1,286,301	1,326,006	5,236,531	5,449,885
Credit related fees	562,364	571,163	2,289,384	2,347,480
Other fees and commissions	362,150	442,427	1,474,313	1,818,375
	<u>2,210,815</u>	<u>2,339,596</u>	<u>9,000,228</u>	<u>9,615,740</u>
<i>Fee and commission expense:</i>				
Fee and commission paid to banks	962,390	976,225	3,917,890	4,012,285
The Society for Worldwide Interbank Financial Telecommunication expense ("SWIFT")	20,172	11,470	82,120	47,142
	<u>982,562</u>	<u>987,695</u>	<u>4,000,010</u>	<u>4,059,427</u>
	<u>1,228,253</u>	<u>1,351,901</u>	<u>5,000,218</u>	<u>5,556,313</u>

Cambodian Commercial Bank Ltd.

Notes to the financial statements (continued) for the year ended 31 December 2024

25. Other income

	2024 US\$	2023 US\$	2024 KHR'000 (Note 5)	2023 KHR'000 (Note 5)
Net gain on foreign exchange	656,778	608,734	2,673,743	2,501,897
Dividend income	48,191	67,394	196,186	276,989
Other income	78,291	25,039	318,723	102,910
	<u>783,260</u>	<u>701,167</u>	<u>3,188,652</u>	<u>2,881,796</u>

26. Personnel expenses

	2024 US\$	2023 US\$	2024 KHR'000 (Note 5)	2023 KHR'000 (Note 5)
Salaries and wages	2,062,766	2,295,624	8,397,520	9,435,015
Post employee benefits	249,204	242,405	1,014,509	996,285
Seniority indemnity – current pay	107,584	122,519	437,974	503,553
Seniority indemnity – back pay	5,706	(6,921)	23,229	(28,445)
Other personnel expenses	266,999	266,750	1,086,954	1,096,342
	<u>2,692,259</u>	<u>2,920,377</u>	<u>10,960,186</u>	<u>12,002,750</u>

27. Other operating expenses

	2024 US\$	2023 US\$	2024 KHR'000 (Note 5)	2023 KHR'000 (Note 5)
Depreciation and amortisation	372,097	433,968	1,514,806	1,783,609
Management fee	159,186	183,267	648,046	753,227
License fees	144,734	125,266	589,212	514,843
Repairs and maintenance	138,681	156,863	564,570	644,707
Other tax expenses	127,875	825,484	520,579	3,392,739
Professional fees (*)	120,350	144,500	489,945	593,895
Utilities expenses	70,299	68,994	286,187	283,565
Insurance expense	59,890	48,431	243,812	199,051
Office supplies	51,470	28,780	209,534	118,286
Public relations, marketing and advertising	48,524	40,410	197,541	166,085
Communication	34,871	44,030	141,960	180,963
Rental	30,080	25,839	122,456	106,198
Travelling and entertainment	13,652	12,210	55,577	50,183
Other expenses	319,527	169,844	1,300,797	698,061
	<u>1,691,236</u>	<u>2,307,886</u>	<u>6,885,022</u>	<u>9,485,412</u>

Cambodian Commercial Bank Ltd.

Notes to the financial statements (continued) for the year ended 31 December 2024

28. Commitments and contingencies

A. Operations

In the normal course of business, the Bank makes various commitments and incurs certain contingencies with legal recourse to its customers. No material losses are anticipated from these transactions, which consist of:

	31 December		31 December	
	2024 US\$	2023 US\$	2024 KHR'000 (Note 5)	2023 KHR'000 (Note 5)
Unused portion of credit facilities	39,036,031	38,866,443	157,120,025	158,769,420
Letters of credits	52,086,702	52,073,779	209,648,976	212,721,387
Bankers' guarantees	38,478,048	38,678,048	154,874,143	157,999,826
Foreign exchange commitments				
<i>Sell</i>	4,491,658	-	18,078,923	-
<i>Buy</i>	(4,494,459)	-	(18,090,197)	-
Commitments and contingencies	129,597,980	129,618,270	521,631,870	529,490,633
Less: Impairment loss allowance	(1,407,808)	(1,026,364)	(5,666,427)	(4,192,697)
Commitments and contingencies – net	<u>128,190,172</u>	<u>128,591,906</u>	<u>515,965,443</u>	<u>525,297,936</u>

The movements of impairment loss allowance for off balance sheet during the year were follows:

	2024 US\$	2023 US\$	2024 KHR'000 (Note 5)	2023 KHR'000 (Note 5)
At 1 January	1,026,364	766,367	4,192,697	3,155,133
Recognised in profit or loss	381,444	259,997	1,552,859	1,068,588
Currency translation differences	-	-	(79,129)	(31,024)
At 31 December	<u>1,407,808</u>	<u>1,026,364</u>	<u>5,666,427</u>	<u>4,192,697</u>

B. Taxation contingencies

On 24 January 2025, the General Department of Taxation (“GDT”) issued a Notice of Tax Reassessment (“NTR”) on the comprehensive tax audit for the period from 1 January 2021 to 31 December 2022, imposing additional tax including penalty and interest of KHR5,847,998,069 equivalent to US\$1,452,919. The Bank has submitted the 1st protest letter to the GDT on 13 March 2025. As at the date of these financial statements, management have considered that the tax reassessment exposure is unlikely to give rise to any significant loss to the Bank in the near future.

Cambodian Commercial Bank Ltd.

Notes to the financial statements (continued) for the year ended 31 December 2024

28. Commitments and contingencies (continued)

B. Taxation contingencies (continued)

The Bank assesses its tax obligations based on applicable tax laws and regulations as of the reporting date. Given the evolving nature of tax legislation, certain tax treatments may necessitate judgment and interpretation. Management exercises judgment in establishing the Bank's tax positions and continually monitors regulatory developments. While the Bank strives to comply with current tax requirements, interpretations of tax regulations may vary. Any adjustments resulting from regulatory reviews, once conducted and finalised, will be reflected into the financial statements as appropriate.

29. Classification of financial assets and financial liabilities

The Bank holds the following carrying amount of financial assets and financial liabilities, which measured at amortised cost:

	31 December		31 December	
	2024 US\$	2023 US\$	2024 KHR'000 (Note 5)	2023 KHR'000 (Note 5)
Financial assets				
Cash and cash equivalents	132,886,415	120,048,574	534,867,820	490,398,425
Placements with the NBC and other banks	23,693,472	16,869,150	95,366,225	68,910,478
Statutory deposits	18,373,913	17,471,359	73,955,000	71,370,502
Loans and advances to customers	77,145,834	85,819,057	310,511,982	350,570,848
Other assets (*)	66,167	53,362	266,324	217,983
Total financial assets	252,165,801	240,261,502	1,014,967,351	981,468,236
Financial liabilities				
Deposits from customers	146,995,429	140,948,855	591,656,602	575,776,073
Borrowings	9,628,213	9,148,538	38,753,557	37,371,778
Lease liabilities	49,845	83,455	200,626	340,914
Other liabilities (**)	267,367	539,496	1,076,152	2,203,841
Total financial liabilities	156,940,854	150,720,344	631,686,937	615,692,606

(*) Other assets only consist of deposit and other's receivable which excluded the prepayment.

(**) Other liabilities do not include taxes payables which are not considered financial liabilities.

Cambodian Commercial Bank Ltd.

Notes to the financial statements (continued) for the year ended 31 December 2024

30. Related parties

A. Identity of related parties

For the purposes of these financial statements, parties are considered to be related to the Bank if the Bank has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Bank and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

The Bank has related party relationships with its subsidiaries, substantial shareholders, associates and key management personnel.

Key management personnel are defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Bank either directly or indirectly. The key management personnel include all the Directors of the Bank, and certain senior management members of the Bank.

Key management has banking relationships with Bank entities which are entered into in the normal course of business and on substantially the same terms, including interest rates and security, as for comparable transactions with other persons of a similar standing or, where applicable, with other employees. These transactions did not involve more than the normal risk of repayment or present other unfavourable features.

B. Transaction with related parties

	2024 US\$	2023 US\$	2024 KHR'000 (Note 5)	2023 KHR'000 (Note 5)
(i) Loans and advances to key management				
At 1 January	934,636	821,404	3,817,988	3,381,720
Loan additions	141,730	232,754	576,983	956,619
Loan repayments	(78,296)	(119,522)	(318,743)	(491,235)
Interest income	33,536	31,717	136,525	130,357
Interest received	(32,955)	(31,717)	(134,160)	(130,357)
Currency translation differences	-	-	(59,023)	(29,116)
At 31 December	<u>998,651</u>	<u>934,636</u>	<u>4,019,570</u>	<u>3,817,988</u>

Loans and advances to Directors and key management earn interest rates ranging from 1.50% to 7.00% per annum (2023: 1.50% to 7.00% per annum) during the year.

Cambodian Commercial Bank Ltd.

Notes to the financial statements (continued) for the year ended 31 December 2024

30. Related parties (continued)

B. Transaction with related parties (continued)

	2024 US\$	2023 US\$	2024 KHR'000 (Note 5)	2023 KHR'000 (Note 5)
(ii) Transactions with Siam Commercial Bank PCL				
Management and IT's related fee	<u>159,186</u>	<u>183,267</u>	<u>648,046</u>	<u>753,227</u>
(iii) Compensation of directors and key management				
Salaries and short-term benefits	1,016,490	1,032,381	4,138,131	4,243,086
Board of Director's fees	<u>95,457</u>	<u>92,823</u>	<u>388,605</u>	<u>381,503</u>

C. Balances with related parties

	31 December		31 December	
	2024 US\$	2023 US\$	2024 KHR'000 (Note 5)	2023 KHR'000 (Note 5)
Placement with Parent Bank – Siam Commercial Bank PCL – current accounts	<u>5,679,184</u>	<u>1,221,881</u>	<u>22,858,716</u>	<u>4,991,384</u>
Saving account of SCG-Boonthavorn (Cambodia) Co., Ltd	<u>24,800</u>	<u>4,312</u>	<u>99,820</u>	<u>17,615</u>

Current accounts with Siam Commercial Bank PCL are non-interest bearing.

Saving account of SCG-Boonthavorn (Cambodia) Co., Ltd earns interest at 0.40% per annum (2023: 0.40% per annum) during the year.

Cambodian Commercial Bank Ltd.

Notes to the financial statements (continued) for the year ended 31 December 2024

31. Financial risk management

A. Introduction and overview

The Bank has exposure to the following risks from financial instruments:

- credit risk;
- market risk;
- liquidity risk
- operational risk; and
- capital risk.

This note presents information about the Bank's exposure to each of the above risks, the Bank's objectives, policies and processes for measuring and managing risk, and the Bank's management of capital.

Risk management functional and governance structure

The Bank's Board of Directors has overall responsibility for the establishment and oversight of the Bank's risk management framework. The Board of Directors has established the Bank Asset and Liability Management Committee ("ALCO"), which is responsible for approving and monitoring Bank's risk management policies.

The Bank's risk management policies are established to identify and analyse the risks faced by the Bank, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. The risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Bank's activities. The Bank, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Bank's Audit Committee oversees how management monitors compliance with the Bank's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Bank. The Bank's Audit Committee is assisted in its oversight role by Internal Audit. Internal Audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Bank's Audit Committee.

B. Credit risk

'Credit risk' is the risk of financial loss to the Bank if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Bank's loans and advances to customers and other banks, and investment in debt securities. For risk management reporting purposes, the Bank considers and consolidates all elements of credit risk exposure – e.g. individual obligor default risk, country and sector risk.

Credit risk is the potential loss of revenue and principal losses arising mainly from loans and advances and loan commitments as a result of default by the borrowers or counterparties through its lending activities.

Cambodian Commercial Bank Ltd.

Notes to the financial statements (continued) for the year ended 31 December 2024

31. Financial risk management (continued)

B. Credit risk (continued)

(i). *Management of credit risk*

The Bank assesses the probability of default of individual borrower using the Bank's rating tool. The credit department is responsible for determining the risk rating for each borrower.

In measuring credit risk of loans and advances to customers, the Bank reflects on four areas: industry risk, business risk, financial risk and credit performance. The overall risk rates in 22 grades – 17 grades (1-17) for normal borrowers and 5 grades (18-22) for classified borrowers.

Credit risk rating are reviewed and updated on an annual basis, and in event of (i) change of loan terms and conditions including extension; (ii) repayment irregularities or delinquencies and (iii) adverse information relating to the borrower or transaction.

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

- Mortgages over residential properties (land, building and other properties);
- Charges over business assets such as land and buildings; and
- Cash in the form of margin deposits.

In some cases, the Bank provides loans and advances to customers which are secured by:

- Letter of undertaking from Siam Commercial Bank (the Bank's parent entity); and
- Letter of guarantee from the borrowers' overseas parent entity or their banks.

Regular audits of business units and Bank Credit processes are undertaken by Internal Audit.

(ii). *Concentration of risk*

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

The following table presents the Bank's maximum exposure to credit risk of on-balance sheet and off-balance sheet financial instruments, without taking into account of any collateral held or other credit enhancements. For on-balance sheet assets, the exposure to credit risk equals their carrying amount. 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.

Cambodian Commercial Bank Ltd.

Notes to the financial statements (continued) for the year ended 31 December 2024

31. Financial risk management (continued)

B. Credit risk (continued)

(ii). Concentration of risk (continued)

Type of credit exposure

The analysis of the type of credit exposure is performed on the carrying amount:

	31 December 2024	Maximum credit exposure US\$	Maximum credit exposure KHR'000 (Note 5)	Fully subject to collateral/credit enhancement %	Partially subject to collateral/ credit enhancement %	Unsecured and not subject to collateral/ credit enhancement %
On-balance sheet items						
Cash and cash equivalents	129,125,873	519,731,638	-	-	-	100
Placements with the NBC and other banks	23,693,472	95,366,225	-	-	-	100
Statutory deposits	18,373,913	73,955,000	-	-	-	100
Loans and advances to customers	77,145,834	310,511,982	67.23	0.69	32.08	
Other assets	66,167	266,324	-	-	-	100
	<u>248,405,259</u>	<u>999,831,169</u>				
Off-balance sheet items						
Letter of credits	51,949,249	209,095,727	67.40	23.05	9.55	
Commitments and guarantees	76,243,724	306,880,990	77.03	11.48	11.49	
Others	(2,801)	(11,274)	-	-	-	100
	<u>128,190,172</u>	<u>515,965,443</u>				

Cambodian Commercial Bank Ltd.

Notes to the financial statements (continued) for the year ended 31 December 2024

31. Financial risk management (continued)

B. Credit risk (continued)

(ii). Concentration of risk (continued)

Type of credit exposure (continued)

The analysis of the type of credit exposure is performed on the carrying amount: (continued)

31 December 2023

On-balance sheet items

	Maximum credit exposure US\$	Maximum credit exposure KHR'000 (Note 5)	Fully subject to collateral/credit enhancement %	Partially subject to collateral/ credit enhancement %	Unsecured and not subject to collateral/ credit enhancement %
Cash and cash equivalents	116,473,010	475,792,247	-	-	100
Placements with the NBC and other banks	16,869,150	68,910,478	-	-	100
Statutory deposits	17,471,359	71,370,502	-	-	100
Loans and advances to customers	85,819,057	350,570,848	71.22	16.68	12.10
Other assets	53,362	217,983	-	-	100
	<u>236,685,938</u>	<u>966,862,058</u>			
Off-balance sheet items					
Letter of credits	51,959,185	212,253,271	67.35	32.65	-
Commitments and guarantees	76,632,721	313,044,665	80.26	15.49	4.25
	<u>128,591,906</u>	<u>525,297,936</u>			

Cambodian Commercial Bank Ltd.

Notes to the financial statements (continued) for the year ended 31 December 2024

31. Financial risk management (continued)

B. Credit risk (continued)

(ii). Concentration of risk (continued)

Concentration risk by industrial sectors

31 December 2024

	Cash equivalents with other banks US\$	Placements with the NBC and other banks US\$	Statutory deposits US\$	Loans and advances to customers US\$	Other assets US\$	Total US\$
Financial institutions	129,125,873	23,693,472	18,373,913	9,343,099	-	180,536,357
Commercial trading	-	-	-	47,882,786	-	47,882,786
Industrial business	-	-	-	12,639,997	-	12,639,997
Construction	-	-	-	1,491,264	-	1,491,264
Others	-	-	-	5,788,688	66,167	5,854,855
Total (US\$)	129,125,873	23,693,472	18,373,913	77,145,834	66,167	248,405,259
Total (KHR'000 equivalent – Note 5)	519,731,638	95,366,225	73,955,000	310,511,982	266,324	999,831,169

Cambodian Commercial Bank Ltd.

Notes to the financial statements (continued) for the year ended 31 December 2024

31. Financial risk management (continued)

B. Credit risk (continued)

(ii). Concentration of risk (continued)

Concentration risk by industrial sectors (continued)

31 December 2023

	Cash equivalents with other banks US\$	Placements with the NBC and other banks US\$	Statutory deposits US\$	Loans and advances to customers US\$	Other assets US\$	Total US\$
Financial institutions	116,473,010	16,869,150	17,471,359	8,897,881	-	159,711,400
Commercial trading	-	-	-	53,808,792	-	53,808,792
Industrial business	-	-	-	15,516,759	-	15,516,759
Construction	-	-	-	1,377,479	-	1,377,479
Others	-	-	-	6,218,146	53,362	6,271,508
Total (US\$)	116,473,010	16,869,150	17,471,359	85,819,057	53,362	236,685,938
Total (KHR'000 equivalent – Note 5)	475,792,247	68,910,478	71,370,502	350,570,848	217,983	966,862,058

Cambodian Commercial Bank Ltd.

Notes to the financial statements (continued) for the year ended 31 December 2024

31. Financial risk management (continued)

B. Credit risk (continued)

(ii). Concentration of risk (continued)

Concentration risk by residency relationship, large-exposures and concession for loans and advances:

	31 December		31 December	
	2024	2023	2024	2023
	US\$	US\$	KHR'000 (Note 5)	KHR'000 (Note 5)
By residency status:				
Residents	77,145,834	85,819,057	310,511,982	350,570,848
Non-residents	-	-	-	-
	<u>77,145,834</u>	<u>85,819,057</u>	<u>310,511,982</u>	<u>350,570,848</u>
By relationship:				
External customers	75,433,268	84,165,280	303,618,904	343,815,169
Staff loans	1,712,566	1,653,777	6,893,078	6,755,679
	<u>77,145,834</u>	<u>85,819,057</u>	<u>310,511,982</u>	<u>350,570,848</u>
By exposure:				
Large exposures (*)	34,060,684	26,432,992	137,094,253	107,978,772
Non-large exposures	43,085,150	59,386,065	173,417,729	242,592,076
	<u>77,145,834</u>	<u>85,819,057</u>	<u>310,511,982</u>	<u>350,570,848</u>
By concession:				
Restructure (**)	3,732,024	8,304,873	15,021,397	33,925,406
Non-restructure	73,413,810	77,514,184	295,490,585	316,645,442
	<u>77,145,834</u>	<u>85,819,057</u>	<u>310,511,982</u>	<u>350,570,848</u>

(*) A “large exposure” is defined under the NBC’s Prakas as the overall gross exposure of the aggregate balance of loans and advances with one single beneficiary, which exceeds 10% of the Bank’s net worth. The exposure is the higher of the outstanding loans or commitments and the authorised loans or commitments.

(**) A “restructured loan” is a loan that original contractual terms have been modified to provide for concessions for the borrowers for reasons related to real temporary financial difficulties.

Cambodian Commercial Bank Ltd.

Notes to the financial statements (continued) for the year ended 31 December 2024

31. Financial risk management (continued)

B. Credit risk (continued)

(iii). Collateral

Whilst the Bank's maximum exposure to credit risk is the carrying amount of the assets or, in the case of off-balance sheet instruments, the amount guaranteed, committed, accepted or endorsed, the likely exposure may be lower due to offsetting collateral, credit guarantees and other actions taken to mitigate the Bank's exposure.

The description of collateral for each class of financial asset is set out below.

Cash and cash equivalents, statutory deposit, placements with the NBC and other banks, and other assets

Collateral is generally not sought for these assets.

Loans and advances to customers, contingent liabilities and commitments

Certain Loans and advances to customers, contingent liabilities, letter of credit, guarantee and commitments are typically collateralised to a substantial extent. In particular, residential mortgage exposures are generally fully secured by residential properties.

Cambodian Commercial Bank Ltd.

Notes to the financial statements (continued) for the year ended 31 December 2024

31. Financial risk management (continued)

B. Credit risk (continued)

(iii). Collateral (continued)

The table below summarises the Bank's security coverage:

	Collateral/Credit enhancement			Unsecured credit exposure US\$	US\$	Total KHR'000 (Note 5)
	Properties US\$	Fixed deposits US\$	Others US\$			
31 December 2024						
Loans and advances to customers	51,868,391	-	528,763	24,748,680	77,145,834	310,511,982
Letter of credits	35,015,892	-	11,973,172	4,960,185	51,949,249	209,095,727
Commitments and guarantees	58,111,676	618,048	8,754,463	8,759,537	76,243,724	306,880,990
Others	-	-	-	(2,801)	(2,801)	(11,274)
	<u>144,995,959</u>	<u>618,048</u>	<u>21,256,398</u>	<u>38,465,601</u>	<u>205,336,006</u>	<u>826,477,425</u>
31 December 2023						
Loans and advances to customers	60,448,007	-	14,733,197	10,637,853	85,819,057	350,570,848
Letter of credits	34,994,790	-	16,964,395	-	51,959,185	212,253,271
Commitments and guarantees	60,706,444	618,048	12,010,024	3,298,205	76,632,721	313,044,665
	<u>156,149,241</u>	<u>618,048</u>	<u>43,707,616</u>	<u>13,936,058</u>	<u>214,410,963</u>	<u>875,868,784</u>

Cambodian Commercial Bank Ltd.

Notes to the financial statements (continued) for the year ended 31 December 2024

31. Financial risk management (continued)

B. Credit risk (continued)

(iv). Credit quality of gross loans and advances to customers

Pursuant to the NBC guideline Prakas B7.017.344, it has defined each credit grading according to its credit quality as follows:

Normal

Outstanding facility is repaid in a timely manner and is not in doubt for the future repayment. Repayment is steadily made according with the contractual terms and the facility does not exhibit any potential weakness in repayment capability, business, cash flow and financial position of the counterparty.

Special mention

A facility in this class is currently protected and may not be past due but it exhibits potential weaknesses that may adversely affect repayment of the counterparty at the future date, if not corrected in a timely manner, and close attention by the Institution.

Weaknesses include but are not limited to a declining trend in the business operations of the counterparty or in its financial position, and adverse economic and market conditions that all might affect its profitability and its future repayment capacity, or deteriorating conditions on the collateral. This class has clearly its own rational and should not be used as a compromise between Normal and Substandard.

Substandard

A facility ranked in this class exhibits noticeable weakness and is not adequately protected by the current business or financial position and repayment capacity of the counterparty. In essence, the primary source of repayment is not sufficient to service the debt, not taking into account the income from secondary sources such as the realisation of the collateral.

Factors leading to a substandard classification include:

- Inability of the counterparty to meet the contractual repayments' terms,
- Unfavourable economic and market conditions that would adversely affect the business and profitability of the counterparty in the future,
- Weakened financial condition and/or inability of the counterparty to generate enough cash flow to service the payments,
- Difficulties experienced by the counterparty in repaying other facilities granted by the institution or by other institutions when the information is available, and
- Breach of financial covenants by the counterparty.

Cambodian Commercial Bank Ltd.

Notes to the financial statements (continued) for the year ended 31 December 2024

31. Financial risk management (continued)

B. Credit risk (continued)

(iv). Credit quality of gross loans and advances to customers (continued)

Doubtful

A facility classified in this category exhibits more severe weaknesses than one classified as Substandard such that its full collection on the basis of existing facts, conditions or collateral value is highly questionable or improbable. The prospect of loss is high, even if the exact amount remains undetermined for now.

Loss

A facility is classified Loss when it is not collectable, and little or nothing can be done to recover the outstanding amount from the counterparty.

Recognition of ECL

The Bank applies a three-stage approach based on the change in credit quality since initial recognition:

3-Stage approach	Stage 1	Stage 2	Stage 3
	Performing	Under-performing	Non-performing
Recognition of expected credit losses	12 months expected credit losses	Lifetime expected credit losses	Lifetime expected credit losses
Criterion	No significant increase in credit risk	Credit risk increased significantly	Credit impaired assets
Basic of calculation of interest income	On gross carrying amount	On gross carrying amount	On net carrying amount

The Bank measured ECL by using the general approach. The general approach consists of segregating the customers into three different stages according to the staging criteria by assessing the credit risk. 12-month ECL will be computed for stage 1, while lifetime ECL will be computed for stage 2 and stage 3. At each reporting date, the Bank will assess credit risk of each account as compared to the risk level at origination date.

Cambodian Commercial Bank Ltd.

Notes to the financial statements (continued) for the year ended 31 December 2024

31. Financial risk management (continued)

B. Credit risk (continued)

(iv). Credit quality of gross loans and advances to customers (continued)

Recognition of ECL (continued)

Long-term facilities (more than one year)

Stage	Credit Risk Status	Grade	DPD	Default Indicator
1	No significant increase in credit risk	Normal	$0 \leq \text{DPD} < 29$	Performing
2	Credit risk increased significantly	Special Mention	$30 \leq \text{DPD} < 89$	Underperforming
3	Credit impaired assets	Substandard	$90 \leq \text{DPD} < 179$	Nonperforming
		Doubtful	$180 \leq \text{DPD} < 359$	
		Loss	$\text{DPD} \geq 360$	

Short-term facilities (one year or less)

Stage	Credit Risk Status	Grade	DPD	Default Indicator
1	No significant increase in credit risk	Normal	$0 \leq \text{DPD} \leq 14$	Performing
2	Credit risk increased significantly	Special Mention	$15 \leq \text{DPD} \leq 30$	Underperforming
3	Credit impaired assets	Substandard	$31 \leq \text{DPD} \leq 60$	Nonperforming
		Doubtful	$61 \leq \text{DPD} \leq 90$	
		Loss	$\text{DPD} \geq 91$	

The Bank will use the Day Past Due (“DPD”) information and NBC’s classification for staging criteria. Also, the Bank will incorporate credit scoring or more forward-looking elements in the future when information is more readily available. Upon the implementation of credit scoring system, if the risk level drop by three or more notches as compared to the risk level at origination, the accounts have to be classified under stage 2.

Cambodian Commercial Bank Ltd.

Notes to the financial statements (continued) for the year ended 31 December 2024

31. Financial risk management (continued)

B. Credit risk (continued)

(iv). Credit quality of gross loans and advances to customers (continued)

Recognition of ECL (continued)

The table below summarises the credit quality of the Bank's gross financing according to the above classifications.

	31 December 2024			
	Stage 1 US\$	Stage 2 US\$	Stage 3 US\$	Total US\$
Loans and advances to customers at amortised cost				
Normal	73,646,599	-	-	73,646,599
Special Mention	-	-	-	-
Substandard	-	-	-	-
Doubtful	-	-	-	-
Loss	-	-	10,610,386	10,610,386
	<u>73,646,599</u>	<u>-</u>	<u>10,610,386</u>	<u>84,256,985</u>
Impairment loss allowance	(1,032,490)	-	(6,078,661)	(7,111,151)
Carrying amounts (US\$)	<u>72,614,109</u>	<u>-</u>	<u>4,531,725</u>	<u>77,145,834</u>
Carrying amounts KHR'000 equivalent (Note 5)	<u>292,271,789</u>	<u>-</u>	<u>18,240,193</u>	<u>310,511,982</u>
	31 December 2023			
	Stage 1 US\$	Stage 2 US\$	Stage 3 US\$	Total US\$
Loans and advances to customers at amortised cost				
Normal	76,697,120	-	-	76,697,120
Special Mention	-	-	-	-
Substandard	-	-	4,758,711	4,758,711
Doubtful	-	-	-	-
Loss	-	-	9,117,520	9,117,520
	<u>76,697,120</u>	<u>-</u>	<u>13,876,231</u>	<u>90,573,351</u>
Impairment loss allowance	(949,893)	-	(3,804,401)	(4,754,294)
Carrying amounts (US\$)	<u>75,747,227</u>	<u>-</u>	<u>10,071,830</u>	<u>85,819,057</u>
Carrying amounts KHR'000 equivalent (Note 5)	<u>309,427,422</u>	<u>-</u>	<u>41,143,426</u>	<u>350,570,848</u>

Cambodian Commercial Bank Ltd.

Notes to the financial statements (continued) for the year ended 31 December 2024

31. Financial risk management (continued)

B. Credit risk (continued)

(iv). Credit quality of gross loans and advances to customers (continued)

Incorporation of forward-looking information

The Bank incorporates forward-looking information into both the assessment of whether the credit risk of an instrument has increased significantly since its initial recognition and the measurement of ECL.

External information considered includes economic data and forecasts published by governmental bodies and monetary authorities in the countries where the Bank operates, supranational organisations such as the International Monetary Fund, and selected private-sector and academic forecasters.

The Bank has identified and documented key drivers of credit risk and credit losses for each portfolio of financial instruments in accordance with each country and, using an analysis of historical data, has estimated relationships between macro-economic variables and credit risk and credit losses.

(v). Amounts arising from ECL

Gross carrying amount of loans and advances to customers

The following tables show reconciliation from the opening to the closing balance of the gross carrying amount of loans and advances to customers by class of financial instrument.

	2024			
	Stage 1 US\$	Stage 2 US\$	Stage 3 US\$	Total US\$
Gross carrying amount of loans and advances to customers				
At 1 January	76,973,207	-	13,600,144	90,573,351
- Transfer to Stage 1	-	-	-	-
- Transfer to Stage 2	-	-	-	-
- Transfer to Stage 3	4,758,464	-	(4,758,464)	-
Net financial assets movement	(50,831,539)	-	1,768,706	(49,062,833)
New financial assets originated	49,081,395	-	-	49,081,395
Financial assets derecognised	(6,058,840)	-	-	(6,058,840)
Write-offs	(276,088)	-	-	(276,088)
At 31 December (US\$)	<u>73,646,599</u>	<u>-</u>	<u>10,610,386</u>	<u>84,256,985</u>
At 31 December KHR'000 equivalent (Note 5)	<u>296,427,561</u>	<u>-</u>	<u>42,706,804</u>	<u>339,134,365</u>

Cambodian Commercial Bank Ltd.

Notes to the financial statements (continued) for the year ended 31 December 2024

31. Financial risk management (continued)

B. Credit risk (continued)

(v). Amounts arising from ECL (continued)

Gross carrying amount of loans and advances to customers (continued)

The following tables show reconciliation from the opening to the closing balance of the gross carrying amount of loans and advances to customers by class of financial instrument. (continued)

	2023			
	Stage 1 US\$	Stage 2 US\$	Stage 3 US\$	Total US\$
Gross carrying amount of loans and advances to customers				
At 1 January	81,785,589	-	7,853,854	89,639,443
- Transfer to Stage 1	-	-	-	-
- Transfer to Stage 2	-	-	-	-
- Transfer to Stage 3	(4,758,464)	-	4,758,464	-
Net financial assets movement	(44,570,181)	-	987,826	(43,582,355)
New financial assets originated	48,935,780	-	-	48,935,780
Financial assets derecognised	(4,419,517)	-	-	(4,419,517)
At 31 December (US\$)	<u>76,973,207</u>	<u>-</u>	<u>13,600,144</u>	<u>90,573,351</u>
At 31 December KHR'000 equivalent (Note 5)	<u>314,435,551</u>	<u>-</u>	<u>55,556,588</u>	<u>369,992,139</u>

Impairment loss allowance

The following tables show reconciliation from the opening to the closing balance of the impairment loss allowance by class of financial instrument.

	2024			
	Stage 1 US\$	Stage 2 US\$	Stage 3 US\$	Total US\$
Impairment loss allowance				
At 1 January	949,893	-	3,804,401	4,754,294
- Transfer to Stage 1	-	-	-	-
- Transfer to Stage 2	-	-	-	-
- Transfer to Stage 3	13,841	-	(13,841)	-
Net remeasurement of loss allowance	(110,646)	-	1,331,377	1,220,731
New financial assets originated	700,273	-	-	700,273
Financial assets derecognised	(260,334)	-	-	(260,334)
Write-offs	(260,537)	-	-	(260,537)
Unwind of discount	-	-	956,724	956,724
At 31 December (US\$)	<u>1,032,490</u>	<u>-</u>	<u>6,078,661</u>	<u>7,111,151</u>
At 31 December KHR'000 equivalent (Note 5)	<u>4,155,772</u>	<u>-</u>	<u>24,466,611</u>	<u>28,622,383</u>

Cambodian Commercial Bank Ltd.

Notes to the financial statements (continued) for the year ended 31 December 2024

31. Financial risk management (continued)

B. Credit risk (continued)

(v). Amounts arising from ECL (continued)

Impairment loss allowance (continued)

The following tables show reconciliation from the opening to the closing balance of the impairment loss allowance by class of financial instrument. (continued)

	2023			
	Stage 1 US\$	Stage 2 US\$	Stage 3 US\$	Total US\$
Impairment loss allowance				
At 1 January	1,061,284	-	1,525,088	2,586,372
- Transfer to Stage 1	-	-	-	-
- Transfer to Stage 2	-	-	-	-
- Transfer to Stage 3	(448,040)	-	448,040	-
Net remeasurement of loss allowance	(145,153)	-	1,831,273	1,686,120
New financial assets originated	503,128	-	-	503,128
Financial assets derecognised	(21,326)	-	-	(21,326)
At 31 December (US\$)	<u>949,893</u>	<u>-</u>	<u>3,804,401</u>	<u>4,754,294</u>
At 31 December KHR'000 equivalent (Note 5)	<u>3,880,313</u>	<u>-</u>	<u>15,540,978</u>	<u>19,421,291</u>

C. Market risk

Market risk is the risk that changes in market prices – e.g. interest rates, foreign exchange rates and equity prices – will affect the Bank's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

(i). Interest rate risk

Interest rate risk refers to the volatility in net interest income as a result of changes in the levels of interest rate and shifts in the composition of the assets and liabilities. Interest rate risk is managed through close monitoring of returns on investment, market pricing and cost of funds. The potential reduction in net interest income from an unfavourable interest rate movement is regularly monitored against the risk tolerance limits set.

Cambodian Commercial Bank Ltd.

Notes to the financial statements (continued) for the year ended 31 December 2024

31. Financial risk management (continued)

C. Market risk (continued)

(i). Interest rate risk (continued)

The table below summarises the Bank's exposure to interest rate risk. The table indicates the periods in which the financial instruments repriced or mature, whichever is earlier.

As at 31 December 2024

Financial assets

	Up to 1 month US\$	> 1-3 months US\$	> 3-6 months US\$	> 6-12 months US\$	> 1 to 5 years US\$	Over 5 years US\$	Non-interest bearing US\$	Total US\$	Interest rate %
Cash and cash equivalents	53,193,753	40,155,129	-	-	-	-	39,537,533	132,886,415	Nil-5.65%
Placements with the NBC and other banks	3,417,913	10,093,102	3,051,569	7,130,888	-	-	-	23,693,472	1.16%-5.00%
Statutory deposits	-	-	-	-	-	7,500,000	10,873,913	18,373,913	1.16%-1.31%
Loans and advances to customers	16,962,319	32,292,933	5,817,770	8,367,789	12,231,964	1,473,059	-	77,145,834	1.50%-18%
Other assets	-	-	-	-	-	-	66,167	66,167	Nil
	73,573,985	82,541,164	8,869,339	15,498,677	12,231,964	8,973,059	50,477,613	252,165,801	

Financial liabilities

Deposits from customers	114,356,792	11,282,874	4,035	211	-	-	21,351,517	146,995,429	Nil-3.35%
Borrowings	21,256	1,987,578	5,962,733	1,656,646	-	-	-	9,628,213	5.00%-6.00%
Lease liabilities	-	-	-	-	49,845	-	-	49,845	8.50%
Other liabilities	-	-	-	-	-	-	267,367	267,367	Nil
	114,378,048	13,270,452	5,966,768	1,656,857	49,845	-	21,618,884	156,940,854	

Interest sensitivity gap

KHR'000 equivalents (Note 5)	(40,804,063)	69,270,712	2,902,571	13,841,820	12,182,119	8,973,059	28,858,729	95,224,947	
	(164,236,354)	278,814,616	11,682,848	55,713,326	49,033,029	36,116,562	116,156,384	383,280,411	

Cambodian Commercial Bank Ltd.

Notes to the financial statements (continued) for the year ended 31 December 2024

31. Financial risk management (continued)

C. Market risk (continued)

(i). Interest rate risk (continued)

The table below summarises the Bank's exposure at carrying amount to interest rate risk. The table indicates the periods in which the financial instruments repriced or mature, whichever is earlier. (continued).

As at 31 December 2023

Financial assets

	Up to 1 month US\$	> 1-3 months US\$	> 3-6 months US\$	> 6-12 months US\$	> 1 to 5 years US\$	Over 5 years US\$	Non-interest bearing US\$	Total US\$	Interest rate %
Cash and cash equivalents	50,132,224	15,067,468	-	-	-	-	54,848,882	120,048,574	Nil - 5.65%
Placements with the NBC and other banks	1,432	7,632,905	4,246,351	4,988,462	-	-	-	16,869,150	0.90% - 3.00%
Statutory deposits	-	-	-	-	-	7,500,000	9,971,359	17,471,359	Nil - 1.33%
Loans and advances to customers	32,848,859	19,652,648	8,932,198	205,846	14,332,278	9,847,228	-	85,819,057	1.50% - 18%
Other assets	-	-	-	-	-	-	53,362	53,362	Nil
	82,982,515	42,353,021	13,178,549	5,194,308	14,332,278	17,347,228	64,873,603	240,261,502	

Financial liabilities

Deposits from customers	115,276,184	2,885,741	6,297	467,680	-	-	22,312,953	140,948,855	Nil - 2.50%
Borrowings	9,248	3,907,521	1,964,912	3,266,857	-	-	-	9,148,538	5% - 6%
Lease liabilities	-	-	-	-	83,455	-	-	83,455	8.50%
Other liabilities	-	-	-	-	-	-	539,496	539,496	Nil
	115,285,432	6,793,262	1,971,209	3,734,537	83,455	-	22,852,449	150,720,344	
Interest sensitivity gap	(32,302,917)	35,559,759	11,207,340	1,459,771	14,248,823	17,347,228	42,021,154	89,541,158	
KHR'000 equivalents (Note 5)	(131,957,416)	145,261,617	45,781,983	5,963,164	58,206,442	70,863,426	171,656,414	365,775,630	

Cambodian Commercial Bank Ltd.

Notes to the financial statements (continued) for the year ended 31 December 2024

31. Financial risk management (continued)

C. Market risk (continued)

(i). Interest rate risk (continued)

A change of 100 basis points in interest rates at the reporting date would have increased/(decreased) equity and profit or loss by the amounts shown below. The analysis assumes that all other variables, in particular foreign currency rates, remain constant.

	Profit or Loss		Equity	
	100 bp Increase US\$	100 bp Decrease US\$	100 bp Increase US\$	100 bp Decrease US\$
2024				
At 31 December	747,704	(732,898)	747,704	(732,898)
Average for the period	837,078	(820,502)	837,078	(820,502)
Maximum for the period	853,049	(836,157)	853,049	(836,157)
Minimum for the period	<u>747,704</u>	<u>(732,898)</u>	<u>747,704</u>	<u>(732,898)</u>
2023				
At 31 December	849,626	(832,802)	849,626	(832,802)
Average for the period	770,766	(755,503)	770,766	(755,503)
Maximum for the period	849,626	(832,802)	849,626	(832,802)
Minimum for the period	<u>579,018</u>	<u>(567,552)</u>	<u>579,018</u>	<u>(567,552)</u>

Interest rate benchmark reform

A fundamental reform of major interest rate benchmarks is being undertaken globally, including the replacement of some interbank offered rates (IBORs) with alternative nearly risk-free rates (referred to as 'IBOR reform'). The Bank has several exposures to IBORs on its financial assets instruments that will be reformed as part of this market-wide initiative.

The SOFR has been applied and charged from customers who used to apply the LIBOR rates.

	31 December		31 December	
	2024 US\$	2023 US\$	2024 KHR'000 (Note 5)	2023 KHR'000 (Note 5)
Financial assets that reference US\$ SOFR				
Loans and advances to customers	<u>15,822,756</u>	<u>15,807,017</u>	<u>63,686,593</u>	<u>64,571,664</u>

Cambodian Commercial Bank Ltd.

Notes to the financial statements (continued) for the year ended 31 December 2024

31. Financial risk management (continued)

C. Market risk (continued)

(ii). Foreign currency exchange risk

The Bank operates in the Kingdom of Cambodia and transacts primarily in US\$, KHR, and THB.

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

Concentration of currency risk

The carrying amounts of financial assets and liabilities, by currency denomination, are as follows:

	Denomination US\$ equivalents				Total
	KHR	US\$	THB	Others	
31 December 2024					
Financial assets					
Cash and cash equivalents	130,296	127,665,186	5,074,805	16,128	132,886,415
Placements with the NBC and other banks	-	23,693,472	-	-	23,693,472
Statutory deposits	173,913	18,200,000	-	-	18,373,913
Loans and advances to customers	9,343,099	67,802,735	-	-	77,145,834
Other assets	-	66,167	-	-	66,167
	<u>9,647,308</u>	<u>237,427,560</u>	<u>5,074,805</u>	<u>16,128</u>	<u>252,165,801</u>
Financial liabilities					
Deposits from customers	236,551	141,128,321	5,630,557	-	146,995,429
Borrowings	9,628,213	-	-	-	9,628,213
Lease liabilities	-	49,845	-	-	49,845
Other liabilities	-	267,367	-	-	267,367
	<u>9,864,764</u>	<u>141,445,533</u>	<u>5,630,557</u>	<u>-</u>	<u>156,940,854</u>
Net asset/(liability) position	<u>(217,456)</u>	<u>95,982,027</u>	<u>(555,752)</u>	<u>16,128</u>	<u>95,224,947</u>
KHR'000 equivalent (Note 5)	<u>(875,260)</u>	<u>386,327,659</u>	<u>(2,236,902)</u>	<u>64,915</u>	<u>383,280,412</u>

Cambodian Commercial Bank Ltd.

Notes to the financial statements (continued) for the year ended 31 December 2024

31. Financial risk management (continued)

C. Market risk (continued)

(ii). Foreign currency exchange risk (continued)

Concentration of currency risk (continued)

The carrying amounts of financial assets and liabilities, by currency denomination, are as follows (continued):

	Denomination US\$ equivalents				Total
	KHR	US\$	THB	Others	
31 December 2023					
Financial assets					
Cash and cash equivalents	256,556	118,482,082	1,293,232	16,704	120,048,574
Placements with the NBC and other banks	-	16,869,150	-	-	16,869,150
Statutory deposits	171,359	17,300,000	-	-	17,471,359
Loans and advances to customers	8,897,881	76,921,176	-	-	85,819,057
Other assets		53,362			53,362
	<u>9,325,796</u>	<u>229,625,770</u>	<u>1,293,232</u>	<u>16,704</u>	<u>240,261,502</u>
Financial liabilities					
Deposits from customers	243,071	139,123,316	1,582,468	-	140,948,855
Borrowings	9,148,538	-	-	-	9,148,538
Lease liabilities	-	83,455	-	-	83,455
Other liabilities	-	539,496	-	-	539,496
	<u>9,391,609</u>	<u>139,746,267</u>	<u>1,582,468</u>	<u>-</u>	<u>150,720,344</u>
Net asset/(liability) position	<u>(65,813)</u>	<u>89,879,503</u>	<u>(289,236)</u>	<u>16,704</u>	<u>89,541,158</u>
KHR'000 equivalent (Note 5)	<u>(268,846)</u>	<u>367,157,770</u>	<u>(1,181,529)</u>	<u>68,236</u>	<u>365,775,630</u>

Sensitivity analysis

Considering that other risk variables remain constant, the foreign currency revaluation sensitivity for the Bank as at reporting date is summarised as follows (only exposures in major currencies shown in the table below. For other currencies, these exposures are grouped as 'Others'):

	31 December 2024		31 December 2023	
	-1% Depreciation US\$	+1% Appreciation US\$	-1% Depreciation US\$	+1% Appreciation US\$
KHR	(20,792)	20,380	(53,109)	(53,109)
THB	139,470	(136,708)	72,586	72,586
Others	(4,047)	3,967	(4,192)	(4,192)
Total	<u>114,631</u>	<u>(112,361)</u>	<u>15,285</u>	<u>15,285</u>
KHR'000 equivalent (Note 5)	<u>461,390</u>	<u>(452,253)</u>	<u>62,439</u>	<u>62,439</u>

Cambodian Commercial Bank Ltd.

Notes to the financial statements (continued) for the year ended 31 December 2024

31. Financial risk management (continued)

D. Liquidity risk

'Liquidity risk' is the risk that the Bank will encounter difficulty in meeting obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. Liquidity risk arises from mismatches in the timing and amounts of contractual cash flows, which is inherent to the Bank's operations and investments.

Management of liquidity risk

The Bank manages its liquidity through its Asset Liability Management Committee which is responsible for establishing the liquidity policy as well as monitoring liquidity on an ongoing basis. A Minimum Liquid Asset requirement has been established to ensure that the ratio of liquid assets to qualifying liabilities is subject to a minimum threshold at all times.

The table below summarises the Bank's liabilities based on remaining contractual maturities. The expected cash flows of these assets and liabilities could vary significantly from what is shown in the table. For example, deposits from customers are not all expected to be withdrawn immediately.

Cambodian Commercial Bank Ltd.

Notes to the financial statements (continued) for the year ended 31 December 2024

31. Financial risk management (continued)

D. Liquidity risk (continued)

Management of liquidity risk (continued)

As at 31 December 2024

Financial assets

Non-derivatives assets	Carrying amount US\$	Gross inflow/ (outflow) US\$	Up to 1 month US\$	> 1-3 months US\$	> 3-6 months US\$	> 6-12 months US\$	> 1 to 5 months US\$	Over 5 years US\$	No Maturity US\$
Cash and cash equivalents	132,886,415	133,262,037	53,267,780	40,454,899	-	-	-	-	39,539,358
Placements with the NBC and other banks	23,693,472	23,930,640	3,433,779	10,205,420	3,077,500	7,213,941	-	-	-
Loans and advance to customers	77,145,834	86,496,080	21,268,996	33,713,269	10,034,018	10,340,232	9,963,258	1,176,307	-
Other assets	66,167	66,167	-	-	-	-	-	-	66,167
	<u>233,791,888</u>	<u>243,754,924</u>	<u>77,970,555</u>	<u>84,373,588</u>	<u>13,111,518</u>	<u>17,554,173</u>	<u>9,963,258</u>	<u>1,176,307</u>	<u>39,605,525</u>

Derivatives assets – Trading

Inflow	2,801	4,494,459	2,724,232	1,180,151	590,076	-	-	-	-
Outflow	-	(4,491,658)	(2,722,744)	(1,179,276)	(589,638)	-	-	-	-
	<u>2,801</u>	<u>2,801</u>	<u>1,488</u>	<u>875</u>	<u>438</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>233,794,689</u>	<u>243,757,725</u>	<u>77,972,043</u>	<u>84,374,463</u>	<u>13,111,956</u>	<u>17,554,173</u>	<u>9,963,258</u>	<u>1,176,307</u>	<u>39,605,525</u>

Financial liabilities

Non-derivatives liabilities	Carrying amount US\$	Gross inflow/ (outflow) US\$	Up to 1 month US\$	> 1-3 months US\$	> 3-6 months US\$	> 6-12 months US\$	> 1 to 5 months US\$	Over 5 years US\$	No Maturity US\$
Deposits from customers	146,995,429	148,642,464	(2,525,254)	(12,220,236)	(4,081)	(216)	-	-	(133,892,677)
Borrowings	9,628,213	(9,887,888)	(47,925)	(2,078,788)	(6,054,277)	(1,706,898)	-	-	-
Lease liabilities	49,845	87,500	-	-	-	(30,000)	(57,500)	-	-
Other liabilities	267,367	267,367	-	-	-	-	-	-	(267,367)
Letter of credits	137,453	(52,086,702)	(52,086,702)	-	-	-	-	-	-
Commitments and guarantees	1,270,355	(77,514,079)	(77,514,079)	-	-	-	-	-	-
	<u>158,348,662</u>	<u>9,508,662</u>	<u>(132,173,960)</u>	<u>(14,299,024)</u>	<u>(6,058,358)</u>	<u>(1,737,114)</u>	<u>(57,500)</u>	<u>-</u>	<u>(134,160,044)</u>
Net liquidity surplus	<u>75,446,027</u>	<u>234,249,063</u>	<u>210,146,003</u>	<u>98,673,487</u>	<u>19,170,314</u>	<u>19,291,287</u>	<u>10,020,758</u>	<u>1,176,307</u>	<u>173,765,569</u>
KHR'000 equivalent (Note 5)	<u>303,670,259</u>	<u>942,852,479</u>	<u>845,837,662</u>	<u>397,160,785</u>	<u>77,160,514</u>	<u>77,647,430</u>	<u>40,333,551</u>	<u>4,734,636</u>	<u>699,406,415</u>

Cambodian Commercial Bank Ltd.

Notes to the financial statements (continued) for the year ended 31 December 2024

31. Financial risk management (continued)

D. Liquidity risk (continued)

Management of liquidity risk (continued)

As at 31 December 2023

Financial assets

	Carrying amount US\$	Gross inflow/ (outflow) US\$	Up to 1 month US\$	> 1-3 months US\$	> 3-6 months US\$	> 6-12 months US\$	> 1 to 5 months US\$	Over 5 years US\$	No Maturity US\$
Cash and cash equivalents	120,048,574	120,249,948	50,233,601	15,165,459	-	-	-	-	54,850,888
Placements with the NBC and other banks	16,869,150	17,097,623	3,639	7,700,239	4,244,156	5,149,589	-	-	-
Loans and advance to customers	85,819,057	90,573,351	9,302,613	31,239,766	12,986,809	5,737,447	16,272,641	15,034,075	-
Other assets	53,362	53,362	-	-	-	-	-	-	53,362
	<u>222,790,143</u>	<u>227,974,284</u>	<u>59,539,853</u>	<u>54,105,464</u>	<u>17,230,965</u>	<u>10,887,036</u>	<u>16,272,641</u>	<u>15,034,075</u>	<u>54,904,250</u>

Financial liabilities

Deposits from customers	140,948,855	(140,962,178)	(230,144)	(2,898,707)	(6,359)	(211)	-	-	(137,826,757)
Borrowings	9,148,538	(9,434,097)	(9,248)	(3,965,594)	(2,000,879)	(3,458,376)	-	-	-
Lease liabilities	83,455	(129,500)	(600)	(1,800)	(2,400)	(32,400)	(92,300)	-	-
Other liabilities	539,496	(539,496)	-	-	-	-	-	-	(539,496)
Letter of credits	114,594	(52,073,779)	(52,073,779)	-	-	-	-	-	-
Commitments and guarantees	911,770	(77,544,491)	(77,544,491)	-	-	-	-	-	-
	<u>151,746,708</u>	<u>(280,683,541)</u>	<u>(129,858,262)</u>	<u>(6,866,101)</u>	<u>(2,009,638)</u>	<u>(3,490,987)</u>	<u>(92,300)</u>	<u>-</u>	<u>(138,366,253)</u>
Net liquidity surplus/(gap)	71,043,435	508,657,825	189,398,115	60,971,565	19,240,603	14,378,023	16,364,941	15,034,075	193,270,503
KHR'000 equivalent (Note 5)	290,212,432	2,077,867,215	773,691,300	249,068,843	78,597,863	58,734,224	66,850,784	61,414,196	789,510,005

Cambodian Commercial Bank Ltd.

Notes to the financial statements (continued) for the year ended 31 December 2024

31. Financial risk management (continued)

E. Operational risk

The operational risk is the risk of losses arising from inadequate or failed internal processes, people or systems or from external factors. This risk is managed through established operational risk management processes, proper monitoring and reporting of the business activities by controlling and oversight provided by the senior Management. This includes legal, compliance, accounting and fraud risk.

The operational risk management entails the establishment of clear organisational structures, roles and control policies. Various internal control policies and measures have been implemented. These include the establishment of signing authorities, defining system parameters controls, streaming procedures and documentation ensuring compliance with regulatory and legal requirements. These are reviewed continually to address the operational risks of its banking business.

F. Capital risk

(i). Regulatory capital

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 requirements set by the NBC;
- 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 the business.

The Bank's policy is to maintain a strong capital base so as to maintain market confidence and to sustain further development of the business. The impact of the level of capital on shareholders' return is also recognised and the Bank recognised the need to maintain a balance between the higher returns that might be possible with greater gearing and advantages and security afforded by a sound capital position.

The regulated capital is calculated in accordance with the guidance issued by the NBC which may be different in some material respects compared to generally accepted principles applied by financial institutions in other jurisdiction. The regulated capital information is therefore not intended for users who are not informed about the guidance issued by the NBC.

(ii) Capital risk management

Capital risk is measured and monitored using limits set calculated in accordance with the National Bank of Cambodia's requirements.

Cambodian Commercial Bank Ltd.

Notes to the financial statements (continued) for the year ended 31 December 2024

31. Financial risk management (continued)

F. Capital risk (continued)

(ii) Capital risk management (continued)

On 22 February 2018, the NBC issued a Prakas on Capital Buffer in Banking and Financial Institutions. According to Article 22 of this Prakas, the institution shall comply with the provisions related to the capital conservation buffer at least 50% of the conservation buffer by 1 January 2019 and fully comply by 1 January 2020.

On 7 March 2018, the NBC issued a circular on the implementation of Prakas on Capital Buffer in Banking and Financial Institutions, which determines the countercyclical capital buffer at a level of 0% until a new announcement is released.

On 9 January 2023, the NBC issued a circular on the implementation of Prakas on Capital Buffer in Banking and Financial Institutions, which the institution shall rebuild the capital conservation buffer ratio by 1.25% and 2.5% by 30 June 2023 and 31 December 2023, respectively. For the countercyclical capital buffer, the institution shall keep at level of 0%.

On 23 November 2023, the NBC has announced to waive the implementation of Capital Conservation Buffer at 2.5% and maintain at 1.25% until 31 December 2024. For the countercyclical capital buffer, the institution shall keep at level of 0%.

The below table summarises the composition of the regulatory capital:

	31 December		31 December	
	2024	2023	2024	2023
	US\$	US\$	KHR'000	KHR'000
			(Note 5)	(Note 5)
Tier 1 capital				
Share capital	75,000,000	75,000,000	302,915,000	302,915,000
Retained earnings	6,057,238	3,819,098	24,561,343	15,342,322
Audited net profit for the last financial year	<u>4,152,171</u>	<u>2,476,585</u>	<u>16,903,490</u>	<u>10,178,762</u>
Sub – total A	85,209,409	81,295,683	344,379,833	328,436,084
Less: Intangible assets	150,204	278,274	604,571	1,136,749
Less: loan to related parties	<u>4,496,777</u>	<u>2,694,636</u>	<u>18,099,527</u>	<u>11,007,588</u>
	<u>80,562,428</u>	<u>78,322,773</u>	<u>325,675,735</u>	<u>316,291,747</u>

Cambodian Commercial Bank Ltd.

Notes to the financial statements (continued) for the year ended 31 December 2024

31. Financial risk management (continued)

F. Capital risk (continued)

(ii) Capital risk management (continued)

The below table summarises the composition of the regulatory capital: (continued)

	31 December		31 December	
	2024	2023	2024	2023
	US\$	US\$	KHR'000	KHR'000
			(Note 5)	(Note 5)
Tier 2 complementary capital				
General provision (*)	6,832,927	2,946,346	27,502,531	12,035,823
Less: Equity participation in banking or financial institutions	<u>25,000</u>	<u>25,000</u>	<u>100,625</u>	<u>102,125</u>
Sub – total B	<u>6,807,927</u>	<u>2,921,346</u>	<u>27,401,906</u>	<u>11,933,698</u>
Total	<u><u>87,370,355</u></u>	<u><u>81,244,119</u></u>	<u><u>353,077,641</u></u>	<u><u>328,225,445</u></u>

(*) This include the provision for accrued interest receivables, which was allowed to be added back in accordance with the NBC's notification letter dated 5 February 2025. This requirement is applicable for 31 December 2024, and will remain in effect until 30 June 2025.

(iii). Capital allocation

The allocation of capital between specific operations and activities is, to a large extent, driven by optimisation of the return achieved on the capital allocated. The amount of capital allocated to each operation or activity is based primarily upon the regulatory capital.

32. Fair values of financial assets and liabilities

Financial instruments comprise financial assets, financial liabilities and off-balance sheet instruments. 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 in the principal or, in its absence, the most advantageous market to which the Bank has access at that date. The information presented herein represents the estimates of fair values as at the financial position date.

Cambodian Commercial Bank Ltd.

Notes to the financial statements (continued) for the year ended 31 December 2024

32. Fair values of financial assets and liabilities (continued)

Quoted and observable market prices, where available, are used as the measure of fair values of the financial instruments. Where such quoted and observable market prices are not available, fair values are estimated based on a range of methodologies and assumptions regarding risk characteristics of various financial instruments, discount rates, estimates of future cash flows and other factors.

Fair value information for non-financial assets and liabilities are excluded as they do not fall within the scope of CIFRS 7: *Financial Instruments Disclosures* which requires the fair value information to be disclosed. These include investment in subsidiaries and property and equipment.

The fair value of the Bank's financial instruments such as cash and short-term funds, balances with NBC, deposits and placements with banks and other financial institutions, deposits from customers and banks, other assets, other liabilities and short-term borrowings are not materially sensitive to shifts in market profit rate because of the limited term to maturity of these instruments. As such, the carrying value of these financial assets and liabilities at financial position date approximate their fair values.

The methods and assumptions used by the Bank in estimating the fair values of the financial instruments are:

Cash and cash equivalents, placement with NBC and other bank, statutory deposits

The carrying amounts approximate the fair values due to the short-term nature of these accounts.

Loans and advances to customers

The fair value of loans and advances to customers is based on observable market transactions. Where observable market transactions are not available, fair value is estimated using valuation models, such as discounted cash flow techniques. Input into the valuation techniques includes expected lifetime credit losses, interest rates, prepayment rates and primary origination or secondary market spreads.

Input into the models may include data from third party and information obtained from other market participants, which includes observed primary and secondary transactions. Its carrying value approximates to fair value at the reporting date.

Deposits from customers

The fair value of deposits from customers with maturities of less than one year approximates their carrying amount due to the relatively short maturity of these instruments. The fair value of deposits and placements of other banks and financial institutions and deposits from customers with remaining maturities of more than one year are expected to approximate their carrying amount because 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 current accounts and savings deposits, is the amount payable at the reporting date.

Cambodian Commercial Bank Ltd.

Notes to the financial statements (continued) for the year ended 31 December 2024

32. Fair values of financial assets and liabilities (continued)

The methods and assumptions used by the Bank in estimating the fair values of the financial instruments are: (continued)

Borrowings

The fair value of borrowings is estimated by discounting the expected future cash flows using the applicable prevailing market interest rates for borrowings with similar risk profiles. However, only the contractual interest rates which are confirmed and provided by all lenders are available at the reporting date instead of the applicable prevailing market interest rates. The Bank believed that the contractual interest rates were not significantly different to the prevailing market interest rates on the ground that there was no significant change to interest rates considering the Bank's credit risk profile as at reporting date. On this basis, the fair value of borrowings and subordinated debts approximates their carrying values at the reporting date.

Other assets and liabilities

Due to their short duration, the carrying amounts of other liabilities in the statement of financial position are considered to be reasonable approximation of their fair values.

Fair value hierarchy

CIFRS 7 specifies a hierarchy of valuation techniques based on whether the inputs to those valuation techniques are observable or unobservable. Observable inputs reflect market data obtained from independent sources and unobservable inputs reflect the Bank's market assumptions. The fair value hierarchy is as follows:

- Level 1 – Quoted price (unadjusted) in active markets for the identical assets or liabilities. This level includes listed equity securities and debt instruments.
- Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 – Inputs for asset or liability that are not based on observable market data (unobservable inputs). This level includes equity instruments and debt instruments with significant unobservable components.

The Bank's financial assets and liability are not measured at fair value. As verifiable market prices are not available, market prices are not available for a significant proportion of the Bank's financial assets and liabilities, the fair values, therefore, have been based on management assumptions according to the profile of the asset and liability base. In the opinion of the management, the carrying amounts of the financial assets and liabilities included in the statement of financial position are a reasonable estimation of their fair values.

Cambodian Commercial Bank Ltd.

Notes to the financial statements (continued) for the year ended 31 December 2024

33. Material accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements, unless otherwise indicated.

A. Basis of measurement

The financial statements have been prepared on a historical cost basis.

B. Foreign currency

Transactions in foreign currencies are translated into the functional currency of at the exchange rates at the date of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. The foreign currency gain or loss on monetary items is the difference between the amortised cost in the functional currency at the beginning of the year, adjusted for effective interest, impairment and payments during the year, and the amortised cost in the foreign currency translated at the spot exchange rate at the end of the year.

Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when fair value is determined. Non-monetary items that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction.

C. Financial assets and financial liabilities

(i). Recognition and initial measurement

The Bank initially recognises loans and advances, investment and borrowings on the date on which they are originated. All other financial instruments are recognised on the trade date, which is the date on which the Bank becomes a party to the contractual provisions of the instrument.

A financial asset or financial liability is measured initially at fair value plus, for an item not at fair value through profit or loss ("FVTPL"), transaction costs that are directly attributable to its acquisition or issue. The fair value of a financial instrument at initial recognition is generally its transaction price.

(ii). Classification

Financial assets

On initial recognition, a financial asset is classified as measured at amortised cost, fair value through other comprehensive income ("FVOCI") or fair value through profit or loss ("FVTPL").

Cambodian Commercial Bank Ltd.

Notes to the financial statements (continued) for the year ended 31 December 2024

33. Material accounting policies (continued)

C. Financial assets and financial liabilities (continued)

(ii). Classification (continued)

Financial assets (continued)

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payment of principal and interest (“SPPI”).

A debt instrument is measured at FVOCI only if it meets both of the following conditions and is not designated as at FVTPL:

- 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 SPPI.

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 (“OCI”). This election is made on an investment-by-investment basis.

All other financial assets are classified as measured at FVTPL.

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 FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Business model assessment

The Bank makes an assessment of the objective of a business model in which an asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. In particular, whether management’s strategy focuses on earning contractual interest revenue, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of the liabilities that are funding those assets or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Bank’s management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and its strategy for how those risks are managed;

Cambodian Commercial Bank Ltd.

Notes to the financial statements (continued) for the year ended 31 December 2024

33. Material accounting policies (continued)

C. Financial assets and financial liabilities (continued)

(ii). Classification (continued)

Financial assets (continued)

Business model assessment (continued)

The Bank makes an assessment of the objective of a business model in which an asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes: (continued)

- how managers of the business are compensated (e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected); and
- the frequency, volume and timing of sales in prior periods, the reasons for such sales and its expectations about future sales activity. However, information about sales activity is not considered in isolation, but as part of an overall assessment of how the Bank's stated objective for managing the financial assets is achieved and how cash flows are realised.

Financial assets that are held for trading or managed and whose performance is evaluated on a fair value basis are measured at FVTPL because they are neither held to collect contractual cash flows nor held both to collect contractual cash flows and to sell financial assets.

Assessment of whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as profit margin.

In assessing whether the contractual cash flows are SPPI, the Bank considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition.

In making the assessment, the Bank considers:

- contingent events that would change the amount and timing of cash flows;
- leverage features;
- prepayment and extension terms;
- terms that limit the Bank's claim to cash flows from specified assets (e.g. non-recourse loans); and
- features that modify consideration of the time value of money (e.g. periodical reset of interest rates).

Cambodian Commercial Bank Ltd.

Notes to the financial statements (continued) for the year ended 31 December 2024

33. Material accounting policies (continued)

C. Financial assets and financial liabilities (continued)

(ii). Classification (continued)

Financial assets (continued)

Non-recourse loans

In some cases, loans made by the Bank that are secured by collateral of the borrower limit the Bank's claim to cash flows of the underlying collateral (non-recourse loans). The Bank applies judgment in assessing whether the non-recourse loans meet the SPPI criterion. The Bank typically considers the following information when making this judgement:

- whether the contractual arrangement specifically defines the amounts and dates of the cash payments of the loan;
- the fair value of the collateral relative to the amount of the secured financial asset;
- the ability and willingness of the borrower to make contractual payments, notwithstanding a decline in the value of collateral;
- whether the borrower is an individual or a substantive operating entity or is a special-purpose entity;
- the Bank's risk of loss on the asset relative to a full-recourse loan;
- the extent to which the collateral represents all or a substantial portion of the borrower's assets; and
- whether the Bank will benefit from any upside from the underlying assets.

Reclassifications

Financial assets are not reclassified subsequent to their initial recognition, except in the period after the Bank changes its business model for managing financial assets.

(iii). Derecognition

Financial assets

The Bank derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Bank neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

On derecognition of a financial asset, the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset derecognised) and the sum of (i) the consideration received (including any new asset obtained less any new liability assumed) and (ii) any cumulative gain or loss that had been recognised in OCI is recognised in profit or loss.

Cambodian Commercial Bank Ltd.

Notes to the financial statements (continued) for the year ended 31 December 2024

33. Material accounting policies (continued)

C. Financial assets and financial liabilities (continued)

(iii). Derecognition (continued)

Financial liabilities

The Bank derecognises a financial liability when its contractual obligations are discharged or cancelled, or expired.

(iv). Modifications of financial assets and financial liabilities

Financial assets

If the terms of a financial asset are modified, then the Bank evaluates whether the cash flows of the modified asset are substantially different.

If the cash flows are substantially different, then the contractual rights to cash flows from the original financial asset are deemed to have expired. In this case, the original financial asset is derecognised (see (iii)) and a new financial asset is recognised at fair value plus any eligible transaction costs. Any fees received as part of the modification are accounted for as follows:

- fees that are considered in determining the fair value of the new asset and fees that represent reimbursement of eligible transaction costs are included in the initial measurement of the asset; and
- other fees are included in profit or loss as part of the gain or loss on derecognition.

If cash flows are modified when the borrower is in financial difficulties, then the objective of the modification is usually to maximise recovery of the original contractual terms rather than to originate a new asset with substantially different terms. If the Bank plans to modify a financial asset in a way that would result in forgiveness of cash flows, then it first considers whether a portion of the asset should be written off before the modification takes place (see below for write-off policy). This approach impacts the result of the quantitative evaluation and means that the derecognition criteria are not usually met in such cases.

If the modification of a financial asset measured at amortised cost or FVOCI does not result in derecognition of the financial asset, then the Bank first recalculates the gross carrying amount of the financial asset using the original effective interest rate of the asset and recognises the resulting adjustment as a modification gain or loss in profit or loss. For floating-rate financial assets, the original effective interest rate used to calculate the modification gain or loss is adjusted to reflect current market terms at the time of the modification. Any costs or fees incurred and fees received as part of the modification adjust the gross carrying amount of the modified financial asset and are amortised over the remaining term of the modified financial asset.

If such a modification is carried out because of financial difficulties of the borrower, then the gain or loss is presented together with impairment losses. In other cases, it is presented as interest income calculated using the effective interest rate method.

Cambodian Commercial Bank Ltd.

Notes to the financial statements (continued) for the year ended 31 December 2024

33. Material accounting policies (continued)

C. Financial assets and financial liabilities (continued)

(iv). *Modifications of financial assets and financial liabilities (continued)*

Financial liabilities

The Bank derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability derecognised and consideration paid is recognised in profit or loss. Consideration paid includes non-financial assets transferred, if any, and the assumption of liabilities, including the new modified financial liability.

If the modification of a financial liability is not accounted for as derecognition, then the amortised cost of the liability is recalculated by discounting the modified cash flows at the original effective interest rate and the resulting gain or loss is recognised in profit or loss. For floating-rate financial liabilities, the original effective interest rate used to calculate the modification gain or loss is adjusted to reflect current market terms at the time of the modification. Any costs and fees incurred are recognised as an adjustment to the carrying amount of the liability and amortised over the remaining term of the modified financial liability by re-computing the effective interest rate on the instrument.

(v). *Offsetting*

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Bank has a legal right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

(vi). *Fair value measurement*

'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 in the principal or, in its absence, the most advantageous market to which the Bank has access at that date. The fair value of a liability reflects its non-performance risk.

When one is available, the Bank measures the fair value of an instrument using the quoted price in an active market for that instrument. A market is regarded as 'active' if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

If there is no quoted price in an active market, then the Bank uses valuation techniques that maximise the use of relevant observable inputs and minimise the use of unobservable inputs. The chosen valuation technique incorporates all of the factors that market participants would take into account in pricing a transaction.

Cambodian Commercial Bank Ltd.

Notes to the financial statements (continued) for the year ended 31 December 2024

33. Material accounting policies (continued)

C. Financial assets and financial liabilities (continued)

(vi). Fair value measurement (continued)

The best evidence of the fair value of a financial instrument on initial recognition is normally the transaction price – i.e. the fair value of the consideration given or received. If the Bank determines that the fair value on initial recognition differs from the transaction price and the fair value is evidenced neither by a quoted price in an active market for an identical asset or liability nor based on a valuation technique for which any unobservable inputs are judged to be insignificant in relation to the measurement, then the financial instrument is initially measured at fair value, adjusted to defer the difference between the fair value on initial recognition and the transaction price. Subsequently, that difference is recognised in profit or loss on an appropriate basis over the life of the instrument but no later than when the valuation is wholly supported by observable market data or the transaction is closed out.

If an asset or a liability measured at fair value has a bid price and an ask price, then the Bank measures assets and long positions at a bid price and liabilities and short positions at an ask price.

Portfolios of financial assets and financial liabilities that are exposed to market risk and credit risk that are managed by the Bank on the basis of the net exposure to either market or credit risk are measured on the basis of a price that would be received to sell a net long position (or paid to transfer a net short position) for the particular risk exposure. Portfolio-level adjustments – e.g. bid-ask adjustment or credit risk adjustments that reflect the measurement on the basis of the net exposure – are allocated to the individual assets and liabilities on the basis of the relative risk adjustment of each of the individual instruments in the portfolio.

The fair value of a financial liability with a demand feature (e.g. a demand deposit) is not less than the amount payable on demand, discounted from the first date on which the amount could be required to be paid.

The Bank recognises transfers between levels of the fair value hierarchy as of the end of the reporting period during which the change has occurred.

(vii). Impairment

The Bank recognises loss allowances for ECL on the following financial instruments that are not measured at FVTPL:

- financial assets that are debt instruments;
- financial guarantee contracts issued; and
- loan commitments issued.

No impairment loss is recognised on equity investments.

Cambodian Commercial Bank Ltd.

Notes to the financial statements (continued) for the year ended 31 December 2024

33. Material accounting policies (continued)

C. Financial assets and financial liabilities (continued)

(vii). Impairment (continued)

The Bank measures loss allowances at an amount equal to lifetime ECL, except for the following, for which they are measured as 12-month ECL:

- debt investment securities that are determined to have low credit risk at the reporting date; and
- other financial instruments (other than lease receivables) on which credit risk has not increased significantly since their initial recognition.

The Bank considers a debt investment security to have low credit risk when its credit risk rating is equivalent to the globally understood definition of 'investment grade'. The Bank does not apply the low credit risk exemption to any other financial instruments.

12-month ECL are the portion of ECL that result from default events on a financial instrument that are possible within the 12 months after the reporting date. Financial instruments for which a 12-month ECL is recognised are referred to as 'Stage 1 financial instruments'.

Life-time ECL are the ECL that result from all possible default events over the expected life of the financial instrument. Financial instruments for which a lifetime ECL is recognised but which are not credit-impaired are referred to as 'Stage 2 financial instruments'.

At each reporting date, the Bank assesses whether the credit risk of a financial instrument has increased significantly since initial recognition. When credit risk has increased significantly since initial recognition, loss allowance is measured at an amount equal to lifetime ECLs.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Bank considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Bank's historical experience and informed credit assessment and includes forward-looking information.

If credit risk has not increased significantly since initial recognition or if the credit quality of the financial instruments improves such that there is no longer a significant increase in credit risk since initial recognition, loss allowance is measured at an amount equal to 12-month ECLs.

The maximum period considered when estimating ECLs is the maximum contractual period over which the Bank is exposed to credit risk.

Cambodian Commercial Bank Ltd.

Notes to the financial statements (continued) for the year ended 31 December 2024

33. Material accounting policies (continued)

C. Financial assets and financial liabilities (continued)

(vii). Impairment (continued)

Determining whether credit risk has increased significantly

The Bank assesses whether credit risk has increased significantly since initial recognition at each reporting date. Determining whether an increase in credit risk is significant depends on the characteristics of the financial instrument and the borrower, and the geographical region.

The Bank considers that a significant increase in credit risk occurs no later than when an asset is more than 30 days past due. Days past due are determined by counting the number of days since the earliest elapsed due date in respect of which full payment has not been received. Due dates are determined without considering any grace period that might be available to the borrower.

If there is evidence that there is no longer a significant increase in credit risk relative to initial recognition, then the loss allowance on an instrument returns to being measured as 12-month ECL.

Definition of default

The Bank considers a financial asset to be in default when:

- the borrower is unlikely to pay its credit obligations to the Bank in full, without recourse by the Bank to actions such as realising security (if any is held); or
- the borrower is more than or equal to 30 days past due for long-term facilities or more than or equal to 14 days past due for short-term facilities on any material obligation to the Bank; or
- it is becoming probable that the borrower will restructure the asset as a result of bankruptcy due to the borrower's inability to pay its credit obligations.

Measurement of ECL

ECL are a probability-weighted estimate of credit losses. They are measured as follows:

- financial assets that are not credit-impaired at the reporting date: as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Bank expects to receive);
- financial assets that are credit-impaired at the reporting date: as the difference between the gross carrying amount and the present value of estimated future cash flows;
- undrawn loan commitments: as the present value of the difference between the contractual cash flows that are due to the Bank if the commitment is drawn down and the cash flows that the Bank expects to receive, and
- financial guarantee contracts: the expected payments to reimburse the holder less any amounts that the Bank expects to recover.

Cambodian Commercial Bank Ltd.

Notes to the financial statements (continued) for the year ended 31 December 2024

33. Material accounting policies (continued)

C. Financial assets and financial liabilities (continued)

(vii). Impairment (continued)

Measurement of ECL (continued)

When discounting future cash flows, the following discount rates are used:

- financial assets other than purchased or originated credit-impaired (“POCI”) financial assets and lease receivables: the original effective interest rate or an approximation thereof;
- POCI assets: a credit-adjusted effective interest rate;
- lease receivables: the discount rate used in measuring the lease receivable;
- undrawn loan commitments: the effective interest rate, or an approximation thereof, that will be applied to the financial asset resulting from the loan commitment; and
- financial guarantee contracts issued: the rate that reflects the current market assessment of the time value of money and the risks that are specific to the cash flows.

Inputs, assumptions and techniques used for estimating impairment

The key inputs into the measurement of ECL are the term structure of the following variables:

- Probability of default (“PD”);
- Loss given default (“LGD”); and
- Exposure at default (“EAD”).

ECL for exposures in Stage 1 is calculated by multiplying the 12-month PD by LGD and EAD. Lifetime ECL is calculated by multiplying the lifetime PD by LGD and EAD.

LGD is the magnitude of the likely loss if there is a default. The Bank estimates LGD parameters based on the history of recovery rates of claims against defaulted counterparties. The LGD models consider the structure, collateral, seniority of the claim, counterparty industry and recovery costs of any collateral that is integral to the financial asset.

EAD represents the expected exposure in the event of a default. The Bank derives the EAD from the current exposure to the counterparty and potential changes to the current amount allowed under the contract and arising from amortisation. The EAD of a financial asset is its gross carrying amount at the time of default. For lending commitments, the EADs are potential future amounts that may be drawn under the contract, which are estimated based on historical observations and forward-looking forecasts. For some financial assets, EAD is determined by modelling the range of possible exposure outcomes at various points in time using scenario and statistical techniques.

Cambodian Commercial Bank Ltd.

Notes to the financial statements (continued) for the year ended 31 December 2024

33. Material accounting policies (continued)

C. Financial assets and financial liabilities (continued)

(vii). Impairment (continued)

Inputs, assumptions and techniques used for estimating impairment (continued)

As described above, and subject to using a maximum of a 12-month PD for Stage 1 financial assets, the Bank measures ECL considering the risk of default over the maximum contractual period (including any borrower's extension options) over which it is exposed to credit risk, even if, for credit risk management purposes, the Bank considers a longer period. The maximum contractual period extends to the date at which the Bank has the right to require repayment of an advance or terminate a loan commitment or guarantee.

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.

Credit-impaired financial assets

At each reporting date, the Bank assesses whether financial assets carried at amortised cost and debt financial assets carried at FVOCI are credit-impaired (referred to as 'Stage 3 financial assets'). A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or past due event;
- the restructuring of a loan or advance by the Bank on terms that the Bank would not consider otherwise;
- it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

Cambodian Commercial Bank Ltd.

Notes to the financial statements (continued) for the year ended 31 December 2024

33. Material accounting policies (continued)

C. Financial assets and financial liabilities (continued)

(vii). Impairment (continued)

Credit-impaired financial assets (continued)

A loan that has been renegotiated due to a deterioration in the borrower's condition is usually considered to be credit-impaired unless there is evidence that the risk of not receiving contractual cash flows has reduced significantly and there are no other indicators of impairment. In addition, a loan that is overdue for 90 days or more is considered credit-impaired even when the regulatory definition of default is different.

Presentation of allowance for ECL in the statement of financial position

Loss allowances for ECL are presented in the statement of financial position as follows:

- financial assets measured at amortised cost: as a deduction from the gross carrying amount of the assets;
- loan commitments and financial guarantee contracts: generally, as a provision;
- where a financial instrument includes both a drawn and an undrawn component, and the Bank cannot identify the ECL on the loan commitment component separately from those on the drawn component: the Bank presents a combined loss allowance for both components. The combined amount is presented as a deduction from the gross carrying amount of the drawn component. Any excess of the loss allowance over the gross amount of the drawn component is presented as a provision.

Write-off

Loans and advances are written off (either partially or in full) when there is no reasonable expectation of recovering a financial asset in its entirety or a portion thereof. This is generally the case when the Bank determines that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. This assessment is carried out at the individual asset level.

Recoveries of amounts previously written off are included in 'impairment losses on financial instruments' in the statement of profit or loss and OCI.

Financial assets that are written off could still be subject to enforcement activities in order to comply with the Bank's procedures for recovery of amounts due.

Cambodian Commercial Bank Ltd.

Notes to the financial statements (continued) for the year ended 31 December 2024

33. Material accounting policies (continued)

D. Cash and cash equivalents

Cash and cash equivalents consist of cash and Bank balances, demand deposits and short-term highly liquid investments with original maturities of three months or less from the date of acquisition that are subject to an insignificant risk of changes in their fair value, and are used by the Bank in the management of its short-term commitments.

Cash and cash equivalents are carried at amortised cost in the statement of financial position.

E. Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of the ordinary share are recognised as a deduction from equity, net of any tax effects. Other shares are classified as equity and/or liability according to the economic substance of the particular instrument. Distributions to holders of a financial instrument classified as an equity instrument are charged directly to equity.

F. Regulatory reserves

Regulatory reserves are set up for the variance of provision between loan impairment in accordance with CIFRS and regulatory provision in accordance with National Bank of Cambodia's Prakas No. B7-017-344 dated 1 December 2017 and Circular No. B7-018-001 Sor Ror Chor Nor dated 16 February 2018 on credit risk classification and provision on impairment for banks and financial institutions.

In accordance with Article 73, the entity shall compare the provision calculated in accordance with Article 49 to 71 and the provision calculated in accordance with Article 72, and the record:

- (i) In case that the regulatory provision calculated in accordance with Article 72 is lower than provision calculated in accordance with Article 49 to 71, the entity records the provision calculated in accordance with CIFRS; and
- (ii) In case that the regulatory provision calculated in accordance with Article 72 is higher than provision calculated in accordance with Article 49 to 71, the entity records the provision calculated in accordance with CIFRS and transfer the difference from retained earnings or accumulated loss account into regulatory reserve in shareholders' equity of the statement of the financial position.

The regulatory reserves are not an item to be included in the calculation of the Institution net worth.

Cambodian Commercial Bank Ltd.

Notes to the financial statements (continued) for the year ended 31 December 2024

33. Material accounting policies (continued)

F. Regulatory reserves (continued)

On 5 February 2025, the NBC issued a notification letter to all banks and financial institutions requiring that the regulatory provision in accordance with the NBC shall be calculated based on the gross carrying amount (including accrued interest receivables), multiplied by the provision rates for each loan and advance classification. This requirement applies to the financial year ended 31 December 2024, and will remain in effect until 30 June 2025.

G. Deposits and placements with banks and debt investment

Deposits and placements with banks and debt investment are initially measured at fair value plus incremental direct transaction costs, and subsequently at their amortised cost using the effective interest method.

H. Statutory deposits

Statutory deposits included in balances with the NBC are maintained in compliance with the Cambodian Law on Banking and Financial Institutions and are determined by the defined percentage of the minimum share capital and the customers' deposits as required by NBC.

I. Loans and advances to customers

'Loans and advances to customers' captions in the statement of financial position include loans and advances measured at amortised cost; they are initially measured at fair value plus incremental direct transaction costs, and subsequently at their amortised cost using the effective interest rate method.

J. Other assets

Other assets are carried at cost less impairment if any.

K. Property and equipment

(i). Recognition and measurement

Items of property and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses.

Cambodian Commercial Bank Ltd.

Notes to the financial statements (continued) for the year ended 31 December 2024

33. Material accounting policies (continued)

K. Property and equipment (continued)

(i). Recognition and measurement (continued)

Cost includes expenditures that are directly attributable to the acquisition of the asset and any other costs directly attributable to bringing the asset to working condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located. The cost of self-constructed assets also includes the cost of materials and direct labour. For qualifying assets, borrowing costs are capitalised in accordance with the accounting policy on borrowing costs. Cost also may include transfers from equity of any gain or loss on qualifying cash flow hedges of foreign currency purchases of property and equipment.

Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

When significant parts of an item of property and equipment have different useful lives, they are accounted for as separate items (major components) of property and equipment.

(ii). Subsequent costs

The gain or loss on disposal of an item of property and equipment is determined by comparing the proceeds from disposal with the carrying amount of property and equipment and is recognised net within “other income” and “other expenses” respectively in profit or loss.

The cost of replacing a component of an item of property and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the component will flow to the Bank, and its cost can be measured reliably. The carrying amount of the replaced component is derecognised to profit or loss. The costs of the day-to-day servicing of property and equipment are recognised in profit or loss as incurred.

(iii). Depreciation

The cost of replacing a component of an item of property and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the component will flow to the Bank, and its cost can be measured reliably. The carrying amount of the replaced component is derecognised to profit or loss. The costs of the day-to-day servicing of property and equipment are recognised in profit or loss as incurred.

Depreciation is based on the cost of an asset less its residual value. Significant components of individual assets are assessed, and if a component has a useful life that is different from the remainder of that asset, then that component is depreciated separately.

Depreciation is recognised as an expense in profit or loss on a straight-line over the estimated useful lives of each component of an item of property and equipment.

Cambodian Commercial Bank Ltd.

Notes to the financial statements (continued) for the year ended 31 December 2024

33. Material accounting policies (continued)

K. Property and equipment (continued)

(iii). Depreciation (continued)

Depreciation is recognised from the date that the property and equipment are installed and are ready for use, or in respect of internally constructed assets, from the date that the asset is completed and ready for use.

The estimated useful lives for the current year are as follows:

	Years
Land improvement	3 – 20
Building and improvement	3 – 20
Furniture and equipment	1 – 10
Computer and IT equipment	1 – 10
Motor vehicles	3 – 5
Freehold land	Not depreciated

Depreciation methods, useful lives and residual values are reassessed at end of the reporting period and adjusted if appropriate.

L. Intangible assets

Intangible assets, which comprise acquired computer software licenses and related costs, are stated at cost less accumulated amortisation and impairment loss. Acquired computer software licenses are capitalised on the basis of the cost incurred to acquire the specific software and bring it to use.

Intangible assets are amortised over their estimated useful lives from 5 to 20 years using the straight-line method.

Costs associated with the development or maintenance of computer software are recognised as expenses when incurred.

M. Deposits from customers

Deposits from customers are initially measured at fair value minus incremental direct transaction costs, and subsequently measured at amortised cost using effective interest method.

Cambodian Commercial Bank Ltd.

Notes to the financial statements (continued) for the year ended 31 December 2024

33. Material accounting policies (continued)

N. Leases

At inception of a contract, the Bank assesses whether a 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 period of time in exchange for consideration.

To assess whether a contract conveys the right to control the use of an identified asset, the Bank assesses whether:

- the contract involves the use of an identified asset - this may be specified explicitly or implicitly, and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right throughout the period of use, then the asset is not identified;
- the Bank has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and
- the Bank has the right to direct the use of the asset. The Bank has this right when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used. In cases where all the decisions about how and for what purpose the asset is used are predetermined, the Bank has the right to direct the use of the asset if either:
 - the Bank has the right to operate the asset; or
 - the Bank designed the asset in a way that predetermines how and for what purpose it will be used.

Bank acting as a lessee

At commencement or on modification of a contract that contains a lease component, the Bank allocates consideration in the contract to each lease component on the basis of its relative stand-alone price. However, for leases of branches and office premises the Bank has elected not to separate non-lease components and accounts for the lease and non-lease components as a single lease component.

The Bank recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove any improvements made to branches or office premises.

Cambodian Commercial Bank Ltd.

Notes to the financial statements (continued) for the year ended 31 December 2024

33. Material accounting policies (continued)

N. Leases (continued)

Bank acting as a lessee (continued)

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The estimated useful lives for the current period are as follows:

- Building and office branches 3 – 10 years

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, to the lessee's incremental borrowing rate. Generally, the Bank uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Bank is reasonably certain to exercise, lease payments in an optional renewal period if the Bank is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Bank is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest rate method. It is remeasured when there is a change in the lease term, a change in the assessment of the option to purchase the underlying asset, a change in future lease payments arising from a change in an index or rate, or if there is a change in the Bank's estimate of the amount expected to be payable under a residual value guarantee.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Short-term leases and leases of low-value assets

The Bank has elected not to recognise right-of-use assets and lease liabilities for short-term leases of machinery that have a lease term of 12 months or less and leases of low-value assets, including ATM Space. The Bank recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

Cambodian Commercial Bank Ltd.

Notes to the financial statements (continued) for the year ended 31 December 2024

33. Material accounting policies (continued)

O. Borrowings

Borrowings are initially measured at fair value minus incremental direct transaction costs, and subsequently measured at amortised cost using effective interest rate method.

P. Employee benefits

(i). Short-term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Bank has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

(ii). Long-term employee benefits

The Bank's net obligation in respect of long-term employee benefits is the amount of the benefit that employees have earned in return for their service in the current and prior periods including seniority. That benefit is discounted to determine its present value. Remeasurements are recognised in profit and loss in the period in which they arise.

(iii). Post employment benefits

The Bank provides its employees with a post-employment benefit plan. An employee who has worked for the Bank for 5 years or more for full time employment or for 10 years or more for part-time employment is entitled upon resignation to a lump sum payment representing an employee's final month salary multiplied by the number of years' service. An employee will receive an additional month's salary if they have worked for the Bank for 25 years or more for full time employment or for 30 years or more for part time employment.

The post-employment benefits is accrued by reference to the years of services performed and the current salary level.

The bank's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employee have earned in the current and prior years, discounting that amount.

Remeasurement of the net defined benefit liability, actuarial gain or loss are recognized immediately in OCI. The bank determines the interest expense on the net defined benefit liability for the year by applying the discount rate to measure the defined benefit obligations, take into account any changes in the net defined benefit liability during the year as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognized in profit or loss.

Cambodian Commercial Bank Ltd.

Notes to the financial statements (continued) for the year ended 31 December 2024

33. Material accounting policies (continued)

P. Employee benefits (continued)

(iii). Post employment benefits (continued)

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that related to past service or the gain or loss on curtailment is recognized immediately in profit or loss. The Bank recognises gain or loss on the settlement of defined benefit plan when the settlement occurs.

Q. Provisions

Provisions are recognised in the statement of financial position when the Bank has a legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

R. Interest

Effective interest rate

Interest income and expense are recognised in profit or loss using the effective interest rate method. The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:

- the gross carrying amount of the financial asset; or
- the amortised cost of the financial liability.

When calculating the effective interest rate for financial instruments other than purchased or originated credit-impaired assets, the Bank estimates future cash flows considering all contractual terms of the financial instrument, but not ECL. For purchased or originated credit-impaired financial assets, a credit-adjusted effective interest rate is calculated using estimated future cash flows including ECL.

The calculation of the effective interest rate includes transaction costs and fees and points paid or received. A contractual interest rate is used in replacement of the effective interest rate when management assesses that transaction costs and fees are not an integral part of the effective interest rate and that the impact is not material to the financial statements. Transaction costs include incremental costs that are directly attributable to the acquisition or issue of a financial asset or financial liability.

Cambodian Commercial Bank Ltd.

Notes to the financial statements (continued) for the year ended 31 December 2024

33. Material accounting policies (continued)

R. Interest (continued)

Amortised cost and gross carrying amount

The 'amortised cost' of a financial asset or financial liability is the amount at which the financial asset or financial liability is measured on initial recognition minus the principal repayments, plus or minus the cumulative amortisation using the effective interest rate method of any difference between that initial amount and the maturity amount and, for financial assets, adjusted for any expected credit loss allowance.

The 'gross carrying amount of a financial asset' is the amortised cost of a financial asset before adjusting for any expected credit loss allowance.

Calculation of interest income and expense

The effective interest rate of a financial asset or financial liability is calculated on initial recognition of a financial asset or a financial liability. In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability. The effective interest rate is revised as a result of periodic re-estimation of cash flows of floating rate instruments to reflect movements in market rates of interest. The effective interest rate is also revised for fair value hedge adjustments at the date amortisation of the hedge adjustment begins.

However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

For financial assets that were credit-impaired on initial recognition, interest income is calculated by applying the credit-adjusted effective interest rate to the amortised cost of the asset. The calculation of interest income does not revert to a gross basis, even if the credit risk of the asset improves.

Presentation

Interest income calculated using the effective interest rate method presented in the statement of profit or loss and OCI includes interest on financial assets and financial liabilities measured at amortised cost.

Interest expense presented in the statement of profit or loss and OCI includes financial liabilities measured at amortised cost.

Cambodian Commercial Bank Ltd.

Notes to the financial statements (continued) for the year ended 31 December 2024

33. Material accounting policies (continued)

S. Fee and commission

Fee and commission income and expense that are integral to the effective interest rate on a financial asset or financial liability are included in the effective interest rate.

Other fee and commission income – including account servicing fees is recognised as the related services are performed.

A contract with a customer that results in a recognised financial instrument in the Bank's financial statements may be partially in the scope of CIFRS 9 and partially in the scope of CIFRS 15. If this is the case, then the Bank first applies CIFRS 9 to separate and measure the part of the contract that is in the scope of CIFRS 9 and then applies CIFRS 15 to the residual.

T. Impairment of non-financial assets

At each reporting date, the Bank reviews the carrying amounts of its non-financial assets (other than investment properties and deferred tax assets) to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that is largely independent of the cash inflows of other assets or CGUs.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its recoverable amount.

The Bank's corporate assets do not generate separate cash inflows and are used by more than one CGU. Corporate assets are allocated to CGUs on a reasonable and consistent basis and tested for impairment as part of the testing of the CGUs to which the corporate assets are allocated.

Impairment losses are recognised in profit or loss. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. For other assets, 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.

Cambodian Commercial Bank Ltd.

Notes to the financial statements (continued) for the year ended 31 December 2024

33. Material accounting policies (continued)

U. Income tax

Income tax expense comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in other comprehensive income.

The Bank has determined that interest and penalties related to income taxes, including uncertain tax treatments, do not meet the definition of income taxes, and therefore has accounted for them under CIAS 37 *Provisions, Contingent Liabilities and Contingent Assets* and has recognised the related expenses in 'other expenses'.

(i). Current tax

Current tax comprises the expected tax payable or receivable on the taxable income for the year using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous year.

(ii). Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

A deferred tax asset is recognised for unused tax losses and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be used. 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; such reductions are reversed when the probability of future taxable profits improves.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow the manner in which the Bank expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset only if certain criteria are met.

V. Contingent liabilities

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is not recognised in the statements of financial position and is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events, are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

Cambodian Commercial Bank Ltd.

Notes to the financial statements (continued) for the year ended 31 December 2024

33. Material accounting policies (continued)

W. Contingent assets

Where it is not possible that there is an inflow of economic benefits, or the amount cannot be estimated reliably, the asset is not recognised in the statements of financial position and is disclosed as a contingent asset, unless the probability of inflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events, are also disclosed as contingent assets unless the probability of inflow of economic benefits is remote.

34. Accounting standards issued, but not yet effective

A number of new accounting standard and amendments to accounting standard are effective for annual periods beginning on or after 1 January 2025 and earlier application is permitted. However, the Bank has not early adopted any of the new or amended standards in preparing these financial statements.

Effective date	New accounting standards or amendment
1 January 2025	Lack of exchangeabilities (Amendment to CIAS 21)
1 January 2026	Classification and measurement of financial instruments (Amendments to CIFRS 9 and CIFRS 7)
	Annual Improvement to CIFRS Accounting Standard – Volume 11
1 January 2027	CIFRS 18 Presentation and Disclosure in Financial Statements
	CIFRS 19 Subsidiaries without Public Accountability: Disclosure

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