

CCU bank

# ANNUAL

REPORT  
2024



## CCU Bank Annual Report 2024

### Building Trust, Driving Growth

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# 1. Chairman's Statement

Dear Valued Stakeholders,

It is my privilege to present the 2024 Annual Report of CCU Bank—an institution built on trust, governed with discipline, and focused relentlessly on premier growth. This past year, amid global uncertainty and regional volatility, we remained unwavering in our commitment to resilience, innovation, and long-term value creation.

Despite a dynamic macroeconomic environment, CCU Bank achieved meaningful progress on all fronts. Our deposit base surged to USD 86 million, a testament to growing market trust. We continued to expand our lending portfolio while maintaining a 0% non-performing loan (NPL) ratio an outcome of strong credit governance and prudent risk discipline.

We made deliberate investments in modernizing our infrastructure upgrading to the T24 Core Banking system, enhancing mobile banking capabilities, and broadening payment interoperability. These initiatives not only improve service delivery but also solidify our foundation for scalable digital growth.

We deepened our governance practices in line with both National Bank of Cambodia standards and global best practices. Our capital and liquidity metrics remain well above regulatory requirements. Meanwhile, our ESG programs from education and humanitarian aid to digital literacy reflect our purpose to serve beyond profit.

CCU Bank is not only scaling we are setting standards. We remain committed to strategic clarity, financial prudence, and stakeholder value. On behalf of the Board, I thank our regulators, customers, partners, and team members for their enduring trust.

Together, we are building more than a bank we are building a legacy of confidence and prosperity for Cambodia and beyond.

Sincerely,

**Chen Bo**

Chairman of the Board



## 2. CEO's Statement

To Our Shareholders, Customers, and Partners,

2024 was a defining year in our journey to become Cambodia's most trusted and forward-looking financial institution.

It was a year of discipline, breakthrough, and meaningful results.

We delivered 43.8% growth in total assets, and a 195% surge in customer deposits. These are not just financial outcomes they are signals that our strategy is working. From SME lending to digital onboarding, CCU Bank is aligning execution with ambition.

Cambodia's financial landscape is evolving, and we're proud to be leading that evolution. Our premier banking vision anchored in "Beyond Banking, Beyond Expectations" now resonates through every customer journey, digital innovation, and advisory solution we provide. Our mobile app V02, full KHQR and Bakong integration, and cross border payment expansion position us as a digital frontrunner.

Growth is only sustainable with great governance. We've implemented strong committee structures, strategic scorecards, and rigorous compliance protocols. Our 0% NPL ratio and 140% liquidity coverage demonstrate not just financial health, but institutional maturity.

In 2025, we aim to grow assets by 20%, increase digital revenue contribution to 35%, and launch Cambodia's first Premier Wealth Management platform tailored for high-net-worth individuals. These are bold goals, and we are prepared with capital, talent, and conviction.

None of this would be possible without you: our clients, regulators, shareholders, and team. We are grateful for your trust and energized for the road ahead.

Together, we are not just building a bank. We are shaping the future of finance in Cambodia with pride, purpose, and performance.

With appreciation,  
Kong Bun Norin  
Chief Executive Officer

## 3. CCU Bank at a Glance & Key Financial Highlights

CCU Bank is redefining Cambodia's banking landscape with a relentless commitment to exceptional customer service, innovative digital solutions, and sustainable growth. We pride ourselves on building lasting client relationships through personalized financial solutions and seamless banking experiences.

### 3.1 About CCU Bank

CCU Commercial Bank is a fully licensed commercial bank, authorized by the National Bank of Cambodia in April 2022. Strategically headquartered in Phnom Penh, we have expanded our footprint with a second branch to better serve our growing customer base.



#### HEAD OFFICE

No. 15, Preah Monivong Blvd., Sangkat Boeung Trabek, Khan Chamkarmorn, Phnom Penh.



#### PRAMPIR MEAKKARA BRANCH

Building No. GS07 & 08, Preah Sihanouk Blvd., Sangkat Veal Vong, Khan Prampir Meakkakra, Phnom Penh.

### 3.2. Vision, Mission, and Core Values

#### Vision:

To be the trusted beacon of premier banking in Cambodia, serving the affluent and beyond.

#### Mission:

We set the standard for premier banking in Cambodia by innovating and delivering exclusive, integrated phy-gital solutions and personalized experiences, all underpinned by ethical governance and sustainability to drive prosperity beyond expectations.

## Core Values: PRIDE



### PRUDENTIAL

Sound risk management.



### RESPECTFUL

Client-centric integrity.



### INNOVATIVE

Cutting-edge banking solutions.



### DEDICATED

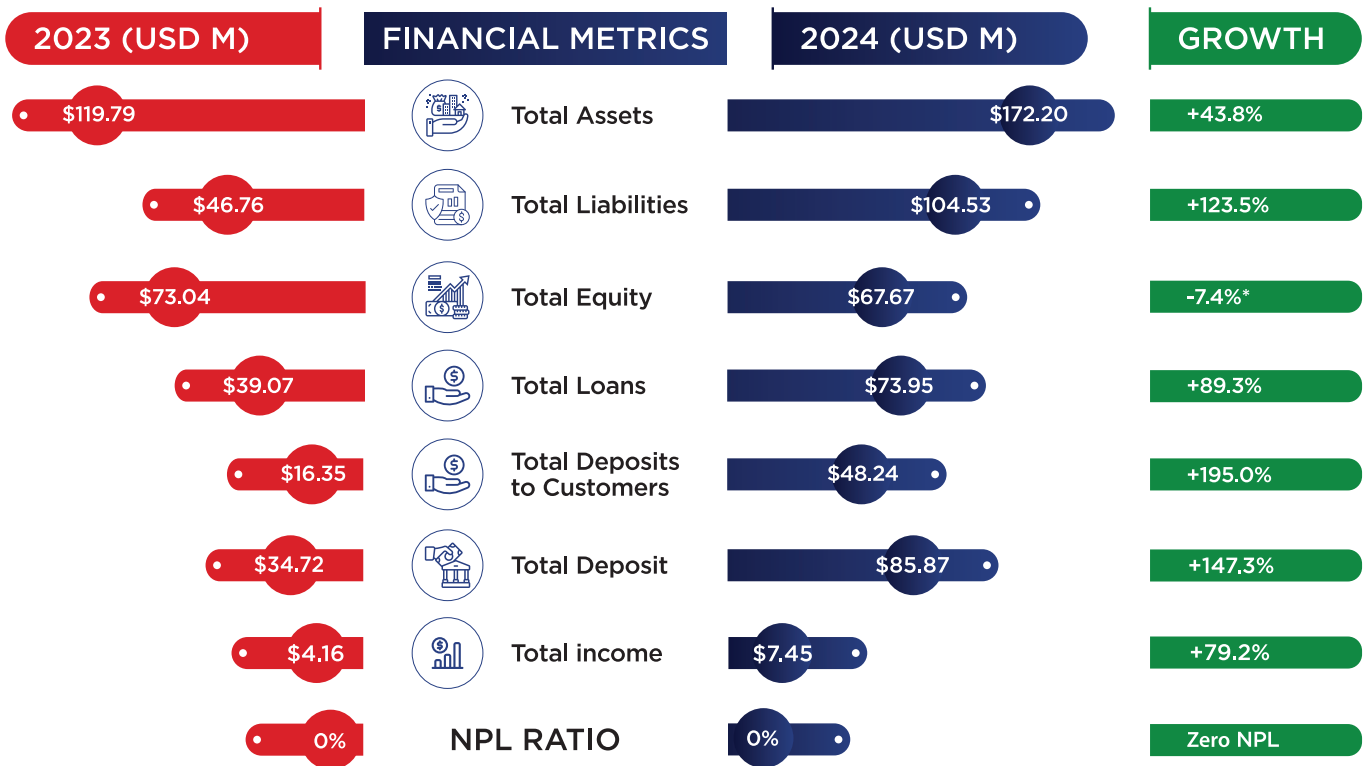
Unwavering commitment to excellence.



### ENJOYABLE

A rewarding banking experience.

## 3.3 Financial Highlights for CCU Commercial Bank Plc. (2024)



### Key Observations:

- **Strong Asset & Deposit Growth:** Reflects expanding market trust.
- **High Liquidity:** Cash reserves at \$25.74M.
- **Equity Decline (7.4%):** Due to strategic reinvestment and operational scaling.

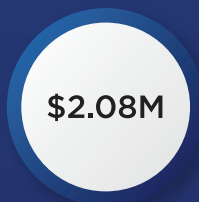
## 4. Growth Drivers & Metrics

### 4.1 Expansion & Market Positioning

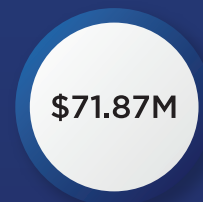
#### 1. Loan Portfolio Surge:



In total loans



Driven by housing loans



Term loans

#### 2. Deposit Growth (195% YOY):



Near-tripling of customer deposits underscores rising confidence.

#### 3. Infrastructure Investment:



Property & equipment expanded to



Ensuring scalability

#### 4. Branch Network:

- New Prampir Meakkara branch enhances accessibility and service diversification.

### 4.2 Digital Innovation & SME Banking

#### 1. Digital Banking:

- Launched **Mobile App V02** with enhanced features.
- Integrated **KHQR & Bakong** for seamless payments.
- Expanded **cross-border payment services** (Alipay, WeChat, UnionPay).

## 2. SME & Corporate Lending:



In corporate loans



In service industries



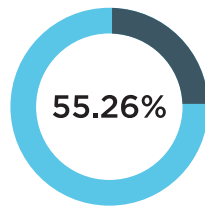
To SMEs

## 4.3 Sustainability & Governance

### 1. Carbon-Neutral Target:

- Paperless operations by 2025.

### 2. Regulatory Compliance:



Exceeds NBC requirements  
in solvency



And risk  
management.

- Zero fraud incidents in 2024.

## 4.4 Risk & Governance

CCU Bank maintains best-in-class risk controls and governance, ensuring stability, compliance, and long-term sustainability.

### Key Strengths (2024):

#### Full Regulatory Compliance

Exceeds National Bank of Cambodia (NBC) requirements across all risk categories:



**Liquidity Coverage Ratio (LCR):**  
140.01% (vs. 100% requirement)



**NPL Ratio:**  
0% (maintained since 2023)

## Zero Fraud & Robust AML Controls

No fraud incidents in 2024, backed by:

- Rigorous **anti-money laundering (AML) checks**.
- Real-time transaction monitoring.

## Proactive Board Oversight

No fraud incidents in 2024, backed by:

- **4+ annual board meetings** with independent audits.
- **Strict compliance reviews** ensuring adherence to NBC and international standards.

		NBC Requirement	CCU Bank Ratio
Capital Management	Solvency Ratio	≥ 15%	55.26%
	Capital Conservation Buffer	≥ 1.25%	40.26%
Liquidity Management	Liquidity Coverage Ratio	≥ 100%	140.01%
	Fixed Asset Ratio	<30%	7.92%
Credit Management	NPL Ratio	0	0

## 4.5 Growth Metric at a glance:

43.8%

### I. Strong Asset Growth:

YOY Growth in total assets signals expanding operations.

\$25.74 million

### II. High Liquidity:

Cash and equivalents: up from US\$25.45 million (2023)

\$7.37 million

### III. Interest Income Potential:

Net interest income: with loan interest rates at 7-18%(consumer) and 7-12% (commercial).

\$75 million

### IV. Regulatory Compliance:

Maintained capital adequacy: share capital and reserve requirements.



CCU Commercial Bank demonstrates aggressive growth in loans and deposits, positioning itself for future profitability. Investors may find value in asset expansion and high-interest-yielding loan portfolio, though close monitoring of loss mitigation strategies is advised.



## 5. Key Milestones

Driving Innovation in Cambodian Banking

### 2024 Highlights

CCU Bank achieved significant progress in 2024 through the development, launch, and enhancement of multiple banking products and services.

### Transformational Achievements Since 2022:



#### Technology & Digital Transformation

- Became Cambodia's first bank to upgrade to T24 Core Banking System
- Launched Phase 1 of Mobile Banking App on App Store / Play Store
- Introduced real-time SMS alerts for all credit / debit transactions
- Developed new corporate website with enhanced functionality and expressed detail information on banking product
- Implemented Corporate Internet Banking and Mobile App V02
- Enabled digital payments via Mpay, Swift, and Thunes

#### Regulatory & Strategic Partnerships

- Secured CSS Membership License, enabling seamless interoperability with financial institutions
- Partnered with Credit Bureau (Cambodia) for K-Score integration, enhancing risk assessment capabilities
- Obtained Mastercard and Visa membership licenses for issuing and acquiring credit card and debit card to enhanced digital payment method
- Received NBC approval as a Bakong member, joining Cambodia's digital payment ecosystem



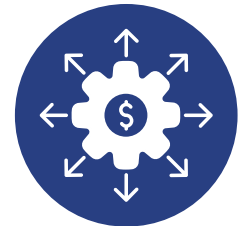


## Product Innovation

- Launched CASA PLUS Accounts with more competitive features and greater benefits for customers
- Introduced Payroll Services, offering employers enhanced time and cost efficiency, data security, and convenience
- Launched Premier and ELITE Accounts to cater to the needs of high-net-worth customers
- Introduced ESCROW Services, a secure financial solution where CCU Bank holds and regulates fund payments on behalf of transacting parties
- Launched funding remittance services, including THUNES, SWIFT, and Mpay
- Rolled out Corporate Internet Banking (CIB), a highly efficient and risk-free service that streamlines daily transactions from recording to reporting
- Introduced Fancy Account Numbers, providing high-net-worth individuals with a premium, personalized, and lifestyle-oriented banking experience
- Launched Deposit and Loan Campaigns to attract more customers and strengthen brand visibility

## Operational Expansion

- Opened new Prampir Meakkakra branch in Phnom Penh
- Extended customer service hours to evenings and weekends
- Improved toll-free access for enhanced client support
- Established Product Development and IT Committee



## Customer-Centric Initiatives



- Implemented standardized loan documentation processes
- Launched Leadership Development Programs for staff
- Conducted successful promotional campaigns:
- CASA Plus with new account vouchers
- Mastercard exclusive offers
- Loan Referrer incentive program

These milestones demonstrate CCU Bank's commitment to innovation, customer service excellence, and sustainable growth in Cambodia's evolving financial landscape. Each achievement has contributed to strengthening our market position while delivering enhanced value to customers and stakeholders.

## 6. Leadership Team

### **Mr. Kong Bun Norin,** Chief Executive Officer

Mr. Norin brings over 23 years of distinguished leadership in Cambodia's banking sector, spanning regulatory, fintech, and commercial banking.

He began his career in financial institution supervision before transitioning into global markets and treasury operations. He later co-founded a specialized bank and held executive roles in commercial, corporate, and digital finance including serving as CEO of a top-five fintech and agent banking company.

A forward-thinking leader, Mr. Norin has consistently embraced technology and digital transformation, notably launching one of Cambodia's leading e-commerce platforms. He is highly regarded for his expertise in strategic execution, governance, risk management, structured finance, and change leadership. Under his guidance, CCU Bank is driving premier banking innovation in alignment with national development goals.



### **Mr. Tian Tao,** Chief Operating Officer

Mr. Tian Tao has more than 20 years of banking experience, including operational leadership, risk management, and cross-border business development. Prior to joining CCU Bank, he held senior roles overseeing international finance, interbank transactions, and administrative systems.

As COO, Mr. Tian leads core operational functions including branch network management, marketing, and strategic projects, with a focus on streamlining workflows and enhancing client service standards. He brings strong knowledge of regulatory frameworks, product positioning, and operational risk. Mr. Tian holds a bachelor's degree in Finance and Economics from Southwestern University of Finance and Economics, China.

## Mr. Hoeung Sothol,

Chief Technology Officer

Mr. Sothol is a seasoned IT executive with more than 18 years of experience in banking technology.

His expertise spans core banking systems, cybersecurity, network infrastructure, open API design, and payment gateways. He played a key role in implementing Cambodia's first Active-Active Data Center and has led multiple digital banking transformations.

Prior to joining CCU Bank, he spent nearly 15 years with one of the country's top banks, where he led major tech deployments. As CTO, he spearheads CCU's digital roadmap, T24 core system upgrades, and cybersecurity governance. He holds master's and bachelor's degrees in Computer Science and Engineering from the Royal University of Phnom Penh, as well as a bachelor's degree in Economics and Finance.



## Mr. Chen Tong,

Financial Controller

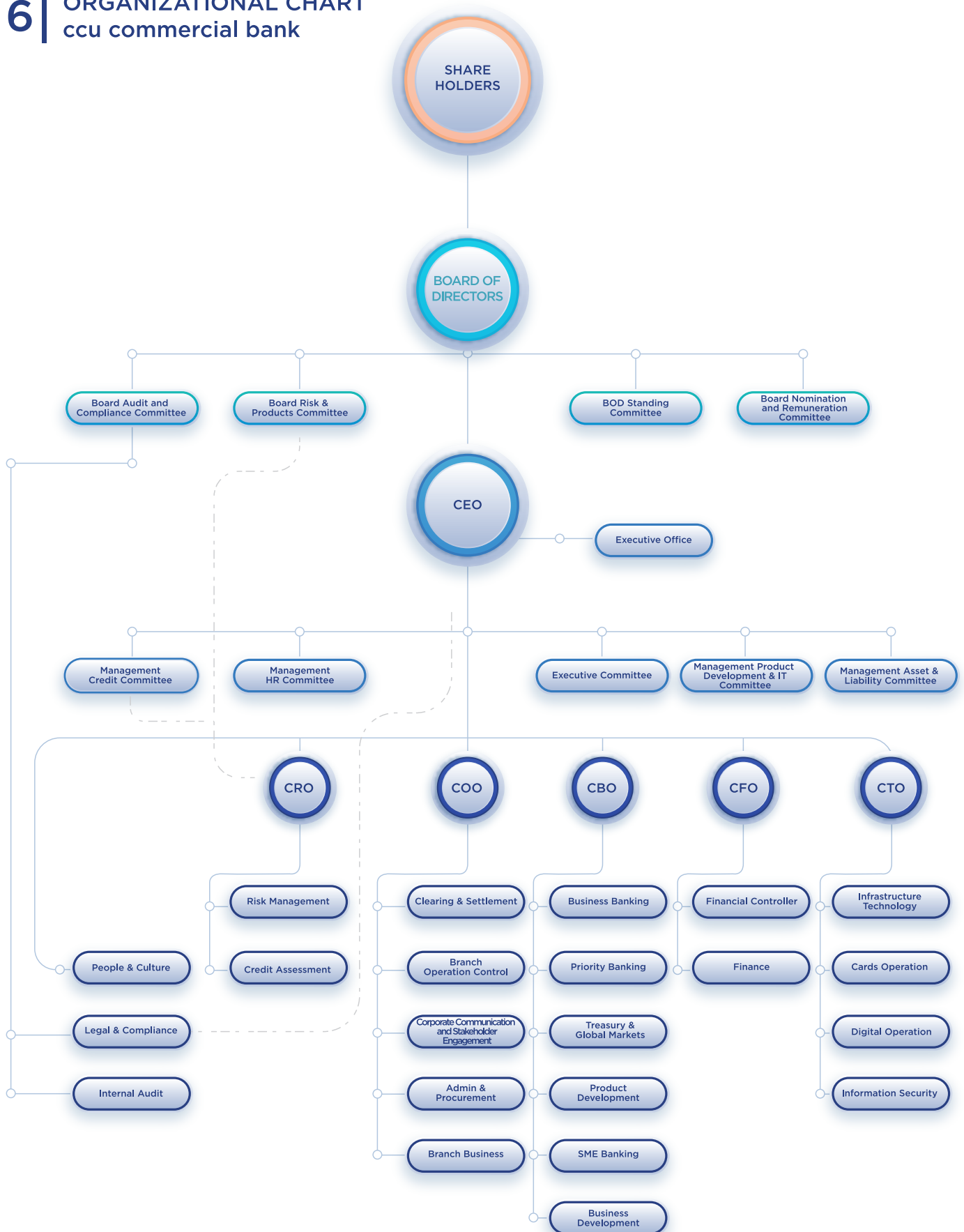
Mr. Chen Tong has a strong background in finance and audit, with experience at international firms including Deloitte China. He has provided assurance and advisory services across industries such as fintech, energy, education, and international trade. His portfolio includes both listed companies and high-growth startups in China and beyond.

Mr. Chen joined CCU Bank in 2022 and now serves on multiple strategic committees, including ALCO and the Credit Risk Committee. He plays a pivotal role in developing financial policies, internal controls, and cross-functional strategies. Mr. Chen holds a Master's degree in Banking and Finance from Queen Mary University of London and a Bachelor of Science in Accounting and Finance from the University of York, UK.



# Organizational Structure

## 6 | ORGANIZATIONAL CHART ccu commercial bank



# 7. ESG & Community Impact (2024)

CCU Bank is committed to sustainable growth, ethical governance, and social responsibility.

Our 2024 initiatives reflect a deep dedication to Cambodia's development:

## Key ESG Activities:



### 1. Health & Humanitarian Support

- **Blood Donation Drives:** CCU Bank is delighted to participate in the 'Donate Blood, Save Lives' initiative organized by the Association of Banks in Cambodia( ABC).
- **Marathons for Cancer & Kuntha Bopha Hospital:** Every year, we actively take part in blood donation initiatives to help save lives and contribute to the well-being of our community.



### 2. Education & Financial Literacy

- **Children's Day Donations:** Provided essential supplies and funding to underprivileged youth.
- **Financial Literacy Programs:** Partnered with ABC to educate communities on savings, loans, and budgeting empowering economic inclusion.



### 3. Digital Security & Stability

- **Cybersecurity Enhancements:** Strengthened fraud prevention and secure banking infrastructure.
- **Support for ABC Events:** Ensured seamless digital transactions at national financial forums.

## Our Commitment to Sustainable Value Creation

- **Champions global ESG leadership**, reinforcing stakeholder confidence through principled banking practices
- **Cultivates enduring relationships** by transforming community investments into measurable social impact



## 8. 2025 Strategic Roadmap: Accelerating Growth with Purpose

CCU Bank has set clear, measurable goals to drive sustainable expansion while maintaining financial discipline:

Key Metric	2025 Target	Strategic Importance
Asset Growth	+20% YoY	Expand market share through diversified lending and deposit mobilization.
Digital Revenue Share	35%	Cement leadership in Cambodia's digital banking revolution.
ESG Loan Portfolio	\$7M (+40% YoY)	Align with global sustainability trends and support green projects.
ROE	15%+	Deliver superior returns to shareholders through optimized capital allocation.

### Key Initiatives Driving Our 2025 Vision

#### I. Khmer Riel Expansion: Pioneering National Digital Currency Adoption

**Priority:** Support NBC's vision for a cash-lite economy.

**Actions:**

- Deepen **Bakong integration** across retail and corporate banking.
- Launch **Riel-denominated loan products** to promote local currency usage.
- Introduce **incentivized Riel savings accounts** with competitive rates.

**Impact:**

- Strengthens Cambodia's financial sovereignty
- Reduces FX risk for SMEs and retail customers

## 2. Premier Wealth Management: Serving High-Net-Worth Clients (Q3 2025 Launch)

**Priority:** Capture Cambodia's growing affluent segment.

**Actions:**

- Roll out **tailored investment portfolios**
- Provide **dedicated relationship managers** for personalized advisory
- Offer **exclusive cross-border banking services** via Visa/Mastercard partnerships

**Impact:**

- Differentiates CCU as a premium banking partner

## 3. Branch Network Expansion: Bridging Urban and Rural Financial Inclusion

**Priority:** Double physical presence for greater accessibility.

**Actions:**

- Open **new branches** in key strategic location
- Equip all branches with **digital kiosks** for seamless phygital service

**Impact:**

- Expands customer base beyond urban centers
- Supports NBC's financial inclusion goals

## Executing Strategy with PRIDE

At CCU Bank, our strategy isn't just a plan—it's an extension of our values. We execute with PRIDE, ensuring that every business priority is grounded in principles that drive sustainable growth, customer trust, and organizational excellence.





PRIDE Value	How It Drives Our 2025 Strategy
Prudential	Guides our balanced approach to loan and deposit growth, capital adequacy, and low-NPL risk management.
Respectful	Shapes customer-centric product design and ensures personalized service across our Premier and SME banking channels.
Innovative	Fuels our digital transformation—mobile app V02, T24 core system, cross-border payments, and new digital wealth platform.
Dedicated	Empowers our teams to deliver results through ownership, accountability, and agile execution across all departments.
Enjoyable	Inspires an inclusive workplace culture and superior client experience making CCU both the Bank of Choice and Employer of Choice.



PRIDE is not just a value system—it’s our operating model. It shapes how we think, how we serve, and how we grow. From strategy to culture, PRIDE is embedded in every action we take toward building Cambodia’s premier bank.

# 9. Investment Proposition

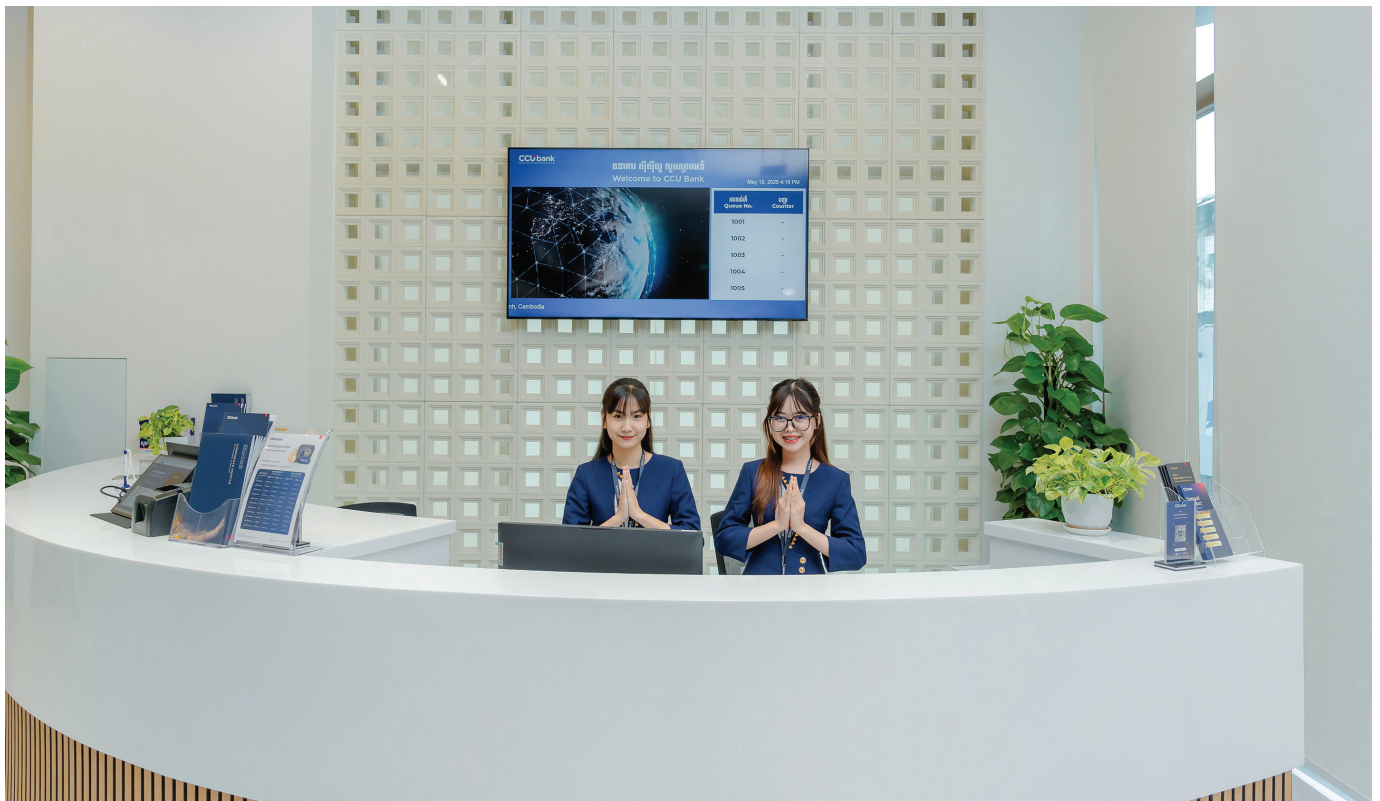
**CCUbank**  
BEYOND BANKING, BEYOND EXPECTATIONS

**ទទួលបានពិសោធន៍កាន់តែ ងាយស្រួល ជាមួយធនាគារ ស៊ីស៊ីយូ**  
Experience Ultimate Convenience with CCU Bank

- ធ្វើប្រាក់ក្នុង និងក្រៅប្រទេស Remittance Services
- សេវាធនាគារតាមទូរស័ព្ទ CCU Mobile Banking
- ប័ណ្ណឥណទាន និង ប័ណ្ណឥណពន្ធ CCU Credit and Debit Cards

1800 200 777 | 023 900 777 @ ccubank.com.kh

CCU Bank presents a **high-growth opportunity** in Cambodia’s dynamic financial sector. CCU Bank is not just growing—it’s **transforming Cambodian banking**. With aggressive expansion, cutting-edge technology, and a leadership team with deep industry expertise, we offer a compelling opportunity for investors seeking high-potential emerging market exposure.





### High-Growth Market Position

43.8% asset growth and 195% surge in customer deposits in 2024—clear signals of rising market confidence.



### Premier Banking Focus

Differentiated by phygital delivery, tailored experiences, and upcoming wealth management offerings for Cambodia’s growing affluent segment.



### Robust Risk and Capital Discipline

140.01%+ liquidity coverage, and 55.26% solvency ratio—well above regulatory thresholds.



### Digital Leadership

First-mover on T24 Core Banking upgrade, mobile adoption up 67%, full KHQR/Bakong and cross-border payment integration.



### Strong Return Outlook

Asset growth nearly doubled in 2024 from USD120M in 2023 to USD172M in 2024, targeting 20%+ in 2025, with sustainable earnings potential backed by scalable digital and lending models.

CCU Bank offers a rare gateway to Cambodia’s fast-growing financial sector, combining the agility of a new-generation bank with the discipline of strong governance and 0% NPL risk management.

CCU Bank is not just growing it is reshaping the future of premier banking in Cambodia. Now is the time to partner in that journey.

## Demonstrating our products and services

	Loans	Premier and Wealth Management	
Saving Account	Business Loan	Premier Account	Mobile Banking
Saving Plus Account	Home Loan	Elite Account	ATM
Current Account	Car Loan	Trust Services	Cheque Services
Current Plus Account	Personal Loan	Cross-Border Fund Transactions	Internet Banking
Fixed Deposit (Monthly Interest)	Overdraft		Bakong
Fixed Deposit (Quarterly Interest)	Bank Guarantee		KHQR
Fixed Deposit (Maturity Interest)			Credit Card and Debit Card (Visa/Master)
Payroll Account			Thunes/Swift

# APPENDICES

- FULL AUDITED REPORTS & NOTES
- RISK MANAGEMENT POLICY
- CORPORATE GOVERNANCE



**CCU COMMERCIAL BANK PLC.**

**CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2024**



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## THE BOARD OF DIRECTORS' REPORT

The Board of Directors (the Directors) hereby submits their report and the audited consolidated financial statements of the CCU Commercial Bank Plc. (the Bank) and its subsidiary (together the Group) and the separate financial statements of the Bank for the year ended 31 December 2024.

## PRINCIPAL ACTIVITIES

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

## FINANCIAL PERFORMANCE

The financial performance for the year ended 31 December 2024 are set out in the consolidated and separate statement of profit or loss and other comprehensive income on page 8 and 12, respectively.

No dividend was declared or paid during the year (2023: nil).

## STATUTORY CAPITAL

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

## BAD AND DOUBTFUL LOANS AND ADVANCES

Before the consolidated and separate financial statements of the Group and 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 consolidated and separate financial statements of the Group and the Bank inadequate to any material extent.

## ASSETS

Before the consolidated and separate financial statements of the Group and 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 Group and 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 consolidated and separate financial statements of the Group and the Bank misleading in any material respect.

*DR*

## CONTINGENT AND OTHER LIABILITIES

At the date of this report, there is:

- (a) no charge on the assets of the Group and 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 Group and 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 Group and 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 Group and 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 consolidated and separate financial statements of the Group and the Bank, which would render any amount stated in the consolidated and separate financial statements misleading.

## ITEMS OF UNUSUAL NATURE

The financial performance of the Group and 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 Group and 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 Bo	Chairman
Ms. Jiang Yifei	Director
Mr. Pang Visal	Director
Mr. Xia Edmond	Independent Director
Mr. Su Samnang	Independent Director

## THE BOARD OF DIRECTORS' RESPONSIBILITY IN RESPECT OF THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

The Directors are responsible for ascertaining that the consolidated and separate financial statements present fairly, in all material respects, the financial position of the Group and the Bank as at 31 December 2024 and of its financial performance and its cash flows for the year then ended in accordance with the Cambodian International Financial Reporting Standards (CIFRS). In preparing these consolidated and separate financial statements, the Directors are required to:

- i) adopt appropriate accounting policies which are supported by reasonable and prudent judgments and estimates and then apply them consistently;
- ii) comply with the disclosure requirements of CIFRS or, if there have been any departures in the interest of fair presentation, these have been appropriately disclosed, explained and quantified in the consolidated and separate financial statements;
- iii) maintain adequate accounting records and an effective system of internal controls;
- iv) prepare the consolidated and separate financial statements on the going concern basis unless it is inappropriate to assume that the Group and the Bank will continue operations in the foreseeable future; and
- v) effectively control and direct the Group and the Bank in all material decisions affecting its operations and performance and ascertain that such have been properly reflected in the consolidated and separate financial statements.

*SPC*

The Directors confirm that the Group and the Bank have complied with the above requirements in preparing the consolidated and separate financial statements.

**APPROVAL OF THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS**

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

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



The image shows a handwritten signature in blue ink over a blue circular official stamp. The stamp contains the text: "ព្រះរាជាណាចក្រកម្ពុជា" (Kingdom of Cambodia) at the top, "ស៊ីស៊ីយូ ខេមប៉ែល ប៊ែន ប.ក" (CCU Commercial Bank PLC) in the center, and "CCU COMMERCIAL BANK PLC" and "KINGDOM OF CAMBODIA" at the bottom.

Mr. Kong Bun Norin  
Chief Executive Officer

Phnom Penh, Kingdom of Cambodia  
30 April 2025



## Independent auditor's report

To the Shareholders of the CCU Commercial Bank Plc.

### Our opinion

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

### *What we have audited*

CCU Commercial Bank Plc.'s financial statements comprise:

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

### Basis for opinion

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

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

### *Independence*

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



### **Other information**

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

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

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

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

### **Responsibilities of management and those charged with governance for the consolidated and separate financial statements**

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

In preparing the consolidated and separate financial statements, management is responsible for assessing the Group's and 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 Group and the Bank or to cease operations, or has no realistic alternative but to do so.

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

### **Auditor's responsibilities for the audit of the consolidated and separate financial statements**

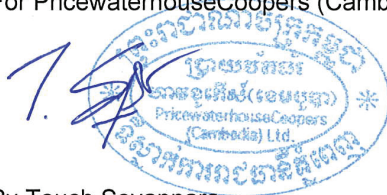
Our objectives are to obtain reasonable assurance about whether the consolidated and separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with CISA's 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 consolidated and separate 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 consolidated and separate 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 Group's and the Bank's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and 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 consolidated and separate 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 Group and the Bank to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for the purposes of the group audit. We remain solely responsible for our audit opinion.

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

For PricewaterhouseCoopers (Cambodia) Ltd.



By Touch Sovannara  
Partner

Phnom Penh, Kingdom of Cambodia  
30 April 2025

CCU COMMERCIAL BANK PLC.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS AT 31 DECEMBER 2024

	Notes	2024		2023	
		US\$	KHR'000	US\$	KHR'000
<b>Assets</b>					
Cash on hand	4	741,162	2,983,177	314,775	1,285,856
Deposits and placements with the central bank	5	17,107,131	68,856,202	17,341,907	70,841,690
Deposits and placements with other banks	6	56,495,289	227,393,538	46,614,153	190,418,815
Loans and advances to customers	7	73,950,437	297,650,509	39,070,448	159,602,780
Statutory deposits with the central bank	8	11,714,540	47,151,024	8,282,485	33,833,951
Property and equipment	9	4,113,225	16,555,731	1,065,105	4,350,954
Intangible assets	10	1,845,387	7,427,683	1,413,122	5,772,603
Right-of-use assets	11	4,100,188	16,503,257	884,335	3,612,508
Current tax assets		78,701	316,772	-	-
Other assets	13	2,050,978	8,255,186	4,806,246	19,633,515
<b>Total assets</b>		<b>172,197,038</b>	<b>693,093,079</b>	<b>119,792,576</b>	<b>489,352,672</b>
<b>Liabilities and equity</b>					
<b>Liabilities</b>					
Deposits from other banks and financial institutions	14	37,634,142	151,477,422	18,377,990	75,074,089
Deposits from customers	15	48,243,202	194,178,888	16,354,975	66,810,073
Lease liabilities	11	4,111,864	16,550,253	913,719	3,732,542
Borrowings	16	4,966,068	19,988,424	4,998,284	20,417,990
Subordinated debts	17	8,452,211	34,020,149	5,863,106	23,950,788
Current income tax liability		-	-	14,932	60,997
Other liabilities	18	1,122,247	4,517,045	232,897	951,384
<b>Total liabilities</b>		<b>104,529,734</b>	<b>420,732,181</b>	<b>46,755,903</b>	<b>190,997,863</b>
<b>Equity</b>					
Share capital	19	75,000,000	301,875,000	75,000,000	306,375,000
Accumulated losses		(7,332,696)	(29,878,891)	(1,963,327)	(8,020,188)
Other reserves		-	364,789	-	(3)
<b>Total equity</b>		<b>67,667,304</b>	<b>272,360,898</b>	<b>73,036,673</b>	<b>298,354,809</b>
<b>Total liabilities and equity</b>		<b>172,197,038</b>	<b>693,093,079</b>	<b>119,792,576</b>	<b>489,352,672</b>

The accompanying notes on pages 15 to 97 form an integral part of the consolidated financial statements.

CCU COMMERCIAL BANK PLC.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 DECEMBER 2024

	Notes	2024		2023	
		US\$	KHR'000	US\$	KHR'000
Interest income	20	7,375,100	30,024,032	4,140,185	17,016,160
Interest expense	20	(4,407,684)	(17,943,682)	(397,022)	(1,631,760)
<b>Net interest income</b>	20	<u>2,967,416</u>	<u>12,080,350</u>	<u>3,743,163</u>	<u>15,384,400</u>
Fee and commission income		4,802	19,549	-	-
Fee and commission expense		(37,278)	(151,759)	-	-
<b>Net fee and commission expense</b>		<u>(32,476)</u>	<u>(132,210)</u>	<u>-</u>	<u>-</u>
Other operating income		71,677	291,797	-	-
Other gains - net		7,496	30,516	21,199	87,128
<b>Total operating income</b>		<u>79,173</u>	<u>322,313</u>	<u>21,199</u>	<u>87,128</u>
Impairment losses on financial assets	21	(496,371)	(2,020,726)	(842,841)	(3,464,077)
<b>Net other operating expenses</b>		<u>(417,198)</u>	<u>(1,698,413)</u>	<u>(821,642)</u>	<u>(3,376,949)</u>
Personnel expenses	22	(3,282,056)	(13,361,250)	(1,539,755)	(6,328,393)
Depreciation and amortisation charge	23	(966,028)	(3,932,700)	(531,510)	(2,184,506)
Other operating expenses	24	(3,639,027)	(14,814,480)	(1,357,780)	(5,580,476)
<b>Loss before income tax</b>		<u>(5,369,369)</u>	<u>(21,858,703)</u>	<u>(507,524)</u>	<u>(2,085,924)</u>
Income tax expense	25	-	-	(47,563)	(195,484)
<b>Loss for the year</b>		<u>(5,369,369)</u>	<u>(21,858,703)</u>	<u>(555,087)</u>	<u>(2,281,408)</u>
<b>Other comprehensive income</b> <i>Items that will not be reclassified to profit or loss</i>					
Currency translation differences		-	364,792	-	58,941
<b>Other comprehensive income for the year</b>		<u>-</u>	<u>364,792</u>	<u>-</u>	<u>58,941</u>
<b>Total comprehensive loss for the year</b>		<u>(5,369,369)</u>	<u>(21,493,911)</u>	<u>(555,087)</u>	<u>(2,222,467)</u>
<b>Loss attributable to:</b>					
Owners of the Group		<u>(5,369,369)</u>	<u>(21,858,703)</u>	<u>(555,087)</u>	<u>(2,281,408)</u>
<b>Total comprehensive loss attributable to:</b>					
Owners of the Group		<u>(5,369,369)</u>	<u>(21,493,911)</u>	<u>(555,087)</u>	<u>(2,222,467)</u>

The accompanying notes on pages 15 to 97 form an integral part of the consolidated financial statements.

CCU COMMERCIAL BANK PLC.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2024

	Attributable to owners of the Group							
	Share capital		Accumulated losses		Other reserves		Total	
	US\$	KHR'000	US\$	KHR'000	US\$	KHR'000		
<b>Balance as at 1 January 2023</b>	75,000,000	308,775,000	(1,408,240)	(5,738,780)	-	(58,944)	73,591,760	302,977,276
Loss for the year	-	-	(555,087)	(2,281,408)	-	-	(555,087)	(2,281,408)
Other comprehensive income – currency translation differences	-	-	-	-	-	58,941	-	58,941
<b>Total comprehensive loss for the year</b>	-	-	(555,087)	(2,281,408)	-	58,941	(555,087)	(2,222,467)
<b>Transactions with owners in their capacity as owners:</b>								
Currency translation differences	-	(2,400,000)	-	-	-	-	-	(2,400,000)
<b>Total transactions with owners</b>	-	(2,400,000)	-	-	-	-	-	(2,400,000)
<b>Balance as at 31 December 2023</b>	75,000,000	306,375,000	(1,963,327)	(8,020,188)	-	(3)	73,036,673	298,354,809
<b>Balance as at 1 January 2024</b>	75,000,000	306,375,000	(1,963,327)	(8,020,188)	-	(3)	73,036,673	298,354,809
Loss for the year	-	-	(5,369,369)	(21,858,703)	-	-	(5,369,369)	(21,858,703)
Other comprehensive income – currency translation differences	-	-	-	-	-	364,792	-	364,792
<b>Total comprehensive loss for the year</b>	-	-	(5,369,369)	(21,858,703)	-	364,792	(5,369,369)	(21,493,911)
<b>Transactions with owners in their capacity as owners:</b>								
Currency translation differences	-	(4,500,000)	-	-	-	-	-	(4,500,000)
<b>Total transactions with owners</b>	-	(4,500,000)	-	-	-	-	-	(4,500,000)
<b>Balance as at 31 December 2024</b>	75,000,000	301,875,000	(7,332,696)	(29,878,891)	-	364,789	67,667,304	272,360,898

The accompanying notes on pages 15 to 97 form an integral part of the consolidated financial statements.

CCU COMMERCIAL BANK PLC.

CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 DECEMBER 2024

	Notes	2024		2023	
		US\$	KHR'000	US\$	KHR'000
Loss before income tax		(5,369,369)	(21,858,703)	(507,524)	(2,085,924)
Adjustments for:					
Depreciation and amortisation charges	23	966,028	3,932,700	531,510	2,184,506
Impairment losses on financial assets	21	496,371	2,020,726	842,841	3,464,077
Loss of disposal of property and equipment		11,833	48,172	-	-
Other gains - net		(7,118)	(28,977)	-	-
Lease remeasurement		67,057	272,989	-	-
Net interest income	20	(2,967,416)	(12,080,350)	(3,743,163)	(15,384,400)
		<u>(6,802,614)</u>	<u>(27,693,443)</u>	<u>(2,876,336)</u>	<u>(11,821,741)</u>
<i>Changes in working capital:</i>					
Loans and advances		(35,611,397)	(144,973,997)	(21,217,348)	(87,203,299)
Reserve requirement		(3,283,540)	(13,367,291)	(782,485)	(3,216,013)
Deposits and placement with the central bank - fixed deposits with maturity more than three months		(4,600,000)	(18,726,600)	-	-
Deposits and placements with other banks – fixed deposits with maturity more than three months		(5,139,059)	(20,921,109)	1,674,375	6,881,681
Other assets		2,676,569	10,896,312	(4,260,671)	(17,511,358)
Deposits from customers		28,961,900	117,903,895	16,354,975	67,218,947
Deposits from other banks and financial institutions		18,782,031	76,461,648	18,377,990	75,533,539
Other liabilities		889,350	3,620,545	(705,919)	(2,901,327)
<b>Cash (used in)/ generated from operations</b>		<u>(4,126,760)</u>	<u>(16,800,040)</u>	<u>6,564,581</u>	<u>26,980,429</u>
Interest received		7,286,793	29,664,534	3,311,502	13,610,273
Interest paid		(898,017)	(3,655,827)	(142,181)	(584,364)
Income tax paid		(14,932)	(60,788)	(46,788)	(192,299)
<b>Net cash generated from operating activities</b>		<u>2,247,084</u>	<u>9,147,879</u>	<u>9,687,114</u>	<u>39,814,039</u>
<b>Cash flows from investing activities</b>					
Statutory deposits		(148,515)	(604,605)	-	-
Proceeds from disposal of property and equipment		72,542	295,318	-	-
Purchases of intangible assets	10	(608,088)	(2,475,526)	(294,321)	(1,209,659)
Purchases of property and equipment	9	(3,480,326)	(14,168,407)	(466,431)	(1,917,031)
<b>Net cash used in investing activities</b>		<u>(4,164,387)</u>	<u>(16,953,220)</u>	<u>(760,752)</u>	<u>(3,126,690)</u>
<b>Cash flows from financing activities</b>					
Principal element of lease payments		(245,507)	(999,459)	(220,616)	(906,732)
Interest paid		-	-	(33,644)	(138,277)
Repayment of borrowings	16	(4,998,284)	(20,348,014)	-	-
Proceeds from borrowings	16	4,961,481	20,198,189	5,000,000	20,550,000
Proceeds from subordinated debts	17	2,484,472	10,114,286	5,850,673	24,046,266
<b>Net cash generated from financing activities</b>		<u>2,202,162</u>	<u>8,965,002</u>	<u>10,596,413</u>	<u>43,551,257</u>
<b>Net increase in cash and cash equivalents</b>		<u>284,859</u>	<u>1,159,661</u>	<u>19,522,775</u>	<u>80,238,606</u>
Cash and cash equivalents at beginning of year		25,454,363	103,981,074	5,931,588	24,420,347
Currency translation differences		-	(1,540,367)	-	(677,879)
<b>Cash and cash equivalents at end of year</b>	26	<u>25,739,222</u>	<u>103,600,368</u>	<u>25,454,363</u>	<u>103,981,074</u>

Non-cash financing activities disclosed in other note is the right-of-use assets and lease liabilities (Note 11).

The accompanying notes on pages 15 to 97 form an integral part of the consolidated financial statements.

CCU COMMERCIAL BANK PLC.

SEPARATE STATEMENT OF FINANCIAL POSITION  
FOR THE YEAR ENDED 31 DECEMBER 2024

	Notes	2024		2023	
		US\$	KHR'000	US\$	KHR'000
<b>Assets</b>					
Cash on hand	4	741,162	2,983,177	314,775	1,285,856
Deposits and placements with the central bank	5	17,107,131	68,856,202	17,341,907	70,841,690
Deposits and placements with other banks	6	56,495,289	227,393,538	46,614,153	190,418,815
Loans and advances to customers	7	73,950,437	297,650,509	39,070,448	159,602,780
Statutory deposits with the central bank	8	11,566,025	46,553,251	8,282,485	33,833,951
Property and equipment	9	4,053,988	16,317,302	1,065,105	4,350,954
Intangible assets	10	1,767,319	7,113,459	1,413,122	5,772,603
Right-of-use assets	11	4,023,612	16,195,038	884,335	3,612,508
Current tax asset		78,701	316,772	-	-
Investment in subsidiary	12	1,000,000	4,025,000	-	-
Other assets	13	2,131,198	8,578,072	4,806,246	19,633,515
<b>Total assets</b>		<b>172,914,862</b>	<b>695,982,320</b>	<b>119,792,576</b>	<b>489,352,672</b>
<b>Liabilities and equity</b>					
<b>Liabilities</b>					
Deposits from other banks and financial institutions	14	37,634,142	151,477,422	18,377,990	75,074,089
Deposits from customers	15	48,717,430	196,087,656	16,354,975	66,810,073
Lease liabilities	11	4,033,504	16,234,854	913,719	3,732,542
Borrowings	16	4,966,068	19,988,424	4,998,284	20,417,990
Subordinated debts	17	8,452,211	34,020,149	5,863,106	23,950,788
Current income tax liability		-	-	14,932	60,997
Other liabilities	18	1,086,566	4,373,430	232,897	951,384
<b>Total liabilities</b>		<b>104,889,921</b>	<b>422,181,935</b>	<b>46,755,903</b>	<b>190,997,863</b>
<b>Equity</b>					
Share capital	19	75,000,000	301,875,000	75,000,000	306,375,000
Accumulated losses		(6,975,059)	(28,422,951)	(1,963,327)	(8,020,188)
Other reserves		-	348,336	-	(3)
<b>Total equity</b>		<b>68,024,941</b>	<b>273,800,385</b>	<b>73,036,673</b>	<b>298,354,809</b>
<b>Total liabilities and equity</b>		<b>172,914,862</b>	<b>695,982,320</b>	<b>119,792,576</b>	<b>489,352,672</b>

The accompanying notes on pages 15 to 97 form an integral part of the separate financial statements.

CCU COMMERCIAL BANK PLC.

SEPARATE STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 DECEMBER 2024

	Notes	2024		2023	
		US\$	KHR'000	US\$	KHR'000
Interest income	20	7,375,100	30,024,032	4,140,185	17,016,160
Interest expense	20	(4,403,615)	(17,927,117)	(397,022)	(1,631,760)
<b>Net interest income</b>	20	<u>2,971,485</u>	<u>12,096,915</u>	<u>3,743,163</u>	<u>15,384,400</u>
Fee and commission income		4,302	17,513	-	-
Fee and commission expense		(37,158)	(151,270)	-	-
<b>Net fee and commission expense</b>		<u>(32,856)</u>	<u>(133,757)</u>	<u>-</u>	<u>-</u>
Other operating income		71,470	290,954	-	-
Other gains - net		7,496	30,516	21,199	87,128
<b>Net operating income</b>		<u>78,966</u>	<u>321,470</u>	<u>21,199</u>	<u>87,128</u>
Net impairment losses	21	(496,371)	(2,020,726)	(842,841)	(3,464,077)
<b>Net other operating expenses</b>		<u>(417,405)</u>	<u>(1,699,256)</u>	<u>(821,642)</u>	<u>(3,376,949)</u>
Personnel expenses	22	(3,124,916)	(12,721,533)	(1,539,755)	(6,328,393)
Depreciation and amortisation charge	23	(952,839)	(3,879,008)	(531,510)	(2,184,506)
Other operating expenses	24	(3,455,201)	(14,066,124)	(1,357,780)	(5,580,476)
<b>Loss before income tax</b>		<u>(5,011,732)</u>	<u>(20,402,763)</u>	<u>(507,524)</u>	<u>(2,085,924)</u>
Income tax expense	25	-	-	(47,563)	(195,484)
<b>Loss for the year</b>		<u>(5,011,732)</u>	<u>(20,402,763)</u>	<u>(555,087)</u>	<u>(2,281,408)</u>
<b>Other comprehensive income:</b> <i>Items that will not be reclassified to profit or loss</i>					
Currency translation differences		-	348,339	-	58,941
<b>Other comprehensive income for the year</b>		<u>-</u>	<u>348,339</u>	<u>-</u>	<u>58,941</u>
<b>Total comprehensive loss for the year</b>		<u>(5,011,732)</u>	<u>(20,054,424)</u>	<u>(555,087)</u>	<u>(2,222,467)</u>
<b>Loss attributable to:</b>					
Owner of the Bank		<u>(5,011,732)</u>	<u>(20,402,763)</u>	<u>(555,087)</u>	<u>(2,281,408)</u>
<b>Total comprehensive loss attributable to:</b>					
Owner of the Bank		<u>(5,011,732)</u>	<u>(20,054,424)</u>	<u>(555,087)</u>	<u>(2,222,467)</u>

The accompanying notes on pages 15 to 97 form an integral part of the separate financial statements.

CCU COMMERCIAL BANK PLC.

SEPARATE STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2024

	Attributable to owners of the Bank							
	Share capital		Accumulated losses		Other reserves		Total	
	US\$	KHR'000	US\$	KHR'000	US\$	KHR'000	US\$	KHR'000
<b>Balance at 1 January 2023</b>	75,000,000	308,775,000	(1,408,240)	(5,738,780)	-	(58,944)	73,591,760	302,977,276
Loss for the year	-	-	(555,087)	(2,281,408)	-	-	(555,087)	(2,281,408)
Other comprehensive income:	-	-	-	-	-	58,941	-	58,941
<b>Total comprehensive loss for the year</b>	-	-	(555,087)	(2,281,408)	-	58,941	(555,087)	(2,222,467)
<b>Transactions with owners in their capacity as owners:</b>								
Currency translation difference	-	(2,400,000)	-	-	-	-	-	(2,400,000)
<b>Total transactions with owners</b>	-	(2,400,000)	-	-	-	-	-	(2,400,000)
<b>Balance at 31 December 2023</b>	75,000,000	306,375,000	(1,963,327)	(8,020,188)	-	(3)	73,036,673	298,354,809
<b>Balance at 1 January 2024</b>	75,000,000	306,375,000	(1,963,327)	(8,020,188)	-	(3)	73,036,673	298,354,809
Loss for the year	-	-	(5,011,732)	(20,402,763)	-	-	(5,011,732)	(20,402,763)
Other comprehensive income:	-	-	-	-	-	348,339	-	348,339
<b>Total comprehensive loss for the year</b>	-	-	(5,011,732)	(20,402,763)	-	348,339	(5,011,732)	(20,054,424)
<b>Transactions with owners in their capacity as owners:</b>								
Currency translation difference	-	(4,500,000)	-	-	-	-	-	(4,500,000)
<b>Total transactions with owners</b>	-	(4,500,000)	-	-	-	-	-	(4,500,000)
<b>Balance at 31 December 2024</b>	75,000,000	301,875,000	(6,975,059)	(28,422,951)	-	348,336	68,024,941	273,800,385

The accompanying notes on pages 15 to 97 form an integral part of the separate financial statements.

CCU COMMERCIAL BANK PLC.

SEPARATE STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 DECEMBER 2024

	Notes	2024		2023	
		US\$	KHR'000	US\$	KHR'000
<b>Cash flows from operating activities</b>					
Loss before income tax		(5,011,732)	(20,402,763)	(507,524)	(2,085,924)
<b>Adjustments for:</b>					
Depreciation and amortisation charges	23	952,839	3,879,008	531,510	2,184,506
Impairment losses on financial assets	21	496,371	2,020,726	842,841	3,464,077
Loss of disposal of property and equipment		11,833	48,172	-	-
Other gains - net		(7,118)	(28,977)	-	-
Lease remeasurement		67,057	272,989	-	-
Net interest income	20	(2,971,485)	(12,096,915)	(3,743,163)	(15,384,400)
		<u>(6,462,235)</u>	<u>(26,307,760)</u>	<u>(2,876,336)</u>	<u>(11,821,741)</u>
<i>Changes in working capital:</i>					
Loans and advances		(35,611,397)	(144,973,997)	(21,217,348)	(87,203,299)
Reserve requirement		(3,283,540)	(13,367,291)	(782,485)	(3,216,013)
Deposits and placement with the central bank - fixed deposits with maturity more than three months		(4,600,000)	(18,726,600)	-	-
Deposits and placements with other banks – fixed deposits with maturity more than three months		(5,139,059)	(20,921,109)	1,674,375	6,881,681
Other assets		2,596,348	10,569,733	(4,260,671)	(17,511,358)
Deposits from customers		29,436,128	119,834,477	16,354,975	67,218,947
Deposits from other banks and financial institutions		18,782,031	76,461,648	18,377,990	75,533,539
Other liabilities		853,669	3,475,287	(705,919)	(2,901,327)
<b>Cash generated from operations</b>		<u>(3,428,055)</u>	<u>(13,955,612)</u>	<u>6,564,581</u>	<u>26,980,429</u>
Interest received		7,286,793	29,664,534	3,311,502	13,610,273
Interest paid		(893,948)	(3,639,262)	(142,181)	(584,364)
Income tax paid		(14,932)	(60,788)	(46,788)	(192,299)
<b>Net cash generated from operating activities</b>		<u>2,949,858</u>	<u>12,008,872</u>	<u>9,687,114</u>	<u>39,814,039</u>
<b>Cash flows from investing activities</b>					
Proceeds from disposal of property and equipment		72,542	295,318	-	-
Purchases of intangible assets	10	(527,308)	(2,146,671)	(294,321)	(1,209,659)
Purchases of property and equipment	9	(3,416,026)	(13,906,642)	(466,431)	(1,917,031)
Investment in subsidiary		(1,000,000)	(4,071,000)	-	-
<b>Net cash used in investing activities</b>		<u>(4,870,792)</u>	<u>(19,828,995)</u>	<u>(760,752)</u>	<u>(3,126,690)</u>
<b>Cash flows from financing activities</b>					
Principal element of lease payments		(241,876)	(984,677)	(220,616)	(906,732)
Interest paid		-	-	(33,644)	(138,277)
Repayment of borrowings	16	(4,998,284)	(20,348,014)	-	-
Proceeds from borrowings	16	4,961,481	20,198,189	5,000,000	20,550,000
Proceeds from subordinated debts	17	2,484,472	10,114,286	5,850,673	24,046,266
<b>Net cash generated from financing activities</b>		<u>2,205,793</u>	<u>8,979,784</u>	<u>10,596,413</u>	<u>43,551,257</u>
<b>Net increase in cash and cash equivalents</b>		<u>284,859</u>	<u>1,159,661</u>	<u>19,522,775</u>	<u>80,238,606</u>
Cash and cash equivalents at beginning of year		25,454,363	103,981,074	5,931,588	24,420,347
Currency translation differences		-	(1,540,367)	-	(677,879)
<b>Cash and cash equivalents at end of year</b>	26	<u>25,739,222</u>	<u>103,600,368</u>	<u>25,454,363</u>	<u>103,981,074</u>

Non-cash financing activities disclosed in other note is the right-of-use assets and lease liabilities (Note 11).

The accompanying notes on pages 15 to 97 form an integral part of the separate financial statements.

**NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2024**

**1. GENERAL**

CCU Commercial Bank Plc. (the Bank), and its subsidiary, CCU Trust Co., Ltd. are incorporated in the Kingdom of Cambodia (together referred to as the Group).

The Bank is a commercial bank operating in accordance with the Cambodian Law on Commercial Enterprises and under the supervision of the National Bank of Cambodia (NBC or the central bank), pursuant to the Law on Banking and Financial Institutions of Cambodia and in accordance with the Banking Licence No. B-64 issued by the NBC, in 2023.

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

CCU Trust Co., Ltd. (CCU Trust) is a single private limited company incorporated in Kingdom of Cambodia under Registration No. 1000348183 issued by the Ministry of Commerce (MoC). The date of incorporation of the Company is 8 January 2024. The Company is wholly owned subsidiary of the Bank. CCU Trust obtained trustee license Number 006 ន.ប.ត.ក.អ.ក.ប from the Trust Regulator (TR) on 7 May 2024 and valid from 7 May 2024 to 6 May 2026 for commercial trust operations.

The Bank's registered office is currently located at No. 15, Preah Monivong Blvd., Phum 5, Sangkat Boeung Trabaek, Khan Chamkar Mon, Phnom Penh, Kingdom of Cambodia.

The consolidated and separate financial statements were authorised and approved for issue by the Board of Directors on 30 April 2025.

**2. SUMMARY OF MATERIAL ACCOUNTING POLICIES**

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

**2.1 Basis of preparation**

The consolidated and separate financial statements are prepared in accordance with Cambodian International Financial Reporting Standards (CIFRS) including other interpretations and amendments that may occur in any circumstances to each standard.

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

The consolidated financial statements for the year ended 31 December 2024 was the first year of consolidation as the Bank invested in its subsidiary in 2024. The financial statements for the year ended 31 December 2023 was the stand alone financial statements of the Bank.

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

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

**NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2024**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

**2.1 Basis of preparation** (continued)

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

**2.2 New and amended accounting standards and interpretations**

*(a) New and amended accounting standards and interpretations adopted*

The Group and the Bank have applied the following standards and amendments for the first time for their annual reporting period commencing on 1 January 2024:

- Amendments to CIAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current and Classification of Liabilities as Current or Non-current – Deferral of Effective Date and Non-current Liabilities with Covenants.

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

*(b) New standards and interpretations not yet adopted*

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

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

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

- CIFRS 18 Presentation and Disclosure in Financial Statements

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

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

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

**2. SUMMARY OF MATERIAL ACCOUNTING POLICIES** (continued)

**2.3 Principles of consolidation of the subsidiary**

CCU Trust is the subsidiary over which the Group has control. The Group controls an entity where the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiary are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The Bank controls CCU Trust by governing its operating and financial policies.

The acquisition method of accounting is used to account for business combinations by the Group and the Bank.

Inter-company transactions, balances and unrealised gains on transactions between the Bank and the subsidiary are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of the subsidiary have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity, and consolidated statement of financial position respectively.

*Changes in ownership interests*

The Group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the Group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interest to reflect their relative interests and any consideration paid or received is recognised in a separate reserve within equity attributable to owners of the Bank.

When the Group ceases to consolidate or equity account for an investment because of a loss of control, joint control or significant influence, any retained interest in the entity is remeasured to its fair value, with the change in carrying amount recognised in profit or loss. This fair value becomes the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

**2.4 Foreign currency translation**

(i) Functional and presentation currency

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

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of 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.

**2. SUMMARY OF MATERIAL ACCOUNTING POLICIES** (continued)

**2.4 Foreign currency translation** (continued)

(ii) Transactions and balances (continued)

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

(iii) Presentation in Khmer Riel

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

The Group and the Bank have used the official rates of exchange published by the National Bank of Cambodia, and as at the reporting date, the average rate was US\$ 1 to KHR4,071 (2023: KHR4,110) and the closing rate was US\$ 1 to KHR4,025 (2023: KHR4,085).

**2.5 Cash and cash equivalents**

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, demand deposits held with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value

Deposits and placements with the central bank and other banks are carried at amortised cost in the consolidated and separate statement of financial position.

**2.6 Financial instruments**

**2.6.1 Financial assets**

**i) Classification**

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

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

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

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

The Group and the Bank reclassify financial assets when and only when their business model for managing those assets changes.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

2.6 Financial instruments (continued)

2.6.1 Financial assets (continued)

ii) Recognition and derecognition

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

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group and the Bank have 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.

iii) Measurement

At initial recognition, the Group and the Bank measure a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVPL), transaction costs that are directly attributable to the acquisition of the financial asset. 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.

Subsequent measurement of debt instruments depends on the Group's and the Bank's business model for managing the assets and the cash flow characteristics of the assets. Based on these factors, the Group and the Bank classify 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 represent solely payments of principal and interest (SPPI), and that are not designated at FVPL, are measured at amortised cost. The carrying amount of these assets is adjusted by any expected credit loss allowance recognised. Interest income from these financial assets is included in 'Interest income' using the effective interest rate method.

iv) Impairment

The Group and the Bank assess on a forward-looking basis the expected credit losses associated with its debt instrument assets carried at amortised cost and with the exposure arising from credit commitments. The Group and the Bank recognise 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.

**2. SUMMARY OF MATERIAL ACCOUNTING POLICIES** (continued)

**2.6 Financial instruments** (continued)

**2.6.1 Financial assets** (continued)

**iv) Impairment** (continued)

The Group and the Bank apply a three-stage approach to measuring expected credit losses for the following categories:

- debt instruments measured at amortised cost; and
- credit commitments

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

**Stage 1: 12-month ECL**

For exposures where there has not been a significant increase in credit risk since initial recognition and that are not credit impaired upon origination, the portion of the lifetime ECL associated with the probability of default events occurring within the next 12 months is recognised.

**Stage 2: Lifetime ECL – not credit impaired**

For exposures where there has been a significant increase in credit risk since initial recognition but are not credit impaired, a lifetime ECL (i.e. reflecting the remaining lifetime of the financial asset) is recognised.

**Stage 3: Lifetime ECL – credit impaired**

Exposures are assessed as credit impaired when one or more events that have a detrimental impact on the estimated future cash flows of that asset have occurred. For exposures that have become credit impaired, a lifetime ECL is recognised and interest revenue is calculated by applying the effective interest rate to the amortised cost (net of provision) rather than the gross carrying amount.

ECL are recognised as credit impairment losses in profit or loss. Please refer to (Note 29.1 c) for credit risk in financial risk management for detailed measurement on ECL.

**2.6.2 Financial liabilities**

Financial liabilities are recognised when the Group and the Bank become a party to the contractual provision of the instruments. Financial liabilities are measured at amortised cost. Financial liabilities of the Group and the Bank include deposits from other banks and financial institutions, deposits from customers, borrowings, subordinated debts, and other financial liabilities. Bank overdrafts are shown within borrowings in current liabilities in the consolidated and separate statement of financial position.

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 are derecognised when they have been redeemed or otherwise extinguished.

**2.6.3 Credit commitments**

Credit commitments provided by the Group and the Bank are measured as the amount of the loss allowance. The Group and the Bank have 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.

## 2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

### 2.6.3 Credit commitments (continued)

For credit commitments, 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 Group and the Bank cannot separately identify the expected credit losses on the undrawn commitment component from those on the loan component, the expected credit losses on the undrawn commitment are recognised together with the loss allowance for the loan. To the extent that the combined expected credit losses exceed the gross carrying amount of the loan, the expected credit losses are recognised as a provision.

### 2.7 Offsetting financial instruments

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

### 2.8 Property and equipment

Property and equipment are recognised at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

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

Depreciation is calculated using the straight-line method to allocate the cost of assets less their residual values over the estimated useful lives.

Construction in progress represents property and equipment under construction and is stated at cost. Construction in-progress is not depreciated until such time when the relevant assets are completed and ready for operational use.

The estimated useful lives are as follows:

Leasehold improvement	Shorter of its economic life of 5 years or lease term
Furniture and fixtures	5 years
Office equipment	5 years
Computers and IT equipment	5 years
Vehicles	5 years

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, if there is an indication of a significant change since the last reporting date.

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

Gains and losses on disposal of property and equipment are determined by comparing the proceeds with the carrying amount and are included in profit or loss.

**2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)**

**2.9 Intangible assets**

Computer software is stated at historical cost less accumulated amortisation and accumulated impairment losses, if any. Intangible assets are amortised using the straight-line method over estimated useful life between two to ten years. Construction in-progress is not depreciated until such time when the relevant assets are completed and ready for operational use. Costs associated with maintenance of computer software are recognised as expenses when incurred.

**2.10 Investment in subsidiary**

In the Bank's separate financial statements, investment in subsidiary is carried at cost less any accumulated impairment losses. On disposal of investments in subsidiaries, the difference between disposal proceeds and the carrying amount of investments are recognised in the statement of profit or loss. The amounts due from subsidiaries of which the Bank does not expect repayment in foreseeable future are considered as part of the Bank's investments in subsidiary.

**2.11 Impairment of non-financial assets**

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

Any impairment loss is charged to profit or loss in the period in which it arises. Reversal of impairment losses is recognised in profit or loss to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, had no impairment loss been recognised.

**2.12 Employee benefits**

i) Short-term employee benefits

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

ii) Pension fund scheme

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

iii) Other employment benefits - Employment seniority payment

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

**2. SUMMARY OF MATERIAL ACCOUNTING POLICIES** (continued)

**2.12 Employee benefits** (continued)

iii) Other employment benefits - Employment seniority payment (continued)

Annual service which was effective January 2019, 15 days of their average monthly salary and benefits each year payable every six month on 30 June and 31 December (7.5 days each payment).

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

**2.13 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 consolidated and separate 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 gross carrying amount of the financial asset or financial liability. When calculating the effective interest rate, The Group and the Bank take into account all contractual terms of the financial instrument and includes any fees or incremental costs that are directly attributable to the instrument and are an integral part of the effective interest rate, but not future credit losses.

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

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

**2.14 Fee and commission income**

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

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

**2.15 Leases**

*The Group and the Bank as a lessee*

As inception of contract, the Group and the Bank assess 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 Group and the Bank allocate the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices.

**2. SUMMARY OF MATERIAL ACCOUNTING POLICIES** (continued)

**2.15 Leases** (continued)

*The Group and the Bank as a lessee (continued)*

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

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

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

**i) Lease liabilities**

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

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

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Group and 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 Group and the Bank use its recent borrowing rate as a starting point, making specific adjustments to the lease such as term, country, currency and security.

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

**ii) Right-of-use assets**

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

- the amount 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 costs, and
- restoration costs 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 Group and the Bank are 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.

**iii) Recognition exemptions**

Payments associated with all leases of low-value assets and short-term leases are recognised as an expense in profit or loss.

**2. SUMMARY OF MATERIAL ACCOUNTING POLICIES** (continued)

**2.16 Provisions**

Provisions are recognised when the Group and the Bank have 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 an interest expense.

**2.17 Current and deferred income tax**

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

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period where the Group and the Bank operate and generate taxable income.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated and separate financial statements. Deferred income tax is determined using tax rates that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised, or the deferred income tax liability is settled.

Deferred tax assets are recognised only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in foreign operations where the company is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets and liabilities are offset where there is a legally enforceable right to offset current tax assets and liabilities and where the deferred tax balances relate to the same taxation authority.

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

**2.18 Share capital**

Share capital is classified as equity. Incremental costs directly attributable to the issue of new share are shown in equity as a deduction, net of tax, from the proceeds.

**2. SUMMARY OF MATERIAL ACCOUNTING POLICIES** (continued)

**2.19 Regulatory reserves**

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

**2.20 Rounding of amounts**

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

**3. CRITICAL ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGEMENTS**

Estimates, assumptions and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The Group and the Bank make estimates, assumptions and judgements concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates, assumptions and judgements that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

*i) Measurement of the expected credit loss allowance*

The measurement of the expected credit loss allowance for financial assets measured at amortised cost is an area that requires the use of complex models and significant assumptions about the future economic conditions and credit behaviour. Explanation of the inputs assumptions and estimation techniques used in measuring ECL is further detailed in Note 29.1 (c).

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

- determining criteria for identifying loans to customers that have experienced a significant increase in credit risk (SICR)
- grouping financial assets sharing similar credit risk characteristics for the purposes of measuring ECL
- Choosing appropriate models and assumptions including forward-looking consideration for the measurement of ECL. For portfolios without sufficient default data, the Group and the Bank uses appropriate proxied probability of default and loss given default for the measurement of ECL.

*ii) Lease term*

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).

CCU COMMERCIAL BANK PLC.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2024

4. CASH ON HAND

	The Group				The Bank			
	2024		2023		2024		2023	
	US\$	KHR'000	US\$	KHR'000	US\$	KHR'000	US\$	KHR'000
<i>Current</i>								
US Dollars	577,707	2,325,271	282,682	1,154,756	577,707	2,325,271	282,682	1,154,756
Khmer Riel	163,455	657,906	32,093	131,100	163,455	657,906	32,093	131,100
	741,162	2,983,177	314,775	1,285,856	741,162	2,983,177	314,775	1,285,856

5. DEPOSITS AND PLACEMENTS WITH THE CENTRAL BANK

a) By account types

	The Group				The Bank			
	2024		2023		2024		2023	
	US\$	KHR'000	US\$	KHR'000	US\$	KHR'000	US\$	KHR'000
<i>Current:</i>								
Current accounts	12,502,773	50,323,661	17,341,907	70,841,690	12,502,773	50,323,661	17,341,907	70,841,690
Settlement accounts	4,358	17,541	-	-	4,358	17,541	-	-
Negotiable certificate of deposits (*)	4,600,000	18,515,000	-	-	4,600,000	18,515,000	-	-
	17,107,131	68,856,202	17,341,907	70,841,690	17,107,131	68,856,202	17,341,907	70,841,690

(\*) Negotiable certificate of deposits

The Group and the Bank has pledged negotiable certificates of deposit (NCDs) totalling US\$4.55 million (2023: nil) with the central bank as collateral for overdraft facilities with a limit of US\$4.5 million and KHR200 million. As of 31 December 2024, the Group and the Bank has not yet utilised these overdraft facilities.

CCU COMMERCIAL BANK PLC.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2024

5. DEPOSITS AND PLACEMENTS WITH THE CENTRAL BANK (continued)

b) By currency

	The Group				The Bank			
	2024		2023		2024		2023	
	US\$	KHR'000	US\$	KHR'000	US\$	KHR'000	US\$	KHR'000
Current:								
US Dollars	10,917,930	43,944,668	17,290,106	70,630,083	10,917,930	43,944,668	17,290,106	70,630,083
Khmer Riel	6,189,201	24,911,534	51,801	211,607	6,189,201	24,911,534	51,801	211,607
	17,107,131	68,856,202	17,341,907	70,841,690	17,107,131	68,856,202	17,341,907	70,841,690

Annual interest rate of deposits and placements with the central bank is as follows:

	The Group				The Bank			
	2024		2023		2024		2023	
	US\$	KHR	US\$	KHR	US\$	KHR	US\$	KHR
Current accounts	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Settlement accounts	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Negotiable certificate of deposits	1% - 1.38%	Nil	Nil	Nil	1% - 1.38%	Nil	Nil	Nil

CCU COMMERCIAL BANK PLC.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS  
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6. DEPOSITS AND PLACEMENTS WITH OTHER BANKS

a) By account types

	The Group				The Bank			
	2024		2023		2024		2023	
	US\$	KHR'000	US\$	KHR'000	US\$	KHR'000	US\$	KHR'000
<i>Current</i>								
<i>Deposits and placements with local banks</i>								
Current accounts	365,510	1,471,178	7,797,681	31,853,528	365,510	1,471,178	7,797,681	31,853,528
Fixed deposits (i)	57,125,419	229,929,811	39,679,375	162,090,247	57,125,419	229,929,811	39,679,375	162,090,247
	57,490,929	231,400,989	47,477,056	193,943,775	57,490,929	231,400,989	47,477,056	193,943,775
Less: allowance for expected credit loss	(995,640)	(4,007,451)	(862,903)	(3,524,960)	(995,640)	(4,007,451)	(862,903)	(3,524,960)
Total	56,495,289	227,393,538	46,614,153	190,418,815	56,495,289	227,393,538	46,614,153	190,418,815

(i) The Group and the Bank has pledged fixed deposit amounting to US\$5,000,000 (2023: US\$5,000,000) as collateral for its borrowing facilities (Note 16).

CCU COMMERCIAL BANK PLC.

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6. DEPOSITS AND PLACEMENTS WITH OTHER BANKS (continued)

b) By currency

	The Group				The Bank			
	2024		2023		2024		2023	
	US\$	KHR'000	US\$	KHR'000	US\$	KHR'000	US\$	KHR'000
US Dollars	57,484,955	231,376,944	47,153,331	192,621,357	57,484,955	231,376,944	47,153,331	192,621,357
Khmer Riel	5,974	24,045	323,725	1,322,418	5,974	24,045	323,725	1,322,418
	57,490,929	231,400,989	47,477,056	193,943,775	57,490,929	231,400,989	47,477,056	193,943,775
Less: allowance for expected credit loss	(995,640)	(4,007,451)	(862,903)	(3,524,960)	(995,640)	(4,007,451)	(862,903)	(3,524,960)
Total – current	56,495,289	227,393,538	46,614,153	190,418,815	56,495,289	227,393,538	46,614,153	190,418,815

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

	The Group		The Bank	
	2024	2023	2024	2023
Current accounts	Nil	Nil	Nil	Nil
Fixed deposits	3% - 8.88%	1.5% - 7.5%	3% - 8.88%	1.5% - 7.5%

CCU COMMERCIAL BANK PLC.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS  
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7. LOANS AND ADVANCES TO CUSTOMERS

	The Group				The Bank			
	2024		2023		2024		2023	
	US\$	KHR'000	US\$	KHR'000	US\$	KHR'000	US\$	KHR'000
<i>Consumer loans:</i>								
Term loans	49,214,377	198,087,867	39,515,626	161,421,331	49,214,377	198,087,867	39,515,626	161,421,331
Housing loans	2,084,330	8,389,428	-	-	2,084,330	8,389,428	-	-
Overdrafts	333,039	1,340,482	-	-	333,039	1,340,482	-	-
Others	3,947	15,887	-	-	3,947	15,887	-	-
Total gross loans	51,635,693	207,833,664	39,515,626	161,421,331	51,635,693	207,833,664	39,515,626	161,421,331
<i>Commercial loans:</i>								
Term loans	22,661,577	91,212,847	-	-	22,661,577	91,212,847	-	-
Overdrafts	462,992	1,863,543	-	-	462,992	1,863,543	-	-
Total gross loans	23,124,569	93,076,390	-	-	23,124,569	93,076,390	-	-
Total gross loans	74,760,262	300,910,054	39,515,626	161,421,331	74,760,262	300,910,054	39,515,626	161,421,331
Less: Allowance for expected credit loss (Note 29.1 (e))	(809,825)	(3,259,545)	(445,178)	(1,818,551)	(809,825)	(3,259,545)	(445,178)	(1,818,551)
Total net loans	73,950,437	297,650,509	39,070,448	159,602,780	73,950,437	297,650,509	39,070,448	159,602,780

CCU COMMERCIAL BANK PLC.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS  
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7. LOANS AND ADVANCES TO CUSTOMERS (continued)

a) Allowance for expected credit loss

Allowance for expected credit loss using three-stage approach are as follows:

	The Group			The Bank				
	2024		2023		2023			
	US\$	KHR'000	US\$	KHR'000	US\$	KHR'000		
12-month ECL (Stage 1)	809,825	3,259,546	445,178	1,818,551	809,825	3,259,546	445,178	1,818,551
Lifetime ECL-not credit impaired (Stage 2)	-	-	-	-	-	-	-	-
Lifetime ECL-credit impaired (Stage 3)	-	-	-	-	-	-	-	-
	809,825	3,259,546	445,178	1,818,551	809,825	3,259,546	445,178	1,818,551

b) Analysis by loan classification

	The Group			The Bank				
	2024		2023		2023			
	US\$	KHR'000	US\$	KHR'000	US\$	KHR'000		
<i>Performing</i> Gross amount	74,760,262	300,910,054	39,515,626	161,421,331	74,760,262	300,910,054	39,515,626	161,421,331
Exposure at default	74,760,262	300,910,054	39,515,626	161,421,331	74,760,262	300,910,054	39,515,626	161,421,331
Allowance for expected credit loss	809,825	3,259,545	445,178	1,818,551	809,825	3,259,545	445,178	1,818,551

CCU COMMERCIAL BANK PLC.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS  
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7. LOANS AND ADVANCES TO CUSTOMERS (continued)

c) Analysis by exposure

	The Group				The Bank			
	2024		2023		2024		2023	
	US\$	KHR'000	US\$	KHR'000	US\$	KHR'000	US\$	KHR'000
Large exposure	18,081,278	72,777,144	10,027,222	40,961,203	18,081,278	72,777,144	10,027,222	40,961,203
Non-large exposure	56,678,984	228,132,910	29,488,404	120,460,128	56,678,984	228,132,910	29,488,404	120,460,128
Total gross loans	74,760,262	300,910,054	39,515,626	161,421,331	74,760,262	300,910,054	39,515,626	161,421,331

The large exposure is defined by the central bank as the overall credit exposure to any individual beneficiary that exceeds 10% of the Group's and the Bank's net worth.

d) Analysis by maturity

	The Group				The Bank			
	2024		2023		2024		2023	
	US\$	KHR'000	US\$	KHR'000	US\$	KHR'000	US\$	KHR'000
Not later than 1 year	19,368,803	77,959,432	7,037,334	28,747,509	19,368,803	77,959,432	7,037,334	28,747,509
Later than 1 year and no later than 3 years	19,824,119	79,792,079	22,425,035	91,606,268	19,824,119	79,792,079	22,425,035	91,606,268
Later than 3 years and no later than 5 years	25,248,309	101,624,444	10,027,222	40,961,202	25,248,309	101,624,444	10,027,222	40,961,202
Later than 5 years	10,319,031	41,534,099	26,035	106,352	10,319,031	41,534,099	26,035	106,352
Total gross loans	74,760,262	300,910,054	39,515,626	161,421,331	74,760,262	300,910,054	39,515,626	161,421,331

CCU COMMERCIAL BANK PLC.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS  
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7. LOANS AND ADVANCES TO CUSTOMERS (continued)

e) Analysis by relationship

	The Group				The Bank			
	2024		2023		2024		2023	
	US\$	KHR'000	US\$	KHR'000	US\$	KHR'000	US\$	KHR'000
Related parties	364,719	1,467,994	3,038,702	12,413,098	364,719	1,467,994	3,038,702	12,413,098
Non-related parties	74,395,543	299,442,060	36,476,924	149,008,233	74,395,543	299,442,060	36,476,924	149,008,233
Total gross loans	74,760,262	300,910,054	39,515,626	161,421,331	74,760,262	300,910,054	39,515,626	161,421,331

f) Analysis by residency

	The Group				The Bank			
	2024		2023		2024		2023	
	US\$	KHR'000	US\$	KHR'000	US\$	KHR'000	US\$	KHR'000
Residents	74,760,262	300,910,054	39,515,626	161,421,331	74,760,262	300,910,054	39,515,626	161,421,331
	74,760,262	300,910,054	39,515,626	161,421,331	74,760,262	300,910,054	39,515,626	161,421,331

g) Interest rates

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

	2024	2023
Consumer loan	7% - 18%	7%-11%
Commercial loan	7% - 12%	Nil

CCU COMMERCIAL BANK PLC.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2024

8. STATUTORY DEPOSITS WITH THE CENTRAL BANK

	The Group				The Bank				
	2024		2023		2024		2023		
	US\$	KHR'000	US\$	KHR'000	US\$	KHR'000	US\$	KHR'000	
<i>Current</i>									
Reserve requirements (i)	4,066,025	16,365,751	782,485	3,196,451	4,066,025	16,365,751	782,485	3,196,451	
<i>Non-current</i>									
Capital guarantee deposits(ii)	7,648,515	30,785,273	7,500,000	30,637,500	7,500,000	30,187,500	7,500,000	30,637,500	
	11,714,540	47,151,024	8,282,485	33,833,951	11,566,025	46,553,251	8,282,485	33,833,951	

(i) Reserve requirements

CCU Commercial Bank Plc.

The reserve requirement represents the minimum reserve which is calculated at 7% of customers' deposits and borrowings in Khmer Riel and other currencies of the Bank (2023: 7%). The reserve requirement on customers' deposits and borrowings bears no interest.

(ii) Capital guarantee deposits

CCU Commercial Bank Plc.

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.

CCU Trust Co., Ltd.

Under Non-Bank Financial Services Authority Prakas No. 003 F.S.A/BRK dated 26 January 2022, CCU Trust is required to maintain a capital guarantee deposit with the central bank. The capital guarantee deposit is bearing no interest, equivalent to 15% of minimum registration share capital as defined by the Trust Regulator.

These deposits are not available for use in the Group's and the Bank's day-to-day operations but is refundable when the Group and the Bank voluntarily ceases to operate the business in Cambodia.

**CCU COMMERCIAL BANK PLC.**

**NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2024**

**8. STATUTORY DEPOSITS (continued)**

	<u>2024</u>	<u>2023</u>
(iii) Interest rate	Nil	Nil
Reserve requirement	0.00% - 1.31%	0.00% - 1.26%
Capital guarantee deposits	Nil	Nil

**9. PROPERTY AND EQUIPMENT**

**The Group  
Non-current  
For the year ended 31 December 2023**

Opening net book value	767,321	-	32,610	15,071	-	815,002
Additions	120,489	-	9,916	226,026	110,000	466,431
Depreciation charge	(169,870)	-	(7,859)	(16,599)	(22,000)	(216,328)
Closing net book value	<u>717,940</u>	<u>-</u>	<u>34,667</u>	<u>224,498</u>	<u>88,000</u>	<u>1,065,105</u>
<b>As at 31 December 2023</b>						
Cost	905,121		54,102	344,269	110,000	1,413,492
Accumulated depreciation	<u>(187,181)</u>		<u>(19,435)</u>	<u>(119,771)</u>	<u>(22,000)</u>	<u>(348,387)</u>
Net book value	<u>717,940</u>	<u>-</u>	<u>34,667</u>	<u>224,498</u>	<u>88,000</u>	<u>1,065,105</u>
In KHR'000 equivalent	<u>2,932,785</u>	<u>-</u>	<u>141,615</u>	<u>917,074</u>	<u>359,480</u>	<u>4,350,954</u>

CCU COMMERCIAL BANK PLC.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS  
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9. PROPERTY AND EQUIPMENT (continued)

	Leasehold improvements US\$	Construction in progress US\$	Furniture, fixtures and office equipment US\$	Computer and IT equipment US\$	Vehicles US\$	Total US\$
<b>The Group</b>						
<b>Non-current</b>						
<b>For the year ended 31 December 2024</b>						
Opening net book value	717,940	-	34,667	224,498	88,000	1,065,105
Additions	12,386	3,058,079	17,547	140,414	251,900	3,480,326
Transfer	1,619,124	(1,683,488)	28,531	35,833	-	-
Disposal	-	-	-	(6,043)	(78,333)	(84,376)
Depreciation charge	(231,524)	-	(11,168)	(67,880)	(37,258)	(347,830)
Closing net book value	2,117,926	1,374,591	69,577	326,822	224,309	4,113,225
<b>As at 31 December 2024</b>						
Cost	2,536,631	1,374,591	100,137	513,705	251,900	4,776,964
Accumulated depreciation	(418,705)	-	(30,560)	(186,883)	(27,591)	(663,739)
Net book value	2,117,926	1,374,591	69,577	326,822	224,309	4,113,225
In KHR'000 equivalent	8,524,652	5,532,729	280,047	1,315,459	902,844	16,555,731

CCU COMMERCIAL BANK PLC.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2024

9. PROPERTY AND EQUIPMENT (continued)

	Leasehold improvements US\$	Construction in progress US\$	Furniture, fixtures and office equipment US\$	Computer and IT equipment US\$	Vehicles US\$	Total US\$
<b>The Bank</b>						
<b>Non-current</b>						
<b>For the year ended 31 December 2023</b>						
Opening net book value	767,321	-	32,610	15,071	-	815,002
Additions	120,489	-	9,916	226,026	110,000	466,431
Depreciation charge	(169,870)	-	(7,859)	(16,599)	(22,000)	(216,328)
Closing net book value	717,940	-	34,667	224,498	88,000	1,065,105
<b>As at 31 December 2023</b>						
Cost	905,121	-	54,102	344,269	110,000	1,413,492
Accumulated depreciation	(187,181)	-	(19,435)	(119,771)	(22,000)	(348,387)
Net book value	717,940	-	34,667	224,498	88,000	1,065,105
In KHR'000 equivalent	2,932,785	-	141,615	917,074	359,480	4,350,954

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NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS  
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9. PROPERTY AND EQUIPMENT (continued)

	Leasehold improvements US\$	Construction in progress US\$	Furniture, fixtures and office equipment US\$	Computer and IT equipment US\$	Vehicles US\$	Total US\$
<b>The Bank</b>						
<b>Non-current</b>						
<b>For the year ended 31 December 2024</b>						
Opening net book value	717,940	-	34,667	224,498	88,000	1,065,105
Additions	12,387	3,058,079	16,896	130,664	198,000	3,416,026
Transfer	1,619,124	(1,683,488)	28,531	35,833	-	-
Disposal	-	-	-	(6,042)	(78,333)	(84,375)
Depreciation charge	(231,524)	-	(11,135)	(67,342)	(32,767)	(342,768)
Closing net book value	2,117,927	1,374,591	68,959	317,611	174,900	4,053,988
<b>As at 31 December 2024</b>						
Cost	2,536,632	1,374,591	99,487	503,956	198,000	4,712,666
Accumulated depreciation	(418,705)	-	(30,528)	(186,345)	(23,100)	(658,678)
Net book value	2,117,927	1,374,591	68,959	317,611	174,900	4,053,988
In KHR'000 equivalent	8,524,656	5,532,729	277,560	1,278,384	703,973	16,317,302

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2024

## 10. INTANGIBLE ASSETS

	Computer software US\$	Trust license US\$	Construction in progress US\$	Total US\$
<b>The Group</b>				
<b>Non-current</b>				
<b>For the year ended 31</b>				
<b>December 2023</b>				
Opening net book value	1,265,253	-	-	1,265,253
Additions	50,800	-	243,521	294,321
Amortisation charge	(146,452)	-	-	(146,452)
Closing net book value	<u>1,169,601</u>	<u>-</u>	<u>243,521</u>	<u>1,413,122</u>
<b>As at 31 December 2023</b>				
Cost	1,436,282	-	243,521	1,679,803
Accumulated amortisation	(266,681)	-	-	(266,681)
Net book value	<u>1,169,601</u>	<u>-</u>	<u>243,521</u>	<u>1,413,122</u>
In KHR'000 equivalent	<u>4,777,820</u>	<u>-</u>	<u>994,783</u>	<u>5,772,603</u>
<b>For the year ended 31</b>				
<b>December 2024</b>				
Opening net book value	1,169,601	-	243,521	1,413,122
Additions	73,280	7,500	527,308	608,088
Transfer	310,013	-	(310,013)	-
Amortisation charge	(173,323)	(2,500)	-	(175,823)
Closing net book value	<u>1,379,571</u>	<u>5,000</u>	<u>460,816</u>	<u>1,845,387</u>
<b>As at 31 December 2024</b>				
Cost	1,819,574	7,500	460,816	2,287,890
Accumulated amortisation	(440,003)	(2,500)	-	(442,503)
Net book value	<u>1,379,571</u>	<u>5,000</u>	<u>460,816</u>	<u>1,845,387</u>
In KHR'000 equivalent	<u>5,552,773</u>	<u>20,125</u>	<u>1,854,785</u>	<u>7,427,683</u>

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2024

## 10. INTANGIBLE ASSETS (continued)

	Computer software US\$	Construction in progress US\$	Total US\$
<b>The Bank</b>			
<b>Non-current</b>			
<b>For the year ended 31 December 2023</b>			
Opening net book value	1,265,253	-	1,265,253
Additions	50,800	243,521	294,321
Amortisation charge	(146,452)	-	(146,452)
Closing net book value	<u>1,169,601</u>	<u>243,521</u>	<u>1,413,122</u>
<b>As at 31 December 2023</b>			
Cost	1,436,282	243,521	1,679,803
Accumulated amortisation	(266,681)	-	(266,681)
Net book value	<u>1,169,601</u>	<u>243,521</u>	<u>1,413,122</u>
In KHR'000 equivalent	<u>4,777,820</u>	<u>994,783</u>	<u>5,772,603</u>
<b>For the year ended 31 December 2024</b>			
Opening net book value	1,169,601	243,521	1,413,122
Additions	-	527,308	527,308
Transfer	310,013	(310,013)	-
Amortisation charge	(173,111)	-	(173,111)
Closing net book value	<u>1,306,503</u>	<u>460,816</u>	<u>1,767,319</u>
<b>As at 31 December 2024</b>			
Cost	1,746,294	460,816	2,207,110
Accumulated amortisation	(439,791)	-	(439,791)
Net book value	<u>1,306,503</u>	<u>460,816</u>	<u>1,767,319</u>
In KHR'000 equivalent	<u>5,258,675</u>	<u>1,854,784</u>	<u>7,113,459</u>

CCU COMMERCIAL BANK PLC.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS  
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11. LEASES

This note provides information for leases where the Group and the Bank are lessees.

The Group and the Bank lease buildings for its operations. Rental contracts are typically made for fixed periods of 10 years.

(i) Amounts recognised in the consolidated and separate statement of financial position

	The Group		The Bank	
	2024		2023	
	USD	KHR'000	USD	KHR'000
<i>Right-of-use assets (Non-current)</i>				
Buildings	4,100,188	16,503,257	884,335	3,612,508
			4,023,612	16,195,038
				884,335
				3,612,508
Addition of right-of-use asset	3,599,915	14,655,254	-	-
Gain from lease modification	(170,653)	(930,025)	-	-
	3,429,262	13,725,229	-	-
			3,347,271	13,395,215
				-
<i>Lease liabilities</i>				
Current	287,705	1,171,247	220,616	901,216
Non-current	3,824,159	15,379,006	693,103	2,831,326
	4,111,864	16,550,253	913,719	3,732,542
			4,033,504	16,234,854
				913,719
				3,732,542
				-
			281,031	1,144,077
			3,752,473	15,090,777
				220,616
				693,103
				2,831,326
				2,831,326

**CCU COMMERCIAL BANK PLC.**

**NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS  
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**11. LEASES** (continued)

**(ii) Amounts recognised in the consolidated and separate statement of profit or loss**

The consolidated and separate statement of profit or loss and consolidated and separate statement of cash flows show the following amounts relating to leases:

	The Group		The Bank					
	2024		2023		2024		2023	
	USD	KHR'000	USD	KHR'000	USD	KHR'000	USD	KHR'000
Depreciation charge (Note 23)	442,375	1,800,909	168,730	693,480	436,960	1,778,864	168,730	693,480
Expenses relating to short term leases	23,960	97,540	13,785	56,656	23,960	97,540	13,785	56,656
Interest expense (Note 20)	299,015	1,217,290	80,497	330,843	294,946	1,200,725	80,497	330,843
<b>Total expense related to lease</b>	<b>765,350</b>	<b>3,115,739</b>	<b>263,012</b>	<b>1,080,979</b>	<b>755,866</b>	<b>3,077,129</b>	<b>263,012</b>	<b>1,080,979</b>

Total cash outflow for the Group's lease for 2024 was US\$568,482 (2023: US\$314,898). Total cash outflow for the Bank's lease for 2024 was US\$560,782 (2023: US\$314,898).

**12. INVESTMENT IN SUBSIDIARY**

Investment in subsidiaries in the separate financial statements represents the net consideration paid for the acquisition of the unquoted shares of the subsidiary. The Group's and the Bank's management assesses that there were no impairment losses on investment in subsidiary during the year ended 31 December 2024.

	2024	
	US\$	KHR'000
<b>The Bank</b>		
<i>Non-current</i>		
CCU Trust Co., Ltd.	1,000,000	4,025,000
	<b>1,000,000</b>	<b>4,025,000</b>

The Bank owns 100% of the equity interest of CCU Trust.

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13. OTHER ASSETS

	The Group				The Bank			
	2024		2023		2024		2023	
	US\$	KHR'000	US\$	KHR'000	US\$	KHR'000	US\$	KHR'000
Prepayments	1,587,911	6,391,342	3,725,000	15,216,625	1,585,847	6,383,034	3,725,000	15,216,625
Deposits	287,046	1,155,360	-	-	287,046	1,155,360	-	-
Advances	-	-	1,081,246	4,416,890	88,480	356,132	1,081,246	4,416,890
Others	176,021	708,484	-	-	169,825	683,546	-	-
	<u>2,050,978</u>	<u>8,255,186</u>	<u>4,806,246</u>	<u>19,633,515</u>	<u>2,131,198</u>	<u>8,578,072</u>	<u>4,806,246</u>	<u>19,633,515</u>
Current	1,763,932	7,099,826	4,743,373	19,376,679	1,844,152	7,422,712	4,743,373	19,376,679
Non-current	287,046	1,155,360	62,873	256,836	287,046	1,155,360	62,873	256,836
	<u>2,050,978</u>	<u>8,255,186</u>	<u>4,806,246</u>	<u>19,633,515</u>	<u>2,131,198</u>	<u>8,578,072</u>	<u>4,806,246</u>	<u>19,633,515</u>

14. DEPOSITS FROM OTHER BANKS AND FINANCIAL INSTITUTIONS

	The Group				The Bank			
	2024		2023		2024		2023	
	US\$	KHR'000	US\$	KHR'000	US\$	KHR'000	US\$	KHR'000
Current accounts	47,450	190,986	1,177,930	4,811,844	47,450	190,986	1,177,930	4,811,844
Savings accounts	100	403	-	-	100	403	-	-
Fixed deposits	37,586,592	151,286,033	17,200,060	70,262,245	37,586,592	151,286,033	17,200,060	70,262,245
	<u>37,634,142</u>	<u>151,477,422</u>	<u>18,377,990</u>	<u>75,074,089</u>	<u>37,634,142</u>	<u>151,477,422</u>	<u>18,377,990</u>	<u>75,074,089</u>

CCU COMMERCIAL BANK PLC.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS  
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14. DEPOSITS FROM OTHER BANKS AND FINANCIAL INSTITUTIONS (continued)

	The Group				The Bank			
	2024		2023		2024		2023	
	US\$	KHR'000	US\$	KHR'000	US\$	KHR'000	US\$	KHR'000
a) by currency								
US Dollar	36,621,372	147,401,022	18,200,747	74,350,051	36,621,372	147,401,022	18,200,747	74,350,051
Khmer Riel	1,012,770	4,076,400	177,243	724,038	1,012,770	4,076,400	177,243	724,038
	<u>37,634,142</u>	<u>151,477,422</u>	<u>18,377,990</u>	<u>75,074,089</u>	<u>37,634,142</u>	<u>151,477,422</u>	<u>18,377,990</u>	<u>75,074,089</u>
b) By residency status								
Resident	37,634,142	151,477,422	18,377,990	75,074,089	37,634,142	151,477,422	18,377,990	75,074,089
Non-resident	-	-	-	-	-	-	-	-
	<u>37,634,142</u>	<u>151,477,422</u>	<u>18,377,990</u>	<u>75,074,089</u>	<u>37,634,142</u>	<u>151,477,422</u>	<u>18,377,990</u>	<u>75,074,089</u>
c) By relationship								
Related parties	-	-	-	-	-	-	-	-
Non-related parties	37,634,142	151,477,422	18,377,990	75,074,089	37,634,142	151,477,422	18,377,990	75,074,089
	<u>37,634,142</u>	<u>151,477,422</u>	<u>18,377,990</u>	<u>75,074,089</u>	<u>37,634,142</u>	<u>151,477,422</u>	<u>18,377,990</u>	<u>75,074,089</u>

CCU COMMERCIAL BANK PLC.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS  
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14. DEPOSITS FROM OTHER BANKS AND FINANCIAL INSTITUTIONS (continued)

d) By maturity

	The Group		The Bank	
	2024	2023	2024	2023
	US\$	US\$	US\$	US\$
			KHR'000	KHR'000
Current	37,634,142	18,377,990	75,074,089	151,477,422
Non-current	-	-	-	-
	37,634,142	18,377,990	75,074,089	151,477,422
			18,377,990	75,074,089

e) By interest rate

	The Group		The Bank	
	2024	2023	2024	2023
Current accounts	0.00% - 2.00%	Nil	0.00% - 2.00%	Nil
Saving accounts	0.00% - 2.50%	0.25% to 3.5%	0.00% - 2.50%	0.25% to 3.5%
Fixed deposits	3.50% - 6.50%	1.5% to 8%	3.50% - 6.50%	1.5% to 8%

15. DEPOSITS FROM CUSTOMERS

	The Group		The Bank	
	2024	2023	2024	2023
	US\$	US\$	US\$	US\$
			KHR'000	KHR'000
Current accounts	1,782,805	6,746,418	27,559,118	9,084,558
Savings accounts	9,505,397	1,344,165	5,490,914	38,259,223
Fixed deposits	36,955,000	8,264,392	33,760,041	148,743,875
	48,243,202	16,354,975	66,810,073	196,087,656
			48,717,430	16,354,975
			6,746,418	27,559,118
			1,344,165	5,490,914
			8,264,392	38,259,223
			36,955,000	148,743,875
			8,264,392	33,760,041

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15. DEPOSITS FROM CUSTOMERS (continued)

a) By currency

	The Group				The Bank			
	2024		2023		2024		2023	
	US\$	KHR'000	US\$	KHR'000	US\$	KHR'000	US\$	KHR'000
US Dollars	45,519,307	183,215,211	16,313,710	66,641,505	45,993,534	185,123,975	16,313,710	66,641,505
Khmer Riel	2,723,895	10,963,677	41,265	168,568	2,723,896	10,963,681	41,265	168,568
	48,243,202	194,178,888	16,354,975	66,810,073	48,717,430	196,087,656	16,354,975	66,810,073

b) By residency status

	The Group				The Bank			
	2024		2023		2024		2023	
	US\$	KHR'000	US\$	KHR'000	US\$	KHR'000	US\$	KHR'000
Resident	47,995,718	193,182,765	15,347,200	62,693,312	48,469,945	195,091,529	15,347,200	62,693,312
Non-resident	247,484	996,123	1,007,775	4,116,761	247,485	996,127	1,007,775	4,116,761
	48,243,202	194,178,888	16,354,975	66,810,073	48,717,430	196,087,656	16,354,975	66,810,073

c) By relationship

	The Group				The Bank			
	2024		2023		2024		2023	
	US\$	KHR'000	US\$	KHR'000	US\$	KHR'000	US\$	KHR'000
Related parties	12,786,108	51,464,085	663,025	2,708,457	13,260,336	53,372,852	663,025	2,708,457
Non-related parties	35,457,094	142,714,803	15,691,950	64,101,616	35,457,094	142,714,804	15,691,950	64,101,616
	48,243,202	194,178,888	16,354,975	66,810,073	48,717,430	196,087,656	16,354,975	66,810,073

CCU COMMERCIAL BANK PLC.

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15. DEPOSITS FROM CUSTOMERS (continued)

d) By maturity

	The Group				The Bank			
	2024		2023		2024		2023	
	US\$	KHR'000	US\$	KHR'000	US\$	KHR'000	US\$	KHR'000
Current	48,173,068	193,896,599	11,286,564	46,105,614	48,647,296	195,805,367	11,286,564	46,105,614
Non-current	70,134	282,289	5,068,411	20,704,459	70,134	282,289	5,068,411	20,704,459
	48,243,202	194,178,888	16,354,975	66,810,073	48,717,430	196,087,656	16,354,975	66,810,073

e) By interest rate

	The Group		The Bank	
	2024		2023	
	US\$	KHR'000	US\$	KHR'000
Current accounts	0.00% - 4.00%	Nil	0.00% - 4.00%	Nil
Saving accounts	0.00% - 7.30%	0.25% to 3.5%	0.00% - 7.30%	0.25% to 3.5%
Fixed deposits	1.00% - 8.00%	1.5% to 8%	1.00% - 8.00%	1.5% to 8%

16. BORROWINGS

	The Group				The Bank			
	2024		2023		2024		2023	
	US\$	KHR'000	US\$	KHR'000	US\$	KHR'000	US\$	KHR'000
Current	4,966,068	19,988,424	4,998,284	20,417,990	4,966,068	19,988,424	4,998,284	20,417,990
Overdraft	4,966,068	19,988,424	4,998,284	20,417,990	4,966,068	19,988,424	4,998,284	20,417,990

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**16. BORROWINGS** (continued)

The Group and the Bank entered into credit facility agreement with Sathapana Bank Plc to obtain an overdraft facility for a maximum amount of US\$ 5,000,000 with interest rate at 5% per annum or fixed deposit rate plus margin 1% (2023: 8% per annum or fixed deposit rate plus margin 1%). The overdraft facility is secured by fixed deposits of US\$5,000,000 (2023: US\$5,000,000) placed with Sathapana Bank Plc.

*Changes in liabilities arising from financing activities:*

	The Group		The Bank	
	2024	2023	2024	2023
	US\$	US\$	US\$	US\$
	KHR'000	KHR'000	KHR'000	KHR'000
As at 1 January	4,998,284	20,417,990	20,417,990	-
Additions	4,961,481	20,198,189	20,198,189	20,550,000
Payment	(4,998,284)	(20,348,014)	(20,348,014)	(5,000)
Interest expense	4,587	18,674	4,587	3,284
Exchange difference	-	(298,415)	(298,415)	-
As at 31 December	4,966,068	19,988,424	4,966,068	4,998,284
		20,417,990	19,988,424	20,417,990

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17. SUBORDINATED DEBT

	The Group				The Bank			
	2024		2023		2024		2023	
	US\$	KHR'000	US\$	KHR'000	US\$	KHR'000	US\$	KHR'000
<i>Non-current</i>								
<i>Related parties</i>								
Subordinated debts	8,452,211	34,020,149	5,863,106	23,950,788	8,452,211	34,020,149	5,863,106	23,950,788

In 2024, the Bank entered into agreement with Ms. Jiang Yifei, Shareholder and Executive Director to obtain a subordinated debt amounting of KHR10,000,000,000 (2023: KHR23,900,000,000). As at 31 December 2024, the total amount of subordinated debt outstanding principal is KHR33,900,000,000 which equivalents to US\$8,422,360 (2023: KHR23,900,000,000 which equivalents to US\$5,850,673). These two subordinated debts represent 10-year unsecured borrowings with annual interest rate of 7.50% (2023: 7.50%), which were approved by the central bank on 24 November 2023 for KHR23,900,000,000 and on 31 December 2024 for KHR10,000,000,000 to be included in Tier II capital for the purpose of Net Worth calculation.

*Changes in liabilities arising from financing activities:*

	The Group				The Bank			
	2024		2023		2024		2023	
	US\$	KHR'000	US\$	KHR'000	US\$	KHR'000	US\$	KHR'000
As at 1 January	5,863,106	23,950,788	-	-	5,863,106	23,950,788	-	-
Additions	2,484,472	10,114,286	5,850,673	24,046,266	2,484,472	10,114,286	5,850,673	24,046,266
Interest expense	464,512	1,891,028	46,077	189,376	464,512	1,891,028	46,077	189,376
Interest paid	(359,879)	(1,465,067)	(33,644)	(138,277)	(359,879)	(1,465,067)	(33,644)	(138,277)
Currency translation differences	-	(470,886)	-	(146,577)	-	(470,886)	-	(146,577)
As at 31 December	8,452,211	34,020,149	5,863,106	23,950,788	8,452,211	34,020,149	5,863,106	23,950,788

CCU COMMERCIAL BANK PLC.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS  
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18. OTHER LIABILITIES

	The Group				The Bank			
	2024		2023		2024		2023	
	US\$	KHR'000	US\$	KHR'000	US\$	KHR'000	US\$	KHR'000
<i>Current</i>								
Accrued expenses	482,984	1,944,011	183,471	749,479	457,452	1,841,244	183,471	749,479
Deposits in transit	385,000	1,549,625	-	-	385,000	1,549,625	-	-
Account payable	90,003	362,262	-	-	86,704	348,985	-	-
Tax payables	75,678	304,604	37,283	152,301	68,828	277,033	37,283	152,301
Allowances on expected credit loss on credit commitment	5,275	21,232	-	-	5,275	21,232	-	-
Others	83,307	335,311	12,143	49,604	83,307	335,311	12,143	49,604
	<u>1,122,247</u>	<u>4,517,045</u>	<u>232,897</u>	<u>951,384</u>	<u>1,086,566</u>	<u>4,373,430</u>	<u>232,897</u>	<u>951,384</u>

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**19. SHARE CAPITAL**

The total authorised numbers of shares of the Bank as at 31 December 2024 was US\$75,000,000 (2023: US\$75,000,000) with a par value of US\$1 per share (2023: US\$1 per share). All authorised shares are issued and fully paid up in 2022.

	The Bank			
	2024		2023	
	US\$	KHR'000	US\$	KHR'000
At 1 January	75,000,000	306,375,000	75,000,000	308,775,000
Currency translation differences	-	(4,500,000)	-	(2,400,000)
At 31 December	<u>75,000,000</u>	<u>301,875,000</u>	<u>75,000,000</u>	<u>306,375,000</u>

Details of shareholding are as followed:

	2024		2023	
	Number of shares	%	Number of shares	%
Chen Bo	73,500,000	98	73,500,000	98
Jiang Yifei	750,000	1	750,000	1
Thiem Sounay	750,000	1	750,000	1
	<u>75,000,000</u>	<u>100</u>	<u>75,000,000</u>	<u>100</u>

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20. NET INTEREST INCOME

	The Group				The Bank			
	2024		2023		2024		2023	
	US\$	KHR'000	US\$	KHR'000	US\$	KHR'000	US\$	KHR'000
<b>Interest income from financial assets at amortised cost:</b>								
Loan to customers	3,722,738	15,155,266	2,029,135	8,339,745	3,722,738	15,155,266	2,029,135	8,339,745
Deposits and placement with the central bank	107,467	437,498	94,543	388,572	107,467	437,498	94,543	388,572
Deposits and placement with other banks	3,532,495	14,380,787	2,016,507	8,287,843	3,532,495	14,380,787	2,016,507	8,287,843
Others	12,400	50,481	-	-	12,400	50,481	-	-
	<u>7,375,100</u>	<u>30,024,032</u>	<u>4,140,185</u>	<u>17,016,160</u>	<u>7,375,100</u>	<u>30,024,032</u>	<u>4,140,185</u>	<u>17,016,160</u>
<b>Interest expense on financial liabilities at amortised cost</b>								
Deposits from customers	2,965,389	12,072,099	177,027	727,581	2,965,389	12,072,099	177,027	727,581
Deposits from other banks and financial institutions	674,181	2,744,591	90,137	370,463	674,181	2,744,591	90,137	370,463
Lease liabilities	299,015	1,217,290	80,497	330,843	294,946	1,200,725	80,497	330,843
Subordinated debts	464,512	1,891,028	46,077	189,376	464,512	1,891,028	46,077	189,376
Borrowings	4,587	18,674	3,284	13,497	4,587	18,674	3,284	13,497
	<u>4,407,684</u>	<u>17,943,682</u>	<u>397,022</u>	<u>1,631,760</u>	<u>4,403,615</u>	<u>17,927,117</u>	<u>397,022</u>	<u>1,631,760</u>
	<u>2,967,416</u>	<u>12,080,350</u>	<u>3,743,163</u>	<u>15,384,400</u>	<u>2,971,485</u>	<u>12,096,915</u>	<u>3,743,163</u>	<u>15,384,400</u>

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21. IMPAIRMENT LOSSES ON FINANCIAL ASSETS

	The Group				The Bank			
	2024		2023		2024		2023	
	US\$	KHR'000	US\$	KHR'000	US\$	KHR'000	US\$	KHR'000
Expected credit loss (ECL):								
Loans and advances	366,761	1,493,084	103,137	423,893	366,761	1,493,084	103,137	423,893
Deposits and placements with other banks	124,334	506,164	739,704	3,040,184	124,334	506,164	739,704	3,040,184
Credit commitments	5,276	21,478	-	-	5,276	21,478	-	-
	496,371	2,020,726	842,841	3,464,077	496,371	2,020,726	842,841	3,464,077

22. PERSONNEL EXPENSES

	The Group				The Bank			
	2024		2023		2024		2023	
	US\$	KHR'000	US\$	KHR'000	US\$	KHR'000	US\$	KHR'000
Salaries and wages	2,557,798	10,412,796	1,143,792	4,700,985	2,409,517	9,809,144	1,143,792	4,700,985
Bonuses and incentive	406,621	1,655,354	248,783	1,022,498	401,352	1,633,904	248,783	1,022,498
Seniority payments	148,937	606,323	65,143	267,738	148,937	606,323	65,143	267,738
Other employee benefits	168,700	686,777	82,037	337,172	165,110	672,162	82,037	337,172
	3,282,056	13,361,250	1,539,755	6,328,393	3,124,916	12,721,533	1,539,755	6,328,393

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23. DEPRECIATION AND AMORTISATION CHARGE

	The Group				The Bank			
	2024		2023		2024		2023	
	US\$	KHR'000	US\$	KHR'000	US\$	KHR'000	US\$	KHR'000
Depreciation charge on property and equipment (Note 9)	347,830	1,416,016	216,328	889,108	342,768	1,395,409	216,328	889,108
Depreciation charge on right-of-use assets (Note 11)	442,375	1,800,909	168,730	693,480	436,960	1,778,864	168,730	693,480
Amortisation charge on intangible assets (Note 10)	175,823	715,775	146,452	601,918	173,111	704,735	146,452	601,918
	966,028	3,932,700	531,510	2,184,506	952,839	3,879,008	531,510	2,184,506

CCU COMMERCIAL BANK PLC.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS  
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24. OTHER OPERATING EXPENSES

	The Group			The Bank		
	2024		2023	2024		2023
	US\$	KHR'000	US\$	US\$	KHR'000	US\$
Professional fees	1,936,223	7,882,364	587,626	1,785,400	7,268,364	587,626
Repairs and maintenance	364,530	1,484,002	232,259	364,305	1,483,086	232,259
Tax expenses	213,563	869,415	68,291	199,575	812,470	68,291
Office supplies	107,094	435,980	63,730	105,838	430,866	63,730
Business and public relations	106,687	434,323	54,935	105,716	430,370	54,935
Traveling	99,252	404,055	43,795	94,433	384,437	43,795
Marketing and advertising	93,071	378,892	52,310	93,071	378,892	52,310
License fees	80,084	326,022	36,620	77,148	314,070	36,620
Communication	58,500	238,154	14,804	58,470	238,031	14,804
Utilities	58,389	237,702	45,858	58,389	237,702	45,858
Membership	24,911	101,413	14,365	24,395	99,312	14,365
Others	496,723	2,022,158	143,187	488,461	1,988,524	143,187
	<b>3,639,027</b>	<b>14,814,480</b>	<b>1,357,780</b>	<b>3,455,201</b>	<b>14,066,124</b>	<b>1,357,780</b>
						<b>5,580,476</b>

**Audit fee information**

The following fees were paid or are payables to PricewaterhouseCoopers (Cambodia) Ltd. PricewaterhouseCoopers (Cambodia) Ltd. was not an auditor of the Bank in 2023.

	The Group		The Bank	
	2024		2024	
	US\$	KHR'000	US\$	KHR'000
Statutory audit	50,500	205,586	44,500	181,160

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NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS  
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25. INCOME TAX EXPENSE

a) Income tax expense

	The Group				The Bank			
	2024		2023		2024		2023	
	US\$	KHR'000	US\$	KHR'000	US\$	KHR'000	US\$	KHR'000
Current income tax	-	-	47,563	195,484	-	-	47,563	195,484
<b>Income tax expense</b>	-	-	47,563	195,484	-	-	47,563	195,484

b) Reconciliation between accounting loss and income tax expense

	The Group				The Bank			
	2024		2023		2024		2023	
	US\$	KHR'000	US\$	KHR'000	US\$	KHR'000	US\$	KHR'000
Loss before income tax	(5,369,369)	(21,858,703)	(507,524)	(2,085,924)	(5,011,732)	(20,402,763)	(507,524)	(2,085,924)
Income tax rate at 20%	(1,073,874)	(4,371,741)	(101,505)	(417,185)	(1,002,346)	(4,080,551)	(101,505)	(417,185)
Expenses not deductible for tax purpose	96,285	391,976	36,724	150,936	92,928	378,310	36,724	150,936
Income not taxable for tax purposes	(41)	(167)	-	-	-	-	-	-
Unrecognised temporary differences	23,714	96,540	64,781	266,249	27,120	110,406	64,781	266,249
Unrecognised tax losses	953,916	3,883,392	-	-	882,298	3,591,835	-	-
Income tax expenses	-	-	-	-	-	-	-	-
Minimum tax at 1%	-	-	47,563	195,484	-	-	47,563	195,484

CCU COMMERCIAL BANK PLC.

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25. INCOME TAX EXPENSE (continued)

b) Reconciliation between accounting loss and income tax expense (continued)

Under the Cambodian tax regulations, the Group has an obligation to pay corporate income tax at the rate of 20% of taxable profits or the minimum tax at 1% of gross revenue, whichever is higher.

Effective 2017, the Group and the Bank may be exempted from minimum tax if they comply with the conditions governing the maintenance of proper accounting records. In 2023, the prepayment of 1% of annual revenue amounting to US\$47,563 of the Bank is recognised in profit or loss. However, in 2024, the Bank received a letter of proper accounting records from the General Department of Taxation (GDT) for 2024. Hence, the Bank are exempted from minimum tax. The Bank incurs taxable loss and are not subject to 20% income tax in 2024, so the amount of US\$78,701 on prepayment of income tax is recognised as current tax asset, which can be carried forward as tax credit to use against income tax payable for the following tax years.

CCU Trust is in the taxable losses for the period from 8 January 2024 (date of incorporation) to 31 December 2024, so there was no income tax expense.

c) Unused tax losses

No deferred tax assets were recognised because of the uncertainties as to whether any future benefits can be derived from these losses. Tax losses can only be carried forward to offset against the taxable profits of subsequent years, for a maximum period of five years subject to the following criteria.

- There has not been a change in business activity during the year; and
- There has not been a unilateral tax reassessment in that particular year.

As at 31 December	Expiry date	The Group	The Bank
		Tax losses US\$	Tax losses US\$
2021	2026	437,656	437,656
2022	2027	-	-
2023	2028	-	-
2024	2029	4,769,580	4,411,490
		<u>5,207,236</u>	<u>4,849,146</u>

**25. INCOME TAX EXPENSE** (continued)

d) *Unrecognised temporary differences*

The Group and the Bank did not recognise deferred tax assets due to probability that taxable profit will not be available to the Group and the Bank that will create taxable profit in future periods.

e) *Other tax matters*

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.

CCU COMMERCIAL BANK PLC.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS  
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26. CASH FLOW INFORMATION

(i) CASH AND CASH EQUIVALENTS

	The Group				The Bank			
	2024		2023		2024		2023	
	US\$	KHR'000	US\$	KHR'000	US\$	KHR'000	US\$	KHR'000
Cash on hand (Note 4)	741,162	2,983,177	314,775	1,285,856	741,162	2,983,177	314,775	1,285,856
Deposits and placements with the Central Bank:								
Current accounts	12,502,773	50,323,661	17,341,907	70,841,690	12,502,773	50,323,661	17,341,907	70,841,690
Settlement accounts	4,358	17,541	-	-	4,358	17,541	-	-
Deposits and placements with other banks:								
Current accounts	365,510	1,471,178	7,797,681	31,853,528	365,510	1,471,178	7,797,681	31,853,528
Fixed deposits maturity of three months or less)	12,125,419	48,804,811	-	-	12,125,419	48,804,811	-	-
	<u>25,739,222</u>	<u>103,600,368</u>	<u>25,454,363</u>	<u>103,981,074</u>	<u>25,739,222</u>	<u>103,600,368</u>	<u>25,454,363</u>	<u>103,981,074</u>

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26. CASH FLOW INFORMATION (continued)

(ii) Net debt reconciliation

	The Group				The Bank			
	2024		2023		2024		2023	
	US\$	KHR'000	US\$	KHR'000	US\$	KHR'000	US\$	KHR'000
Cash and cash equivalents	25,739,222	103,600,368	25,454,363	103,981,074	25,739,222	103,600,368	25,454,363	103,981,074
Subordinated debts	(8,452,211)	(34,020,149)	(5,863,106)	(23,950,788)	(8,452,211)	(34,020,149)	(5,863,106)	(23,950,788)
Borrowings	(4,966,068)	(19,988,424)	(4,998,284)	(20,417,990)	(4,966,068)	(19,988,424)	(4,998,284)	(20,417,990)
Lease liabilities	(4,111,864)	(16,550,253)	(913,719)	(3,732,542)	(4,033,504)	(16,234,854)	(913,719)	(3,732,542)
Net debt	8,209,079	33,041,542	13,679,254	55,879,754	8,287,439	33,356,941	13,679,254	55,879,754
Cash and liquid investments	25,739,222	103,600,368	25,454,363	103,981,074	25,739,222	103,600,368	25,454,363	103,981,074
Gross debt – fixed interest rates	(17,530,143)	(70,558,826)	(11,775,109)	(48,101,320)	(17,451,783)	(70,243,427)	(11,775,109)	(48,101,320)
Net debt	8,209,079	33,041,542	13,679,254	55,879,754	8,287,439	33,356,941	13,679,254	55,879,754

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NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS  
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26. CASH FLOW INFORMATION (continued)

(ii) Net debt reconciliation (continued)

	Liabilities from financing activities			Other assets Cash and cash equivalents US\$	Total US\$
	Subordinated debts US\$	Borrowings US\$	Leases US\$		
<b>The Group</b>					
<b>Net debt as at 1 January 2023</b>					
Cash flow	(5,850,673)	(5,000,000)	(1,053,838)	(1,053,838)	4,877,750
<i>Other changes (*)</i>			140,119	(10,710,554)	8,812,221
Interest expenses	(46,077)	(3,284)	(80,497)	(129,858)	(129,858)
Interest payment (presented as operating cash flows)	33,644	5,000	80,497	119,141	119,141
<b>Net debt as at 31 December 2023</b>	<b>(5,863,106)</b>	<b>(4,998,284)</b>	<b>(913,719)</b>	<b>(11,775,109)</b>	<b>13,679,254</b>
In KH'000 equivalent	(23,950,788)	(20,417,990)	(3,732,542)	(48,101,320)	55,879,754
<b>Net debt as at 1 January 2024</b>					
Cash flow	(5,863,106)	(4,998,284)	(913,719)	(11,775,109)	13,679,254
<i>Other changes (*)</i>	(2,484,472)	32,216	245,507	(2,206,749)	(1,921,890)
New leases	-	-	(3,376,595)	(3,376,595)	(3,376,595)
Remeasurement of leases			(67,057)	(67,057)	(67,057)
Interest expenses	(464,512)	(4,587)	(299,015)	(768,114)	(768,114)
Interest payment (presented as operating cash flows)	359,879	4,587	299,015	663,481	663,481
<b>Net debt as at 31 December 2024</b>	<b>(8,452,211)</b>	<b>(4,966,068)</b>	<b>(4,111,864)</b>	<b>(17,530,143)</b>	<b>8,209,079</b>
In KH'000 equivalent	(34,020,149)	(19,988,424)	(16,550,253)	(70,558,826)	33,041,542

(\*) Other changes include non-cash movements, including accrued interest expense which will be presented as operating cash flows in the statement of cash flows when paid.

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NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS  
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26. CASH FLOW INFORMATION (continued)

(ii) Net debt reconciliation (continued)

	Liabilities from financing activities			Other assets Cash and cash equivalents US\$	Total US\$
	Subordinated debts US\$	Borrowings US\$	Leases US\$		
<b>The Bank</b>					
<b>Net debt as at 1 January 2023</b>					
Cash flow	-	-	(1,053,838)	(1,053,838)	4,877,750
Other changes (*)	(5,850,673)	(5,000,000)	140,119	(10,710,554)	8,812,221
Interest expenses	(46,077)	(3,284)	(80,497)	(129,858)	(129,858)
Interest payment (presented as operating cash flows)	33,644	5,000	80,497	119,141	119,141
Net debt as at 31 December 2023	(5,863,106)	(4,998,284)	(913,719)	(11,775,109)	13,679,254
In KH'000 equivalent	(23,950,788)	(20,417,990)	(3,732,542)	(48,101,320)	55,879,754
<b>Net debt as at 1 January 2024</b>					
Cash flow	(5,863,106)	(4,998,284)	(913,719)	(11,775,109)	13,679,254
Other changes (*)	(2,484,472)	32,216	241,876	(2,210,380)	(1,925,521)
New leases	-	-	(3,294,604)	(3,294,604)	(3,294,604)
Remeasurement of leases	-	-	(67,057)	(67,057)	(67,057)
Interest expenses	(464,512)	(4,587)	(294,946)	(764,045)	(764,045)
Interest payment (presented as operating cash flows)	359,879	4,587	294,946	659,412	659,412
Net debt as at 31 December 2024	(8,452,211)	(4,966,068)	(4,033,504)	(17,451,783)	8,287,439
In KH'000 equivalent	(34,020,149)	(19,988,424)	(16,234,854)	(70,243,427)	33,356,941

(\*) Other changes include non-cash movements, including accrued interest expense which will be presented as operating cash flows in the statement of cash flows when paid.

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NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS  
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27. CONTINGENT LIABILITIES AND COMMITMENTS

a) Loan commitments, guarantees and other financial commitments

Contractual amounts arising from off-balance sheet financial instruments that the Group and the Bank committed to extend credit to customers are as follows:

	The Group		The Bank	
	2024	2023	2024	2023
	US\$	KHR'000	US\$	KHR'000
Credit commitments:				
Unused portion of overdraft	484,186	1,948,849	484,186	1,948,849
Allowance for expected credit losses	(5,275)	(21,232)	(5,275)	(21,232)
Net exposure	478,911	1,927,617	478,911	1,927,617

b) Capital commitments

	The Group		The Bank	
	2024	2023	2024	2023
	US\$	KHR'000	US\$	KHR'000
Property and equipment	455,840	1,834,756	455,840	1,834,756
Intangible asset	709,642	2,856,309	709,642	2,856,309
Total	1,165,482	4,691,065	1,165,482	4,691,065

c) Lease commitment

The Group and the Bank recognised right-of-use assets and lease liabilities for lease contracts where the Group and the Bank is a lessee, except for short-term leases (see Note 2.15 (iii) and Note 11 for further information). Lease commitments for short-term leases are immaterial.

**NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS  
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**28. RELATED PARTY TRANSACTIONS AND BALANCES**

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

**a) Related parties and relationship**

The related parties of the Group and the Bank are as follows:

<b>Related party</b>	<b>Relationship</b>
Chen Bo	Shareholder
Jiang Yifei	Shareholder
Thiem Sounay	Shareholder
CCU Trust Co., Ltd.	Subsidiary
Key management personnel	All directors and key management (including their close family members) of the Group and the Bank who make critical decisions in relation to the strategic direction of the Group and the Bank

The following transactions were carried out with related parties. All the transactions were made on normal commercial terms and conditions and at market rate.

**b) Loans and advances to shareholder and key management personnel**

	<b>2024</b>		<b>2023</b>	
	<b>US\$</b>	<b>KHR'000</b>	<b>US\$</b>	<b>KHR'000</b>
<b>The Group and Bank</b>				
Shareholder (i)	-	-	3,012,667	12,306,745
Key management personnel (ii)	364,719	1,467,994	26,035	106,353
Outstanding loan balances	364,719	1,467,994	3,038,702	12,413,098
Less: Allowance for expected credit loss	(3,978)	(16,011)	(34,185)	(139,646)
Total net loans	360,741	1,451,983	3,004,517	12,273,452

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**28. RELATED PARTY TRANSACTIONS AND BALANCES (continued)**

**b) Loans and advances to shareholder and key management personnel (continued)**

Movements of loans and advance to shareholders and key management personnel:

	2024		2023	
	US\$	KHR'000	US\$	KHR'000
(i) Loans to shareholder				
As at 1 January	2,978,774	12,168,292	3,000,000	12,351,000
Loans advanced	-	-	-	-
Loan repayments received	(3,000,000)	(12,213,000)	-	-
Interest charged	221,333	901,047	256,000	1,052,160
Interest received	(234,000)	(952,614)	(243,333)	(1,000,099)
Increase in loss allowance	33,893	137,978	(33,893)	(139,300)
Currency translation differences	-	(41,703)	-	(95,469)
As at 31 December	-	-	2,978,774	12,168,292
(ii) Loans to key management personnel				
As at 1 January	25,743	105,160	-	-
Loans advanced	349,000	1,420,779	26,000	106,860
Loan repayments received	(11,260)	(45,839)	-	-
Interest charged	18,654	75,940	35	144
Interest received	(17,710)	(72,097)	-	-
Increase in loss allowance	(3,686)	(15,006)	(292)	(1,200)
Currency translation differences	-	(16,954)	-	(644)
As at 31 December	360,741	1,451,983	25,743	105,160
Total net loans	360,741	1,451,983	3,004,517	12,273,452

Loans and advances to key management personnel are unsecured and bear an annual interest rate of 8% (2023: 8%).

**c) Subordinated debts from shareholder**

Please refer to Note 17 for key terms and conditions. Interest expenses for subordinated debts from a related party was US\$464,512 (2023: US\$46,077) for both the Group and the Bank.

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28. RELATED PARTY TRANSACTIONS AND BALANCES (continued)

d) Deposit from related parties

	The Group		The Bank	
	2024	2023	2024	2023
	US\$	US\$	US\$	US\$
	KHR'000	KHR'000	KHR'000	KHR'000
Subsidiary	-	-	474,228	-
Key management personnel	12,786,108	51,464,085	12,786,108	51,464,085
			663,025	663,025
			2,708,457	2,708,457
			13,260,336	53,372,853
			663,025	2,708,457

Interest rate (per annum):

	The Group		The Bank	
	2024	2023	2024	2023
Directors and key management	0% - 8%	0% - 8%	0% - 8%	0% - 8%
Subsidiary	-	-	Nil	Nil

e) Key management personnel compensation

	The Group		The Bank	
	2024	2023	2024	2023
	US\$	US\$	US\$	US\$
	KHR'000	KHR'000	KHR'000	KHR'000
Salary and other short-term benefits	1,270,222	5,171,025	1,222,416	4,976,456
			665,622	665,622
			2,735,706	2,735,706
			1,222,416	4,976,456
			665,622	665,622
			2,735,706	2,735,706

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29. FINANCIAL RISK MANAGEMENT

The Group's and the Bank's activities expose them to a variety of financial risks: credit risk, market risk (including currency risk, interest rate risk and price risk), and liquidity risk. Taking risk is core to the financial business, and the operational risks are the inevitable consequence of being in business. The Group and the Bank do not use derivative financial instruments such as foreign exchange contracts and interest rate swaps to manage their risk exposure.

The financial assets and liabilities held by the Group and the Bank are as follows:

	The Group			The Bank		
	2024		2023	2024		2023
	US\$	KHR'000	US\$	US\$	KHR'000	US\$
<b>Financial assets</b>						
<i>Financial assets at amortised costs</i>						
Cash on hand	741,162	2,983,177	314,775	741,162	2,983,177	314,775
Deposits and placements with the central bank	17,107,131	68,856,202	17,341,907	17,107,131	68,856,202	17,341,907
Deposits and placements with other banks	56,495,289	227,393,538	46,614,153	56,495,289	227,393,538	46,614,153
Loans and advances to customers	73,950,437	297,650,509	39,070,448	73,950,437	297,650,509	39,070,448
Other financial assets	195,200	785,680	58,293	283,680	1,154,861	58,293
<b>Total financial assets</b>	<b>148,489,219</b>	<b>597,669,106</b>	<b>103,399,576</b>	<b>148,577,699</b>	<b>598,038,287</b>	<b>103,399,576</b>
<b>Financial liabilities</b>						
<i>Financial liabilities at amortised cost</i>						
Deposits from other banks and financial institutions	37,634,142	151,477,422	18,377,990	37,634,142	151,477,422	18,377,990
Deposits from customers	48,243,202	194,178,888	16,354,975	48,717,430	196,087,656	16,354,975
Borrowings	4,966,068	19,988,424	4,998,284	4,966,068	19,988,424	4,998,284
Subordinated debts	8,452,211	34,020,149	5,863,106	8,452,211	34,020,149	5,863,106
Lease liabilities	4,111,864	16,550,253	913,719	4,033,504	16,234,854	913,719
Other financial liabilities	545,301	2,194,837	23,471	516,470	2,078,792	23,471
<b>Total financial liabilities</b>	<b>103,952,788</b>	<b>418,409,973</b>	<b>46,531,545</b>	<b>104,319,825</b>	<b>419,887,297</b>	<b>46,531,545</b>
						<b>190,081,361</b>

29. FINANCIAL RISK MANAGEMENT (continued)

29.1 Credit risk

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

a) Credit risk measurement

Credit risk is managed on a group basis.

Central bank has no historical loss, and with strong capacity to meet obligation in near term, expected credit loss for deposits and placements with central banks are nil. Deposits and placements with 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. Investment securities at amortised cost and other financial assets at amortised cost are monitored for its credit rating deterioration, and the measurement of impairment follows a three-stage approach in Note 29.1 (c). Expected credit loss for other financial assets is insignificant.

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 Group and the Bank measure credit risk using Probability of Default (PD), Exposure at Default (EAD) and Loss Given Default (LGD) for the purposes of measuring Expected Credit Loss under CIFRS 9.

b) Risk limit control and mitigation policies

The Group and the Bank operate and provide loans and advances to individuals or enterprises within the Kingdom of Cambodia. The Group and the Bank manage limits and control the concentration of credit risk whenever it is identified.

The Group and the Bank employ a range of policies and practices to mitigate credit risk. The most traditional of these is the taking of security in the form of collateral for loans and advances. The Group and the Bank implement guidelines on the acceptability of specific classes of collateral or credit risk mitigation. The principal collateral types as security for loans and advances are:

- mortgages over residential properties (land, building and other properties); and
- charges over business assets such as land and buildings

c) Impairment (expected credit loss), write-off, and modification of financial assets 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 instruments 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.

29. FINANCIAL RISK MANAGEMENT (continued)

29.1 Credit risk (continued)

c) Impairment (expected credit loss), write-off, and modification of financial assets policies (continued)

- Stage 1 includes financial instruments that neither have a significant increase in credit risk since initial recognition nor credit-impaired as at reporting date. For these assets, 12-month expected credit loss allowance are recognised.
- Stage 2 includes financial instruments that have had a significant increase in credit risk since initial recognition but do not have objective evidence of impairment. For these assets, lifetime expected credit loss allowance are recognised.
- Stage 3 includes financial instruments that have objective evidence of impairment at the reporting date. For these assets, lifetime expected credit loss allowance are recognised.
- Purchased or originated credit-impaired financial assets are those financial assets that are credit-impaired on initial recognition. Their expected credit loss allowance is always measured on a lifetime basis (Stage 3).

The key judgements and assumptions adopted by the Group and 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 past due is 15 days for a short-term facility and 30 days or more for a long-term facility.

(ii) Definition of default and credit-impaired assets

The Group and the Bank define a financial instrument as in default which is also credit-impaired when it meets one of the following criteria:

- The borrower/obligor is more than 30 days past due on its contractual payments for a short-term facility.
- The borrower/obligor is 90 days past due or more on its contractual payments for a long-term facility.
- 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 the management.
- Restructuring and rescheduling of a loan facility involves any substantial modification made to the original repayment terms and conditions of the loan facility following an increase in the credit risk of an obligor/counterparty.
- When an obligor/counterparty has multiple loans with the Group and 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.

29. FINANCIAL RISK MANAGEMENT (continued)

29.1 Credit risk (continued)

- c) Impairment (expected credit loss), write-off, and modification of financial assets policies (continued)
- (iii) Measuring ECL - Explanation of 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 a collective basis.

For collective assessment, the ECL is determined by projecting the PD, LGD and EAD for each future month and for the 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 (PD)

The PD represents the likelihood that 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 12-month and lifetime PD represent the expected point-in-time probability of a default over the next 12 months and remaining lifetime of the financial instruments, respectively, based on conditions existing at the reporting date and future economic conditions that affect credit risk.

The PD is derived using historical default rates adjusted for forward-looking information and reflecting current portfolio composition and market data.

For portfolios without sufficient default data, proxy PDs are used.

Exposure at default (EAD)

EAD is based on the amounts the Bank expects to be owed at the time of default, over the next 12 months (12M EAD) or over the remaining lifetime (Lifetime EAD).

Loss given default (LGD)

LGD represents the Bank's expectation of the extent of loss on a defaulted exposure. LGD varies by types of counterparty, types 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 loans.

For portfolios without sufficient default data, proxy LGDs are used.

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

Due to insufficient default data to compute PD and LGD, the Group and the Bank uses proxy PD and LGD. The Group and the Bank assess that the proxied PD and LGD are the best reasonable and supportable information for its ECL calculation.

Other forward-looking considerations not otherwise analysed within above, 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.

The Group and the Bank periodically performs assessment on the appropriateness of the proxies used on its portfolio's circumstances.

29. FINANCIAL RISK MANAGEMENT (continued)

29.1 Credit risk (continued)

- c) Impairment (expected credit loss), write-off, and modification of financial assets policies (continued)
- (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 Group and the Bank have considered benchmarking internal/external supplementary data to use for modelling purposes. The appropriateness of groupings is monitored and reviewed on a periodic basis.

The appropriateness of groupings is monitored and reviewed on a periodic basis by the Group and the Bank.

- (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 of Directors or its delegated authorities.

- (vii) Modification of loans

The Group and the Bank sometimes renegotiate or otherwise modify the contractual cash flows of loans to customers. When this happens, the Group and the Bank assess whether or not the new terms are substantially different to the original terms. The Group and the Bank do 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 Group and the Bank monitor the subsequent performance of modified assets. The Group and 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).

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## 29. FINANCIAL RISK MANAGEMENT (continued)

## 29.1 Credit risk (continued)

- d) Maximum exposures to credit risk before collateral held or other credit enhancements of the Group and the Bank are as follows:

	<b>Maximum credit exposure US\$</b>	<b>Maximum credit exposure KHR'000</b>
<b>The Group</b>		
<b>31 December 2024</b>		
<b>On Balance sheet items</b>		
Deposits and placements with other banks and financial institutions	56,495,289	227,393,538
Loans and advances to customers	73,950,437	297,650,509
Other financial assets	195,200	785,680
Total	<u>130,640,926</u>	<u>525,829,727</u>
<b>Off-Balance sheet items</b>		
Unused portion of approved credit facilities	<u>478,911</u>	<u>1,927,617</u>
Total net exposure	<u>131,119,837</u>	<u>527,757,344</u>
	<b>Maximum credit exposure US\$</b>	<b>Maximum credit exposure KHR'000</b>
<b>The Group</b>		
<b>31 December 2023</b>		
<b>On Balance sheet items</b>		
Deposits and placements with other banks	46,614,153	190,418,815
Loans and advances to customers	39,070,448	159,602,780
Other financial assets	58,293	238,127
Total	<u>85,742,894</u>	<u>350,259,722</u>
<b>Off-Balance sheet items</b>		
Unused portion of approved credit facilities	<u>-</u>	<u>-</u>
Total net exposure	<u>85,742,894</u>	<u>350,259,722</u>

**NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS  
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**29. FINANCIAL RISK MANAGEMENT** (continued)

**29.1 Credit risk** (continued)

- d) Maximum exposures to credit risk before collateral held or other credit enhancements of the Group and the Bank are as follows: (continued)

	<b>Maximum credit exposure US\$</b>	<b>Maximum credit exposure KHR'000</b>
<b>The Bank</b>		
<b>31 December 2024</b>		
<b>On Balance sheet items</b>		
Deposits and placements with other banks	56,495,289	227,393,538
Loans and advances to customers	73,950,437	297,650,509
Other financial assets	283,680	1,154,861
Total	<u>130,729,406</u>	<u>526,198,908</u>
<b>Off-Balance sheet items</b>		
Unused portion of approved credit facilities	<u>478,911</u>	<u>1,927,617</u>
Total net exposure	<u>131,208,317</u>	<u>528,126,525</u>
	<b>Maximum credit exposure US\$</b>	<b>Maximum credit exposure KHR'000</b>
<b>The Bank</b>		
<b>31 December 2023</b>		
<b>On Balance sheet items</b>		
Deposits and placements with other banks	46,614,153	190,418,815
Loans and advances to customers	39,070,448	159,602,780
Other financial assets	58,293	238,127
Total	<u>85,742,894</u>	<u>350,259,722</u>
<b>Off-Balance sheet items</b>		
Unused portion of approved credit facilities	<u>-</u>	<u>-</u>
Total net exposure	<u>85,742,894</u>	<u>350,259,722</u>

The above table represents a worst-case scenario of credit risk exposure to the Group and the Bank, since collateral held and/or other credit enhancement attached were not taken into account. For on-balance sheet assets and off balance sheet, the exposures set out above are based on net carrying amounts.

- For both the Group and the Bank, deposits and placements with other banks account for 43% (2023: 54%) of the total maximum exposure.
- For both the Group and Bank, loans and advances account for 56% (2023: 46%) of the total maximum exposure.

While deposits and placements with other banks are low credit risk, management is confident of its ability to continue to control and sustain minimal exposure on credit risk resulting from the Group's and the Bank's loans and advances due to the following:

- Almost all loans and advances are collateralised
- The Group and the Bank have a proper credit evaluation process in place for granting of loans and advances to customers.

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**29. FINANCIAL RISK MANAGEMENT** (continued)

**29.1 Credit risk** (continued)

e) Credit quality of financial assets

*Loans and advances and credit commitments*

The Group and the Bank assess credit quality of loans, advances and financing using NBC classification. Credit quality description is summarised as follows:

<b>Credit Quality</b>	<b>Description</b>
Standard monitoring	Obligors in this category exhibit strong capacity to meet financial commitment.
Special monitoring	Obligors in this category have a fairly acceptable capacity to meet financial commitments.
Default/Credit impaired	Obligors are assessed to be impaired.

*Financial assets other than loans and advances and credit commitments*

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:

<b>Credit Quality</b>	<b>Description</b>
Sovereign	Refer to financial assets issued by central banks or guarantees by central banks.
Investment grade	Refers to the credit quality of the financial asset that the issuer is able to meet payment obligation and exposure 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.
No rating	Refers to financial assets which are currently not assigned with ratings due to unavailability of ratings models.
Credit impaired	Refers to the asset that is being impaired.

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29. FINANCIAL RISK MANAGEMENT (continued)

29.1 Credit risk (continued)

- e) Credit quality of financial assets (continued)

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

	The Group			The Bank				
	12-month ECL US\$	Lifetime ECL not Credit- Impaired US\$	Lifetime ECL Credit- Impaired US\$	Total US\$	12-month ECL US\$	Lifetime ECL not Credit- Impaired US\$	Lifetime ECL Credit- Impaired US\$	Total US\$
<b>31 December 2024</b>								
<b>Deposits and placements with other banks and financial institution</b>								
Investment grade	5,334,784	-	-	5,334,784	5,334,784	-	-	5,334,784
Non-investment grade	-	-	-	-	-	-	-	-
No rating	52,156,145	-	-	52,156,145	52,156,145	-	-	52,156,145
Gross carrying amount	57,490,929	-	-	57,490,929	57,490,929	-	-	57,490,929
Loss allowance (ECL)	(995,640)	-	-	(995,640)	(995,640)	-	-	(995,640)
Net carrying amount	56,495,289	-	-	56,495,289	56,495,289	-	-	56,495,289
In KHR'000 equivalent	227,393,538	-	-	227,393,538	227,393,538	-	-	227,393,538

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29. FINANCIAL RISK MANAGEMENT (continued)

29.1 Credit risk (continued)

e) Credit quality of financial assets (continued)

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

	The Group			The Bank				
	12-month ECL US\$	Lifetime ECL not Credit- Impaired US\$	Lifetime ECL Credit- Impaired US\$	Total US\$	12-month ECL US\$	Lifetime ECL not Credit- Impaired US\$	Lifetime ECL Credit- Impaired US\$	Total US\$
<b>31 December 2023</b>								
<b>Deposits and placements with other banks and financial institution</b>								
Investment grade	-	-	-	-	-	-	-	-
Non-investment grade	-	-	-	-	-	-	-	-
No rating	47,477,056	-	-	47,477,056	47,477,056	-	-	47,477,056
Gross carrying amount	47,477,056	-	-	47,477,056	47,477,056	-	-	47,477,056
Loss allowance (ECL)	(862,903)	-	-	(862,903)	(862,903)	-	-	(862,903)
Net carrying amount	46,614,153	-	-	46,614,153	46,614,153	-	-	46,614,153
In KHR'000 equivalent	190,418,815	-	-	190,418,815	190,418,815	-	-	190,418,815

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29. FINANCIAL RISK MANAGEMENT (continued)

29.1 Credit risk (continued)

e) Credit quality of financial assets (continued)

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

	The Group			The Bank				
	12-month ECL US\$	Lifetime ECL not Credit- Impaired US\$	Lifetime ECL Credit- Impaired US\$	Total US\$	12-month ECL US\$	Lifetime ECL not Credit- Impaired US\$	Lifetime ECL Credit- Impaired US\$	Total US\$
<b>31 December 2024</b>								
<b>Loans and advances to customers at amortised cost</b>								
Standard monitoring	74,760,262	-	-	74,760,262	74,760,262	-	-	74,760,262
Special monitoring	-	-	-	-	-	-	-	-
Default	-	-	-	-	-	-	-	-
Gross carrying amount	74,760,262	-	-	74,760,262	74,760,262	-	-	74,760,262
Loss allowance (ECL)	(809,825)	-	-	(809,825)	(809,825)	-	-	(809,825)
Net carrying amount	73,950,437	-	-	73,950,437	73,950,437	-	-	73,950,437
In KHR'000 equivalent	297,650,509	-	-	297,650,509	297,650,509	-	-	297,650,509

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29. FINANCIAL RISK MANAGEMENT (continued)

29.1 Credit risk (continued)

- e) Credit quality of financial assets (continued)

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

	The Group			The Bank				
	12-month ECL US\$	Lifetime ECL not Credit- Impaired US\$	Lifetime ECL Credit- Impaired US\$	Total US\$	12-month ECL US\$	Lifetime ECL not Credit- Impaired US\$	Lifetime ECL Credit- Impaired US\$	Total US\$
<b>31 December 2023</b>								
<b>Loans and advances to customers at amortised cost</b>								
Standard monitoring	39,515,626	-	-	39,515,626	39,515,626	-	-	39,515,626
Special monitoring	-	-	-	-	-	-	-	-
Default	-	-	-	-	-	-	-	-
Gross carrying amount	39,515,626	-	-	39,515,626	39,515,626	-	-	39,515,626
Loss allowance (ECL)	(445,178)	-	-	(445,178)	(445,178)	-	-	(445,178)
Net carrying amount	39,070,448	-	-	39,070,448	39,070,448	-	-	39,070,448
In KHR'000 equivalent	159,602,780	-	-	159,602,780	159,602,780	-	-	159,602,780



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29. FINANCIAL RISK MANAGEMENT (continued)

29.1 Credit risk (continued)

f) Loss allowance (continued)

Expected credit loss reconciliation – loans and advances to customers

	The Group			The Bank			
	12-month ECL US\$	Lifetime ECL not Credit- Impaired US\$	Lifetime ECL Credit- Impaired US\$	12-month ECL US\$	Lifetime ECL not Credit- Impaired US\$	Lifetime ECL Credit- Impaired US\$	Total US\$
<b>31 December 2023</b>							
<b>Loans and advances to customers at amortised cost</b>							
Balance at 1 January	342,041	-	-	342,041	-	-	342,041
- Transfer to Stage 1	-	-	-	-	-	-	-
- Transfer to Stage 2	-	-	-	-	-	-	-
- Transfer to Stage 3	-	-	-	-	-	-	-
New financial assets originated or purchased	103,137	-	-	103,137	-	-	103,137
Financial assets collected during the year	-	-	-	-	-	-	-
Write-offs	-	-	-	-	-	-	-
Unwinding of discount	-	-	-	-	-	-	-
Balance at 31 December (US\$)	445,178	-	-	445,178	-	-	445,178
In KHR'000 equivalent	1,818,551	-	-	1,818,551	-	-	1,818,551

**NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS  
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**29. FINANCIAL RISK MANAGEMENT** (continued)

**29.1 Credit risk** (continued)

g) Concentration of financial assets with credit risk exposure

i. Industry sector

The following table provides a breakdown of the Group's and the Bank's main credit exposure at their carrying amounts, as categorised by industry sector.

	<b>Deposits and placements with other banks US\$</b>	<b>Loans and advances to customers US\$</b>	<b>Other assets US\$</b>	<b>Total US\$</b>
<b>The Group</b>				
<b>31 December 2024</b>				
Financial institutions	56,495,289	4,651,971	-	61,147,260
Corporate	-	24,873,502	-	24,873,502
Service industries	-	21,155,238	-	21,155,238
Retail services	-	15,612,921	-	15,612,921
Investment companies	-	7,157,798	-	7,157,798
Agriculture and fisheries	-	267,419	-	267,419
Others	-	231,588	195,200	426,788
<b>Total</b>	<b>56,495,289</b>	<b>73,950,437</b>	<b>195,200</b>	<b>130,640,926</b>
In KHR'000 equivalent	227,393,538	297,650,509	785,680	525,829,727
<b>31 December 2023</b>				
Financial institutions	46,614,153	291,236	-	46,905,389
Corporate	-	25,524,218	-	25,524,218
Service industries	-	3,479,082	-	3,479,082
Retail services	-	6,296,830	-	6,296,830
Investment companies	-	3,479,082	-	3,479,082
Agriculture and fisheries	-	-	-	-
Others	-	-	58,293	58,293
<b>Total</b>	<b>46,614,153</b>	<b>39,070,448</b>	<b>58,293</b>	<b>85,742,894</b>
In KHR'000 equivalent	190,418,815	159,602,780	238,127	350,259,722

**NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS  
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**29. FINANCIAL RISK MANAGEMENT** (continued)

**29.1 Credit risk** (continued)

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

i. Industry sector (continued)

	Deposits and placements with other banks US\$	Loans and advances to customers US\$	Other assets US\$	Total US\$
<b>The Bank</b>				
<b>31 December 2024</b>				
Financial institutions	56,495,289	4,651,971	-	61,147,260
Corporate	-	24,873,502	-	24,873,502
Service industries	-	21,155,238	-	21,155,238
Retail services	-	15,612,921	-	15,612,921
Investment companies	-	7,157,798	-	7,157,798
Agriculture and fisheries	-	267,419	-	267,419
Others	-	231,588	283,680	515,268
<b>Total</b>	<b>56,495,289</b>	<b>73,950,437</b>	<b>283,680</b>	<b>130,729,406</b>
In KHR'000 equivalent	<u>227,393,538</u>	<u>297,650,509</u>	<u>1,141,812</u>	<u>526,185,859</u>
<b>31 December 2023</b>				
Financial institutions	46,614,153	291,236	-	46,905,389
Corporate	-	25,524,218	-	25,524,218
Service industries	-	3,479,082	-	3,479,082
Retail services	-	6,296,830	-	6,296,830
Investment companies	-	3,479,082	-	3,479,082
Agriculture and fisheries	-	-	-	-
Others	-	-	58,293	58,293
<b>Total</b>	<b>46,614,153</b>	<b>39,070,448</b>	<b>58,293</b>	<b>85,742,894</b>
In KHR'000 equivalent	<u>190,418,815</u>	<u>159,602,780</u>	<u>238,127</u>	<u>350,259,722</u>

ii. Geographical sector

All of the Group and the Bank's financial assets are located in Cambodia for the year ended 31 December 2024 and 2023. Therefore, the Group and the Bank's credit exposure is within Cambodia only.

(h) Repossessed collateral

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

The Group and the Bank did not obtain assets by taking possession of collateral held as security as at 31 December 2024 and 31 December 2023.

(i) Sensitivity analysis

The Group and the Bank proxies risk parameters such PD and LGD and assesses whether additional credit risk factors inherent to the Group and the Bank's portfolios is needed and appropriate. Changes in general economic condition and industry credit risk may affect the ECL allowance. As at 31 December 2024 and 31 December 2023, the Group and the Bank assesses that the proxy approach is appropriate for the Group and the Bank's portfolio. The Group and the Bank periodically perform assessment on the appropriateness of the proxies used on its portfolio's circumstances.

**29. FINANCIAL RISK MANAGEMENT** (continued)

**29.2 Market risk**

The Group and the Bank take 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 Group and the Bank do not use derivative financial instruments such as foreign exchange contracts and interest rate swaps to hedge its risk exposure.

a) Foreign exchange risk

The Group and the Bank operate in Cambodia and transacts in many currencies, and is exposed to currency risks primarily with respect to Khmer Riel, and others are not significant.

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

Management monitors foreign exchange risk against the Group's and the Bank's functional currency. However, the Group and the Bank do not hedge its foreign exchange risk exposure arising from future commercial transactions and recognised assets and liabilities using forward contracts.

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

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

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29. FINANCIAL RISK MANAGEMENT (continued)

29.2 Market risk (continued)

a) Foreign exchange risk (continued)

	The Group			The Bank		
	In US\$ equivalent		Total	In US\$ equivalent		Total
	US\$	KHR		US\$	KHR	
<b>31 December 2024</b>						
<b>Financial assets</b>						
Cash on hand	577,707	163,455	741,162	577,707	163,455	741,162
Deposits and placements with the central bank	10,917,930	6,189,201	17,107,131	10,917,930	6,189,201	17,107,131
Deposits and placements with other banks	56,489,419	5,870	56,495,289	56,489,419	5,870	56,495,289
Loans and advances to customers	60,141,714	13,808,723	73,950,437	60,141,714	13,808,723	73,950,437
Other financial assets	195,200	-	195,200	274,522	9,158	283,680
	<u>128,321,970</u>	<u>20,167,249</u>	<u>148,489,219</u>	<u>128,401,292</u>	<u>20,176,407</u>	<u>148,577,699</u>
<b>Financial liabilities</b>						
Deposits from other banks and financial institutions	36,621,372	1,012,770	37,634,142	36,621,372	1,012,770	37,634,142
Deposits from customers	45,519,306	2,723,896	48,243,202	45,993,534	2,723,896	48,717,430
Borrowings	4,966,068	-	4,966,068	4,966,068	-	4,966,068
Subordinated debts	-	8,452,211	8,452,211	-	8,452,211	8,452,211
Lease liabilities	4,111,864	-	4,111,864	4,033,504	-	4,033,504
Other financial liabilities	516,843	28,458	545,301	513,544	2,926	516,470
	<u>91,735,453</u>	<u>12,217,335</u>	<u>103,952,788</u>	<u>92,128,022</u>	<u>12,191,803</u>	<u>104,319,825</u>
<b>Net asset position</b>	<u>36,586,517</u>	<u>7,949,914</u>	<u>44,536,431</u>	<u>36,273,270</u>	<u>7,984,604</u>	<u>44,257,874</u>
<b>In KHR'000 equivalents</b>	<u>149,455,922</u>	<u>32,475,399</u>	<u>181,931,321</u>	<u>148,176,308</u>	<u>32,617,107</u>	<u>180,793,415</u>

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NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS  
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29. FINANCIAL RISK MANAGEMENT (continued)

29.2 Market risk (continued)

a) Foreign exchange risk (continued)

	The Group			The Bank		
	In US\$ equivalent		Total	In US\$ equivalent		Total
	US\$	KHR		US\$	KHR	
<b>31 December 2023</b>						
<b>Financial assets</b>						
Cash on hand	282,682	32,093	314,775	282,682	32,093	314,775
Deposits and placements with the central bank	17,290,106	51,801	17,341,907	17,290,106	51,801	17,341,907
Deposits and placements with other banks	46,290,428	323,725	46,614,153	46,290,428	323,725	46,614,153
Loans and advances to customers	32,452,086	6,618,362	39,070,448	32,452,086	6,618,362	39,070,448
Other financial assets	58,293	-	58,293	58,293	-	58,293
	<u>96,373,595</u>	<u>7,025,981</u>	<u>103,399,576</u>	<u>96,373,595</u>	<u>7,025,981</u>	<u>103,399,576</u>
<b>Financial liabilities</b>						
Deposits from other banks and financial institutions	18,200,747	177,243	18,377,990	18,200,747	177,243	18,377,990
Deposits from customers	16,313,710	41,265	16,354,975	16,313,710	41,265	16,354,975
Borrowings	4,998,284	-	4,998,284	4,998,284	-	4,998,284
Subordinated debts	-	5,863,106	5,863,106	-	5,863,106	5,863,106
Lease liabilities	913,719	-	913,719	913,719	-	913,719
Other financial liabilities	22,368	1,103	23,471	22,368	1,103	23,471
	<u>40,448,828</u>	<u>6,082,717</u>	<u>46,531,545</u>	<u>40,448,828</u>	<u>6,082,717</u>	<u>46,531,545</u>
<b>Net asset position</b>	<u>55,924,767</u>	<u>943,264</u>	<u>56,868,031</u>	<u>55,924,767</u>	<u>943,264</u>	<u>56,868,031</u>
<b>In KHR'000 equivalents</b>	<u>228,452,673</u>	<u>3,853,233</u>	<u>232,305,906</u>	<u>228,452,673</u>	<u>3,853,233</u>	<u>232,305,906</u>

**NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS  
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**29. FINANCIAL RISK MANAGEMENT** (continued)

**29.2 Market risk** (continued)

a) Foreign exchange risk (continued)

Sensitivity analysis

As shown in the table above, the Group and the Bank are primarily exposed to changes in USD/KHR exchange rates. The sensitivity of profit or loss to changes in the exchange rates arises mainly from US-dollar denominated financial instruments.

	2024		2023	
	-1% Depreciation US\$	1% Appreciation US\$	-1% Depreciation US\$	1% Appreciation US\$
<b>The Group</b>				
Khmer Riel	(90,532)	88,739	(11,318)	11,093
In KHR'000 equivalents	<u>(368,556)</u>	<u>361,256</u>	<u>(46,517)</u>	<u>45,592</u>
<b>The Bank</b>				
Khmer Riel	(90,882)	89,083	(11,318)	11,093
In KHR'000 equivalent	<u>(369,981)</u>	<u>362,657</u>	<u>(46,517)</u>	<u>45,592</u>

b) Price risk

The Group and the Bank are 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.

c) Interest rate risk

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 Group and the Bank do not have interest rate risk arising from borrowings with variable rates which exposes the Group and the Bank to cash flow interest rate risk. The Group's and the Bank's borrowings consist of only fixed rates (2023: only fixed rates). The Group and the Bank do not have fair value interest rate risk as the interest rates of financial instruments measured at amortised cost are similar to prevailing market rates.

The Management of the Group and 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. In addition, the Management regularly analyses and foresees the expected changes in the interest rates and manages cash flow interest rate risk by assessing its impacts and developed actions to respond to the interest rate risk.

The table below summarises the exposures of the Group and the Bank to interest rate risk. The assets and liabilities at carrying amount are categorised by the earlier of contractual repricing or maturity dates.

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29. FINANCIAL RISK MANAGEMENT (continued)

29.2 Market risk (continued)

c) Interest rate risk (continued)

	Up to 1 month US\$	1 to 3 months US\$	3 to 12 months US\$	1 to 5 years US\$	Over 5 years US\$	Non-interest bearing US\$	Total US\$
<b>The Group</b>							
<b>As at 31 December 2024</b>							
<b>Financial assets</b>							
Cash on hand	-	-	-	-	-	741,162	741,162
Deposits and placements with the central bank	-	4,600,000	-	-	-	12,507,131	17,107,131
Deposits and placements with other banks	5,035,670	5,963,017	45,136,727	-	-	359,875	56,495,289
Loans and advances to customers	19,940	3,452,940	15,777,749	44,578,571	10,121,237	-	73,950,437
Other financial assets	-	-	-	-	-	195,200	195,200
	5,055,610	14,015,957	60,914,476	44,578,571	10,121,237	13,803,368	148,489,219
<b>Financial liabilities</b>							
Deposits from other banks and financial institutions	3,018,641	7,057,462	27,510,488	-	-	47,551	37,634,142
Deposits from customers	12,322,041	10,101,585	14,461,240	70,134	-	11,288,202	48,243,202
Borrowings	4,966,068	-	-	-	-	-	4,966,068
Subordinated debts	-	-	-	-	8,452,211	-	8,452,211
Lease liabilities	23,042	46,583	218,080	1,581,149	2,243,010	-	4,111,864
Other financial liabilities	-	-	-	-	-	545,301	545,301
	20,329,792	17,205,630	42,189,808	1,651,283	10,695,221	11,881,054	103,952,788
Interest sensitivity gap	(15,274,182)	(3,189,673)	18,724,668	42,927,288	(573,984)	1,922,314	44,536,431
In KHR'000 equivalent	(62,395,033)	(13,029,814)	76,490,269	175,357,971	(2,344,725)	7,852,653	181,931,321
<b>Off-balance-sheet items</b>							
Credit commitments	478,911	-	-	-	-	-	478,911
In KHR'000 equivalent	1,927,617	-	-	-	-	-	1,927,617

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29. FINANCIAL RISK MANAGEMENT (continued)

29.2 Market risk (continued)

c) Interest rate risk (continued)

	Up to 1 month US\$	1 to 3 months US\$	3 to 12 months US\$	1 to 5 years US\$	Over 5 years US\$	Non-interest bearing US\$	Total US\$
<b>The Group</b>							
<b>As at 31 December 2023</b>							
<b>Financial assets</b>							
Cash on hand	-	-	-	-	-	314,775	314,775
Deposits and placements with the central bank	-	-	-	-	-	17,341,907	17,341,907
Deposits and placements with other banks	7,734,527	-	38,879,626	-	-	-	46,614,153
Loans and advances to customers	-	-	6,958,164	32,086,542	25,742	-	39,070,448
Other financial assets	-	-	-	-	-	58,293	58,293
	<u>7,734,527</u>	<u>-</u>	<u>45,837,790</u>	<u>32,086,542</u>	<u>25,742</u>	<u>17,714,975</u>	<u>103,399,576</u>
<b>Financial liabilities</b>							
Deposits from other banks and financial institutions	-	-	17,200,060	-	1,177,930	-	18,377,990
Deposits from customers	1,301,462	30,037	3,165,945	5,068,411	6,789,120	-	16,354,975
Borrowings	4,998,284	-	-	-	-	-	4,998,284
Subordinated debts	-	-	-	-	5,863,106	-	5,863,106
Lease liabilities	12,206	24,667	115,298	386,982	374,566	-	913,719
Other financial liabilities	-	-	-	-	-	23,471	23,471
	<u>6,311,952</u>	<u>54,704</u>	<u>20,481,303</u>	<u>5,455,393</u>	<u>14,204,722</u>	<u>23,471</u>	<u>46,531,545</u>
Interest sensitivity gap	<u>1,422,575</u>	<u>(54,704)</u>	<u>25,356,487</u>	<u>26,631,149</u>	<u>(14,178,980)</u>	<u>17,691,504</u>	<u>56,868,031</u>
In KHR'000 equivalent	<u>5,811,219</u>	<u>(223,466)</u>	<u>103,581,249</u>	<u>108,788,244</u>	<u>(57,921,133)</u>	<u>72,269,794</u>	<u>232,305,907</u>

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29. FINANCIAL RISK MANAGEMENT (continued)

29.2 Market risk (continued)

c) Interest rate risk (continued)

	Up to 1 month US\$	1 to 3 months US\$	3 to 12 months US\$	1 to 5 years US\$	Over 5 years US\$	Non-interest bearing US\$	Total US\$
<b>The Bank</b>							
<b>As at 31 December 2024</b>							
<b>Financial assets</b>							
Cash on hand	-	-	-	-	-	741,162	741,162
Deposits and placements with the central bank	-	4,600,000	-	-	-	12,507,131	17,107,131
Deposits and placements with other banks	5,035,670	5,963,017	45,136,727	-	-	359,875	56,495,289
Loans and advances to customers	19,940	3,452,940	15,777,749	44,578,571	10,121,237	-	73,950,437
Other financial assets	-	-	-	-	-	283,680	283,680
	5,055,610	14,015,957	60,914,476	44,578,571	10,121,237	13,891,848	148,577,699
<b>Financial liabilities</b>							
Deposits from other banks and financial institutions	3,018,641	7,057,462	27,510,488	-	-	47,551	37,634,142
Deposits from customers	12,322,041	10,101,585	14,461,240	70,134	-	11,762,430	48,717,430
Borrowings	4,966,068	-	-	-	-	-	4,966,068
Subordinated debts	-	-	-	-	8,452,211	-	8,452,211
Lease liabilities	22,508	45,503	213,020	1,547,762	2,204,711	-	4,033,504
Other financial liabilities	-	-	-	-	-	516,470	516,470
	20,329,258	17,204,550	42,184,748	1,617,896	10,656,922	12,326,451	104,319,825
Interest sensitivity gap	(15,273,648)	(3,188,593)	18,729,728	42,960,675	(535,685)	1,565,397	44,257,874
In KHR'000 equivalent	(62,392,852)	(13,025,402)	76,510,939	175,494,357	(2,188,273)	6,394,647	180,793,416
<b>Off-balance-sheet items</b>							
Credit commitments	478,911	-	-	-	-	-	478,911
In KHR'000 equivalent	1,927,617	-	-	-	-	-	1,927,617

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29. FINANCIAL RISK MANAGEMENT (continued)

29.2 Market risk (continued)

c) Interest rate risk (continued)

	Up to 1 month US\$	1 to 3 months US\$	3 to 12 months US\$	1 to 5 years US\$	Over 5 years US\$	Non-interest bearing US\$	Total US\$
<b>The Bank</b>							
<b>As at 31 December 2023</b>							
<b>Financial assets</b>							
Cash on hand	-	-	-	-	-	314,775	314,775
Deposits and placements with the central bank	-	-	-	-	-	17,341,907	17,341,907
Deposits and placements with other banks	7,734,527	-	38,879,626	-	-	-	46,614,153
Loans and advances to customers	-	-	6,958,164	32,086,542	25,742	-	39,070,448
Other financial assets	-	-	-	-	-	58,293	58,293
	<u>7,734,527</u>	<u>-</u>	<u>45,837,790</u>	<u>32,086,542</u>	<u>25,742</u>	<u>17,714,975</u>	<u>103,399,576</u>
<b>Financial liabilities</b>							
Deposits from other banks and financial institutions			17,200,060		1,177,930	-	18,377,990
Deposits from customers	1,301,462	30,037	3,165,945	5,068,411	6,789,120	-	16,354,975
Borrowings	4,998,284	-	-	-	-	-	4,998,284
Subordinated debts	-	-	-	-	5,863,106	-	5,863,106
Lease liabilities	12,206	24,667	115,298	386,982	374,566	-	913,719
Other financial liabilities	-	-	-	-	-	23,471	23,471
	<u>6,311,952</u>	<u>54,704</u>	<u>20,481,303</u>	<u>5,455,393</u>	<u>14,204,722</u>	<u>23,471</u>	<u>46,531,545</u>
Interest sensitivity gap	<u>1,422,575</u>	<u>(54,704)</u>	<u>25,356,487</u>	<u>26,631,149</u>	<u>(14,178,980)</u>	<u>17,691,504</u>	<u>56,868,031</u>
In KHR'000 equivalent	<u>5,811,219</u>	<u>(223,466)</u>	<u>103,581,249</u>	<u>108,788,244</u>	<u>(57,921,133)</u>	<u>72,269,794</u>	<u>232,305,907</u>

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS  
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**29. FINANCIAL RISK MANAGEMENT** (continued)

**29.2 Market risk** (continued)

c) Interest rate risk (continued)

Sensitivity

Profit or loss in 2024 and 2023 was not sensitive to higher or lower interest income from financial instruments at floating rate as a result of changes in interest rates because there was no financial instruments at floating rate. There are no other component of equity sensitive to higher or lower interest income from financial instruments at floating rate as a result of changes in interest rates.

**29.3 Liquidity risk**

Liquidity risk is the risk that the Group and the Bank are 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, lenders, and fulfil commitments to lend.

a) Liquidity risk management process

Management monitors statement of financial position liquidity and manages the concentration and profile of debt maturities. Monitoring and reporting, taking the form of daily cash position and projection for the next day, week and month respectively, are key periods for liquidity management. In addition, management monitors the movement of main depositors and projection of their withdrawals.

b) Funding approach

The Group's and the Bank's main sources of liquidity arise from shareholders' capital contribution, borrowings, subordinated debts, and customers' deposits. The sources of liquidity are regularly reviewed by management through review of maturity of term deposits and the key depositors.

c) Non-derivative cash flows

The table below presents the cash flows of the financial instruments by the Group and the Bank by remaining contractual maturities at the reporting date. The amounts disclosed in the table are the contractual undiscounted cash flows, whereas the Group and the Bank manage the inherent liquidity risk based on expected undiscounted cash flows as at 31 December 2024.

CCU COMMERCIAL BANK PLC.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2024

29. FINANCIAL RISK MANAGEMENT (continued)

29.3 Liquidity risk (continued)

c) Non-derivative cash flows (continued)

	Up to 1 month US\$	1 to 3 months US\$	3 to 12 months US\$	1 to 5 years US\$	Over 5 years US\$	Total US\$
<b>The Group</b>						
<b>As at 31 December 2024</b>						
<b>Financial liabilities</b>						
Deposits from other banks and financial institutions	3,075,069	7,116,448	28,763,172	-	-	38,954,689
Deposits from customers	23,673,462	10,251,141	15,251,502	79,410	-	49,255,515
Borrowings	4,968,837	-	-	-	-	4,968,837
Subordinated debts	53,649	102,107	475,921	2,528,439	11,113,336	14,273,452
Lease liabilities	52,800	105,600	475,201	2,663,471	2,667,712	5,964,784
Other financial liabilities	545,301	-	-	-	-	545,301
	<u>32,369,118</u>	<u>17,575,296</u>	<u>44,965,796</u>	<u>5,271,320</u>	<u>13,781,048</u>	<u>113,962,578</u>
In KHR'000 equivalents	<u>130,285,700</u>	<u>70,740,566</u>	<u>180,987,329</u>	<u>21,217,063</u>	<u>55,468,718</u>	<u>458,699,376</u>
<b>As at 31 December 2023</b>						
<b>Financial liabilities</b>						
Deposits from other banks and financial institutions	-	-	17,200,060	-	1,177,930	18,377,990
Deposits from customers	1,301,462	30,037	3,165,945	5,068,411	6,789,120	16,354,975
Borrowings	5,001,053	-	-	-	-	5,001,053
Subordinated debts	37,824	73,207	335,531	1,782,587	8,053,211	10,282,360
Lease liabilities	18,384	36,769	165,463	576,000	420,000	1,216,616
Other financial liabilities	23,471	-	-	-	-	23,471
	<u>6,382,194</u>	<u>140,013</u>	<u>20,866,999</u>	<u>7,426,998</u>	<u>16,440,261</u>	<u>51,256,465</u>
In KHR'000 equivalents	<u>26,071,262</u>	<u>571,953</u>	<u>85,241,691</u>	<u>30,339,287</u>	<u>67,158,466</u>	<u>209,382,659</u>

CCU COMMERCIAL BANK PLC.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS  
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29. FINANCIAL RISK MANAGEMENT (continued)

29.3 Liquidity risk (continued)

c) Non-derivative cash flows (continued)

	Up to 1 month US\$	1 to 3 months US\$	3 to 12 months US\$	1 to 5 years US\$	Over 5 years US\$	Total US\$
<b>The Bank</b>						
<b>As at 31 December 2024</b>						
<b>Financial liabilities</b>						
Deposits from other banks and financial institutions			28,763,172	-	-	38,954,689
Deposits from customers	3,075,069	7,116,448	15,251,502	79,410	-	49,729,743
Borrowings	24,147,690	10,251,141	-	-	-	4,968,837
Subordinated debts	4,968,837	-	-	2,528,439	11,113,336	14,273,452
Lease liabilities	53,649	102,107	475,921	2,610,671	2,623,712	5,854,783
Other financial liabilities	51,700	103,400	465,300	-	-	516,470
	516,470	-	-	-	-	-
	32,813,415	17,573,096	44,955,895	5,218,520	13,737,048	114,297,974
In KHR'000 equivalents	132,073,995	70,731,711	180,947,477	21,004,543	55,291,618	460,049,344
<b>As at 31 December 2023</b>						
<b>Financial liabilities</b>						
Deposits from other banks and financial institutions	-	-	17,200,060	-	1,177,930	18,377,990
Deposits from customers	1,301,462	30,037	3,165,945	5,068,411	6,789,120	16,354,975
Borrowings	5,001,053	-	-	-	-	5,001,053
Subordinated debts	37,824	73,207	335,531	1,782,587	8,053,211	10,282,360
Lease liabilities	18,384	36,769	165,463	576,000	420,000	1,216,616
Other financial liabilities	23,471	-	-	-	-	23,471
	6,382,194	140,013	20,866,999	7,426,998	16,440,261	51,256,465
In KHR'000 equivalents	26,071,262	571,953	85,241,691	30,339,287	67,158,466	209,382,659

**29. FINANCIAL RISK MANAGEMENT** (continued)

**29.4 Fair value of financial assets and liabilities**

(a) Financial instruments measured at fair value

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

(b) Financial instruments not measured at fair value

As at the reporting date, the fair values of financial instruments of the Group and the Bank approximate their carrying amounts.

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

a. Deposits and placements with the central bank and other banks and financial institutions

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

b. Loans and advances

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 to the contractual lending rates. As a result, the fair value of non-current loans and advances to customers might approximate to their carrying value at reporting date.

c. Deposits from banks and other financial institutions and customers

The fair values of deposits from customers and deposits from banks and other financial institutions approximate their carrying amounts. The estimated fair value of deposits with no stated maturities, which include non-interest earning deposits, is the amount repayable on demand.

Deposits with fixed interest are not quoted in the active market and are short-term. Their fair value approximates the carrying amount.

d. Borrowings and subordinated debts

Borrowings and subordinated debts are not quoted in active market and their fair value approximates their carrying amount because the borrowing rates are similar to the prevailing market rates of borrowings with similar terms and maturities

e. Other financial assets and liabilities

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

**29. FINANCIAL RISK MANAGEMENT** (continued)

**29.5 Capital management**

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

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

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

CCU COMMERCIAL BANK PLC.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS  
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29. FINANCIAL RISK MANAGEMENT (continued)

29.5 Capital management (continued)

The table below summarises the composition of the regulatory capital:

	The Group				The Bank			
	2024		2023		2024		2023	
	US\$	KHR'000	US\$	KHR'000	US\$	KHR'000	US\$	KHR'000
<b>Tier 1 capital</b>								
Share capital	75,000,000	301,875,000	75,000,000	306,375,000	75,000,000	301,875,000	75,000,000	306,375,000
Accumulated losses	(7,332,696)	(29,514,102)	(1,963,327)	(8,020,188)	(6,975,059)	(28,074,615)	(1,963,327)	(8,020,188)
Less: Intangible assets	(1,845,387)	(7,427,683)	(1,413,122)	(5,772,603)	(1,767,319)	(7,113,459)	(1,413,122)	(5,772,603)
Less: Loans to related parties	(364,719)	(1,467,994)	(3,038,702)	(12,413,098)	(364,719)	(1,467,994)	(3,038,702)	(12,413,098)
	65,457,198	263,465,221	68,584,849	280,169,111	65,892,903	265,218,932	68,584,849	280,169,111
<b>Tier 2 complementary capital</b>								
General provision	1,327,354	5,342,600	393,663	1,608,113	1,327,354	5,342,600	393,663	1,608,113
Subordinated debts approved by the central bank	8,452,211	34,020,149	5,863,106	23,950,788	8,452,211	34,020,149	5,863,106	23,950,788
	9,779,565	39,362,749	6,256,769	25,558,901	9,779,565	39,362,749	6,256,769	25,558,901
<b>Total regulatory capital</b>	75,236,763	302,827,970	74,841,618	305,728,012	75,672,468	304,581,681	74,841,618	305,728,012

# RISK MANAGEMENT PRINCIPLES



## The Core Principle Risk Management

of the Bank's Risk Management is to ensure an integrated approach to managing both current and emerging threats or any significant risk exposure that would affect the banking operations. The function plays an essential role in supporting business development and execution, where our risk appetite and risk framework are used to balance between risk and return.

regularly monitors to ensure the protection of the Bank's assets and stringent internal control for building trust in relevant stakeholders and shareholders.

In 2024, the Bank's risk management framework is established to provide a general framework of standards, to identify and analyze the risks for day-to-day activities of the bank.

To set appropriate risk limits and controls and to monitor an adherence to limits. Risk Management policies and systems are reviewed regularly to reflect changes in market conditions and the bank's activities.


The Bank's Risk Management Framework addresses the following risk:



# Credit Risk

- Credit risk is the risk of financial loss to the Bank if a counterparty to financial instruments fails to perform as contracted.
- The Credit Risk Committee (CRC) is created to oversight credit risk.
- Formulating credit policies in governance of Bank's Lending activities, covering credit assessment, collateral requirements, risk grading and reporting, legal and securities documentary procedure, and compliance with regulatory requirements. Furthermore, the execution of lending activities is strictly governed by a Credit Policy that sets out the plan for a particular product or portfolio, including the target market, terms and conditions, documentation, and procedures under which, a credit product will be assessed, offered, and measured.
- Ensure a clear segregation of duties between loan originators, evaluators, and approving authorities.
- Establishing the authorization structure for approval of credit facilities.

# Operational Risk

- Operational Risk is the risk of direct or indirect loss resulting from inadequate or failed internal process, people, and system or from external events, this includes legal risk but excludes strategic and reputational risk.
  - Operational Risk Management Procedure is established to provide guidance on risk principles, approaches and methodologies to be used across the bank by addressing the key process and procedure on identifying, assessing, treating, monitoring and communication risks on an ongoing basis to ensure that all significant risk may cause a disruption to the bank's business objectives.
  - Implementing and rolling out the operational risk management with the focus on reviewing policies, procedures, and guidelines, and setting up the bank security, as it is of great importance to ensure business continuity without interruption, to ensure the accuracy of the internal and external reports, and to facilitate the internal work system for smoothness; Overall, this will contribute to protecting both the Bank's physical and IT infrastructure.
- 

# Liquidity Risk

- Liquidity Risk is the risk that the bank will encounter difficulty in meeting obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. Liquidity arises from mismatches in the timing and amounts of cash flow, which is inherent to the Bank's operations and investments.
- The Bank manages its liquidity through its Asset-Liability Committee (ALCO), which is responsible for establishing the liquidity policy as well as monitoring liquidity on an ongoing basis and to ensure that the ratio of liquid assets to qualifying liabilities is always subject to a minimum threshold.





# CORPORATE GOVERNANCE

# Key Responsibilities of The Board

## The Board has the following responsibilities:

- Set and oversee the Bank's objectives and strategies for achieving those objectives.
- Guard the Bank's corporate values and standards.
- Ensure adequate governance frameworks and systems are in place across the Bank.
- Appoint and review performance of the Board's members, especially the Chair.
- Appoint and review performance of the Senior Management.
- Set up Board and Senior Management's level committees both in compliance with the regulations, and in line with the Bank's operation and long-term strategies.
- Review and approve the Bank's current risk appetite, current risk culture, and risk management.
- Review and approve related party relationship or transactions following the Board Audit & Compliance Committee's recommendation.
- Exercise forward-looking judgment in order to identify potential issues and problems facing the Bank and make sure that adequate corrective actions be taken promptly where required.
- Regularly assess practices of the Board itself.
- Design a reporting system that enables them to perform their duties in a timely and knowledgeable manner.
- Avoid conflicts of interest, regarding both individual and related parties.

## The Board Committees

The Board has set up the following Board Committees as required by the Prakas on Governance in Banks and Financial Institutions:

- Board Nomination and Remuneration Committee
- Board Audit and Compliance Committee
- Board Risk and Products Committee
- Board Standing Committee



## The Core Principle

Board meetings are held at least 4 times a year. Reports on the progress of CCU Bank's business operations prepared by the Bank's management team are tabled for review by members of the Board.

At these Board meetings, the members of the Board also evaluate business propositions and corporate proposals that require the Board's approval owing to statutory requirements or because of significant financial impact on the Bank.

The agenda for every Board meeting, together with comprehensive management reports, proposal papers and supporting documents, are furnished to all the Directors for their perusal well in advance of the Board meeting date, so that the Directors have ample time to review matters to be deliberated at the Board meeting and to facilitate informed decision-making by the Directors.

Minutes of each Board meeting are circulated to all Directors for their perusal prior to confirmation of the minutes at the following Board meeting.

The Directors are regularly updated and advised by the Secretary of the Board on new statutory as well as regulatory requirements relating to the duties and responsibilities of Directors, including policy guidelines issued by NBC that concern CCU Bank. Every member of the Board has ready and unrestricted access to the advice and services of the Secretary, and the Directors have the liberty to seek external professional advice if so, required by them.



## Internal Controls Responsibility

The Board of the Bank is responsible for the adequacy and effectiveness of the Bank's system of internal controls. The Board ensures that the system manages the Bank's key areas of risk within an acceptable risk profile to increase the likelihood that the Bank's policies and business objectives will be achieved.

The Board continually reviews the system to ensure that this system of internal controls provides a reasonable but not absolute assurance against any material misstatement of management and financial information and records or against any financial losses or fraud.

The Board has established an on-going process for identifying, evaluating, and managing the significant risks faced by the Bank and this process is included enhancing the system of internal controls as and when there are changes to the business environment or regulatory guidelines. The process is regularly reviewed by the Board.

Management assists the Board in the implementation of the Board's policies and procedures on risk and control by identifying and assessing the risks faced, and in the design, operation, and monitoring of suitable internal controls to mitigate and control these risks.

# The Board

is of the view that the system of internal controls in place for the year under review and up to the date of issuance of the financial statements, is adequate and effective to safeguard shareholders' investment, the interests of customers, regulators and employees, and the Bank's assets.


## Key Internal Control Processes

The key processes that have been established in reviewing the adequacy and effectiveness of the system of internal controls include the following:

(i) BOD Standing Committee was established to manage the business of the Bank and to ensure that the Bank's operations are in accordance with the corporate objectives, strategies, and the annual budget as well as the policies and business directions that have been approved by the Board. The Board Executive Committee implements strategies approved by the Board and addresses issues arising from changes in both the external business environment and internal operating conditions. Management committees are established to assume the functions as stated above.

(ii) Board Audit and Compliance Committee was established by the Board of Director's approval to comply with Prakas from National Bank of Cambodia No B-7-08-211 Prokor "Prakas on Governance in Banking and Financial institution". The committee is set up to assist Board of Directors of the Bank overseeing the integrity of bank's financial reporting, maintaining effectiveness and efficiency of internal control system at all levels of organization to comply with laws, regulations, and codes of conduct to promote the bank's corporate governance. Moreover, to ensure that the Bank's management understands compliance risks to which the Bank may be exposed and to have in place appropriate policies and procedures to manage such risks. The committee shall review actions taken to ensure a robust and consistent compliance system is in place and promote a high compliance culture.

(iii) Board Risk and Products Committee was established to respond to aim at gathering and involving the resource from different departments to join the Committee to develop new products effectively and timely. The product development team members, process of product development (define the issue, concept of development, risk assessment, pilot-test and rollout) as well as specific tasks, obligations and expectations of the new product development. The Committee is also set up to assist the Board in fulfilling its corporate governance oversight responsibilities with regard to the identification, evaluation, and mitigation of strategic, operational, financial and external environment risks.



(iv) Board Nomination and Remuneration Committee The purpose of establishing this committee is to provide transparency in the process of performance evaluation, salary incremental and other compensations for employees.

(v) Legal and Compliance Department (LCD) checks for compliance with applicable laws/regulations and internal policies and procedures and highlights significant findings in respect of any non-compliance to the Bank's RC for review at its periodic meetings.


(vi) The Bank's annual business plan and annual budget are reviewed and approved by the Board. The Bank's performance is assessed against the approved budgets and explanations are provided for significant variances on a quarterly basis to the Board.

(vii) There are guidelines within the Bank for hiring and retention, formal training programmes for staff and annual or semi-annual performance appraisals to enhance the level of staff competency in carrying out their duties and responsibilities.

(viii) The Board receives and reviews reports from management on a regular basis. These reports include the accounts and financial information reports, the reports on monitoring of compliance with banking laws and NBC's guidelines on lending, capital adequacy and other regulatory requirements, periodic progress reports on business operations which are tabled to the Board at its quarterly meetings.

(ix) There are policy guidelines and authority limits imposed on management within the Bank in respect of the day-to-day banking and financing operations, extension of credits, investments, acquisitions, and disposals of assets.

(x) Policies and procedures to ensure compliance with internal controls and the relevant laws and regulations are set out in operations manuals, guidelines and directives issued by the Bank which are updated from time to time.





## Ethics, Integrity, And Trust

CCU Bank corporates culture of ethics and integrity is set from the top, embraced by all employees, and manifested in all CCU Bank's business dealings. CCU Bank is committed to build a workforce that is primed to comply with the fast-changing regulatory environment whilst maintaining the highest standards of ethical behaviours in all CCU Bank's business activities.

A comprehensive set of policies have been established and reviewed from time to time to set the ethical and integrity standards required of all staff. Such codes and policies include Code of Ethics, Anti-Fraud Policy and Whistleblowing Policy and Procedures, Social Media Policy, Information Security Policy and Anti-Money Laundering and Countering Financing of Terrorism and Targeted Financial Sanction Policy.

## Code of Conduct and Ethics

CCU Bank's Code of Conduct and Code of Ethics are consistent with the Professional Code for the Financial Services Industry issued by the National Bank of Cambodia and the Association of Banks in Cambodia to ensure that the corporate culture of professionalism and responsible conduct are embedded in all business operation and processes. The purpose of this Bank's Code of Conduct (herein after referred to as the "Code") is to encourage proper standards of conduct and sound business practices, and to suppress any illegal, dishonorable, or improper practices in relation to the business of the Bank.

### **The purpose of the Code is to:**

- Uphold the good image and reputation of the Bank and to maintain public confidence of the Bank in the security and integrity of the banking system;
- Maintain an impartial and unbiased relationship between the Bank and customers;
- Uphold the high standards of personal integrity and professionalism of the Bank's employees;
- Maintain independence of judgment and action by consciously disclosing and avoiding any possible conflict of interest;
- Encourage employees to share in building a more just and humane society.



## Anti-Bribery and Corruption Policy

CCU Bank is committed to conducting its business in accordance with the highest ethical standards and in full compliance with all applicable laws and regulations in all locations and jurisdictions in which CCU Bank operates.

The Policy is put in place with the following objectives:

- Build and foster a business environment which is free of bribes and corruption, enhancing integrity, transparency, and accountability.
- Inculcate in all members of the Board of Directors and staff the corporate values and commitment of the Bank against corruption in all its forms, including bribery.
- Define what constitutes bribery and corruption and other prohibited practices.

Any breach of the Policy will result in disciplinary proceeding including but not limited to staff dismissal and the right to terminate any relationships with third parties.



## Whistleblowing Guideline

CCU Bank's Whistleblowing Guideline mobilise its employees and third parties to communicate their suspicions of malpractice, impropriety, non-compliance or improper conduct by its employees in the course of their work in a responsible and transparent manner without the fear of reprisals or any detrimental action.

The Guideline aims to create an environment where employees, vendors, service providers, customers and other stakeholders are able to raise concerns on misconduct, irregularities or malpractices, without fear or harassment and / or victimisation and with an assurance that their concerns will be taken seriously.

### The objectives of the Whistleblowing Guideline are:

- To provide an avenue or channel(s) for employees to disclose any alleged illegal, unethical, questionable practices or improper conduct within the Bank.
- To set out the protection accorded to the whistleblowers who disclose such allegations in good faith.



# Anti-Money Laundering and Counter-Financing of Terrorism Policy

CCU Bank is vigilant of the ever-changing mode and platform of money laundering and the financial crimes threatening the integrity and stability of the financial industry. Beyond the moral imperative to combat money laundering and financing of terrorism, CCU Bank has instituted a comprehensive AML/CFT framework encompassing both the legal and regulatory requirements. Robust infrastructure and system of internal controls are in place to detect and prevent the risk of CCU Bank's business from being misused as a conduit for money laundering and financing of terrorism and to deter illicit funds from flowing into the financial system.



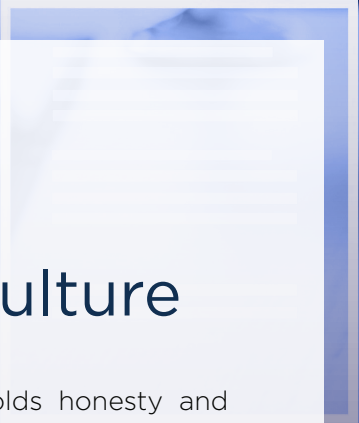
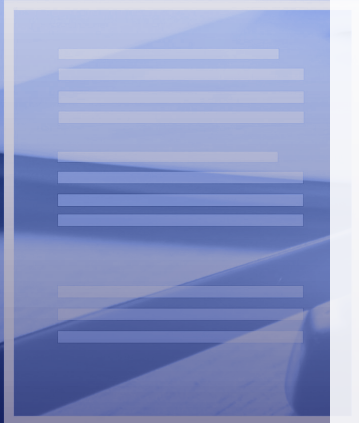


## CCU Bank's AML/CFT Policy is established with the following objectives:

CCU Bank is vigilant of the ever-changing mode and platform of money laundering and the financial crimes threatening the integrity and stability of the financial industry. Beyond the moral imperative to combat money laundering and financing of terrorism, CCU Bank has instituted a comprehensive AML/CFT framework encompassing both the legal and regulatory requirements. Robust infrastructure and system of internal controls are in place to detect and prevent the risk of CCU Bank's business from being misused as a conduit for money laundering and financing of terrorism and to deter illicit funds from flowing into the financial system.

- Set out the expectation of AML/CFT requirements for the entities within CCU Bank.
- Establish a framework to ensure that all employees understand and comply with the AML/CFT requirements to combat against money laundering or terrorism financing risk.






## Embedding Ethics, Integrity and Trust in CCU Bank Corporate Culture


A mutually respectful work environment which upholds honesty and ethical values is fundamental to the success of any establishment. In line with this commitment, CCU Bank has established a comprehensive framework aimed to inculcate and strengthen ethical behaviour and conduct among its employees. The framework covers the following:



- 
- Incorporation of applicable guidelines and policies in the offer letter and service undertaking to be read, understood and acknowledged by all employees upon their appointment.
  - Comprehensive training on the standards of ethical conduct expected of employees in CCU Bank with emphasis on:
    - ▶ Enhancing employees' knowledge on regulatory requirements.
    - ▶ Enabling employees to understand and internalise the ethical standards set by the Bank.
    - ▶ Equipping employees with knowledge and skills to handle ethical dilemmas with integrity.
    - ▶ Equipping employees with knowledge and skills to detect early warning signs of fraud and malpractices.
    - ▶ Enabling employees to comply with CCU Bank's Code of Ethics and Conduct.
  - Extensive supervisory control and procedures in CCU Bank's daily operations to ensure scrupulous dealings which are integral to the Bank's corporate culture.
  - Conducting stringent and vigorous pre-employment screening on potential incumbents in order to prevent or minimise infiltration of undesirable elements into the staff force.
  - Conducting checks and monitoring on employee compliance with relevant guidelines or policies by the internal audit or compliance team on a regular basis.
  - Emphasis of the guidelines and policies during the induction programme for new employees.
  - Reminders via employee circulars.
  - Implementing a performance management system incorporating the achievement of expected ethical standards and compliance in the performance evaluation criteria.
  - Adopting strategic risk governance on employee remuneration through malus reversal or downward revaluation of rewards in the event of fraud and misconduct.

## Prudential Framework against Unethical Practices

Ethical culture and conduct in any business are important to sustain the trust of customers. CCU Bank does not tolerate any form of unethical behaviors and takes a serious view on any violations of CCU Bank's Code of Conduct or any applicable laws, regulations or policies. Strict enforcement with appropriate disciplinary actions is meted out on staff who have contravened the Bank's policies, rules and regulations. All breaches to CCU Bank's Code of Ethics and Conduct are reported to the Board of Directors on a timely basis for the Board to exercise proactive oversight on business integrity issues.



# CCU bank



## សេវាបម្រើអតិថិជន CONTACT US

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## ការិយាល័យកណ្តាល Head Office

ដីទួតលេខ ១៥ មហាវិថីព្រះមុនីវង្ស សង្កាត់បឹងត្របែក ខណ្ឌចំការមន រាជធានីភ្នំពេញ  
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## សាខាខណ្ឌ ៧មករា - Prampir Meakkakra Branch

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