



ធនាគារ ហេង ហ្វីង (ខេមបូឌា) ភ.ក
恒丰银行
HENG FENG (CAMBODIA) BANK PLC.

A N N U A L
R E P O R T
2 0 2 4

ANNUAL REPORT 2024

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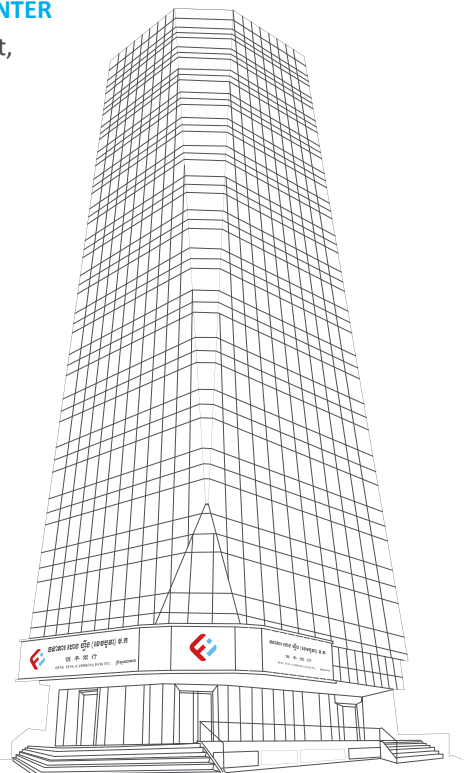


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A nighttime cityscape with numerous illuminated skyscrapers and buildings, creating a vibrant urban scene. The sky is a deep blue, and the lights from the buildings are warm and varied in color.

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恒 丰 銀 行
HSBC FIRST (CAMBODIA) BANK PLC ភ្នំពេញ



**About
Heng Feng (Cambodia) Bank Plc.**



Chairman's Message

Dear shareholders, valued customers, and esteemed stakeholders,

It is with great pleasure that I present to you the Annual Report of Heng Feng (Cambodia) Bank Plc. for the year ended 31 December 2024. This year marks another significant milestone in our journey as a trusted financial institution in Cambodia, reflecting our unwavering commitment to delivering value to our shareholders, supporting our customers, and contributing to the economic development of the Kingdom.

A Year of Remarkable Growth

In 2024, Heng Feng (Cambodia) Bank Plc. achieved robust financial performance, underscored by a profit for the year of US\$6.63 million, a substantial increase from US\$2.19 million in 2023. This growth reflects the strength of our core banking operations and our ability to adapt to an evolving market landscape. Our total assets grew impressively to US\$382.16 million, up from US\$263.10 million the previous year.

Our net interest income rose to US\$15.58 million, bolstered by a healthy increase in interest income to US\$21.99 million, demonstrating the effectiveness of our lending strategies and prudent financial management. Despite challenges such as credit impairment losses of US\$1.63 million, we maintained a strong focus on asset quality, ensuring that adequate provisions were made for bad and doubtful loans, as affirmed by our Board's rigorous oversight.

Strengthening Our Foundation

Throughout 2024, we continued to uphold our commitment to sound governance and compliance with the Cambodian International Financial Reporting Standards (CIFRS). Our total equity stood at US\$86.95 million, supported by a stable share capital of US\$80 million and retained earnings of US\$6.81 million. This solid capital base not only ensures our resilience but also positions us well to meet the regulatory requirements set by the National Bank of Cambodia.

Our prudent risk management practices have been instrumental in navigating market uncertainties. The Bank's liquidity remained strong, with cash and cash equivalents reaching US\$123.28 million by year-end, reflecting our ability to meet obligations and seize growth opportunities. We also expanded our operational capacity, as evidenced by investments in property, equipment, and intangible assets, enhancing our service delivery and technological capabilities.

Commitment to Our Stakeholders

As a bank deeply rooted in Cambodia, we take pride in serving a diverse range of industries, including construction, real estate, hotels, and wholesale trade, among others. Our loan portfolio reflects this diversity, with significant exposure to key sectors driving the nation's economic progress. We remain dedicated to fostering financial inclusion and supporting the aspirations of individuals and businesses alike through tailored financial solutions.

To our customers, I extend my gratitude for your continued trust and partnership. To our employees, I commend your dedication and professionalism, which have been the backbone of our success. And to our shareholders, I reaffirm our commitment to delivering sustainable returns as we build on this year's achievements.

Looking Ahead

As we move into 2025, we are optimistic about the opportunities that lie ahead. Cambodia's economy continues to show resilience and potential, and Heng Feng (Cambodia) Bank Plc. is well-positioned to play a pivotal role in its growth. We will focus on expanding our reach, enhancing our digital offerings, and maintaining the highest standards of service and integrity. Our strategic priorities include further strengthening our capital base, optimizing our risk management framework, and exploring innovative ways to meet the evolving needs of our clients.

On behalf of the Board of Directors, I thank you for your unwavering support. Together, we will continue to build a stronger, more prosperous future for Heng Feng (Cambodia) Bank Plc. and the communities we serve.



Mr. Vong Heng
Chairman



Acting CEO's Message

Mr. Hak Seila

Acting Chief Executive Officer

Dear shareholders, customers, partners, and colleagues,
It is my privilege to address you in this Annual Report for Heng Feng (Cambodia) Bank Plc. for the year ended 31 December 2024. This year has been one of remarkable progress, as we solidified our position as a dynamic and customer-centric financial institution in Cambodia. Our achievements reflect the hard work of our team, the trust of our clients, and the strategic vision that continues to drive us forward.

A Year of Strong Performance

In 2024, we delivered exceptional financial results, with a profit for the year of US\$6.63 million, a significant leap from US\$2.19 million in 2023. This growth was underpinned by a robust increase in net interest income to US\$15.58 million, fueled by interest income of US\$21.99 million—a clear indicator of our success in expanding our lending activities. Total assets rose to US\$382.16 million, up from US\$263.10 million, driven by a 17.6% increase in loans and advances to US\$120.08 million.

Our deposit base grew impressively to US\$290.64 million, reflecting the confidence that individuals and businesses place in us as their financial partner. Cash and cash equivalents reached US\$123.28 million by year-end, ensuring strong liquidity to support our operations and future growth. These figures highlight our ability to balance expansion with financial prudence, maintaining a healthy equity position of US\$86.95 million.



Operational Excellence and Customer Focus

Operationally, 2024 was a year of scaling up and refining our capabilities. We expanded our loan portfolio across key sectors such as construction, real estate, hotels, and wholesale trade, aligning our offerings with Cambodia's economic priorities. At the same time, we remained vigilant in managing credit risk, with provisions for expected credit losses rising to US\$1.63 million to safeguard our asset quality. Our adherence to the Cambodian International Financial Reporting Standards (CIFRS) and rigorous internal controls ensured transparency and accountability in all our dealings.

We also invested in our infrastructure, with enhancements to property, equipment, and intangible assets totaling US\$4.29 million. These investments bolstered our operational efficiency and positioned us to deliver superior service through improved technology and systems. Our team's dedication to excellence was evident in every interaction, as we worked tirelessly to meet the evolving needs of our customers.

Strategic Resilience

Navigating the complexities of the financial landscape requires agility and foresight. In 2024, we maintained a strong liquidity profile and a well-capitalized balance sheet, with total capital (Tier I + Tier II) at US\$87.50 million. This resilience allowed us to seize opportunities while adhering to the National Bank of Cambodia's regulatory standards. Our prudent approach to risk management—evidenced by detailed sensitivity analyses and robust liquidity monitoring—ensured stability amid market fluctuations.

Gratitude and Vision for the Future

I extend my heartfelt appreciation to our customers for their loyalty, which drives our purpose every day. To our shareholders, thank you for your continued belief in our mission. And to our employees, your commitment and professionalism have made 2024 a year of triumph—I am deeply proud of what we have achieved together.

Looking ahead to 2025, we are poised to build on this momentum. Our focus will be on deepening customer relationships, leveraging technology to enhance accessibility, and expanding our footprint in Cambodia's growing economy. We aim to innovate responsibly, ensuring that our growth benefits not only our stakeholders but also the broader community we serve.

Heng Feng (Cambodia) Bank Plc. is more than a bank—it is a partner in progress. As we embark on the next chapter, I am confident that our shared dedication will propel us to new heights.

With gratitude and optimism,

1.1 Vision, Mission, Core Values



Vision

To become an international bank providing superior financial services and information security to all customers of the community.

Mission

To provide financial services to Cambodian, local and international business owners to achieve their dreams. We are here to be a model of high-standard banking services through building the banking experience with excellent products and services for all customers in the digital era.



Core Value

- Diversity and Collective Strength
- Social Responsibility
- Treat Customer Fairly

1.2 Shareholders Structure

Shareholders of The Bank are as follows:

No.	Name	Number of shares	Amount US\$	Percentage
1	VONG HENG	48,000	48,000,000	60%
2	SAI AUNG LINN	32,000	32,000,000	40%
	Total:	80,000	80,000,000	100.00%

* Par value per share: US\$1,000.

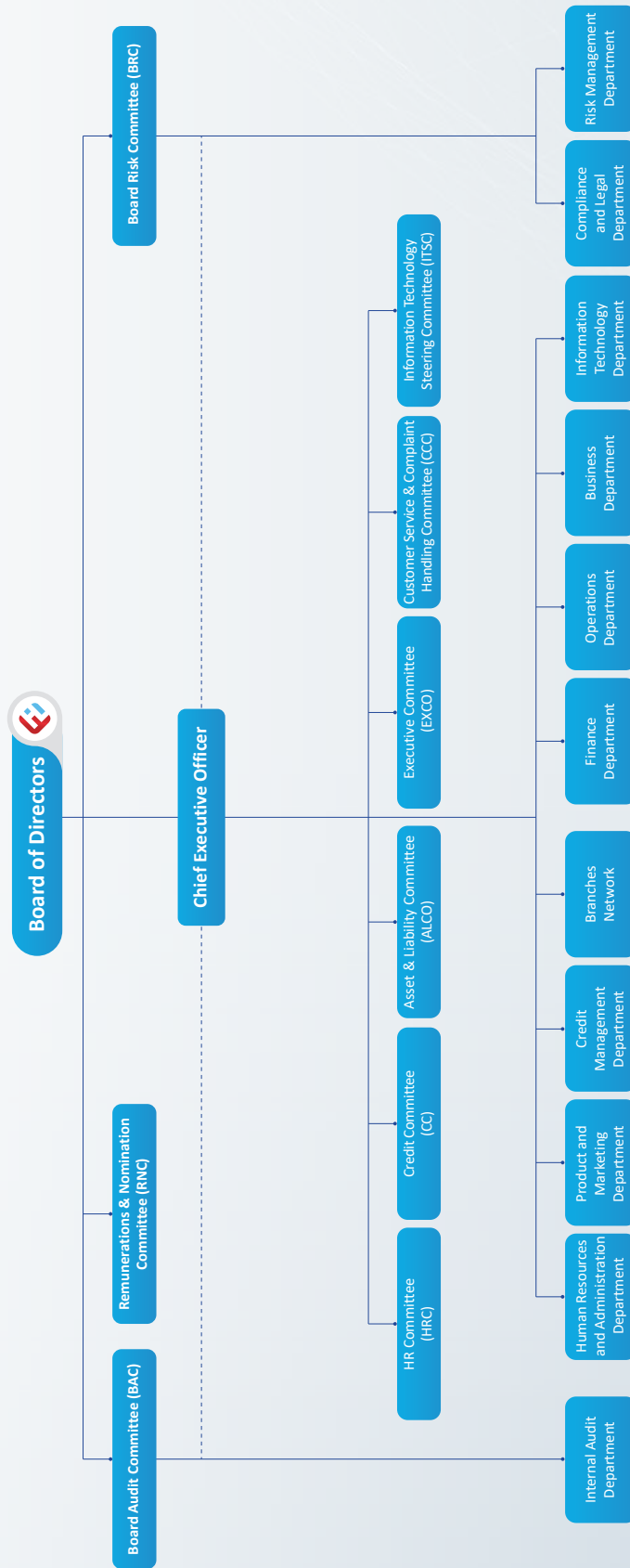




Corporate Governance



2.1 Corporate Governance





Our Management

2.2 Board of Directors

• Mr. Vong Heng	Chairman of the Board of Directors
• Mr. Sai Aung Linn	Director
• Mr. Aik Paung	Director
• Mr. Vong Dara	Independent Director
• Mr. Chim Guanghui	Independent Director

Board Risk Committee ('BRC')

Board Risk Committee ('BRC') is established by the Board of Directors ('BOD') of Heng Feng (Cambodia) Bank Plc. ('HFCB') to assist the Board of Directors in the effective discharge of its responsibilities for risk management and to regularly review management's ability to assess and manage the Bank's risks.

Members:

• Mr. Vong Dara	Chairperson
• Mr. Sai Aung Linn	Member
• Mr. Aik Paung	Member

The Committee, from time to time, may ask members of management and/or outside professional advisers to attend all or part of any meetings to provide additional information and explanation as they consider necessary.

Board Audit Committee ('BAC')

Board Audit Committee ('BAC') is established by BOD of Heng Feng (Cambodia) Bank Plc. to monitor and review the integrity of the financial statements, the internal financial control system, ensure independence for internal audit, and the service provided by external auditors.

Members:

• Mr. Chim Guanghui	Chairperson
• Mr. Sai Aung Linn	Member
• Mr. Vong Dara	Member

Remuneration and Nomination Committee ('RNC')

Remuneration and Nomination Committee is to assist the Board of Directors ('BoDs') in overseeing matters related to remuneration and nomination of directors and senior management including:

- Implementing a remuneration policy to be consistent with the long-term objectives and corporate values of HFCB.
- Recommend procedures to select and replace board members and independent individuals who will potentially become committee members.
- Oversees the appointment and management of succession planning of board members, senior management, and key personnel. Endorse the remuneration policies and framework for all employees and senior management.

Members:

- | | |
|-----------------|-------------|
| • Mr. Vong Dara | Chairperson |
| • Mr. Vong Heng | Member |
| • Mr. Aik Paung | Member |

Management Committee ('MC')

HFCB has six Management Committees to assist the Chief Executive Officer (CEO) in focusing on specific matters, monitoring, and tracking an overall bank's operations and performance and fulfilling their delegated roles and responsibilities. These committees report to the CEO on decisions and actions taken, and provide necessary recommendations on general matters arising in daily business operations.

The existing MCs are as below:

- Executive Committee ('EXCO')
- Assets and Liabilities Committee ('ALCO')
- Credit Committee ('CC')
- Human Resource Committee ('HRC')
- Information Technology Steering Committee ('ITSC')
- Customer Service and Compliant Handling Committee ('CCC')

Executive Committee ('EXCO')

This committee consists of CEO and Head Departments. Other key persons can also be invited as deemed necessary. Chaired by the CEO, this committee supports the CEO in monitoring and tracking the overall bank's operations, performance, and progress of day-to-day activities across all business units as well as deciding on the general matters that arise from daily business operations.

Members:

• Chief Executive Officer	Chairperson
• Head of Finance	Member
• Head of Credit Management	Member
• Head of Operations	Member
• Head of Human Resources and Administration	Member
• Head of Information Technology	Member
• Head of Business	Member

Meetings shall be held as and when appropriate, with a minimum of once a month. The Chairperson of the Committee may convene additional meetings if deemed necessary.

Assets and Liabilities Committee ('ALCO')

The purpose of the Committee is to monitor all elements of Assets and Liabilities Management, and of major concern like liquidity, loan-to-deposit ratio, exposure due to reliance on given deposit categories & specific customers, limits on maximum and minimum maturities for assets & liabilities and sensitivity of interest rates. The Company's interest is to ensure that all elements of assets and liabilities management are properly disclosed and managed transparently and accurately.

The ALCO will comprise of the following members:

• Head of Finance	Chairperson
• Chief Executive Officer	Alternative Chairperson
• Head of Credit Management	Member
• Head of Business	Member
• Head of Risk Management	Member

Meetings shall be held as and when appropriate, with a minimum of once per month. The Chairperson of the ALCO may convene additional meetings and other key persons can also be invited as deemed necessary.

Credit Committee ('CC')

The Credit Committee (CC) is established to ensure compliance with program governance and portfolio management of the Bank. The purpose of the CC is to:

- Approve credit guidelines allowed under the program Governance Framework and credit limit granted for a customer or a group of related customers as per delegated authority provided by the Board Committee.
- Be responsible for the implementation and monitoring of the credit risk management frameworks and policies concerning the Company business as a whole.
- Ensure compliance with the Program Governance and Monitoring Framework.

The CC will comprise of the following members:

- | | |
|------------------------------------|--------------------|
| • Head of Credit Management | Chairperson |
| • Chief Executive Officer | Member |
| • Head of Business | Member |

Meetings shall be held as and when appropriate, with a minimum of once per month. The Chairperson of the CC may convene additional meetings if deemed necessary.

Human Resource Committee ('HRC')

The purpose of the HRC is to ensure that the decision-making process of internal staff appointment/recruitment, promotion, punishment, transfer, and salary increment at the staff level is transparent and fair.

The committee members should be diligent to avoid conflicts of interest that would compromise their judgments, and/or refrain from participating in any decision where conflicts of interest, whether actual, potential, or apparent, may arise.

The permanent members consist of:

- | | |
|---|--------------------------------|
| • Head of Human Resources and Administration | Chairperson |
| • Chief Executive Officer | Alternative Chairperson |
| • A Shop Steward | Member |

Meetings shall be held monthly or as and when deemed necessary at the call of the Chairperson. Head Departments are invited to join the meeting based on the agenda's relevance. The Chairperson of the Committee may convene additional meetings if deemed necessary.

Information Technology Steering Committee ('ITSC')

The purpose of the ITSC is to assist management stakeholders in implementing an IT Strategy that has been approved by the Boards, by prioritizing IT-enabled investment, reviewing the status of projects, monitoring the service level improvements, and the delivery of projects.

The committee members should carry out their duty in evaluating and approving the critical vendors list, provide direction related to technology standards and practices, ensure compliance with regulatory and statutory requirements. ITSC also assists the Board in governance, risk, and control frameworks, monitoring key IT governance processes.

The permanent members consist of:

- | | |
|---|--------------------------------|
| • Head of Information Technology | Chairperson |
| • Chief Executive Officer | Alternative Chairperson |
| • Head of Business | Member |
| • Head of Human Resources and Administration | Member |
| • Head of Compliance and Legal | Member |

The meetings of the ITSC shall be held as often as required and the meeting shall be held at any time if requested by the Chairperson of the ITSC or any of the four member's request. The ordinary meeting of the ITSC shall be held quarterly and /or ad hoc basis meeting.

Customer Service and Compliant Handling Committee ('CCC')

The primary purpose of the Customer Service and Complaint Handling Committee ('CCC') is to set up a mechanism to solve the complaints lodged by consumers of Heng Feng (Cambodia) Bank Plc. ('HFCB') to maintain the Bank's values and support its long-term sustainable success.

The permanent members consist of:

- | | |
|---------------------------------------|--------------------------------|
| • Head of Compliance and Legal | Chairperson |
| • Chief Executive Officer | Alternative Chairperson |
| • Head of Business | Member |
| • Head of Operations | Member |
| • Contact Center Team Leader | Member |

The meetings of the CCC shall be held as often as required and the meeting shall be held at any time if requested by the Chairperson of the CCC or any of the five member's request. The ordinary meeting of the CCC shall be held quarterly and /or ad hoc basis meeting.



2.3 Executive Management



Mr. Hak Seila
Acting Chief Executive Officer



Mr. Seila has over a decade of extensive experience in the banking sector, with a proven track record of leadership, business development, and operational excellence at Sacombank (Cambodia) Plc and Advance Bank of Asia (ABA Bank).

Since October 2020, as Deputy General Director at Sacombank (Cambodia) Plc's Head Office, he has been instrumental in steering the strategic direction of branch operations, driving business development, and fostering external relationships to enhance the bank's market presence.

Mr. Seila's banking expertise is complemented by a Master's degree in Business Administration and a Bachelor's degree in Finance and Banking from the National University of Management, along with specialized training in management, leadership, and customer service. His contributions have been vital in advancing operational excellence, customer satisfaction, and business growth within Cambodia's banking sector.



Mr. Chhorn Mandy

Head of Business



Mr. Mandy possesses approximately 21 years of sales experience including FMCG, telecom, and banking industry.

His most recent professional exposure has broadly involved in financial sectors specifically in commercial banking exposing to international and local banking institutions.

Prior to joining Heng Feng (Cambodia) Bank Plc., Mr. Chhorn has been working for 12 years in commercial banks, progressing from managerial positions to management roles. He began his banking career at former ANZ Royal Bank as a Relationship Manager and subsequently held management positions at several reputable banks in Cambodia, with the most recent one at Canadia Bank as a Head of Global Transactional Banking Division.

Mr. Mandy hold a bachelor's degree in Business Administration specializing in General Management from Build Bright University. He has participated in various professional training courses, including a leadership course, an induction program overseas in China, and other short course workshops as part of enhancing his personal and professional capacity.



Mr. Suy Pich

Head of Credit Management



Mr. Pich had experience related to credit for more than 14 years in the banking industry.

Prior to joining Heng Feng (Cambodia) Bank Plc., he was the Head of Credit Risk Management at Maybank (Cambodia) Plc., where he worked for more than 12 years involving retail and corporate loan assessments, developing lending templates, setting up credit policies, asset quality control and establishing credit training programs. He had 2 years of teaching experience being a lecturer at Western University, lecturing 4th-year bachelor students on Advanced Accounting and International Accounting.

Mr. Pich holds a bachelor's degree in Banking & Finance from the Royal University of Law and Economics, and a master's degree in Financial Management.


Mr. Som Sathya

Head of Finance



Mr. Som Sathya has 16 years of experience in the Banking industry.

Mr. Sathya has a strong background in the finance and banking industry, particularly in setting up and overseeing financial operations for new banks. He has strong expertise in systems like Flexcube, Oracle, and HSG Fintech (CBS), RBS system and Smart Bank system, all of which are essential in modern banking operations. A well-rounded career with broad expertise in both the technical and strategic aspects of banking, finance, and treasury operations. His role in bank establishment, policy development, and systems implementation underlines his strong leadership abilities. Additionally, his extensive experience in managing and implementing international financial reporting standards (IFRS project) his proficiency in navigating complex financial environments including ECL and IFRS standards. Corporate and Financial Reporting, Adept at corporate reporting, financial analysis, and ensuring compliance with accounting standards such as IFRS and adherence to regulatory standards (NBC).

He also has a deep understanding of the banking products and competitive market environments, along with knowledge of financial market analysis, foreign exchange and liquidity management, foreign exchange rate performances, interbank placements, and borrowing funds, crucial for banking treasury operations.

Mr. Som Sathya holds an MBA degree and is pursuing ACCA at Camed Business School.


Mrs. Ly Sokunthea

Head of Human Resources and Admin



Mrs. Sokunthea has over 14 years of experience in the banking industry, demonstrating a strong background in human resources and administrative roles.

She joined Heng Feng (Cambodia) Bank Plc. in 2024 again as Head of Human Resources and Administration overseeing the Human Resources, Administration, Procurement, and Maintenance Unit.

Prior to joining HFCB, she served as the Deputy Head of Human Resources, Administration Manager, and Senior External Affairs and Customer Relationship Specialist at Sacombank Cambodia. Her expertise includes negotiation, HR policies, consulting, communication, administration, and a thorough understanding of Cambodian labor law.

Mrs. Sokunthea holds a bachelor's degree and a Master's degree in Business Administration and Management from the National University of Management.



Mrs. Bou Bonirattana

Deputy Head of Operations



Mrs. Bonirattana has more than 16 years of extensive experience in banking sectors. Her expertise covers banking operations, branch management and project implementation.

Prior to joining Heng Feng (Cambodia) Bank Plc., Mrs. Bonirattana spent over 10 years working in commercial banks such as Aceda Bank Plc and Heng He Commercial Bank, where she developed deep expertise in banking operations, process enhancement, and customer service delivery.

Recognized for her strong leadership, operational insight, and commitment to innovation, Mrs. Bonirattana plays a vital role in supporting Heng Feng (Cambodia) Bank Plc.'s commitment to delivering efficient, customer-centric banking solutions.

She holds a bachelor's degree in Khmer literature from Royal University of Phnom Penh and has completed executive training in Communication Excellence and Training of Trainers at the Institute of Banking and Finance.



Mr. Kong Rathanak

Head of Information Technology



Mr. Rathanak has more than 16 years of experience in Information Technology management for the financial and banking sectors.

Prior to joining Heng Feng (Cambodia) Bank Plc., Mr. Kong worked for 13 years in one of the largest local banks in Cambodia, starting as a System Development Officer, Network Communication and Information Security Manager, and eventually serving as Head of IT Security for two years. He then joined a subsidiary of a South Korea foreign bank as an IT Security Department Manager.

Mr. Rathanak holds a bachelor's degree in Management Information System and a master's degree in Business Administration specializing in Management from the National University of Management. He has participated in many professional training courses, including IT Control and Risk Management Training at a local institution, Certified Information Security Professional Training in Malaysia, and ISO / IEC 27001 Lead Implementer.



Mr. Mouk Mardeth

Head of Compliance and Legal



Mr. Mardeth has more than 20 years of experience across multi-function in various roles such as Credit, Accounting, Internal Audit, Compliance, and Legal Departments.

He had 10 years of experience as a Head of Compliance and Legal at a foreign bank, a subsidiary of South Korea Financial Group. He specializes in Bank's Governance and Internal Control, especially deals with anti-money laundering and combating the financing of terrorism.

Before that, he had experience in variance management roles in Acleda Bank Plc. for 13 years including Accounting, Credit Analysis, Audit Quality Control and Report, and Compliance Audit.

Mr. Mardeth holds a bachelor's degree in Accounting and a master's degree in Business Administration and Management from Norton University. He completed the course in regulatory compliance from the Institute of Banking and Finance (IBF) in 2019 and re-certified this certificate in 2024. He also completed the course of Certified Corporate Governance Essential 101 from the International Compliance Association (ICA) in January 2024.



Mr. Om Visal

Head of Risk Management



Mr. Visal has approximately three decades of experience in Cambodia's Banking Industry.

He participated in the establishment of a multiple financial institutions. He formerly served on the board of directors in charge of the transformation of a non-government organization into a licensing microfinance institution. As a seasoned member of the Executive, Credit Risk, and Asset and Liabilities Committees, he has extensive experience in corporate strategy development, product development, business development, customer relationship management, people management, and loan recovery management.

Mr. Visal holds a bachelor's degree in Marketing from a leading university in Cambodia, and he is one of Cambodia's early banking pioneers. He received a government-funded scholarship to study Community Fund Development (microfinancing) in the United States and earned an executive certificate in High-Level Senior Leadership Management in Singapore.



2.4 Risk Management

To promote accountability and ownership of operational risk management, the Risk and Control Self-Assessment platform has been introduced in all Bank departments as part of the operational risk management process. These departments are responsible for identifying, assessing, and registering the status of compliance with laws, regulations, policies, and internal guidelines, as well as reporting any incidents that impact the Bank's reputation resulting from business activities. They must report to the Board Risk Committee through the Risk Management Department monthly to re-evaluate the quality of the internal control system, as well as estimating the effectiveness of risk management. Each employee is expected to be promoted by complying with laws and regulations while also being accountable for their activities with high ethical standards.

The Monthly Risk Performance Management Report is part of the risk management process and helps to provide early warning signals to ensure that risks are fully addressed with suitable consequences if we take the necessary business risks. This report is regularly reviewed by the Board of Directors through the Board Risk Committee to ensure that appropriate measurements and data analysis are accurate to identify weaknesses and make necessary adjustments in a timely manner.

2.5 Compliance and Legal

Heng Feng (Cambodia) Bank Plc. ("HFCB") is committed to following the best practices and market standards in areas of accountability, transparency, and business ethics in order to promote sustainability. Good governance and corporate social responsibility form an integral part of market standards. At the core of these efforts are integrity issues and the reputation risk the Bank faces in its activities. To manage these issues, the Bank has established an independent compliance function. The bank has developed a compliance policy intended to present how Heng Feng (Cambodia) Bank Plc. defines compliance and the Compliance Function's role and responsibilities regarding the management of compliance risks.

This Policy has been amended and approved by the Board of Directors and enters into force as of January 2025. The Policy will be subject to review at least every year or as needed to ensure that it reflects developments in the market and best practices, taking into account the changing environment of the Bank and with due regard to the resources assigned from time to time to the Compliance function.

THE COMPLIANCE PROGRAM OF THE BANK HAS THE FOLLOWING:

(a) AML/CFT Compliance:

Heng Feng (Cambodia) Bank Plc. has strongly committed to the fight against money laundering and financing of terrorism. The Bank has set up a comprehensive policy and procedure on anti-money laundering and combating the financing and terrorism in line with the Law and Prakas on AML/CFT. All the relevant staff is required to strictly implement this policy and procedure.

(b) Legal Compliance:

Heng Feng (Cambodia) Bank Plc. has fully adhered to relevant laws and regulations. HFCB has created a compliance checklist to evaluate the performance of the bank. The compliance department of the bank is the main facilitator and monitors the implementation of the whole bank in terms of legal/ regulatory compliance.

(c) Whistleblowing:

The Bank is committed to achieving and maintaining the highest standards of openness, probity, and accountability. Either stakeholders or employees at all levels are expected to conduct themselves with integrity, impartiality, and honesty. The implementation has been enforced within the whole bank to encourage the bank staff to report significant matters which may include but are not confined to:

- Non-compliance with the legal and regulatory framework;
- Non-adherence to internal policies and procedures of the bank;
- Financial abuse, stealing, fraud or other financial irregularities;
- Corruption or mismanagement;
- Behavior that causes danger to the health and safety of people;
- Improper conduct or unethical behavior;
- Abuse of authority or any forms of harassment; and
- Criminal or illegal activities;
- Deliberate concealment of any of the above
- Expressing any grievances



(d) Customer Complaints Handling:

The Bank is committed to providing best-in-class customer service. The Bank has established a policy on customer complaint handling to resolve customer complaints fairly, effectively, and efficiently which will be in line with the Prakas No. B7-017-299 Pro Kor dated 27 September 2017 on the customer complain handling, which has been issued by the National Bank of Cambodia. This policy applies to the whole bank regarding our products, service, staff, and complaint handling. This policy will be subject to review as needed.

(e) FATCA Compliance:

Heng Feng (Cambodia) Bank Plc. has also implemented the FATCA program by creating the guideline on Foreign Account Tax Compliance Act (FATCA) after FATCA became local law since the government of Cambodia signed the Inter-Government Agreement Model IB (IGA IB) with the U.S government on 14 September, 2015. Under this IGA, it signifies that the government and financial institutions shall have an obligation to be carried out under the FATCA provisions. The reporting on U.S. person accounts maintained with financial and banking institutions under the jurisdiction of Cambodia shall be required to submit a report to the General Taxation Department under the supervision of the Ministry of Economics & Finance.

2.6 Internal Audit

The Internal Audit is an independent and objective function who gives assurance and consulting services, by using the systematic risk-based approach, to ensure the effectiveness and efficiency of governance, internal control, and risk management process within the bank.

Standing as third line of defense, Internal Audit plays a role in identifying, assessing and recommending risk mitigation and other vulnerabilities then reports to independent Board or so-called Board Audit Committee.





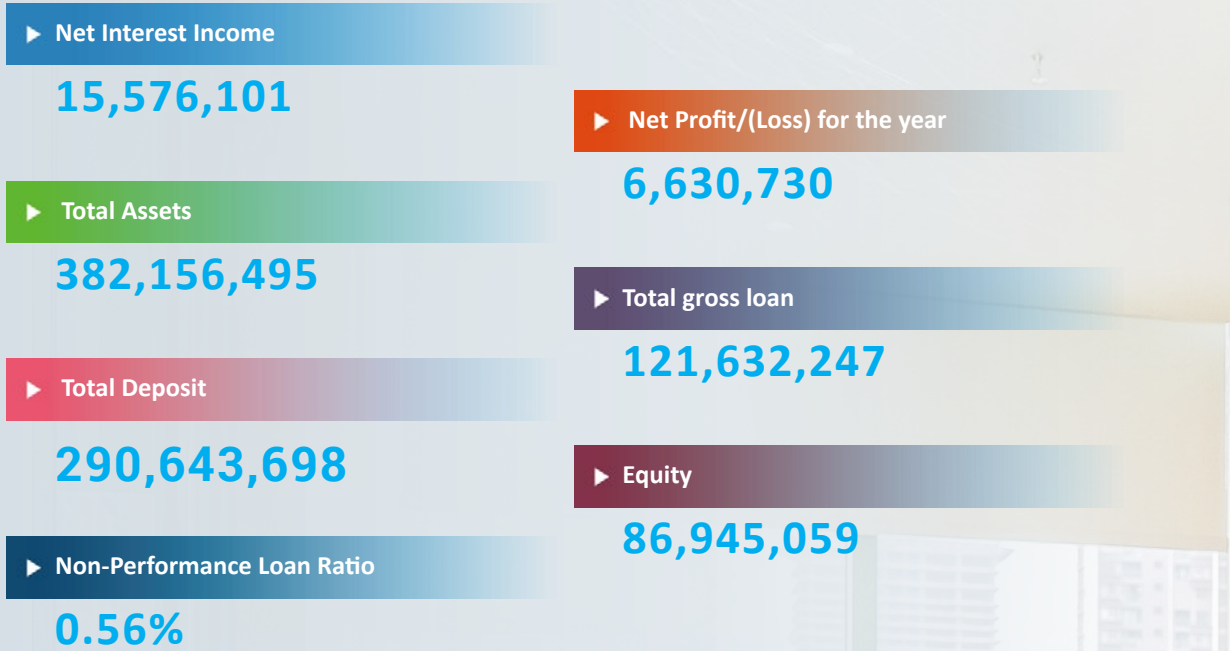
Performance Highlights

3



3.1 Performance Highlights

As of 31st December 2024 (Currency=USD)



As of December 31st December 2024, Heng Feng (Cambodia) Bank Plc. on-boarded more than 10,000 customers with total loan outstanding being US\$121.63 million while deposits have grown to US\$290.64 million. Based on loan and deposit performance as of 2024, it demonstrates the bank’s strong commitment to invest, grow, and create a positive impact on their customers and Cambodia community for financing service.

Banking License

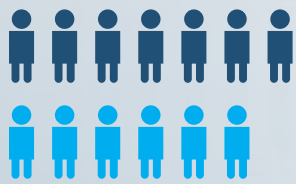
Heng Feng (Cambodia) Bank Plc. has obtained approval from the National Bank of Cambodia for a banking license number 65 to operate as a full fledged commercial bank in Cambodia on August 22nd, 2022.

Head Quarter & Branches

Our head quarter is based at Slot No 342, Preah Monivong Blvd 1 Street No 288, Phum 4, Sangkat Boeng Keng Kang Ti Muoy, Khan Boeng Keng Kang , Phnom Penh. As of 2024, the bank has further enlarged its service footprint to serve more customers to the next level by establishing 2 more branches including the Sihanouk Ville and Tonle Bassac branches. Each branch is equipped with full banking facilities readiness for customers.

Total number of employees serving for HFCB as of December 2024 was:

169



Male: **90**

Female: **79**





3.2 Products and Services

HFCB offers a wide range of products and services to cater the banking needs of retail and corporate customers. The Bank has continued to innovate, develop, and roll out new/existing products and services. The Bank's focus is to ensure that customers obtain and experience great services and optimal values from its innovation and simplicity.

Besides conventional products and services, HFCB works on its digital products and services that can be seen through the examples including personal mobile banking, corporate mobile banking, internet banking, cash recycling machine, and debit card. The digital products and services are beneficial to customers in terms of better efficiency, lower cost, and convenience.



Deposits

Day-to-day banking needs are at ease with HFCB's basic transactional and savings banking deposit products. For consumer finance customers, the deposit products are available on a mobile banking application. For corporate customers, the deposit products are available on the internet and mobile banking application:

- **Current Account**
- **Savings Account**
- **Fixed Deposit Account**
- **Business Current Account**
- **Business Fixed Deposit Account**



Loans

HFCB renders various types of loans that help consumer finance and corporate customers that need funds to expand their businesses, purchase machines, build warehouses, acquire enterprise software, purchase raw materials, buy stocks, move to new homes, drive new cars, and pay for your trips abroad for medical and leisure. The purposes to borrow are listed to count:

- **Overdraft**
- **Personal Loan**
- **Housing Loan**
- **Term Loan**
- **Revolving Credit**



The loan interest rate is transparent and follows NBC's pricing ceiling guidance of 18% per year.

Services

HFCB is leaping at a rapid speed to increase its kinds of services through physical and digital channels:

- Local Fund Transfer through Bakong Large Value
- Cheque Payment
- Cheque Clearing
- Money Exchange
- Payroll Service
- KHQR Merchant – Payment Acceptance
- CSS Debit Card
- Cash Recycling Machine
- HFCB Mobile Banking Application



ក្លាយជាម្ចាស់ផ្ទះតាមក្តីប្រាថ្នា ជាមួយ
ឥណទានគេហដ្ឋាន ពីធនាគារ ហេង ហ្វីង

Own Your dream house with Heng Feng Housing Loan

*លក្ខខណ្ឌផ្សេងៗត្រូវបានអនុវត្ត

ឥណទានអាជីវកម្ម
Business Loan

ផ្តល់ហិរញ្ញប្បទានសំរាប់ទុនបទ្វីលអាជីវកម្ម
 Customized Working Capital Financing

*លក្ខខណ្ឌផ្សេងៗត្រូវបានអនុវត្ត

ឥណទានរថយន្ត
 ទំហំកម្ចីរហូតដល់

250,000 ដុល្លារ

Loan limit up to **USD 250K**
 With Heng Feng (Cambodia) Bank Plc.'s **Car Loan**

*លក្ខខណ្ឌផ្សេងៗត្រូវបានអនុវត្ត

ដកប្រាក់រៀល និងដុល្លារពី
ATMs/CDMs
ជាង 5,000 ម៉ាស៊ីន
 ទូទាំងប្រទេសតាមរយៈ
កាតតំណពន្ធ ធនាគារ ហេង ហ្វីង
 Withdraw KHR and USD from more than 5,000 ATMs/CDMs nationwide via Heng Feng debit card

អត្ថប្រយោជន៍

*សេវាទទួលបានតាមរយៈប្រព័ន្ធអេសប៊ិស

សេវា
បើកប្រាក់បៀវត្សរ៍
 ធនាគារ ហេង ហ្វីង (ខេមបូឌា) ម.ក

PAYROLL SERVICE
 Fast, secure, peak interest rates.
 Approve payroll via mobile app and free of charge.

អត្រាការប្រាក់ខ្ពស់

លឿន មានសុវត្ថិភាព មិនគិតថ្លៃសេវា និងអនុម័តប្រាក់ខែតាមរយៈស្ម័គ្រដៃ

*សេវាទទួលបានតាមរយៈប្រព័ន្ធអេសប៊ិស

កាន់តែងាយស្រួល
បើកគណនី តាមកម្មវិធី
ធនាគារចល័ត

Heng Feng Bank Mobile
 Enjoy a more convenient way to open an account

ទាញយកឥឡូវនេះ
DOWNLOAD NOW

Don't have a Heng Feng (Cambodia) Bank Plc. account? Open an Account via Mobile App. →

*សេវាទទួលបានតាមរយៈប្រព័ន្ធអេសប៊ិស

3.3 Continuous Development (Plan in 2025)

3.3.1 Banking Services & Infrastructure

In 2025, the Bank focuses on enhancing its service ecosystem by transforming branches into one-stop financial centers, expanding digital platforms, and strengthening both physical and digital service channels. These developments aim to improve accessibility, customer convenience, and operational efficiency. At the same time, we continue to embed practical security enhancements across all service touchpoints to ensure safe and reliable banking experiences.

3.3.2. Deposits & Account Services

To meet the evolving needs of customers, the Bank is enriching its deposit offerings with tailored fixed deposit solutions and implementing digital account opening tools. These initiatives provide greater convenience, faster access to services, and more flexibility in managing personal and business finances.

3.3.3. Payment Services

The Bank continues to expand its digital payment capabilities by enhancing mobile banking features such as utility bill payments, mobile top-ups, and transaction alerts. At the same time, we are developing card scheme to offer customers secure, convenient, and widely accepted payment options. These efforts support the broader adoption of cashless transactions while maintaining appropriate safeguards for customer data and financial security.

3.3.4. Remittance Services

In response to increasing demand for cross-border transactions, the Bank is expanding its remittance services to enable individuals and businesses to send and receive funds quickly and securely. Through integrated digital channels and partnerships, we aim to deliver efficient, compliant, and cost-effective international transfer solutions.

3.3.5. Lending & Guarantee Solutions

To support personal and business growth, the Bank is strengthening its credit portfolio with home and vehicle loan offerings, as well as expanding its bank guarantee services for project bidding and contract execution. These financial solutions are designed to meet market demands while maintaining prudent risk controls and operational safeguards.

3.3.6. Talent & Organizational Development

Recognizing that strong internal capabilities drive sustainable success, the Bank continues to invest in staff development through training and capacity-building programs. These efforts ensure our teams are well-equipped to adapt to changing market dynamics and deliver high-quality service with professionalism and integrity.





Events and Activities

4



4.1 Corporate Social Responsibilities (CSR)

Participating in Blood Donation Event under the theme “DonateBlood, Save Lives.”

Organized by Association of Banks in Cambodia (ABC) at Institute of Banking Studies (IBS) which aims to replenish the community’s safe blood supply and raises awareness of the importance of donating blood as a life-saving gift.





Making Donation on the 161st Anniversary of World Red Cross and Red Crescent Day on May 8, 2024 under the theme “Volunteering Together for Healthy and Climate-Resilient Communities.”

This donation aims to support the ongoing efforts to provide crucial humanitarian aid to the victims and vulnerable individuals of natural and other disasters.

4.2 Our Events

Our 3rd Annual General Meeting

Heng Feng (Cambodia) Bank Plc. hosted the 3rd Annual General Meeting on January 11th and 12th, 2025, at Phum Damnak Damrey Resort in Kampong Speu Province. The purpose of the meeting was to sum up the bank's accomplishments for 2024 and to present the Strategic Plan for 2025. The event was attended by approximately 170 bank staff and management.







Our Town Hall Meeting

Quarterly, we gathered our management team to discuss and reflect on our past performance and key focus for moving forward, making ourselves ready to offer our community better financial services with unwavering commitment.



Mid-Year Performance Review

On 13th July 2024, at Capri Hotel, Heng Feng (Cambodia) Bank Plc. organized a Mid-year Performance Review to assess the bank's operational achievements in the first semester and outline a strategic plan for the second semester of 2024. This conference was attended by more than 35 members of the bank's management team. We will continue to maintain our commitment to providing even better products and services to our customers.







Our Trainings

Heng Feng (Cambodia) Bank Plc. is dedicated to our employees' continuous personal and professional development. Training is a part of our strategic commitment to operational efficiency, meeting customer needs, and contributing to the community.



Chinese New Year Celebration

On Chinese New Year, the management of Heng Feng (Cambodia) Bank Plc. presented a lucky orange basket to the staff at the head office and all branches of Heng Feng (Cambodia) Bank Plc. This gift made all employees smile and will be happy to move forward together to achieve the goal of Heng Feng (Cambodia) Bank Plc.







Women's Day Celebration

Every woman is a driving force for the development of her family, society, and nation. In the same way, we have the leaders and staff at all levels who are highly capable women to participate in leading our bank toward success day by day. In honor of International Women's Day, we have handed souvenir to every female employee as a token of our appreciation for all of their hard work.



Khmer New Year Celebration

On April 06th, 2024, Heng Feng (Cambodia) Bank Plc. has celebrated “Sangkran Heng Feng” to celebrate Khmer New Year at our Head Office with the participation from management and all level of staff. Meanwhile, we have organized the Robam Trot to bless all staff on the Khmer New Year occasion. In addition, we have organized solidarity meals and Khmer traditional games to strengthen the bond between the management and staff.







Our 2nd Year Anniversary

Congratulations on the 2nd Anniversary of Heng Feng (Cambodia) Bank Plc’s Growth! We are strongly committed to strengthening and expanding our potential to meet the needs of our customers. On this special day, the management of Heng Feng Bank also presented moon cakes to all employees to thank them for their great efforts and as a symbol of good luck and happiness for the Mid-Autumn Festival.



Valentine's Day Activation

On February 14, 2024, Heng Feng (Cambodia) Bank Plc. held an activation "Love all people around you" which took place at View Park Mall, Phnom Penh.





Women’s Day Activation

On March 08, 2024, Heng Feng (Cambodia) Bank Plc. held an activation to celebrate “International Women’s Day” which took place at Eden Garden Mall, Phnom Penh.

Khmer New Year Activation

On April 09-10, 2024, Heng Feng (Cambodia) Bank Plc. held an activation to celebrate “Khmer New Year” which took place at Makro Sensok, Phnom Penh.





Sihanouk Ville Activation

On June 14-15, 2024, Heng Feng (Cambodia) Bank Plc. held an activation at Total Energies Psar Leu, Preah Sihanouk Province.

Participating Samdach Techo Foundation Association for the Development of Small and Medium Enterprises in Cambodia (FASMEC) Event

Discussion and Solidarity Dinner of Cambodia’s SME and Handcraft Family in Cambodia, chaired by Samdach Moha Bovor Thipadei HUN MANET, Prime Minister of the Kingdom of Cambodia and Lok Chumteav Dr. Pich Chanmony Hun Manet.





CJCC Job Fair

On July 28, 2024, Heng Feng (Cambodia) Bank Plc. participated a job fair and held a booth activation at Cambodia-Japan Cooperation Center (CJCC), Phnom Penh.

Christmas Activation

On December 20-22, 2024, Heng Feng (Cambodia) Bank Plc. held an activation on Christmas Fair at Aeon Mall Phnom Penh (Aeon1).







**Audited
Financial Statements**



5.1 Directors' Report

The Board of Directors (the Directors) hereby submits their report together with the audited financial statements of Heng Feng (Cambodia) Bank Plc. for the year ended 31 December 2024.

Principal Activities

The principal activities of the Bank are the operations of core banking business and the provision of related financial services in Cambodia.

Financial Performance

The financial performance of the Bank for the year *ended 31 December 2024* is set out in the **statement of profit or loss and other comprehensive income on page 77**.

No dividends were declared or paid during the year.

Statutory Capital

There were no changes in the shareholders of the Bank during the year.

Bad And Doubtful Loans And Advances

Before the financial statements of the Bank were drawn up, the Directors took reasonable steps to ascertain that action had been taken in relation to the writing off of bad loans and advances or making of allowance for impairment losses, and satisfied themselves that all known bad loans and advances had been written off and that adequate loss allowance has been made for bad and doubtful loans and advances.

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

Assets

Before the financial statements of the Bank were drawn up, the Directors took reasonable steps to ensure that any assets which were unlikely to be realised in the ordinary course of business at their value as shown in the accounting records of the Bank have been written down to an amount that might be expected to be realised.

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

Contingent And Other Liabilities

At the date of this report, there is:

- (a) no charge on the assets of the Bank which has arisen since the end of the financial year which secures the liabilities of any other person, and
- (b) no contingent liability in respect of the Bank that has arisen since the end of the financial year other than in the ordinary course of banking business.

No contingent or other liability of the Bank has become enforceable, or is likely to become enforceable within a period of twelve months after the end of the financial year which, in the opinion of the Directors, will or may have a material effect on the ability of the Bank to meet its obligations as and when they become 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 in any material respect.

Items Of An Unusual Nature

The results of the operations of the Bank for the financial year were not, in the opinion of the Directors, materially affected by any items, transactions or events 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 items, transactions or events of a material and unusual nature likely, in the opinion of the Directors, to substantially affect the results of the operations of the Bank for the year in which this report is made.

The Board Of Directors

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

- | | |
|---------------------|---|
| • Mr. Vong Heng | Chairman of the Board of Directors |
| • Mr. Sai Aung Linn | Director |
| • Mr. Aik Paung | Director |
| • Mr. Vong Dara | Independent Director |
| • Mr. Chim Guanghui | Independent Director |

THE DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS

The Directors are responsible for ascertaining that the financial statements present fairly, in all material respects, the financial position of the Bank as at 31 December 2024 and of its financial performance and its cash flows for the year ended 31 December 2024 in accordance with the Cambodian International Financial Reporting Standards (CIFRS). In preparing these financial statements, the Directors are 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 the disclosure requirements of CIFRS or, if there have been any departures in the interest of fair presentation, these have been appropriately disclosed, explained and quantified in the financial statements;
- iii) maintain adequate accounting records and an effective system of internal controls;
- iv) prepare the financial statements on the going concern basis unless it is inappropriate to assume that the Bank will continue operations in the foreseeable future; and
- v.) effectively control and direct the Bank in all material decisions affecting its operations and performance and ascertain that such have been properly reflected in the financial statements.

The Directors confirm that the Bank has complied with the above requirements in preparing the financial Statements.

Approval Of The Financial Statements

The accompanying financial statements, together with the notes thereto, which present fairly, in all material respects, the financial position of the Bank as at 31 December 2024 and the financial performance and cash flows of the Bank for the year then ended in accordance with the Cambodian International Financial Reporting Standards, were approved by the Board of Directors.

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



Mr. Vong Heng
Chairman

Phnom Penh, Kingdom of Cambodia

28 MAR 2025

5.2 Independent Auditor's Report

To the shareholders of Heng Feng (Cambodia) Bank Plc.

Our opinion

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

What we have audited

The Bank's financial statements comprise:

- the statement of financial position as at 31 December 2024;
- the statement of profit or loss and other comprehensive income for the year then ended;
- the statement of changes in equity for the year then ended;
- the statement of cash flows for the year then ended; and
- the notes to the financial statements, which include material accounting policy information and other explanatory information.

Basis for opinion

We conducted our audit in accordance with Cambodian International Standards on Auditing (CISAs). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Bank in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code) and the ethical requirements of the Kampuchea Institute of Certified Public Accountants and Auditors' Code of Ethics for Certified Public Accountants and Auditors (KICPAA Code) that are relevant to our audit of the financial statements in Cambodia. We have fulfilled our other ethical responsibilities in accordance with the IESBA Code and the ethical requirements of the KICPAA Code.

Other information

Management is responsible for the other information. The other information obtained at the date of this auditor's report are the directors' report and the supplementary financial information required by the National Bank of Cambodia but do not include the financial statements and our auditor's report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information obtained prior to the date of this auditor's 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 CIFRS, 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.

Auditor's responsibilities for the audit of the financial statements

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

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

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



By Touch Sovannara
Partner

Phnom Penh, Kingdom of Cambodia
28 March 2025

5.3 Statement Of Financial Position

As At 31 December 2024

	Notes	2024		2023	
		US\$	KHR'000	US\$	KHR'000
Assets					
Cash on hand	4	6,083,165	24,484,739	4,416,117	18,039,838
Deposits and placements with the central bank	5	47,739,736	192,152,437	17,285,746	70,612,272
Deposits and placements with other banks	6	171,758,824	691,329,267	109,851,401	448,742,973
Loans and advances at amortised cost	7	120,083,908	483,337,730	102,115,942	417,143,623
Statutory deposits with the central bank	8	28,522,360	114,802,499	22,371,359	91,387,002
Right-of-use assets	9	2,332,134	9,386,839	1,833,387	7,489,386
Property and equipment	10	2,258,544	9,090,640	2,807,814	11,469,920
Intangible assets	11	2,026,823	8,157,963	1,772,805	7,241,908
Deferred tax assets	12	696,966	2,805,288	377,486	1,542,030
Other assets	13	654,035	2,632,491	270,832	1,106,349
Total assets		382,156,495	1,538,179,893	263,102,889	1,074,775,301
Liabilities and equity					
Liabilities					
Deposits from customers	14	290,643,698	1,169,840,884	180,155,983	735,937,191
Lease liabilities	9	2,155,030	8,673,996	1,725,589	7,049,031
Other liabilities	15	657,334	2,645,771	471,473	1,925,966
Current income tax liabilities	16	1,755,374	7,065,380	435,515	1,779,079
Total liabilities		295,211,436	1,188,226,031	182,788,560	746,691,267
Equity					
Share capital	17	80,000,000	322,000,000	80,000,000	326,800,000
Retained earnings/ Accumulated losses		6,809,658	27,726,826	(266,144)	(1,078,764)
Regulatory reserves		135,401	544,989	580,473	2,371,232
Other reserves		-	(317,953)	-	(8,434)
Total equity		86,945,059	349,953,862	80,314,329	328,084,034
Total liabilities and equity		382,156,495	1,538,179,893	263,102,889	1,074,775,301

It is an extracted report, and it should be read in conjunction with the full audited financial statements.

5.4 Statement of profit or loss and other comprehensive Income

For The Year Ended 31 December 2024

	Notes	2024		2023	
		US\$	KHR'000	US\$	KHR'000
Interest income	18	21,995,296	89,542,850	11,222,338	46,123,809
Interest expense	18	(6,419,195)	(26,132,543)	(3,007,942)	(12,362,642)
Net interest income	18	15,576,101	63,410,307	8,214,396	33,761,167
Fee and commission income	19	107,687	438,394	19,631	80,683
Fee and commission expense	19	(15,127)	(61,582)	(18,204)	(74,818)
Net fee and commission income	19	92,560	376,812	1,427	5,865
Credit impairment losses	20	(1,631,997)	(6,643,860)	(857,020)	(3,522,352)
Other operating income		13,147	53,521	36,008	147,993
Other gains – net	21	397,952	1,620,063	141,992	583,587
Net other operating losses		(1,220,898)	(4,970,276)	(679,020)	(2,790,772)
Personnel expenses	22	(3,453,611)	(14,059,650)	(2,612,705)	(10,738,218)
Depreciation and amortisation charge	23	(1,612,253)	(6,563,482)	(1,417,335)	(5,825,247)
Other operating expenses	24	(1,103,832)	(4,493,700)	(1,156,200)	(4,751,982)
		(6,169,696)	(25,116,832)	(5,186,240)	(21,315,447)
Profit before income tax		8,278,067	33,700,011	2,350,563	9,660,813
Income tax expenses	25	(1,647,337)	(6,706,309)	(163,191)	(670,715)
Profit for the year		6,630,730	26,993,702	2,187,372	8,990,098
Other comprehensive income:					
Items that will not be reclassified to profit or loss					
Currency translation differences		-	(309,519)	-	19,858
Other comprehensive (loss)/ income for the year, net of tax		-	(309,519)	-	19,858
Total comprehensive income for the year		6,630,730	26,684,183	2,187,372	9,009,956
Profit attributable to:					
Owners of the Bank		6,630,730	26,993,702	2,187,372	8,990,098
Total comprehensive income attributable to:					
Owners of the Bank		6,630,730	26,684,183	2,187,372	9,009,956

It is an extracted report, and it should be read in conjunction with the full audited financial statements.

5.5 Statement Of Changes In Equity

For The Year Ended 31 December 2024

	Attributable to owners of the Bank									
	Share capital		Accumulated losses/Retained earnings		Regulatory reserves		Other reserves		Total	
	US\$	KHR'000	US\$	KHR'000	US\$	KHR'000	US\$	KHR'000	US\$	KHR'000
Balance as at 1 January 2023	75,000,000	308,775,000	(1,886,251)	(7,737,403)	13,208	54,377	-	(28,292)	73,126,957	301,063,682
Profit for the year	-	-	2,187,372	8,990,098	-	-	-	-	2,187,372	8,990,098
Other comprehensive loss – currency translation differences	-	-	-	-	-	-	-	19,858	-	19,858
Total comprehensive loss for the year	-	-	2,187,372	8,990,098	-	-	-	19,858	2,187,372	9,009,956
Transactions with owners in their capacity as owners:										
Capital injection	5,000,000	20,550,000	-	-	-	-	-	-	5,000,000	20,550,000
Transfer to regulatory reserves	-	-	(567,265)	(2,331,459)	567,265	2,331,459	-	-	-	-
Currency translation differences	-	(2,525,000)	-	-	-	(14,604)	-	-	-	(2,539,604)
Total transactions with owners	5,000,000	18,025,000	(567,265)	(2,331,459)	567,265	2,316,855	-	-	5,000,000	18,010,396
Balance as at 31 December 2023	80,000,000	326,800,000	(266,144)	(1,078,764)	580,473	2,371,232	-	(8,434)	80,314,329	328,084,034
Balance as at 1 January 2024	80,000,000	326,800,000	(266,144)	(1,078,764)	580,473	2,371,232	-	(8,434)	80,314,329	328,084,034
Profit for the year	-	-	6,630,730	26,993,702	-	-	-	-	6,630,730	26,993,702
Other comprehensive income – currency translation differences	-	-	-	-	-	-	-	(309,519)	-	(309,519)
Total comprehensive income for the year	-	-	6,630,730	26,993,702	-	-	-	(309,519)	6,630,730	26,684,183
Transactions with owners in their capacity as owners:										
Capital injection	-	-	-	-	-	-	-	-	-	-
Transfer from regulatory reserves	-	-	445,072	1,811,888	(445,072)	(1,811,888)	-	-	-	-
Currency translation differences	-	(4,800,000)	-	-	-	(14,355)	-	-	-	(4,814,355)
Total transactions with owners	-	(4,800,000)	445,072	1,811,888	(445,072)	(1,826,243)	-	-	-	(4,814,355)
Balance as at 31 December 2024	80,000,000	322,000,000	6,809,658	27,726,826	135,401	544,989	-	(317,953)	86,945,059	349,953,862

It is an extracted report, and it should be read in conjunction with the full audited financial statements.

5.6 STATEMENT OF CASH FLOWS

For The Year Ended 31 December 2024

	Notes	2024		2023	
		US\$	KHR'000	US\$	KHR'000
Cash flows from operating activities					
Cash generated from operations	27	80,504,863	327,735,299	47,659,736	195,881,514
Interest received		19,519,750	79,464,902	9,453,222	38,852,742
Interest paid		(5,503,999)	(22,406,779)	(1,050,989)	(4,319,564)
Income tax paid	16	(646,958)	(2,633,766)	(105,162)	(432,216)
Net cash generated from operating activities		93,873,656	382,159,656	55,956,807	229,982,476
Cash flows from investing activities					
Deposits and placements with the central bank - maturity more than three months		(99,000)	(403,029)	-	-
Deposits and placements with other banks - maturity more than three months		(50,000,000)	(201,250,000)	(50,000,000)	(204,250,000)
Capital guarantee deposits		-	-	(500,000)	(2,055,000)
Purchase of property and equipment	27b	(359,317)	(1,462,780)	(1,223,716)	(5,029,472)
Purchase of intangible assets	27b	(462,000)	(1,880,802)	(482,323)	(1,982,348)
Net cash used in investing activities		(50,920,317)	(204,996,611)	(52,206,039)	(213,316,820)
Cash flows from financing activities					
Proceeds from issuance of share capital		-	-	5,000,000	20,550,000
Principal elements of lease payments		(582,963)	(2,373,242)	(571,934)	(2,350,649)
Net cash (used in)/ generated from financing activities		(582,963)	(2,373,242)	4,428,066	18,199,351
Net increase in cash and cash equivalents		42,370,376	174,789,803	8,178,834	34,865,007
Cash and cash equivalents at the beginning of the year		80,910,163	330,518,016	72,731,329	299,434,882
Currency translation differences		-	(9,103,649)	-	(3,781,873)
Cash and cash equivalents at the end of the year	26	123,280,539	496,204,170	80,910,163	330,518,016

It is an extracted report, and it should be read in conjunction with the full audited financial statements.

5.7 Notes To The Financial Statements

For The Year Ended 31 December 2024

1. Background Information

Heng Feng (Cambodia) Bank Plc. was incorporated in Cambodia as a public limited company on 10 May 2022 under the registration number 2000153395 from the Ministry of Commerce (MOC) and was granted a banking licence from the National Bank of Cambodia (NBC or the central bank) on 22 August 2022 for an indefinite period. The Bank commenced its operations on 11 September 2022.

The principal activities of the Bank are the operation of core banking business and the provision of related financial services in Cambodia.

The Bank's registered office address is located at Slot No 342, Preah Monivong Blvd 1 Street No 288, Phum 4, Sangkat Boeng Keng Kang Ti Muoy, Khan Boeng Keng Kang, Phnom Penh, Kingdom of Cambodia.

The financial statements were authorised for issue by the Board of Directors on 28 March 2025.

2. Summary Of Material Accounting Policies

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

2.1 Basis of preparation

The financial statements are prepared in accordance with Cambodian International Financial Reporting Standards (CIFRS) which are based on all standards published by the International Accounting Standard Board including other interpretations and amendments that may occur in any circumstances to each standard.

The financial statements have been prepared under the historical cost convention.

The Bank discloses the amount for each asset and liability that is expected to be recovered or settled no more than 12-month after the reporting period as current, and more than 12-month after the reporting period as non-current.

The preparation of financial statements in conformity with CIFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 3.

An English version of the financial statements have been prepared from the financial statements that are in the Khmer language. In the event of a conflict or a difference in interpretation between the two languages, the Khmer language financial statements shall prevail.

2.2 New standards and interpretation

i) New and amended standards adopted by the Bank

The Bank has applied the following standards and amendments for the first time for its annual reporting period commencing 1 January 2024:

- Classification of Liabilities as Current or Non-current and Non-current liabilities with covenants – Amendments to CIAS 1

The amendments listed above did not have any impact on the amounts recognised in prior periods and are not expected significantly affect the current and future periods.

ii) New standards and interpretations not yet adopted by the Bank

Certain new accounting standards and interpretations have been published that are not mandatory for 31 December 2024 reporting period and have not been early adopted by the Bank.

- Amendments to the Classification and Measurement of Financial Instruments – Amendments to CIFRS 9 and CIFRS 7
- CIFRS 19, Subsidiaries without Public Accountability: Disclosures

The standards and amendments above are not expected to have a material impact on the Bank in the current or future reporting periods and on foreseeable future transactions except:

- Presentation and Disclosure in Financial Statements – CIFRS 18

CIFRS 18 will replace CIAS 1 Presentation of financial statements, introducing new requirements that will help to achieve comparability of the financial performance of similar entities and provide more relevant information and transparency to users. Even though CIFRS 18 will not impact the recognition or measurement of items in the financial statements, its impacts on presentation and disclosure are expected to be pervasive, in particular those related to the statement of financial performance and providing management-defined performance measures within the financial statements.

Management is currently assessing the detailed implications of applying the new standard on the Bank's financial statements.

The Bank will apply the new standard from its mandatory effective date of 1 January 2027. Retrospective application is required, and so the comparative information for the financial year ending 31 December 2026 will be restated in accordance with CIFRS 18.

2.3 Foreign currency translation

i) Functional and presentation currency

Items included in the financial statements of the Bank are measured using the currency of the primary economic environment in which the Bank operates (the functional currency). The functional currency is the United States dollars (US\$) because of the significant influence of the US\$ on its operations. The financial statements are presented in the US\$ which is the Bank's functional and presentation currency.

ii) Transactions and balances

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

Foreign exchange gains and losses that relate to borrowings are presented in profit or loss, within interest expense. All other foreign exchange gains and losses are presented in the statement of profit or loss on a net basis within "other gains/(losses) – net".

iii) Presentation in Khmer Riel

In compliance with the Law on Accounting and Auditing, the financial statements shall be expressed in Khmer Riel (KHR). The statement of profit or loss and other comprehensive income and the statement of cash flows are translated into KHR using the average exchange rates for the period. Assets and liabilities for the statement of financial position presented and shareholders' capital and reserves are translated at the closing rate at the reporting date. Resulting exchange differences arising from the translation of shareholders' capital and reserves are recognised directly in equity; all other resulting exchange differences are recognised in the other comprehensive income.

The Bank has used the official rate of exchange published by the National Bank of Cambodia. As at the reporting date, the periodic average rate was US\$ 1 to Riel 4,071 (2023: US\$ 1 to Riel 4,110) and the closing rate was US\$1 to Riel 4,025 (2023: US\$ 1 to Riel 4,085).

2.4 Cash and cash equivalents

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

Deposits and placements with the central bank and other banks are carried at amortised cost in the statement of financial position. Bank overdrafts are presented as liabilities in the statement of financial position.

2.5 Financial assets

a) Classification

The Bank classifies its financial assets as measured at amortised cost and they are cash on hand, deposits and placements with the central bank and banks, loans and advances at amortised cost and other financial assets.

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

The Bank classifies its financial assets at amortised cost only if both of the following criteria are met:

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

b) Recognition and derecognition

Financial assets are recognised when the Bank becomes a party to the contractual provision of the instruments. Regular way purchases and sales of financial assets are recognised on trade date, being the date on which the Bank commits to purchase or sell the assets.

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

c) Measurement

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

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

Debt instruments

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

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

For loans to employees with interest rate below market rate, such loans are initially recognised at the present value of the future cash payments discounted at a market rate of interest for similar loans. Differences between the amount of cash paid and the present value of the future cash received are accounted as employee remuneration. Those amounts are recognised as advanced employee benefits and amortised to employee benefit expense to profit or loss over loan period.

d) Reclassification of financial assets

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

e) Impairment

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

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

The Bank applies a three-stage approach to measuring expected credit losses (ECLs) for the following categories:

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

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

(a) Stage 1: 12-month ECL

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

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

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

(c) Stage 3: Lifetime ECL – credit impaired

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

2.6 Financial liabilities

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

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

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

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

2.7 Credit commitments

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

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

2.8 Offsetting financial instruments

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

2.9 Property and equipment

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

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

Capital work-in-progress is not depreciated. Depreciation of property and equipment is charged to the profit or loss on a straight-line basis over the estimated useful lives of the individual assets as follows:

	Years
Leasehold improvements	Shorter of its contractual lease term and its economic lives of 10 years
Furniture and equipment	5 years
Computer equipment	4 years
Motor vehicles	4 years

Depreciation on capital work-in-progress commences when the assets are ready for their intended use. The assets' useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

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

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

2.10 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 costs incurred to acquire the specific software license and bring them into use. These costs are amortised over their estimated useful lives of ten years using the straight-line basis.

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

2.11 Impairment of non-financial assets

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

Any impairment loss is charged to profit or loss in the period in which it arises. Reversal of impairment losses is recognised in profit or loss 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, had no impairment loss been recognised.

2.12 Leases

a) The Bank as a lessee

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

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

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

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

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

i) Lease liabilities

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

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

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

To determine the incremental borrowing rate, the Bank considers the interest rate that the Bank would have to pay to borrow, over a similar term and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment.

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

ii) Right-of-use assets

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

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

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

use asset is depreciated over the underlying asset's useful life.

Subsequently the right-of-use asset is measured at cost less accumulated depreciation and any accumulated impairment losses and adjusted for any remeasurement of the lease liabilities.

iii) Modification of a lease

Lease modification is a change in the scope of a lease that was not part of the original terms and conditions of the lease. The effective date of the modification is the date when both parties agree to a lease modification.

If the lease is modified to terminate the right-of-use of one or more underlying assets or to shorten the contractual lease term, the lessee remeasures the lease liability at the effective date of the modification using a revised discount rate. It decreases the carrying amount of the right-of-use asset to reflect the partial or full termination of the lease. Any gain or loss relating to the partial or full termination is recognised in profit or loss.

iv) Recognition exemptions

Payments associated with all short-term leases and low-value items are recognised on a straight-line basis as an expense in profit or loss. Low-value items comprise small items of office equipment and short-term lease comprise car rentals.

b) The Bank as a lessor

The Bank enters into a sub-lease agreements as a lessor with respect the 15th floor of its head office.

Lease for which the Bank is a lessor is classified as operating leases because it does not transfer substantially all the risks and rewards incidental to ownership of an underlying asset.

Lease income from operating lease where the Bank is a lessor is recognised in income on a straight-line basis over the lease term. Initial direct costs incurred in obtaining an operating lease are added to the carrying amount of the underlying asset and recognised as expense over the lease term on the same basis as lease income.

Property subleased under operating leases are included in right-of-use assets in the statement of financial position.

2.13 Income tax

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

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

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

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

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

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

2.14 Provision

Provisions are recognised when the Bank has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated.

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

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

2.15 Employee benefits

i) Short-term employee benefits

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

ii) Pension fund scheme

The Bank pays monthly contributions for the compulsory pension scheme to National Social Security Fund (NSSF), a publicly administered social security scheme for pension in Cambodia. The Bank has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expenses when they are due.

iii) Other employee benefits - seniority payments

In June 2018, the Cambodian government amended the Labour Law introducing the seniority pay scheme. Subsequently on 21 September 2018, Prakas No. 443 K.B/Br.K.Kh.L, was issued providing guidelines on the implementation of the law. In accordance with the law/Prakas, each entity is required to pay each employee with unspecified duration employment contract an annual service which was effective January 2019, 15 days of their average monthly salary and benefits each year payable every six months on 30 June and 31 December (7.5 days each payment).

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

2.16 Regulatory reserves

Banks and financial institutions are required to compute regulatory provisions, according to Prakas No. B7-017-344 dated 1 December 2017 and Circular No. B7-018-001 dated 16 February 2018 on credit risk classification and provisions on impairment, and Circular No. B7-021-2314 dated 28 December 2021 (implemented from 1 January 2022) on the classification and provisioning requirements for restructured loans, and Notification No. B30-025-170 dated 5 February 2025 on calculation of the total provision. If the accumulated regulatory provision is higher than the accumulated impairment based on CIFRS 9, the 'topping up' will be recorded as regulatory reserves presented under equity. The reserve is subsequently reversed (up to zero) should the accumulated regulatory provision equal or be lower than accumulated impairment based on CIFRS 9. The regulatory reserve is set aside as a buffer, is non-distributable, is not allowed to be included in the net worth calculation.

2.17 Interest income and expense

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

The effective interest method is a method of calculating the amortised cost of a financial asset or a financial liability and of allocating the interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts throughout the expected life of the financial instruments or, when appropriate, a shorter period to the gross carrying amount of the financial asset or financial liability. When calculating the effective interest rate, the Bank takes into account all contractual terms of the financial instrument and includes any

fees or incremental costs that are directly attributable to the instrument and are an integral part of the effective interest rate, but not future credit losses.

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

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

2.18 Fee and commission income

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

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

2.19 Rounding of amounts

All Khmer Riel amounts disclosed in the financial statements and notes have been rounded off to the nearest thousand currency units unless otherwise stated.

3. Critical Accounting Estimates And Judgements

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

i) Expected credit loss allowance on financial assets at amortised cost

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

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

- Determining criteria for significant increase in credit risk
- Establishing groups of similar financial assets for the purposes of measuring ECL
- Choosing appropriate models and assumptions including forward-looking consideration for the measurement of ECL. For portfolios without sufficient default data, the Bank uses appropriate proxied probability of default and loss given default for the measurement of ECL
- For individual assessment management makes judgement on the future in respect of the estimation of amount and timing of cash flows from the net realisable value of the underlying collateral value.

ii) Lease terms

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

4. Cash On Hand

	2024		2023	
	US\$	KHR'000	US\$	KHR'000
Current				
US Dollars	5,336,232	21,478,334	4,065,296	16,606,734
Khmer Riel	738,821	2,973,755	347,668	1,420,224
Thai Baht	3,595	14,470	-	-
China Yuan	1,335	5,373	3,153	12,880
Hong Kong Dollars	1,296	5,216	-	-
Euro	1,146	4,612	-	-
Singapore Dollar	740	2,979	-	-
	6,083,165	24,484,739	4,416,117	18,039,838

5. Deposits And Placements With The Central Bank

	2024		2023	
	US\$	KHR'000	US\$	KHR'000
Current				
Current accounts	47,640,630	191,753,536	17,285,746	70,612,272
Negotiable certificates of deposits (i)	99,106	398,901	-	-
	47,739,736	192,152,437	17,285,746	70,612,272

- (i) The Bank has pledged negotiable certificate of deposits (NCD) amounting to US\$99,000 (2023: nil) with the central bank as collateral for settlement clearing facility. As at 31 December 2024, the Bank had yet utilised the overdraft on settlement clearing facility.

Annual interest rates of deposits and placements with the central bank are as follows:

	2024	2023
Current accounts	Nil	Nil
Negotiable certificates of deposits	0% - 1.15%	Nil

6. Deposits And Placements With Other Banks

	2024		2023	
	US\$	KHR'000	US\$	KHR'000
Current				
Deposits and placements with local banks				
Current accounts	444,943	1,790,895	208,300	850,906
Fixed deposits	173,048,820	696,521,501	110,752,712	452,424,828
	173,493,763	698,312,396	110,961,012	453,275,734
Less: Allowance for expected credit losses	(1,734,939)	(6,983,129)	(1,109,611)	(4,532,761)
	171,758,824	691,329,267	109,851,401	448,742,973

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

	2024	2023
Current accounts	Nil	Nil
Fixed deposits	1.15% - 11%	1.74% - 9%

7. Loans And Advances At Amortised Cost

	2024		2023	
	US\$	KHR'000	US\$	KHR'000
At amortised cost:				
Commercial loans:				
Long-term loans	107,908,324	434,331,004	85,793,072	350,464,698
Short-term loans				
Loans	8,838,402	35,574,568	13,490,033	55,106,785
Overdrafts	4,885,521	19,664,222	3,371,018	13,770,609
Total gross carrying amount	121,632,247	489,569,794	102,654,123	419,342,092
Less: Allowance for expected credit loss	(1,548,339)	(6,232,064)	(538,181)	(2,198,469)
Total net loans	120,083,908	483,337,730	102,115,942	417,143,623

Allowance for expected credit losses by stages are as follows:

	2024		2023	
	US\$	KHR'000	US\$	KHR'000
12-month ECL (Stage 1)	1,026,061	4,129,894	538,181	2,198,469
Lifetime ECL-not credit impaired (Stage 2)	461,807	1,858,773	-	-
Lifetime ECL-credit impaired (Stage 3)	60,471	243,396	-	-
	1,548,339	6,232,064	538,181	2,198,469

a) By industry

	2024		2023	
	US\$	KHR'000	US\$	KHR'000
Construction	60,804,379	244,737,625	44,533,101	181,917,718
Real estate	29,105,259	117,148,667	23,505,955	96,021,826
Hotels and restaurants	17,341,193	69,798,302	11,849,397	48,404,787
Wholesale trade	5,629,309	22,657,969	4,559,144	18,624,103
Utilities	4,964,702	19,982,926	9,736,874	39,775,130
Personal loan	2,748,073	11,060,993	2,377,284	9,711,205
Retail trade	984,989	3,964,581	609,052	2,487,977
Staff housing loans	54,343	218,731	-	-
Agriculture, forestry and fishing	-	-	5,483,316	22,399,346
Total gross carrying amount	121,632,247	489,569,794	102,654,123	419,342,092

b) By loan classification

	2024		2023	
	US\$	KHR'000	US\$	KHR'000
Performing				
Gross carrying amount	116,627,892	469,427,265	102,654,123	419,342,092
Exposure at default	116,627,892	469,427,265	102,654,123	419,342,092
Allowance for expected credit losses	1,026,061	4,129,895	538,181	2,198,469
Under-performing				
Gross carrying amount	4,322,847	17,399,459	-	-
Exposure at default	4,322,847	17,399,459	-	-
Allowance for expected credit losses	461,807	1,858,773	-	-
Non-performing				
Gross carrying amount	681,508	2,743,070	-	-
Exposure at default	681,508	2,743,070	-	-
Allowance for expected credit losses	60,471	243,396	-	-
Total				
Gross amount	121,632,247	489,569,794	102,654,123	419,342,092
Exposure at default	121,632,247	489,569,794	102,654,123	419,342,092
Allowance for expected credit loss	1,548,339	6,232,064	538,181	2,198,469

c) By maturity

	2024		2023	
	US\$	KHR'000	US\$	KHR'000
Not later than 1 year	12,420,581	49,992,839	33,484,064	136,782,401
Later than 1 year and not later than 5 years	102,938,492	414,327,430	57,812,603	236,164,483
Later than 5 years	6,273,174	25,249,525	11,357,456	46,395,208
Total gross carrying amount	121,632,247	489,569,794	102,654,123	419,342,092

d) By exposure

	2024		2023	
	US\$	KHR'000	US\$	KHR'000
Large exposure	75,933,185	305,631,070	77,893,165	318,193,579
Non-large exposure	45,699,062	183,938,724	24,760,958	101,148,513
Total gross carrying amount	121,632,247	489,569,794	102,654,123	419,342,092

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

e) By relationship

	2024		2023	
	US\$	KHR'000	US\$	KHR'000
Related parties	256,151	1,031,008	-	-
Non-related parties	121,376,096	488,538,786	102,654,123	419,342,092
Total gross carrying amount	121,632,247	489,569,794	102,654,123	419,342,092

f) By residency

	2024		2023	
	US\$	KHR'000	US\$	KHR'000
Residents	121,632,247	489,569,794	102,654,123	419,342,092
Non-residents	-	-	-	-
Total gross carrying amount	121,632,247	489,569,794	102,654,123	419,342,092

g) By interest rate

	2024	2023
Long-term loans	6% - 18%	6% - 13%
Short-term loans	8% - 12%	12% - 13%
Overdrafts	9% - 12%	9% - 11%

8. Statutory deposits with the central bank

	2024		2023	
	US\$	KHR'000	US\$	KHR'000
Current				
Reserve requirement (i)	20,522,360	82,602,499	14,371,359	58,707,002
Non-current				
Capital guarantee deposit (ii)	8,000,000	32,200,000	8,000,000	32,680,000
	28,522,360	114,802,499	22,371,359	91,387,002

(i) Reserve requirement

The reserve requirement represents the minimum reserve which is calculated at 7%(2023: 7%) of customers' deposits in Khmer Riel and other currencies.

(ii) Capital guarantee deposit

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

Annual interest rates of statutory deposits with the central bank are as follow:

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

9. Leases

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

The Bank has leased various buildings for its head office and branches for a period from two to seven years. The Bank applies the recognition exemption for short-term leases of car rentals and low-value items for small office equipment.

a) Amounts recognised in the statement of financial position

	2024		2023	
	US\$	KHR'000	US\$	KHR'000
Right-of-use assets (Non-current)				
Buildings	2,332,134	9,386,839	1,833,387	7,489,386
	2,332,134	9,386,839	1,833,387	7,489,386
Lease liabilities				
Current	650,844	2,619,647	595,295	2,431,780
Non-current	1,504,186	6,054,349	1,130,294	4,617,251
	2,155,030	8,673,996	1,725,589	7,049,031

Additions to the right-of-use assets during the year is US\$1,085,238 (2023: nil).

b) Amounts recognised in the statement of profit or loss

	2024		2023	
	US\$	KHR'000	US\$	KHR'000
Depreciation charge of right-of-use assets				
Buildings	626,664	2,551,149	627,356	2,578,433
Depreciation charge (Note 23)	626,664	2,551,149	627,356	2,578,433
Interest expense on lease liabilities (Note 18)	129,209	526,010	135,032	554,982
Expense relating to leases of short-term (included in other operating expenses)	800	3,258	247	1,016
Expense relating to leases of low-value assets that are not shown above as short- term leases (included in other operating expenses)	3,828	15,583	2,164	8,893
Total expenses related to leases	760,501	3,096,000	764,799	3,143,324

Total cash outflow for lease during the year is US\$716,800 (2023: US\$709,377).

During the year, the Bank negotiated with landlord to modify lease term, lease space and monthly lease payment of one building. On modification date, the Bank remeasured lease liabilities and recognised the difference between the carrying amount of the modified lease liabilities and the lease liabilities before the modification of US\$72,834 as an adjustment to lease liabilities and the right-of-use asset.

10. Property And Equipment

Non-current	Leasehold improvements US\$	Furniture and equipment US\$	Computer equipment US\$	Motor vehicles US\$	Work in progress US\$	Total US\$
For the year ended 31 December 2023						
Opening net book value	628,981	261,995	765,000	200,494	81,030	1,937,500
Additions	-	205,334	1,054	198,600	1,121,243	1,526,231
Transfers	921,870	-	80,661	-	(1,002,531)	-
Depreciation charge	(254,405)	(97,950)	(215,818)	(87,744)	-	(655,917)
Closing net book value	1,296,446	369,379	630,897	311,350	199,742	2,807,814
As at 31 December 2023						
Cost	1,591,137	481,078	897,587	412,460	199,742	3,582,004
Accumulated depreciation	(294,691)	(111,699)	(266,690)	(101,110)	-	(774,190)
Net book value	1,296,446	369,379	630,897	311,350	199,742	2,807,814
In KHR'000 equivalent	5,295,982	1,508,913	2,577,214	1,271,865	815,946	11,469,920
For the year ended 31 December 2024						
Opening net book value	1,296,446	369,379	630,897	311,350	199,742	2,807,814
Additions	-	137,466	46,878	-	70,493	254,837
Transfers	-	270,235	-	-	(270,235)	-
Depreciation charge	(318,210)	(154,924)	(227,858)	(103,115)	-	(804,107)
Closing net book value	978,236	622,156	449,917	208,235	-	2,258,544
As at 31 December 2024						
Cost	1,591,137	888,779	944,465	412,460	-	3,836,841
Accumulated depreciation	(612,901)	(266,623)	(494,548)	(204,225)	-	(1,578,297)
Net book value	978,236	622,156	449,917	208,235	-	2,258,544
In KHR'000 equivalent	3,937,400	2,504,178	1,810,916	838,146	-	9,090,640

11. Intangible Assets

Non-current	Computer software US\$	Work in progress US\$	Total US\$
For the year ended 31 December 2023			
Opening net book value	1,172,544	-	1,172,544
Additions	372,323	362,000	734,323
Amortisation charge	(134,062)	-	(134,062)
Closing net book value	1,410,805	362,000	1,772,805
As at 31 December 2023			
Cost	1,545,317	362,000	1,907,317
Accumulated amortisation	(134,512)	-	(134,512)
Net book value	1,410,805	362,000	1,772,805
In KHR'000 equivalent	5,763,138	1,478,770	7,241,908
For the year ended 31 December 2024			
Opening net book value	1,410,805	362,000	1,772,805
Additions	-	435,500	435,500
Transfers	462,000	(462,000)	-
Amortisation charge	(181,482)	-	(181,482)
Closing net book value	1,691,323	335,500	2,026,823
As at 31 December 2024			
Cost	2,007,317	335,500	2,342,817
Accumulated amortisation	(315,994)	-	(315,994)
Net book value	1,691,323	335,500	2,026,823
In KHR'000 equivalent	6,807,575	1,350,388	8,157,963

12. Deferred Tax Assets

	2024		2023	
	US\$	KHR'000	US\$	KHR'000
Non-current:				
Deferred tax assets	1,177,998	4,741,442	831,491	3,396,640
Deferred tax liabilities	(481,032)	(1,936,154)	(454,005)	(1,854,610)
Net deferred tax assets	696,966	2,805,288	377,486	1,542,030

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

	2024		2023	
	US\$	KHR'000	US\$	KHR'000
As at 1 January	377,486	1,542,030	-	-
Charged to profit or loss (Note 25 (a))	319,480	1,300,603	377,486	1,551,467
Currency translation differences	-	(37,345)	-	(9,437)
As at 31 December	696,966	2,805,288	377,486	1,542,030

a) Deferred tax assets

	Impairment loss US\$	Unamortised loan fees US\$	Lease liabilities US\$	Total US\$
As at 1 January 2023	-	-	-	-
Credited to profit or loss	334,511	151,862	345,118	831,491
As at 31 December 2023	334,511	151,862	345,118	831,491
In KHR'000 equivalent	1,366,477	620,356	1,409,807	3,396,640
As at 1 January 2024	334,511	151,862	345,118	831,491
Credited to profit or loss	253,994	6,625	85,888	346,507
As at 31 December 2024	588,505	158,487	431,006	1,177,998
In KHR'000 equivalent	2,368,733	637,910	1,734,799	4,741,442

b) Deferred tax liabilities

	Right-of-use assets US\$	Accelerated depreciation and amortisation US\$	Total US\$
As at 1 January 2023	-	-	-
Charged to profit or loss	(302,728)	(151,277)	(454,005)
As at 31 December 2023	(302,728)	(151,277)	(454,005)
In KHR'000 equivalent	(1,236,644)	(617,967)	(1,854,610)
As at 1 January 2024	(302,728)	(151,277)	(454,005)
Charged to profit or loss	(90,477)	63,450	(27,027)
As at 31 December 2024	(393,205)	(87,827)	(481,032)
In KHR'000 equivalent	(1,582,650)	(353,504)	(1,936,154)

13. Other Assets

	2024		2023	
	US\$	KHR'000	US\$	KHR'000
Security deposits	131,284	528,419	140,985	575,924
Advanced employee benefits	193,259	777,867	82,618	337,495
Prepayments and advances	329,492	1,326,205	47,229	192,930
	654,035	2,632,491	270,832	1,106,349

	2024		2023	
	US\$	KHR'000	US\$	KHR'000
Current	329,492	1,326,205	47,829	195,381
Non-current	324,543	1,306,286	223,003	910,968
	654,035	2,632,491	270,832	1,106,349

14. Deposits From Customers

	2024		2023	
	US\$	KHR'000	US\$	KHR'000
Current:				
Current accounts	71,255,303	286,802,594	72,999,566	298,203,228
Savings accounts	91,412,340	367,934,669	13,181,824	53,847,751
Fixed deposits	127,976,055	515,103,621	93,974,593	383,886,212
	290,643,698	1,169,840,884	180,155,983	735,937,191

a) By residency status

	2024		2023	
	US\$	KHR'000	US\$	KHR'000
Resident	290,641,472	1,169,831,924	180,155,086	735,933,527
Non-resident	2,226	8,960	897	3,664
	290,643,698	1,169,840,884	180,155,983	735,937,191

b) By relationship

	2024		2023	
	US\$	KHR'000	US\$	KHR'000
Related parties	111,277,162	447,890,577	83,096,707	339,450,048
Non-related parties	179,366,536	721,950,307	97,059,276	396,487,143
	290,643,698	1,169,840,884	180,155,983	735,937,191

c) By interest rate

Annual interest rate for deposits from customers are as follows:

	2024	2023
Current accounts	Nil	Nil
Savings accounts	0.25% - 0.35%	0.25% - 0.35%
Fixed deposits	1.50% - 7.50%	3.75% - 7.00%

15. Other Liabilities

	2024		2023	
	US\$	KHR'000	US\$	KHR'000
Accrued expense	313,136	1,260,372	345,921	1,413,087
Accrued bonus	271,218	1,091,652	-	-
Tax payables	44,602	179,523	91,673	374,484
Impairment loss for credit commitment and financial guarantee contracts	22,771	91,653	24,765	101,165
Others	5,607	22,571	9,114	37,230
	657,334	2,645,771	471,473	1,925,966

	2024		2023	
	US\$	KHR'000	US\$	KHR'000
Current	657,334	2,645,771	462,473	1,889,201
Non-current	-	-	9,000	36,765
	657,334	2,645,771	471,473	1,925,966

16. Current Income Tax Liabilities

	2024		2023	
	US\$	KHR'000	US\$	KHR'000
As at 1 January	435,515	1,779,079	-	-
Income tax expense (Note 25(a))	1,966,817	8,006,912	540,677	2,222,182
Income tax paid	(646,958)	(2,633,766)	(105,162)	(432,216)
Currency translation differences	-	(86,845)	-	(10,887)
As at 31 December	1,755,374	7,065,380	435,515	1,779,079

17. Share Capital

As at 31 December 2024, the authorised share capital comprised 80,000 shares (2023: 80,000 shares) at a par value of US\$1,000 each (2023: US\$1,000 per share). As at 31 December 2024, the registered shares have been fully paid up.

	Ownership %	Number of shares	As at 31 December 2024 US\$
Mr. SAI AUNG LINN	40	32,000	32,000,000
Mr. VONG HENG	60	48,000	48,000,000
	100	80,000	80,000,000
In KHR'000 equivalent			322,000,000

	Ownership %	Number of shares	As at 31 December 2023 US\$
Mr. SAI AUNG LINN	40	32,000	32,000,000
Mr. VONG HENG	60	48,000	48,000,000
	100	80,000	80,000,000
In KHR'000 equivalent			326,800,000

	2024		2023	
	US\$	KHR'000	US\$	KHR'000
As at 1 January	80,000,000	326,800,000	75,000,000	308,775,000
Capital injection	-	-	5,000,000	20,550,000
Currency translation differences	-	(4,800,000)	-	(2,525,000)
As at 31 December	80,000,000	322,000,000	80,000,000	326,800,000

18. Net Interest Income

	2024		2023	
	US\$	KHR'000	US\$	KHR'000
Interest income from financial assets at amortised cost:				
Loans and advances	14,047,293	57,186,530	6,498,251	26,707,812
Deposits and placements with the central bank	104,682	426,160	161,322	663,033
Deposits and placements with other banks	7,837,421	31,906,141	4,556,180	18,725,900
Others	5,900	24,019	6,585	27,064
Total Interest income	21,995,296	89,542,850	11,222,338	46,123,809
Interest expense on financial liabilities at amortised cost:				
Fixed deposits	(6,211,703)	(25,287,843)	(2,779,895)	(11,425,368)
Savings accounts	(78,283)	(318,690)	(93,015)	(382,292)
Lease liabilities	(129,209)	(526,010)	(135,032)	(554,982)
Total interest expense	(6,419,195)	(26,132,543)	(3,007,942)	(12,362,642)
Net interest income	15,576,101	63,410,307	8,214,396	33,761,167

19. Net Fee And Commission Expense

	2024		2023	
	US\$	KHR'000	US\$	KHR'000
Fee and commission income:				
Renewal fees on revolving credits	98,083	399,296	-	-
Loans commitment	5,086	20,705	6,034	24,800
Service charge	2,602	10,593	2,217	9,112
Others	1,916	7,800	11,380	46,771
	107,687	438,394	19,631	80,683
Fee and commission expense	(15,127)	(61,582)	(18,204)	(74,818)
Net fee and commission expense	92,560	376,812	1,427	5,865

20. Credit Impairment Losses

	2024		2023	
	US\$	KHR'000	US\$	KHR'000
Expected credit losses:				
Deposits and placements with other banks	625,199	2,545,185	601,929	2,473,928
Loans and advances	1,008,794	4,106,801	243,530	1,000,908
Credit commitment and financial guarantee contracts	(1,996)	(8,126)	11,561	47,516
	1,631,997	6,643,860	857,020	3,522,352

21. Other Gains - Net

	2024		2023	
	US\$	KHR'000	US\$	KHR'000
Net gain on foreign exchange	325,118	1,323,556	141,992	583,587
Gain on lease modification	72,834	296,507	-	-
	397,952	1,620,063	141,992	583,587

22. Personnel Expenses

	2024		2023	
	US\$	KHR'000	US\$	KHR'000
Salaries and wages	2,937,965	11,960,456	2,436,789	10,015,203
Other benefits	359,239	1,462,462	43,738	179,763
Seniority expense	144,904	589,904	124,452	511,498
Training	11,503	46,828	7,726	31,754
	3,453,611	14,059,650	2,612,705	10,738,218

23. Depreciation And Amortisation Charge

	2024		2023	
	US\$	KHR'000	US\$	KHR'000
Depreciation of right-of-use assets (Note 9)	626,664	2,551,149	627,356	2,578,433
Depreciation of property and equipment (Note 10)	804,107	3,273,520	655,917	2,695,819
Amortisation of intangible assets (Note 11)	181,482	738,813	134,062	550,995
	1,612,253	6,563,482	1,417,335	5,825,247

24. Other Operating Expenses

	2024		2023	
	US\$	KHR'000	US\$	KHR'000
Office supplies	246,794	1,004,698	130,042	534,473
Legal and professional fees	236,430	962,507	152,165	625,398
License fees	156,821	638,418	401,365	1,649,610
Utilities	71,874	292,599	67,035	275,514
Network and telecommunication	64,853	264,017	42,218	173,516
Board of Directors' fees	63,540	258,671	7,500	30,825
Security fees	62,827	255,769	61,565	253,032
Tax expenses	53,292	216,952	87,463	359,473
Advertising and marketing	38,010	154,739	23,089	94,896
Business expenses	33,886	137,950	76,223	313,277
Insurances	19,121	77,842	17,347	71,296
Repairs and maintenance	11,307	46,031	41,594	170,951
Rental	4,628	18,841	2,411	9,909
Travelling	3,067	12,486	589	2,421
Others	37,382	152,180	45,594	187,391
	1,103,832	4,493,700	1,156,200	4,751,982

Audit fee information

The following fees were paid or are payable to PricewaterhouseCoopers (Cambodia) Ltd.

	2024		2023	
	US\$	KHR'000	US\$	KHR'000
Statutory audit	39,500	160,805	36,500	147,643
	39,500	160,805	36,500	147,643

25. Income Tax Expense

a) Income tax expense

	2024		2023	
	US\$	KHR'000	US\$	KHR'000
Current income tax	1,966,817	8,006,912	540,677	2,222,182
Deferred tax	(319,480)	(1,300,603)	(377,486)	(1,551,467)
	1,647,337	6,706,309	163,191	670,715

b) Reconciliation between income tax expense and accounting profit

	2024		2023	
	US\$	KHR'000	US\$	KHR'000
Profit before income tax	8,278,067	33,700,011	2,350,563	9,660,813
Tax at rate of 20%	1,655,613	6,740,002	470,113	1,932,163
Tax effects in respect of:				
Expenses not deductible for tax purposes	21,545	87,710	34,306	140,999
Recognised previously unrecognised temporary differences	(29,821)	(121,403)	(341,228)	(1,402,447)
Income tax expense	1,647,337	6,706,309	163,191	670,715

Under the Cambodian tax regulations, the Bank is subject to 20% income tax.

c) Other matters

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

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

26. Cash And Cash Equivalents

	2024		2023	
	US\$	KHR'000	US\$	KHR'000
Cash on hand (Note 4)	6,083,165	24,484,739	4,416,117	18,039,838
Deposits and placements with the central bank:				
Current accounts	47,640,630	191,753,537	17,285,746	70,612,272
Deposits and placements with other banks:				
Current accounts	444,943	1,790,895	208,300	850,906
Fixed deposits with maturity three months or less	69,111,801	278,174,999	59,000,000	241,015,000
	123,280,539	496,204,170	80,910,163	330,518,016

27. Cash Flows Information

a) Cash flow from operations

	Notes	2024		2023	
		US\$	KHR'000	US\$	KHR'000
Profit before income tax		8,278,067	33,700,011	2,350,563	9,660,813
Adjustments for:					
Depreciation and amortisation charge	23	1,612,253	6,563,482	1,417,335	5,825,247
Credit impairment losses	20	1,631,997	6,643,860	857,020	3,522,352
Net interest income	18	(15,576,101)	(63,410,307)	(8,214,396)	(33,761,167)
Unrealised exchange loss		129	525	1,166	4,792
Gain on lease modification		(72,834)	(296,507)	-	-
Change in working capital					
Reserve requirement		(6,151,001)	(25,040,725)	(11,361,643)	(46,696,353)
Loans and advances		(18,691,527)	(76,093,206)	(73,282,849)	(301,192,509)
Other assets		(312,996)	(1,274,206)	(77,182)	(317,219)
Deposits from customers		109,572,519	446,069,725	135,883,170	558,479,829
Other liabilities		214,357	872,647	86,552	355,729
Cash generated from operations		80,504,863	327,735,299	47,659,736	195,881,514

b) Non-cash investing activities

	2024		2023	
	US\$	KHR'000	US\$	KHR'000
Addition of property and equipment (Note 10)	254,837	1,037,441	1,526,231	6,272,809
Increase/ (decrease) in prepayments for capital expenditure	104,480	425,339	(330,815)	(1,359,651)
Increase in payables for capital expenditure	-	-	28,300	116,314
Cash used for purchase of property and equipment	359,317	1,462,780	1,223,716	5,029,472

	2024		2023	
	US\$	KHR'000	US\$	KHR'000
Addition of intangible assets (Note 11)	435,500	1,772,921	734,323	3,018,068
Increase/ (decrease) in payables for capital expenditure	26,500	107,881	(252,000)	(1,035,720)
Cash used for purchase of intangible assets	462,000	1,880,802	482,323	1,982,348

c) Net debt reconciliation

This section sets out an analysis of net debt and the movements in net debt for the year presented.

Net debt	2024		2023	
	US\$	KHR'000	US\$	KHR'000
Cash and cash equivalents	123,280,539	496,204,170	80,910,163	330,518,016
Lease liabilities	(2,155,030)	(8,673,996)	(1,725,589)	(7,049,031)
Net debt	121,125,509	487,530,174	79,184,574	323,468,985
Cash and liquid investments	123,280,539	496,204,170	80,910,163	330,518,016
Gross debt – fixed interest rates	(2,155,030)	(8,673,996)	(1,725,589)	(7,049,031)
Net debt	121,125,509	487,530,174	79,184,574	323,468,985

	Liabilities from financing activities	Other assets	Total US\$
	Lease liabilities US\$	Cash and cash equivalents US\$	
Net debt as at 1 January 2023	(2,297,523)	72,731,329	70,433,806
Cash flows	571,934	8,178,834	8,750,768
Other charges:			
Interest expense	135,032	-	135,032
Interest payments (presented as operating cash flows)	(135,032)	-	(135,032)
Net debt as at 31 December 2023	(1,725,589)	80,910,163	79,184,574
In KHR'000 equivalent	(7,049,031)	330,518,016	323,468,985
Net debt as at 1 January 2024	(1,725,589)	80,910,163	79,184,574
Cash flows	582,963	42,370,376	42,953,339
New lease	(1,085,238)	-	(1,085,238)
Other charges:			
Gain on lease modification	72,834	-	72,834
Interest expense	129,209	-	129,209
Interest payments (presented as operating cash flows)	(129,209)	-	(129,209)
Net debt as at 31 December 2024	(2,155,030)	123,280,539	121,125,509
In KHR'000 equivalent	(8,673,996)	496,204,170	487,530,174

28. Commitments And Contingencies

a) Loan commitments and other financial commitments

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

	2024		2023	
	US\$	KHR'000	US\$	KHR'000
Loan commitments	6,500,000	26,162,500	8,500,000	34,722,500
Unused portion of overdrafts	287,029	1,155,292	924,258	3,775,594
Total exposure	6,787,029	27,317,792	9,424,258	38,498,094
Less: Allowance for expected credit loss	(22,771)	(91,653)	(24,765)	(101,165)
Net exposure	6,764,258	27,226,139	9,399,493	38,396,929

Loss allowance for ECL on credit commitment and financial guarantee contracts

	2024		2023	
	US\$	KHR'000	US\$	KHR'000
As at 1 January	24,765	101,165	13,204	54,361
Charged to profit or loss	(1,994)	(8,126)	11,561	47,516
Currency translation differences	-	(1,386)	-	(712)
As at 31 December	22,771	91,653	24,765	101,165

b) Operating lease commitments

i). Lease commitments - The Bank as a lessee

The Bank recognised right-of-use assets and lease liabilities for lease contracts where the Bank is a lessee, except for low value lease and short-term leases, see Note 2.12.a.iii and Note 9 for further information. The lease commitments of low value lease and short-term leases are insignificant.

ii). Lease commitments - The Bank as a lessor

The Bank sub-leases its office building to the shareholder under an operating lease. The lease terms are two years. The lease term was ended in April 2024.

The future aggregate minimum lease receivables under non-cancellable operating lease are as follows:

	2024		2023	
	US\$	KHR'000	US\$	KHR'000
Within 1 year	-	-	18,000	73,530
Between 1 year and 5 years	-	-	-	-
	-	-	18,000	73,530

c) Capital commitments

	2024		2023	
	US\$	KHR'000	US\$	KHR'000
Within 1 year				
Intangible assets	525,000	2,113,125	898,000	3,668,330
Property and equipment	-	-	181,584	741,771
	525,000	2,113,125	1,079,584	4,410,101

29. Related-Party Transactions

a) Related parties and relationships

The related parties of the Bank are as follows:

Related party	Relationship
Mr. Sai Aung Linn	Shareholder
Mr. Vong Heng	Shareholder
Key management personnel	All directors and executive management of the Bank who make critical decisions in relation to the strategic direction of the Bank (including their immediate family)

b) Loan to key management personnel

	2024		2023	
	US\$	KHR'000	US\$	KHR'000
Outstanding loan balance	256,151	1,031,008	-	-
Less: Allowance for expected credit loss	(1,332)	(5,361)	-	-
Net loan balance	254,819	1,025,647	-	-
Interest income	12,477	50,794	-	-

Loans made to key management personnel of the Bank are on normal terms and conditions.

	2024	2023
Interest rate on loan to key management personnel	6.5%	Nil

c) Deposits from related parties

	2024		2023	
	US\$	KHR'000	US\$	KHR'000
Shareholders	111,097,036	447,165,570	83,066,978	339,328,605
Key management	159,491	641,951	29,729	121,443
Board of directors	20,635	83,056	-	-
	111,277,162	447,890,577	83,096,707	339,450,048
Interest expense	2,150,721	8,755,585	84,715	348,179

Annual interest rates during the year are as follows:

	2024	2023
Current accounts	Nil	Nil
Savings accounts	0.25%	0.25%
Fixed deposit	5.5% - 6.5%	5.5% - 6.5%

d) Other transactions with related parties

	2024		2023	
	US\$	KHR'000	US\$	KHR'000
Shareholder				
Rental income	9,000	36,639	36,000	147,960

Transactions with related parties are under normal business terms and conditions.

e) Key management compensation

	2024		2023	
	US\$	KHR'000	US\$	KHR'000
Salaries and short-term employee benefits	443,880	1,807,035	439,511	1,806,390
Director's fees	63,540	258,671	7,500	30,825
	507,420	2,065,706	447,011	1,837,215

