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CONTACT US

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Overview



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About Us

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

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

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

The pandemic has affected everyone in 2021, our people included, taking care of our staff who will ultimately care for our customers was paramount so that life could go on as normal as possible. We have taken proactive actions and paid attention to their needs we believe that well-cared staff leads to higher performance, and ultimately serving our valued customers better.

As of the end of 2021, Prince Bank Plc. has a total of 32 branches, 10 located in Phnom Penh and 22 in other provinces. The locations in Phnom Penh are Prince Bank Plc. Head Office, Khan Russey Keo-Sangkat Toul Sangkae 2, Khan Pur Senchey-Sangkat Chaom Chau 3, Khan Chraoy Chongvar-Sangkat Preaek Lieb, Khan Prampir Meakkakra-Sangkat Veal Vong, Khan Chamkar Mon-Sangkat Tonle Basak, Khan Chbar Ampov-Sangkat Nirouth, Khan Chamkar Mon-Sangkat Phsar Daeum Thkov, Khan Meanchey-Sangkat Steung Mean Chey 2, Khan 7 Makara-Sangkat Boeing Proluet, and the provincial locations including Battambang, Siem Reap, Krong Siem Reap, Kampong Cham, Preah Sihanouk, Krong Ta Khmao, Prey Veng, Svay Rieng, Kratie, , Kampong Speu, Takeo, Preah Vihear, Kampong Chhnang, Kampong Thom , Krong Paoy Paet , Tboung Khmum , Pursat , Stung Treng , Banteay Meanchey , Kampot, and Mondoliri. We have a total of 72 ATM/CDM locations and we have launched Cambodia’s first drive-through ATM.





Neak Oknha Chen Zhi

Shareholder and Chairman of the Board of Directors

The Chairman's Message

The challenges of COVID-19 continue unabated into 2021 and have affected the world and Cambodia in terms of economy, trading, social, and public health, which we must adjust and adapt ourselves by living with this pandemic.

At Prince Bank, we are not only adjusting the operational processes, policies and strategies to the exigency of the challenges and minimizing the negative impact on the company and its customers but also taking the initiative in supporting the government in its fight against the spread of Covid-19 in the Kingdom, additionally, the Bank launched a donation campaign "Cambodian for Cambodians" on PRINCE Mobile App to raise funds for purchasing the vaccines for our Cambodians, and donated masks and hand sanitizers to related ministries for their mission against COVID-19. With Cambodia's success in rolling out the vaccination program, in November 2021, the government has relaxed travel restrictions, "reopening" the country for business and school, while continuing to strictly enforce protective health measures, we stay optimistic that the economy will turn around in 2022.

Indeed, our country has undergone great hardship over the past two years, especially in the SMEs and banking sectors. Under the leadership of the National Bank of Cambodia (NBC), business performance in the banking and financial sector remained strong in 2021 in terms of the quality of credit and deposits, despite the fallout from the COVID-19 outbreak that has hampered economic activity and has taken proactive measures to ensure enough liquidity to support consumers and other sectors, especially with loan restructurings. Prince Bank has participated in the government's Co-Financing Schemes to offer the finance resource for SMEs to maintain and grow their business during the pandemic. We believe that it is crucial in maintaining SME business growth in Cambodia as it plays an essential role in building economic resilience, creating local jobs, contributing to poverty reduction, and boosting national economic growth.

For Prince Bank's business operations, we have been trying harder in enhancing and innovating our products and services to better serve and meet the customers' needs in the pandemic era. We have invested heavily in digital banking services to offer customers convenient services around the clock and the digital lifestyle that they are valued. Prince Bank intends to focus on and pay attention to every part of the banking process, continually developing and improving each aspect, as well as managing the transparency and fairness in accordance with our vision and mission to be a "Cambodians bank of choice", and our sustainable development policy by taking the responsibility and initiative in developing our society, communities, and environment.

Leveraging from our position as the fastest growing digital bank in Cambodia, we reported a total asset of USD 805 million, customer loans of USD 480 million, customer deposits of USD 394 million, and operating income of USD 45.5 million, as well as a net profit after tax of USD 3.3 million.

Moving forward, I would like to underscore that customers and business partners could place trust in our bank's services, and we are now working around the clock to offer more and more innovative products and services coupled with promotions to reward our customers. Having a strong capital base will enable us to be the most reliable bank in Cambodia; our staff is skilled professionals in providing customers with the best financial solutions and services based on their needs. On top of that, we are the bank that takes Corporate Social Responsibility (CSRs) seriously in cooperation with the Government and Non-governmental Organizations (NGOs) to improve the living standard of our Cambodians and the society at large.

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

The CEO's Message

As the pandemic remains a deadly challenge to the world, Cambodia has adapted to COVID-19. Cambodia's economic growth has been gradually returning on track and rebounded to 3% in 2021 after a contraction of 3.1% in 2020, with the consumer deposits rising by 15.4% to USD 38.5 billion, and outstanding loans increased by 21.2% year on year to USD 47.5 billion according to the report of National Bank of Cambodia at the end of 2021. The government has implemented policies to mitigate the negative impact of COVID-19 on businesses and people's incomes and to support economic recovery under the smart and immediate actions against the COVID-19 situation. The widespread vaccination against COVID-19 has enabled the country to reopen its borders for trade and tourism at the end of 2021 with the hope of leading to better economic prospects in 2022.

During the height of the COVID-19 pandemic, digital channels and platforms have become essential and valuable tools for people to carry on with their lives as normally as possible, especially the payment services that have increased significantly with the shift from cash to digital payments. The demand of customers for digital banking services has increased aggressively and visiting a branch in person is no longer an option for them or handling of physical cash is avoided. And according to data from the National Bank of Cambodia, at the end of 2021, Cambodia has more than 8.6 million e-wallets account holders.

Remarkably, Prince Bank was ready with its technology platforms to serve our customers with a seamless, convenient, and safe mobile banking application to provide continuous financial service to our valued customers and a HR mobile app to support our staff as well throughout the challenges faced during the pandemic. We have always put our customer needs and customer experience as our focus in achieving our goal of becoming "The Bank of Choice". We continuously try harder to provide innovative and indispensable products and services to ensure that our customers are looked after and well taken care of.

Mr. Honn Sorachna

*Non-Independent Executive
Director / Chief Executive Officer*

As one of the fastest-growing digital banks in Cambodia, Prince Bank has been continuously investing in digital banking application features to provide banking services around the clock that are fast, convenient, and secure. We have worked hard to enhance and innovate the banking products and services to accelerate the best banking process and experience for our esteemed customers so that they can have a banking service with peace of mind. In 2021, we have launched the enhancement of PRINCE Mobile App with a host of new features that allow new customers to open a PRINCE eAccount with Prince Bank instantly via their mobile phone, without having to visit any physical branch. Additionally, we also launched a few more key features such as the Special Account Number which allows customers to personalize their bank account number. QR Payment was another feature that allow customers to conduct cashless payments seamlessly and securely with PRINCE Pay Merchants, and this feature was then converted to PRINCE KHQR which enable customers to make interbank payments and PRINCE Pay merchants to accept payment from all banks.

On top of that, we have launched another two mobile applications to the public – PRINCE MobileBiz and PRINCE Merchant application. These two applications were specially designed to benefit and optimize the business management of our business clients. With PRINCE MobileBiz, the customer can monitor and perform their business transactions at ease on their mobile app and settle the employees' salary conveniently on URL by using their mobile app to scan and log in. As for PRINCE Merchant, is a key tool for PRINCE Pay merchant which allow the merchant to control and monitor daily business activities and transactions via mobile app and can create payment counter/branch according to their business needs.



Not only for our esteemed customers but we have also digitalized the working process for our bank staff. The establishment of HR in the Pocket mobile application allows our staff to report their daily Covid-19 health assessment so that we can take any prompt measures to ensure that they are healthy and have a sense of connectedness and support while working with us. Furthermore, the staff can self-study and extend their professional knowledge through the E-Learning feature. The Human Resource department also conducts training for all staff across the bank regularly to update and refresh their knowledge and introduce new skills that are useful for their daily work.

Prince Bank always focuses on sustainable processes and best practices to continually develop and improve each aspect, as well as managing the organization with good corporate governance, policies of transparency and fairness, and acting responsibility toward the society, the communities, and the environment in accordance with our Sustainable Development Policy. Despite Cambodia getting back on track, we will not take everything lightly. Prince Bank has continually put in place measures to mitigate the possibility of spreading the COVID-19, in line with guidelines provided by the authorities.

In an ever-evolving world, we must continue to serve our customers' financial needs as their operating environment changes. And as the fastest-growing digital bank, Prince Bank will continue to leverage future technological developments to stay ahead in addition to world-class customer service and the best customer experience to meet our customers' needs. Through our mobile banking applications and expansion of branches and self-service banking machines nationwide, we are able to serve our customers from offline to online in a way that suits our customers' preferences. On the financial front, by the end of 2021, our total loan portfolio rose by 37% to USD 480 million, and the total deposit rose by 97% to USD 394 million.

Prince Bank received numerous internationally acclaimed awards in 2021, we are very honored and delighted to achieve such recognitions from international institutions such as The International Banker on Best Commercial Bank Cambodia 2021 and Best Innovation in Retail Banking Cambodia 2021, Enterprise Asia on International Innovation Award 2021, World HRD Congress on Cambodia Best Employer Brand Awards 2021 and Global Best Employer Brands Award 2021, and HR Asia on Best Companies to Work for in Asia 2021. These are evidence of our dedication and hard work in 2021 to achieve the bank's goals and meet the customers' needs.

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

Vision, Mission, and Core Values



OUR VISION

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



OUR MISSION

To help our customers succeed through professional financial services.



OUR CORE VALUES



Passionate

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

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



Result-oriented

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

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



Innovative

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

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



Noble

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

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



Collaborative

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

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



Entrepreneurial

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

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

A Summary of Us



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Director Profiles

Neak Oknha Chen Zhi

Shareholder and
Chairman of the Board of Directors



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

In addition to his investment in the banking industry, Neak Oknha Chen Zhi has other business interests that encompass various sectors, such as real estate development, finance and tourism, marketing agencies and internet service providers, yacht management, retail chain, gardening, and equity investments.

Aside from his business activities, Neak Oknha Chen Zhi actively engages in helping Cambodian communities with his philanthropy work.

MR. GUY CHHAY

Shareholder and
Vice-Chairman of the Board of Directors



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

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

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



Mr. Honn Sorachna

*Non-Independent Executive Director /
Chief Executive Officer*

Mr. Honn Sorachna is the Chief Executive Officer, the Managing Director, and one of the founding members of Prince Bank Plc. Mr. Sorachna has more than 10 years of experience in insurance, education, and banking. He has great vision for Prince Bank Plc. and is focused on strategy and management to lead the Bank towards a bright future.

He holds an M.A. in International Management from the Audencia Nantes Business School of Management in Nantes, France.



Mr. Then Samvisoth

Independent Non-Executive Director

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

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

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



Mr. Sim Hoy Chhoung

Independent Non-Executive Director

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

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

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

Advisor Profiles

Datuk Michael Lor Chee Leng

Senior Advisor



Datuk Michael has built a distinguish track-record of over 32 years across the Southeast Asian region as a senior-level banker with extensive focus in strategic business transformation, risk management and corporate governance; organization and human capital development.

He is presently an Advisor to the Ministry of Economy and Finance, Cambodia; where he led the development of the Strategic Frameworks for the SME Bank of Cambodia, the SME Sector Rejuvenation Initiative, and the Credit Guarantee Corporation of Cambodia, respectively.

Amongst his prior professional appointments, he was previously the CEO of Canadia Bank PLC, Cambodia, where he led the transformation of this local bank into a regional financial services group. Prior to Canadia Bank, he was the Group CEO of EON Bank Group, Malaysia. Under his leadership, the banking group was re-energized from being previously perceived as a non-descript player in the industry to being regarded as a rapidly growing universal commercial bank and one of the most talked about banking franchise in Malaysia.

He had also been the Worldwide Director for Banking Solutions with Hewlett Packard Worldwide; and prior to that, the Group Head of Consumer Banking for RHB Bank, Malaysia. Before he returned to Malaysia in 2004, he was a Managing Director with DBS Bank, Singapore for 17 years, serving in various senior management roles in both their Singapore and Thailand banking operations.

During his professional career, Datuk Michael had been involved in both the banking and technology industries; and have led businesses in Singapore, Thailand, Malaysia, Cambodia, Laos, Myanmar and China, respectively. He is presently a passionate advocate of digital transformation and innovation in the region's financial services industry, serving in various advisory functions and roles.

Mr. Dieter Billmeier

Advisor



Mr. Dieter Billmeier is the Advisor to the Board of Prince Bank Plc. He provides support, guidance, recommendations, and advice in order to drive the Bank toward better management and success.

Mr. Billmeier is also a board member of a prestigious international school in Cambodia, and a former Senior Vice President and Advisor to the Board of Directors of Canadia Bank Plc. Prior to that, he spent almost two decades as a well-known professional consultant in Hong Kong and here in Cambodia.

Mr. Billmeier had a 17 year career at Commerzbank, where he held various positions covering strategy, treasury, administration, foreign exchanges, and money markets. His work led him to be based in different countries including Germany, the United States, France, and Hong Kong.

The last position Mr. Billmeier held for Commerzbank was as its Senior Vice President & Joint General Manager position in Hong Kong.

Originally from Germany, he studied at the Advanced Business School for Finance and Banking in Bamberg, and at the Academy of Banking and Finance in Nuremberg.



Executive Committee of Prince Bank Plc.

MR. LENG SENGLAN / MR. LIM LEE RADY / MR. WINSTON TAN / MR. STEVEN LOW / MR. ALEX LIM / MR. KEO VUTHY / MR. HONN SORACHNA
MR. LESLIE LEE / MR. ONG PISEY / MR. TAY CHOON WEI / MR. KHUN BUNNARITH / MR. HO KOK WAI / MR. BRYAN MIN
MRS. KEO ROSNISAY / MRS. PENG LIYA / MRS. TE MUYNY / MRS. LEANG SOKLANG / MRS. SEA SOKLIN / MS. HAING HUY

Management Profiles

Mr. Honn Sorachna

*Non-Independent Executive Director /
Chief Executive Officer*



Mr. Honn Sorachna is the Chief Executive Officer, the Managing Director, and one of the founding members of Prince Bank Plc. Mr. Sorachna has more than 10 years of experience in insurance, education, and banking. He has great vision for Prince Bank Plc. and is focused on strategy and management to lead the Bank towards a bright future.

He holds an MA in International Management from the Audencia Nantes Business School of Management in Nantes, France.

MR. LESLIE LEE CHEE WEI (LESLIE LEE)

Chief Business Officer



Mr. Leslie leads 6 strategic functions, namely Business & Affluent Banking, Branch Strategy & Customer Experience, Retail Financial Services, Alternative Channels, Branch Management and Business Analytics and Planning. He has over 25 years of extensive experience in network distribution and retail banking, priority banking and SME banking. Mr. Leslie has 5 years of experience in Myanmar in various leadership roles in the microfinance and digital banking & fintech sectors, prior to his posting in Cambodia.



MR. LOW WENG HAW (STEVEN LOW)

Chief Risk Officer

Steven Low is a Risk Practitioner with Digital experience focusing on Big Data Analytics in Banking covering GRC initiatives and business target operating models for fintech and digital banking. Formerly served as the Managing Partner for a Big Data Analytics company, Alpha Zetta Malaysia. He previously served as the Chief Risk Officer and Head of Risk Management for a Consumer Bank covering both Retail and Business Banking in Maybank, one of the leading banks in Malaysia. He was also the CRO for Wavemoney Yangon, Affin Bank, and Bangkok Bank Malaysia.

Overall, Steven has over 22 years of experience in audit, credit management (including Corporate Banking), and business in both local and overseas financial institutions including Standard Chartered Bank, Maybank, Wave money Yangon, RHB, Affin Bank, Bangkok Bank, An Binh Bank (Vietnam), EON Bank and Orix Leasing. He has traveled extensively to countries like Singapore, Mongolia, Vietnam, Myanmar, Cambodia, Indonesia, Thailand, and Europe to work on various projects and engagement with stakeholders on risk & compliance and big data analytics projects.

He holds a professional ICSA-UK qualification (Business Degree, ACCA or ICMA equivalent).



MR. WINSTON TAN KOK WENG

Chief Financial Officer

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

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

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



MR. BRYAN MIN

Chief Digital Officer

Mr. Bryan is currently a Chief Digital Officer of Prince Bank Plc. He has over 20 years of extensive experience in banking informatization. As a business expert, system architect and executives of fintech organizations, he participated in or led the construction or operation of over 100 large-scale financial transaction systems.

He has a deep understanding and long-term practice of financial digitalization, and he is good at the cross of finance and technology and particularly the implementation and management of large-scale and complex application ecosystems.

He holds a Master of Engineering from the Tsinghua University in China. Bachelor of Engineering from Harbin Institute of Technology in China.



MR. LENG SENGLAN

Chief Operating Officer

Mr. Senglan is currently working as the Chief Operating Officer. He has 11 years of experience in banking, insurance, and finance and security market. He also experienced with management system development, risk management, finance, and taxation.

He holds two Master's degrees and two Bachelor's degrees. First master's in Finance, ESCP-EAP European School of Management, France, and second Master's in Business Administration from Asian Institute of Technology, Thailand (2005). For Bachelor's degrees, he obtains Bachelor's in Economics from RULE (2003) and Bachelor's in Computer Science, Norton, Cambodia (2010).



MR. KEO VUTHY

Chief Internal Audit Officer

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

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



MRS. PENG LIYA

Head of Retail Financial Services

Mrs. Liya is the Head of Retail Financial Services at Prince Bank Plc. She has over 10 years of experience in the financial and banking sectors where she led various marketing strategies and was involved in product development initiatives. In her current role, Mrs. Liya is responsible for driving the Bank's retail banking business by increasing the number of customer loans and deposits, and by expanding the Bank's card offerings to grow the number of customers and transaction volume. She is also involved with other company-wide projects related to the mobile banking app, and the card project. Prior to joining Prince Bank Plc, Mrs. Liya held various positions at Hong Leong Bank (Cambodia) Plc. and WING Cambodia.

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

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



MRS. TE MUYNY

Head of Business Financial Services

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

A veteran of the banking industry, Mrs Muyny has over 15 years of professional experience with international and regional banks. Her main skills include Retail and Commercial Banking as well as Credit and Premier Customer Relationship Management.

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



MR. TAY CHOON WEI

Head of Business and Affluence Banking

Choon Wei is currently the Head of Business and Affluent Banking. He has over 26 years of banking experience with Citibank and United Overseas Bank, Hong Leong Bank, and Alliance Bank in Malaysia. He has obtained comprehensive banking experiences over his banking career in the areas of the local branch and regional branch management, sales and acquisition, bank operations, strategy, and business development, Credit processing and evaluation, business compliance, internal audit, coaching, and training, and people career development.

He holds a Bachelor of Science, Double Majors in Finance and International Management at School of Management, Boston University, Boston, Massachusetts, USA. He was the Certified Regional Trainer in Citibank Wealth Management Institute (Hong Kong / Singapore) with Certifications for Citibank Regional Investment and Citibank Wealth Products.



MR. LIM LEE RADY

Head of HR Services

Mr. Rady is the current Head of HR Services. Rady has work experience more than 20 years covering HR and Management in Banking, MFI, INGO, and Professional Services industry. His previous employer included Amret MFI Plc., Canadia Bank Plc., Sokimex Group, Digital Divide Data, Plan International, PricewaterhouseCooper, Inter-Continental hotel and resort. Rady has been holding the Head of HR role for more than 15 consecutive years.

He holds master's degree of Business Administration from Preston University, USA, and Diploma of HR Management from Swinburn University of Technology, Australia. He is a member networks including Human Resources (HR) network in Cambodia both private and public sector, HR network in Vietnam, PricewaterhouseCoopers (PwC)-Strata-Job Evaluation in German, the Hay Group in Thailand, the Assessment Centre Saville and Holdsworth Limited (SHL) a UK base company providing occupational and aptitude tests worldwide, and a member to Plan International HR network in Asia.



MR. HO KOK WAI (STEVEN)

Head of Channels and Distribution

Steven is the current Head of Channels and Distribution. After being with OCBC Bank Malaysia for 17 years. Prior to that, he was with Hong Leong Bank Malaysia for more than 20 years. Steven has extensive banking experience in the areas of internal audit, banking operations, training and development, sales and wealth management.

During his time with OCBC Bank Malaysia, he was also involved with stretch assignments such as developing training programs for the network. Leading a project team, training modules for Branch Managers and Customer Service Managers were developed and facilitated.

He completed his study at Kolej Tuanku Abdul Rahman with a HSC Statement. He also possesses certifications with the Federation of Malaysian Unit Trust Managers, The Malaysian Insurance Institute Certificate in Investment – Linked Life Insurance, Investor Protection Professional Certification, The Malaysian Insurance Institute Pre-Contract Examination for Insurance Agents Certificate (Life), The Malaysian Insurance Institute Certificate of Proficiency in General Insurance and Malaysian Takaful Association (Takaful Insurance).



MR. KHUN BUNNARITH

Head of Branch Management

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

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



MR. ONG PISEY

Head of Technology Services

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

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

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

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



MRS. SEA SOKLIN

Head of Compliance

Mrs. Soklin is the Head of Compliance at Prince Bank Plc. She has more than 15 years of experience in the banking sector and has held management roles in several areas: internal audit, financial accounting, risk management and compliance. Additionally, her expertise extends to AML and CFT system development.

She holds a B.A. in Accounting and Finance. She's currently pursuing an ACCA qualification at CamEd Business School. She has achieved Revelatory Compliance Certificate from IBF and ICA International Advance Certificate in Anti Money Laundering, UK.



Ms. Haing Huy

Head of Credit Management

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

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



MRS. KEO ROSNISAY

Head of Legal and Company Secretary

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

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

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



MRS. LEANG SOKLANG

*Head of Transformation and
Data management*

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

Mrs. Soklang has more than 18 years' experience for banking information technology. Her key competencies are analysis and improve banking solution based on industry trends and professional. Fully utilizing banking solution capabilities in order to support business process improvements. Translates business requirements to specific and complete functional requirements.

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



MR. ALEX LIM ENG KEAT

*Head of Corporate Communications
and Marketing*

He is the Head of Corporate Communications. Alex is a seasoned marketing & corporate communications specialist with more than 25 years' work experience in banking, property development and advertising agencies. His experience covers the breadth and depth across markets in Malaysia, Singapore, Thailand, and Indonesia.

He started his communications formative years in the branding, advertising, CRM/Direct marketing, telemarketing, and activation in international agencies such as Ogilvy, Euro RSCG, Young & Rubicam, and Draft-Lowe before slipping over to the 'client side' with the banking industry in RHB Bank and Hong Leong Bank. He then joins KSK Berhad, an investment holding company with an interest in general insurance, property development, hospitality, Fin-tech. He was recently with two property developers with seafront to township projects to mix developments including branded residences.

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

2021 Business Highlights

Prince Bank is striving toward becoming the best digital bank in Cambodia. Practically, the Bank has never stopped improving, developing, and updating new digital banking products to serve the needs of our different client segments. In addition, we have lately extended our operation nationwide to serve our customers in terms of convenience and effectiveness to match their lifestyle needs. In the part of the branch address, we are focusing on locations optimizing the best service to our valued customer's convenience and accessibility, and we are currently available at **32 branches** and **72 ATM locations** nationwide.

We have introduced new products and services to the market across the available channel to deliver the best possible service to customers and support future growth. In terms of customer base, the Bank's paid-up capital at USD 250 million, which is well above the minimum regulatory requirement of USD 75 million for a commercial bank. Our total asset is USD 805 million, customer loans of USD 480 million, customer deposits of USD 394 million, operating income of USD 45.5 million, and a net profit after tax of USD 3.3 million. The strong capital base has enabled the Bank to significantly strengthen its financial position facilitating it to become one of the most highly capitalized and the fastest growing banks in Cambodia.

We have recently been awarded as the Fastest Growing Digital Bank for Prince Mobile nomination from Global Business Outlook; Best Commercial Bank Cambodia 2021 from International Banker (2nd year in a row), and World HRD Congress for Best Bank of Employer Brand Award. With regard to Human Resources, we were awarded the Cambodia Best Employer Brand Awards 2021 for "Dream Companies to Work For" by World HRD Congress, Global Best Employer Award for "Excellent in HR Through Technology" from World HRD Congress, and the Best Companies to Work for in Asia 2021 from HR Asia, Business Media International.

For the next year's strategy, Prince Bank plans to strengthen and promote its business wisely under Technology transformation to accommodate customers' financial transaction. Ultimately, we aim to be the best and the latest digital bank of option in Cambodia

Key Financial Highlights

Year End 31st December

KEY PERFORMANCE INDICATORS (%)

Returns on Shareholders' Equity (ROE)	1.3%	2.00%
Returns on Assets (ROA)	0.4%	0.9%
Solvency Ratio	43%	56%
Liquidity Coverage Ratio (LCR)	137%	126%

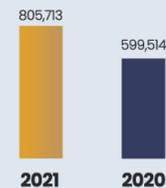
2021

2020

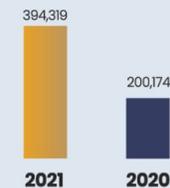
1.3%	2.00%
0.4%	0.9%
43%	56%
137%	126%

Simplified Financial Results

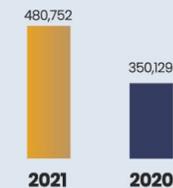
TOTAL ASSETS
(US \$ Thousands)



TOTAL DEPOSIT
(US \$ Thousands)



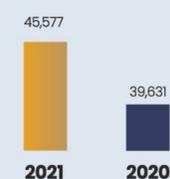
TOTAL LOAN (NET)
(US \$ Thousands)



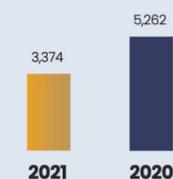
SHAREHOLDERS' EQUITY
(US \$ Thousands)



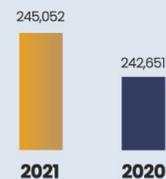
GROSS REVENUES
(US \$ Thousands)



NET PROFIT (LOSS)
(US \$ Thousands)



NET WORTH
(US \$ Thousands)



MILESTONES



2015

Prince Finance Plc. was established as a microfinance institution

2016

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

2017

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

2018

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

2019

- 28 operational branches in Phnom Penh and 20 provinces
- 1,004 staff employed
- 2,848 loan customers served
- Digital Banking launched
- 4,431 users (38% of total customers) on Mobile Banking app
- Completed integration with FAST and Bakong
- Launched HRIS (web browser)
- Launched E-from (web browser)

2020

- 31 operational branches in Phnom Penh and 21 provinces
- 1,011 Staff employed
- 4,062 loan customers served
- 19,379 Users (67% of total customers) on Mobile Banking app
- Launched Priority Banking Lounges
- Launched Visa & Mastercard
- Completed integration with CSS and Retail Pay
- Become a direct member of National Clearing House
- Launched Oversea Transfer via Kasikorn Bank (Currency USD, EUR & THB)
- Launched PRINCE Pay (QR scanning)

2021

- 32 operational branches in Phnom Penh and 21 provinces
- 1,038 staff employed
- 5,130 loan customers served
- 97,241 active customers
- 75,484 Users (67% of total customers) on PRINCE Mobile app
- 3 operational Priority Banking Lounges
- Launched Special Number Account
- Launched PRINCE eAccount
- Launched special function E-Red Pocket
- Launched Virtual Mastercard and Visa card Creation Function
- Launched Instant Mastercard and Visa card
- Launched Overseas Funds Transfer via SWIFT on Mobile Banking app (PRINCE Mobile app)
- Launched KHQR payment
- Launched Loan Management system
- Launched Trade Finance
- Launched PRINCE MobileBiz app
- Launched PRINCE Merchant app
- Launched the First Drive Thru ATM in Cambodia
- Update and enhance on the new functions on E-Learning, HRIS, and HR In The Pocket
- 24 billers applicable on Mobile Banking app (PRINCE Mobile app)
- 11,742 active PRINCE Pay merchants outlets

Branch Network

As of December 31st 2021, Prince Bank Plc. had 32 operational branches.



Total **32 OPERATIONAL BRANCHES** and **72 ATM / CDM LOCATIONS.**

1. Prince Bank Plc. Head office

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

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

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

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

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

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

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

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

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

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

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

7. Prince Bank plc. – Khan 7 Makara Sangkat Boeung Proluet Branch

Phnom Penh Tower, N°445, Monivong Blvd (St. 93/232) Sangkat Boeung Prolet, Khan 7 Makara, Phnom Penh, Cambodia.

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

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

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

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

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

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

13. Prince Bank Plc. – Siem Reap Provincial Branch

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

15. Prince Bank Plc. – Preah Sihanouk Provincial Branch

Phum Muoy, Sangkat Pir, Krong Preah Sihanouk, Preah Sihanouk Province

17. Prince Bank Plc. – Svay Rieng Provincial Branch

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

19. Prince Bank Plc. – Ratanak Kiri Provincial Branch

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

21. Prince Bank Plc. – Takeo Provincial Branch

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

23. Prince Bank Plc. – Kampong Chhnang Provincial Branch

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

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

N°211J, National Road 4, Phum Prey Pring Khang Cheung 1, Sangkat Chaom Chau 3, Khan Pur Senchey, Phnom Penh.

12. Prince Bank Plc. – Battambang Provincial Branch

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

14. Prince Bank Plc. – Kampong Cham Provincial Branch

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

16. Prince Bank Plc. – Prey Veng Provincial Branch

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

18. Prince Bank Plc. – Kratie Provincial Branch

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

20. Prince Bank Plc. – Kampong Speu Provincial Branch

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

22. Prince Bank Plc. – Preah Vihear Provincial Branch

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

24. Prince Bank Plc. – Kampong Thom Provincial Branch

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

25. Prince Bank Plc. – Krong Paoy Paet Provincial Branch

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

27. Prince Bank plc. – Pursat Provincial Branch

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

29. Prince Bank plc. – Banteay Meanchey Provincial Branch

Lot N°AIII 1188, National Road N°6A, Phum Muoy, Sangkat Preah Ponlea, Krong Serei Saophoan, Banteay Meanchey Province.

31. Prince Bank plc. – Monduliri Provincial Branch

Prince Bank plc. – Monduliri Provincial Branch
Lot N°618, Phum Kondal, Sangkat Spean Mean Chey, Krong SenmoNrom, Monduliri Province.

26. Prince Bank plc. – Tboung Khmum Provincial Branch

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

28. Prince Bank plc. – Stung Treng Provincial Branch

Lot N°45, Road N°63, Phum Preaek, Sangkat Stueng Traeng, Krong Stueng Traeng, Stueng Traeng Province.

30. Prince Bank plc. – Kampot Provincial Branch

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

32. Prince Bank plc. – Krong Siemreap Provincial Branch

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

ATM Network

As of December 31st 2021, Prince Bank Plc. had 72 ATM locations, including **32 onsite** and **40 offsite ATMs** nationwide. Customers are now able to make cash withdrawals and deposits as well as to conduct other transactions 24/7 without having to visit any branch locations. In addition, Prince Bank has launched the First Drive-Thru ATM in Cambodia that allows customers to drive in through a dedicated entry driveway and access banking services from their vehicles whenever they want 24/7, to get access to their money or perform banking transactions.





Loan referral rewards!

You get the reward; your loved ones get a loan with a special interest rate! To understand more about the promotion, please click here <http://bit.ly/3njQyG4> or contact us at 1800-20-8888 (Toll-free). Terms and condition apply

Prince Bank's **The Four Blessings Campaign** will offer you double specials, including gifts, and stand a chance to WIN prizes in total up to 18,000,000 riels CASH! When you collect all four types of Four Blessings hand sanitizers, you can redeem for a lucky draw ticket and stand a chance to win 20,000 riels cash. Click the link here <https://bit.ly/2XXkLAH> to read the campaign's detailed Terms & Conditions or contact our contact center at 1800-20-8888 for more information.



Great offer with Prince Bank Overseas Funds Transfer!

You'll receive a ZERO inward fee and enjoy the special outward fee of only 0.12% on the amount from USD50,000 to USD200,000! This special offer is valid until out of stock. For more information, please contact 1800 20 8888.

Apply your Visa/Mastercard debit or credit card at Prince Bank for free and annual fee waived for the 1st year (applicable for Standard card and Classic card only)!

What are you waiting for? Apply for a card now via Prince Bank App or visit any nearest branch. For more information, please contact 1800 20 8888.



Fast transfer and free of charge!!!

You can transfer money between the Bakong account and Prince account instantly and securely anytime, anywhere with no fee charged. Download Prince Bank App now <http://onelink.to/4fzpw5> (iOS and Android)! For more information, please contact 1800 20 8888.

Quick and easy Interbank Fund Transfer!

Perform Interbank Transfer via Retail Pay system on PRINCE Mobile app, you can receive funds in real-time SECURELY and FREE of charge! Download PRINCE Mobile App NOW <http://onelink.to/4fzpw5> (iOS and Android)! Call us NOW to find out more! Call 1800 20 8888. Terms and conditions apply



Enjoy many benefits and special offers, plus a 50% discount on the card annual fee!

Apply for your Mastercard/Visa Credit or Debit card TODAY through PRINCE Mobile! Call us NOW to find out more! Call 1800 20 8888 or click on this link <https://bit.ly/3FIMiI>. Terms and conditions apply

Scan and pay with Prince Pay for Double Rewards!

You will receive up to USD30 per month by paying through Prince Pay at our 1,800+ partner stores across 25 city-provinces and enjoy up to 50% discount at over 100 partner stores. To understand more about the promotion, please click here <https://bit.ly/35jxQsn> or contact us at 1800-20-8888 (Toll-free). Terms and conditions apply



Solve your financial problems in all circumstances!

You'll receive a ZERO inward fee and enjoy the special outward fee of only 0.12% on the amount from USD50,000 to USD200,000! This special offer is valid until out of stock. For more information, please contact 1800 20 8888.

Enjoy more benefits with PRINCE Pay!

For the expense of \$5 per transaction, you will receive \$1 rebate, by paying through PRINCE Pay at our 3,000+ partner stores across 25 city-provinces. To understand more about the promotion, please contact us at 1800-20-8888 (Toll-free) or click on this link <https://bit.ly/39xcl3U>. Terms and condition apply



Special benefits for business owners!

Enjoy the monthly rebate of up to \$50 by using PRINCE Pay for your daily business! Apply for PRINCE Pay QR code NOW! To understand more about the promotion, please contact us at 1800-20-8888 (Toll-free). Terms and condition apply

Pay your credit card bill through 63 ATM/CDM locations nationwide with free of charge!

Please find out the detailed addresses by scanning the QR code in the image below or go to PRINCE Mobile or click on the link below: <http://bit.ly/PrinceBankLocations>





Special Offer in May!

For all orders through the Muuve App, paying with the Prince Bank Mastercard, you will receive 50% or up to \$5 rebate for each order and up to \$50 monthly rebates! Only Prince Bank Mastercard apply to this specials! Terms and conditions apply

Invite your friend to sign up for PRINCE Mobile and both will be rewarded with 100 points!

With the rewarded points, you can make a redemption anytime with PRINCE Pay merchants. For more information, please contact 1800 20 8888. Terms and conditions apply



Enjoy the unlimited Cashback with Prince Bank Mastercard!

All purchases made on POS machines or Online using Prince Bank Mastercard, you will receive a 0.5% cashback for Standard card and 1% for Platinum card per transaction. For more details about this offer, please contact us at 1800-20-8888 or click on the link <https://bit.ly/3wllj02>. Terms and conditions apply

We pay you \$5 to open an account with us!

If you haven't had an account with Prince Bank, open your Prince account through PRINCE Mobile NOW, you will receive 500 reward points instantly! Note: 500 points= \$5. You can redeem it on Phone top-up or at any PRINCE Pay merchants with the QR payment. For more information, please click on this link <https://bit.ly/3hcSpwT> or contact us at 1800 20 8888 (Toll-free).



We pay you for your food delivery!

Get a 50% or up to \$5 rebate for each order on Foodpanda by making payment via Prince Bank Mastercard! Only Prince Bank Mastercard apply to these specials! To find out more: <https://bit.ly/2TH9MNR> Terms and conditions apply

Announcing the new 32nd branch near you!

Prince Bank Plc. Boeung Proluet Branch is now a soft opening! With this new modern facility branch, customers can enjoy special offers for whole one month, as well as perform the financial transactions easier and faster with our professional staff, or you can also make self-service transactions there. Visit our new branch to enjoy the special offers!



Free Interbank Fund Transfer in KHR with FAST Payment!

You can transfer money from your Prince Bank Accounts to any local banks that are a member of the FAST Payment System, free of charge and in real-time. Download PRINCEmobile now <http://onelink.to/4fzpw5> (iOS and Android)! For more information, please contact us at 1800-20-8888.

Realize your dream home at The Green Residence NOW!

Apply for your housing loan at Prince Bank to enjoy the special interest rate, flexible loan term, and loan size of up to 85%! Project location in Kampot province: <https://goo.gl/maps/TGggsdoA2F46RcMv9> Call us NOW to find out more! Call 1800 20 8888. Terms and conditions apply



It's convenient, fast, and secured. And it's FREE!!!

Transfer funds from Prince Bank to other local banks through PRINCE Mobile App anytime, anywhere. Download PRINCE Mobile App NOW <http://onelink.to/4fzpw5> (iOS and Android)! Call us NOW to find out more! Call 1800 20 8888. Terms and conditions apply

Prince Bank Specials for Pchum Ben Festival!

Get a cashback of up to 15% of the total payment with Prince Bank Mastercard, whenever you are shopping at:
 -AEON Mall Phnom Penh (general merchandise stores)
 -AEON SenSok City (general merchandise stores)
 -AEON MaxValu Express all branches and AEON Online
 From September 14, 2021, to October 10, 2021. Wait no more, pay with your Prince Bank Mastercard NOW! Call us NOW to find out more! Call 1800 20 8888. Terms and conditions apply



Come visit us at Prince Bank booth at AEON Mall Phnom Penh, we are giving away free gifts including umbrellas, face masks, hand sanitizers, caps, and many more! Come get yours today. What's even more special, you can apply for your new Mastercard with the annual fee waived for the first year and get it instantly on the spot. You can start enjoying rebates at AEON Malls (general merchandise store), AEON MaxValu and AEON Online of up to 15%. Booth Location: Ground Floor, at Lively Plaza, in front of Krispy Kreme. Working hours: From 9:00 am to 10:00 pm Date: From September 18, 2021, to October 17, 2021

Great offer for all PRINCE Pay merchants!

Enjoy the monthly 5% cash reward of all your customer's transactions or get up to \$100!

This offer is valid from September 01, 2021, to December 31, 2021.

Be a Prince Bank merchant to enjoy many benefits that you don't have before!

Call us NOW to find out more! Call 1800 20 8888.

Terms & conditions apply



Get your cards instantly!

Apply for a NEW Instant Card (Mastercard/Visa debit card), you can get it immediately on the spot, without waiting! And enjoy the 50% off on the card annual fee for the first year! Apply for your Instant Card NOW! Many more benefits & privileges awaits YOU!

Call us now to find out more! Call 1800 20 8888.

Terms and conditions apply

Pay with PRINCE Pay today and you could be the lucky customer to earn extra Prince Reward Points!

Every payment with PRINCE Pay earns you Prince Reward Points, and now you will have a chance to be the lucky one and get yourself additional points of up to 3000 Prince Reward Points (equivalent to \$30). Wait no more, make your purchases with Prince Pay today!

Call us NOW to find out more! Call 1800 20 8888.

Terms and conditions apply



Prince Bank's Double Promotions!

Enjoy 30% or max. \$3 cashback and additional \$2 with discount code: wowprince for each order paying with Prince Bank Mastercard on WOWNOW app and get up to \$15 per month. There's a limited stock for discount code per month, grab yours now while stock last! Remember to use your Prince Bank Mastercard now to start enjoying the promotion.

Validity: October 15, 2021, to November 30, 2021.

Note: Discount code only apply for the order of \$7 up.

For more information about this promotion, please contact to 1800 20 8888 (toll-free).

Terms and conditions apply

Introducing our new PRINCE eAccount!

Now with PRINCE eAccount, you can open a deposit account with Prince Bank without stepping into the branch and without initial deposit! What's More, you will also receive our special offers:

- New customer will get 500 reward points = \$5 immediately upon opening an eAccount
- New customer referrer will get 200 reward points = \$ 2 immediately after a successful referral.

All PRINCE eAccount holders will also stand a chance to win in a Lucky Draw too!

Download PRINCE Mobile app to open your eAccount NOW.

For more information on opening a PRINCE eAccount, please contact 1800 20 8888

and for more details T&C on Special offer and Lucky draw, please click on this link:

<https://bit.ly/3psbpfy>

Terms and conditions apply



Remember to use your Prince Bank card when purchasing movie tickets!

Enjoy the discount of up to 50% at the Major Cineplex by Smart all branches in Phnom Penh and Siem Reap, by simply showing your Priority Banking card or making a payment using Prince Bank Mastercard/Visa card, you will receive this special discount instantly (2D / 3D / VIP movie ticket).

For more information, please contact 1800-20-8888 or click on this link: <https://bit.ly/3w9kyLl>.

Terms and conditions apply

Little by little, a bird can make its nest. Start saving your money with a Term Deposit account in Khmer Riel, enjoy a special interest rate of up to 6.25% p.a. (Only for the 9 months and 12 months tenure). This offer is valid from November 08, 2021, to January 31, 2022.

Open your Khmer Riel account NOW via the PRINCE Mobile app or visit any Prince Bank branch.

For more information, please contact to 1800-20-8888.

Terms and conditions apply



Prince Bank's Water Festival Special Offer!

Enjoy special offer from Prince Bank Mastercard at Phnom Penh Safari!

Get 50% cashback on your total ticket purchase or max. \$20 during the campaign period. What's more, get 1 free Push a Pedal ticket with every 1 entrance ticket.

You can start to enjoy this special offer from November 12, 2021, to November 21, 2021.

Remember to bring your Prince Bank Mastercard with you all the time to enjoy the benefits.

For more information, please contact 1800 20 8888.

Terms and conditions apply

Refill your gas with Prince Bank Mastercard and enjoy cashback!

Get up to 15% rebate or max. \$3 per transaction by paying with Prince Bank Mastercard at 68 locations of TotalEnergies station. Remember to use your Prince Bank Mastercard to enjoy this special offer!

This offer is valid from November 01, 2021, to January 31, 2022.

For more information, please contact 1800 20 8888.

Click on this link to see 68 applicable locations: <https://bit.ly/3BmKNPq>

*Terms and conditions apply



Business Banking Products and Services

For business customers, we offer the following: Business Check Account, Business Plus Account, Term Deposits, SME Loans, Business Term Loans, Financial Institution Loans, Loans Against Cash Secured, Overdraft Service, and Bank Guarantee.

Business Promotions

SME Co-financing scheme loans are now available at Prince Bank!

Get special interest rates starting from 6.5% with loan size up to \$500,000 and free loan processing fee.

Apply for your loan NOW!



In support of Cambodian-owned businesses, we are here to help your business!
With the Business Recovery Guarantee Scheme, new customers can apply for a loan in excess of 100% of the collateral value. For existing customers no collateral required!*

Call us today for a discussion with our business loan specialist!

*Terms and conditions apply

Human Resource

People Planning and Resourcing

Despite all the challenges during the pandemic crisis, we were focusing on our purpose to be the “Best Digital Bank in Cambodia”. Even though the crisis has overwhelmed us for the pandemic response in 2021, it has taught us and changed the way we work in many ways; rather to conduct face to face interview, we have improved our digital platforms to source candidates and to conduct interview by using LinkedIn, Telegram, Facebook, Microsoft Team Meeting, Zoom, etc, that allows us to maintain our recruitment activities and let candidates gain new experiences and exciting with our new normal working approaches. We have been enhancing our HR processes that adapt to the technology evolutions, and improved Prince Bank e-recruitment to the public, known as online recruitment, that use web-bases technology for various processes which included attracting, assessing, selecting, and on boarding people to Prince Bank. Through e-recruitment, the candidates can easily apply the job with just one click to apply and the application will connect candidate to a larger candidate pool that allow us to accelerate the selection more faster. As the result, we were able to onboard 211 new talented people in the year of 2021 to support our business growth.



Learning and People Development

- At Prince Bank, people development is always one of our top priorities. We believe that continuous professional development of our employees is key to achieving and sustaining our business growth and high quality of services to our customers. In 2021, we continued to invest significantly in training and developing our employees both new and existing. This is to ensure that they have the right knowledge, skills, and attitude to perform their jobs effectively and to deliver excellent services to our customers.
- Despite the community outbreak of COVID-19 in Cambodia during 2021 which restricted us from conducting in-person training, with the availability of our Digital Learning System (DLS) and modern technological tools, we were still able to continually develop our employees by diverting various learning platforms to virtual and online training. This is to ensure that every employee continuously improves their knowledge, skills and capabilities on our products and services to respond in a timely manner to the business expectations and increase the bank's productivities.
- As a result, we conducted more than 11,300 training hours of virtual training and 2700 hours of in-person training & self-learning via DLS on both hard skills and soft skills for 1,010 new and existing employees. Also, we assigned our employees from various divisions to attend external training courses both locally and internationally.
- Among the achieved training hours, there was also a 3-month Branch Manager Training Program initiated to strengthen the capabilities of our branch managers to manage their business operations. The training program consists of 10 courses covering various topics including loan & deposit products refresher, leadership, communication, and economic & market update.
- To align with our Bank Strategic Talent Management, beside the refreshment and rolled out our core values and leadership competencies across the bank, we also have been rolling out our flagship leadership development program called “**Leadership Excellence and Performance (LEAP)**” in 2021 to 2023 to help prepare our employees readiness for next career move and to become effective leaders who will be able to double up their team performance in Prince Bank.

Compensations and Benefits

Employee Benefits

- As one of the best companies to work for, Prince Bank has been recognized as one of the industry leaders providing attractive remuneration package to employees.
- Obviously during the pandemic, amidst the February 20 Cluster, the bank had offered meal allowance to our employees and require everyone to have meal at home or bring in their foods.
- In addition, our health insurance scheme was extended to cover Covid-19 treatment to all employees, their spouse, and dependents. We also provided additional meal allowance should any colleagues being blocked in branch premise following administrative measure of local authority to prevent spread of the virus into community.
- To encourage our staff to save more, the bank has lowered minimum initial term deposit and given special rate to all employees.

Vaccination Arrangement and Protection Measures from COVID-19

- To protect our employees from the deadly Covid-19, the bank had sponsored and facilitated the 1st and 2nd dose vaccination for our employees since early stage of domestic vaccination campaign during March to May 2021 in the capital and provinces
- The bank has fully adhered to MOH and relevant authority's guidelines to protect our staff and all visitors coming into the bank premises such as compulsory thermal scanning, mask wearing, hands sanitization, distancing, and daily office deep cleaning. The bank has fully sponsored protective mask and RDT kit to our employees and monitored employee's daily health, exposure, and infection through our innovative HR in the Pocket mobile application.

Performance Management and HR Business Partners

Performance Management

- To support the strategic growth of the bank in 2021, the Performance Management Guideline has been revised to make it more practical, standard, and follow business strategies. The guideline also included areas to implement probation and annual KPI setting and evaluation that has also been improved digitally in 2021, where line manager can access to review and approved their staff performance result.

HR Business Partner

- Our HRBP team has been strengthening their capacity to be stronger in supporting business team to manage people issues more efferently. They have been able to accomplish people projects include staff retention, staff mobility, performance improvement plan, and people engagement that have improved better relationship among people in the team and across the bank. These result as better place to work based on the overall employee feedback via Employee Engagement survey of higher rate at more than 90% staff feel engaged in 2021.

HR Awards

- Prince Bank Plc. is proud to present the three awards which received in 2021 as:



"Global Best Employer Brands Award 2021 for Excellence HR Through Technology"



"Cambodia Best Employer Brand Awards 2021 - Dream Companies to Work For"
from the World HRD Congress.



HR ASIA Best Companies to Work for in Asia 2021 From Business Media International in December 2021 for the "Best Companies to Work for in Asia".

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

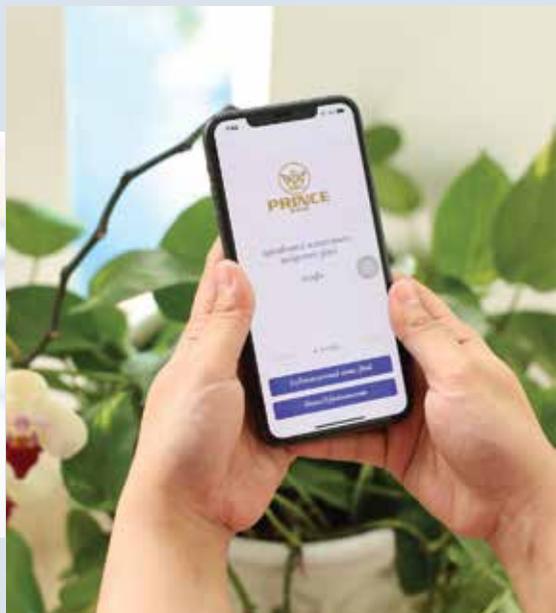
Digitalization Project

PRINCE Mobile App Enhancement



The COVID-19 pandemic continued from 2020 to present, everyone has experienced the lockdown due to the transmission and spread of virus. To make it easier and more convenient during the lockdown period, Prince Bank has enhanced various features on PRINCE Mobile app as below:

- Split the bill with your friend or family at ease without having to go through multiple complicated steps. In addition, customers can experience the latest version of Prince reward points which they can Earn & Redeem the points by transacting with our PRINCE Pay merchants across the country.
- With the new release feature of card creation, users can create a virtual for their instant use for online payment and apply for physical card without visiting a branch. Users can select their favorite card type Visa/Mastercard. Significantly, we also launched a cardless deposit and withdrawal on ATM machine that allow our customers to do the transaction via ATM anytime at their needs.
- Another new feature is Digital Red Pocket, which specially created for users to celebrate the festival with friends and family by sending friends or family individual or collective digital red pocket.
- On top of new released features, we have also enhanced our payment option to meet the user's needs. This year, we got Electric DU CAMBODGE as our biller partner, to allow our user to pay their electric bill via PRINCE Mobile app anytime, anywhere. On the other hand, the new launch of KHQR by NBC has brought a huge benefit and convenience to our users and Prince Bank merchants as they can make/accept payments across the local bank easier and faster.
- Lastly, another key achievement is Special Account Number launching, the users can create an account number at their choice, it can be any number that they want, such as birthday date, anniversary date, and so on.



eAccount

With Just a few simple clicks, customer can create electronic account without stepping into Prince Bank branches. Moreover, with PRINCE eAccount, customers can make payments via PRINCE Pay, top-up phone balance, and perform local funds transfer easily and securely. This significant launching has proven another digitalized product with aim to be the best innovation bank in Cambodia.

PRINCE Merchant Application

The launching of PRINCE Merchant Application allows our merchant partners access their business transaction at ease. The flexibility of application allows owners create specific access to cashiers or staffs per business demand. Growing and monitoring merchants without the hassles of physical cash. PRINCE merchant app is the best payment solution for your business needs with secure and convenient usage. The latest release for the application is the KHQR function which allow cross banks payment via Bokong members. Besides, the key benefits includes convenient monitoring with proper tool tracking for business owner and cashier verification, accurate transaction records with secure real-time settlement, the QR code can be displayed on the APP to receive payment anytime and anywhere, view summary and detail statement of account, multiple counters/outlets can be created according to the merchant's business demand.



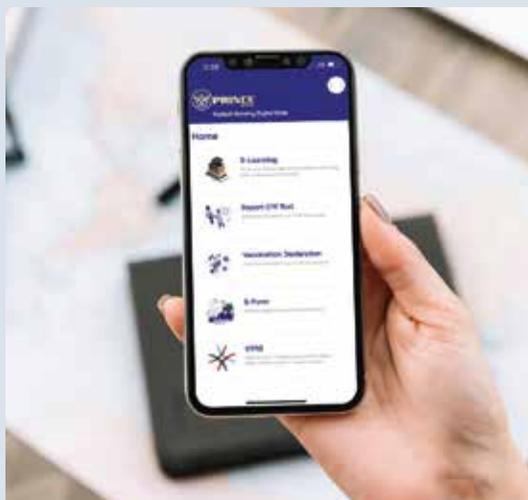


PRINCE MobileBiz/SME

SME application supports business owner handling and monitoring their business activities. The specialty of this function is to discover a better way for your business via both function of application and web portal. PRINCE MobileBiz is a convenient app for every kind of business owner to receive and transfer funds to another partners. This application will help business owner to simplify business process and avoid missing any transactions. The key features and benefits include transfer funds easily within Prince Bank or to another local bank, transfer local bank include NCS, FAST, RFT, local Bakong or SWIFT, Top-up/Redeem TD via Mobilebiz application, real-time notifications for approved transactions, manage your account effectively on all your banking activities, accommodate approval of various payments, view company accounts and extract bank statement real time, pay your employee account on time or schedule them in advance, check branch/ATM locations with no hassle, business appointment via SME and bank staff able to see the request via email and admin portal.

HR in the Pocket Enhancement

With the milestones tone of digitalization daily operations and added on the external customer care, we have launched HR in the pocket since 2020 for internal staff in many specific corners to let staff have their convenience in accessing HR information. Latest 2021, the HR in the pocket enhancement release a new feature of staff care with health assessment, covid test result update, and many other features of e-form.



Compliance

Compliance Policy

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

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

Anti-Money Laundering and Combating the Financing of Terrorism (AML/CFT)

Prince Bank Plc. is strongly committed to anti-money laundering and financing of terrorism "AML/CFT" measures by establishing an AML/CFT Policy seeks to protect Prince Bank from being used, intentionally or unintentionally, for money laundering or terrorist financing activities in line with the applicable laws and Prakas on AML/CFT. Moreover, the Bank has invested in the "CORAL ISEM AML/CFT System" that automates the control work and ensure effectiveness and efficiency. More importantly, the Bank has an on-going conducting employee training program to all new and existing staff, especially all operation staff are required to attend the AML/CFT refresher training once a year and pass the post-training test. This training requirement is one of the compliance strategies to strengthen staff's AML/CFT education and awareness that is a key deterrent to any attempt to improperly use the Bank's services and products.

Whistle Blowing Policy

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

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

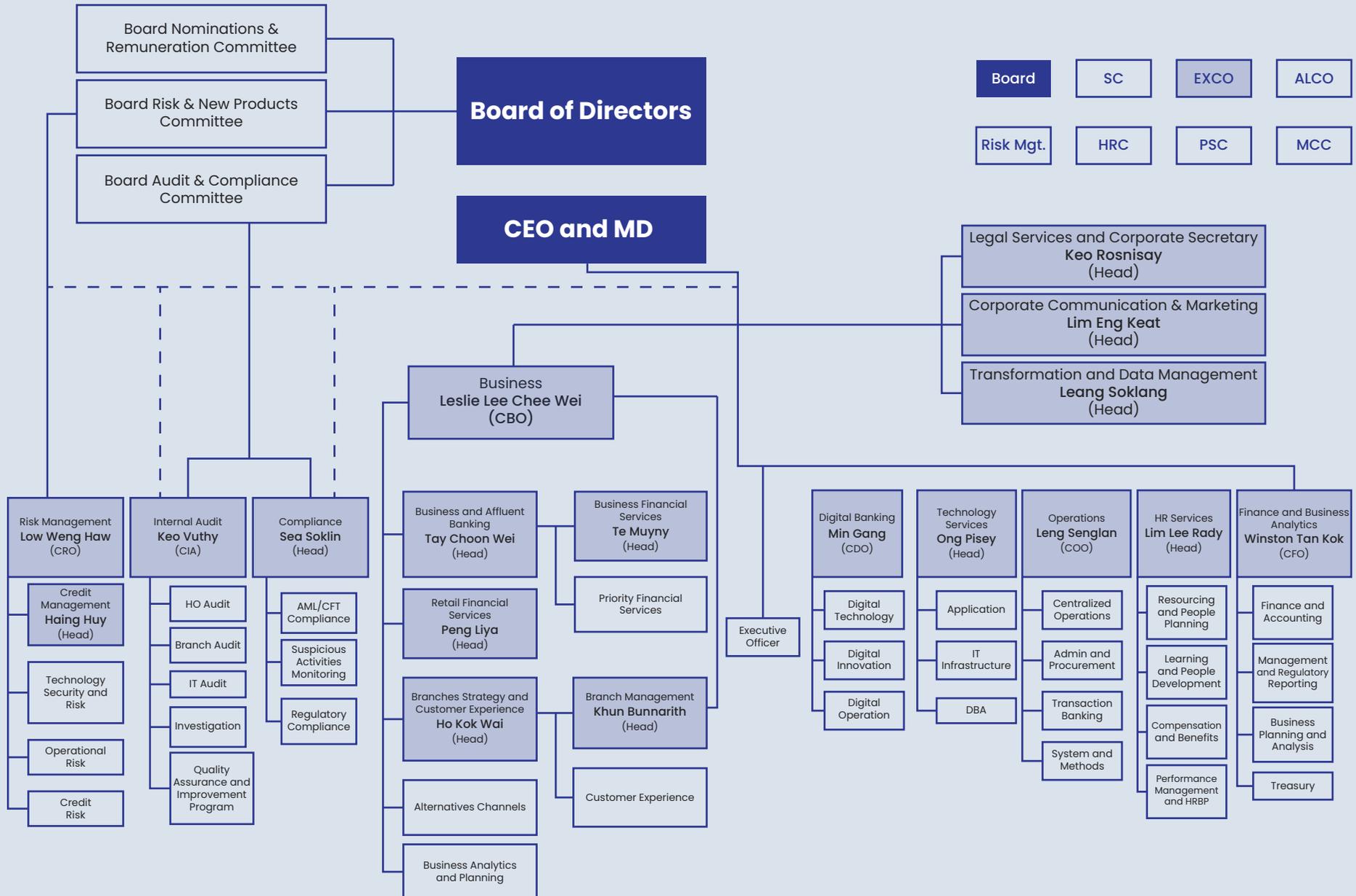
Corporate Structure



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Organizational Structure



Corporate Governance

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

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

CODE OF CONDUCT

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

Shareholders

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

Board of Directors

The Board of Directors (the "Board") is composed of five members, two of whom are independent directors.

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

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

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

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

Three committees have been set up at the Board level:

Board Audit and Compliance Committee ("BACC")

Composition:

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

Key Duties and Responsibilities

a) Internal Process and Controls

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

b) Financial Reporting

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

- 1 Review accounting policies.
- 2 Review significant financial reporting issues and judgements to ensure the integrity of the financial statements.
- 3 Report to the Board in a timely manner all issues that could significantly impact the financial condition.
- 4 Review the quarterly, half-yearly, and annual financial statements before submission to the Board focusing primarily on:
 - Any changes in accounting policies and practices.
 - Major accounting entries based on exercise of judgement by management.
 - Qualifications, if any, in draft audit report.
 - Significant adjustments arising out of audit.
 - Representation letter to the auditor.
 - Going concern assumption.
 - Compliance with the accounting standards

- Compliance with legal and regulatory requirements concerning financial statements.
- Any related party transactions, i.e. transactions of material nature with promoters or the management, their related/associated companies or relatives, etc. that may have potential conflict with the interest of the institution at large.

c) External Audit

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

d) Internal Audit

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

e) Compliance

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

f) Others

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

BOARD RISK AND NEW PRODUCTS COMMITTEE ("BRNPC")

Composition:

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

Key Duties and Responsibilities

a) Risk

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

b) New Products

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

BOARD NOMINATION AND REMUNERATION COMMITTEE ("BNRC")

Composition:

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

Key Duties and Responsibilities

- a) To establish the minimum requirements for the Board i.e.) required mix of skills, experience, qualifications, and other core competencies required of a director;
- b) To establish minimum requirements for the CEO and Executive Committee members; and
- c) To establish a mechanism for the formal assessment on the effectiveness of the Board as a whole, each director's effective contribution to the Board, the various committees' contributions to the Board, the CEO, and Executive Committee members' performances; and

- d) To recommend and assess the nominees for directorship, board committee members, the CEO, and Executive Committee members.
- e) To assess directors for reappointment, before an application for approval is submitted to the National Bank of Cambodia (“NBC”);
- f) To oversee the overall composition of the Board, in terms of the appropriate size and experience, and the balance between Executive Directors, Non-Executive Directors and Independent Directors by conducting an annual review;
- g) To oversee the appointment, management, succession planning, and performance evaluation of key senior management officers; and
- h) To recommend a framework of remuneration for directors, the CEO, and key senior management officers for the Board’s full approval;
- i) To recommend specific remuneration packages for executive directors, the CEO, and Executive Committee members;

Executive Committee

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

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

- 1 Mr. HONN SORACHNA, Chief Executive Officer (CEO), as a Chairman of Executive Committee.
- 2 Mr. Leslie Lee Chee Wei, Chief Business Officer (CBO), as member.
- 3 Mr. Low Weng Haw, Chief Risk Officer (CRO), as member.
- 4 Mr. Winston Tan Kok Weng, Chief Financial Officer (CFO), as member.
- 5 Mr. Leng Senglan, Chief Operating Officer (COO), as member.
- 6 Mr. Lim Lee Rady, Head, HR Services (HHRS), as member.
- 7 Mrs. Keo Rosnisay, Head, Legal Services and Corporate Secretary (HLCS), as member.
- 8 Mrs. Sea Soklin, Head, Compliance (HC), as member.
- 9 Mr. Min Gang, Chief Digital Officer (CDO), as member.
- 10 Mrs. Peng Liya, Head, Retail Financial Services (HRFS), as member.
- 11 Mrs. Te Muny, Head, Business Financial Services (HBFS), as member.
- 12 Mr. Ho Kok Wai, Head, Branches Strategy and Customer Experience (HBSC), as member.
- 13 Mr. Keo Vuthy, Chief Internal Audit Officer (CIAO), as member.
- 14 Ms. Haing Huy, Head, Credit Management (HCM), as member.
- 15 Mr. Ong Pisey, Head, Technology Services (HTS), as member.
- 16 Mr. Lim Eng Keat, Head, Corporate Communication & Marketing (HCCM), as member.
- 17 Mrs. Leang Soklang, Head, Transformation and Data Management (HTDM), as member.
- 18 Mr. Tay Choon Wei, Head, Business and Affluent Banking (HBAB), as member.
- 19 Mr. Khun Bunnarith, Head, Branch Management (HBM), as member.

Social Responsibility



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Sustainable Finance Implementation

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

Throughout 2021, to support our business decision-making at all levels and provide a frame of reference for how to deal with business opportunities and risks in the context of direct and indirect sustainability impacts, we have developed a sustainable finance policy framework consisting of a general policy, four core policies, two theme policies, and nine sensitive sector policies. Each policy outlines the key environmental and social issues, our solution commitments, and what we expect our clients and business partners to do.

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

The nine sustainable finance principles include the following:

- Environment Protection
- People Protection
- Culture Protection
- Financial Literacy
- Financial Inclusion
- Financial Innovation
- Environmental and Social Standards
- Environmental and Social Footprints
- Transparency and Accountability



Corporate Social Responsibilities

1. Sport

Prince Bank as the sponsor of Visakha attended the 15th Samdach Techo Hun Sen Award Ceremony

Mr. Leng Senglan Chief Operating Officer of Prince Bank, attended the 15th Samdach Techo Hun Sen Award Ceremony of Visakha Football Club at Prince Stadium. Prince Bank offers its heartiest Congratulations to Visakha F.C for winning the title. It's an honor for Prince Bank to be a sponsor and contribute towards Cambodia's sports development.



2. Donation

Prince Group Chairman Chen Zhi donates US\$2M more to Laos' anti-COVID efforts

Neak Oknha Chen Zhi, Chairman of Prince Holding Group, one of Cambodia's largest and fastest-growing conglomerates, has donated USD2 million to assist the government of Laos in its efforts to combat the COVID-19 pandemic. Earlier in September, Chen Zhi had also contributed USD1 million. Both donations heeded the call of Prime Minister Hun Sen to strengthen bilateral COVID-19 cooperation between the two neighboring countries.



Prince Bank has continued the "Cambodians for Cambodian" campaign to purchase Covid-19 Vaccine

To support the Cambodian government's recommendation to raise funds for the purchase of the COVID-19 vaccine, Prince Bank has continued the "Cambodia for Cambodia" campaign to raise funds for the vaccine purchase. To make donations, customers can transfer their funds to the "Cambodians For Cambodia (Vaccine)" account with the account numbers 11177888 (for KHR currency) and 66677888 (for US currency), and this donation can be performed at all Prince Bank branches nationwide or through the Prince Bank app.

Prince Bank Plc. sponsored 500 boxes of Face Masks and 2,500 pcs of hand sanitizers to Phnom Penh City Hall



Prince Bank Plc. sponsored 500 boxes (25,000pcs) of Face Masks and 2,500 pcs of hand sanitizers to Phnom Penh City Hall through the Association of Banks in Cambodia (ABC) to support the activities in fighting against the COVID-19. The handover ceremony was held at Phnom Penh City Hall with the participation of His Excellency Khuong Sreng, Governor of Phnom Penh, Mr. Heng Koy, General Manager of the Cambodia Banking Association, Mr. Lim Alex, Head of Corporate Communications and Marketing at Prince Bank, and representatives from other partner institutions.

Prince Bank shows its warmest care to the Cambodian Children's Fund with the donation of 200boxes face masks and other study materials



COVID-19 interrupted the lives of everyone, especially children. In almost 2 years that schools have closed due to the pandemic, their education was interrupted, and their overall well-being was affected too. Now with the return to school of the children, Prince Bank shows its warmest care to the Cambodian Children's Fund with the donation of 200boxes face masks (10,000 pieces), 200pcs hand sanitizer, 200 gym bags (use as school bags), 1,000 notebooks and 1,000 pencils to contribute to helping and assisting the children to continue their education with full protection from the COVID-19. To support the Cambodian Children's Fund, you can donate through PRINCE Mobile App by selecting the "Charity & Donation" function.

Establishing Recognition



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Company News

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5



Prince Bank has wide-ranging capabilities for digital banking. SUPPLIED



With Prince Mobile cashless payments will be much easier. SUPPLIED

Prince Bank enhancing cashless banking to support customers and businesses

THE Covid-19 pandemic has spurred digital adoption across the board among all demographic segments in Cambodia, particularly for digital natives – the young adults who use smartphones in every aspect of their daily lives.

To reduce the risk of infection, people started to avoid going out and began relying on digital platforms for everyday living, such as for shopping online, using delivery services, working from home, and managing and accessing their finances remotely.

As the fastest growing digital bank in the country, Prince Bank has wide-ranging capabilities for digital banking, including mobile banking,

digital payments, ATMs and CDMs, to deliver the best quality services to customers, all within a convenient and secure system.

The current pandemic has been tough for the many people who do not have digital banking apps on their mobile phone.

They need physical cash for their daily payments while it carries a risk of infection through the handling of banknotes.

Cashless payments will be much easier when one has Prince Mobile. It can help one with daily financial management, cashless payments and the transferring of money securely and seamlessly.

Customers can routinely access their accounts and also perform

multiple transactions digitally, such as opening a new account, applying for a new Mastercard/Visa virtual or physical card, or to make top-up term deposits, QR payments, bill payments, local funds transfers via NCS, Retail Pay, FAST and Bakong, and loan enquiries, among many other features.

Customers will receive a real-time notification regarding all bill payments or transactions they have made throughout the day, with the specific time, date and place for both card and QR payments.

With more than 5,000 merchants across the nation in the marketplace, our customers can make cashless payments with ease by using Prince Pay and can even enjoy special cash-

back of up to \$30 per month.

What is even more special for the next release of Prince Mobile – which will be coming soon in July – the Prince eAccount and special account number request will be available.

The Prince eAccount is an electronic banking account that allows a new customer to immediately open a bank account with Prince Bank remotely through the Prince Mobile app.

The customer can receive and transfer funds instantly within the bank and to local banks, perform bill card and QR payments, and enjoy a wide range of promotions from Prince Bank too.

Another brand new key feature of this new release is the special account number.

This feature allows customers to personalize their account numbers with their own choices without having to step into a branch.

It can be any special number that they wish to have for their account.

With the new release, the bank will also launch Prince Rewards Points on Prince Mobile, where customers can get reward points for banking transactions and referring friends to sign up for Prince Mobile. You can redeem these reward points on the phone top-up feature on Prince Mobile, and with Prince Pay merchants.

To find out more about Prince Bank's products and promotions, please contact 1800 20 8888 or visit www.princebank.com.kh.



Prince Bank offers Business Recovery Guarantee Scheme loans to businesses that need funding now

[July 14, 2021] Prince Bank Plc. joins hand with Credit Guarantee Corporation of Cambodia Plc. to provide financial support by offering special business loans through the Business Recovery Guarantee Scheme (BRGS) to businesses including SMEs during this challenging operating environment caused by the Covid-19 pandemic. Prince Bank Plc. participated in CGCC's initiative as one of the pioneer financial institutions in the "Business Recovery Guarantee Scheme (BRGS)" to provide new secured and unsecured loan applications for viable businesses. This will enable the business owners who lack collateral to apply for their unsecured loans at Prince Bank in which the CGCC will be the guarantor for them to apply for the loans they need to support their businesses.



Prince Bank Plc. now offers SME Loans under the SME Co-Financing Scheme Phase II with SME Bank

[August 25, 2021] In our continuous support of the government and the Cambodian businesses to restore the economy from the Covid-19 pandemic, Prince Bank now join hands with the Small and Medium Enterprise Bank of Cambodia (SME Bank) to implement the SME Co-Financing Scheme Phase II as a source of financing SMEs in Cambodia. Under the SME Co-Financing Scheme phase II, any SMEs that apply for SME loans at Prince Bank will enjoy a special interest rate from 6.5% p.a. with a maximum loan size up to USD 500,000 and loan tenure of up to 7 years.

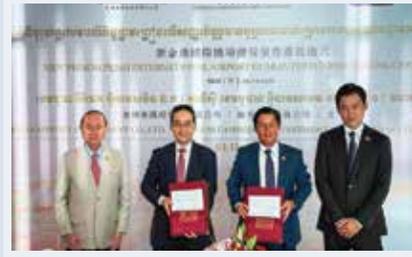


Prince Bank launches the FIRST Drive-Through ATM in the Kingdom of Cambodia, for the convenience & safety of its customers



[November 11, 2021] In line with its commitment to providing a convenient & safe banking facility to its customers, Prince Bank Plc. launched the very FIRST Drive-Through ATM in the Kingdom of Cambodia, located at Amazon Coffee, Global House Sen Sok in the northwest of Phnom Penh. The ATM was officially unveiled by Mr. Horn Sorachna, CEO of Prince Bank Plc., Mr. Leslie Lee, Chief Business Officer, and Mr. Theam Sopheak, Head of Alternative Channels in the presence of the bank's senior management team, at 11:11 am on 11-11-2021.

Prince Bank participated in the New Phnom Penh International Airport Guaranteed Bond Issue with \$15 Million Investment



[November 03, 2021] Prince Bank Plc. participated in the New Phnom Penh International Airport Guaranteed Bond Signing Ceremony with an investment of \$15 million in bonds issued by Cambodia Airport Investment Co Ltd (CAIC) for the construction of the new Phnom Penh International Airport. The signing ceremony was graced by Neak Oknha Dr. Pung Kheav Se, Chairman of Overseas Cambodia Investment Corporation (OCIC) and Cambodia Airport Investment Co Ltd (CAIC), and Mr. Guy Chhay Vice Chairman of the Board of Directors of Prince Bank Plc., and witnessed by Directors and Senior Management of OCIC, CAIC, and Prince Bank.



Prince Huan Yu Real Estate Group and Prince Bank inked their Partnership Agreement to offer the housing loan for Samraong Village project

[October 19, 2021] Prince Bank and Prince Huan Yu Real Estate Group hosted a signing ceremony to ink their Partnership Agreement at Samraong Village Sales Gallery located in Samraong Garden, Phnom Penh. This partnership offers home buyers a special home loan package for owning their dream home at Samraong Village, with a competitive payback scheme and flexible payment options from Prince Bank Home Loan.

Prince Bank Plc. and WB Sport Village Co., LTD inked their Partnership Agreement on Flexi Lending Program on Housing Loan Partnership for WorldBridge Sport Village Project



[September 09, 2021] Prince Bank Plc. and WB Sport Village Co, LTD has signed a cooperation agreement on Flexi Lending Program on Housing Loan Partnership for WorldBridge Sport Village Project. The uniqueness of this "Flexi Lending Program on Housing Loan" is that customers who sign a sale contract with the WorldBridge Sport Village will get up to 80% of the housing loan size with a special interest rate and loan tenure of up to 25 years.

Prince Bank Plc. and A Klasse Auto Co., Ltd. ink an agreement to launch a co-branded Visa credit card



[May 12, 2021] Prince Bank Plc., and A KLASSE AUTO CO, LTD hosted a collaboration agreement signing ceremony to launch a new co-branded Visa credit card, which will be offered to A KLASSE's VIP members. This co-branded card will allow A KLASSE's VIP members to auto eligible for PRINCE BANK's VISA Classic credit card with a credit limit of \$500 per month while providing access to A KLASSE's car workshop benefit, potential benefits from its non-automotive partners and enjoy all the promotions and offerings from Prince Bank.

Awards & Recognitions



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

1. Best Commercial Bank – Cambodia 2021

August 2021 by International Banker

The bank was acknowledged based on its ability to adapt to a continually evolving technological environment while maintaining top-class customer relations and bolstering its financial footing amidst the upheaval of the COVID-19 pandemic.

2. Best Innovation in Retail Banking Cambodia 2021

August 2021 by International Banker

The bank was awarded the Best Innovation in Retail Banking based on its products and services in terms of loans and deposits, its branches, and ATMs network expansion across the country, and its innovation in multiple aspects, by leveraging the potential of digital technology to better serve its customers with a convenient banking lifestyle to manage their financial transactions.

3. International Innovation Award 2021

August 2021 by Enterprise Asia

The bank won the award under the Service and Solution category – PRINCE MobileBiz Digital Banking Application. This app is an initiative to provide a remote banking platform for corporate users, especially small and medium enterprise users, covering all-around services from bank account management, fund collection and payment, investment and wealth management, credit acceptance, batch business, and corporate electronic receipts, and reconciliation processing.

4. Cambodia Best Employer Brand Awards 2021

January 2021 by World HRD Congress

The bank won this award under the category of "Dream Companies to Work For" and was acknowledged as one of the top industry leaders in Cambodia for its commitment to talent management and employer excellence. The Bank is always committed to creating a work environment with established procedures, a streamlined staff engagement process, personnel training and development opportunities, accountability, and values-based culture while encouraging open and honest communication within the bank.

5. Global Best Employer Brands Award 2021

February 2021 by World HRD Congress

The award recognized Prince Bank as one of the best employers with Excellence HR Through Technology in managing their employees and advancing their professional growth. The bank launched the E-form system, Prince Bank HRIS, and HR In The Pocket app, which allows all employees to request various documents, conduct COVID-19 health assessments and attend the training courses and other online applications to accelerate the workflow even smoother.

6. Best Companies to Work for in Asia 2021

December 2021 by HR Asia, Business Media International

The bank was awarded for fostering excellent workplace culture and investing in employee development. This award is a testament to the excellent achievements of Prince Bank in investing and developing its Human Resources including the working environment, training programs, benefits, and providing the support systems to its people during the difficult times of COVID-19.

Financial Statements



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Director's Report

The Board of Directors ("the Directors") has the pleasure in submitting its report and the audited financial statements of Prince Bank Plc ("the Bank") as at 31 December 2021 and for the year then ended.

THE BANK

Prior to 18 July 2018, Prince Bank Plc. was named as Prince Finance PLC, which was a private limited company formed under the Laws of the Kingdom of Cambodia to operate as a microfinance business in the Kingdom of Cambodia under registration number 00014627 dated 28 April 2015, issued by the Ministry of Commerce. On 18 July 2018, the National Bank of Cambodia issued a license for the Bank to become a private commercial bank with the name changed to Prince Bank Plc. The transaction was also acknowledged and endorsed by the Ministry of Commerce on 21 August 2018.

PRINCIPAL ACTIVITIES

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

RESULTS OF OPERATION AND DIVIDEND

The results of financial performance for the year ended 31 December 2021 are set out in the statement of profit or loss and other comprehensive income on page 8.

There were no dividends declared or paid during the year.

SHARE CAPITAL

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

BAD AND DOUBTFUL LOANS AND ADVANCES

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

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

ASSETS

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

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

CONTINGENT AND OTHER LIABILITIES

At the date of this report, there is:

A

no charge on the assets of the Bank which has arisen since the end of the financial year which secures the liabilities of any other person; or,

B

no contingent liability in respect of the Bank that has arisen since the end of the financial year other than in the ordinary course of banking business.

No contingent or other liability of the Bank has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the Directors, will or may substantially affect the ability of the Bank to meet its obligations as and when they fall due.

CHANGE OF CIRCUMSTANCES

At the date of this report, the Directors are not aware of any circumstances, not otherwise dealt with in this report or the financial statements of the Bank, which would render any amount stated in the financial statements misleading.

ITEMS OF UNUSUAL NATURE

The financial performance of the Bank for the financial year was not, in the opinion of the Directors, substantially affected by any item, transaction or event of a material and unusual nature. There has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the Directors, to affect substantially the financial performance of the Bank for the current financial year in which this report is made.

THE BOARD OF DIRECTORS

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



MR. CHEN ZHI
Chairman



MR. GUY CHHAY
Vice Chairman and Director



MR. HONN SORACHNA
Chief Executive Officer and
Managing Director



MR. THEN SAMVISOTH
Independent Director



MR. SIM HOY CHHOUNG
Independent Director

DIRECTORS' RESPONSIBILITY IN RESPECT OF THE FINANCIAL STATEMENTS

The Directors are responsible for ascertaining that the financial statements are properly drawn up so as to present fairly, in all material respects, the financial position of the Bank as at 31 December 2021, and its financial performance and its cash flows for the year then ended.

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

01

Adopt appropriate accounting policies in accordance with Cambodian International Financial Reporting Standards ("CIFRSs") and guidelines of the National Bank of Cambodia, which are supported by reasonable and prudent judgments and estimates, and then apply them consistently.

02

Comply with the disclosure requirements of CIFRSs or, if there have been any departures in the interest of true and fair presentation, ensure that these have been appropriately disclosed, explained and quantified in the financial statements.

03

Maintain adequate accounting records and an effective system of internal control.

04

Prepare the financial statements on the going concern basis unless it is inappropriate to assume that the Bank will continue its operations in the foreseeable future.

05

Control and direct effectively the Bank in all material decisions affecting its operations and performance and ascertain that such decisions and/or instructions have been properly reflected in the financial statements.

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

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

APPROVAL OF THE FINANCIAL STATEMENTS

The accompanying financial statements, together with the notes thereto, have been properly drawn up and, present fairly, in all material respects, the financial position of the Bank as at 31 December 2021, and of its financial performance and its cash flows for the year then ended in accordance with the CIFRSs, were approved by the Directors.

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



Mr. Honn Sorachna
Chief Executive Officer and Managing Director

Phnom Penh, Kingdom of Cambodia
Date: 23 March 2022

Independent Auditor's Report

TO THE SHAREHOLDERS OF PRINCE BANK PLC.

Opinion

We have audited the financial statements of Prince Bank Plc. (the "Bank"), which comprise the statement of financial position as at 31 December 2021, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Bank as at 31 December 2021, and of its financial performance and cash flows for the year then ended, in accordance with Cambodian International Financial Reporting Standards ("CIFRSs") and guidelines of the National Bank of Cambodia.

Basis for opinion

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

Other information

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

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

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

Responsibilities of Management and the Board of Directors for the financial statements

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

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

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

Auditor's responsibilities for the audit of the financial statements

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

As part of an audit in accordance with CISAs, we exercise professional judgment and maintain professional 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 the management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Bank's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Bank to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

We also provide the Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Grant Thornton



GRANT THORNTON (CAMBODIA) LIMITED
Certified Public Accountants
Registered Auditors

Ronald C. Almera

Ronald C. Almera
Partner – Audit and assurance

Phnom Penh, Kingdom of Cambodia
Date: 23 March 2022

Audited financial statements:

STATEMENT OF FINANCIAL POSITION

	Note	31 December 2021		31 December 2020	
		US\$	KHR'000	US\$	KHR'000
ASSETS					
Cash on hand	6	16,578,340	67,540,157	19,696,246	79,671,315
Deposits and placements with the Central Bank	7	144,918,155	590,396,563	88,286,971	357,120,798
Deposits and placements with other banks	8	60,876,380	248,010,372	68,142,301	275,635,608
Loans and advances	9	480,752,339	1,958,585,029	350,128,567	1,416,270,054
Investment securities	10	15,078,459	61,429,642	5,013,158	20,278,224
Statutory deposits with the Central Bank	11	58,115,656	236,763,183	40,954,383	165,660,479
Property and equipment	12	5,980,506	24,364,581	5,902,451	23,875,414
Right -of-use assets	13	10,967,025	44,679,660	12,469,348	50,438,513
Intangible assets	14	6,613,839	26,944,780	5,272,216	21,326,114
Deferred tax assets	15	620,534	2,528,056	179,759	727,125
Other assets	16	5,212,187	21,234,450	3,468,524	14,030,180
TOTAL ASSETS		805,713,420	3,282,476,473	599,513,924	2,425,033,824
LIABILITIES AND EQUITY					
LIABILITIES					
Deposits from customers	17	394,318,555	1,606,453,793	200,173,602	809,702,220
Borrowings	18	117,412,682	478,339,266	112,043,655	453,216,584
Lease liabilities	13	12,474,574	50,821,414	13,564,170	54,867,068
Current income tax liabilities	19	1,126,685	4,590,115	763,661	3,089,009
Employee benefits	20	55,228	224,999	64,950	262,723
Other liabilities	21	13,192,403	53,745,851	9,144,758	36,990,547
TOTAL LIABILITIES		538,580,127	2,194,175,438	335,754,796	1,358,128,151
EQUITY					
Share capital	22	250,000,000	1,018,500,000	250,000,000	1,011,250,000
Capital contribution		12,669,783	51,616,696	12,669,783	51,249,272
Accumulated losses		(2,418,674)	(9,663,861)	(5,086,718)	(20,517,464)
Regulatory reserves		6,882,184	27,958,351	6,176,063	25,085,851
Other reserves		-	(110,151)	-	(161,986)
TOTAL EQUITY		267,133,293	1,088,301,035	263,759,128	1,066,905,673
TOTAL LIABILITIES AND EQUITY		805,713,420	3,282,476,473	599,513,924	2,425,033,824

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

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Note	31 December 2021		31 December 2020	
		US\$	KHR'000	US\$	KHR'000
Interest income	23	43,652,809	177,579,627	37,817,876	154,199,905
Interest expense	23	(12,913,997)	(52,534,140)	(7,847,220)	(31,996,524)
Net interest income	23	30,738,812	125,045,487	29,970,656	122,203,381
Fee and commission income	24	1,779,879	7,240,548	1,157,076	4,717,901
Fee and commission expense	24	(105,978)	(431,119)	(76,674)	(312,633)
Net fee and commission income	24	1,673,901	6,809,429	1,080,402	4,405,268
Other operating income		144,162	586,451	270,160	1,101,559
Other (losses) / gains - net	25	(304,577)	(1,239,019)	386,332	1,575,244
Total other operating (losses) / income		(160,415)	(652,568)	656,492	2,676,803
Credit impairment losses net	26	(439,225)	(1,786,767)	(820,768)	(3,346,628)
Net other operating losses		(599,640)	(2,439,335)	(164,276)	(669,825)
Personnel expenses	27	(15,426,267)	(62,754,053)	(12,769,803)	(52,068,032)
Depreciation and amortisation charges	28	(4,733,576)	(19,256,187)	(3,801,965)	(15,502,263)
Other operating expenses	29	(7,174,601)	(29,186,278)	(7,586,099)	(30,931,820)
Profit before income tax		4,478,629	18,219,063	6,728,915	27,436,709
Income tax expense	30	(1,104,464)	(4,492,960)	(1,466,767)	(5,980,646)
Net profit for the year		3,374,165	13,726,103	5,262,148	21,456,063
Other comprehensive income:					
Items that will not be reclassified to profit or loss					
Currency translation differences		-	51,835	-	(336,893)
Total comprehensive income for the year		3,374,165	13,777,938	5,262,148	21,119,170
Profit attributable to:					
Owners of the Bank		3,374,165	13,726,103	5,262,148	21,456,063
Total comprehensive income attributable to:					
Owners of the Bank		3,374,165	13,777,938	5,262,148	21,119,170

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

STATEMENT OF CHANGES IN EQUITY

	ATTRIBUTABLE TO OWNERS OF THE BANK											
	Share capital		Capital contribution		Accumulated losses		Regulatory reserves		Other reserves		Total	
	US\$	KHR'000	US\$	KHR'000	US\$	KHR'000	US\$	KHR'000	US\$	KHR'000	US\$	KHR'000
Balance at 1 January 2021	250,000,000	1,011,250,000	12,669,783	51,249,272	(5,086,718)	(20,517,464)	6,176,063	25,085,851	-	(161,986)	263,759,128	1,066,905,673
Net profit for the year	-	-	-	-	3,374,165	13,726,103	-	-	-	-	3,374,165	13,726,103
Other comprehensive income	-	-	-	-	-	-	-	-	-	51,835	-	51,835
Total comprehensive income for the year	-	-	-	-	3,374,165	13,726,103	-	-	-	51,835	3,374,165	13,777,938
Transactions with owners in their capacity as owners:												
Transfer to regulatory reserves	-	-	-	-	(706,121)	(2,872,500)	706,121	2,872,500	-	-	-	-
Currency translation differences	-	7,250,000	-	367,424	-	-	-	-	-	-	-	7,617,424
Total transactions with owners	-	7,250,000	-	367,424	(706,121)	(2,872,500)	706,121	2,872,500	-	-	-	7,617,424
Balance at 31 December 2021	250,000,000	1,018,500,000	12,669,783	51,616,696	(2,418,674)	(9,663,861)	6,882,184	27,958,351	-	(110,151)	267,133,293	1,088,301,035
Balance at 1 January 2020	250,000,000	1,018,750,000	12,669,783	51,337,961	(7,109,751)	(28,766,248)	2,936,948	11,878,572	-	174,907	258,496,980	1,053,375,192
Net profit for the year	-	-	-	-	5,262,148	21,456,063	-	-	-	-	5,262,148	21,456,063
Other comprehensive loss	-	-	-	-	-	-	-	-	-	(336,893)	-	(336,893)
Total comprehensive income for the year	-	-	-	-	5,262,148	21,456,063	-	-	-	(336,893)	5,262,148	21,119,170
Transactions with owners in their capacity as owners:												
Transfer to regulatory reserves	-	-	-	-	(3,239,115)	(13,207,279)	3,239,115	13,207,279	-	-	-	-
Currency translation differences	-	(7,500,000)	-	(88,689)	-	-	-	-	-	-	-	(7,588,689)
Total transactions with owners	-	(7,500,000)	-	(88,689)	(3,239,115)	(13,207,279)	3,239,115	13,207,279	-	-	-	(7,588,689)
Balance at 31 December 2020	250,000,000	1,011,250,000	12,669,783	51,249,272	(5,086,718)	(20,517,464)	6,176,063	25,085,851	-	(161,986)	263,759,128	1,066,905,673

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

STATEMENT OF CASH FLOW

	Note	For the year ended 31 December 2021		For the year ended 31 December 2020	
		US\$	KHR'000	US\$	KHR'000
Cash flows from operating activities					
Cash generated from operations	32	27,649,943	112,479,968	81,345,072	331,679,187
Interest received		42,084,954	171,201,593	36,798,527	150,043,576
Interest paid		(8,773,395)	(35,690,171)	(4,258,909)	(17,365,422)
Income tax paid	19	(1,182,215)	(4,809,251)	(352,966)	(1,439,196)
Unrealised exchange gains		223,121	907,656	(338,685)	(1,380,966)
Employee benefits paid	20	(680,943)	(2,770,076)	(558,235)	(2,276,167)
Net cash from operating activities		59,321,465	241,319,719	112,634,804	459,261,012
Cash flows from investing activities					
Deposits and placements with the Central Bank - maturity more than three months		(12,593,255)	(51,229,361)	(6,937,225)	(28,283,066)
Purchases of intangible assets	14	(2,018,187)	(8,209,985)	(2,019,669)	(8,235,068)
Purchases of property and equipment	12	(2,322,408)	(9,447,556)	(1,233,669)	(5,030,204)
Proceeds from disposals of property and equipment		13,094	53,267	883	3,600
Purchases of investment securities	10	(15,000,000)	(61,020,000)	(5,000,000)	(20,387,172)
Collections from investment securities	10	5,000,000	20,340,000	-	-
Net cash used in investing activities		(26,920,756)	(109,513,635)	(15,189,680)	(61,931,910)
Cash flows from financing activities					
Principal element of lease payments		(1,490,523)	(6,063,447)	(1,205,152)	(4,913,928)
Proceeds from borrowings	18	2,736,120	11,146,953	15,792,240	63,879,611
Net cash from financing activities		1,245,597	5,083,506	14,587,088	58,965,683
Net change in cash and cash equivalents		33,646,306	136,889,590	112,032,212	456,294,785
Cash and cash equivalents at beginning of year		169,176,343	684,318,306	57,144,131	232,862,334
Currency translation differences		-	5,091,576	-	(4,838,813)
Cash and cash equivalents at end of year	31	202,822,649	826,299,472	169,176,343	684,318,306

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

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 DECEMBER 2021 AND FOR THE YEAR THEN ENDED

1 THE BANK

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

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

The registered head office of the Bank is currently located at No. 175 ABCD, Mao Tse Tung Blvd, Phum Phum 5, Sangkat Tuol Svay Prey Ti Muoy, Khan Boeng Keng Kang, Phnom Penh, Cambodia.

2 FINANCIAL REPORTING FRAMEWORK AND BASIS OF PREPARATION AND PRESENTATION

2.1 Statement of compliance with Cambodian International Financial Reporting Standards

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

2.2 Basis of preparation

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

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

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

Level 1

inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

Level 2

inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly.

Level 3

inputs are unobservable inputs for the asset or liability.

2.3 Basis of aggregation

The financial statements include the financial statements of the head office and its 32 branches after the elimination of all significant inter-branch balances and transactions.

2.4 Rounding of amounts

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

3 ADOPTION OF NEW AND REVISED ACCOUNTING STANDARDS

a) New and revised accounting standards effective during the year

The Bank adopted all accounting standards and interpretations as at 31 December 2021. The new and revised accounting standards and interpretations assessed to be applicable to the Bank's financial statements follow:

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

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

- Interest Rate Benchmark Reform – Phase 2 (Amendments to CIFRS 9, Financial Instruments, CAS 39, Financial Instruments, CIFRS 7, Financial Instruments, CIFRS 4, Insurance Contracts, and CIFRS 16): was assessed to be not applicable to the Bank.
- Extension of the Temporary Exemption from Applying CIFRS 9 (Amendments to CIFRS 4)

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

At the date of authorization of these financial statements, the following new and revised accounting standards that have been issued but are not yet effective were assessed to be not applicable to the Bank:

- CIFRS 17, Insurance Contracts
- Reference to the Conceptual Framework (Amendments to CIFRS 3, Business Combinations)
- Classification of Liabilities as Current or Non-current – Deferral of Effective Date (Amendment to CAS 1, Presentation of Financial Statements)
- Property, Plant and Equipment – Proceeds before Intended Use (Amendments to CAS 16, Property, Plant and Equipment)
- Onerous Contracts – Cost of Fulfilling a Contract (Amendments to CAS 37, Provisions, Contingent Liabilities, Contingent Assets)

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

4.1 Foreign currency translation

a) Functional and presentation currency

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

b) Transactions and balances

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

c) Presentation in Khmer Riel

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

The Bank used the official rate of exchange published by the NBC for the years 2021 and 2020. As at the reporting date, the yearly average rate was US\$ 1 to KHR 4,068 (2020: US\$ 1 to KHR 4,077) and the closing rate was US\$1 to KHR 4,074 (2020: US\$ 1 to KHR 4,045).

4.2 Cash and cash equivalents

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

4.3 Financial assets

a) Classification

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

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

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

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

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

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

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

All other financial assets are classified as FVPL.

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

b) Recognition and derecognition

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

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

c) Measurement

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

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

Debt instruments

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

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

d) Reclassification of financial assets

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

e) Impairment

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

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

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

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

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

Stage 1

12-months ECL

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

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.

Stage 3

Lifetime ECL – credit impaired

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

Restructured financial assets

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

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

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

4.4 Financial liabilities

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

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

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

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

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

4.5 Credit commitments and financial guarantee contracts

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

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

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

Financial guarantees are initially recognised in the financial statements at fair value on the date the guarantee was given. The guarantees are agreed on arm's length terms and the value of the premium agreed corresponds to the value of the guarantee obligation. No receivable for the future premiums is recognised.

Financial guarantee contracts are subsequently measured at the higher of the amount determined in accordance with the expected credit loss model under CIFRS 9 'Financial Instruments' and the amount initially recognised less cumulative amount of income recognised in accordance with the principles of CIFRS 15 'Revenue from Contracts with Customers', where appropriate.

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

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

4.6 Offsetting financial instruments

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

4.7 Property and equipment

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

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

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

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

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

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

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

4.8 Intangible assets

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

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

4.9 Impairment of non-financial assets

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

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

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

4.10 Leases

The Bank as a lessee

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

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

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

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

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

a) Lease liabilities

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

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

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

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

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

b) Right-of-use assets

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

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

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

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

c) Recognition exemptions

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

4.11 Income tax

The income tax expenses is the tax payable 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 country where the Bank operates and generates taxable income.

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

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

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

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

4.12 Provision

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

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

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

Customer loyalty points

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

4.13 Regulatory reserves

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

4.14 Employee benefits

a) Short-term employee benefits

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

b) Other long term employment benefits - seniority payments

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

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

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

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

4.15 Interest income and expense

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

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

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

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

4.16 Fee and commission income

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

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

4.17 Related party transactions

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

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

4.18 Events after the reporting period

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

5 CRITICAL ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGEMENTS

The Bank makes estimates and assumptions concerning the future. The resulting

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

5.1 Critical judgements in applying accounting policies

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

a) Functional currency

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

b) Business model assessment

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

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

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

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

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

d) Leases

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

5.2 Key sources of estimation uncertainty

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

a) Calculation of loss allowance

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

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

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

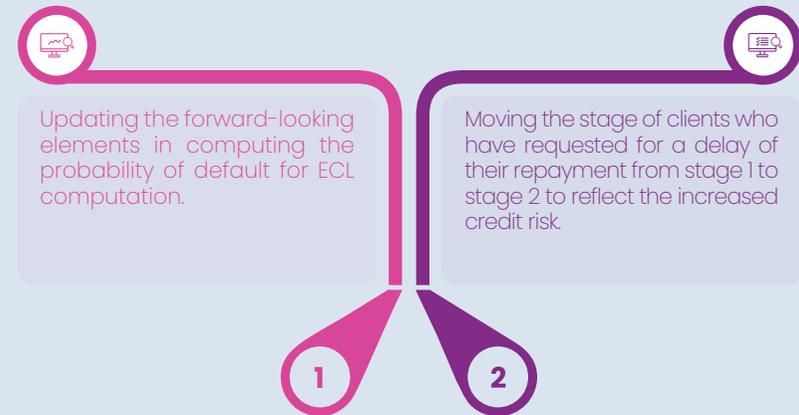
Coronavirus and impact on ECL

The ECL was estimated based on a range of forecast economic conditions as at reporting date. The Novel Coronavirus ("COVID-19") outbreak has spread across mainland China, Cambodia and beyond, causing continued disruption to business and economic activities.

The impact on key indicators will be considered when determining the severity and likelihood of downside economic scenarios that are used to estimate ECL.

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

Management has also considered the impact of COVID-19 by:



b) Other long term employee benefits - seniority payment

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

c) Lease terms

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

d) Income tax

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

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

e) Deferred tax assets

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

f) Estimating useful lives of assets

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

g) Estimating cost of right-of-use assets

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

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

h) Impairment of non-financial assets

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

tested. The recoverable amount is most sensitive to the discount rate used for the discounted cash flow model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes.

i) Fair value measurement

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

6 CASH ON HAND

	2021		2020	
	US\$	KHR'000	US\$	KHR'000
Current				
US Dollars	13,932,976	56,762,944	15,730,487	63,629,820
Khmer Riel	2,645,364	10,777,213	3,965,759	16,041,495
	16,578,340	67,540,157	19,696,246	79,671,315

7 DEPOSITS AND PLACEMENTS WITH THE CENTRAL BANK

	2021		2020	
	US\$	KHR'000	US\$	KHR'000
Current				
Current accounts	103,543,519	421,836,296	45,350,924	183,444,488
Settlement accounts	9,681,136	39,440,948	35,899,724	145,214,384
Negotiable certificate of deposits	31,693,500	129,119,319	7,036,323	28,461,926
	144,918,155	590,396,563	88,286,971	357,120,798

Negotiable certificate of deposits

The Bank pledged its negotiable certificate of deposits amounting to US\$17,850,000 and KHR7,250,000,000 (2020: US\$6,800,000 and KHR950,000,000) with the Central Bank as collateral for settlement clearing facility. As at 31 December 2021 and 2020, the Bank has yet to utilise the settlement clearing facility.

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

	2021	2020
Current accounts	Nil	Nil
Settlement accounts	Nil	Nil
Negotiable certificate of deposits	0.02% -1.64%	0.06% -0.77%

Total interest income earned from placements with the Central Bank amounted to US\$23,329 or KHR94,902,000 and US\$80,547 or KHR328,425,000 as at 31 December 2021 and 2020, respectively.

8 DEPOSITS AND PLACEMENTS WITH OTHER BANKS

(a) By residency status

	2021		2020	
	US\$	KHR'000	US\$	KHR'000
Deposit and placements with local banks	57,586,269	234,606,460	55,816,487	225,777,690
Deposit and placements with overseas banks	3,369,463	13,727,192	12,412,962	50,210,432
Less: Allowance for expected credit loss (Note 35.1 (f) (iii))	(79,352)	(323,280)	(87,148)	(352,514)
	60,876,380	248,010,372	68,142,301	275,635,608

(b) By account type

	2021		2020	
	US\$	KHR'000	US\$	KHR'000
Deposits and placements with local banks				
Current accounts	642,248	2,616,519	1,602,762	6,483,172
Savings accounts	13,002	52,970	379,609	1,535,518
Fixed deposits	56,931,019	231,936,971	53,834,116	217,759,002
Less: Allowance for expected credit loss (Note 35.1 (f) (iii))	(74,949)	(305,342)	(69,892)	(282,713)
	57,511,320	234,301,118	55,746,595	225,494,979
Deposits and placements with overseas banks				
Current accounts	3,369,463	13,727,192	12,412,962	50,210,430
Less: Allowance for expected credit loss (Note 35.1 (f) (iii))	(4,403)	(17,938)	(17,256)	(69,801)
	3,365,060	13,709,254	12,395,706	50,140,629
	60,876,380	248,010,372	68,142,301	275,635,608

(c) By maturity

	2021		2020	
	US\$	KHR'000	US\$	KHR'000
Current	60,876,380	248,010,372	68,142,301	275,635,608

(d) By interest rates

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

	2021	2020
Current accounts	2.08%	2%
Saving accounts	0.50% to 1%	2%
Fixed deposits	1% to 5.50%	1% to 8%

9 LOANS AND ADVANCES

	2021		2020	
	US\$	KHR'000	US\$	KHR'000
<i>At amortised cost</i>				
Commercial loans:				
Financial institutions	6,487,252	26,429,065	8,546,121	34,569,059
Short-term	14,162,877	57,699,561	21,926,780	88,693,825
Overdrafts	5,576,910	22,720,331	5,325,679	21,542,372
Long-term loans	298,807,379	1,217,341,262	208,269,402	842,449,731
	325,034,418	1,324,190,219	244,067,982	987,254,987
Consumer loans:				
Real estate mortgages	110,976,164	452,116,892	75,778,484	306,523,968
Credit cards	2,311,612	9,417,507	352,232	1,424,778
Others	45,887,266	186,944,722	32,937,659	133,232,832
	159,175,042	648,479,121	109,068,375	441,181,578
Total gross loans	484,209,460	1,972,669,340	353,136,357	1,428,436,565
Less: Allowance for expected credit loss (Note 35.1 (f)(i))	(3,457,121)	(14,084,311)	(3,007,790)	(12,166,511)
Total net loans	480,752,339	1,958,585,029	350,128,567	1,416,270,054

(a) Allowance for expected credit loss

Movements for allowance for expected credit loss are as follows:

	2021		2020	
	US\$	KHR'000	US\$	KHR'000
Loss allowance as at 1 January	3,007,790	12,166,511	2,267,657	9,240,702
Net remeasurement of loss allowance	(161,350)	(656,372)	711,813	2,902,062
New financial assets originated or purchased	1,554,001	6,321,676	1,320,296	5,382,847
Financial assets derecognised during the year other than write off	(833,315)	(3,389,925)	(1,191,870)	(4,859,254)
Unwinding of discount	(110,005)	(447,500)	(100,106)	(408,132)
Currency translation difference	-	89,921	-	(91,714)
Loss allowance as at 31 December	3,457,121	14,084,311	3,007,790	12,166,511

(b) Analysis by industry

	2021		2020	
	US\$	KHR'000	US\$	KHR'000
Wholesale and retail trade	139,980,752	570,281,584	118,442,858	479,101,361
Real estate and mortgages	120,885,318	492,486,786	62,419,812	252,488,140
Personal lending	40,115,638	163,431,109	47,542,748	192,310,416
Building and construction	36,245,757	147,665,214	32,449,131	131,256,735
Services	28,361,501	115,544,755	14,847,482	60,058,065
Manufacturing	26,198,195	106,731,446	13,745,209	55,599,370
Agriculture, forestry and fishing	12,186,334	49,647,125	8,749,466	35,391,590
Financial institutions	6,784,534	27,640,192	8,522,605	34,473,937
Import and exports	5,995,413	24,425,313	5,409,363	21,880,873
Other lending	63,998,897	260,731,505	37,999,893	153,709,567
Total net loans	480,752,339	1,958,585,029	350,128,567	1,416,270,054

(c) Analysis by loan classification

	2021		2020	
	US\$	KHR'000	US\$	KHR'000
<i>Performing</i>				
Gross amount	458,024,956	1,865,993,671	343,042,863	1,387,608,382
Exposure at default	711,089,114	2,896,977,050	537,415,441	2,173,845,459
Allowance for expected credit loss	1,923,123	7,834,803	1,943,831	7,862,796
<i>Under-performing</i>				
Gross amount	20,792,310	84,707,871	6,338,892	25,640,818
Exposure at default	30,645,635	124,850,317	12,808,874	51,811,895
Allowance for expected credit loss	224,107	913,012	217,023	877,858
<i>Non-performing</i>				
Gross amount	5,392,194	21,967,798	3,754,602	15,187,365
Exposure at default	9,438,286	38,451,577	5,578,187	22,563,766
Allowance for expected credit loss	1,309,891	5,336,496	846,936	3,425,857
Total				
Gross amount	484,209,460	1,972,669,340	353,136,357	1,428,436,565
Exposure at default	751,173,035	3,060,278,944	555,802,502	2,248,221,120
Allowance for expected credit loss	3,457,121	14,084,311	3,007,790	12,166,511

(d) Analysis by maturity

	2021		2020	
	US\$	KHR'000	US\$	KHR'000
Not later than 1 year	38,800,055	158,071,424	28,890,902	116,863,699
Later than 1 year and not later than 3 years	19,337,039	78,779,097	8,481,819	34,308,958
Later than 3 years and not later than 5 years	23,973,590	97,668,406	25,276,199	102,242,225
Later than 5 years	398,641,655	1,624,066,102	287,479,647	1,162,855,172
Total net loans	480,752,339	1,958,585,029	350,128,567	1,416,270,054

(e) Analysis by exposure

	2021		2020	
	US\$	KHR'000	US\$	KHR'000
Large exposure	-	-	-	-
Non-large exposure	480,752,339	1,958,585,029	350,128,567	1,416,270,054
Total net loans	480,752,339	1,958,585,029	350,128,567	1,416,270,054

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

(f) Analysis by relationship

	2021		2020	
	US\$	KHR'000	US\$	KHR'000
Related parties	1,491,206	6,075,173	1,037,208	4,195,506
Non-related parties	479,261,133	1,952,509,856	349,091,359	1,412,074,548
Total net loans	480,752,339	1,958,585,029	350,128,567	1,416,270,054

(g) Analysis by residency

	2021		2020	
	US\$	KHR'000	US\$	KHR'000
Residents	480,752,339	1,958,585,029	350,128,567	1,416,270,054
Non-residents	-	-	-	-
Total net loans	480,752,339	1,958,585,029	350,128,567	1,416,270,054

(h) Interest rates

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

	2021	2020
Commercial loans:		
Financial institutions	8.50 % to 9%	8.50 % to 9%
Short term loan	7.50% to 14.40%	7% to 18%
Overdraft	6% to 11%	7% to 12%
Long term loan	5% to 18%	5% to 18%
Consumer loans:		
Real estate mortgage loan	3% to 14.40%	3% to 15%
Credit card	18%	18%
Others	6.90% to 20.40%	5% to 20.40%

10 INVESTMENT SECURITIES

	2021		2020	
	US\$	KHR'000	US\$	KHR'000
Investment securities at amortised cost	15,078,459	61,429,642	5,020,137	20,306,677
Impairment loss allowance (Note 35.1 (f)(iv))	-	-	(6,979)	(28,453)
Net investment securities	15,078,459	61,429,642	5,013,158	20,278,224

On 5 November 2021, the Bank invested in three corporate debt securities with face value of US\$5,000,000 each. The debt securities earn annual interest at the rates of 3.50%, 4.25% and 5.5% for first year, second year and third year, respectively. The investment securities will mature on 04 November 2024.

On 12 November 2021, the five 1-year corporate debt securities with face value of US\$1,000,000 each and earn annual interest at the rate of 3% was fully collected.

11 STATUTORY DEPOSITS WITH THE CENTRAL BANK

	2021		2020	
	US\$	KHR'000	US\$	KHR'000
<i>Current –</i>				
Reserve requirement	33,110,190	134,890,914	15,943,072	64,489,726
<i>Non-current –</i>				
Capital guarantee deposits	25,005,466	101,872,269	25,011,311	101,170,753
	58,115,656	236,763,183	40,954,383	165,660,479

(i) Reserve requirement

The reserve requirement represents the minimum reserve requirement which is calculated at 7% of the total deposits from customers during 2021 and 2020, as required by NBC Prakas B7-020-230 Pro Kor, on Licensing of Bank and MDIs. The reserve requirement on customers' deposits and borrowings earns no interest.

(ii) Capital guarantee

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

(iii) Interest rate

	2021	2020
Reserve requirement	Nil	Nil
Capital guarantee	0.04%	0.06%

12 PROPERTY AND EQUIPMENT

	Leasehold improvements	Motor vehicles	Computer equipment	Office furniture and equipment	Construction work-in-progress	Total
	US\$	US\$	US\$	US\$	US\$	US\$
<i>For the year ended 31 December 2021</i>						
Opening net book value	287,791	1,698,740	1,540,548	1,994,954	380,418	5,902,451
Additions	35,574	551,100	517,120	401,728	816,886	2,322,408
Transfers	4,895	-	872,864	125,950	(1,003,709)	-
Disposal/write off	-	-	(2,986)	(1,028)	(45,577)	(49,591)
Depreciation charge	(76,150)	(322,480)	(923,674)	(872,458)	-	(2,194,762)
Closing net book value	252,110	1,927,360	2,003,872	1,649,146	148,018	5,980,506
<i>As at 31 December 2021</i>						
Cost	680,913	3,136,122	4,291,327	3,773,636	148,018	12,030,016
Accumulated depreciation	(428,803)	(1,208,762)	(2,287,455)	(2,124,490)	-	(6,049,510)
Net book value	252,110	1,927,360	2,003,872	1,649,146	148,018	5,980,506
<i>In KHR'000 equivalents</i>	1,027,096	7,852,065	8,163,775	6,718,625	603,025	24,364,581
<i>For the year ended 31 December 2020</i>						
Opening net book value	289,036	1,957,059	2,028,519	2,044,389	167,390	6,486,393
Additions	55,885	72,000	178,492	493,725	433,567	1,233,669
Transfer	4,433	-	16,794	172,316	(220,539)	(26,996)
Disposals	(3,317)	-	(605)	(1,032)	-	(4,954)
Depreciation charge	(58,246)	(330,319)	(682,652)	(714,444)	-	(1,785,661)
Closing net book value	287,791	1,698,740	1,540,548	1,994,954	380,418	5,902,451
<i>As at 31 December 2020</i>						
Cost	640,444	2,585,022	2,908,526	3,248,420	380,418	9,762,830
Accumulated depreciation	(352,653)	(886,282)	(1,367,978)	(1,253,466)	-	(3,860,379)
Net book value	287,791	1,698,740	1,540,548	1,994,954	380,418	5,902,451
<i>In KHR'000 equivalents</i>	1,164,110	6,871,405	6,231,518	8,069,590	1,538,791	23,875,414

13 LEASES

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

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

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

(i) Amounts recognised in the statement of financial position

Right-of-use assets

	2021		2020	
	US\$	KHR'000	US\$	KHR'000
At the beginning of the year	12,469,348	50,438,513	12,103,563	49,322,019
Additions during the year	515,234	2,099,063	2,972,531	12,023,888
Depreciation for the year	(1,909,596)	(7,768,237)	(1,726,894)	(7,041,297)
Lease termination during the year	(107,961)	(439,833)	(879,852)	(3,559,001)
Currency translation difference	-	350,137	-	(307,096)
At the end of the year	10,967,025	44,679,660	12,469,348	50,438,513
	2021		2020	
	US\$	KHR'000	US\$	KHR'000
As at 31 December				
Cost	16,571,684	67,513,041	16,170,667	65,410,348
Accumulated depreciation	(5,604,659)	(22,833,381)	(3,701,319)	(14,971,835)
	10,967,025	44,679,660	12,469,348	50,438,513
	2021		2020	
	US\$	KHR'000	US\$	KHR'000
Right-of-use assets (Non-current)				
Buildings	10,724,172	43,690,277	12,350,480	49,957,691
Equipment	242,853	989,383	118,868	480,822
	10,967,025	44,679,660	12,469,348	50,438,513

Lease liabilities

	2021		2020	
	US\$	KHR'000	US\$	KHR'000
At the beginning of the year	13,564,170	54,867,068	12,842,960	52,335,063
Additions during the year	515,234	2,099,063	2,972,531	12,023,888
Interest expense for the year	948,657	3,859,137	942,122	3,841,441
Amortisation for the year	(2,439,180)	(9,922,584)	(2,147,274)	(8,755,369)
Lease termination during the year	(114,307)	(465,687)	(1,046,169)	(4,231,754)
Currency translation differences	-	384,417	-	(346,201)
At the end of the year	12,474,574	50,821,414	13,564,170	54,867,068
	2021		2020	
	US\$	KHR'000	US\$	KHR'000
Lease liabilities				
Less than one year	1,738,920	7,084,360	1,606,702	6,499,110
One to five years	8,938,916	36,417,144	8,262,323	33,421,097
More than five years	1,796,738	7,319,910	3,695,145	14,946,861
	12,474,574	50,821,414	13,564,170	54,867,068
	2021		2020	
	US\$	KHR'000	US\$	KHR'000
Lease liabilities				
Current	1,738,920	7,084,360	1,606,702	6,499,110
Non-current	10,735,654	43,737,054	11,957,468	48,367,958
	12,474,574	50,821,414	13,564,170	54,867,068

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

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

	2021		2020	
	US\$	KHR'000	US\$	KHR'000
Depreciation charge of right-of-use assets				
Buildings	1,802,378	7,332,074	1,621,309	6,610,781
Equipment	107,218	436,163	105,585	430,516
Depreciation charge	1,909,596	7,768,237	1,726,894	7,041,297
Interest expense on lease liabilities				
Buildings	932,320	3,792,678	930,664	3,794,722
Equipment	16,337	66,459	11,458	46,719
Interest expense	948,657	3,859,137	942,122	3,841,441
Expense relating to short-term leases (included in other operating expenses)	118,311	481,289	96,752	394,500

(iii) Amounts recognised in the statement of cash flows

	2021		2020	
	US\$	KHR'000	US\$	KHR'000
Total cash outflow for leases	2,439,180	9,922,584	2,147,274	8,755,369

14 INTANGIBLE ASSETS

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

	Computer software	Construction work-in-progress	Total
	US\$	US\$	US\$
For the year ended 31 December 2020			
Opening net book value	1,820,011	1,721,946	3,541,957
Additions	571,605	1,448,064	2,019,669
Transfers	2,320,008	(2,320,008)	-
Amortisation charge	(289,410)	-	(289,410)
Closing net book value	4,422,214	850,002	5,272,216
As at 31 December 2020			
Cost	4,926,826	850,002	5,776,828
Accumulated amortisation	(504,612)	-	(504,612)
Net book value	4,422,214	850,002	5,272,216
In KHR'000 equivalents	17,887,856	3,438,258	21,326,114

15 DEFERRED TAX ASSETS

	2021		2020	
	US\$	KHR'000	US\$	KHR'000
Deferred tax assets	3,150,006	12,833,130	3,279,198	13,264,361
Deferred tax liabilities	(2,529,472)	(10,305,074)	(3,099,439)	(12,537,236)
Net deferred tax assets–non-current	620,534	2,528,056	179,759	727,125

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

	2021		2020	
	US\$	KHR'000	US\$	KHR'000
As at 1 January	179,759	727,125	529,899	2,159,338
Credited/(charged) to profit or loss (Note 30 a)	440,775	1,793,073	(350,140)	(1,427,673)
Currency translation differences	-	7,858	-	(4,540)
As at 31 December	620,534	2,528,056	179,759	727,125

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

Deferred tax assets:

	Impairment loss	Unamortised loan fees	Lease liabilities	Seniority payment	Unrealised exchange	Total
	US\$	US\$	US\$	US\$	US\$	US\$
As at 1 January 2021	-	490,348	2,712,834	12,990	63,027	3,279,199
Charged/(credited) to profit or loss	-	153,698	(217,919)	(1,945)	(107,469)	(173,635)
As at 31 December 2021	-	644,046	2,494,915	11,045	(44,442)	3,105,564
<i>In KHR'000 equivalents</i>	-	2,623,843	10,164,283	44,997	(181,055)	12,652,068
As at 1 January 2020	158,134	521,649	2,568,567	15,707	-	3,264,057
(Credited)/charged to profit or loss	(158,134)	(31,301)	144,267	(2,717)	63,027	15,142
As at 31 December 2020	-	490,348	2,712,834	12,990	63,027	3,279,199
<i>In KHR'000 equivalents</i>	-	1,983,458	10,973,414	52,545	254,944	13,264,361

Deferred tax liabilities

	Accelerated depreciation	Right-of-use assets	impairment	Other impairment	Total
	US\$	US\$	US\$	US\$	US\$
As at 1 January 2021	(339,893)	(2,493,870)	(264,281)	(1,396)	(3,099,440)
Credited to profit or loss	165,471	300,466	147,077	1,396	614,410
As at 31 December 2021	(174,422)	(2,193,404)	(117,204)	-	(2,485,030)
<i>In KHR'000 equivalents</i>	(710,595)	(8,935,928)	(477,489)	-	(10,124,012)
As at 1 January 2020	(313,445)	(2,420,713)	-	-	(2,734,158)
Charged to profit or loss	(26,448)	(73,157)	(264,281)	(1,396)	(365,282)
As at 31 December 2020	(339,893)	(2,493,870)	(264,281)	(1,396)	(3,099,440)
<i>In KHR'000 equivalents</i>	(1,374,867)	(10,087,704)	(1,069,017)	(5,647)	(12,537,235)

16 OTHER ASSETS

	2021		2020	
	US\$	KHR'000	US\$	KHR'000
Deposits, gross	2,323,760	9,466,998	2,070,961	8,377,626
Allowance for expected credit loss (Note 35.1 (f)(v))	(27,301)	(111,224)	(18,404)	(75,033)
	2,296,459	9,355,774	2,052,557	8,302,593
Prepayments	959,937	3,910,783	609,592	2,465,800
Others	1,955,791	7,967,893	806,375	3,261,787
	5,212,187	21,234,450	3,468,524	14,030,180

	2021		2020	
	US\$	KHR'000	US\$	KHR'000
Current	1,542,991	6,286,145	801,955	3,243,908
Non-current	3,669,196	14,948,305	2,666,569	10,786,272
	5,212,187	21,234,450	3,468,524	14,030,180

17 DEPOSITS FROM CUSTOMERS

	2021		2020	
	US\$	KHR'000	US\$	KHR'000
Current accounts	194,687,422	793,156,557	115,544,565	467,377,766
Savings deposits	21,141,083	86,128,772	18,171,052	73,501,905
Fixed deposits	175,496,766	714,973,825	65,172,119	263,621,221
	391,325,271	1,594,259,154	198,887,736	804,500,892
Accrued interest payable	2,993,284	12,194,639	1,285,866	5,201,328
	394,318,555	1,606,453,793	200,173,602	809,702,220

	2021		2020	
	US\$	KHR'000	US\$	KHR'000
Current	333,494,082	1,358,654,890	195,766,466	791,875,354
Non-current	60,824,473	247,798,903	4,407,136	17,826,866
	394,318,555	1,606,453,793	200,173,602	809,702,220

Annual interest rates for deposits from customers are as follows:

	2021	2020
Current accounts	1 - 2%	Nil
Saving accounts	1% - 1.75%	1% - 1.25%
Fixed deposits	2% - 8%	2.75% - 8%

18 BORROWINGS

	2021		2020	
	US\$	KHR'000	US\$	KHR'000
<i>Non-current:</i>				
Mr. Chen Zhi	63,200,597	257,479,233	60,769,805	245,813,862
Oceanic Opportunity Fund	50,000,000	203,700,000	50,000,000	202,250,000
SME Bank of Cambodia	4,012,360	16,346,355	1,076,516	4,354,507
	117,212,957	477,525,588	111,846,321	452,418,369

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

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

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

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

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

On 31 March 2020, the Bank entered into a loan facility agreement with the SME Bank of Cambodia to obtain funds in order to provide loans to SME customers. The loan bears interest rate of 2% and 3% per annum. As at 31 December 2021, the Bank has drawn down amounting to US\$3,553,932 and KHR1,867,634,700 (2020: US\$937,961 and KHR730,000,000).

	2021		2020	
	US\$	KHR'000	US\$	KHR'000
Principal amount	117,212,957	477,525,588	111,846,321	452,418,369
Interest payable	199,725	813,678	197,334	798,215
	117,412,682	478,339,266	112,043,655	453,216,584

Changes in liabilities arising from financing activities – borrowings

	2021		2020	
	US\$	KHR'000	US\$	KHR'000
<i>Principal amount</i>				
At 1 January	111,846,321	452,418,369	93,519,447	381,091,747
Additions	2,736,120	11,146,953	15,792,240	63,879,611
Finance charges	2,630,516	10,716,722	2,534,634	10,252,595
Currency translation differences	-	3,243,544	-	(2,805,584)
At 31 December	117,212,957	477,525,588	111,846,321	452,418,369

	2021		2020	
	US\$	KHR'000	US\$	KHR'000
<i>Interest payables</i>				
At 1 January	197,334	798,215	86,943	354,293
Charge during the year (Note 23)	3,965,217	16,130,503	3,832,428	15,626,473
Finance charges	(2,430,792)	(9,888,462)	(2,337,300)	(9,530,187)
Interest payments	(1,532,034)	(6,232,315)	(1,384,737)	(5,646,174)
Currency translation differences	-	5,737	-	(6,190)
At 31 December	199,725	813,678	197,334	798,215

19 CURRENT INCOME TAX LIABILITIES

	2021		2020	
	US\$	KHR'000	US\$	KHR'000
At 1 January	763,661	3,089,009	-	-
Additions	1,545,239	6,286,033	1,116,627	4,552,973
Payments	(1,182,215)	(4,809,251)	(352,966)	(1,439,196)
Currency translation differences	-	24,324	-	(24,768)
At 31 December	1,126,685	4,590,115	763,661	3,089,009

20 EMPLOYEE BENEFITS

	2021		2020	
	US\$	KHR'000	US\$	KHR'000
At 1 January	64,950	262,723	78,534	320,026
Additions	680,943	2,770,076	558,235	2,276,167
Payments	(680,943)	(2,770,076)	(558,235)	(2,276,167)
Adjustments	(9,722)	(39,549)	(13,584)	(54,947)
Currency translation differences	-	1,825	-	(2,356)
At 31 December	55,228	224,999	64,950	262,723

21 OTHER LIABILITIES

	2021		2020	
	US\$	KHR'000	US\$	KHR'000
Amount due to related parties (Note 34 (f))	10,209,060	41,591,710	7,526,078	30,442,986
Accrued bonus/incentive payable	1,717,637	6,997,653	1,039,085	4,203,099
Taxes payable	54,566	222,302	144,761	585,558
Impairment loss for ECL on credit commitment and financial guarantee contracts (Note 35.1 (f)(ii))	39,608	161,363	43,835	177,313
Others	1,171,532	4,772,823	390,999	1,581,591
	13,192,403	53,745,851	9,144,758	36,990,547

	2021		2020	
	US\$	KHR'000	US\$	KHR'000
Current	13,192,403	53,745,851	9,144,758	36,990,547
Non-current	-	-	-	-
	13,192,403	53,745,851	9,144,758	36,990,547

22 SHARE CAPITAL

The total authorised numbers of shares of the Bank as at 31 December 2021 was 250,000 shares (2020: 250,000 shares) with a par value of US\$1,000 per share (2020: US\$1,000 per share). All authorised shares are issued and fully paid up.

	2021		2020	
	US\$	KHR'000	US\$	KHR'000
At 1 January	250,000,000	1,011,250,000	250,000,000	1,018,750,000
Currency translation differences	-	7,250,000	-	(7,500,000)
	250,000,000	1,018,500,000	250,000,000	1,011,250,000

Shareholders	2021			2020		
	Number of shares	%	US\$	Number of shares	%	US\$
Mr. Chen Zhi	248,900	99.56%	248,900,000	248,900	99.56%	248,900,000
Mr. Guy Chhay	1,100	0.44%	1,100,000	1,100	0.44%	1,100,000
	250,000	100%	250,000,000	250,000	100%	250,000,000
<i>In KHR'000 equivalents</i>			1,018,500,000			1,011,250,000

23 NET INTEREST INCOME

	2021		2020	
	US\$	KHR'000	US\$	KHR'000
Interest income from financial assets at amortised cost:				
Loans and advances	40,759,072	165,807,905	35,239,173	143,685,413
Deposits and placements with other banks	1,720,436	6,998,734	1,289,601	5,258,263
Investment securities	78,459	319,171	20,137	82,108
Loan processing fees	1,071,513	4,358,915	1,188,418	4,845,696
Deposits and placements with the Central Bank	23,329	94,902	80,547	328,425
	43,652,809	177,579,627	37,817,876	154,199,905
Interest expense on financial liabilities at amortised cost:				
Deposits from customers	7,974,873	32,441,783	3,051,435	12,442,026
Borrowings (Note 18)	3,965,217	16,130,503	3,832,428	15,626,473
Lease liabilities (Note 13 (ii))	948,657	3,859,137	942,122	3,841,441
Lease security deposit	25,250	102,717	21,235	86,584
	12,913,997	52,534,140	7,847,220	31,996,524
Net interest income	30,738,812	125,045,487	29,970,656	122,203,381

24 NET FEE AND COMMISSION INCOME

	2021		2020	
	US\$	KHR'000	US\$	KHR'000
Fee and commission income:				
Processing fee for late payment	1,167,060	4,747,600	1,015,617	4,141,112
Miscellaneous loan charges	55,508	225,807	2,017	8,224
Other fees	557,311	2,267,141	139,442	568,565
	1,779,879	7,240,548	1,157,076	4,717,901
Fee and commission expense	(105,978)	(431,119)	(76,674)	(312,633)
Net fee and commission income	1,673,901	6,809,429	1,080,402	4,405,268

25 OTHER (LOSSES) / GAINS - NET

	2021		2020	
	US\$	KHR'000	US\$	KHR'000
(Loss)/gain on foreign exchange	(220,734)	(897,946)	352,701	1,438,116
Reversal of off-balance sheet provision	-	-	37,702	153,727
(Loss)/gain on disposal of assets	(83,843)	(341,073)	(4,071)	(16,599)
	(304,577)	(1,239,019)	386,332	1,575,244

26 CREDIT IMPAIRMENT LOSSES - NET

	2021		2020	
	US\$	KHR'000	US\$	KHR'000
<i>Expected credit loss (ECL):</i>				
Loans and advances	449,331	1,827,879	740,133	3,017,844
Credit commitment and financial guarantee	(4,227)	(17,195)	30,771	125,467
Deposits and placements with other banks	(7,797)	(31,718)	24,481	99,820
Investment securities	(6,979)	(28,391)	6,979	28,453
Other financial assets	8,897	36,193	18,404	75,044
	439,225	1,786,767	820,768	3,346,628

27 PERSONNEL EXPENSES

	2021		2020	
	US\$	KHR'000	US\$	KHR'000
Salaries and wages	10,821,803	44,023,095	9,355,569	38,146,718
Bonuses and incentive	2,996,263	12,188,798	2,076,571	8,467,082
Seniority payments	671,221	2,730,527	545,600	2,224,648
Employee training	88,407	359,640	89,141	363,467
Other employee benefits	848,573	3,451,993	702,922	2,866,117
	15,426,267	62,754,053	12,769,803	52,068,032

28 DEPRECIATION AND AMORTISATION CHARGE

	2021		2020	
	US\$	KHR'000	US\$	KHR'000
Depreciation charge on property and equipment (Note 12)	2,194,762	8,928,292	1,785,661	7,280,915
Depreciation charge on right-of-use assets (Note 13)	1,909,596	7,768,237	1,726,894	7,041,297
Amortisation charge on intangible assets (Note 14)	629,218	2,559,658	289,410	1,180,051
	4,733,576	19,256,187	3,801,965	15,502,263

29 OTHER OPERATING EXPENSES

	2021		2020	
	US\$	KHR'000	US\$	KHR'000
Professional fees	1,860,910	7,570,181	980,751	3,998,948
Marketing and advertising costs	1,048,775	4,266,417	2,749,901	11,212,541
License and patent fees	443,672	1,804,858	430,161	1,753,953
Card expenses	438,085	1,782,130	371,601	1,515,179
Communication	414,256	1,685,193	375,406	1,530,693
Utilities	397,110	1,615,443	390,020	1,590,281
Directors' fees	354,219	1,440,963	314,978	1,284,302
Office supplies	321,601	1,308,273	231,144	942,474
Security	239,736	975,246	198,822	810,684
Repairs and maintenance	224,945	915,076	216,173	881,431
Motor vehicle and running costs	176,239	716,940	181,656	740,690
Business and public relations	121,866	495,751	59,960	244,483
Rental	118,311	481,289	96,752	394,500
Insurance	51,698	210,307	71,024	289,596
Traveling	46,527	189,272	124,054	505,822
Stamp and registration	43,239	175,896	41,058	167,411
Printing	30,404	123,683	56,232	229,282
Charitable donation	25,882	105,288	28,887	117,785
Others	817,126	3,324,072	667,519	2,721,765
	7,174,601	29,186,278	7,586,099	30,931,820

30 INCOME TAX EXPENSE

(a) Income tax expense

	2021		2020	
	US\$	KHR'000	US\$	KHR'000
Current income tax	1,545,239	6,286,033	1,116,627	4,552,973
Deferred income tax (Note 15)	(440,775)	(1,793,073)	350,140	1,427,673
	1,104,464	4,492,960	1,466,767	5,980,646

(b) Reconciliation between income tax expenses and accounting profit

	2021		2020	
	US\$	KHR'000	US\$	KHR'000
Profit before income tax	4,478,629	18,219,063	6,728,915	27,436,709
Tax effect of reconciling items:				
Expenses not deductible for tax purposes	1,043,691	4,245,737	604,920	2,466,521
Taxable profit	5,522,320	22,464,800	7,333,835	29,903,230
Income tax expense	1,104,464	4,492,960	1,466,767	5,980,646

MINIMUM TAX

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

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

(c) Other matter

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

31 CASH AND CASH EQUIVALENTS

	2021		2020	
	US\$	KHR'000	US\$	KHR'000
Cash on hand (Note 6)	16,578,340	67,540,157	19,696,246	79,671,315
Deposits and placements with the Central Bank :				
Current accounts (Note 7)	103,543,519	421,836,296	45,350,924	183,444,488
Settlement accounts (Note 7)	9,681,136	39,440,948	35,899,724	145,214,384
Negotiable certificate of deposits (Note 7)	12,063,922	49,148,419	-	-
Deposits and placements with other banks :				
Current accounts (Note 8)	4,011,711	16,343,711	14,015,724	56,693,602
Savings accounts (Note 8)	13,002	52,970	379,609	1,535,518
Term deposits (maturity of three months or less) (Note 8)	56,931,019	231,936,971	53,834,116	217,758,999
	202,822,649	826,299,472	169,176,343	684,318,306

32 CASH FLOWS INFORMATION**(a) Cash used in operations**

	2021		2020	
	US\$	KHR'000	US\$	KHR'000
Profit before income tax	4,478,629	18,219,063	6,728,915	27,436,709
Adjustments for:				
Depreciation and amortisation charges (Note 28)	4,733,576	19,256,187	3,801,965	15,502,263
Credit impairment losses (Note 26)	439,225	1,786,767	820,768	3,346,628
Property and equipment and Intangible assets written off and disposed (Note 12 and 14)	96,937	394,340	4,954	20,200
Provision for employee benefits	680,943	2,770,076	558,235	2,276,167
Gain on disposals of property and equipment	(13,094)	(53,267)	(883)	(3,600)
Net interest income (Note 23)	(30,738,812)	(125,045,487)	(29,970,656)	(122,203,381)
Changes in working capital:				
Reserve requirement deposits	(17,167,118)	(69,835,836)	(5,179,900)	(21,120,702)
Loans and advances	(129,904,784)	(528,452,661)	(48,100,322)	(196,125,903)
Other assets	(1,445,353)	(5,879,698)	344,631	1,405,208
Deposits from customers	192,437,535	782,835,892	157,398,142	641,780,584
Other liabilities	4,052,259	16,484,592	(5,060,777)	(20,634,986)
Cash generated from operations	27,649,943	112,479,968	81,345,072	331,679,187

(b) Non-cash investing and financing activities

Non-cash investing and financing activities disclosed in other notes are related to acquisition of right-of-use assets. (Note 13)

33 CONTINGENT LIABILITIES AND COMMITMENTS**(a) Loan commitments , guarantee and other financial facilities**

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

	2021		2020	
	US\$	KHR'000	US\$	KHR'000
Credit commitment	27,570,001	112,320,184	7,173,563	29,017,062
Financial guarantee contracts	3,256,290	13,266,125	2,692,245	10,890,131
Total exposure	30,826,291	125,586,309	9,865,808	39,907,193

	2021		2020	
	US\$	KHR'000	US\$	KHR'000
Credit commitments and financial guarantee contracts	30,826,291	125,586,309	9,865,808	39,907,193
Allowance for expected credit loss	(39,608)	(161,363)	(43,835)	(177,313)
Net exposure	30,786,683	125,424,946	9,821,973	39,729,880

(b) Capital commitment

	2021		2020	
	US\$	KHR'000	US\$	KHR'000
Intangible assets	2,026,665	8,256,633	840,066	3,398,067

(c) Operating lease commitments

The Bank recognised right-of-use assets and lease liabilities for lease contracts where the Bank is a lessee, except for short term leases. The lease commitments of short-term leases are insignificant.

34 RELATED PARTY TRANSACTIONS AND BALANCES

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

(a) Related parties and relationship

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

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

(b) Loans and advances to related parties

	2021		2020	
	US\$	KHR'000	US\$	KHR'000
Related companies	930,180	3,789,553	971,433	3,929,446
Interest income	88,450	359,815	98,312	400,861

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

(c) Loans and advances to key management personnel

	2021		2020	
	US\$	KHR'000	US\$	KHR'000
Loans to key management personnel	632,230	2,575,705	87,788	355,102
Interest income	28,428	115,645	5,428	22,132

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

(d) Deposits from related parties

	2021		2020	
	US\$	KHR'000	US\$	KHR'000
Related companies	10,297,767	41,953,103	37,248,786	150,671,339
Directors and key management	130,148,714	530,225,861	46,147,054	186,664,833
	140,446,481	572,178,964	83,395,840	337,336,172
Interest expenses	1,882,869	7,659,511	419,449	1,710,276

Average interest rates during the year are as follows:

	2021	2020
Related companies	1% - 2%	1%
Directors and key management	1% - 2%	0.47%

(e) Borrowings from a shareholder

	2021		2020	
	US\$	KHR'000	US\$	KHR'000
Borrowings from shareholder balance	63,200,597	257,479,233	60,769,805	245,813,862
Interest expense (imputed based on market rate of 4%)	2,430,792	9,888,462	3,722,037	15,176,361

Borrowing from a shareholder is at zero percent for 2021 (2020: 0% per annum) (Note 18)

(f) Amount due to related parties

	2021		2020	
	US\$	KHR'000	US\$	KHR'000
Related companies	10,209,060	41,591,710	7,526,078	30,442,986

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

(g) Key management compensation

	2021		2020	
	US\$	KHR'000	US\$	KHR'000
Salaries and short-term benefits	2,171,862	8,848,166	1,700,104	6,876,921

(h) Other transactions with related parties

	2021		2020	
	US\$	KHR'000	US\$	KHR'000
Office rental	1,406,901	5,723,273	1,095,041	4,464,958
Purchasing services	88,461	359,859	79,884	325,722
	1,495,362	6,083,132	1,174,925	4,790,680

35 FINANCIAL RISK MANAGEMENT

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

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

- Identify the various risk exposures and capital requirements.
- Ensure risk-taking activities are consistent with risk policies and the aggregated risk position are within the risk appetite as approved by the Board.
- Create shareholders' value through sound riskmanagement framework.

The Bank holds the following financial instruments:

	2021		2020	
	US\$	KHR'000	US\$	KHR'000
Assets				
Financial assets at amortised costs				
Cash on hand	16,578,340	67,540,157	19,896,246	79,671,315
Deposits and placements with the Central Bank	144,918,155	590,396,563	88,286,971	357,120,798
Deposits and placements with other banks	60,876,380	248,010,372	68,142,301	275,635,608
Statutory deposits with the Central Bank	58,115,656	236,763,183	40,954,383	165,660,479
Loans and advances	480,752,339	1,958,585,029	350,128,567	1,416,270,054
Investment securities	15,078,459	61,429,642	5,013,158	20,278,224
Other financial assets*	2,503,971	10,201,179	1,388,232	5,614,810
Total assets	778,823,300	3,172,926,125	573,609,858	2,320,251,288

*Excludes prepayments and non-refundable deposits

	2021		2020	
	US\$	KHR'000	US\$	KHR'000
Liabilities				
Financial liabilities at amortised cost				
Deposits from customers	394,318,555	1,606,453,793	200,173,602	809,702,220
Borrowings	117,412,682	478,339,266	112,043,655	453,216,584
Employee benefits	55,228	224,999	64,950	262,723
Other financial liabilities*	13,137,837	53,523,549	8,999,997	36,404,989
Not within scope of CIFRS 9				
Lease liabilities	12,474,574	50,821,414	13,564,170	54,867,068
Total liabilities	537,398,876	2,189,363,021	334,846,374	1,354,453,584

*Excludes taxes payable

35.1 Credit risk

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

(a) Credit risk measurement

Credit risk is managed on a group basis.

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

Deposits and placements with the Central Bank and other banks are considered to be low credit risk. The credit ratings of these assets are monitored for credit deterioration. Measurement for impairment is limited to 12-month expected credit loss. Other financial assets at amortised cost are monitored for its credit rating deterioration, and the measurement of impairment follows three-stage approach in Note 35.1 (c).

(b) Risk limit control and mitigation policies

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

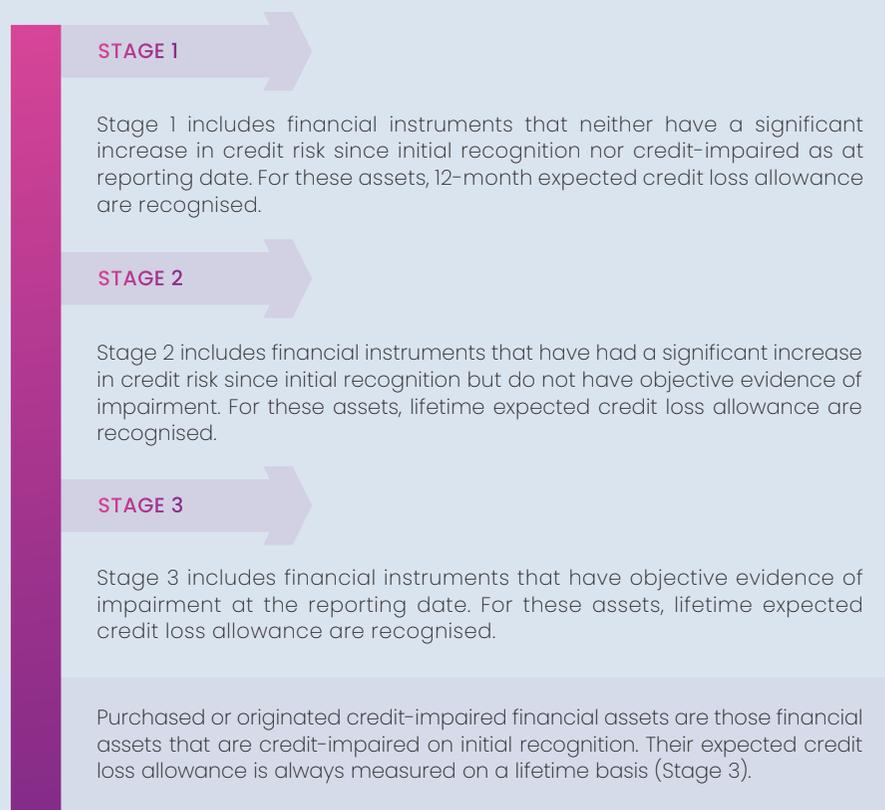
The Bank employs a range of policies and practices to mitigate credit risk. The most traditional of these is the taking of security in the form of collaterals for loans and advances to customers, which is common practice. The Bank implements guidelines on the acceptability of specific classes of collaterals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

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

(c) Impairment (expected credit loss) policies

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

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



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

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

The assessment of SICR shall be a multifactor and holistic analysis and based on a mixture of quantitative and/or qualitative information. To determine whether the risk of default of a loan/financing has increased significantly since initial recognition, the

current risk of default at the reporting date is compared with the risk of default at initial recognition. A borrower is considered to have credit risk increased significantly since initial recognition if any of the following criteria is met:

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

(ii) Definition of default and credit impaired

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

- The principal or interest or both of the loan is past due for more than 30 days and 90 days, for short term and long term loan, respectively. In the case of revolving facilities (e.g. overdraft), the facility shall be classified as impaired where the outstanding amount has remained in excess of the approved limit for a period of 90 days or more consecutive days. For the purpose of ascertaining the period in arrears.

1

Repayment on each of the installment amount must be made in full. A partial repayment made on an installment amount shall be deemed to be in arrears.

2

Where a moratorium on loan repayment is granted in relation to the rescheduling and restructuring, the determination of period in arrears shall exclude the moratorium period granted. The moratorium shall be for a period of not more than 6 months from the date of the obligor's/counterparty's application for the moratorium.

3

Where repayments are scheduled on interval of 90 days or longer, the loan is classified as impaired as soon as a default occurs, unless it does not exhibit any weakness that would render it classified according to the credit risk grading policy.

- The loan is forced impaired due to various reasons, such as bankruptcy, significant financial difficulty, etc. In the event where a loan is not in default or past due but force impaired, the loan shall be classified as impaired upon approval by Credit Committee.

- Restructuring and rescheduling of a loan facility involves any modification made to the original repayment terms and conditions of the loan facility following an increase in the credit risk of a obligor/counterparty.
- When an obligor/counterparty has multiple loans with the Bank and cross default obligation applies, an assessment of provision is required under which default of one debt obligation triggers default on another debt obligation (cross default). Where there is no right to set off clause is available, assessment of provision needs to be performed on individual loan level instead of consolidated obligor/counterparty level.
- Write-off/charged-off accounts.

(iii) Measuring (ECL - inputs, assumptions and estimation techniques)

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

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

PROBABILITY OF DEFAULT

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

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

EXPOSURE AT DEFAULT

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

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

- For amortising products and bullet repayment loans, this is based on the contractual repayments owed by the borrower over a 12-month or remaining maturity.

- For revolving products, the exposure at default is predicted by taking current drawn balance and adding a "credit conversion factor" which allows for the expected drawdown of the remaining limit by the time of default.

LOSS GIVEN DEFAULT

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

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

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

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

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

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

In addition to the based economic scenario, the Bank considers other possible scenarios along with scenario weightings. The number of other scenarios used is set based on the analysis of each major product type to ensure non-linearities are captured. The number of scenarios and their attributes are reassessed at each reporting date. At 31 December 2021 and 2020, the Bank concluded that three scenarios appropriately captured non-linearities. The scenario weightings are determined by a combination of statistical analysis and expert credit judgement, taking account of the range of possible outcomes each chosen scenario is representative of.

As with any economic forecasts, the projects and likelihoods of occurrence are subject to a high degree of inherent uncertainty and therefore the actual outcomes may be significantly different to those projected. The Bank considers these forecasts

to represent its best estimate of the possible outcomes and has analysed the non-linearities and asymmetries within the Bank's different portfolios to establish that the chosen scenarios are appropriately representative of the range of possible scenarios.

MACROECONOMIC VARIABLE ASSUMPTIONS

The most significant period-end assumptions used for the ECL estimate as at 31 December 2021 and 31 December 2020 are set out below. The scenario "base", "best", and "worst" were used for all portfolios.

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

	31 December 2020				
	2021	2022	2023	2024	2025
Gross fixed investment					
Base	8.20	8.40	8.40	8.40	8.40
Best	10.13	10.33	10.33	10.33	10.33
Worst	6.28	6.48	6.48	6.48	6.48

The weightings assigned to each economic scenario as at 31 December 2021 are as follows:

ALL PORTFOLIOS WEIGHTINGS

Base	50%
Best	25%
Worst	25%
	100%

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

SENSITIVITY ANALYSIS

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

Set out below are the changes to the ECL as at 31 December 2020 and 31 December 2021 that would result from reasonably possible changes in these parameters from the actual assumptions used in the Bank's economic variable assumptions:

	ECL US\$
GROSS FIX INVESTMENT	
Annual growth rate increase by 25%	2,752,835
No change	3,496,729
Annual growth rate decreases by 25%	4,240,594

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

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

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

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

(vi) Write off policy

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

(vii) Modification of loans

The Bank sometimes renegotiates or otherwise modifies the contractual cash flows of loans to customers. When this happens, the Bank assess whether or not the new terms are substantially different from the original terms. The Bank does this by considering, among others, the following factors:

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

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

(viii) Off-balance sheet exposures

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

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

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

	2021		2020	
	US\$	KHR'000	US\$	KHR'000
Credit risk exposure related to on-balance sheet assets:				
Deposits and placements with other banks	60,955,732	248,333,652	68,229,449	275,988,122
Loans and advances	484,209,460	1,972,669,340	353,136,357	1,428,436,565
Investment securities	15,078,459	61,429,642	5,020,137	20,306,677
Other financial assets	575,481	2,344,510	600,261	2,428,056
Credit risk exposure related to off-balance sheet items:				
Credit related commitments	27,570,001	112,320,184	7,173,563	29,017,062
Financial guarantee contracts	3,256,290	13,266,125	2,692,245	10,890,131
Total gross credit exposure	591,645,423	2,410,363,453	436,852,012	1,767,066,390
Loss allowance (ECL)	(3,603,382)	(14,680,178)	(3,164,156)	(12,799,601)
Total net credit exposure	588,042,041	2,395,683,276	433,687,856	1,754,266,789

The table above represents a worst-case scenario of credit risk exposure to the Bank, since collateral held and/or other credit enhancement attached were not taken into account. For on-balance sheet assets, the exposures set out above are based on net carrying amounts. As shown above, 80.4% for the Bank (2020: 80.40%) of total maximum exposure is derived from loans and advances. Management is confident of its ability to continue to control and sustain minimal exposure on credit risk resulting from the Bank's loans and advances due to the following:

- Almost all loans and advances are collateralised and loan to collateral value approximately ranging from 50% to 80%.
- The Bank has a proper credit evaluation process in place for granting of loans and advances to customers.
- Deposits and placements with other banks were held with local banks and management has done proper risk assessment and believe there will be no material loss from these local banks.

(e) Credit quality of financial assets

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

Credit quality description is summarised as follows:

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

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

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

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

	2021				2020			
	12-months ECL	Lifetime ECL not credit-impaired	Lifetime ECL credit-impaired	Total	12-months ECL	Lifetime ECL not credit-impaired	Lifetime ECL credit-impaired	Total
	US\$	US\$	US\$	US\$	US\$	US\$	US\$	US\$
Deposits and placements with other banks								
Investment grade	43,798,555	-	-	43,798,555	51,874,023	-	-	51,874,023
No rating	17,157,177	-	-	17,157,177	16,355,426	-	-	16,355,426
Gross carrying amount	60,955,732	-	-	60,955,732	68,229,449	-	-	68,229,449
Loss allowance (ECL)	(79,352)	-	-	(79,352)	(87,148)	-	-	(87,148)
Net carrying amount	60,876,380	-	-	60,876,380	68,142,301	-	-	68,142,301
<i>In KHR'000 equivalents</i>	248,010,372	-	-	248,010,372	275,635,608	-	-	275,635,608
Loans and advances at amortised cost								
Standard monitoring	458,024,956	-	-	458,024,956	343,042,863	-	-	343,042,863
Special monitoring	-	20,792,310	-	20,792,310	-	6,338,892	-	6,338,892
Default	-	-	5,392,194	5,392,194	-	-	3,754,602	3,754,602
Gross carrying amount	458,024,956	20,792,310	5,392,194	484,209,460	343,042,863	6,338,892	3,754,602	353,136,357
Loss allowance (ECL)	(1,923,123)	(224,107)	(1,309,891)	(3,457,121)	(1,943,831)	(217,023)	(846,936)	(3,007,790)
Net carrying amount	456,101,833	20,568,203	4,082,303	480,752,339	341,099,032	6,121,869	2,907,666	350,128,567
<i>In KHR'000 equivalents</i>	1,858,158,868	83,794,859	16,631,302	1,958,585,029	1,379,745,585	24,762,960	11,761,509	1,416,270,054

	2021				2020			
	12-months ECL	Lifetime ECL not credit-impaired	Lifetime ECL credit-impaired	Total	12-months ECL	Lifetime ECL not credit-impaired	Lifetime ECL credit-impaired	Total
	US\$	US\$	US\$	US\$	US\$	US\$	US\$	US\$
Investment securities								
Standard monitoring	15,078,459	-	-	15,078,459	5,020,137	-	-	5,020,137
Special monitoring	-	-	-	-	-	-	-	-
Default	-	-	-	-	-	-	-	-
Gross carrying amount	15,078,459	-	-	15,078,459	5,020,137	-	-	5,020,137
Loss allowance (ECL)	-	-	-	-	(6,979)	-	-	(6,979)
Net carrying amount	15,078,459	-	-	15,078,459	5,013,158	-	-	5,013,158
<i>In KHR'000 equivalents</i>	61,429,642	-	-	61,429,642	20,278,224	-	-	20,278,224
Credit commitments and financial guarantee contract								
Standard monitoring	30,826,291	-	-	30,826,291	9,865,808	-	-	9,865,808
Special monitoring	-	-	-	-	-	-	-	-
Default	-	-	-	-	-	-	-	-
Gross carrying amount	30,826,291	-	-	30,826,291	9,865,808	-	-	9,865,808
Loss allowance (ECL)	(39,608)	-	-	(39,608)	(43,835)	-	-	(43,835)
Net carrying amount	30,786,683	-	-	30,786,683	9,821,973	-	-	9,821,973
<i>In KHR'000 equivalents</i>	125,424,946	-	-	125,424,946	39,729,880	-	-	39,729,880
Other assets (Rental deposit)								
Standard monitoring	575,481	-	-	575,481	600,261	-	-	600,261
Special monitoring	-	-	-	-	-	-	-	-
Default	-	-	-	-	-	-	-	-
Gross carrying amount	575,481	-	-	575,481	600,261	-	-	600,261
Loss allowance (ECL)	(27,301)	-	-	(27,301)	(18,404)	-	-	(18,404)
Net carrying amount	548,180	-	-	548,180	581,857	-	-	581,857
<i>In KHR'000 equivalents</i>	2,233,285	-	-	2,233,285	2,353,611	-	-	2,353,023

(f) Loss allowance

(i) Expected credit loss reconciliation – loans and advances

	2021				2020			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
	12-months ECL	Lifetime ECL not credit-impaired	Lifetime ECL credit-impaired		12-months ECL	Lifetime ECL not credit-impaired	Lifetime ECL credit-impaired	
	US\$	US\$	US\$	US\$	US\$	US\$	US\$	US\$
Expected credit losses								
Loss allowance	1,943,831	217,023	846,936	3,007,790	1,738,685	40,984	487,988	2,267,657
<i>Changes due to exposure as at 1 January:</i>								
Transfer to stage 1	(24,484)	17,629	6,855	-	(39,961)	30,664	9,297	-
Transfer to stage 2	(3,054)	-	3,054	-	(77)	77	-	-
Transfer to stage 3	32,605	3,078	(35,683)	-	23,026	-	(23,026)	-
Net remeasurement of loss allowance (*)	(52,888)	(68,368)	(40,094)	(161,350)	568,801	154,034	(11,022)	711,813
New financial assets originated or purchased	633,094	142,331	778,576	1,554,001	586,380	32,019	701,897	1,320,296
Financial assets derecognised during the year other than write off	(605,981)	(87,586)	(139,748)	(833,315)	(933,023)	(40,755)	(218,092)	(1,191,870)
Unwinding of discount	-	-	(110,005)	(110,005)	-	-	(100,106)	(100,106)
Loss allowance as at 31 December	1,923,123	224,107	1,309,891	3,457,121	1,943,831	217,023	846,936	3,007,790
<i>In KHR'000 equivalents</i>	7,834,803	913,012	5,336,497	14,084,311	7,862,796	877,858	3,425,857	12,166,511
Gross carrying amount								
Gross carrying amount as at 1 January	343,042,863	6,338,892	3,754,602	353,136,357	300,033,504	2,877,463	2,335,300	305,246,267
<i>Changes due to financial instruments recognised as at 1 January:</i>								
Transfer to stage 1	(4,772,537)	3,478,206	1,294,331	-	(7,278,516)	5,308,008	1,970,508	-
Transfer to stage 2	(103,420)	-	103,420	-	(5,783)	5,783	-	-
Transfer to stage 3	241,769	12,780	(254,549)	-	76,922	-	(76,922)	-
New financial assets originated or purchased	304,654,916	14,345,469	1,586,178	320,586,563	200,331,229	1,019,479	539,157	201,889,865
Financial assets derecognised during the year other than write off	(185,038,635)	(3,383,037)	(1,091,788)	(189,513,460)	(150,114,493)	(2,871,841)	(1,013,441)	(153,999,775)
Gross carrying amount as at 31 December	458,024,956	20,792,310	5,392,194	484,209,460	343,042,863	6,338,892	3,754,602	353,136,357
<i>In KHR'000 equivalents</i>	1,865,993,671	84,707,871	21,967,798	1,972,669,340	1,387,608,382	25,640,818	15,187,365	1,428,436,565

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

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

	2021				2020			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
	12-months ECL	Lifetime ECL not credit-impaired	Lifetime ECL credit-impaired		12-months ECL	Lifetime ECL not credit-impaired	Lifetime ECL credit-impaired	
	US\$	US\$	US\$	US\$	US\$	US\$	US\$	US\$
Expected credit losses								
Loss allowance	43,835	-	-	43,835	50,766	-	-	50,766
<i>Changes due to exposure as at 1 January:</i>								
Transfer to stage 1	-	-	-	-	-	-	-	-
Transfer to stage 2	-	-	-	-	-	-	-	-
Transfer to stage 3	-	-	-	-	-	-	-	-
Reversal of prior year provision	(40,709)	-	-	(40,709)	(37,702)	-	-	(37,702)
New financial assets originated or purchased	36,482	-	-	36,482	30,771	-	-	30,771
Loss allowance as at 31 December	39,608	-	-	39,608	43,835	-	-	43,835
<i>In KHR'000 equivalents</i>	161,363	-	-	161,363	177,313	-	-	177,313
Gross carrying amount								
Gross carrying amount as at 1 January	9,865,808	-	-	9,865,808	13,859,786	-	-	13,859,786
<i>Changes due to financial instruments recognised as at 1 January:</i>								
Transfer to stage 1	-	-	-	-	-	-	-	-
Transfer to stage 2	-	-	-	-	-	-	-	-
Transfer to stage 3	-	-	-	-	-	-	-	-
New financial assets originated or purchase	20,960,483	-	-	20,960,483	-	-	-	-
Exposure derecognised or expired	-	-	-	-	(3,993,978)	-	-	(3,993,978)
Gross carrying amount as at 31 December	30,826,291	-	-	30,826,291	9,865,808	-	-	9,865,808
<i>In KHR'000 equivalents</i>	125,586,309	-	-	125,586,309	39,907,193	-	-	39,907,193

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

	2021				2020			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
	12-months ECL	Lifetime ECL not credit-impaired	Lifetime ECL credit-impaired		12-months ECL	Lifetime ECL not credit-impaired	Lifetime ECL credit-impaired	
	US\$	US\$	US\$	US\$	US\$	US\$	US\$	US\$
Expected credit losses								
Loss allowance as at 1 January	87,148	-	-	87,148	62,667	-	-	62,667
<i>Changes due to exposure as at 1 January:</i>								
Transfer to stage 1	-	-	-	-	-	-	-	-
Transfer to stage 2	-	-	-	-	-	-	-	-
Transfer to stage 3	-	-	-	-	-	-	-	-
New financial assets originated or purchased	-	-	-	-	24,481	-	-	24,481
Financial assets derecognised during the year	(7,796)	-	-	(7,796)	-	-	-	-
Loss allowance as at 31 December	79,352	-	-	79,352	87,148	-	-	87,148
<i>In KHR'000 equivalents</i>	323,280	-	-	323,280	352,514	-	-	352,514
Gross carrying amount								
Gross carrying amount as at 1 January	68,229,449	-	-	68,229,449	48,167,827	-	-	48,167,827
<i>Changes due to financial instruments recognised as at 1 January:</i>								
Transfer to stage 1	-	-	-	-	-	-	-	-
Transfer to stage 2	-	-	-	-	-	-	-	-
Transfer to stage 3	-	-	-	-	-	-	-	-
New financial assets originated or purchase	-	-	-	-	20,061,622	-	-	20,061,622
Financial assets derecognised during the year	(7,273,717)	-	-	(7,273,717)	-	-	-	-
Gross carrying amount as at 31 December	60,955,732	-	-	60,955,732	68,229,449	-	-	68,229,449
<i>In KHR'000 equivalents</i>	248,333,653	-	-	248,333,653	275,988,122	-	-	275,988,122

(iv) Expected credit loss reconciliation – Investment securities

	2021				2020			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
	12-months ECL	Lifetime ECL not credit-impaired	Lifetime ECL credit-impaired		12-months ECL	Lifetime ECL not credit-impaired	Lifetime ECL credit-impaired	
	US\$	US\$	US\$	US\$	US\$	US\$	US\$	US\$
Expected credit losses								
Loss allowance as at 1 January	6,979	-	-	6,979	-	-	-	-
<i>Changes due to exposure as at 1 January:</i>								
Transfer to stage 1	-	-	-	-	-	-	-	-
Transfer to stage 2	-	-	-	-	-	-	-	-
Transfer to stage 3	-	-	-	-	-	-	-	-
New financial assets originated or purchased	-	-	-	-	6,979	-	-	6,979
Financial assets derecognised during the year	(6,979)	-	-	(6,979)	-	-	-	-
Loss allowance as at 31 December	-	-	-	-	6,979	-	-	6,979
<i>In KHR'000 equivalents</i>	-	-	-	-	28,453	-	-	28,453
Gross carrying amount								
Gross carrying amount as at 1 January	5,020,137	-	-	5,020,137	-	-	-	-
<i>Changes due to financial instruments recognised as at 1 January:</i>								
Transfer to stage 1	-	-	-	-	-	-	-	-
Transfer to stage 2	-	-	-	-	-	-	-	-
Transfer to stage 3	-	-	-	-	-	-	-	-
Collection	(5,020,137)	-	-	(5,020,137)	-	-	-	-
New financial assets originated or purchased	15,078,459	-	-	15,078,459	5,020,137	-	-	5,020,137
Gross carrying amount as at 31 December	15,078,459	-	-	15,078,459	5,020,137	-	-	5,020,137
<i>In KHR'000 equivalents</i>	61,429,642	-	-	61,429,642	20,306,677	-	-	20,306,677

(v) Expected credit loss reconciliation – Rental deposit

	2021				2020			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
	12-months ECL	Lifetime ECL not credit-impaired	Lifetime ECL credit-impaired		12-months ECL	Lifetime ECL not credit-impaired	Lifetime ECL credit-impaired	
	US\$	US\$	US\$	US\$	US\$	US\$	US\$	US\$
Expected credit losses								
Loss allowance as at 1 January	18,404	-	-	18,404	-	-	-	-
<i>Changes due to exposure as at 1 January:</i>								
Transfer to stage 1	8,897	-	-	8,897	-	-	-	-
Transfer to stage 2	-	-	-	-	-	-	-	-
Transfer to stage 3	-	-	-	-	-	-	-	-
New financial assets originated or purchased	-	-	-	-	18,404	-	-	18,404
Loss allowance as at 31 December	27,301	-	-	27,301	18,404	-	-	18,404
<i>In KHR'000 equivalents</i>	111,224	-	-	111,224	75,033	-	-	75,033
Gross carrying amount								
Gross carrying amount as at 1 January	600,261	-	-	600,261	-	-	-	-
<i>Changes due to financial instruments recognised as at 1 January:</i>								
Transfer to stage 1	-	-	-	-	-	-	-	-
Transfer to stage 2	-	-	-	-	-	-	-	-
Transfer to stage 3	-	-	-	-	600,261	-	-	600,261
New financial assets originated or purchase	-	-	-	-	-	-	-	-
Financial assets derecognised during the year	(24,780)	-	-	(24,780)	-	-	-	-
Gross carrying amount as at 31 December	575,481	-	-	575,481	600,261	-	-	600,261
<i>In KHR'000 equivalents</i>	2,344,510	-	-	2,344,510	2,428,056	-	-	2,428,056

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

The following table breaks down the Bank's main credit exposure at their carrying amount, as categorised by geographical region as at 31 December 2021. For this table, the Bank has allocated exposure to countries based on the country of domicile of its counterparties.

	Cambodia	Other ASEAN countries	Total
	US\$	US\$	US\$
31 December 2021			
Deposits and placements with other banks	57,511,320	3,365,060	60,876,380
Loans and advances	480,752,339	-	480,752,339
Investment securities	15,078,459	-	15,078,459
Other financial assets	548,180	-	548,180
Credit commitments	27,530,393	-	27,530,393
Financial guarantee contracts	3,256,290	-	3,256,290
Total credit exposure	584,676,981	3,365,060	588,042,041
<i>In KHR'000 equivalents</i>	2,381,974,017	13,709,258	2,395,683,275
31 December 2020			
Deposits and placements with other banks	55,746,595	12,395,706	68,142,301
Loans and advances	350,128,567	-	350,128,567
Investment securities	5,013,158	-	5,013,158
Other financial assets	581,857	-	581,857
Credit commitments	7,129,728	-	7,129,728
Financial guarantee contracts	2,692,245	-	2,692,245
Total credit exposure	421,292,150	12,395,706	433,687,856
<i>In KHR'000 equivalents</i>	1,704,126,747	50,140,631	1,754,267,378

(ii) Industry sector

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

	<i>Agriculture, Forestry and Fishing</i>	<i>Building and Construction</i>	<i>Financial Institutions</i>	<i>Import and Exports</i>	<i>Manu- facturing</i>	<i>Other Lending</i>	<i>Personal Lending</i>	<i>Real Estate and Mortgages</i>	<i>Services</i>	<i>Wholesale and Retail Trade</i>	<i>Total</i>
	US\$	US\$	US\$	US\$	US\$	US\$	US\$	US\$	US\$	US\$	US\$
31 December 2021											
Deposits and placements with other banks	-	-	60,876,380	-	-	-	-	-	-	-	60,876,380
Loans and advances	12,186,334	36,245,757	6,784,534	5,995,413	26,198,195	63,998,897	40,115,638	120,885,318	28,361,501	139,980,752	480,752,339
Investment securities	-	-	15,078,459	-	-	-	-	-	-	-	15,078,459
Other financial assets	-	-	-	-	-	-	-	-	575,481	-	575,481
Credit commitments	402,394	149,971	-	74,179	431,878	318,020	8,904,484	7,324,309	7,237,148	2,688,010	27,530,393
Financial guarantee contracts	-	-	-	-	-	-	-	2,641,000	-	615,290	3,256,290
Total credit exposure	12,588,728	36,395,728	82,739,373	6,069,592	26,630,073	64,316,917	49,020,122	130,850,627	36,174,130	143,284,052	588,069,342
<i>In KHR'000 equivalents</i>	51,286,478	148,276,196	337,080,206	24,727,518	108,490,917	262,027,120	199,707,977	533,085,454	147,373,405	583,739,226	2,395,794,497
31 December 2020											
Deposits and placements with other bank	-	-	68,142,301	-	-	-	-	-	-	-	68,142,301
Loans and advances	8,749,466	32,449,131	8,522,605	5,409,363	13,745,209	37,999,893	47,542,748	62,419,812	14,847,482	118,442,858	350,128,567
Investment securities	-	-	5,013,158	-	-	-	-	-	-	-	5,013,158
Other financial assets	-	-	-	-	-	-	-	-	2,858,932	-	2,858,932
Credit commitments	124,933	359,570	-	-	680,170	732,484	1,009,964	1,442,179	1,376,144	1,404,284	7,129,728
Financial guarantee contracts	-	-	-	-	-	-	-	2,341,000	-	351,245	2,692,245
Total credit exposure	8,874,399	32,808,701	81,678,064	5,409,363	14,425,379	38,732,377	48,552,712	66,202,991	19,082,558	120,198,387	435,964,931
<i>In KHR'000 equivalents</i>	35,896,943	132,711,196	330,387,769	21,880,873	58,350,658	156,672,467	196,395,719	267,791,098	77,188,948	486,202,474	1,763,478,145

(h) Repossessed collateral

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

The Bank did not obtain assets by taking possession of collateral held as security as at 31 December 2021 and 31 December 2020.

35.2 Market risk

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

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

(i) Foreign exchange risk

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

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

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

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

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

	US\$	KHR	Others	Total
	In US\$ equivalent			
As at 31 December 2021				
Financial assets				
Cash on hand	13,932,976	2,645,364	-	16,578,340
Deposits and placements with the Central Bank	142,683,364	2,234,791	-	144,918,155
Deposits and placements with other banks	60,347,318	162,028	367,034	60,876,380
Statutory deposits with the Central Bank	58,115,656	-	-	58,115,656
Loans and advances	426,815,947	53,936,392	-	480,752,339
Investment securities	15,078,459	-	-	15,078,459
Other financial assets	2,503,971	-	-	2,503,971
Total financial assets	719,477,691	58,978,575	367,034	778,823,300
Financial liabilities				
Deposits from customers	386,951,597	7,366,958	-	394,318,555
Borrowings	116,954,254	458,428	-	117,412,682
Employee benefits	55,228	-	-	55,228
Other financial liabilities	13,117,438	20,399	-	13,137,837
Total financial liabilities	517,078,517	7,845,785	-	524,924,302
Net position	202,399,174	51,132,790	367,034	253,898,998
<i>In KHR'000 equivalents</i>	824,574,235	208,314,986	1,495,297	1,034,384,518

	US\$	KHR	Others	Total
	In US\$ equivalent			
As at 31 December 2021				
Off-balance sheet				
Credit commitments	26,503,000	1,027,393	-	27,530,393
Financial guarantee contracts	3,256,290	-	-	3,256,290
	29,759,290	1,027,393	-	30,786,683
In KHR'000 equivalent	121,239,347	4,185,599	-	125,424,946
As at 31 December 2020				
Financial assets				
Cash on hand	15,730,487	3,965,759	-	19,696,246
Deposits and placements with the Central Bank	84,500,908	3,786,063	-	88,286,971
Deposits and placements with other banks	67,250,320	347,972	544,009	68,142,301
Statutory deposits with the Central Bank	40,954,383	-	-	40,954,383
Loans and advances	311,337,266	38,791,301	-	350,128,567
Investment securities	5,013,158	-	-	5,013,158
Other financial assets	1,345,976	42,256	-	1,388,232
Total financial assets	526,132,498	46,933,351	544,009	573,609,858
Financial liabilities				
Deposits from customers	196,046,026	4,127,576	-	200,173,602
Borrowings	111,868,760	174,895	-	112,043,655
Employee benefits	64,950	-	-	64,950
Other financial liabilities	8,986,843	13,154	-	8,999,997
Total financial liabilities	316,966,579	4,315,625	-	321,282,204
Net position	209,165,919	42,617,726	544,009	252,327,654
In KHR'000 equivalent	846,076,142	172,388,702	2,200,516	1,020,665,360
Off-balance sheet				
Credit commitments	6,677,987	451,741	-	7,129,728
Financial guarantee contracts	2,692,245	-	-	2,692,245
	9,370,232	451,741	-	9,821,973
In KHR'000 equivalent	37,902,588	1,827,292	-	39,729,880

SENSITIVITY ANALYSIS

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

	Impact on post tax profit/loss		Impact on other component of equity	
	US\$	KHR'000	US\$	KHR'000
2021				
US\$/KHR exchange rate-increase by 5%	(1,683,063)	(6,856,799)	-	-
US\$/KHR exchange rate-decrease by 5%	1,860,227	7,578,565	-	-
2020				
US\$/KHR exchange rate-increase by 5%	(1,479,852)	(5,986,001)	-	-
US\$/KHR exchange rate-decrease by 5%	1,635,626	6,616,107	-	-

(ii) Price risk

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

(iii) Interest rate risk

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

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

	1 month	1 to 3 months	3 to 12 months	1 to 5 years	Over 5 years	Non-interest bearing	Total
	US\$	US\$	US\$	US\$	US\$	US\$	US\$
As at 31 December 2021							
Financial assets							
Cash on hand	-	-	-	-	-	16,578,340	16,578,340
Deposits and placements with the Central Bank	-	31,690,010	-	-	-	113,228,145	144,918,155
Deposits and placements with other banks	-	56,864,765	-	-	-	4,011,615	60,876,380
Statutory deposits with the Central Bank	-	-	25,005,466	-	-	33,110,190	58,115,656
Loan and advances	13,461,742	9,383,882	18,241,427	41,023,633	398,641,655	-	480,752,339
Investment securities	-	1,235,962	13,842,497	-	-	-	15,078,459
Other financial assets	-	-	-	-	-	2,503,971	2,503,971
Total financial assets	13,461,742	99,174,619	57,089,390	41,023,633	398,641,655	169,432,261	778,823,300
Financial liabilities							
Deposits from customers	2,695,473	8,392,967	310,781,092	60,824,474	-	11,624,549	394,318,555
Borrowing	-	-	-	54,212,085	-	63,200,597	117,412,682
Employee benefits	-	-	-	-	-	55,228	55,228
Other financial liabilities	-	-	-	-	-	13,137,837	13,137,837
Total financial liabilities	2,695,473	8,392,967	310,781,092	115,036,559	-	88,018,211	524,924,302
Total interest repricing gap	10,766,269	90,781,652	(253,691,702)	(74,012,926)	398,641,655	81,414,050	253,898,998
<i>In KHR'000 equivalents</i>	43,861,780	369,844,450	(1,033,539,994)	(301,528,661)	1,624,066,102	331,680,840	1,034,384,518
Off-Balance sheet							
Credit commitment	27,530,393	-	-	-	-	-	27,530,393
Financial guarantee contract	-	-	3,256,290	-	-	-	3,256,290
Total interest repricing gap	27,530,393	-	3,256,290	-	-	-	30,786,683
<i>In KHR'000 equivalents</i>	112,158,822	-	13,266,125	-	-	-	125,424,947

	1 month	1 to 3 months	3 to 12 months	1 to 5 years	Over 5 years	Non-interest bearing	Total
	US\$	US\$	US\$	US\$	US\$	US\$	US\$
As at 31 December 2020							
Financial assets							
Cash on hand	-	-	-	-	-	19,696,246	19,696,246
Deposits and placements with the Central Bank	-	7,034,858	-	-	-	81,252,113	88,286,971
Deposits and placements with other banks	-	54,146,874	-	-	-	13,995,427	68,142,301
Statutory deposits with the Central Bank	-	-	25,011,311	-	-	15,943,072	40,954,383
Loan and advances	1,887,076	13,336,617	13,997,979	33,427,251	287,479,644	-	350,128,567
Investment securities	-	1,235,962	3,777,196	-	-	-	5,013,158
Other financial assets	-	-	-	-	-	1,388,232	1,388,232
Total financial assets	1,887,076	75,754,311	42,786,486	33,427,251	287,479,644	132,275,090	573,609,858
Financial liabilities							
Deposits from customers	807,603	6,905,813	176,558,822	-	-	15,901,364	200,173,602
Borrowings	-	-	-	51,273,850	-	60,769,805	112,043,655
Employee benefits	-	-	-	-	-	64,950	64,950
Other financial liabilities	-	-	-	-	-	8,999,997	8,999,997
Total financial liabilities	807,603	6,905,813	176,558,822	51,273,850	-	85,736,116	321,282,204
Total interest repricing gap	1,079,473	68,848,498	(133,772,336)	(17,846,599)	287,479,644	46,538,974	252,327,654
<i>In KHR'000 equivalents</i>	4,366,468	278,492,174	(541,109,099)	(72,189,493)	1,162,855,160	188,250,150	1,020,665,360
Off-balance sheet							
Credit commitment	7,217,398	-	-	-	-	-	7,217,398
Financial guarantee contract	-	-	2,692,245	-	-	-	2,692,245
Total interest repricing gap	7,217,398	-	2,692,245	-	-	-	9,909,643
<i>In KHR'000 equivalents</i>	29,194,375	-	10,890,131	-	-	-	40,084,506

35.3 Liquidity risk

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

(a) Liquidity risk management process

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

(b) Funding approach

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

(c) Non-derivative cash flows

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

	<i>Up to 1 month</i>	<i>1 to 3 months</i>	<i>3 to 12 months</i>	<i>1 to 5 years</i>	<i>Over 5 years</i>	<i>Total</i>
	<i>US\$</i>	<i>US\$</i>	<i>US\$</i>	<i>US\$</i>	<i>US\$</i>	<i>US\$</i>
As at 31 December 2021						
Financial assets						
Cash on hand	16,578,340	-	-	-	-	16,578,340
Deposits and placements with the Central Bank	113,228,145	31,690,010	-	-	-	144,918,155
Deposits and placements with other banks	4,011,615	56,864,765	-	-	-	60,876,380
Statutory deposits with the Central Bank	-	-	33,110,190	-	25,005,466	58,115,656
Loans and advances	13,556,957	9,699,223	19,354,047	49,621,011	658,941,798	751,173,036
Investment securities	-	-	5,078,459	10,000,000	-	15,078,459
Other financial assets	2,503,971	-	-	-	-	2,503,971
Total financial assets by remaining contractual maturities	149,879,028	98,253,998	57,542,696	59,621,011	683,947,264	1,049,243,997
Financial liabilities						
Deposits from customers	14,603,976	8,987,798	316,673,293	68,954,039	-	409,219,106
Borrowings	-	-	1,591,002	123,776,691	-	125,367,693
Employee benefits	55,228	-	-	-	-	55,228
Other financial liabilities	13,137,837	-	-	-	-	13,137,837
Total financial liabilities by remaining contractual maturities	27,797,041	8,987,798	318,264,295	192,730,730	-	547,779,864
Net liquidity surplus/(gap)	122,081,987	89,266,200	(260,721,599)	(133,109,719)	683,947,264	501,464,133
<i>In KHR'000 equivalents</i>	497,362,015	363,670,499	(1,062,179,794)	(542,288,995)	2,786,401,154	2,042,964,879
Off-balance sheet						
Credit commitments	27,530,393	-	-	-	-	27,530,393
Financial guarantee contracts	-	-	3,256,290	-	-	3,256,290
Liquidity- off-balance sheet	27,530,393	-	3,256,290	-	-	30,786,683
<i>In KHR'000 equivalents</i>	112,158,821	-	13,266,125	-	-	125,424,946

	<i>Up to 1 month</i>	<i>1 to 3 months</i>	<i>3 to 12 months</i>	<i>1 to 5 years</i>	<i>Over 5 years</i>	<i>Total</i>
	<i>US\$</i>	<i>US\$</i>	<i>US\$</i>	<i>US\$</i>	<i>US\$</i>	<i>US\$</i>
As at 31 December 2020						
Financial assets						
Cash on hand	19,696,246	-	-	-	-	19,696,246
Deposits and placements with the Central Bank	81,252,113	7,034,858	-	-	-	88,286,971
Deposits and placements with other banks	13,995,427	54,146,874	-	-	-	68,142,301
Statutory deposits with the Central Bank	-	-	15,943,072	-	25,011,311	40,954,383
Loans and advances	1,865,713	9,238,618	14,076,513	40,959,541	484,032,461	550,172,846
Investment securities	-	1,235,962	3,777,196	-	-	5,013,158
Other financial assets	1,388,232	-	-	-	-	1,388,232
Total financial assets by remaining contractual maturities	118,197,731	71,656,312	33,796,781	40,959,541	509,043,772	773,654,137
Financial liabilities						
Deposits from customers	16,871,613	7,423,965	179,163,821	1,155,198	-	204,614,597
Borrowings	-	-	1,577,255	118,133,129	-	119,710,384
Employee benefits	64,950	-	-	-	-	64,950
Other financial liabilities	8,999,997	-	-	-	-	8,999,997
Total financial liabilities by remaining contractual maturities	25,936,560	7,423,965	180,741,076	119,288,327	-	333,389,928
Net liquidity surplus/(gap)	92,261,171	64,232,347	(146,944,295)	(78,328,786)	509,043,772	440,264,209
<i>In KHR'000 equivalents</i>	373,196,437	259,819,844	(594,389,673)	(316,839,939)	2,059,082,058	1,780,868,727
Off-balance sheet						
Credit commitments	7,129,728	-	-	-	-	7,129,728
Financial guarantee contracts	-	-	2,692,245	-	-	2,692,245
Liquidity- off-balance sheet	7,129,728	-	2,692,245	-	-	9,821,973
<i>In KHR'000 equivalents</i>	28,839,750	-	10,890,131	-	-	39,729,880

35.4 Maturity analysis of assets and liabilities

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

	2021			2020		
	Within 1 year	Beyond 1 year	Total	Within 1 year	Beyond 1 year	Total
	US\$	US\$	US\$	US\$	US\$	US\$
Financial assets						
Cash on hand	16,578,340	-	16,578,340	19,696,246	-	19,696,246
Deposits and placements with the Central Bank	144,918,155	-	144,918,155	88,286,971	-	88,286,971
Deposits and placements with other banks	60,876,380	-	60,876,380	68,142,301	-	68,142,301
Statutory deposits with the Central Bank	33,110,190	25,005,466	58,115,656	15,943,072	25,011,311	40,954,383
Loans and advances	42,610,227	708,562,809	751,173,036	25,180,844	524,992,002	550,172,846
Investment securities	5,078,459	10,000,000	15,078,459	5,013,158	-	5,013,158
Other financial assets	587,007	1,916,964	2,503,971	192,363	1,195,869	1,388,232
	303,758,758	745,485,239	1,049,243,997	222,454,955	551,199,182	773,654,137
Non-financial assets						
Property and equipment	-	5,980,506	5,980,506	-	5,902,451	5,902,451
Right-of-use assets	-	10,967,025	10,967,025	-	12,469,348	12,469,348
Intangible assets	-	6,613,839	6,613,839	-	5,272,216	5,272,216
Deferred tax assets	-	620,534	620,534	-	179,759	179,759
Other non-financial assets	955,984	1,752,232	2,708,216	609,592	1,470,700	2,080,292
	955,984	25,934,136	26,890,120	609,592	25,294,474	25,904,066
Total assets	304,714,742	771,419,375	1,076,134,117	223,064,547	576,493,656	799,558,203
<i>In KHR'000 equivalents</i>	1,241,407,859	3,142,762,534	4,384,170,393	902,296,093	2,331,916,839	3,234,212,932

	2021			2020		
	Within 1 year	Beyond 1 year	Total	Within 1 year	Beyond 1 year	Total
	US\$	US\$	US\$	US\$	US\$	US\$
Financial liabilities						
Deposits from customers	340,265,067	68,954,039	409,219,106	203,459,399	1,155,198	204,614,597
Borrowings	1,591,002	123,776,691	125,367,693	1,577,255	118,133,129	119,710,384
Employee benefits	55,228	-	55,228	64,950	-	64,950
Other financial liabilities	13,137,837	-	13,137,837	8,999,997	-	8,999,997
	355,049,134	192,730,730	547,779,864	214,101,601	119,288,327	333,389,928
Non-financial liabilities						
Lease liabilities	1,738,920	10,735,654	12,474,574	1,606,702	11,957,468	13,564,170
Current income tax liabilities	1,126,685	-	1,126,685	763,661	-	763,661
Other non-financial liabilities	54,566	-	54,566	144,761	-	144,761
	2,920,171	10,735,654	13,655,825	2,515,124	11,957,468	14,472,592
Total liabilities	357,969,305	203,466,384	561,435,689	216,616,725	131,245,795	347,862,520
<i>In KHR'000 equivalents</i>	1,458,366,949	828,922,048	2,287,288,997	876,214,653	530,889,241	1,407,103,894

35.5 Fair value of financial assets and liabilities

(a) Financial instruments measured at fair value

The Bank did not have financial instruments measured at fair value.

(b) Financial instruments not measured at fair value

As at the statement of financial position date, the fair values of financial instruments of the Bank approximate their carrying amounts.

The estimated fair values are based on the following methodologies and assumptions:

i. Deposits and placements with the Central Bank and other banks

The carrying amounts of deposits and placements with the Central Bank and other banks approximate their fair values, since these accounts consist mostly of current, savings and short-term deposits.

ii. Loans and advances to customers

For fixed rate loans with remaining period to maturity of less than one year, the carrying amounts are generally reasonable estimates of their fair values.

For fixed rate loans with remaining period to maturity of one year and above, fair values are estimated by discounting the estimated future cash flows using a current lending rate as the prevailing market rates of loans with similar credit risks and maturities have been assessed as insignificantly different from the contractual lending rates. As a result, the fair value of non-current loans and advances to customers approximate to their carrying value as at reporting date.

iii. Deposits from customers

The fair value of deposits from customers with maturities of less than one year approximate their carrying amounts due to the relatively short maturity of these instruments. The fair value of deposits from customers with remaining maturities of more than one year approximate their carrying amounts due to the Bank offered similar interest rate of the instrument with similar maturities and terms.

The estimated fair value of deposits with no stated maturities, which includes non-interest-bearing deposits, deposits payable on demand is the amount payable at the reporting date.

iv. Other financial assets and other financial liabilities

The carrying amounts of other financial assets and other financial liabilities approximate their fair values as these items are not materially sensitive to the shift in market interest rates.

v. Borrowings

Borrowings are not quoted in active market and their fair values approximate their carrying amounts.

35.6 Capital management

The Bank's objectives when managing capital, which is a broader concept than the 'equity' on the face of the statement of financial position, are:

- To comply with the capital requirement set by the Central Bank.
- To safeguard the Bank's ability to continue as a going concern so that it can continue to provide returns for shareholders and benefits for other stakeholders.
- To maintain a strong capital base to support the development of business.

The Central Bank requires all commercial banks to i) hold minimum capital requirement, ii) maintain the Bank's net worth at least equal to minimum capital and iii) comply with solvency, liquidity and other ratios.

The table below summarises the composition of regulatory capital:

	2021		2020	
	US\$	KHR'000	US\$	KHR'000
Tier 1 capital				
Share capital	250,000,000	1,018,500,000	250,000,000	1,011,250,000
Accumulated losses	(2,418,674)	(9,853,678)	(5,086,718)	(20,575,774)
Less: Intangible assets	(6,613,839)	(26,944,780)	(5,272,216)	(21,326,114)
Less: Loans to related parties	(1,562,410)	(6,365,258)	(1,059,221)	(4,284,550)
	239,405,077	975,336,284	238,581,845	965,063,562
Tier 2 complementary capital				
General provision	5,647,224	23,006,791	4,069,160	16,459,752
Less: Equity participation in banking or financial institutions	-	-	-	-
	5,647,224	23,006,791	4,069,160	16,459,752
Total capital Tier I + Tier II	245,052,301	998,343,075	242,651,005	981,523,314

36 SUBSEQUENT EVENTS TO THE REPORTING PERIOD

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

37 AUTHORISATION OF FINANCIAL STATEMENTS

The financial statements as at 31 December 2021 and for the year then ended were approved for issue by the Board of Directors on 23 March 2022.