

ANNUAL REPORT 2021

Wing Bank
**Wing is now
Wing Bank**



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MESSAGE FROM CHAIRMAN

Dear investors, colleagues, and members of the public,
Welcome to the 2021 annual report of Wing Bank (Cambodia) Plc.

First, I would like to extend my gratitude for the continued support Wing Bank has received from our regulators, shareholders, merchants, and partners. I'd also like to thank our customers and employees and our partners, for all they do to make Wing Bank a success.

Particularly, I would like to take this opportunity to express my sincere gratitude to the National Bank of Cambodia (NBC), especially to Governor H.E Chea Chanto. Your continued trust has enabled Wing Bank to be part of Cambodia's most exciting economic story – its transition to becoming a strong, vibrant and tech-savvy nation. Through the support of the NBC, we have been able to drive financial inclusion through effective and efficient use of digital financial services in Cambodia, and we will continue to drive financial, gender and digital inclusion as we enter the new exciting age of the Fourth Industrial Revolution.

Covid-19 has been a serious issue and presented challenges for all of us. It impacted many areas, including the banking and financial sector. Despite the challenges faced, Wing Bank still stands strong and moves forward. Wing Bank, a fully Cambodian owned Bank, is now a large entity offering full-fledged banking services for all segments of the community.

The digital ecosystem tremendously changed the consumer landscape, especially during the Covid-19 pandemic. We have worked diligently to ensure that everyone can access a broad range of financial services in a safe, convenient, and secure manner.

After the announcement of our commercial banking license in April last year, Wing Bank has developed even more products and services, including loans and deposits, to complement our existing portfolio. These digital services have been made available through our innovative Wing Bank App and our other digital and physical access points throughout Cambodia.

As part of the efforts to help Cambodia's economy recover from the Covid-19 pandemic, Wing bank has worked hard with our partners to support Micro, Small and Medium Enterprises (MSMEs), providing them with more attractive funding options. Our MSME customers can now enjoy financial service offerings developed in collaboration with the Credit Guarantee Corporation of Cambodia (CGCC), the Small and Medium Enterprise (SME) Bank of Cambodia Plc, and the USAID-funded Women Entrepreneurs Act (WE Act) Project (implemented by PACT).

What's more, Wing Bank is now the payment partner of The Ministry of Commerce's CambodiaTrade marketplace, which rolled out in mid-June 2021, providing a fully integrated platform for SMEs to expand their reach by unlocking the power of E-commerce.

In addition to partnerships to support MSMEs, Wing Bank was also instrumental in disbursing the Social Protection Fund to the Cambodians most in need of assistance. This was a core initiative from the Royal Government of Cambodia, implemented by the Ministry of Social Affairs, Veterans and Youth Rehabilitation. Throughout the pandemic, Wing Bank was proud to have been a trusted partner of the government, helping to fulfil Samdech Akka Moha Sena Padei Techo Hun Sen's policies to support citizens in need - including suspended workers, pregnant women, families with Poor ID 1 and 2, people living in lockdown areas, and the family members of citizens that passed away due to Covid-19.

Our support did not stop at Cambodia's borders. To aid overseas workers needing to remit their hard-earned income home during the pandemic, we onboarded two more international fund transfer providers to our financial ecosystem - City Express Money Transfer Japan Co., Ltd. and Ria Money Transfer.

Amongst others, these initiatives supported the over 10,000 Cambodians working in Japan and thousands across the world. Wing Bank provides Cambodians in any part of the world access to international fund transfers and real-time services.

Community care is rooted at the heart of our corporate philosophy, and we strive to engage employees and our business partners in an array of social responsibility activities. As just one example, Wing Bank has been supporting Angkor Hospital for Children and the Kantha Bopha Hospital Foundation, donating our funds and raising more support from the public for the free treatment of Cambodian children.

As a gesture of gratitude for the tireless efforts of the heroes of the Samdech Techo Voluntary Youth Doctor Association (TYDA), Wing Bank donated USD 50,000 to the association, and we commit to making the same donation for a further 5 years. This ongoing donation will support the charity activities of TYDA, as they provide free medical checks and treatment to the community.

In a bid to support families in lockdown zones during the pandemic, Wing Bank donated USD 50,000 to Phnom Penh City Hall, in the presence of HE Khuong Sreng, Governor of Phnom Penh.

We also supported the "Youth 21" boot camp organized by the Ministry of Education, Youth, and Sport, which promotes an entrepreneurial mindset among Phnom Penh based university students. Wing Bank donated new laptops to the winners of the boot camp, worth approximately USD 8,000.

Our contribution to the community has even been recognised publicly, and I was delighted when Wing Bank was awarded the American Chamber of Commerce CSR (Corporate Social Responsibility) Excellence Award in 2021.

Although we have already achieved so many milestones, there are more exciting times ahead. We will continue to develop new products and services to meet the needs of our community, and we aim to expand with more branches and a wider network of agents, creating ever more possibilities for our clients.

With our vision to use digital financial services to improve the lives of all Cambodians, Wing Bank will continue to deliver with the same passion and dedication it always has - promoting gender, digital and financial inclusion across Cambodia.

We can be proud of our vast network of agents, and the unparalleled reach we enjoy in Cambodia - but this also comes with great responsibility. Wing Bank, our partners and colleagues will continue to provide easy access to finance, technology and markets in our community, whilst promoting financial literacy and gender inclusion across the Kingdom.

Thank you for your continued trust in our services, products, and activities, and for joining in our vision for a financially inclusive future.

Regards,



Neak Oknha Kith Meng

MESSAGE FROM CEO

Dear Customers and Members of the Public,

2021 was a great year for me as I was given the privilege and opportunity to extend my capabilities to assist in the continuous development of Wing Bank's Fintech ecosystem during its first year of operating as a commercial bank.

This role has allowed me to partner with key market players to help in the recovery effort of our community through the use of financial and digital products and services. As Cambodia and the world continue to face the challenges of the Covid-19 pandemic, we aim to bring financial inclusion to all Cambodians to help sustain and restore the economy post-Covid-19 pandemic.

I am excited to share these wonderful developments made by Wing Bank as we continue to forge Cambodia's brilliant future.

Wing Bank Sustained Strong Growth and Results

Given the significant challenges the Covid-19 pandemic has thrown us, Wing Bank has successfully managed all risks whilst also contributing to the community. Wing Bank has grown stronger each year and 2021 was no exception. Revenue has grown 25% year-on-year while our customer base has increased by 13% over the same period.

Last year, all Wing Bank's business units showed strong performance. The corporate solution business grew by 11%. International money transfers increased by 50% and loan collection services grew by 46% year-on-year with the total value of transactions on our growing payment business WingPay rising by 47%.

The Covid-19 pandemic has pushed the community to look for new payment options for their business operations and daily expenses. Wing Bank was able to offer these digital payment solutions that reduce the risk of contamination and are also reliable and secure.

A total of 1 million new customers joined Wing Bank's ecosystem as transaction volume increased by 34% and transaction value increased by 24% from 2020 to 2021. Our network of service points has grown more extensive than ever with over 10,400 agents across Cambodia serving over 13 million customers in 2021.

Our focus on driving Cambodia's local currency has also paid strong dividends in 2021 with 50% of the total value of Wing Bank transactions were conducted in Khmer riel. Outside of Phnom Penh, Khmer riels transactions accounted for 40% of the total value.



Continue Building Digital Economy in Cambodia

Since its inception in 2008, Wing Bank has worked diligently to build a vibrant digital economy and society by laying the foundations for promoting digital adoption and transformation in the community. We have achieved this by promoting economic growth and improving the social welfare of Cambodians now in the post-Covid-19 pandemic era. We are currently assisting more than 80,000 merchants through digital payment systems helping them to operate their businesses.

Last year, Visa and Wing Bank partnered to introduce the 'Wing Bank Virtual Visa Card' - an online payment card for all users of Wing Bank's mobile payments application allowing customers to make online purchases wherever Visa is accepted. In addition, the partnership provides customers to better monitor their expenses and eliminates credit checks and variable credit limits.

To contribute to the building of Cambodia's digital startup community Wing Bank supported the "Digital SMEs Accelerator Program" co-organized by the Ministry of Economy and Finance and the Techo Startup Center. The program aims to provide opportunities for young startups to turn their ideas and innovations into a reality and also seeks to improve the digital startup ecosystems for SMEs to develop and grow.

In 2021 alone, over 566 corporate companies, 2,777 SMEs, and 10 government agencies are now using Wing Bank's payroll and disbursement services, speeding up payments and business operations. These partners include online and offline merchants, marketplaces, charity organizations, telecoms and technology players, major banks, credit card companies and government institutions. We believe we can help further connect users and merchants seamlessly, making the digital economy more accessible and affordable for every Cambodian.

Wing Bank has already started piloting unsecured loan decisions based on certain criteria and conditions. Customers can access the Loan section in the Wing Bank App and click on Quick Loans or Quick Cash Advance and get their Quick Loan approved in less than 10 minutes if they are



Bank services to build up their credit profile to be eligible in the future. Any Wing Bank customer who uses Wing Bank Payroll services will automatically be able to take Quick Cash Advances or Loans either through Wing Bank branches or Partners using the Wing Bank App. This will provide help to all Cambodians with formal lending options and not resort to risky and unregulated lenders during emergencies. Wing Bank also offers special unsecured loans to Women Micro SMEs to address their specific problem accessing finance to expand their businesses due to lack of collateral.

Enhancing our Digital Innovation

Wing Bank has tapped into the Oracle Banking solution of financial service applications to support its transition into a fully licensed, digital-first commercial bank. The move will enable Wing Bank to expand its service offerings, including commercial, retail, consumer, and loans and deposits. Wing Bank has always aimed to drive the digital banking revolution and improve financial inclusion in Cambodia. The addition of the Oracle Banking solution allows us to bring our world-class banking services to more customers, leading to even greater benefits for the communities we serve.

Looking Forward to 2022

The solid performance of Wing Bank in 2021 highlights our ongoing effort of offering convenient, safe, and secure financial solutions regardless of the challenges we face. Without any doubt, our success is contributed to by every employee of Wing Bank, Wing Cash Xpress agent nationwide, and our partners in both the private and public sectors.

To continue helping the community and economy recover in the post-pandemic era we will make great strides to introduce new and relevant financial products and services to meet the immediate needs of our customers despite the challenges.

We are always exploring new ways to foster financial inclusion among merchants, customers, partners, and people and are continuing to invest and work closely with the government, regulators, international development agencies and local

strategic partners across all economic categories.

On the payment side, we are increasing our coverage to more merchants and partners on our platform in an effort to encourage more cashless payments in the business community.

While our ever-expanding Wing Ecosystem already allows a Wing Bank customer to live a 100% digital life, we understand that some customers still prefer to visit a physical branch to perform their banking transactions and receive financial advice from our bank employees. In response, we will be opening an adequate number of branches across the country to meet the needs of our customers that prefer to bank in person rather than digital. Wing Bank wants to be the bank for every Cambodian and hence will be offering 100% banking services and solutions – digital as well as physical – for every Cambodian.

We intend to open at least one branch in every province in the country over the next three years and at strategic locations in Phnom Penh. Our Vision is to provide every Cambodian with convenient access to the relevant digital solution for the improvement of their daily life. Anyone, Anywhere and Anytime!

Thank you for your continued support in sharing our vision.

Finally, on behalf of the Management Team, I would like to take this opportunity to thank all the officials of NBC for their ongoing guidance, support and advice.

Best Regards,


HAN PENG KWANG

VISION, MISSION, VALUES



VISION

To provide every Cambodian with convenient access to relevant digital solutions for the improvement of their daily lives.

MISSION

CUSTOMER AT THE HEART

To engage and understand customer needs, provide best-in-class products and services and to be responsive and quick in resolving queries.

EMPLOYEES AS THE PILLAR

To provide a progressive work culture, where career aspirations can be realized through consistent performance and demonstration of the bank's core values.

COMMUNITY AS THE CAUSE

To deliver robust and cost-effective mobile money services that promote financial inclusion, catalyze growth, and reduce social inequalities.

DELIVER SHAREHOLDER VALUE

To demonstrate strong corporate governance standards that protect and balance shareholder interests in the journey to achieving short- and long-term business goals.

VALUES

W – Winning

Our passion to succeed underpins our approach on how we do business. We do this with a "Can Do" mindset, high Integrity and accountability. The commitment to provide a quality service to our customers, the need to perform and get ahead keeps us focused on what's important to our customers and partners

I – Innovation

We believe in continuous improvement through the application of better solutions and meeting new requirements through technology. Here at WING, we make sure that our products and services provide meaningful impact and convenience, and creates value to the daily lives of the people and community.

N – Nurturing

We care for and protect our employees, customers, and partners while they grow with us. We help create an environment where everyone can think big, inspire and be inspired, and be motivated to contribute to the business. At the same time, we deliver our very best to build a long-term, healthy relationship to our stakeholders, customers and to the community.

G – Growth

In everything we do we always aim higher, from the development of our brand to growing new products and services. We believe in a long-term growth and sustainable value creation. We do this by having our customer, community and the country in mind.

WING BANK AT A GLANCE

Wing Bank (Cambodia) Plc – the bank for every Cambodian – is driven by the vision to provide every Cambodian with convenient access to financial services to improve their daily lives.

Since forming in 2008, Wing Bank has experienced dramatic growth and transformed the lives of Cambodians by providing mobile payment services throughout the country. These accomplishments have earned Wing Bank the trust of the community. Wing Bank has been transformed itself from the Third Party Processor to the Specialised bank in 2014, and in December 2020, was upgraded to be a commercial bank.

Despite an array of challenges, Wing Bank has always shown a willingness to provide convenient services to its customers. The commercial banking license granted by the National Bank of Cambodia on 31 December 2020 under Wing Bank (Cambodia) Plc, allows Wing Bank to extend full banking services to every corner of Cambodia.

Wing Bank has grown from humble beginnings to a large-scale operation, offering a wide range of financial products and services to improve the lives of Cambodians.

After virtually launching as a commercial bank in 2021, Wing Bank started offering a range of advanced financial products both for individuals and corporate customers. These include loans, deposits, micro-savings accounts, credit referral services, money transfers, utility and insurance payments, supply chain payments, payroll services, and even phone top-ups. In addition, Wing offers retail payments via “WingPay”.

Today, Wing Bank serves the entire Cambodian population with 100% coverage of districts in the country thanks to the innovative Wing Bank App. This was made possible through partnerships with industry giants such as Mastercard, MoneyGram, AliPay, WeChat Pay, Western Union, Visa, and Ria.

Through its revolutionary Wing Bank App, Wing Bank offers over 100 digital solutions to solve specific problems for every Cambodian.

Both small and large companies alike are now using Wing’s payroll and disbursement services to expedite payments.



In the past year alone, Wing Bank has served more than 13 million users through its financial ecosystem. Over 500 corporate companies and 10 government agencies are now using Wing Bank’s payroll and disbursement services, speeding up payments and business operations. More than 80,000 merchant partners including restaurants, retail shops, salons, pubs, fashion outlets, and many others are using Wing Bank for its reliable and secure payment solutions.

Wing Bank puts a high priority on the community and has engaged in various Corporate Social Responsibility programs. As a result, in 2021, Wing Bank won the AmCham Cambodia 2021 CSR Excellence Award for its meaningful and measurable impact on the lives of those facing hardships, financial and otherwise.

Wing Bank is committed to fostering financial inclusion, gender inclusion, and digital inclusion. It is a priority to provide financial services to the unbanked and the under-banked, allowing every Cambodian to enjoy the convenience and security of modern financial services.

STRATEGIC PARTNERSHIPS

Despite the challenges presented by the Covid-19 pandemic, our commitment to bringing innovative financial services to the community never wavered. 2021 was a year in which Wing Bank introduced even more digital products and services to Cambodia, solving the everyday challenges faced by our individual and corporate customers. This was achieved via our enhanced capacity as a commercial bank, and by forming exciting new partnerships with both local and international partners.



Khmer Enterprise and Wing Bank Join Hands to Support Cambodia's SMEs

Wing Bank and Khmer Enterprise entered a strategic partnership to support the operational development of Cambodia's small and medium-sized enterprises (SMEs). The partnership promotes sustainable ecosystems for entrepreneurs, start-ups, and SMEs. Under the partnership, Khmer Enterprise and Wing Bank worked closely to boost SME operations in four priority sectors; Agriculture, Manufacturing, Services and ICT, providing SMEs with the opportunity to access loans from Wing Bank and its digital financial ecosystem.

CGCC and Wing Bank Join Forces to Support Business Recovery

Wing Bank and the Credit Guarantee Corporation of Cambodia (CGCC) officially launched a credit guarantee agreement, making it easier for collateral-poor business owners to access loans. Such loans, used for working capital or business expansion were crucial to Cambodian companies during the pandemic and will support SME growth in the future. CGCC supported Wing Bank in guaranteeing loans to dynamic entrepreneurs who had viable businesses, but little or no collateral. CGCC provided a credit guarantee as additional security for the borrower, thus reducing the required collateral, and easing the debt burden to borrowers.





SME Bank and Wing Bank Collaborate on SME Co-Financing Scheme Phase II

To support post-pandemic recovery, Wing Bank and the Small and Medium Enterprise (SME) Bank of Cambodia Plc signed a memorandum of understanding to provide affordable loans to Cambodian businesses via Phase II of the SME Co-Financing Scheme (SCFS II). The partnership allowed SMEs access to affordable loans digitally, through the Wing Bank App. The first SME Co-Financing Scheme (SCFS I) was initially launched in 2020 by the Royal Government of Cambodia, providing SMEs with affordable financing and favourable loan conditions. Specifically, the scheme supports SMEs in priority sectors to minimize imports, fulfil domestic demand, and to better integrate with the supply chains of larger enterprises. With the success of SCFS I, Wing Bank was proud to be part of the SCFS II.

CambodiaTrade Customers can Officially use Wing Payment Services

The Ministry of Commerce (MOC) and Wing Bank signed a Memorandum of Understanding (MOU) to better integrate the CambodiaTrade E-commerce marketplace with Wing Bank's payment system. The system integration made it easier, faster, and more secure for customers and SMEs to use the CambodiaTrade marketplace. The MOU also declared a joint commitment to capacity building in digital finance for Cambodian SMEs. The Ministry rolled out CambodiaTrade for pre-registration in mid-June 2021, providing a fully integrated platform for SMEs to expand their reach by unlocking the power of E-commerce.



CBC and Wing Bank Team up to Promote Financial Access in Cambodia

Wing Bank (Cambodia) Plc. and Credit Bureau (Cambodia) Co., Ltd. (CBC) joined forces to put vital credit reports at the fingertips of all Wing Bank App users. Through the partnership, users can make a self-request for a Personal Credit Report through their smartphone, saving time and money otherwise spent traveling to CBC offices. The request now takes just a few days - and is implemented through the safe, secure, and convenient digital platform of Wing Bank and CBC.

USAID and Wing Bank Launch the Micro-loan Mechanisms

Wing Bank and the USAID-funded Women Entrepreneurs Act (WE Act) Project (implemented by PACT) signed a Memorandum of Understanding (MoU) to provide affordable and accessible financial products tailored to Cambodia's young women entrepreneurs (YWE) – a critically underserved population. Women-owned SMEs often fail to meet the eligibility criteria set by formal financial service providers and have been particularly impacted by the COVID-19 pandemic. The initiative provided YWE with preferential loan conditions, as well as capacity building in core skills such as financial literacy and operations management.



Wing Bank & City Express Japan Partner to Ease Inbound Fund Transfers Into Cambodia

Wing Bank and City Express Money Transfer Japan Co., Ltd. formed an exciting partnership in 2021 – providing improved financial services to all Cambodians living in Japan. Through Wing Bank, this growing population can now send their hard-earned money home to support their families instantly, and to all districts of Cambodia. There are currently more than 10,000 Cambodians working in Japan. Through this partnership, customers can visit any ATM and any branch of City Express Japan and choose to send money through Wing Bank. They then receive an 8-digit code for their families to cash out in Cambodia.

Visa and Wing Bank Launch New Online Payment Card With Extensive Benefits

Visa and Wing Bank partnered to introduce the 'Wing Virtual Visa Card' - an online payment card for all users of Wing Bank's mobile payments application. The digital payment card offers a range of benefits to existing Wing Bank app users, including the ability to make online purchases wherever Visa is accepted, increased monitoring of expenses, and the elimination of credit checks and variable credit limits. The partnership brought Visa's expertise in digital payments and E-Commerce solutions to Wing Bank, the leading mobile payment solution provider in Cambodia.

Ria Money Transfer and Wing Bank Team to Advance Cross-border Transfers

Wing Bank expanded inbound transactions to the Kingdom through a partnership with Ria Money Transfer. With the partnership, customers can now use Ria services to send money into Cambodia, where recipients can cash out through any Wing Bank partner branded with the Ria logo. There's no fee charged at the receiver end, making the process easy and accessible to all. Recipients need only bring their original national ID card, passport or driving license and the 11-digit PIN code provided by the sender. With that in hand, they can fill out the Wing recipient form and cash out funds easily.

Chief Bank and Wing Bank Partner to Grant Digital Loan Payment Options

Wing Bank and Chief (Cambodia) Commercial Bank Plc joined hands to enable clients to repay loans through Wing agents or the Wing Bank App. The partnership granted Chief Bank clients the freedom to repay loans easily by visiting a nearby Wing agent, even in the most remote regions of Cambodia. In addition, Chief Bank customers were provided the option to make payments via the innovative Wing Bank App, as well as to transfer funds with ease through Bakong to Wing Bank's financial ecosystem.

Using Oracle Banking for Loan and Deposit Service

Wing Bank tapped into the Oracle Banking portfolio of financial service applications to support its transition into a fully licensed, digital-first commercial bank. The addition of the Oracle Banking portfolio enabled Wing Bank to bring world-class banking services to more customers, leading to even greater benefits for the communities.



FINANCIAL HIGHLIGHTS

TOTAL ASSETS

2019 148,160,726

2020 193,224,356

2021 287,243,129

↑ 49%

TOTAL LOANS & ADVANCES

2019

2020

2021 61,542,515

N/A

GROSS REVENUE

2019 30,822,839

2020 40,868,315

2021 52,238,929

↑ 28%

TOTAL DEPOSITS

2019

2020

2021 54,264,108

N/A

TOTAL SHAREHOLDERS' EQUITY

2019 29,223,493

2020 39,869,781

2021 87,953,595

↑ 121%

NET PROFIT

2019 6,822,080

2020 10,646,288

2021 12,683,814

↑ 19%



THE FIN-TECH ECOSYSTEM AS AN INSTRUMENT FOR SUSTAINABLE GROWTH

Financial inclusion and Cambodia's economic prosperity of the community are the key centric of everything we do at Wing Bank. We aim to provide individual consumers and corporate customers, whether banked or unbanked, with a full array of financial products, services, and access, integrating them into our broader digital ecosystem.

OUR PRODUCTS AND SERVICES

With access to financial services, all Cambodians can capitalize on the country's rapid economic growth and begin to climb the ladder toward financial prosperity. Receiving the trust and a commercial license from National Bank Cambodia has enabled us to develop more financial products and services to suit the need of the community. We have onboarded additional portfolios for individual and corporate customers' deposit and lending products.



WING BANK ACCOUNT

Opening an account with Wing Bank is simple. For every customer, it is also the first step towards granting customers access to our full suite of products and services, along with the privileges afforded to them as Wing bank account holders.

WING Bank APP

The Wing Bank App gives customers access to our full range of products and services. If customers do not have the time to visit a Wing Bank's Office or Wing Bank's branches, they can conduct financial services like money transfers, cashless payments, and Bill payment with just a few simple swipes on their smartphones.

BILL PAYMENT

Paying bills is effortless with Wing Bank. Our partnership with various service providers allows our customers to pay for utilities, internet, credit card payments, loans, school and government fees, supplier costs and more. With Wing Bank, there is no need to line up over and over just to pay the monthly bills.

WINGPAY

WingPay is a cashless platform for our customers to buy goods and services from various merchants including restaurants, cinemas, clothing boutiques and more. All Wing Bank App users need to do is make a payment to a participating merchant through their smartphone on the mobile app.

As a leader in digital financial services, Wing Bank was the first to introduce contactless QR payments to Cambodia and the first to partner with Alipay and WeChat Pay.

Cash-Out via QR Code

Improve the way you cash out from your account, for Wing Bank customers added security and convenience, they can now cash out from their account by scanning a QR code. No card is needed to withdraw money instantly.

Instant Wing Bank Account Opening (E-KYC)

With the latest feature on Wing Bank App, customers can open new bank accounts without leaving their homes or print and sign paper forms. All they need to do is to download Wing Bank App and scan his/her ID card. Right after that, the customers can access all of our bank's services. That includes fund transfers, bill payments, loan requests, and many others.

LOCAL MONEY TRANSFER

The size and breadth of Wing Bank’s digital ecosystem, including the Wing Bank App and the nationwide network of Wing Cash Xpress agents, means all Wing Bank customers have many options to conduct safe and quick financial transactions.

Wing to Wing: Our customers can transfer money to any Wing Bank account with our easy cash-out at any Wing Cash Xpress outlet.

Wing Wei Luy: Wing customers can transfer money to friends and family who do not have access Wing or a bank account. In these transactions, the Wing Bank account holder can use their account to send money to any phone number in Cambodia.

Wing to Bank: Wing Bank is linked to many of Cambodia’s leading banks and financial institutions. Customers who want to repay loans or transfer funds to any bank account just need to open the app or make a quick visit to any Wing Cash Xpress Agents to complete their transaction.

Bank to Wing: Wing Bank has partnered with many leading banks in Cambodia, allowing our customers to get money into their Wing Bank accounts from other local partner banks or through the Wing Bank mobile application in a fast, secure, and convenient manner.

Wing to Bakong: Wing Bank and Bakong have been integrated by allowing customers to use cash in and out services at Wing Cash Xpress Agents, QR Pay at Wing merchants, and fund transfers between Wing Bank and Bakong wallets. Users can transfer money to both Bakong and its member easily on the Wing Bank mobile application.



WING ONLINE MASTERCARD

Spend online without any hassle. With our Online Mastercard, Wing Bank makes it possible to shop on the internet without a physical credit card. Wing Bank customers can use this virtual card to make safe online purchases anywhere in the world, so no matter if you are a gamer, foodie, fashion lover, traveller or entrepreneur, the Wing Online Mastercard is your portal to more.

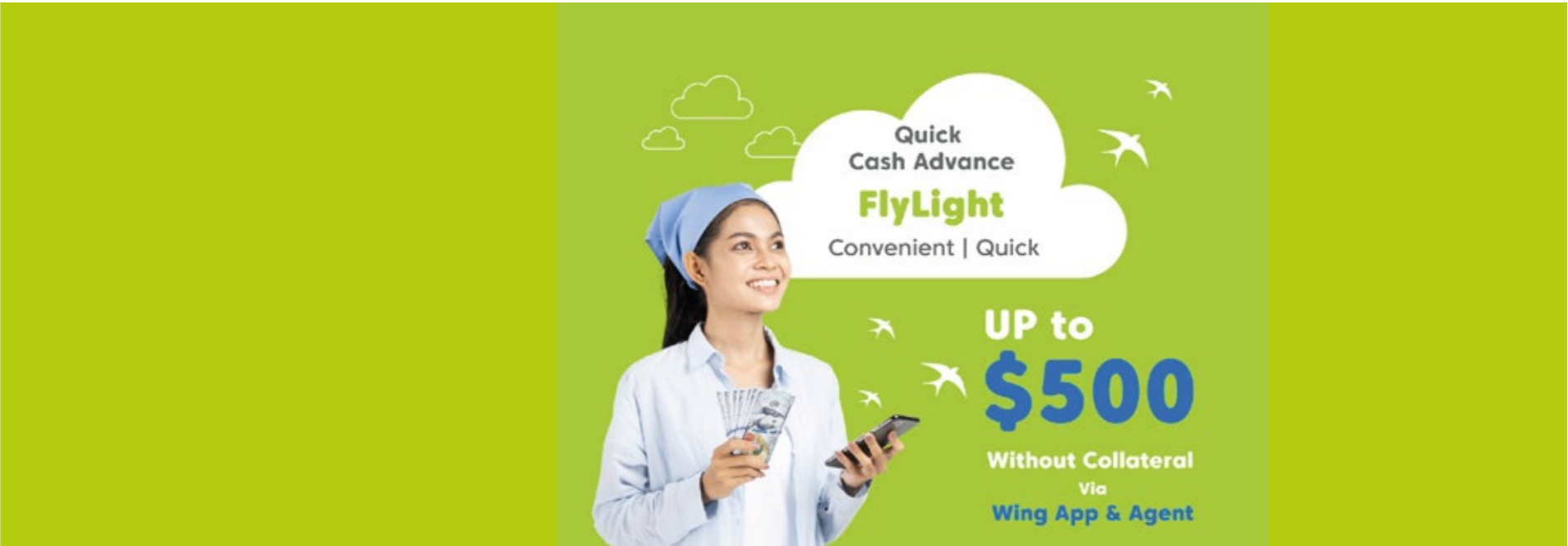
SAVING

Open a Saving Account more conveniently with Wing Bank. You can earn a high-interest rate plus many other benefits. Saving is more convenient either the customers do through the Wing Bank App or go to any Wing Bank Branches

INTERNATIONAL REMITTANCES

Wing2World is our international money transfer service catering to Cambodians locally and worldwide through inbound and outbound services. Customers residing outside of Cambodia can send money home using any of Wing Bank’s international partners, present in more than 200 countries and territories. On the other end, receivers can cash out at any of Wing Cash Xpress Agents in Cambodia, or receive instant digital funds through their Wing Bank App.

Wing Bank customers in Cambodia can now send their money to any of Wing Bank’s partners abroad through the Wing Bank app or at any Wing Cash Xpress Agents.



ENTERPRISE LOAN

For companies that just need a little extra cash to add to their working capital and are worried about not having any collateral to support their application, Wing Bank has special unsecured dedicated business loans to support these enterprises, as well as secured business loans for companies with assets they can use as collateral.

The credit account gives customers the peace of mind that when unexpected circumstances arrive, the business will have a financial safety net to get the business through difficult times. To open the account, customers just need to visit the Wing Bank Head Office, Wing Bank Branches, or use the Wing Bank App.

MORTGAGE LOAN

With Wing Bank’s BrightHome Investment Loan, customers can renovate, redecorate, or buy a new house. The BrightHome loan allows customers to purchase their dream home without paying for it upfront and pay it back in affordable monthly payments. With Wing Bank, buying a home is easier than ever. Customers don’t need to spend decades saving up, they can buy their dream house now.

INSTANT LOAN

Apply for a loan with Wing Bank on the Wing Bank App with various types of loan products and instant approval. It is easy to get Quick Loan and Quick Cash Advance from Wing Bank. Customers don’t need to visit any physical branch. The customer can apply directly through the Wing Bank App and the loan will be credited instantly into their Wing Bank Account.

**OPERATIONAL
HIGHLIGHTS**

SME BILL PARTNER

2,777

WING CASH XPRESS AGENT

10,400+

NUMBER OF WAC
REGISTERED

3.1MN+

WINGPAY MERCHANT

80,000+

ENTERPRISE BUSINESS
BILL PARTNER

566



HUMAN RESOURCE MANAGEMENT & DEVELOPMENT

Wing Bank regards staff as its core asset, without which we cannot deliver the best quality of financial products and services to customers. We take great pride in building their experience, knowledge, and professional morals. As the business keeps growing, we continue to invest in the knowledge and expertise of our staff concerning our products, services, and marketplace trends. We consistently provide opportunities for staff to upgrade their knowledge, expertise, and standards.

In 2021, the pandemic affected everyone, and we consistently offered mechanisms to ensure that our employees could serve the community in a safe and efficient manner. Most of our employees are allowed to work from home. Employees are required to work in our offices follow strict health guidelines as advised by the World Health Organization and Cambodia's Ministry of Health, including taking regular Covid-19 rapid tests.

Each employee is required to submit contact tracing reports to remain in compliance with Covid-19 protocols. Wing Bank, in collaboration with the Ministry of Health, encourages its employees and their families to receive up to four doses of Covid-19 vaccines to protect our community.

In addition, all physical meetings and activities have been moved online. We created an online community for employees to keep updated on government announcements, colleagues' health statuses, and Wing's latest directives.



During our first year of operation, after receiving our commercial license, Wing Bank employed 1,077 staff to serve communities facing financial challenges amid the global pandemic. Wing Bank invested over 23,065 hours to build the capacity of our new and tenured staff. All training was performed online to maintain a safe environment. The company also invested in LinkedIn Learning programs that any employee could access to develop their skills. To date, more than 300 courses have been completed by Wing Bank employees.

Each year, we offer internships to students from higher education institutions, giving them the opportunity to gain valuable hands-on experience in several departments. We are extremely proud to report that most of our former interns now work for Wing Bank, indicating not only their satisfaction with their work environment but also their belief in our vision.

We believe that “team spirit” is vital in Wing Bank offices. To foster that spirit, we create encourage employees to share their ideas, get involved in new initiatives, and communicate with senior management. We regularly hold town hall meetings and participate in community events to help sustain morale and strengthen communication. Most of these events have been conducted virtually to avoid the spread of Covid-19. One of our main goals is to help employees grow and succeed together. This is in line with our motto: “We Develop, We Care, We Reward, We Impact”.

Our commitment to helping those in need led us to win the American Chamber of Commerce CSR (Corporate Social Responsibility) Excellence Award in 2021. While awards are never our goal, it is always great to be recognized for our commitment to the community.

BOARD OF DIRECTORS



Neak Oknha Kith Meng, Chairman

He has been the Chairman of WING Bank (Cambodia) PLC since 2014.

He oversees and manages Cambodia's largest conglomerate with an interest in Telecom, Banking, Insurance, Finance, Media, Property, Tourism, Limestone, Mining, Petrochemicals and Agriculture.

In 2011, he acquired Wing (Cambodia) Limited to transform the way Cambodians send and receive money, using mobile phones in a convenient, secure and instant manner—thereby helping improve the quality of their lives.

With over three decades of experience, he leads Wing to be one of the leading mobile financial service providers in Cambodia for the unbanked and under-banked population enabling them to participate in the country's economic activities.

In 2014, his genius effort led to the recognition of Wing from the National Bank of Cambodia as a specialize bank using modern financial technology to close the gap in financial inclusion in Cambodia. On 31 December 2020, Wing (Cambodia) Limited Specialised Bank was awarded a commercial banking license from the National Bank of Cambodia to operate as a commercial bank under the name "Wing Bank (Cambodia) Plc".

He is very keen on contributing towards the development and growth of Cambodia's economy, by creating business propositions tailored to fulfil the daily basic needs of citizens.

Since 2006, he has been the Chairman of Asean Business Advisory Council. Also, he has been elected as the President of Cambodia's Chamber of Commerce, giving him a very prominent role in driving the foreign investors into Cambodia and contributing to the regional economic growth.

He holds B.S. Economics & Political Science from Australian National University.

Rami Bahir Asa'd Sharaf, Director

He assumes his role as Non-Executive Director of the Board of Wing Bank in 2021.

He has extensive business and strategic experience in conglomerate companies for over 30 years in challenging markets. That includes working in the executive positions at NovoNordisk in Pakistan & Afghanistan in 1994 prior to embarking on his career in Cambodia as a CEO at the RMA Group of Companies Cambodia in 2009 and pursuing his journey as a CEO at WorldBridge Group of Companies in 2015.

He joined the Royal Group of Companies in 2016 as a Senior Vice President. He is also a skilled corporate ambassador playing a leading role in a variety of business associations.

He has attended a number of executive management courses throughout his career. He holds a bachelor's degree in Arts, majoring in Business from Annajah National University in Palestine in 1991.



Su Tieng Teck, Director

He holds the position of Non-Executive Director of the Board of Wing Bank in 2021.

He has brought with him more than 30 years of experience in general insurance and held CEO positions in two renowned general insurance companies in Malaysia prior to embarking on his insurance career in Cambodia in 2020.

Currently, he is a board member of Cambodia Life Micro Insurance, and Chief Executive Officer of Infinity General Insurance Plc – Cambodia since 2020.

He holds a master's degree in Business Administration in UK in 1999.

Taing Havdy, Independent Director

He is on the Board of Wing Bank as an Independent Director since 2020.

He provides his expertise to Wing Bank by drawing on his extensive experience in financial reporting, corporate governance, risk management, strategy, and related areas. He has an impressive and thorough working experience in the financial services sector. He has spent more than 15 years in the auditing field and microfinance sector. He has been a part of Wing since November 12, 2020.

As well to being on the board of Wing Bank, he is also the CEO of Techzone Plus Co., Ltd.

He holds a bachelor's degree in Business Administration majoring in Accounting from the National University of Management (NUM) in 2006, and Certified Accountant Technician Certification – CAT (2008) and ACCA Qualification (2017) from Association of Chartered Certified Accountants.

Vong Sokhal, Independent Director

He assumed the role as an Independent Director of the Board of Wing Bank in 2021.

In taking this role, he has brought with him his skills and experience in the Cambodian banking and finance sector, which he has developed over a 23-year period. He is recognized as an inspirational leader in his field, creating much value for various financial organizations as a member of the executive leadership team. His past achievements have included leadership responsibility for organization-wide strategic planning and implementation and ensuring the right teams were selected for the day-to-day running of banking operations.

He has also been in the leadership role of various companies such as VTrust Appraisal, SHG Finance, the Zillennium Group, and Dai Ichi Life Insurance

He obtained a full scholarship from the French Government to complete his master's degree in Business Administration in April 1999, at the Asian Institute of Technology, in Thailand.



MANAGEMENT TEAM





HAN PENG KWANG
CHIEF EXECUTIVE OFFICER

Han Peng Kwang is the Chief Executive Officer of Wing Bank (Cambodia) Plc.

He graduated with a bachelor's degree in Economics (Honors) from the Universiti Utara Malaysia in 1995. He is a Chartered Banker and a Certified Credit Professional of the Asian Institute of Chartered Bankers (AICB). He is also a Certified ScrumMaster (CSM) and a Certified Scrum Product Owner (CSPO) with over 25 years of commercial banking experience.

Han started his banking career in 1995 at Public Bank Berhad, one of the largest commercial banks in Malaysia as a Graduate Trainee. Having worked in the bank for 15 years, he is experienced in a wide range of banking services such as frontline operations, sales and marketing, credit processing, loan securities and documentations, credit review, credit control, trade financing and others. His last role in the bank was as a Branch Manager of one of the Cambodian Public Bank branches in Phnom Penh.

Han established HwangDBS Commercial Bank Plc (now known as Phillip Bank Plc) in 2009 as the General Manager and was responsible for overseeing the entire operations of the Bank. He remained as the General Manager of Phillip Bank Plc after the change in ownership in 2014, and thereafter joined Wing Bank (Cambodia) Plc as the Chief Executive Officer in June 2021.

Han is a passionate believer in the transformative power of digital finance technologies, and their ability to meet customer needs in a cheaper, faster and more efficient way. Han's key strategy for success is a relentless pursuit of great customer experiences, a core mission of Wing Bank.



LOK CHUMTEAV CHAMNAN MAO
CHIEF OPERATING OFFICER

Chamnan Mao is the Chief Operating Officer of Wing Bank.

As Chief Operating Officer, she works closely with the CEO to carry out the planning, organisation and management of all Wing's activities. She ensures that operations are carried out efficiently, and in the best interests of the public and the company's stakeholders, a wide pool that includes customers, employees, shareholders, and the board of directors.

Chamnan started her Wing career in 2016. She has since driven Wing Bank to new heights, helping the company gain wide recognition in the process. For example, during her first three years, Wing was repeatedly honoured as a "Sustainable Social Enterprise" at the annual ASEAN Business Awards (ABA).

Chamnan is also a passionate advocate for gender diversity in the workplace and has done much to build a corporate culture of equality and respect.



BUNTHE HOR
DEPUTY CHIEF EXECUTIVE OFFICER

Bunthe Hor is the Deputy Chief Executive Officer of Wing Bank (Cambodia) Plc. He joined us in 2009 as a financial analyst and be promoted in various roles including finance director and ultimately as a Deputy Chief Executive Officer in 2019.

In his role, he works closely with the CEO and the senior management team, developing and refining Wing Bank strategies. He works closely with the commercial teams to achieve Wing's revenue targets and is responsible for ensuring overall business growth. In addition, he is also responsible for identifying new business opportunities, and for managing the support functions needed to deliver Wing's full suite of financial services to customers.

Bunthe has brought with him more than 10 years of experience in financial management in industries such as banking, investment, mobile payments, and import/export.

He graduated in 2006 with a bachelor's degree in accounting from the Royal University of Law and Economics and in 2018 earned his master's in business administration in management.

He received his ACCA Qualification in 2011.



SOVITHYA SOTHY
CHIEF BUSINESS DEVELOPMENT OFFICER

Sovithya Sothy is our Chief Business Development Officer. He was promoted to the post in 2021.

He first joined Wing in 2014 as an Internal Audit Director to help Wing to prepare itself to become a specialized bank. He was later successively promoted as SME Business Director in 2016, International Money Transfer Business Director in 2017 and Financial Institutions Business Director in 2019, helping the Bank to establish and consolidate these new departments.

He was promoted to be Chief Business Development Officer of Wing Bank (Cambodia) Plc. in 2021, in charge of Lending and Deposit departments, as well as the Branches. He was responsible for their daily operations and transactions, as well as their longer-term strategy. Thanks to his extensive experience in the financial sector - particularly in mobile banking - he helped us preparing the transition from a specialized bank to a commercial bank. Indeed, he had contributed in developing and/or implementing new lending and deposit products as well as processes for these new departments, including the design of the new branches, thus enabling a swift growth of loan and deposit portfolios for the Bank later on.

Before he joined Wing, Sovithya Sothy worked for PwC France and led the financial audits of several major banks. He later became a Senior Internal Auditor at GE Capital, before moving to Cambodia in 2013 to become Chief Audit Officer of Sokimex Group, a local conglomerate.

Sovithya Sothy graduated with a master's degree from ESCP in France, majoring in both finance and auditing.



RAJEEV CHINTHAKA MUNASINGHE
CHIEF TECHNOLOGY OFFICER

Rajeev Munasinghe is the Chief Technology Officer of Wing Bank (Cambodia) PLC.

Rajeev Munasinghe holds more than 24 years of experience in the technology domain, having started his carrier as a software engineer in 1998 with a British Enterprise Resource Planning (ERP) company. Along the way, he has covered many aspects of IT by supporting companies in Malaysia, Indonesia, and Singapore, mostly in the manufacturing domain.

His shift into the financial sector started with Standard Chartered Bank UAE, where he worked across the MESA region, after which he began working for finance companies and banks in Sri Lanka. In total, he gained over 15 years of experience in the Banking and Finance domain covering several core banking system implementations by working as a VP/CIO.

Rajeev holds a reputation for successfully introducing first to the market Banking products and digital innovations - and was awarded for his efforts during the BCS annual awards.

He holds an MSc in IT from Keele University, and an MBA from Bedfordshire University, both in the UK. He obtained his basic IT education with a Full-time Diploma from the National Institute of Business Management in Sri Lanka.



VANNARA THET
PAYMENT AND CARD DIRECTOR

Vannara Thet is currently the Payment and Card Director in Wing Bank (Cambodia) PLC.

Vannara brings over 24 years of card business experience to Wing Bank, obtained across several banks in Cambodia, including MekongBank, Cambodian Public Bank, Sathapana Bank and Public Bank Vietnam in Vietnam. Vannara also has substantial expertise in card issuance and merchant acquisition, having served as the Head of Card Centre at several banks over his career.

He graduated from the Royal University of Phnom Penh, and the Center for Banking Studies (which is powered by the National Bank of Cambodia), with a diploma in French Language Education, and an Associate Degree in Banking.

Aside from being an Asian Development Bank (ADB) Certified "Enhancing Banking Skills Training Program" Graduate, a program provided by Barents Group LLC, Washington D.C. (U.S.A), Vannara also holds several certificates awarded by the business schools of International Card Schemes such as Visa and Mastercard.



DARA CHIV
FINANCE DIRECTOR

Dara joined Wing Bank in July 2021 as our Finance Director.

He has brought in a diverse set of professional banking experiences across operations, finance, FX & treasury, assets & liabilities management (ALM), budget, Cambodian International Financial Reporting Standards (CIFRS), as well tax areas. This expertise was obtained over more than 17 years working primarily with the largest banks in Cambodia.

In his role, he is responsible for overseeing the bank's financial affairs, taxes, treasury, ALM, CIFRS project and core banking project.

He received his ACCA Qualification in 2013.



MUHAMMAD SANJID HOSSAIN
BRAND & DIGITAL MARKETING DIRECTOR

Hossain joined Wing Bank in November 2021, as the Brand & Digital Marketing Director. In this role, he designs and drives the branding and marketing for the bank's financial products and services.

Hossain has a proven background in branding and communications, obtained across high-profile conglomerates and brands over the past 14 years, including ADA, Robi Axiata, Dhaka Bank Limited and several more. He has substantial experience across the Telecommunications and Financial sectors, with an emphasis on digital and social media marketing, branding and communications, customer engagement, and product development. He had played key strategic roles to build multiple digital ventures across Southeast Asia and South Asia.

He has a lean & growth-driven mindset, international leadership traits, and a desire to promote a liberal and engaging culture for his teams and partners.

Hossain holds a bachelor's degree in Science, Information and Communications Engineering, and a master's degree in Business Administration.



DARAVUTH DOEUK
CREDIT AND RISK DIRECTOR

Daravuth is the Credit and Risk Director of Wing Commercial Bank, where he works towards a vision creating fast and efficient credit-granting process for all customers. To do this, he uses data-driven decision making, and analysis of client behaviour to facilitate faster loan approvals. His experience includes designing loan approval and disbursement models, credit decisioning models, and instant-loan approval systems - he launched first instant loan model in Cambodia successfully from his first year on Credit Management.

He is the Chairman of the Credit Committee, a member of the Executive Committee, and is responsible for Credit Management, Recovery & Monitoring, Risk Management, Credit Admin, Credit Quality Control and Credit Training.

Daravuth initially joined Wing in 2014 as Risk and Compliance Director, working diligently to develop the regulatory framework for the Bank. He earned his ACCA Qualification in 2012.



HENG SREYPOCH
COMPLIANCE DIRECTOR

Heng Sreypoch is the Wing Bank Compliance Director.

Sreypoch joined Wing Bank in 2021 during its long-awaited conversion to a commercial bank. Before her recent role with Wing Bank, she worked with several commercial banks during merge and acquisition operations, and in commercial bank transformation for more than a decade as Head of Compliance.

An experienced expert in financial regulatory affairs, Miss Sreypoch obtained her regulatory compliance certification for Cambodia, as well as several certifications from banks in Taiwan and Thailand focused on internal controls - including risk management, audit, compliance, and strategic planning.

CORPORATE SOCIAL RESPONSIBILITIES

As part of our continuous commitment to contribute to the development of local communities, Wing Bank implemented its own CSR program. The program focuses on improving financial literacy, supporting young entrepreneurs, and participating in sustainable development projects related to community development, education, and gender diversity.

Wing Bank has partnered with employees and other stakeholders to work on an array of social responsibility activities. Below are a few examples of these activities in 2021:

Providing food relief to 111 Siem Reap families

Wing Bank, the bank for every Cambodian, partnered with Heartprint, an Australian charity organization, to donate food to vulnerable families in Siem Reap province. In total, 111 families benefited from the program. As part of the collaboration, Wing Bank donated supplies including rice, food staples, and hygiene products.

Share Your Love, Donate Blood

As the world was celebrating Valentine's Day, Wing Bank organized a blood donation campaign among its employees from Wing Bank, Wingmall, and Wing Money under the theme "Share Your Love, Donate Blood". The blood donation took place at Wing Bank's head office in Phnom Penh following Prime Minister Hun Sen's advice concerning the "Three Do's and Three Don'ts", as well as Ministry of Health guidelines to help contain the pandemic.



Donation of \$100,000 to Phnom Penh City Hall

Chairman of Wing Bank & CEO of Royal Group of Companies Neak Oknha Kith Meng, his family, and Chief Operating Officer of Royal Group of Companies Lok Chumteav Mao Chamnan donated \$50,000 to Phnom Penh City Hall on behalf of Wing Bank. The handover event was attended by Phnom Penh Governor H.E. Khuong Sreng and Wing Bank's senior management. The donation was made to support families in locked-down areas of Phnom Penh during Covid-19.

Providing free KFC meals to TYDA

In a small gesture to express his gratitude, Neak Oknha Kith Meng arranged for WingMall to deliver hearty KFC meals for free to the courageous Techo Voluntary Youth Doctor Association (TYDA) volunteers. WingMall's delivery team picked up the food from various KFC outlets in Phnom Penh and delivered them to TYDA volunteers in time for their Sunday afternoon snack. A short handover ceremony was held at TYDA's office in Phnom Penh's Tuol Kork district before WingMall personnel distributed the meals to volunteers, doctors, and nurses across the city.

Fundraising for Kantha Bopha Hospital

Wing Bank (Cambodia) Plc and Cambodia Kantha Bopha Foundation partnered to raise funds for one of the Kingdom's most charitable children's hospitals. As part of the initiative, Wing Bank raised money through its website, social media, the Wing Bank App, and all Wing Cash Xpress kiosks. Wing Bank users donated riels to account number 5559 and dollars to account number 5558. Alternatively, they visited Wing Cash Xpress agents across the Kingdom to transfer funds. Wing Bank ensured that 100 percent of the proceeds reached the hospital and waived all service fees for donations.



Establishing Wing Cash Xpress Community Fund

Wing Bank agents established the Wing Cash Xpress Community fund in August 2021 to raise funds for local causes. Wing Cash Xpress agents nationwide raised approximately \$45,000 to support the Cambodia Kantha Bopha Foundation and Kantha Bopha hospitals. The hospitals have provided free medical care to financially vulnerable Cambodian children for nearly 30 years.

Fundraising for Angkor Hospital for Children.

Wing Bank, Cellcard, Royal Group, Wing Cash Xpress agents, customers, and partners - raised funds for the Angkor Hospital for Children (AHC), which had faced financial hardships during the pandemic. Chairman and CEO of Royal Group of Companies (RGC) Neak Oknha Kith Meng and his operating companies, including Wing Bank and Cellcard, used their resources to promote the annual Bon Pkar Brak Moha Samaki and raise funds for the AHC. It was the second time that Wing Bank participated in the celebrations.

Supporting “Digital SMEs Accelerator Program”

Wing Bank supported the “Digital SMEs Accelerator Program” organized by the Ministry of Economy and Finance and the Techo Startup Center. The program aims to provide opportunities for young startups to turn their ideas and innovations into a reality. It also seeks to improve digital startup ecosystems for SMEs to develop and grow, especially during the pandemic. Startups play an integral role in the community by creating jobs, solving societal issues, and growing the economy.

Supports “Tree Planting and Clean City”

To raise public awareness about the environment and encourage youth to participate in protecting natural resources, Wing Bank supported “Tree Planting and Clean City”. The initiative was created by Kampot’s environmental department in Bokor city. Trees increase oxygen levels in the air, prevent land erosion, and support wildlife. Planting trees safeguards a priceless resource for future generations.

Cambodia Entrepreneurship Day 2021

Wing Bank supported a national business program organized by the Ministry of Education, Youth and Sport and the International Labour Organization. One of the program’s main goals was to encourage young people to become entrepreneurs. By offering convenient access to financial services to every Cambodian, Wing Bank contributes to the sustainable development of the entrepreneur ecosystem in Cambodia. Over the years, Wing Bank participated in this program and many other entrepreneurship programs.

Facilitating Covid-19 Vaccination among the employees.

To contain our community from the spread of Covid-19, Wing Bank, in collaboration with the Ministry of Health, set up a venue and facilitated the Covid vaccination among its employees and their families. Many of them received up to four doses of Covid-19 vaccines to protect our community. Approximately, 95.64% of all employees has been vaccinated, except those having health problems, and pregnant women.





Kantha Bopha Hospital Support

Wing Bank joined Prudential Cambodia’s initiative “Run/Walk with Prudential”. Under this initiative, 1000 riel (\$0.25) was donated to Kantha Bopha Hospital for every kilometer ran or walked by participants from 1-31 October 2021. Wing Bank was honored to partner with Prudential for this initiative. In total \$13,000 was raised and donated to the hospital to support the free treatment of children in Cambodia.

Donation of 60 Million Riel to the Ministry of Labour and Vocational Training

Wing Bank’s senior management presented a donation of 60 million riel from Chairman of Wing Bank & CEO of Royal Group of Companies Neak Oknha Kith Meng, his family, and Chief Operating Officer of Royal Group of Companies Lok Chumteav Mao Chamnan to the Ministry of Labour and Vocational Training in Phnom Penh. The handover event was attended by Secretary of State at the Ministry of Labour and Vocational Training H.E. Heng Sour and Wing Bank representatives.

\$50,000 Donated to TYDA

Neak Oknha Kith Meng and Lok Chumteav Mao Chamnan donated \$50,000 to the Samdech Techo Voluntary Youth Doctor Association (TYDA). The donation supported the generous activities of the association, which provides free medical checks and treatment to the poor community.

Supporting Local Handmade Products from Siem Reap

The Made in Siem Reap Fair, organized with the support of Cellcard and Wing Bank, is the first temporary exhibition in Phnom Penh that showcases the best products and ideas Siem Reap has to offer. The event provided an opportunity for the public to meet designers and entrepreneurs offering handmade, creative, and high-quality products in many different fields including fashion, cosmetics, jewelry, furniture, and local delicacies.

National Career and Productivity Fair 2021

Wing Bank participated in the online National Career and Productivity Fair 2021 prepared by the Ministry of Labour and Vocational Training’s National Employment Agency (NEA). The online job fair was designed to provide flexible options for job seekers while complying with health guidelines to prevent the spread of Covid-19. The fair offered guidance and support for young people and job seekers. Participants were linked with companies remotely and encouraged to apply and interview online.



CORPORATE GOVERNANCE

Internal Control

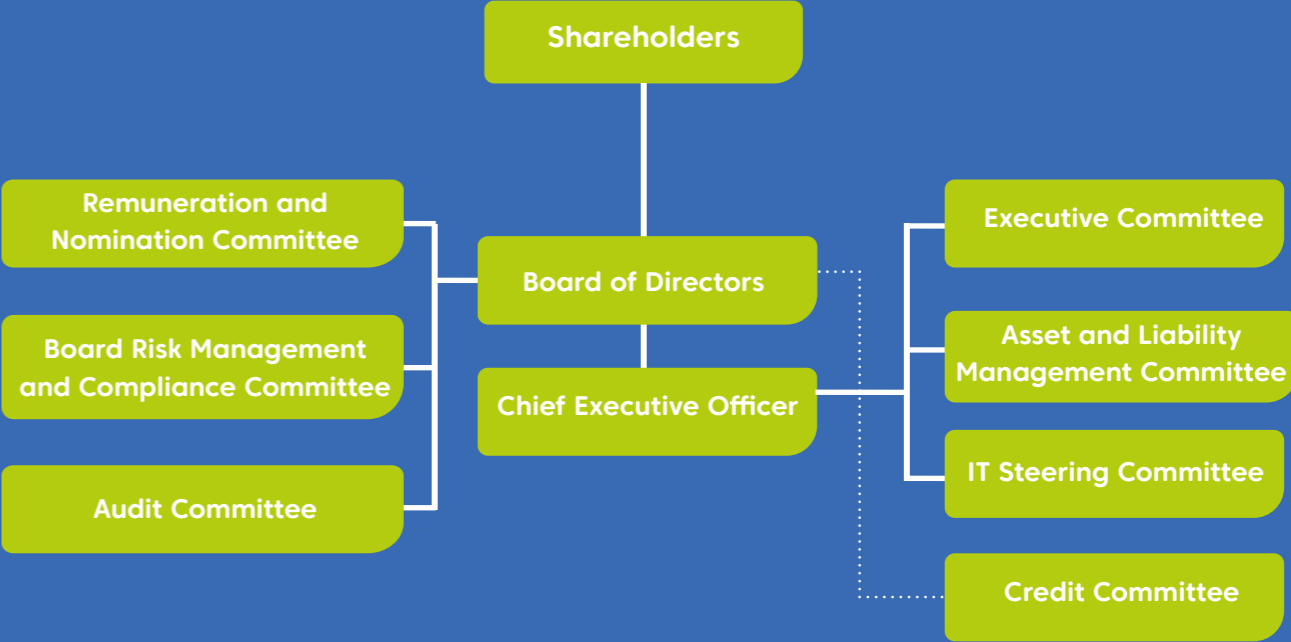
The Board of Wing Bank is responsible for the effectiveness of Wing Bank’s internal controls system. The Board ensures that the system manages Wing Bank’s key areas of risk within an acceptable level of risk. This increases the likelihood that Wing Bank’s mission, vision, and business objectives will be achieved. The Board continually reviews the system of internal controls to ensure it provides a reasonable assurance against any material misstatement of management and financial information and records or any financial losses or fraud.

The Board maintained its ideal size of five members, including two Independent Non-Executive Directors and three Executive Directors. The Board has established an ongoing process for identifying, evaluating, and managing the significant risks faced by Wing Bank and this process includes enhancing the system of internal controls as and when there are changes to the business environment or regulatory guidelines.

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

The Board is responsible for ensuring that the current system of internal controls in place is adept and effective to safeguard the shareholders’ investment, the interests of stakeholders, customers, regulators, employees, and Wing Bank’s assets. Wing Bank believes that good corporate governance practices will enable the bank to be more transparent and accountable as well as bring value creation to all its stakeholders.

Corporate Governance Framework



Audit Committee

The committee is established by and among the board of directors for primary purpose of assisting the board in:

- Overseeing the integrity of the Bank’s financial statements and the Bank’s accounting and financial reporting processes and financial statement audits.
- Overseeing the Bank’s compliance with legal and regulatory requirements.
- Overseeing the registered public accounting firm’s (independent auditor’s) qualifications and independence.
- Overseeing the performance of the Bank’s independent auditor and internal audit function.
- Overseeing the Bank’s systems of disclosure controls and procedures, internal controls over financial reporting, and compliance with ethical standards adopted by the Bank

Board Risk Management and Compliance Committee

This committee is established by and among Board of Director to manage and control the risk and compliance matters in the Bank that requires the involvement from Board of Directors/ Board Committees to the lowest level of management. To closely monitor, control, manage, and identify the risks and non-compliance matter timely and regularly, this committee perform the following tasks:

- Ensure strategies conform to the Bank’s risk appetite and levels of exposure as determined and approved by the Board of Directors.
- Reviewing and monitoring the bank-wide risk management policies and systems for the Bank, encompassing Operations, Market and Liquidity and Credit risks respectively;
- Represents the focal point for the formulation and review of all the Bank’s risk management infrastructure
- Monitors and reviews the risk dashboard analytics of the Bank on a pro-active basis; and
- Supervise compliance with local regulation
- With this set of responsibilities, BRMCC is mainstreamed into the Bank’s overall planning and decision-making process. The Committee not only manages the institution’s risk; it also develops strategies that optimize the institution’s return.

Internal Audit Department

Internal Audit Department carries out periodic audits to assess the adequacy, effectiveness, and adherence to the system of internal controls and highlights significant findings in respect of any inadequacies or non-adherence. Audits are carried out on branches and Head Office departments, the frequency of which is determined by the level of risk assessed, to provide an independent and objective report on operational and management activities of these branches and Head Office departments. The annual audit plan and audit scope are reviewed and approved by Wing Bank’s Audit Committee. The audit findings are submitted to Wing Bank’s Audit Committee for review at its periodic meetings.

Compliance Department

The Compliance Department checks for compliance with applicable laws, regulations, best practice and internal policies and procedures. In addition, the Department also highlights significant findings of any non-compliance to the Wing Bank’s Risk Management Committee for review at its periodic meetings. The Department also acts as a coordinator with NBC and the Cambodia Financial Intelligence Unit (CAFIU).

Risk Management Department

Enterprise Risk Management is a process, affected by an entity’s Board of Directors, Management and other personnel, applied in strategy setting and across the enterprise designed to identify potential events that may affect the entity, and management risk to be within its risk appetite, to provide reasonable assurance regarding the achievement of entity objectives.

Composition of the Board of Directors

Name	Position/Type of Directorship
Neak Oknha Kith Meng	Chairman of the Board of Director
Rami Bashir Asa’d Sharaf	Director
Su Tieng Teck	Director
Taing Havdy	Independent Director
Vong Sokhal	Independent Director

Meeting

The Board of Directors schedule to meet once every three (3) months and when necessary. In 2021, the Board met 12 times; one time was conducted in person at Wing Bank Bank’s head office.

Responsibility of the Board of Directors and Board Committee

The BOD prescribes standard and establishes policies and guidelines on the management of key operations areas of the Bank.

The BOD must regularly oversight the bank’s business operations and performance and ensures that the infrastructure, internal controls, and risk management process are effectively in place to access and manage key business risks including operational, credit, market, liquidity, and reputational risks.

The BOD carries out the various functions and responsibilities laid down according to the guidelines and directive that are issued by the regulators(s) from time to time.

Board Committee

There are three committees at Board level: Audit Committee, Board Risk Management and Compliance Committee, Remuneration and Nomination Committee.

Executive Management Committee

There are 3 Executive Management Committee: Asset and Liability Management Committee (ALCO), Credit Committee (CC), IT Steering Committee (ITSC) and Executive Committee.

ORGANIZATIONAL CHART

WING BANK (CAMBODIA) PLC.



WING BANK (CAMBODIA) PLC
(formerly known as
“WING (CAMBODIA) LIMITED SPECIALISED BANK”)
Financial Statements
for the year ended 31 December 2021 and
Report of the Independent Auditors

Report of Board of Directors

Bank WING Bank (Cambodia) Plc

(formerly known as “WING (Cambodia) Limited Specialised Bank”)

Registration No.

00005108

Registered office

#721, Preah Monivong Blvd, Sangkat Boeung Keng Kang Ti Bei, Khan Boeng Keng Kang, Phnom Penh, Kingdom of Cambodia

Shareholders

WING Holdings Pte Limited
Neak Oknha Kith Meng

Board of Directors

Neak Oknha Kith Meng
Mr. Su Tieng Teck
Mr. Ian Gordon Watson
Mr. Rami Bashir Asa’d Sharaf
Mr. Vong Sokhal
Mr. Taing Havdy

Chairman
Director (appointed on 20 July 2021)
Director (resigned on 15 July 2021)
Director
Independent director
Independent director

Management team

Mr. Han Peng Kwang
Mr. Manu Rajan
Mr. Hor Bunthe
Lok Chum Teav Mao Chamnan
Mr. Rajeev Chinthaka Munasinghe
Mr. Sovithya Sothy
Mr. Doeuk Daravuth
Ms. Heng Sreypoch
Mr. Thet Vannara
Mr. Chiv Dara
Ms. Chhith Vita
Mr. Oun Nora
Mr. Chea Chanraksmei

Chief Executive Officer (appointed on 1 June 2021)
Chief Executive Officer (resigned on 31 May 2021)
Deputy Chief Executive Officer
Chief Operating Officer
Chief Technology Officer
Chief Business Development Officer
Risk and Credit Director
Compliance Director
Payment and Card Director
Finance Director
Head of Internal Audit
Head of Human Resources Business
Head of Banking Operation

Auditors

KPMG Cambodia Ltd

Report of Board of Directors

The Board of Directors (“the Directors” or “the Board”) hereby submit their report together with the audited financial statements of Wing Bank (Cambodia) Plc (formerly known as “WING (Cambodia) Limited Specialised Bank”) (“the Bank”) for the year ended 31 December 2021.

Principal activities

The principal activities of the Bank are the undertaking of e-commerce trading, mobile payments, and provision of various types of banking and financial services in the Kingdom of Cambodia.

During the year, the Bank has requested to National Bank of Cambodia (“NBC”) to convert from Specialised Bank to Commercial Bank. The Memorandum and Articles of Incorporation has been updated to reflect this change from “WING (Cambodia) Limited Specialised Bank” to “WING Bank (Cambodia) Plc” and was endorsed by the Ministry of Commerce (“MOC”) on 5 August 2021. After this upgrade, the Bank has two new business lines which are providing loan to customers and obtaining deposit from customers.

Financial results

The financial results of the Bank were as follows:

	2021	2020	2021	2020
	US\$	US\$	KHR'000 (Note 5)	KHR'000 (Note 5)
Profit before income tax	16,224,802	13,914,465	66,002,495	56,729,274
Income tax expense	(3,540,988)	(3,268,177)	(14,404,739)	(13,324,358)
Net profit for the year	12,683,814	10,646,288	51,597,756	43,404,916

Dividends

No dividend was declared or paid and the Directors do not recommend any dividend to be paid for the year under audit.

Share capital

On 6 January 2021, the Bank obtained approval from National Bank of Cambodia (“NBC”) to operate as commercial bank and increase its share capital from US\$28,958,749 to US\$75,000,000. The share capital was increased by US\$35,400,000 and US\$10,641,251 through cash paid up and the conversion of retained earnings on 31 March 2021 and 31 May 2021, respectively. The Memorandum and Articles of Incorporation had been updated to reflect this change and was endorsed by the Ministry of Commerce (“MOC”) on 5 August 2021.

Report of Board of Directors

Reserves and provisions

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

Loans and advances

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

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

Assets

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

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

Valuation methods

At the date of this report, the Directors are not aware of any circumstances which have arisen which render adherence to the existing method of valuation of assets and liabilities in the financial statements of the Bank misleading or inappropriate.

Contingent and other liabilities

At the date of this report, there does not exist:

- (a) any charge on the assets of the Bank which has arisen since the end of the financial year which secures the liabilities of any other person, or
- (b) any contingent liability in respect of the Bank that has arisen since the end of the financial year other than in the ordinary course of banking business.

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

Report of Board of Directors (Continued)

Change of circumstances

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

Items of unusual nature

The results of the operations of the Bank for the financial year were not, in the opinion of the Directors, substantially affected by any item, transaction or event of a material and unusual nature except for:

COVID-19 and its impact on ECL

The ECL was estimated based on a range of forecast economic conditions as at reporting date. The Novel Coronavirus ("COVID-19") outbreak has spread across the globe (including Cambodia and beyond), causing disruption to business and economic activity. The impact on GDP and other key indicators will be considered when determining the severity and likelihood of downside economic scenarios that are used to estimate ECL. Management estimates have been determined based on possible forward-looking scenarios, considering the facts, circumstances and forecast of the future economic conditions and supportable information that is available as at the reporting date.

The calculation of the ECL in this current environment is subject to significant uncertainty. Management provides its best estimate on the possible outcomes of COVID-19 on the Bank; however, this estimate may move materially as events unfold. Consequently, this number should not be seen as firm guidance or a forecast as to the final financial impacts expected. In the event the impacts are more severe or prolonged than anticipated in the scenarios, this will have a corresponding impact on the ECL, the financial position and performance of the Bank.

Events since the reporting date

At the dates of this report, there have been no other significant events occurring after the reporting date which would require adjustments or disclosures other than those disclosed in the financial statements.

The Board of Directors

The members of the Board of Directors who served during the year and at the date of this report are:

Neak Oknha Kith Meng
Mr. Su Tieng Teck
Mr. Ian Gordon Watson
Mr. Rami Bashir Asa'd Sharaf
Mr. Vong Sokhal
Mr. Taing Havdy

Chairman
Director (appointed on 20 July 2021)
Director (resigned on 15 July 2021)
Director
Independence director
Independence director

Report of Board of Directors (Continued)

Directors' interests

Neak Oknha Kith Meng directly owned 20% of the total share of the Bank and 100% of the shareholding of WING Holdings Pte Limited, the Bank's parent company. None of other Directors held or dealt directly in the shares of the Bank during the financial year.

Directors' benefits

During and at the end of the financial year, no arrangements existed to which the Bank is a party with the objectives of enabling Directors of the Bank to acquire benefits by means of the acquisition of shares in or debentures of the Bank or any other body corporate.

During the financial year, no Director of the Bank has received or become entitled to receive any benefit (other than a benefit included in the aggregate amount of emoluments received or due and receivable by the Directors as disclosed in the financial statements) by reason of a contract made by the Bank or a related corporation with a firm of which the Director is a member, or with a Bank in which the Director has a substantial financial interest other than as disclosed in the financial statements.

Directors' responsibility in respect of the financial statements

The Board of Directors is responsible for ascertaining that the financial statements present fairly, in all material respects, the financial position of the Bank as at 31 December 2021, and its financial performance and its cash flows for the year then ended. In preparing these financial statements, the Board of Directors is required to:

- (i) adopt appropriate accounting policies which are supported by reasonable and prudent judgments and estimates and then apply them consistently;
- (ii) comply with Cambodian International Financial Reporting Standards ("CIFRSs") or, if there have been any departures in the interest of true and fair presentation, ensure that these have been appropriately disclosed, explained and quantified in the financial statements;
- (iii) oversee the Bank's financial reporting process and maintain adequate accounting records and an effective system of internal controls;
- (iv) assess the Bank's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intends to liquidate the Bank or to cease operations, or has no realistic alternative but to do so; and
- (v) control and direct effectively the Bank in all material decisions affecting the operations and performance and ascertain that such have been properly reflected in the financial statements.

The Board of Directors confirms that they have complied with the above requirements in preparing the financial statements.

Report of Board of Directors (Continued)

Approval of the financial statements

We hereby approve the accompanying financial statements together with the notes thereto as set out on pages 65 to 145 which, in our opinion, present fairly, in all material respects, the financial position of the Bank as at 31 December 2021, and its financial performance and its cash flows for the year then ended in accordance with CIFRSs.

Signed on behalf of the Board of Directors in accordance with a resolution of the Board,



Han Peng Kwang
Chief Executive Officer



Hor Bunthe
Deputy Chief Executive Officer

Phnom Penh, Kingdom of Cambodia
Date: 12 April 2022

Report of the Independent Auditors

To the shareholders of WING Bank (Cambodia) Plc (formerly known as “WING (Cambodia) Limited Specialised Bank”)

Opinion

We have audited the financial statements of WING Bank (Cambodia) Plc (formerly known as “WING (Cambodia) Limited Specialised Bank”) (“the Bank”), which comprise the statement of financial position as at 31 December 2021, the statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising significant accounting policies and other explanatory information as set out on pages 65 to 145 (hereafter referred to as “the financial statements”).

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

Basis for Opinion

We conducted our audit in accordance with Cambodian International Standards on Auditing (“CISAs”). Our responsibilities under those standards are further described in the Auditors’ Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Bank in accordance with the ethical requirements that are relevant to our audit of the financial statements in Cambodia, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter – Comparative Information

We draw attention to Note 33 to the financial statements which indicates that the comparative information presented as at 31 December 2020 and for the year then ended has been restated. Our opinion is not modified in respect of this matter.

Other Information

Management is responsible for the other information. The other information obtained at the date of this auditors’ report is the information included in the Report of Board of Directors as set out on pages 58-62 and annual report, which is expected to be made available to us after that date. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed on the other information obtained prior to the date of this auditors’ report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

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

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

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

Report of the Independent Auditors (Continued)

To the shareholders of WING Bank (Cambodia) Plc (formerly known as “WING (Cambodia) Limited Specialised Bank”)

Auditors’ Responsibilities for the Audit of the Financial Statements

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

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

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

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

For KPMG Cambodia Ltd

Lim Chew Teng
Partner



Phnom Penh, Kingdom of Cambodia
Date: 12 April 2022

Statement of financial position as at 31 December 2021

		31 December		31 December			
		2021	2020	2021	2020	1 January 2020	
	Note	US\$	US\$	KHR'000 (Note 5)	KHR'000 (Note 5)	US\$	KHR'000 (Note 5)
			Restated	Restated		Restated	
ASSETS							
Cash and bankbalances, net	6	182,274,494	177,752,697	742,586,289	719,009,660	132,435,556	539,674,891
Statutory deposits	7	13,472,754	1,447,937	54,888,000	5,856,905	750,000	3,056,250
Loans and advance to customers, net	8	61,542,515	-	250,724,206	-	-	-
Debt investment, net	9	1,992,321	-	8,116,716	-	-	-
Other assets	10	13,201,307	8,312,954	53,782,125	33,625,897	9,445,914	38,492,099
Intangible assets	11	2,598,857	924,664	10,587,743	3,740,266	902,058	3,675,886
Property and equipment	12	5,175,072	3,930,935	21,083,243	15,900,632	3,412,958	13,907,804
Right-of-use assets	13	6,196,508	188,525	25,244,574	762,584	471,310	1,920,588
Deferred tax assets, net	14B	789,301	666,644	3,215,612	2,696,575	742,930	3,027,440
TOTAL ASSETS		287,243,129	193,224,356	1,170,228,508	781,592,519	148,160,726	603,754,958

Statement of financial position (continued)
as at 31 December 2021

		31 December		31 December			
		2021	2020	2021	2020	1 January 2020	
Note	US\$	US\$	KHR'000 (Note 5)	KHR'000 (Note 5)	US\$	KHR'000 (Note 5)	
		Restated		Restated		Restated	
LIABILITIES AND EQUITY							
Liabilities							
Deposits from customers	15	54,264,108	-	221,071,976	-	-	-
Payable and other liabilities	16	10,877,012	6,788,463	44,312,947	27,459,332	6,476,366	26,391,191
Wallet liabilities	6	123,737,992	143,248,457	504,108,579	579,440,009	109,707,292	447,057,215
Lease liabilities	17	6,307,212	256,517	25,695,582	1,037,611	562,854	2,293,630
Provision for employee benefits	18	365,995	223,243	1,491,064	903,018	238,136	970,404
Current income tax liabilities	14A	3,737,215	2,837,895	15,225,414	11,479,285	1,952,585	7,956,784
		199,289,534	153,354,575	811,905,562	620,319,255	118,937,233	484,669,224
Equity							
Share capital	19	75,000,000	28,958,749	304,205,629	116,909,820	15,000,000	60,000,000
Regulatory reserves	20	1,680,126	128,015	6,826,563	512,575	264,744	1,070,019
Retained earnings		11,273,469	10,783,017	45,592,267	43,597,108	13,958,749	56,544,568
Currency translation reserves		-	-	1,698,487	253,761	-	1,471,147
		87,953,595	39,869,781	358,322,946	161,273,264	29,223,493	119,085,734
		287,243,129	193,224,356	1,170,228,508	781,592,519	148,160,726	603,754,958

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

Statement of profit or loss and other comprehensive income
for the year ended 31 December 2021

	Note	2021	2020	2021	2020
		US\$	US\$	KHR'000 (Note 5)	KHR'000 (Note 5)
		<i>Restated</i>		<i>Restated</i>	
Fee and commission income	21	48,364,150	38,658,420	196,745,362	157,610,378
Fee and commission expenses	21	(6,023,416)	(4,459,301)	(24,503,256)	(18,180,570)
Net fee and commission income	21	42,340,734	34,199,119	172,242,106	139,429,808
Interest income	22	3,874,779	2,209,895	15,762,601	9,009,742
Interest expense	22	(176,335)	(33,663)	(717,331)	(137,244)
Net interest income	22	3,698,444	2,176,232	15,045,270	8,872,498
Net impairment losses on financial instruments	23	1,042,613	(179,806)	4,241,350	(733,069)
Total operating profit		47,081,791	36,195,545	191,528,726	147,569,237
Other income	24	860,842	263,653	3,501,905	1,074,913
Personnel expenses	25	(15,127,089)	(9,370,509)	(61,536,998)	(38,203,565)
Depreciation and amortisation	26	(2,494,048)	(2,194,594)	(10,145,787)	(8,947,360)
General and administrative expenses	27	(14,096,694)	(10,979,630)	(57,345,351)	(44,763,951)
Profit before income tax		16,224,802	13,914,465	66,002,495	56,729,274
Income tax expense	14C	(3,540,988)	(3,268,177)	(14,404,739)	(13,324,358)
Net profit for the year		12,683,814	10,646,288	51,597,756	43,404,916
Other comprehensive income/(loss)					
Currency translation difference		-	-	1,444,726	(1,217,386)
Total comprehensive income for the year		12,683,814	10,646,288	53,042,482	42,187,530

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

**Statement of changes in equity
for the year ended 31 December 2021**

	Share capital		Regulatory reserves	
	US\$	KHR'000 (Note 5)	US\$	KHR'000 (Note 5)
2020				
At 1 January 2020	15,000,000	60,000,000	264,744	1,070,019
Transactions recognised directly in equity				
Conversion of the retained earnings to share capital (Note 19)	13,958,749	56,909,820	-	-
Transfers from regulatory reserves to retained earnings	-	-	(136,729)	(557,444)
	13,958,749	56,909,820	(136,729)	(557,444)
Total comprehensive income				
Net profit for the year	-	-	-	-
Currency translation difference	-	-	-	-
	-	-	-	-
At 31 December 2020	28,958,749	116,909,820	128,015	512,575

2021

At 1 January 2020	28,958,749	116,909,820	128,015	512,575
Transactions recognised directly in equity				
Issuance of share capital	35,400,000	144,007,200	-	-
Conversion of the retained earnings to share capital (Note 19)	10,641,251	43,288,609	-	-
Transfers from regulatory reserves to retained earnings	-	-	1,552,111	6,313,988
	46,041,251	187,295,809	1,552,111	6,313,988
Total comprehensive income				
Net profit for the year	-	-	-	-
Currency translation difference	-	-	-	-
	-	-	-	-
At 31 December 2020	75,000,000	304,205,629	1,680,126	6,826,563

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

**Statement of changes in equity
for the year ended 31 December 2021**

	Retained earnings		Currency translation reserves		Total	
	US\$	KHR'000 (Note 5)	US\$	KHR'000 (Note 5)	US\$	KHR'000 (Note 5)
2020						
At 1 January 2020	13,958,749	56,544,568	-	1,471,147	29,223,493	119,085,734
Transactions recognised directly in equity						
Conversion of the retained earnings to share capital (Note 19)	(13,958,749)	(56,909,820)	-	-	-	-
Transfers from regulatory reserves to retained earnings	136,729	557,444	-	-	-	-
	(13,822,020)	(56,352,376)	-	-	-	-
Total comprehensive income						
Net profit for the year	10,646,288	43,404,916	-	-	10,646,288	43,404,916
Currency translation difference	-	-	-	(1,217,386)	-	(1,217,386)
	10,646,288	43,404,916	-	(1,217,386)	10,646,288	42,187,530
At 31 December 2020	10,783,017	43,597,108	-	253,761	39,869,781	161,273,264
2021						
At 1 January 2020	10,783,017	43,597,108	-	253,761	39,869,781	161,273,264
Transactions recognised directly in equity						
Issuance of share capital	-	-	-	-	35,400,000	144,007,200
Conversion of the retained earnings to share capital (Note 19)	(10,641,251)	(43,288,609)	-	-	-	-
Transfers from regulatory reserves to retained earnings	(1,552,111)	(6,313,988)	-	-	-	-
	(12,193,362)	(49,602,597)	-	-	35,400,000	144,007,200
Total comprehensive income						
Net profit for the year	12,683,814	51,597,756	-	-	12,683,814	51,597,756
Currency translation difference	-	-	-	1,444,726	-	1,444,726
	12,683,814	51,597,756	-	1,444,726	12,683,814	53,042,482
At 31 December 2020	11,273,469	45,592,267	-	1,698,487	87,953,595	358,322,946

Statement of cash flows
for the year ended 31 December 2021

		2021	2020	2021	2020
	Note	US\$	US\$	KHR'000 (Note 5)	KHR'000 (Note 5)
			<i>Restated</i>		<i>Restated</i>
Cash flows from operating activities					
Net profit for the year		12,683,814	10,646,288	51,597,756	43,404,916
<i>Adjustments for:</i>					
Depreciation and amortisation	26	2,061,457	1,911,809	8,386,007	7,794,446
Depreciation of right-of-use assets	26	432,591	282,785	1,759,780	1,152,914
Net interest income	22	(3,698,444)	(2,176,232)	(15,045,270)	(8,872,498)
Provision for employee benefits	18	142,752	(14,893)	580,715	(60,719)
Income tax expense	14C	3,540,988	3,268,177	14,404,739	13,324,358
Net impairment losses on financial instruments		(1,042,613)	179,806	(4,241,350)	733,069
		14,120,545	14,097,740	57,442,377	57,476,486
<i>Changes in:</i>					
Reserve requirement		(5,972,754)	-	(24,297,163)	-
Loans and advances to customers		(61,673,961)	-	(250,889,673)	-
Other assets		(3,491,169)	1,112,523	(14,202,075)	4,535,756
Deposit from customers		54,213,800	-	220,541,738	-
Wallet liabilities		(19,510,465)	33,541,165	(79,368,572)	136,747,330
Payables and other liabilities		4,088,549	312,097	16,632,217	1,272,419
Cash (used in)/generated from operations		(18,225,455)	49,063,525	(74,141,151)	200,031,991
Income tax paid	14A	(2,650,316)	(2,306,581)	(10,781,485)	(9,403,931)
Interest paid		(13,573)	(33,663)	(55,215)	(137,244)
Interest received		2,916,913	1,725,583	11,866,002	7,035,202
Net cash (used in)/generated from operating activities		(17,972,431)	48,448,864	(73,111,849)	197,526,018

Statement of cash flows
for the year ended 31 December 2021

		2021	2020	2021	2020
	Note	US\$	US\$	KHR'000 (Note 5)	KHR'000 (Note 5)
			<i>Restated</i>		<i>Restated</i>
Cash flows from investing activities					
Acquisition of intangible assets	11	(2,125,830)	(402,826)	(8,647,876)	(1,642,322)
Acquisition of property and equipment	12	(2,853,957)	(2,049,566)	(11,609,897)	(8,356,081)
Purchase of debt investment		(2,000,000)	-	(8,136,000)	-
Placements of capital guarantee		(6,052,063)	(697,937)	(24,619,792)	(2,845,489)
Proceeds from term deposits with other banks		37,352,700	15,781,858	151,950,784	64,342,635
Placements of term deposits with other banks		(90,347,296)	(37,805,315)	(367,532,800)	(154,132,269)
Net cash used in investing activities		(66,026,446)	(25,173,786)	(268,595,581)	(102,633,526)
Cash flows from financing activities					
Payments of lease liabilities	17	(502,333)	(306,337)	(2,043,491)	(1,248,936)
Proceeds from share capital		35,400,000	-	144,007,200	-
Net cash generate from/(used in) financing activities		34,897,667	(306,337)	141,963,709	(1,248,936)
Net (decrease)/increase in cash and cash equivalents		(49,101,210)	22,968,741	(199,743,721)	93,643,556
Cash and cash equivalents at beginning of the year		140,244,196	117,275,455	567,287,772	477,897,479
Currency translation difference		-	-	3,772,474	(4,253,263)
Cash and cash equivalents at end of the year	6	91,142,986	140,244,196	371,316,525	567,287,772

Significant non-cash transaction from financing activities:

During the year, the significant non-cash transaction is as follows:

	2021	2020	2021	2020
	US\$	US\$	KHR'000 (Note 5)	KHR'000 (Note 5)
Conversion of the retained earnings to share capital	10,641,251	13,958,749	43,288,609	56,909,820

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

Notes to the financial statements

for the year ended 31 December 2021

These notes form an integral part of and should be read in conjunction with the accompanying financial statements.

1. Reporting entity

WING Bank (Cambodia) Plc (formerly known as “WING (Cambodia) Limited Specialised Bank”) (the “Bank”) was incorporated in the Kingdom of Cambodia on 18 August 2008 as a private limited company under the Registration No. 00005108. Prior to the conversion from Specialised Bank to Commercial Bank, the Specialised Bank was a wholly owned subsidiary of WING Holdings Pte Limited, a company incorporated in Singapore, which was ultimately owned by a private individual in the Kingdom of Cambodia who is also the Director of the Bank.

The registered office of the Bank is located at No. 721, Preah Monivong Blvd., Phum 9, Sangkat Boeung Keng Kang Ti Bei, Khan Boeng Keng Kang, Phnom Penh, the Kingdom of Cambodia.

The principal activities of the Bank are the undertaking of e-commerce trading, mobile payments, and provision of various types of banking and financial services in the Kingdom of Cambodia. The Bank has been operating as a payment service specialist under the specialised bank license from the National Bank of Cambodia (“NBC”) dated 10 September 2014.

During the year, the Bank has requested to National Bank of Cambodia (“NBC”) to convert from Specialised Bank to Commercial Bank. The Memorandum and Articles of Incorporation had been updated to reflect this change and was endorsed by the Ministry of Commerce (“MOC”) on 5 August 2021. After this upgrade, the Bank has two new business lines which are providing loan to customers and obtaining deposit from customers.

As at 31 December 2021, the Bank had 1,143 employees (31 December 2020: 579 employees).

2. Basis of accounting

The financial statements of the Bank have been prepared in accordance with Cambodian International Financial Reporting Standards (“CIFRS”).

The accounting policies and methods of computation have been applied consistently to all periods presented in these financial statements, unless otherwise indicated.

Details of the Bank’s accounting policies are included in Note 32.

The financial statements of the Bank were authorised for issue by the Board of Directors on 12 April 2022.

3. Functional currency

The Bank transacts its business and maintains its accounting records in United States Dollars (“US\$”). Management has determined the US\$ to be the Bank’s functional currency as it reflects the economic substance of the underlying events and circumstances of the Bank.

These financial statements are presented in US\$, which is the Bank’s functional currency. All amounts have been rounded to the nearest. dollar, except when otherwise indicated.

Notes to the financial statements (continued)

for the year ended 31 December 2021

4. Use of judgments and estimates

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of the Bank’s accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the financial statements is included in the following notes.

- Note 32C(ii): classification of financial assets: assessment of the business model within which the assets are held and assessment of whether the contractual terms of the financial asset are ‘solely payment for principal and interest’ (“SPPI”) on the principal amount outstanding.
- Note 32C(vii): establishing the criteria for determining whether credit risk on the financial assets has increased significantly since initial recognition, determining methodology for incorporating forward-looking information into measurement of ‘expected credit loss’ (“ECL”) and selection and approval of models used to measure ECL.

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the current financial year are included in the following notes:

- Note 32C(vi): determination of the fair value of financial instruments with significant unobservable inputs.
- Note 32C(vii): impairment of financial instruments: determining inputs into the ECL measurement model, including key assumptions used in estimating recoverable cash flows, and incorporation of forward-looking information.
- Note 32C(vii): impairment of financial instruments: key assumptions used in estimating recoverable cash flows.

5. Translation of United States Dollars into Khmer Riel

The financial statements are expressed in United States Dollars (“US\$”) which is the Bank’s functional currency. The translations of US\$ amounts into Khmer Riel (“KHR”) meets the presentation requirements pursuant to Law on Accounting and Auditing and has been done in compliance with CIAS 21: *The Effects of Changes in Foreign Exchange Rates*.

Assets and liabilities are translated at the closing rate as at the reporting date and share capital and other equity accounts are translated at the historical rate. The statements of profit or loss and other comprehensive income and cash flows are translated into KHR at the average rate for the year, which has been deemed to approximate the exchange rate at the date of transaction as exchange rates have not fluctuated significantly during the period. Exchange differences arising from the translation are recognised as “Currency Translation Reserves” in other comprehensive income.

Notes to the financial statements (continued)

for the year ended 31 December 2021

The Bank uses the following exchange rates:

		Closing rate	Average rate
31 December 2021	US\$1 =	KHR 4,074	KHR 4,068
31 December 2020	US\$1 =	KHR 4,045	KHR 4,077
1 January 2020	US\$1 =	KHR 4,075	N/A

These convenience translations should not be construed as representations that the US\$ amounts have been, could have been, or could in the future be, converted into KHR at this or any other rate of exchange.

6. Cash and bank balances, net

	31 December		31 December	
	2021	2020	2021	2020
	US\$	US\$	KHR'000 (Note 5)	KHR'000 (Note 5)
		Restated		Restated
Cash on hand	1,285,547	10,887,850	5,237,318	44,041,353
Cash at banks				
Cash equivalents with other banks	57,658,423	23,913,204	234,900,417	96,728,910
Designated accounts (*)	123,737,992	143,248,457	504,108,579	579,440,009
	181,396,415	167,161,661	739,008,996	676,168,919
Cash and bank balances	182,681,962	178,049,511	744,246,314	720,210,272

	31 December		31 December	
	2021	2020	2021	2020
	US\$	US\$	KHR'000 (Note 5)	KHR'000 (Note 5)
		Restated		Restated
Cash and bank balances	182,681,962	178,049,511	744,246,314	720,210,272
Less: Impairment losses allowances	(407,468)	(296,814)	(1,660,025)	(1,200,612)
Cash and bank balances, net	182,274,494	177,752,697	742,586,289	719,009,660
Wallet liabilities (*)	123,737,992	143,248,457	504,108,579	579,440,009

(*) As required by NBC's Prakas No. B14-017-161 on the Payment Service Provider, the Bank

Notes to the financial statements (continued)

for the year ended 31 December 2021

6. Cash and bank balances, net (continued)

is required to open an account ("the Designated accounts") in its entrusted banks in order to hold cash that has received from agents and customers for transferring purpose. The Designated accounts are in the form of Trust Account, which is only used to transfer customer's transaction and is not used for any other purposes. The entrusted bank has duties to monitor the Designated accounts regularly and in the case of the Company ceases of service providing or bankruptcy, the entrusted bank must retain the Designated accounts in order to protect customer's benefits.

The movements of impairment loss allowance on balances with other banks were as follows

	31 December		31 December	
	2021	2020	2021	2020
	US\$	US\$	KHR'000 (Note 5)	KHR'000 (Note 5)
At 1 January	296,814	137,445	1,200,612	560,088
Allowance for the year (Note 23)	110,654	159,369	450,140	649,747
Currency translation difference	-	-	9,273	(9,223)
At 31 December	407,468	296,814	1,660,025	1,200,612

For the purpose of preparing the statement of cash flows, cash and cash equivalents comprise:

	31 December		31 December	
	2021	2020	2021	2020
	US\$	US\$	KHR'000 (Note 5)	KHR'000 (Note 5)
		Restated		Restated
Cash on hand	1,285,547	10,887,850	5,237,318	44,041,353
Cash equivalents with other banks				
Current accounts	36,161,052	17,413,204	147,320,126	70,436,410
Designated accounts				
Current accounts	53,696,387	111,943,142	218,759,081	452,810,009
	91,142,986	140,244,196	371,316,525	567,287,772

Notes to the financial statements (continued)
for the year ended 31 December 2021

6. Cash and bank balances, net (continued)

Cash at banks balances are further analysed as follow:

	31 December		31 December	
	2021	2020	2021	2020
	US\$	US\$	KHR'000 (Note 5)	KHR'000 (Note 5)
	<i>Restated</i>		<i>Restated</i>	
A. By currency:				
US Dollars	163,421,157	94,247,452	665,777,794	381,230,943
Khmer Riel	17,975,258	72,914,209	73,231,202	294,937,976
	181,396,415	167,161,661	739,008,996	676,168,919
B. By banks:				
National Bank of Cambodia	5,636,609	7,770,607	22,963,545	31,432,105
Other banks	175,759,806	159,391,054	716,045,451	644,736,814
	181,396,415	167,161,661	739,008,996	676,168,919
		2021		2020
C. By interest rate (per annum):				
National Bank of Cambodia			Nil	Nil
Other banks		Nil - 6.00%		Nil - 3.00%

7. Statutory deposits

	31 December		31 December	
	2021	2020	2021	2020
	US\$	US\$	KHR'000 (Note 5)	KHR'000 (Note 5)
Reserve requirement (A)	5,972,754	-	24,333,000	-
Capital guarantee (B)	7,500,000	1,447,937	30,555,000	5,856,905
	13,472,754	1,447,937	54,888,000	5,856,905

A. Reserve requirement

Pursuant to the NBC's Prakas No. B7-020-230, bank and financial institutions are required to maintain the reserve requirements, which is calculated at 7% for both KHR and other currencies of the total daily average amount of deposits from customers and borrowings, at the NBC.

Notes to the financial statements (continued)
for the year ended 31 December 2021

7. Statutory deposits (continued)

B. Capital guarantee

Prior to the conversion from Specialised Bank to Commercial Bank, the amount represents a capital guarantee deposit of 5% of the registered capital under the Prakas No. B7- 00-05 on licensing of specialised banks dated 11 January 2000. This capital guarantee which placed with the NBC is in US Dollars and is not available for use in the Bank's day to day operations but is refundable when the Bank voluntarily ceases its operations in the Kingdom of Cambodia. On 5 February 2021, the Bank increased the capital guarantee deposit to US\$7,500,000 (i.e: 10% of the registered share capital) following the increase in share capital, which was approved by the NBC on 6 January 2021 in order to comply with NBC's Prakas No. B7-01-136 dated 15 October 2001.

During the year, the statutory deposits earned interest at the rate of 3/8 LIBOR six months ranged from 0.04% to 0.06% (2020: 0.47% to 0.09%) per annum.

8. Loans and advances to customers, net

	31 December		31 December	
	2021	2020	2021	2020
	US\$	US\$	KHR'000 (Note 5)	KHR'000 (Note 5)
Loans and advances to customers at amortised cost	61,892,762	-	252,151,112	-
Less: Impairment losses allowance	(350,247)	-	(1,426,906)	-
	61,542,515	-	250,724,206	-

The movements of impairment losses allowance on loans and advances to customers were as follows:

	31 December		31 December	
	2021	2020	2021	2020
	US\$	US\$	KHR'000 (Note 5)	KHR'000 (Note 5)
At 1 January	-	-	-	-
Allowance for the year	350,247	-	1,424,805	-
Currency translation difference	-	-	2,101	-
At 31 December	350,247	-	1,426,906	-

Loans and advances to customers based on original contract terms are analysed as follows:

Notes to the financial statements (continued)

for the year ended 31 December 2021

8. Loans and advances to customers, net (Continued)

A. By account types:

	31 December 2021			
	Gross carrying amounts	ECL allowance	Net carrying amounts	
	US\$	US\$	US\$	KHR'000 (Note 5)
Term loans	53,733,499	(210,669)	53,522,830	218,052,009
Housing loans	5,407,020	(22,384)	5,384,636	21,937,007
Staff loans	1,624,439	(13,134)	1,611,305	6,564,457
Personal loans	1,127,804	(104,060)	1,023,744	4,170,733
	61,892,762	(350,247)	61,542,515	250,724,206

Loans and advances to customers based on original contract terms are analysed as follows: (continued)

B. By maturity:

	31 December		31 December	
	2021	2020	2021	2020
	US\$	US\$	KHR'000 (Note 5)	KHR'000 (Note 5)
Within 1 month	43,880	-	178,768	-
> 1 to 3 months	77,351	-	315,128	-
> 3 to 12 months	25,343,058	-	103,247,618	-
> 1 to 5 years	12,348,560	-	50,308,033	-
> 5 years	23,729,666	-	96,674,659	-
	61,542,515	-	250,724,206	-

For additional analysis of gross amount of loans and advances to customers, refer to Note 30A(iv).

Notes to the financial statements (continued)

for the year ended 31 December 2021

9. Debt investment, net

	31 December		31 December	
	2021	2020	2021	2020
	US\$	US\$	KHR'000 (Note 5)	KHR'000 (Note 5)
Investment in Guaranteed Bond				
Cambodia Airport Investment Co., Ltd (*)	2,000,000	-	8,148,000	-
Less: Impairment losses allowance	(7,679)	-	(31,284)	-
	1,992,321	-	8,116,716	-

(*) On 30 November 2021, the Bank subscribed to a guaranteed bond with total amount of US\$2,000,000, issued by Cambodia Airport Investment Co., Ltd. The Bonds have interest rate of 5.5% per annum and with maturity period of three years (2021 to 2024) effective from 30 November 2021. The Bonds' interests are payable annually in arrears on 29 November of each year, with the first payment to be made on 29 November 2022. Interest on the Bonds is computed on the basis of a 365-day year.

The movements of impairment losses allowance on debt investment were as follows:

	2021	2020	2021	2020
	US\$	US\$	KHR'000 (Note 5)	KHR'000 (Note 5)
At 1 January	-	-	-	-
Allowance for the year	7,679	-	31,238	-
Currency translation difference	-	-	46	-
At 31 December	7,679	-	31,284	-

Notes to the financial statements (continued)
for the year ended 31 December 2021

10. Other assets

	31 December		31 December	
	2021	2020	2021	2020
	US\$	US\$	KHR'000 (Note 5)	KHR'000 (Note 5)
Amounts due from related parties (Note 29C)	1,888,288	3,061,643	7,692,886	12,384,346
Less: Impairment losses allowance	(1,500,000)	(3,000,000)	(6,111,000)	(12,135,000)
Net amounts due from related parties	388,288	61,643	1,581,886	249,346
Payments made of behalf of a related party (Note 29C)	2,057,681	-	8,382,992	-
Mobile PIN prepayment	1,908,717	2,030,097	7,776,113	8,211,742
Electronic money receivables	3,923,159	1,651,332	15,982,950	6,679,638
Deposit and prepayments	4,308,871	2,214,995	17,554,340	8,959,655
Fee and receivables	634,762	2,043,766	2,586,021	8,267,033
Other receivables	-	342,485	-	1,385,350
Impairment losses allowance	(20,171)	(31,364)	(82,177)	(126,867)
	13,201,307	8,312,954	53,782,125	33,625,897

The movements of impairment losses allowance on other assets were as follows:

	2021	2020	2021	2020
	US\$	US\$	KHR'000 (Note 5)	KHR'000 (Note 5)
At 1 January	3,031,364	3,010,927	12,261,867	12,179,200
(Reversal)/Allowance for the year	(1,511,193)	20,437	(6,147,533)	83,322
Currency translation difference	-	-	78,843	(655)
At 31 December	1,520,171	3,031,364	6,193,177	12,261,867

Notes to the financial statements (continued)
for the year ended 31 December 2021

11. Intangible assets

	2021			
	Computer and banking software	Work in progress	Total	
	US\$	US\$	US\$	KHR'000 (Note 5)
Cost				
At 1 January	1,957,129	-	1,957,129	7,916,587
Additions	54,308	2,071,522	2,125,830	8,647,876
Currency translation differences	-	-	-	69,512
At 31 December	2,011,437	2,071,522	4,082,959	16,633,975
Less: Accumulated amortisation				
At 1 January	1,032,465	-	1,032,465	4,176,321
Amortisation during the year	451,637	-	451,637	1,837,259
Currency translation differences	-	-	-	32,652
At 31 December	1,484,102	-	1,484,102	6,046,232
Carrying amounts				
At 31 December	527,335	2,071,522	2,598,857	10,587,743

	2020	
	US\$	KHR'000 (Note 5)
Computer and banking software		
Cost		
At 1 January	1,554,303	6,333,785
Additions	402,826	1,642,322
Currency translation difference	-	(59,520)
At 31 December	1,957,129	7,916,587
Less: Accumulated amortisation		
At 1 January	652,245	2,657,899
Amortisation during the year	380,220	1,550,158
Currency translation difference	-	(31,736)
At 31 December	1,032,465	4,176,321
Carrying amounts		
At 31 December	924,664	3,740,266

12. Property and equipment

	Leasehold improvements	Office equipment	Computer equipment	Office furniture and fixture	Motor vehicles	Work in progress	Total	
	US\$	US\$	US\$	US\$	US\$	US\$	US\$	KHR'000 (Note 5)
2021								
Cost								
At 1 January 2021	1,583,815	94,041	8,578,125	485,622	75,000	-	10,816,603	43,753,159
Additions	239,433	103,036	695,509	-	-	1,815,979	2,853,957	11,609,897
Currency translation difference	-	-	-	-	-	-	-	330,805
At 31 December 2021	1,823,248	197,077	9,273,634	485,622	75,000	1,815,979	13,670,560	55,693,861
Less: Accumulated depreciation								
At 1 January 2021	1,470,098	33,972	4,851,520	484,160	45,918	-	6,885,668	27,852,527
Depreciation during the year	33,834	26,914	1,529,914	790	18,368	-	1,609,820	6,548,748
Currency translation difference	-	-	-	-	-	-	-	209,343
At 31 December 2021	1,503,932	60,886	6,381,434	484,950	64,286	-	8,495,488	34,610,618
Carrying amounts								
At 31 December 2021	319,316	136,191	2,892,200	672	10,714	1,815,979	5,175,072	21,083,243

	Leasehold improvements	Office equipment	Computer equipment	Office furniture and fixture	Motor vehicles	Total	
	US\$	US\$	US\$	US\$	US\$	US\$	KHR'000 (Note 5)
Cost							
At 1 January 2020	1,474,889	44,431	6,687,491	485,226	75,000	8,767,037	35,725,676
Additions	108,926	49,610	1,890,634	396	-	2,049,566	8,356,081
Currency translation difference	-	-	-	-	-	-	(328,598)
At 31 December 2020	1,583,815	94,041	8,578,125	485,622	75,000	10,816,603	43,753,159
Less: Accumulated depreciation							
At 1 January 2020	1,447,165	23,023	3,397,348	458,992	27,551	5,354,079	21,817,872
Depreciation during the year	22,933	10,949	1,454,172	25,168	18,367	1,531,589	6,244,288
Currency translation difference	-	-	-	-	-	-	(209,633)
At 31 December 2020	1,470,098	33,972	4,851,520	484,160	45,918	6,885,668	27,852,527
Carrying amounts							
At 31 December 2020	113,717	60,069	3,726,605	1,462	29,082	3,930,935	15,900,632

Notes to the financial statements (continued)

for the year ended 31 December 2021

13. Right-of-use assets

Information about the Bank's leases is disclosed within this note and Note 17.

	31 December		31 December	
	2021	2020	2021	2020
	US\$	US\$	KHR'000 (Note 5)	KHR'000 (Note 5)
Right-of-use assets	6,196,508	188,525	25,244,574	762,584

The Bank leases office space, including its head office and branches, for its operation. Information about lease for which the Bank is a lessee is presented below:

Building	2021	2020	2021	2020
	US\$	US\$	KHR'000 (Note 5)	KHR'000 (Note 5)
Cost				
At 1 January	1,036,880	1,036,880	4,194,180	4,225,286
Additions	6,440,574	-	26,200,255	
Currency translation difference	-	-	68,713	(31,106)
At 31 December	7,477,454	1,036,880	30,463,148	4,194,180
Less: Accumulated depreciation				
At 1 January	848,355	565,570	3,431,596	2,304,698
Depreciation during the year	432,591	282,785	1,759,780	1,152,914
Currency translation difference	-	-	27,198	(26,016)
At 31 December	1,280,946	848,355	5,218,574	3,431,596
Carrying amounts				
At 31 December	6,196,508	188,525	25,244,574	762,584

Notes to the financial statements (continued)

for the year ended 31 December 2021

14. Income tax

A. Current income tax liabilities

	2021	2020	2021	2020
	US\$	US\$	KHR'000 (Note 5)	KHR'000 (Note 5)
At 1 January	2,837,895	1,952,585	11,479,285	7,956,784
Recognised in profit or loss	3,663,645	3,191,891	14,903,708	13,013,340
Income tax paid	(2,650,316)	(2,306,581)	(10,781,485)	(9,403,931)
Withholding credit	(114,009)	-	(463,789)	-
Currency translation difference	-	-	87,695	(86,908)
At 31 December	3,737,215	2,837,895	15,225,414	11,479,285

B. Deferred tax assets, net

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when deferred taxes relate to the same fiscal authority. The offset amounts are as follows:

	2021	2020	2021	2020
	US\$	US\$	KHR'000 (Note 5)	KHR'000 (Note 5)
Deferred tax assets	905,839	920,559	3,690,387	3,723,661
Deferred tax liabilities	(116,538)	(253,915)	(474,775)	(1,027,086)
Deferred tax assets, net	789,301	666,644	3,215,612	2,696,575

The movements of deferred tax assets during the year were as follows:

	2021	2020	2021	2020
	US\$	US\$	KHR'000 (Note 5)	KHR'000 (Note 5)
At 1 January	666,644	742,930	2,696,575	3,027,440
Recognised in profit or loss	122,657	(76,286)	498,969	(311,018)
Currency translation difference	-	-	20,068	(19,847)
At 31 December	789,301	666,644	3,215,612	2,696,575

14. Income tax (continued)

B. Deferred tax assets, net (continued)

	Impairment losses allowance for financial instruments	Deferred income	Accrued bonuses	Employee benefits obligation	Accelerated depreciation	Leases	Unrealised forex	Total
	US\$	US\$	US\$	US\$	US\$	US\$	US\$	US\$
2021								
At 1 January 2021	659,363	82,298	-	165,300	(253,915)	13,598	-	666,644
Recognised in profit or loss	(203,629)	51,370	-	128,997	146,611	8,542	(9,234)	122,657
At 31 December 2021	455,734	133,668	-	294,297	(107,304)	22,140	(9,234)	789,301
(KHR'000 equivalents -- Note 5)	1,856,660	544,563	-	1,198,966	(437,156)	90,198	(37,619)	3,215,612
2020								
At 1 January 2020	627,489	53,635	179,431	47,627	(183,561)	18,309	-	742,930
Recognised in profit or loss	31,874	28,663	(179,431)	117,673	(70,354)	(4,711)	-	(76,286)
At 31 December 2020	659,363	82,298	-	165,300	(253,915)	13,598	-	666,644
(KHR'000 equivalents -- Note 5)	2,667,123	332,895	-	668,639	(1,027,086)	55,004	-	2,696,575

C. Income tax expense

	2021	2020	2021	2020
	US\$	US\$	KHR'000 (Note 5)	KHR'000 (Note 5)
Current income tax	3,663,645	3,191,891	14,903,708	13,013,340
Deferred tax (income)/ expense	(122,657)	76,286	(498,969)	311,018
	3,540,988	3,268,177	14,404,739	13,324,358

Notes to the financial statements (continued)

for the year ended 31 December 2021

14. Income tax (continued)

The reconciliation of income tax computed at the statutory tax rate of 20% to the income tax expense shown in profit or loss is as follows:

	2021			2020		
	US\$	KHR'000 (Note 5)	%	US\$	KHR'000 (Note 5)	%
Profit before income tax	16,224,802	66,002,495		13,914,465	56,729,274	
Income tax using statutory rate at 20%	3,244,960	13,200,497	20%	2,782,893	11,345,855	20%
Non-deductible expenses	463,823	1,886,832	3%	248,243	1,012,087	2%
(Over)/Under provision in respect of prior years	(167,795)	(682,590)	-1%	237,041	966,416	2%
Income tax expense	3,540,988	14,404,739	22%	3,268,177	13,324,358	24%

C. Income tax expense (continued)

In accordance with Cambodian Law on Taxation, the Bank has an obligation to pay corporate income tax of either the tax on income at the rate of 20% of taxable income or the minimum tax at 1% of gross revenue, whichever is higher.

The calculation of taxable income is subject to the review and approval of the tax authorities.

15. Deposits from customers

	31 December			31 December	
	2021	2020		2021	2020
	US\$	US\$		KHR'000 (Note 5)	KHR'000 (Note 5)
Demand deposits	39,226,886	-		159,810,334	-
Saving deposits	4,556,616	-		18,563,654	-
Term deposits	10,480,606	-		42,697,988	-
	54,264,108	-		221,071,976	-

Deposits from customers are analysed as follows:

Notes to the financial statements (continued)

for the year ended 31 December 2021

15. Deposits from customers (continued)

A. By maturity:

	31 December			31 December	
	2021	2020		2021	2020
	US\$	US\$		KHR'000 (Note 5)	KHR'000 (Note 5)
Within 1 month	44,015,200	-		179,317,925	-
> 1 to 3 months	60,608	-		246,917	-
> 3 to 12 months	5,203,058	-		21,197,258	-
> 1 to 5 years	4,985,242	-		20,309,876	-
	54,264,108	-		221,071,976	-

Deposits from customers are analysed as follows: (continued)

B. By residency status:

	31 December			31 December	
	2021	2020		2021	2020
	US\$	US\$		KHR'000 (Note 5)	KHR'000 (Note 5)
Residents	53,813,708	-		219,237,046	-
Non-residents	450,400	-		1,834,930	-
	54,264,108	-		221,071,976	-

C. By relationship:

	31 December			31 December	
	2021	2020		2021	2020
	US\$	US\$		KHR'000 (Note 5)	KHR'000 (Note 5)
Related parties	10,754,690	-		43,814,607	-
Non-related parties	43,509,418	-		177,257,369	-
	54,264,108	-		221,071,976	-

Notes to the financial statements (continued)
for the year ended 31 December 2021

15. Deposits from customers (continued)

D. By interest rate (per annum):

	2021	2020
Demand deposits	Nil to 0.55%	-
Saving deposits	Nil to 1.25%	-
Term deposits	Nil to 5.50%	-

16. Payables and other liabilities

	31 December		31 December	
	2021	2020	2021	2020
	US\$	US\$	KHR'000 (Note 5)	KHR'000 (Note 5)
Refundable deposits	4,168,050	3,326,050	16,980,636	13,453,872
Deferred income	211,765	411,490	862,731	1,664,477
Current seniority indemnity payment	1,105,490	442,935	4,503,766	1,791,672
Other payables	1,796,052	931,378	7,317,115	3,767,424
Electronic money payables	1,738,049	304,557	7,080,812	1,231,931
Accrued marketing and human resources expenses	45,172	18,700	184,031	75,642
Accrued transaction fees	109,850	165,945	447,529	671,248
Accrued Wing Cash Express ("WCX") operating fees	43,113	7,000	175,642	28,315
Bonus payables	1,334,282	887,656	5,435,865	3,590,569
Other tax payables	325,189	292,752	1,324,820	1,184,182
	10,877,012	6,788,463	44,312,947	27,459,332

Notes to the financial statements (continued)
for the year ended 31 December 2021

17. Lease liabilities

	31 December		31 December	
	2021	2020	2021	2020
	US\$	US\$	KHR'000 (Note 5)	KHR'000 (Note 5)
Present value of lease liabilities				
Current	668,392	256,517	2,723,029	1,037,611
Non-current	5,638,820	-	22,972,553	-
	6,307,212	256,517	25,695,582	1,037,611
Maturity analysis – contractual undiscounted cash flows				
Less than 1 year	1,141,150	264,000	4,649,045	1,067,880
Between 2 years and 5 years	3,948,289	-	16,085,330	-
More than 5 years	3,637,791	-	14,820,361	-
Total undiscounted lease liabilities	8,727,230	264,000	35,554,736	1,067,880
Less: unearned interest	(2,420,018)	(7,483)	(9,859,154)	(30,269)
	6,307,212	256,517	25,695,582	1,037,611

(i) Amounts recognised in the statement of profit or loss:

	2021	2020	2021	2020
	US\$	US\$	KHR'000 (Note 5)	KHR'000 (Note 5)
Interest on lease liabilities	112,454	33,663	457,463	137,244
Expenses relating to leases of low-value assets (Note 27)	615,910	397,508	2,505,522	1,620,640
	728,364	431,171	2,962,985	1,757,884

(ii) Amounts recognised in the statement of cash flows:

	2021	2020	2021	2020
	US\$	US\$	KHR'000 (Note 5)	KHR'000 (Note 5)
Cash flows from financing activity				
Cash payments for the principal portion of the lease liabilities	502,333	306,337	2,043,491	1,248,936
Cash flows from operating activity				
Cash payments for the interest portion of the lease liabilities	112,454	33,663	457,463	137,244

Notes to the financial statements (continued)

for the year ended 31 December 2021

18. Provision for employee benefits

	31 December		31 December	
	2021	2020	2021	2020
	US\$	US\$	KHR'000 (Note 5)	KHR'000 (Note 5)
Provision for seniority indemnity	365,995	223,243	1,491,064	903,018

This represents provision for seniority indemnity payments required by Prakas No. 443 issued by the Ministry of Labour and Vocational Training ("MoLVT") on 21 September 2018, and subsequently amended by the Instruction No. 042/19 dated 22 March 2019.

It requires all employers to settle the seniority indemnity to their employee as follows:

- Current pay: starting from 2019 onwards at the amounts equal to 15 days of wages and other benefits per year.
- Retrospective (back-pay): starting from end 2021 onwards at the amounts equal to 6 days of net wages per year. The provision of back-pay seniority indemnity is calculated at a maximum amount of 6 months net wages (depends on the length of the service employee served) to the employee who has seniority before 2019.

Payments will be made twice a year, in June and December respectively. Employee does not entitle to the remaining back-pay seniority indemnity, which is not yet due, if he/she resigns from the Bank.

On 23 December 2020, the Royal Government of Cambodia ("RGC") offered an option to factories, enterprises and business in all sectors to defer payments of the back-pay seniority indemnity before 2019 and the current seniority indemnity for 2020 and 2021 until 2022. The Bank chose to comply with the regulation and, as a result these payments will be made in 2022.

The movements of the seniority indemnity payment during the year were as follows:

	2021	2020	2021	2020
	US\$	US\$	KHR'000 (Note 5)	KHR'000 (Note 5)
At 1 January	223,243	238,136	903,018	970,404
Allowance during the year	142,752	-	580,715	-
Reversed during the year	-	(14,893)	-	(60,719)
Currency translation difference	-	-	7,331	(6,667)
At 31 December	365,995	223,243	1,491,064	903,018

Notes to the financial statements (continued)

for the year ended 31 December 2021

19. Share capital

Number of shares at par value of US\$1 each				
31 December 2021		31 December 2020		
Ownership	Amount	Ownership	Amount	
%	US\$	%	US\$	
WING Holdings Pte Limited	80	60,000,000	100	28,958,749
Neak Oknha Kith Meng	20	15,000,000	-	-
	100	75,000,000	100	28,958,749
(KHR'000 equivalent -- Note 5)		304,205,629		116,909,820

As at 31 December 2021, the authorised share capital comprised 75,000,000 shares (2020: 28,958,749 shares) at par value of US\$1 per share. All authorised shares have been issued and fully paid up.

On 6 January 2021 the Bank obtained approval from National Bank of Cambodia ("NBC") to operate as commercial bank and increase its share capital from US\$28,958,749 to US\$75,000,000. The share capital was increased by US\$35,400,000 and US\$10,641,251 through cash paid up and the conversion of retained earnings on 31 March 2021 and 31 May 2021, respectively (2020: conversion of retained earnings US\$13,958,749). The Memorandum and Articles of Incorporation had been updated to reflect this change and was endorsed by the Ministry of Commerce ("MOC") on 5 August 2021.

20. Regulatory reserves

Regulatory reserves represented the variance of impairment losses allowance on financial instruments in accordance with CIFRS, and regulatory provision in accordance with National Bank of Cambodia requirements.

As at 31 December 2021, the Bank transferred from retained earnings to regulatory reserves of US\$1,552,111 (2020: transferred from regulatory reserves to retained earnings of US\$136,729).

Notes to the financial statements (continued)
for the year ended 31 December 2021

21. Net fee and commission income

	2021	2020	2021	2020
	US\$	US\$	KHR'000 (Note 5)	KHR'000 (Note 5)
Fee and commission income				
Transaction fees	46,490,554	37,304,704	189,123,574	152,091,278
Payroll processing fees	1,854,966	1,353,716	7,546,001	5,519,100
Other commission fee	18,630	-	75,787	-
	48,364,150	38,658,420	196,745,362	157,610,378
Fee and commission expense				
Transaction fees	4,572,702	3,214,883	18,601,752	13,107,078
Bill payment fees	1,450,714	1,244,418	5,901,504	5,073,492
	6,023,416	4,459,301	24,503,256	18,180,570
Net fee and commission income	42,340,734	34,199,119	172,242,106	139,429,808

22. Net interest income

	2021	2020	2021	2020
	US\$	US\$	KHR'000 (Note 5)	KHR'000 (Note 5)
		<i>Restated</i>		<i>Restated</i>
Interest income				
Cash equivalent at other banks	3,207,271	2,209,895	13,047,178	9,009,742
Loans and advances to customers	667,508	-	2,715,423	-
	3,874,779	2,209,895	15,762,601	9,009,742
Interest expense				
Deposits from customers	63,881	-	259,868	-
Lease liabilities	112,454	33,663	457,463	137,244
	176,335	33,663	717,331	137,244
Net interest income	3,698,444	2,176,232	15,045,270	8,872,498

Notes to the financial statements (continued)
for the year ended 31 December 2021

23. Net Impairment losses on financial instruments

	2021	2020	2021	2020
	US\$	US\$	KHR'000 (Note 5)	KHR'000 (Note 5)
<i>Addition to/(Reversal of):</i>				
Balance with other banks	110,654	159,369	450,140	649,747
Loans and advances to customers	350,247	-	1,424,805	-
Debt investment	7,679	-	31,238	-
Related party balance	(1,500,000)	-	(6,102,000)	-
Other receivables	(11,193)	20,437	(45,533)	83,322
	(1,042,613)	179,806	(4,241,350)	733,069

24. Other income

	2021	2020	2021	2020
	US\$	US\$	KHR'000 (Note 5)	KHR'000 (Note 5)
		<i>Restated</i>		<i>Restated</i>
Gains on foreign exchanges	840,193	245,315	3,417,905	1,000,149
Other income	20,649	18,338	84,000	74,764
	860,842	263,653	3,501,905	1,074,913

25. Personnel expenses

	2021	2020	2021	2020
	US\$	US\$	KHR'000 (Note 5)	KHR'000 (Note 5)
Salaries and wages	11,185,582	7,318,057	45,502,948	29,835,718
Bonus and incentives	2,028,275	1,023,694	8,251,023	4,173,600
Employee benefit expense	805,307	428,042	3,275,989	1,745,127
Overtime expenses	549,184	287,152	2,234,081	1,170,719
Staff insurance expenses	219,237	99,979	891,856	407,614
Other employee benefits	339,504	213,585	1,381,101	870,787
	15,127,089	9,370,509	61,536,998	38,203,565

26. Depreciation and amortisation

	2021	2020	2021	2020
	US\$	US\$	KHR'000 (Note 5)	KHR'000 (Note 5)
Depreciation of property and equipment	1,609,820	1,531,589	6,548,748	6,244,288
Amortisation of intangible assets	451,637	380,220	1,837,259	1,550,158
Depreciation of right-of-use assets	432,591	282,785	1,759,780	1,152,914
	2,494,048	2,194,594	10,145,787	8,947,360

27. General and administrative expenses

	2021	2020	2021	2020
	US\$	US\$	KHR'000 (Note 5)	KHR'000 (Note 5)
		<i>Restated</i>		<i>Restated</i>
Bank charges	3,346,598	2,581,240	13,613,961	10,523,715
Marketing and advertisement	2,454,885	3,073,138	9,986,472	12,529,183
Message and other related expenses	2,461,717	1,782,036	10,014,265	7,265,361
Professional fees	321,306	402,156	1,307,073	1,639,590
Rental (Note 17)	615,910	397,508	2,505,522	1,620,640
Data communication	476,375	395,010	1,937,894	1,610,456
Travelling	287,814	295,887	1,170,827	1,206,331
Training	59,305	276,056	241,253	1,125,480
Utilities	167,861	204,702	682,859	834,570
Recruitment	238,887	90,293	971,792	368,125
Security	108,543	87,688	441,553	357,504
Communication	92,162	71,580	374,915	291,832
Insurance	54,606	53,728	222,137	219,049
Repairs and maintenance	82,379	45,573	335,118	185,801
Postage and stationery	57,620	31,421	234,398	128,103
Others	3,270,726	1,191,614	13,305,312	4,858,211
	14,096,694	10,979,630	57,345,351	44,763,951

28. Commitments and contingencies

A. Loan commitments

As at 31 December 2021, there are no contractual amounts of the Bank's off-balance sheet financial instruments that commit it to extend credit to customers.

B. Taxation contingencies

The Bank received the following tax reassessment notifications from the General Department of Taxation ("GDT"):

- On 22 April 2019, comprehensive tax audit for the year ended 2017;
- On 28 August 2019, comprehensive tax audit for the year ended 2018; and
- On 20 April 2020, comprehensive tax audit for the year ended 2019.

As of todate, there has not been any official results from the GDT for all the comprehensive tax audits as mentioned above, and management have considered that the tax reassessment exposures are remote and less likely to give rise to any significant loss to the Bank in the future.

Taxes are subject to review and investigation by a number of authorities, who are enabled by law to impose severe fines, penalties and interest charges. The application of tax laws and regulations to many types of transactions are susceptible to varying interpretations.

These facts may create tax risks in Cambodia substantially more significant than in other countries. Management believes that it has adequately provided for tax liabilities based on its interpretation of tax legislation. However, the relevant authorities may have differing interpretations and the effects could be significant.

29. Related parties

A. Related parties and relationships

Related parties	Relationships
WING Holdings Pte Limited	Parent company owned by Neak Oknha Kith Meng - 100%
Every Bright Rich Trading Company Ltd	Entity under common shareholder
Mobile Refresh Company Limited	
Royal Group Co., Ltd	
Royal Railway Co., Ltd	
Key management personnel	The key management personnel are those persons participating in the administration, direction, management or the design and implementation of the internal controls of the Bank.

Notes to the financial statements (continued)

for the year ended 31 December 2021

29. Related parties (continued)

B. Transactions with related parties

	2021	2020	2021	2020
	US\$	US\$	KHR'000 (Note 5)	KHR'000 (Note 5)
<i>Payments made on behalf</i>				
Mobile Refresh Company Limited	3,640,627	200,747	14,810,071	818,444
Royal Group Co., Ltd	2,057,681	-	8,370,646	-
	5,698,308	200,747	23,180,717	818,444
<i>Key management personnel</i>				
Remuneration	2,813,821	1,473,026	11,446,624	6,005,527

C. Balances with related parties

	31 December		31 December	
	2021	2020	2021	2020
	US\$	US\$	KHR'000 (Note 5)	KHR'000 (Note 5)
Amount due from related parties (Note 10)				
Mobile Refresh Company Limited	1,610,048	3,061,643	6,559,337	12,384,346
Every Bright Rich Trading Company Ltd	150,180	-	611,833	-
Royal Railway Co., Ltd	128,060	-	521,716	-
	1,888,288	3,061,643	7,692,886	12,384,346
<i>Payments made on behalf (Note 10)</i>				
Royal Group Co., Ltd	2,057,681	-	8,382,992	-
	3,945,969	3,061,643	16,075,878	12,384,346
<i>Deposits from related parties (Note 15)</i>				
Telcotech Ltd.	6,403,944	-	26,089,668	-
Cam GSM Co., Ltd.	2,110,117	-	8,596,617	-
Others	2,240,629	-	9,128,322	-
	10,754,690	-	43,814,607	-

Notes to the financial statements (continued)

for the year ended 31 December 2021

30. Financial risk management

The Bank's Board of Directors has overall responsibility for the establishment and oversight of the Bank's risk management framework.

The Bank's risk management policies are established to identify and analyse the risks faced by the Bank, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. The risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Bank's activities.

The policies and procedures adopted by the Bank to manage the risks that arise in the conduct of their business activities are as follows:

A. Credit risk

'Credit risk' is the risk of financial loss to the Bank if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Bank's loans and advances to customers, balances with other banks, and debt investment. For risk management reporting purposes, the Bank considers and consolidates all elements of credit risk exposure – e.g. individual obligor default risk, country and sector risk.

Credit risk is the potential loss of revenue and principal losses arising mainly from loans and advances and loan commitments as a result of default by the borrowers or counterparties through its lending activities.

(i). Management of credit risk

At each reporting date, the Bank may apply the following practical expedients to assess the credit risk:

- the low credit risk exception (ie no credit-impaired loans at the inception date); and
- the rebuttable presumption that credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 30 days past due.

The credit risk of a financial instrument is low if:

- the instrument has a low risk of default.
- the borrower has a strong capacity to meet its contractual cash flow obligations in the near term; and adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the borrower's ability to fulfil its obligations.

(ii). Credit quality analysis

The following table sets out information about the credit quality of financial assets measured at amortised cost. Unless specifically indicated, for financial assets, the amounts in the table represent gross carrying amounts.

Notes to the financial statements (continued)

for the year ended 31 December 2021

30. Financial risk management (continued)

A. Credit risk (continued)

(ii). Credit quality analysis (continued)

	31 December 2021				KHR'000 (Note 5)
	Stage 1	Stage 2	Stage 3	Total	
	US\$	US\$	US\$	US\$	
Balances with other banks:					
Normal	181,396,415	-	-	181,396,415	739,008,996
Loss allowance	(407,468)	-	-	(407,468)	(1,660,025)
Carrying amounts	180,988,947	-	-	180,988,947	737,348,971
Loans and advances to customers:					
Normal	61,847,078	-	-	61,847,078	251,964,996
Special mention	-	-	-	-	-
Substandard	-	-	26,334	26,334	107,285
Doubtful	-	-	15,993	15,993	65,155
Loss	-	-	3,357	3,357	13,676
Gross loan	61,847,078	-	45,684	61,892,762	252,151,112
Loss allowance	(319,345)	-	(30,902)	(350,247)	(1,426,906)
Carrying amounts	61,527,733	-	14,782	61,542,515	250,724,206

	31 December 2021				KHR'000 (Note 5)
	Stage 1	Stage 2	Stage 3	Total	
	US\$	US\$	US\$	US\$	
Debt investment:					
Normal	2,000,000	-	-	2,000,000	8,148,000
Loss allowance	(7,679)	-	-	(7,679)	(31,284)
Carrying amounts	1,992,321	-	-	1,992,321	8,116,716

	31 December 2020				KHR'000 (Note 5)
	Stage 1	Stage 2	Stage 3	Total	
	US\$	US\$	US\$	US\$	
Balances with other banks:					
Normal	167,161,661	-	-	167,161,661	676,168,919
Loss allowance	(296,814)	-	-	(296,814)	(1,200,612)
Carrying amounts	166,864,847	-	-	166,864,847	674,968,307

Notes to the financial statements (continued)

for the year ended 31 December 2021

30. Financial risk management (continued)

A. Credit risk (continued)

(iii). Collateral held

Whilst the Bank's maximum exposure to credit risk is the carrying amount of the assets or, in the case of off-balance sheet instruments, the amount guaranteed, committed, accepted or endorsed, the likely exposure may be lower due to offsetting collateral, credit guarantees and other actions taken to mitigate the Bank's exposure.

The description of collateral for each class of financial asset is set out below.

Cash and cash equivalents, balances with other banks, debt investment and other assets

Collateral is generally not sought for these assets.

The table below summarises the Bank's security coverage of its financial assets.

31 December 2021	Collateral/credit enhancement				Unsecured credit exposure	Total
	Properties	Floating assets	Fixed deposits	Others		
	US\$	US\$	US\$	US\$	US\$	US\$
Loans and advances to customers (US\$)	60,706,084	-	-	-	836,431	61,542,515
Total KHR'000 (Note 5)	247,316,586	-	-	-	3,407,620	250,724,206

(iv). Amounts arising from ECL

Loss allowance

The following tables show reconciliation from the opening to the closing balance of the loss allowance by class of financial instruments.

Notes to the financial statements (continued)
for the year ended 31 December 2021

30. Financial risk management (continued)

A. Credit risk (continued)

(iv). Amounts arising from ECL (continued)

Loss allowance – Loans and advances to customers at amortised cost:

	31 December 2021				
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total	
	US\$	US\$	US\$	US\$	KHR'000 (Note 5)
Loss allowance as at 1 January 2021	-	-	-	-	-
New financial assets originated	319,345	-	30,902	350,247	1,424,805
Currency translation difference	-	-	-	-	2,101
Loss allowance as at 31 December 2021	319,345	-	30,902	350,247	1,426,906

Loss allowance – Balances with other banks:

	31 December 2021				
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total	
	US\$	US\$	US\$	US\$	KHR'000 (Note 5)
Loss allowance as at 1 January 2021	296,814	-	-	296,814	1,200,612
New financial assets originated	110,654	-	-	110,654	450,140
Currency translation difference	-	-	-	-	9,273
Loss allowance as at 31 December 2021	407,468	-	-	407,468	1,660,025

Notes to the financial statements (continued)
for the year ended 31 December 2021

30. Financial risk management (continued)

A. Credit risk (continued)

(iv). Amounts arising from ECL (continued)

Loss allowance (continued)

Loss allowance – Balances with other banks: (continued)

	31 December 2020				
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total	
	US\$	US\$	US\$	US\$	KHR'000 (Note 5)
Loss allowance as at 1 January 2020	137,445	-	-	137,445	560,088
New financial assets originated	159,369	-	-	159,369	649,747
Currency translation difference	-	-	-	-	(9,223)
Loss allowance as at 31 December 2020	296,814	-	-	296,814	1,200,612

Loss allowance – wDebt investment

	31 December 2021				
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total	
	US\$	US\$	US\$	US\$	KHR'000 (Note 5)
Loss allowance as at 1 January 2021	-	-	-	-	-
New financial assets originated	7,679	-	-	7,679	31,238
Currency translation difference	-	-	-	-	46
Loss allowance as at 31 December 2021	7,679	-	-	7,679	31,284

Notes to the financial statements (continued)

for the year ended 31 December 2021

30. Financial risk management (continued)

A. Credit risk (continued)

(iv). Amounts arising from ECL (continued)

Loss allowance (continued)

Loss allowance – Other assets:

	31 December 2021				
	Stage 1	Stage 2	Stage 3		
	12-month	Lifetime	Lifetime		
	ECL	ECL	ECL	Total	KHR'000 (Note 5)
	US\$	US\$	US\$	US\$	
Loss allowance as at 1 January 2021	3,031,364	-	-	3,031,364	12,261,867
Net remeasurement of loss allowance	(11,193)	-	-	(11,193)	(45,533)
Financial asset that has been derecognised	(1,500,000)	-	-	(1,500,000)	(6,102,000)
Currency translation difference	-	-	-	-	78,843
Loss allowance as at 31 December 2021	1,520,171	-	-	1,520,171	6,193,177

	31 December 2020				
	Stage 1	Stage 2	Stage 3		
	12-month	Lifetime	Lifetime		
	ECL	ECL	ECL	Total	KHR'000 (Note 5)
	US\$	US\$	US\$	US\$	
Loss allowance as at 1 January 2020	3,010,927	-	-	3,010,927	12,269,528
Net remeasurement of loss allowance	20,437	-	-	20,437	83,322
Currency translation difference	-	-	-	-	(90,983)
Loss allowance as at 31 December 2020	3,031,364	-	-	3,031,364	12,261,867

Notes to the financial statements (continued)

for the year ended 31 December 2021

30. Financial risk management (continued)

A. Credit risk (continued)

(iv). Amounts arising from ECL (continued)

More information about the significant changes in the gross carrying amount of financial assets during the period that contributed to changes in the loss allowance, is provided at the table below:

Loans and advances to customers at amortised cost:

	31 December 2021				
	Stage 1	Stage 2	Stage 3		
	12-month	Lifetime	Lifetime		
	ECL	ECL	ECL	Total	KHR'000 (Note 5)
	US\$	US\$	US\$	US\$	
Gross carrying amounts as at 1 January 2021	-	-	-	-	-
New financial assets originated	61,847,078	-	45,684	61,892,762	251,779,756
Currency translation difference	-	-	-	-	371,356
Gross carrying amounts as at 31 December 2021	61,847,078	-	45,684	61,892,762	252,151,112
Loss allowance as at 31 December 2021	(319,345)	-	(30,902)	(350,247)	(1,426,906)
Net carrying amounts as at 31 December 2021	61,527,733	-	14,782	61,542,515	250,724,206

30. Financial risk management (continued)

A. Credit risk (continued)

(v). Concentration of credit risk

Concentration risk by industrial sectors

31 December 2021						
	Balances with other banks, net	Loans and advances to customers, net	Debt investment, net	Other assets, net	Total	
	US\$	US\$	US\$	US\$	US\$	KHR'000 (Note 5)
Carrying amounts	180,988,947	61,542,515	1,992,321	11,076,543	255,600,326	1,041,315,729
Concentration by sector:						
External customers						
Depository institutions	180,988,947	-	-	-	180,988,947	737,348,970
Instant lending	-	800,837	-	-	800,837	3,262,610
Personal lending	-	18,036,885	-	-	18,036,885	73,482,269
Commercial lending	-	30,259,502	-	-	30,259,502	123,277,211
Business lending	-	12,445,291	-	-	12,445,291	50,702,116
Others	-	-	1,992,321	11,076,543	13,068,864	53,242,553
	180,988,947	61,542,515	1,992,321	11,076,543	255,600,326	1,041,315,729

Concentration risk by residency and relationship, and large-exposures for net loans and advances:

	2021	2020	2021	2020
	US\$	US\$	KHR'000 (Note 5)	KHR'000 (Note 5)
By residency status:				
Residents	61,542,515	-	250,724,206	-
By relationship:				
Related parties	3,691,282	-	15,038,283	-
Non related parties	57,851,233	-	235,685,923	-
	61,542,515	-	250,724,206	-
By exposure:				
Large exposures (*)	8,000,000	-	32,592,000	-
Non-large exposures	53,542,515	-	218,132,206	-
	61,542,515	-	250,724,206	-

30. Financial risk management (continued)

A. Credit risk (continued)

(v). Concentration of credit risk (continued)

(*) A “large exposure” is defined under the NBC’s Prakas as the overall gross exposure of the aggregate balance of loans and advances with one single beneficiary, which 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.

B. Liquidity risk

Liquidity risk is the risk that the Bank is unable to meet its payment obligations associated with its financial liabilities when they fall due. The consequence of this may be the failure to meet obligations to repay and fulfil commitments to creditors. The Bank manages this risk by ensuring it has sufficient funds to pay off its short-term liquidity needs.

The Bank’s objective is to maintain a balance between continuity of funding and flexibility. The Bank’s investment requirement is funded by additional paid-up capital from shareholders.

Maturity analysis for financial liabilities and financial assets

The following tables set out the remaining contractual maturities of the Bank’s financial liabilities and financial assets:

	Carrying mount	Gross nominal inflow/(outflow)	Up to 1 month	> 1 – 3months	> 3 – 12months	> 1 – 5years	Over 5years	No maturity
	US\$	US\$	US\$	US\$	US\$	US\$	US\$	US\$
31 December 2021								
<i>Financial liabilities by type</i>								
Non-derivative liabilities								
Deposits from customers	54,264,108	(54,910,218)	(4,560,620)	(2,801,707)	(2,778,336)	(5,542,669)	-	(39,226,886)
Payable and other liabilities	10,877,012	(10,877,012)	-	-	-	-	-	(10,877,012)
Wallet liabilities	123,737,992	(123,737,992)	-	-	-	-	-	(123,737,992)
Lease liabilities	6,307,212	(8,727,230)	(73,333)	(249,017)	(818,800)	(3,948,289)	(3,637,791)	-
In US\$	195,186,324	(198,252,452)	(4,633,953)	(3,050,724)	(3,597,136)	(9,490,958)	(3,637,791)	(173,841,890)
In KHR’000 (Note 5)	795,189,084	(807,680,489)	(18,878,725)	(12,428,650)	(14,654,732)	(38,666,163)	(14,820,361)	(708,231,858)

Notes to the financial statements (continued)

for the year ended 31 December 2021

30. Financial risk management (continued)

B. Liquidity risk (continued)

Maturity analysis for financial liabilities and financial assets (continued)

	Carrying amount	Gross nominal inflow/(outflow)	Up to 1 month	> 1 – 3 months	> 3 – 12 months	> 1 – 5 years	Over 5 years	No maturity
	US\$	US\$	US\$	US\$	US\$	US\$	US\$	US\$
31 December 2021								
Financial assets by type								
Non-derivative assets								
Cash and bank balances, net	182,274,494	184,398,060	-	-	89,543,136	3,711,938	-	91,142,986
Loans and advances to customers, net	61,542,515	93,443,337	617,425	44,964	25,015,124	16,348,272	51,417,552	-
Debt investment, net	1,992,321	2,330,000	-	-	110,000	2,220,000	-	-
Other assets, net	11,076,543	12,596,714	12,596,714	-	-	-	-	-
In US\$	256,885,873	292,768,111	13,214,139	44,964	114,668,260	22,280,210	51,417,552	91,142,986
In KHR'000 (Note 5)	1,046,553,048	1,192,737,285	53,834,403	183,183	467,158,491	90,769,576	209,475,107	371,316,525

	Carrying amount	Gross nominal inflow/(outflow)	Up to 1 month	> 1 – 3 months	> 3 – 12 months	> 1 – 5 years	Over 5 years	No maturity
	US\$	US\$	US\$	US\$	US\$	US\$	US\$	US\$
31 December 2020								
Financial liabilities by type								
Non-derivative liabilities								
Payable and other liabilities	6,788,463	(6,788,463)	(6,788,463)	-	-	-	-	-
Wallet liabilities	143,248,457	(143,248,457)	-	-	-	-	-	(143,248,457)
Lease liabilities	256,517	(264,000)	(33,000)	(99,000)	(132,000)	-	-	-
In US\$	150,293,437	(150,300,920)	(6,821,463)	(99,000)	(132,000)	-	-	(143,248,457)
In KHR'000 (Note 5)	612,295,462	(612,325,948)	(27,790,640)	(403,326)	(537,768)	-	-	(583,594,214)

	Carrying amount	Gross nominal inflow/(outflow)	Up to 1 month	> 1 – 3 months	> 3 – 12 months	> 1 – 5 years	Over 5 years	No maturity
	US\$	US\$	US\$	US\$	US\$	US\$	US\$	US\$
31 December 2020								
Financial assets by type								
Non-derivative assets								
Cash and bank balances, net	177,752,697	178,886,986	5,012,329	3,500,712	30,129,749	-	-	140,244,196
Other assets, net	7,366,209	10,397,573	10,397,573	-	-	-	-	-
In US\$	185,118,906	189,284,559	15,409,902	3,500,712	30,129,749	-	-	140,244,196
In KHR'000 (Note 5)	754,174,422	771,145,293	62,779,940	14,261,901	122,748,597	-	-	571,354,855

Notes to the financial statements (continued)

for the year ended 31 December 2021

B. Liquidity risk (continued)

Maturity analysis for financial liabilities and financial assets (continued)

	Carrying amount	Gross nominal inflow/(outflow)	Up to 1 month	> 1 – 3 months	> 3 – 12 months	> 1 – 5 years	Over 5 years	No maturity
	US\$	US\$	US\$	US\$	US\$	US\$	US\$	US\$
31 December 2021								
Financial liabilities by type								
Non-derivative liabilities								
Payable and other liabilities	6,788,463	(6,788,463)	(6,788,463)	-	-	-	-	-
Wallet liabilities	143,248,457	(143,248,457)	-	-	-	-	-	(143,248,457)
Lease liabilities	256,517	(264,000)	(33,000)	(99,000)	(132,000)	-	-	-
In US\$	150,293,437	(150,300,920)	(6,821,463)	(99,000)	(132,000)	-	-	(143,248,457)
In KHR'000 (Note 5)	612,295,462	(612,325,948)	(27,790,640)	(403,326)	(537,768)	-	-	(583,594,214)

	Carrying amount	Gross nominal inflow/(outflow)	Up to 1 month	> 1 – 3 months	> 3 – 12 months	> 1 – 5 years	Over 5 years	No maturity
	US\$	US\$	US\$	US\$	US\$	US\$	US\$	US\$
31 December 2020								
Financial assets by type								
Non-derivative assets								
Cash and bank balances, net	177,752,697	178,886,986	5,012,329	3,500,712	30,129,749	-	-	140,244,196
Other assets, net	7,366,209	10,397,573	10,397,573	-	-	-	-	-
In US\$	185,118,906	189,284,559	15,409,902	3,500,712	30,129,749	-	-	140,244,196
In KHR'000 (Note 5)	754,174,422	771,145,293	62,779,940	14,261,901	122,748,597	-	-	571,354,855

30. Financial risk management (continued)

B. Liquidity risk (continued)

Maturity analysis for financial liabilities and financial assets (continued)

The amounts in the table above have been compiled as follows:

Type of financial instrument	Basis on which amounts are compiled
Non-derivative financial liabilities	Undiscounted cash flows, which include estimated interest payments.
Loan commitments	Earliest possible contractual maturity

As part of the management of liquidity risk arising from financial liabilities, the Bank hold liquid assets comprising cash and cash equivalents, which can be readily to meet liquidity requirements. In addition, the Bank maintain agreed lines of credit with other banks.

C. Market risk

Market risk is the risk that changes in market prices – e.g. interest rates, foreign exchange rates and equity prices – will affect the Bank’s income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return on risk.

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

(i). Interest rate risk

Interest rate risk refers to the volatility in net interest income as a result of changes in the levels of interest rate and shifts in the composition of the assets and liabilities. Interest rate risk is managed through close monitoring of returns on investment, market pricing and cost of funds. The potential reduction in net interest income from an unfavourable interest rate movement is regularly monitored against the risk tolerance limits set.

Fair value sensitivity analysis for fixed rate instruments

The Bank does not account for any fixed rate liabilities at fair value through profit or loss. Therefore, a change in interest rates at the reporting date would not affect profit or loss.

Cash flow sensitivity analysis for variable-rate instruments

The Bank does not have significant variable-rate instruments. Therefore, no cash flow sensitivity analysis for variable-rate instruments was presented.

SECURED HOUSING LOAN



WHAT IS A SECURED HOUSING LOAN?

✓ Housing loan is a loan given to the borrower to finance the purchase of residential property for dwelling purpose such as house, shop-house, flat-house, condominium or apartment. It is basically a loan on a long-term tenor with repayment by monthly instalment comprising principal and interest.

BENEFITS

- ✓ Obtaining information is straightforward, and approval is fast.
- ✓ The rate of interest is competitive.
- ✓ The repayment method is flexible.
- ✓ The loan can be repaid over a period of up to 300 months.
- ✓ Using over 10,000 Wing agents across the country via free cash in and cash out without having to wait in huge lines. We also have no restrictions, and we can use and return the funds whenever we want.
- ✓ It is possible to obtain a loan in both USD and KHR. You don't need to have a collateral in place when applying for a loan; however, you can use the house that you buy as collateral, with an LTV of up to 80%.
- ✓ You won't have to memorize the payback schedule for the bank loan because a notification will be sent out via Whats App and Wings App.

Type of Housing Loan

Temporary Commercial Name
Eligible Person/Entities

Age

Purpose
Loan Size
Currency
Loan Term/Tenor
Interest Rate p.a
Loan Approval Fee
Late Payment Fee

Default Rate p.a

Prepayment Fee

Prepayment Notice
Fire Insurance
Annual Review Fee
Collateral Type

LTVR
DSCR
Repayment Method

Request Channel

30. Financial risk management (continued)

C. Market risk (continued)

(i). Interest rate risk (continued)

	Carrying amount	Up to 1 month	> 1 – 3 months	> 3 – 12 months	> 1 – 5 years	Over 5 years	Non-interest sensitive
31 December 2021	US\$	US\$	US\$	US\$	US\$	US\$	US\$
Financial assets							
Cash and bank balances, net	182,274,494	-	-	87,419,570	3,711,938	-	91,142,986
Loans and advances to customers, net	61,542,515	590,059	36,822	22,542,567	13,073,717	25,299,350	-
Debt investment, net	1,992,321	-	-	-	1,992,321	-	-
Other assets, net	11,076,543	-	-	-	-	-	11,076,543
	256,885,873	590,059	36,822	109,962,137	18,777,976	25,299,350	102,219,529
Financial liabilities							
Deposits from customers	54,264,108	4,560,641	2,788,240	2,699,712	4,988,629	-	39,226,886
Payable and other liabilities	10,877,012	-	-	-	-	-	10,877,012
Wallet liabilities	123,737,992	-	-	-	-	-	123,737,992
Lease liabilities	6,307,212	48,373	147,061	472,958	2,588,792	3,050,028	-
	195,186,324	4,609,014	2,935,301	3,172,670	7,577,421	3,050,028	173,841,890
Interest sensitivity gap - In US\$	61,699,549	(4,018,955)	(2,898,479)	106,789,467	11,200,555	22,249,322	(71,622,361)
In KHR'000 (Note 5)	251,363,964	(16,373,223)	(11,808,403)	435,060,289	45,631,061	90,643,738	(291,789,498)

	Carrying amount	Up to 1 month	> 1 – 3 months	> 3 – 12 months	> 1 – 5 years	Over 5 years	Non-interest sensitive
31 December 2020	US\$	US\$	US\$	US\$	US\$	US\$	US\$
Financial assets							
Cash and bank balances, net	177,752,697	5,012,329	3,500,712	28,995,460	-	-	140,244,196
Other assets, net	7,366,209	-	-	-	-	-	7,366,209
	185,118,906	5,012,329	3,500,712	28,995,460	-	-	147,610,405
Financial liabilities							
Payable and other liabilities	6,788,463	-	-	-	-	-	6,788,463
Wallet liabilities	143,248,457	-	-	-	-	-	143,248,457
Lease liabilities	256,517	31,350	95,264	129,903	-	-	-
	150,293,437	31,350	95,264	129,903	-	-	150,036,920
Interest sensitivity gap - In US\$	34,825,469	4,980,979	3,405,448	28,865,557	-	-	(2,426,515)
In KHR'000 (Note 5)	140,869,021	20,148,060	13,775,037	116,761,178	-	-	(9,815,254)

Notes to the financial statements (continued)

for the year ended 31 December 2021

30. Financial risk management (continued)

C. Market risk (continued)

(ii). Foreign currency exchange risk

Foreign currency exchange risk is the risk that the value of financial instruments will fluctuate due to changes in foreign exchange rates.

Concentration of currency risk

The amounts of financial assets and liabilities, by currency denomination, are as follows:

	Denomination US\$ equivalents		
	KHR	US\$	Total
31 December 2021			
Financial assets			
Cash and bank balances, net	18,382,377	163,892,117	182,274,494
Loans and advance to customers, net	3,845,078	57,697,437	61,542,515
Debt investment, net	-	1,992,321	1,992,321
Other assets, net	3,054,436	8,022,107	11,076,543
	25,281,891	231,603,982	256,885,873
Financial liabilities			
Deposit from customers	14,134,216	40,129,892	54,264,108
Payable and other liabilities	8,472,068	2,404,944	123,737,992
Wallet liabilities	55,323,731	68,414,261	10,877,012
Lease liabilities	-	6,307,212	6,307,212
	77,930,015	117,256,309	195,186,324
Net (liabilities)/assets position	(52,648,124)	114,347,673	61,699,549
<i>Equivalents in KHR'000 (Note 5)</i>	(214,488,457)	465,852,421	251,363,964

Notes to the financial statements (continued)

for the year ended 31 December 2021

30. Financial risk management (continued)

C. Market risk (continued)

(ii). Foreign currency exchange risk (continued)

Concentration of currency risk (continued)

The amounts of financial assets and liabilities, by currency denomination, are as follows: (continued)

	Denomination US\$ equivalents		
	KHR	US\$	Total
31 December 2020			
Financial assets			
Cash and bank balances, net	76,174,601	101,578,096	177,752,697
Other assets, net	744,326	6,621,883	7,366,209
	76,918,927	108,199,979	185,118,906
Financial liabilities			
Payable and other liabilities	5,760,709	1,027,754	6,788,463
Wallet liabilities	64,475,079	78,773,378	143,248,457
Lease liabilities	-	256,517	256,517
	70,235,788	80,057,649	150,293,437
Net assets position	6,683,139	28,142,330	34,825,469
<i>Equivalents in KHR'000 (Note 5)</i>	27,033,297	113,835,724	140,869,021

Sensitivity analysis

Considering that other risk variables remain constant, the foreign currency revaluation sensitivity for the Bank as at reporting date is summarised as follows (only exposures in currencies that accounts for more than 1 percent of the net open positions are shown in its specific currency in the table below).

	31 December 2021		31 December 2020	
	- 1% Depreciation	+1% Appreciation	- 1% Depreciation	+1% Appreciation
	US\$	US\$	US\$	US\$
KHR	526,481	(526,481)	(59,388)	59,388
KHR'000 – Note 5	2,144,885	(2,144,885)	(240,225)	240,225

D. Operational risk

The operational risk is the risk of losses arising from inadequate or failed internal processes, people or systems or from external factors. This risk is managed through established operational risk management processes, proper monitoring and reporting of the business activities by control and oversight provided by the senior Management. This includes legal, compliance, accounting and fraud risk.

The operational risk management entails the establishment of clear organizational structures, roles and control policies. Various internal control policies and measures have been implemented. These include the establishment of signing authorities, defining system parameters controls, streaming procedures and documentation ensuring compliance with regulatory and legal requirements. These are reviewed continually to address the operational risks of its banking business.

E. Capital management

For the purpose of the Bank's capital management, capital includes issued and paid up capital. The primary objective of the Bank's capital management is to maximise the shareholder's value. The Bank manages its capital and makes adjustments to it, in the light of changes in economic conditions.

31. Fair values of financial assets and liabilities

Financial instruments comprise financial assets and financial liabilities. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Bank has access at that date. The information presented herein represents the estimates of fair values as at the financial position date.

Quoted and observable market prices, where available, are used as the measure of fair values of the financial instruments. Where such quoted and observable market prices are not available, fair values are estimated based on a range of methodologies and assumptions regarding risk characteristics of various financial instruments, discount rates, estimates of future cash flows and other factors.

Fair value information for non-financial assets and liabilities are excluded as they do not fall within the scope of CIFRS 7: Financial Instruments Disclosures which requires the fair value information to be disclosed.

The fair value of the Bank's financial instruments such as cash and short-term funds, deposits from customers, other assets, payables and other liabilities are not materially sensitive to shifts in market profit rate because of the limited term to maturity of these instruments. As such, the carrying value of these financial assets and liabilities at financial position date approximate their fair values.

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

A. Balances with NBC, and balances with other banks

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

31. Fair values of financial assets and liabilities (continued)

B. Loans and advances to customers

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

C. Deposits from 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 and customers.

D. 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.

E. Fair value hierarchy

CIFRS 7 specifies a hierarchy of valuation techniques based on whether the inputs to those valuation techniques are observable or unobservable. Observable inputs reflect market data obtained from independent sources and unobservable inputs reflect the Bank's market assumptions. The fair value hierarchy is as follows:

- *Level 1* – Quoted price (unadjusted) in active markets for the identical assets or liabilities. This level includes listed equity securities and debt instruments.
- *Level 2* – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).
- *Level 3* – Inputs for asset or liability that are not based on observable market data (unobservable inputs). This level includes equity instruments and debt instruments with significant unobservable components.

The Bank's financial assets and liabilities are not measured at fair value. As verifiable market prices are not available, market prices are not available for a significant proportion of the Bank's financial assets and liabilities, the fair values, therefore, have been based on management assumptions according to the profile of the asset and liability base. In the opinion of the management, the carrying amounts of the financial assets and liabilities included in the statement of financial position are a reasonable estimation of their fair values.

32. Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements, unless otherwise stated.

A. Basis of measurement

The financial statements have been prepared on a historical cost.

32. Significant accounting policies (continued)

B. Foreign currency transactions

Transactions in foreign currencies are translated into the functional currency of at the spot exchange rates at the date of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the spot exchange rate at the reporting date. The foreign currency gain or loss on monetary items is the difference between the amortised cost in the functional currency at the beginning of the year, adjusted for effective interest and payments during the year, and the amortised cost in the foreign currency translated at the spot exchange rate at the end of the period.

Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the spot exchange rate at the date on which the fair value is determined. Non-monetary items that are measured based on historical cost in a foreign currency are translated using the spot exchange rate at the date of the transaction.

Foreign currency differences arising on translation are generally recognised in profit or loss.

C. Financial assets and financial liabilities

(i) Recognition and initial measurement

The Bank initially recognises loans and advances, deposits and debt securities issued on the date on which they are originated. All other financial instruments (including regular-way purchases and sales of financial assets) are recognised on the trade date, which is the date on which the Bank becomes a party to the contractual provisions of the instrument.

A financial asset or financial liability is measured initially at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue. The fair value of a financial instrument at initial recognition is generally its transaction price.

(ii) Classification

Financial assets

On initial recognition, a financial asset is classified as measured at: amortised cost, FVOCI or FVTPL.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are SPPI.

A debt instrument is measured at FVOCI only if it meets both of the following conditions and is not designated as at FVTPL:

32. Significant accounting policies (continued)

C. Financial assets and financial liabilities (continued)

(ii) Classification (continued)

Financial assets (continued)

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

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

All other financial assets are classified as measured at FVTPL.

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

Business model assessment

The Bank makes an assessment of the objective of a business model in which an asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. In particular, whether management's strategy focuses on earning contractual interest revenue, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of the liabilities that are funding those assets or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Bank's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and its strategy for how those risks are managed;
- how managers of the business are compensated (e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected); and
- the frequency, volume and timing of sales in prior periods, the reasons for such sales and its expectations about future sales activity. However, information about sales activity is not considered in isolation, but as part of an overall assessment of how the Bank's stated objective for managing the financial assets is achieved and how cash flows are realised.

Financial assets that are held for trading or managed and whose performance is evaluated on a fair value basis are measured at FVTPL because they are neither held to collect contractual cash flows nor held both to collect contractual cash flows and to sell financial assets.

32. Significant accounting policies (continued)

C. Financial assets and financial liabilities (continued)

(ii) Classification (continued)

Assessment of whether contractual cash flows are solely payments of principal and interest-SPPI

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as profit margin.

In assessing whether the contractual cash flows are SPPI, the Bank considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition.

In making the assessment, the Bank considers:

- contingent events that would change the amount and timing of cash flows;
- leverage features;
- prepayment and extension terms;
- terms that limit the Bank's claim to cash flows from specified assets (e.g. non-recourse loans); and
- features that modify consideration of the time value of money (e.g. periodical reset of interest rates).

Non-recourse loans

In some cases, loans made by the Bank that are secured by collateral of the borrower limit the Bank's claim to cash flows of the underlying collateral (non-recourse loans). The Bank applies judgment in assessing whether the non-recourse loans meet the SPPI criterion. The Bank typically considers the following information when making this judgement:

- whether the contractual arrangement specifically defines the amounts and dates of the cash payments of the loan;
- the fair value of the collateral relative to the amount of the secured financial asset;
- the ability and willingness of the borrower to make contractual payments, notwithstanding a decline in the value of collateral;
- whether the borrower is an individual or a substantive operating entity or is a special-purpose entity;
- the Bank's risk of loss on the asset relative to a full-recourse loan;

32. Significant accounting policies (continued)

C. Financial assets and financial liabilities (continued)

Non-recourse loans (continued)

- the extent to which the collateral represents all or a substantial portion of the borrower's assets; and
- whether the Bank will benefit from any upside from the underlying assets.

Reclassifications

Financial assets are not reclassified subsequent to their initial recognition, except in the period after the Bank changes its business model for managing financial assets.

(iii) Derecognition

Financial assets

The Bank derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Bank neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

On derecognition of a financial asset, the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset derecognised) and the sum of (i) the consideration received (including any new asset obtained less any new liability assumed) and (ii) any cumulative gain or loss that had been recognised in OCI is recognised in profit and loss.

Financial liabilities

The Bank derecognises a financial liability when its contractual obligations are discharged or cancelled or expire.

(iv) Modifications of financial assets and financial liabilities

Financial assets

If the terms of a financial asset are modified, then the Bank evaluates whether the cash flows of the modified asset are substantially different.

If the cash flows are substantially different, then the contractual rights to cash flows from the original financial asset are deemed to have expired. In this case, the original financial asset is derecognised (see (iii)) and a new financial asset is recognised at fair value plus any eligible transaction costs.

Any fees received as part of the modification are accounted for as follows:

32. Significant accounting policies (continued)

C. Financial assets and financial liabilities (continued)

(iv) Modifications of financial assets and financial liabilities

Financial assets (continued)

- fees that are considered in determining the fair value of the new asset and fees that represent reimbursement of eligible transaction costs are included in the initial measurement of the asset; and
- other fees are included in profit and loss as part of the gain or loss on derecognition.

If cash flows are modified when the borrower is in financial difficulties, then the objective of the modification is usually to maximise recovery of the original contractual terms rather than to originate a new asset with substantially different terms. If the Bank plans to modify a financial asset in a way that would result in forgiveness of cash flows, then it first considers whether a portion of the asset should be written off before the modification takes place (see below for write-off policy). This approach impacts the result of the quantitative evaluation and means that the derecognition criteria are not usually met in such cases.

If the modification of a financial asset measured at amortised cost or FVOCI does not result in derecognition of the financial asset, then the Bank first recalculates the gross carrying amount of the financial asset using the original effective interest rate of the asset and recognises the resulting adjustment as a modification gain or loss in profit and loss. For floating-rate financial assets, the original effective interest rate used to calculate the modification gain or loss is adjusted to reflect current market terms at the time of the modification. Any costs or fees incurred and fees received as part of the modification adjust the gross carrying amount of the modified financial asset and are amortised over the remaining term of the modified financial asset.

If such a modification is carried out because of financial difficulties of the borrower, then the gain or loss is presented together with impairment losses. In other cases, it is presented as interest income calculated using the effective interest rate method.

Financial liabilities

The Bank derecognises a financial liability when its terms are modified, and the cash flows of the modified liability are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability derecognised and consideration paid is recognised in profit and loss. Consideration paid includes non-financial assets transferred, if any, and the assumption of liabilities, including the new modified financial liability.

If the modification of a financial liability is not accounted for as derecognition, then the amortised cost of the liability is recalculated by discounting the modified cash flows at the original effective interest rate and the resulting gain or loss is recognised in profit and loss. For floating-rate financial liabilities, the original effective interest rate used to calculate the modification gain or loss is adjusted to reflect current market terms at the time of the modification. Any costs and fees incurred are recognised as an adjustment to the carrying amount of the liability and amortised over the remaining term of the modified financial liability by re-computing the effective interest rate on the instrument.

32. Significant accounting policies (continued)

C. Financial assets and financial liabilities (continued)

(v) Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Bank has a legal right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

(vi) Fair value measurement

'Fair value' is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Bank has access at that date. The fair value of a liability reflects its non-performance risk.

When one is available, the Bank measures the fair value of an instrument using the quoted price in an active market for that instrument. A market is regarded as 'active' if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

If there is no quoted price in an active market, then the Bank uses valuation techniques that maximise the use of relevant observable inputs and minimise the use of unobservable inputs. The chosen valuation technique incorporates all of the factors that market participants would take into account in pricing a transaction.

The best evidence of the fair value of a financial instrument on initial recognition is normally the transaction price – i.e. the fair value of the consideration given or received. If the Bank determines that the fair value on initial recognition differs from the transaction price and the fair value is evidenced neither by a quoted price in an active market for an identical asset or liability nor based on a valuation technique for which any unobservable inputs are judged to be insignificant in relation to the measurement, then the financial instrument is initially measured at fair value, adjusted to defer the difference between the fair value on initial recognition and the transaction price. Subsequently, that difference is recognised in profit and loss on an appropriate basis over the life of the instrument but no later than when the valuation is wholly supported by observable market data or the transaction is closed out.

If an asset or a liability measured at fair value has a bid price and an ask price, then the Bank measures assets and long positions at a bid price and liabilities and short positions at an ask price.

Portfolios of financial assets and financial liabilities that are exposed to market risk and credit risk that are managed by the Bank on the basis of the net exposure to either market or credit risk are measured on the basis of a price that would be received to sell a net long position (or paid to transfer a net short position) for the particular risk exposure. Portfolio-level adjustments – e.g. bid-ask adjustment or credit risk adjustments that reflect the measurement on the basis of the net exposure – are allocated to the individual assets and liabilities on the basis of the relative risk adjustment of each of the individual instruments in the portfolio.

32. Significant accounting policies (continued)

C. Financial assets and financial liabilities (continued)

(vi) Fair value measurement (continued)

The fair value of a financial liability with a demand feature (e.g. a demand deposit) is not less than the amount payable on demand, discounted from the first date on which the amount could be required to be paid.

The Bank recognises transfers between levels of the fair value hierarchy as of the end of the reporting period during which the change has occurred.

(vii) Impairment

The Bank recognises loss allowances for ECL on the following financial instruments that are not measured at FVTPL:

- financial assets that are debt instruments; and
- loan commitments issued.

The Bank measures loss allowances at an amount equal to lifetime ECL, except for the following, for which they are measured as 12-month ECL:

- debt investment securities that are determined to have low credit risk at the reporting date; and
- other financial instruments (other than lease receivables) on which credit risk has not increased significantly since their initial recognition.
- 12-month ECL are the portion of ECL that result from default events on a financial instrument that are possible within the 12 months after the reporting date. Financial instruments for which a 12-month ECL is recognised are referred to as 'Stage 1 financial instruments'.
- Life-time ECL are the ECL that result from all possible default events over the expected life of the financial instrument. Financial instruments for which a lifetime ECL is recognised but which are not credit-impaired are referred to as 'Stage 2 financial instruments'.
- At each reporting date, the Bank assesses whether the credit risk of a financial instrument has increased significantly since initial recognition. When credit risk has increased significantly since initial recognition, loss allowance is measured at an amount equal to lifetime ECL.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECL, the Bank considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Bank's historical experience and informed credit assessment and includes forward-looking information.

32. Significant accounting policies (continued)

C. Financial assets and financial liabilities (continued)

(vii) Impairment (continued)

If credit risk has not increased significantly since initial recognition or if the credit quality of the financial instruments improves such that there is no longer a significant increase in credit risk since initial recognition, loss allowance is measured at an amount equal to 12-month ECL.

The maximum period considered when estimating ECL is the maximum contractual period over which the Bank is exposed to credit risk.

Determining whether credit risk has increased significantly

The Bank assesses whether credit risk has increased significantly since initial recognition at each reporting date. Determining whether an increase in credit risk is significant depends on the characteristics of the financial instrument and the borrower, and the geographical region.

The Bank considers that a significant increase in credit risk occurs no later than when an asset is more than 30 days past due. Days past due are determined by counting the number of days since the earliest elapsed due date in respect of which full payment has not been received. Due dates are determined without considering any grace period that might be available to the debtors.

If there is evidence that there is no longer a significant increase in credit risk relative to initial recognition, then the loss allowance on an instrument returns to being measured as 12-month ECL.

Definition of default

The Bank considers a financial asset to be in default when:

- the debtors is unlikely to pay its credit obligations to the Bank in full, without recourse by the Bank to actions such as realising security (if any is held); or
- The Bank considers that a significant increase in credit risk occurs no later than when an asset is more than or equal to 30 days past due for long-term facilities or more than or equal to 15 days past due for short-term facilities.

Measurement of ECL

ECL are a probability-weighted estimate of credit losses. They are measured as follows:

- financial assets that are not credit-impaired at the reporting date: as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Bank expects to receive); and
- financial assets that are credit-impaired at the reporting date: as the difference between the gross carrying amount and the present value of estimated future cash flows.

32. Significant accounting policies (continued)

C. Financial assets and financial liabilities (continued)

(vii) Impairment (continued)

Inputs, assumptions and techniques used for estimating impairment

The key inputs into the measurement of ECL are the term structure of the following variables:

- Probability of default ("PD");
- Loss given default ("LGD"); and
- Exposure at default ("EAD").

ECL for exposures in Stage 1 is calculated by multiplying the 12-month PD by LGD and EAD. Lifetime ECL is calculated by multiplying the lifetime PD by LGD and EAD.

The statistical model has been employed to analyse data collected and generate estimate of remaining lifetime PD of exposure and how these are expected to change as result of passage of time.

LGD is the magnitude of the likely loss if there is a default. The Bank estimates LGD parameters based on the history of recovery rates of claims against defaulted counterparties. The LGD models consider the structure, collateral, seniority of the claim, counterparty industry and recovery costs of any collateral that is integral to the financial asset. For loans secured by retail property, LTV ratios are a key parameter in determining LGD. LGD estimates are recalibrated for different economic scenarios and, for real estate lending, to reflect possible changes in property prices. They are calculated on a discounted cash flow basis using the effective interest rate as the discounting factor.

EAD represents the expected exposure in the event of a default. The Bank derives the EAD from the current exposure to the counterparty and potential changes to the current amount allowed under the contract and arising from amortisation. The EAD of a financial asset is its gross carrying amount at the time of default. For lending commitments, the EAD is potential future amounts that may be drawn under the contract, which are estimated based on historical observations and forward-looking forecasts. For some financial assets, EAD is determined by modelling the range of possible exposure outcomes at various points in time using scenario and statistical techniques.

As described above, and subject to using a maximum of a 12-month PD for Stage 1 financial assets, the Bank measures ECL considering the risk of default over the maximum contractual period (including any borrower's extension options) over which it is exposed to credit risk, even if, for credit risk management purposes, the Bank considers a longer period. The maximum contractual period extends to the date at which the Bank has the right to require repayment of an advance or terminate a loan commitment or guarantee.

Restructured financial assets

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

32. Significant accounting policies (continued)

C. Financial assets and financial liabilities (continued)

(vii) Impairment (continued)

Restructured financial assets (continued)

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

Credit-impaired financial assets

At each reporting date, the Bank assesses whether financial assets carried at amortised cost and debt financial assets carried at FVOCI are credit-impaired (referred to as 'Stage 3 financial assets'). A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or past due event;
- the restructuring of a loan or advance by the Bank on terms that the Bank would not consider otherwise;
- it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

A loan or receivable that has been renegotiated due to a deterioration in the borrower's condition is usually considered to be credit-impaired unless there is evidence that the risk of not receiving contractual cash flows has reduced significantly and there are no other indicators of impairment. In addition, a loan that is overdue for 90 days or more is considered credit-impaired even when the regulatory definition of default is different.

Presentation of allowance for ECL in the statement of financial position

Loss allowances for ECL are presented in the statement of financial position for financial assets measured at amortised cost: as a deduction from the gross carrying amount of the assets.

32. Significant accounting policies (continued)

C. Financial assets and financial liabilities (continued)

(vii) Impairment (continued)

Write-off

Loans and advances are written off (either partially or in full) when there is no reasonable expectation of recovering a financial asset in its entirety or a portion thereof. This is generally the case when the Bank determines that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. This assessment is carried out at the individual asset level.

Recoveries of amounts previously written off are included in 'net impairment losses on financial instruments' in profit or loss.

Financial assets that are written off could still be subject to enforcement activities in order to comply with the Bank's procedures for recovery of amounts due.

D. Cash and cash equivalents

Cash and cash equivalents consist of cash and bank balances, demand deposits and short-term highly liquid investments with original maturities of three months or less when purchased, and that are readily convertible to known amounts of cash and subject to an insignificant risk of changes in value.

Cash and cash equivalents are stated at amortised cost less impairment for any uncollectable amounts.

E. Designated accounts

In accordance with NBC's Prakas No. 814-107-161 on payment service provider dated 14 June 2017, the Bank is required to open accounts in a Cambodia bank as trust accounts or investment in assets which are low-risk which meets criteria as defined by NBC. These designated accounts are opened by the Bank in respect of funds received from payment service users held in the Bank's bank accounts with the purpose of making payment transactions, as instructed by payment service users and not be used for operational purpose of the service provider.

F. Statutory deposits

Statutory deposits included in balances with the NBC are maintained in compliance with the Cambodian Law on Banking and Financial Institutions and are determined by the defined percentage of the minimum share capital as required by NBC.

G. Loans and advances

Loans and advances represent loans measured at amortised cost; they are initially measured at fair value plus incremental direct transaction costs, and subsequently at their amortised cost using the effective interest method.

H. Other assets

Other assets are carried at amortised cost less impairment, if any

32. Significant accounting policies (continued)

I. Property and equipment

(i) Recognition and measurement

Items of property and equipment are measured at cost less accumulated depreciation and impairment losses, if any.

Cost includes expenditures that are directly attributable to the acquisition of the asset and any other costs directly attributable to bringing the asset to working condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located. The cost of self-constructed assets also includes the cost of materials and direct labour. For qualifying assets, borrowing costs are capitalised in accordance with the accounting policy on borrowing costs. Cost also may include transfers from equity of any gain or loss on qualifying cash flow hedges of foreign currency purchases of property and equipment.

Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

When significant parts of an item of property and equipment have different useful lives, they are accounted for as separate items (major components) of property and equipment.

The gain or loss on disposal of an item of property and equipment is determined by comparing the proceeds from disposal with the carrying amount of property and equipment and is recognised net within "other income" and "other expenses" respectively in profit or loss.

(ii). Subsequent expenditure

Subsequent expenditure is capitalised only if it is probable that the future economic benefits embodied within the component will flow to the Bank. Ongoing repair and maintenance are expensed off as incurred.

(iii). Depreciation

Depreciation is based on the cost of an asset less its residual value. Significant components of individual assets are assessed, and if a component has a useful life that is different from the remainder of that asset, then that component is depreciated separately.

Depreciation is recognised as an expense in profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property and equipment.

Depreciation is recognised from the date that the property and equipment are installed and are ready for use, or in respect of internally constructed assets, from the date that the asset is completed and ready for use.

32. Significant accounting policies (continued)

I. Property and equipment (continued)

(iii). Depreciation (continued)

The estimated useful lives are as follows:

	Years
	Shorter of the lease term and useful life
Leasehold improvements	
Office equipment	4
Computer equipment	4
Office furniture and fixture	5
Motor vehicles	4

Depreciation methods, useful lives and residual values are reassessed at end of the reporting period and adjusted if appropriate.

Work in progress is not depreciated until such time as the relevant assets are completed and put into operational use.

J. Intangible assets

Intangible assets, which comprise acquired computer software licenses and related costs, are stated at cost less accumulated amortisation and impairment loss, if any. Acquired computer software licenses are capitalised on the basis of the cost incurred to acquire the specific software and bring it to use.

Intangible assets are amortised over their estimated useful lives from 5 to 20 years using the straight-line method.

Costs associated with the development or maintenance of computer software are recognised as expenses when incurred. Work in progress is not amortised until such time as the relevant assets are completed and put into operational use.

K. Leases

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

To assess whether a contract conveys the right to control the use of an identified asset, the Bank assesses whether:

- the contract involves the use of an identified asset - this may be specified explicitly or implicitly, and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right throughout the period of use, then the asset is not identified;

32. Significant accounting policies (continued)

K. Leases (continued)

- the Bank has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and
- the Bank has the right to direct the use of the asset. The Bank has this right when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used. In cases where all the decisions about how and for what purpose the asset is used are predetermined, the Bank has the right to direct the use of the asset if either:
 - the Bank has the right to operate the asset; or
 - the Bank designed the asset in a way that predetermines how and for what purpose It will be used.

At inception or on reassessment of a contract that contains a lease and non-lease component, the Bank allocates the consideration in the contract to each lease component and aggregate of non-lease components on the basis of their relative stand-alone prices. However, for the leases of land and buildings in which it is a lessee, the Bank has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

Leases in which the Bank is a lessee

- An arrangement conveyed the right to use the asset if one of the following was met:
- the purchaser had the ability or right to operate the asset while obtaining or controlling more than an insignificant amount of the output;
- the purchaser had the ability or right to control physical access to the asset while obtaining or controlling more than an insignificant amount of the output; or

facts and circumstances indicated that it was remote that other parties would take more than an insignificant amount of the output, and the price per unit was neither fixed per unit of output nor equal to the current market price per unit of output.

The Bank lease recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

32. Significant accounting policies (continued)

K. Leases (continued)

The estimated useful lives are as follows:

- Office space 3 to 10 years

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, to the lessee's incremental borrowing rate. Generally, the Bank uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Bank is reasonably certain to exercise, lease payments in an optional renewal period if the Bank is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Bank is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in the lease term, a change in the assessment of the option to purchase the underlying asset, a change in future lease payments arising from a change in an index or rate, or if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit and loss if the carrying amount of the right-of-use asset has been reduced to zero.

Short-term leases and leases of low-value assets

The Bank has elected not to recognise right-of-use assets and lease liabilities for short-term leases of machinery that have a lease term of 12 months or less and leases of low-value assets. The Bank recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

L. Impairment of non-financial assets

The carrying amounts of the Bank's non-financial assets (other than deferred tax assets) are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For intangible assets that have indefinite useful lives or that are not yet available for use, the recoverable amount is estimated each year at the same time. An impairment loss is recognised if the carrying amount of an asset or its related cash-generating unit (CGU) exceeds its estimated recoverable amount.

32. Significant accounting policies (continued)

L. Impairment of non-financial assets (continued)

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs.

Impairment losses are recognised in profit and loss. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the CGU (group of CGUs), and then to reduce the carrying amounts of the other assets in the CGU (group of CGUs) on a pro rata basis.

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

M. Deposits from customers

Deposits from customers are initially measured at fair value minus incremental direct transaction costs, and subsequently measured at their amortised cost using the effective interest method.

N. Employee benefits

(i). Short-term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Bank has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

(ii). Other long-term employee benefits

The Bank's net obligation in respect of long-term employee benefits is the amount of the benefit that employees have earned in return for their service in the current and prior periods. That benefit is discounted to determine its present value. Remeasurements are recognised in profit and loss in the period in which they arise.

O. Provisions

Provisions are recognised in the statement of financial position when the Bank has a legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

32. Significant accounting policies (continued)

P. Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of the ordinary share are recognised as a deduction from equity, net of any tax effects. Other shares are classified as equity and/or liability according to the economic substance of the particular instrument. Distributions to holders of a financial instrument classified as an equity instrument are charged directly to equity.

Q. Regulatory reserves

Regulatory reserves are set up for the variance of provision between loan impairment in accordance with CIFRS and regulatory provision in accordance with National Bank of Cambodia's Prakas No. B7-017-344 dated 1 December 2017 and Circular No. B7-018-001 Sor Ror Chor Nor dated 16 February 2018 on credit risk classification and provision on impairment for banks and financial institutions. In accordance with Article 73, the entity is shall compare the provision calculated in accordance with Article 49 to 71 and the provision calculated in accordance with Article 72, and the record:

- (i) In case that the regulatory provision calculated in accordance with Article 72 is lower than provision calculated in accordance with Article 49 to 71, the entity records the provision calculated in accordance with CIFRSs; and
- (ii) In case that the regulatory provision calculated in accordance with Article 72 is higher than provision calculated in accordance with Article 49 to 71, the entity records the provision calculated in accordance with CIFRSs and transfer the difference from retained earnings or accumulated loss account into regulatory reserves in shareholders' equity account.

The regulatory reserves are not an item to be included in the calculated of the Bank's net worth.

On 1 December 2017, NBC issued a Prakas No. B7-017-344 on Credit Risk Grading and Impairment Provisioning for ensuring appropriate recognition, measurement, provisioning and reporting of impaired facilities of the institutions.

Facilities under this Prakas is defined as all loans and other financial products, whether reported on statement of financial position or off-statement of financial position, provided by an Institution to a counterparty, which give rise to credit risk exposure on the Institution.

According to the Prakas, the Bank is required to calculate the allowance for impaired facilities in accordance with the regulatory provision simultaneously with the calculation in accordance with CIFRSs. The provision calculated in accordance with CIFRSs is to be recognised and recorded. Excess amount of provision calculated in accordance with regulatory provision compared to the provision calculated under CIFRSs has to be transferred from retained earnings to regulatory reserves of shareholder's equity.

On 16 February 2018, NBC issued Circular No. B7-018-001 clarifying on Implementation of Prakas on Credit Risk Grading and Impairment Provisioning. According to the Circular, the Bank is required to calculate the allowance for impaired facilities in accordance with regulatory provision of which facilities are classified into five classes with provision rates as follows:

32. Significant accounting policies (continued)

Q. Regulatory reserves (continued)

Classifications	Number of days past due	Provision
General allowance		
<i>Short-term facilities (one year or less):</i>		
Normal	0-14 days	1%
<i>Long-term facilities (more than one year):</i>		
Normal	0-29 days	1%
Specific allowance		
<i>Short-term facilities (one year or less):</i>		
Special mention	15-30 days	3%
Sub-standard	31-60 days	20%
Doubtful	61-90 days	50%
Loss	91 days & above	100%
<i>Long-term facilities (more than one year):</i>		
Special mention	30-89 days	3%
Sub-standard	90-179 days	20%
Doubtful	180-359 days	50%
Loss	360 days & above	100%

For facility with repayment as quarterly, semi-annually or longer, such facility shall be classified as substandard if their repayments are past due from five working days.

On 28 December 2021, the NBC issued a new Circular, No. B7-021-2314 CL on Classification and Provisioning Requirement on Restructured Loans, which aims at phasing out the forbearance period for the existing restructured loans and phasing the classification and provisioning arrangements complying with the current regulation, Prakas No.B7-017-344 dated 01 December 2017 on Credit Risk Grading and Impairment Provisioning. In this regard, all restructured loans by 31 December 2021 shall be classified and provisioned based on the requirements under this circular. For loans that were still in the assessment period, they shall be kept at the same classification as before the restructured terms of contract.

Following the NBC's workshop on "the Implementation on Circular on Classification and Provisioning Requirement on Restructured Loans" held on 18 January 2022, the NBC issued a communication on 4 February 2022 allowing banking and financial institutions ("BFIs") to defer the implementation of the new Circular until January 2022 onward though early adoption is encouraged. The Bank has no any restructured loan as at 31 December 2021.

32. Significant accounting policies (continued)

R. Interest

Effective interest rate (EIR)

Interest income and expense are recognised in profit or loss using the effective interest method. The “effective interest rate or EIR” is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:

- the gross carrying amount of the financial asset; or
- the amortised cost of the financial liability.

When calculating the effective interest rate for financial instruments other than purchased or originated credit-impaired assets, the Bank estimates future cash flows considering all contractual terms of the financial instrument, but not ECL. For purchased or originated credit-impaired financial assets, a credit-adjusted effective interest rate is calculated using estimated future cash flows including ECL.

The calculation of the effective interest rate includes transaction costs and fees and points paid or received that are an integral part of the effective interest rate. Transaction costs include incremental costs that are directly attributable to the acquisition or issue of a financial asset or financial liability.

Amortised cost and gross carrying amount

The ‘amortised cost’ of a financial asset or financial liability is the amount at which the financial asset or financial liability is measured on initial recognition minus the principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount and, for financial assets, adjusted for any expected credit loss allowance.

The ‘gross carrying amount of a financial asset’ is the amortised cost of a financial asset before adjusting for any expected credit loss allowance.

Calculation of interest income and expense

The effective interest rate of a financial asset or financial liability is calculated on initial recognition of a financial asset or a financial liability. In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability. The effective interest rate is revised as a result of periodic re-estimation of cash flows of floating rate instruments to reflect movements in market rates of interest. The effective interest rate is also revised for fair value hedge adjustments at the date amortisation of the hedge adjustment begins.

However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

For financial assets that were credit-impaired on initial recognition, interest income is calculated by applying the credit-adjusted effective interest rate to the amortised cost of the asset. The calculation of interest income does not revert to a gross basis, even if the credit risk of the asset improves.

32. Significant accounting policies (continued)

R. Interest (continued)

Presentation

Interest income calculated using the effective interest method presented in profit or loss includes interest on financial assets measured at amortised cost.

Interest expense presented in profit or loss includes interest on financial liabilities measured at amortised cost.

S. Fee and commission

Fee and commission income and expense that are integral to the effective interest rate on a financial asset or financial liability are included in the effective interest rate.

Other fee and commission income – including account servicing fees is recognised as the related services are performed.

Other fee and commission expense is recognised as the related services are rendered.

T. Income tax

(i) Current tax

Current tax comprises the expected tax payable or receivable on the taxable income for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. It is measured using tax rates enacted or substantially enacted at the reporting date.

(ii) Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Temporary differences in relation to a right-of-use asset and a lease liability for a specific lease are regarded as a net package (the lease) for the purpose of recognising deferred tax.

Deferred tax assets are recognised for unused tax losses and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date, and reflects uncertainty related to income taxes, if there is any.

The measurement of deferred tax reflects the tax consequences that would follow the manner in which the Bank expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset only if certain criteria are met.

32. Significant accounting policies (continued)

U. Contingent liabilities

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is not recognised in the statements of financial position and is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events, are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

V. Contingent assets

Where it is not possible that there is an inflow of economic benefits, or the amount cannot be estimated reliably, the asset is not recognised in the statements of financial position and is disclosed as a contingent asset, unless the probability of inflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events, are also disclosed as contingent assets unless the probability of inflow of economic benefits is remote.

W. New standards or amendments and forthcoming requirements

The following amendments and interpretations to standards that are effective for annual periods beginning from 1 January 2021 do not have a significant impact on the Bank's financial statements:

New currently effective requirements

- COVID-19-Related Rent Concessions (Amendment to CIFRS 16).
- Interest Rate Benchmark Reform – Phase 2 (Amendments to CIFRS 9, CIAS 39, CIFRS 7, CIFRS 4 and CIFRS 16)

The Bank has no other transactions that are affected by newly effective requirements.

A number of new standards and amendments to standards are effective for annual periods beginning on or after 1 January 2021 and earlier application is permitted; however, the Bank has not early adopted any of the new or amended standards in preparing these financial statements.

Forthcoming requirements

- (i) *Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to CIAS 12)*

The amendments narrow the scope of the initial recognition exemption to exclude transactions that give rise to equal and offsetting temporary differences - e.g. leases. The amendments apply for annual reporting periods beginning on or after 1 January 2023. For leases, the associated deferred tax asset and liabilities will need to be recognised from the beginning of the earliest comparative period presented, with any cumulative effect recognised as an adjustment to retained earnings or other components of equity at that date. For all other transactions, the amendments apply to transactions that occur after the beginning of the earliest period presented.

32. Significant accounting policies (continued)

W. New standards or amendments and forthcoming requirements (continued)

Forthcoming requirements (continued)

- (i) *Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to CIAS 12) (continued)*

The Bank's accounts for deferred tax on leases applying the 'integrally linked' approach, resulting in a similar outcome to the amendments, except that the deferred tax impacts are presented net in the statement of financial position. Under the amendments, the Bank will recognise a separate deferred tax asset and a deferred tax liability.

As at 31 December 2021, the taxable temporary difference in relation to the right-of-use asset is US\$6,196,508 and the deductible temporary difference in relation to the lease liability is US\$6,307,212, resulting in a net deferred tax asset of US\$22,140 (Note 14). Under the amendments, the Company will present a separate deferred tax liability of US\$1,239,302 and a deferred tax asset of US\$1,261,442. There will be no impact on retained earnings on adoption of the amendments.

- (ii) *Other standards*

The following new and amended standards are not expected to have a significant impact on the Bank's financial statements.

- Annual Improvements to CIFRS Standards 2018–2020.
- Property, Plant and Equipment: Proceeds before Intended Use – Amendments to CIAS 16.
- Reference to Conceptual Framework – Amendments to CIFRS 3.
- Classification of Liabilities as Current or Non-current – Amendments to CIAS 1;
- Disclosure of Accounting Policies – Amendments to CIAS 1 and CIFRS Practice Statement 2.
- Definition of Accounting Estimate – Amendments to CIAS 8.

33. Comparative information

During the preparation of the financial statements for the year ended 31 December 2021, the management has identified errors in the prior years' financial statements relating to the wrong classification and presentation of the assets and liabilities arising from the designated accounts and wallet liabilities. The Bank classified both designated accounts and wallet liabilities in the cash and bank balances by offsetting with each other. As a result, the assets and liabilities were understated by US\$109,707,292 as at 1 January 2020 and US\$143,248,457 as at 31 December 2020. This wrong classification also impacts the classification of interest income, other income and general and administration expenses in 2020. As a result, there were understatements of interest income and general and administrative expenses by US\$2,209,895, US\$904,369 respectively; and overstatement of other income by US\$1,305,526 in 2020.

Notes to the financial statements (continued)
for the year ended 31 December 2021

33. Comparative information (continued)

A summary of the line items affected by the restatements of the comparative information and correction of those errors is as follows:

	1 January 2020			
	As previously reported	Adjustments	As restated	
	US\$	US\$	US\$	KHR'000
				(Note 5)
Statement of financial position				
ASSETS				
Cash and bank balances, net	22,728,264	109,707,292	132,435,556	539,674,891
LIABILITIES				
Wallet liabilities	-	109,707,292	109,707,292	447,057,215

	31 December 2020			
	As previously reported	Adjustments	As restated	
	US\$	US\$	US\$	KHR'000
				(Note 5)
Statement of financial position				
ASSETS				
Cash and bank balances, net	34,504,240	143,248,457	177,752,697	719,009,660
LIABILITIES				
Wallet liabilities	-	143,248,457	143,248,457	579,440,009

Notes to the financial statements (continued)
for the year ended 31 December 2021

A summary of the line items affected by the restatements of the comparative information and correction of those errors is as follows: (continued)

	2020			
	As previously reported	Adjustments/ Reclassification	As restated	
	US\$	US\$	US\$	KHR'000
				(Note 5)
Statement of profit and loss and other comprehensive income				
Interest income	-	2,209,895	2,209,895	9,009,742
Other income	1,569,179	(1,305,526)	263,653	1,074,913
General and administrative expenses	(10,075,261)	(904,369)	(10,979,630)	(44,763,952)
	(8,506,082)	-	(8,506,082)	(34,679,297)

	2020			
	As previously reported	Adjustments/ Reclassification	As restated	
	US\$	US\$	US\$	KHR'000
				(Note 5)
Statement of cash flows				
Cash flows from operating activities				
Net profit for the year	10,646,288	-	10,646,288	43,404,916
<i>Adjustments for:</i>				
Depreciation and amortisation	1,911,809	-	1,911,809	7,794,446
Depreciation of right-of-use assets	282,785	-	282,785	1,152,914
Net interest income	33,663	(2,209,895)	(2,176,232)	(8,872,498)
Provision for employee benefits	(14,893)	-	(14,893)	(60,719)
Income tax expense	3,268,177	-	3,268,177	13,324,358
Net impairment losses on financial instruments (*)	20,437	159,369	179,806	733,069
	16,148,266	(2,050,526)	14,097,740	57,476,486

Notes to the financial statements (continued)
for the year ended 31 December 2021

33. Comparative information (continued)

A summary of the line items affected by the restatements of the comparative information and correction of those errors is as follows: (continued)

	2020			
	As previously reported	Adjustments/ Reclassification	As restated	
	US\$	US\$	US\$	KHR'000 (Note 5)
Statement of cash flows (continued)				
Cash flows from operating activities (continued)				
Changes in:				
Other assets	1,112,523	-	1,112,523	4,535,756
Deposit from customers	-	-	-	-
Wallet liabilities	-	33,541,165	33,541,165	136,747,330
Payables and other liabilities	312,097	-	312,097	1,272,419
Cash generated from operations	17,572,886	31,490,639	49,063,525	200,031,991
Income tax paid	(2,306,581)	-	(2,306,581)	(9,403,931)
Interest paid	(33,663)	-	(33,663)	(137,244)
Interest received	-	1,725,583	1,725,583	7,035,202
Net cash generated from operating activities	15,232,642	33,216,222	48,448,864	197,526,018
Cash flows from investing activities				
Acquisition of intangible assets	(402,826)	-	(402,826)	(1,642,322)
Acquisition of property and equipment	(2,049,566)	-	(2,049,566)	(8,356,081)
Placements of capital guarantee (*)	-	(697,937)	(697,937)	(2,845,489)
Proceeds from term deposits with other banks (*)	-	15,781,858	15,781,858	64,342,635
Placements of term deposits with other banks	-	(37,805,315)	(37,805,315)	(154,132,269)
Net cash used in investing activities	(2,452,392)	(22,721,394)	(25,173,786)	(102,633,526)

Notes to the financial statements (continued)
for the year ended 31 December 2021

33. Comparative information (continued)

A summary of the line items affected by the restatements of the comparative information and correction of those errors is as follows: (continued)

	2020			
	As previously reported	Adjustments/ Reclassification	As restated	
	US\$	US\$	US\$	KHR'000 (Note 5)
Statement of cash flows (continued)				
Cash flows from financing activities				
Payments of lease liabilities	(306,337)	-	(306,337)	(1,248,936)
Statutory deposits (*)	(697,937)	697,937	-	-
Net cash used in financing activities	(1,004,274)	697,937	(306,337)	(1,248,936)
Net increase in cash and cash equivalents	11,775,976	11,192,765	22,968,741	93,643,556
Cash and cash equivalents at beginning of the year	22,728,264	94,547,191	117,275,455	477,897,479
Currency translation difference	-	-	-	(4,253,263)
Cash and cash equivalents at end of the year	34,504,240	105,739,956	140,244,196	567,287,772

(*) Certain comparative information have been reclassified to conform with current year presentation.



Wing Bank

ANNUAL REPORT 2021

WING BANK (CAMBODIA) PLC

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