



PROGRESS

ANNUAL REPORT 2024

PROGRESS

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Theme and Cover Rationale

Progress

This year's theme, PROGRESS, reflects RHB's continuous evolution and forward momentum. The layered typography on the cover symbolises depth, strategic advancement, and our commitment to empowering lives and driving sustainable growth. It visually represents the initiatives we undertake to uplift our customers, communities, and the Group, steering them towards a future of shared success.

At RHB, PROGRESS extends beyond financial performance — it is about delivering personalised, innovative solutions that meet the evolving needs of our customers. We continuously enhance our digital capabilities, ensuring smarter, faster, and more accessible financial experiences.

Our journey is built on trust, reliability, and innovation. By integrating cutting-edge technology with a deep understanding of our stakeholders' financial needs, we transform ambitions into reality — whether through streamlined digital platforms or bespoke financial advisory services.

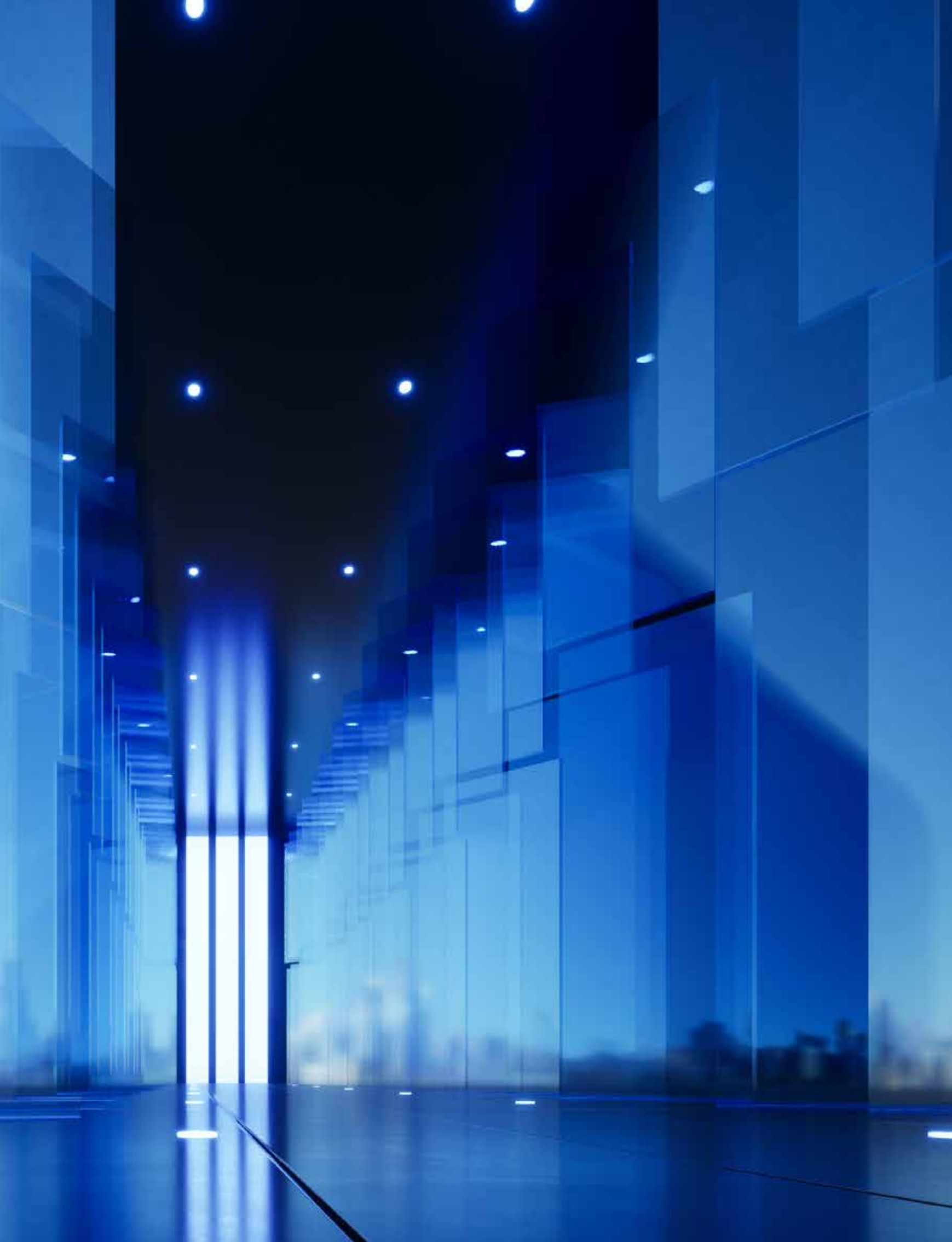
We recognise that meaningful progress is a collective effort. As a trusted partner, we are committed to fostering collaboration across industries, empowering individuals and businesses, and creating longterm value that drives social progress and sustainable economic growth.

Together, we are not just moving forward — we are building a future where every step leads to lasting and meaningful PROGRESS.





About
**RHB Banking
Group**



This is RHB

A leading regional financial services provider, RHB BANKING GROUP is committed to delivering seamless, innovative solutions that meet evolving customer needs. Backed by a strong portfolio and dedicated team, we differentiate ourselves through innovation and compelling value propositions.

We Are Guided By
Our Purpose
Statement...

To Live Our
Brand
Promise Of...

Making Progress Happen for Everyone



Together We Progress

Rooted in over 100 years of heritage, we have remained steadfast in empowering people, businesses, and communities to thrive. Decades of expertise have deepened our understanding of the evolving needs of our customers and stakeholders - insights that fuel continuous innovation and drive us to deliver exceptional service.

With your unwavering support, RHB has grown into a leading financial institution, providing retail, corporate, and business banking, wholesale banking services as well as insurance products across Malaysia and six other ASEAN countries.

As we honour our legacy, we remain committed to creating value for our stakeholders through purposeful actions and meaningful engagement, ensuring that our progress delivers lasting impact today and in the future.

Together, we can unlock our collective potential and reach even greater heights. Our brand promise, Together We Progress, reflects this commitment - honouring our rich history, celebrating our present achievements, and embracing our future responsibilities.

*Join us in building a more
prosperous tomorrow for all*



Market Capitalisation

**RM28
billion**



Total Employees

**Over 13,300
employees**



Presence in

7 countries

**266 branches
and offices**


Underpinned
By Our
Values...

Professional
Respect
Integrity
Dynamic
Excellence

To Create Positive Impact Through Sustainability Focus Areas

Sustainable And
Responsible Finance

Embedding Good
Practices

 [Learn more on page 135](#)

Enriching and Empowering
Communities

Committed to Achieving
Net Zero by 2050

**We Listen To The
Needs Of Our
Stakeholders...**

**Propelling growth
through innovative
solutions in approaching
material risks**

Board of Directors

Customers

Employees

Shareholders and
Investors

Regulators

Communities

Suppliers and Service
Providers


Financial Industry Peers

Business Partners

Rating Agencies

Analysts

Media

 [Learn more on pages 30 to 41](#)



 **Customer Contact Centre**

Tel : +603 9206 8118

Email : customer.service@rhbggroup.com

FROM ENABLING A JUST AND *Responsible* TRANSITION TO EMPOWERING COMMUNITIES

— see how we create sustainable value
for our stakeholders.



Scan to read our full
Sustainability Report 2024

Corporate Information



→ COMPANY SECRETARIES

Azman Shah Md Yaman
(LS 0006901)

Filza Zainal Abidin
(LS 0008413)

→ SHARE REGISTRAR

Boardroom Share Registrars Sdn Bhd
11th Floor, Menara Symphony
No. 5, Jalan Professor Khoo Kay Kim
Seksyen 13, 46200 Petaling Jaya, Selangor

For shareholders' enquiries
Helpdesk No.: +603 7890 4700
Fax : +603 7890 4670
Email : BSR.Helpdesk@boardroomlimited.com

→ REGISTERED OFFICE

Level 10, Tower One
RHB Centre, Jalan Tun Razak
50400 Kuala Lumpur
Tel : +603 9287 8888
Fax : +603 9281 9314

→ COMPANY REGISTRATION NUMBER

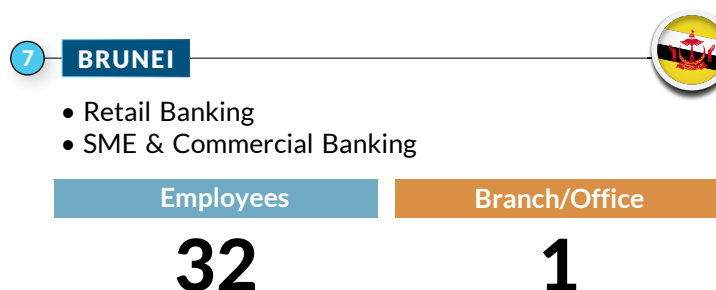
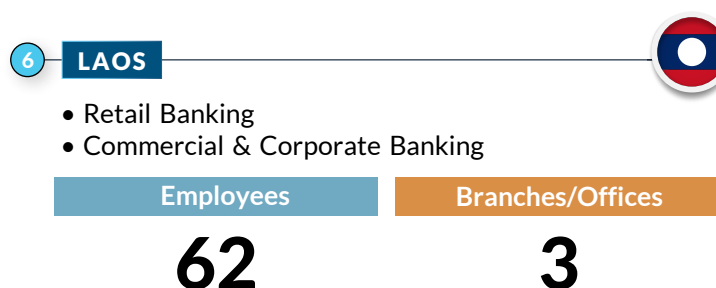
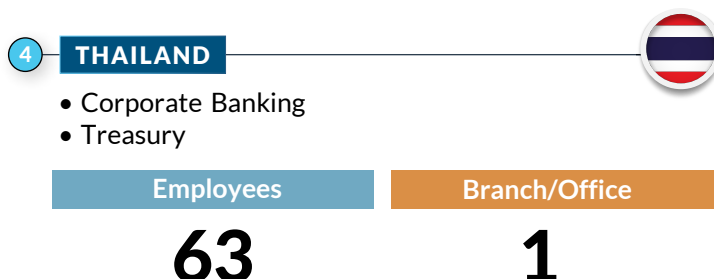
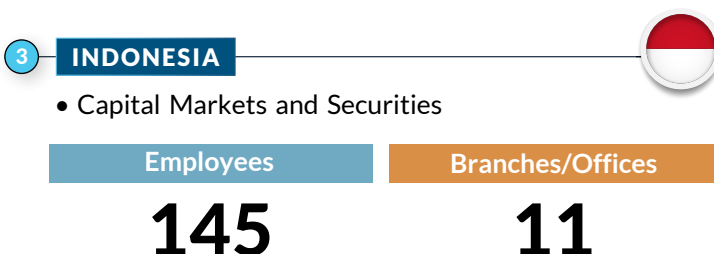
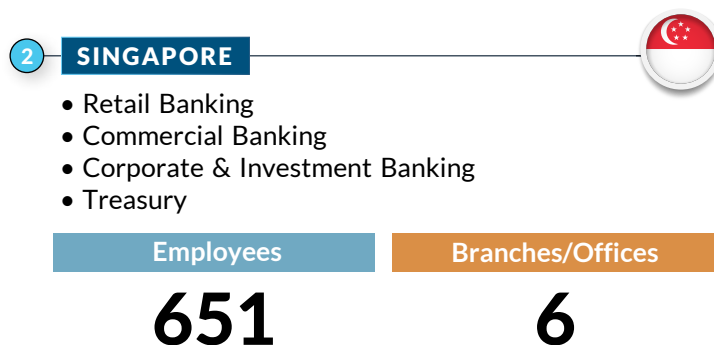
196501000373 (6171-M)

→ AUDITORS

PricewaterhouseCoopers PLT
Chartered Accountants
Level 10, Menara TH 1 Sentral
Jalan Rakyat, Kuala Lumpur Sentral
P.O.Box 10192
50706 Kuala Lumpur
Tel : +603 2173 1188
Fax : +603 2173 1288

Our Presence: Our Regional Footprint





We have a strong presence within ASEAN, with over 13,300 employees in seven countries across the region.

Notes:

- Divestment of RHB Securities Vietnam Company Limited was completed on 28 June 2024.
- Divestment of RHB Securities (Thailand) Public Company Limited was completed on 27 December 2024.

Attractive Investment Proposition

FINANCIAL HIGHLIGHTS

TOTAL INCOME

RM8.6
billion

2023: RM7.8 billion

NET PROFIT

RM3.1
billion

2023: RM2.8 billion

RETURN ON EQUITY

10.04%

2023: 9.5%

TOTAL ASSETS

RM350
billion

2023: RM329 billion

GROSS LOANS

RM238
billion

2023: RM222 billion

DEPOSITS FROM CUSTOMERS

RM250
billion

2023: RM245 billion

BUSINESS HIGHLIGHTS

Launched

RM1 billion
Sustainable Trade Finance
Programme/-i ("STFP/-i")

Online banking customers
increased to

>2.9 million
(2023: >2.4 million)

Digital Channel Transactions:

92.2%
(2023: 89.4%)

Delivered

65
features across six
bi-monthly updates on
RHB Online and Mobile
Banking

SUSTAINABILITY HIGHLIGHTS

Sustainable and Responsible Finance



RM41.2
billion

cumulatively mobilised
in sustainable financial
services



+24

Net Promoter Score
("NPS"), ranked 2nd
in Malaysia

Committed to Achieving Net Zero by 2050



45.5%
reduction

in operational GHG
emissions compared to
2016 baseline



Over 6%
reduction

in financed emissions¹
compared to 2022
baseline

¹ Financed emissions achievement is as at 31 December 2023. The Group's FY2024 financed emissions are being calculated at the time of publishing this Report.

COST-TO-INCOME RATIO

46.7%

2023: 47.5%

GROSS IMPAIRED LOANS RATIO

1.47%

2023: 1.74%

CASA RATIO

27.6%

2023: 27.9%

SHAREHOLDERS' EQUITY

RM32
billion

2023: RM31 billion

BASIC EARNINGS PER SHARE

72.02
sen

2023: 65.69 sen

TOTAL CAPITAL RATIO

19.0%

2023: 19.4%

Originated over

RM3.1 billion
in sustainable capital market
deals under Group
Investment Banking

Rolled out

97,509
ESG-related insurance policies

Launched

5
new Islamic Wealth-
related products

Ranked

#1
in Trustee Services for
Bond Issuance for two
years in a row

Embedding Good Practices



35.3%

women's
representation in top
and senior
management
positions[^]



>13,700

employees participated
in sustainability-related
capability-building
programmes



787,500

students have benefitted
from the MySISWA
programme, on a
cumulative basis



**>1,000
SMEs**

have cumulatively benefitted
from the RHB #JomSapot
BeliLokal 2.0 programme

[^] This data has been externally assured. For more information, please refer to the independent limited assurance report on pages 283 to 289 of our Sustainability Report 2024.

Awards & Recognition

Celebrating excellence in 2024, our commitment to making a meaningful difference has been recognised across the Group. While we cherish these accolades, our purpose remains steadfast - to deliver exceptional services and create lasting value for all our stakeholders.

Banking Excellence & Digital Platform

➔ Global Retail Banking Innovation Awards 2024

- ◆ Best Self-Service Banking - Lead Management System and eForm on RHB Corporate Website
- ◆ Excellence in Digital Wealth Management - Goal-Based Calculator
- ◆ Best Internet Banking Initiative - Self-Service Request on Digital Channel Platform ("DCP")
- ◆ Best Digital Transformation Program - RHB API Gateway & Microservices Platform



➔ People & Culture

- ◆ Best Employee Experience Programme Silver, Contact Centre Association Malaysia ("CCAM") Award

➔ Community Empowerment

- ◆ Relations with Local Communities (Silver) The Star Media Group Positive Impact Awards
- ◆ Inclusive Economic Growth (Champion) RHB #JomBiz, ABM 50th Anniversary CSR Excellence Awards
- ◆ Community Development / Community Building (1st Runner-Up) RHB #Empower, ABM 50th Anniversary CSR Excellence Awards

➔ Digital Innovation

- ◆ Digital Innovation's Best Use of Data Analytics Silver, Contact Centre Association Malaysia ("CCAM") Award

➔ Banking Excellence

- ◆ Mid-sized International Retail Bank of the Year, Asian Banking & Finance Retail Banking Awards 2024
- ◆ Equity Deal of the Year, Asian Banking & Finance Corporate & Investment Banking Awards 2024
- ◆ Banking Category Singapore Business Review International Business Awards 2024

➔ Retail Banker International ("RBI"): Asia Trailblazer Awards 2024

- ◆ Excellence in Loan Origination Process
- ◆ Excellence in Internet Banking, Retail Banking Awards 2024 Microservices Platform

➔ Digital Innovation

- ◆ Best Use of Data Analytics - Silver Contact Centre Association of Malaysia ("CCAM") Awards - Digital Innovation Category

➔ Corporate Communications

- ◆ PR Champion of the Year - Brand (Gold) PR Awards 2024
- ◆ Best PR Campaign: Banking / Financial Services (Bronze) PR Awards 2024

➔ Sustainability

- ◆ Best Sustainability Reporting (Platinum), National Annual Corporate Reporting Awards ("NACRA") 2024
- ◆ Energy Efficiency (Silver) The Star Media Group Positive Impact Awards
- ◆ Best Impact - Resource Security (Silver) RHB Climate Change Solutions Fund, The Edge Malaysia ESG Awards 2024
- ◆ Singapore Environmental Council Eco Office Certification RHB Bank Building, Cecil Street

For more sustainability-related awards, please refer to pages 20 to 21 of our Sustainability Report.

➔ Customer Service

- ◆ Best Contact Centre (Above 100 Seats) - Gold Contact Centre Association Malaysia ("CCAM") Award
- ◆ Call Centre Initiative of the Year, Asian Banking Finance Retail Banking Awards 2024
- ◆ Outstanding Omni-channel Integration by a Retail Bank - Malaysia, Global Retail Banking Innovation Awards 2024
- ◆ Best Event: 100-500 Attendees Marketing Events Awards 2024
- ◆ Best Online Experience Gold, Loyalty & Engagement Awards 2024
- ◆ Highly Acclaimed: Outstanding Digital CX - Mobile Banking (Retail Banking) Digital CX Awards 2024

➔ Overall Recognition

- ◆ Best Tax Payer Award 2024 Lembaga Hasil Dalam Negeri Malaysia
- ◆ Best Retail Bank Retail Banker International ("RBI"): Asia Trailblazer Awards 2024
- ◆ Domestic Retail Bank of the Year Asian Banking & Finance Retail Banking Awards 2024
- ◆ Domestic Foreign Exchange Bank of the Year Asian Banking & Finance Retail Banking Awards 2024 - Microservices Platform
- ◆ Best Retail Banking Campaign, RHB Luxury Deposit
- ◆ Best Digital Transformation Initiatives, Banking
- ◆ Leadership in Debit Growth 2024, MasterCard Cambodia

What Differentiates Us



Sustainability Leadership

We integrate sustainability into our operations, financing, and community empowerment initiatives, driving positive change for a better future.



Customer-Centric Excellence

We prioritise meaningful relationships by understanding customer needs and delivering tailored financial solutions.



Trusted Heritage

With a legacy of strength and reliability, we remain committed to safeguarding financial well-being across generations.



Innovative Digital Solutions

We enhance banking experiences through seamless, secure, and cutting-edge digital solutions for greater convenience.



Empowering Growth

We provide financial expertise and opportunities, enabling businesses and individuals to thrive and achieve their aspirations.

Indices Presentation



FTSE4Good

Maintained Top 25% in ESG ratings among public listed companies

in the FTSE Bursa Malaysia EMAS Index

MSCI
ESG RATINGS



CCC B BB BBB A AA AAA

Rated 'A'

in the MSCI ESG Ratings

S&P Global

46/100

↑ from 2023 (42/100)

in the S&P Global CSA

Ranking



CET-1 RATIO

1st



TOTAL INCOME GROWTH *

1st



DOMESTIC RETAIL LOAN GROWTH *

2nd



NET PROMOTER SCORE (NPS) *

2nd



MERGERS & ACQUISITIONS – DEAL COUNT **

2nd



MERGERS & ACQUISITIONS – VALUE **

3rd



DEBT CAPITAL MARKETS – SUKUK **

3rd



* Based on year-on-year growth among top 6 Malaysian Banks by asset size

** Source: RHB, Bloomberg and Dealogic; based on value for Investment Banking business in Malaysia

About
**RHB Bank
(Cambodia) Plc.**





Overview

RHB Bank (Cambodia) Plc. ("the Bank"), was established on 9 July 2008, and registered with the Ministry of Commerce with the registration number of 00001812 and granted a banking license by the National Bank of Cambodia ("NBC" or "the Central Bank") on 3 October 2008.

On 31 January 2020, the Bank changed its name to RHB Bank (Cambodia) Plc. to synchronize the name with other international subsidiaries in line with RHB Group. The Bank is a wholly owned subsidiary of RHB Bank Berhad, a public limited liability company incorporated in Malaysia, and the ultimate holding company is RHB Banking Group pursuant to the Group Corporate Structure effective from 13 June 2016.

The Bank is a commercial bank and operates under the Cambodian Law on Commercial Enterprises and the regulations of the National Bank of Cambodia ("the Central Bank").

The registered office of the Bank is RHB Corporate Head Office, Level 1, M, 2 and 9, Street 110 corner street 93, Phnom Penh, Cambodia.





Where We Operate

Our regional presence
and performance

370
employees



14
branches



CORPORATE HEAD OFFICE

Level 2 & 9, OHK Tower,
Corner Street 110 & Street 93,
Phnom Penh, Cambodia.
Tel: (855) 23 992 833
Fax: (855) 23 991 822
Website: www.rhbgroup.com.kh
Facebook: [facebook.com/
RHBCambodia](https://facebook.com/RHBCambodia)
Toll Free: 1800-20-8118

PHNOM PENH MAIN OFFICE

Level 1, OHK Tower, Corner
Street 110 and Street 93, Phnom
Penh, Cambodia.
Tel: (855) 23 992 833
Fax: (855) 23 991 822

RHB SECURITIES (CAMBODIA) PLC.

Level 2, OHK Tower, Corner
Street 110 & Street 93, Sangkat
Sras Chak, Khan Daun Penh,
Phnom Penh, Cambodia.
Tel: (855) 23 969 172

Where We Operate

OUR BRANCH



STUENG MEANCHEY BRANCH

Monireth Street (St. 217) Corner
of Chaksomram Road, Phnom Penh,
Cambodia.

Tel: (855) 23 969 228
Fax: (855) 23 969 231

TUOL KOUK BRANCH

No. 18C, Kim IL Sung (St. 289),
Phnom Penh, Cambodia.

Tel: (855) 23 989 600
Fax: (855) 23 989 606

PET LOK SONG BRANCH

No. 1-3, Street 271, Phnom Penh,
Cambodia.

Tel: (855) 23 969 368
Fax: (855) 23 969 370

BOENG KENG KANG BRANCH

No. 167, Preah Norodom Blvd.,
Phnom Penh, Cambodia.

Tel: (855) 23 989 188
Fax: (855) 23 989 788

CITY MALL OLYMPIC BRANCH

Lot A3E0, Ground Floor, City Mall
Olympic, Monireth Street, Phnom
Penh, Cambodia.

Tel: (855) 23 993 568
Fax: (855) 23 993 565

KBAL THNAL BRANCH

No. 530A - 530B, Monivong Blvd.
(Junction of Street 271), Phnom Penh,
Cambodia.

Tel: (855) 23 993 598
Fax: (855) 23 993 593

MAO TSE TUNG BRANCH

No. 281A, Mao Tse Tung Blvd.,
Phnom Penh, Cambodia.

Tel: (855) 23 989 881
Fax: (855) 23 989 885



KAMPONG CHAM BRANCH

No. 41, National Road
No. 7, Kampong Cham
Province, Cambodia.

Tel: (855) 42 942 811
Fax: (855) 42 942 899



BATTAMBANG BRANCH

No. 1-3-5-7, Street No. 3,
Battambang Province,
Cambodia.

Tel: (855) 53 952 811
Fax: (855) 53 952 96



SIEM REAP BRANCH

No. 12-14-16, National
Road No. 6, Siem Reap
Province, Cambodia.

Tel: (855) 63 969 811
Fax: (855) 63 969 816



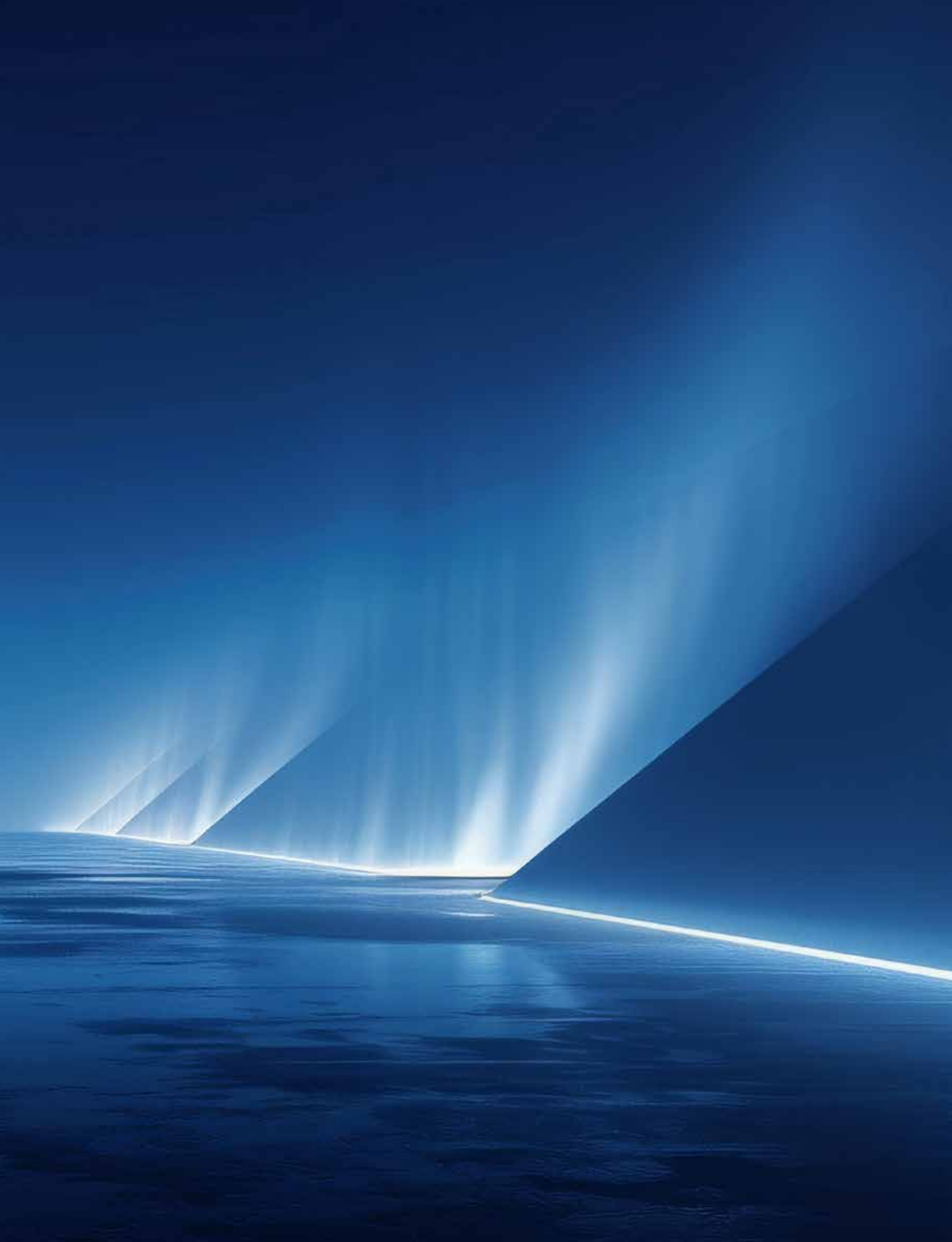
PREAH SIHANOUK BRANCH

No. 129, Street 7 Makara,
Preah Sihanouk Province,
Cambodia.

Tel: (855) 34 934 811
Fax: (855) 34 934 816

The background is a deep blue gradient. On the left, a dark blue triangular shape points towards the center. From the base of this triangle and from the horizon line, several bright, white, fan-like light rays or smoke plumes extend upwards and outwards, creating a sense of depth and movement. The overall composition is minimalist and modern.

Performance review



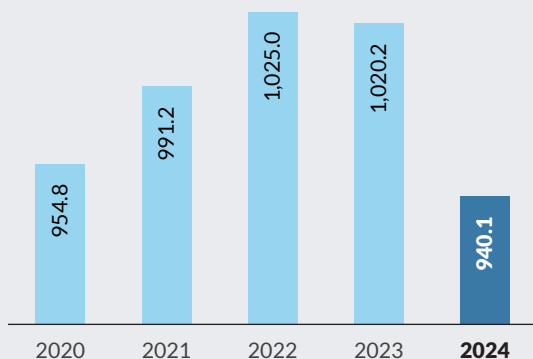
Five-Year Financial Summary

	2024	2023	2022	2021	2020
PROFITABILITY (USD million)					
Profit/(Loss) before tax expense	(3.7)	6.2	16.5	18.3	3.3
Profit/(Loss) after tax expense	(3.1)	4.7	13.2	13.9	2.7
FINANCIAL POSITION (USD million)					
Total assets	940.1	1,020.2	1,025.0	991.2	954.8
Gross loans, advances and financing	718.5	755.1	750.7	674.7	582.5
Total liabilities	780.9	857.9	867.4	846.8	824.3
Deposits from customers	674.4	592.5	471.0	577.0	599.1
Paid-up capital	75.0	75.0	75.0	75.0	75.0
Shareholder's equity	159.2	162.3	157.6	144.4	130.4
FINANCIAL RATIOS (%)					
Gross impaired loans ratio	11.85	9.18	6.69	4.35	4.42
Net return on average assets	(0.3)	0.5	1.3	1.4	0.3
Net return on average equity	(1.9)	2.9	8.8	10.2	2.1
Gross loans to deposits ratio	106.5	127.4	159.4	116.9	97.2

Summary of Five-Year Financial Highlights

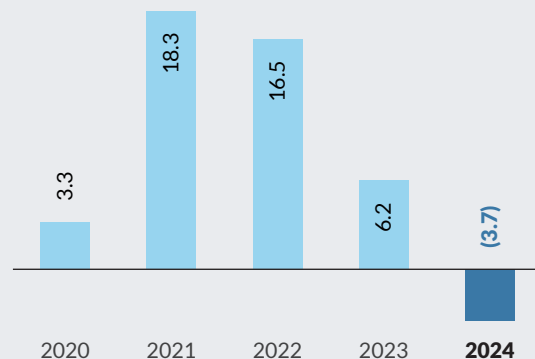
TOTAL ASSETS

(USD million)



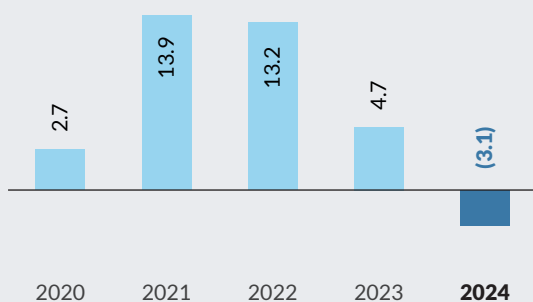
PROFIT/LOSS BEFORE TAXATION

(USD million)



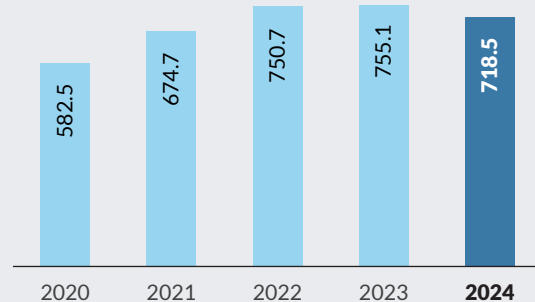
PROFIT/LOSS AFTER TAXATION

(USD million)



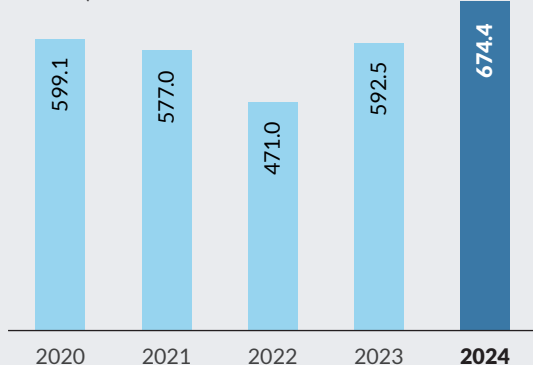
LOANS AND ADVANCES

(USD million)



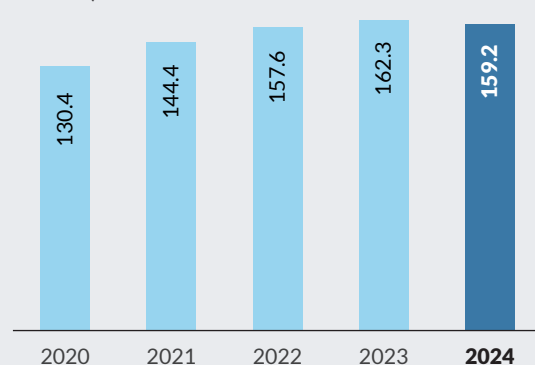
TOTAL DEPOSITS

(USD million)



SHAREHOLDERS' EQUITY

(USD million)



The background is a deep blue gradient. It features several glowing blue dots of varying sizes. A network of thin, light blue lines connects some of these dots, forming a web-like structure. On the right side, there is a stylized representation of a hand or a set of fingers, also composed of these glowing dots and connecting lines. The overall aesthetic is futuristic and digital.

Grow
**with us
today**



Products & Services



DEPOSITS

SAVINGS ACCOUNT

We help you grow your family's finances.

Which comes with 24-hour banking convenience. RHB savings account opens the way to save for your dream home, your car, your child's education or even a computer.



FIXED DEPOSITS

Simple way to build your savings.

RHB Fixed Deposits Account, with many value added features, is an effective investment product.

CURRENT ACCOUNT

Cash management at your finger tips.

RHB Current Account is a powerful cash management tool as it can help you save trips to the bank to pay those bills and expenses.

ESCROW ACCOUNT

A trusted partner to complete your transactions.

RHB Escrow Account will assure your interest is protected with us when you are conducting a major deal.



REMITTANCE

TELEGRAPHIC MONEY TRANSFER

Transfer and receive your money with ease.

RHB Remittance helps you move your money around the world with speed and efficiency, including services through Western Union.



BANKER'S CHEQUE

A reliable payment instrument.

RHB Banker's Cheque is as good as Cash and you will have no problem making payment.

MONEY EXCHANGE

We offer competitive exchange rate for forex.

RHB Money Exchange buy or sell foreign currencies with the best competitive rate in town.



FINANCING

HOME LOAN

We help you own your dream home..

RHB Home Loan, with many value-added features and flexible options, is a key to owning your dream home.



BUSINESS & CORPORATE FINANCING AND SERVICES

TRADE FINANCING

Comprehensive range of import & export financing facilities.

RHB Trade Financing facilities help in your import and export needs; ease the burden and worry of non-delivery of goods.



PROPERTY LOAN

We help you invest in the property you want.

RHB Property Loan, helps you own the property either for your own business use or for investment purposes.

WORKING CAPITAL

Let us help you attain healthy cashflow.

RHB Working Capital, will enable you to achieve healthy cashflow for you to run your business with ease of mind.

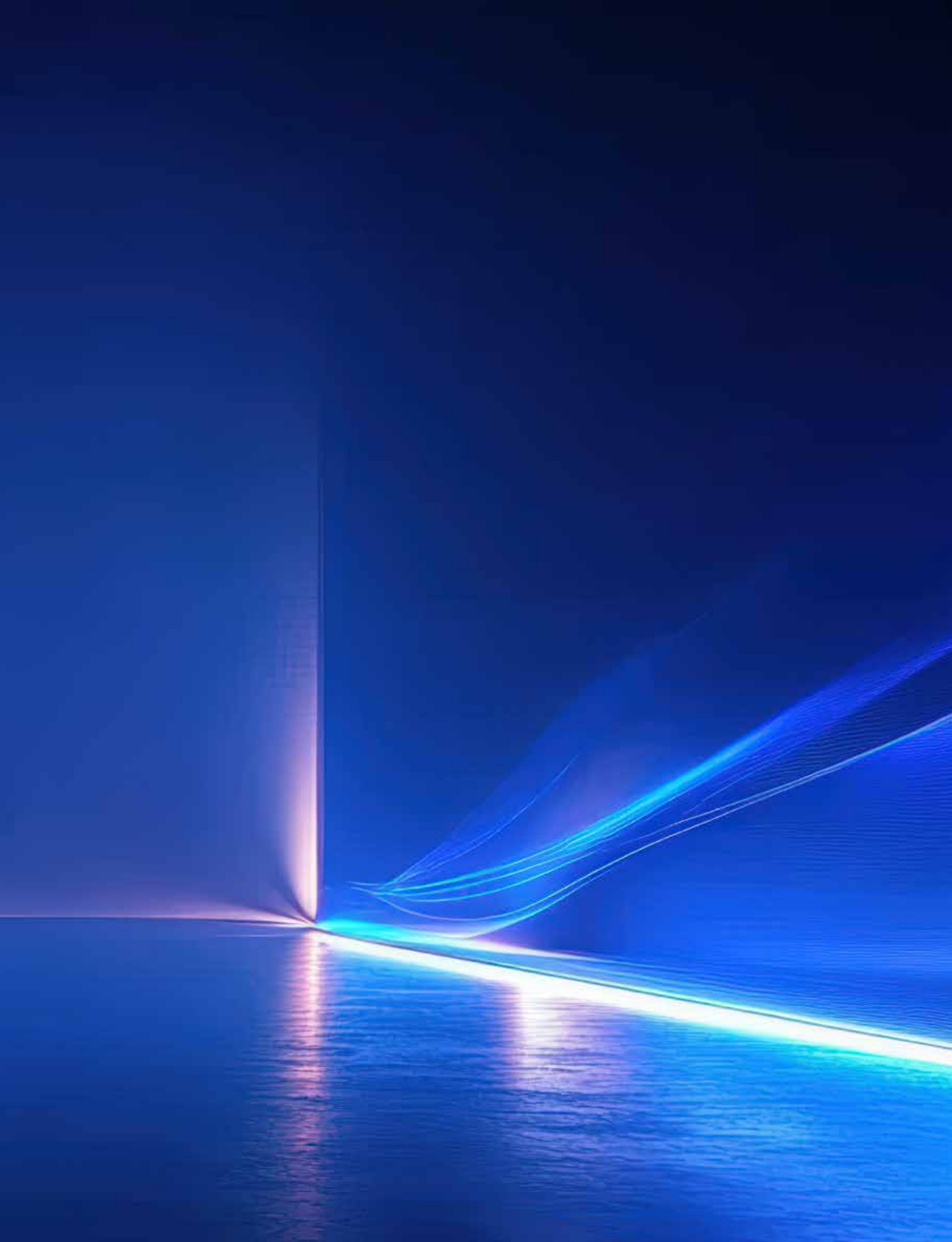
CORPORATE & EQUITY

Your business needs are our priority.

From listing your company to business merger and acquisition, you can be rest assured that you can count on us.

The background is a deep blue gradient. In the lower half, there are dynamic light trails in shades of blue and cyan, suggesting motion or data flow. A bright, white-to-yellow light source is positioned at the bottom right corner, creating a strong reflection on the surface below it and illuminating the surrounding area.

Delivering
solutions



Delivering solutions

RHB Reflex

Business Internet Banking

is an online service, combining cash management and payment solutions as an integrated online solution that allows customer to access the service 24/7 anywhere

KEY BENEFITS

✓
Always
business-ready
for you

✓
Bank anytime and
anywhere with
Secure Plus

✓
Speed up workflow and
improve cash flow with
custom roles

✓
Expedite your business
payment processes via
bulk payment

KEY FUNCTIONS

INFORMATION MANAGEMENT

- ✓ Account balance inquiry
- ✓ Account statement inquiry
- ✓ Transaction history inquiry
- ✓ Real-time payment status inquiry

PAYABLE MANAGEMENT

- ✓ Own account transfer
- ✓ 3rd party transfer
- ✓ FAST payment
- ✓ Local transfer
- ✓ Overseas telegraphic transfer
- ✓ Payroll



Stay on top of things with
RHB Reflex Mobile App

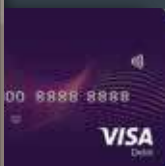


Delivering solutions



Scan and Pay
to any Merchant
with **KHQR**
our goWave
by RHB

SIGN UP NOW!



Get free Debit Cards
with our easy Online Account Opening

ATM Network

PHNOM PENH



IN OFFICE & BRANCHES

- ① Phnom Penh Main Office
- ② Pet Lok Song Branch
- ③ City Mall Olympic Branch
- ④ Tuol Kouk Branch
- ⑤ Stueng Meanchey Branch
- ⑥ Mao Tse Tung Branch
- ⑦ Boeng Keng Kang Branch
- ⑧ Kbal Thnal Branch



OFF - SITE ATM

- | | |
|-------------------------|----------------------|
| ① Pochentong Restaurant | ⑨ Caltex St.132 |
| ② Aeon Mall 3 | ⑩ Naga 1 |
| ③ Park Café Pochentong | ⑪ Naga 2 |
| ④ Aeon Mall 1 | ⑫ Tela CCV |
| ⑤ Himawari | ⑬ Park Café Sovanna |
| ⑥ Bijin Nabe BKK | ⑭ Meguair No. Road 1 |
| ⑦ Tela North Bridge | ⑮ Sky Tree Residence |
| ⑧ PPT Tep Phorn | ⑯ Aeon Mall 2 |

PROVINCIAL



IN OFFICE & BRANCHES



SIEM REAP



BATTAMBANG



PREAH SIHANOUK



KAMPONG CHAM



OFF - SITE ATM

SIEM REAP

- ① Memoire D'Angkor Hotel
- ② Angkor Market

PREAH SIHANOUK

- ① Jin Bei Hotel 1
- ② Jin Bei Hotel 2
- ③ Siha Hotel & Casino

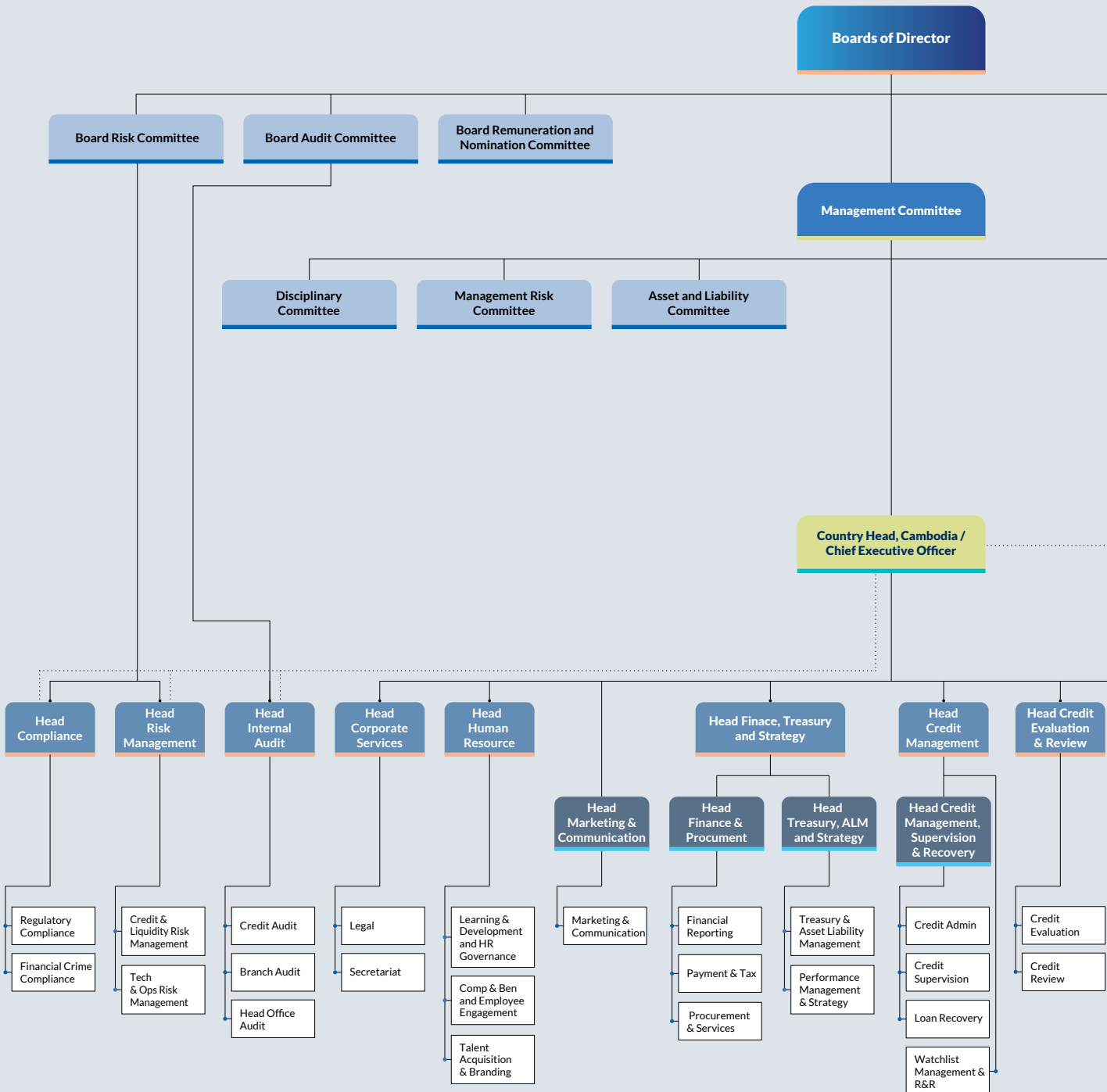




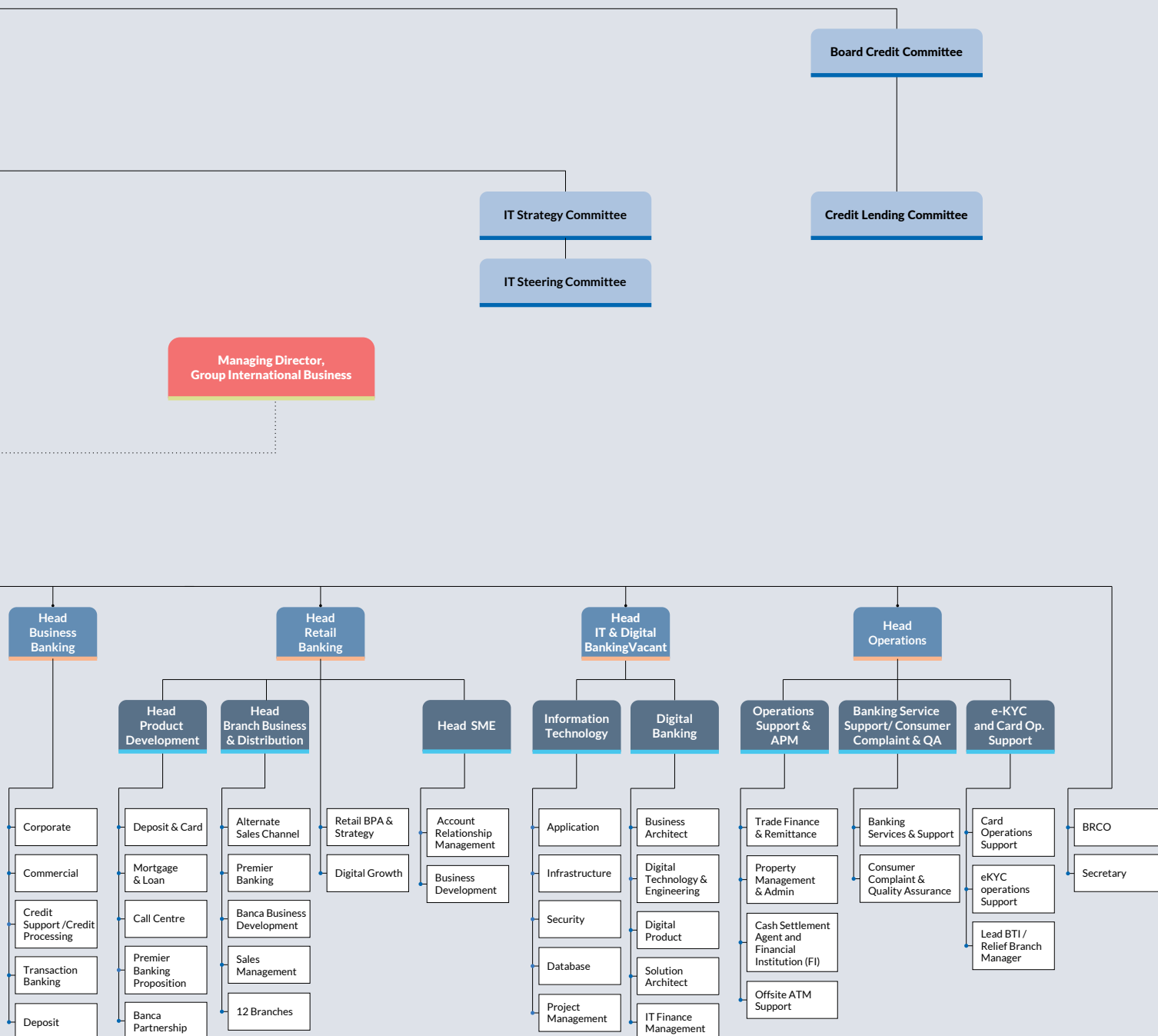


Organisation **chart**

Organisation Chart



Organisation Chart



MESSAGE FROM CHAIRMAN & CEO

The year 2024 presented a complex mix of global and local economic headwinds that significantly shaped the operating environment for RHB. While the global economy demonstrated some resilience in the face of ongoing uncertainties, Cambodia, like many emerging economies, faced challenges that impacted our performance.



ALEX LIM ENG KANG

Country Head /
Chief Executive Officer



CHIN YOONG KHEONG

Chairman

ECONOMIC CONTEXT

The prolonged impact of global monetary tightening and persistent geopolitical tensions continued to weigh on Cambodia's economic performance throughout 2024. While we observed some positive signs of growth in certain sectors of the Cambodian economy, other sectors faced considerable strain. These macroeconomic factors created a challenging backdrop for the banking sector as a whole, and RHB was not immune to these pressures. Specifically, the increased credit risk arising from stress in the real estate and construction sectors, and the slower-than-expected recovery of the tourism and hospitality industry with the significant headwinds remain unabated. These challenges were further compounded by the slower pace of the overall economic recovery.

FINANCIAL PERFORMANCE

Our financial results for 2024 reflect the impact of these economic challenges. The bank recorded a loss before tax of USD 3.7 million, a significant downturn compared to the previous year. This result necessitates a thorough analysis and decisive action to ensure the long-term health and profitability of RHB. A key factor influencing our profitability was the contraction of our loan portfolio. Loans decreased by 4.8% to USD 718.5 million. This reduction reflects both the subdued demand for credit in the market and our strategic decision to tighten lending parameters as a proactive measure to prioritise and safeguard asset quality. Furthermore, we experienced a deterioration in asset quality, as evidenced by the increase in our Gross Impaired Loan (GIL) ratio from 9.18% in 2023 to 11.85% in 2024. This increase is attributable to several factors. The challenges in the real estate sector made it difficult for borrowers to liquidate assets and repay their obligations. The overall tightening of credit in the economy further strained borrowers' ability to manage their finances, and reduced purchasing power among potential buyers impacted various sectors, making it more difficult for businesses to generate revenue and service their debts. Our decision to tighten lending parameters, while essential for long-term stability, also contributed to lower loan origination in the short term.



AREAS OF STRENGTH AND RESILIENCE

Despite these challenges, RHB demonstrated resilience in several key areas. We achieved significant growth in customer deposits, with an increase of 13.8% to USD 674.4 million. This growth reflects the trust our customers place in RHB and our ability to attract and retain deposits even in a challenging environment. The strong growth in deposits contributed to a substantial improvement in our loan-to-deposit ratio, which decreased from 127% in 2023 to 107% in 2024. This enhanced liquidity position strengthens our ability to navigate market volatility and support future growth. We also successfully improved our net interest margin from 2.0% at the end of 2023 to 2.9% in 2024. This improvement demonstrates our effective management of interest-bearing assets and liabilities within a fluctuating interest rate environment.

STRATEGIC RESPONSE AND INITIATIVES

In response to the challenges of 2024, RHB has implemented a comprehensive set of strategic initiatives. We are further strengthening our risk assessment and management frameworks to proactively identify, assess, and mitigate potential risks within our loan portfolio and across all areas of our operations. We are also dedicating resources and expertise to maximise the recovery of impaired loans. Our efforts have yielded positive results, with successful recoveries of USD 9.4 million in impaired loans, more than double the previous year's recovery.

To further drive sustainable growth, we are focusing loan growth on quality names to ensure asset quality and long-term sustainability. In FY2024, the bank originated USD 30 million in new loan facilities through strategic relationships with regional counterparts.

RHB will leverage its strengths in targeted industries and introduce innovative products such as the Flexi Home Loan. For the Premier segment, we will enhance client engagement and roll out regional wealth solutions to cater to the evolving needs of our high-net-worth clients. To better support the vital SME sector, we will prioritise secured lending through the SME Programme Lending initiative, introduce the Distributor Financing Programme, and streamline loan application turnaround times with digital tools.

PRIORITISING CUSTOMER EXPERIENCE

At RHB, we recognise that delivering an exceptional customer experience is paramount to our long-term success. We are committed to providing innovative solutions and seamless services that meet the evolving needs of our customers. A key element of our customer experience strategy is to continue to leverage the RHB goWave platform to grow our digital customer base. In 2024, we launched 6 new MVP features on the goWave mobile app, including eKYC, eStatement, Card Push Notifications, and Telegram Merchant Notifications.

Our dedication to customer experience has been recognised with awards from International Finance Awards for Best Retail Banking Campaign – RHB Luxury Deposit 2024 & Best Banking Transformation Initiatives – Digital Banking 2024 and Mastercard for Leadership in Debit Growth 2024.



GROWTH IN
CUSTOMER DEPOSITS

USD 674.4
13.8% million

SUSTAINABILITY AGENDA

RHB continues to advance its sustainability agenda across its regional operations, embedding responsible banking practices to drive long-term value creation and positive impact. This commitment is integral to our business strategy and reflects our understanding of the importance of environmental, social, and governance (ESG) factors. In 2024, we have taken further steps to integrate sustainability considerations into our day-to-day operations and decision-making processes. For example, we have implemented energy-saving initiatives, such as the implementation of centralised air-conditioning scheduling, to actively reduce our energy consumption and minimise our environmental footprint.

We are also focused on responsible financing practices, integrating ESG considerations into our lending decisions to actively support sustainable businesses and projects that align with our values; promoting financial inclusion by expanding access to essential financial services to underserved communities within Cambodia; and actively engaging in

community engagement initiatives, contributing to the overall well-being and development of the communities where we operate. We firmly believe that embracing sustainable practices is not only ethically sound but also contributes directly to the long-term resilience, success, and overall sustainability of RHB as an organisation.



LOOKING AHEAD

We recognise that uncertainties remain in the global and local economic landscape. However, we maintain a long-term perspective and a strong belief in the growth potential of Cambodia. RHB is committed to navigating these challenges with resilience, discipline, and a focus on sustainable value creation. Our priorities for the coming year include returning to a path of sustainable and profitable growth, improving asset quality and reducing the GIL ratio, deepening customer relationships by providing tailored solutions and exceptional service and investing in our employees to ensure we have the skills and expertise to achieve our strategic objectives.

We are confident that through our collective efforts, RHB will successfully navigate the current environment and emerge stronger, delivering long-term value to all our stakeholders and contributing to the prosperity of Cambodia.

APPRECIATION

We extend our sincere appreciation to our dedicated employees for their hard work, resilience, and commitment during a challenging year. Their efforts are crucial to our ability to overcome obstacles and achieve our goals. Last but not least, we wish to express our deepest gratitude to the National Bank of Cambodia for your invaluable guidance and support.

Together We Progress

Board of Directors



From left to right:

Lim Cheng Teck - Independent Non-Executive Director

Alex Lim Eng Kang - Non-Independent Executive Director/Chief Executive Officer

Chin Yoong Kheong - Independent Non-Executive Chairman

Wendy Ting Wei Ling - Non-Independent Non-Executive Director

Danny Quah Boon Leng - Non-Independent on-Executive Director



Profiles of the Board of Directors

CHIN YOONG KHEONG

Independent Non-Executive Chairman

MALAYSIAN

Mr. Chin Yoong Kheong ("Mr. Chin") was appointed as Independent Non-Executive Chairman of RHB Bank (Cambodia) Plc ("RHBBCP") on 22 July 2019.

Mr. Chin is Chairman of the Board Risk Committee and Board Credit Committee and a member of the Board Audit Committee and Board Remuneration & Nomination Committee.

Mr. Chin was appointed as an Independent Non-Executive Director of RHB Investment Bank on 1 August 2016. Subsequently, on 30 September 2016, he was appointed as the Senior Independent Non-Executive Director. He also serves as Chairman of RHB Investment Bank's Board Risk Committee.

Mr. Chin holds a Bachelor of Arts with Honours in Economics from the University of Leeds and a Fellow of the Institute of Chartered Accountants in England and Wales. He is also a member of the Malaysian Institute of

Certified Public Accountants and Malaysian Institute of Accountants. Mr. Chin retired as a partner of KPMG, one of the leading accounting firms, on 31 December 2013 after having served in the firm for more than 34 years in the United Kingdom, Vietnam and Malaysia. Mr. Chin's vast experience covers business solutions in areas ranging from strategy, human resources and performance improvement to the public and infrastructure sector, consumer and industrial markets, and financial services industry. Throughout his long career with KPMG, Mr. Chin's experience was in the audit function before specializing in taxation for 14 years. He was responsible for setting up the KPMG practice in Vietnam and subsequently headed KPMG's consulting practice for more than seven years.

Mr. Chin's other directorships include RHB Asset Management Sdn Bhd, RHB Islamic International Asset Management Berhad, RHB Bank Lao Sole Co., Ltd, RHB Securities (Cambodia) Plc and Ayer Holdings Berhad, a company listed on the Kuala Lumpur Stock Exchange.

Profiles of the Board of Directors

LIM CHENG TECK

*Independent Non-Executive
Director*

SINGAPOREAN

Mr. Lim Cheng Teck ("Mr. Lim") was appointed as an Independent Non-Executive Director of RHB Bank (Cambodia) Plc ("RHBBCP") on 12 April 2023.

He serves as Chairman of the Bank's Board Audit Committee and Board Remuneration & Nomination Committee, and a member of the Board Credit Committee and Board Risk Committee.

Mr. Lim holds a Master of Business Administration from Brunel University, the United Kingdom and a Bachelor of Arts from the National University of Singapore.

He has over three decades of experience particularly in the banking property industries in the region and China, holding senior positions including the Chief Operating Officer, Chief Executive Officer and Chairman. He was the Regional Chief Executive Officer for ASEAN at Standard Chartered Bank. He first joined the Standard Chartered Bank in 1988 and held various roles within the bank's Corporate and Institutional Banking Division before being appointed as the Chief Operating Officer for Standard Chartered Bank (China) Ltd in 2005. In 2006, he was appointed as the Chief Executive Officer of Standard Chartered Bank (Singapore) Ltd. He returned to China in 2009 to take up the role of Chief Executive Officer and Executive Vice Chairman of Standard Chartered Bank (China) Ltd. He served on several Standard Chartered Bank subsidiary boards, notably as Chairman of Standard Chartered Bank (Mauritius) Ltd, Standard Chartered Bank (Thailand) Ltd, Standard Chartered Bank (Singapore) Ltd; Deputy Chairman of Standard Chartered Bank (Malaysia)

Ltd and the President Commissioner of PT Bank Permata, Indonesia. He also served as a Non-Executive Director of Standard Chartered Bank (Taiwan) Ltd.

Mr. Lim previously served as a Director on the Boards of Clifford Capital Pte Ltd and Singapore International Chamber of Commerce, a Governor of Singapore International Foundation and a Council Member of the Institute of Banking and Finance Singapore and Singapore National Employers Federation.

Additionally, he was the Chairman of Overseas Financial Service Commission, China Chamber of Commerce, the Vice Chairman of the Association of Banks Singapore and a Member of the Monetary Authority of Singapore's Financial Centre Development Committee. Having served in the banking arena for over 28 years, Mr. Lim retired from Standard Chartered Bank in April 2016 and continued as a senior advisor on a nonexecutive role till April 2017.

Further, Mr. Lim served as Chief Executive Officer of Pontiac Land Group from March 2017 to May 2018 and he completed his 12-year term with the Advisory Board of Sim Kee Boon Institute of Financial Economics, Singapore Management University in 2021. Currently, he sits on the Boards of Minterest Holdings Pte Ltd, Bright Vision Community Hospital, Singapore and SingHealth Funds. He is also the Chairman of the Board Committee, SingHealth Funds - SingHealth Community Hospitals. Mr. Lim's other directorships include RHB Securities (Cambodia) Plc, RHB Bank Berhad and RHB Bank Lao Sole Co., LTD.

Profiles of the Board of Directors

WENDY TING WEI LING

Non-Independent Non-Executive Director

MALAYSIAN

Ms. Wendy Ting Wei Ling (“Ms. Wendy”) was appointed as a Non-Independent Non-Executive Director of RHB Bank (Cambodia) Plc. (“RHBBCP”) on 19 September 2022. She is also a member of the Bank’s Board Risk Committee, Board Audit Committee, Board Remuneration & Nomination Committee and Board Credit Committee.

She holds a Bachelor of Business Administration from the National University of Malaysia. She also graduated from the Certified Credit Professional Program from the Council of the Institute of Bankers Malaysia and from the Executive Development Program, Chicago Booth, Executive Education. Ms Wendy has over two decades of industry experience in corporate lending, leverage buyouts, syndication and capital market-related activities.

She was appointed as Managing Director, RHB Group International Business & Group Corporate Banking on 16 May 2022 after having served as the Head of the Group’s Corporate Banking division. In addition to her existing role in managing the Group Corporate Banking portfolio, she oversees and drives the Group’s regional business and operations, which include Singapore, Cambodia, Thailand, Laos and Brunei.

Ms. Wendy presently manages the 4th largest loan assets amongst Malaysia’s domestic banks under the Conventional portfolio apart from maintaining market share as the 3rd largest Islamic/Syariah compliant assets. Her responsibilities include overseeing and originating corporate lending activities from the Group’s overseas units within the ASEAN Region (ex- Japan). Aside from growing assets, she is committed to building meaningful relationship with the Corporates (predominantly public listed entities) such that the relationship is mutually beneficial to both the financial institution and clients.

As part of the Banking Group’s efforts to provide a holistic banking experience to our valued clients, she brings with her a profound understanding of corporate cultures and legislations across various sectors/industries as well as regions to drive cross border collaborations within the Group’s network.

Prior to joining RHB, she was the Vice President, Client Coverage and thereafter Vice President, Corporate Banking Division for Maybank Berhad.

Profiles of the Board of Directors

DANNY QUAH BOON LENG

Non-Independent Non-Executive Director

SINGAPOREAN

Mr. Danny Quah Boon Leng was appointed as Non-Independent Non-Executive Director of RHB Bank (Cambodia) Plc. on 28 June 2024. Mr. Danny also serves as a member of the Bank's Board Credit Committee.

Mr. Danny joined RHB Singapore as CEO and Country Head in February 2019, and leads the formulation and execution of business strategy for the overall Singapore business, covering Commercial Banking, Investment Banking and Asset Management.

Mr. Danny is also responsible for driving profitability and growth of the businesses in Singapore and collaboration across the region, working closely with other Businesses within the Group to maximise opportunities and synergies.

He has more than 30 years of experience in the banking sector, holding various senior positions with multinational organisations such as Standard Chartered Bank, Fullerton Credit Services and Canadia Bank, across five countries in the Asia Pacific region. This includes more than 12 years of experience in CEO and Country Head positions.

He holds a Bachelor in Information System Engineering from the Imperial College of Science, Technology & Medicine (London).

Profiles of the Board of Directors

ALEX LIM ENG KANG

*Non-Independent Executive Director/Chief
Executive Officer*

MALAYSIAN

Mr Alex Lim Eng Kang (“Mr Alex”) was appointed as Non-Independent Executive Director of RHB Bank (Cambodia) Plc (“RHBBCP”) effective from 22 September 2023. He was appointed as Country Head/Chief Executive Officer, RHBBCP on 1 September 2023 after having served as Deputy Chief Executive Officer.

Mr Alex graduated from the University of Nebraska, Lincoln, the United States of America, in 1993. He holds a Bachelor’s Degree in Business Administration and attended the INSEAD Senior Leadership Development Program in 2018.

Mr Alex has more than 33 years’ experience in the banking and financial industry. His vast experience in the banking and financial industry was proven with his track record during his working career in RHB Banking Group and other financial institutions in Malaysia. Over the last 20 years in RHB Banking Group, he has held various leadership positions such as Head of Group Retail Distribution responsible for overseeing 208 branches within RHB Banking Group in Malaysia; Regional Director, Northern Region; Head, Regional SME; Area Manager and Head, Regional Commercial Banking.

Before joining RHB Banking Group, Mr Alex was holding various senior positions with local and foreign financial institutions in Malaysia.

Board of Directors & Board Committees

BOD

BOARD OF DIRECTORS

Mr. Chin Yoong Kheong

Independent Non-Executive Director/ Chairman

Ms. Wendy Ting Wei Ling

Non-Independent Non-Executive Director

Mr. Lim Cheng Teck

Independent Non-Executive Director

Mr. Quah Boon Leng

Non-Independent Non-Executive Director

Mr. Lim Eng Kang

Non-Independent Executive Director

BLC

BOARD LEVEL COMMITTEES

Board Audit Committee (BAC)

Mr. Lim Cheng Teck

Chairman

Mr. Chin Yoong Kheong

Member

Ms. Wendy Ting Wei Ling

Member

Board Risk Committee (BRC)

Mr. Chin Yoong Kheong

Chairman

Mr. Lim Cheng Teck

Member

Ms. Wendy Ting Wei Ling

Member

Board Remuneration and Nomination Committee (BRNC)

Mr. Lim Cheng Teck

Chairman

Mr. Chin Yoong Kheong

Member

Ms. Wendy Ting Wei Ling

Member

Board Credit Committee (BCC)

Mr. Chin Yoong Kheong

Chairman

Mr. Lim Cheng Teck

Member

Ms. Wendy Ting Wei Ling

Member

Mr. Quah Boon Leng

Member

Management Team



From left to right:

Chhim Sareth - Head, Operations

Touch Phea - Head, Human Resource

Kork Naren - Head, Compliance

Ong Chong Seng - Head, Credit Evaluation & Review

Socheat Kanika - Head, Credit Management, Supervision and Recovery

Mohammad Rosyied Bin Ab Rahman - Head, Risk Management



Cavin Yeap Khoo Hong - Head, Finance, Treasury & Strategy
Alex Lim Eng Kang - Country Head/CEO
Hong Han Chung - Head, Retail Banking
Soy Soklina - Head, Corporate Services
Sok Leng - Head, Business Banking
Men Narith - Head, Internal Audit

Profiles of the Management Team

ALEX LIM ENG KANG

Country Head/CEO

MALAYSIAN

Mr. Alex Lim Eng Kang (“Mr. Alex”) was appointed as Non-Independent Executive Director of RHB Bank (Cambodia) Plc (“RHBBCP”) effective from 22 September 2023. He was appointed as Country Head/Chief Executive Officer, RHBBCP on 1 September 2023 after having served as Deputy Chief Executive Officer.

Mr. Alex graduated from the University of Nebraska, Lincoln, the United States of America, in 1993. He holds a Bachelor’s Degree in Business Administration and attended the INSEAD Senior Leadership Development Program in 2018.

Mr. Alex has more than 33 years’ experience in the banking and financial industry. His vast experience in the banking and financial industry was proven with his track record during his working career in RHB Banking Group and other financial institutions in Malaysia. Over the last 19 years in RHB Banking Group, he has held various leadership positions such as Head of Group Retail Distribution responsible for overseeing 208 branches within RHB Banking Group in Malaysia; Regional Director, Northern Region; Head, Regional SME; Area Manager and Head, Regional Commercial Banking.

Before joining RHB Banking Group, Mr. Alex was holding various senior positions with local and foreign financial institutions in Malaysia.

Profiles of the Management Team

ONG CHONG SENG

Head, Credit Evaluation & Review

MALAYSIAN

Mr. Ong Chong Seng ("Bryan") is seconded to RHB Bank (Cambodia) Plc. effective 1 April 2024. Prior to this, he was Deputy CEO cum Head, Credit Management of RHB Bank Lao Sole Co Ltd since December 2020.

Mr. Bryan joined RHB Bank Berhad as Head, Commercial Banking Business Center Lebuhr Pantai, Malaysia before his overseas banking journey. He has more than 16 years' experience in credit related field with several Malaysian banks.

He graduated in Bachelor's Degree in Sports Science from Malaya University, Kuala Lumpur, Malaysia. He was also accredited under Omega Program and Business Credit Professional (BCP) via Credit Validation Assessment ("CVA").

CAVIN YEAP KHOO HONG

Head, Finance, Treasury & Strategy

MALAYSIAN

Mr. Cavin was appointed as the Head of Finance, Treasury & Strategy on 1 December 2020. Cavin leads the various finance functions in the Bank, including budgeting, reporting, capital and balance sheet management, taxation and procurement.

Cavin has more than 23 years of diverse experience in corporate accounting and management consulting which include service in a foreign banking group and a multinational consulting company.

Prior to joining RHB Bank (Cambodia) Plc, he was the Head of Business Planning & Analytics, Group Retail Banking and also the Acting Head for Customer Strategy, Group Retail Banking.

He joined RHB Group from a foreign bank in Malaysia where he served in various roles including Head of Retail Bank Finance and Head of Finance of e2 Power Sdn Bhd, which is a subsidiary of the foreign bank Group. He started his career with Ernst & Young, United Kingdom.

He graduated with 1st Class Honours Degree in Economics from the University of Manchester, United Kingdom. He is a Fellow of the Institute of the Chartered Accountants in England & Wales (ICAEW).

Profiles of the Management Team



HONG HAN CHUNG

Head, Retail Banking

MALAYSIAN

Mr. Hong was appointed as Head of Retail Banking at RHB Bank (Cambodia) Plc., effective 16 October 2023. In this role, he is responsible for providing strategic leadership and direction for the Retail Banking division, with a focus on driving business growth, customer acquisition, and profitability.

Mr. Hong brings with him over 16 years of experience in the financial services industry. Prior to this appointment, he served as Head of the Northern Region at a multinational financial institution in Malaysia. He also held various leadership roles, including Branch Manager at several branches, where he successfully led teams and operations.

His professional qualifications include being a Certified Financial Planner and holding the Investor Protection Professional Certification. Mr. Hong holds a Bachelor of Business Administration from Northern University of Malaysia.



SOK LENG

Head, Business Banking

CAMBODIAN

Mr. Sok Leng ("Mr. Leng") joined the Bank as Head of Business Banking since September 2018.

He is responsible to formulate and implement the business development, marketing strategy and action plans to meet the bank's business banking goals, objectives and operation policies.

Prior to that, he's had experience at frontline Sales including as Relationship Manager and Head of Business with two foreign banks based in Cambodia for more than 16 years.

He graduated with a Bachelor of Business Administration (BBA) majoring in Business Management in 2005 and obtained a Master in Business Administration (MBA) majoring in Finance and Banking at Build Bright University in 2010.

He completed a Credit Skills Assessment (CSA) – Certified.

Profiles of the Management Team

CHHIM SARETH

Head, Operations

CAMBODIAN

Mr. Chhim Sareth initially joined RHB Bank (Cambodia) Plc. in July 2009 as Head of Internal Audit.

He was appointed the position as Head of Operations since July 2019.

He has 16 years of working experience in banking and 5 years as an external auditor with KPMG Cambodia.

He has vast exposure and experience in compliance, audit and operations. He graduated from National Institute of Management with a Bachelor of Finance & Accounting degree in 2003 and completed a Master of Commerce in Finance from the International Institute of Cambodia in 2006.

He is accredited with Fundamental Level of ACCA in 2009 and also achieved his Certified Internal Auditor (CIA) Certification from Institute of Internal Audit, United Kingdom in 2019 and is a member of Cambodia Institute of Internal Audit.

TOUCH PHEA

Head, Human Resource

CAMBODIAN

Mr. Touch Phea joined RHB Bank (Cambodia) Plc. in February 2025, as Head of Human Resource.

Mr. Phea has more than 17 years' experience in Human Resource's core functions, including recruitment, talent development, people planning, performance management, compensation & benefits, HR business partnering, and employee relations with several multi-national companies and banks.

Mr. Phea obtained his bachelor's degree in Human Resource Management from Maharishi Vedic University and his master's degree in Business Administration from Norton University.

Profiles of the Management Team



MOHAMMAD ROSYIED BIN AB RAHMAN

Head, Risk Management

MALAYSIAN



Mr. Rosyied Rahman was appointed as Head of Risk Management in 2020 and tasked to manage both RHB Bank (Cambodia) Plc. and RHB Securities Plc.

He was previously with Group Operational Risk Management, RHB Bank Berhad (Head office) in Malaysia and has more than a decade of banking experience with both Malaysian and foreign banks throughout his career.

He is a certified Professional Banker by Asian Institute of Chartered Banker, an ACCA holder as well as a graduate in Bachelor Applied Accounting (Hon) from Oxford Brookes University.

His vision on risk management is to embed a heightened level of risk culture and awareness within the organization, ensuring together we progress responsibly.



SOY SOKLINA

Head, Corporate Services

CAMBODIAN



Ms. Soy Soklina ("Ms. Soklina") is the Head, Corporate Services at RHB Bank (Cambodia) Plc, a position she has held since December 2021. She holds a Bachelor's Degree in Law from the Royal University of Law and Economics and a Master's Degree in Finance and Banking from Norton University, Phnom Penh. Additionally, Ms. Soklina has obtained a professional certification in Corporate Governance from the Institute of Banking & Finance.

With over 11 years of diverse experience across industries including legal, audit, insurance, and financial institutions, Ms. Soklina is highly skilled in banking compliance, local regulatory frameworks, corporate policies, and governance practices. Her career includes significant roles in leading financial institutions and a prominent audit firm in Cambodia, where she has consistently demonstrated expertise in navigating complex legal and regulatory environments.

Profiles of the Management Team



SOCHEAT KANIKA

Head, Credit Management, Supervision and Recovery

CAMBODIAN



Ms. Socheat Kanika brings over 24 years of extensive experience across telecommunications, insurance, and banking sectors. She has honed her expertise in credit management since 2007, working with renowned international banks from Malaysia, Singapore, and Korea.

Since joining RHB Bank Cambodia in 2022, Kanika has been instrumental in ensuring efficient credit administration, driving recovery strategies, and maintaining regulatory compliance.

Her responsibilities include overseeing and the submission of regulatory and CBC reports, and ensuring adherence to local banking regulations.

Her leadership fosters innovation in credit operations and contributes significantly to achieving the bank's objectives.

Ms. Kanika holds a Master's degree in Business Administration in Management, a Bachelor's degree in Marketing, and a second Bachelor's degree in Khmer Literature.



KORK NAREN

Head, Compliance

CAMBODIAN



Ms. Kork Naren began her role as the Head of Compliance at RHB Bank (Cambodia) PLC in October 2024.

Ms. Naren holds a degree in Finance and Banking from the National University of Management (NUM) and a Teaching major from the Institution of Foreign Languages (IFL). She is currently pursuing the ACCA Program in Accounting and Finance at CamED Business School.

Additionally, she is certified in Compliance Regulatory and is accredited with a Diploma in Advanced Anti-Money Laundering (AML), Combating the Financing of Terrorism (CFT), Financial Crime, and New Technology from the International Compliance Association, United Kingdom. She is also an approved professional in Trust Regulation in 2024.

With over 18 years of experience in Compliance and AML/CFT matters, Ms. Naren has developed a broad expertise in AML/CFT, Proliferation Financing (PF), and Regulatory Compliance within the banking sector.

Before joining RHB Bank (Cambodia) PLC, she held various senior roles in both local and regional banks in Cambodia.

Profiles of the Management Team

MEN NARITH

Head, Internal Audit

CAMBODIAN



Mr. Men Narith joined RHB Bank (Cambodia) Plc in August 2019 as the Head of Internal Audit.

He has 20 years of working experience with banks and one of the big four international accounting firm (KPMG Cambodia). He has a wide range of exposure and experience in auditing for various industries, particularly in the financial sector.

Mr. Narith graduated from Royal University of Phnom Penh with a Bachelor of Science in Mathematics in 1999 and then completed the Fundamental Level of the ACCA in 2009.

He is accredited with Credit Skills Accreditation from Omega Performance Corporation in 2014. He also achieved his Certified Management Accountants Certification from Institute of Certified Management Accountants, Australia and Professional Banker Certification from Asian Institute of Chartered Bankers in 2018.



Management Level Committees

A

MANAGEMENT COMMITTEE (MANCO)

Mr. Lim Eng Kang
Chief Executive Officer (Chairman)
Mr. Cavin Yeap Khoo Hong
Head, Finance, Treasury and Strategy (Member)
Mr. Sok Leng
Head, Business Banking (Member)
Mr. Hong Han Chung
Head, Retail Banking (Member)
Mr. Chhim Sareth
Head, Operations (Member)
Mr. Touch Phea
Head, Human Resource (Member)
Mr. Ong Chong Seng
Head, Credit Evaluation & Review (Member)
Ms. Socheat Kanika
Acting Head, Credit Management (Member)
Note: Vacant positions— Chief Technology Officer and Head, SME

B

MANAGEMENT RISK COMMITTEE (MRC)

Mr. Lim Eng Kang
Chief Executive Officer (Chairman)
Mr. Mohammad Rosyied Bin Ab Rahman
Head, Risk Management (Member)
Mr. Cavin Yeap Khoo Hong
Head, Finance, Treasury and Strategy (Member)
Mr. Sok Leng
Head, Business Banking (Member)
Mr. Hong Han Chung
Head, Retail Banking (Member)
Mr. Chhim Sareth
Head, Operations (Member)
Note: Vacant positions— Chief Technology Officer and Head, SME.

C

ASSET AND LIABILITY COMMITTEE (ALCO)

Mr. Lim Eng Kang
Chief Executive Officer (Chairman)
Mr. Mohammad Rosyied Bin Ab Rahman
Head, Risk Management (Member)
Mr. Cavin Yeap Khoo Hong
Head, Finance, Treasury and Strategy (Member)
Mr. Sok Leng
Head, Business Banking (Member)
Mr. Hong Han Chung
Head, Retail Banking (Member)
Note: Vacant position— Head, SME

D

CREDIT LENDING COMMITTEE (CLC)

Mr. Lim Eng Kang
Chief Executive Officer (Chairman)
Mr. Ong Chong Seng
Head, Credit Evaluation & Review (Member)
Mr. Sok Leng
Head, Business Banking (Member)
Mr. Cavin Yeap Khoo Hong
Head, Finance, Treasury and Strategy (Member)
Mr. Mohammad Rosyied Bin Ab Rahman
Head, Risk Management (Member)
Mr. Hong Han Chung
Head, Retail Banking (Member)

E

IT STRATEGY COMMITTEE

Mr. Lim Eng Kang
Chief Executive Officer (Chairman)
Mr. Cavin Yeap Khoo Hong
Head, Finance, Treasury and Strategy (Member)
Mr. Chhim Sareth
Head, Operations (Member)
Mr. Sok Leng
Head, Business Banking (Member)
Mr. Hong Han Chung
Head, Retail Banking (Member)
Mr. Mohammad Rosyied Bin Ab Rahman
Head, Risk Management (Member)
Note: Vacant position—Chief Technology Officer (Member)



Our accomplishment **review**

Small and Medium sized enterprises (SMEs)

RHB Cambodia's SME Department is dedicated to championing the growth and success of small and medium-sized enterprises across the country. Acknowledging the vital role SMEs play in economic development, we have rolled out a series of forward-thinking initiatives designed to improve access to financing and support business expansion.

Leading our innovation drive is our SME Programme Lending—a modernized approach to credit assessment that accelerates and simplifies the loan application process. This streamlined method reduces barriers to funding, ensuring that SMEs can obtain the financial support they need with greater speed and efficiency.

In line with our digital transformation goals, we are also enhancing our lending processes through digitalization. By embedding advanced technology—and in the future, artificial intelligence—into our credit evaluation systems, we are paving the way for faster, more accurate, and fairer decisions. This transformation empowers SMEs with a more user-friendly experience and improved access to financial services.

Beyond technology, our mission is rooted in supporting the sustainable growth of Cambodia's SME sector. Through customized financial products and advisory support, we help businesses navigate challenges, unlock new opportunities, and strengthen their foundations. Our efforts contribute not only to the resilience of individual enterprises but also to the broader economic progress of the nation.

We see development as a collective journey. At RHB Cambodia, we believe our progress is inseparable from the country's advancement. By growing together, we reinforce a shared vision for a prosperous future for all Cambodians. This commitment to mutual growth defines our role in the evolving business landscape. SME Department continues to play a central role in driving Cambodia's economic vitality and supporting the ambitions of its entrepreneurs.



Information Technology & Digital Banking

goWave Mobile Banking App

Continuous Innovation and
Improvement

The bank continues to enhance the goWave mobile banking experience through ongoing innovation and improvements. These efforts aim to deliver a more seamless user journey while reinforcing security measures. To strengthen banking security, the bank has introduced **face authentication** as another option of second-factor authentication method, providing users with a safer and more convenient way to access their accounts. Additionally, the goWave app offers a robust and user-friendly platform with the following key enhancements:

goWave's competitive interest rates, reaching up to 3% on savings accounts, further incentivizes customer adoption of the mobile platform.

This not only enhances customer satisfaction but also reduces operational costs associated with traditional branch banking.



Online Account Opening: Streamlined account opening process directly within the app, eliminating the need for branch visits.

Fixed Deposit Management: Simplified creation and management of fixed deposit accounts to achieve long-term financial goals.

Integrated Payments: Seamless fund transfers through KHQR, Cambodia's national QR code payment system.

Card Management: Convenient control over debit card features and settings.

Loan Management: Easy access to loan account information and management tools.



Information Technology & Digital Banking



RHB Bank Cambodia's IT department plays a critical role in ensuring seamless operations and aligning with both business requirements and the overarching policies of the RHB Banking Group. In 2024, the IT team successfully delivered several key initiatives, focusing on compliance, resilience, and infrastructure enhancement to support the bank's operations and growth.

KEY ACHIEVEMENTS INCLUDE

- ◆ **Compliance Projects:** The IT department ensured full compliance with regulatory requirements by successfully executing key projects such as the National Bank of Cambodia's (NBC) Cross Institution Fund Transfer and Payment (CIFTP) project, as well as implementing upgrades to the Bakong system. These initiatives strengthen the bank's compliance framework and enhance its service offerings.
- ◆ **Resiliency Improvements:** In our ongoing efforts to bolster the bank's operational stability, we implemented a range of IT monitoring tools that provide real-time oversight of critical infrastructure and applications. These tools help ensure that the bank's systems remain robust, minimizing the risk of disruption and enhancing overall operational resilience.
- ◆ **Infrastructure Enhancements:** To further support the bank's expanding needs, we enhanced our IT infrastructure by deploying new data storage servers, improving both data management and processing capabilities. This upgrade helps ensure that the bank can scale effectively and continue to provide seamless banking experiences to our customers.

Through these initiatives, RHB Bank Cambodia's IT department remains committed to ensuring the highest standards of operational performance, supporting business growth, and maintaining alignment with the strategic goals of the RHB Banking Group.

Business Banking

Cambodia's economy accelerated at 5.8% in 2024 (source: Asian Development Bank report 2024), as manufacturing activities will benefit from closer supply-chain links with China and Vietnam.

The tourism sector also recovers more strongly, driven by key source markets such as Thailand, Vietnam and China.

In 2025, it is projected for a better growth at 6% with positive impacts on the investment in trading, manufacturing including garments and exports of finished goods despite slow grow in real estate development and construction. The Bank via Business Banking Department has continued the effort supporting the business customers providing them all kind of banking service especially via our on-line business banking payment platform known as "Reflex", and continued granting new or additional loans to the customers to sustain and grow their business activities.

As for the overall performance, Business Banking was still one of the core contributor's to the overall RHB Bank (Cambodia) Plc. business performance in 2024.

We managed to grow the Corporate deposits by 30% and maintain Corporate loans outstanding at 62% of the total Bank's portfolio for 2024. RHB Bank (Cambodia) Plc. has also continued to be contributor in granting the loans guaranteed by Credit Guarantee Corporation of Cambodia (CGCC) Plc. for a total outstanding guaranteed loan amount of USD4.16mil from our partnership with CGCC as of December 2024.

Under the agreement, RHB Bank (Cambodia) Plc. will provide loans and guaranteed by CGCC to support the SME, commercial and corporate customers in Cambodia for business expansion, investment and working capital.



+30%

CORPORATE
DEPOSIT GROWTH



62%

CORPORATE
LOAN PORTFOLIO



Operations



RHB Bank Cambodia's Operations Department experienced a highly successful year in 2024, characterized by significant advancements in efficiency, quality and customer service. The team diligently worked to streamline our operations, enhance our products and services, and deliver exceptional value to our customers and stakeholders.

In 2024, we achieved a significant milestone with the successful implementation of a new core banking system, which markedly enhanced our operational efficiency. This system has automated numerous processes, enabling faster turnaround times, enhanced accuracy, and improved reporting capabilities. We have enhanced the Online Account Opening (OAO) process, incorporating features such as Okay Face, Okay Live, and Okay Doc, improving verification through comprehensive eKYC modules for OAO. Additionally, we implemented the Cross Institute Fund Transfer and Payment (CIFTP) system for Bakong Retail and Bakong Large Value, enabling transactions of amounts equal to or greater than USD 50,000. In addition to that, we have also made great strides in improving the quality of our Bakong Service by established the Bakong Web. This platform offers a comprehensive range of features, including user and role management, transaction management, batch payment processing, notification management, account management, and change management. Users can perform various types of transactions, such as sending and receiving money, making QR payments, processing batch payments, and transferring funds between accounts. Despite these advancements, our team has also focused on improving the quality of our products and services through the Business Enhancement Release (BER) for Visa/MasterCard. This initiative ensures up-to-date card scheme security and enhances the overall customer experience. Our team has also instituted rigorous quality control measures across all facets of our operations, resulting in a significant reduction in errors and enhanced customer satisfaction.

Customer service is our foremost priority, and we have made substantial investments in this area over the past year. We have enhanced our banking experience by implementing eFeedback (RHB Way), which encompasses a Branch QR code survey linked to an online survey form. This survey is intended to gather customer feedback regarding their banking experience with us and to identify opportunities to improving customer service at RHB Branch/ Premier Banking Centre.

Additionally, to expedite deposit growth and facilitate Regional Banking Services for High Net Worth Customers, we have officially launched the RHB Premier Regional Banking Services - Cross Border Account Opening in Malaysia, Singapore, and Cambodia. The objective is to incorporate and implement the process of Cross Border Referral and Account Opening for existing RHB Regional Bank (Malaysia & Singapore) Premier Customers who wish to open RHB Cambodia Current Accounts, Savings Accounts, and Fixed Deposit Accounts, and vice versa. The primary benefit of this collaboration is that customers will enjoy RHB Premier Regional Recognition, "Premier in One, Premier in All," and the convenience of pre-arrival account opening before they arrive in the transacting country.

Establishing compliance as a core cultural value and reinforcing adherence to new policies, procedures, guidelines and manuals were key initiatives to ensure constant vigilance across our branches. We formed a dedicated team to conduct Branch Enforcement and Control (BEC) assessments for all the branches twice a year and two Head Office, to improve operational control and minimize audit findings. As a result, all branches achieved improved audit outcomes, receiving satisfactory and strong ratings in 2024.

Last but not least, Operations Department received the following the awards:

- Winning in Services Star Award from RHB Banking Group for two consecutive quarters.
- Award of Leadership in Consumer Debit Card Issuance

In conclusion, RHB Bank Cambodia's Operations Department has had a highly successful year, achieving its objectives of enhancing efficiency, quality and customer service. We remain steadfast in our commitment to continuous improvement and innovation, ensuring that we provide our customers and stakeholders with the highest quality products and services.

Human Resource

In line with RHB Banking Group's TWP24 strategy, Human Resource had set its aspiration to have the **"Best People, Best Bank"**, with the following vision and mission:



Vision

To be one of the leading HR, dedicated to cultivating the Best People in the Best Bank



Mission

To be a strategic partner, aligning talent, culture and innovative HR solutions with business goals, driving growth and fostering a thriving workforce to achieving our vision of Best People, Best Bank

This is to be achieved via:

- 3 key strategic priorities to: (1) Build a Future Ready Workforce, (2) Strengthen Performance, (3) Create a Winning Culture
- 1 enabler: Drive Transformational Excellence in Human Resource



Human Resource

KEY STRATEGIC PRIORITIES

In achieving the Vision and Mission, 3 Strategic Priorities have been identified. These Strategic Priorities serve as a guide for every pillar to develop and execute their respective business plan and initiatives for FY2024.

1

Build Future Ready Workforce

- Optimise organisational design and sourcing strategy
- Continue to improve human capital productivity
- Define capabilities requirements for the future workforce
- Provide alternative work models and new ways of working

2

Strengthen Performance

- Enhance employee & leadership capability; close capability gaps
- Strengthen leadership pipeline and succession planning
- Enhance performance management framework
- Evolve holistic and differentiated rewards

3

Create Winning Culture

- Enhance employee & leadership engagement
- Strengthen Employee & Employer Value Proposition
- Enhance and drive Culture Activation
- Drive diversity, equity, and Inclusion

Drive Transformational Excellence

To ensure that Human Resource is updated with the best market practices and latest technology, it was emphasized that the focus shall be centralized into initiatives outlined below.

- Optimise HR Service Delivery Model
- Drive digitalization and integration of technologies
- Build robust analytics capability
- Embed change and Knowledge management practices

The focus for FY2024 is to ramp up efforts on future-proofing our employees' capabilities, increasing development opportunities, rewarding our employees, driving more diversity, equity, and inclusion (DEI) activities, and enhancing GHR's approach to strengthen our customer-centricity as well as becoming better strategic partners to the business.



Retail Banking



2024 was a year of significant growth and innovation for RHB Bank Cambodia's Retail Banking Department. Deposits grew year-on-year by 27%, and our premier client base has surpassed the thousand-mark milestone. We remained focused on delivering exceptional customer service, expanding our product offerings, and embracing digital transformation to meet the evolving needs of our customers.

CUSTOMER EXPERIENCE

ENHANCED CUSTOMER SERVICE:

- We implemented new training programs for our staff to ensure a seamless and personalized customer experience across all channels.
- Demonstrated ongoing commitment to customer protection through consistent public awareness campaigns on online scams via monthly Facebook posts

PRODUCT EXPANSION:

- The Luxury Deposit customer campaign launched in October 2023 was designed to garner new deposits and reduce the loan to deposit ratio. The campaign successfully acquired a total of USD108.8mill in CASA.
- The Smart Saving Account ("SSA") continues to offer high interest rates of 3% pa., with the flexibility to customers to open an online account on the goWave by RHB app.
- Enhanced Premier Banking proposition and exclusive privileges introduced such as the Family Extension programme and cross-border account opening, designed to attract new Premier relationships.
- Debit Card cashback campaigns to promote usage, offered product differentiation in a saturated marketplace

Retail Banking

DIGITAL BANKING TRANSFORMATION:

In 2024, we made significant strides in enhancing our digital banking capabilities, reinforcing our commitment to innovation, security, and customer convenience. Key developments in the goWave App included the introduction of real-time card activity push notifications, increased daily and per-transaction limits for payments and transfers, the launch of promotional alert features, the addition of KHQR code favorites for quicker payments, and the ability for customers to generate e-statement. These enhancements reflect our ongoing investment in user-focused solutions and our dedication to delivering a seamless digital banking experience.



KEY ACHIEVEMENTS IN 2024

- Achieved leadership in Debit Card Growth 2024 by MasterCard, recognized as one of the leading banks in Cambodia for Debit Card issuance in January 2025.
- Our mobile banking app, goWave by RHB, was awarded “Best Banking Transformation Initiatives – Digital Banking 2024” by the International Finance Awards in October 2024.
- Our campaign Luxury Deposit Campaign was awarded “Best Retail Banking Campaign – RHB Luxury Deposit 2024” award from the International Finance Awards October 2024.



In 2025, the Retail Banking Department will focus on:

- Enhancing the Customer Experience: We will continue to refine our processes and invest in innovative technologies to deliver a world-class banking experience.
- Expanding Our Digital Capabilities: We aim to drive mobile banking adoption and explore new digital channels to reach a wider customer base.
- Advancing Financial Inclusion: We remain committed to supporting financial inclusion initiatives and ensuring our products and services are accessible to all Cambodians.

Conclusion

The Retail Banking Department is a key driver of growth for RHB Bank Cambodia. We are proud of our accomplishments in 2024 and enthusiastic about the opportunities that lie ahead. Our unwavering commitment is to deliver exceptional value to our customers, support the local economy, and champion financial inclusion across Cambodia.

Director's Report

DIRECTORS' REPORT

The Board of Directors (the directors) hereby submit their report and the audited financial statements of RHB Bank (Cambodia) Plc. (the Bank) for the year ended 31 December 2024.

PRINCIPAL ACTIVITIES

The Bank is principally engaged in a broad range of commercial banking activities in Cambodia.

RESULTS OF OPERATION AND DIVIDEND

The results of financial performance for the year ended 31 December 2024 are set out in the statement of profit or loss and other comprehensive income on page 119.

There were no dividends declared or paid during the year.

SHARE CAPITAL

There were no changes in the share capital of the Bank during the year.

BAD AND DOUBTFUL LOANS AND ADVANCES

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

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

ASSETS

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

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

CONTINGENT AND OTHER LIABILITIES

At the date of this report, there is:

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

Other than disclosed in Note 33 (d), no contingent or other liability of the Bank has become enforceable, or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the directors, will or may substantially affect the ability of the Bank to meet its obligations as and when they fall due.

CHANGE OF CIRCUMSTANCES

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

ITEMS OF UNUSUAL NATURE

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

Director's Report

THE BOARD OF DIRECTORS

The members of the directors holding office during the year and as at the date of this report are:

Mr. Chin Yoong Kheong,	Chairman (Independent Non-Executive Director)
Ms. Wendy Ting Wei Ling	Member (Non-Independent Non-Executive Director and Shareholder's representative)
Mr. Lim Cheng Teck	Member (Independent Non-Executive Director)
Mr. Lim Eng Kang	Member (Non-Independent Executive Director)
Mr. Quah Boon Leng	Member (Non-Independent Non-Executive Director) – appointed on 28 June 2024
Mr. Shawn Conrad Campos	Member (Non-Independent Non-Executive Director) – resigned on 28 June 2024

DIRECTORS' RESPONSIBILITY IN RESPECT OF THE FINANCIAL STATEMENTS

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

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

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

APPROVAL OF THE FINANCIAL STATEMENTS

On behalf of the Board of Directors of RHB Bank (Cambodia) Plc., we do hereby state that the accompanying financial statements, together with the notes thereto, present fairly, in all material respects, the financial position of the bank as at 31 December 2024 and its financial performance and cash flows for the year then ended and have been properly drawn up in accordance with CIFRS.

On behalf of the Board of Directors:



Mr. Chin Yoong Kheong

Chairman

Phnom Penh, Kingdom of Cambodia
31 March 2025

Independent Auditor's Report

To the shareholders of RHB Bank (Cambodia) Plc.

OUR OPINION

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

What we have audited

The Bank's financial statements comprise:

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

BASIS FOR OPINION

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

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

INDEPENDENCE

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

accordance with the IESBA Code and the ethical requirements of the KICPAA Code.

OTHER INFORMATION

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

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

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

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

RESPONSIBILITIES OF DIRECTORS AND THOSE CHARGED WITH GOVERNANCE FOR THE FINANCIAL STATEMENTS

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

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

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

Independent Auditor's Report

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

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

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

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

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

For PricewaterhouseCoopers (Cambodia) Ltd.



By Touch Sovannara
Partner

Phnom Penh, Kingdom of Cambodia
31 March 2025

Internal Control Report

INTRODUCTION

This Annual Internal Control Report is prepared pursuant to the provision of Article 25 of the Prakas B-7-010-172 Prokor on Internal Control of Bank and Financial Institutions issued by National Bank of Cambodia.

The statement below has been prepared in accordance with the Guideline for Completing the Annual Report on the Organisation and Effectiveness of the Internal Control, which outlines the key features of the risk management and internal control system of RHB Bank (Cambodia) Plc during the year under review.

Board Responsibility

The Board is committed to its overall responsibility in establishing a sound risk management and internal control system for the Bank. The Board's responsibility includes reviewing the adequacy and effectiveness of the risk management and internal control system in safeguarding shareholders' interest and the Bank's assets. While total elimination of risks is not possible, the risk management and internal control system has been designed to manage the Bank's risk appetite within the established risk tolerance set by the Board and Management to support the achievement of the Bank's business objectives. The risk management and internal control system can therefore only provide reasonable and not absolute assurance against the occurrence of any material misstatement, loss or fraud.

In acknowledging that having a sound risk management and internal control system is imperative, the Board has established a governance structure that ensures effective oversight of risks

and internal controls in the Bank at all levels. To this end, the Board is assisted by the Board Risk Committee ("BRC") and Board Audit Committee ("BAC") which have been delegated with primary oversight responsibilities on the Bank's risk management and internal control system. The Board remains responsible for the governance of risk and for all the actions of the Board Committees with regard to the execution of the delegated oversight responsibilities.

Management Responsibility

The Management is responsible for the overall implementation of the Bank's policies and processes to identify, evaluate, measure, monitor and report on risks as well as the effectiveness of the internal control systems, taking appropriate and timely remedial actions as required. Its key roles involve:

- Identifying and evaluating the risks relevant to the Bank's business and achievement of its business objectives and strategies;
- Designing and implementing the risk management framework in accordance with the Bank's strategies and risk appetite, and monitoring its effectiveness; and
- Reporting in a timely manner to the Board on any changes to the risks or emerging risk and the appropriate actions taken.

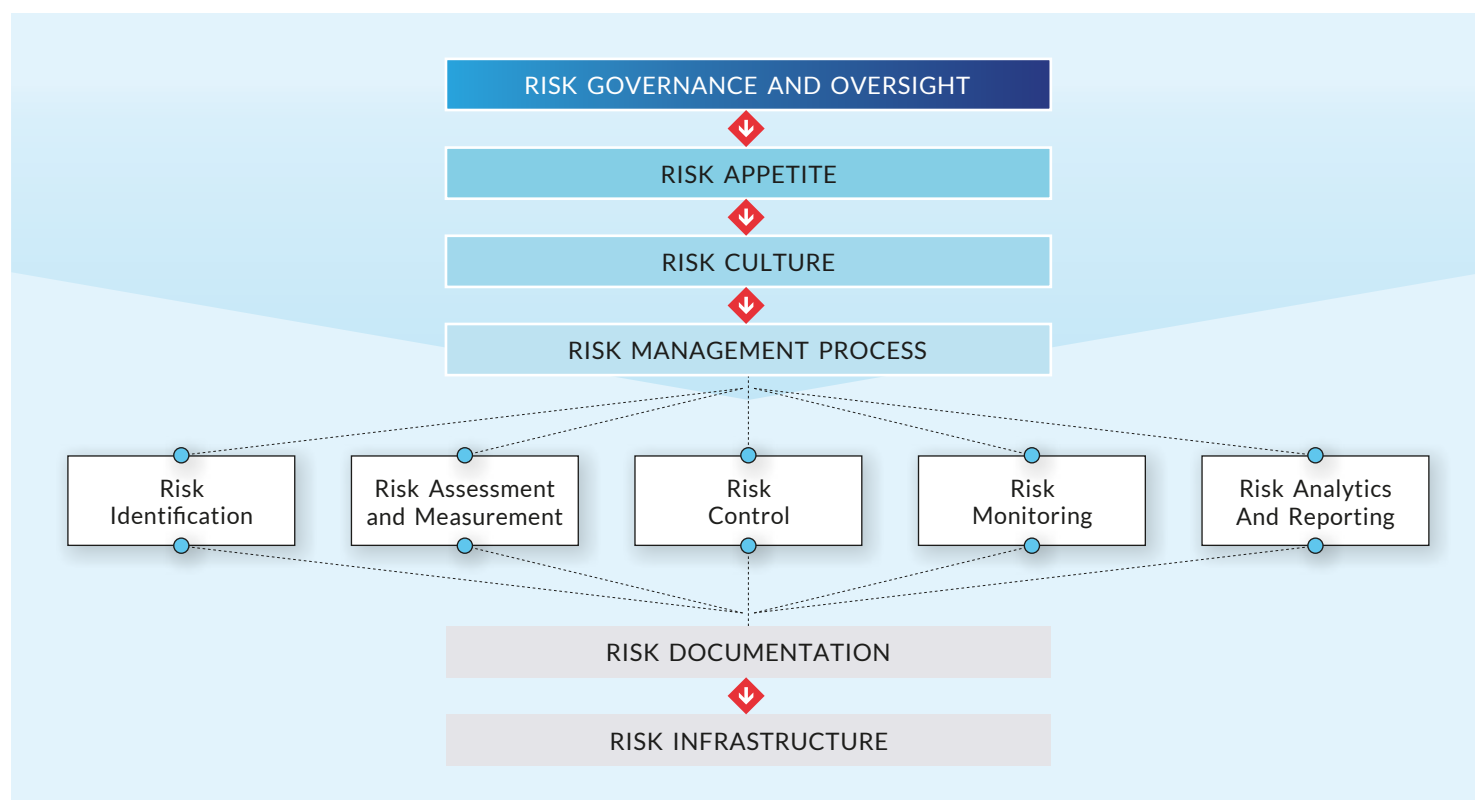
Accordingly, the Management has provided assurance to the Board that the Bank's risk management and internal control system is operating adequately and effectively with the necessary processes having been implemented.

Internal Control Report

ORGANISATION OF INTERNAL CONTROL SYSTEM

◆ RISK MANAGEMENT FRAMEWORK

The Bank has in place a risk management framework approved by the Board for identifying, assessing and measuring, controlling, monitoring and reporting of significant risks faced by the Bank in the achievement of the Bank's business objectives and strategies. The Bank's risk management framework ensures that there is an effective on-going process to identify, evaluate and manage risks across the Bank and is represented in the following diagram:



Risk Governance and Oversight

The Board of Directors sits at the apex of the risk governance structure and is ultimately responsible for the Bank's risk management strategy, appetite, framework and oversight of risk management activities.

In order to manage the business and risks of the Bank, Bank committees are established to ensure consistency in practices. BRC which reports directly to the Board provides oversight and assists the Board to review the Bank's overall risk management philosophy, frameworks, policies and models, and risk issues relevant and unique to its business.

The responsibility for the supervision of the day-to-day management of enterprise risk and capital matters is delegated to the Management Risk Committee ("MRC") comprising senior

management of the Bank which reports to the BRC. The MRC is responsible for oversight of risk management matters relating to Bank's business and functions whilst the Asset and Liability Committee ("ALCO") oversees asset & liability management, liquidity risk and market risk management.

The Board also oversees the development, maintenance, and implementation of the Bank's Recovery Plan. The recovery planning process is integrated into the Bank's overall risk appetite, strategic planning and risk management framework.

Risk Appetite

Risk appetite for the Bank is defined as the amount and the type of risks that the Bank is willing to accept in pursuit of its strategic and business objectives. Risk tolerance on the other hand, is the acceptable level of variation relative to the achievement of the

Internal Control Report

ORGANISATION OF INTERNAL CONTROL SYSTEM (CONTINUED)

Bank's strategic and business objectives. It is measured in the same units as the related objectives. It translates risk appetite into operational metrics and it can be defined at any level of the Bank.

The defined risk appetite and risk tolerance are periodically reviewed by the Management and the Board in line with the Bank's business strategies and operating environment. Such review includes identifying and setting new risk appetite metrics for the Bank wide or removal of risk appetite metrics that are no longer applicable as well as updates on the risk appetite thresholds to be in line with the Bank's business strategy and risk posture.

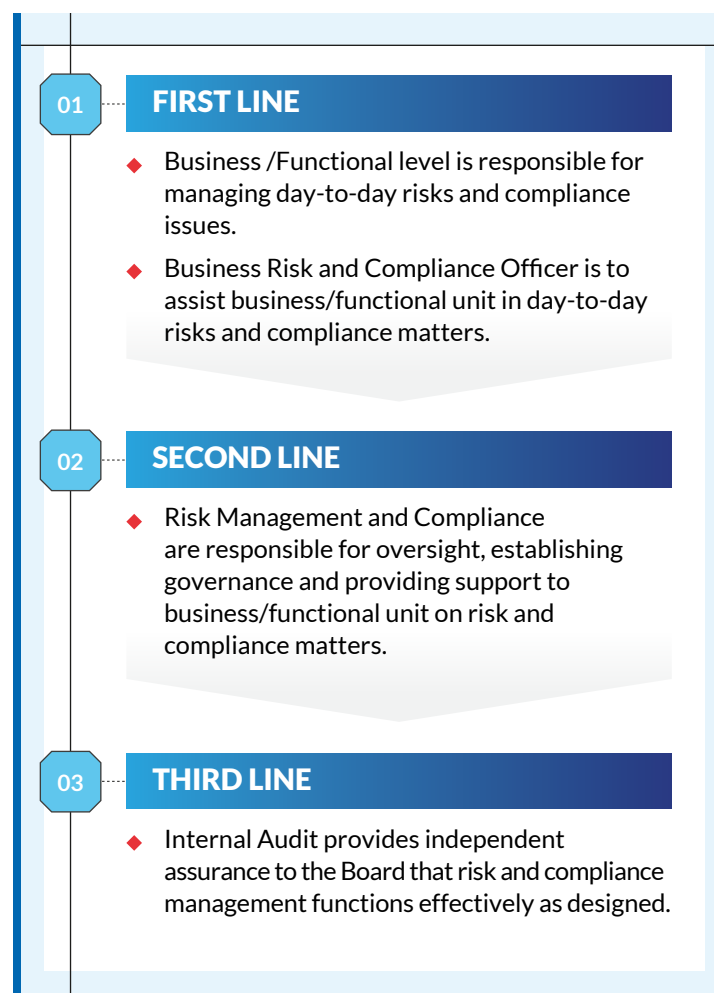
The main business and operations inherent risks that were considered in the risk appetite review include regulatory non-compliance risk, credit risk, market risk and liquidity risk, operational risk, technology and cyber risk.

Risk Culture

Risk management is integral to all aspects of the Bank's business and operations and is the responsibility of all employees across the Bank. In line with regulatory requirements and industry leading practices, the Bank subscribes to the principle that "Risk and Compliance is Everyone's Responsibility" and hence, risk management is a core responsibility of the respective businesses and operating units. This has been articulated and documented in the Bank Risk Management Framework.

Guided by the said principle, the Bank has implemented on-going Risk Culture and Awareness programme which comprises training and awareness campaigns, throughout the Bank to promote a healthy risk culture. A strong risk culture minimises the Bank's exposure to financial and non-financial risks including reputational impact, over time.

In addition, the Bank has implemented the Business Risk & Compliance Officer ("BRCO") programme that aims to cultivate proactive risk and compliance management and to establish a robust risk culture. The implementation of the BRCO programme is in line with the 'Three Lines of Defense' model practiced globally. There is clear accountability of risk ownership across the Bank. The model is as below:



Risk Management Process

The risk management process identifies, assesses and measures, controls, monitors and reports/analyses risk. This ensures that risk exposures are adequately managed and the expected return compensates for the risk taken.

- Identification:** The identification and analysis of the existing and potential risks is a continuing process, in order to facilitate and proactive and timely identification of risk within the Bank's business operations including emerging risks. This ensures that risks can be managed and controlled within the risk appetite of the Bank, where necessary.
- Assessment and Measurement:** Risks are measured, assessed and aggregated using comprehensive qualitative and quantitative risk measurement methodologies, and the process also serves as an important tool as it provides an assessment of capital adequacy and solvency.

Internal Control Report

ORGANISATION OF INTERNAL CONTROL SYSTEM (CONTINUED)

- **Controlling:** Risks identified during the risk identification process must be adequately managed and mitigated to control the risk of loss. This is also to ensure risk exposures are managed within the Bank's risk appetite.
- **Monitoring:** Effective monitoring process ensures that the Bank is aware of the condition of its exposures vis-à-vis its approved appetite and to facilitate early identification of potential problem on a timely basis by using continuous and on-going monitoring of risk exposures and risk control/mitigation measures.
- **Analytics and Reporting:** Risk analysis and reports are prepared at the entity level as well as business level and are regularly escalated to the senior management and relevant Boards to ensure that the risks identified remain within the established appetite and to support an informed decision-making process. Reporting and Analytics are also being continuously enhanced to provide risk intelligence to relevant stakeholders within the Bank to facilitate more effective decision making.

In addition, risk management seeks to ensure that risk decisions are consistent with strategic business objectives and within the risk appetite.

Risk Documentation

The Bank recognises that effective implementation of the risk management system and process must be supported by a robust set of documentation and infrastructure. To this end, the Bank has established frameworks, policies and other relevant control documents to ensure clearly defined practices and processes are implemented consistently across the Bank. These documents are subject to a robust review process to ensure they remain current.

Risk Infrastructure

The Bank has organised its resources and talents into dedicated risk management functions, and invested in technology, including data management, to support the Bank's risk management activities. Staff have clear roles and responsibilities, given access to relevant and up-to-date risk information, and the latitude to continuously enhance competency through learning and development programs.

Risk systems and tools are designed to provide accessibility of risk information that complement the risk management process. The availability of data for analytics and monitoring and dashboards and reporting assists in continuously enhancing risk management

capability. The Bank's Risk Management Report have evolved to be more analytically-driven dashboards which include elements of quantitative and qualitative forward-looking projections.

Effective risk management requires the Bank to continuously review its risk management capabilities to effectively manage risk and to improve risk management practices across the Bank. Therefore, the Bank has embarked on transformation journeys striving for improvements for better efficiency and effectiveness.

◆ INTERNAL CONTROL SYSTEM

The Bank's system of internal control is designed to manage and reduce risks that will hinder the Bank from achieving its goals and objectives. It encompasses the policies, procedures, processes, organisational structures and other control aspects that are implemented to ensure the achievement of the Bank's objectives in operational effectiveness and efficiency, reliable financial reporting and compliance with laws, regulations and internal policies.

The key processes established by the Board that provide effective governance and oversight of internal control systems include:

CONTROL ENVIRONMENT AND CONTROL ACTIVITIES

Organisation Structure

The Bank has a formal organisational structure with clearly defined lines of accountability and responsibility, authority limits and reporting. The organisational structure provides the basic framework for ensuring that the Bank's business and operations operate smoothly as well as depicting the span of control in ensuring effective supervision of day-to-day business conduct and accountability.

Sustainability Management

The Board is responsible for setting the overall strategic direction of the Bank's sustainability and climate-related strategy, towards ensuring alignment with the Bank's long-term goals and corporate strategy, regulatory expectations, government directives and industry best practices. The Board provides strategic oversight of the Bank's sustainability and climate-related initiatives, as well as material Environment, Social and Governance ("ESG") matters across the Bank's overall business strategy. The MRC is responsible in driving the strategic execution of the Bank's sustainability and climate agenda and report to the Board.

Internal Control Report

ORGANISATION OF INTERNAL CONTROL SYSTEM (CONTINUED)

Policies and Guidelines

Policies, guidelines and processes governing the Bank's businesses and operations are documented and communicated bank-wide as well as made available to employees through the Bank's intranet portal for ease of reference and compliance. These policies, guidelines and processes are reviewed and updated by the business and functional units through a structured review and approval process to cater to changes in laws and regulations as well as changes to the business and operational environment.

Authority Limits

The Board has approved the Bank Approving Authority Matrix ("AAM") which defines the approving authority with its approving limits for the various levels of Management in the Bank. Accordingly, the Management is empowered to discharge their responsibilities and be accountable for their decisions and actions. The Bank AAM is reviewed periodically and updated in line with changes in the organisation structure, business environment or operational needs.

Technology and Cyber Risk Management

The Bank regards Technology and Cyber Risk Management as a very high priority to ensure the confidentiality, integrity and availability of the Bank's information assets and IT infrastructure.

IT security in the Bank is achieved through the implementation of a risk-based control approach covering people, process and technology. Technology and Cyber Risk Management framework, policies, standards, guidelines and procedures are well established and supported by proper organisational structures with competent resources. A defence in-depth strategy is used, where multiple layers of Technology and Cyber Risk Management controls are enforced throughout the IT infrastructure and system. Equally important to the technology and process controls is the continuous programme to raise the level of security awareness of staff of all levels, including Board members and third-party technology service providers.

Budgeting Process

A robust budgeting process is established requiring all key operating departments in the Bank to prepare budgets and business plans annually for approval by the Board. The Bank's budget and business plans as well as strategic initiatives, taking

into account the established risk appetite, go through challenge session with Management prior to deliberation at the Board where the Bank budget is presented.

Human Capital Management

One of the key constituents of any internal control system is its people and that our system of risk management and internal control is dependent on the responsibility, integrity and sound judgement that employees apply to their work. Hence, the Bank has in place policies and procedures that govern recruitment, appointment, performance management and rewards as well as matters relating to discipline, termination and dismissal.

The Bank places emphasis on developing human capital in alignment with its vision of cultivating the Best People in the Best Bank. The Human Resource Department ("HRD") strategic priorities are focused on building a future-ready workforce, strengthening employee performance, creating a winning culture that encourages employee retention and driving transformation excellence in HRD to better serve the Bank.

To drive growth and foster a thriving workforce, the Bank focuses on optimising its headcount and workforce mix to ensure maximum value in delivering business strategies. To enhance employee competencies, technical and future skills trainings, development of competency framework, as well as management and leadership workshops are provided to employees. In managing talents, initiatives such as leadership development programmes, Individual Development Plans and mentoring are implemented to develop identified talents in the Bank to strengthen its leadership pipeline and succession planning. For sustainable growth, the Bank has created a progressive environment for employees through strong employer branding, engagement initiatives and employee support channels.

Additionally, the Bank implements mandatory learning (both physical and online) not only for regulatory compliance purposes, but also to enhance risk management, customer satisfaction, operational efficiency, and ethical standards. The Management reviews the list of mandatory learnings annually to ensure alignment with current regulatory requirements and business needs.

Code of Ethics and Conduct

The Bank Code of Ethics and Conduct ("the Code") is established to ensure a high standard of ethical and professional conduct is upheld by all employees in performing their duties and responsibilities. It is a requirement that all employees of the Bank

Internal Control Report

ORGANISATION OF INTERNAL CONTROL SYSTEM (CONTINUED)

understand and observe the Code. New recruits are briefed on the Code and are required to sign the Employee Declaration of Compliance Form upon joining the Bank.

Gifts and Hospitality Guideline

The Bank has also established the Gifts and Hospitality Guideline to promote integrity and transparency for giving and receiving gifts, as well as ensuring business entertainment activities are conducted ethically. The Guideline complements the Code and both documents are designed to help the Bank and its employees understand the respective parties' obligations in upholding corporate integrity and transparency about gifting.

Anti-Bribery and Corruption Policy

The Bank is committed to conducting its business in accordance with the law on Anti-Corruption 2010 and all other applicable laws and regulations. This also reflected in RHB's zero tolerance stance on bribery and corruption in line with its core shared values. The Bank Anti-Bribery and Corruption Policy set out the guiding principles to support the Bank's business operations and assist the employees in upholding corporate integrity and the Bank's reputation.

Anti-Money Laundering and Counter Financing of Terrorism Policy

The Bank Anti-Money Laundering and Counter Financing of Terrorism ("AML/CFT") Policy was revised and updated in 2023, in accordance with Cambodia's Law on Anti-Money Laundering and Combating the Financing of Terrorism 2020 and Cambodia Financial Intelligence Unit's standards on AML/CFT. It sets out the high-level standards towards building a stronger and robust AML/CFT compliance regime within the Bank, facilitates consistency in managing the AML/CFT compliance risk across the Bank, and sets out the Bank's policy statements in respect of the general principles and key measures to which the Bank adheres to.

Pursuant to the Bank AML/CFT Policy, the entity and/or employees within the Bank are required to adopt Risk Based Approach ("RBA") for customer acceptance and to implement the AML/CFT Compliance Programme framework. The RBA is applied for the assessment on customer due diligence ("CDD") requirements, monitoring of customer activities/transactions, reporting of suspicious transactions, record keeping, AML/CFT training, protection of customer information, and enforcement actions for

non-compliance to the requirements.

The Bank AML/CFT Policy also outlines the roles and responsibilities as well as establishes clear accountability of the Board, Senior Management and all employees within the Bank.

The policy also reinforces that the Board has responsibility for establishing the AML/CFT policies/guidelines while the Senior Management is accountable for the implementation and management of AML/CFT compliance programs in accordance with the policies and guidelines as approved by the Board.

The Bank had also conducted a review and subsequently revised the Bank's Sanction Policy to demonstrate its strong commitment in combating AML/CFT risk and to ensure compliance with all applicable AML/CFT. As such, the Bank has enhanced the Bank's Sanctions Policy to be more stringent under certain circumstances than the requirements stipulated in the current laws and regulations. Restrictions and prohibitions of the policy were enhanced to mitigate the risk of breach of sanctions and to continue to uphold the zero-tolerance policy towards sanctions breaches or non-compliances.

Fraud Risk Management Policy

The Bank's Fraud Risk Management Policy is designed to ensure consistent organizational behaviour by developing, implementing and regular reviewing strategies for fraud prevention, detection and response. The Policy established the core governing principles for managing fraud risk within the Bank which include leadership and ethical culture, fraud awareness and prevention, fraud control and detection, fraud reporting and escalation as well as fraud response with appropriate corrective actions. It also articulates the roles and responsibilities of the Board, Senior Management and other stakeholders within the Bank on fraud risk management.

INFORMATION AND COMMUNICATION

Performance Review

Regular and comprehensive information is provided by Management to monitor its performance against the strategic business plan and the annual budget approved by the Board. This information covers all key financial and operational indicators as well as key strategic initiatives undertaken by the Bank during the year.

The Board and Management Committee ("MANCO") receive and review financial reports on the Bank's monthly financial

Internal Control Report

ORGANISATION OF INTERNAL CONTROL SYSTEM (CONTINUED)

performance against approved targets and the reasons for any significant variances as well as and measures that are being put in place to meet such targets.

The heads of the core businesses and functions in the Bank present their respective management reports to the MANCO at its monthly meeting, covering areas such as financial performance, key activity results and new business proposal or process for information of and deliberation by the MANCO.

Whistleblowing Policy

To ensure employees are accorded the opportunity to raise concerns without the fear of reprisal, A Whistleblowing Policy ("WBP") was established by the Bank with last updated in November 2023. The WBP provides proper mechanism and minimum standard to be adhered by the Bank in dealing with disclosure of questionable actions or wrong doings by personnel within the Bank and the Bank's Business Partners. The WBP also provides a primary designated whistleblowing channel, namely kh.whistleblowing@rhbgroup.com.kh.

Incident Management Reporting

To complement the Bank's internal control monitoring, a comprehensive incident management reporting guideline has been implemented to ensure proper escalation and management of incidents according to the level of severity. The established incident management reporting process ensures that all incidences with material risk and losses are escalated promptly to Senior Management and the Board with necessary steps taken to mitigate any potential risks that may arise. Periodic monitoring and updating on the progress of the incidents until resolution enables the decision makers to undertake informed decision-making and be kept up to date on situations as well as manage risks effectively.

MONITORING

Board Committees

The Board has in place, Board Committees that are set up to support the Board in its oversight function. The Board Committees include the BRC, BAC, Board Remuneration & Nomination Committee and Board Credit Committee. These Board Committees have been delegated with specific duties to review and consider all matters within their scope of responsibility as defined in their respective Terms of Reference.

Management Committee

The MANCO comprises the Chief Executive Officer/Executive Director as the Chairman and the key Senior Management of the Bank. The MANCO provides the leadership and direction in the implementation of strategies and policies approved by the Board and meets monthly to discuss and deliberate strategic matters that impact the Bank's operations.

Compliance

Compliance is the collective responsibility of the Board, Senior Management and every employee of the Bank. The compliance function forms an integral part of the Bank's risk management and internal control framework. In view that a strong compliance culture reflects a corporate culture of high integrity and ethics, everyone is expected to promote self-regulation and be accountable for their own activities while maintaining ethical principles and behaviour.

In addition to day-to-day monitoring, Bank Compliance's commitment towards instilling a strong compliance culture across the Bank is demonstrated through the establishment of a robust compliance monitoring framework which includes, amongst others, implementation of comprehensive compliance policies, frequent compliance reviews, regular engagement sessions with business/functional units and branches, annual compliance risk assessment to identify high risk areas and conduct of regular training/awareness sessions across the Bank to ensure that all employees are well informed of the latest regulatory requirements and expectations.

◆ BOARD AUDIT COMMITTEE

The BAC is directly accountable to the Boards and the Board will continue to be accountable for all matters relating to the Bank.

Term of Reference of the Board Audit Committee

Objective

1. Provide independent oversight of the Bank on the financial reporting and internal control system, and ensuring checks and balances for entities within the Bank.
2. Review the quality of the audits conducted by internal and external auditors.
3. Provide a line of communication between Board and external auditors.

Internal Control Report

ORGANISATION OF INTERNAL CONTROL SYSTEM (CONTINUED)

4. Reinforce the independence of the external auditors and thereby help assure that they will have free rein in the audit process.
5. Provide emphasis on the internal audit function by increasing the objectivity and independence of the internal auditors and provide a forum for discussion that is, among others, independent of the Management.
6. Enhance the perceptions held by stakeholders (including shareholders, regulators, creditors and employees) of the credibility and objectivity of financial reports by ensuring information provided to the public is clear, accurate and reliable.
7. The Committee shall be assisted by the Management, who is responsible for establishing and maintaining the controls, procedures, process advice and recommendation.
8. Delegate any of its responsibilities to any person or committee(s) that is deemed fit. (i.e. Delegate investigative duties to independent external firms to maintain independence for investigations that involve Board members).
9. Approve the audit plan and budget plan (training and mission) for the Internal Audit Department
10. Convene meetings with the external auditors, the internal auditors or both, excluding the attendance of other directors and employees of the Bank, and with other external parties, whenever deemed necessary.
11. Investigate any activity within its terms of reference, and
12. The Chairman of BAC should engage on a continuous basis with senior management, such as the Chief Executive Officer, Head of Operations, Head of Finance, Treasury & Strategy and Head of Internal Audit and the external auditors in order to be kept informed of matters affecting the Bank.

Authority

The BAC shall, within its terms of reference, have the authority to:

1. Investigate any matter within its terms of reference, to obtain the resources which it needs, and to have full and unrestricted access to relevant information. It is also authorized to seek any information it requires from any employee of the Bank and all employees are directed to co-operate with any request made by the BAC.
2. Sign-off the Annual Internal Report and/or any reports as required by regulators and applicable laws.
3. Have direct communication channels with the external and internal auditors.
4. Be accorded the resources including full and unrestricted access to any information which are required to perform its duties.
5. Form or establish the management/ sub-committee(s) if deemed necessary and fit.
6. Obtain independent professional or other advice and to invite outsiders with relevant experience and expertise to attend meetings, if it considers this necessary.
7. Invite the internal/external auditors, the Executive Director/ Group Executive Director, any other directors or members of the Management and employees of the Group to be in attendance during meetings to assist in its deliberations.

Duties and Responsibilities

The BAC is directly accountable to the Boards and the Board will continue to be accountable for all matters relating to the Bank.

The following are the duties and responsibilities of the BAC:

1. Internal Audit

- i. To oversee the functions of the Internal Audit Department and ensure compliance with the relevant legal and regulatory requirements including fair and transparent and timely reporting of the Bank's financial statements;
- ii. To ensure that the Internal Audit Department is distinct and has the appropriate status within the overall organizational structure for the internal auditors to effectively accomplish their audit objectives;
- iii. To review the effectiveness of internal controls and risk management processes, including the scope of the internal audit program and the appropriateness of the risk assessment methodology employed to determine the frequency and scope of audits;
- iv. To review the adequacy of the scope, functions, competency and resources of the internal audit function and that it has the necessary authority to carry out its work;

Internal Control Report

ORGANISATION OF INTERNAL CONTROL SYSTEM (CONTINUED)

- v. To review and approve the internal audit plan and to review the results of the internal audit program or investigation undertaken and whether appropriate action is taken by Management on the recommendations of the internal auditors;
- vi. To ensure that the reporting relationships of the internal audit staff do not impede the exercise of independent judgment by the internal auditors. In particular, the reports of internal auditors should not be subject to the clearance of the Chief Executive Officer/Executive Director or any executive directors;
- vii. To ensure that all findings and recommendations are reviewed and resolved effectively and in a timely manner;
- viii. To conduct periodic controls that is independent from permanent controls on a periodic basis and report on its findings to the Chairman of the BAC;
- ix. To ensure that Internal Audit Department is adequately staffed and receives necessary training to perform audit work. There shall be a program of continuing education and training to enable the internal auditors to keep abreast of business trends and latest developments at both the institution and industry levels, as well as to enhance technical skills required to effectively support the audit function;
- x. To appraise the performance of the Head of Internal Audit and to review the appraisals of senior staff members of the internal audit function (where necessary). The Head of Internal Audit shall report directly to the Chairman of the BAC;
- xi. To recommend for the Board's approval on any appointment, set compensation, evaluate performance, transfer or termination of the Head of Internal Audit and senior staff members of the internal audit function. Also, to review any resignations of Head of Internal Audit and internal audit staff members and provide resigning staff an opportunity to submit reasons for resigning, where necessary;
- xii. To ensure any change with regards to the position of the Head of Internal Audit is communicated and notified to the National Bank of Cambodia; and
- xiii. To review, deliberate and/or approve the Conflict of Interest involving with Key Persons (Directors and key Senior Management Officer) that may arise within the Bank as per Bank's Framework/Policy/Guideline on Conflict of Interest.

2. External Audit

- i. To review the non-audit services rendered by the external auditors together with the related fees for recommendation to the Board for approval;
- ii. To recommend to the Board on the appointment and the annual re-appointment of the external auditors and assessing their audit fee, after taking into consideration the independence and objectivity of the external auditors and the cost effectiveness of their audit as well as removal of the auditors;
- iii. To assess objectivity, performance and independence of external auditor (e.g. by reviewing and assessing the various relationships between the external auditor and the Bank or any other entity);
- iv. To review with the external auditors whether the employees of the Bank have given them appropriate assistance in discharging their duties;
- v. To review with the external auditors, the nature and scope of their audit plan, their evaluation of the system of internal controls and their management letter and discuss any matter that the external auditors may wish to raise in the absence of Management, where necessary;
- vi. To regularly review the audit findings and ensure that issues are being managed and rectified appropriately and in a timely manner;
- vii. To discuss and review with the external auditors any proposal from them to resign as auditors;
- viii. To review the non-audit services rendered by the external auditors together with the related fees for recommendation to the respective Boards for approval in accordance with the Policy and the Cambodian applicable regulations on Non-Audit Fees payable to the external auditors to ensure non-audit services does not interfere with the exercise of independent judgment of the auditors;
- ix. To review the co-ordination of audit approach where more than one audit firm of external auditors is involved; and
- x. To meet with the external auditors without the presence of the Management or any executive Board members and upon the request of the external auditors, the Chairman of the BAC shall convene a meeting to consider any matter which the external auditors believe should be brought to the attention of the respective Boards or shareholders.

Internal Control Report

ORGANISATION OF INTERNAL CONTROL SYSTEM (CONTINUED)

3. Financial Reporting

To review the year-end financial statements of the Bank for recommendation to the Board for approval, focusing particularly on:

- i. Changes in or implementation of major accounting policy changes.
- ii. Significant matters highlighted including financial reporting issues, significant judgments made by Management, significant and unusual events or transactions, and how these matters are addressed.
- iii. The relevance of accounting methods used to prepare the individual and consolidated accounts (if any).
- iv. Compliance with accounting standards and other legal requirements.

4. Related Party Transactions:

To review any related party transaction and conflict of interest's situation that may arise within the Bank, including any transaction, procedure or course of conduct that raises questions of management integrity

5. Integrity & Governance Matters:

- i. To oversee issues of corruption, integrity and whistleblowing within the Bank.
- ii. To assist the Board of RHBBCP to effectively discharge its responsibility on anti-corruption, institutional integrity and good governance for Bank.
- iii. To receive updates on on-going investigations relating to corruption and other unethical behaviors within the Bank.

6. Other Matters:

- i. To ensure independent review of risk management and capital management processes relating to the Internal Capital Adequacy Assessment Process (ICAAP) for their integrity, objectivity and consistent application, is conducted;
- ii. To review inspection and examination reports issued by any regulatory authority and to ensure prompt and appropriate actions are taken in respect of any findings;

- iii. To review the minutes of meetings of BAC and be satisfied that all matters arising therefrom are being appropriately addressed by management; and
- iv. To perform any other function as authorized by the Board.

Reporting

The Committee reports to the Board.

Composition of BAC

1. Membership

- i. The chairman and the BAC members shall be recommended by the Board Remuneration and Nomination Committee ("BRNC") and approved by the Board of the Bank.
- ii. The Chairman of the BAC shall be an Independent Non-Executive Director.
- iii. In the absence of the Chairman, Alternate Chairman shall be appointed by the members who are present. In the event of equal number of votes, the Chairman or the Alternate Chairman (in the absence of Chairman) may exercise discretion in providing a casting vote during deliberation.
- iv. The BAC shall consist of a minimum of three (3) members with at least two (2) of whom (including the Chairman of the BAC) shall be an independent director with experience in finance and accounting, and an independent director with background in law and banking.
- v. If a member retires or resigns from the BAC with the result that the number of members reduces to below three (3), the Board may appoint a new member of the BAC as soon as able to find a qualified successor.
- vi. No BAC member shall be employed in an executive position in the Bank, or otherwise have a relationship which in the opinion of the Board will interfere with the exercise of independent judgment in carrying out the functions of the BAC. In addition, members of the BAC shall not be directly responsible for, or part of any committee involved in, the management functions within the Bank.
- vii. Collectively, the BAC shall have a wide range of necessary skills to undertake its duties and responsibilities and are expected to be familiar with the areas included in the scope of internal audit, including the area of risk management.

Internal Control Report

ORGANISATION OF INTERNAL CONTROL SYSTEM (CONTINUED)

2. Tenure of BAC members

A Director who is appointed as a member of the BAC shall hold position for a period of up to Two (2) years which, upon the discretion of the Board, be extended for an additional period. The Board may appoint or re-appoint members to the BAC from time to time as it deems fit.

Meeting and Minutes

1. The BAC shall preferably meet at least once in every three (3) months, but in any event, no less than four (4) times per year, or whenever deemed necessary;
2. The quorum of the meetings shall be at least 50% of the total members (including Chairman);
3. The Notice of the meeting shall be given in advance of the meeting. The notice must include details of the venue, date and time of the meeting. The agenda and accompanying meeting papers should be sent in full to all members of committee in a timely manner before the intended date of a meeting of the committee;
4. The BAC is also allowed to carry out the resolution by way of circulation;
5. Resolution can be made by a majority (50%+1) of the members which can be in the form of verbal or non-verbal expression. A special resolution can be made through email or at a meeting;
6. The Head of Internal Audit is a permanent invitee of the meeting. The BAC may invite the external auditors, Chief Executive Officer, Head of Operations, Head of Finance, Treasury & Strategy, any other directors or members of the Management and employees of the Group to be in attendance during the meetings to assist in its deliberations;
7. The BAC may meet together in any place within or outside Cambodia. The BAC may regulate their meetings as deemed fit by means of any communication technology by which all persons participating in the meeting are able to hear and be heard by all other participants without the need for a member to be in the physical presence in the meeting. The member participating in any such meeting shall be counted in the quorum for such meeting. All resolutions agreed by the member in such meeting shall be deemed to be as effective as a resolution passed at a meeting in person of the members duly convened and held;

8. Resolutions, proposals and matters tabled for approvals at any meeting of the BAC shall be decided by a simple majority of the members present;
9. The Chairman shall nominate any person as Secretary and minutes of meetings shall be taken;
10. Minute of meeting shall be recorded, extract and put in writing by the secretary and submitted to the members as an agenda in the next meeting for approval and signing. The Minutes of meeting shall be signed and initialed by Chairman or Acting Chairman (in the absence of Chairman). The minutes of the meeting shall record the entire proceeding of the meeting including the information of any suggestions, comments and concerns of the members and/or invitees during the discussion and deliberation; and
11. Minutes of each BAC meeting shall be kept and distributed to all members of the BAC. The minutes of the BAC meeting shall be presented at the Board Meeting and the Chairman or the Acting Chairman (in the absence of Chairman) of the BAC shall report on material issues which have been deliberated at BAC meeting to the Board.

Secretariat

1. The Head, Corporate Services or representative from Corporate Services Department shall be the Secretariat for BAC.
2. Details of the activities of the BAC, the number of audit meetings held in a year, details of attendance of each member in respect of meetings, and the details of relevant training attended by each member should be documented in an informative way.

Confidentiality of Information

All members of the BAC and its invitees shall treat any information disclosed in the BAC meetings to be privy and highly confidential. Materials shall be provided to those participating in the committee meeting by way out hard or softcopy in advance of the meeting.

Disclosure

The following activities, among of the BAC should be disclosed as part of the Internal Control Report in the Annual Report of the Bank as follows:

1. Membership of the BAC;
2. Roles/Responsibilities of the BAC;

Internal Control Report

ORGANISATION OF INTERNAL CONTROL SYSTEM (CONTINUED)

3. Number of the BAC meetings held as well as attendance of meetings by BAC members;
4. A summary of the work of the BAC in the discharge of its functions and duties for the financial year and how it has met its responsibilities; and
5. A summary of the work of the internal audit function.

Composition and Attendance of Meetings

A total of five (5) BAC meetings were held during the financial year ended 31 December 2024. The BAC comprises the following members and the details of attendance of each member at the BAC meetings held during the year are as follows:

Composition of BAC	Number of Meetings Attended
Lim Cheng Teck Chairman/Independent Non-Executive Director	5/5
Chin Yoong Kheong Member/Independent Non-Executive Director	5/5
Wendy Ting Wei Ling Member/Non-Independent Non-Executive Director	5/5

The BAC meetings were also attended by the Chief Executive Officer/Executive Director and the Head of Internal Audit while the attendance of other Senior Management is by invitation, depending on the matters deliberated by the BAC.

Where required, Management of the relevant functions were also invited to the BAC meeting to provide explanations on the control lapses and remediation measures undertaken arising from matters highlighted in the audit reports.

Deliberations at the BAC meetings were robust and detailed. Key matters deliberated at the BAC meetings together with the BAC's recommendations and decisions are summarised and presented to the Board by the Chairman or representative of the BAC. This allows the Board to be apprised of significant matters deliberated by the BAC and for the Board to provide direction, if necessary. Extracts of the minutes of the BAC meetings held were provided to the Board for their information.

Summary of BAC Activities in 2024

The work carried out by the BAC in the discharge of its duties and responsibilities during the financial year are summarised as follows:

Financial Reporting

- a) Reviewed the annual audit financial statements of the Bank before recommending them for the Board's approval.
- b) In reviewing the financial results and financial statements of the Bank, the BAC discussed and made enquiries on, among others:
 - Changes in accounting policy and adoption of new or updated accounting standards, and its impact to the financial statements.
 - Significant matters highlighted, including any significant judgement and assumptions made by the Management.
- c) Discussed with the external auditors on the following matters as highlighted in their Communication with Board Audit Committee Report for the financial year ended 31 December 2023:
 - Significant audit and accounting matters including credit and impairment assessment;
 - Internal control recommendations;
 - Tax related matters; and
 - Summary of corrected and uncorrected misstatement.

Internal Control Report

ORGANISATION OF INTERNAL CONTROL SYSTEM (CONTINUED)

Internal Audit

- a) Reviewed and approved the annual audit plan for the financial year 2024 to ensure adequacy of scope, coverage and resources as well as competency of internal auditors.
- b) Reviewed the audit activities undertaken by Internal Audit for the financial year covering the planned audit assignments.
- c) Reviewed and approved the Balanced Scorecard for the Head of Internal Audit. Appraised the performance of the Head of Internal Audit and recommended for Board's approval on the performance rewards for the Head of Internal Audit.
- d) Reviewed and deliberated on internal audit reports, audit recommendations, risk & impact and Management's responses to these recommendations as well as the root causes and timely remedial actions taken by Management to improve the system of internal controls and its processes on the areas highlighted.
- e) Reviewed and noted on the tracking of the rectification of internal audit findings to ensure that the findings are resolved effectively and in a timely manner.

External Audit

- a) Reviewed the 2024 audit plan of the external auditors for the Bank covering the audit strategy, risk assessment and areas of audit emphasis for the year.
- b) Reviewed with the external auditors, the results of their audit together with their recommendations and Management's response to their findings, and provided the BAC's views and directions on the areas of concern where necessary.
- c) Met with the external auditors on 16 February 2024 without the presence of Management to enable the external auditors to discuss matters with the BAC privately.
- d) Reviewed the external auditors' performance and independence before recommending them to the Board for reappointment as external auditors for the Bank.

Related Party Transactions

Reviewed related party transactions as disclosed in the financial statements and the adequacy of Bank's procedures in identifying, monitoring, reporting and reviewing related party transactions.

PERMANENT CONTROL

The risk-taking departments are responsible for the day-to-day management of risks inherent in their business activities. Risk Management is responsible for providing risk oversight for major risk categories, ensuring the core risk policies are consistent and overseeing the execution of various risk policies and related decision of the board.

Compliance is responsible for assessing and reviewing the compliance risk; establishing and regularly reviewing regulatory compliance risk policies and guideline, methodologies, tools and template to ensure they remain current and appropriate; monitoring the compliance within the Bank and reporting findings to the Management/Board and maintaining independent oversight and reporting compliance with law, rules, policies & standards.

Permanent control functions have direct report line to BRC whose duties and responsibilities is to provide oversight to ensure that the Bank's business and operational activities, including new activities and products introduced are consistent with the risk appetite, short and long-term strategic goals as set by the Board.

In running and growing its business, the Bank is committed to upholding good corporate governance principles, regulatory requirements and international best practices. To serve as important guides for the Bank as it continuously evolves to meet the growing demands for implementing compliance best practices throughout the Bank's businesses. The Bank frameworks, policies, guidelines and manuals regarding permanent control function have been established and regularly reviewed by the Bank.

PERIODIC CONTROL (INTERNAL AUDIT)

The Internal Audit ("IA") function provides independent assurance to the Board on the adequacy and effectiveness of the Bank's risk management, internal control and governance processes implemented by the Management. IA operates within the framework defined in its Internal Audit Charter which is approved by the Board. IA's activities conform with the Institute of Internal Auditors' International Standards for the Professional Practices of Internal Auditing and the requirements set out by the relevant regulators on the internal audit function.

The Head of Internal Audit reports functionally to the BAC and administratively to the Chief Executive Officer/ Executive Director to maintain the internal audit's impartiality and objectivity. To further preserve the independence of the internal audit function, the Head of Internal Audit's appointment and performance appraisal, as well as the Internal Audit's scope of work and resources, are approved by the BAC.

Internal Control Report

PERIODIC CONTROL (INTERNAL AUDIT) (CONTINUED)

The internal audit universe covers all key activities of the Bank, including that of its branches, all the business and support functions within the Bank. IA adopts a risk-based approach in determining the auditable units and frequency of audits in line with the Bank's key risks, strategies and areas of focus, which are identified based on IA's risk assessment methodology. The risk-based internal audit plan is approved by the BAC annually.

Audits are conducted in accordance with the approved audit plan while investigations and ad-hoc reviewed are carried out as requested by Management, the Board or regulators. Investigations into whistleblowing cases are conducted by IA. The outcomes of these investigations are reported to the BAC for deliberation and the Board for notation. Audit reports detailing the audit findings, root causes and impact, IA's comments and recommendations, and Management's response are tabled to BAC on a quarterly basis.

Internal Audit Charter

The Internal Audit Charter ("Audit Charter") defines the purpose, authority and responsibility of the internal audit function and is approved by the Board. The approved Audit Charter is published in the Bank's public shared drive, which can be viewed by all employees of the Bank.

The Audit Charter is reviewed by the Head of Internal Audit every two years or as and when necessary to assess whether the IA's purpose, authority and responsibility, as defined in the Audit Charter, continue to be adequate and relevant to enable the internal audit function to accomplish its objectives.

Internal Audit Resources

The Head of Internal Audit, in consultation with the BAC and the Chief Executive Officer/Executive Director, decides on the appropriate resources required for the IA taking into consideration the size and complexity of the operations of the Bank.

As at 31 December 2024, IA has 7 internal auditors with relevant academic/professional qualifications and experience to carry out the activities of the internal audit function. The costs incurred for maintaining the internal audit function for the financial year 2024 amounted to USD229,942.

Professional Proficiency

The Head of Internal Audit ensures that the internal auditors are suitably qualified and provided with the necessary trainings and continuous professional development for the purpose of enhancing their audit and relevant technical skills to perform their duties and responsibilities.

The internal auditors have either obtained or are currently pursuing the relevant certification programmes to equip themselves with the necessary knowledge of the subject matter applicable to their functions.

Based on each staff's Individual Development Plan for the year 2024, the internal auditors attended the relevant technical, leadership and management courses and Future Skills Programme offered by RHB Academy, internal and external programmes.

Internal Audit Quality Assurance Review

To ensure effectiveness of the internal audit function, the Group Chief Internal Auditor ("CIA") has developed and maintained a quality assurance and improvement programme that covers all aspects of the internal audit activities within the Group. The quality assurance programme assesses the effectiveness of processes within the internal audit function and identifies opportunities for improvement through both internal and external assessments.

The internal assessment is performed according to the approved annual Quality Assurance Review ("QAR") plan by a Quality Assurance & Governance Centre of Excellence ("CoE") team within Group Internal Audit ("GIA"). The Head of Quality Assurance & Governance CoE function reports directly to the Group CIA to maintain its independence of the internal audit activities within GIA.

In addition to the internal assessment, external quality assessment is conducted once every five years by qualified external assessor. The appointment of independent external assessor is subject to the Group's established procurement process and endorsed by the BAC.

The external quality assessment covered a broad scope that includes conformance with the Definition of Internal Auditing, the Standards and the Code of Ethics, and the internal audit charter, audit plan, policies and procedures in line with the requirements of the International Standards for the Professional Practice of Internal Auditing of the IIA, regulatory guidelines and industry best practices.

Internal Control Report

PERIODIC CONTROL (INTERNAL AUDIT) (CONTINUED)

Summary of IA's Activities

The main activities undertaken by IA during the financial year are summarised as follows:

- a) Prepared the annual risk-based audit plan for the Bank which includes the audit objectives and scope, and manpower requirements for each planned auditable unit.
- b) Conducted audits as per the approved audit plan. Areas Audited during the financial year included Branches, Digital Banking, Human Resource, Credit Management, Credit Evaluation & Review, Business Banking, IT Operations and Management and Credit Assessment.
- c) Tabled audit reports to the BAC. Monitored and followed up on the timely rectification of any reported audit findings and the underlying causes highlighted by the internal auditors. The status of any outstanding audit findings, including requests with justification for extension of rectification timelines are summarised and reported to the BAC on a quarterly basis.
- d) Reviewed new or updated framework, policies and guidelines as requested by Management to provide feedback on the adequacy of internal controls to address the relevant risks.
- e) Participated in new IT system or new product development activities to provide recommendations upfront on the relevant control features to be considered by Management.
- f) Attended Management meetings as permanent invitee on a consultative and advisory capacity to provide independent feedback where necessary on internal control related matters.

- g) Prepared the Annual Internal Control Report for submission to the National Bank of Cambodia and for inclusion in the Annual Report of RHB Bank (Cambodia) Plc for the year 2023 upon approval by the BAC.

OUTSOURCED ACTIVITIES AND SERVICES

Outsourcing policy is to set out a consistent approach for managing and mitigating risks arising from outsourcing activity across the Bank, aligned with relevant regulatory standards. Outsourcing activities are defined as below.

- Outsourcing arrangement is defined as an arrangement in which Service Provider ("SP") performs an activity on behalf of the Bank (i.e. Bank's operations, process, function, etc.) on a continuing basis at predetermined fee, where the activity is normally or could be undertaken by the Bank.
- The activity that is being carried out by SP may involve transmission of the Bank's proprietary or customer information, process, and/or the Bank's internal process, methodology or technology being communicated to the SP.

The governance principles for outsourcing are:

- a) Retain the ultimate responsibility on the activities outsourced
- b) Undergo adequate assessment on the outsourced activities
- c) Govern the outsourcing arrangement via contract
- d) Develop contingency arrangements to ensure business continuity
- e) Ongoing monitoring and management of Service Provider
- f) Adequate measure in place to ensure preservation of information confidentiality of the Bank

The Bank currently have outsourced the following activities to the respective Service Providers:

Service Provider	Details of the outsourced activity
RHB Bank Berhad	Data processing for RHB Bank (Cambodia) REFLEX customers.
Bottomline	Provider of the platform for SWIFT services.
AWS Cloud Services	Cloud Service provide to store applications.

Internal Control Report

COMPLIANCE

Compliance Function and Structure

Compliance Department is responsible for overseeing the Bank's Compliance Function. It is led by Head of Compliance who must be officially approved by the National Bank of Cambodia & Cambodia Financial Intelligence Unit as the Bank Compliance Officer ("CO"). The Compliance Officer has direct functional reporting line to the Bank Risk Committee, the Board of Directors and reports administratively to Group Regional Compliance and CEO, without being involved in any business decision making.

Monthly Compliance Report and Status of Outstanding Issue from regulator, internal/external auditor is updated to Management, Board Risk Committee and Board of Directors by Compliance Officer on monthly and quarterly basis, while Monthly Compliance Status Report ("MCSR") is submitted to Group Compliance.

Other regulatory reports including STR was embedded in Compliance Standard Operating Procedure for Compliance staff to execute.

The specific responsibilities of CO are:-

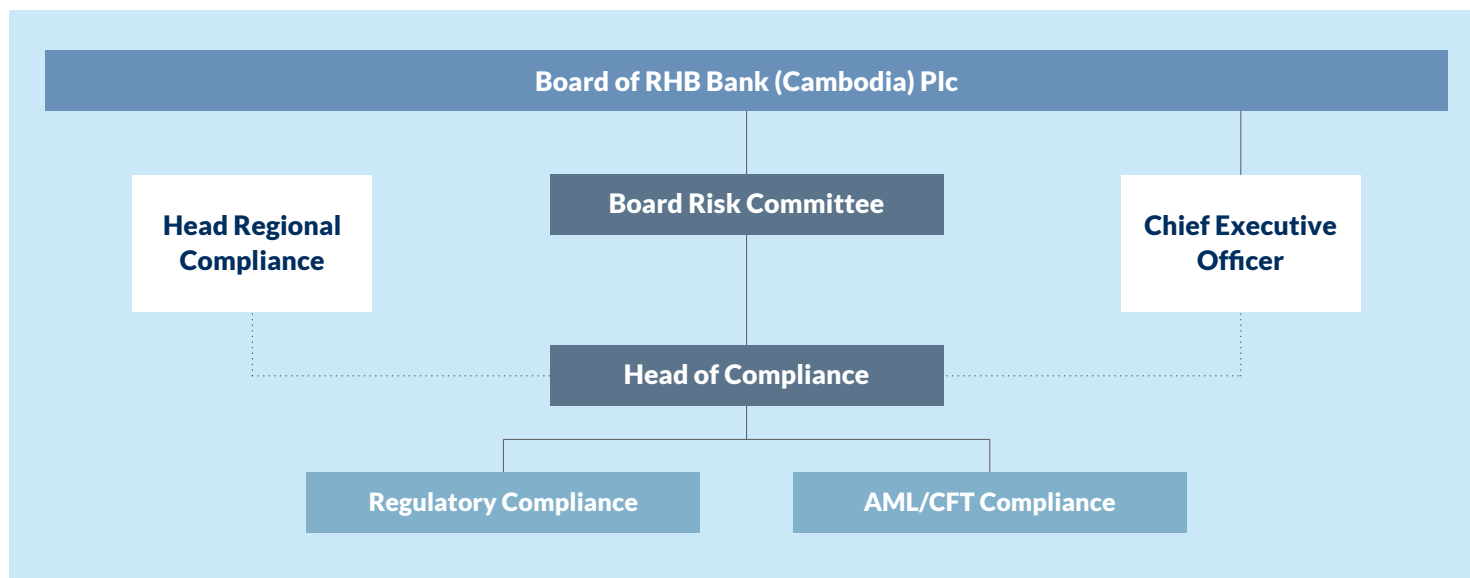
- Develop, review & implement all compliance strategy & action plan to govern overall bank policies, process, procedure, manual, guideline and banking activities while contributing to the business growth by maintaining regulatory requirements.
- Review all banking policies, manual, procedures & process and provide comments in term of compliance regulatory and AML/CFT/PF perspective.
- Ensure Bank's compliance with relevant Acts, Laws, directives and guidelines issued by the regulatory bodies, and the Bank's internal policies and procedures.

- Liaise with regulators (i.e. NBC, CAFIU) to maintain good relationship and oversee the submission of necessary reports, responses to inquiries and coordination during inspections.
- Act as the primary reference for the AML/CFT/PF measure including employee training and reporting of suspicious transactions.
- Regularly conduct compliance & AML Bank Wide risk assessment to assess the current situation and identify area for enhancement in aligning the compliance & AML/CFT/PF management practice with regulatory guidelines and industry best practices.
- Identify compliance & AML/CFT/PF risk associated with new products and services or variation to existing products and services or other new activities that expose risks to the Bank.
- Conduct compliance visits, effect surveillance programmes and ensure strict adherence to the Bank's Internal policies and procedure.
- Identify any event of non-compliance/issues of breaches and recommend remedial actions to be taken to rectify the matter in an efficient and practical manner.
- Report to the Board Committee upon identifying an event of non-compliance/issues of breaches.
- Regularly monitor and update the progress of any findings/recommendations from the regulators and ensure timely address the issues.
- Conduct briefing and training to new staff/existing staff on compliance matters, as per regulatory requirements.
- Follow-up on audit findings and conduct investigation as and when required.
- Provide monthly update on new/change regulations to Management, Board Committee and ensure the gap assessment is performed with progress follow up on action plans to ensure that the Bank has complied with the new/change regulations.

Internal Control Report

COMPLIANCE (CONTINUED)

In 2023, the organization chart of compliance department has been revised and approved by BOD as follow:



Resource Provided

There are five (5) staffs including Head of Compliance in Compliance Department responsible for compliance functions. On the job training and coaching has been used as methodology to enhance knowledge of compliance staff. Besides this, compliance staff has been provided opportunities to get trained internally and externally including core competencies and soft skills suitable to their level.

Branch Managers are nominated as Branch Compliance Officer to oversee compliance tasks at their respective branch such as conducting KYC/CDD, record keeping, ongoing due diligence, transaction monitoring and reporting suspicious transaction to Compliance Officer. The channel of Suspicious Reporting was established that allow staff to raise the STR confidentiality. Whenever receiving STR, Compliance Officer must promptly assess and determine whether there are reasonable grounds for suspicion and promptly, within 24 hours, submit the suspicious transaction report to the Cambodia Financial Intelligence Unit. The Compliance Officer shall act independently review and ensure the confidentiality to avoid tipping off. To support the AML/CFT/PF activities of the Bank, Compliance Department had conducted AML/CFT/PF training, refresher and whistleblowing sessions to all staff during the year. This ensures they are adequately equipped to fulfil their AML/CFT/PF responsibilities, obligations and detect any conflicts of interest/misconducts through the whistleblowing

reports. Additionally, all new staff required to complete e-learning course on AML/CFT/PF and pass the e-learning assessment within one month of joining the Bank. For year 2024, Compliance has conducted 15 sessions on AML/CFT/PF & Sanction Awareness to specific target audiences such as Branch Manager, Branch Support Manager, First Line of Defence, applicable for their daily practise.

Activities of Compliance Functions

Compliance Department is mainly responsible for both regulatory and AML/CFT/PF functions as follow:

1. Compliance with AML/CFT/PF

The compliance control monitoring and reporting system was implemented to evaluate the Bank's position in terms of its AML/CFT/PF practices, focusing on oversight, implementation, effectiveness and awareness. A checklist is utilized as the main component in the review, for which it formed a standardized and uniformed approach for the exercise. The review covers:

- Transaction Monitoring including Political Exposed Persons and High Net Worth
- Customer Risk profile
- Name screening

Internal Control Report

COMPLIANCE (CONTINUED)

The Annual KYC/CDD assessment and review over the banking relationship with correspondent and other relationships are conducted to ensure that the Bank is not exposed to the threat of AML/CFT/PF through the relationship.

To strengthen and improve the AML/CFT/PF monitoring, the Bank has adopted the AML system developed by RHB Banking Group. The system went live on 20 September 2020 and subsequently updates more functionalities in December 2022. The Bank has continuously improved the AML system to ensure the standardize peer with international practise. With support from parent company, the Bank has mapped the standard process and existing process to identify the gaps and those gaps are highlighted throughout the RACE project with proper actions plan to improve.

2. Regulatory Compliance with Laws and Regulations

The compliance function covers the general compliance standards and requirements that regulate the overall operations of the Bank. A comprehensive list of all applicable laws, regulations, internal policies and procedures governing the Bank's operations is maintained to ensure a clear understanding of these legislative frameworks, regulations, guidelines and policies. The escalation of new/change regulations was established for proper handling and ensure the risk owners are aware the new rules/regulations.

The Gap assessment is required to conducts from the relevant risk owners to ensure any implications from the changes highlighted with proper mitigation controls.

Compliance Department performs periodic compliance review and monitoring on applicable regulations based on developed and updated regulations checklist to ensure the Bank continue to operates in full compliance with essential and applicable regulatory requirements. Where there are non-compliance findings, process escalation is to execute to the reporting line.

New Activities and Products

The AML/CFT/PF risks associated with new activities, products and services including the introduction of new technology and process are to be identified to ensure that the risks are mitigated and under control. Compliance Department is one of the review functions to provide comments and recommendations for new activities, products and services prior to get approval from the BOD.

The procedures related to new activities, products and services shall be governed by its term of reference while the conducts of such activities, products and services shall be governed by Code of Conducts and Ethics, Compliance Policy and AML/CFT/PF Policies.

Prior to the launch of new activities, products and services, approval must be obtained from the BOD and the National Bank of Cambodia.

Conflicts of Interests

As the Bank committed to maintaining the highest standards of ethical and professional conduct, the Code of Conduct and Ethic is established to provide the guidance for the employees to help their understanding on the expected business practice, professional and personal conducts in their day-to-day activities.

In order to ensure full awareness of conflict of interest, series of training sessions were provided to all new and existing staff including memorandums, circulars and alerts escalation. In addition, Whistle Blowing Policy and Anti-Bribery and Corruption Policy were established to allow all staff to communicate directly to management/independent non-executive director on any malpractices, misdeeds, unethical conducts, or other as scoped in the Whistle Blowing Policy.

Reputational Risk

Reputational risk is defined as the risk that negative publicity regarding the conduct of the Bank and its business practices or associations, whether true or not, will adversely affect its revenues, operations or customer base, or require costly litigation or other defensive measures.

Reputational risk in the Bank is managed and mitigated through codes of conduct, governance practices and risk management practices, policies, procedures and training. The Bank has developed and implemented a reputational risk management policy. The key elements for management of reputational risk include:

- Practice good corporate governance and culture of integrity to promote execution and achievement of corporate strategies and business objective.
- Manage reputational risk within a very low risk appetite with zero tolerance for incidences that affects the Bank's reputation.
- Adopt sound risk management practices that include the practice of building "reputation capital" and earning the goodwill of key stakeholder.

Internal Control Report

COMPLIANCE (CONTINUED)

- Maintain proper mechanisms to monitor and escalate material lapses/breaches of internal and regulatory policies/guidelines that may place the Bank's reputation at risk.
- Maintain proper channels of communication in dealing with internal and external stakeholders.

It is the responsibility of the Chief Executive Officer/Executive Director of the Bank to promote awareness and application of the Bank's policies and procedures regarding reputational risk, in all interactions with customers, potential investors and regulatory authorities.

ACCOUNTING AND INFORMATION SYSTEMS

The Bank's financial statements have been prepared in accordance with Cambodian International Reporting Standards (CIFRS) on the preparation and presentation of financial statements. The financial statements are prepared on a going concern basis.

Appropriate accounting policies have been applied consistently in preparing the financial statements, supported by reasonable

and prudent judgment and estimates. The directors have overall responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Bank and have ensured that the Bank's financial reporting presents a balanced and comprehensive assessment of its financial position and prospects.

The financial statements are audited annually by an International Professional Accounting Firm which has been endorsed by Board Audit Committee and approved by the Board of Directors. For fit and proper controlling, Finance and Accounting guideline has been set up and updated if any. The guideline also spells out the key procedures i.e. finance and accounting process and overview of general ledger to comply with NBC's Chart of Account.

The financial and accounting procedures include bookkeeping, reconciliation of key accounts, suspense accounts, fixed assets physical verification and payment authorisation. The roles and responsibility of accounting staff have also been incorporated. In addition, level of authorisation on all type of expenditures such as capital expenditure, recurring expenditure and non-recurring expenditure is covered in the Approving Authority Matrix of RHB Bank (Cambodia) Plc.

RISK MANAGEMENT POLICIES, PROCEDURES AND PROCESS

Proactive and effective risk management within the RHB Bank (Cambodia) Plc's operating environment is fundamental to drive sustainable growth and shareholder value; while sustaining competitive advantage.

◆ BOARD RISK COMMITTEE

During the financial year ended 31 December 2024 ("year"), a total of six (6) BRC meetings were held.

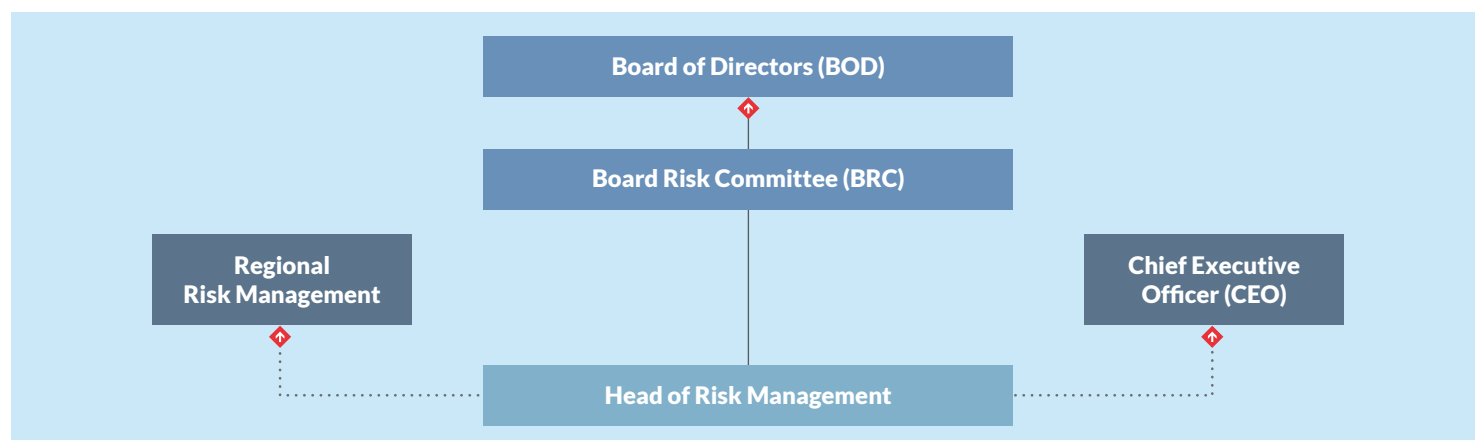
The BRC comprises the following members and the details of attendance of each member at the BRC meetings held during the year are as follows:

Composition of BRC	Number of Meetings Attended
Chin Yoong Kheong Chairman/Independent Non-Executive Director	6/6
Lim Cheng Teck Member/Independent Non-Executive Director	6/6
Wendy Ting Wei Ling Member/Non-Independent Non-Executive Director	6/6

Internal Control Report

RISK MANAGEMENT POLICIES, PROCEDURES AND PROCESS (CONTINUED)

Reporting Line of the Board Risk Committee



- BRC reports to the Board and is principally responsible for the administration and supervision of risk management activities of the Bank are within the risk framework, policies and risk appetite of the Bank.
- Head of Risk Management reports directly to BRC.
- Head of Risk Management has a matrix reporting line to the Regional Risk Management for advisory and consultative in nature, to ensure that the risk management activities of the Bank are aligned to the Group Risk Management Framework and the overall Group's Risk strategies and appetite.
- Head of Risk Management reports to CEO only on administrative matters.
- Risk Management Department provides support and advice to department heads or managers in regards to risk matters and internal control processes, procedures and policies.
- Provide oversight to ensure risk management framework, infrastructure, organization, resources and systems are in place and functioning adequately commensurate with the nature, scale, business complexity and risk appetite of the Bank, including:
 - Reinforcing the clear and independent reporting lines and responsibilities for the overall business activities and risk management functions and appropriate risk management derived organizational alignment, in order to ensure a sound control environment.
 - Appropriating independent review of the Bank's risk management infrastructure, capabilities, environment and process where necessary.
 - Ensuring the appropriateness of risk measurement methodologies (including assumptions made within the methodologies) under the prevailing business environment, operational activities, among others the stress scenarios and execution of stress testing.

Role of the Board Risk Committee

- Provide oversight on the overall governance of risk across the Bank;
- Review and recommend the Bank's overall risk strategies, frameworks, new policies or change to policies (excluding Human Resource related policies and frameworks), AML/CFT related framework/policies/manual and the Bank's risk appetite/ tolerance for the Board's approval;
- Review and access adequacy of risk management policies and frameworks in identifying, measuring, monitoring and controlling risk and the extent to which these are operating effectively;
- Periodically reviewing and provide constructive challenge to management on the credibility and robustness of the risk management framework and risk information reporting to ensure that there are no material gaps or weakness.
- Regularly obtain information from Senior Management on adherence to risk appetites and the implementation of risk management policies, processes and controls within the Bank in managing key risks to the institution as well as emerging risks.

Internal Control Report

RISK MANAGEMENT POLICIES, PROCEDURES AND PROCESS (CONTINUED)

- Review and recommend new activities and products and product with material variations, including but not limited to features, terms and conditions, strategy and target segment for Board's approval;
- Provide oversight to ensure the Bank's business and operational activities, including new activities and products introduced are consistent with the risk appetite, short and long-term strategic goals as set by the Board;
- Review and recommend the appointment, replacement and dismissal of the Head of Risk Management and Head of Compliance or Compliance Officer to the Board for approval;
- Evaluate, review and recommend for the Board's approval on the performance and remuneration of the Head of Risk Management and Head of Compliance;
- Review the report from Head of Compliance or Compliance Officer on compliance review, implement all compliance strategy and action plan to govern overall bank policy, process, procedure, manual, guideline and banking activities and report to Board;
- Monitor and evaluate business conditions and developments in the financial markets on an ongoing basis and evaluate the impact arising from changes in legislature and regulation;
- Review and recommend the changes to Delegated Lending/ Financing Authority ("DLA") and Operating Authorities/ Discretionary Powers/ Power of Attorney, Limits for business and operation to the Board for approval. For clarity, such authority shall only be applicable for the facilitation of credit approval and credit administration processes;
- Approve impairment related methodology/ model/ matter (i.e. Model Calibration, Significant increase in Credit Risk definition, Default Definition, probability weightage and etc.);
- Review and recommend the terms of reference of the BRC as set out herein from time to time and to propose changes deemed appropriate to the Board for approval;
- Undertake specific functions as required by the Board or regulators as and when necessary;
- Review and endorse the Risk Appetite Setting (RAS) and recommend to the Board for approval; and
- Cultivate a proactive risk management culture within the Bank so that risk management processes are well integrated and applied in the day-to-day business and activities.

Disclosure Rules for Board Risk Committee's Minutes

- Minutes of each BRC meeting shall be recorded, extract and put in writing by the Secretary and submitted to the members as an agenda in the next meeting for approval. The minutes of meeting shall be signed and initialed by Chairman or Alternate Chairman (in the absence of Chairman). The minutes of the meeting shall record the entire proceeding of the meeting including the information on any suggestions, comments and concerns of the members and/or invitees during the discussion and deliberation.
- Minutes of each the BRC meeting shall be kept and distributed to all members of the BRC. The minutes of the BRC meeting shall be presented at the Board Meeting and the Chairman/ Alternate Chairman (in the absence of Chairman) of the BRC shall report on material issues, which have been deliberated at the BRC meeting to the Board.

◆ RISK MANAGEMENT POLICIES AND PROCEDURES

An Enterprise Risk Management Framework sets out the strategic direction for the management of risks in the Bank. It is also an aspiration statement with regards to the longer-term objective for the development of risk management capabilities and infrastructure.

The Framework operates on two interlocking layers:

- It aims to provide a holistic overview of the risk and control environment of the Bank, with the risk management intent going towards loss minimisation and protection against unexpected losses which may occur through, principally, the failure of effective checks and balances in the organisation, as well as deficiencies in risk management culture; and
- Set out the strategic progression of risk management towards becoming a value creation enterprise. This is affected through building up capabilities and infrastructure in risk management sophistication, and using the improvement in risk quantification to optimise risk-adjusted (or economic) returns.

The framework established as governance document for the following risks:

- a. Credit risk management
- b. Asset & liability Management
- c. Operational Risk Management
- d. Reputational Risk Management

Internal Control Report

RISK MANAGEMENT POLICIES, PROCEDURES AND PROCESS (CONTINUED)

Authorities, delegations and limits

Delegation of authority including authorisation limits at various levels of Management in the Bank are documented and designed to ensure accountability and responsibility.

The Bank had formalized the general escalation process in the event of alert or breach any Risk Appetite (RA) and Management Action Trigger (MAT) limits. The breach in RA limits will be escalated up to BRC and Board of Directors.

RISK AND RESULT MEASURING SYSTEM AND CONTROLS

During the year, Internal Audit has conducted the audit of the following:

1. Kbal Thnal Branch
2. Siem Reap Branch
3. Battambang Branch
4. Mao Tse Tong Branch
5. Phnom Penh Main Branch
6. Credit Evaluation & Review Department
7. Human Resource Department
8. Business Banking Department
9. Digital Banking Section
10. Credit Management Department
11. Thematic Review on Credit Processing
12. Information System Audit on IT Operations & Management and Application Security

DOCUMENTATION SYSTEM

All policies, guidelines and processes are widely circulated to employee throughout the Bank. These policies, guidelines and processes are reviewed and approved by the approving authorities.

Regulations and relevant information materials concerning the implementation of business, operations and organization are clearly documented and made available to all employee. Those documents are kept in both hard copied and scanned file.

Training and refreshment on the policies, guidelines and processes are provided to new and existing employees via the induction program, face-to-face training and e-learning organised by Human Resources Department. Additionally, a regular works or briefing also conducted by departments to refresh employee's understanding related to their day-to-day operations.

CONTINGENCY PLANNING AND TESTING

The Bank is guided by its relevant policies and procedures to ensure the continuity of business operations even in the event of disruption, disaster or crisis. The following is the list of policy, guideline and manual addressing such situations:

- Business Continuity Management Framework
- Business Continuity Management Policy
- Business Continuity Plan Manual
- Liquidity Incident Management Plan

Business Continuity Management

The Bank recognises and is fully committed to the need to provide uninterrupted critical services to its customers, ensure the safety of its employees, protect its assets including data and safeguard the interest of its key stakeholders that collectively ensure the viability of the organisation. Hence, the Bank is aware of the importance of a sound Business Continuity Management ("BCM") Framework and Programme to build organisational resilience and an effective response and recovery mechanism to safeguard the interest of key stakeholders, reputation and brand. The Bank's BCM Programme is based on good business continuity practices, other regulatory guidelines and international standards.

The Board has an oversight function on the Bank's BCM readiness through the BRC and MRC. A sound BCM Programme has been implemented in the Bank to ensure the critical business functions are recovered in a timely manner in the event of any disruption. Reviews, assessments, updates and testing of the BCM plans are conducted regularly to ensure adequacy, effectiveness and readiness of the business recoveries. Simulation exercises and drills are conducted to familiarise and equip staff with the skills and processes required to ensure timely resumption of critical functions and business resiliency in the event of any disruption.

On 14 July 2024, the Bank has successfully conducted Business Continuity Plan ("BCP") Testing with the objective to test the abilities of the Bank in responding and managing crisis including communicating confidently and effectively with stakeholders during crisis. Similarly, another Crisis Simulation Exercise were performed on 11 November 2024 to test the escalation mechanisms and crisis management.

The Bank has also successfully conducted Core Banking System Disaster Recovery Plan ("DRP") live on 11 to 13 September 2024 and DRP simulation on 2 February 2024. These exercises were to gauge the readiness and resolving any gaps of the Bank in facing any possible crisis.

Compliance

The regulatory environment for financial institutions is increasingly complex and constantly changing. New laws and regulations continue to evolve, increasing regulators' expectations. Any failure to ensure compliance may result in significant financial losses, heavy penalties and reputational consequences.

As a prudent financial services provider, the Bank is committed to upholding good governance principles and regulatory requirements. These principles are further outlined in the Bank's Compliance Management Framework and Policy, which serve as an important guide for the Bank to enable incorporation of compliance best practices throughout the Bank's business.

The Bank's compliance function, which acts as a second line of defense, operates on a bank-wide basis with an appointed Compliance Officer overseeing the compliance risk management of the Bank.



KORK NAREN
Head, Compliance

Ms. Kork Naren leads and executes bank-wide compliance strategic plans that enable RHB Bank (Cambodia) Plc to comply with regulatory requirements. She reports to the Board Risk Committee.

Naren has more than 19 years of experience covering credit operation, internal audit, risk management and AML/CFT compliance in banking sector. She got ICA International Advanced Certificate in AML from International Compliance Training (ICT), UK, and Bachelor of Business Administration (BBA) major in Accounting from National Institute of Management, Phnom Penh. She also got Regulatory Compliance Re-Certification from IBF in year 2023.

COMPLIANCE'S KEY FOCUS FOR 2025

- 1 Enhance operational efficiency and strengthen compliance workflows to support the Bank's business objectives while managing regulatory risks.
- 2 Develop frontline capabilities through targeted training programs aimed at building operational compliance competencies and decision-making skills across all levels of the Bank.
- 3 Embed Environmental, Social, and Governance (ESG) criteria into compliance operations to ensure sustainable banking practices and responsible financial management. (ESG); and
- 4 Leverage data analytics to optimize regulatory compliance reporting, ensuring proactive risk management and continual improvements in our compliance framework.
- 5 Continuing yearly counsel with NBC to ensure that the Bank is in compliance with all the Prakas and Circular updates.
- 6 Reporting of the Banks compliance to Board Risk Committee and Board of Directors.

Compliance

Robust compliance function through continuous innovation to support Business objectives and effective compliance management

Innovation

- ◆ Ensure operational efficiency of AML/CFT, regulatory compliance capabilities.
- ◆ Continuously enhance compliance reporting capabilities.

Supporting Business Resilience

- ◆ Optimize workflow and data collection.
- ◆ Cultivate front-line and Business Risk Compliance Officer ("BRCOs") compliance competency and decision-making with due consideration of applicable regulations.
- ◆ Support RHB in embedding ESG considerations.
- ◆ Continuously sustain trust as a responsible financial service partner to all stakeholders.

Assurance

- ◆ Establish data-driven monitoring capabilities.
- ◆ Continuous surveillance and control assessments.
- ◆ Continuous development of strong AML/CFT, regulatory compliance risk management in all lines of defense.

Embed Compliance Culture

- ◆ Continuously promote of dynamic, proactive and responsible AML/CFT, regulatory compliance culture to support business in regulatory compliance management.
- ◆ Embed compliance culture through continuous and relevant compliance trainings, workshops and forums.
- ◆ Set the tone at the top from the Board of Directors and senior management and lead by example to emphasize the importance of compliance.

The following are some of the key initiatives by Compliance for 2024 in its effort to remain vigilant pandemic.

INITIATIVES

Innovation

- ◆ Further enhancements made to AML systems for SWIFT applications.
- ◆ RHB AML/CFT Capabilities Enhancement ("RACE") Programme in alignment with regulatory requirements and best standard.

Support Business Resilience

- ◆ Established the Risk Appetite Statement metrics in understanding the Bank's risk culture.
- ◆ Continuous review and revision of the Compliance Risk Assessment ("CRA") and the AML Risk Assessment ("AMLRA") methodology.

Compliance

Assurance

- ◆ Increased compliance and regulatory reviews to detect procedural gaps vis-à-vis regulatory requirements.
- ◆ Overall review of policies, circulars and guidelines to ensure that the Bank's operational and business processes are updated where required, including updating of policies, circulars and guidelines in the Bank. Performed annual compliance and AML risk assessments.

Compliance Culture

- ◆ Organised focused compliance clinics where topics were selected based on the outcome of compliance reviews.
- ◆ Optimised the usage of alternative learning platforms such as short explainer videos, webinars, Microsoft Teams to conduct compliance trainings.
- ◆ Awareness of Compliance Culture

COMPLIANCE 2024 HIGHLIGHTS

In the constantly evolving era of digitalisation, there is a heightened necessity for regulatory authorities in Cambodia to strengthen cybersecurity governance as well as to prioritise the development of Environmental, Social and Governance ("ESG") based regulations to address climate risk concerns. While the COVID-19 pandemic has accelerated the digitalisation of products, the Bank displays resilience by enhancing in-house innovation while maintaining stringent controls in upholding secrecy and protecting customer information. Our compliance function continues to focus on effective compliance management by meeting the expectations of regulatory authorities and supporting the Bank's business objectives.

KEY PRIORITIES FOR 2025

Cultivating a culture of compliance goes beyond just communicating the importance of obeying regulatory requirements to its employees. It requires continuous vigilance and efforts to influence widespread change. The Bank understands this and is always looking for new strategies to ensure compliance is embedded as part of everyone's responsibility.

The following are our key priorities for 2025:

- Innovation of compliance ecosystem by enhancing operational efficiency of AML/CFT, regulatory compliance capabilities through various projects such as via Project RACE, utilisation of data analytics, artificial intelligence and machine learning to effectively manage regulatory environment and financial crime and promote speed, scalability and interconnectivity to market.
- Supporting business resilience through the following initiatives:
 - Optimising workflow and data collection process by, among others, enhancing the Bank policies, guidelines and procedures and enhancing CRA workflow and processes.
 - Continuously sustaining trust as a responsible financial service partner to the Bank's community of customers and stakeholders.
- A strong focus on the area of assurance by continuously enhancing data-driven monitoring capabilities and surveillance and control assessments, continuous development of strong AML/CFT, regulatory compliance risk management and continuous development of compliance competency and future talent.
- Embedding compliance culture through the continuous promotion of a dynamic, proactive and responsible AML/CFT, regulatory compliance team and continuously providing access to compliance trainings, workshops and forums.

The above are by no means an exhaustive list of priorities that the Bank has set for 2025. With the uncertainties surrounding the economic environment due to the continuous threat posed by the pandemic, the Bank will continue to stay vigilant to the emergence of new compliance risks and the need to come up with improved strategies to combat the same and protect its stakeholders' interest.

The background is a dark blue gradient with vertical streaks of lighter blue and white, creating a sense of depth and movement.

Calendar **of events 2024**

Calendar of events 2024

Jan to Feb 2024

Breakfast Session

The Breakfast session has been held since 2021. It serves as a platform for staff to engage with the Country Head/CEO and build engagement by sharing feedback, comments, and recommendations. The sessions are held throughout the year to ensure high engagement between staff and management.

The session also allows the Country Head/Chief Executive Officer to engage with a targeted group of employees to enhance the Employee Value Proposition (EVP) with high-impact initiatives on RHB Leads. HR has organized a total of 6 sessions to be conducted between 30 January 2024 and 22 February 2024, with participation from 72 staff members from various departments within RHB Bank (Cambodia) PLC and RHB Securities (Cambodia) PLC.



14 Feb 2024

Chinese New Year Celebration

10th February marks the Chinese New Year for 2024. It is the most important day in the Chinese calendar – more than one billion people will feast with relatives, watch parades and pray for good fortune in the year ahead. Marking the end of winter and the beginning of spring, observances traditionally take place from Chinese New Year's Eve, the evening preceding the first day of the year, Chinese New Year in 2024 will begin on February 10th and end on February 24th with the Lantern Festival. In 2024, the Chinese New Year will begin on Saturday, February 10. This date corresponds to the new moon that appears in the lunar calendar, marking the start of the Year of the Dragon.

Many Cambodians celebrate Chinese New Year even though it is not an official public holiday for Cambodia. In conjunction with Chinese New Year, RHB Cambodia has organized the celebration for all staff on 14 February 2025 which we provided oranges and chocolate gold coins/candies for all staff of RHBBCP and RHBSCP including interns.



Calendar of events 2024

February 2024

RHB Bank (Cambodia) PLC. and Dai-ichi Life Insurance signed a Loan Shield Financing agreement.

RHB Bank Cambodia and Dai-ichi Life Insurance signed a Loan Shield Financing agreement which provides excellent financial protection to the customers. This agreement marks another major step forward in the bancassurance partnership and further promotes financial protection and inclusion for Cambodians.



February 2024

RHB Bank (Cambodia) PLC. Chinese New Year – Lux & Luck Dinner

RHB Bank Cambodia held a CNY Dinner for the Premier Banking customers on 31st January 2024. The dinner was to reward our Premier Banking customers with a night of CNY celebration with exciting events such as:

- Chinese Calligraphy writing: Your names in Chinese writing
- Dragon & Lion Dance: Performance to usher in the New Year

- Feng Shui Talk: Gain insights into prosperity for the New Year
- Premier Privileges Proposition: Discover exclusive benefits just for you.
- Lucky Draw: 2 lucky winners won the RHB Gold Art Painting of Dragon & Phoenix

The night was officiated with Mr. Alex Lim, CEO of RHB Bank Cambodia officiating the event with a welcoming speech followed by the RHB Bank speaking on Premier Privileges and JS Land representative speaking about the partnership between the Bank.

The main event of the night was the RHB Luxury Deposit Campaign whereby announcement of the quarterly winners.



Calendar of events 2024

March 2024

RHB Bank (Cambodia) PLC. continues yearly CSR initiative with the Muslim Families in Kampong Thom Province.

At RHB Bank Cambodia, we believe in giving back to the community and recently, our team had the privilege of visiting Dompouk Khpous Village, a serene and close-knit community nestled in the heart of Kampong Thom Province to extend a

helping hand to over 50 Muslim families who call this village home.

We understand that times can be tough, especially for vulnerable families. That's why we distributed essential food items and household supplies to ensure that these families have access to nutritious meals and basic necessities. From rice and cooking oil to hygiene products, we aimed to alleviate their daily struggles.

RHB Bank Cambodia is looking forward to continue with their CSR activities and collaborate with other organisations to identify new opportunities to contribute back to the Kingdom of Cambodia.



March 2024

RHB Bank (Cambodia) PLC. participated in the Smile Cambodia Walk 2024 held in Siem Reap second year in a row.

RHB Bank Cambodia, Siem Reap Branch joined hands with volunteers from Smile Cambodia and other organizations, united in supporting their mission to provide vital surgeries for underprivileged children.

RHB Bank Cambodia is committed to ongoing Corporate Social Responsibility (CSR) initiatives. We look forward to collaborating with organizations like Smile Cambodia to create a positive impact in the Kingdom of Cambodia.



Calendar of events 2024

07 Mar 2024

International Women's Day

International Women's Day is celebrated annually on 8 March as a global day focusing on the women's rights movement, bringing attention to issues such as gender equality, reproductive rights and violence and abuse against women. At RHB Bank (Cambodia)

Plc., we proudly recognize women's empowerment, as evidenced by our success in winning the HR Asia Best Companies to Work for in Asia (2021-2023) and the HR Asia Diversity, Equity, and Inclusion (DEI) Award. These achievements demonstrate our strong endorsement of gender equality within the RHB Banking Group.

In conjunction with International Women's Day 2024, RHB Cambodia was delighted to celebrate the occasion by honoring our incredible and extraordinary female colleagues in Phnom Penh and the provinces, providing them with rose bouquets and makeup bags.



27 Mar, 14 Aug 2024

Townhall Q1 Townhall Q2

RHB Cambodia organized Q1 Townhall sessions in 2024. The main objective of the Townhall was to improve employee engagement and to ensure there is a specific platform for Management to share latest information about the Bank's performance, activities and direction moving forward.

The Townhall were attended by most of the staff. The session allowed employees to understand and have a better view of company's direction and target for FY2025. During the session, employees were also given the opportunities to share and provide feedbacks on their issues/concerns as well as how things can be improved.



Calendar of events 2024

27 Mar, 14 Aug 2024

RHB Cambodia Employee Recognition Program

RHB Cambodia launched the Employee Recognition Award since 2021. This program is where we celebrate RHBians who have displayed behaviors consistent with the RHB Culture Components.

This is part of the Bank’s effort to strengthen RHB culture as well as to provide an on-time recognition to well-deserved RHBians who embraced and embedded RHB culture components into their daily working lives and in their interaction with colleagues, customers and all other stakeholders. Below table summarizes the number of recipients of the employee recognition award for the past 4 years with the total number of 87 recipients.

Year	Total Number of Recipient
2021	22
2022	16
2023	21
2024	28



8 Apr 2024

Khmer New Year Celebration



14th, 15th, and 16th April 2024 mark the Khmer New Year for 2024. It is the most important event in the Khmer calendar—Khmer New Year, also known as Moha Sangkranta, the traditional celebration of the solar new year in Cambodia.

The celebration includes Robam Trot, a popular Cambodian folk dance usually performed during Khmer New Year to ward off bad spirits and bring abundance and rain for the crops in the months to come. Besides Robam Trot, traditional Khmer games were organized for the staff to participate in and enjoy.

Traditional Khmer snacks and drinks were also provided to the staff during the Khmer New Year celebration. These are traditional foods that Cambodians serve during the celebration.



Calendar of events 2024

10 May 2024

International Mother's Day

International Mother's Day is celebrated annually on 12th May, focusing on honoring motherhood, which is celebrated throughout the world. It is a way of recognizing the sacrifices mothers make for their children, as well as honoring the influential mother-like figures in our lives and celebrating the women for the strong and wonderful people they are. It is celebrated on different days in many parts of the world, most commonly in the month of May.

In 2023, RHB Cambodia celebrated this event to honor all working mothers by offering a Krama bag as a gift to all mother staff members.



14 Jun 2024

International Father's Day

International Father's Day is celebrated annually on 16th June 2024 and is a global observance dedicated to honoring fathers for their roles and contributions to families and society. Similar to

Mother's Day, Father's Day serves as a reminder of the importance of paternal figures and the significant impact they have on individuals and communities.

In celebration of Father's Day, RHB Bank (Cambodia) Plc. expressed appreciation for all fathers, including those among its employees.

As part of the International Father's Day observance, RHB Bank offered a special gift, a Sling Bag to all fathers



Calendar of events 2024

29 Jun 2024

Bowling Tournament

Bowling is a widely enjoyed recreational activity suitable for individuals of all ages. It provides a relaxed and enjoyable environment where staff members can come together to engage in friendly competition fostering stronger connections and camaraderie. Additionally, it serves as an excellent way to promote a healthy lifestyle among staff while simultaneously enhancing teamwork and collaboration among RHBians.

To further strengthen this spirit of unity and well-being, Human Resources Department of RHB Cambodia has organized the RHB Bowling Tournament 2024, which took place at the Probowl Sport Academy. The event featured 10 teams, each consisting of 4 bowlers, who competed in the tournament. The tournament also saw enthusiastic support from other RHBians and their family members.



June 2024

RHBBank(Cambodia)PLC.ContinuesAnnual CSR Initiative with Underprivileged Muslim.

RHB Bank Cambodia as part of its ongoing efforts to support the community and assist those in need, the bank donated meat to approximately 350 families in Khbob 2 Village, Svay Kleng Commune, Tbong Khmum Province by organizing a Qurban event for underprivileged Muslim families on 17th June 2024.

RHB Bank Cambodia provided four cows for the sacred ritual, which were distributed evenly among the underprivileged families in the village. This ritual, a significant worship service in the Muslim community, was met with great appreciation and positively impacted the beneficiaries.

Looking ahead, RHB Bank (Cambodia) PLC. plans to continue its CSR activities and collaborate with other organizations to explore new opportunities to give back to the Kingdom of Cambodia.



Calendar of events 2024

July 2024

RHB Bank (Cambodia) PLC. Premier Banking Customer "Market Outlook Event 2024"

RHB Bank Cambodia held their Premier Banking Customer "Market Outlook Event 2024" on 04 July 2024. It was an evening filled with insightful presentations, luxurious dining, and engaging networking opportunities!

The event started with an opening speech by Mr. Hong Han Chung, Head of Retail Banking followed by Mr. Kor Samnang, Head of Premier Banking whom presented the RHB Premier Proposition and the Phase 2 of the Luxury Deposit Campaign, encouraging customers to increase their deposits for a chance



to win a grand prize of 1 unit of a luxurious condominium and along with other prizes such as iPhone 15 Pro Max, Apple Watch SE, and Bose Speakers.

This was followed by a comprehensive market outlook for 2024 by Mr. Iv Ranarith, CEO of RHB Securities. Guests enjoyed a sumptuous dinner and networking opportunities throughout the evening.

18 Jul 2024

NSSF Talk (Health & Accident)



The National Social Security Fund (NSSF) plays a pivotal role in providing social insurance support to employees, with the primary aim of safeguarding workers from falling into poverty. It is also tasked with delivering essential social security benefits to workers in the private sector. The NSSF is responsible for collecting contributions, managing its finances and disbursing benefits to workers and beneficiaries.

On 18th July 2025, the Human Resources Department organized the NSSF Briefing & Update session. This session provided an overview of various topics including social health insurance, benefits, health prevention measures, medical services, daily allowances for absences due to illness or accidents, maternity leave and employment injuries. The session also covered work-related injuries, commuting accidents and occupational diseases as covered under NSSF.

3 Aug 2024

Badminton Tournament

Badminton is a sport that promotes physical fitness, agility, and teamwork, making it an excellent choice for encouraging a healthy and active lifestyle among our staff. This tournament serves as a valuable addition to our staff engagement activities, promoting physical health and team cohesion while offering a fun and engaging way for employees to connect. It provides an opportunity for staff to build stronger relationships, work together in a relaxed setting, and contribute to a more enjoyable and unified work environment.

To support this initiative, Human Resources Department has organized a Badminton Tournament for all Staff on 3 August 2024. This event aims to foster teamwork and collaboration outside the office environment, ultimately strengthening our team dynamics and enhancing employee engagement.



Calendar of events 2024

27 Sep 2024

Pchum Ben Celebration

Pchum Ben is one of the main traditional festivals of the Cambodian people and this festival also known as Ancestor's Day, is a half-month period of remembrance for dead family members, which traditionally begins between September and October.

As an effort to improve employee engagement and RHB Cambodia branding, Human Resource has organized Phcum Ben Celebration on 27 September 2025 by providing Khmer cake (sticky rice wrapped in banana leaves) will offer a wonderful experience for all RHB staff. Additional on this, our management of RHB Cambodia has grant the approval for staff to leave the workplace earlier than normal at 4:00pm on 30 September 2024 for Pchum Ben Celebration



Khmer cake, Num Ansom is a traditional cake that Cambodians make during the big celebration such as Khmer New Year and Pchum Ben Day. During this time, most families in Cambodia will make Num Ansom as offering to the monks, and ancestors, as well as being a special gift for relatives or friends.

September 2024

RHB Bank (Cambodia) Plc. Celebrates Grand Prize Giving Ceremony of the Luxury Deposit Campaign

RHB Bank Cambodia proudly hosted the grand prize giving ceremony for its successful Luxury Deposit Campaign, which ran from October 2023 to July 2024. Over the past three quarters, the campaign awarded numerous prizes, including gold coins and insurance coverage certificates, to loyal participants at Fairfield Hotel in Phnom Penh, 27 September 2024

The event marked the celebration of the campaign's remarkable achievement, surpassing a target of USD 100 million. RHB Cambodia extends heartfelt thanks to its valued customers and partners, whose trust and support were key to reaching this milestone.

The highlight of the night was the announcement of the grand prize—a Luxury Condominium developed by JS Land Plc—along with gold coins, presented to the lucky winners. RHB Cambodia expresses its gratitude to JS Land for their vital collaboration and generous prizes.



Calendar of events 2024

September 2024

RHB Bank (Cambodia) Plc. held the RHB Group CSR – RHB TouchHearts

RHB TouchHearts – Back-to-School Fundraising Bazaar: On 13th September, we turned our corporate head office into a vibrant marketplace, raising funds to support 2 local kindergartens.

Together, we laid the foundation for brighter beginnings for countless young learners by renovating their classrooms, improving sanitation facilities, and providing essential school supplies. This initiative reflects RHB Bank Cambodia's enduring commitment to education, community development, and creating a nurturing environment where every child has the opportunity to thrive.



October 2024

RHB Bank (Cambodia) Plc. dual win for International Finance Awards 2024



RHB Bank Cambodia has won 2 awards for the below categories:

- Best Retail Banking Campaign – RHB Luxury Deposit 2024
- Best Banking Transformation Initiatives – Digital Banking 2024

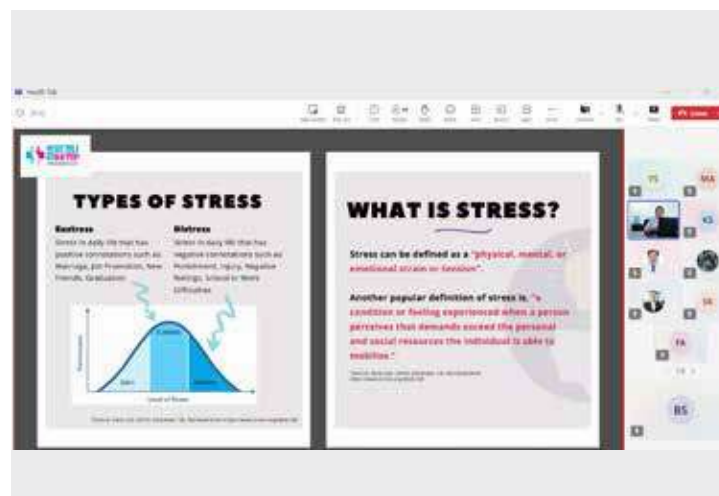
These awards are true testaments to the Bank's unwavering commitment to customer-centric innovation, excellence in financial solutions, and its forward-thinking approach in driving digital transformation to enhance the overall banking experience.

24 Oct 2024

Health Talk on Stress and Harmful on Physical, Mental Health and Work Productivity

In its ongoing commitment to employee well-being, Human Resources Department has organized an insightful Health Talk focused on the impact of stress and its harmful effects on both physical and mental health as well as work productivity.

The session covered the definition of stress, its types, and the impact of stress on both physical and mental health, as well as its effects on work productivity. The aim was to raise awareness among staff about the signs of stress, its potential consequences and the importance of managing stress effectively in both personal and professional settings.



Calendar of events 2024

December 2024

RHB Bank (Cambodia) Plc. Leadership in Debit Card Growth 2024 for MasterCard Cambodia

RHB Bank Cambodia Recognized as a Leading Bank in Debit Card Issuance by Mastercard – 2024

This recognition marks a significant milestone for RHB Cambodia and reaffirms our dedication to expanding digital payment adoption and delivering convenient, secure, and customer-focused banking experiences.

Being acknowledged by a global payment leader like Mastercard reflects the success of our ongoing efforts to promote financial inclusion and cashless payment solutions in Cambodia.

We thank our customers for their trust and loyalty, and we remain committed to driving innovation in card services while supporting Cambodia's transition to a more digital economy.



FY2024

Short Courses & Certification Programs with Institute of Banking & Finance (IBF)



Throughout 2024, RHB demonstrated a strong commitment to staff development by conducting or nominating 16 staff members of 48 enrollments for two comprehensive certifications and a range of targeted short courses. These initiatives, in partnership with the Institute of Banking and Finance (IBF), aimed to enhance crucial skills across various banking domains. Early in the year, employees focused on specialized areas like AML transaction monitoring and influence mastery, followed by courses on emotional intelligence and critical thinking. A significant focus was placed on the 'Responsible Lending' certification, a multi-month program designed to ensure adherence to best practices. Additionally, short courses covered topics such as fraud management, credit analysis, and agile thinking, equipping staff with practical skills for their daily roles. Later in the year, advanced training included fraud risk management, strategic planning, and credit assessment during economic downturns. This targeted approach to training ensures RHB's workforce remains highly skilled and adaptable in the dynamic financial landscape.

Calendar of events 2024

FY2024

Groupwide/Overseas Trainings

Throughout 2024, RHB has conducted or nominated 253 staff members of total 497 enrollments for a wide range of group training programs facilitated by RHB Academy in Malaysia and other institution in various countries. The programs are categorized under four key learning series such as Technical & Functional, Leadership & Culture, Digital, Agile and Future Skills, and Talent Management. These courses are designed to enhance skills in digital literacy, strategic planning, data analysis, and regulatory compliance. This initiative reflects RHB's commitment to fostering a versatile and adaptable workforce, supporting both employee development and the bank's strategic goals in an increasingly complex financial environment.



FY2024

Internal & External Programs

Throughout 2024, RHB has demonstrated a strong commitment to employee development by orchestrating a diverse array of training initiatives. A total of 79 staff member of total 391 enrollments with various learning programs, benefiting from both internal and external training opportunities. Numerous employees took part in a robust external training program, most notably the Advanced Excel Program, which ran multiple sessions in July and

October, equipping participants with essential data analysis skills. In addition, RHB actively sponsored employees for a wide range of external training programs and certifications. This included participation in industry-specific events such as the 2nd Annual Chief Risk Officer conference and the Cambridge Summer School 5th Edition AMDP for Successors, alongside skill-enhancing courses like Influential Leadership with Effective Business Communication. Furthermore, the RHB invested in specialized training for various departments, covering topics such as financial reporting standards, HR management, and sales techniques. Notably, there has been a strong emphasis on internal training, particularly in areas such as employee performance, AI in decision-making, and professional image. Additionally, a significant portion of employees have participated in English language training. This blend of targeted internal workshops and strategic external training underscores RHB's dedication to fostering a skilled and adaptable workforce, ready to meet the evolving demands of the business landscape.





FINANCIAL STATEMENTS

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Statement of Financial Position

As at 31 December 2024

		2024		2023	
	Notes	US\$	KHR'000	US\$	KHR'000
Assets					
Cash on hand	4	16,259,749	65,445,489	13,066,426	53,376,350
Deposits and placements with the central bank	5	63,882,647	257,127,654	122,701,908	501,237,294
Deposits and placements with other banks	6	62,634,468	252,103,734	29,602,727	120,927,140
Financial assets at fair value through other comprehensive income	7	25,000	100,625	25,000	102,125
Loans and advances at amortised cost	8	705,282,984	2,838,764,011	747,115,247	3,051,965,784
Statutory deposits with the central bank	9	65,357,637	263,064,489	82,019,412	335,049,298
Property and equipment	10	1,660,062	6,681,750	2,165,147	8,844,625
Right-of-use assets	11	9,150,582	36,831,093	9,707,586	39,655,489
Intangible assets	12	4,360,659	17,551,652	5,777,696	23,601,888
Other assets	13	11,501,998	46,295,542	7,990,270	32,640,253
Total assets		940,115,786	3,783,966,039	1,020,171,419	4,167,400,246
Liabilities and equity					
Liabilities					
Deposits from banks and financial institutions	14	68,784,139	276,856,159	225,191,301	919,906,465
Deposits from customers	15	674,356,698	2,714,285,709	592,524,797	2,420,463,796
Lease liabilities	11	10,612,650	42,715,916	11,020,581	45,019,073
Employee benefits		128,642	517,784	153,280	626,149
Borrowings	16	234,581	944,189	272,187	1,111,884
Deferred tax liabilities	17	4,743,942	19,094,367	5,353,992	21,871,057
Other liabilities	18	1,761,978	7,091,962	3,349,217	13,681,551
Subordinated debts	19	20,280,867	81,630,490	20,010,711	81,743,754
Total liabilities		780,903,497	3,143,136,576	857,876,066	3,504,423,729
Equity					
Share capital	20	75,000,000	301,875,000	75,000,000	306,375,000
Share-based payment reserves	21	66,422	267,349	28,809	117,685
(Accumulated losses)/retained earnings		(15,581,614)	(64,858,969)	9,802,368	38,479,222
Regulatory reserves		74,727,481	300,778,111	52,464,176	214,316,159
Non-distributable reserves		25,000,000	100,625,000	25,000,000	102,125,000
Other reserves		-	2,142,972	-	1,563,451
Total equity		159,212,289	640,829,463	162,295,353	662,976,517
Total liabilities and equity		940,115,786	3,783,966,039	1,020,171,419	4,167,400,246

The accompanying notes on pages 123 to 190 form an integral part of these financial statements.

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	22	63,159,042	257,120,460	64,972,763	267,038,056
Interest expense	22	(42,813,901)	(174,295,391)	(46,096,414)	(189,456,262)
Net interest income	22	20,345,141	82,825,069	18,876,349	77,581,794
Fee and commission income	23	1,594,768	6,492,301	1,996,612	8,206,075
Fee and commission expense	23	(15,700)	(63,915)	(8,487)	(34,882)
Net fee and commission income	23	1,579,068	6,428,386	1,988,125	8,171,193
Other operating income	24	174,523	710,483	268,155	1,102,117
Other gains - net	25	685,945	2,792,482	555,506	2,283,130
Net operating income		860,468	3,502,965	823,661	3,385,247
Net impairment (losses)/gains	26	(8,852,551)	(36,038,735)	2,064,306	8,484,298
Net other operating income		(7,992,083)	(32,535,770)	2,887,967	11,869,545
Personnel expenses	27	(7,899,028)	(32,156,943)	(8,606,987)	(35,374,717)
Depreciation and amortisation charge	28	(3,922,840)	(15,969,882)	(4,151,289)	(17,061,798)
Other operating expenses	29	(5,840,985)	(23,778,650)	(4,776,256)	(19,630,412)
(Loss)/profit before income tax		(3,730,727)	(15,187,790)	6,217,909	25,555,605
Income tax benefit/(expenses)	30	610,050	2,483,514	(1,548,159)	(6,362,933)
(Loss)/profit for the year		(3,120,677)	(12,704,276)	4,669,750	19,192,672
Other comprehensive income: <i>Items that will not be reclassified to profit or loss</i>					
Currency translation differences		-	579,521	-	(301,561)
Other comprehensive income/ (loss) for the year, net of tax		-	579,521	-	(301,561)
Total comprehensive (loss)/income for the year		(3,120,677)	(12,124,755)	4,669,750	18,891,111
(Loss)/profit attributable to:					
Owners of the Bank		(3,120,677)	(12,704,276)	4,669,750	19,192,672
Total comprehensive (loss)/income attributable to:					
Owners of the Bank		(3,120,677)	(12,124,755)	4,669,750	18,891,111

The accompanying notes on pages 123 to 190 form an integral part of these financial statements.

Statement of Changes in Equity

For the year ended 31 December 2024

	Attributable to owners of the Bank					
	Share capital		Share-based payment reserves		Retained earnings/ (Accumulated losses)	
	US\$	KHR'000	US\$	KHR'000	US\$	KHR'000
Balance as at 1 January 2023	75,000,000	308,775,000	12,482	51,388	8,071,711	31,366,222
Profit for the year	-	-	-	-	4,669,750	19,192,672
Other comprehensive income – currency translation differences	-	-	-	-	-	-
Total comprehensive income for the year	-	-	-	-	4,669,750	19,192,672
Transactions with owners in their capacity as owners:						
Share-based payments: value of employee services	-	-	16,327	67,104	-	-
Transfer to regulatory reserves	-	-	-	-	(2,939,093)	(12,079,672)
Currency translation differences	-	(2,400,000)	-	(807)	-	-
Total transactions with owners	-	(2,400,000)	16,327	66,297	(2,939,093)	(12,079,672)
Balance as at 31 December 2023	75,000,000	306,375,000	28,809	117,685	9,802,368	38,479,222
Balance as at 1 January 2024	75,000,000	306,375,000	28,809	117,685	9,802,368	38,479,222
Loss for the year	-	-	-	-	(3,120,677)	(12,704,276)
Other comprehensive income – currency translation differences	-	-	-	-	-	-
Total comprehensive loss for the year	-	-	-	-	(3,120,677)	(12,704,276)
Transactions with owners in their capacity as owners:						
Share-based payments: value of employee services	-	-	37,613	153,123	-	-
Transfer to regulatory reserves	-	-	-	-	(22,263,305)	(90,633,915)
Currency translation differences	-	(4,500,000)	-	(3,459)	-	-
Total transactions with owners	-	(4,500,000)	37,613	149,664	(22,263,305)	(90,633,915)
Balance as at 31 December 2024	75,000,000	301,875,000	66,422	267,349	(15,581,614)	(64,858,969)

The accompanying notes on pages 123 to 190 form an integral part of these financial statements.

Statement of Changes in Equity

For the year ended 31 December 2024

	Regulatory reserves		Non-distributable reserves		Other reserves		Total	
	US\$	KHR'000	US\$	KHR'000	US\$	KHR'000	US\$	KHR'000
	49,525,083	203,894,767	25,000,000	102,925,000	-	1,865,012	157,609,276	648,877,389
	-	-	-	-	-	-	4,669,750	19,192,672
	-	-	-	-	-	(301,561)	-	(301,561)
	-	-	-	-	-	(301,561)	4,669,750	18,891,111
	-	-	-	-	-	-	16,327	67,104
	2,939,093	12,079,672	-	-	-	-	-	-
	-	(1,658,280)	-	(800,000)	-	-	-	(4,859,087)
	2,939,093	10,421,392	-	(800,000)	-	-	16,327	(4,791,983)
	52,464,176	214,316,159	25,000,000	102,125,000	-	1,563,451	162,295,353	662,976,517
	52,464,176	214,316,159	25,000,000	102,125,000	-	1,563,451	162,295,353	662,976,517
	-	-	-	-	-	-	(3,120,677)	(12,704,276)
	-	-	-	-	-	579,521	-	579,521
	-	-	-	-	-	579,521	(3,120,677)	(12,124,755)
	-	-	-	-	-	-	37,613	153,123
	22,263,305	90,633,915	-	-	-	-	-	-
	-	(4,171,963)	-	(1,500,000)	-	-	-	(10,175,422)
	22,263,305	86,461,952	-	(1,500,000)	-	-	37,613	(10,022,299)
	74,727,481	300,778,111	25,000,000	100,625,000	-	2,142,972	159,212,289	640,829,463

Statement of Cash Flows

For the year ended 31 December 2024

	Notes	2024		2023	
		US\$	KHR'000	US\$	KHR'000
Cash flows from operating activities					
Cash used in operations	32(a)	(38,256,795)	(155,743,411)	(45,070,083)	(185,238,042)
Interest received		57,458,552	233,913,765	60,195,759	247,404,569
Interest paid		(39,256,376)	(159,812,707)	(45,012,898)	(185,003,011)
Seniority paid		(13,412)	(54,600)	(33,866)	(139,189)
Net cash used in operating activities		(20,068,031)	(81,696,953)	(29,921,088)	(122,975,673)
Cash flows from investing activities					
Deposits and placements with the central bank - maturity more than three months		(1,043,671)	(4,248,785)	(3,030,378)	(12,454,854)
Deposits and placements with other banks - maturity more than three months		100,472	409,022	24,502,102	100,703,639
Purchases of property and equipment	10	(339,392)	(1,381,665)	(814,614)	(3,348,064)
Purchases of intangible assets	12	(382,039)	(1,555,281)	(898,901)	(3,694,483)
Net cash (used in)/generated from investing activities		(1,664,630)	(6,776,709)	19,758,209	81,206,238
Cash flows from financing activities					
Proceeds from borrowings	16	-	-	300,000	1,233,000
Repayments of borrowings	16	(37,606)	(153,094)	(27,813)	(114,311)
Principal element of lease payments		(1,292,539)	(5,261,926)	(1,230,894)	(5,058,974)
Net cash used in financing activities		(1,330,145)	(5,415,020)	(958,707)	(3,940,285)
Net decrease in cash and cash equivalents		(23,062,806)	(93,888,682)	(11,121,586)	(45,709,720)
Cash and cash equivalents at beginning of year		157,307,854	642,602,583	168,429,440	693,424,004
Currency translation differences		-	(8,377,583)	-	(5,111,701)
Cash and cash equivalents at end of year	31	134,245,048	540,336,318	157,307,854	642,602,583

The accompanying notes on pages 123 to 190 form an integral part of these financial statements.

Notes to the Financial Statements

For the year ended 31 December 2024

1. GENERAL

RHB Bank (Cambodia) Plc (the Bank), established on 9 July 2008, was registered with the Ministry of Commerce with the registration number 00001812 and was granted a banking licence by the National Bank of Cambodia (NBC or the central bank) on 3 October 2008. The Bank is a wholly owned subsidiary of RHB Bank Berhad, a public limited liability company incorporated in Malaysia.

The Bank is principally engaged in a broad range of commercial banking activities in Cambodia.

The registered office of the Bank is currently located at Building of 1st, M, 2nd and 9th Floor, Street 110 corner street 93, Phum 3, Sangkat Srah Chak, Khan Doun Penh, Phnom Penh, Cambodia.

The financial statements were authorised for issue by the Board of Directors on 31 March 2025. The Board of Directors has the power to amend and reissue the financial statements.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES

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

2.1 BASIS OF PREPARATION

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

The financial statements have been prepared under the historical cost convention, except for equity instruments which are financial assets measured at fair value.

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

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

An English version of the financial statements have been prepared from the statutory 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 statutory financial statements shall prevail.

2.2 NEW STANDARDS AND INTERPRETATION

a) New and amended standards adopted by the Bank

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

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

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

Notes to the Financial Statements

For the year ended 31 December 2024

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.2 NEW STANDARDS AND INTERPRETATION (CONTINUED)

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 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:

- Presentation and Disclosure in Financial Statements – CIFRS 18

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

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

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

2.3 FOREIGN CURRENCY TRANSLATION

a) Functional and presentation currency

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

b) 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 of monetary assets and liabilities denominated in currencies other than US\$ at year end exchange rates, are recognised in profit or loss.

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

c) Presentation in Khmer Riel

In compliance with the Law on Accounting and Auditing, the financial statements shall be expressed in Khmer Riel (KHR). The statement of profit or loss and other comprehensive income and the statement of cash flows are translated

Notes to the Financial Statements

For the year ended 31 December 2024

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.3 FOREIGN CURRENCY TRANSLATION (CONTINUED)

c) Presentation in Khmer Riel (continued)

into KHR using the average exchange rates for the year. Assets and liabilities for each statement of financial position presented and shareholders' capital and reserve are translated at the closing rates as at the reporting date. Resulting exchange differences arising from the translation of shareholders' capital and reserves are recognised directly in equity; all other resulting exchange differences are recognised in the other comprehensive income.

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

2.4 CASH AND CASH EQUIVALENTS

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

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

2.5 FINANCIAL ASSETS

a) Classification

The Bank classifies its financial assets in the following measurement categories:

- those to be measured at amortised cost including cash on hand, deposits and placements with the central bank and other banks, loans and advances at amortised cost, and other assets; and
- those to be measured subsequently at fair value through other comprehensive income (OCI).

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

For assets measured at fair value, gains or losses will either be recorded in profit or loss or OCI. For investment in equity instruments that are held for trading, this will depend on whether the Bank has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income (FVOCI).

(i) Financial assets at fair value through OCI comprise of:

- Equity securities which are not held for trading, and for which the Bank has made an irrevocable election at initial recognition to recognise changes in fair value through other comprehensive income rather than profit or loss.

(ii) The Bank classifies their 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.

Notes to the Financial Statements

For the year ended 31 December 2024

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.5 FINANCIAL ASSETS (CONTINUED)

b) Recognition and derecognition

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

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

c) Measurement

At initial recognition, the Bank measures 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.

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

Debt instruments

Subsequent measurement of debt instruments depends on the Bank's business model for managing the assets and the cash flow characteristics of the assets. The Bank classifies its debt instruments into the following measurement category:

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

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

Equity instruments

The Bank subsequently measures all equity investments at fair value. Where the Bank's management has elected to present fair value gains or losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss allowing the derecognition of the investment. Dividends from such investments continue to be recognised in profit or loss as other income when the Bank's right to receive payments is established. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

Notes to the Financial Statements

For the year ended 31 December 2024

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.5 FINANCIAL ASSETS (CONTINUED)

d) Reclassification of financial assets

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

e) Impairment

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

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

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

- Debt instruments measured at amortised cost; and
- Credit commitments and financial guarantee contract

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

(i) Stage 1: 12-month ECL

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

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

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

(iii) Stage 3: Lifetime ECL – credit impaired

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

f) Modification of loans and advances

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

- If the borrower is in financial difficulty, whether the modification merely reduces the contractual cash flows to amounts the borrower is expected to be able to pay.

Notes to the Financial Statements

For the year ended 31 December 2024

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.5 FINANCIAL ASSETS (CONTINUED)

f) Modification of loans and advances (Continued)

- 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.

If the terms are substantially different, the Bank derecognises the original financial asset and recognises a new asset at fair value and recalculates a new effective interest rate for the asset. The date of renegotiation is consequently considered to be the date of initial recognition for impairment calculation purposes, including for the purpose of determining whether a significant increase in credit risk has occurred. However, the Bank also assesses whether the new financial asset recognised is deemed to be credit-impaired at initial recognition, especially in circumstances where the renegotiation was driven by the debtor being unable to make the originally agreed payments. Differences in the carrying amount are also recognised in profit or loss as a gain or loss on derecognition.

If the terms are not substantially different, the renegotiation or modification does not result in derecognition, and the Bank recalculates the gross carrying amount based on the revised cash flows of the financial asset and recognises a modification gain or loss in profit or loss. The new gross carrying amount is recalculated by discounting the modified cash flows at the original effective interest rate (or credit-adjusted effective interest rate for the purchased or originated credit-impaired financial assets).

2.6 FINANCIAL LIABILITIES

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

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

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

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

2.7 CREDIT COMMITMENTS AND FINANCIAL GUARANTEE CONTRACTS

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

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

Notes to the Financial Statements

For the year ended 31 December 2024

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.7 CREDIT COMMITMENTS AND FINANCIAL GUARANTEE CONTRACTS (CONTINUED)

Financial guarantees are initially recognised in the financial statements at fair value on the date the guarantee was given. The guarantees are agreed on arm's length terms and the value of the premium agreed corresponds to the value of the guarantee obligation. No receivable for the future premiums is recognised. Financial guarantee contracts are subsequently measured at the higher of the amount determined in accordance with the ECL model under CIFRS 9 'Financial Instruments' and the amount initially recognised less cumulative amount of income recognised in accordance with the principles of CIFRS 15 'Revenue from Contracts with Customers', where appropriate.

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

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

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

2.8 OFFSETTING FINANCIAL INSTRUMENTS

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

2.9 PROPERTY AND EQUIPMENT

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

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

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

	Years
Leasehold improvement	Shorter of lease period and its economic lives of 10 years
Office equipment	5
Furniture, fixtures and fittings	5
Computer equipment	3 - 5
Motor vehicles	5

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

Notes to the Financial Statements

For the year ended 31 December 2024

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.9 PROPERTY AND EQUIPMENT (CONTINUED)

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. Gains and losses on disposals are determined by comparing the proceeds within the carrying amount and are recognised in profit or loss.

2.10 INTANGIBLE ASSETS

Intangible assets, which comprise acquired computer software licence and related costs, are stated at cost less accumulated amortisation and impairment loss. Acquired computer software licences are capitalised on the basis of costs incurred to acquire the specific software licence and bring them into use. These costs are amortised over their estimated useful lives of five years using the straight-line method. Costs associated with maintaining computer software are recognised as expenses when incurred.

2.11 IMPAIRMENT OF NON-FINANCIAL ASSETS

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

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

2.12 LEASES

The Bank as a lessee

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

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

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

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

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

Notes to the Financial Statements

For the year ended 31 December 2024

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.12 LEASES (CONTINUED)

a) Lease liabilities

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

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

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

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

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

b) Right-of-use assets

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

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

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

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

c) Modification of a lease

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

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

Notes to the Financial Statements

For the year ended 31 December 2024

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.12 LEASES (CONTINUED)

d) Recognition exemptions

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

2.13 INCOME TAX

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

The current income tax charge is calculated on the basis of the tax law enacted or substantively enacted at the reporting date in the country where the Bank operates and generates taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and considers whether it is probable that a taxation authority will accept an uncertain tax treatment. The Bank measures its tax balances either based on the most likely amount or the expected value, depending on which method provides a better prediction of the resolution of the uncertainty.

Deferred tax is provided in full, using the liability method, providing for temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax is determined using tax rates based on laws that have been enacted or substantively enacted by the reporting date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

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

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

Current and deferred tax are recognised in profit or loss, except to the extent that they relate to items recognised in other comprehensive income or directly in equity. In this case, the taxes are also recognised in other comprehensive income or directly in equity, respectively.

2.14 PROVISION

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

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

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

Notes to the Financial Statements

For the year ended 31 December 2024

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.15 RESERVES

a) Regulatory reserves

Banks and financial institutions are required to compute regulatory provisions, according to Prakas No. B7-017-344 dated 1 December 2017, Circular No. B7-018-001 dated 16 February 2018 on credit risk classification and provisions on impairment, Circular No. B7-021-2314 dated 28 December 2021 (implemented from 1 January 2022) on classification and provisioning requirements on restructured loan, 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, and is not allowed to be included in the net worth calculation.

b) Non-distributable reserves

The non-distributable reserve is maintained following the approval on 2 July 2021 and 25 March 2020 from the central bank on the request to transfer from retained earnings in accordance with the central bank's Prakas No. B7-018-068 Prokor dated 22 February 2018 on the determination of capital buffers of banks and financial institutions. Any movement requires approval from the Board of Directors and the central bank.

2.16 EMPLOYEE BENEFITS

a) Short-term employee benefits

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

b) Pension obligations

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

c) Other employee benefits - seniority payments

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

- Annual service - 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).
- Past years of seniority service - employees are entitled to 15 days of their salary per year of service since the commencement of employment up to 31 December 2018 and still continue working with the Bank. The past seniority payment depends on each staff's past services and shall not exceed six months of average gross salaries. On 22 March 2019, the Ministry of Labour and Vocational Training issued guideline number 042/19 K.B/S.N.N.Kh.L, to delay the payment of the past years of seniority service which will be payable three days each in June and in December.

Notes to the Financial Statements

For the year ended 31 December 2024

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.16 EMPLOYEE BENEFITS (CONTINUED)

c) Other employee benefits - seniority payments (Continued)

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

The past years of seniority service is classified as long-term employee benefits, other than those payable within the next 12 months. Past seniority liability is recognised at the present value of defined obligations to better estimate the ultimate cost to the Bank that employees have earned in return for their service in the current and prior period. That obligation arises as employees render the services that the Bank expected to pay in the future reporting periods. The present value of the past seniority payment is determined by discounting the estimated future payments by references to the high-quality corporate bond of the currency that the liability is denominated.

d) Share-based compensation benefits

In 2022, RHB Bank Berhad (RHBB), the Bank's immediate parent, implemented a Share Grant Scheme (SGS), which is awarded to employees and executive directors of the Bank who fulfil the eligibility criteria (Eligible Employees).

The SGS shall be in force for a period of nine years commencing from the effective date of implementation of the SGS, with vesting period to be three years after the grant date. Details of the key features of the SGS are disclosed in Note 21.

The fair value of the shares offered is recognised as an expense in the statement of profit or loss over the vesting periods of the grant with a corresponding increase to share-based payment reserves within equity.

The total amount to be expensed over the vesting period is determined by reference to the fair value of the shares granted, excluding the impact of any non-market vesting conditions. Non-market vesting conditions are included in assumptions about the number of share grant that are expected to vest. At each reporting date, RHBB and the Bank revise the estimates of the number of shares granted and shares that expected to vest. The impact of the revision of original estimates, if any, will be recognised in the statement of profit or loss, with a corresponding adjustment to share-based payment reserves in equity.

2.17 INTEREST INCOME AND EXPENSE

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

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

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

- Purchased or originated credit-impaired financial assets (POCI), for which the original credit-adjusted effective interest rate is applied to the amortised cost of the financial assets.

Notes to the Financial Statements

For the year ended 31 December 2024

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.17 INTEREST INCOME AND EXPENSE (CONTINUED)

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

2.18 FEE AND COMMISSION INCOME

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

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

3. CRITICAL ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGEMENTS

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

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

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

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

- Determining criteria for significant increase in credit risk;
- Choosing appropriate models and assumptions for the measurement of ECL;
- Establishing the number and relative weightings of forward-looking scenarios, incorporating the consideration in response to the current economic environment, for each type of product/market and the associated ECL;
- Establishing groups of similar financial assets for the purposes of measuring ECL;
- For individual assessment management makes judgement on the future in respect of the estimation of amount and timing of cash flows from the net realisable value of the underlying collateral value.

b) Other employee benefits - seniority payment

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

c) Lease terms

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

Notes to the Financial Statements

For the year ended 31 December 2024

3. CRITICAL ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGEMENTS

d) Taxes

Tax reassessment

The General Department of Taxation (GDT) has issued comprehensive tax reassessments for the period from 1 January 2019 to 31 December 2021 with an additional tax liability including penalty and interest related to annual corporate income tax. Management has lodged protest letters to GDT and these remain ongoing. Management believes that it is not probable that the Bank will have to pay any additional taxes according to the tax reassessments. Thus, management is of the opinion that the reassessed taxes should not be recognised as liability but disclosed as tax contingent liabilities (Note 33(d)).

4. CASH ON HAND

	2024		2023	
	US\$	KHR'000	US\$	KHR'000
Current:				
US Dollars	14,431,813	58,088,047	11,707,074	47,823,397
Khmer Riel	1,827,936	7,357,442	1,359,352	5,552,953
	16,259,749	65,445,489	13,066,426	53,376,350

5. DEPOSITS AND PLACEMENTS WITH THE CENTRAL BANK

	2024		2023	
	US\$	KHR'000	US\$	KHR'000
Current:				
Current accounts	49,052,612	197,436,763	111,362,160	454,914,424
Settlement accounts	6,287,945	25,308,979	3,841,329	15,691,828
Negotiable certificate of deposits (*)	8,542,090	34,381,912	7,498,419	30,631,042
	63,882,647	257,127,654	122,701,908	501,237,294

(*) Negotiable certificate of deposits

The Bank has pledged negotiable certificate of deposits (NCD) amounting to US\$6,521,739 (2023: US\$7,498,419) with the central bank as collateral for settlement clearing facility. As at 31 December 2024, the Bank has yet to utilise the overdraft on settlement clearing facility.

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

	2024	2023
Current accounts	Nil	Nil
Settlement accounts	Nil	Nil
Negotiable certificate of deposits	1.0%-1.38%	0.5%-3.47%

Notes to the Financial Statements

For the year ended 31 December 2024

6. DEPOSITS AND PLACEMENTS WITH OTHER BANKS

a) By residency status

	2024		2023	
	US\$	KHR'000	US\$	KHR'000
Deposits and placements with local banks	636,196	2,560,689	11,062,802	45,191,546
Deposits and placements with overseas banks	62,008,546	249,584,398	18,656,294	76,210,961
	62,644,742	252,145,087	29,719,096	121,402,507
Less: allowance for expected credit loss (Note 35.1 (e))	(10,274)	(41,353)	(116,369)	(475,367)
Total - current	62,634,468	252,103,734	29,602,727	120,927,140

b) By account types

	2024		2023	
	US\$	KHR'000	US\$	KHR'000
<i>Deposits and placements with local banks:</i>				
Current accounts	636,196	2,560,689	482,117	1,969,448
Fixed deposits	-	-	10,580,685	43,222,098
<i>Deposits and placements with overseas banks:</i>				
Current accounts	6,508,546	26,196,898	15,055,822	61,503,033
Fixed deposits	55,500,000	223,387,500	3,500,000	14,297,500
Savings accounts	-	-	100,472	410,428
	62,644,742	252,145,087	29,719,096	121,402,507
Less: allowance for expected credit loss (Note 35.1 (e))	(10,274)	(41,353)	(116,369)	(475,367)
Total - current	62,634,468	252,103,734	29,602,727	120,927,140

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

	2024	2023
Current accounts	Nil	Nil
Fixed deposits	2.7691%	3.65% - 6.50%

Notes to the Financial Statements

For the year ended 31 December 2024

7. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	2024		2023	
	US\$	KHR'000	US\$	KHR'000
Non-current <i>Unlisted securities</i>				
Investment in Credit Bureau Cambodia	25,000	100,625	25,000	102,125

The Bank designated investment in Credit Bureau Cambodia (CBC) to be measured at FVOCI as they are not held for trading and the Bank has irrevocably elected at initial recognition to recognise as the financial assets at FVOCI. These are the strategic investments, and the Bank considers this classification to be more relevant.

The fair value of the investment as at 31 December 2024 was US\$25,000.

Dividend received during the year was US\$48,179 (2023: US\$67,067). Please refer to Note 24.

There is no gain or loss recognised in other comprehensive income due to fair value approximates the carrying amount.

8. LOANS AND ADVANCES AT AMORTISED COST

	2024		2023	
	US\$	KHR'000	US\$	KHR'000
<i>Commercial loans:</i>				
Term loans	458,687,619	1,846,217,666	469,450,490	1,917,705,252
Housing loan	3,540,400	14,250,110	3,648,887	14,905,703
Overdrafts	55,323,948	222,678,891	61,692,740	252,014,843
	517,551,967	2,083,146,667	534,792,117	2,184,625,798
<i>Consumer loans:</i>				
Term loans	25,345,864	102,017,103	37,886,012	154,764,359
Housing loans	160,900,358	647,623,941	166,359,714	679,579,432
Overdrafts	7,709,067	31,028,995	8,361,068	34,154,963
Staff housing loans	6,255,192	25,177,148	6,822,840	27,871,301
Staff vehicle loans	683,983	2,753,032	859,188	3,509,783
Other staff loans	8,547	34,401	8,258	33,734
	200,903,011	808,634,620	220,297,080	899,913,572
Total gross loans	718,454,978	2,891,781,287	755,089,197	3,084,539,370
Less: Allowance for expected credit loss (Note 35.1(f)(i))	(13,171,994)	(53,017,276)	(7,973,950)	(32,573,586)
Total net loans	705,282,984	2,838,764,011	747,115,247	3,051,965,784

Notes to the Financial Statements

For the year ended 31 December 2024

8. LOANS AND ADVANCES AT AMORTISED COST (CONTINUED)

a) Allowance for expected credit loss

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

	2024		2023	
	US\$	KHR'000	US\$	KHR'000
12-month ECL (Stage 1)	1,064,475	4,284,512	1,407,698	5,750,446
Lifetime ECL-not credit impaired (Stage 2)	8,210,978	33,049,186	4,169,618	17,032,890
Lifetime ECL-credit impaired (Stage 3)	3,896,541	15,683,578	2,396,634	9,790,250
	13,171,994	53,017,276	7,973,950	32,573,586

b) Analysis by loan classification

	2024		2023	
	US\$	KHR'000	US\$	KHR'000
<i>Performing</i>				
Gross amount	465,425,470	1,873,337,517	549,998,418	2,246,743,538
Exposure at default	457,003,575	1,839,439,389	540,525,176	2,208,045,343
Allowance for expected credit loss	1,064,475	4,284,512	1,407,698	5,750,446
<i>Under-performing</i>				
Gross amount	167,864,990	675,656,585	135,785,187	554,682,489
Exposure at default	165,140,585	664,690,855	134,421,938	549,113,616
Allowance for expected credit loss	8,210,978	33,049,186	4,169,618	17,032,890
<i>Non-performing</i>				
Gross amount	85,164,518	342,787,185	69,305,592	283,113,343
Exposure at default	85,369,213	343,611,082	69,447,412	283,692,678
Allowance for expected credit loss	3,896,541	15,683,578	2,396,634	9,790,250
Total				
Gross amount	718,454,978	2,891,781,287	755,089,197	3,084,539,370
Exposure at default	707,513,373	2,847,741,326	744,394,526	3,040,851,637
Allowance for expected credit loss	13,171,994	53,017,276	7,973,950	32,573,586

c) Analysis by exposure

	2024		2023	
	US\$	KHR'000	US\$	KHR'000
Large exposure	77,509,107	311,974,156	68,479,200	279,737,532
Non-large exposure	640,945,871	2,579,807,131	686,609,997	2,804,801,838
Total gross loans	718,454,978	2,891,781,287	755,089,197	3,084,539,370

Notes to the Financial Statements

For the year ended 31 December 2024

8. LOANS AND ADVANCES AT AMORTISED COST (CONTINUED)

c) Analysis by exposure (Continued)

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

d) Analysis by relationship

	2024		2023	
	US\$	KHR'000	US\$	KHR'000
Related parties	559,886	2,253,541	710,773	2,903,508
Non-related parties	717,895,092	2,889,527,746	754,378,424	3,081,635,862
Total gross loans	718,454,978	2,891,781,287	755,089,197	3,084,539,370

e) Analysis by residency

	2024		2023	
	US\$	KHR'000	US\$	KHR'000
Residents	718,389,058	2,891,515,959	755,089,197	3,084,539,370
Non-residents	65,920	265,328	-	-
Total gross loans	718,454,978	2,891,781,287	755,089,197	3,084,539,370

f) Interest rates

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

	2024	2023
Commercial loans	5.75%-18.0%	4.25%-24.0%
Consumer loans	4.0%-18.0%	4.0%-18.0%

9. STATUTORY DEPOSITS WITH THE CENTRAL BANK

	2024		2023	
	US\$	KHR'000	US\$	KHR'000
Current				
Reserve requirement (i)	57,857,637	232,876,989	74,519,412	304,411,798
Non-current				
Capital guarantee deposits (ii)	7,500,000	30,187,500	7,500,000	30,637,500
	65,357,637	263,064,489	82,019,412	335,049,298

Notes to the Financial Statements

For the year ended 31 December 2024

9. STATUTORY DEPOSITS WITH THE CENTRAL BANK (CONTINUED)

(i) Reserve requirement

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

(ii) Capital guarantee deposits

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

(iii) Interest rate

	2024	2023
Reserve requirement	Nil	Nil
Capital guarantee deposits	0.00% - 1.31%	0.00% - 1.26%

10. PROPERTY AND EQUIPMENT

	Leasehold improvements	Office equipment	Furniture, fixtures and fittings	Computer equipment	Motor vehicles	Work in progress	Total
Non-current	US\$	US\$	US\$	US\$	US\$	US\$	US\$
For the year ended 31 December 2023							
Opening net book value	920,787	435,937	104,878	591,191	215,046	6,966	2,274,805
Additions	78,672	33,981	2,150	125,054	-	574,757	814,614
Transfers	388,520	7,630	-	185,064	-	(581,214)	-
Reclassification	-	-	-	10,296	-	-	10,296
Depreciation charge	(206,268)	(166,589)	(45,434)	(392,085)	(124,192)	-	(934,568)
Closing net book value	1,181,711	310,959	61,594	519,520	90,854	509	2,165,147
As at 31 December 2023							
Cost	4,059,807	3,020,986	666,017	3,248,700	865,990	509	11,862,009
Accumulated depreciation	(2,878,096)	(2,710,027)	(604,423)	(2,729,180)	(775,136)	-	(9,696,862)
Net book value	1,181,711	310,959	61,594	519,520	90,854	509	2,165,147
In KHR'000 equivalents	4,827,289	1,270,268	251,611	2,122,239	371,139	2,079	8,844,625

Notes to the Financial Statements

For the year ended 31 December 2024

10. PROPERTY AND EQUIPMENT (CONTINUED)

	Leasehold improvements	Office equipment	Furniture, fixtures and fittings	Computer equipment	Motor vehicles	Work in progress	Total
Non-current	US\$	US\$	US\$	US\$	US\$	US\$	US\$
For the year ended 31 December 2024							
Opening net book value	1,181,711	310,959	61,594	519,520	90,854	509	2,165,147
Additions	29,175	80,607	5,497	194,083	-	30,030	339,392
Transfers	4,380	8,272	-	15,618	-	(28,270)	-
Disposals	-	(990)	(8,455)	-	-	-	(9,445)
Depreciation charge	(217,327)	(148,688)	(40,392)	(337,771)	(90,854)	-	(835,032)
Closing net book value	997,939	250,160	18,244	391,450	-	2,269	1,660,062
As at 31 December 2024							
Cost	4,093,362	3,077,416	622,747	3,441,306	865,990	2,269	12,103,090
Accumulated depreciation	(3,095,423)	(2,827,256)	(604,503)	(3,049,856)	(865,990)	-	(10,443,028)
Net book value	997,939	250,160	18,244	391,450	-	2,269	1,660,062
<i>In KHR'000 equivalents</i>	4,016,704	1,006,894	73,433	1,575,586	-	9,133	6,681,750

Notes to the Financial Statements

For the year ended 31 December 2024

11. LEASE

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

The Bank leases various buildings for its head office and branch operations, apartments, and ATM spaces. Rental contracts are typically made for fixed periods from two to fifteen years. The leases have varying terms, escalation clauses and renewal rights. On renewal, the terms of the leases are renegotiated.

a) Amounts recognised in the statement of financial position

	2024		2023	
	US\$	KHR'000	US\$	KHR'000
<i>Right-of-use assets – non-current:</i>				
Buildings	9,097,457	36,617,265	9,676,505	39,528,523
ATM spaces	53,125	213,828	31,081	126,966
	9,150,582	36,831,093	9,707,586	39,655,489
<i>Lease liabilities:</i>				
Current	2,299,951	9,257,303	1,653,603	6,754,968
Non-current	8,312,699	33,458,613	9,366,978	38,264,105
	10,612,650	42,715,916	11,020,581	45,019,073

Additions to the right-of-use assets during the year were US\$884,608 (2023: US\$123,819).

b) Amounts recognised in the statement of profit or loss

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

	2024		2023	
	US\$	KHR'000	US\$	KHR'000
Depreciation charge of right-of-use assets (Note 28)	1,441,612	5,868,802	1,415,850	5,819,144
Interest expense on lease liabilities (Note 22)	457,535	1,862,625	471,717	1,938,757
Expense relating to short-term leases (included in other operating expenses) (Note 29)	69,911	284,608	70,841	291,157
Total expenses related to leases	1,969,058	8,016,035	1,958,408	8,049,058

Total cash outflow for lease for 2024 was US\$1,750,074 (2023: US\$1,702,611).

Notes to the Financial Statements

For the year ended 31 December 2024

12. INTANGIBLE ASSETS

Non-current	Computer software	Work in progress	Total
	US\$	US\$	US\$
For the year ended 31 December 2023			
Opening net book value	6,699,878	156,338	6,856,216
Additions	46,980	685,667	732,647
Transfers	82,455	(82,455)	-
Reclassification	-	(10,296)	(10,296)
Amortisation charge	(1,800,871)	-	(1,800,871)
Closing net book value	5,028,442	749,254	5,777,696
As at 31 December 2023			
Cost	10,838,581	749,254	11,587,835
Accumulated amortisation	(5,810,139)	-	(5,810,139)
Net book value	5,028,442	749,254	5,777,696
<i>In KHR'000 equivalents</i>	20,541,185	3,060,703	23,601,888
For the year ended 31 December 2024			
Opening net book value	5,028,442	749,254	5,777,696
Additions	138,609	243,430	382,039
Transfers	277,614	(277,614)	-
Disposals	(152,880)	-	(152,880)
Amortisation charge	(1,646,196)	-	(1,646,196)
Closing net book value	3,645,589	715,070	4,360,659
As at 31 December 2024			
Cost	9,702,365	715,070	10,417,435
Accumulated amortisation	(6,056,776)	-	(6,056,776)
Net book value	3,645,589	715,070	4,360,659
<i>In KHR'000 equivalents</i>	14,673,495	2,878,157	17,551,652

The table shows the details of cash used for the purchases of intangible assets.

	2024		2023	
	US\$	KHR'000	US\$	KHR'000
Additions	382,039	1,555,281	732,647	3,011,179
Decrease in payable for capital expenditure	-	-	166,254	683,304
	382,039	1,555,281	898,901	3,694,483

Notes to the Financial Statements

For the year ended 31 December 2024

13. OTHER ASSETS

	2024		2023	
	US\$	KHR'000	US\$	KHR'000
Legal fees receivables	5,881,105	23,671,448	2,937,496	11,999,671
Advanced employee benefits	2,896,977	11,660,332	2,849,117	11,638,643
Prepayments of income tax (Note 30(a))	1,903,352	7,660,992	1,274,223	5,205,201
Deposits	427,793	1,721,867	447,450	1,827,833
Prepayments	403,376	1,623,588	369,703	1,510,237
Supplies	73,875	297,347	77,311	315,815
Due from related parties (Note 34(c))	10,576	42,568	26,469	108,126
Others	58,364	234,916	104,740	427,863
	11,655,418	46,913,058	8,086,509	33,033,389
Less: allowance for expected credit loss (Note 35.1 (e))	(153,420)	(617,516)	(96,239)	(393,136)
	11,501,998	46,295,542	7,990,270	32,640,253

	2024		2023	
	US\$	KHR'000	US\$	KHR'000
Current	8,186,553	32,950,876	4,668,526	19,070,929
Non-current	3,315,445	13,344,666	3,321,744	13,569,324
	11,501,998	46,295,542	7,990,270	32,640,253

14. DEPOSITS FROM BANKS AND FINANCIAL INSTITUTIONS

	2024		2023	
	US\$	KHR'000	US\$	KHR'000
Current				
Fixed deposits	65,321,995	262,921,030	220,657,875	901,387,420
Current accounts	3,395,241	13,665,845	3,661,181	14,955,924
Saving deposits	66,903	269,284	872,245	3,563,121
	68,784,139	276,856,159	225,191,301	919,906,465

Annual interest rates for deposits from banks and financial institutions are as follows:

	2024	2023
Current accounts	0.00% - 3.50%	0.00% - 3.75%
Saving deposits	0.50%	0.50%
Fixed deposits	5.60% - 7.00%	5.70% - 7.00%

Notes to the Financial Statements

For the year ended 31 December 2024

15. DEPOSITS FROM CUSTOMERS

	2024		2023	
	US\$	KHR'000	US\$	KHR'000
Fixed deposits	544,232,308	2,190,535,040	453,630,940	1,853,082,390
Current accounts	82,539,375	332,220,984	105,490,531	430,928,819
Saving deposits	47,585,015	191,529,685	33,403,326	136,452,587
	674,356,698	2,714,285,709	592,524,797	2,420,463,796

	2024		2023	
	US\$	KHR'000	US\$	KHR'000
Current	669,725,847	2,695,646,534	561,151,054	2,292,302,056
Non-current	4,630,851	18,639,175	31,373,743	128,161,740
	674,356,698	2,714,285,709	592,524,797	2,420,463,796

Annual interest rates for deposits from customers are as follows:

	2024	2023
Current accounts	0.00% - 3.75%	0.00% - 3.75%
Saving deposits	0.50% - 3.00%	0.50% - 3.00%
Fixed deposits	1.50% - 8.50%	1.50% - 8.50%

16. BORROWINGS

	2024		2023	
	US\$	KHR'000	US\$	KHR'000
<i>Borrowings from other bank</i>				
Principal amount	234,581	944,189	272,187	1,111,884
	234,581	944,189	272,187	1,111,884

	2024		2023	
	US\$	KHR'000	US\$	KHR'000
Current	38,597	155,353	37,606	153,621
Non-current	195,984	788,836	234,581	958,263
	234,581	944,189	272,187	1,111,884

Notes to the Financial Statements

For the year ended 31 December 2024

16. BORROWINGS (CONTINUED)

This represents the borrowing from SME Bank of Cambodia Plc. to finance the Bank's lending to small and medium-sized enterprises (SMEs) in Cambodia. The borrowings are unsecured and have terms of up to eight years with an annual interest rate of 2.5% per annum. Principal repayment is deferred for two years, followed by fixed monthly instalment for the remaining terms.

Changes in liabilities arising from financing activities – borrowings

	2024		2023	
	US\$	KHR'000	US\$	KHR'000
At 1 January	272,187	1,111,884	-	-
Additions	-	-	300,000	1,233,000
Repayments	(37,606)	(153,094)	(27,813)	(114,311)
Interest charge during the year	6,481	26,384	5,253	21,590
Interest payments	(6,481)	(26,384)	(5,253)	(21,590)
Currency translation differences	-	(14,601)	-	(6,805)
At 31 December	234,581	944,189	272,187	1,111,884

17. DEFERRED TAX LIABILITIES

	2024		2023	
	US\$	KHR'000	US\$	KHR'000
<i>Non-current</i>				
Deferred tax assets	12,885,134	51,862,664	6,922,708	28,279,262
Deferred tax liabilities	(17,629,076)	(70,957,031)	(12,276,700)	(50,150,319)
Net deferred tax liabilities	(4,743,942)	(19,094,367)	(5,353,992)	(21,871,057)

Movement of net deferred tax liabilities:

	2024		2023	
	US\$	KHR'000	US\$	KHR'000
As at 1 January	(5,353,992)	(21,871,057)	(3,858,094)	(15,883,773)
Credited to profit or loss (Note 30)	610,050	2,483,514	(1,495,898)	(6,148,140)
Currency translation difference	-	293,176	-	160,856
As at 31 December	(4,743,942)	(19,094,367)	(5,353,992)	(21,871,057)

Notes to the Financial Statements

For the year ended 31 December 2024

17. DEFERRED TAX LIABILITIES (CONTINUED)

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

i) Deferred tax assets

	Lease liabilities	Accelerated depreciation	Employee benefits	Unamortised loan fees	Tax losses	Unrealised exchange loss - net	Total
	US\$	US\$	US\$	US\$	US\$	US\$	US\$
As at 1 January 2023	2,572,609	191,944	38,908	662,980	3,834,073	100,193	7,400,707
(Charged)/credited to profit or loss	(368,493)	(191,944)	(2,490)	(24,982)	210,103	(100,193)	(477,999)
As at 31 December 2023	2,204,116	-	36,418	637,998	4,044,176	-	6,922,708
<i>In KHR'000 equivalent</i>	9,003,814	-	148,768	2,606,222	16,520,458	-	28,279,262
As at 1 January 2024	2,204,116	-	36,418	637,998	4,044,176	-	6,922,708
(Charged)/credited to profit or loss	(81,586)	-	2,595	(54,930)	6,096,347	-	5,962,426
As at 31 December 2024	2,122,530	-	39,013	583,068	10,140,523	-	12,885,134
<i>In KHR'000 equivalent</i>	8,543,183	-	157,027	2,346,849	40,815,605	-	51,862,664

ii) Deferred tax liabilities

	Right-of-use assets	Accelerated depreciation	Impairment losses	Total
	US\$	US\$	US\$	US\$
As at 1 January 2023	(2,300,702)	-	(8,958,099)	(11,258,801)
Credited/(charged) to profit or loss	359,185	(57,339)	(1,319,745)	(1,017,899)
As at 31 December 2023	(1,941,517)	(57,339)	(10,277,844)	(12,276,700)
<i>In KHR'000 equivalent</i>	(7,931,097)	(234,230)	(41,984,992)	(50,150,319)
As at 1 January 2024	(1,941,517)	(57,339)	(10,277,844)	(12,276,700)
Credited/(charged) to profit or loss	111,401	(59,518)	(5,404,259)	(5,352,376)
As at 31 December 2024	(1,830,116)	(116,857)	(15,682,103)	(17,629,076)
<i>In KHR'000 equivalent</i>	(7,366,217)	(470,349)	(63,120,465)	(70,957,031)

Notes to the Financial Statements

For the year ended 31 December 2024

18. OTHER LIABILITIES

	2024		2023	
	US\$	KHR'000	US\$	KHR'000
Accrued expenses	483,632	1,946,619	345,302	1,410,559
Other tax payables	391,982	1,577,728	423,389	1,729,544
Accrued bonuses	329,995	1,328,230	668,710	2,731,680
Allowances on expected credit loss on credit commitment and financial guarantee contracts (Note 35.1(f)(ii))	203,729	820,009	199,714	815,832
Cheques for collection	198,460	798,802	1,489,909	6,086,278
Others	154,180	620,574	222,193	907,658
	1,761,978	7,091,962	3,349,217	13,681,551

	2024		2023	
	US\$	KHR'000	US\$	KHR'000
Current	1,650,797	6,644,458	3,188,006	13,023,004
Non-current	111,181	447,504	161,211	658,547
	1,761,978	7,091,962	3,349,217	13,681,551

19. SUBORDINATED DEBTS

	2024		2023	
	US\$	KHR'000	US\$	KHR'000
<i>Related company (Note 34 (e))</i>				
Principal amount – non-current	20,000,000	80,500,000	20,000,000	81,700,000
Interest payables – current	280,867	1,130,490	10,711	43,754
	20,280,867	81,630,490	20,010,711	81,743,754

On 23 November 2022, the Bank signed a subordinated debt agreement with RHB Bank (L) Ltd. (RHBL), the Bank's related company, to obtain a borrowing of US\$20 million with a maturity of ten years at an annual interest rate of 1.25% above the RHBL's US\$ effective cost of fund. Effective cost of fund means the annual interest rate which is from time to time quoted by RHBL based on the cost to RHBL. The principal of the subordinated debt will be payable at the maturity date. The subordinated debt was approved by National Bank of Cambodia on 23 December 2022 to include in Tier II capital for the purpose of Net Worth calculation.

Notes to the Financial Statements

For the year ended 31 December 2024

19. SUBORDINATED DEBTS (CONTINUED)

Changes in liabilities arising from financing activities – subordinated debt

	2024		2023	
	US\$	KHR'000	US\$	KHR'000
At 1 January	20,010,711	81,743,754	20,012,383	82,390,981
Interest charge during the year	1,408,238	5,732,937	1,430,470	5,879,232
Interest paid during the year	(1,138,082)	(4,633,132)	(1,432,142)	(5,886,104)
Currency translation differences	-	(1,213,069)	-	(640,355)
At 31 December	20,280,867	81,630,490	20,010,711	81,743,754

20. SHARE CAPITAL

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

	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	75,000,000	301,875,000	75,000,000	306,375,000

21. SHARE-BASED PAYMENT RESERVES

The Share Grant Scheme (SGS) was established and implemented by the holding company, RHB Bank Berhad (RHBB) in June 2022. The SGS is intended to motivate employees, attract talents and retain key employees through the grant of the ordinary shares in RHBB for eligible employees, which include certain employees of the Bank. The SGS shall be in force for a period of nine years commencing from the effective implementation date of the SGS, and the vesting period for each grant offered will be 3 years from the offer date.

Grant date	Vesting date	2024	2023
		Number of shares	Number of shares
4 July 2022	3 July 2025	35,000	35,000
22 May 2023	30 June 2026	35,000	35,000
4 March 2024	30 June 2027	35,000	-
		105,000	70,000

Notes to the Financial Statements

For the year ended 31 December 2024

21. SHARE-BASED PAYMENT RESERVES (CONTINUED)

	2024	2023
	Number of shares	Number of shares
<i>Number of shares – SGS</i>		
Outstanding as at 1 January	70,000	70,000
Awarded during the year	35,000	35,000
Forfeited during the year	-	(35,000)
Outstanding as at 31 December	105,000	70,000

The movement on SGS reserves is as follows:

	2024		2023	
	US\$	KHR'000	US\$	KHR'000
As at 1 January	28,809	117,685	12,482	51,388
Charges during the year	37,613	153,123	16,327	67,104
Currency translation differences	-	(3,459)	-	(807)
As at 31 December	66,422	267,349	28,809	117,685

22. NET INTEREST INCOME

	2024		2023	
	US\$	KHR'000	US\$	KHR'000
<i>Interest income from financial assets at amortised cost:</i>				
Loans and advances	60,558,273	246,532,729	61,952,877	254,626,324
Deposits and placements with other banks	2,412,038	9,819,407	2,611,449	10,733,055
Deposits and placements with the central bank	188,731	768,324	408,437	1,678,677
	63,159,042	257,120,460	64,972,763	267,038,056
<i>Interest expense on financial liabilities at amortised cost:</i>				
Deposits from customers	(32,207,088)	(131,115,055)	(24,500,884)	(100,698,633)
Deposits from banks and financial institutions	(8,734,559)	(35,558,390)	(19,688,090)	(80,918,050)
Subordinated debts	(1,408,238)	(5,732,937)	(1,430,470)	(5,879,232)
Lease liabilities	(457,535)	(1,862,625)	(471,717)	(1,938,757)
Borrowings	(6,481)	(26,384)	(5,253)	(21,590)
	(42,813,901)	(174,295,391)	(46,096,414)	(189,456,262)
Net interest income	20,345,141	82,825,069	18,876,349	77,581,794

Included in the interest income from loans and advances at amortised cost is interest income accrued on credit-impaired loans of US\$5,129,281 (2023: US\$4,373,464).

Notes to the Financial Statements

For the year ended 31 December 2024

23. NET FEE AND COMMISSION INCOME

	2024		2023	
	US\$	KHR'000	US\$	KHR'000
<i>Fee and commission income:</i>				
Fees from remittances	542,250	2,207,500	326,439	1,341,664
Fees from trade finances	360,524	1,467,693	416,629	1,712,345
Fees from banking services	209,661	853,530	459,951	1,890,399
Overdraft commitment fees	191,643	780,179	204,842	841,901
Penalties and other loan charges	174,421	710,068	441,795	1,815,777
Referral fee income from insurance companies	83,862	341,402	85,209	350,209
Others	32,407	131,929	61,747	253,780
	1,594,768	6,492,301	1,996,612	8,206,075
Fee and commission expense	(15,700)	(63,915)	(8,487)	(34,882)
Net fee and commission income	1,579,068	6,428,386	1,988,125	8,171,193

24. OTHER OPERATING INCOME

	2024		2023	
	US\$	KHR'000	US\$	KHR'000
Dividend income	48,179	196,137	67,067	275,645
Other income	126,344	514,346	201,088	826,472
	174,523	710,483	268,155	1,102,117

25. OTHER GAINS - NET

	2024		2023	
	US\$	KHR'000	US\$	KHR'000
Net gains on foreign exchange	850,950	3,464,217	324,008	1,331,673
Net losses on disposal of intangible assets	(152,880)	(622,374)	-	-
Net losses on disposal of property and equipment	(12,125)	(49,361)	-	-
Gains on lease remeasurement	-	-	231,498	951,457
	685,945	2,792,482	555,506	2,283,130

Notes to the Financial Statements

For the year ended 31 December 2024

26. NET IMPAIRMENT (LOSSES)/GAINS

	2024		2023	
	US\$	KHR'000	US\$	KHR'000
<i>Credit impairment (charge)/written back:</i>				
Loans and advances at amortised cost	(8,925,530)	(36,335,833)	1,859,028	7,640,605
Bad debt loans recovery	28,080	114,314	13,794	56,693
	(8,897,450)	(36,221,519)	1,872,822	7,697,298
Credit commitments and financial guarantees	(4,015)	(16,345)	(71,373)	(293,343)
Deposits and placements with other banks	106,094	431,909	292,836	1,203,556
Other financial assets at amortised costs	(57,180)	(232,780)	(29,979)	(123,213)
	(8,852,551)	(36,038,735)	2,064,306	8,484,298

27. PERSONNEL EXPENSES

	2024		2023	
	US\$	KHR'000	US\$	KHR'000
Salaries and wages	6,452,978	26,270,073	6,560,790	26,964,847
Bonuses and incentive expenses	388,110	1,579,996	947,744	3,895,228
Seniority and severance expenses	374,469	1,524,463	398,833	1,639,204
Other employee benefits	683,471	2,782,411	699,620	2,875,438
	7,899,028	32,156,943	8,606,987	35,374,717

28. DEPRECIATION AND AMORTISATION CHARGE

	2024		2023	
	US\$	KHR'000	US\$	KHR'000
Depreciation charges of right-of-use assets (Note 11)	1,441,612	5,868,802	1,415,850	5,819,144
Depreciation charges of property and equipment (Note 10)	835,032	3,399,415	934,568	3,841,074
Amortisation charges of intangible assets (Note 12)	1,646,196	6,701,665	1,800,871	7,401,580
	3,922,840	15,969,882	4,151,289	17,061,798

Notes to the Financial Statements

For the year ended 31 December 2024

29. OTHER OPERATING EXPENSES

	2024		2023	
	US\$	KHR'000	US\$	KHR'000
Repairs and maintenance	1,472,899	5,996,172	1,104,339	4,538,833
Bank charges	845,996	3,444,050	430,214	1,768,180
Shared service costs (Note 34.g)	318,801	1,297,839	233,721	960,593
Advertising and public relations	316,828	1,289,807	66,054	271,482
Licence fees	282,914	1,151,743	276,215	1,135,244
Security expenses	269,172	1,095,799	326,448	1,341,701
Utilities	245,302	998,624	236,794	973,223
Insurance expense	218,690	890,287	213,383	877,004
Communication	213,402	868,760	224,554	922,917
Expenses for motor vehicles	156,626	637,624	156,578	643,536
Legal and professional fees	150,376	612,181	216,557	890,049
Rental expenses related to short-term leases	69,911	284,608	70,841	291,157
Travel, accommodation and foods	65,148	265,218	120,832	496,620
Stationery and supplies	62,364	253,884	73,287	301,210
Board of directors' fee (Note 34 (f))	36,645	149,182	35,362	145,338
Printing and forms	10,628	43,267	13,882	57,055
Others	1,105,283	4,499,605	977,195	4,016,270
	5,840,985	23,778,650	4,776,256	19,630,412

30. INCOME TAX EXPENSES

	2024		2023	
	US\$	KHR'000	US\$	KHR'000
Current income tax	-	-	-	-
Under estimate of current tax of prior year	-	-	52,261	214,793
Current income tax	-	-	52,261	214,793
Deferred income tax	(610,050)	(2,483,514)	1,495,898	6,148,140
	(610,050)	(2,483,514)	1,548,159	6,362,933

Notes to the Financial Statements

For the year ended 31 December 2024

30. INCOME TAX EXPENSES (CONTINUED)

a) Reconciliation between income tax expenses and accounting profit

	2024		2023	
	US\$	KHR'000	US\$	KHR'000
(Loss)/profit before income tax	(3,730,727)	(15,187,790)	6,217,909	25,555,605
Tax calculated at 20%	(746,145)	(3,037,558)	1,243,582	5,111,121
Tax effect of reconciling items:				
Expenses not deductible for tax purposes	262,282	1,067,751	174,973	719,140
Income not subject to tax	(9,636)	(39,228)	(59,215)	(243,374)
Recognised previously unrecognised deferred tax	(116,551)	(474,479)	-	-
Previously unrecognised deferred tax	-	-	136,558	561,253
Under estimation of current tax of prior year	-	-	52,261	214,793
Income tax expenses	(610,050)	(2,483,514)	1,548,159	6,362,933

Under the Cambodian tax regulations, the Bank 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.

The Bank incurs taxable losses and is not subject to 20% income tax for the years ended 31 December 2023 and 31 December 2024. The Bank believes that it is exempted from minimum tax. The prepayment of income tax as at 31 December 2024 of US\$1,903,352 (2023: US\$1,274,223) is recognised as current assets which can be carried forward as a tax credit against future income tax payment and is subject to the assessment of the tax authorities since the Bank has obtained the letter of maintaining proper accounting records for tax years 2023 and 2024 on 20 March 2024.

b) Other matter

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

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

31. CASH AND CASH EQUIVALENTS

	2024		2023	
	US\$	KHR'000	US\$	KHR'000
Cash on hand (Note 4)	16,259,749	65,445,489	13,066,426	53,376,350
Deposits and placements with the central bank (Note 5):				
Current accounts	49,052,612	197,436,763	111,362,160	454,914,424
Settlement accounts	6,287,945	25,308,979	3,841,329	15,691,828
Deposits and placements with other banks:				
Current accounts	7,144,742	28,757,587	15,537,939	63,472,481
Fixed deposits (maturity of three months or less)	55,500,000	223,387,500	13,500,000	55,147,500
	134,245,048	540,336,318	157,307,854	642,602,583

Notes to the Financial Statements

For the year ended 31 December 2024

32. CASH FLOW INFORMATION

a) Cash used in operations

	Notes	2024		2023	
		US\$	KHR'000	US\$	KHR'000
(Loss)/profit before income tax		(3,730,727)	(15,187,790)	6,217,909	25,555,605
<i>Adjustments for:</i>					
Depreciation and amortisation charge	28	3,922,840	15,969,882	4,151,289	17,061,798
Net impairment losses/(gains)		8,880,631	36,153,049	(2,050,512)	(8,427,605)
Losses on disposals of intangible assets	25	152,880	622,374	-	-
Losses on disposals of property and equipment	25	12,125	49,361	-	-
Non-cash employee benefits expense – share-based payments		37,613	153,123	16,327	67,104
Employee benefits		(11,226)	(45,701)	(2,828)	(11,623)
Net interest income	22	(20,345,141)	(82,825,069)	(18,876,349)	(77,581,794)
Gains on lease remeasurement	25	-	-	(231,498)	(951,457)
		(11,081,005)	(45,110,771)	(10,775,662)	(44,287,972)
<i>Changes in working capital:</i>					
Reserve requirement deposits		16,661,775	67,830,086	(20,504,085)	(84,271,789)
Loans and advances at amortised cost		39,187,910	159,533,982	(1,299,022)	(5,338,980)
Other assets		(3,568,908)	(14,529,024)	(2,007,736)	(8,251,795)
Deposits from banks and financial institutions		(155,844,570)	(634,443,244)	(129,493,452)	(532,218,088)
Deposits from customers		77,981,940	317,464,478	118,311,920	486,261,991
Other liabilities		(1,593,937)	(6,488,918)	697,954	2,868,591
Cash used in operations		(38,256,795)	(155,743,411)	(45,070,083)	(185,238,042)

b) Non-cash financing activities

Non-cash financing activities disclosed in another note is acquisition of right-of-use assets (Note 11).

Notes to the Financial Statements

For the year ended 31 December 2024

32. CASH FLOW INFORMATION (CONTINUED)

c) Net debt reconciliation

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

Net debt	2024		2023	
	US\$	KHR'000	US\$	KHR'000
Cash and cash equivalents	134,245,048	540,336,318	157,307,854	642,602,583
Subordinated debts	(20,280,867)	(81,630,490)	(20,010,711)	(81,743,754)
Borrowings	(234,581)	(944,189)	(272,187)	(1,111,884)
Lease liabilities	(10,612,650)	(42,715,916)	(11,020,581)	(45,019,073)
Net debt	103,116,950	415,045,723	126,004,375	514,727,872
Cash and liquid investments	134,245,048	540,336,318	157,307,854	642,602,583
Gross debt – fixed interest rates	(31,128,098)	(125,290,595)	(31,303,479)	(127,874,711)
Net debt	103,116,950	415,045,723	126,004,375	514,727,872

	Liabilities from financing activities			Other assets	Sub-total
	Subordinated debts	Borrowings	Leases	Cash and cash equivalent	
	US\$	US\$	US\$	US\$	
Net debt as at 1 January 2023	(20,012,383)	-	(12,863,046)	168,429,440	135,554,011
Cash flows	-	(272,187)	1,230,894	(11,121,586)	(10,162,879)
New leases	-	-	(123,819)	-	(123,819)
Changes due to lease remeasurement for head office building	-	-	665,395	-	665,395
Other lease adjustments	-	-	69,995	-	69,995
Interest expenses	(1,430,470)	(5,253)	(471,717)	-	(1,907,440)
Interest payment (presented as operating cash flows)	1,432,142	5,253	471,717	-	1,909,112
Net debt as at 31 December 2023	(20,010,711)	(272,187)	(11,020,581)	157,307,854	126,004,375
In KH'000 equivalent	(81,743,754)	(1,111,884)	(45,019,073)	642,602,583	514,727,872
Net debt as at 1 January 2024	(20,010,711)	(272,187)	(11,020,581)	157,307,854	126,004,375
Cash flows	-	37,606	1,292,539	(23,062,806)	(21,732,661)
New leases	-	-	(884,608)	-	(884,608)
Interest expenses	(1,408,238)	(6,481)	(457,535)	-	(1,872,254)
Interest payment (presented as operating cash flows)	1,138,082	6,481	457,535	-	1,602,098
Net debt as at 31 December 2024	(20,280,867)	(234,581)	(10,612,650)	134,245,048	103,116,950
In KH'000 equivalent	(81,630,490)	(944,189)	(42,715,916)	540,336,318	415,045,723

Notes to the Financial Statements

For the year ended 31 December 2024

33. CONTINGENT LIABILITIES AND COMMITMENTS

a) Credit commitments and financial guarantee contracts

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

	2024		2023	
	US\$	KHR'000	US\$	KHR'000
<i>Credit commitments:</i>				
Unused portion of overdrafts	18,179,366	73,171,948	18,925,748	77,311,681
Undisbursed portion of term loans	8,072,645	32,492,396	20,910,010	85,417,391
	26,252,011	105,664,344	39,835,758	162,729,072
<i>Financial guarantee contracts:</i>				
Letter of credits	20,519,107	82,589,406	20,104,882	82,128,443
Bank guarantees	5,449,977	21,936,157	5,705,038	23,305,080
	25,969,084	104,525,563	25,809,920	105,433,523
Total exposure	52,221,095	210,189,907	65,645,678	268,162,595

	2024		2023	
	US\$	KHR'000	US\$	KHR'000
Credit commitments and financial guarantee contracts	52,221,095	210,189,907	65,645,678	268,162,595
Allowance for expected credit losses	(203,729)	(820,009)	(199,714)	(815,832)
Net exposure	52,017,366	209,369,898	65,445,964	267,346,763

b) Capital commitments

	2024		2023	
	US\$	KHR'000	US\$	KHR'000
Intangible asset	280,201	1,127,809	387,344	1,582,300
	280,201	1,127,809	387,344	1,582,300

c) Lease commitments

The Bank recognised right-of-use assets and lease liabilities for lease contracts where the Bank is a lessee, except for short-term leases (see Note 2.12 (d) and Note 11 for further information). The lease commitments of short-term leases are within one year only and the balance is immaterial.

Notes to the Financial Statements

For the year ended 31 December 2024

33. CONTINGENT LIABILITIES AND COMMITMENTS (CONTINUED)

d) Contingent liabilities – tax reassessment

i) Comprehensive tax reassessment for the periods from 1 January 2019 to 31 December 2020

On 31 January 2024, GDT issued the results of another comprehensive tax reassessment to the Bank for the period from 1 January 2019 to 31 December 2020, which required the Company to pay the additional tax liability including penalty and interest of KHR 4,709,264,605 (equivalent to US\$1,164,219) related to the annual corporate income tax. The Bank did not agree with these tax reassessment results and has submitted an objection letter on 29 February 2024 to protest with these results. There has been no response from the GDT to the objection letter.

As of reporting date, there has been no response from the GDT to the Bank's objection letter yet. The Bank has not paid the additional taxes or recognised the exposure of that tax reassessment as liabilities because the Bank is in the position that it is not probable that it will have to pay the taxes.

ii) Comprehensive tax reassessment for the periods from 1 January 2021 to 31 December 2021

On 5 February 2025, GDT issued the results of another comprehensive tax reassessment to the Bank for the period from 1 January 2021 to 31 December 2021, which required the Company to pay the additional tax liability including penalty and interest of KHR1,458,542,742 (equivalent to US\$362,371) related to the annual corporate income tax. The Bank did not agree with these tax reassessment results and has submitted an objection letter on 10 March 2025 to protest with these results.

As of reporting date, there has been no response from the GDT to the Bank's objection letter yet. The Bank has not paid the additional taxes or recognised the exposure of that tax reassessment as liabilities because the Bank is in the position that it is not probable that it will have to pay the taxes.

34. RELATED PARTY TRANSACTIONS AND BALANCES

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 and their relationship with the Bank are as follows:

Relationship	Related party
Parent entity	RHB Bank Berhad
Fellow subsidiaries	Entities under the same parent company
Key management personnel	All directors of the Bank who make critical decisions in relation to the strategic direction of the Bank and senior management staff (including their close family members)

Notes to the Financial Statements

For the year ended 31 December 2024

34. RELATED PARTY TRANSACTIONS AND BALANCES (CONTINUED)

b) Loans and advances to key management personnel

	2024		2023	
	US\$	KHR'000	US\$	KHR'000
Loans and advances to key management personnel	559,886	2,253,541	620,344	2,534,107
Interest income	29,564	120,355	28,570	117,423

Loans and advances to key management personnel are net of allowance for expected credit loss of US\$1,940 (2023: US\$1,979), unsecured, and having interest rate of 4% per annum (2023: 4% per annum).

c) Amounts due from related parties

	2024		2023	
	US\$	KHR'000	US\$	KHR'000
Fellow subsidiaries	2,759	11,105	22,832	93,269
Immediate parent company	7,817	31,463	3,637	14,857
	10,576	42,568	26,469	108,126

Amount due from related parties are unsecured and are receivable in cash.

d) Deposits from related parties

	2024		2023	
	US\$	KHR'000	US\$	KHR'000
Immediate parent company	66,286,665	266,803,827	211,319,058	863,238,352
Fellow subsidiaries	10,162,485	40,904,002	10,075,471	41,158,299
Directors and key management	966,659	3,890,802	2,402,869	9,815,720
	77,415,809	311,598,631	223,797,398	914,212,371
Interest expenses	10,688,342	43,512,240	18,387,627	75,573,147

Annual interest rates during the year are as follows:

	2024	2023
Immediate parent company	0.00% - 2.00%	0.00% - 6.50%
Fellow subsidiaries	0.00% - 5.50%	0.00% - 5.30%
Directors and key management	0.00% - 7.50%	0.50% - 7.50%

Notes to the Financial Statements

For the year ended 31 December 2024

34. RELATED PARTY TRANSACTIONS AND BALANCES (CONTINUED)

e) Subordinated debt

	2024		2023	
	US\$	KHR'000	US\$	KHR'000
Fellow subsidiaries (Note 19)	20,280,867	81,630,490	20,010,711	81,743,754
Interest expenses (Note 22)	1,408,238	5,732,937	1,430,470	5,879,232

f) Key management compensation

	2024		2023	
	US\$	KHR'000	US\$	KHR'000
Directors' fees	36,645	149,182	35,362	145,338
Key management:				
Short-term benefits	1,464,822	5,963,290	1,939,987	7,973,347
Other long-term benefits	80,904	329,360	101,819	418,476
	1,545,726	6,292,650	2,041,806	8,391,823
	1,582,371	6,441,832	2,077,168	8,537,161

g) Other transactions with related parties

	2024		2023	
	US\$	KHR'000	US\$	KHR'000
Income:				
Shared service charge	59,088	240,547	59,088	242,852
Expenses:				
Shared service costs (*)	318,801	1,297,839	233,721	960,593
Referral expenses	3,850	15,673	2,742	11,270
	322,651	1,313,512	236,463	971,863

(*) These represent the shared service charged from RHB Bank Berhad to provide support services for its business operation to the Bank including Human Resource, IT, Risk Management, Finance and Internal Audit.

h) Terms and conditions

Transactions with related parties were made on normal commercial terms and conditions and at market rate.

Notes to the Financial Statements

For the year ended 31 December 2024

35. FINANCIAL RISK MANAGEMENT

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

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

- identify the various risk exposures and capital requirements;
- ensure risk-taking activities are consistent with risk policies and the aggregated risk position are within the risk appetite as approved by the Board; and
- create shareholders' value through a sound risk management framework.

The Bank holds the following financial assets and financial liabilities:

	2024		2023	
	US\$	KHR'000	US\$	KHR'000
Financial assets				
<i>Financial assets at amortised costs:</i>				
Cash on hand	16,259,749	65,445,489	13,066,426	53,376,350
Deposits and placements with the central bank	63,882,647	257,127,654	122,701,908	501,237,294
Deposits and placements with other banks	62,634,468	252,103,734	29,602,727	120,927,140
Loans and advances at amortised cost	705,282,984	2,838,764,011	747,115,247	3,051,965,784
Other financial assets	6,213,668	25,010,014	3,371,652	13,773,198
	854,273,516	3,438,450,902	915,857,960	3,741,279,766
Financial assets at fair value through other comprehensive income	25,000	100,625	25,000	102,125
Total financial assets	854,298,516	3,438,551,527	915,882,960	3,741,381,891
Financial liabilities				
<i>Financial liabilities at amortised cost:</i>				
Deposits from banks and financial institutions	68,784,139	276,856,159	225,191,301	919,906,465
Deposits from customers	674,356,698	2,714,285,709	592,524,797	2,420,463,796
Borrowings	234,581	944,189	272,187	1,111,884
Lease liabilities	10,612,650	42,715,916	11,020,581	45,019,073
Other financial liabilities	727,978	2,930,111	2,257,118	9,220,327
Subordinated debts	20,280,867	81,630,490	20,010,711	81,743,754
Total financial liabilities	774,996,913	3,119,362,574	851,276,695	3,477,465,299
Net financial assets	79,301,603	319,188,953	64,606,265	263,916,592

Notes to the Financial Statements

For the year ended 31 December 2024

35. FINANCIAL RISK MANAGEMENT (CONTINUED)

35.1 CREDIT RISK

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

a) Credit risk measurement

Credit risk is managed on a group basis.

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

Deposits and placements with the central bank have no historical loss, and with strong capacity to meet obligations in near term, expected credit loss for deposits and placements with central bank is 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. 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 35.1(c).

b) Risk limit control and mitigation policies

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

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

- Mortgages over residential properties (land, building and other properties);
- Cash in the form of term deposits, if any; or
- Commercial buildings and lands.

c) Expected credit loss policies

The measurement of expected credit loss allowance under the CIFRS 9 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.

Notes to the Financial Statements

For the year ended 31 December 2024

35. FINANCIAL RISK MANAGEMENT (CONTINUED)

35.1 CREDIT RISK (CONTINUED)

c) Expected credit loss 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 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 one of the criteria are met as follows:

Quantitative criteria

- Customer has day past due 30 days on its contractual payments as at reporting date
- There is a habitual delinquency. This is based on the monitoring of customer's repayment behaviours which there are at least 2 incidents of 30 days past due based on contractual payment over the past 6 months.

Qualitative criteria

- Restructuring and rescheduling of loan accounts which involves any modification made to the original repayment terms and conditions of the loan facility following an increase in the credit risk of an obligor/counterparty.
- Loan facility placed under Enhanced Account Management (EAM) with likelihood of default categorised as Medium High or High.

Notes to the Financial Statements

For the year ended 31 December 2024

35. FINANCIAL RISK MANAGEMENT (CONTINUED)

35.1 CREDIT RISK (CONTINUED)

c) Expected credit loss policies (Continued)

ii. Definition of default and credit impaired

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

Quantitative criteria

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

- 1) Repayment on each of the instalment amounts must be made in full. A partial repayment made on an instalment amount shall be deemed to be in arrears.
- 2) Where a moratorium on loan repayment is granted in relation to the rescheduling and restructuring, the determination of period in arrears shall exclude the moratorium period granted. The moratorium shall be for a period of not more than 6 months from the date of the obligor's/counterparty's application for the moratorium.
- 3) Where repayments are scheduled on intervals of 90 days or longer for long term loans and 30 days or longer for short term loans, the loan is classified as impaired as soon as a default occurs, unless it does not exhibit any weakness that would render it classified according to the credit risk grading policy.

Qualitative criteria

- The loan is forced impaired due to various reasons, such as bankruptcy, legal action initiated by the Bank for recovery, 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 Credit Committee.
- When an obligor/counterparty has multiple loans with the Bank and cross default obligation applies, an assessment of provision is required under which default of one debt obligation triggers default on another debt obligation (cross default). Where there is no right to set off clause is available, assessment of provision needs to be performed on individual loan level instead of consolidated obligor/counterparty level.

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

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

For individual assessment, the ECL allowance is determined by comparing the outstanding exposure with the present value of cash flow which is expected to be received from the borrowers.

Notes to the Financial Statements

For the year ended 31 December 2024

35. FINANCIAL RISK MANAGEMENT (CONTINUED)

35.1 CREDIT RISK (CONTINUED)

c) Expected credit loss policies (Continued)

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

Probability of Default

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 PD model is to estimate the yearly default likelihood of the portfolio that can be used to generate lifetime PD curves to cover the assumed lifetime of each account within the portfolio.

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

Exposure at Default

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

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

- For amortising products and bullet repayment loans, this is based on the contractual repayments owed by the borrower over a 12-month or remaining maturity.
- For revolving products, the exposure at default is predicted by taking credit limit time with utilisation at default where credit limit is maximum amount a customer can borrow and utilisation at default is the proportion of the credit limit that is used by the customer at the point of default.

Loss Given Default

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

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

iv. Forward-looking information incorporated into the ECL models

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

These economic variables and their associated impact on the PD vary by financial instrument. Expert judgement has also been applied in this process. The historical and forecasts of these economic variables (the base economic scenario) are sourced from external research houses. The impact of these economic variables on the PD has been determined by performing statistical regression analysis to understand the impact changes in these variables have had historically on default rates, while LGD is based on the bank's assessment of haircut of collaterals and EAD is based on the expected payment profiles.

Notes to the Financial Statements

For the year ended 31 December 2024

35. FINANCIAL RISK MANAGEMENT (CONTINUED)

35.1 CREDIT RISK (CONTINUED)

c) Expected credit loss policies (Continued)

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

In addition to the based economic scenario, the Bank considers other possible scenarios along with scenario weightings. The number of other scenarios used is set based on the analysis of each major product type to ensure non-linearities are captured. The number of scenarios and their attributes are reassessed at each reporting date. As at 31 December 2024 and 31 December 2023, the Bank concluded that three scenarios appropriately captured non-linearities. The scenario weightings are determined by a combination of statistical analysis and expert credit judgement, taking account of the range of possible outcomes each chosen scenario is representative of.

As with any economic forecasts, the projects and likelihoods of occurrence are subject to a high degree of inherent uncertainty and therefore the actual outcomes may be significantly different to those projected. Due to the increases in the industry non-performing loans and uncertainty of the economic environment, the Bank applied a management overlay using the latest observed default rate in its forward PD estimation, which reflects the recent, reasonable and supportable information at the reporting date. The Bank considers these forecasts to represent its best estimate of the possible outcomes and has analysed the non-linearities and asymmetries within the Bank's different portfolios to establish that the chosen scenarios are appropriately representative of the range of possible scenarios.

Macroeconomic variable assumptions

The weightings assigned to each economic scenario as at 31 December 2024 and 31 December 2023 are as follows:

	2024	2023
All portfolios' weightings		
Base	60%	60%
Best	20%	20%
Worst	20%	20%
	100%	100%

Sensitivity analysis

The most significant assumptions affecting the ECL allowance are gross domestic savings growth and export growth, given the significant impact on obligors' ability to meet contractual repayments, business performance, and collateral valuation.

Set out below are the changes to the ECL as at 31 December 2024 and 31 December 2023 that would result from reasonably possible changes in these parameters from the actual assumptions used in the Bank's economic variable assumptions:

Notes to the Financial Statements

For the year ended 31 December 2024

35. FINANCIAL RISK MANAGEMENT (CONTINUED)

35.1 CREDIT RISK (CONTINUED)

c) Expected credit loss policies (Continued)

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

	Changes	Increase/(decrease) in ECL	
		US\$	US\$
2024			
Manufacturing Year over Year Growth	+/- 100 basis point	611,968	(524,213)
Export Growth	+/- 300 basis point	273,136	(258,042)
		885,104	(782,255)
<i>In KHR'000 equivalent</i>		3,562,544	(3,148,576)
2023			
Gross Domestic Saving Growth	+/- 400 basis point	259,624	(265,373)
Export Growth	+/- 300 basis point	229,339	(217,212)
		488,963	(482,585)
<i>In KHR'000 equivalent</i>		1,997,413	(1,971,360)

v. Grouping of exposure for ECL measured on collective basis

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

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

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

vi. Write-off policy

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

vii. Modification of loans

The Bank sometimes modifies the terms of loans provided to customers due to commercial renegotiations, or for distressed loans, with a view to maximising recovery.

Such restructuring activities include extended payment term arrangements, payment holidays and payment forgiveness. Restructuring policies and practices are based on indicators or criteria which, in the judgement of management, indicate that payment will most likely continue. These policies are kept under continuous review. Restructuring is most commonly applied to term loans.

Notes to the Financial Statements

For the year ended 31 December 2024

35. FINANCIAL RISK MANAGEMENT (CONTINUED)

35.1 CREDIT RISK (CONTINUED)

c) Expected credit loss policies (Continued)

vii. Modification of loans (Continued)

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 (Note 2.5 (f)). The Bank monitors the subsequent performance of modified assets. The Bank may determine that the credit risk has significantly improved after restructuring, so that the assets are moved from Stage 3 or Stage 2 (Lifetime ECL) to Stage 1 (12-month ECL). This is only the case for assets which have performed in accordance with the new terms for six consecutive months or more.

viii. Off-balance sheet exposures

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

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

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

	2024		2023	
	US\$	KHR'000	US\$	KHR'000
Credit risk exposure related to on-balance sheet assets:				
Deposits and placements with other banks	62,644,742	252,145,087	29,719,096	121,402,507
Loans and advances at amortised cost	718,454,978	2,891,781,287	755,089,197	3,084,539,370
Other financial assets	6,367,088	25,627,530	3,467,891	14,166,334
Credit risk exposure related to off-balance sheet items:				
Credit related commitments	26,252,011	105,664,344	39,835,758	162,729,072
Financial guarantee contracts	25,969,084	104,525,563	25,809,920	105,433,523
Total gross credit exposure	839,687,903	3,379,743,811	853,921,862	3,488,270,806
Allowance for expected credit losses (ECL)	(13,539,417)	(54,496,154)	(8,386,272)	(34,257,921)
Total net credit exposure	826,148,486	3,325,247,657	845,535,590	3,454,012,885

Notes to the Financial Statements

For the year ended 31 December 2024

35. FINANCIAL RISK MANAGEMENT (CONTINUED)

35.1 CREDIT RISK (CONTINUED)

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

The above table represents a worst-case scenario of credit risk exposure to the Bank, since collateral held and/or other credit enhancement attached were not taken into account. For on-balance sheet assets, the exposures set out above are based on net carrying amounts. As shown above, 86% for the Bank (2023: 88%) of total maximum exposure is derived from loans and advances. Management is confident of its ability to continue to control and sustain minimal exposure on credit risk resulting from the Bank's loans and advances due to the following:

- Almost all loans and advances are collateralised and loan to collateral value ranges from 60% to 80%.
- The Bank has a proper credit evaluation process in place for granting of loans and advances to customers.
- Deposits and placements with other banks are held with local banks and management has done proper risk assessment and believe there will be no material loss from these local banks.

e) Credit quality of financial assets

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

Credit quality description is summarised as follows:

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

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

Credit Quality	Description
Sovereign	Refer to financial assets issued by the central bank/government or guarantee by the central bank/government.
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.
Un-graded	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.

Notes to the Financial Statements

For the year ended 31 December 2024

35. FINANCIAL RISK MANAGEMENT (CONTINUED)

35.1 CREDIT RISK (CONTINUED)

e) Credit quality of financial assets (Continued)

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

	2024				2023			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
	12-month ECL	Lifetime ECL not credit-Impaired	Lifetime ECL credit-Impaired		12-month ECL	Lifetime ECL not credit-Impaired	Lifetime ECL credit-Impaired	
	US\$	US\$	US\$		US\$	US\$	US\$	
Deposits and placements with other banks								
Investment grade	61,225,385	-	-	61,225,385	10,343,655	-	-	10,343,655
Un-graded	1,419,357	-	-	1,419,357	19,375,441	-	-	19,375,441
Gross carrying amount	62,644,742	-	-	62,644,742	29,719,096	-	-	29,719,096
Less: Allowance for expected credit loss	(10,274)	-	-	(10,274)	(116,369)	-	-	(116,369)
Net carrying amount	62,634,468	-	-	62,634,468	29,602,727	-	-	29,602,727
<i>In KHR'000 equivalent</i>	252,103,734	-	-	252,103,734	120,927,140	-	-	120,927,140
Loans and advances at amortised cost								
Standard monitoring	465,425,470	-	-	465,425,470	549,998,418	-	-	549,998,418
Special monitoring	-	167,864,990	-	167,864,990	-	135,785,187	-	135,785,187
Default	-	-	85,164,518	85,164,518	-	-	69,305,592	69,305,592
Gross carrying amount	465,425,470	167,864,990	85,164,518	718,454,978	549,998,418	135,785,187	69,305,592	755,089,197
Less: Allowance for expected credit loss	(1,064,475)	(8,210,978)	(3,896,541)	(13,171,994)	(1,407,698)	(4,169,618)	(2,396,634)	(7,973,950)
Net carrying amount	464,360,995	159,654,012	81,267,977	705,282,984	548,590,720	131,615,569	66,908,958	747,115,247
<i>In KHR'000 equivalent</i>	1,869,053,006	642,607,398	327,103,607	2,838,764,011	2,240,993,091	537,649,599	273,323,094	3,051,965,784

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For the year ended 31 December 2024

35. FINANCIAL RISK MANAGEMENT (CONTINUED)

35.1 CREDIT RISK (CONTINUED)

e) Credit quality of financial assets (Continued)

	2024				2023			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
	12-month ECL	Lifetime ECL not credit-Impaired	Lifetime ECL credit-Impaired		12-month ECL	Lifetime ECL not credit-Impaired	Lifetime ECL credit-Impaired	
	US\$	US\$	US\$		US\$	US\$	US\$	
Other financial assets at amortised costs								
Un-graded	549,668	51,937	5,765,483	6,367,088	585,969	18,567	2,863,355	3,467,891
Gross carrying amount	549,668	51,937	5,765,483	6,367,088	585,969	18,567	2,863,355	3,467,891
Less: Allowance for expected credit loss	(145)	(1,778)	(151,497)	(153,420)	(222)	(393)	(95,624)	(96,239)
Net carrying amount	549,523	50,159	5,613,986	6,213,668	585,747	18,174	2,767,731	3,371,652
<i>In KHR'000 equivalent</i>	2,244,801	204,900	22,933,133	25,382,834	2,392,776	74,241	11,306,181	13,773,198
Credit commitments and financial guarantee contracts								
Standard monitoring	50,474,910	1,746,185	-	52,221,095	64,612,273	1,033,405	-	65,645,678
Gross carrying amount	50,474,910	1,746,185	-	52,221,095	64,612,273	1,033,405	-	65,645,678
Less: Allowance for expected credit loss	(122,291)	(81,438)	-	(203,729)	(176,610)	(23,104)	-	(199,714)
Net carrying amount	50,352,619	1,664,747	-	52,017,366	64,435,663	1,010,301	-	65,445,964
<i>In KHR'000 equivalent</i>	202,669,291	6,700,607	-	209,369,898	263,219,683	4,127,080	-	267,346,763

Notes to the Financial Statements

For the year ended 31 December 2024

35. FINANCIAL RISK MANAGEMENT (CONTINUED)

35.1 CREDIT RISK (CONTINUED)

f) Loss allowance

i. Expected credit loss reconciliation – loans and advances

	2024				2023			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
	12-month ECL	Lifetime ECL not Credit-Impaired	Lifetime ECL Credit-Impaired		12-month ECL	Lifetime ECL not Credit-Impaired	Lifetime ECL Credit-Impaired	
	US\$	US\$	US\$		US\$	US\$	US\$	
Expected credit losses								
Loss allowance as at 1 January	1,407,698	4,169,618	2,396,634	7,973,950	969,581	8,961,618	1,892,895	11,824,094
<i>Changes due to exposure:</i>								
Transfer to stage 1	72,195	(72,195)	-	-	22,024	(22,024)	-	-
Transfer to stage 2	(739,719)	739,719	-	-	(329,302)	329,302	-	-
Transfer to stage 3	(1,051,269)	(1,919,831)	2,971,100	-	(322,619)	(351,214)	673,833	-
Net remeasurement of loss allowance (*)	1,546,147	822,581	2,464,516	4,833,244	985,898	(3,997,583)	2,208,604	(803,081)
New financial assets originated	161,167	6,260,840	-	6,422,007	286,357	2,737,494	-	3,023,851
Write-offs	-	-	(3,727,486)	(3,727,486)	-	-	(1,991,115)	(1,991,115)
Financial assets derecognised during the year other than write off	(331,744)	(1,789,754)	(208,223)	(2,329,721)	(204,241)	(3,487,975)	(387,583)	(4,079,799)
Loss allowance as at 31 December	1,064,475	8,210,978	3,896,541	13,171,994	1,407,698	4,169,618	2,396,634	7,973,950
<i>In KHR'000 equivalent</i>	4,284,512	33,049,186	15,683,578	53,017,276	5,750,446	17,032,890	9,790,250	32,573,586

Notes to the Financial Statements

For the year ended 31 December 2024

35. FINANCIAL RISK MANAGEMENT (CONTINUED)

35.1 CREDIT RISK (CONTINUED)

f) Loss allowance (Continued)

	2024				2023			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
	12-month ECL	Lifetime ECL not Credit-Impaired	Lifetime ECL Credit-Impaired		12-month ECL	Lifetime ECL not Credit-Impaired	Lifetime ECL Credit-Impaired	
	US\$	US\$	US\$		US\$	US\$	US\$	
Gross carrying amount								
Gross carrying amount as at 1 January	549,998,418	135,785,187	69,305,592	755,089,197	609,799,348	90,719,068	50,191,828	750,710,244
Changes due to financial instruments recognised:								
Transfer to stage 1	31,573,152	(31,573,152)	-	-	8,456,587	(8,456,587)	-	-
Transfer to stage 2	(13,943,010)	13,943,010	-	-	(11,271,597)	11,271,597	-	-
Transfer to stage 3	(3,744,230)	(21,105,715)	24,849,945	-	(11,518,703)	(11,466,695)	22,985,398	-
New financial assets originated	38,255,189	129,730,509	-	167,985,698	84,541,943	92,749,385	-	177,291,328
Write-off	-	-	(3,727,486)	(3,727,486)	-	-	(1,991,115)	(1,991,115)
Financial assets derecognised during the year other than write off	(136,714,049)	(58,914,849)	(5,263,533)	(200,892,431)	(130,009,160)	(39,031,581)	(1,880,519)	(170,921,260)
Gross carrying amount as at 31 December	465,425,470	167,864,990	85,164,518	718,454,978	549,998,418	135,785,187	69,305,592	755,089,197
In KHR'000 equivalent	1,873,337,517	675,656,585	342,787,185	2,891,781,287	2,246,743,538	554,682,489	283,113,343	3,084,539,370

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

Notes to the Financial Statements

For the year ended 31 December 2024

35. FINANCIAL RISK MANAGEMENT (CONTINUED)

35.1 CREDIT RISK (CONTINUED)

f) Loss allowance (Continued)

ii. Expected credit loss reconciliation – credit commitments and financial guarantee contracts

	2024				2023			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
	12-month ECL	Lifetime ECL not Credit-Impaired	Lifetime ECL Credit-Impaired		12-month ECL	Lifetime ECL not Credit-Impaired	Lifetime ECL Credit-Impaired	
	US\$	US\$	US\$		US\$	US\$	US\$	
Expected credit losses								
Loss allowance as at 1 January	176,610	23,104	-	199,714	101,170	27,171	-	128,341
<i>Changes due to exposure:</i>								
Transfer to stage 1	1,050	(1,050)	-	-	-	-	-	-
Transfer to stage 2	(16,084)	16,084	-	-	-	-	-	-
Net remeasurement of loss allowance	6,161	46,098	-	52,259	6,303	(4,964)	-	1,339
New exposure	89,561	1,383	-	90,944	133,309	897	-	134,206
Exposure derecognised or expired	(135,007)	(4,181)	-	(139,188)	(64,172)	-	-	(64,172)
Loss allowance as at 31 December	122,291	81,438	-	203,729	176,610	23,104	-	199,714
<i>In KHR'000 equivalent</i>	492,221	327,788	-	820,009	721,452	94,380	-	815,832
Exposure								
Exposure amount as at 1 January	64,612,273	1,033,405	-	65,645,678	61,322,379	237,304	-	61,559,683
<i>Changes due to financial instruments recognised:</i>								
Transfer to stage 1	449,597	(449,597)	-	-	-	-	-	-
Transfer to stage 2	(299,400)	299,400	-	-	-	-	-	-
New exposure	34,222,702	1,096,277	-	35,318,979	40,637,779	796,101	-	41,433,880
Exposure derecognised or expired	(48,510,262)	(233,300)	-	(48,743,562)	(37,347,885)	-	-	(37,347,885)
Gross carrying amount as at 31 December	50,474,910	1,746,185	-	52,221,095	64,612,273	1,033,405	-	65,645,678
<i>In KHR'000 equivalent</i>	203,161,513	7,028,394	-	210,189,907	263,941,135	4,221,460	-	268,162,595

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35. FINANCIAL RISK MANAGEMENT (CONTINUED)

35.1 CREDIT RISK (CONTINUED)

g) Concentration of financial assets with credit risk exposure

i) Geographical sector

The following table breaks down the Bank's main credit exposure at their carrying amount, as categorised by geographical region as at 31 December 2024 and 31 December 2023. For this table, the Bank has allocated exposure to countries based on the country of domicile of its counterparties.

	Cambodia	USA	Others	Total
	US\$	US\$	US\$	US\$
31 December 2024				
Deposits and placements with other banks	635,072	61,848,445	150,951	62,634,468
Loans and advances at amortised cost	705,217,218	-	65,766	705,282,984
Other financial assets	6,213,668	-	-	6,213,668
Credit commitments	26,112,817	-	-	26,112,817
Financial guarantee contracts	25,904,549	-	-	25,904,549
Total credit exposure	764,083,324	61,848,445	216,717	826,148,486
<i>In KHR'000 equivalent</i>	<i>3,075,435,379</i>	<i>248,939,991</i>	<i>872,287</i>	<i>3,325,247,657</i>
31 December 2023				
Deposits and placements with other banks	10,947,716	18,484,811	170,200	29,602,727
Loans and advances at amortised cost	747,115,247	-	-	747,115,247
Other financial assets	3,371,652	-	-	3,371,652
Credit commitments	39,678,083	-	-	39,678,083
Financial guarantee contracts	25,767,881	-	-	25,767,881
Total credit exposure	826,880,579	18,484,811	170,200	845,535,590
<i>In KHR'000 equivalent</i>	<i>3,377,807,165</i>	<i>75,510,453</i>	<i>695,267</i>	<i>3,454,012,885</i>

Notes to the Financial Statements

For the year ended 31 December 2024

35. FINANCIAL RISK MANAGEMENT (CONTINUED)

35.1 CREDIT RISK (CONTINUED)

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

ii. Industry sector

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

	Deposits and placements with other banks	Loans and advances	Other financial assets	Credit commitments	Financial guarantee contracts	Total
	US\$	US\$	US\$	US\$	US\$	US\$
31 December 2024						
Financial institutions	62,634,468	19,309,798	-	1,548,212	-	83,492,478
Hotels and restaurants	-	75,515,580	-	1,446,285	-	76,961,865
Retail	-	85,016,748	-	2,545,571	-	87,562,319
Wholesale	-	41,090,584	-	3,107,097	299,300	44,496,981
Manufacturing	-	10,278,185	-	21,961	-	10,300,146
Agriculture, forestry and fishing	-	26,534,069	-	233,969	-	26,768,038
Mortgage, owner-occupied housing	-	173,343,985	-	532,272	-	173,876,257
Rental and operational leasing activities, excluded real estate, leasing and rental	-	20,245,682	-	30,722	-	20,276,404
Transport and storage	-	2,965,279	-	320,361	-	3,285,640
Utilities	-	32,918,270	-	7,260,628	-	40,178,898
Real estate activities	-	86,185,839	-	2,222,039	77,026	88,484,904
Construction	-	39,122,257	-	668,213	25,519,245	65,309,715
Other non-financial services	-	5,255,649	-	50,996	-	5,306,645
Information media and telecommunications	-	1,042,643	-	44,990	-	1,087,633
Others	-	86,458,416	6,213,668	6,079,501	8,978	98,760,563
Total credit exposure	62,634,468	705,282,984	6,213,668	26,112,817	25,904,549	826,148,486
<i>In KHR'000 equivalent</i>	252,103,734	2,838,764,011	25,010,014	105,104,088	104,265,810	3,325,247,657

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For the year ended 31 December 2024

35. FINANCIAL RISK MANAGEMENT (CONTINUED)

35.1 CREDIT RISK (CONTINUED)

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

ii. Industry sector (Continued)

	Deposits and placements with other banks	Loans and advances	Other financial assets	Credit commitments	Financial guarantee contracts	Total
	US\$	US\$	US\$	US\$	US\$	US\$
31 December 2023						
Financial institutions	29,602,727	22,488,230	-	677,648	-	52,768,605
Hotels and restaurants	-	67,726,075	-	1,248,828	-	68,974,903
Retail	-	93,764,113	-	5,056,225	-	98,820,338
Wholesale	-	52,956,230	-	1,370,426	74,370	54,401,026
Manufacturing	-	13,995,894	-	117,208	-	14,113,102
Agriculture, forestry and fishing	-	14,938,926	-	211,440	-	15,150,366
Mortgage, owner-occupied housing	-	178,264,813	-	797,589	-	179,062,402
Rental and operational leasing activities, excluded real estate, leasing and rental	-	28,289,250	-	609,765	-	28,899,015
Transport and storage	-	5,848,249	-	502,863	-	6,351,112
Utilities	-	21,178,612	-	133,701	-	21,312,313
Real estate activities	-	106,378,687	-	2,673,476	2,271,026	111,323,189
Construction	-	36,607,247	-	1,299,888	23,312,243	61,219,378
Other non-financial services	-	6,510,856	-	94,141	-	6,604,997
Information media and telecommunications	-	968,581	-	89,889	-	1,058,470
Others	-	97,199,484	3,371,652	24,794,996	110,242	125,476,374
Total credit exposure	29,602,727	747,115,247	3,371,652	39,678,083	25,767,881	845,535,590
<i>In KHR'000 equivalent</i>	<i>120,927,140</i>	<i>3,051,965,784</i>	<i>13,773,198</i>	<i>162,084,969</i>	<i>105,261,794</i>	3,454,012,885

h) Repossessed collateral

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

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

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For the year ended 31 December 2024

35. FINANCIAL RISK MANAGEMENT (CONTINUED)

35.2 MARKET RISK

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

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

a) Foreign exchange risk

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

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

The management monitors their foreign exchange risk against functional currencies. However, the Bank does not hedge its foreign exchange risk exposure arising from future commercial transactions and recognised assets and liabilities using forward contracts.

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

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

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For the year ended 31 December 2024

35. FINANCIAL RISK MANAGEMENT (CONTINUED)

35.2 MARKET RISK (CONTINUED)

a) Foreign exchange risk (Continued)

	In US\$ equivalent			
	US\$	KHR	Other	Total
As at 31 December 2024				
Financial assets				
Cash on hand	14,431,813	1,827,936	-	16,259,749
Deposits and placements with the central bank	47,243,552	16,639,095	-	63,882,647
Deposits and placements with other banks	62,270,120	193,182	171,166	62,634,468
Financial assets at fair value through other comprehensive income	25,000	-	-	25,000
Loans and advances at amortised cost	630,789,439	74,493,545	-	705,282,984
Other financial assets	5,792,261	421,407	-	6,213,668
Total financial assets	760,552,185	93,575,165	171,166	854,298,516
Financial liabilities				
Deposits from banks and financial institutions	67,603,029	1,181,110	-	68,784,139
Deposits from customers	634,426,969	39,929,729	-	674,356,698
Borrowings	234,581	-	-	234,581
Lease liabilities	10,612,650	-	-	10,612,650
Other financial liabilities	727,978	-	-	727,978
Subordinated debts	20,280,867	-	-	20,280,867
Total financial liabilities	733,886,074	41,110,839	-	774,996,913
Net position	26,666,111	52,464,326	171,166	79,301,603
<i>In KHR'000 equivalent</i>	<i>107,331,097</i>	<i>211,168,912</i>	<i>688,944</i>	319,188,953
Off-balance sheet				
Credit commitments	24,700,935	1,411,882	-	26,112,817
Financial guarantee contracts	25,904,549	-	-	25,904,549
	50,605,484	1,411,882	-	52,017,366
<i>In KHR'000 equivalent</i>	<i>203,687,073</i>	<i>5,682,825</i>	<i>-</i>	209,369,898

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For the year ended 31 December 2024

35. FINANCIAL RISK MANAGEMENT (CONTINUED)

35.2 MARKET RISK (CONTINUED)

a) Foreign exchange risk (Continued)

	In US\$ equivalent			
	US\$	KHR	Other	Total
As at 31 December 2023				
Financial assets				
Cash on hand	11,707,074	1,359,352	-	13,066,426
Deposits and placements with the central bank	118,211,400	4,490,508	-	122,701,908
Deposits and placements with other banks	29,216,413	209,759	176,555	29,602,727
Financial assets at fair value through other comprehensive income	25,000	-	-	25,000
Loans and advances at amortised cost	667,505,448	79,609,799	-	747,115,247
Other financial assets	3,215,835	155,817	-	3,371,652
Total financial assets	829,881,170	85,825,235	176,555	915,882,960
Financial liabilities				
Deposits from banks and financial institutions	214,874,455	10,316,846	-	225,191,301
Deposits from customers	571,766,620	20,758,177	-	592,524,797
Borrowings	272,187	-	-	272,187
Lease liabilities	11,020,581	-	-	11,020,581
Other financial liabilities	2,257,118	-	-	2,257,118
Subordinated debt	20,010,711	-	-	20,010,711
Total financial liabilities	820,201,672	31,075,023	-	851,276,695
Net position	9,679,498	54,750,212	176,555	64,606,265
<i>In KHR'000 equivalent</i>	39,540,749	223,654,616	721,227	263,916,592
Off-balance sheet				
Credit commitments	38,050,310	1,627,773	-	39,678,083
Financial guarantee contracts	25,767,881	-	-	25,767,881
	63,818,191	1,627,773	-	65,445,964
<i>In KHR'000 equivalent</i>	260,697,310	6,649,453	-	267,346,763

Notes to the Financial Statements

For the year ended 31 December 2024

35. FINANCIAL RISK MANAGEMENT (CONTINUED)

35.2 MARKET RISK (CONTINUED)

a) Foreign exchange risk (Continued)

Sensitivity analysis

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

	Impact on post tax profit		Impact on other component of equity	
	US\$	KHR'000	US\$	KHR'000
2024				
US\$/KHR exchange rate - increase by 2%	822,970	3,350,311	-	-
US\$/KHR exchange rate - decrease by 2%	(856,560)	(3,487,056)	-	-
2023				
US\$/KHR exchange rate - increase by 2%	858,827	3,529,779	-	-
US\$/KHR exchange rate - decrease by 2%	(893,881)	(3,673,851)	-	-

b) Price risk

The Bank's exposure to equity securities price risk arises from investment held by the Bank and classified as FVOCI. The investment amount is insignificant, so the Bank did not have any policy to manage its price risk arising from investments in equity securities.

c) Interest rate risk

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Fair value interest rate risk is the risk that the value of a financial instrument will fluctuate because of changes in market interest rates. Interest margins may increase as a result of changes but may reduce losses in the event that unexpected movements arise.

The Bank's main interest rate risk arises from fixed rate borrowings. The Bank does 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 Bank at this stage does not have a policy to set limits on the level of mismatch of interest rate repricing that may be undertaken; however, the management regularly monitors the mismatch.

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

Notes to the Financial Statements

For the year ended 31 December 2024

35. FINANCIAL RISK MANAGEMENT (CONTINUED)

35.2 MARKET RISK (CONTINUED)

c) Interest rate risk (Continued)

	Up to 1 month	1 to 3 months	3 to 12 months	1 to 5 years	Over 5 years	Non-interest bearing	Total
	US\$	US\$	US\$	US\$	US\$	US\$	US\$
As at 31 December 2024							
Financial assets							
Cash on hand	-	-	-	-	-	16,259,749	16,259,749
Deposits and placements with the central bank	248,447	6,521,739	1,748,447	-	-	55,364,014	63,882,647
Deposits and placements with other banks	62,634,468	-	-	-	-	-	62,634,468
Financial assets at fair value through other comprehensive income	-	-	-	-	-	25,000	25,000
Loan and advances at amortised cost	47,541,501	28,131,385	76,881,478	289,392,034	263,336,586	-	705,282,984
Other financial assets	-	-	-	-	-	6,213,668	6,213,668
Total financial assets	110,424,416	34,653,124	78,629,925	289,392,034	263,336,586	77,862,431	854,298,516
Financial liabilities							
Deposits from banks and financial institutions	48,244,340	17,077,655	-	-	-	3,462,144	68,784,139
Deposits from customers	72,668,440	187,616,648	279,316,371	4,630,851	-	130,124,388	674,356,698
Borrowings	3,185	6,398	29,014	190,864	5,120	-	234,581
Lease liabilities	231,301	462,603	1,606,047	3,966,884	4,345,815	-	10,612,650
Other financial liabilities	-	-	-	-	-	727,978	727,978
Subordinated debts	280,867	-	-	-	20,000,000	-	20,280,867
Total financial liabilities	121,428,133	205,163,304	280,951,432	8,788,599	24,350,935	134,314,510	774,996,913
Total interest repricing gap	(11,003,717)	(170,510,180)	(202,321,507)	280,603,435	238,985,651	(56,452,079)	79,301,603
<i>In KHR'000 equivalent</i>	(44,289,961)	(686,303,474)	(814,344,065)	1,129,428,826	961,917,245	(227,219,618)	319,188,953
Off-balance sheet							
Credit commitments	6,435,321	1,569,251	10,089,220	14,308	8,004,717	-	26,112,817
Financial guarantee contracts	8,979	24,884,874	873,811	136,885	-	-	25,904,549
Total off-balance sheet interest repricing gap	6,444,300	26,454,125	10,963,031	151,193	8,004,717	-	52,017,366
<i>In KHR'000 equivalent</i>	25,938,308	106,477,853	44,126,200	608,551	32,218,986	-	209,369,898

Notes to the Financial Statements

For the year ended 31 December 2024

35. FINANCIAL RISK MANAGEMENT (CONTINUED)

35.2 MARKET RISK (CONTINUED)

c) Interest rate risk (Continued)

	Up to 1 month	1 to 3 months	3 to 12 months	1 to 5 years	Over 5 years	Non-interest bearing	Total
	US\$	US\$	US\$	US\$	US\$	US\$	US\$
As at 31 December 2023							
Financial assets							
Cash on hand	-	-	-	-	-	13,066,426	13,066,426
Deposits and placements with the central bank	3,744,798	-	3,744,798	-	-	115,212,312	122,701,908
Deposits and placements with other banks	29,138,413	-	-	-	-	464,314	29,602,727
Financial assets at fair value through other comprehensive income	-	-	-	-	-	25,000	25,000
Loan and advances at amortised cost	43,319,752	33,391,591	86,639,054	297,988,757	285,776,093	-	747,115,247
Other financial assets	-	-	-	-	-	3,371,652	3,371,652
Total financial assets	76,202,963	33,391,591	90,383,852	297,988,757	285,776,093	132,139,704	915,882,960
Financial liabilities							
Deposits from banks and financial institutions	103,349,632	118,036,309	-	-	-	3,805,360	225,191,301
Deposits from customers	127,041,902	135,363,060	227,395,790	31,373,743	-	71,350,302	592,524,797
Borrowings	3,098	6,224	28,284	203,094	31,487	-	272,187
Lease liabilities	145,737	290,475	1,217,391	4,354,875	5,012,103	-	11,020,581
Other financial liabilities	-	-	-	-	-	2,257,118	2,257,118
Subordinated debts	10,711	-	-	-	20,000,000	-	20,010,711
Total financial liabilities	230,551,080	253,696,068	228,641,465	35,931,712	25,043,590	77,412,780	851,276,695
Total interest repricing gap	(154,348,117)	(220,304,477)	(138,257,613)	262,057,045	260,732,503	54,726,924	64,606,265
<i>In KHR'000 equivalent</i>	<i>(630,512,058)</i>	<i>(899,943,789)</i>	<i>(564,782,349)</i>	<i>1,070,503,029</i>	<i>1,065,092,275</i>	<i>223,559,484</i>	263,916,592
Off-balance sheet							
Credit commitments	12,958,332	12,853,133	11,793,591	174,912	1,898,115	-	39,678,083
Financial guarantee contracts	80,000	20,070,117	5,542,090	75,674	-	-	25,767,881
Total off-balance sheet interest repricing gap	13,038,332	32,923,250	17,335,681	250,586	1,898,115	-	65,445,964
<i>In KHR'000 equivalent</i>	<i>53,261,586</i>	<i>134,491,476</i>	<i>70,816,257</i>	<i>1,023,644</i>	<i>7,753,800</i>	<i>-</i>	267,346,763

Notes to the Financial Statements

For the year ended 31 December 2024

35. FINANCIAL RISK MANAGEMENT (CONTINUED)

35.2 MARKET RISK (CONTINUED)

c) Interest rate risk (Continued)

Sensitivity analysis

The interest rate sensitivity shows the impact on profit after tax and equity of financial assets and financial liabilities bearing floating interest rates and fixed rate financial assets and financial liabilities carried at fair value.

The Bank's interest-bearing financial assets and financial liabilities are contracted under the fixed interest rate. Therefore, the Bank has no exposure to the risk of changes in interest rate in the future.

35.3 LIQUIDITY RISK

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

a) Liquidity risk management process

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

b) Funding approach

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

c) Non-derivative cash flows

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

Notes to the Financial Statements

For the year ended 31 December 2024

35. FINANCIAL RISK MANAGEMENT (CONTINUED)

35.3 LIQUIDITY RISK (CONTINUED)

c) Non-derivative cash flows (Continued)

	Up to 1 month	1 to 3 months	3 to 12 months	1 to 5 years	Over 5 years	Total
	US\$	US\$	US\$	US\$	US\$	US\$
As at 31 December 2024						
Financial assets						
Cash on hand	16,259,749	-	-	-	-	16,259,749
Deposits and placements with the central bank	55,590,250	6,560,244	1,758,890	-	-	63,909,384
Deposits and placements with other banks	62,018,295	-	-	-	-	62,018,295
Financial assets at fair value through other comprehensive income	25,000	-	-	-	-	25,000
Loans and advances at amortised cost	38,844,366	33,454,740	99,578,912	410,664,983	441,568,739	1,024,111,740
Other financial assets	6,213,668	-	-	-	-	6,213,668
Total financial assets by remaining contractual maturities	178,951,328	40,014,984	101,337,802	410,664,983	441,568,739	1,172,537,836
Financial liabilities						
Deposits from banks and financial institutions	51,919,380	17,204,312	-	-	-	69,123,692
Deposits from customers	203,012,302	189,602,092	287,830,853	4,998,724	-	685,443,971
Lease liabilities	258,558	517,116	1,845,749	5,145,942	5,748,697	13,516,062
Other financial liabilities	727,978	-	-	-	-	727,978
Borrowings	3,674	7,348	33,066	203,151	5,142	252,381
Subordinated debts	280,867	274,761	839,548	5,574,595	20,000,000	26,969,771
Total financial liabilities by remaining contractual maturities	256,202,759	207,605,629	290,549,216	15,922,412	25,753,839	796,033,855
Net liquidity (gap)/surplus	(77,251,431)	(167,590,645)	(189,211,414)	394,742,571	415,814,900	376,503,981
<i>In KHR'000 equivalent</i>	<i>(310,937,010)</i>	<i>(674,552,346)</i>	<i>(761,575,941)</i>	<i>1,588,838,848</i>	<i>1,673,654,973</i>	<i>1,515,428,524</i>
Off-balance sheet						
Credit commitments	26,273,887	28,093	87,728	321,345	-	26,711,053
Financial guarantee contracts	25,990,725	1,688	7,198	1,143	-	26,000,754
Liquidity - off-balance sheet	52,264,612	29,781	94,926	322,488	-	52,711,807
<i>In KHR'000 equivalent</i>	<i>210,365,063</i>	<i>119,869</i>	<i>382,077</i>	<i>1,298,014</i>	<i>-</i>	<i>212,165,023</i>

Notes to the Financial Statements

For the year ended 31 December 2024

35. FINANCIAL RISK MANAGEMENT (CONTINUED)

35.3 LIQUIDITY RISK (CONTINUED)

c) Non-derivative cash flows (Continued)

	Up to 1 month	1 to 3 months	3 to 12 months	1 to 5 years	Over 5 years	Total
	US\$	US\$	US\$	US\$	US\$	US\$
As at 31 December 2023						
Financial assets						
Cash on hand	13,066,426	-	-	-	-	13,066,426
Deposits and placements with the central bank	118,957,572	-	3,763,362	-	-	122,720,934
Deposits and placements with other banks	29,442,989	-	-	-	-	29,442,989
Financial assets at fair value through other comprehensive income	25,000	-	-	-	-	25,000
Loans and advances at amortised cost	45,998,438	38,832,088	110,813,815	419,152,799	466,225,371	1,081,022,511
Other financial assets	3,371,652	-	-	-	-	3,371,652
Total financial assets by remaining contractual maturities	210,862,077	38,832,088	114,577,177	419,152,799	466,225,371	1,249,649,512
Financial liabilities						
Deposits from banks and financial institutions	107,666,309	119,244,050	-	-	-	226,910,359
Deposits from customers	198,549,126	136,805,288	235,417,694	34,329,867	-	605,101,975
Lease liabilities	165,602	330,201	1,395,370	5,226,215	6,175,483	13,292,871
Other financial liabilities	2,257,118	-	-	-	-	2,257,118
Borrowings	3,674	7,348	33,066	220,437	31,943	296,468
Subordinated debts	10,711	324,911	981,874	6,519,642	20,000,000	27,837,138
Total financial liabilities by remaining contractual maturities	308,652,540	256,711,798	237,828,004	46,296,161	26,207,426	875,695,929
Net liquidity (gap)/surplus	(97,790,463)	(217,879,710)	(123,250,827)	372,856,638	440,017,945	373,953,583
<i>In KHR'000 equivalent</i>	<i>(399,474,041)</i>	<i>(890,038,615)</i>	<i>(503,479,628)</i>	<i>1,523,119,366</i>	<i>1,797,473,305</i>	1,527,600,387
Off-balance sheet						
Credit commitments	39,868,954	21,898	57,090	80,687	-	40,028,629
Financial guarantee contracts	25,831,429	9,364	31,079	733	-	25,872,605
Liquidity - off-balance sheet	65,700,383	31,262	88,169	81,420	-	65,901,234
<i>In KHR'000 equivalent</i>	<i>268,386,065</i>	<i>127,705</i>	<i>360,170</i>	<i>332,601</i>	<i>-</i>	269,206,541

Notes to the Financial Statements

For the year ended 31 December 2024

35. FINANCIAL RISK MANAGEMENT (CONTINUED)

35.4 FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES

Financial instruments comprise financial assets and financial liabilities. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The information presented herein represents the estimates of fair values as at the statements of financial position date.

a) Financial instruments measured at fair value

i) Determination of fair value and fair value hierarchy

The following table presents the Bank's financial assets measured and recognised at fair value at 31 December 2024 and 31 December 2023 on a recurring basis:

	Level 1	Level 2	Level 3	Total
	US\$	US\$	US\$	US\$
As at 31 December 2024				
Financial assets				
<i>Financial assets at fair value through other comprehensive income</i>				
Equity securities	-	-	25,000	25,000
Total financial assets	-	-	25,000	25,000
<i>In KHR'000 equivalent</i>	-	-	100,625	100,625
As at 31 December 2023				
Financial assets				
<i>Financial assets at fair value through other comprehensive income</i>				
Equity securities	-	-	25,000	25,000
Total financial assets	-	-	25,000	25,000
<i>In KHR'000 equivalent</i>	-	-	102,125	102,125

The Bank measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements:

Level 1: The fair value of financial instruments traded in active markets (such as publicly traded derivatives and equity securities) is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the Bank is the current bid price. These instruments are included in level 1.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Notes to the Financial Statements

For the year ended 31 December 2024

35. FINANCIAL RISK MANAGEMENT (CONTINUED)

35.4 FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES (CONTINUED)

a) Financial instruments measured at fair value (Continued)

i) Determination of fair value and fair value hierarchy (Continued)

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities.

ii) Valuation techniques

The Bank's financial asset at FVOCI is investment in unlisted equity securities where the fair values have been determined based on present values and the discount rate used were adjusted for counterparty or own credit risk.

b) Financial instruments not measured at fair value

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

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

i. Deposits and placements with the central bank and other banks

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

ii. Loans and advances to customers

For fixed rate loans with a 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 their carrying value as reporting date.

iii. Deposits from banks, financial institutions and customers

The fair value of deposits from banks, financial institutions and customers with maturities of less than one year approximate their carrying amount due to the relatively short maturity of these instruments. The fair value of deposits from banks, financial institutions, and customers with remaining maturities of more than one year are expected to approximate their carrying amount due to the Bank offering a similar interest rate of the instrument with similar maturities and terms.

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

iv. Other financial assets and other financial liabilities

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

Notes to the Financial Statements

For the year ended 31 December 2024

35. FINANCIAL RISK MANAGEMENT (CONTINUED)

35.4 FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES (CONTINUED)

a) Financial instruments measured at fair value (Continued)

v. Borrowings and subordinated debts

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

35.5 CAPITAL MANAGEMENT

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 Bank's ability to continue as a going concern so that it can continue to provide returns for shareholders and benefits for other stakeholders; and

To maintain a strong capital base to support the development of business.

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

The table below summarises the composition of regulatory capital:

	2024		2023	
	US\$	KHR'000	US\$	KHR'000
Tier 1 capital				
Share capital	75,000,000	301,875,000	75,000,000	306,375,000
(Accumulated loss)/retained earnings	(15,581,614)	(64,858,969)	9,802,368	38,479,222
Non-distributable reserve	25,000,000	100,625,000	25,000,000	102,125,000
Less: Intangible assets	(4,360,659)	(17,551,652)	(5,777,696)	(23,601,888)
Less: Loans to related parties	(559,886)	(2,253,541)	(710,773)	(2,903,508)
	79,497,841	317,835,838	103,313,899	420,473,826
Tier 2 complementary capital				
General provision	20,065,678	80,764,354	6,487,270	26,500,498
Subordinated debts	20,000,000	80,500,000	20,000,000	81,700,000
	40,065,678	161,264,354	26,487,270	108,200,498
Total Capital Tier 1 + Tier 2	119,563,519	479,100,192	129,801,169	528,674,324



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