

Wing Bank

Wing Bank

ANNUAL REPORT

2023

**THE BANK
FOR EVERY
CAMBODIAN**



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MESSAGE FROM CHAIRMAN

Dear customers and members of the public,

Welcome to the Annual Report 2023 of Wing Bank!

I would like to express my heartfelt gratitude to our regulators, shareholders, merchants, and partners for their unwavering support, which has been instrumental in Wing Bank's remarkable success. I also would like to extend my sincere appreciation to all stakeholders, including our valued customers, dedicated employees, diligent agents, supportive merchant partners, corporate businesses, other financial institutions, and our progressive-thinking regulator. It is through their exceptional support that Wing Bank has achieved such significant milestones.

Furthermore, I would like to convey my deepest appreciation to the National Bank of Cambodia, particularly Her Excellency DR. CHEA SEREY, Governor of the National Bank of Cambodia. Your trust in Wing Bank has allowed us to actively contribute to the advancement of digital financial services and the promotion of financial and gender inclusion in Cambodia.

Through the invaluable support of the National Bank of Cambodia, we have successfully accelerated financial inclusion in the country by leveraging unique, effective, and efficient digital financial services. As we embark on the exciting era of the Fourth Industrial Revolution, we remain committed to driving economic, gender, and digital inclusion.

Once again, I express my sincere gratitude to all those who have played a vital role in our success, as well as to the National Bank of Cambodia for their trust and partnership. Together, we will continue to shape a more inclusive and prosperous future for Cambodia.

Driving Cambodia's Financial Inclusion

2023 marked a significant milestone for Wing Bank, as we entered our third year since obtaining our full-fledged commercial banking license and we used the year for investing into our future growth. We expanded and enhanced our physical and digital presence, our employee base, customer reach and banking services across our ecosystem, encompassing many branches, agents, and our mobile app. This resulted in the exceptional growth in Revenue, Customers, and Employees. I am confident of the foundations of growth the bank has laid in 2023 through its investments that will provide sustainable and consistent growth in the years to come.







One exceptional moment during this period was the grand inauguration ceremony of Wing Bank Tower, our esteemed head office. The event was graced by the presence of Samdech Moha Borvor Thipadei Hun Manet, Prime Minister of the Kingdom of Cambodia. With its towering height of 120m above the bustling streets of the capital, Wing Bank Tower stands along Preah Monivong Boulevard and the corner of Kampuchea Krom Boulevard. Its strategic location offers convenient access to renowned landmarks, upscale accommodations, and vibrant retail destinations. This architectural marvel serves as a testament to Cambodia's rising prominence in the realm of digital banking.



In 2023, Wing Bank achieved remarkable expansion by establishing five strategically located branches nationwide. We officially launched the Wing Bank Battambang Branch on January 26th, followed by the opening of another branch in the Royal Group Phnom Penh Special Economic Zone (RGPPSEZ) on February 24th. The Wing Bank Orkide 2004 Branch was then inaugurated on March 14th, preceding the launch of yet another branch in Banteay Meanchey on April 3rd. Finally, we celebrated the opening of our Kampong Cham branch on August 7th.

These expansions reflect our commitment to extending our reach and providing accessible financial services to communities across Cambodia. We are proud to witness our network growing stronger and more comprehensive, enabling us to better serve our valued customers in the years to come.

Beyond Banking: Empowering Communities

In 2023, Wing Bank made a resounding impact as we continued our commitment to ethical and sustainable practices, aiming to positively influence society and the environment. Our Corporate Social Responsibility efforts extended beyond the financial sector as we actively responded to social needs and worked towards enhancing the well-being of individuals through various initiatives and programs.

We maintained our long-term partnership with the Samdech Techo Voluntary Youth Doctor Association (TYDA), providing ongoing support for their charitable work in the healthcare sector. Through Wing Bank, my family and I committed to an annual donation of USD 100,000 for five years, starting from 2022, to support its invaluable charity work. We are profoundly grateful to the dedicated workers at TYDA for their unwavering commitment and efforts in serving our community. The doctors, nurses, and volunteers from TYDA have played a critical role in providing crucial aid to the community, and we hold them in high regard for their selfless contributions.



Children are the fundamental pillars driving our nation's development, demanding our unwavering care and access to quality education. In our commitment to supporting the children of AFESIP Cambodia (Acting for Women in Distressing Situations), we proudly offer four-year scholarships, starting in 2023. We express profound gratitude to AFESIP and their dedicated staff for their tireless efforts in aiding underprivileged children. This initiative holds immense significance for our community, serving as a powerful beacon of inspiration for others to engage in acts of benevolence.



Wing Bank proudly supported Angkor Sankranta 2023 in Siem Reap Province, organized by the Union Youth Federations of Cambodia. It was an honor for Wing Bank to participate in Angkor Sankranta as we celebrated Khmer New Year. On this special occasion, we organized the Wing Village, a beautifully decorated area reflecting Khmer identity. Visitors had the opportunity to experience the splendor and cultural significance of our heritage.

Recognizing the strong bond that Cambodians living overseas have with their homeland, we provided financial support to Cambodia's Festival at Yoyogi Park, held from May 3rd to 4th, 2023. This support aimed to strengthen the growing Cambodian community in Japan and promote Cambodian culture in "The Land of the Rising Sun." Approximately 50,000 participants enjoyed vibrant celebrations featuring traditional Cambodian dances, foods, and products. We take pride in participating in the latest Cambodia Festival in Japan, as our goal is to foster stronger ties between our two nations while promoting and preserving Cambodia's rich culture abroad. The event was a collaboration between the Royal Embassy of Cambodia in Japan and Cambodia's Ministry of Culture and Fine Arts, Ministry of Commerce, and Ministry of Tourism.

Understanding the importance of financial literacy in our daily lives, we partnered with the Union of Youth Federations of Cambodia to equip their youth members with necessary financial knowledge. Through experiencing cutting-edge digital banking solutions and engaging in other initiatives, we are confident that our joint efforts will contribute to building a financially savvy and resilient generation.

We are also committed to improving the quality of life for individuals, especially young Cambodians, living with cleft lip and palate. Since June 2020, Wing Bank has been a strong supporter of Smile Cambodia, promoting free operations nationwide for Cambodian patients with facial deformities, including cleft lip and palate. In 2023, a four-day surgical mission, led by exceptional volunteer surgeons and medical professionals, was held at Siem Reap Provincial Referral Hospital from the 8th to the 11th of March. Wing Bank supported this remarkable cause.

Recognizing that humanitarian mine action plays a crucial role in peace, security, poverty reduction, and development, we joined hands with the Malaysian Business Chamber Cambodia (MBCC) and Khmer Times to raise funds for the Cambodian Mine Action and Victim Assistance Authority (CMAA) and the Royal Government's efforts to make Cambodia a landmine-free nation by 2025. We are proud to play our part in helping Cambodia eliminate the devastating impact of landmines on people's lives.

Angkor Hospital for Children, a beacon of hope for thousands of children nationwide, offers free medical care to more than 97,978 children every year, with approximately 300 children visiting the hospital daily. Recognizing the significant impact the hospital has on the health and well-being of many children's lives, my family and I provided a generous donation of 20 million Riel to support the noble cause of Angkor Hospital for Children during their "The 10th Bon Phka Prak Mohasamky" celebration, which raises funds for free medical care for child patients. This marks the fourth year of our support through Wing Bank. In addition, Wing Bank graciously waived fees for the public's financial contributions to the hospital's sustainable operations. We also collaborated with Global Money Express (GME) to allow donors in South Korea to contribute to Angkor Hospital for Children via GME, without incurring any fees.



Furthermore, Wing Bank, FWD Cambodia, and the Association of Chartered Certified Accountants (ACCA) in Cambodia organized "Walk for Cambodian Children," a charity event aimed at supporting the Jayavarman VII Hospital, also known as Kantha Bopha Siem Reap Hospital. Over 500 people participated in the walk, raising a total of USD 13,391.18 from generous donors.



Recognition for Social Commitment

Though we never aim for any recognition, I am glad that the efforts of our employees have been widely recognized by renowned organizations. This recognition serves as great motivation for my team and further encourages them to work harder for the community.

We have been the first financial institution to receive the Outstanding Social Welfare and Development Award for our assistance in distributing emergency funds from the Cash Transfer Program, aimed at helping people affected by the COVID-19 pandemic. These funds were directed towards suspended workers, families with PoorID 1 and PoorID 2 cards, poor pregnant women, people living in locked down areas, and family members of those who passed away due to COVID-19. The Cash Transfer Program, initiated by the Cambodian government in June 2020, played a significant role in positively impacting human and socioeconomic development, including food security, education, financial management, health, and more.

Additionally, we received two awards from the AmCham CSR Excellence Award 2023. The first award, co-runner for Financial Literacy, recognized the success of our “Wing Agent Financial Workshop” conducted in 25 cities, empowering over 4,000 Wing networks by equipping them with essential financial knowledge. The second award, for Social Impact, acknowledges our “4,000 Riel Landmine-Free Campaign” conducted in collaboration with the Malaysia Business Chamber of Cambodia and Khmer Times. This campaign encouraged donations to support the Cambodia Mine Action Authority’s mission to make Cambodia landmine-free by 2025. Wing Bank recognizes its duty to contribute to the daily improvement of people’s lives and the overall well-being of society.

With our deep commitment to community causes, we are proud to have received the “Best Social Impact Bank” award in both 2019 and 2022 from Capital Finance International. As a financial revolutionizer that has provided easy access to financial services for Cambodians over the past 15 years, we consider social responsibility as the cornerstone of our business. We are fully committed to being a socially responsible bank, making positive impacts on society through our comprehensive social responsibility programs.

I am thankful to our employees for their willingness and efforts in supporting the community in need.

Looking Ahead: Building Together

Today, Wing Bank continues to make significant strides in our goal of becoming a leading provider of digital financial services in Cambodia. Despite the challenges posed by the global economic downturn, we remain steadfast in our commitment to deliver exceptional service that improves the daily lives of our community.

Looking ahead, I am highly optimistic about the Cambodian economy in 2024. Under the leadership of Samdech Moha Borvor Thipadei HUN MANET, Prime Minister of the Kingdom of Cambodia, the new royal government has launched the Pentagonal Strategy-Phase I. This comprehensive plan sets clear goals and long-term vision for economic and social development, with a focus on five key priorities: People, Road, Water, Electricity, and Technology. We are fully committed to supporting the Royal Government of Cambodia (RGC) in implementing this strategy to ensure financial stability and foster sustainable and inclusive growth.

I want to express my sincere appreciation for your unwavering trust in Wing Bank’s services, products, and endeavors. Your support in our mission to create a financially inclusive future is invaluable and serves as a daily motivation for our team to strive for excellence.

Thank you for being valued customers and partners on this journey towards a better tomorrow.

Yours faithfully,

Neak Oknha Kith Meng

MESSAGE FROM CEO



**Dear Customers and Members of the Public,
Welcome to the Wing Bank Annual Report for 2023!**

I am delighted to share the remarkable successes we achieved and the invaluable lessons we learned during our third year as a fully operational commercial bank.

Throughout our 15-year commitment to serving the people of Cambodia, we have steadfastly pursued our vision of leveraging digital solutions to enhance the daily lives of every Cambodian.

Despite the challenging global economic downturn, our determination to realize our vision remains unwavering. We have diligently sought to understand the unique challenges faced by our customers and have implemented tailored solutions to address their needs effectively.

Through the unwavering dedication of our exceptional employees and the steadfast trust of our customers and stakeholders, we have introduced a wide array of initiatives, products, and services that effectively tackle the financial and banking obstacles in Cambodia.

Our Remarkable Growth

In 2023, Wing Bank experienced significant growth across various key performance indicators.

Our business has experienced robust and healthy growth. To expand our presence across Cambodia, we have 21 branch offices and 80 Wing Master Agent locations, with a network of 11,000 agents providing a diverse range of banking and financial services.

Our total assets increased by 151% compared to the previous year, reaching an all-time high of US \$1.59 billion. This growth can be attributed to our strategic expansion into new markets and the introduction of innovative financial products and services that cater to the evolving needs of our customers.



Furthermore, our customer base grew by 23% in 2023 to 8.9 million, with a notable increase in individual, retail and corporate clients. We take pride in the trust our customers have placed in us, and we are committed to delivering exceptional banking experiences that exceed their expectations. Our deposit base also saw a substantial rise, reflecting the confidence depositors have in Wing Bank as a reliable and trustworthy financial institution. Our deposit increased by 200% in 2023 to US \$1.19 billion compared to US \$395.5 million in 2022.

On the lending side, Wing Bank continued to support the growth of businesses and individuals by providing US \$786.2 million in loans and credit facilities. This demonstrates our dedication to fueling economic development and empowering our clients to achieve their financial goals. Our prudent risk management practices ensured that our loan portfolio maintained high quality, with a non-performing loan ratio below industry standards.

Expanding Horizons

Wing Bank's commitment to expanding horizons was evident in our strategic initiatives and partnerships throughout 2023. We successfully launched new branches in both Phnom Penh city and other Provinces, bringing convenient banking services closer to communities that previously had limited access to financial institutions. These expansions not only facilitated financial inclusion but also generated employment opportunities and contributed to the overall development of these areas.

Additionally, our digital banking capabilities underwent a transformative evolution, enabling us to reach a wider audience and provide seamless, user-friendly solutions to our customers. The introduction of our revamped mobile banking app, online account opening, and digital payment platforms enhanced the accessibility and convenience of our services, positioning Wing Bank as a leader in the digital banking space in Cambodia.

Moreover, our banking presence also expanded through collaborations with global financial institutions such as Visa, Mastercard and Union Pay International, fostering cross-border partnerships and opening up new avenues for growth and innovation. These strategic alliances not only enhanced our offerings but also solidified Wing Bank's position as a key player in the country's banking landscape.

Digital Excellence Unveiled

As technology continues to redefine the banking landscape, Wing Bank remains at the forefront of innovation with the unveiling of our digital excellence initiatives. In 2023, we launched our revamped Wing Bank Mobile App, a user-friendly platform that empowers customers to manage their accounts, make payments, and access financial and non-financial services anytime, anywhere.

Our unwavering commitment to data security and global standards has earned Wing Bank the prestigious Payment Card Industry Data Security Standard (PCI DSS) certification in 2023. This certification signifies our steadfast dedication



to maintaining the highest levels of security and protecting cardholder data within a secure payment environment.

Our investment in digital infrastructure and cybersecurity measures have not only improved the customer experience but also ensured the safety and confidentiality of all digital transactions. With a relentless focus on digital excellence, Wing Bank is poised to lead the digital transformation in the banking industry and continue to provide cutting-edge solutions that meet the evolving needs of our tech-savvy customers.

Recognitions That Inspire

Throughout the year, Wing Bank has been honored to receive prestigious recognitions that serve as a testament to our commitment to excellence.

In 2023, we were honored with three prestigious awards from Mastercard: First Launch in the Market, Leadership in Debit Volume, and Innovation Breakthrough. These accolades shine a spotlight on Wing Bank's unwavering commitment to driving innovation, revolutionizing digital banking, and providing exceptional value to our customers.

Furthermore, Wing Bank was recognized as the 'Best Digital Innovation Organization of the Year' at the prestigious Cambodia Digital Awards 2023 (CDA23). Organized by the Cambodia Academy of Digital Technology (CADT) with the support of the Ministry of Post and Telecommunications (MPTC), this esteemed award acknowledges our Artificial Intelligence Driven Digital Loan Product as a groundbreaking innovation.



For the third time, Wing Bank has been honored with the prestigious 'Most Innovative Consumer Finance Company' award at the International Finance Awards 2023. This recognition is bestowed upon companies with a proven track record of fintech innovation and a commitment to improving access to finance within their jurisdiction.

These accolades and recognitions reaffirm our commitment to excellence, innovation, and social responsibility. We will continue to push boundaries, empower individuals and businesses, and create a brighter financial future for all Cambodians.

Embracing the Future with Confidence

As we look ahead in 2024 and beyond, Wing Bank stands poised to embrace the future with unwavering confidence. With a solid foundation built on trust, innovation, and customer-centric values, we are prepared to navigate the evolving landscape of banking and finance. Our strategic investments in technology, talent, and customer experiences will ensure that we remain at the forefront of industry trends, ready to adapt and thrive in an ever-changing market.

In conclusion, I would like to express my gratitude to our loyal customers, dedicated employees, and stakeholders for their unwavering support. The achievements highlighted in this report are a reflection of our collective efforts and commitment to excellence. As we continue our journey towards sustainable growth and success, we remain steadfast in our mission to serve our customers with integrity, transparency, and innovation.

Thank you for entrusting Wing Bank with your financial needs. Here's to a promising future filled with opportunities and prosperity.

Yours faithfully,

Han Peng Kwang

VISION, MISSION, CORE VALUE



✈ VISION

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

LOVED AND EXPERIENCE BY CUSTOMERS
SINCE EARLY 2008

✈ 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.

✈️ CORE VALUE



✈️ Winning

Wingers Always Demonstrate An “I Can” Attitude To Make The Impossible Possible For Positive Changes.

✈️ Nurturing

Wingers Always Develop, Learn, And Coach Each Other.

✈️ Excellence

Wingers Always Do Their Best In Everything We Do To “Bring A Smile.”

✈️ Innovation

Wingers Always Make Things Easier And Improve Lives.

✈️ Growth

Wingers Always Strive To Be Better Than They Were Yesterday And To Grow Together.

✈️ Respect

Wingers Always Act Fairly, Ethically, And Openly In All They Do With Respect.



WING BANK AT A GLANCE

Wing Bank (Cambodia) Plc, the Bank for every Cambodian, has revolutionized the way Cambodians access to financial services. Since its inception in 2008, Wing Bank has become one of the fastest-growing commercial banks and the most trusted financial institutions in Cambodia.

With a clear vision of using digital solutions to improve the daily lives of every Cambodian, Wing Bank has achieved remarkable growth and now boasts the largest ecosystem in the country. It operates 21 branch offices, has 80 Wing Master Agents, 11,000 Wing Cash Xpress Agents, and offers over 100 use cases through its user-friendly Wing Bank Mobile App.

In 2023, Wing Bank inaugurated its new Head Office, Wing Bank Tower, strategically located along Preah Monivong Boulevard and the corner of Kampuchea Krom Boulevard. This architectural marvel reflects Cambodia's rising prominence in the realm of digital banking.

Wing Bank is committed to digital innovation, evident in its diverse portfolio of financial and non-financial services. From loans, deposits, and money transfers to insurance products, utility and bill payments, supply chain payments, payroll services, international money transfer, local fund transfer, digital loan, and even phone top-ups, Wing Bank caters to the entire spectrum of financial and non-financial needs.



Through its Agent Network, Wing Bank ensures that even the most remote communities in Cambodia can have access to financial services, empowering individuals to improve their daily lives. Additionally, the Wing Bank App enables users to perform full banking services without the need for in-person visits to physical branches.

Businesses across various industries in Cambodia are increasingly choosing Wing Bank's payroll solutions to streamline their operations and enhance efficiency. The bank's payroll services

have gained the trust of 404 entities, including factories, large-scale businesses, and government institutions. Moreover, 83 SMEs are benefiting from Wing Bank's payroll services.

Wing Bank facilitates seamless retail payments through "WingPay" and has introduced e-commerce platforms like "WingMall" and "WingMarket," enabling both B2C and B2B transactions.

Thanks to its unwavering commitment to providing access to banking and financial services, Wing Bank has established strategic partnerships with industry leaders such as Mastercard, Western Union, Visa, Union Pay International, Alipay, WeChat Pay, Huawei, Oracle, Ria, Prudential Cambodia, GME, Japan Remit Finance, SentBe and many others.

Wing Bank demonstrates its dedication to sustainability through initiatives like the first-ever numberless and biodegradable Wing Bank Debit Mastercard, launched in 2022. By reducing its environmental impact, Wing Bank contributes to a more sustainable future.

With services tailored to the entire Cambodia economy, from large manufacturing companies to rural farmers who form the backbone of the nation, Wing Bank takes pride in its role. Furthermore, Wing Bank fulfills its corporate social responsibility by donating significant amounts of cash and in-kind benefits to support education, healthcare, and community development initiatives.

As a dynamic and innovative financial institution, Wing Bank strives to make a positive impact on the lives of every Cambodians. Its convenient digital banking services and commitment to financial inclusion have made Wing Bank the bank of choice for millions of Cambodians.



STRATEGIC PARTNERSHIPS



Wing Bank aims to serve Cambodia in every nook and corner, focusing on a synergy approach to drive digital solutions for the improvement of the daily lives of the community. In 2023, the bank forged partnerships with key players in the market who share a common goal of using their individual expertise for the benefit of the community. Cambodians deserve the opportunity to achieve financial freedom and security to improve their daily lives today, and more importantly, tomorrow.



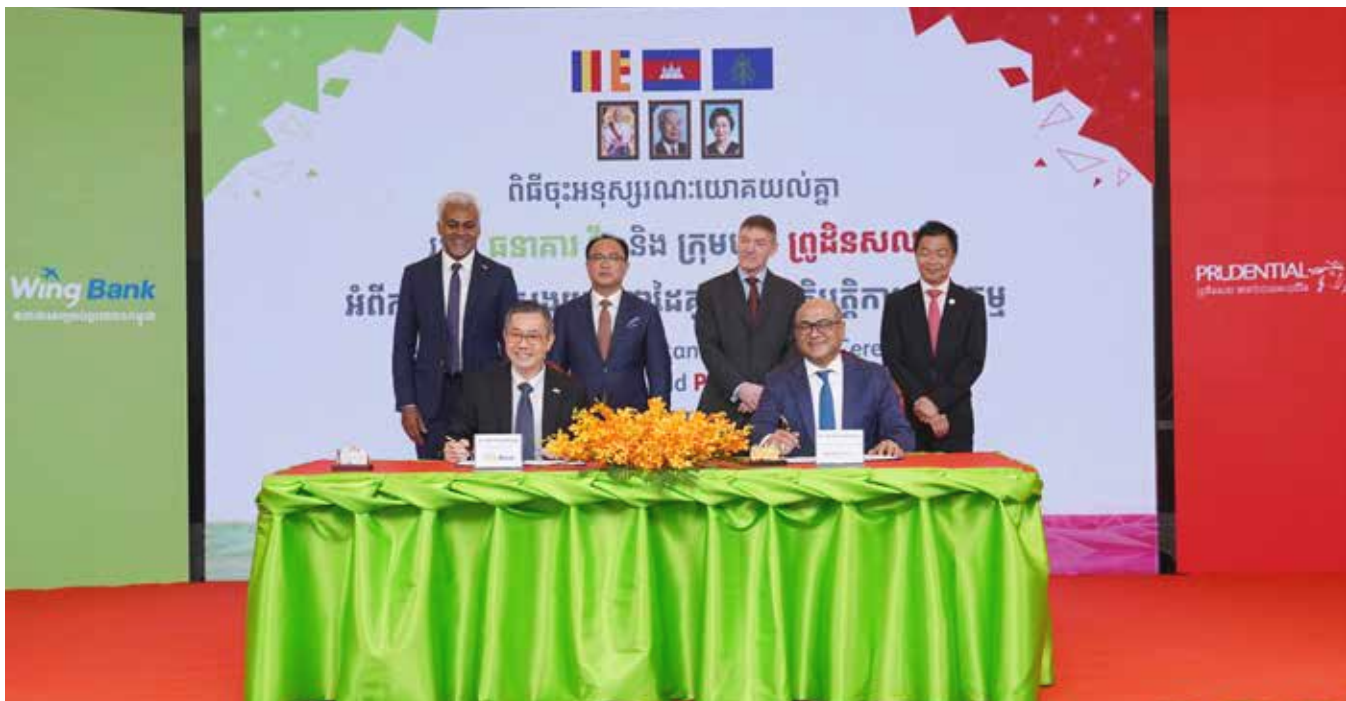


Wing Bank VISA Credit and Debit Cards

In collaboration with Visa, Wing Bank (Cambodia) Plc introduced the Wing Bank Visa Credit and Debit Cards, providing users with not just financial solutions, but also convenient and secure ones. The credit card options include the Wing Bank Visa Gold Credit Card, with a credit limit of up to US\$5,000, and the Wing Bank Visa Platinum Credit Card, with a limit of up to US\$50,000. Users can enjoy an interest-free grace period of up to 55 days and access cash advances of up to 100% of their credit limit. Additionally, cardholders can benefit from travel insurance worth up to USD 1 million and gain access to over 1,400 airport lounges worldwide. These cards are also environmentally friendly, made from 94% plant material.

RMA Offering Car Loan through Wing Bank

Owning a vehicle for a family is no longer a challenge. In a collaborative effort to enhance accessibility to Ford vehicles, Wing Bank (Cambodia) Plc and the publicly listed RMA (Cambodia) Plc partnered to introduce car loans tailored to customer needs. This strategic partnership eliminates the requirement for a down payment, offering a unique zero-interest payment plan for the first twelve months, enabling customers to acquire their dream car effortlessly. Wing Bank ensures swift loan approval upon submission of the necessary documentation and successful completion of the bank's screening process. The terms and conditions of the car loans are highly appealing, allowing borrowers to secure financing of up to 100% of the car's purchase price or a maximum amount of US\$100,000.



Exploring Opportunities with Prudential

Wing Bank and Prudential Cambodia join hands to explore business collaboration opportunities to enhance Cambodia’s financial sector and promote a brighter, more resilient future. This strategic partnership will harness Wing Bank’s extensive agent network to improve accessibility and bolster financial protection for Cambodians. Customers will gain access to various insurance and investment products at all Wing Bank branches, alongside existing banking services. This bancassurance partnership allows customers convenient access to Prudential’s insurance offerings, personalized plans, financial guidance, and a streamlined purchasing experience.



Partnership for Cross Border Remittance in Japan

Wing Bank (Cambodia) Plc has partnered strategically with Japan Remit Finance Co., Ltd to provide a secure and reliable solution for Cambodians living in Japan to transfer money back home. This collaboration will increase the remittance options available to Cambodians in Japan, ensuring they have a dependable, safe, and cost-efficient method to send their hard-earned money to their loved ones. Cambodians living in Japan can send money directly to their family’s Wing Bank account. Upon arrival, they will receive a notification on their smartphone confirming the successful transfer. Alternatively, they can receive cash pick-up at any of Wing Cash Xpress agents across Cambodia. By using technology and a vast network of agents, Wing Bank ensures that families in Cambodia can effortlessly receive the funds sent by their loved ones living abroad.

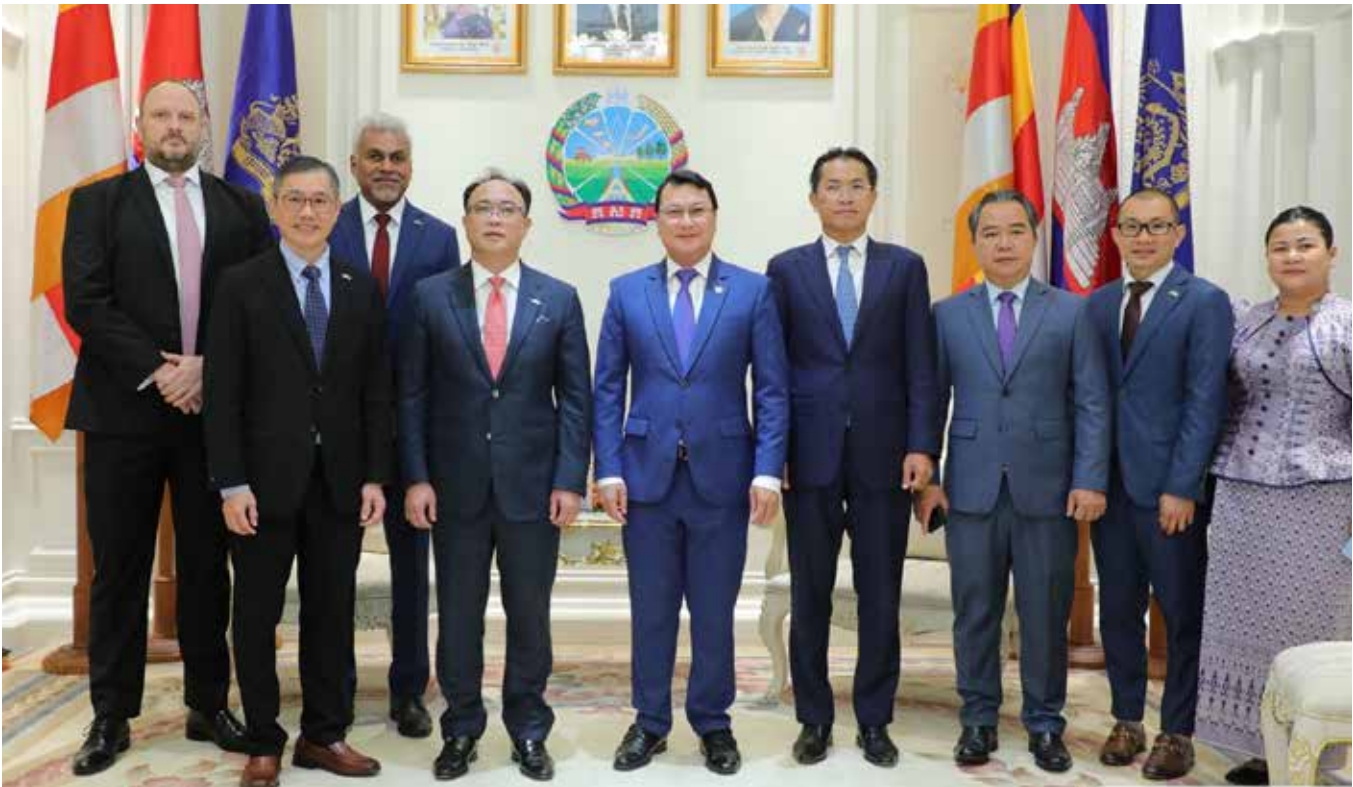
Forging Partnership with UPI

Wing Bank (Cambodia) Plc has partnered with UnionPay International (UPI), the global payment network, to expand international money transfer services and explore future collaborations in digital payment. The partnership will empower Wing Bank to provide easy and secure cross-border money transfer services to its customers, allowing them to send and receive funds globally. With the integration of UnionPay's extensive network, Wing Bank customers can enjoy enhanced convenience and accessibility in conducting international transactions. Additionally, the partnership opens doors for future collaborations in the digital payment space, bringing innovative solutions to the Cambodian market.



Partnership for Cross Border Remittance in South Korea

Wing Bank (Cambodia) Plc established a significant collaboration with South Korean fintech firm SentBe Inc. to provide efficient, secure, and cost-effective cross-border remittance services. Through this partnership, Cambodians residing in South Korea can seamlessly transfer funds via the account-to-account remittance service. This enables their families to receive cash directly into their Wing Bank accounts, conveniently accessible through the Wing Bank app. Alternatively, a unique eight-digit code will be provided if they prefer cash pick-up, allowing their family members to withdraw the funds at any of Wing Agents nationwide or at Wing Bank branches.



FASMEC, CGCC, and Wing Bank Supporting SMEs Growth

Wing Bank (Cambodia) Plc, Credit Guarantee Corporation of Cambodia (CGCC), and the Federation of Association for Small and Medium Enterprises of Cambodia (FASMEC) have formed a strategic partnership to support the growth of Small and Medium Enterprises (SMEs) in Cambodia. This collaboration aims to provide financial solutions to FASMEC members by offering collateral-free loans and credit guarantees from CGCC, facilitated by Wing Bank. Additionally, SMEs can benefit from the broader opportunities presented by Wing's ecosystem, including WingPay, Wingmarket, WingAgri, and Wingmall. The partnership between these three entities is expected to create a supportive environment for SMEs to overcome financial hurdles and expand market accessibility.

Together with FASMEC for SMEs Support

Wing Bank (Cambodia) Plc and the Federation of Association for Small and Medium Enterprises of Cambodia (FASMEC) teamed up to provide banking and financial management services to FASMEC members. This partnership aims to support the growth of small and medium-sized enterprises (SMEs) in Cambodia by offering customized financial solutions to help them enhance their business operations and drive growth in the country. Wing Bank is committed to supporting the growth and development of SMEs in Cambodia, and this partnership with FASMEC is an essential step in that direction.





Forging Partnership with Camlife

Cambodia Life Micro Insurance, also known as Camlife, has signed a memorandum of understanding with Wing Bank (Cambodia) to bring a range of insurance solutions to all users in Cambodia. The partnership aims to raise awareness about the benefits of buying insurance products for financial security, health, and wellness, and to make insurance services more accessible to customers. The duo is willing to provide comprehensive financial solutions to help safeguard the well-being of its customers and their loved ones.

Driving Safe Vegetable Production

Wing Bank (Cambodia) Plc has partnered with the Cambodian Muslim Development Foundation (CMDf) and Tasey Samaki Agricultural Cooperative (TSAC) to promote safe vegetable cultivation, encourage inclusive growth, and boost food security in Cambodia. Through this collaboration, Wing Bank will provide financial assistance to the Cambodian Muslim community for their farming operations. TSAC will share technical expertise and knowledge to cultivate safe and nutritious vegetables that cater to the growing market demand.



Drive Financial Literacy among UYFC's Members

The Union of Youth Federations of Cambodia (UYFC) and Wing Bank (Cambodia) Plc have joined forces through a Memorandum of Understanding (MoU) to empower Cambodian youth with essential financial literacy skills. This partnership aims to provide UYFC members with hands-on experience in cutting-edge digital banking solutions and engage them in various initiatives. The collaboration between UYFC and Wing Bank focuses on delivering financial literacy training to UYFC members, offering internship opportunities at Wing Bank, and implementing youth support programs. Both organizations share a common vision of leveraging their expertise for the betterment of the community. By combining their resources and expertise, UYFC and Wing Bank aim to empower young individuals, providing them with the necessary financial literacy tools to navigate the complexities of the modern financial landscape.

Connecting to CamDX for e-KYC

Wing Bank, one of the fastest-growing commercial banks in Cambodia, has recently taken a significant step toward strengthening its customers' onboarding process by securing membership in the Cambodia Data Exchange (CamDX) platform. CamDX, inspired by Estonia's X-Road, is an information technology platform established by the Royal Government of Cambodia. It facilitates data exchange among different public and private sector systems via Application Programming Interfaces (APIs), utilizing digital connections. Through its membership in CamDX, Wing Bank reinforces its e-KYC capabilities by enabling real-time verification of customer KYC documents against the database at the Ministry of Interior of the Kingdom of Cambodia. This integration ensures enhanced security and mitigates the risk of fraudulent activities.

These partnerships highlight Wing Bank's commitment to providing comprehensive financial solutions and improving the lives of Cambodians. By joining forces with industry leaders and organizations, Wing Bank aims to leverage their expertise and resources to create a positive impact on the community, empowering individuals, and businesses alike.

Providing Payroll Solutions to AdvancedMSP

Wing Bank (Cambodia) Plc and Advanced MS Provider Co., Ltd (AdvancedMSP) have joined in a strategic business partnership to revolutionize financial-related HR solutions in the local market. By integrating cutting-edge technology, the collaboration seeks to create a comprehensive one-stop-shop solution for businesses by combining Wing Bank's payroll system with AdvancedMSP's JPayroll Solutions. This synergistic partnership will enable businesses to access a robust HRIS application and Payroll Software, providing a seamless and efficient experience in managing payroll and HR functions. Integrating Wing Bank's payroll system with AdvancedMSP's JPayroll Solutions signifies a significant step in redefining industry standards.

Providing Affordable Loans to MAFF's Members

The Ministry of Agriculture, Forestry, and Fisheries (MAFF) has signed a memorandum of understanding (MoU) with Wing Bank (Cambodia) Plc aimed at enhancing agricultural development by providing accessible and reasonable loan rates to farmers in the agriculture sector through an innovative 'WingAgri' platform. The MoU was signed between Dith Tina, Minister of Agriculture, Forestry, and Fisheries, and Kith Meng, Chairman of Wing Bank, held at Romdoul Hall of the MAFF in Phnom Penh. Wing Bank offers affordable loans to agricultural businesses facilitated by MAFF, aiming to solve the persistent financing issues in agricultural production chains as well as enhance the financial capabilities of these businesses, enabling them to maximize their productivity and better cater to growing demand.



Forging Partnership with Infinity General Insurance

Infinity General Insurance Plc has signed a memorandum of understanding with Wing Bank (Cambodia) Plc to collaborate on driving financial inclusion. The two companies will explore potential collaborations to distribute a range of general insurance products through Wing Bank's established distribution network. This partnership aims to contribute to a more financially robust country, allowing its people to thrive and enjoy life to the fullest.

One-Click Phone Verification

Wing Bank (Cambodia) Plc has integrated IPification's one-click phone verification solution, revolutionizing user registration and login processes. As one of the fastest-growing digital banks in Cambodia, Wing Bank aims to streamline and enhance the user experience by leveraging IPification, a global leader in mobile IP address-based identity solutions. With IPification's one-click mobile identity solution, users can verify their phone numbers, register, and log in within milliseconds. This innovative solution prioritizes security, data privacy, and user experience. It replaces the traditional SMS-based, one-time-password (OTP) system during app activation, offering a faster and more efficient alternative. Users simply input their numbers and request verification with a single click to verify their phone numbers. The verification process is completed within milliseconds, significantly reducing the time required for registration. This strategic integration positions Wing Bank as a leader in digital banking innovation in Cambodia, empowering users with efficient and secure financial services.

FINANCIAL HIGHLIGHT

LOANS
+116%

AMOUNT IN '000

2022	2023
363,457	786,196

DEPOSITS
+200%

AMOUNT IN '000

2022	2023
395,384	1,187,263

TOTAL ASSETS
+151%

AMOUNT IN '000

2022	2023
633,782	1,591,678

Wing Bank



NET REVENUE **+21%**

AMOUNT IN '000

2022
63,652

2023
76,742

OPERATING EXPENSES **+27%**

AMOUNT IN '000

2022
53,363

2023
67,846

CORPORATE SOCIAL RESPONSIBILITIES



Cambodia Federal Entrepreneurship Forum 2023

The Forum, presided over by Samdech Moha Borvor Thipadei Hun Manet during his tenure as Deputy Commander of the Cambodian Army, gathered more than 1,500 entrepreneurs from different sectors, regardless of their business size. The event took place on February 26, 2023, in Phnom Penh. Organized by Mett Yerng, the aim of the event was to exchange experiences and discuss key points in maintaining business balance, solving challenges, and seizing opportunities to strengthen and expand businesses. In addition to providing financial support for the event, Wing Bank also participated in the panel discussions, offering insights and valuable input to the participants and highlighting Wing Bank's commitment to fostering entrepreneurship in Cambodia.

Rural Electricity – Annual Meeting

The annual meeting, held on March 16, 2023, was attended by approximately 500 participants, including representatives from government agencies and the private sector associated with the electricity industry. The meeting provided a summary of the Rural Electricity Association's work results for 2022 and facilitated discussions on the progress and challenges faced by service providers. The electricity sector remains a prioritized area of the economic policy of the Royal Government of Cambodia for the seventh term, as it serves not only the livelihoods of the people but also promotes the development of industry, agriculture, handicrafts, trade, tourism, and other sectors of the national economy.



Smile Cambodia's Free Surgery

Wing Bank is committed to improving the quality of life for individuals, especially young Cambodians, living with cleft lip and palate. Since June 2020, Wing Bank has been a strong supporter of Smile Cambodia, promoting free operations nationwide for Cambodian patients with facial deformities, including cleft lip and palate, through the Wing Bank App, social media, and Wing Cast Xpress Agents across the country for patient registration. In 2023, Wing Bank contributed US\$2,000 to this remarkable cause.

Business Exhibition by Cambodia Chamber of Commerce

Hosted in Battambang Town, the exhibition allows entrepreneurs to showcase local products and provides approximately 500 SMEs with the opportunity to receive specialized training in finance for their businesses. This training aims to equip them with the necessary knowledge and skills to effectively manage their finances and make informed decisions. Additionally, the exhibition successfully attracted around 1,000 visitors, creating a vibrant marketplace for networking, collaboration, and business growth.

Business Sharing by Cambodia Chamber of Commerce

Held in 25 capital cities across Cambodia, the business sharing events attracted around 2,500 SMEs, providing them with the opportunity to participate in sessions that facilitated lively discussions and the exchange of valuable business experiences among participants, empowering entrepreneurs to enhance their own businesses. The events served as platforms for business owners to gain a broader understanding of sustainable business operations, while also aiming to reduce common mistakes and foster more successful and sustainable ventures.



Supporting FASMEC

Wing Bank and the Federation for Association for Small and Medium Enterprises of Cambodia (FASMEC), a collective of small and medium size business in Cambodia, forged a partnership to offer financial solutions to SMEs, improving their businesses, and assisting the SMEs to grow and thrive in Cambodia. The partnership was signed off during the Annual Assembly of FASMEC, supported by Wing Bank, on February 11, 2023 in Phnom Penh with participation of approximately 300 SME

FASMEC's Annual Conference

Supported by Wing Bank, FASMEC hosted a gala dinner with presence of Samdech Akka Moha Sena Padei Techo Hun Sen, Prime Minister of the Kingdom of Cambodia, with participation of approximately 5000 SMEs representative. The event was held on April 10, 2023 in Phnom Penh with aim to remarkable convergence, bringing together the visionary owners of small and medium enterprises from every corner of Cambodia.



Digital Accelerator 2

Wing Bank is proud to serve as the Diamond Sponsor for Digital Accelerator Cohort 2, providing financial support to this game-changing 16-week tech startup program. The program, organized by Techo Startup Center in collaboration with Khmer Enterprise, is specifically designed to propel aspiring entrepreneurs into the dynamic realm of technology innovation. Also, Wing Bank has actively participated as a judge during the selection process to determine the program's winners. This multifaceted involvement clearly demonstrates Wing Bank's unwavering dedication to fostering innovation and nurturing the next generation of tech visionaries in Cambodia.

Angkor Sankranta 2023

Wing Bank proudly supported Angkor Sankranta 2023 in Siem Reap Province, organized by the Union Youth Federations of Cambodia. It was an honor for Wing Bank to participate in Angkor Sankranta as we celebrated Khmer New Year. On this special occasion, we organized the Wing Village, a beautifully decorated area reflecting Khmer identity. Visitors had the opportunity to experience the splendor and cultural significance of our heritage.



Happy Football Cambodia Australia

Wing Bank, an active supporter of social causes, has expanded its impact by providing assistance to HFCA, an organization dedicated to improving the lives of underprivileged Cambodian children. The donation ensures that the youth of Sras Srong Village in Siem Reap province can continue to enjoy playing football in a safe and nurturing environment. Sport is essential for teamwork and physical health.

Cambodia Sustainable Agricultural Summit 2023

Wing Bank proudly sponsored the 3rd Cambodia Sustainable Agriculture Summit 2023, a pivotal gathering held on February 24th, 2023, in Siem Reap, with the participation of over 400 farmers, agribusiness representatives, public officials, and development agencies. Organized by Amru Rice, Cambodia Agriculture Cooperative Corporation, and Cambodia Rice Federation, the summit served as a crucial platform for knowledge exchange, networking, and forging partnerships to advance agricultural sustainability in Cambodia.



Angkor Hospital for Children

Angkor Hospital for Children, a beacon of hope for thousands of children nationwide, offers free medical care to more than 97,978 children every year, with approximately 300 children visiting the hospital daily. Recognizing the significant impact the hospital has on the health and well-being of many children's lives, Neak Oknha Kith Meng, together with his family, provided a generous donation of 20 million Riel to support the noble cause of Angkor Hospital for Children during their "The 10th Bon Phka Prak Mohasamky" celebration, which raises funds for free medical care for child patients. This marks the fourth year of his support through Wing Bank. In addition, Wing Bank graciously waived fees for the public's financial contributions to the hospital's sustainable operations. We also collaborated with Global Money Express (GME) to allow donors in South Korea to contribute to Angkor Hospital for Children via GME, without incurring any fees.



Walk for Cambodia Children

Wing Bank, FWD Cambodia, and the Association of Chartered Certified Accountants (ACCA) in Cambodia organized "Walk for Cambodian Children," a charity event aimed at supporting the Jayavarman VII Hospital, also known as Kantha Bopha Siem Reap Hospital. Over 500 people participated in the walk, raising a total of USD 13,391.18 from generous donors.



43rd Anniversary of Riel Reintroduction

Wing Bank extended its support for the Khmer Riel promotion campaign, an initiative led by the National Bank of Cambodia. This campaign holds great significance as it aims to raise public awareness of the importance of using the national currency during the 43rd anniversary of Riel Reintroduction in Cambodia. The Khmer Riel is not only a symbol of national pride but also plays a crucial role in strengthening Cambodia's growing economy.

Celebration of the Return of Cambodia's Lost Statues

Centuries-old cultural artifacts that had been illegally smuggled out from Cambodia were returned. Amcham in Cambodia hosted a celebration among key stakeholders in Phnom Penh. Wing Bank, a bank for every Cambodian, is honored to support the celebration aiming to raise awareness of the return of Cambodia's Lost Treasures and aid in the return of many lost cultural artifacts. The event, held on March 1st, is endorsed by The Royal Government of Cambodia and the Ministry of Culture and Fine Arts.



Media Trainings

Wing Bank has made a contribution to "The Training on The Basics of Banking, Finance, and Insurance in Cambodia," which was attended by more than 40 media companies. This three-month training program was hosted by the Association of Banks in Cambodia, the Cambodia Microfinance Association, and the Insurance Association of Cambodia in collaboration with the Club of Cambodian Journalists. Additionally, Wing Bank's senior management shared insights about the growth of Fintech in Cambodia with the trainees. Equipped with in-depth knowledge, journalists and media professionals can effectively communicate complex financial concepts, promoting financial inclusion and contributing to Cambodia's economic growth.

The 17th Samdech Akka Moha Sena Padei Techo Hun Sen Football Tournament 2023-2024

Wing Bank supports the Electricity Football Cup from Electricite du Cambodge (EDC) to participate in the 17th Samdech Akka Moha Sena Padei Techo Hun Sen Football Tournament 2023-2024 at the provincial level. The tournament was held in various provinces across Cambodia. The funds provided by Wing Bank contributed to covering various expenses, including travel costs, accommodation, training equipment, and team uniforms. This support enabled the Electricity Football Club to compete at their best and represent their province with pride.



Youth 21 and the Business Plan Contest Programs

Wing Bank has served as the dedicated sponsor of “Youth 21” since 2021 and the “Business Plan Contest (BPC)” by the Ministry of Education, Youth, and Sport since 2022, aligning with the Digital Economic Policy Framework 2021-2035. These programs engage youth, including out-of-school students in high school and university, in business plan competitions, fostering skill development and entrepreneurship. They address the evolving professional landscape and the demand for jobs in the Fourth Industrial Revolution.

The 8th Khmer Empire Full Marathon

Wing Bank proudly sponsored the 8th Khmer Empire Full Marathon, a prestigious event held at the iconic Angkor Wat and organized by the Ministry of Tourism and the Olympic National Committee of Cambodia. This remarkable event aimed to rejuvenate tourism in Siem Reap and promote sports, health, and well-being in Cambodia and beyond. With the participation of over 2,500 runners from 45 countries, the marathon served as a powerful platform to attract tourists, particularly during the rainy season, showcasing the beauty and allure of Cambodia.

17th Annual General Assembly and 3rd Annual Forum by CMA

Wing Bank supports the Cambodian Microfinance Association (CMA) in its mission to promote financial inclusion across Cambodia. The funds provided by Wing Bank directly contribute to various activities, including training programs, workshops, and capacity-building initiatives aimed at enhancing the knowledge and skills of microfinance institutions in Cambodia. By supporting CMA, Wing Bank plays a crucial role in strengthening the microfinance sector and improving financial literacy and services for underserved populations.

The 2023 Inclusive FinTech Forum in Rwanda

Wing Bank provided financial support to the Cambodian Association of Finance and Technology to participate in the 2023 Inclusive FinTech Forum from 20th to 22nd Jun 2023 in Rwanda. This forum served as a platform for industry professionals, entrepreneurs, and stakeholders to come together and delve into the latest trends, advancements, and innovations within the rapidly evolving fintech landscape. Additionally, Wing Bank had the opportunity to showcase our fintech services to the participants, highlighting our commitment to technological innovation and financial inclusion.



International and National MSMEs Day

As a dedicated supporter of micro, small, and medium enterprises (MSMEs) in Cambodia, Wing Bank has offered its support to the “International and National MSMEs Day” organized by the Ministry of Industry, Science, Technology, and Innovation, in collaboration with the Cambodian Young Entrepreneurs Association and other relevant institutions. In addition to providing financial backing to the program, Wing Bank has actively shared its experiences and knowledge in the realm of micro, small, and medium-sized enterprises. This commitment stems from Wing Bank’s mission to serve as an institution that makes positive contributions to the community, including supporting various community programs aimed at fostering the development of small and medium enterprises in Cambodia.



The Landmine-Free Campaign

Recognizing that humanitarian mine action plays a crucial role in peace, security, poverty reduction, and development, Wing Bank joined hands with the Malaysian Business Chamber Cambodia (MBCC) and Khmer Times to raise funds for the Cambodian Mine Action and Victim Assistance Authority (CMAA) and the Royal Government’s efforts to make Cambodia a landmine-free nation by 2025. As part of the fundraising campaign, Wing Bank has waived the service fees for generous individuals who wish to contribute to landmine clearance activities and support public communication efforts.

Rendez-vous avec Pol Pot

Inspired by the book “When the War Was Over, Cambodia and the Khmer Rouge Revolution” by American journalist Elizabeth Becker, the latest feature film by Rithy Panh, titled “Rendez-vous avec Pol Pot,” was produced with funding support from Wing Bank. Wing Bank is honored to be a part of Anupheap Production’s film project and eagerly anticipates the impact it will have in promoting Cambodian culture and history. Through our sponsorship, Wing Bank reaffirms its dedication to supporting the arts and making meaningful contributions to the cultural landscape of Cambodia.



Gala Dinner with Members of CCC

Wing Bank demonstrated its commitment to fostering strong relationships between the government and private partners by sponsoring the Cambodia Chamber of Commerce (CCC) in hosting the “Gala Dinner with Members of CCC” held in Phnom Penh on May 14, 2023. The gala, graced by the presence of H.E. Dr. HUN Manet, aimed to facilitate the exchange of recommendations and information on business and investment among 2,500 attendees, including representatives from the Business Association in Cambodia, key government ministries, consulates, and ambassadors.

The Reverse Innovation Cohort 3

Reverse Innovation Cohort 3 is an innovative platform that brings fintech enthusiasts and esteemed corporations together to address pivotal challenges in the fintech landscape presented by prominent corporations. Throughout the 12-week program, all 13 startups received unwavering support and invaluable mentorship from industry experts, providing a unique opportunity for growth and learning in this fast-paced industry. Since 2021, we have collaborated with the Techo Startup Center on transformative initiatives, eagerly anticipating further engagement to propel Cambodia’s tech industry to unprecedented heights.

Climate Smart Agriculture and Agricultural Smart Market

Agriculture Development Denmark Asia (ADDA), with financial support from Wing Bank, hosted the “Climate Smart Agriculture and Agricultural Smart Market” event. The primary objective of the event was to share the results of smart agriculture practices and foster networking opportunities among state institutions, the private sector, producers, and development partners.

Investment Readiness program

Khmer Enterprise, a unit under the Ministry of Economy and Finance, hosted the Investment Readiness Program to enhance the capability of startups and SMEs. Seventy SMEs were selected to participate in workshop training focused on fundraising, aimed at improving their business models, financial management, creating financial forecasts, and understanding investor requirements. The top five winners were awarded prizes from Wing Bank and other financial institutions. Since 2021, Wing Bank has been a strong supporter of this program, providing funds and sharing their expertise.

Celebration of Cambodia’s Sangkranta

Wing Bank supports two educational institutions in Phnom Penh to celebrate Cambodia’s Sangkranta prior to Khmer New Year. The students from Beltie and Western were engaged in Khmer traditional activities, including traditional fun games, dance, and performance shows. This event provides a valuable opportunity for younger individuals to experience Khmer culture and embrace the spirit of the community.



ASEAN Saving Day

Wing Bank is honored to be a sponsor of the “ASEAN Savings Day” organized by the National Bank of Cambodia under the theme “Savings Behavior for You and Your Family.” The event aims to raise awareness among the general public about the importance of saving money, promoting a culture of savings, encouraging individuals to deposit their savings in formal financial institutions, and enhancing financial management efficiency for everyone. Wing Bank is committed to engaging with and sharing financial knowledge with the Cambodian community.

Annual Microfinance Conference

The Cambodian Microfinance Association (CMA), with financial support from Wing Bank, hosted the Annual Microfinance Conference under the theme of “Responsible Financial Environment, Resilience, and Sustainability” in Cambodia’s financial sector. The event aims to provide a platform for industry professionals to gather and exchange insights on key topics related to microfinance.

Diwali Night

The Indian Association Cambodia, with financial support from Wing Bank, hosted Diwali Night, a traditional Indian event celebrated during the new moon, in Phnom Penh. Celebrating Diwali Night aims to strengthen ties with the Indian community and promote cultural exchange and understanding among different communities in Cambodia. We believe that embracing diversity enriches our society and enables us to better serve the needs of all our customers and community members.

It is crucial to emphasize that Corporate Social Responsibilities is an ongoing commitment, and its impact grows over time. Wing Bank remains dedicated to consistently supporting the community and inspiring others through our actions. By leading by example, the bank strives to contribute to the overall betterment of society and foster a culture of responsible citizenship.



Business Development After Covid19

Wing Bank provides support to FASMEC in hosting the Business Development After Covid 19 Program across 7 provinces. This program aims to assist businesses in enhancing their operations following the pandemic, enabling them to navigate challenges and seize opportunities for growth. In addition, Wing Bank shares valuable insights and expertise on various topics related to business development and financial management with the participants.

The 5th Women's Entrepreneurship Forum and Local Trade Fair

The USAID and Pact Cambodia's WE Act project hosted the 5th Women's Entrepreneurship Forum and Local Trade Fair in Phnom Penh on September 1st and 2nd, 2023. The forum focuses on "Access to Legal Business Information, Finance, and Markets for Women's Business Growth for Micro, Small, and Medium Enterprises (MSMEs)." With generous financial support from Wing Bank, the forum has attracted the participation of over 1,400 delegates, including representatives from the government, private sector, non-governmental organizations, women entrepreneurs in the MSME sector, and the general public.

Cambodia-Japan Celebrate 70 Years of Friendship

Cambodia and Japan celebrated their 70th anniversary of close friendship in 2023. The Royal Embassy of Cambodia, with financial contribution from Wing Bank, hosted the celebration in Tokyo, Japan, on November 9th. The event brought together esteemed diplomats, government officials, business owners involved in Cambodia-Japanese trade, and other influential personalities from both countries.

Rural Credit Workshop

The Rural Credit Workshop, organized by the Rural Credit Institution in collaboration with Credit Bureau Cambodia (CBC) and Cambodian Microfinance Association (CMA), received financial support from Wing Bank. This event aims to enable regulators, executives from rural credit institutions, investors, and relevant stakeholders to share knowledge and understand regulatory frameworks, emerging challenges, market trends in digitalization, and business opportunities through expert presentations, industry leader discussions, and networking platforms. With expert presentations and panel discussions led by industry leaders, attendees can deepen their understanding of market trends in digitalization and explore potential business opportunities.

FOSTERING SUSTAINABLE GROWTH THROUGH WING BANK'S INTEGRATED FINTECH ECOSYSTEM

OUR ROBUST INTEGRATED FINTECH ECOSYSTEM

Financial Inclusion remains a resolute pillar of Wing Bank's commitment to enhancing the daily lives of the community. To achieve this objective, an extensive array of finance and banking products and services has been diligently developed, addressing the distinct challenges faced by the community. Leveraging expert knowledge in the sector, effective solutions have been crafted. The following highlights the notable features of the key products and services recently developed within Wing Bank's ecosystem.



OUR PRODUCTS AND SERVICES

WING BANK ACCOUNT

For every customer, this serves as the crucial first step towards accessing our comprehensive range of products and services, which include deposits, loans, local and international fund transfers, bill payments, and more. Through the seamless integration of advanced technologies like Face Recognition, Optical Character Recognition, and liveness detection, opening a Wing Bank Account no longer requires a visit to a physical branch. Through the integration of IPification, a one-click phone verification system, users can effortlessly verify their phone numbers, with the verification process completed in milliseconds during app activation. Customers only need a National ID Card, access to Wing Bank, and a simple follow-through of the provided instructions.



WING BANK APP

The Wing Bank App is a comprehensive finance and banking mobile application, providing customers with access to over 100 products and services that cater to their daily needs. Through this app, customers can seamlessly embrace a digital lifestyle, eliminating the reliance on physical cash. The wide range of services available includes bill payments, local and international fund transfers, deposits, loan requests, cash in and out, and more. Additionally, app users can conveniently make payments to merchants nationwide using Bakong KHQR.



TERM DEPOSIT ACCOUNT

Wing Bank's Term Deposit presents an enticing opportunity with an annual interest rate of up to 8%. Importantly, customers have the flexibility to choose between earning monthly interest or accruing it until the end of maturity. Customers can conveniently manage their funds digitally through the Wing Bank App, eliminating the need to visit branches or agents. With just a few taps, customers can generate term deposit certificates, adjust deposit amounts, and even close their deposit accounts.



WING BANK KHQR

Customers can generate their own Wing Bank KHQR and share it with their family and friends to receive funds free of charge, regardless of which banks they use. The Wing Bank KHQR fund transfer is real-time and available for the Cambodian riel (KHR) and US dollar (USD).

WINGPAY

WingPay is a digital payment service that enables users of the Wing Bank App to make cashless transactions. With just a few simple steps—opening the Wing Bank App, scanning, and paying—users can conveniently settle their payments. Additionally, users can make payments with any merchant using the Bakong KHQR system. By utilizing WingPoints, users can also enjoy the advantages of earning rewards and redeeming them with participating merchants, enhancing their purchasing power and enabling them to acquire products and services according to their needs.

SAVINGS

Wing Bank's Savings Account offers a competitive interest rate of up to 3% while granting customers the freedom to access their funds anytime for their daily needs, including bill payments, fund transfers, and more. Customers can conveniently open a Savings Account through the Wing Bank App, even if they are unable to visit a physical bank branch in person.

BILL PAYMENT

For individual users, paying bills for electricity, insurance, education fees, loan repayments, utilities, and more can now be done with ease. They have the convenience of using the Wing Bank App, visiting Wing Bank Offices, or utilizing Wing Cash Xpress Agents for these transactions. Merchant partners also benefit as they can accept payments from users of other banks through Wing Bank's KHQR. Currently, over 103,000 users are utilizing Wing Bank's KHQR to settle their payments.



BAKONG CASHOUT

Don't have an account with Wing Bank but need convenient access to Cash? There is no need to fret; you can withdraw money using the Bakong cash-out QR code at any Wing Bank branch or Wings across the country, provided you have an account with another bank in the Bakong network. The transaction is done in real-time and has minimal cash-out charges.



FREE CASH-OUT PACKAGE

Those frequently requiring physical Cash need no longer worry about spending much money on withdrawal fees. Free Cash Out is a yearly subscription package designed to allow customers to enjoy free cash withdrawals up to 1,000 times yearly. Prices start in the low range of \$5 per year. Customers may enjoy their fund cash out via Wing Bank branches, ATMs, and Wing networks across Cambodia.

LOCAL MONEY TRANSFERS

Incorporating the convenience of Bakong KHQR and the extensive reach of Wing Bank's ecosystem, local money transfers can now be done instantly and seamlessly across different banks. Users of the Wing Bank App and other bank apps can effortlessly transfer funds to their peers with just a few taps on their respective apps. By simply opening the bank app, scanning the KHQR code, setting the desired amount, and initiating the transfer, users can complete the process instantly. Furthermore, recipients have the flexibility to cash out at any Wing Bank branch or its nationwide agents using the KHQR code.

Wing Bank to Wing Bank: Customers can transfer money to any Wing Bank Account for free.

Wing Bank to Other Banks: Wing Bank is connected to numerous central banks and financial institutions in Cambodia, enabling customers to transfer their funds to any local bank, Bakong wallet, Bakong member banks, and members of NCS.

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



INTERNATIONAL REMITTANCES FOR INDIVIDUAL CUSTOMERS

World Transfer is our international money transfer service catering to Cambodians locally and worldwide through inbound and outbound services. Customers outside Cambodia can send money home using any of Wing Bank's international partners in more than 200 countries and territories. Conversely, receivers can cash out at any Wing locations in Cambodia or receive instant digital funds via their Wing Bank App.

WORLD TRANSFER VIA INTERNET BANKING FOR CORPORATE COMPANIES

Wing Bank's global fund transfer service was introduced for our valued corporate partners who rely on our Internet banking platform for their financial operations. Our seamless service lets you send and receive funds from more than 200 countries worldwide easily and quickly. Join our network of satisfied customers and experience hassle-free international transactions.



Wing Bank Visa Credit Card

The Wing Bank Visa Credit Cards offer two options. With the Wing Bank Visa Gold Credit Card, users can request a credit limit of up to US\$5,000, while the Wing Bank Visa Platinum Credit Card allows for a credit limit of up to US\$50,000. Users can effectively manage their cash flow and benefit from an interest-free grace period of up to 55 days before repayment is required for the utilized limit. Cardholders enjoy access to over 1,400 airport lounges worldwide while waiting for their flights, as well as the option to apply for up to five supplementary cards for their family members. Additionally, they are entitled to free access to Wing Bank Premier Banking Lounges at all branches nationwide.

Wing Bank Visa Debit Card

Wing Bank Visa Debit Cards come with two options – the Wing Bank Visa Numberless Debit Card and the Wing Bank Visa Personalized Debit Card. Cardholders can conveniently withdraw cash at any Cambodian Shared Switch (CSS) network member ATM nationwide and make payments easily with CSS member merchants. The Wing Bank Visa Numberless Debit Card ensures 100% theft-proof security by not displaying the card number, CVV2, or expiry date.

As environmental conservation is a major concern today, the Wing Bank Visa Credit and Debit Cards are all made from 94% plant material, reflecting our commitment to sustainability.

Wing Bank Debit Mastercard

Backed by Mastercard's industry-leading security technologies and a payments network spanning 210 countries, the Wing Bank Debit Mastercard, connected to Wing Bank's account, proudly stands as the first numberless card to be launched in Cambodia. This cutting-edge card empowers users to securely manage and monitor their transaction and balance history. Cardholders can effortlessly access their payment credentials through the Wing Bank App, providing a convenient way to make online purchases without relying on the details embossed on a traditional physical card.

Wing Mastercard Numberless World

It is a remarkable digital debit card crafted with a sleek design using premium metal material. It offers an unparalleled experience for Wing VVIP customers. With Wing Mastercard Numberless World, customers can conveniently use the card at any merchant outlet worldwide that accepts Mastercard, make secure online purchases, and withdraw cash from any Mastercard-compatible ATM. As an added benefit, cardholders can indulge in unlimited access to airport lounges, providing a luxurious experience at lounges across the globe.



Virtual Mastercard & Visa Cards

Wing Bank's customers can promptly apply for and receive a virtual debit card via the Wing Bank App, granting them immediate access to all the necessary details for secure online transactions without the need for a physical card. With this virtual card, Wing Bank customers can confidently make safe online purchases worldwide, catering to various interests such as gaming, food, fashion, travel, and entrepreneurship. The Wing Bank virtual card opens up a world of possibilities and opportunities.

CORPORATE LOAN

Wing Bank presents distinct loan solutions tailored to meet the financial requirements of corporations. For companies seeking to enhance their working capital without pledging collateral, we offer unsecured business loans specifically designed to support such enterprises. Alternatively, we also provide secured business loans for companies equipped with valuable assets that can be utilized as collateral. Our credit accounts offer customers the reassurance of having a financial safety net to navigate unforeseen circumstances, ensuring their businesses remain resilient.



DIGITAL LOAN

Wing Bank Cambodia has launched a digital loan service called 2-1-0 Lending, which allows customers to apply for loans without needing collateral. The service is available through the Wing Bank App. It only takes two minutes to use, one minute to approve, and zero seconds to disburse. The loan term can be up to three years, while interest rates can be as low as 1% monthly. Using Wing Bank as a primary bank account can increase eligibility for a loan. The service provides financial accessibility and inclusion to people who may not have access to traditional loan services, reducing barriers to financial management and growth.

PROPERTY TAX BILL PAYMENT

Property taxes can now be paid conveniently without the need to visit a branch of the General Department of Taxation. This is made possible through the GDT App, which allows payments via Wing Bank.

ESCROW ACCOUNT

Wing Bank offers a comprehensive range of escrow services, including Public Trust, Financial Trust, Commercial Trust, Social Trust, and Individual Trust, to the public. An escrow account, also known as Trust Service, is a legal fund-holding account that provides protection to the seller against the risk of payment default by the buyer. As a fund holder and agreement maker, Wing Bank ensures that customers can transact with complete confidence, as their funds are securely held by Wing Bank until all predetermined conditions are met. This provides peace of mind and safeguards their interests.



TRADE ACCOUNT

The investors who have accounts with Royal Group Securities Plc. can link their trade accounts to their Wing Bank Accounts using the Wing Bank App. This enables them to effectively manage their accounts, transfer funds between accounts for free and instantly, and easily perform cash-in and cash-out transactions anytime through the Wing Bank App.



SAFE DEPOSIT BOX

Safe Deposit Box provides a secure and convenient way to store customers' valuables and documents. The vaults, equipped with alarms, CCTV, and state-of-the-art locks, are fortified with a dual-key system and round-the-clock surveillance, granting access only to authorized individuals, including customers and their representatives. Whether it is jewelry, business records, title deeds, or other valuable items, Wing Bank offers a secure and convenient storage solution with the utmost confidentiality. Customers can choose from three box sizes – small, medium, and large – tailored to their preferences. Each box comes with \$5,000 insurance coverage in the event of damage or loss of items. Customers can access their boxes during the bank's business hours, ensuring easy availability of their belongings when needed.



PTT FLEET CARD

Customers can conveniently settle customs duties and other import-export fees with the General Department of Customs and Excise (GDCE) at no additional cost through Wing Bank, the Wing Bank App, and its iBanking portal. Wing Bank users can easily make online payments on the GDCE website by navigating to the E-payment section. They can initiate the payment process, review the details, and select Wing Bank as their preferred payment method. This saves them valuable time and eliminates the need to physically visit the ministry.

Wing Bank's unwavering commitment to the community extends well beyond traditional banking and financial services. Our dedication lies in cultivating a robust digital banking and financial ecosystem in Cambodia. With a relentless focus on customer satisfaction, we actively strive to understand and address their challenges. Our aim is to proactively develop innovative products and services that precisely cater to their unique needs.

CUSTOM DUTIES PAYMENT SERVICE

Customers can conveniently settle customs duties and other import-export fees with the General Department of Customs and Excise (GDCE) at no additional cost through Wing Bank, the Wing Bank App, and its iBanking portal. Wing Bank users can easily make online payments on the GDCE website by navigating to the E-payment section. They can initiate the payment process, review the details, and select Wing Bank as their preferred payment method. This saves them valuable time and eliminates the need to physically visit the ministry.

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OPERATION HIGHLIGHT

NUMBER OF WAC REGISTERED

8.9MN+

WINGPAY MERCHANT

137,000+

SME BILL PARTNERS

3,609

ENTERPRISE BUSINESS BILL PARTNER

695



HUMAN RESOURCE MANAGEMENT & DEVELOPMENT



At Wing Bank, we highly value our employees as our greatest asset, and we remain fully committed to providing unwavering support to our staff in every possible way. Our commitment to employee support is resolute.

One of the fundamental principles of Wing Bank's mission is to recognize employees as instrumental pillars in realizing the company's vision of providing every Cambodian with access to digital solutions to enhance their daily lives.

In 2023, we exerted exceptional effort to expand our branch coverage and enhance our banking services, resulting in increased demand for employees. Wing Bank employed 2,299 staff members in operations to support communities grappling with the resulting financial challenges.

Embracing lifelong learning is one of the key drivers of success. At Wing Bank, we remain firmly committed to investing in the development of our people. We have developed the Wing Competency Model to equip employees with essential knowledge and skills to perform more effectively and efficiently. We have invested over 7,191 hours in enhancing the capacity of both new and experienced employees. The training is conducted both in physical and virtual formats to ensure a convenient learning environment for our employees, regardless of their geographical location.

Additionally, we provide access to the Wing University, just like LinkedIn Learning, enabling our team members to develop their skills and expand their knowledge base virtually. To date, Wing Bank employees have completed over 28,603 hours of training courses.

Furthermore, we offer all employees the Wing Bank Employee Passport Program as a comprehensive development program for individual contributors. The Wing Bank Employee Passport Program comprises the New Employee Orientation (NEO) program, provision of in-depth knowledge regarding products and services, courses on soft skills and computers, as well as advanced skills and business English. The NEO programs conducted so far have provided 54 training courses for new employees.

Moreover, Wing Bank has also established the self-development master program, providing staff with training to join the management team and become future leaders of Wing Bank. This program covers theories in psychology, self-development, leadership, and relationship building, guiding participants to apply these concepts in real-life situations to maximize immediate and lasting positive changes.

At Wing Bank, we firmly believe that employee engagement is the cornerstone of a successful organization, and we work tirelessly throughout the year to ensure that all our staff feel valued, supported, and empowered. One of the ways we achieve this is through regular communication with our team members. We have implemented Winger Meetings, allowing employees to meet with the Senior Management of Wing Bank to share their voices and express relevant concerns. We also hold regular town hall meetings, conduct surveys,

and actively seek staff feedback to ensure that their voices are not only heard but also genuinely valued.

As a result, we have once again been honored as the Best Employer Brand for the third consecutive year, reaffirming our strong commitment to our employees. This prestigious award was announced at the 14th edition of Asia's Best Employer Brand Awards 2023, held in Singapore.

Furthermore, we encourage our employees to actively participate in various initiatives and community events to foster a sense of belonging and build teamwork. We consistently provide mechanisms to ensure their safe and effective service to the community.

During the prestigious Excellence Award Dinner 2023, Wing Bank was honored for its remarkable efforts in driving financial literacy among women and fundraising for landmine clearing. We received accolades in the Financial Literacy and Social Impact categories.

When celebrating our achievements and successes, Wing Bank never fails to show our gratitude and appreciation to our staff through social gatherings such as quarterly town hall meetings and solidarity parties, held regularly throughout the year. We are grateful to our employees for making our success possible.



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 BASHIR 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.



CHRIS TIFFIN
DIRECTOR

He is the Group Chief Operating Officer of The Royal Group since June 2019, Cambodia's largest and most diversified conglomerate.

Chris was the former Founding CEO of Boost (mobile money) as well as the Regional Head of Digital Financial Services (DFS) at Axiata Digital Services in Malaysia, positions he held since September 2016 until 31 December 2018.

Prior to this he was the Chief Financial Officer of Celcom Axiata Berhad, the second largest telecommunication company in Malaysia, with ~12million customers, after originally joining Axiata Group Berhad in August 2012 to set-up e.co, the passive infrastructure Tower company arm of the Group.

He was also the Chief Financial Officer of Safaricom Limited in Kenya (part of the Vodafone Group, and the largest listed company in East Africa), as well as Chief Financial Officer of Celtel Nigeria for a period of 4 years respectively, having started his Mobile Telecommunications career at Vodacom South Africa in 1998.

For many years, Chris has held senior executive positions in various organizations, both within and outside the Telecommunications sector. He is a qualified Chartered Accountant - CA(SA) member of SAICA (South African Institute of Chartered Accountants) as well as an FCA (Fellow Chartered Accountant) member of ICEAW (Institute of Chartered Accountants England and Wales).



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.

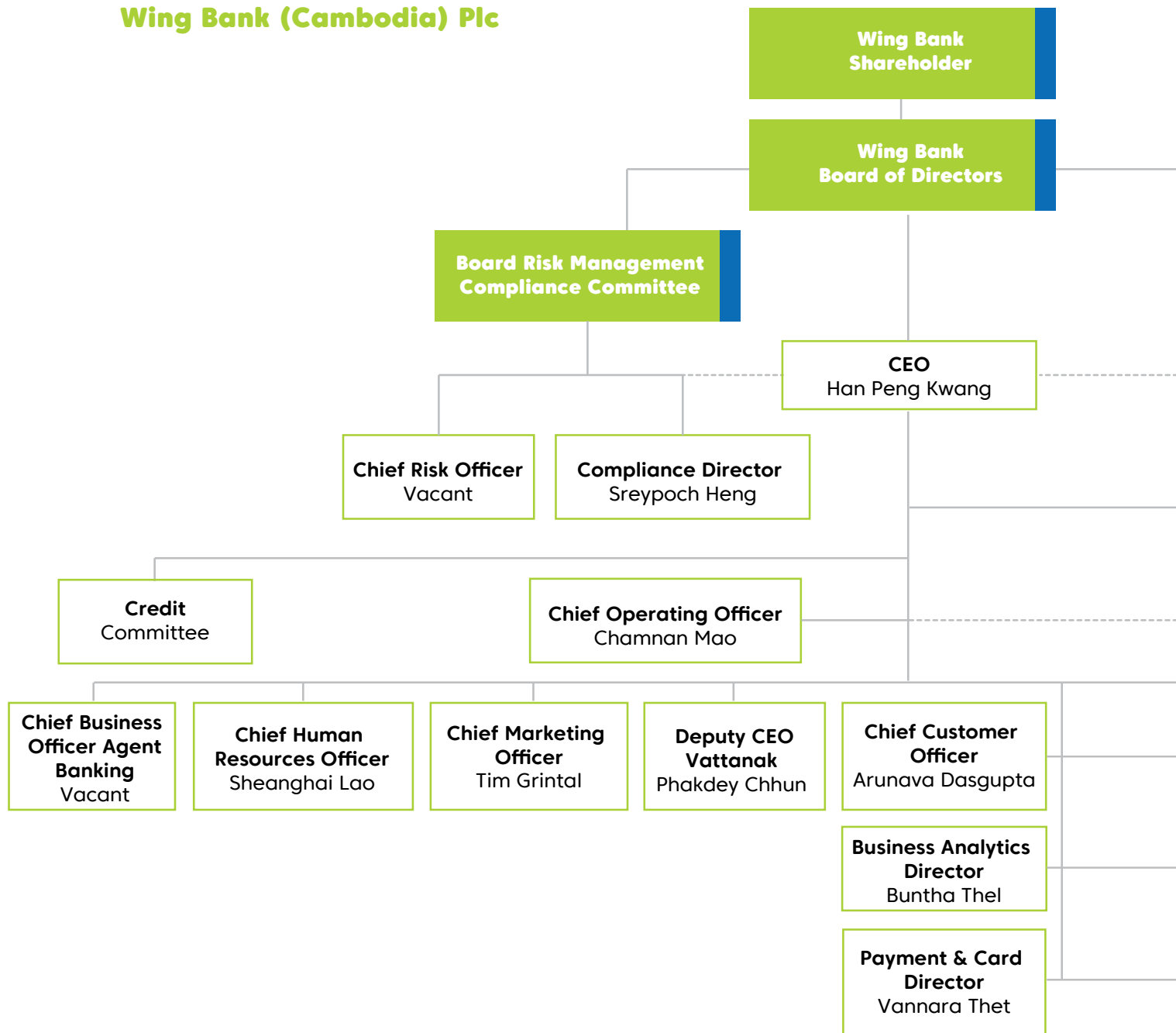
In taking this role, he has brought with him his skills and experience in the Cambodian banking and finance sector, which he has developed over a 23-year period. He is recognized as an inspirational leader in his field, creating much value for various financial organizations as a member of the executive 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.

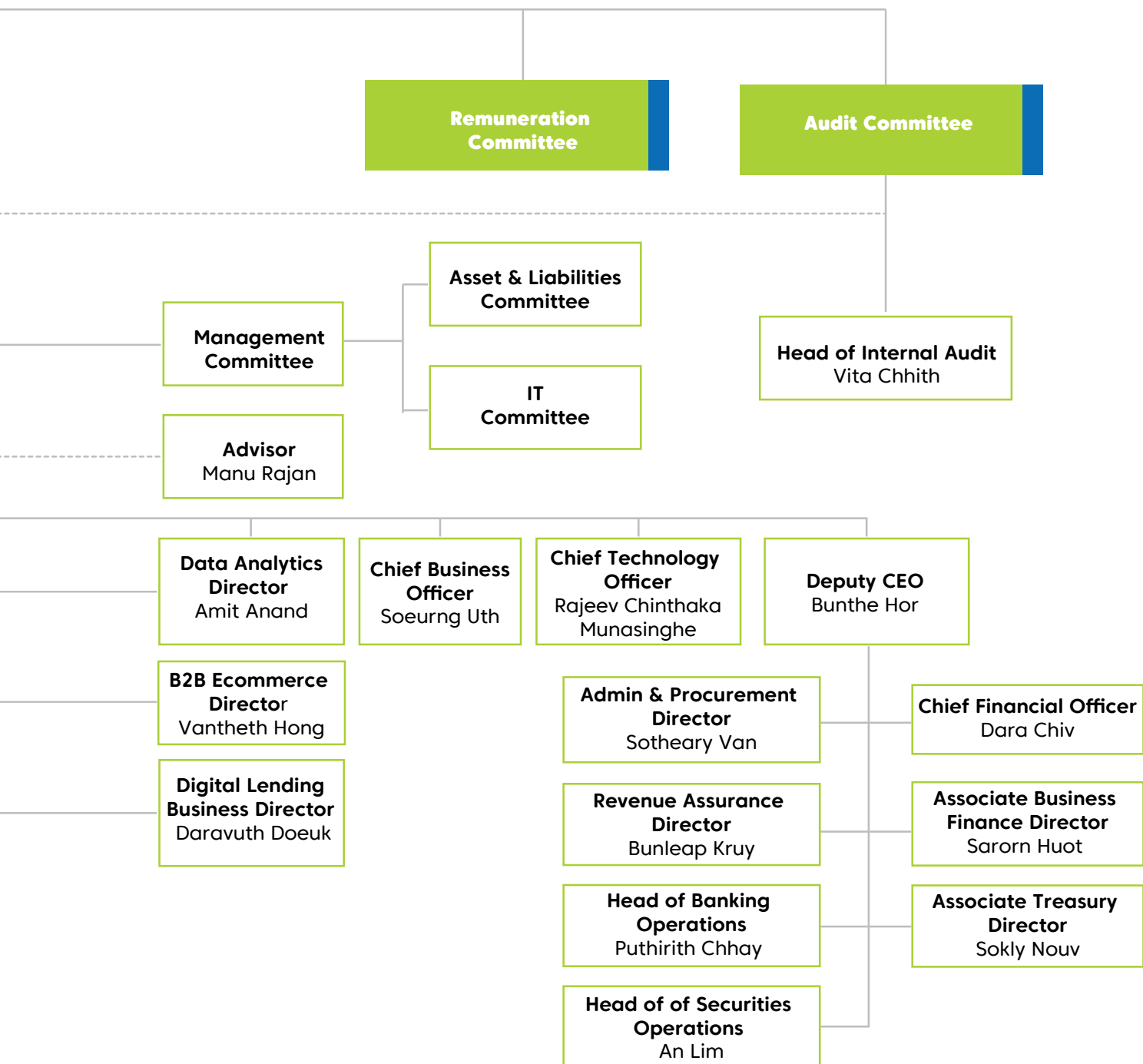
He has also been in the leadership role of various companies such as VTrust Appraisal, SHG Finance, the Zillennium Group, and Dai Ichi Life Insurance

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.

ORGANIZATION CHART

Wing Bank (Cambodia) Plc





MANAGEMENT TEAM





HAN PENG KWANG

CHIEF EXECUTIVE OFFICER

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

Han is a seasoned banker with close to 30 years of experience in the banking industry. He is a graduate of the Universiti Utara Malaysia with a Bachelor of Economics (Honours). He is also a Chartered Banker and a Certified Credit Professional of the Asian Institute of Chartered Bankers (AICB). He currently serves as a Council Member of the Association of Banks in Cambodia and also act as the Treasurer of the association.

Han started his banking career in 1995 at Public Bank Berhad, one of the largest commercial banks in Malaysia. He held a variety of positions at the bank, including frontline operations, sales and marketing, credit processing, loan securities and documentations, credit review, credit control, trade financing, and others. His last role at the bank was as a Branch Manager of one of the Cambodian Public Bank branches in Phnom Penh.

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

Han is a passionate believer in the transformative power of digital finance technologies. He believes that these technologies can meet customer needs in a cheaper, faster, and more efficient way. His key strategy for success is a relentless pursuit of great customer experiences, which is a core mission of Wing Bank.

Since obtaining the commercial banking license in December 2020, Wing Bank has grown into one of the most successful and fastest growing digital banks in Cambodia. The Bank has also opened 21 branches across the nation in less than 3 years. Han is committed to making Wing Bank the Bank for all Cambodians.



LOK CHUMTEAV NEAK OKNHA MAO CHAMNAN **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 has more than 10 years' experience of financial management across a number of sectors including banking, investment, and import and export.

He has driven unique and non-traditional mobile payment models in Cambodia to support Wing's sustainable growth strategies and objectives. Currently, he is responsible for ensuring overall business growth; profitability; and new product development oversight. He works closely with the CEO and commercial teams in delivering revenue targets and managing business support functions to deliver high quality and differentiated banking services to customers.

He is a Fellow Chartered and Certified Accountant (FCCA) member of the UK-based Association of Chartered Certified Accountants. He holds a master's degree in business administration from Cambodian Mekong University, and a bachelor's in accounting from the Royal University of Law and Economics.





VATTANAK PHAKDEY CHHUN
DEPUTY CHIEF EXECUTIVE OFFICER

Phakdey Vattanak Chhun is our Deputy Chief Executive Officer. He joined Wing in 2012 as head of corporate sales, was promoted in 2015 to enterprise business director and later became CHIEF CORPORATE BUSINESS OFFICER in August 2019.

Phakdey is now responsible for enterprise business, which handles partnerships with corporate entities, small and medium-sized enterprises (SME) and the Royal Government of Cambodia. His nurturing of these relationships has been to the benefit of all parties and has done much to enhance the Wing portfolio. He has also successfully worked to introduce various new products and services in areas including payroll, funds disbursement, bill payment and B2B solutions.

Before joining Wing, Phakdey had previously worked for more than four years with ANZ Royal Bank, where his last role was premier banking relationship manager.

He graduated in 2001 with a bachelor's in business administration from the National University of Management.



UTH SOEURNG
CHIEF BUSINESS OFFICER

Soeurng is now the Chief Business Officer of Wing Bank.

As the Chief Business Officer at Wing Bank, Soeurng leads the bank's business development team to drive revenue growth and customer acquisition. Additionally, He works with the executive team to create and execute the bank's overall business strategy.

With nearly 20 years of experience in the banking industry, Soeurng has an extensive background in business development, banking, and sales. He has worked with major financial institutions, including ANZ ROYAL Bank, HATHA Bank, SBI Ly Hour Bank, and PRASAC Microfinance Institution, and has helped them develop and implement successful business strategies.

Soeurng also brings a wealth of skills to his role, including strategic planning, business acumen, and customer relationship management. He earned an MBA in Accounting and Finance in 2002 from French Management Center in Vietnam.

He is also known for his entrepreneurial spirit, his ability to inspire and motivate his team, and his deep understanding of consumer behavior in the financial industry.



SHEANGHAI LAO
CHIEF HUMAN RESOURCES OFFICER

Sheanghai Lao is the accomplished Chief Human Resources Officer at Wing Bank, having ascended to this pivotal role in April 2022 after joining the company as the Human Resources Director in 2015. With a career rooted in the Royal Group—Wing Bank’s esteemed parent company—Sheanghai has dedicated over a decade to shaping human resources practices across the organization.

Sheanghai is renowned for his strategic vision and leadership in human resources, playing an integral role in formulating and executing high-level HR strategies that are tightly aligned with Wing Bank’s long-term organizational objectives. As the Chief Human Resources Officer, he has been instrumental in driving key initiatives such as the comprehensive overhaul of the bank’s compensation framework. His work encompasses conducting detailed job analyses, devising innovative pay structures, and establishing robust internal job grading systems, which have been vital in fostering fairness and competitive remuneration across the organization.

Beyond compensation, Sheanghai’s strategic initiatives include enhancing talent acquisition processes, developing cutting-edge workforce planning methodologies, and implementing progressive leadership development programs. These efforts are designed not only to optimize

human capital within Wing Bank but also to set benchmarks for HR excellence across all subsidiaries within the Royal Group. His leadership in these areas exemplifies his capability to influence and improve HR practices on a conglomerate level, ensuring that strategic HR initiatives propel the organization’s growth and operational effectiveness.

Sheanghai’s extensive experience spans across some of Cambodia’s largest conglomerates and multinational corporations, including CamGSM Company Limited (Mobitel), the Cambodia Broadcasting Service, and Damco Cambodia, a subsidiary of the global A.P. Moller Maersk Group. This diverse exposure has endowed him with a profound understanding of HR management in both local and international contexts.

Sheanghai is a certified HR practitioner with specializations in HRM and IR from HIDA in Japan. He further enhanced his credentials with an MBA from the prestigious Paññāsāstra University of Cambodia, where he deepened his expertise in human resources management, business administration and strategic management.

At Wing Bank, Sheanghai continues to harness his vast experience and educational background to drive effective people management strategies and foster a thriving work culture, consistently demonstrating his commitment to excellence and leadership in human resources.



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 career 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.



TIM GRINTAL **CHIEF MARKETING OFFICER**

Mr. Tim Grintal has assumed the position of Chief Marketing Officer at Wing Bank, bringing with him a wealth of experience in Branding, digital marketing and Marketing Technology for over 15 years.

Since joining us in February 2023, Tim has taken on the responsibility of spearheading Wing Bank's marketing strategy, playing a pivotal role in enhancing business sales growth.

Prior to joining Wing Bank, Tim held key leadership positions in renowned international companies within the digital marketing and branding industries. Notably, he made significant contributions at ADA, part of Axiata Group a global marketing and commerce digital transformation hub known for its impactful utilization of data and AI. Where he worked across 10 markets in Asia, before taking the role of ADA's Country Director for Cambodia. Additionally, he showcased his expertise in Branderz a dynamic branding, communication, and design studio renowned for its ability to craft intelligent digital solutions. He was also one of the co-founders of Headlinerz, an Influencer Agency focusing on new trends in GenZ segment. These experiences have equipped Tim with a comprehensive understanding of industry best practices and a track record of driving successful marketing initiatives.

Tim's strategic mindset, coupled with his profound knowledge of digital marketing and branding, positions him well to lead Wing Bank's marketing efforts. His vision, Customer centric approaches and expertise in analytics and technology will play a crucial role in expanding our market presence, engaging customers, and driving business growth



DARA CHIV **CHIEF FINANCIAL OFFICER**

Dara Chiv joined Wing Bank in July 2021 as Finance Director before being promoted to his current role as Chief Financial Officer from 1st February 2024. With over 20 years of experience working in Cambodia's largest banks, he brings a wealth of diverse experiences across multiple areas, including operations, finance, foreign exchange, and treasury as well as assets and liabilities management (ALM), financial planning and budgeting, Cambodian International Financial Reporting Standards (CIFRS), and tax.

In his current role, Dara is responsible for overseeing Wing Bank's financial affairs, taxes, treasury, ALM, and CIFRS project.

He holds an ACCA qualification, having graduated in December 2013, and is currently a fellow member of the Association of Chartered Certified Accountants, UK. Additionally, he completed the Chartered Management Accounting program from the Institute of Chartered Management Accountants, Australia, in 2016. He graduated with a bachelor's degree in 2003, specializing in accounting. During his career in the banking industry, Dara has also participated in numerous training courses focused on finance and banking.

Dara's extensive background in finance and accounting, combined with his experience in the unique Cambodian market, make him an asset to Wing Bank as Chief Financial Officer.



ARUNAVA DASGUPTA **CHIEF CUSTOMER OFFICER**

Arunava Dasgupta is the Chief Customer Officer of Wing Bank

Arunava is a CX professional with 20+ years of experience across various industries with roles in Customer Experience Strategy, Process Improvement & Service Excellence.

Prior to Wing, he was a Regional Manager of Customer Experience in Netflix (Philippines) Inc and lead Customer Experience strategy for ASEAN, Japan, Korea, Taiwan & India. At Netflix, Arunava led various transformational initiatives supporting consumer growth in APAC region.

Prior to Netflix, Arunava was employed with Sutherland Global Services, a leader in ITBPO Services as Country Head of Customer Experience (Philippines), managing 100+ client accounts across 7 locations, employing 30K front line staff.

Prior to Sutherland, Arunava was employed with Tech Mahindra & Wipro Ltd – large IT Services companies based in India in various management positions.

Certified in Lean Six Sigma Black Belt & with specialization in Machine Learning & Artificial Intelligence through Goldsmiths, University of London, Arunava has led and executed multiple Process Improvement/ LEAN Initiatives with significant impact to bottom line.

Arunava is an advocate of Inclusion at workplace and lead "Project Echo" –enabling employment for speech and hearing-impaired individuals in 5 countries in his previous role.

A firm believer in technology driven innovation and customer excellence, he strives to fulfill Wing's mission of excellence in Customer Experience.



HENG SREYPOCH,
COMPLIANCE DIRECTOR

Sreypoch joined Wing in 2021 during its long-awaited conversion to a commercial bank. Before her recent role with Wing Bank, she had experienced working with commercial banks including periods of merger and acquisition. Sreypoch has played a key role in driving change in business operation, and adoption to regional bank practice. Her experience with commercial banking as well as during periods of merger and acquisition, and bank transformation for more than a decade as Head of Compliance.

An experienced expert in financial regulatory affairs, Ms Sreypoch obtained her certified regulatory compliance, and other certification including risk and fraud management, internal control, trade finance, and AML. She had gained her banking knowledge from banks in Taiwan and Thailand on banking business operation, risk management, audit, compliance, and strategic planning.



VITA CHHITH,
HEAD OF INTERNAL AUDIT

Vita joined Wing Bank in June 2020, bringing with her over 14 years of professional experience in the auditing industry. Prior to joining us, she worked for several years as an external auditor at two of the four biggest audit companies in Cambodia, where she gained a wealth of experience and knowledge in auditing practices. In addition, she has more than 4 years of experience as an internal auditor.

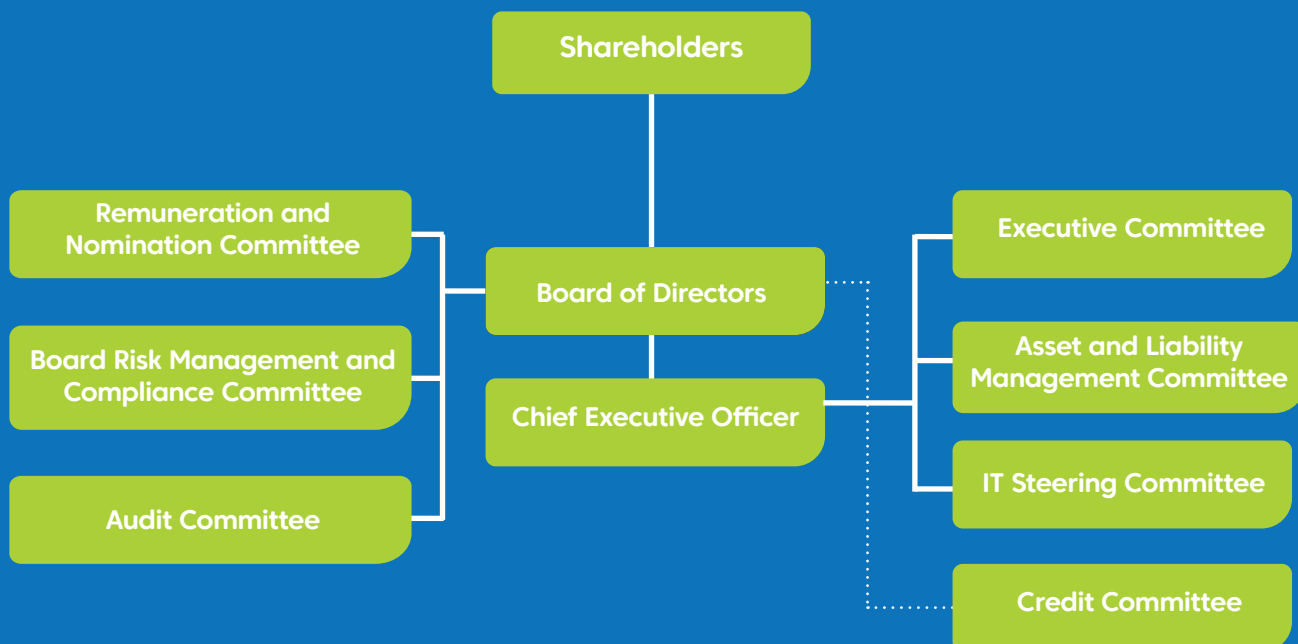
As the Head of Internal Audit at WING Bank, Vita is responsible for ensuring that the bank's processes for controlling its activities are adequate and effective. She reports directly to the management team and the audit committee, providing them with annual assessments of the bank's processes.

Her expertise in auditing and internal control systems has been invaluable to Wing Bank, and she continues to provide strategic guidance to the bank's leadership team.

CORPORATE GOVERNANCE



Corporate Governance Framework





BOARD OF DIRECTORS (BOD)

BOD, the highest decision-making body of the Bank, is appointed by shareholders and has the ultimate accountability to shareholders for the profitability as well as the risks undertaken by the Bank for ensuring that an adequate and effective system of internal controls is established and maintained.

COMPOSITION OF BOARD OF DIRECTORS

1. Neak Oknha Kith Meng, Chairman of the Board of Directors
2. Rami Bashir Asa'd Sharaf, Non-Executive Director
3. Chris Christopher Donald Tiffin, Non-Executive Director
4. Taing Havdy, Independent Director
5. Vong Sokhal, Independent Director

RESPONSIBILITIES OF THE BOARD OF DIRECTORS

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

The BOD regularly oversees 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 directives that are issued by the regulators(s) from time to time.

BOARD COMMITTEE

Wing Bank Board Committees are extensions of the BOD set up to deliberate matters in greater details. The deliberations and decisions during the committees' meeting are updated to the BOD.

1 AUDIT COMMITTEE (AC)

AC is created to assist the BOD in overseeing the integrity of the Bank's financial statements and the Bank's accounting and financial reporting processes and financial statement audit, the Bank's compliance with legal and regulatory requirements, the registered public accounting firm's (independent auditor's) qualifications and independence, the performance of the Bank's independent auditor and internal audit function, and overseeing the Bank's systems of disclosure controls and procedures, internal controls over financial reporting, and compliance with ethical standards adopted by the Bank.

2 BOARD RISK MANAGEMENT AND COMPLIANCE COMMITTEE ("BRMCC")

BRMCC is established to manage and control the risk and compliance matters of the Bank. The committee meets every quarter to discuss and approve risk strategies, risk policies and system oversight, risk monitoring, compliance supervision, and strategic optimization.



3. REMUNERATION & NOMINATION COMMITTEE

The committee provides a formal and transparent procedure for the appointment of Board of Directors, board committee members, and key senior management officers as well as assessment of the effectiveness of such individuals. The Committee shall also provide a formal and transparent procedure for developing a remuneration policy for BOD and key senior management officers and ensure that compensation is competitive and consistent with the Group's culture, objectives, and strategy.

MEETING OF THE BOARD OF DIRECTORS

The meeting of the Board of Directors is scheduled quarterly or upon necessary to review business performance, discuss the strategies, and approve different business proposals. In 2023, the BOD met four (4) times at the Head Office.

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.

MANAGEMENT COMMITTEE

There are 4 Executive Management Committee: Executive Committee (EXCO), Asset and Liability Management Committee (ALCO), Credit Committee (CC), and IT Committee (ITC)



WING BANK (CAMBODIA) PLC

Report of the Board of Directors and
Audited financial statements in accordance with
Cambodian International Financial
Reporting Standards
for the year ended 31 December 2023

BANK INFORMATION

Bank	WING Bank (Cambodia) Plc	
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. Christopher Donald Tiffin Mr. Rami Bashir Asa'd Sharaf Mr. Vong Sokhal Mr. Taing Havdy	Chairman Director (resigned on 16 August 2023) Director (appointed on 16 August 2023) Director Independence director Independence director
Management team	Mr. Han Peng Kwang Mr. Hor Bunthe Mr. Chhun Vattanak Phakdey Lok Chumteav Neak Oknha Mao Chamnan Mr. Uth Soeurng Mr. Lao Sheanghai Mr. Srun Chheangsreng Mr. Rajeev Chinthaka Munasinghe Mr. Tim Grintal Mr. Arunava Dasgupta Mr. Doeuk Daravuth Ms. Heng Sreypoch Mr. Thet Vannara Mr. Chiv Dara Ms. Chhith Vita	Chief Executive Officer Deputy Chief Executive Officer Deputy Chief Executive Officer Chief Operating Officer Chief Business Officer Chief Human Resource Officer Chief Business Officer Chief Technology Officer Chief Marketing Officer Chief Customer Officer Digital Lending Business Director Compliance Director Payment and Card Director Chief Finance Officer Head of Internal Audit
Auditors	Ernst & Young (Cambodia) Ltd.	

REPORT OF THE 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 (“the Bank”) for the year ended 31 December 2023.

THE BANK

WING Bank (Cambodia) Plc was incorporated in the Kingdom of Cambodia on 18 August 2008 as a private limited company under the Registration No. 00005108. The Bank converted from a specialized bank to a commercial bank under a commercial banking license from the National Bank of Cambodia (“NBC”) for an indefinite period on 31 December 2020 with its updated Memorandum and Articles of Incorporation endorsed by the Ministry of Commerce (“MOC”) on 5 August 2021.

The principal activities of the Bank are the undertaking of instant, secure, and convenient digital financial services, and provision of various types of banking and financial services in the Kingdom of Cambodia.

The registered office of the Bank is located at #721, Preah Monivong Boulevard, Sangkat Boeung Keng Kang Ti Bei, Khan Boeng Keng Kang, Phnom Penh, Kingdom of Cambodia.

FINANCIAL RESULTS

The financial results of the Bank were as follows:

	2023		2022	
	USD	KHR	USD	KHR
Profit before income tax	5,642,162	23,189,286	10,126,074	41,385,266
Income tax expense	(1,447,280)	(5,948,321)	(2,117,428)	(8,653,928)
Net profit for the year	4,194,882	17,240,965	8,008,646	32,731,338

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

The registered share capital of the Bank as at 31 December 2023 was US\$ 75 million or KHR’000 300 million (2022: US\$ 75 million or KHR’000 300 million).

On 22 November 2023, the Board has resolved to increase share capital to US\$ 170,000,000. Subsequently, on 5 December 2023, additional cash amounting US\$ 95,000,000 have been injected from shareholders, and request for approval on additional capital injection has been submitted to NBC on the same day. On 2 February 2024, the Bank received approval from NBC on the additional capital injection. As of the date of this report, amendments of the Bank’s memorandum and article of incorporation have been prepared and submitted to NBC and MOC.

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.

REPORT OF THE BOARD OF DIRECTORS

LOANS AND ADVANCES TO CUSTOMERS

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 realized 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 realize.

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.

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.

REPORT OF THE BOARD OF DIRECTORS

EVENTS AFTER THE REPORTING PERIOD

At the date of this report, there have been no other significant events occurring after the reporting period 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 until the date of this report are:

Neak Oknha Kith Meng	Chairman
Mr. Su Tieng Teck	Director (resigned on 16 August 2023)
Mr. Christopher Donald Tiffin	Director (appointed on 16 August 2023)
Mr. Rami Bashir Asa'd Sharaf	Director
Mr. Vong Sokhal	Independence director
Mr. Taing Havdy	Independence director

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.

STATEMENT OF BOARD OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS

The Board of Directors is responsible for ascertaining that the financial statements give a true and fair view of the financial position of the Bank as at 31 December 2023, and of 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;

REPORT OF THE BOARD OF DIRECTORS

- (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.

Management is responsible for ensuring that proper accounting records are kept which disclose, with reasonable accuracy at any time, the financial position of the Bank and to ensure that the accounting records comply with the registered accounting system. It is also responsible for safeguarding the assets of the Bank and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

APPROVAL OF THE FINANCIAL STATEMENTS

We, on behalf of the Board of Directors, do hereby confirm that the accompanying financial statements give a true and fair view of the financial position of the Bank as at 31 December 2023, and of 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
29 March 2024

INDEPENDENT AUDITOR'S REPORT

To: The Shareholders of WING Bank (Cambodia) Plc

Opinion

We have audited the financial statements of WING Bank (Cambodia) Plc ("the Bank"), which comprise the statement of financial position as at 31 December 2023, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the financial statements give a true and fair view of the financial position of the Bank as at 31 December 2023 and of 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 Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Bank in accordance with the Code of Ethics for Professional Accountants and Auditors issued by the Ministry of Economy and Finance of Cambodia, together 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.

Information Other than the Financial Statements and Auditor's Report Thereon

The other information obtained at the date of the auditor's report comprises the Bank information and the Report of the Board of Directors. Management is responsible for the other information.

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, 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 of financial statements that give a true and fair view 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 BOARD OF DIRECTORS

To: The Shareholders of WING Bank (Cambodia) Plc

Auditor's Responsibilities for the Audit of the Financial Statements

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

As part of an audit in accordance with CISAs, we exercise professional judgment and maintain professional 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 auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Bank to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Sinratana Lan

Partner



Ernst & Young (Cambodia) Ltd.

Certified Public Accountants
Registered Auditors

Phnom Penh, Kingdom of Cambodia
29 March 2024

STATEMENT OF FINANCIAL POSITION

as at 31 December 2023

		2023		2022	
	Notes	US\$	KHR'000 (Note 2.1)	US\$	KHR'000 (Note 2.1)
ASSETS					
Cash and bank balances	4	568,571,559	2,322,614,819	183,373,258	754,947,703
Statutory deposits	5	85,362,222	348,704,677	30,513,028	125,622,136
Loans and advances to customers	6	786,196,374	3,211,612,188	363,457,095	1,496,352,860
Debt investments at amortized costs	7	5,964,194	24,363,732	2,013,107	8,287,962
Other assets	8	33,145,724	135,400,281	27,465,720	113,076,369
Intangible assets	9	2,478,175	10,123,345	3,354,709	13,811,337
Property and equipment	10	22,390,222	91,464,057	13,942,196	57,400,021
Right-of-use assets	11	86,445,182	353,128,568	9,000,332	37,054,367
Income tax credit	12	1,123,853	4,590,940	-	-
Deferred tax assets	12	-	-	663,046	2,729,760
TOTAL ASSETS		1,591,677,505	6,502,002,607	633,782,491	2,609,282,515
LIABILITIES AND EQUITY					
LIABILITIES					
Deposits from customers	13	1,069,317,896	4,368,163,605	299,083,132	1,231,325,254
Deposits from other financial institutions	14	117,945,491	481,807,331	96,300,576	396,469,471
Wallet liabilities	15	90,022,472	367,741,798	110,761,575	456,005,404
Borrowings	16	5,982,567	24,438,786	99,225	408,509
Payables and other liabilities	17	11,869,264	48,485,943	10,594,188	43,616,273
Subordinated debts	18	20,000,000	81,700,000	10,013,973	41,227,527
Lease liabilities	19	80,454,479	328,656,547	9,594,495	39,500,536
Provision for employee benefits	20	149,308	609,923	181,844	748,652
Deferred tax liabilities	12	778,905	3,181,827	-	-
Income tax liabilities	12	-	-	1,191,242	4,904,343
TOTAL LIABILITIES		1,396,520,382	5,704,785,760	537,820,250	2,214,205,969
EQUITY					
Share capital	21	75,000,000	300,000,000	75,000,000	300,000,000
Contribution for future share capital	21	95,000,000	380,000,000	-	-
Regulatory reserve	21	20,376,628	83,620,053	3,816,325	15,557,208
Retained earnings		4,780,495	19,494,685	17,145,916	70,316,565
Cumulative translation differences		-	14,102,109	-	9,202,773
TOTAL EQUITY		195,157,123	797,216,847	95,962,241	395,076,546
TOTAL LIABILITIES AND EQUITY		1,591,677,505	6,502,002,607	633,782,491	2,609,282,515

STATEMENT OF COMPREHENSIVE INCOME for the year ended 31 December 2023

	Notes	2023		2022	
		US\$	KHR'000 (Note 2.1)	US\$	KHR'000 (Note 2.1)
Interest income	22	73,350,527	301,470,666	28,258,181	115,491,186
Interest expense	22	(39,121,329)	(160,788,662)	(8,692,681)	(35,526,987)
Net interest income	22	34,229,198	140,682,004	19,565,500	79,964,199
Fee and commission income	23	54,358,977	223,415,395	54,700,136	223,559,456
Fee and commission expense	23	(11,846,130)	(48,687,594)	(10,613,272)	(43,376,443)
Net fee and commission income	23	42,512,847	174,727,801	44,086,864	180,183,013
Other income	24	2,359,152	9,696,115	1,074,414	4,391,130
Net operating profit		79,101,197	325,105,920	64,726,778	264,538,342
Net impairment losses on financial instruments	25	(5,613,156)	(23,070,071)	(1,237,923)	(5,059,391)
Personnel expenses	26	(38,311,248)	(157,459,229)	(26,238,889)	(107,238,339)
Depreciation and amortization	27	(6,763,561)	(27,798,236)	(4,103,566)	(16,771,274)
Other operating expenses	28	(22,771,070)	(93,589,098)	(23,020,326)	(94,084,072)
Profit before income tax		5,642,162	23,189,286	10,126,074	41,385,266
Income tax expense	12	(1,447,280)	(5,948,321)	(2,117,428)	(8,653,928)
Net profit for the year		4,194,882	17,240,965	8,008,646	32,731,338
Other comprehensive income					
Translation difference		-	4,899,336	-	4,022,262
Total comprehensive income for the year		4,194,882	22,140,301	8,008,646	36,753,600

STATEMENT OF CHANGES IN EQUITY for the year ended 31 December 2023

	Share capital		Contribution for future share capital		Regulatory reserve	
	US\$	KHR'000 (Note 2.1)	US\$	KHR'000 (Note 2.1)	US\$	KHR'000 (Note 2.1)
As at 1 January 2023	75,000,000	300,000,000	-	-	3,816,325	15,557,208
Net profit for the year	-	-	-	-	-	-
Translation difference	-	-	-	-	-	-
Total comprehensive income	-	-	-	-	-	-
Additional contribution	-	-	95,000,000	380,000,000	-	-
Transfers from retained earnings to regulatory reserve (Note 21)	-	-	-	-	16,560,303	68,062,845
31 December 2023	75,000,000	300,000,000	95,000,000	380,000,000	20,376,628	83,620,053
As at 1 January 2022	75,000,000	300,000,000	-	-	1,680,126	6,826,563
Net profit for the year	-	-	-	-	-	-
Translation difference	-	-	-	-	-	-
Total comprehensive income	-	-	-	-	-	-
Transfers from retained earnings to regulatory reserve (Note 21)	-	-	-	-	2,136,199	8,730,645
31 December 2022	75,000,000	300,000,000	-	-	3,816,325	15,557,208

Retained earnings		Cumulative translation differences	Total	
US\$	KHR'000 (Note 2.1)	US\$	US\$	KHR'000 (Note 2.1)
17,145,916	70,316,565	9,202,773	95,962,241	395,076,546
4,194,882	17,240,965	-	4,194,882	17,240,965
-	-	4,899,336	-	4,899,336
4,194,882	17,240,965	4,899,336	4,194,882	22,140,301
-	-	-	95,000,000	380,000,000
(16,560,303)	(68,062,845)	-	-	-
4,780,495	19,494,685	14,102,109	195,157,123	797,216,847
				-
11,273,469	46,315,872	5,180,511	87,953,595	358,322,946
8,008,646	32,731,338	-	8,008,646	32,731,338
-	-	4,022,262	-	4,022,262
8,008,646	32,731,338	4,022,262	8,008,646	36,753,600
(2,136,199)	(8,730,645)	-	-	-
17,145,916	70,316,565	9,202,773	95,962,241	395,076,546

STATEMENT OF CASH FLOWS

for the year ended 31 December 2023

	Notes	2023		2022	
		US\$	KHR'000 (Note 2.1)	US\$	KHR'000 (Note 2.1)
Net cash generated from operating activities	29	242,379,269	996,178,796	51,865,439	211,974,051
Investing activities					
Purchase of debt investments	7	(3,941,026)	(16,197,617)	-	-
Acquisition of intangible assets	9	(184,445)	(758,069)	(2,130,554)	(8,707,574)
Acquisition of property and equipment	10	(11,902,088)	(48,917,582)	(10,096,154)	(41,262,981)
Proceed from disposal of property and equipment		-	-	23,550	96,249
Net cash used in investing activities		(16,027,559)	(65,873,268)	(12,203,158)	(49,874,306)
Financing activities					
Proceed from subordinated debt	18	10,000,000	41,100,000	10,000,000	40,870,000
Proceed from borrowings	16	5,900,784	24,252,222	105,944	432,993
Payment of borrowings	16	(13,701)	(56,311)	(6,719)	(27,461)
Payment of principal portion of lease liabilities	19	(1,542,730)	(6,340,620)	(765,490)	(3,128,558)
Proceeds from contribution for future share capital	21	95,000,000	390,450,000	-	-
Net cash generate from financing activities		109,344,353	449,405,291	9,333,735	38,146,974
Net increase in cash and cash equivalents		335,696,063	1,379,710,819	48,996,016	200,246,719
Cash and cash equivalents at 1 January	4	140,139,002	576,952,271	91,142,986	371,316,525
Translation difference		-	(12,876,850)	-	5,389,027
Cash and cash equivalents at 31 December	4	475,835,065	1,943,786,240	140,139,002	576,952,271

Additional information on operational cash flows from interest:

Interest received	64,468,523	264,965,630	23,923,176	98,491,715
Interest paid	46,018,156	189,134,621	8,890,915	36,337,168

NOTES TO THE FINANCIAL STATEMENTS

as at 31 December 2023 and for the year then ended

1. BANK INFORMATION

WING Bank (Cambodia) Plc (the “Bank”) was incorporated in the Kingdom of Cambodia on 18 August 2008 as a private limited Bank under the Registration No. 00005108. The Bank converted from a specialized bank to a commercial bank under a commercial banking license from the National Bank of Cambodia (“NBC”) for an indefinite period on 31 December 2020 with its updated Memorandum and Articles of Incorporation endorsed by the Ministry of Commerce (“MOC”) on 5 August 2021.

The principal activities of the Bank are the undertaking of instant, secure, and convenient digital financial services, and provision of various types of banking and financial services in the Kingdom of Cambodia.

The registered office of the Bank is located at #721, Preah Monivong Boulevard, Sangkat Boeung Keng Kang Ti Bei, Khan Boeng Keng Kang, Phnom Penh, Kingdom of Cambodia.

Employees

As at 31 December 2023, the Bank had 2,383 employees (31 December 2022: 1,143 employees).

Approval of the financial statements

The financial statements were authorized for issue by the Board of Directors on 29 March 2024.

2. SUMMARY OF

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

2.1 Basis of preparation of the financial statements

Basis of preparation

The financial statements have been prepared on a historical cost basis, except any financial assets and liabilities which are measured at fair value.

Statement of compliance

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

Fiscal year

The Bank’s fiscal year starts on 1 January and ends on 31 December.

Presentation of financial statements

The Bank presents its statement of financial position in the order of liquidity based on the Bank’s intention and perceived ability to recover/settle the majority of assets/liabilities of the corresponding financial statement line item. An analysis of recovery or settlement within 12 months after the reporting date (current) and more than 12 months after the reporting date (non-current) is presented in Note 34.

NOTES TO THE FINANCIAL STATEMENTS

as at 31 December 2023 and for the year then ended

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.1 Basis of preparation of the financial statements (continued)

Functional and Presentational Currency

CIAS 21, The Effects of Changes in Foreign Exchange Rates, requires management to use its judgment to determine the entity's functional currency such that it most faithfully represents the economic effects of the underlying transactions, events and conditions that are relevant to the entity. In making this judgment, the Bank considers the following:

- (i) The currency that mainly influences prices for financial instruments and services (this will often be the currency in which prices for its financial instruments and services are denominated and settled);
- (ii) The currency in which funds from financing activities are generated; and
- (iii) The currency in which receipts from operating activities are usually retained.

Based on the economic substance of underlying circumstances relevant to the Bank, the functional currency of the Bank has been determined to be the US\$. The US\$ is the currency of the primary economic environment in which the Bank operates; and it is the currency that mainly influences the revenue and the expenses.

Translation US\$ into Khmer Riel

The financial statements are presented in US\$ and Khmer Riel ("KHR"). Assets and liabilities are translated at the closing rate as at the statement of financial position date while the items in the statements of comprehensive income and cash flows are translated into KHR using the average rate for the year. Share capital and contribution for future share capital are translated at the rate of KHR4,000 per US\$1. Translation differences arising from the translation are recognized and accumulated in the cumulative translation differences presented under equity in the statement of financial position. The translation of the US\$ amounts into KHR is included solely for meeting the presentation requirement pursuant to the Law on Accounting and Auditing.

The financial statements are presented in KHR based on the following applicable exchange rates per US\$1:

	2023	2022
Closing rate	4,085	4,117
Average rate	4,110	4,084

2.2 New and amended accounting standards and interpretations

The Bank applied for the first-time the following standards and amendments, which are effective for annual periods beginning on or after 1 January 2023:

- CIFRS 17 Insurance Contracts

CIFRS 17 Insurance Contracts is a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. CIFRS 17 replaces CIFRS 4 Insurance Contracts. The new standard had no impact on the Bank's financial statements.

NOTES TO THE FINANCIAL STATEMENTS

as at 31 December 2023 and for the year then ended

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.2 New and amended accounting standards and interpretations (continued)

- Disclosure of Accounting Policies - Amendments to CIAS 1 and CIFRS Practice Statement 2

The amendments to CIAS 1 and CIFRS Practice Statement 2 Making Materiality Judgements provide guidance and examples to help entities apply materiality judgements to accounting policy disclosures. The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.

The amendments have had an impact on the Bank's disclosures of accounting policies, but not on the measurement, recognition or presentation of any items in the Bank's financial statements.

- International Tax Reform-Pillar Two Model Rules - Amendment to CIAS 12

On 23 May 2023, the amendments, which is effective immediately, give entities temporary relief from recognizing and disclosing accounting for deferred taxes arising from the Organisation for Economic Co-operation and Development's (OECD) international tax reform - Pillar Two income taxes; and introduces disclosure requirements to help investors for better understand an entity's exposure to income taxes arising from the reform, particularly before legislation implementing the rules is in effect. The adoption of these amendments did not have any impact to the the Bank.

2.3 Standard and interpretations issued but not yet effective

New and amended standards and interpretations that are issued but not yet effective will not have a material impact on the Bank's financial statements.

2.4 Financial instruments

The Bank's financial assets and liabilities include cash on hand, balances with the NBC (except statutory deposit), Balances with other financial institutions, loans and advances to customers, debt investments, other assets (except for non-refundable deposits and prepayments), deposits from customers and other financial institutions, borrowings, subordinated debts, wallet liabilities, and other financial liabilities (except for tax payable).

(i) Initial recognition and measurement

Financial assets and financial liabilities are recognized in the Bank's statement of financial position when the Bank becomes a party to the contractual provisions of the instruments.

A financial asset or financial liability is measured initially at fair value plus, for an item not at financial assets at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue.

NOTES TO THE FINANCIAL STATEMENTS

as at 31 December 2023 and for the year then ended

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.4 Financial instruments (continued)

(ii) Classification

Financial assets

On initial recognition, a financial asset is classified as measured at: amortized cost, fair value through other comprehensive income (FVOCI) or FVTPL.

A financial asset is measured at amortized 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 Solely Payments of Principal and Interest (SPPI).

A debt instrument is measured at FVOCI only 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 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 other comprehensive income (OCI). This election is made on an investment-by-investment basis.

In addition, on initial recognition, the Bank may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortized 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 realizing 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;

NOTES TO THE FINANCIAL STATEMENTS

as at 31 December 2023 and for the year then ended

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.4 Financial instruments (continued)

(ii) Classification (continued)

Business model assessment (continued)

- 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 realized.

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.

Assessment of whether contractual cash flows are solely payments of principal and interest ("SPPI")

For 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).

NOTES TO THE FINANCIAL STATEMENTS

as at 31 December 2023 and for the year then ended

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.4 Financial instruments (continued)

(ii) Classification (continued)

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 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 derecognizes 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 derecognized) 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 recognized in OCI is recognized in profit and loss.

Financial liabilities

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

NOTES TO THE FINANCIAL STATEMENTS

as at 31 December 2023 and for the year then ended

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.4 Financial instruments (continued)

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 derecognized (see (iii)) and a new financial asset is recognized at fair value plus any eligible transaction costs. Any fees received as part of the modification are accounted for as follows:

- 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 maximize 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 amortized 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 recognizes 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 amortized 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 derecognizes 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 recognized at fair value. The difference between the carrying amount of the financial liability derecognized and consideration paid is recognized in profit and loss. Consideration paid includes non-financial assets transferred, if any, and the assumption of liabilities, including the new modified financial liability.

NOTES TO THE FINANCIAL STATEMENTS

as at 31 December 2023 and for the year then ended

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.4 Financial instruments (continued)

(iv) Modifications of financial assets and financial liabilities (continued)

Financial liabilities (continued)

If the modification of a financial liability is not accounted for as derecognition, then the amortized 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 recognized 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 recognized as an adjustment to the carrying amount of the liability and amortized over the remaining term of the modified financial liability by re-computing the effective interest rate on the instrument.

(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 realize 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.

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 maximize the use of relevant observable inputs and minimize 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 recognized 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.

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

NOTES TO THE FINANCIAL STATEMENTS

as at 31 December 2023 and for the year then ended

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.4 Financial instruments (continued)

(vii) Expected credit losses (“ECLs”)

The Bank recognizes allowances for ECLs on financial assets that are debt instruments and loan commitments and are not measured at FVTPL.

Expected Credit Losses (ECLs) represents credit losses that reflect an unbiased and probability-weighted amount which is determined by evaluating a range of possible outcomes, the time value of money and reasonable and supportable information about past events, current conditions and forecasts of future economic conditions. ECLs allowances are measured at amounts equal to either (i) 12-month ECLs or (ii) lifetime ECLs for those financial instruments which have experienced a significant increase in credit risk (SICR) since initial recognition (General Approach).

12-month ECLs are the portion of ECLs that results 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 ECLs is recognized are referred to as ‘Stage 1 financial instruments’.

Lifetime ECLs are the ECLs that results from all possible default events over the expected life of the financial instrument. Financial instruments for which a lifetime ECLs is recognized but which are not credit-impaired are referred to as ‘Stage 2 financial instruments’.

Staging assessment

A three-stage approach for impairment of financial assets is used, based on whether there has been a significant deterioration in the credit risk of a financial asset. These three stages then determine the amount of impairment to be recognized.

For non-credit-impaired financial instruments:

- Stage 1 is comprised all financial instruments which have not experienced a SICR since initial recognition or is considered of low credit risk as of the reporting date. The criteria for determining whether an account should be assessed under Stage 1 are as follows: (i) current or past due up to 14 days for short term financial assets; (ii) current or past due up to 29 days for long term financial assets; or (iii) no significant increase in the probability of default. The Bank recognizes a 12-month ECL for Stage 1 financial instruments.
- Stage 2 is comprised all financial instruments which have experienced a SICR as of reporting date compared to initial recognition. A SICR is generally deemed present in accounts with (i) 15 to 30 days past due for short term financial assets; (ii) 30 to 89 days past due for long term financial assets; or (iii) with significant increase in probability of default. The Bank recognizes a lifetime ECL for Stage 2 financial instruments.

For credit-impaired financial instruments:

- Stage 3 is comprised all financial assets that have objective evidence of impairment as a result of one or more loss events that have occurred after initial recognition with a negative impact on the estimated future cash flows of a loan or a portfolio of loans. The Bank’s criteria for Stage 3 accounts are generally aligned with the definition of ‘default’ which is explained in the next paragraph. The Bank recognizes a lifetime ECL for Stage 3 financial instruments.

NOTES TO THE FINANCIAL STATEMENTS

as at 31 December 2023 and for the year then ended

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.4 Financial instruments (continued)

(vii) Expected credit losses (“ECLs”) (continued)

Definition of default

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

- The borrower is unlikely to pay its credit obligations to the Bank in full, without recourse by the Bank to actions such as realizing 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 30 days past due for short-term facilities or more than 90 days past due for long-term facilities.

Credit risk at initial recognition

The Bank uses internal credit assessment and approvals at various levels to determine the credit risk of exposures at initial recognition. Assessment can be quantitative or qualitative and depends on the materiality of the facility or the complexity of the portfolio to be assessed.

Significant increase in credit risk

The Bank assesses whether credit risk has increased significantly since initial recognition at each reporting date. When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECL, the Bank consider 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.

The Bank considers that a significant increase in credit risk occurs no later than when an asset is more than 30 days past due for short-term facilities or more than 90 days past due for long-term facilities.

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 borrower. 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 which returns to being measured as 12-month ECLs.

Measurement of ECLs

ECLs is a probability-weighted estimate of credit loss 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.

NOTES TO THE FINANCIAL STATEMENTS

as at 31 December 2023 and for the year then ended

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.4 Financial instruments (continued)

(vii) Expected credit losses (“ECLs”) (continued)

ECLs parameters and methodologies

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

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

ECLs 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 Bank adopts the delinquency-based transition matrix, historical loss rate model and proxy models to estimate its PD.

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. The LGD is computed based on a workout style method. The workout style method is based on a set of derived estimated cash flows (i.e. collection or sale of collateral) during the workout period and discounted by the effective interest rate to the date of default.

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 amortization. The EAD of a financial asset is its gross carrying amount at the time of default. 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 ECLs 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.

Forward-looking information

The Bank incorporates forward-looking information into both its assessment of whether the credit risk of an instrument has increased significantly since its initial recognition and its measurement of ECLs.

NOTES TO THE FINANCIAL STATEMENTS

as at 31 December 2023 and for the year then ended

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.4 Financial instruments (continued)

(vii) Expected credit losses (“ECLs”) (continued)

Post-model overlays

It is unlikely that changes in economic conditions be reflected in macroeconomic scenarios applied by the Bank and, thus, the effects of Covid-19 cannot be reflected in models. The Bank applies post-model overlays or adjustments to ensure reasonably sufficient provision for expected credit losses on loans and advances to customers. The overlays are estimated based on loan classification criteria stipulated in the recent NBC circular on classification and provisioning requirement on restructured loan.

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 derecognized and ECL is measured as follows.

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

Credit-impaired financial assets

At each reporting date, the Bank assesses whether financial assets carried at amortized 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 reorganization; or
- The disappearance of an active market for a security because of financial difficulties.

NOTES TO THE FINANCIAL STATEMENTS

as at 31 December 2023 and for the year then ended

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.4 Financial instruments (continued)

(vii) Expected credit losses (“ECLs”) (continued)

Credit-impaired financial assets (continued)

A loan 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 31 days or more for short-term facilities or 90 days or more for long-term facilities is considered credit-impaired even when the regulatory definition of default is different.

Presentation of allowance for ECLs in the statement of financial position

Allowance for ECLs is presented as a deduction from the gross carrying amount of the financial assets.

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.

Subsequent recoveries of amounts previously written off are recognized which will be presented in ‘Net impairment losses’ in profit and loss in the statement of comprehensive income. 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.

2.5 Cash and cash equivalents

For statement of cash flow purposes, cash and cash equivalents consist of cash on hand, unrestricted balances with the NBC, balances with other financial institutions, and other short-term highly-liquid investments with an original maturity of three month or less where the Bank has full ability to withdraw for general purpose whenever needed and subject to an insignificant risk of changes in value.

2.6 Statutory deposits

Capital guarantee and reserve requirements are maintained with the NBC in compliance with the Cambodian Law on Banking and Financial Institutions and are determined by defined percentage of the minimum share capital and customers’ deposits as required by the NBC.

2.7 Balances with other financial institutions

Balances with other financial institutions comprise deposits and placements stated at cost less allowance for ECLs.

NOTES TO THE FINANCIAL STATEMENTS

as at 31 December 2023 and for the year then ended

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.8 Loans and advances to customers

'Loans and advances to customers' caption in the statement of financial position includes Loans and advances to customers measured at amortized cost; they are initially measured at fair value plus adjustment on direct transaction costs, and subsequently at their amortized cost using the effective interest rate method.

2.9 Other assets

Other assets are carried at cost less impairment if any.

2.10 Debt investments

Debt investment is carried at amortized cost using the effective interest rate method.

2.11 Property and equipment

Property and equipment are stated at cost less accumulated depreciation and impairment, if any. The cost of an asset comprises its purchase price and any directly attributable cost of bringing the asset to its working condition and location for its intended use. The carrying amounts are reviewed at each financial year-end to assess whether they are recorded in excess of their recoverable amount, and where carrying values exceed this recoverable amount, assets are written down to their recoverable amount.

Depreciation is charged in the statement of comprehensive income using a straight-line basis over the estimated useful lives of the individual assets:

Leasehold improvement	Shorter of lease term or 10 years
Office equipment	4 years
Computer equipment	4 years
Office furniture and fixture	5 years
Motor vehicles	4 years

Work-in-progress is not depreciated until it is ready for intended use.

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

When assets are sold, their cost and accumulated depreciation are removed from the accounts. Any resulting gain or loss from their disposal is included in the statement of comprehensive income. Gains and losses on disposals are determined by comparing the proceeds with the carrying amount. These are included in 'other gain (loss) - net' in the statement of comprehensive income. When revalued assets are sold, the amounts included in the revaluation surplus are transferred to retained profits. Fully depreciated items of property and equipment are retained in the financial statements until they are disposed of or written off.

NOTES TO THE FINANCIAL STATEMENTS

as at 31 December 2023 and for the year then ended

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.12 Intangible assets

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

Intangible assets are amortized on a straight-line basis over their estimated useful life of 4 to 5 years.

Software under development includes the costs of developing new software not fully completed as at reporting date. Software under development is not amortized until such time as the relevant software is completed and put into operational use.

Costs associated with the development or maintenance of computer software are recognized as expenses when incurred.

2.13 Leases

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

The Bank as a lessee

The Bank applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Bank recognizes lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

Right-of-use assets

The Bank recognizes right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets. The Bank's leased assets are office rental for the branches.

If ownership of the leased asset transfers to the Bank at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment.

Lease liabilities

At the commencement date of the lease, the Bank recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. In calculating the present value of lease payments, the Bank uses its incremental borrowing rate ("IBR") at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

NOTES TO THE FINANCIAL STATEMENTS

as at 31 December 2023 and for the year then ended

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.13 Leases (continued)

Short-term leases and leases of low-value assets

The Bank applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option) and lease of low-value assets. The Bank leases ATM spaces, vehicles and equipment that are considered to be low value. Lease payments on short-term leases and leases of low value assets are recognized as expense on a straight-line basis over the lease term.

2.14 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 recognized if the carrying amount of an asset or its related cash-generating unit ("CGU") exceeds its estimated recoverable amount.

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 recognized in profit or loss. Impairment losses recognized 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 recognized 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 amortization, if no impairment loss had been recognized.

2.15 Wallet liabilities

Wallet liabilities are stated at costs and consists of amount deposited with the Bank by WING Cash Express agents (WCXs), customers and merchants to support their operations and transactions.

2.16 Employee benefits

Short-term employee benefits

Wages, salaries, paid annual leave and sick leave, bonuses, and non-monetary benefits are accrued in the period in which the associated services are rendered by employees of the Bank.

NOTES TO THE FINANCIAL STATEMENTS

as at 31 December 2023 and for the year then ended

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

Other long-term employee benefits

The Bank's net obligation in respect of other 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, including retroactive seniority payment. That benefit is discounted to determine its present value. Remeasurements are recognized in the statement of comprehensive income in the period in which they arise.

2.17 Provisions

Provisions are recognized 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 recognized as finance cost.

2.18 Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of the ordinary share are recognized 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.

2.19 Contribution for future share capital

Contribution for future share capital is stated at the contributed amount from shareholders and is transferred to share capital after receiving approval from NBC and successfully filing of amended memorandum and articles of association with MOC.

2.20 Regulatory reserve

Regulatory reserve is set up to account for the difference in provision between ECLs determined in accordance with CIFRS 9 and the regulatory provision computed in accordance with NBC Prakas No B7-017-344 dated 1 December 2017 and Circular No B7-018-001 dated 16 February 2018 on credit risk classification and provision on impairment for banks and financial institutions.

The regulatory provision requires banks and financial institutions to classify their loan portfolio into five classes and provide general and specific allowance based on the loan classification as follows:

NOTES TO THE FINANCIAL STATEMENTS

as at 31 December 2023 and for the year then ended

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.20 Regulatory reserve (continued)

Classification	Number of days past due	Allowance rate
Standard	0 to 14 days (short-term) 0 to 29 days (long-term)	1%
Special mention	15 days to 30 days (short-term) 30 days to 89 days (long-term)	3%
Substandard	31 days to 60 days (short-term) 90 days to 179 days (long-term)	20%
Doubtful	61 days to 90 days (short-term) 180 days to 359 days (long-term)	50%
Loss	From 91 days (short-term) 360 days or more (long-term)	100%

The Bank shall compare the provision calculated in accordance with CIFRS 9 and the regulatory provision, and:

- (i) In case the regulatory provision is lower than provision calculated under CIFRS 9, the Bank shall recognize the provision calculated in accordance with CIFRS 9; and
- (ii) In case the regulatory provision is higher than provision calculated under CIFRS 9, the Bank shall recognize the provision calculated in accordance with CIFRS 9 and transfer the difference from retained earnings or accumulated loss account to the regulatory reserve.

2.21 Interest income/expenses

Effective interest rate

Interest income and expense are recognized in profit and loss using the effective interest rate method. The 'effective interest rate' 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 amortized 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.

NOTES TO THE FINANCIAL STATEMENTS

as at 31 December 2023 and for the year then ended

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.21 Interest income/expenses (continued)

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 amortized 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.

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 amortized 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 amortized 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.

Presentation

Interest income and interest expense determined using the effective interest rate method are presented under the profit or loss in the statement of comprehensive income.

2.22 Fees and commissions

A contract with a customer that results in a recognized financial instrument in the Bank's financial statements may be partially in the scope of CIFRS 9 and partially in the scope of CIFRS 15. If this is the case, then the Bank first applies CIFRS 9 to separate and measure the part of the contract that is in the scope of CIFRS 9 and then applies CIFRS 15 to the residual.

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

The Bank provides money transfer and payroll processing services to its customers, and revenue from contracts with customers is recognized when services are rendered to the customers at an amount that reflects the consideration to which the Bank expects to be entitled in exchange for those services.

Fee and commission income, including transaction, payroll processing and other commission fees, are recognized as the related services are performed.

NOTES TO THE FINANCIAL STATEMENTS

as at 31 December 2023 and for the year then ended

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.23 Expense recognition

Expenses are recognized when it is probable that decrease in future economic benefits related to a decrease in asset or increase in liability has occurred and that the decrease in economic benefits can be measured reliably. Expenses that may arise in the course of ordinary regular activities of the Bank include, among others, the operating expenses on the Bank's operations. Expenses are recognized as incurred:

- Fee and commission expense are charged to profit or loss when the expense is incurred.
- Operating expenses are recognized on an accrual basis.

2.24 Income tax

Income tax expense comprises current and deferred tax. It is recognized in profit and loss except items recognized directly in equity or in other comprehensive income.

The Bank has determined that interest and penalties related to income taxes, including uncertain tax treatments, do not meet the definition of income taxes, and therefore has accounted for them under CIAS 37, Provisions, Contingent Liabilities and Contingent Assets, and has recognized the related expenses in 'other expenses'.

Following the adoption of CIFRSs, the General Department of Taxation ("GDT") has not indicated the changes to tax bases for tax computations for the tax effects of transition to CIFRSs. The Bank has made assumptions that management assessed to be reasonable and prudent in its assessment of tax payable and deferred taxes. The use of different assumptions could lead to a material impact on the financial statements. The final tax liabilities and deferred taxes of the Bank are subject to the determination of and agreement with the GDT.

(i) Current tax

Current tax comprises the expected tax payable or receivable on the taxable income for the period using tax rates enacted or substantially enacted at the reporting date, and any adjustment to tax payable in respect of previous period.

(ii) Deferred tax

Deferred tax is provided using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted at the balance sheet rates.

Deferred income tax liabilities are recognized for all taxable temporary differences, except where the deferred income tax liability arises from the initial recognition of an asset or liability in a transaction that affects neither the accounting profit nor taxable profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

as at 31 December 2023 and for the year then ended

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.24 Income tax (continued)

(ii) Deferred tax (continued)

Deferred income tax assets are recognized for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized except where the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that affects neither the accounting profit nor taxable profit or loss.

The carrying amount of deferred income tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized. Unrecognized deferred income tax assets are reassessed at the end of each reporting period and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax assets to be recovered.

Deferred income tax assets and liabilities are measured at the tax rate that are expected to apply to the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted during the reporting period.

Deferred income tax assets and deferred income tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred income taxes relate to the same taxable entity and the same taxation authority.

2.25 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 recognized in the statement of financial position and is disclosed as a contingent asset, unless the probability of inflow of economic benefits is virtually certain. Possible realizations, 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 virtually certain.

2.26 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 recognized 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.

2.27 Rounding of amounts

Amounts in the financial statements have been rounded off to the nearest dollar and nearest thousand KHR for US\$ and KHR amounts, respectively.

NOTES TO THE FINANCIAL STATEMENTS

as at 31 December 2023 and for the year then ended

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of the financial statements in accordance with CIFRSs requires the Bank to make estimates and assumptions that affect the reported amounts of resources, liabilities, income and expenses and the disclosures of contingent assets and contingent liabilities. Future events may occur which can cause the assumptions used in arriving at the estimates to change. The effects of any change in estimates are reflected in the financial statements as they become reasonably determinable.

The following are the critical judgments, estimates and key assumptions that have a significant risk of material adjustment to the carrying amounts of assets and liabilities within the next financial year:

a Classification of financial assets

The Bank classifies its financial assets depending on the business model for managing those financial assets and whether the contractual terms of the financial asset are SPPI on the principal amount outstanding. The Bank performs the business model assessment based on observable factors such as:

- Performance of the business model and the financial assets held within that business model are evaluated and reported to the Bank's key management personnel
- Risks that affect the performance of the business model (and the financial assets held within that business model) and, in particular, the way those risks are managed
- Compensation of business units whether based on the fair value of the assets managed or on the contractual cash flows collected
- Expected frequency, value and timing of sales.

In performing the SPPI test, the Bank applies judgment and considers relevant factors such as the currency in which the financial asset is denominated, the period for which the interest rate is set, contingent events that would change the amount and timing of cash flows, leverage features, prepayment and extension terms and other features that may modify the consideration for the time value of money.

b. Fair value of financial instruments

Where the fair values of financial assets and financial liabilities recorded in the statement of financial position or disclosed in the notes to financial statements cannot be derived from active markets, these are determined using internal valuation techniques using generally accepted market valuation models. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values.

c. Leases

The Bank determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

NOTES TO THE FINANCIAL STATEMENTS

as at 31 December 2023 and for the year then ended

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (CONTINUED)

c. Leases (continued)

Extension and termination options

The Bank has several lease contracts that include extension and termination options. The Bank applies judgment in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors such as leasehold improvements and location that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Bank reassess the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate.

Estimating the incremental borrowing rate ("IBR") for lease liabilities

The Bank cannot readily determine the interest rate implicit in the lease, therefore, it uses its IBR to measure lease liabilities. The IBR for lease liabilities is the rate of interest that the Bank would have to pay when borrowing using a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the ROU asset in a similar economic environment. The Bank estimates the IBR for lease liabilities using observable inputs (by reference to prevailing risk-free rates) adjusted to take into account the entity's credit risk (i.e., credit spread).

e. Expected credit losses on financial assets

The Bank's ECL calculations are outputs of complex models with a number of underlying assumptions regarding the choice of variable inputs and their interdependencies. Elements of the ECL models that are considered accounting judgments and estimates include, among others:

- Segmentation of the portfolio, where the appropriate model or ECL approach is used
- Criteria for assessing if there has been a SICR and so allowances for debt financial assets should be measured on a lifetime ECL basis and the qualitative assessment
- Segmentation of debt financial assets when their ECL is assessed on a collective basis and an individual basis for significant customer as per defined by bank management
- Development of ECL models, including the various formulas and the choice of inputs
- Determination of associations between macroeconomic scenarios and economic inputs and the effect on PDs, EADs and LGDs
- Selection of forward-looking macroeconomics scenarios and their probability weightings, to derive the economic inputs into the ECL models.

e. Recognition of deferred tax assets

Deferred tax assets are recognized for all unused tax losses and temporary differences to the extent that it is probable that future taxable profit will be available against which the losses can be utilized. Significant management judgment is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and level of future taxable income together with future tax planning strategies.

NOTES TO THE FINANCIAL STATEMENTS

as at 31 December 2023 and for the year then ended

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (CONTINUED)

f. Functional currency

CIAS 21 requires management to use its judgment to determine the entity's functional currency such that it most faithfully represents the economic effects of the underlying transactions, events and conditions that are relevant to the entity. In making this judgment, the Bank considers the following:

- (i) The currency that mainly influences prices for financial instruments and services (this will often be the currency in which prices for its financial instruments and services are denominated and settled);
- (ii) The currency in which funds from financing activities are generated; and
- (iii) The currency in which receipts from operating activities are usually retained.

g. Impairment of non-financial assets

An impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs to sell and its value in use. The fair value less costs to sell calculation is based on available data from binding sales transactions in an arm's length transaction of similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a discounted cash flow model. The Bank assesses impairment on assets whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. The factors that the Bank considers important which could trigger an impairment review include the following:

- (i) Significant underperformance relative to expected historical or projected future operating results;
- (ii) Significant changes in the manner of use of the acquired assets or the strategy for overall business; and
- (iii) Significant negative industry or economic trends.

h. Estimated useful lives of property and equipment, and software costs

The Bank estimates the useful lives of its property and equipment, and software costs. This estimate is reviewed periodically to ensure that the period of depreciation and amortization are consistent with the expected pattern of economic benefits from the items of property and equipment and software costs.

NOTES TO THE FINANCIAL STATEMENTS

as at 31 December 2023 and for the year then ended

4. CASH AND BANK BALANCES

	2023		2022	
	US\$	KHR'000 (Note 2.1)	US\$	KHR'000 (Note 2.1)
Cash on hand	38,070,897	155,519,614	8,220,029	33,841,859
Balances with other financial institutions				
Current accounts	125,368,774	512,131,442	83,162,585	342,380,363
Time deposits	143,022,823	584,248,232	43,535,614	179,236,122
	268,391,597	1,096,379,674	126,698,199	521,616,485
Balances with the NBC				
Current and settlement accounts	235,853,385	963,461,078	42,435,222	174,705,809
Negotiable certificate of deposits ("NCDs")	27,007,343	110,324,996	6,321,166	26,024,240
	262,860,728	1,073,786,074	48,756,388	200,730,049
Carrying amount, gross	569,323,222	2,325,685,362	183,674,616	756,188,393
Allowance for ECLs	(751,663)	(3,070,543)	(301,358)	(1,240,690)
	568,571,559	2,322,614,819	183,373,258	754,947,703

Movements of allowance for ECLs on balances with other financial institutions were as follows:

	2023		2022	
	US\$	KHR'000 (Note 2.1)	US\$	KHR'000 (Note 2.1)
As at 1 January	301,358	1,240,690	407,468	1,660,025
Provision for (reversal of) ECLs (Note 25)	450,305	1,850,754	(106,110)	(433,672)
Translation difference	-	(20,901)	-	14,337
As at 31 December	751,663	3,070,543	301,358	1,240,690

NOTES TO THE FINANCIAL STATEMENTS

as at 31 December 2023 and for the year then ended

4. CASH AND BANK BALANCES (CONTINUED)

Cash and bank balances by currency are presented in Note 32.2 on Market risk under Financial risk management.

Ranges of interest rates (per annum) are as follows:

	2023	2022
Current accounts	Nil	Nil
Time deposits	0.90% - 7.30%	0.90% - 6.00%

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

	2023		2022	
	US\$	KHR'000 (Note 2.1)	US\$	KHR'000 (Note 2.1)
Cash on hand	38,070,897	155,519,614	8,220,029	33,841,859
Balances with other financial institutions				
Current accounts	125,368,774	512,131,442	83,162,585	342,380,363
Time deposits with original maturities of 3 months or less	54,534,666	222,774,110	-	-
Balances with the NBC				
Current and settlement accounts	235,853,385	963,461,078	42,435,222	174,705,809
NCDs with original maturities of 3 months or less	22,007,343	89,899,996	6,321,166	26,024,240
	475,835,065	1,943,786,240	140,139,002	576,952,271

5. STATUTORY DEPOSITS

	2023		2022	
	US\$	KHR'000 (Note 2.1)	US\$	KHR'000 (Note 2.1)
Reserve requirement (i)				
in US\$	65,555,000	267,792,175	19,655,000	80,919,635
in KHR	12,307,222	50,275,002	3,358,028	13,825,001
	77,862,222	318,067,177	23,013,028	94,744,636
Capital guarantee (ii)	7,500,000	30,637,500	7,500,000	30,877,500
	85,362,222	348,704,677	30,513,028	125,622,136

NOTES TO THE FINANCIAL STATEMENTS

as at 31 December 2023 and for the year then ended

5. STATUTORY DEPOSITS (CONTINUED)

(i) Reserve requirement

Under NBC Prakas No. B7-023.005 dated 9 January 2023, commercial banks are required to maintain certain cash reserves with the NBC, computed at 7.0% of customer deposits and borrowings in KHR. For customer deposits and borrowings in foreign currencies, reserve requirements are as follows:

- From 1 January 2023 to 31 December 2023, reserve requirement shall be at the rate of 9%
- From 1 January 2024 onward, reserve requirement shall be at the rate of 12.5%.

On 23 November 2023, the NBC issued a letter to the Association of Banks in Cambodia allowing commercial banks to maintain reserve requirement in foreign currencies at the rate of 7% until 31 December 2024.

The reserve requirements do not earn any interest based on the NBC Prakas No. B7-018-282 dated 29 August 2018.

(ii) Capital guarantee

Under the NBC's Prakas No. B7-01-136 dated 15 October 2001, the Bank is required to maintain a statutory deposit 10% of its capital. This deposit is not available for use in the Bank's day-to-day operations and is refundable should the Bank voluntarily cease its operations in Cambodia.

Capital guarantee earned interest rate at 1.19% and 1.33% per annum for the first and second semesters, respectively (2022: 1.19% and 0.65% per annum).

6. LOANS AND ADVANCES TO CUSTOMERS

	2023		2022	
	US\$	KHR'000 (Note 2.1)	US\$	KHR'000 (Note 2.1)
Overdrafts	110,157,637	449,993,947	36,305,762	149,470,822
Short-term loans	192,378,639	785,866,740	51,583,489	212,369,224
Long-term loans	486,112,713	1,985,770,433	276,425,751	1,138,044,817
	788,648,989	3,221,631,120	364,315,002	1,499,884,863
Accrued interest	5,935,644	24,247,106	2,087,667	8,594,925
	794,584,633	3,245,878,226	366,402,669	1,508,479,788
Unamortized loan processing fee	(2,505,865)	(10,236,459)	(1,430,513)	(5,889,422)
Carrying amount, gross	792,078,768	3,235,641,767	364,972,156	1,502,590,366
Allowance for ECLs	(5,882,394)	(24,029,579)	(1,515,061)	(6,237,506)
	786,196,374	3,211,612,188	363,457,095	1,496,352,860

NOTES TO THE FINANCIAL STATEMENTS

as at 31 December 2023 and for the year then ended

6. LOANS AND ADVANCES TO CUSTOMERS (CONTINUED)

Movements of allowance for ECLs on loans and advances to customers are as follows:

	2023		2022	
	US\$	KHR'000 (Note 2.1)	US\$	KHR'000 (Note 2.1)
As at 1 January	1,515,061	6,237,506	350,247	1,426,906
Provision for ECLs (Note 25)	4,859,979	19,974,514	1,253,701	5,123,876
Write-off	(492,646)	(2,024,775)	(88,887)	(363,281)
Translation difference	-	(157,666)	-	50,005
As at 31 December	5,882,394	24,029,579	1,515,061	6,237,506

A reconciliation of changes in carrying amount of loans and advances to customers and corresponding allowance for ECLs by stage for loans and advances to customers measured at amortized cost is as follows:

	Stage 1		Stage 2	
	Carrying amount US\$	ECLs US\$	Carrying amount US\$	ECLs US\$
At 1 January 2023	350,797,036	1,036,647	11,498,917	79,218
New assets originated or purchased	427,599,258	4,859,979	-	-
Transfer to stage 1	-	-	-	-
Transfer to stage 2	(41,868,905)	(3,615,803)	41,868,905	3,615,803
Transfer to stage 3	-	-	(27,640,463)	(3,400,322)
Write-off	-	-	-	-
At 31 December 2023	736,527,389	2,280,823	25,727,359	294,699
KHR'000 (Note 2.1)	3,008,714,384	9,317,162	105,096,261	1,203,845

	Stage 1		Stage 2	
	Carrying amount US\$	ECLs US\$	Carrying amount US\$	ECLs US\$
At 1 January 2022	61,837,911	319,345	-	-
New assets originated or purchased	303,177,448	1,253,701	-	-
Transfer to stage 1	-	-	-	-
Transfer to stage 2	(14,218,323)	(536,399)	14,218,323	536,399
Transfer to stage 3	-	-	(2,719,406)	(457,181)
Write-off	-	-	-	-
At 31 December 2022	350,797,036	1,036,647	11,498,917	79,218
KHR'000 (Note 2.1)	1,444,231,397	4,267,875	47,341,041	326,141

NOTES TO THE FINANCIAL STATEMENTS

as at 31 December 2023 and for the year then ended

Stage 3		Total	
Carrying amount	ECLs	Carrying amount	ECLs
US\$	US\$	US\$	US\$
2,676,203	399,196	364,972,156	1,515,061
-	-	427,599,258	4,859,979
-	-	-	-
-	-	-	-
27,640,463	3,400,322	-	-
(492,646)	(492,646)	(492,646)	(492,646)
29,824,020	3,306,872	792,078,768	5,882,394
121,831,122	13,508,572	3,235,641,767	24,029,579

Stage 3		Total	
Carrying amount	ECLs	Carrying amount	ECLs
US\$	US\$	US\$	US\$
45,684	30,902	61,883,595	350,247
-	-	303,177,448	1,253,701
-	-	-	-
-	-	-	-
2,719,406	457,181	-	-
(88,887)	(88,887)	(88,887)	(88,887)
2,676,203	399,196	364,972,156	1,515,061
11,017,928	1,643,490	1,502,590,366	6,237,506

NOTES TO THE FINANCIAL STATEMENTS

as at 31 December 2023 and for the year then ended

6. LOANS AND ADVANCES TO CUSTOMERS (CONTINUED)

Carrying amount of loans and advances to customers are further analyzed as follows:

A. By industry sector:

See Note 32.1 on Credit risk under Financial risk management.

B. By maturity:

See Note 32.3 on Liquidity risk under Financial risk management.

C. By currency:

See Note 32.2 on Market risk under Financial risk management.

D. By residency, relationship, exposure:

See Note 32.1 on Credit risk under Financial risk management.

E. Ranges of interest rate per annum:

	2023	2022
Overdraft	6.8% - 18%	6.8% - 12%
Short-term loans	8% - 18%	7% - 18%
Long-term loans	5.5% - 18%	5.5% - 18%

7. DEBT INVESTMENTS AT AMORTIZED COSTS

	2023		2022	
	US\$	KHR'000 (Note 2.1)	US\$	KHR'000 (Note 2.1)
Corporate bond (i)	2,000,000	8,170,000	2,000,000	8,234,000
Government bonds (ii)	3,918,817	16,008,367	-	-
Accrued interest	53,075	216,811	20,786	85,576
Carrying amount, gross	5,971,892	24,395,178	2,020,786	8,319,576
Allowance for ECLs	(7,698)	(31,446)	(7,679)	(31,614)
	5,964,194	24,363,732	2,013,107	8,287,962

NOTES TO THE FINANCIAL STATEMENTS

as at 31 December 2023 and for the year then ended

7. DEBT INVESTMENTS AT AMORTIZED COSTS (CONTINUED)

Movements of debt investments are as follows:

	2023		2022	
	US\$	KHR'000 (Note 2.1)	US\$	KHR'000 (Note 2.1)
As at 1 January	2,013,107	8,287,962	2,001,488	8,154,062
Additions	3,941,026	16,197,617	-	-
Interest income (Note 22)	213,671	878,188	110,477	451,519
Interest received	(179,372)	(737,219)	(98,858)	(404,033)
Foreign exchange loss	(24,257)	(99,696)	-	-
Provision for ECLs (Note 25)	19	78	-	-
Translation difference	-	(163,198)	-	86,414
As at 31 December	5,964,194	24,363,732	2,013,107	8,287,962

- (i) On 30 November 2021, the Bank subscribed to guaranteed bond with the amount of US\$2,000,000, issued by Cambodia Airport Investment Co., Ltd. The bond has interest rate of 5.5% per annum and maturity of three years effective from 30 November 2021. Interest is payable annually in arrears on 29 November of each year, with the first payment to be made on 29 November 2022.
- (ii) In 2023, the Bank subscribed to government bonds issued by NBC as follows:

No.	Subscription date	Term	Interest	Face value	Amount as at 31 December 2023
			%	KHR'000	US\$
1	24 February 2023	3 years	4.00	12,000,000	2,939,113
	22 December 2023				
2	(*)	2 years	4.50	4,000,000	979,704
				16,000,000	3,918,817

- (*) This government bond has been pledged as collateral for Liquidity Providing Collateralized Operation ("LPCO") (Note 16).

NOTES TO THE FINANCIAL STATEMENTS

as at 31 December 2023 and for the year then ended

8. OTHER ASSETS

	2023		2022	
	US\$	KHR'000 (Note 2.1)	US\$	KHR'000 (Note 2.1)
Financial assets at amortized costs:				
Deposits to business partners and lessors	4,126,007	16,854,739	3,149,627	12,967,014
Fee and other receivables (i)	9,613,145	39,269,696	3,533,584	14,547,765
Card-related receivable	2,642,791	10,795,801	-	-
Amounts due from related parties	7,146,241	29,192,394	8,790,156	36,189,072
	23,528,184	96,112,630	15,473,367	63,703,851
Allowance for ECLs	(332,616)	(1,358,736)	(110,503)	(454,941)
	23,195,568	94,753,894	15,362,864	63,248,910
Prepayment, advances and supplies	7,706,109	31,479,455	9,412,863	38,752,758
Mobile PIN prepayment	2,244,047	9,166,932	2,689,993	11,074,701
	33,145,724	135,400,281	27,465,720	113,076,369

- (i) Included in fee and other receivables, amounts of US\$ 5,700,000 or KHR'000 23,284,500 are receivables from WCX agents as at 31 December 2023, out of which, US\$ 5,500,000 and US\$ 200,000 were collected on 2 and 10 January 2024, respectively.

Movements of allowance for ECLs on other financial assets at amortized costs were as follows:

	2023		2022	
	US\$	KHR'000 (Note 2.1)	US\$	KHR'000 (Note 2.1)
As at 1 January	110,503	454,941	20,171	83,044
Provision during the year (Note 25)	222,113	912,884	90,332	369,187
Translation difference	-	(9,089)	-	2,710
As at 31 December	332,616	1,358,736	110,503	454,941

NOTES TO THE FINANCIAL STATEMENTS

as at 31 December 2023 and for the year then ended

9. INTANGIBLE ASSETS

2023				
	Computer and banking software	Work in progress	Total	
	US\$	US\$	US\$	KHR'000 (Note 2.1)
Cost				
As at 1 January	2,855,701	2,372,190	5,227,891	21,523,227
Additions	184,445	-	184,445	758,069
Transfer	2,041,480	(2,041,480)	-	-
Adjustments	-	(330,710)	(330,710)	(1,359,218)
Translation difference	-	-	-	(163,636)
As at 31 December	5,081,626	-	5,081,626	20,758,442
Less: Accumulated amortization				
As at 1 January	1,873,182	-	1,873,182	7,711,890
Amortization during the year	730,269	-	730,269	3,001,405
Translation difference	-	-	-	(78,198)
As at 31 December	2,603,451	-	2,603,451	10,635,097
Carrying amount				
As at 31 December	2,478,175	-	2,478,175	10,123,345

2022				
	Computer and banking software	Work in progress	Total	
	US\$	US\$	US\$	KHR'000 (Note 2.1)
Cost				
As at 1 January	2,011,437	1,085,900	3,097,337	12,624,465
Additions	278,139	1,852,415	2,130,554	8,707,574
Transfer	566,125	(566,125)	-	-
Translation difference	-	-	-	191,188
As at 31 December	2,855,701	2,372,190	5,227,891	21,523,227
Less: Accumulated amortization				
As at 1 January	1,484,102	-	1,484,102	6,046,232
Amortization during the year	389,080	-	389,080	1,590,170
Translation difference	-	-	-	75,488
As at 31 December	1,873,182	-	1,873,182	7,711,890
Carrying amount				
As at 31 December	982,519	2,372,190	3,354,709	13,811,337

NOTES TO THE FINANCIAL STATEMENTS

as at 31 December 2023 and for the year then ended

10. PROPERTY AND EQUIPMENT

	Leasehold improvements	Office equipment	Computer equipment
	US\$	US\$	US\$
Cost			
As at 1 January 2023	5,901,994	839,172	12,437,709
Additions	4,094,459	1,337,405	1,666,548
Transfers	4,040,874	42,279	273,464
Reclassification	153,763	-	-
Write-off	-	-	(187,494)
Translation difference	-	-	-
As at 31 December 2023	14,191,090	2,218,856	14,190,227
Less: Accumulated depreciation			
As at 1 January 2023	1,847,166	145,478	8,312,177
Depreciation during the year (Note 27)	1,181,080	333,671	1,746,081
Reclass	26,370	-	-
Write-off	-	-	(184,792)
Translation difference	-	-	-
As at 31 December 2023	3,054,616	479,149	9,873,466
Carrying amount			
As at 31 December 2023	11,136,474	1,739,707	4,316,761

NOTES TO THE FINANCIAL STATEMENTS

as at 31 December 2023 and for the year then ended

Office furniture and fixture	Work in progress	Total	
US\$	US\$	US\$	KHR'000 (Note 2.1)
1,110,137	4,466,953	24,755,965	101,920,308
2,092,167	2,711,509	11,902,088	48,917,582
110,336	(4,466,953)	-	-
(153,763)	-	-	-
-	-	(187,494)	(770,600)
-	-	-	(1,085,060)
3,158,877	2,711,509	36,470,559	148,982,230
508,948	-	10,813,769	44,520,287
190,528	-	3,451,360	14,185,090
(26,370)	-	-	-
-	-	(184,792)	(759,495)
-	-	-	(427,709)
673,106		14,080,337	57,518,173
2,485,771	2,711,509	22,390,222	91,464,057

NOTES TO THE FINANCIAL STATEMENTS

as at 31 December 2023 and for the year then ended

10. PROPERTY AND EQUIPMENT (CONTINUED)

	Leasehold improvements	Office equipment	Computer equipment
	US\$	US\$	US\$
Cost			
As at 1 January 2022	1,823,248	197,077	9,273,634
Additions	3,040,167	638,390	1,498,728
Transfers	1,038,579	3,705	1,748,317
Disposal and write-off	-	-	(82,970)
Translation difference	-	-	-
As at 31 December 2022	5,901,994	839,172	12,437,709
Less: Accumulated depreciation			
As at 1 January 2022	1,503,932	60,886	6,381,434
Depreciation during the year (Note 27)	343,234	84,592	2,013,713
Disposal and write-off	-	-	(82,970)
Translation difference	-	-	-
As at 31 December 2022	1,847,166	145,478	8,312,177
Carrying amount			
As at 31 December 2022	4,054,828	693,694	4,125,532

NOTES TO THE FINANCIAL STATEMENTS

as at 31 December 2023 and for the year then ended

Office furniture and fixture	Motor vehicles	Work in progress	Total	
US\$	US\$	US\$	US\$	KHR'000 (Note 2.1)
485,622	75,000	2,801,601	14,656,182	59,703,371
624,515	-	4,455,953	10,257,753	41,913,579
-	-	(2,790,601)	-	-
-	(75,000)	-	(157,970)	(635,766)
-	-	-	-	939,124
1,110,137	-	4,466,953	24,755,965	101,920,308
484,950	64,286	-	8,495,488	34,610,618
23,998	-	-	2,465,537	10,076,649
-	(64,286)	-	(147,256)	(601,835)
-	-	-	-	434,855
508,948	-	-	10,813,769	44,520,287
601,189	-	4,466,953	13,942,196	57,400,021

NOTES TO THE FINANCIAL STATEMENTS

as at 31 December 2023 and for the year then ended

11. RIGHT-OF-USE ASSETS

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

	2023		2022	
	US\$	KHR'000 (Note 2.1)	US\$	KHR'000 (Note 2.1)
Cost				
As at 1 January	11,530,227	47,469,945	7,477,454	30,463,148
Additions	74,736,205	307,165,803	4,052,773	16,563,683
Modifications	5,290,577	21,744,271	-	-
Translation difference	-	(2,369,638)	-	443,114
As at 31 December	91,557,009	374,010,381	11,530,227	47,469,945
Less: Accumulated depreciation				
As at 1 January	2,529,895	10,415,578	1,280,946	5,218,574
Charges during the year	2,581,932	10,611,741	1,248,949	5,104,455
Translation difference	-	(145,506)	-	92,549
As at 31 December	5,111,827	20,881,813	2,529,895	10,415,578
Carrying amount				
As at 31 December	86,445,182	353,128,568	9,000,332	37,054,367

12. INCOME TAX

12.1. Current income tax (credit) liability

	2023		2022	
	US\$	KHR'000 (Note 2.1)	US\$	KHR'000 (Note 2.1)
As at 1 January	1,191,242	4,904,343	3,737,215	15,225,414
Current income tax	5,329	21,902	1,991,173	8,137,924
Income tax paid	(2,320,424)	(9,536,943)	(4,138,769)	(16,915,149)
Other adjustments	-	-	(398,377)	(1,628,167)
Translation difference	-	19,758	-	84,321
Current income tax (credit) liability	(1,123,853)	(4,590,940)	1,191,242	4,904,343

NOTES TO THE FINANCIAL STATEMENTS

as at 31 December 2023 and for the year then ended

12. INCOME TAX (CONTINUED)

12.2. Deferred tax (liabilities) 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:

	2023		2022	
	US\$	KHR'000 (Note 2.1)	US\$	KHR'000 (Note 2.1)
Deferred tax assets	18,240,809	74,513,705	2,517,600	10,364,960
Deferred tax liabilities	(19,019,714)	(77,695,532)	(1,854,554)	(7,635,200)
Deferred tax (liabilities) assets - net	(778,905)	(3,181,827)	663,046	2,729,760

Deferred tax assets and liabilities arise from the following:

	2023		2022	
	US\$	KHR'000 (Note 2.1)	US\$	KHR'000 (Note 2.1)
Deferred tax assets from:				
Allowance for ECLs	-	-	95,230	392,063
Lease liabilities	17,623,053	71,990,172	1,918,899	7,900,107
Employee benefits	29,862	121,985	36,369	149,731
Unwinding interest income	26,103	106,631	-	-
Accelerated tax depreciation and amortization	-	-	89,550	368,677
Unearned processing fee and others	561,791	2,294,916	377,552	1,554,382
	18,240,809	74,513,704	2,517,600	10,364,960
Deferred tax liabilities from:				
Right-of-use assets	17,289,036	70,625,712	1,800,066	7,410,872
Allowance for ECLs	1,624,558	6,636,319	-	-
Accelerated depreciation and amortization	106,120	433,500	-	-
Unrealized foreign exchange	-	-	54,488	224,328
	19,019,714	77,695,531	1,854,554	7,635,200
Deferred tax (liabilities) assets - net	(778,905)	(3,181,827)	663,046	2,729,760

NOTES TO THE FINANCIAL STATEMENTS

as at 31 December 2023 and for the year then ended

12. INCOME TAX (CONTINUED)

12.2. Deferred tax (liabilities) assets - net (CONTINUED)

Movements of deferred tax (liabilities) assets - net are as follows:

	2023		2022	
	US\$	KHR'000 (Note 2.1)	US\$	KHR'000 (Note 2.1)
At 1 January	663,046	2,729,760	789,301	3,215,612
Recognized during the year	(1,441,951)	(5,926,419)	(126,255)	(516,004)
Translation difference	-	14,832	-	30,152
At 31 December	(778,905)	(3,181,827)	663,046	2,729,760

Future taxable profits are expected to be sufficient to recover the deferred tax assets; accordingly, deferred tax assets are recognized.

12.3. Income tax expense

	2023		2022	
	US\$	KHR'000 (Note 2.1)	US\$	KHR'000 (Note 2.1)
Current income tax	5,329	21,902	1,991,173	8,137,924
Deferred income tax	1,441,951	5,926,419	126,255	516,004
	1,447,280	5,948,321	2,117,428	8,653,928

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:

	2023		2022	
	US\$	KHR'000 (Note 2.1)	US\$	KHR'000 (Note 2.1)
Profit before income tax	5,642,162	23,189,286	10,126,074	41,385,266
Income tax using statutory rate at 20%	1,128,432	4,637,856	2,025,215	8,277,053
Non-deductible expenses and others	318,848	1,310,465	92,213	376,875
Income tax expense	1,447,280	5,948,321	2,117,428	8,653,928

On 28 June 2022, the Bank received the gold certificate of tax compliance from the GDT for the years of 2022 and 2023.

NOTES TO THE FINANCIAL STATEMENTS

as at 31 December 2023 and for the year then ended

13. DEPOSITS FROM CUSTOMERS

	2023		2022	
	US\$	KHR'000 (Note 2.1)	US\$	KHR'000 (Note 2.1)
Demand deposits	93,644,331	382,537,092	52,049,435	214,287,524
Saving deposits	291,366,428	1,190,231,858	83,525,318	343,873,734
Term deposits	674,136,818	2,753,848,902	163,508,379	673,163,996
Escrow deposits	10,170,319	41,545,753	-	-
	1,069,317,896	4,368,163,605	299,083,132	1,231,325,254

Deposits from customers are further analyzed as follows:

A. By maturity:

See Note 32 on Liquidity risk under Financial risk management.

B. By currency:

See Note 32.2 on Market risk under Financial risk management.

C. By customer type:

	2023		2022	
	US\$	KHR'000 (Note 2.1)	US\$	KHR'000 (Note 2.1)
Individuals	750,862,982	3,067,275,281	225,786,887	929,564,614
Domestic corporations	318,454,914	1,300,888,324	73,296,245	301,760,640
	1,069,317,896	4,368,163,605	299,083,132	1,231,325,254

D. By residency status:

	2023		2022	
	US\$	KHR'000 (Note 2.1)	US\$	KHR'000 (Note 2.1)
Residents	1,058,820,562	4,325,281,996	294,089,178	1,210,765,146
Non-residents	10,497,334	42,881,609	4,993,954	20,560,108
	1,069,317,896	4,368,163,605	299,083,132	1,231,325,254

NOTES TO THE FINANCIAL STATEMENTS

as at 31 December 2023 and for the year then ended

13. DEPOSITS FROM CUSTOMERS (CONTINUED)

E. By relationship:

	2023		2022	
	US\$	KHR'000 (Note 2.1)	US\$	KHR'000 (Note 2.1)
Non-related parties	1,007,472,696	4,115,525,962	277,955,860	1,144,344,277
Related parties	61,845,200	252,637,643	21,127,272	86,980,977
	1,069,317,896	4,368,163,605	299,083,132	1,231,325,254

F. Ranges of interest rate per annum:

	2023	2022
Demand deposits	0.00% to 3.00%	0.00% to 3.00%
Saving deposits	0.25% to 5.00%	0.00% to 5.00%
Term deposits	1.25% to 9.00%	1.25% to 8.00%
Escrow deposits	Nil	Nil

14. DEPOSITS FROM OTHER FINANCIAL INSTITUTIONS

	2023		2022	
	US\$	KHR'000 (Note 2.1)	US\$	KHR'000 (Note 2.1)
Demand deposits	146,963	600,344	816,114	3,359,941
Saving deposits	15,676,343	64,037,861	9,582,879	39,452,713
Term deposits	102,118,444	417,153,844	85,901,583	353,656,817
	117,941,750	481,792,049	96,300,576	396,469,471

Deposits from other financial institutions are analyzed as follows:

A. By maturity:

See Note 32 on Liquidity risk under Financial risk management.

B. By currency:

See Note 32.2 on Market risk under Financial risk management.

C. By residency and relationship:

	2023		2022	
	US\$	KHR'000 (Note 2.1)	US\$	KHR'000 (Note 2.1)
Residency				
Non-residents	117,941,750	481,792,049	96,300,576	396,469,471
Relationship				
Non-related parties	117,941,750	481,792,049	96,300,576	396,469,471

NOTES TO THE FINANCIAL STATEMENTS

as at 31 December 2023 and for the year then ended

14. DEPOSITS FROM OTHER FINANCIAL INSTITUTIONS

D. Ranges of interest rate per annum:

	2023	2022
Demand deposits	Nil	Nil
Saving deposits	0.25% to 3.00%	0.25% to 3.00%
Term deposits	2.20% to 7.20%	2.00% to 7.15%

15. WALLET LIABILITIES

	2023		2022	
	US\$	KHR'000 (Note 2.1)	US\$	KHR'000 (Note 2.1)
WCX agents	71,857,576	293,538,198	87,187,686	358,951,704
Merchants	13,404,592	54,757,758	18,224,089	75,028,574
Customers	4,760,304	19,445,842	5,349,800	22,025,126
	90,022,472	367,741,798	110,761,575	456,005,404

Wallet liabilities are payable on demand and bear no interest. They are further analyzed as follows:

A. By maturity:

See Note 32.3 on Liquidity risk under Financial risk management.

B. By currency:

See Note 32.2 on Market risk under Financial risk management.

C. By residency and relationship:

	2023		2022	
	US\$	KHR'000 (Note 2.1)	US\$	KHR'000 (Note 2.1)
Residency				
Residents	90,022,472	367,741,798	110,761,575	456,005,404
Relationship				
Non-related parties	90,022,472	367,741,798	110,761,575	456,005,404

NOTES TO THE FINANCIAL STATEMENTS

as at 31 December 2023 and for the year then ended

16 BORROWINGS

Borrowings comprise the followings:

	Lender	Interest %
US\$ bank loan under SME Tourism Recovery Co-Financing Scheme (TRCS)	Small and Medium Enterprise Banks of Cambodia Plc.	2.50 – 3.00
US\$ bank loan	Union Commercial Bank Plc	7.50
KHR LPCO Borrowing (*)	NBC	5.30
Accrued interest payable		

(*) LPCO Borrowing is secured by the government bond as disclosed in Note 7.

Movements of the borrowings are as follows:

	2023		2022	
	US\$	KHR'000 (Note 2.1)	US\$	KHR'000 (Note 2.1)
As at 1 January	99,225	408,509	-	-
Drawdown	5,900,784	24,252,222	105,944	432,993
Interest charges	7,325	30,106	1,898	7,757
Repayment	(21,026)	(86,417)	(8,617)	(35,218)
Translation difference	-	(150,352)	-	2,977
As at 31 December	5,986,308	24,454,068	99,225	408,509

NOTES TO THE FINANCIAL STATEMENTS

as at 31 December 2023 and for the year then ended

Maturity	2023		2022	
	US\$	KHR'000 (Note 2.1)	US\$	KHR'000 (Note 2.1)
2027-2029	107,925	440,874	99,225	408,509
24 September 2026	4,895,392	19,997,675	-	-
26 December 2024	979,192	4,000,000	-	-
	3,799	15,519	-	-
	5,986,308	24,454,068	99,225	408,509

NOTES TO THE FINANCIAL STATEMENTS

as at 31 December 2023 and for the year then ended

17. PAYABLES AND OTHER LIABILITIES

	2023		2022	
	US\$	KHR'000 (Note 2.1)	US\$	KHR'000 (Note 2.1)
Refundable deposits	4,857,150	19,841,458	4,643,200	19,116,054
Accrued employee bonus	3,041,762	12,425,598	2,145,699	8,833,843
Card-related liabilities	1,135,686	4,639,277	-	-
Other taxes	916,145	3,742,452	508,864	2,094,995
Accrued expenses	341,409	1,394,656	78,869	324,704
Deferred income	303,090	1,238,123	307,736	1,266,949
Accrued WCX operating fees	195,904	800,268	94,141	387,578
Accrued transaction fees	154,495	631,112	1,506,692	6,203,051
Allowance for ECLs on off-balance sheet items	80,740	329,823	-	-
Other payables	842,883	3,443,176	1,308,987	5,389,099
	11,869,264	48,485,943	10,594,188	43,616,273

Other payables comprise professional fees and accruals to suppliers.

18. SUBORDINATED DEBTS

Movements of the subordinated debts are as follows:

	2023		2022	
	US\$	KHR'000 (Note 2.1)	US\$	KHR'000 (Note 2.1)
As at 1 January	10,013,973	41,227,527	-	-
Additions	10,000,000	41,100,000	10,000,000	40,870,000
Interest expense (Note 23)	1,427,633	5,867,572	13,973	57,108
Payments of interest	(1,441,606)	(5,925,001)	-	-
Translation difference	-	(570,098)	-	300,419
As at 31 December	20,000,000	81,700,000	10,013,973	41,227,527

The Bank has entered into unsecured subordinated debt agreements with Royal Group Power Co., Ltd., a company wholly owned by Neak Oknha Kith Meng in 2022 and its shareholder Neak Oknha Kith Meng in 2023 on the following terms:

NOTES TO THE FINANCIAL STATEMENTS

as at 31 December 2023 and for the year then ended

18. SUBORDINATED DEBTS (CONTINUED)

Lender	Disbursed date	Term	Interest and principal payments	Principal amount US\$
Royal Group Power Co., Ltd.	26 December 2022	5 years	Interest at 8.50% per annum, payable on monthly basis; principal to be paid on maturity.	10,000,000
Neak Oknha Kith Meng	30 June 2023	5 years	Interest at 11.18% per annum, payable on monthly basis; principal to be paid on maturity.	10,000,000
				20,000,000

19. LEASE LIABILITIES

	2023		2022	
	US\$	KHR'000 (Note 2.1)	US\$	KHR'000 (Note 2.1)
Present value of lease liabilities:				
Current	2,530,478	5,971,253	1,059,006	4,359,928
Non-current	77,924,001	322,685,294	8,535,489	35,140,608
	80,454,479	328,656,547	9,594,495	39,500,536
Maturity analysis - contractual undiscounted cash flows				
Less than 1 year	8,940,467	36,521,808	1,786,600	7,355,432
Between 2 years and 5 years	36,328,571	148,402,213	5,718,940	23,544,876
More than 5 years	105,024,696	429,025,883	5,840,235	24,044,247
Total undiscounted lease liabilities	150,293,734	613,949,904	13,345,775	54,944,555

Movements of lease liabilities during the year are as follows:

	2023		2022	
	US\$	KHR'000 (Note 2.1)	US\$	KHR'000 (Note 2.1)
As at 1 January	9,594,495	39,500,536	6,307,212	25,695,582
Additions	67,322,087	276,693,778	4,052,773	16,563,683
Modifications	5,080,627	20,881,377	-	-
Accretion of interest (Note 22)	1,621,718	6,665,261	673,837	2,753,972
Payment	(3,164,448)	(13,005,881)	(1,439,327)	(5,882,529)
Translation difference	-	(2,078,524)	-	369,828
	80,454,479	328,656,547	9,594,495	39,500,536

NOTES TO THE FINANCIAL STATEMENTS

as at 31 December 2023 and for the year then ended

19. LEASE LIABILITIES (CONTINUED)

Amounts recognized in the statement of profit or loss are as follows:

	2023		2022	
	US\$	KHR'000 (Note 2.1)	US\$	KHR'000 (Note 2.1)
Accretion of interest expense on lease liabilities	1,621,718	6,665,261	673,837	2,753,972
Depreciation of right-of-use assets (Note 11)	2,581,932	10,611,741	1,248,949	5,104,455
Expenses relating to leases of short-term and low-value assets (Note 28)	890,057	3,658,134	893,378	3,651,235
	5,093,707	20,935,136	2,816,164	11,509,662

20. PROVISION FOR EMPLOYEE BENEFITS

	2023		2022	
	US\$	KHR'000 (Note 2.1)	US\$	KHR'000 (Note 2.1)
As at 1 January	181,844	748,652	365,995	1,491,064
Reversal during the year	(2,187)	(8,989)	(123,555)	(504,969)
Payments during the year	(30,349)	(124,734)	(60,596)	(247,656)
Translation difference	-	(5,006)	-	10,213
As at 31 December	149,308	609,923	181,844	748,652

21. EQUITY

21.1 Share capital

Share capital structures are as follows:

	Number of shares at par value of US\$1 each			
	2023		2022	
	Ownership %	Amount US\$	Ownership %	Amount US\$
WING Holdings Pte Limited	80	60,000,000	80	60,000,000
Neak Oknha Kith Meng	20	15,000,000	20	15,000,000
	100	75,000,000	100	75,000,000
KHR'000 (Note 2.1)		300,000,000		300,000,000

Authorized share capital comprised 75,000,000 shares (2022: 75,000,000 shares) at par value of US\$1 per share, all of which have been issued and fully paid.

NOTES TO THE FINANCIAL STATEMENTS

as at 31 December 2023 and for the year then ended

21. EQUITY (CONTINUED)

21.2 Contribution for future share capital

On 22 November 2023, the Board of Directors of the Bank have resolved to increase share capital to US\$ 170,000,000. Subsequently, on 5 December 2023, additional cash amounting US\$ 95,000,000 was injected from shareholders. Request for approval on additional capital injection was submitted to NBC on the same day. On 2 February 2024, the Bank received an approval from NBC on the additional capital injection. As of the date of this report, amendment of the Bank's memorandum and article of incorporation has been prepared and submitted to NBC and MOC.

As such, additional injection of US\$ 95,000,000, as of 31 December 2023, was presented as 'Contribution for future share capital' in equity.

21.3 Regulatory reserve

Comparison of CIFRS 9 provisioning and required regulatory provision is as follows:

	2023	2022
	US\$	US\$
Regulatory provision (A)	27,431,739	5,750,926
Allowance for ECLs (B)	7,055,111	1,934,601
Comparison of (A) and (B)	A > B	A > B
Regulatory reserve	20,376,628	3,816,325
KHR'000 (Note 2.1.)	83,238,525	15,711,810

As such, there is a transfer of US\$ 16,560,303 or KHR'000 68,062,845 from Retained earnings to Regulatory reserve (2022: US\$ 2,136,199 or KHR'000 8,730,645).

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22. NET INTEREST INCOME

	2023		2022	
	US\$	KHR'000 (Note 2.1)	US\$	KHR'000 (Note 2.1)
Interest income from:				
Loans and advances to customers	68,301,496	280,719,149	25,748,786	105,235,289
Cash equivalent at other financial institutions	4,781,936	19,653,757	2,398,918	9,804,378
Debt investments	213,671	878,188	110,477	451,519
Others	53,424	219,573	-	-
	73,350,527	301,470,667	28,258,181	115,491,186
Interest expense on:				
Deposits from customers	31,601,076	129,880,422	6,190,954	25,302,429
Deposits from other financial institutions	4,391,680	18,049,805	1,812,019	7,405,722
Lease liabilities	1,621,718	6,665,261	673,837	2,753,972
Subordinated debts	1,427,633	5,867,572	13,973	57,108
Others	79,222	325,603	1,898	7,756
	39,121,329	160,788,663	8,692,681	35,526,987
Net interest income	34,229,198	140,682,004	19,565,500	79,964,199

23. NET FEE AND COMMISSION INCOME

	2023		2022	
	US\$	KHR'000 (Note 2.1)	US\$	KHR'000 (Note 2.1)
Fee and commission income				
Transaction fees	52,185,947	214,484,242	52,030,064	212,646,872
Payroll processing fees	1,751,071	7,196,902	2,594,822	10,605,038
Other commission fee	421,959	1,734,251	75,250	307,546
	54,358,977	223,415,395	54,700,136	223,559,456
Fee and commission expense				
Transaction fees	10,267,407	42,199,043	8,968,114	36,652,682
Bill payment fees	1,578,723	6,488,551	1,645,158	6,723,761
	11,846,130	48,687,594	10,613,272	43,376,443
Net fee and commission income	42,512,847	174,727,801	44,086,864	180,183,013

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24. OTHER INCOME

	2023		2022	
	US\$	KHR'000 (Note 2.1)	US\$	KHR'000 (Note 2.1)
Gains on foreign exchange - net	1,832,574	7,531,879	939,894	3,841,347
Other income	526,578	2,164,236	121,412	496,211
Gain on disposal of property and equipment	-	-	13,108	53,572
	2,359,152	9,696,115	1,074,414	4,391,130

25. NET IMPAIRMENT LOSSES ON FINANCIAL INSTRUMENTS

	2023		2022	
	US\$	KHR'000 (Note 2.1)	US\$	KHR'000 (Note 2.1)
Provision for (reversal of) ECLs on:				
Loans and advances to customers (Note 6)	4,859,979	19,974,514	1,253,701	5,123,876
Balance with other banks (Note 4)	450,305	1,850,754	(106,110)	(433,672)
Other assets (Note 8)	222,113	912,884	90,332	369,187
Off-balance sheet items (Note 30)	80,740	331,841	-	-
Debt investments at amortized costs (Note 7)	19	78	-	-
	5,613,156	23,070,071	1,237,923	5,059,391

26. PERSONNEL EXPENSES

	2023		2022	
	US\$	KHR'000 (Note 2.1)	US\$	KHR'000 (Note 2.1)
Salaries and wages	30,351,429	124,744,373	21,582,499	88,207,673
Bonus and incentives	4,962,802	20,397,116	2,877,037	11,758,450
Seniority benefits	1,742,030	7,159,743	847,943	3,465,543
Staff insurance	528,565	2,172,402	345,192	1,410,800
Other employee benefits	726,422	2,985,595	586,218	2,395,873
	38,311,248	157,459,229	26,238,889	107,238,339

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27. DEPRECIATION AND AMORTIZATION

	2023		2022	
	US\$	KHR'000 (Note 2.1)	US\$	KHR'000 (Note 2.1)
Depreciation of property and equipment (Note 10)	3,451,360	14,185,090	2,465,537	10,076,649
Depreciation of right-of-use assets (Note 11)	2,581,932	10,611,741	1,248,949	5,104,455
Amortization of intangible assets (Note 9)	730,269	3,001,405	389,080	1,590,170
	6,763,561	27,798,236	4,103,566	16,771,274

28. OTHER OPERATING EXPENSES

	2023		2022	
	US\$	KHR'000 (Note 2.1)	US\$	KHR'000 (Note 2.1)
Software and hardware support	5,049,129	20,751,920	2,545,649	10,404,067
Marketing and advertisement	4,062,888	16,698,470	7,253,208	29,643,861
Bank charges	2,660,273	10,933,722	3,645,613	14,899,620
Internet and communication	1,785,427	7,338,105	1,504,091	6,147,220
Travelling	1,496,721	6,151,523	1,003,165	4,099,935
Utilities	953,156	3,917,471	553,972	2,264,084
Leases of short-term and low-value assets (Note 19)	890,057	3,658,134	893,378	3,651,236
Supplies	863,468	3,548,853	868,183	3,548,264
Training	656,519	2,698,293	199,995	817,380
Security	573,476	2,356,986	354,266	1,447,885
Recruitment	322,270	1,324,530	313,536	1,281,422
Repairs and maintenance	235,392	967,461	258,846	1,057,904
Insurance	189,738	779,823	173,943	710,905
Professional fees (i)	176,536	725,563	557,417	2,278,163
Postage and stationery	167,463	688,273	232,231	949,128
Others (ii)	2,688,557	11,049,971	2,662,833	10,882,998
	22,771,070	93,589,098	23,020,326	94,084,072

(i) Professional fees include audit service fees amounting to USD 65,000 or KHR'000 267,150. There is no non-audit service rendered during the year.

(ii) Others pertain to uniform, team building, membership fees, and administrative others.

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29. NET CASH GENERATED FROM OPERATING ACTIVITIES

	Notes	2023		2022	
		US\$	KHR'000 (Note 2.1)	US\$	KHR'000 (Note 2.1)
Operating activities					
Profit before income tax		5,642,162	23,189,286	10,126,074	41,385,266
Adjustments for:					
Depreciation and amortization	27	6,763,561	27,798,236	4,103,566	16,771,274
Loss (gain) on disposal and write-off of property and equipment		2,702	11,105	(13,108)	(53,572)
Adjustments of intangible assets to expense		330,710	1,359,218	-	-
Reversal of provision for employee benefits	20	(2,187)	(8,989)	(123,555)	(504,969)
Foreign exchange loss	7	24,257	99,696	-	-
Net impairment losses on financial instruments	25	5,613,156	23,070,071	1,237,923	5,059,391
		18,374,361	75,518,623	15,330,900	62,657,390
Changes in:					
Balances with the NBC		(59,849,194)	(245,980,187)	(17,040,274)	(69,643,600)
Balances with other financial institutions		(44,952,543)	(184,754,952)	48,003,362	196,189,740
Loans and advances to customers		(427,599,259)	(1,757,432,954)	(303,177,448)	(1,239,086,230)
Other assets		(13,560,521)	(55,733,741)	(18,687,900)	(76,377,447)
Deposits from customers		770,234,764	3,165,664,880	244,819,024	1,000,575,351
Deposits from other financial institutions		21,641,174	88,945,225	96,300,576	393,580,454
Wallet liabilities		(20,739,103)	(85,237,713)	(9,053,258)	(37,000,665)
Payables and other liabilities		1,180,363	4,851,292	(430,178)	(1,758,137)
Cash generated from operations		244,730,042	1,005,840,473	56,064,804	229,136,856
Income tax paid	12	(2,320,424)	(9,536,943)	(4,138,769)	(16,915,149)
Seniority benefit payment	20	(30,349)	(124,734)	(60,596)	(247,656)
Net cash generated from operating activities		242,379,269	996,178,796	51,865,439	211,974,051

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as at 31 December 2023 and for the year then ended

30. COMMITMENTS AND CONTINGENCIES

A. Off-balance sheet items

	2023		2022	
	US\$	KHR'000 (Note 2.1)	US\$	KHR'000 (Note 2.1)
Unutilized portion of overdraft and credit card.	21,652,302	88,449,654	-	-

Movements of allowance for ECLs on off-balance sheet items were as follows:

	2023		2022	
	US\$	KHR'000 (Note 2.1)	US\$	KHR'000 (Note 2.1)
As at 1 January	-	-	-	-
Allowance for ECLs (Note 25)	80,740	331,841	-	-
Translation difference	-	(2,018)	-	-
As at 31 December	80,740	329,823	-	-

B. Taxation contingencies

The Bank received the following tax notifications from the 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.

To date, there has not been any official results from the GDT for all the above comprehensive tax audits.

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. 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.

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31. RELATED PARTIES DISCLOSURES

31.1 Related parties and relationships

For the purposes of these financial statements, parties are considered to be related to the Branch if the Bank has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Bank and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

Related parties	Relationships
Wing Holdings Pte. Limited	Parent Company, wholly owned by Neak Oknha Kith Meng and registered in Singapore
Neak Oknha Kith Meng	Shareholder of the Bank
J Trust Royal Bank Plc.	Entity under common shareholder
Yong Sheng Global Trading Company Limited	
Mobile Refresh Bank Limited	
Royal Group Co., Ltd	
Royal Railway Co., Ltd	
Cam GSM Co., Ltd	
Ezecom Co., Ltd	
GSS Global Security Solutions Co., Ltd	
Northbridge Development Company Limited	
Royal Cambodian Limousine Service Co., Ltd	
SBI Royal Securities Plc	
Wing Tower Property Development Co., Ltd.	
Royal Group Power Co., Ltd	
Telcotech	
Wing Inter Logistics Technologies Co., Ltd	
Southbridge International School (Cambodia) Limited	
Cambodia Life Micro Insurance “Camlife” Plc.	
Cambodiana Investment (Phnom Penh) PTE. Ltd	
Infinity General Insurance Plc.	
Nitrogen Chemicals & Fertilizer (Cambodia) Ltd.	
Royal Sok San Beach Resort Co., Ltd.	
Telemobile (Cambodia) Corporation (TCC)	
Yong Sheng Global Trading Company Limited	

NOTES TO THE FINANCIAL STATEMENTS

as at 31 December 2023 and for the year then ended

31. RELATED PARTIES DISCLOSURES (CONTINUED)

31.2 Related parties' balances

(i) Balance with other banks

Related parties	2023		2022	
	US\$	KHR'000 (Note 2.1)	US\$	KHR'000 (Note 2.1)
J Trust Royal Bank Plc.	55,473,336	226,608,578	71,000,322	292,308,326

(ii) Loan and advances to related parties (Note 6)

Related parties	2023		2022	
	US\$	KHR'000 (Note 2.1)	US\$	KHR'000 (Note 2.1)
Yong Sheng Global Trading Company Limited	2,161,244	8,828,682	1,793,215	7,328,869
Every Bright Rich Trading Company Ltd	729,833	2,981,368	716,980	2,930,299
Royal Railway Co., Ltd	480,046	1,960,988	500,000	2,043,500
GSS Global Security Solutions Co., Ltd	155,515	635,279	200,000	817,400
Northbridge Development Company Limited	31,339	128,020	-	-
	3,557,977	14,534,337	3,210,195	13,120,068

(iii) Amount due from related parties (Note 8)

Related parties	2023		2022	
	US\$	KHR'000 (Note 2.1)	US\$	KHR'000 (Note 2.1)
The Royal Group of Companies	4,278,591	17,478,044	-	-
Wing Holdings Pte. Limited	1,863,481	7,612,320	961,782	3,959,656
Wing Inter Logistics Technologies Co., Ltd	720,000	2,941,200	600,000	2,470,200
Every Bright Rich Trading Company Ltd	174,614	713,298	170,214	700,771
Mobile Refresh Company Limited	109,555	447,532	109,555	451,038
Wing Tower Property Development Co., Ltd.	-	-	6,948,605	28,607,407
	7,146,241	29,192,394	8,790,156	36,189,072

(iv) Mobile PIN prepayment (Note 8)

Related parties	2023		2022	
	US\$	KHR'000 (Note 2.1)	US\$	KHR'000 (Note 2.1)
Cam GSM Co., Ltd	975,132	3,983,414	1,024,028	4,215,923

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31. RELATED PARTIES (CONTINUED)

31.2 Related parties' balances (continued)

(v) Deposits from related parties (Note 13)

Related parties	2023		2022	
	US\$	KHR'000 (Note 2.1)	US\$	KHR'000 (Note 2.1)
Cam GSM Co., Ltd	22,921,741	93,635,312	1,634,914	6,730,941
Telcotech Ltd	12,326,367	50,353,209	6,264,343	25,790,300
Neak Oknha Kith Meng	7,558,907	30,878,135	4,508,537	18,561,647
SBI Royal Securities Plc	5,528,338	22,583,261	5,160,848	21,247,211
Southbridge International School (Cambodia) Limited	3,399,860	13,888,428	-	-
Royal Railway Co., Ltd	3,021,244	12,341,782	-	-
Infinity General Insurance Plc.	2,214,204	9,045,023	1,360,808	5,602,445
Cambodiana Investment (Phnom Penh) PTE. Ltd	1,572,578	6,423,981	-	-
Ezecom Co., Ltd	1,439,130	5,878,846	1,195,585	4,922,223
Royal Group Power Co., Ltd	792,230	3,236,260	-	-
Telemobile (Cambodia) Corporation (TCC)	344,255	1,406,282	-	-
Northbridge Development Company Limited	250,665	1,023,967	341,393	1,405,515
Royal Cambodian Limousine Service Co., Ltd	171,769	701,676	626,879	2,580,861
Wing Inter Logistics Technologies Co., Ltd	82,924	338,745	-	-
Royal Sok San Beach Resort Co., Ltd.	78,409	320,301	-	-
Cambodia Life Micro Insurance "Camlife" Plc.	76,131	310,995	-	-
Nitrogen Chemicals & Fertilizer (Cambodia) Ltd.	45,566	186,137	-	-
GSS Global Security Solutions Co., Ltd	12,540	51,226	33,965	139,834
Wing Tower Property Development Co., Ltd.	6,690	27,329	-	-
Yong Sheng Global Trading Company Limited	1,652	6,748	-	-
	61,845,200	252,637,643	21,127,272	86,980,977

(vi) Subordinated debt (Note 18)

Related parties	2023		2022	
	US\$	KHR'000 (Note 2.1)	US\$	KHR'000 (Note 2.1)
Royal Group Power Co., Ltd.	10,000,000	40,850,000	10,013,973	41,227,527
Neak Oknha Kith Meng	10,000,000	40,850,000	-	-
	20,000,000	81,700,000	10,013,973	41,227,527

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31. RELATED PARTIES (CONTINUED)

(vii) Right-of-use assets and lease liabilities resulting from lease of building from Wing Tower Property Development Co., Ltd.:

Related parties	2023		2022	
	US\$	KHR'000 (Note 2.1)	US\$	KHR'000 (Note 2.1)
Right-of-use assets	66,082,610	269,947,462	-	-
Leases liabilities	59,134,006	241,562,415	-	-

31.3 Significant transactions with related parties

Related parties	Nature	2023		2022	
		US\$	KHR'000 (Note 2.1)	US\$	KHR'000 (Note 2.1)
Wing Tower Property Development Co., Ltd.	Lease payment	(6,948,605)	(28,558,767)	-	-
Royal Group Power Co., Ltd.	Interest expense	(850,000)	(3,493,500)	13,973	57,108
Neak Oknha Kith Meng	Interest expense	(580,622)	(2,386,356)	-	-
Cam GSM Co., Ltd	Interest expense	(477,982)	(1,964,504)	(89,177)	(364,468)
Northbridge Development Company Limited	Interest expense	(85)	(351)	-	-
	Interest income	12,918	52,768	11,699	48,163
SBI Royal Securities Plc	Interest expense	(27,163)	(111,641)	(2,918)	(11,928)
Telcotech Ltd	Interest expense	(108,958)	(447,817)	(639)	(2,611)
Southbridge International School (Cambodia) Limited	Interest expense	(66,246)	(272,273)	-	-
Cambodia Life Micro Insurance "Camlife" Plc.	Interest expense	(2,898)	(11,912)	-	-
Infinity General Insurance Plc.	Interest expense	(89,247)	(366,805)	(27,078)	(110,667)
Nitrogen Chemicals & Fertilizer (Cambodia) Ltd.	Interest expense	(22)	(90)	-	-
GSS Global Security Solutions Co., Ltd	Interest expense	(644)	(2,648)	(324)	(1,325)
	Interest income	9,543	38,983	14,203	58,473
Royal Railway Co., Ltd	Interest expense	(1,021)	(4,197)	-	-
	Interest income	12,918	52,768	11,699	48,163
Every Bright Rich Trading Company Ltd	Interest income	46,284	189,069	34,843	143,447
Yong Sheng Global Trading Company Limited	Interest income	160,475	655,542	1,692	6,964
Key management personnel	Remuneration	4,069,974	16,727,593	3,538,436	14,567,741

Key management personnel are personnel participating in the administration, direction, management or the design and implementation of the internal controls of the Bank. The key management personnel include directors and executive management.

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32. 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:

32.1 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 financial institutions, debt investments and other assets. 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 (i.e., 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 and 89 days past due for short-term and long-term financial assets, respectively.

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.

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32. FINANCIAL RISK MANAGEMENT (CONTINUED)

32.1 Credit risk (continued)

ii. Concentration of risk

Concentration of risk by type of credit exposure:

	Maximum credit exposure		Fully subject to collateral/ credit enhancement	Unsecured and not subject to collateral/credit enhancement
	US\$	KHR'000 (Note 2.1)	%	%
2023				
Financial assets, gross carrying amount				
Bank balances	531,252,325	2,170,165,748	0%	100%
Debt investments	5,971,892	24,395,178	0%	100%
Loans and advances to customers	792,078,768	3,235,641,767	88%	12%
Other assets	23,528,184	96,112,630	0%	100%
Total	1,352,831,169	5,526,315,323		
2022				
Financial assets, gross carrying amount				
Bank balances	175,454,587	722,346,534	0%	100%
Debt investments	2,020,786	8,319,576	100%	0%
Loans and advances to customers	364,972,156	1,502,590,366	96%	4%
Other assets	15,473,367	63,703,851	0%	100%
Total	557,920,896	2,296,960,327		

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32. FINANCIAL RISK MANAGEMENT (CONTINUED)

32.1 Credit risk (continued)

ii. Concentration of risk (continued)

Concentration of risk by industry sector, analyzed based on gross carrying amounts:

	Bank balances	Debt investments	Loans and advances to customers	Other assets	Total
	US\$	US\$	US\$	US\$	US\$
2023					
Financial institutions	531,252,325	3,918,817	-	-	535,171,142
Personal	-	-	217,068,065	-	217,068,065
Business	-	2,053,075	575,010,703	23,528,184	600,591,962
Total	531,252,325	5,971,892	792,078,768	23,528,184	1,352,831,169
KHR'000 (Note 2.1)	2,170,165,748	24,395,178	3,235,641,767	96,112,630	5,526,315,323

2022					
Financial institutions	175,454,587	-	-	-	175,454,587
Personal	-	-	88,584,153	-	88,584,153
Business	-	2,020,786	276,388,003	15,473,367	293,882,156
Total	175,454,587	2,020,786	364,972,156	15,473,367	557,920,896
KHR'000 (Note 2.1)	722,346,534	8,319,576	1,502,590,366	63,703,851	2,296,960,327

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

	2023		2022	
	US\$	KHR'000 (Note 2.1)	US\$	KHR'000 (Note 2.1)
By residency:				
Residents	792,078,768	3,235,641,767	364,972,156	1,502,590,366
By relationship:				
Related parties	788,520,791	3,221,107,430	361,761,961	1,489,470,298
Non-related parties	3,557,977	14,534,337	3,210,195	13,120,068
	792,078,768	3,235,641,767	364,972,156	1,502,590,366
By exposure:				
Large exposures (*)	157,216,351	642,228,794	61,757,278	254,254,714
Non-large exposures	634,862,417	2,593,412,973	303,214,878	1,248,335,652
	792,078,768	3,235,641,767	364,972,156	1,502,590,366

NOTES TO THE FINANCIAL STATEMENTS

as at 31 December 2023 and for the year then ended

32. FINANCIAL RISK MANAGEMENT (CONTINUED)

32.1 Credit risk (continued)

ii. Concentration of 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 authorized loans or commitments.

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 financial institutions, debt investment and other assets

Collateral is generally not sought for these assets.

Loans and advances to customers

Certain loans and advances to customers is typically collateralized to a substantial extent. In particular, residential mortgage exposures are generally fully secured by residential properties.

The table below summarizes the Bank’s security coverage of its financial assets at gross carrying amounts.

	Properties US\$	Unsecured credit exposure US\$	Total US\$
2023			
Bank balances	-	531,252,325	531,252,325
Loans and advances to customers	700,426,823	91,651,945	792,078,768
Debt investments	-	5,971,892	5,971,892
Other assets	-	23,528,184	23,528,184
Total	700,426,823	652,404,346	1,352,831,169
KHR’000 (Note 2.1)	2,861,243,571	2,665,071,752	5,526,315,323
2022			
Bank balances	-	175,454,587	175,454,587
Loans and advances to customers	352,082,730	12,889,426	364,972,156
Debt investments	-	2,020,786	2,020,786
Other assets	-	15,473,367	15,473,367
Total	352,082,730	205,838,166	557,920,896
KHR’000 (Note 2.1)	1,449,524,599	847,435,728	2,296,960,327

NOTES TO THE FINANCIAL STATEMENTS

as at 31 December 2023 and for the year then ended

32. FINANCIAL RISK MANAGEMENT (CONTINUED)

32.1 Credit risk (continued)

iv. Credit quality of gross loans and advances to customers

The Bank aligns its credit assessment following the NBC guideline Prakas B7.017-344, it has defined each credit grading according to its credit quality as follows:

Normal

Outstanding facility is repaid on timely manner and is not in doubt for the future repayment. Repayment is steadily made according with the contractual terms and the facility does not exhibit any potential weakness in repayment capability, business, cash flow and financial position of the counterparty.

Special mention

A facility in this class is currently protected and may not be past due but it exhibits potential weaknesses that may adversely affect repayment of the counterparty at the future date, if not corrected in a timely manner, and close attention by the Institution.

Weaknesses include but are not limited to a declining trend in the business operations of the counterparty or in its financial position, and adverse economic and market conditions that all might affect its profitability and its future repayment capacity, or deteriorating conditions on the collateral. This class has clearly its own rational and should not be used as a compromise between Normal and Substandard.

Substandard

A facility ranked in this class exhibits noticeable weakness and is not adequately protected by the current business or financial position and repayment capacity of the counterparty. In essence, the primary source of repayment is not sufficient to service the debt, not taking into account the income from secondary sources such as the realization of the collateral.

Factors leading to a substandard classification include:

- Inability of the counterparty to meet the contractual repayments' terms,
- Unfavorable economic and market conditions that would adversely affect the business and profitability of the counterparty in the future,
- Weakened financial condition and/or inability of the counterparty to generate enough cash flow to service the payments,
- Difficulties experienced by the counterparty in repaying other facilities granted by the Institution or by other institutions when the information is available, and
- Breach of financial covenants by the counterparty.

Doubtful

A facility classified in this category exhibits more severe weaknesses than one classified Substandard such that its full collection on the basis of existing facts, conditions or collateral value is highly questionable or improbable. The prospect of loss is high, even if the exact amount remains undetermined for now.

NOTES TO THE FINANCIAL STATEMENTS

as at 31 December 2023 and for the year then ended

32. FINANCIAL RISK MANAGEMENT (CONTINUED)

32.1 Credit risk (continued)

iv. Credit quality of gross loans and advances to customers (continued)

Loss

A facility is classified Loss when it is not collectable, and little or nothing can be done to recover the outstanding amount from the counterparty.

Recognition of ECLs

The Bank applies a three-stage approach based on the change in credit quality since initial recognition:

3-Stage approach	Stage 1 Performing	Stage 2 Underperforming	Stage 3 Nonperforming
Recognition of ECLs	12 months ECLs	Lifetime ECLs	Lifetime ECLs
Criterion	No significant increase in credit risk	Credit risk increased significantly	Credit impaired assets
Basic of calculation of profit revenue	On gross carrying amount	On gross carrying amount	On net carrying amount

The Bank measures ECLs by using the general approach. The general approach consists of segregating the customers into three different stages according to the staging criteria by assessing the credit risk. 12-month ECLs will be computed for stage 1, while lifetime ECLs will be computed for stage 2 and stage 3. At each reporting date, the Bank will assess credit risk of each account as compared to the risk level at origination date.

Long-term facilities (more than one year)

Stage	Credit Risk Status	Grade	Day Passed Due ("DPD")	Default indicator
1	No significant increase in credit risk	Normal	$0 \leq \text{DPD} \leq 29$	Performing
2	Credit risk increased significantly	Special mention	$30 \leq \text{DPD} \leq 89$	Underperforming
		Substandard	$90 \leq \text{DPD} \leq 179$	
3	Credit impaired assets	Doubtful	$180 \leq \text{DPD} \leq 359$	Nonperforming
		Loss	$\text{DPD} \geq 360$	

NOTES TO THE FINANCIAL STATEMENTS

as at 31 December 2023 and for the year then ended

32. FINANCIAL RISK MANAGEMENT (CONTINUED)

32.1 Credit risk (continued)

iv. Credit quality of gross loans and advances to customers (continued)

Recognition of ECLs

Short-term facilities (one year or less)

Stage	Credit Risk Status	Grade	DPD	Default Indicator
1	No significant increase in credit risk	Normal	$0 \leq \text{DPD} \leq 14$	Performing
2	Credit risk increased significantly	Special mention	$15 \leq \text{DPD} \leq 30$	Underperforming
		Substandard	$31 \leq \text{DPD} \leq 60$	
3	Credit impaired assets	Doubtful	$61 \leq \text{DPD} \leq 90$	Nonperforming
		Loss	$\text{DPD} \geq 91$	

The Bank will use the DPD information and NBC's classification for staging criteria. Also, the Bank will incorporate credit scoring or more forward-looking elements in the future when information is more readily available.

As for financial assets that are short term in nature, simplified approach will be adopted where no staging criteria is required. In this case, it will be either performing (stage 1) or non-performing.

The credit quality of the Bank's gross financing is based on classifications as discloses in Note 6.

32.2 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 optimizing the return.

(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 unfavorable interest rate movement is regularly monitored against the risk tolerance limits set.

NOTES TO THE FINANCIAL STATEMENTS

as at 31 December 2023 and for the year then ended

32. FINANCIAL RISK MANAGEMENT (CONTINUED)

32.2 Market risk (continued)

(i) Interest rate risk (continued)

The table below summarizes the Bank's exposure to interest rate risk. The table indicates the periods in which the financial instruments reprice or mature, whichever is earlier.

	Up to 1 month US\$	1-3 months US\$	3-12 months US\$
Financial assets,			
Cash and bank balances	-	76,542,009	93,488,157
Loans and advances to customers	63,623,966	123,507,633	235,803,322
Debt investments	-	-	2,053,075
Other assets	-	-	-
	63,623,966	200,049,642	331,344,554
Financial liabilities			
Deposits from customers	293,872,086	5,236,858	33,007,010
Deposits from other financial institutions	16,128,487	36,078,478	60,609,951
Wallet liabilities	-	-	-
Borrowings	-	3,799	979,192
Subordinated debts	-	-	-
Lease liabilities	210,873	421,746	1,897,859
Other liabilities	-	-	-
	310,211,446	41,740,881	96,494,012
Interest sensitivity gap	(246,587,480)	158,308,761	234,850,542
In KHR'000 (Note 2.1)	(1,007,309,856)	646,691,289	959,364,464

NOTES TO THE FINANCIAL STATEMENTS

as at 31 December 2023 and for the year then ended

2023			
1 to 5 years	Over 5 years	Non-interest bearing	Total
US\$	US\$	US\$	US\$
-	-	361,222,159	531,252,325
245,461,422	123,682,425	-	792,078,768
3,918,817			5,971,892
-	-	23,528,184	23,528,184
249,380,239	123,682,425	384,750,343	1,352,831,169
633,387,292	-	103,814,650	1,069,317,896
4,977,871	-	146,963	117,941,750
-	-	90,022,472	90,022,472
4,953,317	50,000	-	5,986,308
20,000,000	-	-	20,000,000
13,043,276	64,880,725	-	80,454,479
-	-	10,569,289	10,569,289
676,361,756	64,930,725	204,553,374	1,394,292,194
(426,981,517)	58,751,700	180,196,969	(41,461,025)
(1,744,219,497)	240,000,695	736,104,618	(169,368,287)

NOTES TO THE FINANCIAL STATEMENTS

as at 31 December 2023 and for the year then ended

32. FINANCIAL RISK MANAGEMENT (CONTINUED)

32.2 Market risk (continued)

(i) Interest rate risk (continued)

	Up to 1 month	1-3 months	3-12 months
	US\$	US\$	US\$
Financial assets			
Cash and bank balances	6,321,166	-	43,535,614
Loans and advances to customers	8,222,654	3,027,441	77,520,318
Debt investments	-	20,786	-
Other assets	-	-	-
	14,543,820	3,048,227	121,055,932
Financial liabilities			
Deposits from customers	95,262,397	24,000,838	101,514,105
Deposits from other financial institutions	17,243,746	11,065,144	40,142,833
Wallet liabilities	-	-	-
Borrowings	-	-	-
Subordinated debts	-	13,973	-
Lease liabilities	88,251	176,502	794,253
Other liabilities	-	-	-
	112,594,394	35,256,457	142,451,191
Interest sensitivity gap	(98,050,574)	(32,208,230)	(21,395,259)
In KHR'000 (Note 2.1)	(403,674,213)	(132,601,283)	(88,084,281)

NOTES TO THE FINANCIAL STATEMENTS

as at 31 December 2023 and for the year then ended

2022

1 to 5 years	Over 5 years	Non-interest bearing	Total
US\$	US\$	US\$	US\$
-	-	125,597,807	175,454,587
78,006,323	198,195,420	-	364,972,156
2,000,000	-	-	2,020,786
-	-	15,473,367	15,473,367
80,006,323	198,195,420	141,071,174	557,920,896
26,256,357	-	52,049,435	299,083,132
17,449,860	-	10,398,993	96,300,576
-	-	110,761,575	110,761,575
-	99,225	-	99,225
10,000,000	-	-	10,013,973
5,121,293	3,414,196	-	9,594,495
-	-	9,777,588	9,777,588
58,827,510	3,513,421	182,987,591	535,630,564
21,178,813	194,681,999	(41,916,417)	22,290,332
87,193,173	801,505,790	(172,569,889)	91,769,297

NOTES TO THE FINANCIAL STATEMENTS

as at 31 December 2023 and for the year then ended

32. FINANCIAL RISK MANAGEMENT (CONTINUED)

32.2 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 gross carrying amounts of financial assets and liabilities, by currency denomination, are as follows

	2023		
	Denomination US\$ equivalents		
	US\$	KHR	Total
Financial assets			
Cash and bank balances	377,287,617	192,035,605	569,323,222
Debt investments	2,001,645	3,970,247	5,971,892
Loans and advances to customers	712,750,817	79,327,951	792,078,768
Other assets	23,528,184	-	23,528,184
	1,115,568,263	275,333,803	1,390,902,066
Financial liabilities			
Deposits from customers	898,867,950	170,449,946	1,069,317,896
Deposits from other financial institutions	110,350,830	7,590,920	117,941,750
Wallet liabilities	45,281,394	44,741,078	90,022,472
Borrowings	5,007,116	979,192	5,986,308
Subordinated debts	20,000,000	-	20,000,000
Lease liabilities	80,454,479	-	80,454,479
Other liabilities	10,569,289	-	10,569,289
	1,170,531,058	223,761,136	1,394,292,194
Net open position	(54,962,795)	51,572,667	(3,390,128)
KHR'000 (Note 2.1)	(224,523,018)	210,674,345	(13,848,673)

NOTES TO THE FINANCIAL STATEMENTS

as at 31 December 2023 and for the year then ended

32. FINANCIAL RISK MANAGEMENT (CONTINUED)

32.2 Market risk (continued)

(ii) Foreign currency exchange risk (Continued) Concentration of currency risk (continued)

	2022		
	Denomination US\$ equivalents		Total
	US\$	KHR	
Financial assets			
Cash and bank balances	169,954,600	13,720,016	183,674,616
Debt investments	2,020,786	-	2,020,786
Loans and advances to customers	321,874,909	43,097,247	364,972,156
Other assets	5,023,947	10,449,420	15,473,367
	498,874,242	67,266,683	566,140,925
Financial liabilities			
Deposits from customers	258,548,440	40,534,692	299,083,132
Deposits from other financial institutions	91,904,631	4,395,945	96,300,576
Wallet liabilities	53,347,224	57,414,351	110,761,575
Borrowings	99,225	-	99,225
Subordinated debts	10,013,973	-	10,013,973
Lease liabilities	9,594,495	-	9,594,495
Other liabilities	9,299,200	478,388	9,777,588
	432,807,188	102,823,376	535,630,564
Net open position	66,067,054	(35,556,693)	30,510,361
KHR'000 (Note 2.1)	271,998,062	(146,386,905)	125,611,157

Sensitivity analysis

Considering that other risk variables remain constant, the foreign currency revaluation sensitivity for the Bank as at reporting date is summarized below. Only exposures in currencies that accounts for more than 1 percent of the net open position are shown in its specific currency in the table below. For other currencies, these exposures are grouped as 'Others'.

	2023		2022	
	- 1% Depreciation US\$	+ 1% Appreciation US\$	- 1% Depreciation US\$	+ 1% Appreciation US\$
US\$	549,628	(549,628)	(660,671)	660,671
KHR	(515,727)	515,727	355,567	(355,567)
	33,901	(33,901)	(305,104)	305,104
KHR'000 (Note 2.1)	138,487	(138,487)	(1,256,112)	1,256,112

NOTES TO THE FINANCIAL STATEMENTS

as at 31 December 2023 and for the year then ended

32. FINANCIAL RISK MANAGEMENT (CONTINUED)

32.3 Liquidity risk

Liquidity risk is the risk that the Bank is unable to meet its payment obligations associated with its financial liabilities when they fall due. 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 at gross carrying amounts:

	2023					
	On demand and up to 1 month US\$	>1-3 months US\$	>3-12 months US\$	>1 to 5 years US\$	Over 5 years US\$	Total US\$
Financial assets						
Cash and bank balances	399,293,056	76,542,009	93,488,157	-	-	569,323,222
Loans and advances to customers	63,623,966	123,507,633	235,803,322	245,461,422	123,682,425	792,078,768
Debt investments	-	-	2,053,075	3,918,817	-	5,971,892
Other assets	12,255,936	7,146,241	-	4,126,007	-	23,528,184
	475,172,958	207,195,883	331,344,554	253,506,246	123,682,425	1,390,902,066
Financial liabilities						
Deposits from customers	397,686,736	5,236,858	33,007,010	633,387,292	-	1,069,317,896
Deposits from other financial institutions	16,275,450	36,078,478	60,609,951	4,977,871	-	117,941,750
Wallet liabilities	90,022,472	-	-	-	-	90,022,472
Borrowings	-	3,799	979,192	4,953,317	50,000	5,986,308
Subordinated debts	-	-	-	20,000,000	-	20,000,000
Lease liabilities	210,873	421,746	1,897,859	13,043,276	64,880,725	80,454,479
Other liabilities	842,883	1,827,494	3,041,762	-	4,857,150	10,569,289
	505,038,414	43,568,375	99,535,774	676,361,756	69,787,875	1,394,292,194
Net liquidity gap	(29,865,456)	163,627,508	231,808,780	(422,855,510)	53,894,550	(3,390,128)
In KHR'000 (Note 2.1)	(122,000,388)	668,418,370	946,938,866	(1,727,364,758)	220,159,237	(13,848,673)

NOTES TO THE FINANCIAL STATEMENTS

as at 31 December 2023 and for the year then ended

32. FINANCIAL RISK MANAGEMENT (CONTINUED)

32.3 Liquidity risk (continued)

Maturity analysis for financial liabilities and financial assets

	2022					
	On demand and up to 1 month US\$	>1-3 months US\$	>3-12 months US\$	>1 to 5 years US\$	Over 5 years US\$	Total US\$
Financial assets						
Cash and bank balances	133,817,836	6,321,166	43,535,614	-	-	183,674,616
Loans and advances to customers	8,222,654	3,027,441	77,520,318	78,006,323	198,195,420	364,972,156
Debt investments	-	20,786	-	2,000,000	-	2,020,786
Other assets	3,533,584	-	8,790,156	3,149,627	-	15,473,367
	145,574,074	9,369,393	129,846,088	83,155,950	198,195,420	566,140,925
Financial liabilities						
Deposits from customers	147,311,832	24,000,838	101,514,105	26,256,357	-	299,083,132
Deposits from other financial institutions	27,642,739	11,065,144	40,142,833	17,449,860	-	96,300,576
Wallet liabilities	110,761,575	-	-	-	-	110,761,575
Borrowings	-	-	-	99,225	-	99,225
Subordinated debts	-	13,973	-	10,000,000	-	10,013,973
Lease liabilities	88,251	176,502	794,253	5,121,293	3,414,196	9,594,495
Other liabilities	1,308,987	1,679,702	2,145,699	-	4,643,200	9,777,588
	287,113,384	36,936,159	144,596,890	58,926,735	8,057,396	535,630,564
Net liquidity gap	(141,539,310)	(27,566,766)	(14,750,802)	24,229,215	190,138,024	30,510,361
In KHR'000 (Note 2.1)	(582,717,339)	(113,492,376)	(60,729,052)	99,751,678	782,798,246	125,611,157

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.

NOTES TO THE FINANCIAL STATEMENTS

as at 31 December 2023 and for the year then ended

32. FINANCIAL RISK MANAGEMENT (CONTINUED)

32.4 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.

32.5 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 maximize the shareholder's value. The Bank manages its capital and makes adjustments to it, in the light of changes in economic conditions.

Regulatory capital

The NBC, sets and monitors capital requirements for the Bank as a whole.

The Bank's policy is to maintain a strong capital base so as to maintain market confidence and to sustain further development of the business. The impact of the level of capital on shareholders' return is also recognized. As such, the Bank tries to maintain a balance between the higher returns that might be possible with greater gearing and advantages and security afforded by a sound capital position.

The Bank has complied with all externally imposed capital requirement throughout the year.

Capital allocation

The allocation of capital between specific operations and activities is, to a large extent, driven by optimization of the return achieved on the capital allocated. The amount of capital allocated to each operation or activity is based primarily upon the regulatory capital.

On 10 February 2023, the Bank received approval from the NBC to include the subordinated debts (Note 16), as part of Tier II capital for the purpose of Net Worth calculation.

33. 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.

NOTES TO THE FINANCIAL STATEMENTS

as at 31 December 2023 and for the year then ended

33. FAIR VALUES OF FINANCIAL ASSETS AND LIABILITIES (CONTINUED)

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:

33.1 Cash and bank balances

The fair values of cash and bank balances with maturity of less than one year approximate their carrying amounts.

33.2 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.

33.3 Deposits from customers and other financial institutions

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.

33.4 Other financial assets and liabilities

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

33.5 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.

NOTES TO THE FINANCIAL STATEMENTS

as at 31 December 2023 and for the year then ended

34. MATURITY PROFILE OF ASSETS AND LIABILITIES

	2023		
	Less than one year	More than one year	Total
	US\$	US\$	US\$
Financial assets			
Cash and bank balances	569,323,222	-	569,323,222
Loans and advances to customers	422,934,921	369,143,847	792,078,768
Debt investments	2,053,075	3,918,817	5,971,892
Other assets	19,402,177	4,126,007	23,528,184
	1,013,713,395	377,188,671	1,390,902,066
Non-financial assets			
Statutory deposits	-	85,362,222	85,362,222
Other assets	9,950,156	-	9,950,156
Intangible assets	-	5,081,626	5,081,626
Property and equipment	-	36,470,559	36,470,559
Right-of-use assets	-	91,557,009	91,557,009
Income tax credit	-	1,123,853	1,123,853
Deferred tax assets	-	-	-
	9,950,156	219,595,269	229,545,425
	1,023,663,551	596,783,940	1,620,447,491
Less: Allowance for ECLs			(6,974,371)
Accumulated depreciations and mortization			(21,795,615)
Total assets			1,591,677,505
KHR'000 (Note 2.1)			6,502,002,607

NOTES TO THE FINANCIAL STATEMENTS

as at 31 December 2023 and for the year then ended

2022		
Less than one year	More than one year	Total
US\$	US\$	US\$
183,674,616	-	183,674,616
88,770,413	276,201,743	364,972,156
20,786	2,000,000	2,020,786
12,323,740	3,149,627	15,473,367
284,789,555	281,351,370	566,140,925
-	30,513,028	30,513,028
12,102,856	-	12,102,856
-	5,227,891	5,227,891
-	24,755,965	24,755,965
-	11,530,227	11,530,227
-	-	-
-	663,046	663,046
12,102,856	72,690,157	84,793,013
49,827,458	299,265,376	650,933,938
		(1,934,601)
		(15,216,846)
		633,782,491
		2,609,282,515

NOTES TO THE FINANCIAL STATEMENTS

as at 31 December 2023 and for the year then ended

34. MATURITY PROFILE OF ASSETS AND LIABILITIES (CONTINUED)

	2023		
	Less than one year US\$	More than one year US\$	Total US\$
Financial liabilities			
Deposits from customers	435,930,604	633,387,292	1,069,317,896
Deposits from other financial institutions	112,963,879	4,977,871	117,941,750
Borrowings	982,991	5,003,317	5,986,308
Subordinated debts	-	20,000,000	20,000,000
Wallet liabilities	90,022,472	-	90,022,472
Lease liabilities	2,530,478	77,924,001	80,454,479
Other liabilities	5,712,139	4,857,150	10,569,289
	648,142,563	746,149,631	1,394,292,194
Non-financial liabilities			
Provision for employee benefits	-	149,308	149,308
Other liabilities	1,299,975	-	1,299,975
Income tax liability	-	-	-
Deferred tax liabilities	-	778,905	778,905
	1,299,975	928,213	2,228,188
Total liabilities	649,442,538	747,077,844	1,396,520,382
KHR'000 (Note 2.1)	2,652,972,768	3,051,812,992	5,704,785,760

35. SUBSEQUENT EVENTS

Other than as disclosed elsewhere in these financial statements, at the date of this report, there are no events which occurred subsequent to 31 December 2023 that had significant impact on the statement of financial position of the Bank as at 31 December 2023.

NOTES TO THE FINANCIAL STATEMENTS

as at 31 December 2023 and for the year then ended



2022		
Less than one year	More than one year	Total
US\$	US\$	US\$
272,826,775	26,256,357	299,083,132
78,850,716	17,449,860	96,300,576
-	99,225	99,225
	10,013,973	10,013,973
110,761,575	-	110,761,575
1,059,006	8,535,489	9,594,495
5,134,388	4,643,200	9,777,588
468,632,460	66,998,104	535,630,564
-	181,844	181,844
816,600	-	816,600
1,191,242	-	1,191,242
-	-	-
2,007,842	181,844	2,189,686
470,640,302	67,179,948	537,820,250
1,937,626,123	276,579,846	2,214,205,969



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Wing Bank (Cambodia) Plc
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