



**TOGETHER WE PROGRESS**

ANNUAL REPORT 2014

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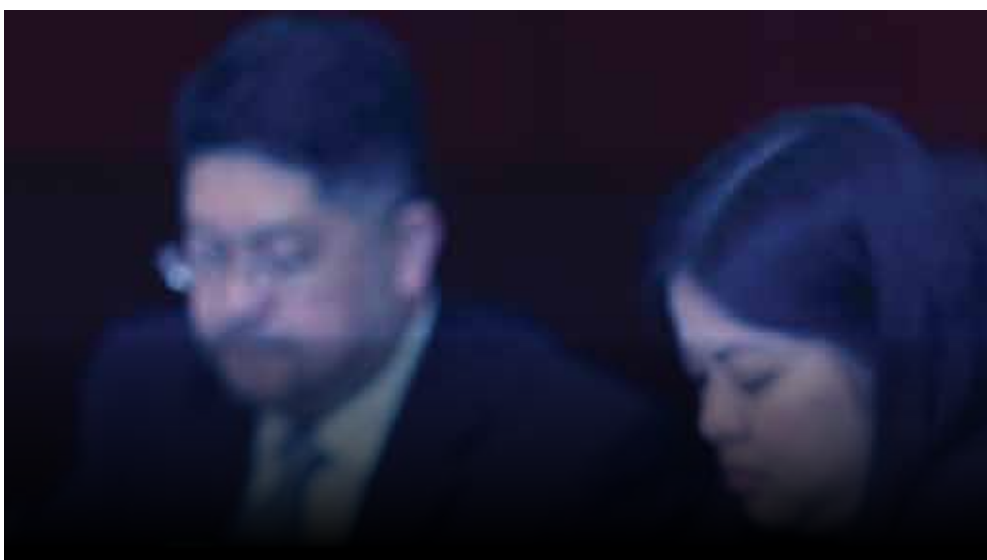


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## Chairman's Statement



**CHINA**

**HONG KONG**

**VIETNAM**

**MYANMAR**

**LAO**

**THAILAND**

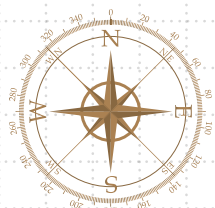
**CAMBODIA**

**MALAYSIA**

**BRUNEI**


**SINGAPORE**

**INDONESIA**

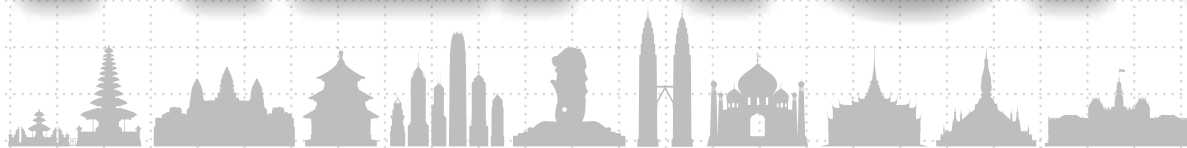




RHB GROUP'S FOOTPRINT



# OUR REACH



To Be A Leading Multinational Financial Services Group



# RHB GROUP AT A GLANCE

## PERFORMANCE

RHB BANKING GROUP FY2014  
NET PROFIT AFTER TAX

**USD680**  
MILLION

INCREASE  
**11.3%**

TOTAL INCOME

**USD2**  
BILLION

INCREASE  
**4.8%**

TOTAL ASSETS

**USD73**  
BILLION

EXPANDED BY  
**14.8%**

## OPERATIONS

NUMBER OF  
BRANCHES/OFFICES  
MORE THAN



**590**



ALMOST  
**18,000**  
EMPLOYEES

NUMBER OF  
COUNTRIES





## MALAYSIA

REVENUE  
(USD)

**1,806**  
million

PRE-TAX  
PROFIT

**USD832**  
million



### BRANCHES/ OFFICES

Commercial Bank	: 199
Islamic Bank	: 14
Investment Bank/ Securities Business	: 57
Easy	: 275
Self-service Terminals	: 2,300



## SINGAPORE

REVENUE  
(USD)

**189**  
million

PRE-TAX  
PROFIT

**USD70**  
million



### BRANCHES/ OFFICES

Commercial Bank	: 7
Investment Bank/ Securities Business	: 1



## THAILAND

REVENUE  
(USD)

**28**  
million

PRE-TAX  
PROFIT

**USD0.4**  
million



### BRANCHES/ OFFICES

Commercial Bank	: 3
Investment Bank/ Securities Business	: 9



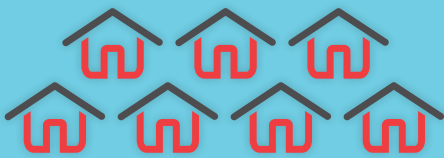
## BRUNEI

REVENUE  
(USD)

**2.7**  
million

**PRE-TAX  
PROFIT**

**USD1**  
million



**BRANCHES/  
OFFICES**

Commercial Bank : **1**



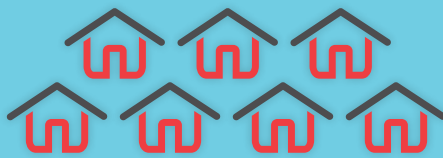
## INDONESIA

REVENUE  
(USD)

**18.7**  
million

**PRE-TAX  
PROFIT**

**USD2.7**  
million



**BRANCHES/  
OFFICES**

Investment Bank/  
Securities Business : **17**



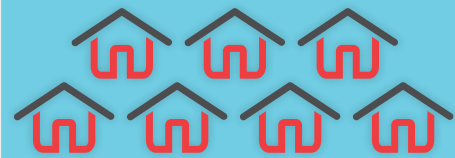
## CAMBODIA

REVENUE  
(USD)

**12.1**  
million

**PRE-TAX  
PROFIT**

**USD7**  
million



**BRANCHES/  
OFFICES**

Commercial Bank : **10**

Investment Bank/  
Securities Business : **1**



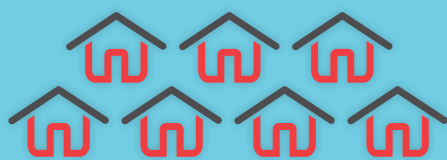
## HONG KONG

REVENUE  
(USD)

**20**  
million

**PRE-TAX  
PROFIT**

**USD1.4**  
million



### BRANCHES/ OFFICES

Investment Bank/  
Securities Business : **1**



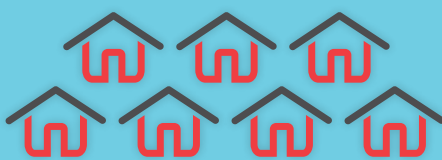
## LAO

REVENUE  
(USD)

**0.4**  
million

**PRE-TAX  
LOSS**

**(USD1)**  
million



### BRANCHES/ OFFICES

Commercial Bank : **1**  
Commenced Operations in June 2014

## REPRESENTATIVE OFFICE



**VIETNAM**



**MYANMAR**



**CHINA**

# RHB Group's Aspirations



2007  
2010  
2014

**By 2020**

## To be a Leading Multinational Financial Services Group

◆ **TOP 3 IN MALAYSIA/  
TOP 8 IN ASEAN**  
by size and performance

◆ **STRONG MARKET LEADERSHIP IN MALAYSIA**  
across targeted products and segments

◆ **REGIONAL POWERHOUSE IN ASEAN+**  
with 40% revenue contribution from international operations

◆ **NEXT GENERATION CUSTOMER CENTRIC BANK**  
delivering innovative and personalised customer offerings

◆ **PROMINENT EMPLOYER OF CHOICE**  
within the region

# FIVE-YEAR GROUP FINANCIAL SUMMARY

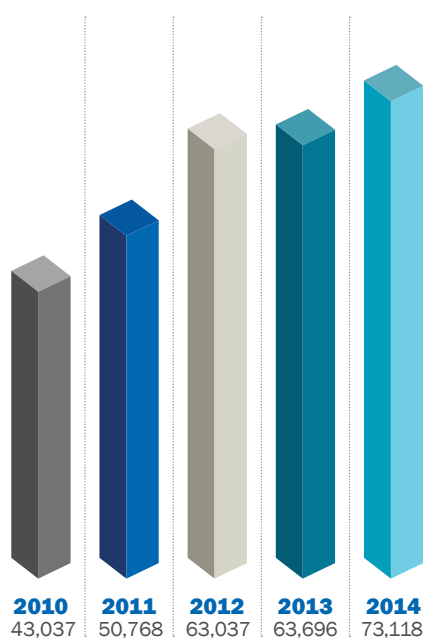
	2014	2013	2012*	2011**	2010**
<b>PROFITABILITY (USD' million)</b>					
Profit before tax	911	824	795	750	633
Net profit attributable to equity holders of the Company	679	610	595	562	473
<b>FINANCIAL POSITION (USD' million)</b>					
Total assets	73,118	63,696	63,037	50,768	43,037
Loans and advances and financing	46,897	39,847	36,425	31,686	27,071
Total liabilities	66,820	58,049	57,924	46,892	39,716
Deposits from customers	52,378	45,913	46,076	38,620	31,478
Paid-up capital	857	849	831	735	717
Shareholders' equity	6,264	5,579	5,039	3,871	3,317
Commitments and contingencies	44,501	33,410	27,720	24,720	23,507
<b>SHARE INFORMATION</b>					
Net dividend per share (cent)	2.0	5.4	7.3	6.8	6.6
Net assets per share (USD)	2.4	2.2	2.0	1.7	1.5
Net tangible assets per share (USD)	1.7	1.5	1.3	1.1	0.9
Basic earnings per share (cent)	26.5	24.3	26.3	25.8	22.0
Share price (USD)	2.5	2.6	2.5	2.4	2.9
Market capitalisation (USD' million)	6,534	6,707	6,393	5,497	6,259
<b>FINANCIAL RATIO (%)</b>					
<b>Profitability Ratios</b>					
Net return on average shareholders' equity	11.5	11.5	13.4	15.7	15.2
Net return on average total assets	1.0	1.0	1.0	1.2	1.2
Non-interest income ratio	35.5	35.0	28.6	24.7	25.8
Cost to income ratio	54.7	51.3	47.5	43.5	40.5
<b>Asset Quality</b>					
Gross loans to deposits ratio	90.7	88.4	80.6	84.1	88.8
Gross impaired loans ratio	2.0	2.8	3.0	3.6	4.6
<b>Ordinary Shares</b>					
Net dividend yield	0.8	2.1	2.9	2.7	2.3
Dividend payout ratio	7.6	22.6	30.0	30.0	30.0

\* Restated to reflect the adoption of MFRS 3.

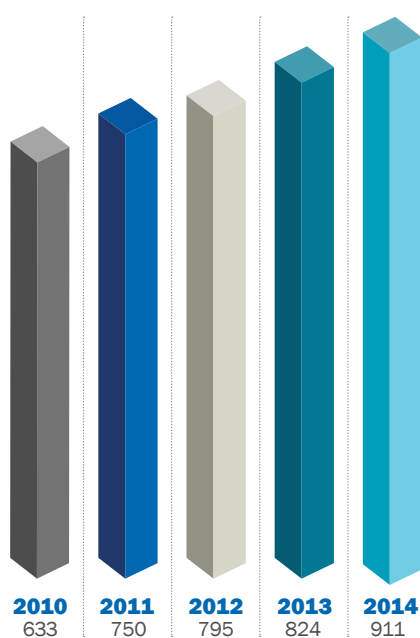
\*\* Restated as a result of retrospective application of MFRS 139 and FRSIC 18. For financial year 2010, only relevant balance sheet items have been restated to position as at 1 January 2011.

# SUMMARY FIVE-YEAR GROUP FINANCIAL HIGHLIGHTS

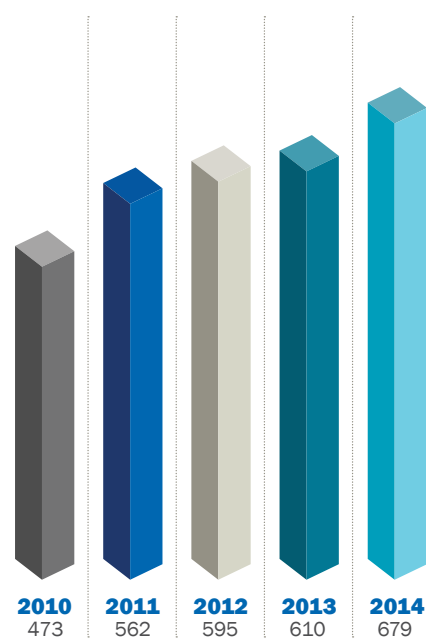
**TOTAL ASSETS**  
(USD 'million)



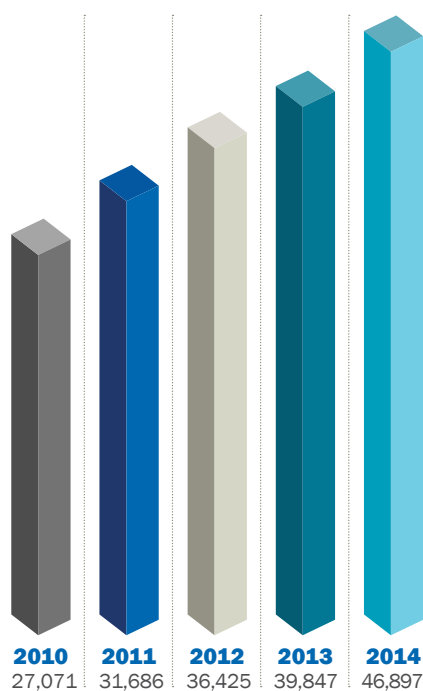
**PROFIT BEFORE TAX**  
(USD 'million)



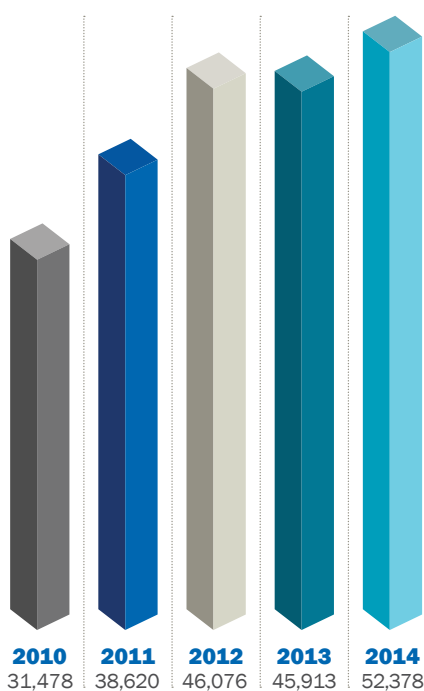
**NET PROFIT**  
(USD 'million)



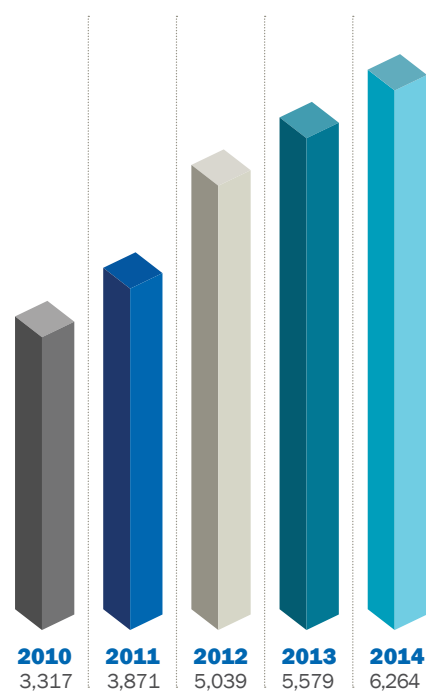
**GROSS LOANS ADVANCES  
AND FINANCING** (USD 'million)

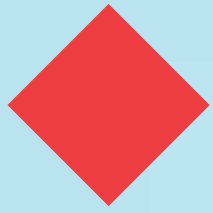


**DEPOSITS FROM CUSTOMERS**  
(USD 'million)



**SHAREHOLDERS' EQUITY**  
(USD 'million)





# SERVING YOU ACROSS ASIA



BRUNEI



INDONESIA



SINGAPORE



HONG KONG SAR



MALAYSIA



CHINA



CAMBODIA



THAILAND



LAOS



VIETNAM



[www.rhbgroup.com](http://www.rhbgroup.com)



RHB Group



@RHBGroup



RHB Group

# GROUP TRANSFORMATION IGNITE 2017



In 2014, the Group embarked on its third phase of transformation – IGNITE 2017, aimed to accelerate the Group's aspiration of becoming a Leading Multinational Financial Services Group by 2020. The three-year transformation programme is focused on strengthening the Group's value propositions by segments, launching differentiated & regional capabilities and scaling the Group's regional businesses to achieve 30% revenue contribution from international operations by 2017.



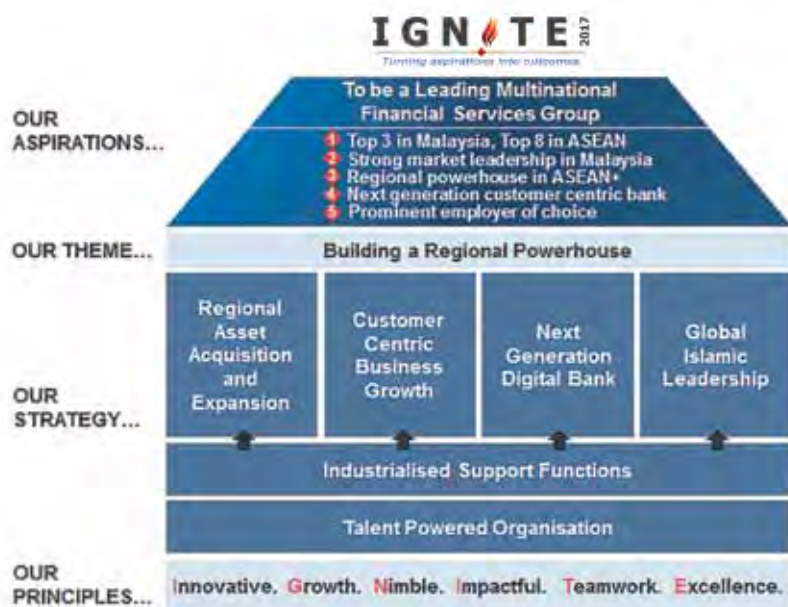
## Building a Regional Powerhouse

### Focus Areas

- **2014:** Strengthen value propositions and core capabilities
- **2015:** Launch differentiated and regional capabilities
- **2016:** Scale regional businesses and capabilities

### Target Outcomes

- 30% overseas revenue contribution, with Singapore's contribution doubled from 5% to 10%
- 30% of Total Group Financing Assets from Shariah-compliant assets
- Revenue growth driven by new segment value propositions, sales and service models and innovative digital offerings
- Transformed core and operational capabilities to enhance customer experience, and derive better insights through big data and analytics
- Transformed talent capabilities and competencies



## GROUP TRANSFORMATION IGNITE 2017

### PROGRAMME PRINCIPLES



#### Innovative in Approach

Pushing boundaries and being innovative in the way we think, operate, execute and go-to-market



#### Growth Oriented

Achieving stellar growth that will propel us towards achieving local market leadership, and rapidly scaling our regional footprint in ASEAN+



#### Nimble in Action

Building an organisation that is nimble in anticipating market trends, able to stay ahead of the curve, and execute with speed, flexibility and scale



#### Impactful in Outcomes

Creating meaningful and lasting impacts on our organisation, customers, industry and community, and making our mark as a force to be reckoned with



#### Teamwork to Succeed

Collaborating as a single team united by shared goals, succeeding together as one

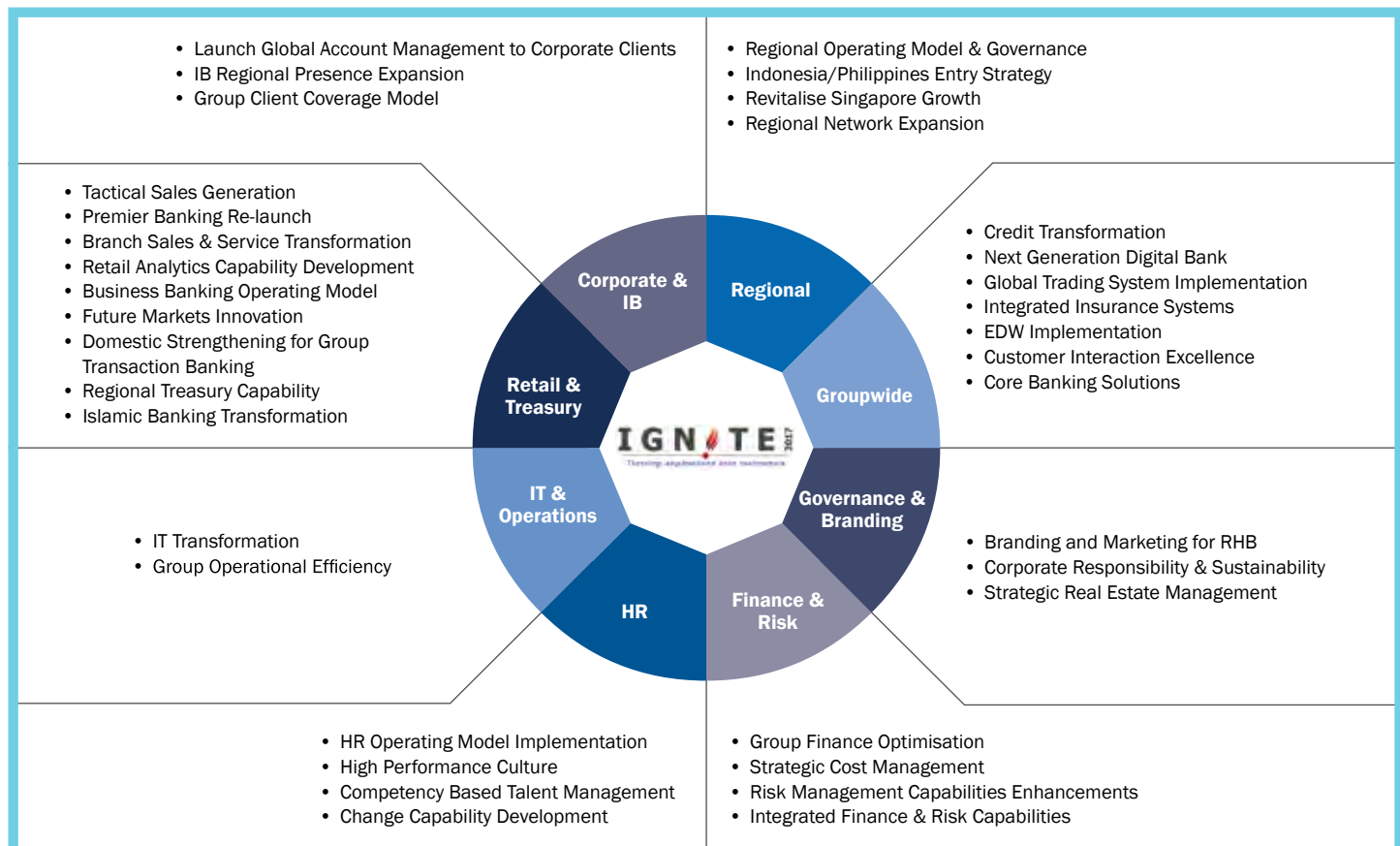


#### Excellence in Delivery

Building a high performing organisation, focused on delivery and service excellence

IGNITE 2017 aims to accelerate the achievement of RHB's aspirations with 36 initiatives across eight clusters to drive tangible outcomes and value to RHB. Anchored on our strategy, each Cluster has a specific role to play in bringing us closer to achieving our aspirations.

### IGNITE 2017: EIGHT CLUSTERS, 36 INITIATIVES



# CAMBODIA

◆ SIEM REAP

◆ BATTAMBANG

◆ KAMPONG CHAM

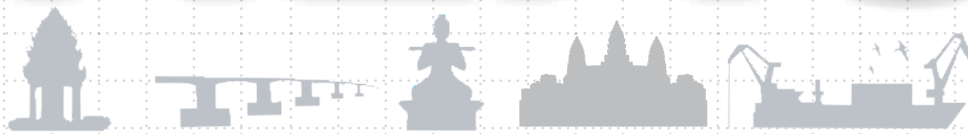
◆ PHNOM PENH

◆ PREAH SIHANOUK



RHB INDOCHINA BANK'S FOOTPRINT

# OUR REACH



To Be A Leading Commercial Bank In Cambodia



**RHB**

**RHB** Indochina Bank





# CORPORATE INFORMATION

## BACKGROUND

RHB Indochina Bank Limited (“the Bank”), established on 9 July 2008, is duly registered with the Ministry of Commerce and was granted a banking license by the National Bank of Cambodia (“NBC”) 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.

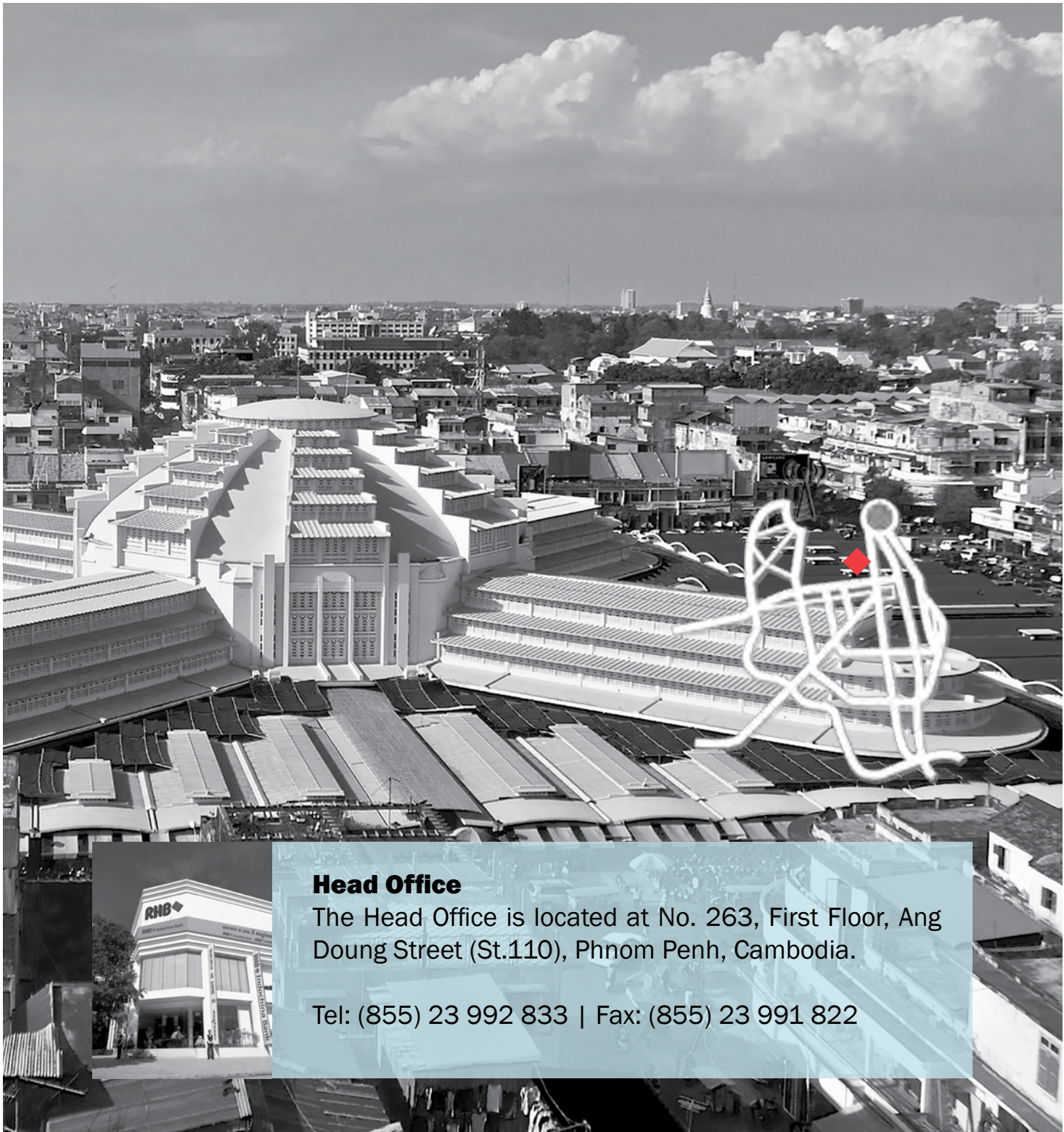
RHB OSK Indochina Securities Limited is a wholly-owned subsidiary of the Bank and was established in accordance with License No 0352E/2010 issued by the Ministry of Commerce on 16 February 2010. On 31 March 2014, Bank’s shareholders approved for outright disposal of its subsidiary to RHB Investment Bank Berhad and it is waiting the necessary regulatory approvals at the date of this report (see note 8).

The principal activities of the Bank’s subsidiary include securities underwriting, dealing, and providing brokerage and investment advisory services. The registered head office of the Bank is located at No. 263, Preah Ang Duong Street, Phnom Penh, the Kingdom of Cambodia. The Bank also has ten branches in Phnom Penh and provinces. The Phnom Penh branches are located in Phnom Penh Main Branch, City Mall Olympic, Stoeung Meanchey, Kbal Thnal, Pet Lok Song and Toul Kork and provincial branches in Battambang, Kampong Cham, Siem Reap and Preah Sihanouk.

As at 31 December 2014, the Group had 196 employees (2013: 180 employees).

The financial statements were authorised for issue by the Board of Directors on 26 February 2015.

# OUR BRANCH NETWORK



## Head Office

The Head Office is located at No. 263, First Floor, Ang Doudg Street (St.110), Phnom Penh, Cambodia.

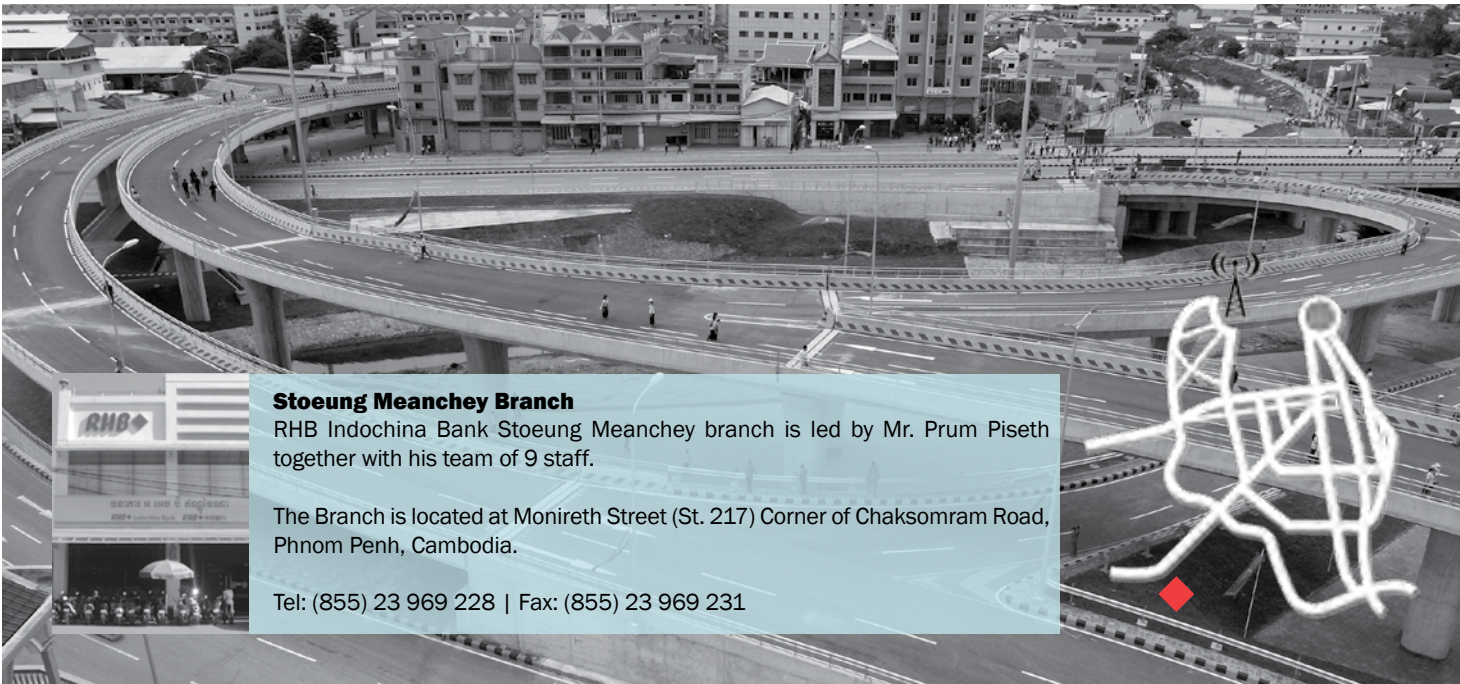
Tel: (855) 23 992 833 | Fax: (855) 23 991 822


## OUR BRANCH NETWORK





## OUR BRANCH NETWORK




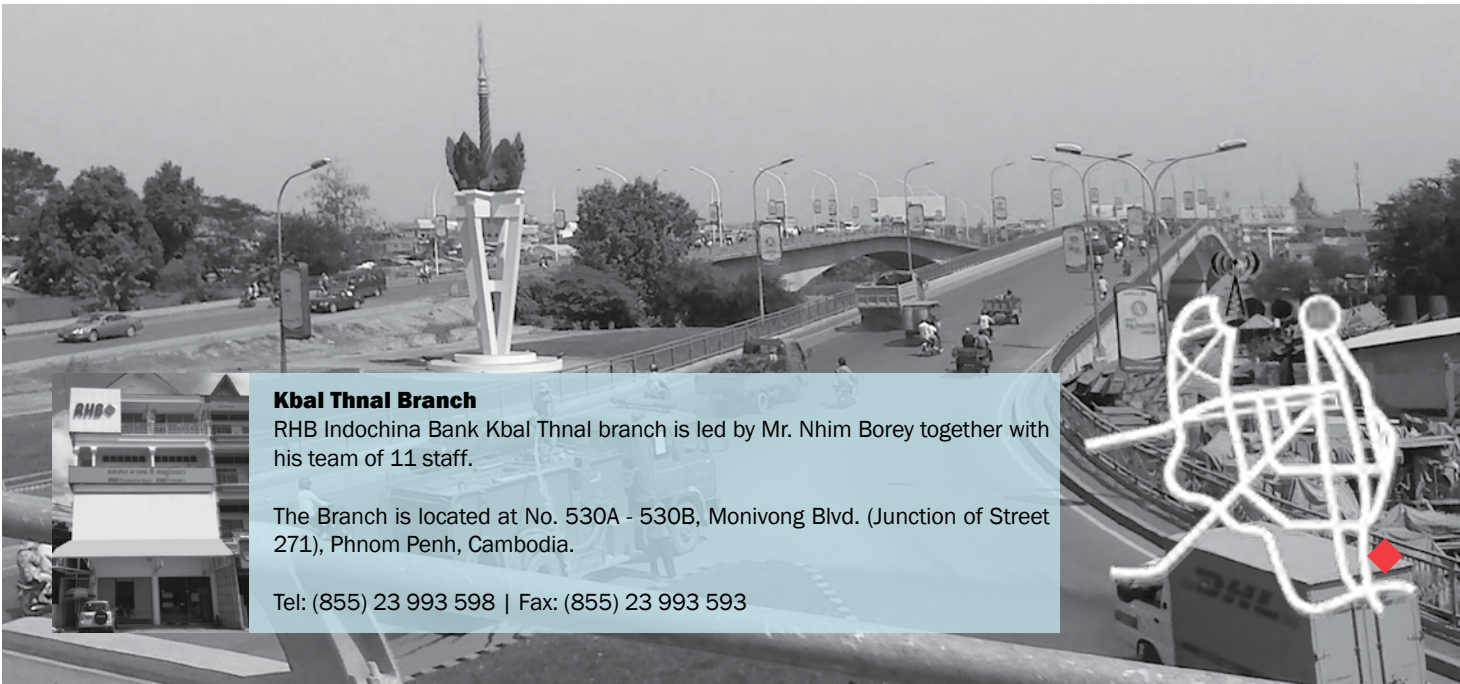



**Stoeung Meanchey Branch**  
RHB Indochina Bank Stoeung Meanchey branch is led by Mr. Prum Piseth together with his team of 9 staff.

The Branch is located at Monireth Street (St. 217) Corner of Chaksomram Road, Phnom Penh, Cambodia.

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








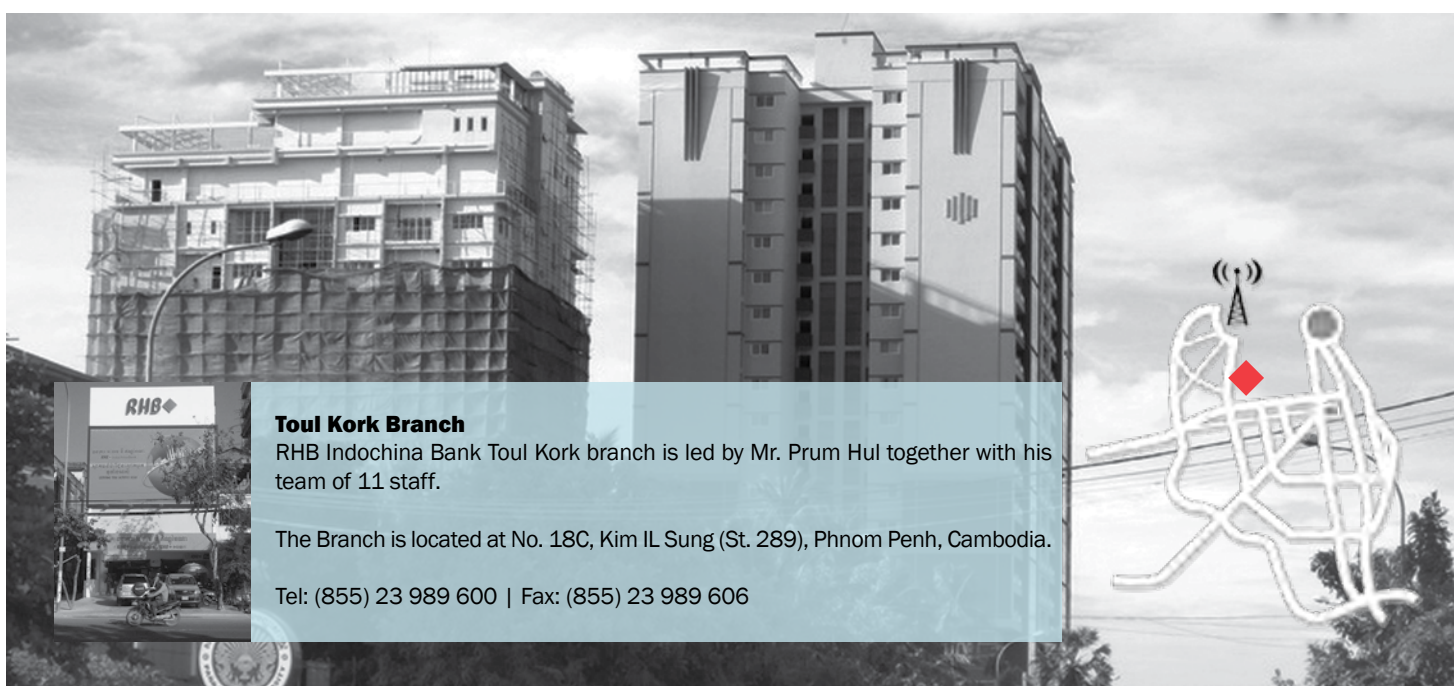
**Kbal Thnal Branch**  
RHB Indochina Bank Kbal Thnal branch is led by Mr. Nhim Borey together with his team of 11 staff.

The Branch is located at No. 530A - 530B, Monivong Blvd. (Junction of Street 271), Phnom Penh, Cambodia.

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



## OUR BRANCH NETWORK





# OUR BRANCH NETWORK





**Kampong Cham Branch**  
RHB Indochina Bank Kampong Cham branch is led by Mr. Nhim Phalit together with his team of 9 staff.

The Branch is located at No. 41, National Road No. 7, Kampong Cham Province, Cambodia.

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







**Battambang Branch**  
RHB Indochina Bank Battambang branch is led by Mr. Ean Channa together with his team of 9 staff.

The Branch is located at No. 1-3-5-7, Street No. 3, Battambang Province, Cambodia.

Tel: (855) 53 952 811 | Fax: (855) 53 952 966



## OUR BRANCH NETWORK

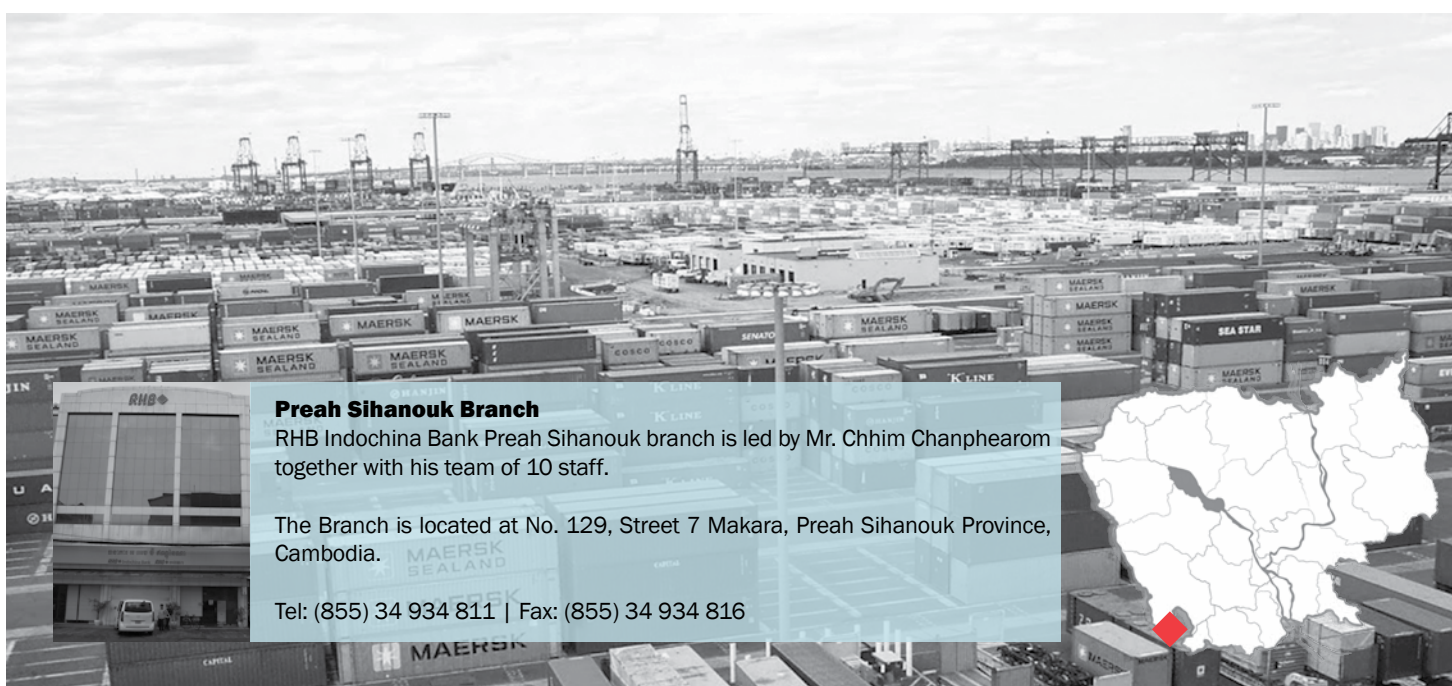


### Siem Reap Branch

RHB Indochina Bank Siem Reap branch is led by Ms. Kheom Sotheary together with her team of 10 staff.

The Branch is located at 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

RHB Indochina Bank Preah Sihanouk branch is led by Mr. Chhim Chanphearom together with his team of 10 staff.

The Branch is located at No. 129, Street 7 Makara, Preah Sihanouk Province, Cambodia.

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

# OUR IN-BRANCH ATM NETWORK



## PHNOM PENH

### Phnom Penh Main Office

No. 263, Ground Floor, Ang Duong Street (St. 110), Sangkat Wat Phnom, Khan Daun Penh, Phnom Penh, Cambodia.  
Tel: (855) 23 992 833 Fax: (855) 23 991 822

### City Mall Olympic Branch

Lot A3EO, Ground Floor, City Mall Olympic, Monireth Street, Sangkat Veal Vong, Khan 2 Makara, Phnom Penh, Cambodia.  
Tel: (855) 23 993 568 Fax: (855) 23 993 565

### Stoeung Meanchey Branch

Monireth Street (Corner of former Chaksomram Road), Sangkat Stoeung Meanchey, Khan Meanchey, Phnom Penh, Cambodia.  
Tel: (855) 23 969 228 Fax: (855) 23 969 231

### Kbal Thnal Branch

No. 530A - 530B, Monivong Blvd. (Junction of Street 271), Sangkat Tonle Bassac, Khan Chamkarmon, Phnom Penh, Cambodia.  
Tel: (855) 23 993 598 Fax: (855) 23 993 593

### Pet Lok Song Branch

No. 1-3, Street 271, Sangkat Toeuk Thla, Khan Sen Sok, Phnom Penh, Cambodia.  
Tel: (855) 23 969 368 Fax: (855) 23 969 370

### Toul Kork Branch

No. 18C, D & Aeo, Kim IL Sung (St.289), Sangkat Boeung Kak I, Khan Toul Kork, Phnom Penh, Cambodia.  
Tel: (855) 23 989 600 Fax: (855) 23 989 606

## OTHER PROVINCES

### Kampong Cham Branch

No. 41, National Road No. 7, Phum 1, Sangkat Veal Vong, Kampong Cham City, Cambodia.  
Tel: (855) 42 942 811 Fax: (855) 42 942 899

### Battambang Branch

No. 1 - 3 - 5 - 7, Street 3, Kamakor Village, Svay Por Commune, Battambang Province, Cambodia.  
Tel: (855) 53 952 811 Fax: (855) 53 952 966

### Siem Reap Branch

No. 12 -14 -16, National Road No. 6, Phum Banteay Chas, Sangkat Slor Kram, Siem Reap Province, Cambodia.  
Tel: (855) 63 969 811 Fax: (855) 63 969 816

### Preah Sihanouk Branch

No. 129, Street 7 Makara, Phum II, Sangkat No. 4, Preah Sihanouk Province, Cambodia.  
Tel: (855) 34 934 811 Fax: (855) 34 934 816

# OUR OFF-SITE ATM NETWORK



## PHNOM PENH

### AEON Mall

No. 132, Samdech Sothearos Blvd (3), Khan Camkarmon, Phnom Penh, Cambodia.

### Fair Market

No. 21, Preah Trasak Paem (St. 63), corner of Mao Tse Toung, Khan Camkarmon, Phnom Penh, Cambodia.

### Deli Coffee

No. 202-204, Preah Sihanouk Blvd (274), Khan Camkarmon, Phnom Penh, Cambodia.

### Street 271 Corner of Street 488

Khan Camkarmon, Phnom Penh, Cambodia.

### My Window Co., Ltd.

No. 132AB, Yothapol Khemarak Phoumin Blvd (271), Sangkat Boeung Salang, Khan Touk Kork, Phnom Penh, Cambodia.

### Vanda Institute

No. 216-218, Mao Tse Toung Blvd (245), Khan Camkarmon, Phnom Penh, Cambodia.

### Antena Toul Kork

Sokimex Gas Station, Khan Toul kork, Phnom Penh, Cambodia.

### TK Avenue

No. 80, St. 315, corner of St. 516, Khan Toul Kork, Phnom Penh, Cambodia.

### Pochentong Restaurant

No. 44-46, Confederation de la Russie Blvd (110), Khan Sen Sok, Phnom Penh, Cambodia.

### Cambodian Superstore

No. 1216, St. 1986, Khan Sen Sok, Phnom Penh, Cambodia.

## OTHER PROVINCES

### Lucky Mall

Sivatha (St.), Mondul II Village, Sangkat Svay Dangkm, Siem Reap City, Siem Reap Province.

### Huy Meng Mini Mart

No. 12, Sivatha (St.), Siem Reap City, Siem Reap City, Siem Reap Province.

# FIVE-YEAR FINANCIAL SUMMARY

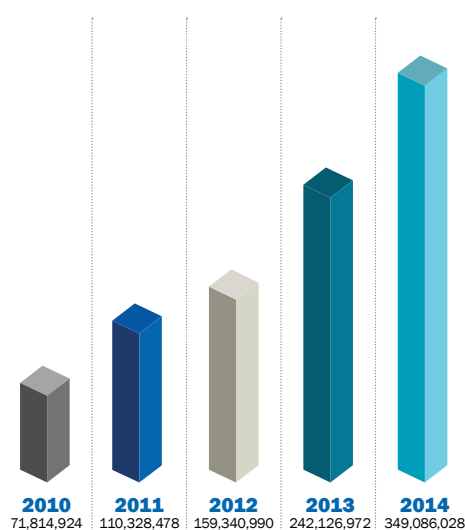
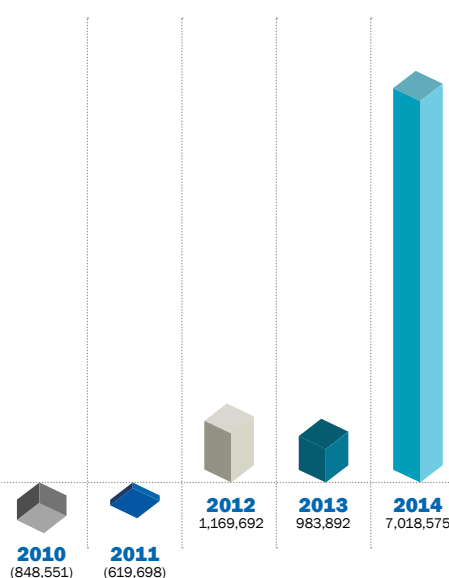
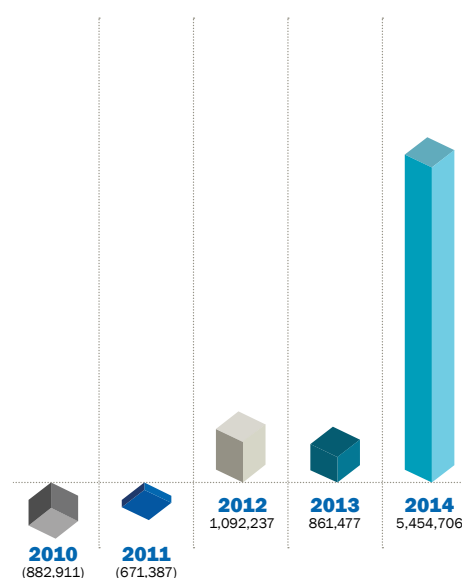
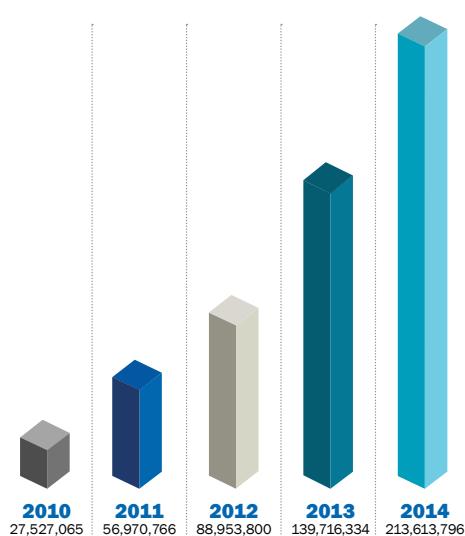
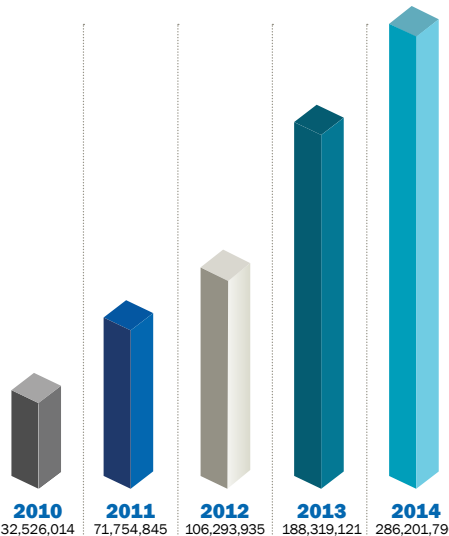
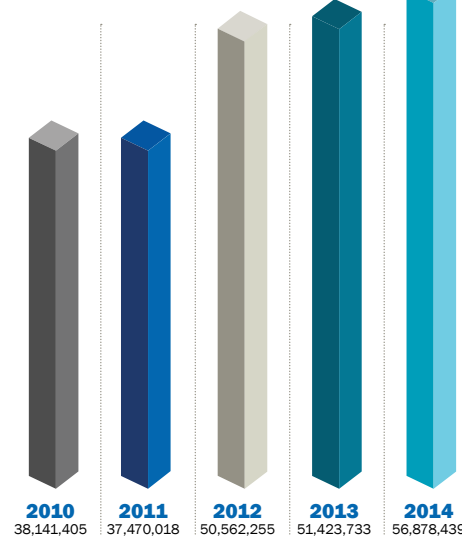
## RHB INDOCHINA BANK

Year Ended 31 December

	2014	2013	2012	2011	2010
<b>PROFITABILITY (USD)</b>					
Profit/(Loss) before tax expense	7,018,575	983,892	1,169,692	(619,698)	(848,551)
Profit/(Loss) after tax expense	5,454,706	861,477	1,092,237	(671,387)	(882,911)
<b>FINANCIAL POSITION (USD)</b>					
Total assets	349,086,028	242,126,972	159,340,990	110,328,478	71,814,924
Loans and advances	213,613,796	139,716,334	88,953,800	56,970,766	27,527,065
Total liabilities	292,207,589	190,703,239	108,778,735	72,858,460	33,673,519
Deposits from customers	138,791,735	84,550,674	83,509,351	54,223,842	32,398,740
Total deposits	286,201,796	188,319,121	106,293,935	71,754,845	32,526,014
Paid-up capital	52,000,000	52,000,000	52,000,000	40,000,000	40,000,000
Shareholders' equity	56,878,439	51,423,733	50,562,255	37,470,018	38,141,405
<b>FINANCIAL RATIO (%)</b>					
Non-performing loans to total loans and advances	0.49	3.01	0.00	0.30	0.34
Net return on assets	1.56	0.36	0.69	(0.61)	(1.23)
Net return on equity	9.59	1.68	2.16	(1.79)	(2.31)
Loans/Customer Deposit Ratio	155.79	169.29	107.60	106.28	85.94
Loans/Deposit Ratio	75.55	76.01	84.53	80.32	85.61

# FIVE-YEAR FINANCIAL HIGHLIGHTS

## RHB INDOCHINA BANK

**TOTAL ASSETS**  
(USD)

**PROFIT/LOSS BEFORE TAXATION**  
(USD)

**PROFIT/LOSS AFTER TAXATION**  
(USD)

**LOANS AND ADVANCES**  
(USD)

**TOTAL DEPOSITS**  
(USD)

**SHAREHOLDERS' EQUITY**  
(USD)


# OUR PRODUCTS & SERVICES

The Bank undertakes banking activities, which include mobilising and receiving short, medium and long term deposit funds from various organisations and individuals; lending on a short, medium and long term basis to various organisations and individuals based on the nature of business and repayment ability of the borrowers; conducting foreign currency transactions; providing international trade finance services, providing transaction services between customers; and other banking services as approved by the National Bank of Cambodia ("NBC"), through the Bank's Head Office and its ten branches in Phnom Penh and other provinces.

**The Bank offers a full range of retail, business and corporate banking products and services, including:**

## DEPOSITS

### Fixed Deposits

#### **Simple way to build your savings.**

RHB Fixed Deposit Account, with many value-added features, is an effective investment tool.

### Current Account

#### **The banking products at your finger tips.**

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

### Savings Account

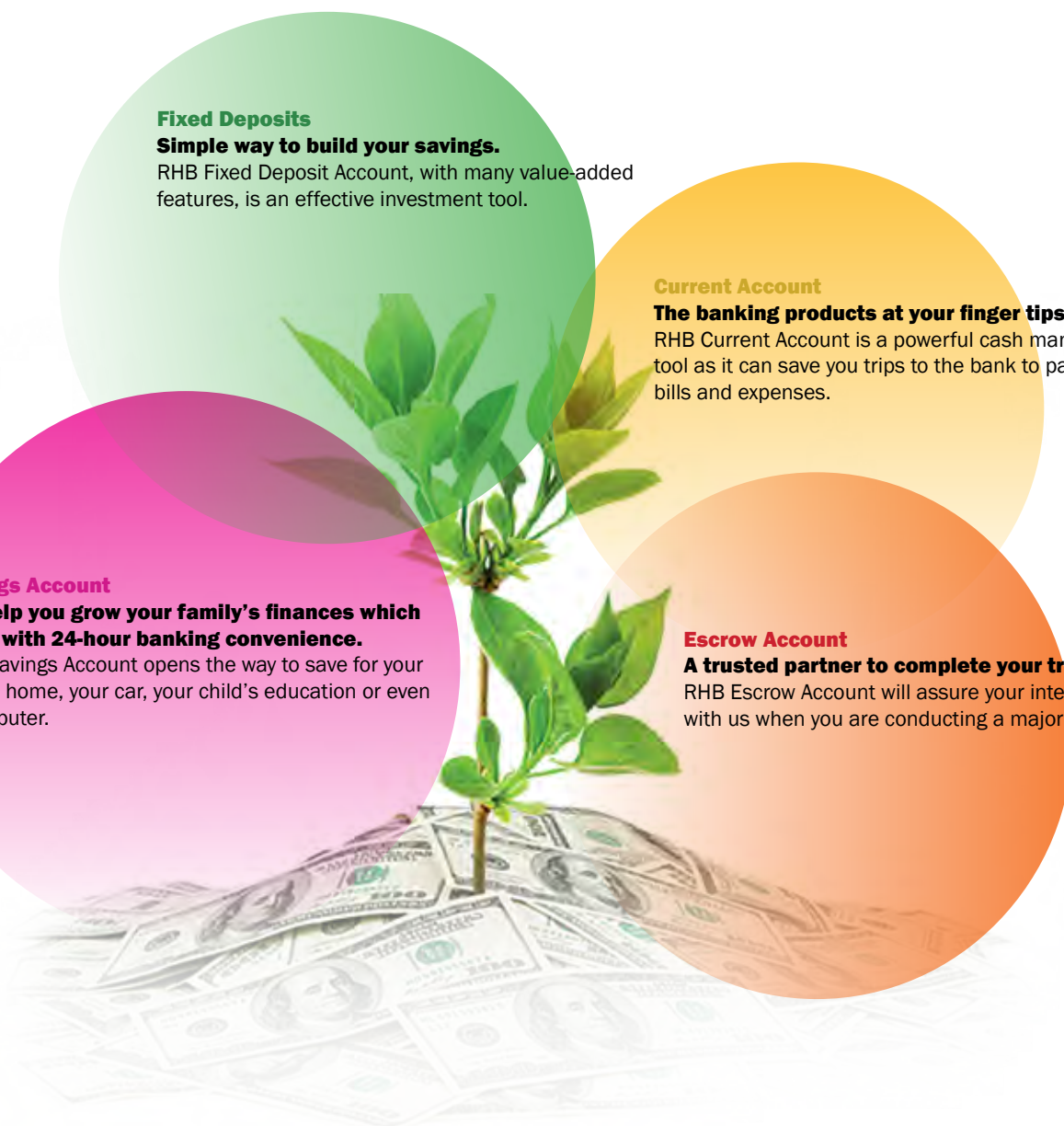
#### **We help you grow your family's finances which come with 24-hour banking convenience.**

RHB Savings Account opens the way to save for your dream home, your car, your child's education or even a computer.

### 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.



## OUR PRODUCTS & SERVICES

### REMITTANCE

#### Banker's Cheque

##### RHB Banker's Cheque.

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

#### Telegraphic 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.

#### Money Exchange

##### We offer competitive exchange rate for Forex.

RHB Money Exchange will offer you buying or selling foreign currencies with best rate in town.

### CONSUMER FINANCING

#### Car Loan

##### Drive your dream car home today.

RHB Car Loans, with flexible options, can put you in the driving seat you have always wanted.

#### Personal Loan

##### Get what you have always desired now.

RHB Personal Loans are helpful in giving you the cash to enjoy life's opportunities. With flexible options, you will have what it takes to get a computer, to renovate your home, or to make an investment.

#### Home Loan

##### We help you own your dream home.

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



## OUR PRODUCTS & SERVICES

### BUSINESS & CORPORATE FINANCING

#### 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 Loans, will enable you to achieve healthy cashflow for you to run your business with ease of mind.

#### Trade Financing

**Comprehensive range of Import & Export financing facilities.**

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

#### Corporate & Equity

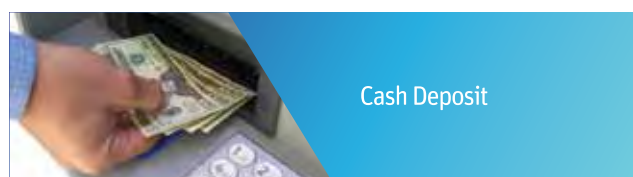
**Your business needs are our priority.**

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



# OUR FULL-FUNCTION AUTOMATIC TELLER MACHINE (ATM)

**RHB Indochina Bank is the first Bank in Cambodia to offer 24-Hour Full-Function ATMs Nationwide.**



Cash Deposit



Cheque Deposit



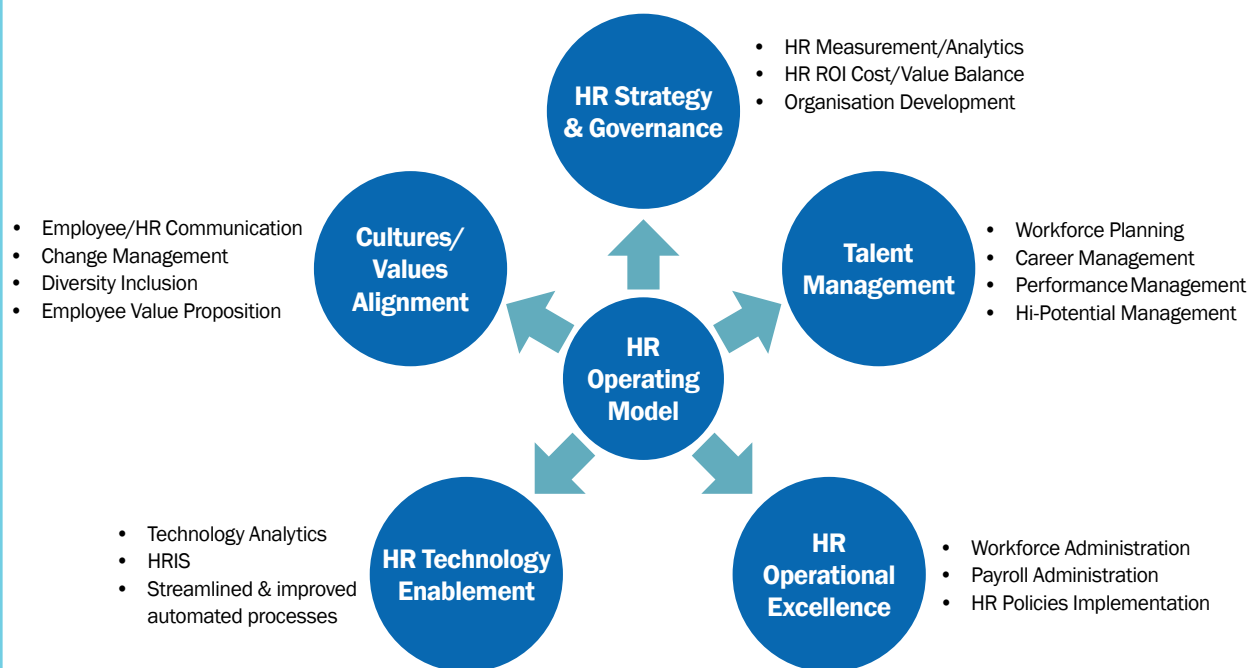
Cash Withdrawal



Cross-Currency Withdrawals  
In Both USD & KHR from one single account

# HUMAN CAPITAL DEVELOPMENT

## Key Areas of the HR Operating Model



## The RHB Employee Value Proposition

### GREAT TEAMS, DYNAMIC WORKPLACE

**At RHB, we take PRIDE in our people and our teams. Great relationships built on trust, a “leading it right” environment, challenging assignments and a culture of excellence are the pillars to the dynamic and diversified workplace we call home.**

#### RHB CARES

We are a responsible employer who actively respond to and recognise the needs of our stakeholders and diligently practice transparent communication.

#### RHB LEADS

Our visionary leaders are passionate and sponsor a culture of inclusiveness, aligning all employees towards common goals.

#### RHB INSPIRES

We strive towards a high performance culture that empower you to discover your true potential.

#### RHB PROGRESSES

We offer accelerated growth and progression, with focus on continuous learning experience coupled with regional mobility for a holistic experience via our comprehensive talent management practices.

#### RHB REWARDS

We reward competitively & timely through a robust pay-for-performance policy that is benchmarked against the industry.

## HUMAN CAPITAL DEVELOPMENT



### Fostering a Highly Engaged Workforce

In striving to meet organisational goals and objectives, one ought not to lose sight of ensuring a high level of engagement amongst employees and this is quintessential for a productive workforce. With that in mind, the Group conducted the Employee Engagement Survey in 2013 with results being made available in 2014. The Employee Engagement Index 2013 witnessed a marked improvement to 72% and an improvement in scores in all categories of the engagement survey.

A culture of high engagement will directly support the Group's overall objectives and aspiration of becoming a Leading Multinational Financial Services Group and employer of choice. To achieve this, further analysis of the results of the engagement index was conducted and the identified key drivers to engagement were identified as work organisation, our core values, career development, communication and performance management. The strategy for the year was to have multiple activities and sessions of engagement that were centred on the key drivers. A total of 20 action items, such as the Talk Series, Luncheon Talks, PRIDE-centred initiatives, Casual Friday and Family Day were carried out in 2014 with these engagement activities being driven by the Group Management Committee.



### Cultivating a Common Culture through PRIDE

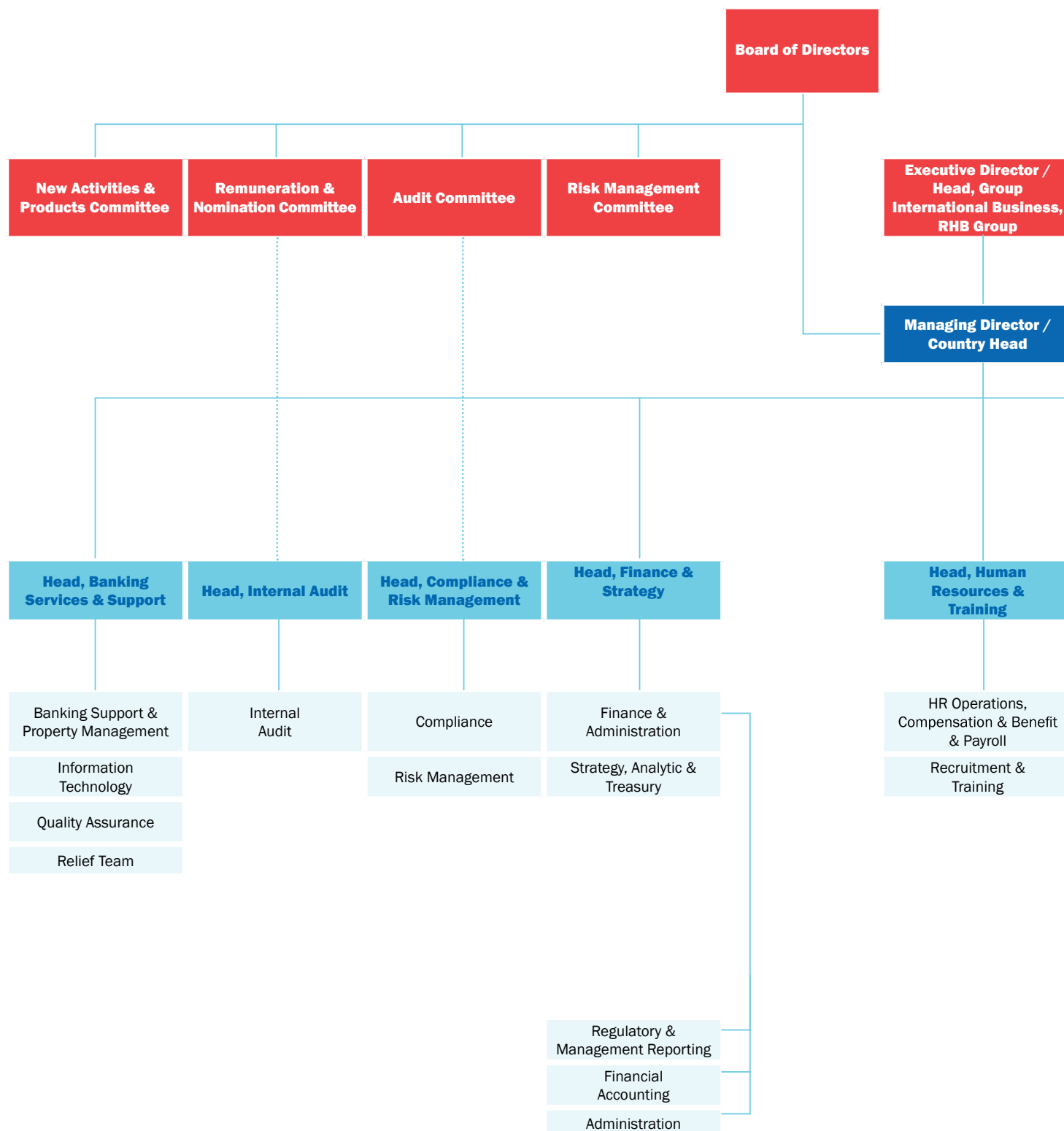
RHB recognises that its human capital is its greatest asset, and the pulse of the organisation. It is therefore crucial to determine the DNA of the organisation by further embedding the core values of PRIDE (Professional, Respect, Integrity, Dynamic and Excellence) into the culture of the Group. In achieving this, 2014 saw many PRIDE initiatives take place to further reinforce the cultural transformation that began in 2012.

98 "Delivering MORE with PRIDE" workshops were conducted in July 2014 as a Phase II approach post the PRIDE in Action Workshops conducted in 2013. These workshops were focused on setting SMART goals or action plans and applying PRIDE values to those goals. There were also two PRIDE Pledge Walls that were set up, one in RHB Centre and another in RHB Complex Bangi, signifying the commitment and pledge toward PRIDE and these served as a reminder to consistently deliver more and to keep the values alive within the Group.

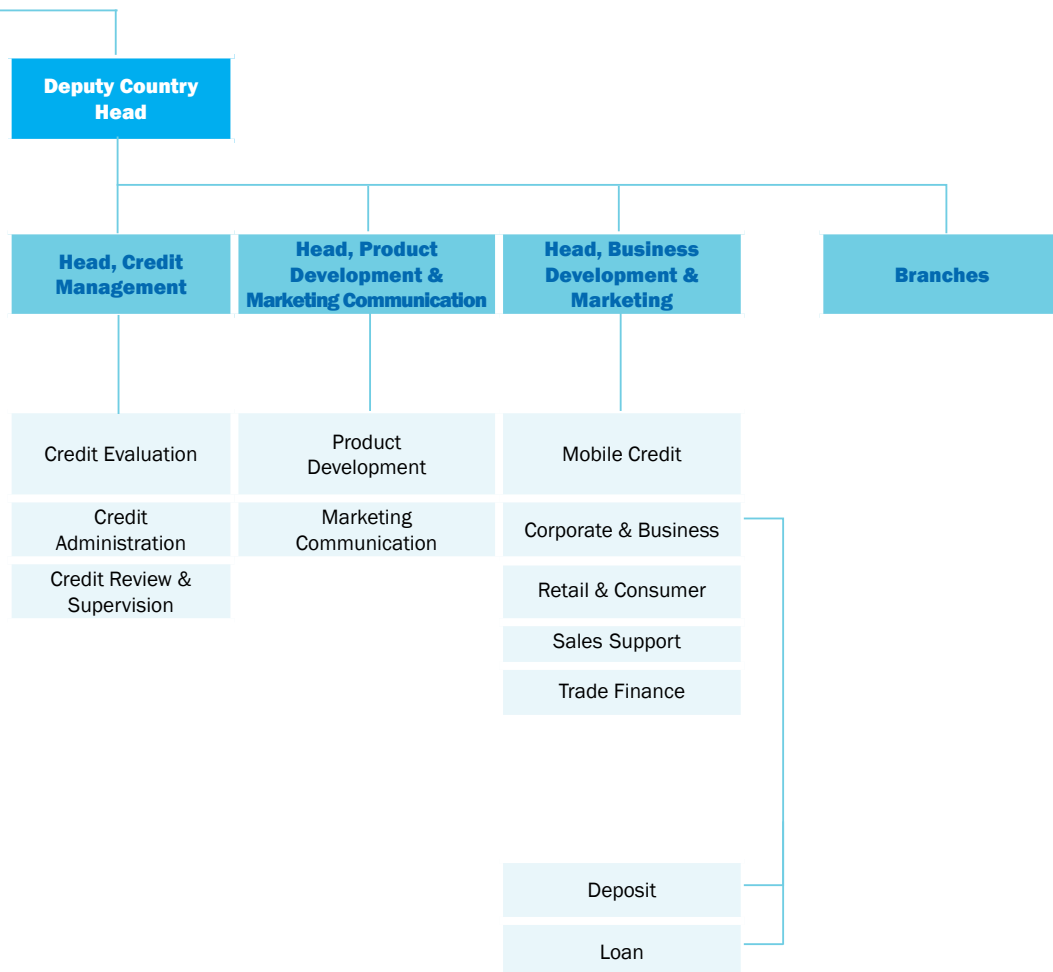
Further embracing PRIDE values, RHB Family Days were organised nationwide at various locations for all employees and family members. These were carried out in September and October 2014. 1,000 PRIDE posters were also printed and distributed to various offices in Malaysia and overseas. The PRIDE Committee also collaborated with both the OSH and Service Quality teams to produce a series of handbooks which set out all the elements of PRIDE that form the focal point of the Group's continuous efforts to drive excellence in both safety and service quality. During this initiative, 20,000 PRIDE bookstands were made to hold every instalment of the handbook series.



# ORGANISATION CHART



## ORGANISATION CHART



# CHAIRMAN'S STATEMENT



## THE BANK

RHB Indochina Bank Limited ("The Bank") is proud to present the 2014 results with encouraging growth despite the challenging operating environment and intense competition from the 35 licensed commercial banks in Cambodia.

Profit before tax for the year increased by USD6.0 million from USD1.0 million in 2013 to USD7.0 million in 2014. In terms of Assets, Loans & Advances and Customer Deposit, the Bank has also achieved remarkable growth rate of 44%, 51% and 64% respectively, which is 1.4 to 2.0 times the industry growth.

The Bank widened its footprint in Cambodia with the opening of its 10th Branch in Toul Kork, Phnom Penh on 21 November 2014. On top of that, the Bank also added five more off-site ATMs in 2014 within the city of Phnom Penh to provide a better coverage in the Phnom Penh region. With 10 branches and 25 ATMs across Cambodia, RHB Indochina Bank is committed to further widening its footprint to ensure good customers experience and convenience when banking with RHB Indochina Bank and also benefit from the high service quality they expect from RHB.

## CHAIRMAN'S STATEMENT

### ECONOMIC OUTLOOK

Cambodia has recorded a GDP growth rate of more than 7% from 2012 to 2014. Inflation rate was below 5% for the past five years. Being ranked among the “Olympians of Growth” for the past 20 years, Cambodia is expected to continue to see a good investor growth in 2015.

With the advent of the ASEAN Economic Community (AEC) by end of 2015, more opportunities in terms of business and employment will present itself going forward. Despite the challenges in integration, the economy growth is still expected to grow by 7% in 2015 with tourism, trade, construction and garment sector being the main contributors to the growth. The country's development is also becoming healthier as the economy is diversifying with less reliance on only a handful of key economic sectors.



### PROPELLING GROWTH

Moving forward, the Bank will continue to ride on its existing momentum to spur growth in Cambodia and be a leading multinational financial services 2020. As Malaysia's first local bank and providing more than 100 years' financial services, we are committed to deliver another year era of good services and value-added products which meet the demands of our customers. With its USD73 billion in assets across 10 countries, we are confident that the RHB Banking Group's transformation journey IGNITE 2017, which was introduced last year, will bring greater success to the Group and also propel RHB Indochina Bank to new heights.

As we embark to meet our aspirations, there will be no compromise in corporate governance as RHB practices the highest standard in governance, compliance and prudent risk management. No matter how complex the business gets, our adherence to regulatory requirements and our own internal policies and processes must remain our priority. These qualities have earned RHB Group “The Asset's Platinum Corporate Awards” in Malaysia. At RHB, we uphold exemplary standards in these areas to make RHB a name that we can be proud of.

**Tuan Haji Khairuddin bin Ahmad**  
Chairman



# BOARD COMMITTEE

## RHB INDOCHINA BANK

### Board of Directors

1. Tuan Haji Khairuddin Ahmad, Independent Non-Executive Chairman
2. Mr. Choong Tuck Oon, Independent Non-executive Director
3. Mr. Foo San Kan, Independent Non-executive Director
4. Mr. Leong Yeng Kit, Independent Non-executive Director
5. Mr. U Chen Hock, Non-independent Non-executive Director
6. Mr. Lim Loong Seng, Non-independent Executive Director

### Audit Committee

1. Mr. Foo San Kan, Chairman
2. Mr. Leong Yeng Kit
3. Mr. Choong Tuck Oon
4. Mr. Lim Loong Seng

### Risk Management Committee

1. Tuan Haji Khairuddin Ahmad, Chairman
2. Mr. Foo San Kan
3. Mr. Choong Tuck Oon

### Remuneration & Nomination Committee

1. Mr. Choong Tuck Oon, Chairman
2. Tuan Haji Khairuddin Ahmad
3. Mr. Leong Yeng Kit

### New Activities & Products Committee

1. Tuan Haji Khairuddin Ahmad, Chairman
2. Mr. Choong Tuck Oon
3. Mr. Leong Yeng Kit
4. Mr. Foo San Kan
5. Mr. U Chen Hock

# PROFILES OF BOARD OF DIRECTORS



## **TUAN HAJI KHAIRUDDIN AHMAD**

(72 Years of age - Malaysian)  
Independent Non-Executive Chairman

**Tuan Haji Khairuddin Ahmad (“Haji Khairuddin”) was appointed as an Independent Non-Executive Chairman of RHB Indochina Bank on 6 June 2013. He is also Chairman of the Risk Management Committee and the New Activities & Products Committee as well as a Member of the Remuneration & Nomination Committee.**

Haji Khairuddin began his career in the banking industry and was previously with Citibank N.A., Southern Bank Berhad, Bank of Commerce Berhad and Arab Malaysian Finance Berhad. He attended the Advance Management Course at Columbia Business School in New York, USA.

Haji Khairuddin’s other directorships include RHB Bank Berhad, RHB OSK Indochina Securities Limited RHB Asset Management Sdn Bhd (formerly known as RHB Investment Management Sdn Bhd) and RHB Bank Laos, Lao People’s Democratic Republic.

## PROFILES OF BOARD OF DIRECTORS



### **CHOONG TUCK OON**

(56 Years of age - Malaysian)  
Independent Non-Executive Director

**Mr. Choong Tuck Oon (“Mr. Choong”) was appointed as an Independent Non-Executive Director of RHB Indochina Bank on 6 June 2013. He is also Chairman of the Remuneration & Nomination Committee and a Member of the Risk Management Committee, Audit Committee as well as the New Activities & Products Committee.**

Mr. Choong holds a Bachelor of Science (First Class) from University of Malaya, a Masters of Science from the Asian Institute of Technology and an Executive Diploma in Directorship from Singapore Institute of Directors and Singapore Management University.

Mr. Choong was with Accenture for 23 years until his retirement in 2010 as Senior Partner in the Financial Services Asia-Pacific practice. He has extensive experience in leading business and IT transformation, mergers and acquisitions and risk management for more than 20 large domestic, regional / global financial institutions across ASEAN and North Asia; including various national multi-bank collaborative initiatives. He also has experience in the Oil & Gas, Telecommunications

and Utilities industries. He was also involved in voluntary non-governmental organisation (NGO) activities, such as launching a bank-of-banks for micro-finance institutions across Indonesia for a consortium of international aid agencies and developing a new growth strategy across eleven countries in Asia Pacific for an international conservation fund. Prior to Accenture, he was with Petronas for seven years in various upstream and downstream functions.

Mr. Choong’s other directorships include RHB Bank Berhad, RHB Islamic Bank Berhad, RHB OSK Indochina Securities Limited and RHB Private Equity Holdings Sdn Bhd. He is also a Non-Executive Director in NTUC Income Insurance Cooperative Singapore.

## PROFILES OF BOARD OF DIRECTORS



### FOO SAN KAN

(66 Years of age - Malaysian)  
Independent Non-Executive Director

**Mr. Foo San Kan  
("Mr. Foo")  
was appointed as  
an Independent  
Non-Executive Director  
of RHB Indochina Bank on  
18 July 2008.  
He is also Chairman of  
the Audit Committee and  
a Member of Risk  
Management Committee  
as well as  
the New Activities &  
Products Committee.**

Mr. Foo was the Country Managing Partner of Ernst & Young Malaysia from 1997 to 2002 before he retired as a practicing accountant. He has 34 years of experience in the accounting profession, the first four years in the UK and the other 30 were spent in various positions in Ernst & Young offices in East and West Malaysia. He is a Chartered Accountant of the Malaysian Institute of Accountants.

Mr. Foo is also a member of the Malaysian Institute of Certified Public Accountants, a Fellow of the Institute of Chartered Accountants in England and Wales as well as the Chartered Tax Institute of Malaysia.

Mr. Foo's other directorships in public companies include RHB OSK Indochina Securities Limited, RHB Trustees Berhad, Malaysia Trustee Berhad, RHB Bank Lao Ltd, OSK Holdings Berhad, OSK Property Holdings Berhad, Symphony House Berhad, PJ Development Holdings Berhad, Allianz Malaysia Berhad, Allianz General Insurance Company (Malaysia) Berhad and Allianz Life Insurance Berhad.

## PROFILES OF BOARD OF DIRECTORS



### LEONG YENG KIT

(41 Years of age - Malaysian)  
Independent Non-Executive Director

**Mr. Leong Yeng Kit  
("Mr. Leong")  
is an Independent  
Non-Executive Director of  
the Bank. He was  
appointed to the Board of  
the Bank on 18 July 2008.  
He is also a Member of  
the Remuneration &  
Nomination Committee,  
the New Activities & Products  
Committee and the Audit  
Committee.**

Mr. Leong graduated from the University of Buckingham, England with an LL.B degree in 1995. He was called to the Malaysian Bar in 1998 and is practicing in partnership in the legal firm of Leong Yeng Kit & Co in Malaysia and in partnership in the Accounting, Audit & Corporate Finance Firm of Baker Tilly MH Audit Ltd in Cambodia.

His area of practice involves Corporate, Conveyance, Corporate Banking, Retail Banking Documentation, Commercial Law including Joint-Ventures, Mergers and Take-Overs, Corporate Restructuring, Corporate Negotiations and Advice, Franchising, International Trade, Property Development, Agency and Distributorship, Telecommunications, ICT and E-Commerce and Construction law.

Mr. Leong provides advice on Trade Marks and Industrial Designs and applications to the Registrar of Patents, Trade Marks, Industrial Designs in Malaysia and in other jurisdictions, Landlord and Tenant, Licensing, trusts and wills.

In litigation matters, he has extensive experience in Civil and Commercial Litigation with emphasis on Asset and Debt Recovery, Specialised Banking and Telecommunications Revenue Assurance, Insolvency (Bankruptcy, Receivership and Liquidation), Banking and Finance and Fraud Investigations.

Mr. Leong is also serving on the Board of Directors of six companies both in Malaysia and Cambodia, and on three societies advising on corporate and legal matters. He is also trustee of several registered charitable trust bodies and serving as a member of the Board of Directors for the Rotary Club of Petaling Jaya, the Kiwanis Club of Bukit Kiara and the National Kidney Foundation of Malaysia.

## PROFILES OF BOARD OF DIRECTORS



### U CHEN HOCK

(58 Years of age - Malaysian)  
Non- Independent Non-Executive Director

### Mr. U Chen Hock ("Mr. U")

**was appointed as a  
Non-Independent  
Non-Executive Director  
of RHB Indochina Bank  
on 5 January 2012.  
He is also a Member of  
the New Activities &  
Products Committee.**

Mr. U is currently the Executive Director heading the Group Retail Banking and Group International Business of RHB Bank Berhad. He served as the Chief Executive Officer ("CEO") / Executive Director of OSK Investment Bank Berhad ("OSKIB") from 18 January 2011 till April 2013.

Prior to his appointment as CEO, Mr. U was a member of the Senior Management team of OSKIB, holding the position of Director of Banking. He joined OSKIB in August 2010 after an illustrious career with HSBC Bank ("HSBC") in Malaysia, Taiwan and Hong Kong. He started his career in banking in 1980 when he joined HSBC as a Management Trainee.

In the 31 years that followed, he had assumed numerous positions and responsibilities in the region and acquired a broad base experience in the areas of corporate, commercial and consumer banking.

Mr. U graduated from the National University of Malaysia (UKM) with a Bachelor of Economics (Honours) degree in 1980.

Mr. U's other directorships include OSKIB Sdn Bhd (formerly known as OSK Investment Bank Berhad) and RHB Bank Lao Ltd, Laos PDR.

## PROFILES OF BOARD OF DIRECTORS



### **LIM LOONG SENG**

(60 Years of age - Malaysian)  
Managing Director/Country Head

**Mr. Lim Loong Seng  
("Mr. Lim")  
was appointed as  
Managing Director of  
RHB Indochina Bank Limited  
on 6 June 2013.  
He is also a member of the  
Audit Committee.**

Mr. Lim holds a Bachelor of Science Diploma in Agriculture in Agribusiness and from University Putra Malaysia. He was awarded the SEARCA Gold Medal as well as Harvard Business Alumni Club Malaysia Gold Medal award when he graduated with a Bachelor of Science in Agribusiness in 1986. He also has a MBA in International Business awarded by University of Sunderland, United Kingdom.

Mr. Lim has more than 34 years working experience including more than 31 years in the financial services industry. He has wide ranging exposure and experience in corporate, business and consumer banking having served at both branch and head office levels in Banking Operations, Credit Operations and Policies, Credit Risk, Sales & Marketing, Business & Product Development as well as at top management level at a leading financial institution in Malaysia. His last position there was as Director of Banking Operations Division responsible for the Bank's entire banking operations and branch network.

Mr. Lim pioneered RHB Indochina Bank Limited, Cambodia (previously known as OSK Indochina Bank Limited) as its Country Head in 2008 and has expanded the branch network to 10 branches.

He is a member of the Institute of Bank Malaysia and also a Licensed Dealer certified and approved by the Securities Exchange Commission of Cambodia. He has also been elected as the Vice President of the Malaysian Business Council of Cambodia since 2010 to date.

He was appointed to the Board of Directors of RHB Indochina Bank as Managing Director on 6 June 2013. His other directorship includes RHB OSK Indochina Securities Limited, Cambodia and RHB Bank Lao Ltd, Laos PDR.

# MANAGEMENT COMMITTEE

## RHB INDOCHINA BANK

### Management Committee

1. Mr. Lim Loong Seng, Chairman
2. Mr. Thoo Kim Seng
3. Mr. Cheong Kim Soon, Simon
4. Mr. Chua Thiam Yew
5. Mr. Yong Ching San
6. Mr. Om Visal

### Credit Lending Committee

1. Mr. U Chen Hock, Chairman
2. Mr. Lim Loong Seng
3. Mr. Thoo Kim Seng
4. Mr. Cheong Kim Soon, Simon
5. Mr. Om Visal

### Assets & Liabilities Management Committee

1. Mr. U Chen Hock, Chairman
2. Mr. Lim Loong Seng
3. Mr. Thoo Kim Seng
4. Mr. Cheong Kim Soon, Simon
5. Mr. Chua Thiam Yew
6. Mr. Yong Ching San
7. Mr. Om Visal

### Management Audit Committee

1. Mr. U Chen Hock, Chairman
2. Mr. Lim Loong Seng
3. Mr. Thoo Kim Seng
4. Puan Rogayah Abu Bakar
5. Mr. Adrien Lim Tian Eu
6. Mr. Cheong Kim Soon, Simon
7. Mr. Chua Thiam Yew
8. Mr. Yong Ching San
9. Mr. Om Visal
10. Mr. Meung Samnang
11. Mr. Chhim Sareth

# MANAGING DIRECTOR/COUNTRY HEAD'S PERFORMANCE REVIEW



## THE BANK

Our journey which started more than six years ago has been impressive and rewarding to say the least. RHB Indochina Bank Limited ("The Bank") has grown from strength to strength since its incorporation. Beginning in 2008 with a single branch, the Bank now has 10 branches and 25 ATMs serving the needs of various segments of customers across Cambodia. Given our customers' support and the Bank's commitment to continue contributing positively to the country's economic development, we will grow our physical presence in Cambodia and expand our products and services to serve a wider segment and geographical location of customers.

The Bank has experienced strong growth over the last six years recording above industry growth rate in terms of Assets, Loans & Advances and Deposits and in the process, substantially strengthening our Balance Sheet and market share in the industry. Going forward, RHB Indochina Bank will continue to work hard to deliver high value-added propositions to all our customers and stakeholders complying with all regulatory requirements while becoming a prestigious bank in Cambodia.

With conducive economic environment in Cambodia and growth rate expected to be above 7%, the Bank is confident that we will be able to contribute to the Group's aspiration to become a Regional Powerhouse in ASEAN Economic Community (AEC).



## MANAGING DIRECTOR/COUNTRY HEAD'S PERFORMANCE REVIEW

### 2014 RESULTS

The Bank made significant achievement in terms of profit for the year 2014. Profit before tax grew from USD1.0 million in 2013 to USD7.0 million in 2014. Net Return on Equity improved by 4.7 times to 9.59% in 2014. Total Assets also grew USD107.0 million or 44% from 2013 with USD349.1 million Assets reported as at end of 2014. Despite the high growth in Assets, the Bank's Non-Performing Loans (NPL) to Total Loan and Advances ratio remains strong at 0.49%. In line with our RHB Group corporate culture, we will continue to practice exemplary standards on risk and governance to keep NPL at healthy levels.

Loans and Advances increased by 53% or USD73.9 million from USD139.7 million in 2013 to USD213.6 million in 2014. On the other hand, Total Deposits increased by 52% or USD97.9 million from USD188.3 million in 2013 to USD286.2 million in 2014.

### CORPORATE SOCIAL RESPONSIBILITY

While growing our business, we take our corporate social responsibility seriously at RHB Indochina Bank. In conjunction with RHB Bank Singapore's 10th year sponsorship for the Singapore Cup, RHB Group invited two Cambodian soccer teams to compete in RHB Bank Singapore Cup, a regional premier soccer tournament for South East Asian countries held annually in Singapore. The objective is to help Cambodia to uplift its standard of soccer.

Furthermore, a football clinic was conducted for about 100 underprivileged children in Cambodia to nurture young talents in football. The Bank also donated to Indochina Starfish Foundation, a foundation dedicated to the development of football for children in Cambodia.

### HUMAN CAPITAL DEVELOPMENT

The essence of good performance has always been related to its people. RHB Indochina Bank is very fortunate to have a great team that drives the organization towards its goals and vision. Our relentless focus in the development of human capital has certainly produced the desired outcome. We are also proud to be a member of RHB Group which was awarded the Grand Award for Employer of Choice at Malaysia HR Award 2014. We will continue to place great importance in human capital development to ensure RHB Indochina Bank is ready to face its challenges in future.

RHB Group has been providing financial services for more than 100 years, we certainly appreciate our customers' support and look forward to your continued patronage as we grow our businesses together. We in RHB Indochina Bank would be pleased to continue this legacy in Cambodia for the next 100 years.

**Lim Loong Seng**  
Managing Director/Country Head



# PROFILES OF THE MANAGEMENT TEAM



**Mr. Lim Loong Seng**  
**Managing Director/Country Head**

Mr. Lim holds a Bachelor of Science Diploma in Agriculture in Agribusiness and from University Putra Malaysia. He was awarded the SEARCA Gold Medal as well as Harvard Business Alumni Club Malaysia Gold Medal award when he graduated with a Bachelor of Science in Agribusiness in 1986. He also has a MBA in International Business awarded by University of Sunderland, United Kingdom.

Mr. Lim has more than 34 years working experience including more than 31 years in financial services industry. He has wide ranging exposure and experience in corporate, business and consumer banking having served at both branch and head office levels in Banking Operations, Credit Operations and Policies, Credit Risk, Sales & Marketing, Business & Product Development as well as at top management level at a leading financial institution in Malaysia. His last position there was as Director of Banking Operations Division responsible for the Bank's entire banking operations and branch network. Mr. Lim pioneered RHB Indochina Bank Limited, Cambodia (previously known as OSK Indochina Bank Limited) as its Country Head in 2008 and has expanded the branch network to 10 branches.

He is a member of the Institute of Bank Malaysia and also a Licensed Dealer certified and approved by the Securities Exchange Commission of Cambodia. He has also been elected as the Vice President of the Malaysian Business Council of Cambodia since 2010 to date.



**Mr. Thoo Kim Seng**  
**Deputy Country Head**

Mr. Thoo joined RHB Indochina Bank Limited in April 2015 as Deputy Country Head. He has vast experience and knowledge in the financial services industry with a total of 27 years of experience in various capacities including business development, sales & marketing and lending. He joined the RHB Bank Group in June 2005 and has assumed various portfolios in Group Business Banking ever since. Mr. Thoo holds a Master of Business Administration (Marketing). He is accredited with Certified Credit Professional (CCP) from Asian Institute of Chartered Bankers (formerly known as Institute Bank-Bank Malaysia) in year 2004. He is also a certified facilitator on Credit Skills Assessment by OMEGA Performance, USA and a certified Professional Executive Coach Manager by Cambride Association of Managers.

## PROFILES OF THE MANAGEMENT TEAM



**Mr. Cheong Kim Soon, Simon**  
**Head, Banking Services & Support**

Mr. Simon has been with RHB Indochina Bank Limited since its inception in September 2008 and is currently the Head of Banking Services and Support. He was with a top financial institution in Malaysia for over 26 years where he rose through the ranks, and gained wide ranging exposure in Banking Operations and Support. He has spearheaded business and technical banking process improvement initiatives as well as research and development. His last position prior to joining RHB was Head of Project Implementation & Process Improvement, Business Processes & Procedures. Mr. Simon graduated with an Ontario Secondary School Honors Graduation Diploma in 1981 and went on to attend York University in Ontario, Canada.



**Mr. Yong Ching San**  
**Head, Credit Management**

Mr. Yong joined RHB Indochina Bank Limited since November 2010 and is currently the Head of Credit Management. He has a total of 29 years of experience in banking and two years in Administration and as Training Consultant. He has a wide range of exposure and experience in commercial banking having served at both branch and head office levels in Credit, Operations, Loan Recovery, Business Development and Training. He graduated from Greenwich University, USA with a Masters of Business Administration in 2002. He also achieved his Certified Financial Planner accreditation from Financial Planner Association of Malaysia (FPAM) in 2006.



**Mr. Chua Thiam Yew**  
**Head, Finance & Strategy**

Mr. Chua joined RHB Indochina Bank Limited in May 2014 as the Head of Finance & Strategy. He has more than 13 years experience in the finance field with a leading bank in Malaysia and other renowned multinational corporations. He has vast exposure and experience in auditing, budgeting, financial management, financial reporting, taxation and business planning. He graduated from Association of Chartered Certified Accountants (ACCA) from United Kingdom in 2006. He also holds a Master of Business Administration awarded by University of Melbourne, Australia.

## PROFILES OF THE MANAGEMENT TEAM



**Mr. Om Visal**  
**Head, Business Development & Marketing**

Mr. Visal joined RHB Indochina Bank Limited since its inception in August 2008 and is currently the Head of Business Development and Marketing. He has 19 years of experience in the banking industry with wide ranging exposure in Credit, Sales & Marketing, Business & Product Development and Banking Operations. Mr. Visal also has experience in micro financing having served for seven years in various microfinance institutions. He graduated from the National Institute of Management with a Bachelor of Business Administration majoring in Marketing in 1999.



**Mr. Mohamad Yussof Ahmad Sapari**  
**Head, Human Resource & Training**

Mr. Yussof is the Head of Human Resource & Training of RHBIBL. He graduated from Sheffield Hallam University with a Bachelor of Laws in 1996. He joined RHBIBL since May 2015. Prior to that he was with RHB Bank since June 2012 and was the Human Resource Business Partner for Group Retail Distribution. His experience in human resources management includes exposure in recruitment, HR operations, compensation & benefits administration, HR policy and procedures, performance management, employee engagement, industrial and employee relations.



**Mr. Aldrian Rizal Zahari**  
**Head, Product Development & Marketing Communication**

Mr. Rizal joined RHB Indochina Bank Limited on secondment from RHB Bank Berhad in July 2014. He has 19 years of working experience in banking and insurance industries. He has gained exposure and experience in Audit, Sales & Marketing, Bancassurance and International Banking Operations. Mr. Rizal graduated from University of Northumbria at Newcastle in United Kingdom with a Bachelor of Accounting in 1996.

## PROFILES OF THE MANAGEMENT TEAM



**Mr. Meung Samnang**  
**Head, Compliance & Risk Management**

Mr. Samnang is the Head of Compliance and Risk Management since January 2010. He has 11 years of experience in Consultanting and Audit. He has wide ranging exposure in Audit and Compliance at KPMG Cambodia and at Internal Audit Department of Ministry of Economy and Finance where his last held position was as a Consultant. He graduated from Maharishi Vedic University, with a Bachelor of Business Administration in 2004. He also achieved Certificate of Certified Accounting Technician (CAT) from the United Kingdom in 2007 and is currently pursuing certificate in Financial Risk Manager from the Global Association of Risk Professional in the United States of America.



**Mr. Chhim Sareth**  
**Head, Internal Audit**

Mr. Sareth is the Head of Internal Audit. He joined the Bank in July 2009. He has 12 years of working experience with two years as accounting teacher and four years as external auditor. He has experience in Compliance and Advisory Audit on various industries such as Banking, Microfinance Institution, Insurance, Garment Factories, Restaurant and Service Companies during his time in KPMG Cambodia. Mr. Sareth holds a Master of Commerce in Finance from International Institute of Cambodia in 2006. He also holds a Certificate of Certified Accounting Technician (CAT) in 2008 and is currently pursuing an Association of Chartered Certified Accountants (ACCA) from the United Kingdom.



**Mr. Yim Tithya**  
**Head, Information Technology**

Mr. Tithya is currently the Head of Information Technology Department since joining the Bank in January 2013. He has 11 years of experience in Information Communication and Technology with wide ranging exposure in IT System. He manages the IT Operations and oversees the IT infrastructure to support roll out of the Bank's delivery channels and products and services for the business units. He graduated from University Teknologi Petronas in Malaysia with a degree in Bachelor of Technology in 2007.

# EVENTS IN 2014

## FEBRUARY

14 February 2014

### Staff Party in conjunction with Chinese New Year's 'Chap Goh Meh' & Valentine's Day Celebrations

Once every 19 years, the last day of Chinese New Year or 'Chap Goh Meh' and Valentine's Day fall on the same day 14 February.

Staff of RHB Indochina Bank Limited (RHBIBL) and RHB OSK Indochina Securities Limited (RHBISL) joined hand to celebrate this double-celebrations on the eve of 14th February 2014 at Champs Elysées Restaurant, Phnom Penh, Cambodia.

Mr. Lim Loong Seng, Managing Director & Country Head of RHBIBL conveyed his Chinese New Year & Valentine's Day wishes to all Management & Staff present that day with a message to further strive to accelerate the growth of the Bank in the new year. The double-celebration event was a joyous one with everyone dressed up to the hilt to enjoy a sumptuous Chinese dinner. All lady staff received a stalk of rose while everyone partook in the Valentine's Day cake cutting. Special entertaining programme put the party in the right mood which climaxed with a pick-your-own "Ang Pao" for all attendees, with Ang Pao money up to USD50 up for grabs.



## MARCH

17 March 2014

### RHB Indochina Bank's BOD Meeting

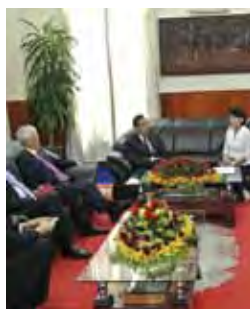
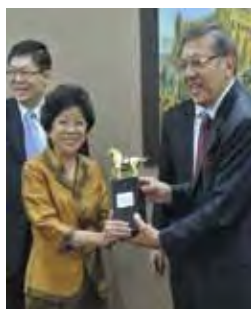
RHB Indochina Bank Limited (RHBIBL) held its Board of Directors Meeting on 17 March 2014 at Phnom Penh Headquarters, Cambodia. Together with RHB OSK Indochina Securities Limited and RHB Bank Lao Limited's Board of Directors Meeting, the other meetings include Audit Committee Meeting, Risk Management Committee Meeting and Remuneration & Nomination Committee Meeting was also held on the same day for all the three companies.

#### The Meeting was attended by:

- Tuan Haji Khairuddin Ahmad, Chairman
- Mr. Choong Tuck Oon, Director
- Mr. Leong Yeng Kit, Director
- Mr. U Chen Hock, Director
- Mr. Lim Loong Seng, Managing Director/Country Head
- Mr. Wong Kee Poh, Deputy Country Head
- Mr. Encik Azman Sha Md Yaman, Group Secretariat
- Ms. Lai Su Ming, Secretary



## APRIL



20 & 21 April 2014

### Tan Sri Azlan's Business Visit to Cambodia

RHB Bank Chairman Tan Sri Azlan Zainol made an official business visit from 20 till 21 April to Phnom Penh, Cambodia, accompanied by RHB Indochina Bank Limited's (RHBIBL) Chairman Tuan Haji Khairuddin Ahmad and Mr. U Chen Hock, Executive Director, Group International Business.

The two-day trip included visits to the National Bank of Cambodia (NBC), the Ministry of Economy and Finance (MOEF) as well as the Malaysian Embassy in Phnom Penh to exchange ideas and views on the local banking scene and how RHBIBL can contribute to its development.

## EVENTS IN 2014

### MAY

23 May 2014

#### RHB Singapore Cup's Launch in Cambodia

On 23rd May 2014, RHB Indochina Bank held a press conference at Naga World Hotel in Phnom Penh to celebrate the fact that for the first time, Cambodia has two football teams (Nagacorp FC and Svay Rieng FC) participating in the RHB Singapore Cup.

This year marks RHB Bank Singapore's 10th year of sponsorship for the Singapore Cup, as the Bank renewed its sponsorship for three more years earlier this month. Just as RHB Bank Berhad is growing regionally and is now present in many South East Asian countries including Cambodia, the RHB Singapore Cup has also grown to be a big regional premier tournament.

This conference was attended by Mr. U Chen Hock - Executive Director, Group International Business, RHB Bank Berhad, Mr. Lim Loong Seng, Managing Director/Country Head RHB Indochina Bank Limited and Mr. Luke Diep, Head Service Quality & Public Relations, RHB Bank Berhad Singapore.

With the presence of guest-of-honor Mr. Kok Wai Leong, Director, Operations, S.League, Mr. Gerard Wong, Director, Marketing & Communications, S.League and Mr. Sophana Kul, General Secretary, Football Federation of Cambodia, the aim to develop the sport throughout ASEAN region would no doubt be a successful one.



### JULY

2 July 2014

#### 5th Anniversary Fixed Deposit Campaign

RHB Indochina Bank Limited (RHBIBL) launched a 5-Month Fixed Deposit Campaign effective from 1 January to 31st May 2014 in conjunction with RHBIBL's 5th anniversary.

Depositors are entitled to one lucky draw coupon for every deposit amount of USD5,000 for individual depositors and USD10,000 for non-individual depositors for FD placements of six months and above.

A total of 15 Prizes were up for grabs which included 5 Grand Prizes of Motorcycle, 5 iPhone 5s-32G and 5 Samsung Plasma TV. The Lucky Draw event held on 2 July 2014 was widely attended by the media including 3 local television stations and 4 newspapers. In addition, RHBIBL also rewarded its Sales and Non-Sales Staff who contributed to this campaign.

The Bank also took the opportunity to share the RHB PRIDE via a 5 minute video clip with the invited customers at the Lucky Draw event to reaffirm the Bank's commitment towards delivering a "Hi-Touch" customer banking experience vide staff engagement.



## EVENTS IN 2014

### JULY (CONTINUED)

**26 July 2014**

#### **Mid-Year Review of Strategic Business Plan 2014**

RHB Indochina Bank Limited (RHBIBL) convened a Mid-Year Review of Strategic Business Plan 2014 on 26th July, 2014 at Intercontinental Hotel, Phnom Penh. The meeting was chaired by Mr. Lim Loong Seng, Managing Director/Country Head with the attendance of Mr. U Chen Hock, Executive Director, Group International Business, Mr. Wong Kee Poh, Deputy Country Head, Head of Departments, Branch Managers and selected Sales & Marketing Executives.

The objective of the meeting were to review the progress for the 2014 Strategic Business Plan to be among the top retail banks in Cambodia in terms of Loans, Deposits and Profit. Basing on the business performance as at 30 June, 2014 the meeting was also to address key business issues, challenges and revise and reinforce its business strategies & action plans for 2014.



**27 July 2014**

#### **RHB Family Day**

Staff of RHB Indochina Bank and RHB OSK Indochina Securities came together for a time of fun and bonding along with their family members at the RHB Family Day 2014 on 27 July 2014. The event was held at Cambodian Country Club, Phnom Penh, Cambodia with a total of 202 participants including family members of RHB Indochina Bank Family.



Teamwork and trust have never been stronger!

## EVENTS IN 2014

### SEPTEMBER

6 September 2014

#### Children's Football Clinic

RHB Indochina Bank launched the RHB' Little Kicks Big Difference' Children's Football Clinic for some 100 Cambodian children from the Indochina Starfish Foundation at the KB-All Sports Club in Phnom Penh.

This programme was part of the Group's Corporate Responsibility efforts aimed at nurturing young talents in areas beyond the academic.

Mr. Lim Loong Seng, Managing Director/CountryHead, RHB Indochina Bank Limited, said: "Even as we focus on establishing the business here in Cambodia, we have not forgotten our Corporate Responsibility initiatives within the community. We wanted to provide a day of sporting fun and learning for these children from Indochina Starfish Foundation, and inspire them to pursue their sporting dreams."

Indochina Starfish Foundation Country Manager Chourp Vicheka added: "We are grateful for RHB Bank's efforts to provide a day of fun and learning for our beneficiaries. Football has a huge following in Cambodia and we hope that RHB Bank can continue to leverage on football to give opportunities to more Cambodian children to try and excel at the sport."

In conjunction with the football clinic, a charity fund raiser futsal match between the Cambodian media and RHB Indochina was held where US\$50 was donated by RHB Banking Group for every goal scored by either team, towards Indochina Starfish. A total of US\$1,000 was raised and donated to Indochina Starfish Foundation.



30 September 2014

#### Staff Appreciation Dinner, hosted by Chairman of RHB Bank

The Chairman of RHB Bank Berhad, Tan Sri Azlan Zainol & the Board of Directors of RHB Banking Group graced the staff dinner attended by all the Senior Management and Staff of RHB Indochina Bank and RHB OSK Indochina Securities.

All attendees were motivated by the inspiring speech from Tan Sri Azlan Zainol and are ready to deliver an outstanding result for the year.



## EVENTS IN 2014

### OCTOBER

1 October 2014

#### RHB Indochina Bank Hosts Customers Appreciation Dinner

RHB Bank Indochina Bank Limited, feted over 200 customers, business partners and guests over an enjoyable evening on 1 October 2014.



The dinner was held as a gesture of appreciation to its customers and business partners for their support over the last six years of operations. Guests included His Excellency Kim Vada, Director General of Banking Supervision, Her Excellency Chea Srey, Director General of Central Banking, National Bank of Cambodia and the Ambassador of Malaysia to the Kingdom of Cambodia, His Excellency Ambassador Datuk Raslan bin Abdul Rashid and Managing Director of RHB Bank, Dato' Khairussaleh Bin Ramli.

The dinner was attended by Tan Sri Azlan Zainol, Chairman of RHB Bank Malaysia; Tuan Haji Khairuddin Ahmad, Chairman of RHB Indochina Bank Limited; as well as other members Board of Directors and Senior Management of the RHB Banking Group who flew into Cambodia to attend the event.

"From the time our Bank commenced business in 2008, we have been very fortunate to have the unwavering support of our customers, most of whom are still banking with us today," said Mr Lim Loong Seng, Managing Director/ Country Head, RHB Indochina Bank.

He also added that the night's event was to honour and appreciate customers and business partners who have supported RHB Indochina Bank in its journey of success thus far.

"The Bank is committed towards contributing positively to the country's economic development. We will continue to look into expanding our physical presence, widen our product offerings and services to serve a wider segment of customers throughout the country," said Hj Khairuddin Ahmad, Chairman, RHB Indochina Bank Limited.

### NOVEMBER

21 November 2014

#### RHB Indochina Bank Opens Its 10th Branch

RHB Indochina Bank Limited (RHBIBL), widened its footprint in Cambodia with the opening of its 10th branch in Toul Kork, Phnom Penh.

Mr. Lim Loong Seng, Country Head of RHBIBL said, "RHBIBL's rapid network expansion demonstrates our determination to become a key player in the region and move towards being the next generation customer centric bank by providing tailor made products and services to reach more people in the country".

The new branch located at No 18C, D&Aeo, Kim IL Sung Blvd (St. 289), Sangkat Tumnub Toeuk, Khan Chamkarnomrk, Khan Toul Kork, Phnom Penh will serve residents and small to medium businesses within the vicinity.

The branch will offer a wide range of retail and commercial banking products and services and also equipped with a 24-hour full-function Automated Teller Machine (ATM).

RHB Indochina Bank Toul Kork branch is led by Mr. Prum Hul together with his team of 10 staffs, who are ready and committed to provide competitive banking solutions and unique experience to their customers.

In conjunction with the opening of the new branch, the bank offered to all new deposit customers of RHBIBL Toul Kork branch a welcome gift.

On top of that, customer who places more than USD10,000 gets to enjoy additional interest rate of up to 0.5% depending on the tenure.



## EVENTS IN 2014

### NOVEMBER (CONTINUED)

**22 & 23 November 2014**

#### **RHB Indochina Bank 6th Anniversary Dinner and Team Building**

RHB Indochina Bank Limited (RHBIBL) celebrated its 6th Anniversary Gala Dinner & Dance at Sokha Beach Resort, Sihanouk Ville, Cambodia on 22nd November 2014 followed by Team Building the next morning.

The Gala Dinner was graced our RHBIBL Chairman, Tuan Haji Khairuddin Ahmad together with his spouse and Mr. U Chen Hock, Executive Director, Group International Business with almost 200 staff from both RHBIBL & RHBISL.

The Managing Director/Country Head of RHBIBL, Mr. Lim Loong Seng, started the evening's celebrations by delivering his welcome speech sharing RHBIBL's progress over the past six years since October 2008.

The theme was colourful and vibrant "Hawaiian". All participants who attended the event that day dressed in "Hawaiian" theme making the event lively. To make it more interesting, there were performances and competitions like Best Dress and "Mr. and Miss RHB Indochina Bank". The event brought out the youthfulness in everyone.

Management also presented the "Staff Recognition Awards" to 19 staff that have served the Bank, either for more than five years or since commencement of the business in 2008.

To further add excitement to the unforgettable evening, there were fantastic lucky-draw prizes; total of 200 prizes were up for grabs and everyone returned home with at least a prize in hand.

The event was filled with good food, enjoyable entertainment and great company, it was truly an evening to remember. Bravo and well done to all the talented staff who gave a splendid performance!

The following morning the "Teambuilding" event got everyone excited. The activities were educational and fun emphasising on teamwork and cooperation.

This event was timely as the staff got to revitalise and re-energise themselves through our camaraderie and stay united as a team ending 2014 with strong performance and a commitment to deliver another outstanding result in 2015.



# DIRECTOR'S REPORT

The Board of Directors ("the Directors") is pleased to submit its report together with the consolidated financial statements of RHB Indochina Bank Limited ("the Bank") and RHB OSK Indochina Securities Limited ("the Subsidiary") collectively referred to as ("the Group") and the separate financial statements of the Bank for the year ended 31 December 2014.

## THE BANK

The Bank was incorporated on 9 July 2008 and is a wholly-owned subsidiary of RHB Bank Berhad, a public limited liability company incorporated in Malaysia.

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

## PRINCIPAL ACTIVITIES

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

## FINANCIAL PERFORMANCE

The financial performance of the Group and of the Bank for the year ended 31 December 2014 are set out in the consolidated income statement and the separate income statement on pages 71 and 75 respectively.

## STATUTORY CAPITAL

As at 31 December 2014, the paid-up statutory capital of the Bank is US\$52,000,000 (US\$1 par value per share). There was no issue of shares in the Bank during the year.

## RESERVES AND PROVISIONS

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

## BAD AND DOUBTFUL LOANS AND ADVANCES

Before the financial statements of the Group and 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 provisions for doubtful loans and advances, and satisfied themselves that all known bad loans and advances had been written off and that adequate provision 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 provision for bad and doubtful loans and advances in the financial statements of the Group and of the Bank inadequate to any material extent.

## THE BANK

Before the financial statements of the Group and of the Bank were drawn up, the Directors took reasonable steps to ensure that all assets, other than debts which were unlikely to be realised in the ordinary course of business at their values as shown in the accounting records of the Group and 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 Group and 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 Group and of the Bank which has arisen since the end of the year which secures the liabilities of any other person, and
- (b) no contingent liability in respect of the Group and of the Bank that has arisen since the end of the year other than in the ordinary course of the banking business.

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

## CHANGE OF CIRCUMSTANCES

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

## ITEMS OF AN UNUSUAL NATURE

The results of the performance of the Group and of the Bank for the year were not, in the opinion of the Directors, materially 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 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 substantially affect the results of the operations of the Group and 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 Board of Directors holding office during the year and at the date of this report are:

Tuan Haji Khairuddin bin Ahmad	Chairman
Choong Tuck Onn	Member
Foo San Kan	Member
Leong Yeng Kit	Member
U Chen Hock	Member
Lim Loong Seng	Member

### THE DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS

The Directors are responsible for ensuring that the financial statements are properly drawn up so as to present fairly, in all material respects, the financial position of the Group and of the Bank as at 31 December 2014 and the financial performance and cash flows of the Group and of the Bank for the year then ended. In preparing these financial statements, the Directors are required to:

- i) adopt appropriate accounting policies which are supported by reasonable and prudent judgements and estimates and then apply them consistently;
- ii) comply with the disclosure requirements and the guidelines issued by the National Bank of Cambodia and Cambodian Accounting Standards or, if there have been any departures in the interests of no 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 a going concern basis unless it is inappropriate to assume that the Group and the Bank will continue operations in the foreseeable future; and
- v) effectively control and direct the Group and the Bank in all material decisions affecting the operations and performance and ascertain that such have been properly reflected in the financial statements.

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

### APPROVAL OF THE FINANCIAL STATEMENTS

The accompanying financial statements, together with the notes thereto, which present fairly, in all material respects, the financial position of the Group and of the Bank as at 31 December 2014, and the financial performance and cash flows of the Group and of the Bank for the year then ended in accordance with the guidelines issued by the National Bank of Cambodia and Cambodian Accounting Standards, were approved by the Board of Directors.

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



**Tuan Haji Khairuddin bin Ahmad**  
Chairman

Phnom Penh, Kingdom of Cambodia  
Date: 09 February 2015

# INDEPENDENT AUDITOR'S REPORT

## To the Shareholders of RHB Indochina Bank Limited

We have audited the accompanying consolidated financial statements of RHB Indochina Bank Limited ("the Bank") and its subsidiary, RHB OSK Indochina Securities Limited (collectively referred to as "the Group") and the separate financial statements of the Bank, which comprise the balance sheets as at 31 December 2014 of the Group and of the Bank and their income statements, statements of changes in equity and cash flow statements for the year ended 31 December 2014 and notes, comprising a summary of significant accounting policies and other explanatory notes.

### MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The management is responsible for the preparation and fair presentation of these financial statements in accordance with the guidelines issued by the National Bank of Cambodia and Cambodian Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

### AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Cambodian International Standards on Auditing. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance as to whether the financial statements are free from material misstatement.

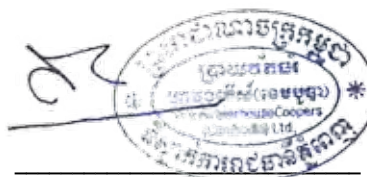
An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including assessments of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

### OPINION

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Group and of the Bank as at 31 December 2014, and their financial performance and cash flows for the year then ended in accordance with the guidelines issued by the National Bank of Cambodia and Cambodian Accounting Standards.

For PricewaterhouseCoopers (Cambodia) Ltd.



**By Kuy Lim**  
Partner

Phnom Penh, Kingdom of Cambodia  
Date: 26 February 2015

# INTERNAL CONTROL REPORT

## INTRODUCTION

Pursuant to the provision of Article 25 of the Prakas B-7-010-172 Prokor on Internal Control of Bank and Financial Institutions issued on 28 September 2010 and Letter B-7-015-161 SCN issued on 3 March 2015, Cambodian banking institutions shall establish an annual report on the organisation and effectiveness of the internal control system.

The statement below has been prepared in accordance with the guidelines as set out in the “Prakas on the Internal Control of Bank and Financial Institutions: Guideline for Completing the Annual Report on the Organisation and Effectiveness of the Internal Control”.

## RESPONSIBILITY

The Board acknowledges its overall responsibility for the Bank’s internal control system and its adequacy and effectiveness in safeguarding shareholders’ investments and the Bank’s assets.

The system of internal control that is in place is designed to manage risks according to the risk appetite approved by the Board rather than total elimination of risks to achieve the Bank’s goals and objectives. The system can therefore only provide reasonable and not absolute assurance against material misstatement, loss or fraud.

The system of internal control includes an established and on-going process for identifying, evaluating, managing and reporting significant risks that may affect the achievement of the Bank’s business objectives and strategies.

Management assists the Board in implementing Board policies and processes for identifying, evaluating, monitoring and reporting of risks and internal control, taking timely corrective actions as required, and providing assurance to the Board that the processes have been carried out. In this regard, the Board has received assurance from the Managing Director as well as the Head of Risk Management that the Bank’s risk management and internal control system is operating adequately and effectively, in all material aspects, based on the risk management and internal control system of the Bank.

Reviewing the effectiveness of the internal control system is an essential part of the Board’s responsibility. The Board has, through its Board Risk Committee and Board Audit Committees, assessed the adequacy and effectiveness of the Bank’s internal control system. Based on these reviews as well as the assurance it has received from Management, the Board is of the view that the Bank’s internal control system is operating adequately and effectively for the financial year under review and up to the date of approval of this report.

## KEY RISK MANAGEMENT AND INTERNAL CONTROL PROCESSES

A sound framework of internal control is fundamental to good corporate governance. The key processes established by the Board for maintaining a sound system of internal control include the following:

## Risk Management Framework

The risk management process seeks to identify, measure, monitor and control risk. It also seeks to ensure that risk exposures are adequately managed and that the expected returns compensate the risks taken, given that the risks within the industry we operate in are continuously changing and evolving. This process is regularly reviewed by the Board through its Risk Management Committee (“RMC”) which ensures the proper management of risks and that the appropriate measures are taken to mitigate any identified weaknesses in the control environment.

The Board, through the RMC, maintains overall responsibility for risk oversight in the Bank. In discharging its overall duties and responsibilities, the RMC is supported by the Risk Management function which monitors and evaluates the effectiveness of the Bank’s risk management system and operations on an ongoing basis.

Amongst the other committees set up in the Bank to manage specific areas of risk are the Asset & Liability Management Committee, Credit Lending Committee and New Activities & Products Committee.

In line with regulatory requirements and industry best practices, the Bank subscribes to the principle that risk management is a core responsibility of the respective businesses and operating departments. This has been articulated and documented in the risk management framework of the Bank.

To support and promote accountability and ownership of risk management, a Risk and Control Self-Assessment framework has been implemented in business and functional units within the Bank as part of the risk management process. These business and functional units are required to identify and document the controls and processes for managing the risks arising from their business activities, as well as to assess the effectiveness thereof.

## Internal Audit Function

Internal Audit (“IA”) performs regular reviews on the adequacy and effectiveness of the Bank’s risk management, control and governance processes implemented by Management. IA adopts a risk-based approach in determining the auditable units and frequency of audits. Annual audit plans are reviewed and approved by the Audit Committee (“AC”) of the Bank.

The results of the audits conducted by IA are reported to the AC. Follow-up action and the review of the status of action taken as per the auditors’ recommendations are carried out by Management via the Management Audit Committees (chaired by Executive Director, Group International Business of RHB Group). The minutes of meetings of the Management Audit Committees are tabled to the Audit Committee of the Bank for notation.



## INTERNAL CONTROL REPORT

### KEY RISK MANAGEMENT AND INTERNAL CONTROL PROCESSES (CONTINUED)

#### Internal Audit Function (Continued)

The AC holds regular meetings to deliberate on the findings and recommendations for improvement highlighted by both the internal and external auditors as well as the regulatory authorities on the state of the Bank's internal control system. The minutes of the meetings of the AC are subsequently tabled to the Board for notation while the highlights of the AC are subsequently table to the respective Boards by the Chairman of AC.

Further details of the activities undertaken by the AC are set out in the AC Report.

#### Compliance Framework

Compliance risk in the Bank is defined as the risk of impairment to the Bank's business model, reputation and financial condition from failure to meet laws and regulations, internal policies and procedures.

Compliance risk management is the collective responsibility of the Board, senior management and every employee of the Bank. It is expected that each individual promotes self-regulation and be accountable for his/her own activities as well as maintains ethical principles and behaviour in everything that he/she does.

The Bank's state of compliance with laws, regulations and internal policies and procedures are reported to the RMC and Board on a monthly basis. In addition, the Bank has in place an incident escalation and reporting process wherein any incident affecting the reputation of the Bank is escalated to the senior management and Boards within 24 hours of the incident occurring. This escalation process ensures oversight and guidance is provided by the Board in managing reputational risk.

The Compliance Department in collaboration with the business and operating departments, continuously assesses and recommends improvements to compliance by carrying out root cause analysis on incidences of non-compliance, negligence or fraud (all of which are reported on daily basis).

To enable business and operating departments to comply with various laws and regulations, the Compliance Department also conducts off-site surveillance and reviews on a regular basis. Weaknesses noted are conveyed to the respective business and operating units so that immediate corrective actions can be taken.

To mitigate non-compliance risk, briefings as well as various awareness and learning initiatives were conducted throughout the year to heighten awareness of compliance and to embed a compliance culture within the Bank.

#### Board Committees

The Board has delegated certain responsibilities to the Board committees established in the Bank, namely the Risk Management Committee, Audit Committee, Remuneration and Nominating Committee, New Activities and Products Committee.

These committees have oversight authority to examine and/or consider all matters within their scope of responsibility as defined in their respective formalised terms of references and to report to the Board with their recommendations.

#### Management Committee

The Management Committee ("MC") comprises key management personnel of the Bank and is chaired by the Managing Director/ Country Head of the Bank. The MC provides a forum for the Bank's Senior Management to discuss and deliberate on strategic matters that impact the Bank's vision, strategic directions, business synergies and brand value as well as to chart its strategic roadmap. The MC meets on monthly basis and the minutes of meeting are tabled to the Group Management Committee and Board of the Company for notation.

#### Information Technology (IT) Security

The objectives of the IT security encompass the protection of programs, data, information stored and facilities of the computerised data processing system from unauthorised access and use, loss or destruction as well as reliability and continuous availability of the computerised data processing systems.

IT security protects information from a wide range of threats as well as safeguards the confidentiality, integrity and availability of information. IT security in the Bank is achieved through the implementation of a suitable set of controls which includes policies, standards, procedures, guidelines, organisational structures and software control functions.

It is the policy of the Bank that while information assets of various forms and computer equipment should be provided to enable employees of the Bank and relevant third parties to satisfactorily complete their duties, these assets should be subjected to adequate controls to protect them from accidental or intentional loss, unauthorised access, unauthorised modification, unauthorised manipulation or unauthorised disclosure. Controls implemented should be appropriate to the value of the asset and its risk exposure.

#### Authority Limits

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

## INTERNAL CONTROL REPORT

### KEY RISK MANAGEMENT AND INTERNAL CONTROL PROCESSES (CONTINUED)

#### Budgeting Process

A detailed budgeting process is established requiring all key operating departments in the Bank to prepare budgets and business plans annually for approval by the Boards. The Bank's budget and business plans as well as strategic initiatives, taking into account the risk appetite, are discussed by the Bank's senior management and the Board at an annual business planning and budgetary session.

A reporting system on actual performance against approved budgets is in place and the reasons for significant variances as well as action plans by Management are reported to the Board.

#### Performance Review

Regular and comprehensive information is shared by Management to monitor their performance against the strategic business plan 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 Management Committee and the Board receive and review the financial performance against set targets and measures that are being put in place to meet such targets.

#### Internal Policies and Procedures

Policies, procedures and processes governing the Bank's businesses and operations are documented and are made available to employees across the Bank through the Bank's share drive in the server. These policies, procedures and processes are reviewed and updated by the business and functional units through a structured process of review to cater to changes in laws and regulations as well as changes to the business and operational environment. Furthermore, reviews of the policies, procedures and processes are also carried out to ensure that appropriate controls are in place to manage risks inherent to the business and operations.

#### Human Capital Management

The Bank acknowledges that 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 judgement that people apply to their work.

Hence, the Bank has in place policies and procedures that govern recruitment, appointment, performance management, compensation and reward, as well as policies and procedures that govern discipline, termination and dismissal.

The Bank places emphasis on human capital development and talent management. To enhance staff competencies, we provide technical training as well as management and leadership skills training.

#### Code of Ethics and Conduct

The Bank Code of Ethics and Conduct ("the Code") sets out the standards of good and ethical banking practices, as well as aims to maintain confidence in the security and integrity of the Bank's business practices.

It is a requirement that all employees of the Bank 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.

#### Whistle Blower Policy

There is an established process for reporting anyone found to be abusing or circumventing processes and controls of the Bank. All staff are accorded the opportunity to report via the Whistle-Blowing mechanism with the assurance that it shall be dealt with confidentiality and that the reporter's identity is protected.

#### Conflict of Interest

There is an establishment of an effective segregation of duties and prevention from conflict of interest situations via independent checks, review and reconciliation activities to prevent human errors, fraud and abuses.

#### Business Continuity Plan

Disaster recovery and business continuity plans have been established to cover key operations and business activities. The plans are tested from time to time and enhanced whenever required.

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

The AML/CFT Programme is continuously reviewed and updated to meet the regulatory requirements as well as to combat money laundering and financing of terrorism activities. All employees are expected to carry out their functions with the highest ethical and professional standards in accordance with the AML/CFT Programme and to be continuously vigilant against the Bank being exposed or used to launder money or finance illegal activities including terrorist financing.

#### Incident Management Framework

To complement the Bank's system of internal control, a comprehensive incident management reporting and incident management framework has been implemented to ensure proper escalation and management of incidents. The incident management reporting system also ensures that necessary steps are taken to mitigate any potential risks that may arise. This enables decision makers to undertake informed decision making and be kept up to date on situations as well as manage risks effectively.

# AUDIT COMMITTEE REPORT

## ACTIVITIES OF THE AUDIT COMMITTEE AND THE INTERNAL AUDIT FUNCTION DURING THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

### Activities of the Audit Committee

During the financial year ended 31 December 2014 (“year”), a total of four (4) Audit Committee (“AC”) meetings were held. The AC comprises the following members and the details of attendance of each member at the AC meetings held during the year are as follows:

Composition of the AC	Attendance at Meetings
1. Foo San Kan (Chairman/ Independent Non-Executive Director)	4/4 (100%)
2. Leong Yeng Kit (Member/ Independent Non-Executive Director)	4/4 (100%)
2. Choong Tuck Oon (Member/ Independent Non-Executive Director)	3/4 (75%)

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

Reviewed the quarterly unaudited financial results and the annual audited financial statements of RHB Indochina Bank Limited (“the Bank”) prior to the approval by the Board;

Reviewed the audit plan of the external auditors, the audit strategy, risk assessment and areas of audit emphasis for the year;

Reviewed with the external auditors, the results of their annual audit and audit committee report together with the Management’s response to their findings and recommendations;

Reviewed the non-audit services rendered by the external auditors and the related fees taking into consideration the fees threshold established under the Bank policy;

Evaluated the performance of the external auditors and made the necessary recommendations to the Board for consideration in relation to their appointment and audit fees;

Reviewed and approved the annual internal audit plan to ensure adequacy of scope and coverage of the identified auditable areas including staffing requirements;

Reviewed the internal audit reports, audit recommendations and Management’s responses to these recommendations as well as actions taken to improve the system of internal controls and procedures, and completion of the internal audit plan;

Reviewed the related party transactions entered into by the Bank;

Reviewed the inspection and examination reports issued by the regulatory authorities and the appropriate remedial actions taken

in respect of any findings to satisfy itself that all matters highlighted in these reports have been adequately and promptly addressed by management; and

Tabled the minutes of each AC meeting to the Board for notation, and for further direction by the Board, where necessary.

During the year, the Members of the AC attended the following training programmes, conferences and seminars:

Training Session No. 5 of Internal Capital Adequacy Assessment Process  
Advanced Risk Governance And Risk Management  
A Comprehensive Talent based Approach to Board Recruitment  
Bank Negara Malaysia Dialogue Session with Nomination Committee Members  
Malaysia Personal Data Protection Act 2010  
Scenario Planning  
Advocacy Session on Corporate Disclosure for Directors  
Capital-at-risk  
Malaysia Good and Service Tax awareness – issue large and small  
Appreciation and Application of ASEAN Corporate Governance Scorecard  
Actuarial Assumption and Participating Fund Management  
Malaysian Financial Reporting Standard (MFRS) 15 – Revenue from Contracts with Customers

### INTERNAL AUDIT FUNCTION

The Bank has an in-house internal audit department (“Internal Audit”) which is guided by the Internal Audit Charter and reports to the AC. Internal Audit’s primary role is to assist the AC in the discharge of their duties and responsibilities by independently reviewing and reporting on the adequacy and effectiveness of the Bank’s risk management, internal control and governance processes.

The AC approves the annual internal audit plan at the beginning of each financial year. Internal Audit adopts a risk-based approach towards the planning and conduct of audits, which is consistent with the Bank’s framework in designing, implementing and monitoring its internal control system.

Upon completion of the audits, Internal Audit closely monitors the implementation progress of its audit recommendations in order to obtain assurance that all major risk and control concerns have been duly addressed by Management. All audit reports on the results of work undertaken together with the recommended action plans and their implementation status are then presented to the Management and the AC.

Internal Audit works closely with the external auditors to resolve any control issues raised by them to ensure that all reported issues are duly acted upon by Management.

## AUDIT COMMITTEE REPORT

### TERM OF REFERENCE OF THE AUDIT COMMITTEE

#### Members

##### 1. Composition

- a) The Committee members shall be appointed by the BOD from amongst the directors of the Bank.
- b) The Committee shall consist of a minimum of three (3) members.

##### 2. Chairman

- a) The members of the Committee shall elect the Chairman from among their number.
- b) The Committee shall be chaired by the Chairman.

#### Reporting Structure

Whilst the Committee reports to BOD, regular audit reports are to be tabled to Group AC as part of group oversight requirements.

#### Duties And Functions

##### 1. Fair and Transparent Reporting

Ensure fair and transparent reporting and prompt publication of the financial statements.

##### 2. Effectiveness of Internal Audit

- a) Oversee the functions of the Internal Audit Department and ensure compliance with relevant regulatory requirements.
- b) Review the adequacy of the scope, functions, competency and resources of the internal audit department, and that it has the necessary authority to carry out its work.
- c) Review the internal audit programme, internal audit findings and if necessary, recommend actions to be taken by the management.
- d) To appoint, set compensation, evaluate performance and decide on the transfer or dismissal of the Head of Internal Audit Department of the Bank.

##### 3. Internal Controls

Review the effectiveness of internal controls and risk management processes.

##### 4. External Auditors

- a) Recommend external auditors for appointment by the BOD.
- b) Recommend removals of external auditors by BOD.
- c) 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).
- d) Review with the external auditor, the audit scope and plan, including any changes to the scope of the audit plan.

- e) Review with the external auditor, his evaluation of the system of internal controls and his audit report.
- f) Review the external auditor's management letter and response.
- g) Regularly review the audit findings and ensure that issues are being managed and rectified appropriately and in a timely manner.
- h) Review the periodic financial statements, prior to the approval by the BOD, focusing particularly on:
  - i) Changes in or implementation of major accounting policy changes.
  - ii) Significant and unusual events.
  - iii) Compliance with accounting standards and other legal requirements.
- i) Have direct communication channels with the external auditors and able to meet with the external auditors without the presence of management, at least once a year.
- j) Review any letter of resignation from the external auditors of the Bank.
- k) Approve the provision of non-audit services by the external auditor.
- l) Ensure that there are proper checks and balances in place so that the provision of non-audit services does not interfere with the exercise of independent judgment of the auditors.

##### 5. Related Party Transactions

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

#### Authority

The Committee shall within its terms of reference:

- a) have the resources which are required to perform its duties;
- b) have full and unrestricted access to any information as required to perform its duties;
- c) have the authority to investigate any activity within its terms of reference;
- d) have the authority to form management / sub-committee(s) if deemed necessary and fit;
- e) have the authority to delegate any of its responsibilities to any person or committee(s) that is deemed fit;
- f) be able to obtain independent professional or other advice; and

## AUDIT COMMITTEE REPORT

### TERM OF REFERENCE OF THE AUDIT COMMITTEE (CONTINUED)

#### Authority (Continued)

- g) be able to 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.

#### Meetings and Minutes

- a) The Committee shall preferably meet on quarterly basis, but in any event, no less than four (4) times a year, or whenever deemed necessary.
- b) The quorum of the meetings shall be at least two (2) members or 50% of the total members, whichever is higher.
- c) The Committee may convene meetings at any place in Cambodia or other country.
- d) The Committee is also allowed to carry out the resolution by way of circulation.
- e) Heads of the respective divisions and relevant management personnel (and others if deemed necessary) may be invited to attend the Committee meetings.
- f) The Committee may meet together for dispatch of business, adjourn, and otherwise regulate their meetings as they think 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.
- g) Resolutions, proposals and matters tabled for approvals at any meeting of the Committee shall be decided by a simple majority of the members present.
- h) The Chairman shall nominate any person as Secretary and minutes of meetings shall be taken.



A blue-tinted photograph of a modern multi-story building, identified as an RHB Indochina Bank branch. The building features large glass windows and prominent signage. The 'RHB' logo is visible on the upper facade, and 'Indochina Bank' is written below it. On the right side, there is a vertical sign with text in Khmer script. The overall image serves as a background for the report's title page.

# Inside this report

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# CONSOLIDATED BALANCE SHEET

AS AT 31 DECEMBER 2014

	Note	2014		2013	
		US\$	KHR' 000	US\$	KHR' 000
ASSET					
Cash on hand		4,594,101	18,720,962	3,782,282	15,110,217
Balances with the Central Bank	3	73,663,968	300,180,669	20,898,363	83,488,962
Balances with Securities Exchange Commission of Cambodia	4	981,595	4,000,000	1,001,252	4,000,000
Balances and placements with banks and other financial institutions	5	41,091,650	167,448,474	62,548,016	249,879,324
Loans and advances to customers	6	213,613,796	870,476,219	139,716,334	558,166,754
Other assets	7	1,859,544	7,577,641	1,903,380	7,604,003
Intangible assets	9	391,841	1,596,752	294,795	1,177,706
Property and equipment	10	3,505,034	14,283,014	3,679,286	14,698,748
TOTAL ASSETS		339,701,529	1,384,283,731	233,823,708	934,125,714
LIABILITIES AND EQUITY					
LIABILITIES					
Deposits from banks and other financial institutions	11	147,410,061	600,695,999	103,768,447	414,554,946
Deposits from customers	12	131,263,084	534,897,067	77,588,268	309,965,130
Current income tax liabilities		1,396,635	5,691,288	12,662	50,585
Other liabilities	13	4,691,819	19,119,162	2,425,084	9,688,211
TOTAL LIABILITIES		284,761,599	1,160,403,516	183,794,461	734,258,872
EQUITY					
Share capital		52,000,000	211,900,000	52,000,000	207,740,000
Accumulated profit/(losses)		2,939,930	11,980,215	(1,970,753)	(7,873,158)
OTHER EQUITY		54,939,930	223,880,215	50,029,247	199,866,842
TOTAL LIABILITIES AND EQUITY		339,701,529	1,384,283,731	233,823,708	934,125,714

The accompanying notes on page 78 to 119 form an integral part of these financial statements.

# CONSOLIDATED INCOME STATEMENT

AS AT 31 DECEMBER 2014

	Note	2014		2013	
		US\$	KHR' 000	US\$	KHR' 000
Interest income	14	16,906,163	68,892,614	10,888,023	43,497,652
Interest expense	15	(6,599,737)	(26,893,928)	(4,103,344)	(16,392,859)
<b>NET INTEREST INCOME</b>		<b>10,306,426</b>	<b>41,998,686</b>	6,784,679	27,104,793
Fee and commission income	16	1,857,902	7,570,951	1,307,851	5,224,865
Fee and commission expense		(19,387)	(79,002)	(26,509)	(105,903)
<b>NET FEE AND COMMISSION INCOME</b>		<b>1,838,515</b>	<b>7,491,949</b>	1,281,342	5,118,962
Other operating income		134,170	546,743	166,850	666,566
<b>TOTAL OPERATING INCOME</b>		<b>12,279,111</b>	<b>50,037,378</b>	8,232,871	32,890,321
Personnel expenses	17	(3,096,956)	(12,620,096)	(2,444,513)	(9,765,829)
Depreciation and amortisation charges	18	(990,001)	(4,034,254)	(921,208)	(3,680,226)
Administrative and operating expenses	19	(2,523,768)	(10,284,355)	(1,819,659)	(7,269,538)
<b>PROFIT BEFORE PROVISION FOR LOAN LOSSES</b>		<b>5,668,386</b>	<b>23,098,673</b>	3,047,491	12,174,728
Reversal/(Provision) for loan losses	6	807,376	3,290,057	(2,516,415)	(10,053,078)
<b>PROFIT BEFORE INCOME TAX</b>		<b>6,475,762</b>	<b>26,388,730</b>	531,076	2,121,650
Income tax expense	20	(1,565,077)	(6,377,689)	(124,204)	(496,195)
<b>PROFIT FOR THE YEAR</b>		<b>4,910,685</b>	<b>20,011,041</b>	406,872	1,625,455
Attributable To:					
<b>EQUITY HOLDER OF THE BANK</b>		<b>4,910,685</b>	<b>20,011,041</b>	406,872	1,625,455

The accompanying notes on page 78 to 119 form an integral part of these financial statements.



# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

AS AT 31 DECEMBER 2014

	Share capital US\$	Accumulated profit/(losses) US\$	Total US\$
At 1 January 2013	52,000,000	(2,377,625)	49,622,375
Profit for the year	-	406,872	406,872
<b>AT 31 DECEMBER 2013</b>	<b>52,000,000</b>	<b>(1,970,753)</b>	<b>50,029,247</b>
In KHR' 000 Equivalent	207,740,000	(7,873,158)	199,866,842
At 1 January 2014	52,000,000	(1,970,753)	50,029,247
Profit for the year	-	4,910,683	4,910,683
<b>AT 31 DECEMBER 2014</b>	<b>52,000,000</b>	<b>2,939,930</b>	<b>54,939,930</b>
In KHR' 000 Equivalent	211,900,000	11,980,219	223,880,219

The accompanying notes on page 78 to 119 form an integral part of these financial statements.

# CONSOLIDATED CASH FLOW STATEMENT

AS AT 31 DECEMBER 2014

	Note	2014		2013	
		US\$	KHR' 000	US\$	KHR' 000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Cash from/(used in) operations	21	29,308,057	119,430,332	(18,779,339)	(75,023,458)
Interest received		16,567,023	67,510,619	10,413,960	41,603,770
Interest paid		(5,666,248)	(23,089,961)	(3,467,923)	(13,854,352)
Income tax paid		(181,107)	(738,011)	(119,398)	(476,995)
<b>NET CASH GENERATED/(USED IN) OPERATING ACTIVITIES</b>		<b>40,027,725</b>	<b>163,112,979</b>	(11,952,700)	(47,751,035)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Purchases of:					
- intangible assets	9	(228,757)	(932,185)	(18,627)	(74,415)
- property and equipment	10	(689,924)	(2,811,440)	(583,760)	(2,332,121)
Negotiable certificates of deposits		(15,000,000)	(61,125,000)	-	-
Proceeds from disposal of property and equipment		2,097	8,545	-	-
<b>NET CASH USED IN INVESTING ACTIVITIES</b>		<b>(15,916,584)</b>	<b>(64,860,080)</b>	(602,387)	(2,406,536)
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>					
		24,111,141	98,252,900	(12,555,087)	(50,157,572)
Cash and cash equivalents at beginning of the year		17,258,282	68,946,837	29,813,369	119,104,409
Exchange differences		-	1,380,663	-	-
<b>CASH AND CASH EQUIVALENTS AT END OF THE YEAR</b>		<b>41,369,423</b>	<b>168,580,400</b>	17,258,282	68,946,837

The accompanying notes on page 78 to 119 form an integral part of these financial statements.



# BALANCE SHEET

AS AT 31 DECEMBER 2014

	Note	2014		2013	
		US\$	KHR' 000	US\$	KHR' 000
ASSET					
Cash on hand		4,593,761	18,719,576	3,782,183	15,109,821
Balances with the Central Bank	3	73,663,968	300,180,670	20,898,363	83,488,960
Balances and placements with banks and other financial institutions	5	39,307,682	160,178,804	60,827,650	243,006,462
Loans and advances to customers	6	213,613,796	870,476,219	139,716,334	558,166,754
Other assets	7	1,878,583	7,655,226	1,863,767	7,445,749
Investment in subsidiary	8	12,500,000	50,937,500	11,500,000	45,942,500
Intangible assets	9	370,953	1,511,633	273,907	1,094,258
Property and equipment	10	3,157,285	12,865,936	3,264,768	13,042,748
TOTAL ASSETS		349,086,028	1,422,525,564	242,126,972	967,297,252
LIABILITIES AND EQUITY					
LIABILITIES					
Deposits from banks and other financial institutions	11	147,410,061	600,695,999	103,768,447	414,554,946
Deposits from customers	12	138,791,735	565,576,320	84,550,674	337,779,943
Current income tax		1,396,643	5,691,320	12,580	50,257
Other liabilities	13	4,609,150	18,782,286	2,371,538	9,474,293
OTHER LIABILITIES		292,207,589	1,190,745,925	190,703,239	761,859,439
EQUITY					
Share capital		52,000,000	211,900,000	52,000,000	207,740,000
Accumulated profit/(losses)		4,878,439	19,879,639	(576,267)	(2,302,187)
OTHER EQUITY		56,878,439	231,779,639	51,423,733	205,437,813
TOTAL LIABILITIES AND EQUITY		349,086,028	1,422,525,564	242,126,972	967,297,252

The accompanying notes on page 78 to 119 form an integral part of these financial statements.

# INCOME STATEMENT

AS AT 31 DECEMBER 2014

	Note	2014		2013	
		US\$	KHR' 000	US\$	KHR' 000
Interest income	14	16,810,557	68,503,020	10,794,466	43,123,892
Interest expense	15	(6,599,737)	(26,893,928)	(4,103,344)	(16,392,859)
<b>NET INTEREST INCOME</b>		<b>10,210,820</b>	<b>41,609,092</b>	6,691,122	26,731,033
Fee and commission income	16	1,856,871	7,566,749	1,307,851	5,224,865
Fee and commission expense		(19,387)	(79,002)	(26,509)	(105,903)
<b>NET FEE AND COMMISSION INCOME</b>		<b>1,837,484</b>	<b>7,487,747</b>	1,281,342	5,118,962
Other operating income		83,884	341,827	83,676	334,286
<b>TOTAL OPERATING INCOME</b>		<b>12,132,188</b>	<b>49,438,666</b>	8,056,140	32,184,281
Personnel expenses	17	(2,743,906)	(11,181,417)	(2,074,293)	(8,286,801)
Depreciation and amortisation charges	18	(917,987)	(3,740,797)	(836,937)	(3,343,563)
Administrative and operating expenses	19	(2,259,096)	(9,205,816)	(1,644,603)	(6,570,189)
<b>PROFIT BEFORE PROVISION FOR LOAN LOSSES</b>		<b>6,211,199</b>	<b>25,310,636</b>	3,500,307	13,983,728
Reversal/(Provision) For Loan Losses	6	807,376	3,290,057	(2,516,415)	(10,053,078)
<b>PROFIT BEFORE INCOME TAX</b>		<b>7,018,575</b>	<b>28,600,693</b>	983,892	3,930,650
Income Tax Expense	20	(1,563,869)	(6,372,766)	(122,415)	(489,048)
<b>PROFIT FOR THE YEAR</b>		<b>5,454,706</b>	<b>22,227,927</b>	861,477	3,441,602

The accompanying notes on page 78 to 119 form an integral part of these financial statements.



# STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2014

	Share capital US\$	Accumulated profit/(losses) US\$	Total US\$
At 1 January 2013	52,000,000	(1,437,744)	50,562,256
Profit for the year	-	861,477	861,477
<b>AT 31 DECEMBER 2013</b>	<b>52,000,000</b>	<b>(576,267)</b>	<b>51,423,733</b>
In KHR' 000 Equivalent	207,740,000	(2,302,187)	205,437,813
At 1 January 2014	52,000,000	(576,267)	51,423,733
Profit for the year	-	5,454,706	5,454,706
<b>AT 31 DECEMBER 2014</b>	<b>52,000,000</b>	<b>4,878,439</b>	<b>56,878,439</b>
In KHR' 000 Equivalent	211,900,000	19,879,639	231,779,639

The accompanying notes on page 78 to 119 form an integral part of these financial statements.

# CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2014

	Note	2014		2013	
		US\$	KHR' 000	US\$	KHR' 000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Cash from/(used in) operations	21	30,378,601	123,792,800	(18,702,092)	(74,714,856)
Interest received		16,470,266	67,116,334	10,320,783	41,231,528
Interest paid		(5,666,248)	(23,089,961)	(3,467,923)	(13,854,352)
Income tax paid		(179,806)	(732,709)	(117,614)	(469,868)
<b>NET CASH GENERATED/(USED IN) OPERATING ACTIVITIES</b>		<b>41,002,813</b>	<b>167,086,464</b>	(11,966,846)	(47,807,548)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Purchases of:					
- intangible assets	9	(228,757)	(932,185)	(18,627)	(74,415)
- property and equipment	10	(680,890)	(2,774,627)	(583,760)	(2,332,121)
- negotiable certificate of deposits		(15,000,000)	(61,125,000)	-	-
Investment in subsidiary		(1,000,000)	(4,075,000)	-	-
Proceeds from disposal of property and equipment		2,097	8,545	-	-
<b>NET CASH USED IN INVESTING ACTIVITIES</b>		<b>(16,907,550)</b>	<b>(68,898,267)</b>	(602,387)	(2,406,536)
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>					
		24,095,263	98,188,197	(12,569,233)	(50,214,084)
Cash and cash equivalents at beginning of the year		16,586,102	66,261,478	29,155,335	116,475,562
Exchange differences		-	1,326,887	-	-
<b>CASH AND CASH EQUIVALENTS AT END OF THE YEAR</b>		<b>40,681,365</b>	<b>165,776,562</b>	16,586,102	66,261,478

The accompanying notes on page 78 to 119 form an integral part of these financial statements.

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 31 DECEMBER 2014

### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies adopted in the preparation of the financial statements are set out below.

#### 1.1 Basis of preparation

The financial statements of the Group and of the Bank have been prepared using the historical cost convention except otherwise disclosed and in accordance with the guidelines issued by the Central Bank and Cambodian Accounting Standards ("CAS"). In applying CAS, the Group and the Bank also apply the Cambodian International Financial Reporting Standard ("CIFRS") 7: Financial Instruments: Disclosures. The accounting principles applied may differ from generally accepted accounting principles adopted in other countries and jurisdictions. The accompanying financial statements are therefore not intended to present the financial position and results of operations and cash flows in accordance with jurisdictions other than Cambodia. Consequently, these financial statements are addressed to only those who are informed about Cambodian accounting principles, procedures and practices.

The preparation of financial statements in accordance with the guidelines issued by the Central Bank and CAS requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of financial statements and the reported amounts of revenues and expenses during the reporting year. Although these estimates are based on management's best knowledge of current events and actions, actual results ultimately may differ from those estimates. 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 2 to the financial statements.

#### 1.2 New financial reporting framework

On 28 August 2009, the National Accounting Council of the Ministry of Economy and Finance ("the National Accounting Council") announced the adoption of Cambodian International Financial Reporting Standards ("CIFRS") which are based on all standards published by the International Accounting Standard Board ("IASB"), including the related interpretations and amendments. Public accountable entities are required to prepare their financial statements in accordance with CIFRS for accounting period beginning on or after 1 January 2012.

Following Circular No. 086 MoEF.NAC dated 30 July 2012 issued by the National Accounting Council, the requirement to comply with CIFRS by banks and financial institutions has been deferred to the accounting period commencing from 1 January 2016.

#### 1.3 Basis of consolidation

The consolidated financial statements include the financial statements of the Bank and its subsidiary made up to the end of the financial year. A subsidiary is a company in which the Group has power to exercise control over the financial and operating policies of an enterprise so as to obtain benefits from its activities.

Subsidiary is consolidated using the acquisition method of accounting. Under the acquisition method of accounting, the results of the subsidiary acquired or disposed of during the year are included from the date of acquisition or up to the date of disposal. At the date of acquisition, the fair values of the subsidiary's net assets are determined and these values are reflected in the consolidated financial statements.

Inter-company transactions, balances and unrealised gain or loss arising from inter-company transactions are eliminated and the consolidated financial statements reflect external transactions only. Losses resulting from intra-group transactions, which indicate an impairment loss, will be recognised in the consolidated financial statements. Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. The gain or loss on disposal of a subsidiary, which is the difference between net disposal proceeds and the Group's share of its net assets as of the date of disposal is recognised in the consolidated income statement.

#### 1.4 Investment in subsidiary

Investment in subsidiary, which is eliminated on consolidation, is stated at cost. On disposal of such investment, the difference between the net disposal proceeds and its carrying amounts is recognised as the gain or loss on disposal in the income statement of the Bank.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### 1.5 Foreign currencies

##### (i) Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the Bank operates ('the functional currency'). The financial statements are presented in US dollars ("US\$"), which is the Bank's functional and presentation currency.

##### (ii) Transactions and balances

Transactions in currencies other than US\$ are translated into US\$ at the exchange rates prevailing at the transaction dates. 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 the year-end exchange rates, are recognised in the income statement.

##### (iii) Presentation in Khmer Riel

For the sole regulatory purpose of complying with Prakas No. B7-07-164 dated 13 December 2007 of the Central Bank, a translation into Khmer Riel is provided for the balance sheets, income statements, statements of changes in equity, cash flow statements and notes to the financial statements as at and for the year ended 31 December 2014 using the average official exchange rate published by the Central Bank as at the reporting date, which was US\$1 equal to Khmer Riel ("KHR") 4,075 (31 December 2013: US\$1 equal to KHR 3,995). Such translated amounts are unaudited and should not be construed as representations that the US\$ amounts represent, or have been or could be, converted into Khmer Riel at that or any other rate.

#### 1.6 Cash and cash equivalents

For the purpose of the cash flow statement, cash and cash equivalents comprise balances with original maturity of three months or less from the date of acquisition, including cash on hand, the non-restricted balance with the Central Bank and balances with banks and other financial institutions.

#### 1.7 Loans and advances to customers

All loans and advances to customers are stated on the balance sheet at outstanding principal, less any amounts written off, interest-in-suspense and provision for loan losses.

Loans and advances are written off when there are no realistic prospects of recovery. Recoveries of loans and advances previously written off or provided for are recognised in the income statement.

#### 1.8 Provision for loan losses

The Bank follows the mandatory credit classification and provisioning as required by Prakas B7-09-074 dated 25 February 2009 issued by the Central Bank. The Prakas requires commercial banks to classify their loans, advances and similar assets into five classes and the minimum mandatory level of specific provisioning is provided, depending on the classification concerned and regardless of the assets pledged as collateral as follows:

Classification	Rate of provision (%)
General provision:	
Normal	1
Specific provision:	
Special mention	3
Substandard	20
Doubtful	50
Loss	100

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### 1.9 Other credit related commitments

In the normal course of business, the Bank enters into other credit related commitments including loan commitments, letters of credit and guarantees. The accounting policy and provision methodology are similar to those for originated loans as stated above. Specific provisions are raised against other credit related commitments when losses are considered probable.

#### 1.10 Intangible assets

Intangible assets, which comprise acquired computer software licenses and related costs and market securities operating license, are stated at cost less accumulated amortisation and impairment loss.

Acquired computer software licenses are capitalised on the basis of the cost incurred to acquire the specific software and bring it to use. These costs are amortised over five years using the straight-line method. Costs associated with maintaining computer software are recognised as expenses when incurred.

Market securities operating license is capitalised on the basis of costs incurred and paid to the Securities and Exchange Commission for operating activities such as securities underwriting, dealing, and providing brokerage and investment advisory services. These costs are amortised over the license period of three years.

#### 1.11 Property and equipment

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

Subsequent expenditure relating to an item of property and equipment are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that the future economic benefits associated with the item will flow to the Group and the Bank and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the income statement during the year in which they are incurred.

Depreciation of property and equipment is charged to the income statement on a straight-line basis over the estimated useful lives of the individual assets at the following annual rates:

	Year
Leasehold improvements	10
Office equipment	5
Furniture, fixtures and fittings	5
Computer equipment	3
Motor vehicles	5

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

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the income statement.

#### 1.12 Impairment of non-financial assets

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation or depreciation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and its value in use.

Any impairment loss is charged to the income statement in the year in which it arises. Reversal of an impairment loss is recognised in the income statement to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation and amortisation, had no impairment loss been recognised.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### 1.13 Interest income and expense

Interest earned on loans and advances to customers, balances with the Central Bank and balances and placements with banks and other financial institutions is recognised on an accrual basis, except where serious doubt exists as to the collectability, in which case, interest is suspended until it is realised on a cash basis.

Interest expense on deposits from banks, other financial institutions and customers is recognised on an accrual basis.

#### 1.14 Fee and commission income

Fees and commissions are generally recognised on an accrual basis when the service is provided. Loan processing fees are recognised as income when loan is disbursed.

#### 1.15 Operating leases

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to the income statement on a straight-line basis over the period of the lease.

#### 1.16 Provisions

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

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax discount 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 the passage of time is recognised as interest expense.

#### 1.17 Employee benefits

##### *Short-term employee benefits*

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

#### 1.18 Deferred and income taxes

Current income tax expense is calculated based on the tax laws enacted or substantively enacted in Cambodia as at the balance sheet date.

Deferred tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences or unutilised tax losses can be utilised.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred tax relates to the same tax authority.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

### 2. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The Group and the Bank make estimates and assumptions that affect the reported amounts of assets and liabilities. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

#### (a) Impairment losses on loans and advances

The Bank follows the mandatory credit classification and provisioning as required by Prakas No. B7-09-074 dated 25 February 2009 on asset classification and provisioning in banking and financial institutions issued by the Central Bank. The Central Bank requires commercial banks to classify their loans, advances and similar assets into five classes and the minimum mandatory level of provisioning is provided, depending on the classification concerned and regardless of the assets pledged as collateral. For the purpose of loan classification, the Bank takes into account all relevant factors which may affect the counterparties' repayment abilities.

#### (b) Taxes

Taxes are calculated on the basis of the current interpretation of the tax regulations. However, these regulations are subject to periodic variation and the ultimate determination of tax expenses will be made following inspection by the General Department of Taxation.

Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will have an impact on the provision for income tax and deferred tax in the year in which such determination is made.

### 3. BALANCES WITH THE CENTRAL BANK

	2014		2013	
	US\$	KHR' 000	US\$	KHR' 000
Current accounts	33,366,926	135,970,223	4,020,473	16,061,790
Clearing accounts	922,197	3,757,953	255,796	1,021,904
Reserve requirement	18,184,047	74,099,991	11,422,094	45,631,268
Statutory deposit	5,200,000	21,190,000	5,200,000	20,774,000
Negotiable certificate of deposits	15,990,798	65,162,502	-	-
	<b>73,663,968</b>	<b>300,180,669</b>	<b>20,898,363</b>	<b>83,488,962</b>

#### (a) Reserve requirement

The reserve requirement represents the minimum reserve which is calculated at 8% (2013: 8%) and 12.5% (2013: 12.5%) of customers' deposits in Khmer Riel ("KHR") and other currencies respectively. The 4.5% (2013: 4.5%) reserve requirement on customers' deposits in currencies other than KHR is interest bearing while the remaining 8% and the reserve requirement on customers' deposits in KHR bear no interest.

#### (b) Statutory deposit

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

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

### 3. BALANCES WITH THE CENTRAL BANK (CONTINUED)

#### (c) Negotiable certificate of deposits (NCDs)

NCDs are tradable instruments between the banks and those dominated in KHR can have maturity between two weeks to one year, with interest rate ranging from 0.85% to 2% per annum and in US\$ between two weeks and six months, with interest rate of ½ SIBOR.

NCDs can be used for Repurchase Agreement and pledged as collateral in inter-bank markets. Included in the Bank's NCDs, the amount of US\$990,798 was pledged as collaterals for three months with the Central Bank for settlement its overdraft account with the Central Bank.

#### (d) Interest rates

The current accounts and clearing accounts are non-interest bearing. The statutory and reserve requirement deposits earn interest at the following annual rates as at the balance sheet date:

	2014	2013
Statutory deposit	0.08%	0.11%
Reserve requirements (1/3 is interest bearing)	0.08%	0.10%

### 4. BALANCES WITH SECURITIES AND EXCHANGE COMMISSION OF CAMBODIA ("SECC")

In compliance with the SECC's Prakas No. 009 on the licensing of securities firms and securities representatives, the RHB OSK Indochina Securities Limited is required to place a capital guarantee deposits (at least KHR 4 billion) maintained with the National Bank of Cambodia ("NBC") for operating as a securities underwriter in Cambodia.

### 5. BALANCES AND PLACEMENTS WITH BANKS AND OTHER FINANCIAL INSTITUTIONS

#### Group

	2014		2013	
	US\$	KHR' 000	US\$	KHR' 000
Current accounts	813,856	3,316,463	2,833,184	11,318,570
Term deposits	40,277,794	164,132,011	59,714,832	238,560,754
	<b>41,091,650</b>	<b>167,448,474</b>	<b>62,548,016</b>	<b>249,879,324</b>

#### Bank

	2014		2013	
	US\$	KHR' 000	US\$	KHR' 000
Current accounts	807,682	3,291,304	2,827,650	11,296,462
Term deposits	38,500,000	156,887,500	58,000,000	231,710,000
	<b>39,307,682</b>	<b>160,178,804</b>	<b>60,827,650</b>	<b>243,006,462</b>

As at the balance sheet date, term deposits earn interest at the following annual rates:

	2014	2013
Term deposits	0.17% - 4.50%	2.00% - 3.75%

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

### 6. LOANS AND ADVANCES TO CUSTOMERS

#### Group and Bank

	2014		2013	
	US\$	KHR' 000	US\$	KHR' 000
<b>(a) By type</b>				
Term loans	159,415,072	649,616,418	101,008,341	403,528,322
Housing loan	19,190,957	78,203,150	13,441,550	53,698,992
Revolving credit	437,314	1,782,055	-	-
Vehicle loans	184,033	749,934	278,041	1,110,774
Overdrafts	36,830,893	150,085,889	28,309,114	113,094,910
Trust receipts	165,839	675,794	96,976	387,419
Gross loans and advances to customers	216,224,108	881,113,240	143,134,022	571,820,417
Provision for loan losses:				
Specific	(462,240)	(1,883,628)	(2,033,319)	(8,123,109)
General	(2,148,072)	(8,753,393)	(1,384,369)	(5,530,554)
<b>NET LOANS AND ADVANCES TO CUSTOMERS</b>	<b>213,613,796</b>	<b>870,476,219</b>	<b>139,716,334</b>	<b>558,166,754</b>
<b>(b) Provision for loan losses</b>				
At beginning of the year	3,417,688	13,653,664	901,273	3,600,586
Provision movement for the year	(807,376)	(3,290,057)	2,516,415	10,053,078
Foreign exchange differences	-	273,414	-	-
<b>AT END OF THE YEAR</b>	<b>2,610,312</b>	<b>10,637,021</b>	<b>3,417,688</b>	<b>13,653,664</b>
<b>(c) By performance</b>				
Normal loans				
Secured	214,806,677	875,337,209	138,422,860	552,999,324
Unsecured	502	2,046	14,055	56,150
Special mention loans				
Secured	348,352	1,419,534	388,872	1,553,544
Unsecured	-	-	-	-
Substandard loans				
Secured	378,678	1,543,112	441,550	1,763,992
Unsecured	-	-	-	-
Doubtful loans				
Secured	627,690	2,557,837	3,866,685	15,447,407
Unsecured	-	-	-	-
Loss loans				
Secured	62,209	253,502	-	-
Unsecured	-	-	-	-
	<b>216,224,108</b>	<b>881,113,240</b>	<b>143,134,022</b>	<b>571,820,417</b>

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

### 6. LOANS AND ADVANCES TO CUSTOMERS (CONTINUED)

#### Group and Bank

	2014		2013	
	US\$	KHR' 000	US\$	KHR' 000
<b>(d) By exposure</b>				
Large exposure	52,173,443	212,606,780	48,418,597	193,432,296
Non-large exposure	164,050,665	668,506,460	94,715,425	378,388,122
	<b>216,224,108</b>	<b>881,113,240</b>	<b>143,134,022</b>	<b>571,820,418</b>

Large exposure is defined by the Central Bank as overall credit exposure to any single beneficiary that exceeds 10% of the Bank's net worth. The exposure is the higher of the outstanding loans or commitments and the authorised loans or commitments.

#### (e) Interest rates

As at the balance sheet date, loans and advances to customers bear interest at the following rates per annum:

	2014	2013
Term loans	8.0% - 14.0%	8.0% - 14.0%
Overdrafts	8.0% - 12.0%	8.0% - 12.0%

### 7. OTHER ASSETS

#### Group

	2014		2013	
	US\$	KHR' 000	US\$	KHR' 000
Interest receivable	1,176,936	4,796,014	837,796	3,346,995
Claim receivable	30,087	122,605	128,754	514,372
Rental deposits	162,284	661,307	118,578	473,719
Prepayments	309,617	1,261,689	728,972	2,912,243
Inventory	95,667	389,843	45,201	180,578
Others	84,953	346,183	44,079	176,096
	<b>1,859,544</b>	<b>7,577,641</b>	<b>1,903,380</b>	<b>7,604,003</b>

#### Bank

	2014		2013	
	US\$	KHR' 000	US\$	KHR' 000
Interest receivable	1,171,432	4,773,586	831,141	3,320,408
Claim receivable	30,087	122,605	128,754	514,372
Deposits	161,234	657,029	118,578	473,719
Prepayments	335,222	1,366,030	712,848	2,847,828
Inventory	95,667	389,841	45,201	180,578
Others	84,941	346,135	27,245	108,844
	<b>1,878,583</b>	<b>7,655,226</b>	<b>1,863,767</b>	<b>7,445,749</b>



## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

### 8. INVESTMENT IN SUBSIDIARY

This represents the Bank's investment in a wholly-owned subsidiary which has been licensed by the SECC to carry out securities underwriting, dealing, brokerage, investment advisory and other related services since 20 October 2010. Its license has been renewed and is valid for the period from 20 October 2012 to 19 October 2015. The Subsidiary started its commercial operations in 2012.

On 31 March 2014, the Bank's shareholders duly passed the resolution at the Extraordinary General Meeting to dispose the entire equity stake in the Subsidiary held by the Bank to RHB Investment Bank Berhad (within the group company) for a disposal consideration equivalent to the total value of the investment at the point of the disposal, that is contingent upon the approvals of the relevant regulatory authorities being approved.

On 4 August 2014, the shareholders of RHB Investment Bank Berhad ("Buyer") approved the acquisition of the RHB OSK Indochina Securities Limited, pending necessary regulatory approval. Share Sales Agreement was made between the Bank (seller) and the buyer on 1 October 2014. The Seller will receive the amount of US\$12.5 million which is its original costs of investment. The Subsidiary's net assets as at 31 December 2014 are US\$10,591K. Money transfer will be processed when they got the necessary regulatory approvals.

On 13 November 2014, the Subsidiary's Board approved for the change of shareholder from the Bank to the RHB Investment Bank Berhad, condition to regulatory approvals.

On 14 and 17 November 2014, the Bank submitted a letter to the Central Bank and Securities Exchange Commission of Cambodia (SECC) to approve on their entire divestment of the Subsidiary. Up to this date, the Central Bank and SECC has not yet responded to the letter in writing.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

### 9. INTANGIBLE ASSETS

#### Group

Details of intangible assets, which comprise computer software licenses and related costs, are as follows:

	2014	2013
	US\$	US\$
<b>Cost</b>		
At 1 January	888,304	869,677
Additions	228,757	18,627
At 31 December	1,117,061	888,304
<b>Accumulated amortisation</b>		
At 1 January	593,509	456,535
Amortisation charge	131,711	136,974
At 31 December	725,220	593,509
<b>Net book value</b>	<b>391,841</b>	<b>294,795</b>
<b>In KHR' 000 equivalent</b>	<b>1,596,752</b>	<b>1,177,706</b>

#### Bank

	2014	2013
	US\$	US\$
<b>Cost</b>		
At 1 January	833,694	815,067
Additions	228,757	18,627
At 31 December	1,062,451	833,694
<b>Accumulated amortisation</b>		
At 1 January	559,787	434,407
Amortisation charge	131,711	125,380
At 31 December	691,498	559,787
<b>Net book value</b>	<b>370,953</b>	<b>273,907</b>
<b>In KHR' 000 equivalent</b>	<b>1,511,633</b>	<b>1,094,258</b>

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

### 10. PROPERTY AND EQUIPMENT

#### Group

Details of property and equipment are as follows:

	Leasehold improve- ments US\$	Office equipment US\$	Furniture, fixtures and fittings US\$	Computer equipment US\$	Motor vehicles US\$	Total US\$
<b>2014</b>						
<b>Cost</b>						
At 1 January 2014	2,959,602	1,512,619	436,927	1,136,353	377,540	6,423,041
Additions	363,816	151,726	80,838	77,714	15,830	689,924
Disposals	-	(4,927)	-	-	(4,100)	(9,027)
At 31 December 2014	3,323,418	1,659,418	517,765	1,214,067	389,270	7,103,938
<b>Accumulated depreciation</b>						
At 1 January 2014	1,099,512	843,806	150,078	500,264	150,095	2,743,755
Depreciation charge	317,107	230,341	45,896	200,121	64,825	858,290
Disposals	-	(1,138)	-	-	(2,003)	(3,141)
At 31 December 2014	1,416,619	1,073,009	195,974	700,385	212,917	3,598,904
<b>Net book value</b>	<b>1,906,799</b>	<b>586,409</b>	<b>321,791</b>	<b>513,682</b>	<b>176,353</b>	<b>3,505,034</b>
<b>In KHR' 000 equivalent</b>	<b>7,770,206</b>	<b>2,389,617</b>	<b>1,311,298</b>	<b>2,093,254</b>	<b>718,639</b>	<b>14,283,014</b>
<b>2013</b>						
<b>Cost</b>						
At 1 January 2013	2,951,354	1,604,951	436,789	730,807	228,840	5,952,741
Additions	8,250	14,877	138	411,795	148,700	583,760
Disposals	-	(107,209)	-	(6,249)	-	(113,458)
At 31 December 2013	2,959,604	1,512,619	436,927	1,136,353	377,540	6,423,043
<b>Accumulated depreciation</b>						
At 1 January 2013	804,313	662,871	106,417	348,736	92,679	2,015,016
Depreciation charge	295,200	232,549	43,662	155,407	57,416	784,234
Disposals	-	(51,614)	-	(3,879)	-	(55,493)
At 31 December 2013	1,099,513	843,806	150,079	500,264	150,095	2,743,757
<b>Net book value</b>	<b>1,860,091</b>	<b>668,813</b>	<b>286,848</b>	<b>636,089</b>	<b>227,445</b>	<b>3,679,286</b>
<b>In KHR' 000 equivalent</b>	<b>7,431,064</b>	<b>2,671,908</b>	<b>1,145,958</b>	<b>2,541,176</b>	<b>908,643</b>	<b>14,698,749</b>

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

### 10. PROPERTY AND EQUIPMENT (CONTINUED)

#### Bank

	Leasehold improve- ments US\$	Office equipment US\$	Furniture, fixtures and fittings US\$	Computer equipment US\$	Motor vehicles US\$	Total US\$
<b>2014</b>						
<b>Cost</b>						
At 1 January 2014	2,502,003	1,466,495	347,913	1,101,581	347,260	5,765,252
Additions	354,782	151,726	80,838	77,714	15,830	680,890
Disposals	-	-	-	-	(4,100)	(4,100)
At 31 December 2014	2,856,785	1,618,221	428,751	1,179,295	358,990	6,442,042
<b>Accumulated depreciation</b>						
At 1 January 2014	931,108	821,793	126,503	483,538	137,542	2,500,484
Depreciation charge	270,512	225,110	37,077	193,248	60,330	786,277
Disposals	-	-	-	-	(2,004)	(2,004)
At 31 December 2014	1,201,620	1,046,903	163,580	676,786	195,868	3,284,757
<b>Net book value</b>	<b>1,655,165</b>	<b>571,318</b>	<b>265,171</b>	<b>502,509</b>	<b>163,122</b>	<b>3,157,285</b>
<b>In KHR' 000 equivalent</b>	<b>6,744,797</b>	<b>2,328,121</b>	<b>1,080,572</b>	<b>2,047,724</b>	<b>664,722</b>	<b>12,865,936</b>
<b>2013</b>						
<b>Cost</b>						
At 1 January 2013	2,493,753	1,558,827	347,775	696,035	198,560	5,294,950
Additions	8,250	14,877	138	411,795	148,700	583,760
Disposals	-	(107,209)	-	(6,249)	-	(113,458)
At 31 December 2013	2,502,003	1,466,495	347,913	1,101,581	347,260	5,765,252
<b>Accumulated depreciation</b>						
At 1 January 2013	681,422	647,742	91,700	338,928	84,628	1,844,420
Depreciation charge	249,686	225,665	34,803	148,489	52,914	711,557
Disposals	-	(51,614)	-	(3,879)	-	(55,493)
At 31 December 2013	931,108	821,793	126,503	483,538	137,542	2,500,484
<b>Net book value</b>	<b>1,570,895</b>	<b>644,702</b>	<b>221,410</b>	<b>618,043</b>	<b>209,718</b>	<b>3,264,768</b>
<b>In KHR' 000 equivalent</b>	<b>6,275,726</b>	<b>2,575,584</b>	<b>884,533</b>	<b>2,469,082</b>	<b>837,823</b>	<b>13,042,748</b>

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

### 11. DEPOSITS FROM BANKS AND OTHER FINANCIAL INSTITUTIONS

#### Group

	2014		2013	
	US\$	KHR' 000	US\$	KHR' 000
Current accounts	4,921,964	20,057,003	298,446	1,192,292
Term deposits	142,488,097	580,638,996	103,470,001	413,362,654
	<b>147,410,061</b>	<b>600,695,999</b>	<b>103,768,447</b>	<b>414,554,946</b>

As at the balance sheet date, deposits from banks and other financial institutions bear interest at the following rates per annum:

	2014	2013
Current accounts	Nil	Nil
Term deposits	4.50% - 5.00%	1.25% - 4.75%

### 12. DEPOSITS FROM CUSTOMERS

	2014		2013	
	US\$	KHR' 000	US\$	KHR' 000
<b>Group</b>				
Current accounts	15,456,544	62,985,418	10,018,692	40,024,675
Savings accounts	20,366,148	82,992,053	11,041,076	44,109,099
Term deposits	95,440,392	388,919,596	56,528,500	225,831,356
	<b>131,263,084</b>	<b>534,897,067</b>	<b>77,588,268</b>	<b>309,965,130</b>

#### Bank

Current accounts	22,985,195	93,664,670	16,981,098	67,839,487
Savings accounts	20,366,148	82,992,053	11,041,076	44,109,099
Term deposits	95,440,392	388,919,597	56,528,500	225,831,357
	<b>138,791,735</b>	<b>565,576,320</b>	<b>84,550,674</b>	<b>337,779,943</b>

As at the balance sheet date, deposits from customers bear interest at the following rates per annum:

	2014	2013
Current accounts	Nil	Nil
Savings accounts	1.50%	1.50%
Term deposits	2.00% - 6.00%	1.25% - 6.50%

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

### 13. OTHER LIABILITIES Group

	2014		2013	
	US\$	KHR' 000	US\$	KHR' 000
Interest payable	2,444,592	9,961,712	1,511,102	6,036,852
Accrued bonus	630,988	2,571,276	390,154	1,558,665
Cheques for collection	922,197	3,757,953	255,796	1,021,905
Withholding tax payable	158,722	646,792	142,943	571,057
Account payable	127,690	520,337	44,027	175,888
Salary tax payable	18,391	74,943	16,877	67,424
Others	389,239	1,586,149	64,185	256,420
	<b>4,691,819</b>	<b>19,119,162</b>	<b>2,425,084</b>	<b>9,688,211</b>

#### Bank

	2014		2013	
	US\$	KHR' 000	US\$	KHR' 000
Interest payable	2,444,591	9,961,708	1,511,102	6,036,852
Accrued bonus	630,988	2,571,276	350,154	1,398,865
Cheques for collection	922,197	3,757,953	255,796	1,021,905
Withholding tax payable	156,621	638,231	142,943	571,057
Account payable	98,649	401,995	41,253	164,806
Salary tax payable	18,391	74,943	13,523	54,024
Others	337,713	1,376,180	56,767	226,784
	<b>4,609,150</b>	<b>18,782,286</b>	<b>2,371,538</b>	<b>9,474,293</b>

### 14. INTEREST INCOME Group

	2014		2013	
	US\$	KHR' 000	US\$	KHR' 000
Interest income from:				
Loans and advances to customers	15,543,852	63,341,197	9,791,466	39,116,907
Balances with the Central Bank	17,931	73,069	10,269	41,025
Balances and placements with banks and other financial institutions	1,344,380	5,478,348	1,086,288	4,339,720
	<b>16,906,163</b>	<b>68,892,614</b>	<b>10,888,023</b>	<b>43,497,652</b>

#### Bank

	2014		2013	
	US\$	KHR' 000	US\$	KHR' 000
Interest income from:				
Loans and advances to customers	15,543,852	63,341,197	9,791,466	39,116,907
Balances with the Central Bank	17,931	73,069	10,269	41,025
Balances and placements with banks and other financial institutions	1,248,774	5,088,754	992,731	3,965,960
	<b>16,810,557</b>	<b>68,503,020</b>	<b>10,794,466</b>	<b>43,123,892</b>

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

### 15. INTEREST EXPENSE

#### Group and Bank

	2014		2013	
	US\$	KHR' 000	US\$	KHR' 000
Interest expense on:				
Term deposits	6,384,347	26,016,214	3,938,953	15,736,117
Savings deposits	212,908	867,600	163,481	653,107
Current deposits	2,482	10,114	910	3,635
	<b>6,599,737</b>	<b>26,893,928</b>	<b>4,103,344</b>	<b>16,392,859</b>

### 16. FEE AND COMMISSION INCOME

	2014		2013	
	US\$	KHR' 000	US\$	KHR' 000
<b>Group</b>				
Loan processing fees	1,182,179	4,817,379	854,562	3,413,975
Commission fee	173,878	708,553	213,208	851,766
Loan commitment fees	112,192	457,183	92,350	368,938
Others	389,653	1,587,836	147,731	590,186
	<b>1,857,902</b>	<b>7,570,951</b>	<b>1,307,851</b>	<b>5,224,865</b>
<b>Bank</b>				
Loan processing fees	1,182,179	4,817,379	854,562	3,413,975
Commission fee	173,878	708,552	213,208	851,766
Loan commitment fees	112,192	457,182	92,350	368,938
Others	388,622	1,583,636	147,731	590,186
	<b>1,856,871</b>	<b>7,566,749</b>	<b>1,307,851</b>	<b>5,224,865</b>

### 17. PERSONNEL EXPENSES

#### Group

	2014		2013	
	US\$	KHR' 000	US\$	KHR' 000
Salaries and wages	2,251,105	7,974,298	1,961,804	7,837,407
Bonuses and incentives	649,516	2,447,795	402,956	1,609,809
Other short-term benefits	196,335	2,198,003	79,753	318,613
	<b>3,096,956</b>	<b>12,620,096</b>	<b>2,444,513</b>	<b>9,765,829</b>

#### Bank

	2014		2013	
	US\$	KHR' 000	US\$	KHR' 000
Salaries and wages	1,956,883	7,974,298	1,643,108	6,564,216
Bonuses and incentives	600,686	2,447,795	353,504	1,412,248
Other short-term benefits	186,337	759,324	77,681	310,337
	<b>2,743,906</b>	<b>11,181,417</b>	<b>2,074,293</b>	<b>8,286,801</b>

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

### 18. DEPRECIATION AND AMORTISATION CHARGES

#### Group

	2014		2013	
	US\$	KHR' 000	US\$	KHR' 000
Depreciation of property and equipment (note 10)	858,290	3,497,532	784,234	3,133,015
Amortisation of intangible assets (note 9)	131,711	536,722	136,974	547,211
	<b>990,001</b>	<b>4,034,254</b>	<b>921,208</b>	<b>3,680,226</b>

#### Bank

	2014		2013	
	US\$	KHR' 000	US\$	KHR' 000
Depreciation of property and equipment (note 10)	786,276	3,204,075	711,557	2,842,670
Amortisation of intangible assets (note 9)	131,711	536,722	125,380	500,893
	<b>917,987</b>	<b>3,740,797</b>	<b>836,937</b>	<b>3,343,563</b>

### 19. ADMINISTRATIVE AND OPERATING EXPENSES

#### Group

	2014		2013	
	US\$	KHR' 000	US\$	KHR' 000
Buildings rental	493,771	2,012,117	439,095	1,754,185
License fees	265,595	1,082,300	140,407	560,926
Board of Directors' fees	222,033	904,784	12,167	48,607
Utilities	201,552	821,324	211,129	843,460
Repairs and maintenance	178,337	726,723	218,762	873,954
Professional and other related costs	175,661	715,819	36,611	146,261
Others	170,390	694,340	109,217	436,321
Business development	129,339	527,056	85,875	343,071
Security	125,592	511,787	94,137	376,077
Insurance	122,692	499,970	120,090	479,760
Telecommunication	97,718	398,201	107,045	427,645
Publication, marketing and promotion	79,513	324,015	31,416	125,507
Motor vehicle and running costs	78,559	320,128	81,019	323,671
Stationeries and printing	72,596	295,829	37,588	150,164
Patent and other taxes	58,633	238,929	54,663	218,379
Materials for banking activities	24,169	98,489	9,880	39,471
Bank charges	16,140	65,771	17,212	68,762
Supplies	7,689	31,333	13,346	53,317
Property and equipment written off	3,789	15,440	-	-
	<b>2,523,768</b>	<b>10,284,355</b>	<b>1,819,659</b>	<b>7,269,538</b>

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

### 19. ADMINISTRATIVE AND OPERATING EXPENSES (CONTINUED)

#### Bank

	2014		2013	
	US\$	KHR' 000	US\$	KHR' 000
Buildings rental	450,571	1,836,077	394,562	1,576,275
License fees	237,197	966,578	126,245	504,349
Utilities	190,456	776,108	201,427	804,701
Repairs and maintenance	177,266	722,359	216,211	863,763
Professional and other related costs	162,060	660,395	31,330	125,163
Board of Directors' fees	157,151	640,390	12,167	48,607
Security	125,592	511,787	94,137	376,077
Business development	122,527	499,298	77,790	310,771
Insurance	120,938	492,822	114,217	456,297
Others	97,317	396,566	58,049	231,906
Telecommunication	96,064	391,461	91,096	363,929
Publication, marketing and promotion	73,823	300,829	27,454	109,679
Motor vehicle and running costs	72,482	295,364	69,813	278,903
Stationeries and printing	71,312	290,596	36,528	145,929
Patent and other taxes	56,958	232,104	53,221	212,618
Materials for banking activities	23,740	96,741	9,880	39,471
Bank charges	15,953	65,008	17,130	68,434
Supplies	7,689	31,333	13,346	53,317
	<b>2,259,096</b>	<b>9,205,816</b>	<b>1,644,603</b>	<b>6,570,189</b>

### 20. INCOME TAX EXPENSE

#### Group

	2014		2013	
	US\$	KHR' 000	US\$	KHR' 000
Income tax:				
- current year	<b>1,565,077</b>	<b>6,377,689</b>	<b>124,204</b>	<b>496,195</b>

#### Bank

	2014		2013	
	US\$	KHR' 000	US\$	KHR' 000
Income tax:				
- current year	<b>1,563,869</b>	<b>6,372,766</b>	<b>122,415</b>	<b>489,048</b>

In accordance with the Cambodian tax laws, the Bank has an obligation to pay corporate income tax of either tax on profit at a rate of 20% on taxable profit or minimum tax at 1% of turnover, whichever is higher.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

### 20. INCOME TAX EXPENSE (CONTINUED)

The reconciliation of income tax computed at the statutory tax rate of 20% to taxation as disclosed in the income statement is as follows:

	2014		2013	
	US\$	KHR' 000	US\$	KHR' 000
<b>Group</b>				
Profit before taxation	<b>6,475,762</b>	<b>26,388,730</b>	<b>531,076</b>	<b>2,121,649</b>
Tax calculated at 20%	1,295,152	5,277,746	106,215	424,330
Tax effects in respect of:				
Expenses not deductible for tax purposes	269,925	1,099,943	25,141	100,438
Income not subject to tax	-	-	(9,519)	(38,028)
Utilisation of previously unrecognised tax losses and temporary differences	-	-	(121,837)	(486,740)
	<b>1,565,077</b>	<b>6,377,689</b>	<b>-</b>	<b>-</b>
Minimum tax at 1% of turnover	-	-	124,204	496,195
<b>INCOME TAX EXPENSE</b>	<b>1,565,077</b>	<b>6,377,689</b>	<b>124,204</b>	<b>496,195</b>
<b>Bank</b>				
Profit before taxation	<b>7,018,575</b>	<b>28,600,693</b>	<b>983,892</b>	<b>3,930,650</b>
Tax calculated at 20%	1,403,715	5,720,139	196,778	786,130
Tax effects in respect of:				
Expenses not deductible for tax purposes	160,154	652,627	24,598	98,269
Utilisation of previously unrecognised tax losses	-	-	(221,376)	(884,399)
	<b>1,563,869</b>	<b>6,372,766</b>	<b>-</b>	<b>-</b>
Minimum tax at 1% of turnover	-	-	122,415	489,048
<b>INCOME TAX EXPENSE</b>	<b>1,563,869</b>	<b>6,372,766</b>	<b>122,415</b>	<b>489,048</b>

As at 31 December 2014, the Bank's unutilised tax loss was US\$1,055,424 (KHR equivalent 4,250,194,934). These unutilised tax losses are not claimed in the financial statement for the year ended 2014 tax computation as the Bank is currently waiting for the ruling from the General Department of Taxation to carry forward its unutilised tax losses after group restructuring.

The tax losses that can be carried forward are subject to review and approval by the General Department of Taxation.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

### 21. CASH USED IN OPERATIONS

#### Group

	2014		2013	
	US\$	KHR' 000	US\$	KHR' 000
Profit before taxation	6,475,762	26,388,730	531,076	2,121,649
Adjustments for:				
Depreciation and amortisation charges (note 18)	990,001	4,034,254	921,208	3,680,226
Provision for loan losses (note 6)	(807,376)	(3,290,057)	2,516,415	10,053,078
Fixed asset written off	3,789	15,440	-	-
Loss on disposals of fixed assets	-	-	57,964	231,566
Net interest income	(10,306,426)	(41,998,686)	(6,784,679)	(27,104,793)
Operating loss before changes in working capital	(3,644,250)	(14,850,319)	(2,758,016)	(11,018,274)
<i>Change in working capital:</i>				
Balances with the Central Bank	(20,742,296)	(84,524,856)	(979,000)	(3,911,105)
Balances and placements with banks and other financial institutions	27,752,036	113,089,547	(42,865,716)	(171,248,535)
Loans and advances to customers	(73,090,086)	(297,842,100)	(53,278,949)	(212,849,401)
Other assets	382,977	1,560,631	(643,541)	(2,570,946)
Deposits from banks and other financial institutions	43,641,614	177,839,577	80,983,863	323,530,533
Deposits from customers	53,674,816	218,724,875	1,490,947	5,956,333
Other liabilities	1,333,246	5,432,977	(728,927)	(2,912,063)
<b>Cash generated from/(used in) operations</b>	<b>29,308,057</b>	<b>119,430,332</b>	<b>(18,779,339)</b>	<b>(75,023,458)</b>

#### Bank

	2014		2013	
	US\$	KHR' 000	US\$	KHR' 000
Profit before taxation	7,018,575	28,600,693	983,892	3,930,649
Adjustments for:				
Depreciation and amortisation (note 18)	917,987	3,740,797	836,937	3,343,563
Provision for loan losses (note 6)	(807,376)	(3,290,057)	2,516,415	10,053,078
Loss on disposals of fixed assets	-	-	57,964	231,566
Net interest income	(10,210,820)	(41,609,092)	(6,691,122)	(26,731,032)
Operating loss before changes in working capital	(3,061,977)	(12,477,557)	(2,295,914)	(9,172,176)
<i>Change in working capital:</i>				
Balances with the Central Bank	(20,742,296)	(84,524,856)	(979,000)	(3,911,105)
Balances and placements with banks and other financial institutions	27,752,036	113,089,547	(42,800,000)	(170,986,000)
Loans and advances to customers	(73,090,086)	(297,842,100)	(53,278,949)	(212,849,400)
Other assets	325,475	1,326,311	(632,513)	(2,526,889)
Deposits from banks and other financial institutions	43,641,614	177,839,577	80,983,863	323,530,533
Deposits from customers	54,249,712	221,067,577	1,041,323	4,160,085
Other liabilities	1,304,123	5,314,301	(740,902)	(2,959,904)
<b>Cash generated from/(used in) operations</b>	<b>30,378,601</b>	<b>123,792,800</b>	<b>(18,702,092)</b>	<b>(74,714,856)</b>

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

### 22. CASH AND CASH EQUIVALENTS

For the purpose of the cash flow statements, the cash and cash equivalents comprise:

#### Group

	2014		2013	
	US\$	KHR' 000	US\$	KHR' 000
Cash on hand	4,594,101	18,720,962	3,782,282	15,110,217
Balances with the Central Bank (note 3):				
Current accounts	33,366,926	135,970,223	4,020,473	16,061,790
Clearing accounts	922,197	3,757,953	255,796	1,021,905
Negotiable certificate of deposits (with maturity of three months or less)	990,798	4,037,502	-	-
Balances and placements with banks and other financial institutions:				
Current accounts (note 5)	813,856	3,316,464	2,833,184	11,318,570
Term deposits (with maturity of three months or less)	681,545	2,777,296	6,366,547	25,434,355
	<b>41,369,423</b>	<b>168,580,400</b>	<b>17,258,282</b>	<b>68,946,837</b>

#### Bank

	2014		2013	
	US\$	KHR' 000	US\$	KHR' 000
Cash on hand	4,593,761	18,719,576	3,782,183	15,109,821
Balances with the Central Bank (note 3):				
Current accounts	33,366,926	135,970,223	4,020,473	16,061,790
Clearing accounts	922,197	3,757,953	255,796	1,021,905
Negotiable certificate of deposits (with maturity of three months or less)	990,799	4,037,506	-	-
Balances and placements with banks and other financial institutions:				
Current accounts (note 5)	807,682	3,291,304	2,827,650	11,296,462
Term deposits (with maturity of three months or less)	-	-	5,700,000	22,771,500
	<b>40,681,365</b>	<b>165,776,562</b>	<b>16,586,102</b>	<b>66,261,478</b>

### 23. COMMITMENTS AND CONTINGENCIES

#### (a) Commitments to extend credit

##### Group and Bank

	2014		2013	
	US\$	KHR' 000	US\$	KHR' 000
Unused portion of overdraft	15,210,482	61,982,714	9,333,617	37,287,800
Documentary credit	57,359	233,738	99,666	398,166
Other guarantees	1,088,466	4,435,499	487,000	1,945,565
	<b>16,356,307</b>	<b>66,651,951</b>	<b>9,920,283</b>	<b>39,631,531</b>

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

### 23. COMMITMENTS AND CONTINGENCIES (CONTINUED)

#### (b) Non-cancellable operating lease commitments

As at 31 December 2014, the Group and the Bank have non-cancellable lease commitments in respect of its leases of premises.

The future aggregate minimum lease payments under non-cancellable operating leases of the Group and the Bank are as follows:

#### Group

	2014		2013	
	US\$	KHR' 000	US\$	KHR' 000
Future minimum lease payable:				
- not later than 1 year	57,003	232,289	376,184	1,502,855
- later than 1 year but not later than 5 years	1,437,618	5,858,295	1,641,658	6,558,424
- over five years	1,452,060	5,917,143	349,153	1,394,866
	<b>2,946,681</b>	<b>12,007,727</b>	<b>2,366,995</b>	<b>9,456,145</b>

#### Bank

	2014		2013	
	US\$	KHR' 000	US\$	KHR' 000
Future minimum lease payable:				
- not later than 1 year	17,003	69,289	336,184	1,343,055
- later than 1 year but not later than 5 years	1,277,618	5,206,295	1,481,658	5,919,224
- over five years	1,188,727	4,844,061	85,820	342,851
	<b>2,483,348</b>	<b>10,119,645</b>	<b>1,903,662</b>	<b>7,605,130</b>

### 24. RELATED PARTY TRANSACTIONS AND BALANCES

#### (a) Related parties and relationship

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

Relationship	Related party
Ultimate parent company	RHB Capital Berhad
Immediate	RHB Bank Berhad
Subsidiary	Wholly-owned subsidiary of the Bank, RHB OSK Indochina Securities Limited
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 2014

### 24. RELATED PARTY TRANSACTIONS AND BALANCES (CONTINUED)

#### (b) Due to related party balances and its transactions

##### Group

	2014		2013	
	US\$	KHR' 000	US\$	KHR' 000
<i>Due to immediate parent company</i>				
- Term deposits	74,000,000	301,550,000	65,000,000	259,675,000
- Interest payable	223,552	910,975	387,063	1,546,315
	<b>74,223,552</b>	<b>302,460,975</b>	<b>65,387,063</b>	<b>261,221,315</b>
- Interest expense	1,582,653	6,449,313	662,208	2,645,521

##### Bank

	2014		2013	
	US\$	KHR' 000	US\$	KHR' 000
<i>Due to immediate parent company</i>				
- Term deposits	74,000,000	301,550,000	65,000,000	259,675,000
- Interest payable	223,552	910,975	387,063	1,546,315
	<b>74,223,552</b>	<b>302,460,975</b>	<b>65,387,063</b>	<b>261,221,315</b>
- Interest expense	1,582,653	6,449,313	662,208	2,645,521
<i>Due to Subsidiary</i>				
- Current accounts	7,530,486	30,686,730	6,962,502	27,815,197

As at 31 December 2014, term deposits carry interest rate at 2% (2013: ranged from 1.65% to 2.20%) per annum.

#### (c) Key management personnel remuneration

	2014		2013	
	US\$	KHR' 000	US\$	KHR' 000
<b>Group</b>				
Salaries and short-term benefits	720,525	2,936,139	551,208	1,771,051
<b>Bank</b>				
Salaries and short-term benefits	609,975	2,485,648	443,208	1,770,616

#### (d) Directors' remuneration

	2014		2013	
	US\$	KHR' 000	US\$	KHR' 000
<b>Group</b>				
Directors' fees	222,033	904,784	12,167	48,607
<b>Bank</b>				
Directors' fees	157,151	640,390	12,167	48,607

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

### 25. FINANCIAL RISK MANAGEMENT

The Bank's activities expose it to a variety of financial risks, including credit risk, market risk (including foreign exchange risk and interest rate risk) and liquidity risk as well as operational risk. Taking risk is core to the financial business, and operational risk is an inevitable consequence of being in business. The Bank does not use derivative financial instruments to manage its risk exposures.

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

#### Group

	2014		2013	
	US\$	KHR' 000	US\$	KHR' 000
<b>Financial assets</b>				
Cash on hand	4,594,101	18,720,962	3,782,282	15,110,217
Balances with the Central Bank	50,279,921	204,890,678	4,276,269	17,083,695
Balances and placements with banks and other financial institutions	41,091,650	167,448,474	62,548,016	249,879,324
Loans and advances to customers	213,613,796	870,476,219	139,716,334	558,166,754
Other assets	1,394,307	5,681,801	1,126,949	4,502,161
	<b>310,973,775</b>	<b>1,267,218,134</b>	<b>211,449,850</b>	<b>844,742,151</b>
<b>Financial liabilities</b>				
Deposits from banks and other financial institutions	147,410,061	600,695,999	103,768,447	414,554,946
Deposits from customers	131,263,084	534,897,066	77,588,268	309,965,130
Other liabilities	4,691,818	19,119,158	2,425,084	9,688,211
	283,364,963	1,154,712,223	183,781,799	734,208,287
<b>Net financial assets</b>	<b>27,608,812</b>	<b>112,505,911</b>	<b>27,668,051</b>	<b>110,533,864</b>

#### Bank

	2014		2013	
	US\$	KHR' 000	US\$	KHR' 000
<b>Financial assets</b>				
Cash on hand	4,593,761	18,719,576	3,782,183	15,109,821
Balances with the Central Bank	50,279,921	204,890,678	4,276,269	17,083,695
Balances and placements with banks and other financial institutions	39,307,682	160,178,804	60,827,650	243,006,462
Loans and advances to customers	213,613,796	870,476,219	139,716,334	558,166,754
Other assets	1,387,753	5,655,093	1,103,473	4,408,375
	<b>309,182,913</b>	<b>1,259,920,370</b>	<b>209,705,909</b>	<b>837,775,107</b>
<b>Financial liabilities</b>				
Deposits from banks and other financial institutions	147,410,061	600,695,999	103,768,447	414,554,946
Deposits from customers	138,791,735	565,576,320	84,550,674	337,779,943
Other liabilities	4,609,150	18,782,286	2,371,538	9,474,294
	290,810,946	1,185,054,605	190,690,659	761,809,183
<b>Net financial assets</b>	<b>18,371,967</b>	<b>74,865,765</b>	<b>19,015,250</b>	<b>75,965,924</b>

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

### 25. FINANCIAL RISK MANAGEMENT (CONTINUED)

#### 25.1 Credit risk

Credit risk is the risk of suffering financial loss should any of the Bank's customers, clients or market counterparties fail to fulfil their contractual obligations to the Bank. Credit risk arises mainly from loans and advances and loan commitments arising from such lending activities.

Credit risk is the single largest risk for the Bank's business; management therefore carefully manages its exposure to credit risk.

##### (a) Credit risk measurement

The Bank has established the Core Credit Risk Policy, which is designed to govern the Bank's risk undertaking activities. Extension of credit is governed by credit programs which set out the plan for a particular product or portfolio, including the target market, terms and conditions, documentation and procedures under which a credit product will be offered and measured.

The Bank also ensures that there is a clear segregation of duties between loan originators, evaluators and approving authorities.

##### (b) Risk limit control and mitigation policies

The Bank manages, limits and controls concentration of credit risk whenever they are identified, in particular, to individual counterparties and groups, and to industries.

The Bank structures the levels of credit risk it undertakes by placing limits on the amount of risk accepted in relation to one borrower or group of borrowers, and industry segments. Such risks are monitored on a revolving basis and subject to an annual or more frequent review, when considered necessary. Limits on the level of credit risk by product and industry sector are approved by the Board of Directors.

Large exposure is defined by the Central Bank as overall credit exposure to any single beneficiary which exceeds 10% of the Bank's net worth. The Bank is required, under the conditions of Prakas No. B7-06-226 of the Central Bank, to maintain at all times a maximum ratio of 20% between the Bank's overall credit exposure to any single beneficiary and the Bank's net worth. The aggregate of large credit exposure must not exceed 300% of the Bank's net worth.

The Bank employs a range of policies and practices to mitigate credit risk, including requiring borrowers to pledge collateral against loans and advances granted by the Bank.

##### (c) Impairment and provisioning policies

The Bank is required to follow the mandatory credit classification and provisioning in accordance with the relevant Prakas, as stated in note 1.8 to the financial statements.

Loan classification and loan loss provisioning are determined taking into account past due period of loans and advances to customers and other relevant qualitative factors.

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

The table below presents the maximum credit risk exposure of the Group and of the Bank, without taking into account any collateral held or other credit enhancements. For on-balance sheet assets, the exposures are based on net carrying amounts. For credit related commitments, the maximum exposure to credit risk represents the full amount of irrevocable committed facilities.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

### 25. FINANCIAL RISK MANAGEMENT (CONTINUED)

#### 25.1 Credit risk (Continued)

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

##### Group

	2014		2013	
	US\$	KHR' 000	US\$	KHR' 000
<b>On-balance sheet assets</b>				
Balances and placements with banks and other financial institutions	41,091,650	167,448,474	62,548,016	249,879,324
Loans and advances to customers	213,613,796	870,476,220	139,716,334	558,166,754
Other assets	1,394,307	5,681,801	1,126,949	4,502,161
	<b>256,099,753</b>	<b>1,043,606,495</b>	<b>203,391,299</b>	<b>812,548,239</b>
<b>Off-balance sheet items</b>				
Commitments	15,210,482	61,982,714	9,333,617	37,287,800
	<b>271,310,235</b>	<b>1,105,589,209</b>	<b>212,724,916</b>	<b>849,836,039</b>

##### Bank

	2014		2013	
	US\$	KHR' 000	US\$	KHR' 000
<b>On-balance sheet assets</b>				
Balances and placements with banks and other financial institutions	39,307,682	160,178,804	60,827,650	243,006,462
Loans and advances to customers	213,613,796	870,476,220	139,716,334	558,166,754
Other assets (note 6)	1,387,753	5,655,093	1,103,473	4,408,375
	<b>254,309,231</b>	<b>1,036,310,117</b>	<b>201,647,457</b>	<b>805,581,591</b>
<b>Off-balance sheet items</b>				
Commitments	15,210,482	61,982,714	9,333,617	37,287,800
	<b>269,519,713</b>	<b>1,098,292,831</b>	<b>210,981,074</b>	<b>842,869,391</b>

To the extent possible, pledges of collateral are negotiated with the counterparties for the purposes of reducing credit risk. The Group and the Bank take into consideration the marketability of the collateral as well as the adequacy of debt coverage in assessing the acceptability of collateral. The main types of collateral and other credit enhancements obtained by the Group and the Bank in respect of loans and advances to customers are properties and guarantees. Properties are valued periodically based on valuation by independent professional valuers.

Management is confident of its ability to control and sustain minimal exposure to credit risk by the Group and the Bank resulting from loans and advances based on the following:

- Approximately 99.99% (2013: 99.99%) of the loans and advances of the Group and of the Bank are collateralised; and
- The Bank has a proper credit evaluation process in place for granting of loans and advances to customers.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

### 25. FINANCIAL RISK MANAGEMENT (CONTINUED)

#### 25.1 Credit risk (Continued)

##### (e) Credit quality of financial assets

##### Loans and advances to customers

As at the balance sheet date, exposures of the Group and of the Bank to credit risk arising from loans and advances to customers (without taking into account of any collateral held or other credit enhancements and provision for loan losses) are as follows:

	2014		2013	
	US\$	KHR' 000	US\$	KHR' 000
Loans and advances:				
Neither past due nor impaired	213,168,554	868,661,856	140,473,711	561,192,475
Past due but not impaired	2,315,981	9,437,624	373,729	1,493,047
Individually impaired	739,573	3,013,760	2,286,582	9,134,895
	<b>216,224,108</b>	<b>881,113,240</b>	<b>143,134,022</b>	<b>571,820,417</b>

Loans and advances that are past due for less than 90 days are generally not considered impaired unless other information available indicates otherwise.

All other financial assets held by the Group and the Bank as at the balance sheet date are neither past due nor individually impaired.

##### Balances and placements with banks and other financial institutions

Analysis of the balances and placements with banks and other financial institutions of the Group and of the Bank as at the balance sheet date by counterparty is as follows:

##### **Group**

	2014		2013	
	US\$	KHR' 000	US\$	KHR' 000
In Cambodia:				
Commercial banks	40,425,206	164,732,714	59,786,410	238,846,708
Outside Cambodia:				
Commercial banks	666,444	2,715,760	2,761,606	11,032,616
	<b>41,091,650</b>	<b>167,448,474</b>	<b>62,548,016</b>	<b>249,879,324</b>

##### **Bank**

	2014		2013	
	US\$	KHR' 000	US\$	KHR' 000
In Cambodia:				
Commercial banks	38,641,238	157,463,045	58,066,044	231,973,846
Outside Cambodia:				
Commercial banks	666,444	2,715,759	2,761,606	11,032,616
	<b>39,307,682</b>	<b>160,178,804</b>	<b>60,827,650</b>	<b>243,006,462</b>

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

### 25. FINANCIAL RISK MANAGEMENT (CONTINUED)

#### 25.1 Credit risk (Continued)

##### (e) Credit quality of financial assets (Continued)

###### Other financial assets

Other financial assets of the Group and of the Bank mainly comprise interest receivable on placements with banks and other financial institutions and deposits placed by the Bank in respect of rental of premises.

##### (f) Credit quality of loans and advances to customers

###### i. Loans and advances that are past due but not impaired

The aging analysis of loans and advances that are past due but not impaired as at the balance sheet date (without taking into account of any collateral held or other credit enhancements) is as follows:

	2014		2013	
	US\$	KHR' 000	US\$	KHR' 000
<b>Past due period:</b>				
- 30 to < 60 days	2,265,143	9,230,458	113,151	452,038
- 60 to < 90 days	75,289	306,803	272,243	1,087,611
	2,340,432	9,537,261	385,394	1,539,649
Less: Specific provision	(24,451)	(99,637)	(11,665)	(46,602)
	<b>2,315,981</b>	<b>9,437,624</b>	<b>373,729</b>	<b>1,493,047</b>

Loans that are past due for 30 days or more but less than 90 days are classified as Special mention and subject to specific provision of 3%.

###### ii. Loans and advances that are individually impaired

The aging analysis of loans and advances that are past due for 90 days or more, which are considered impaired (without taking into account of any collateral held or other credit enhancements) is as follows:

	2014		2013	
	US\$	KHR' 000	US\$	KHR' 000
<b>Past due period:</b>				
- 90 to <180 days	342,325	1,394,974	441,550	1,763,992
- 180 to < 360 days	740,595	3,017,925	3,866,685	15,447,407
- 360 days or more	94,442	384,851	-	-
	1,177,362	4,797,750	4,308,235	17,211,399
Less: Specific provision	(437,789)	(1,783,990)	(2,021,653)	(8,076,504)
	<b>739,573</b>	<b>3,013,760</b>	<b>2,286,582</b>	<b>9,134,895</b>

##### (g) Repossessed collateral

The Central Bank requires banking institutions to classify repossessed property, if any as foreclosed property in the balance sheet and to dispose of the property within one year.

During the year, the Bank did not obtain any asset by taking possession of collateral held as security.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

### 25. FINANCIAL RISK MANAGEMENT (CONTINUED)

#### 25.1 Credit risk (Continued)

##### (h) Credit risk concentration of financial assets

##### i. By geographical distribution

As at the balance sheet date, the credit exposures of the Group and of the Bank are derived mainly from Cambodia based on the country of domicile of the counterparties as follows:

#### Group

	Cambodia US\$	Other countries US\$	Total US\$
<b>2014</b>			
Balances and placements with banks and other financial institutions	40,425,206	666,444	41,091,650
Loans and advances to customers	213,613,796	-	213,613,796
Other assets	1,394,307	-	1,394,307
	<b>255,433,309</b>	<b>666,444</b>	<b>256,099,753</b>
<b>In KHR' 000 equivalent</b>	<b>1,040,890,734</b>	<b>2,715,759</b>	<b>1,043,606,493</b>
<b>2013</b>			
Balances and placements with banks and other financial institutions	59,786,410	2,761,606	62,548,016
Loans and advances to customers	139,716,334	-	139,716,334
Other assets	1,126,949	-	1,126,949
	<b>200,629,693</b>	<b>2,761,606</b>	<b>203,391,299</b>
<b>In KHR' 000 equivalent</b>	<b>801,515,624</b>	<b>11,032,616</b>	<b>812,548,240</b>

#### Bank

	Cambodia US\$	Other countries US\$	Total US\$
<b>2014</b>			
Balances and placements with banks and other financial institutions	38,641,238	666,444	39,307,682
Loans and advances to customers	213,613,796	-	213,613,796
Other assets	1,387,753	-	1,387,753
	<b>253,642,787</b>	<b>666,444</b>	<b>254,309,231</b>
<b>In KHR' 000 equivalent</b>	<b>1,033,594,357</b>	<b>2,715,759</b>	<b>1,036,310,116</b>
<b>2013</b>			
Balances and placements with banks and other financial institutions	58,066,044	2,761,606	60,827,650
Loans and advances to customers	139,716,334	-	139,716,334
Other assets	1,103,473	-	1,103,473
	<b>198,885,851</b>	<b>2,761,606</b>	<b>201,647,457</b>
<b>In KHR' 000 equivalent</b>	<b>794,548,975</b>	<b>11,032,616</b>	<b>805,581,591</b>

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

### 25. FINANCIAL RISK MANAGEMENT (CONTINUED)

#### 25.1 Credit risk (Continued)

##### (h) Credit risk concentration of financial assets (Continued)

##### ii. By Industry Sector

The following table summarises the credit exposures of the Group and of the Bank at their net carrying amounts by industry sector of the counterparties.

##### Group

	Balances and placements with banks and other financial institutions US\$	Loans and advances to customers US\$	Other assets US\$	Total US\$	Total KHR' 000
<b>2014</b>					
Financial institution	57,082,448	2,534,713	521,861	60,139,022	245,066,515
Hotels and restaurants	-	36,520,932	132,802	36,653,734	149,363,966
Retail	-	28,125,640	33,424	28,159,064	114,748,186
Wholesale	-	30,684,875	53,908	30,738,783	125,260,541
Manufacturing	-	21,121,165	73,209	21,194,374	86,367,074
Agriculture, forestry and fishing	-	15,789,541	46,905	15,836,446	64,533,517
Mortgage, owner-occupied housing	-	16,001,614	61,369	16,062,983	65,456,656
Rental and operational leasing activities, excluded real estate leasing and rentals	-	15,476,618	84,284	15,560,902	63,410,676
Transport and storage	-	6,585,581	15,825	6,601,406	26,900,729
Utilities	-	3,419,273	19,337	3,438,610	14,012,336
Real estate activities	-	5,242,413	182,558	5,424,971	22,106,757
Construction	-	12,625,700	58,659	12,684,359	51,688,763
Other non-financial services	-	17,797,633	70,512	17,868,145	72,812,691
Personal	-	967,998	3,362	971,360	3,958,292
Information media and telecommunications	-	716,721	1,948	718,669	2,928,576
Others	-	3,379	34,344	37,723	153,720
	<b>57,082,448</b>	<b>213,613,796</b>	<b>1,394,307</b>	<b>272,090,551</b>	<b>1,108,768,995</b>

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

### 25. FINANCIAL RISK MANAGEMENT (CONTINUED)

#### 25.1 Credit risk (Continued)

(h) Credit risk concentration of financial assets (Continued)

ii. By Industry Sector (Continued)

#### Group

	Balances and placements with banks and other financial institutions US\$	Loans and advances to customers US\$	Other assets US\$	Total US\$	Total KHR' 000
<b>2013</b>					
Financial institution	62,548,016	1,380,020	419,714	64,347,750	257,069,261
Hotels and restaurants	-	28,605,201	88,268	28,693,469	114,630,409
Retail	-	20,022,782	69,691	20,092,473	80,269,430
Wholesale	-	17,921,905	47,628	17,969,533	71,788,284
Manufacturing	-	14,185,941	153,700	14,339,641	57,286,866
Agriculture, forestry and fishing	-	11,479,692	27,680	11,507,372	45,971,951
Mortgage, owner-occupied housing	-	10,157,051	40,928	10,197,979	40,740,926
Rental and operational leasing activities, excluded real estate leasing and rentals	-	8,964,566	27,554	8,992,120	35,923,519
Transport and storage	-	5,674,289	19,008	5,693,297	22,744,722
Utilities	-	3,110,906	27,659	3,138,565	12,538,567
Real estate activities	-	2,407,690	124,288	2,531,978	10,115,252
Construction	-	2,057,519	3,647	2,061,166	8,234,358
Other non-financial services	-	9,088,161	37,002	9,125,163	36,455,026
Personal	-	1,004,895	4,258	1,009,153	4,031,566
Information media and telecommunications	-	954,012	3,869	957,881	3,826,735
Others	-	2,701,704	32,055	2,733,759	10,921,368
	<b>62,548,016</b>	<b>139,716,334</b>	<b>1,126,949</b>	<b>203,391,299</b>	<b>812,548,240</b>

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

### 25. FINANCIAL RISK MANAGEMENT (CONTINUED)

#### 25.1 Credit risk (Continued)

##### (h) Credit risk concentration of financial assets (Continued)

##### ii. By Industry Sector (Continued)

The following table summarises the credit exposures of the Group and of the Bank at their net carrying amounts by industry sector of the counterparties.

#### Bank

	Balances and placements with banks and other financial institutions US\$	Loans and advances to customers US\$	Other assets US\$	Total US\$	Total KHR' 000
<b>2014</b>					
Financial institution	55,298,480	2,534,713	516,357	58,349,550	237,774,416
Hotels and restaurants	-	36,520,932	132,802	36,653,734	149,363,966
Retail	-	28,125,640	33,424	28,159,064	114,748,186
Wholesale	-	30,684,875	53,908	30,738,783	125,260,541
Manufacturing	-	21,121,165	73,209	21,194,374	86,367,074
Agriculture, forestry and fishing	-	15,789,541	46,905	15,836,446	64,533,517
Mortgage, owner-occupied housing	-	16,001,614	61,369	16,062,983	65,456,656
Rental and operational leasing activities, excluded real estate leasing and rentals	-	15,476,618	84,284	15,560,902	63,410,676
Transport and storage	-	6,585,581	15,825	6,601,406	26,900,729
Utilities	-	3,419,273	19,337	3,438,610	14,012,336
Real estate activities	-	5,242,413	181,508	5,423,921	22,102,478
Construction	-	12,625,700	58,659	12,684,359	51,688,763
Other non-financial services	-	17,797,633	70,512	17,868,145	72,812,691
Personal	-	967,998	3,362	971,360	3,958,292
Information media and telecommunications	-	716,721	1,948	718,669	2,928,576
Others	-	3,379	34,344	37,723	153,721
	<b>55,298,480</b>	<b>213,613,796</b>	<b>1,387,753</b>	<b>270,300,029</b>	<b>1,101,472,618</b>

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

### 25. FINANCIAL RISK MANAGEMENT (CONTINUED)

#### 25.1 Credit risk (Continued)

(h) Credit risk concentration of financial assets (Continued)

ii. By Industry Sector (Continued)

#### Bank

	Balances and placements with banks and other financial institutions US\$	Loans and advances to customers US\$	Other assets US\$	Total US\$	Total KHR' 000
<b>2013</b>					
Financial institution	60,827,650	1,380,020	413,059	62,620,729	250,169,812
Hotels and restaurants	-	28,605,201	88,268	28,693,469	114,630,409
Retail	-	20,022,782	69,691	20,092,473	80,269,430
Wholesale	-	17,921,905	47,628	17,969,533	71,788,284
Manufacturing	-	14,185,941	153,700	14,339,641	57,286,866
Agriculture, forestry and fishing	-	11,479,692	27,680	11,507,372	45,971,951
Mortgage, owner-occupied housing	-	10,157,051	40,928	10,197,979	40,740,926
Rental and operational leasing activities, excluded real estate leasing and rentals	-	8,964,566	27,554	8,992,120	35,923,519
Transport and storage	-	5,674,289	19,008	5,693,297	22,744,722
Utilities	-	3,110,906	10,838	3,121,744	12,471,367
Real estate activities	-	2,407,690	124,288	2,531,978	10,115,252
Construction	-	2,057,519	3,647	2,061,166	8,234,358
Other non-financial services	-	9,088,161	37,002	9,125,163	36,455,026
Personal	-	1,004,895	4,258	1,009,153	4,031,566
Information media and telecommunications	-	954,012	3,869	957,881	3,826,735
Others	-	2,701,704	32,055	2,733,759	10,921,368
	<b>60,827,650</b>	<b>139,716,334</b>	<b>1,103,473</b>	<b>201,647,457</b>	<b>805,581,591</b>



## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

### 25. FINANCIAL RISK MANAGEMENT (CONTINUED)

#### 25.2 Market risk

Market risk is the risk that the fair value or future cash flows 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.

##### (a) Price risk

The Bank managed its risk of unfavourable changes of prices of its investment by reviewing the monthly fund performance report.

##### (b) Foreign exchange risk

The Group and the Bank mainly transact in US\$, which is the functional currency of the Group and of the Bank. The Group and the Bank do not have significant exposure to foreign exchange risk.

##### (c) Interest rate risk

Interest rate risk is the risk that future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Interest margins may increase or decrease due to unexpected movements in rates. Management regularly monitors any mismatch of interest rate repricing undertaken.

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

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

### 25. FINANCIAL RISK MANAGEMENT (CONTINUED)

#### 25.2 Market risk (Continued)

(c) Credit risk concentration of financial assets (Continued)

Group	Up to 1 month	1 to 3 months	3 to 12 months	1 to 5 years	Over 5 years	Non-interest bearing	Total
<b>2014</b>							
<b>Financial assets</b>							
Cash on hand	-	-	-	-	-	4,594,101	4,594,101
Balances with the Central Bank	50,279,921	-	-	-	-	-	50,279,921
Balances and placements with banks and other financial institutions	3,813,855	11,681,545	25,596,250	-	-	-	41,091,650
Loans and advances to customers	2,021,506	6,837,941	27,761,170	31,759,660	145,233,519	-	213,613,796
Available-for-sale equity and other investments	-	-	-	-	-	-	-
Other assets	1,211,586	-	738	59,146	67,750	55,087	1,394,307
	<b>57,326,868</b>	<b>18,519,486</b>	<b>53,358,158</b>	<b>31,818,806</b>	<b>145,301,269</b>	<b>4,649,188</b>	<b>310,973,775</b>
<b>Financial liabilities</b>							
Deposits from banks and other financial institutions	(53,108,112)	(62,000,000)	(27,379,985)	-	-	(4,921,964)	(147,410,061)
Deposits from customers	(28,633,139)	(12,713,522)	(74,401,537)	(58,342)	-	(15,456,544)	(131,263,084)
Other liabilities	(3,642,551)	(630,988)	-	-	-	(418,279)	(4,691,818)
	<b>(85,383,802)</b>	<b>(75,344,510)</b>	<b>(101,781,522)</b>	<b>(58,342)</b>	<b>-</b>	<b>(20,796,787)</b>	<b>(283,364,963)</b>
<b>Total interest rate repricing gap</b>							
- US\$	<b>(28,056,934)</b>	<b>(56,825,024)</b>	<b>(48,423,364)</b>	<b>31,760,464</b>	<b>145,301,269</b>	<b>(16,147,599)</b>	<b>27,608,812</b>
- In KHR' 000 equivalent (unaudited)	<b>(114,332,006)</b>	<b>(231,561,973)</b>	<b>(197,325,208)</b>	<b>129,423,891</b>	<b>592,102,671</b>	<b>(65,801,466)</b>	<b>112,505,909</b>



## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

### 25. FINANCIAL RISK MANAGEMENT (CONTINUED)

#### 25.2 Market risk (Continued)

(c) Credit risk concentration of financial assets (Continued)

Group	(In US\$)	Up to 1 month	1 to 3 months	3 to 12 months	1 to 5 years	Over 5 years	Non-interest bearing	Total
<b>2013</b>								
<b>Financial assets</b>								
Cash on hand	-	-	-	-	-	-	3,782,282	3,782,282
Balances with the Central Bank	4,276,269	-	-	-	-	-	-	4,276,269
Balances and placements with banks and other financial institutions	2,833,184	27,866,547	31,848,285	-	-	-	-	62,548,016
Loans and advances to customers	27,376,163	134,750	752,951	20,511,692	90,940,778	-	-	139,716,334
Available-for-sale equity and other investments	-	-	-	-	-	-	-	-
Other assets	837,796	-	-	20,568	98,010	170,575	-	1,126,949
	<b>35,323,412</b>	<b>28,001,297</b>	<b>32,601,236</b>	<b>20,532,260</b>	<b>91,038,788</b>	<b>3,952,857</b>	<b>211,449,850</b>	
<b>Financial liabilities</b>								
Deposits from banks and other financial institutions	(31,104,930)	(52,000,000)	(20,365,071)	-	-	-	(298,446)	(103,768,447)
Deposits from customers	(20,598,332)	(15,317,048)	(31,397,002)	(257,194)	-	-	(10,018,692)	(77,588,268)
Other liabilities	(1,970,745)	(390,154)	-	-	-	-	(64,185)	(2,425,084)
	<b>(53,674,007)</b>	<b>(67,707,202)</b>	<b>(51,762,073)</b>	<b>(257,194)</b>	<b>-</b>	<b>(10,381,323)</b>	<b>(183,781,799)</b>	
<b>Total interest rate repricing gap</b>								
- US\$	<b>(18,350,595)</b>	<b>(39,705,905)</b>	<b>(19,160,837)</b>	<b>20,275,066</b>	<b>91,038,788</b>	<b>(6,428,466)</b>	<b>27,668,051</b>	
- In KHR* 000 equivalent (unaudited)	<b>(73,310,627)</b>	<b>(158,625,090)</b>	<b>(76,547,544)</b>	<b>80,998,889</b>	<b>363,699,958</b>	<b>(25,681,722)</b>	<b>110,533,864</b>	

# NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

## 25. FINANCIAL RISK MANAGEMENT (CONTINUED)

### 25.2 Market risk (Continued)

(c) Credit risk concentration of financial assets (Continued)

Bank	Up to 1 month	1 to 3 months	3 to 12 months	1 to 5 years	Over 5 years	Non-interest bearing	Total
<b>2014</b>							
<b>Financial assets</b>							
Cash on hand	-	-	-	-	-	4,593,761	4,593,761
Balances with the Central Bank	50,279,921	-	-	-	-	-	50,279,921
Balances and placements with banks and other financial institutions	3,807,682	11,000,000	24,500,000	-	-	-	39,307,682
Loans and advances to customers	2,021,506	6,837,941	27,761,170	31,759,660	145,233,519	-	213,613,796
Available-for-sale equity and other investments	-	-	-	-	-	-	-
Other assets	1,206,082	-	738	59,146	66,700	55,087	1,387,753
	<b>57,315,191</b>	<b>17,837,941</b>	<b>52,261,908</b>	<b>31,818,806</b>	<b>145,300,219</b>	<b>4,648,848</b>	<b>309,182,913</b>
<b>Financial liabilities</b>							
Deposits from banks and other financial institutions	(53,108,112)	(62,000,000)	(27,379,985)	-	-	(4,921,964)	(147,410,061)
Deposits from customers	(28,633,139)	(12,713,522)	(74,401,537)	(58,342)	-	(22,985,195)	(138,791,735)
Other liabilities	(3,640,449)	(630,988)	-	-	-	(337,713)	(4,609,150)
	<b>(85,381,700)</b>	<b>(75,344,510)</b>	<b>(101,781,522)</b>	<b>(58,342)</b>	<b>-</b>	<b>(28,244,872)</b>	<b>(290,810,946)</b>
<b>Total interest rate repricing gap</b>							
- US\$	<b>(28,066,509)</b>	<b>(57,506,569)</b>	<b>(49,519,614)</b>	<b>31,760,464</b>	<b>145,300,219</b>	<b>(23,596,024)</b>	<b>18,371,967</b>
- In KHR' 000 equivalent (unaudited)	<b>(114,371,024)</b>	<b>(234,339,269)</b>	<b>(201,792,427)</b>	<b>129,423,891</b>	<b>592,098,392</b>	<b>(96,153,798)</b>	<b>74,865,765</b>



## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

### 25. FINANCIAL RISK MANAGEMENT (CONTINUED)

#### 25.2 Market risk (Continued)

(c) Credit risk concentration of financial assets (Continued)

Bank	(In US\$)	Up to 1 month	1 to 3 months	3 to 12 months	1 to 5 years	Over 5 years	Non-interest bearing	Total
<b>2013</b>								
<b>Financial assets</b>								
Cash on hand	-	-	-	-	-	-	3,782,183	3,782,183
Balances with the Central Bank	4,276,269	-	-	-	-	-	-	4,276,269
Balances and placements with banks and other financial institutions	2,827,650	27,200,000	30,800,000	-	-	-	-	60,827,650
Loans and advances to customers	27,376,163	134,750	752,951	20,511,692	90,940,778	-	-	139,716,334
Available-for-sale equity and other investments	-	-	-	-	-	-	-	-
Other assets (note 6)	831,141	-	-	20,568	98,010	153,754	-	1,103,473
	<b>35,311,223</b>	<b>27,334,750</b>	<b>31,552,951</b>	<b>20,532,260</b>	<b>91,038,788</b>	<b>3,935,937</b>	<b>209,705,909</b>	
<b>Financial liabilities</b>								
Deposits from banks and other financial institutions	(31,104,930)	(52,000,000)	(20,365,071)	-	-	-	(298,446)	(103,768,447)
Deposits from customers	(20,598,332)	(15,317,048)	(31,397,002)	(257,194)	-	-	(16,981,098)	(84,550,674)
Other liabilities	(1,964,617)	(350,154)	-	-	-	-	(56,767)	(2,371,538)
	<b>(53,667,879)</b>	<b>(67,667,202)</b>	<b>(51,762,073)</b>	<b>(257,194)</b>	<b>-</b>	<b>(17,336,311)</b>	<b>(190,690,659)</b>	
<b>Total interest rate repricing gap</b>								
- US\$	<b>(18,356,656)</b>	<b>(40,332,452)</b>	<b>(20,209,122)</b>	<b>20,275,066</b>	<b>91,038,788</b>	<b>(13,400,374)</b>	<b>19,015,250</b>	
- In KHR* 000 equivalent (unaudited)	<b>(73,334,841)</b>	<b>(161,128,146)</b>	<b>(80,735,442)</b>	<b>80,998,889</b>	<b>363,699,958</b>	<b>(53,534,494)</b>	<b>75,965,924</b>	

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

### 25. FINANCIAL RISK MANAGEMENT (CONTINUED)

#### 25.3 Liquidity risk

Liquidity risk is the risk that the Group and the Bank are unable to meet their obligations when they fall due as a result of customer deposits being withdrawn, cash requirements from contractual commitments, or other cash outflows.

##### (a) Liquidity risk management process

The management monitors balance sheet liquidity and manages the concentration and maturity profile of deposits as well as the movements of main depositors and projection of their withdrawals.

##### (b) Funding approach

The main sources of funding of the Group and of the Bank are from shareholder's paid-up capital and deposits from banks, other financial institutions and customers. The sources of funding are reviewed daily through management's review of maturity profile of fixed deposits.

##### (c) Non-derivative cash flows

The table below presents the undiscounted cash flows arising from financial assets and liabilities and commitments of the Group and of the Bank based on the remaining contractual maturities as at the balance sheet date.

## 25. FINANCIAL RISK MANAGEMENT (CONTINUED)

### 25.3 Liquidity risk (Continued)

(c) Non-derivative cash flows (Continued)

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FOR THE YEAR ENDED 31 DECEMBER 2014

## 25. FINANCIAL RISK MANAGEMENT (CONTINUED)

### 25.3 Liquidity risk (Continued)

(c) Non-derivative cash flows (Continued)

Bank							
(in US\$)	Up to 1 month	1 to 3 months	3 to 12 months	1 to 5 years	Over 5 years	No fixed term	Total
2014							
Financial liabilities							
Deposits from banks and other financial institutions	(58,030,076)	(62,000,000)	(27,379,985)	-	-	-	(147,410,061)
Deposits from customers	(51,632,341)	(12,799,737)	(76,554,503)	(63,543)	-	-	(141,050,124)
Other liabilities	(3,978,162)	(630,988)	-	-	-	-	(4,609,150)
	(113,640,579)	(75,430,725)	(103,934,488)	(63,543)	-	-	(293,069,335)
Total financial assets							
	63,531,476	20,801,188	63,784,545	67,135,866	255,362,220	-	470,615,295
Net liquidity gap							
	(50,109,103)	(54,629,537)	(40,149,943)	67,072,323	255,362,220	-	177,545,960
In KHR' 000 equivalent	(204,194,594)	(222,615,364)	(163,611,017)	273,319,717	1,040,601,046	-	723,499,787
2013							
Financial liabilities							
Deposits from banks and other financial institutions	(31,419,595)	(52,131,590)	(20,540,245)	-	-	-	(104,091,430)
Deposits from customers	(37,588,942)	(15,424,428)	(32,360,612)	(273,861)	-	-	(85,647,843)
Other liabilities	(2,021,384)	(350,154)	-	-	-	-	(2,371,538)
	(71,029,921)	(67,906,172)	(52,900,857)	(273,861)	-	-	(192,110,811)
Total financial assets							
	39,946,691	29,167,166	38,961,763	45,896,240	99,916,868	-	253,888,728
Net liquidity gap							
	(31,083,230)	(38,739,006)	(13,939,094)	45,622,379	99,916,868	-	61,777,917
In KHR' 000 equivalent	(124,177,504)	(154,762,329)	(55,686,681)	182,261,404	399,167,888	-	246,802,778



## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

### 25. FINANCIAL RISK MANAGEMENT (CONTINUED)

#### 25.4 Operational risk

Operational risk is the risk of loss resulting from inadequate or failed internal processes, people or systems, or from external events. This includes legal, compliance, accounting and fraud risk.

The Bank has established policies and procedures to provide guidance to the key operating units on the risk governance structure and baseline internal controls necessary to identify, assess, monitor and control their operational risks. Internal control policies and measures that have been implemented including the establishment of signing authorities, defining system parameter controls, streamlining procedures and documentation ensuring compliance with regulatory and legal requirements. The policies and procedures are reviewed periodically, taking into account the business objectives and strategies of the Bank as well as regulatory requirements.

The internal audit function provides independent assessment of the adequacy of the internal control policies and procedures of the Bank to mitigate risk associated with operational activities. Any findings arising from the audit and review will be escalated to the senior management of the Bank and the Audit Committees of the Bank and of the parent company.

#### 25.5 Fair value of financial assets and liabilities

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

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

##### (i) Balances and placements with banks and other financial institutions

The fair values of balances and placements with banks and other financial institutions with maturity of less than one year approximate their carrying amounts.

##### (ii) Loans and advances to customers

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

For fixed rate loans with remaining period to maturity of one year and above, fair values are estimated by discounting the estimated future cash flows using the prevailing market rates of loans with similar credit risks and maturities.

##### (iii) Deposits from banks, other financial institutions and customers

The fair values of deposits payable on demand (current and savings accounts), or deposits with remaining maturity of less than one year are estimated to approximate their carrying amounts. The fair values of deposits with remaining maturity of more than one year are estimated based on discounted cash flows using prevailing market rates for similar deposits from banks, other financial institutions and customers.

##### (iv) Other financial assets and liabilities

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

#### 25.6 Capital management

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

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

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

### 25. FINANCIAL RISK MANAGEMENT (CONTINUED)

#### 25.6 Capital management (Continued)

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

The table below summarises the composition of the Group and the Bank's regulatory capital:

#### Group

	2014		2013	
	US\$	KHR' 000	US\$	KHR' 000
<b>Tier 1 capital</b>				
Share capital	52,000,000	211,900,000	52,000,000	207,740,000
Retained earnings	2,968,971	12,098,557	(1,970,753)	(7,873,158)
Less: Intangible assets	(370,953)	(1,511,633)	(273,907)	(1,094,258)
Less: Loans to related parties	(153,809)	(626,772)	(163,295)	(652,364)
	<b>54,444,209</b>	<b>221,860,152</b>	<b>49,592,045</b>	<b>198,120,220</b>
<b>Tier 2 complementary capital</b>				
General provision	2,148,072	8,753,393	1,384,369	5,530,554
	<b>56,592,281</b>	<b>230,613,545</b>	<b>50,976,414</b>	<b>203,650,774</b>

#### Bank

	2014		2013	
	US\$	KHR' 000	US\$	KHR' 000
<b>Tier 1 capital</b>				
Share capital	52,000,000	211,900,000	52,000,000	207,740,000
Retained earnings	4,878,439	19,879,639	(576,267)	(2,302,187)
Less: Intangible assets	(370,953)	(1,511,633)	(273,907)	(1,094,258)
Less: Loans to related parties	(153,809)	(626,772)	(163,295)	(652,364)
	<b>56,353,677</b>	<b>229,641,234</b>	<b>50,986,531</b>	<b>203,691,191</b>
<b>Tier 2 complementary capital</b>				
General provision	2,148,072	8,753,393	1,384,369	5,530,554
Less: Equity participation in banking or financial institutions	(12,500,000)	(50,937,500)	(11,500,000)	(45,942,500)
	<b>46,001,749</b>	<b>187,457,127</b>	<b>40,870,900</b>	<b>163,279,245</b>

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