

# FUTURE FORWARD



CIMB BANK PLC  
ANNUAL REPORT 2022



**DELIVERING SUSTAINABLE  
FINANCIAL RETURNS**

**DISCIPLINED  
EXECUTION**

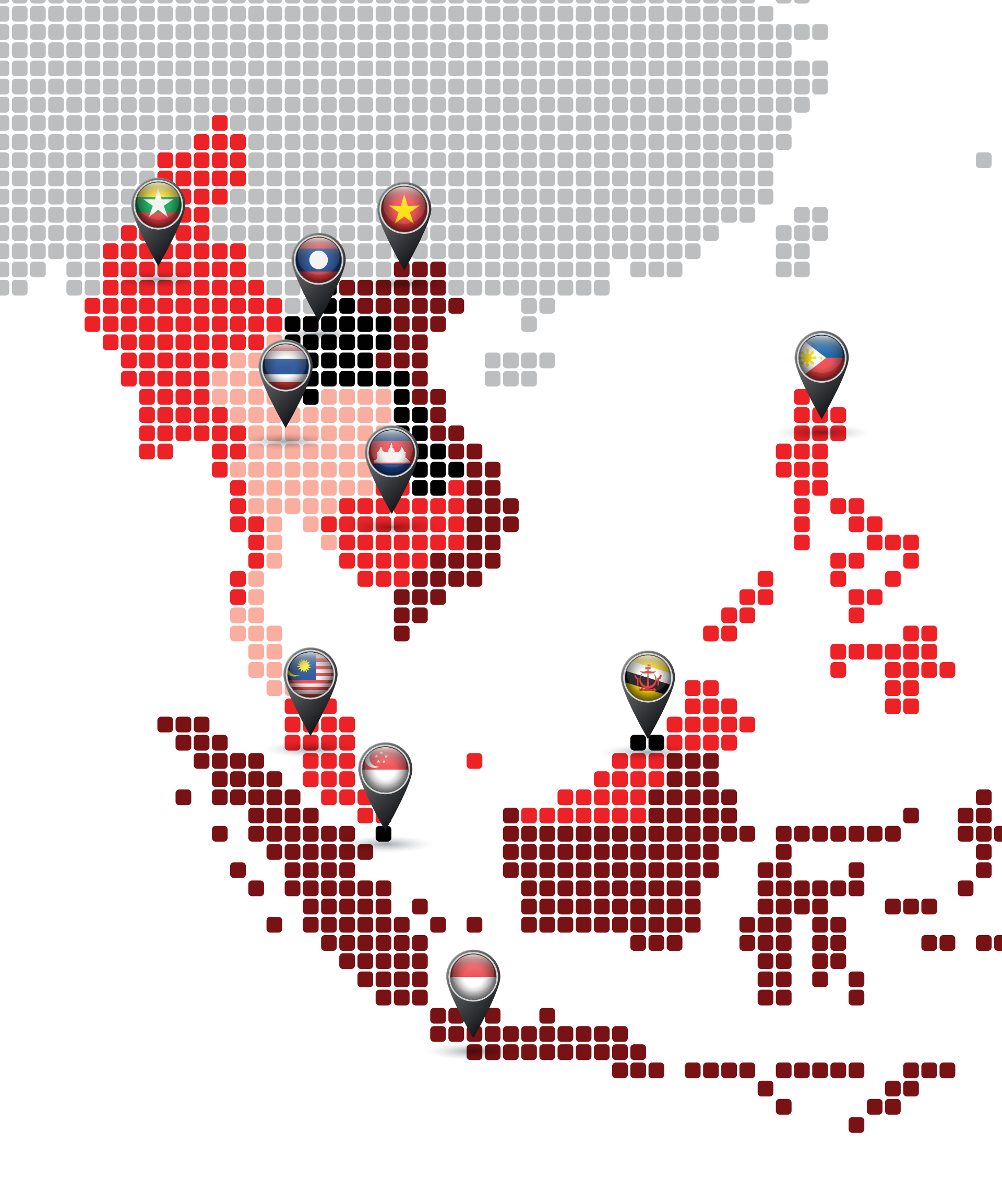
**CUSTOMER  
CENTRICITY**

**TRANSFORM  
FUNDAMENTALS**

**PURPOSE-DRIVEN  
ORGANISATION**

**FORWARD 23<sup>+</sup>**

TO BE THE LEADING FOCUSED ASEAN BANK



Our Retail and Institutional  
Customers: Over



**20  
Million**

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Our Self-Service Access Points:



**7,383**

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Our Workforce: around



**33,000**

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Our Retail Branches:



**604**

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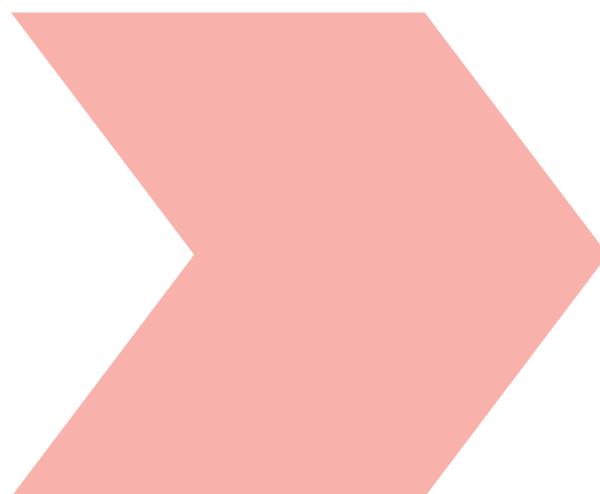
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## OVERVIEW



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## CORPORATE PROFILE



### ABOUT CIMB BANK PLC

CIMB Bank PLC was established in Cambodia on 19 November 2010 with the opening of a commercial banking branch in the heart of Phnom Penh. Today, the Bank operates 14 branches with 11 cash deposit machines, 8 cheque deposit machines and 39 ATMs across five major cities: Phnom Penh, Siem Reap, Preah Sihanouk, Battambang and Kampong Cham.

We currently serve more than 35,000 corporate and individual customers. In response to growing demand from our customers across Cambodia, the Bank offers a wide range of banking products and services including consumer, commercial, corporate & transaction banking and financial institution group.

As of December 2022, the Bank employed over 480 employees with diverse experience and expertise in the banking and financial industry, amongst others. CIMB Bank PLC is committed to building a strong and sustainable financial future for our customers. We have constantly striven, from the very beginning, to create opportunities and value through our innovative products and services. We pride ourselves on being not only a financial services provider, but also a true business partner to assist customers in making the right financial and investment decisions. CIMB Bank PLC is a Cambodian subsidiary of CIMB Group.

### ABOUT CIMB GROUP

CIMB Group is a leading focused ASEAN bank and one of the region's foremost corporate advisors. It is also a world leader in Islamic finance.

The Group is headquartered in Kuala Lumpur, Malaysia, and offers consumer banking, commercial banking, wholesale banking, Islamic banking, wealth management and digital payment products and services. It is the fifth largest banking group by assets in ASEAN and, as at the end of 2022, had our around 33,000 staff and over 20 million customers.

CIMB Group Holdings Berhad has been listed on the Main Market of Bursa Malaysia since 1987 and has market capitalisation of RM61.9 billion as at 31 December 2022. Total assets at the end of 2022 were RM666.7 billion, with total shareholders' funds of RM62.5 billion and total Islamic assets of RM183.3 billion. At the end of 2022, the major shareholders were Khazanah Nasional Berhad with 24.1%, Employees Provident Fund with 12.9% and Kumpulan Wang Persaraan (Diperbadankan) with 6.1%.



# COMMITMENT TO SERVICE QUALITY & EXCELLENCE

CIMB Bank is a people-driven business. The role of CIMB Bank PLC is to serve our clients and customers, or to serve the people who serve our clients and customers.

Since CIMB Bank PLC’s early days, customers and clients have been core to everything we do. The first of our five values is that we are customer centric. We exist for our clients and customers and recommend products and services that they understand and value.

We place equal emphasis on our four other values, namely, Customer Obsessed, High Performance, Integrity, Diversity and Inclusion and Agility. We believe that the combination of these principles in everything we do creates long-term value for not just our customers, but for our staff and stakeholders too.

In pursuit of our customer service excellence goals, CIMB Bank has defined our customer service pledge to provide our customers with positive services. Each and every time, we will:



GREET YOU WITH  
A **SAMPEAH**



SERVE YOU WITH  
A **SMILE**



**SERVE** YOU WITHIN  
FIVE MINUTES AT  
OUR BRANCHES



FOCUS ON **SOLUTIONS**  
OR WHAT WE CAN DO  
FOR CUSTOMERS –  
NOT WHAT WE CAN'T.

AT CIMB BANK, CUSTOMERS ARE THE FOCUS OF EVERYTHING THAT WE DO.

## OUR VALUES



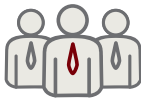
CUSTOMER OBSESSED

WE ARE HERE FOR  
OUR CUSTOMERS,  
TO ENSURE  
THEY'RE HAPPY  
AND SATISFIED.



HIGH PERFORMANCE

WE ALWAYS STRIVE  
TO GO ABOVE  
AND BEYOND  
IN EVERYTHING  
WE DO.



INTEGRITY

WE'RE ALWAYS HONEST,  
RESPONSIBLE AND  
ACCOUNTABLE IN  
EVERYTHING WE DO.  
BE VIGILANT, BE ALERT,  
BE THOROUGH.



DIVERSITY AND INCLUSION

WE BELIEVE EVERYONE  
HAS SOMETHING  
TO CONTRIBUTE,  
REGARDLESS OF RACE,  
GENDER OR OPINIONS.



AGILITY

WE MUST RESPOND  
QUICKLY TO  
CHANGE AND  
BE PROBLEM  
SOLVERS.

## MESSAGE FROM THE CHAIRMAN



Global economic activity is experiencing a broad-based and sharper-than-expected slowdown, with inflation higher than seen in several decades, mainly due to the tightening financial conditions in most regions, energy crisis following Russia's invasion of Ukraine, ongoing global biggest giants' trade war, the rise of US interest rate and China's lockdown of Zero-COVID policy. According to the world economic outlook report by International Monetary Fund (IMF), the global growth slowed down from 6% in 2021 to 3.4% in 2022.

Following the global major headwinds in 2022, the ASEAN region remained one of the fastest growing regions and the fourth largest trader in the world, behind only the EU, China, and the US. The Asian Development Bank (ADB) reported that ASEAN economic growth increased from 3.4% in 2021 to 5.5% in 2022. Stronger consumption, exports, and services, particularly for tourism, lifted the growth for these economies. The ASEAN region will remain attractive to foreign direct investment, with trends in commercial and state investment likely to remain consistent throughout the year.

Supported by the Royal Government's comprehensive economic roadmap for economic recovery, the National Bank of Cambodia (NBC) reported that Cambodia's economy dramatically grew from 3% in 2021 to 5.1% in 2022, driven by growth beyond expectation of manufacturing at 82.4% and tourism at 15.2%. The foreign direct investment (FDI) was recorded at 2.6% year-one-year growth. The inflation rate stood at 5.3% in 2022, compared to 2.9% in 2021, citing elevated fuel and food prices, not crucially impacted to the investment, productivity, consumption and the living standard of the citizens.



*CIMB Cambodia's Town Hall at Olympic Branch, Phnom Penh*

Thanks to the country's healthy economic growth and controllable inflation rate, the banking industry has been efficiently moving forward, remaining a key driving engine in the country's stable development. The total assets of the banking system increased to USD79.7 billion, 14.5% year-on-year (YoY) growth in 2022. Again, CIMB Cambodia achieved impressive financial performance by reporting profit before tax (PBT) of USD32.2 million, 13% YoY growth in 2022 with well-maintained non-performing loan (NPL) ratio at 0.75%, compared to 3.2% in the banking sector. This reflected the Bank's strong commitment to the customers' sustainable growth when banking with us.

CIMB Cambodia has implemented comprehensive regulation for Anti-Money Laundering and Combating Financing of Terrorism (AML/CFT) in line with all applicable regulations and our internal guidelines by the Government and the National Bank of Cambodia. CIMB Cambodia has updated to the AML automated system phase 2 to enhance the bank's customer risk profiling framework and improve the tracking and managing in risk parameters. In 2022, we have seen Cambodia's progress in strengthening measure to tackle money laundering and terrorist financing under increased monitoring that the country will be optimistically removed from the "Money Laundering Grey List" by of the Financial Action Task Force (FATF) in the coming year.

In order to compete with the changing landscape of the country, CIMB Cambodia has been providing the most suitable banking services that fully understand the needs of the local market. CIMB Cambodia introduced a new mobile banking application, CIMB Mobile, with convenient, secured and responsive platform to our customers. Along with our existing Internet Banking, CIMB Cambodia completely provides full digital banking platform for both corporate and individual customers. In addition to our high quality and innovative banking services and products, CIMB Cambodia has always taken the extra miles to delight our customers with more beneficial initiatives, in particular official strategic partnership with respective major organisations including Credit Guarantee Corporation of Cambodia (a state-owned enterprise).



Equipment and Fund Donation to Prek Dambok Health Centre, Kampong Cham

As an organisation that greatly focuses on people development agenda, CIMB Cambodia invests in growing our employees' skills and abilities, empowering them with the means to make meaningful contributions to the bank's operations and creating a clear path of career progression with opportunities within and across departments, both locally and regionally. In 2022, we celebrated CIMB Bank Town Hall and Staff Retreat with our entire employees, consisting of 99% as Cambodians, along with the award ceremony to recognise their resilient efforts and contribution in achieving our significant business growth and become one of the top performing subsidiaries of CIMB Group.

Aside from delivering the sustainable growth of customers and employees, CIMB Cambodia is committed and believes in giving back to the community where we operate our business as part of CIMB's core value. CIMB Cambodia is involved in diverse Corporate Social Responsibility (CSR) projects ranging from education, healthcare, environment, social development and many more. Some of our charity events in 2022 included our blood donation days, donation to Prek Dambok Health Centre and especially our collaboration with the NBC for sponsorship projects to Kampong Thmor High School and Eyes Treatment Programme for the disadvantaged local communities in Kampong Thom province.

To further support in education for the sustainable and long-term development of the country, CIMB Cambodia extended another official partnership with CamEd Business School for a local scholarship programme, granted 6 seats worth USD72,000. Following to the Group's CSR project, CIMB Cambodia introduced the CIMB ASEAN Scholarship in the country and awarded two outstanding Cambodian students for this fully-funded scholarship at any world-class universities around the globe.

Associated with CIMB Group's roadmap, CIMB Cambodia introduced EPICC, the internal refreshed corporate values, to all employees with the purpose of guiding us to become the "Leading Focused ASEAN Bank". We have promoted the EPICC campaign to all employees to display the EPICC culture at work within its 5 values - Enabling Talent, Passion,



Fund Donation to the NBC's Eyes Treatment Programme at iClinic, Phnom Penh

Integrity and Accountability, Collaboration and Customer Centricity. Advantaged by our relationship with CIMB Group in regional projects and operating models, we continue working closely with the regional counterparts, leveraging CIMB's presence across ASEAN, to bring greater convenience, broader connections and more opportunities to all our customers.

On behalf of the Board of Directors of CIMB Bank PLC, I would like to humbly extend my deepest gratitude and appreciation to the Royal Government of Cambodia, the National Bank of Cambodia and all our customers for the ongoing support and trust in CIMB Bank PLC since its inception in 2010. Also, I would like to express my special thanks to our CEO, Management Committee members and the entire #teamCIMB in Cambodia for once again delivering a year which we can all be proud of. Following the positive trend of Cambodia's economy and political situation in the upcoming election year, we hope that 2023 will provide another year of development for Cambodia's banking and financial sector that bestows growth and prosperity for all.

**Datuk Mohd Nasir Ahmad**  
Chairman



## LETTER FROM GROUP CHIEF EXECUTIVE OFFICER



Dear Shareholders,

2022 will be remembered as a mixed year. The global economy faced significant uncertainties amid rising inflationary pressures, geopolitical instabilities and supply chain disruptions, resulting in a slowdown of recovery. However, the reopening of international borders brought hope and injected vitality to the economies. Despite the headwinds, Cambodia's economy has recovered well with a steady GDP growth of 5.1%. This was supported by garment exports, real estate, construction and agriculture sectors that were boosted by the newly ratified free trade agreements. The rebound of the tourism sector as well as an effective health policy and management also helped to sustain recovery.

Following the economic recovery, CIMB Cambodia's financial performance remained positive where we recorded a Profit Before Tax (PBT) of USD 32.2 million, a 13% improvement from the previous year. Operating income registered a healthy 13% growth to USD52.6 million, mainly contributed by the good performance in both Net Interest Income (NII) and Non-Interest Income (NOII). Gross loans grew 11%, driven by all business segments. Deposits however, dropped by 9% as a result of the economic activities, market recovery and intense deposit competition arising from the sharp rise in USD interest rates. Return on Equity (ROE) remained double-digit at 14.8% in 2022.

### 2022 ACHIEVEMENT IN SUSTAINABILITY



**80<sup>th</sup>**

PERCENTILE ON THE S&P GLOBAL  
CORPORATE SUSTAINABILITY  
ASSESSMENT WITH A SCORE OF 69



SUCCESS IN  
SUSTAINABLE  
FINANCE OF

**RM30  
BILLION**

TWO YEARS  
AHEAD  
OF PLAN



SUSTAINABLE  
FINANCE  
TARGET OF

**RM60  
BILLION**



**BASELINE  
SCOPE 3**

FINANCED EMISSIONS  
ACROSS ALL OUR  
OPERATING MARKETS

From the Group's perspective, we are seeing promising results in the second year of our Forward23+ Strategic Plan execution. The portfolio reshaping initiatives under the Delivering Sustainable Financial Returns pillar are showing encouraging loan growth in our key profitable segments. We identified cost take-out opportunities from various countries and will continue the exercise to bring our Cost-to-Income Ratio (CIR) closer to market benchmarks. While keeping expenses under control, we invested heavily in technology and operational investments to focus on infrastructure reliability and service platforms. In Malaysia, we introduced the early release version of our next generation mobile banking app, the CIMB OCTO app. Digital reliability metrics remained healthy and above targets across the region, and we also saw good traction in digital penetration, especially in CIMB Niaga's digital transactions.

This year, we started the journey of our refreshed values and culture framework as we strive towards becoming the best organisation for the best talent with the right values to thrive. In terms of sustainability, we reached the 80th percentile on the S&P Global Corporate Sustainability Assessment, with a score of 69 and achieved our sustainable finance of RM30 billion two years ahead of plan. At our flagship event, The Cooler Earth Sustainability Summit 2022 ("TCE"), we announced our new sustainable finance target of RM60 billion and obtained baseline Scope 3 financed emissions across all our operating markets.

Moving forward in 2023, the Group continues with the execution of our Forward23+ Strategic Plan by Delivering Sustainable Financial Returns, carrying out Disciplined Execution, emphasising on Customer Centricity, Transforming our Fundamentals and becoming a Purpose-Driven Organisation. At the same time, new focus areas have been included to make CIMB a more resilient and customer-centric organisation. This Strategic Plan will continue to support and affirm the Group's commitment towards the development of CIMB Cambodia.

Cambodia has all the potential to become the next Asian tiger and the local banking industry has also been strong and robust over the years. In order to achieve CIMB Cambodia's vision of becoming the leading ASEAN community bank, first, we will accelerate and strengthen our deposit and CASA franchise by expanding customer acquisition through innovative products as well as by investing in our digital platforms. Secondly, we will grow the Wholesale business by leveraging on our strong ASEAN network. Concurrently, we will embark on a transformation journey to strengthen CIMB Cambodia's digital capabilities. Being in a strategic location with favourable market conditions, CIMB Cambodia plays a vital role in complementing the Group's ambition of becoming a leading focused ASEAN bank.

Cambodia's economy still faces relative challenges, especially given the elevated USD interest rates, but it is in a relatively positive place than it was a year before. The country is projected to expand and grow at 6% in 2023 mainly from the growth of garment and other manufacturing products, coupled with encouraging foreign direct investment inflows. Being the host of the 32nd Southeast Asia (SEA) Games, Cambodia is looking forward to a tourism windfall. The soaring tourist arrivals, especially from China, is also expected to boost the tourism sector this year. Whilst we remain cautious of the external uncertainties, we are optimistic that CIMB Cambodia, a key part of our strong ASEAN diversification, will move in tandem with economic recovery and deliver on our set targets.

On behalf of CIMB Group, I would like to express my deepest gratitude to the Royal Government of Cambodia and the National Bank of Cambodia for their continued support. I would also like to thank the Chairman, Board of Directors, our valued customers, shareholders and all stakeholders for their trust and support in CIMB Bank PLC in Cambodia. Finally, a big thank you to the management team of CIMB Cambodia led by Bun Yin, and #teamCIMB Cambodia for all your hard work, dedication and contribution throughout the difficult year. With your continued support, I am hopeful that CIMB Cambodia will uphold our strong position in the local market and achieve new heights in 2023.

Thank you.



**Abdul Rahman Ahmad**

Group Chief Executive Officer  
CIMB Group Holdings Berhad

## PERFORMANCE REVIEW BY CHIEF EXECUTIVE OFFICER



### 2022 OPERATING ENVIRONMENT

The global economy has been volatile and unpredictable over the years due to several factors such as the highest inflation levels seen in decades, the energy crisis following the Ukraine's war, increasing trade protectionism between major economies and so on. According to the World Economic Outlook report by the International Monetary Fund (IMF), while global economic growth slowed from 6% in 2021 to 3.4% in 2022, Cambodia's economy increased from 3% to 5.1% in the same period. This was primarily due to the full reopening of the country's economic activities and healthy expansion in export-led sectors. Growth in the manufacturing sector was outstanding at 82.4% year-on-year (YoY) and the tourism sector continued its steady recovery at 15.2% YoY growth while foreign direct investment (FDI) recorded at 2.6% growth from the year before.

Thanks to prudent supervision from the National Bank of Cambodia (NBC), the country's banking system remained a key enabler in the nation's economic stability and growth over the years. As stated in the NBC's report in 2022, the banking system in terms of total assets has reached USD79.7 billion with a 14.5% YoY growth, underpinned by a 11.4% YoY growth of credit accounts to 3.7 million accounts while total number of customer deposit accounts grew 17.7% YoY to 14.3 million accounts. The sustainable growth of the banking system in Cambodia is testament to the NBC's strong leadership and guidance, and now consists of 59 commercial banks, 9 specialised banks, 5 microfinance deposit-taking institutions (MDIs), 82 non-deposit-taking microfinance institutions (MFIs), 224 rural credit institutions and 16 financial leasing companies.



PROFIT BEFORE TAX OF  
**USD32.2 MILLION**  
 13% YEAR-ON-YEAR GROWTH



ASSET QUALITY WITH  
 NON-PERFORMING LOAN  
 RATIO OF **0.75%**

OUR PERFORMANCE IN 2022

Following the country’s positive trend of economic recovery and growth since the COVID-19 pandemic, CIMB Cambodia once again celebrated another memorable year with an outstanding financial performance in 2022 by exceeding its major targets and registered a profit before tax (PBT) of USD32.2 million, representing a 13% YoY growth. CIMB Cambodia continues to be amongst the best-performers across all banks in terms of asset quality with a non-performing loan (NPL) ratio of 0.75%, compared to an average of 3.2% in the banking sector in 2022.

In line with our commendable financial performance and resilient business model, CIMB Cambodia achieved a 11% YoY loan growth in 2022 while deposit levels remained stable, consistent with industry trends. As at end-2022 our Consumer Banking segment accounted for 52% of our total deposits while 68% of our total loans was attributed to Commercial Banking and Corporate Banking. Thanks to our in-depth understanding of our corporate customers’ needs and CIMB Group’s extensive network across ASEAN, we saw an exceptional performance in this segment with 42% YoY loan growth in Corporate Banking and 24% YoY deposit growth in our Financial Institution Group (FIG) segment.

CIMB Cambodia recorded a Return on Equity (ROE) of 14.8%, and a Cost-to-Income Ratio (CIR) of 39% in 2022. These excellent results comfortably place CIMB Cambodia amongst the top commercial banks in the nation, and cements our place as one of CIMB Group’s best-performing entities in the region.

In adapting to the growing and ever-evolving needs of the market, CIMB Cambodia continued to improve our banking services and products to meet and exceed our customers’ expectations. We introduced our new mobile banking application, CIMB Mobile, a convenient, secure and mobile-friendly online banking platform. In addition to our existing Internet Banking application, CIMB Cambodia now covers a full spectrum of digital banking services for both corporate and individual customers. Beyond providing high quality and innovative banking services and products, CIMB Cambodia is constantly finding new ways to deliver greater value to our customers. The partnership with the Credit Guarantee Corporation of Cambodia (CGCC), announced in December 2022 is one such example as its Credit Guarantee Scheme (CGS) provides financing options for business entities without having to provide collaterals.



YEAR-ON-YEAR  
LOAN GROWTH OF  
**11%**



RETURN ON  
EQUITY OF  
**14.8%**



COST-TO-INCOME  
RATIO OF  
**39%**

## OUTLOOK FOR 2023

The NBC has forecasted that Cambodia's economy will remain stable and resilient with 6% GDP growth and a relatively benign inflation rate of 2.5% in 2023. We have great confidence in the nation's economic growth prospects and we will continue building on CIMB Cambodia's strong momentum by further enhancing our products and services to meet the expanding needs of our growing customer base. Our strong financial position enables us to invest in new innovations and technologies, as well as in expanding our sales and marketing efforts. This combination of favourable factors gives us tremendous optimism that we will continue to generate outstanding shareholder value in the years ahead.

## FORWARD 23<sup>+</sup>

### STRATEGIC PLAN

**Our Forward 23+ strategic plan is part of CIMB Cambodia's contribution to CIMB Group's vision of becoming the leading universal community bank in Cambodia.**

Our overall purpose is clear – to build a high performing and sustainable organisation to help advance our customers and society. Our strategic vision will be translated into operational strategies to be implemented by our business units and business enablers. Our key mid-term focus areas include profitability, cost efficiency, people development, customer centricity, technology and data and sustainability.



### PROFITABILITY

CIMB Cambodia aims to be a leading financial institution in profitability as measured by Return on Equity (ROE). We are proud to be amongst the highest ROE-generating entities in CIMB Group for several years in a row. In 2022, CIMB Cambodia recorded an outstanding Return on Equity (ROE) of 14.8%. In line with our performance targets, we recorded a double-digit YoY growth of 13% in operating income, and a 13% YoY growth in our PBT. We will strive to expand our loan and deposit growth across all segments while looking to accelerate the growth of fee-based income.



### COST EFFICIENCY

CIMB Cambodia has been embarking on multiple initiatives that involve collaborative efforts from all business units and business enablers to optimise cost effectiveness. We are committed to maintaining our Cost-to-Income (CIR) ratio at optimal levels while remaining vigilant in maintaining strong credit discipline to continue keeping credit costs low. We will spend prudently, invest wisely and balance profitability-related priorities with the long-term needs of our growing franchise.



### PEOPLE DEVELOPMENT

Our employees form the foundations CIMB Cambodia's continued success. We are committed to investing in both soft and technical skills to grow our people and advance their careers. CIMB Cambodia has given many opportunities to high-potential employees to participate in value-added training and leadership programmes within the country and across the region with a particular emphasis on digital banking. We are proud that 100% of our employees have been trained in digital competencies including Data, Digital and Design Thinking. These skillsets are essential to stay ahead of the curve in an industry that is constantly evolving. As part of a CIMB Group-wide initiative, we introduced EPICC, our refreshed corporate values framework, and we will continue to instil the five core values of Enabling Talent, Passion, Integrity and Accountability, Collaboration and Customer Centricity amongst #teamCIMB in Cambodia. We are honoured to be recognised as one of the "Best Companies to Work for in Cambodia" by HR Asia, and we will continue to pursue our people-development agenda and maintain our position as the employer of choice and a top workplace in the banking industry.





## CUSTOMER CENTRICITY

Customers are at the heart of everything that we do. Our guiding principle is to continuously enhance our customer journeys and provide a superior experience through our banking services and products. In line with our key focus on customer centricity, our Customer Experience (CX) framework has been implemented to improve our offerings with a variety of innovative products at our newly upgraded branches across the country. In recent years, more than half of all our branches have been renovated and modernised with the purpose of providing a comfortable and inviting banking environment.



## TECHNOLOGY & DATA

Customer behaviour and banking interactions have changed with growing preference for digital banking. CIMB Cambodia is committed to invest in developing information technology (IT) infrastructure and digital delivery applications. CIMB Cambodia has been amongst the first commercial banks in recent years to avail online banking to both individual and corporate customers with CIMB Mobile and BizChannel@CIMB Internet Banking respectively. In doing so, we hope to provide a richer banking experience for all customer segments and deliver the highest level of service that our customers have come to expect of us.



## SUSTAINABILITY

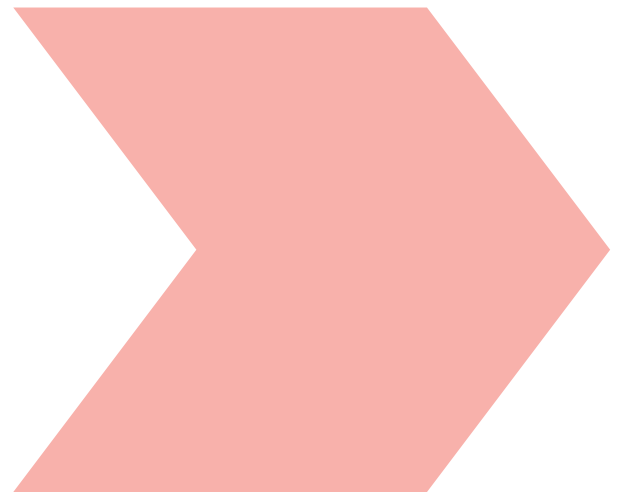
Sustainability has been integrated into the way we work, and we believe doing so helps both our customers and the society which we are part of. CIMB Cambodia leverages on the sustainability policy and framework developed by CIMB Group and adapts it for our local market. Through the sustainability principles embedded in our organisational purpose, we integrate economic, environmental and social considerations in our business decisions. For example, in recent years, we have played an active role in supporting customers to overcome financial difficulties caused by the pandemic. Closer to home, we have also conducted training to build skills and awareness among CIMB Cambodia's staff to identify and mitigate social and environmental risks within our asset portfolios. In building a sustainable business for an emerging market opportunity, we consistently develop positive-impact products and services that improve people's lives while contributing to our environment and society. We have also supported the less fortunate with financial donations and engaged in environmental conservation via our tree planting programmes. We will continue these meaningful efforts and other sustainability-led initiatives as we look forward to the year ahead.

In summary, the adoption of the Forward23+ strategic plan and CIMB Cambodia's key focus areas above will underpin our ongoing efforts to achieve our goals for 2023 as well as contribute towards building a stronger franchise in the longer term. CIMB Cambodia is committed to doing its part to support and facilitate CIMB Group's vision to become the leading focused ASEAN bank. Supported by CIMB Group's regional operating models and strong presence across ASEAN, we are tremendously proud of CIMB Cambodia's remarkable journey since its inception in 2010, and the lasting relationships we have built with our customers and the community which we serve.

Finally, I would like to express my utmost gratitude to all our loyal customers, our board of directors, our management team and all employees for a memorable and successful 2022. On behalf of CIMB Bank PLC, I would also like to express our sincere appreciation to the Royal Government of Cambodia and the National Bank of Cambodia for their continued leadership and guidance. With a strong macroeconomic outlook and the support of all our stakeholders, it is with great confidence that we look forward to 2023 and to the continued success of CIMB Bank in Cambodia.

**Bun Yin**  
Chief Executive Officer

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## **BUSINESS REVIEW**



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## COMMERCIAL BANKING



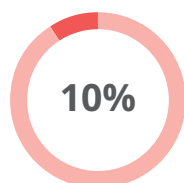
CIMB Bank PLC's Commercial Banking Division caters for the Bank's business customers while offering loan and deposit products, together with transactional services to small & medium enterprises (SMEs) and medium size corporates.

### FINANCIAL PERFORMANCE AND KEY INITIATIVES IN 2022

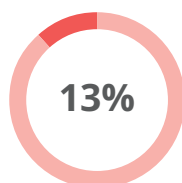
In 2022, loan under Commercial Banking grew well at 10% year-on-year while deposit remained stable. With strong loan growth and good contribution of interest income, total operating income grew at 13%. The division's high current account / savings account (CASA) ratio of 63% is testament to strong balance sheet management that resulted in lowering overall cost of funding. Commercial Banking asset quality continues to remain robust with really low impaired loans ratio of only 0.21%.

By end of 2022, Commercial Banking had a total of 56 personnel, comprising two Commercial Banking Centers and Business support, Asset Quality and Control. With the focus on improving knowledge, experience and creating a clear path of career progression, various programs were put in place for the development of our employees. These have raised competency as seen by strong improvements in efficiency and productivity and through the promotion of key employees who have taken up positions of higher responsibility within the team.

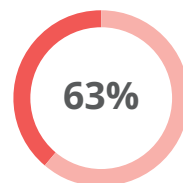
We were also able to leverage on CIMB Group's regional network for a two-way referral between CIMB Bank in Cambodia and the Group's other core markets in Malaysia, Indonesia, Singapore, Vietnam and Thailand. With a regional referral framework in place, we are able to create more value for our customers by facilitating cross-border sourcing and business expansion for them.



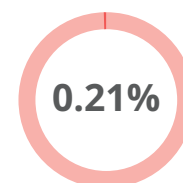
Loan Growth



Operating Income Growth



CASA Ratio



NPL Ratio

### PLANS FOR 2023

With our strong foundation and continuous improvement of employee competency, we are hopeful in continuing our strong growth and in maintaining good assets quality for 2023. It was tough in the past 3 years from impact of the pandemic, however, we expect this situation will be in better position and Cambodia will have better economic growth in 2023 opening up for more business opportunities.

In 2023, we will further improve our processes to better serve our rapidly growing customer base and improve overall productivity. We will continue to invest in developing our employees with more targeted training programmes and skill-enhancement initiatives.

### PRODUCTS IN COMMERCIAL BANKING



TERM LOAN



OVERDRAFT



REVOLVING CREDIT



BANK GUARANTEE



LETTER OF CREDIT



OTHER TRADE FINANCE PRODUCTS & SERVICES



CURRENT ACCOUNT



FIXED DEPOSIT



FOREIGN CURRENCY ACCOUNT



ESCROW ACCOUNT



FOREIGN EXCHANGE



TRANSACTIONAL SERVICES



SMALL & MEDIUM ENTERPRISE LOAN

# CONSUMER BANKING



The Consumer Banking Division forms the backbone of CIMB Bank PLC’s operations in Cambodia, encompassing about 50% of total employees in the Bank. It serves a wide range of customers via a growing suite of products and services. Consumer Banking consists of 7 key departments such as Branch and Delivery, Consumer Credit, Consumer Lending, Digital Delivery, Consumer Sales and Distribution, Business Intelligence and Analytics and Customer Experience

## 2022 KEY ACHIEVEMENTS

The COVID-19 pandemic has been disruptive to the retail banking sector, making 2022 one of the most challenging years for growth. However, Consumer Banking achieved several key performance matrixes, including maintaining a positive loan growth rate and our track record of very low impaired loans.

### 2022 KEY ACHIEVEMENTS



ACHIEVE GROWTH IN CONSUMER LOAN BY AROUND **5%** FROM YEAR 2021



ROLL OUT MOBILE BANKING SERVICE TO ATTRACT MORE CUSTOMERS AND TO IMPROVE CUSTOMER EXPERIENCE



ENHANCE SYSTEMS AND PROCESSES TO IMPROVE THE EXPERIENCE OF INTERNAL AND EXTERNAL CUSTOMERS



UPGRADE AND MODERNISE ANOTHER **3 BRANCHES** IN PHNOM PENH



MAINTAIN ASSET QUALITY WITH LOW NPL RATE AT **2.61%**

Employee development programmes is always one of the Bank’s top priorities. With support from the personnel development team, we conducted a variety of upskilling and training programmes for the benefit of our employees. This covered a broad range of hard and soft skills which included sales and service excellence, credit assessment, risk management, compliance-related requirements and system & process-related awareness programmes.

## PLANS FOR 2023

Some key initiatives will be implemented to improve customer service and to drive business results.

### OUR PLANS FOR 2023 WILL FOCUS ON THE FOLLOWING AREAS



ROLL OUT BAKONG SERVICE TO ATTRACT MORE CUSTOMERS AND TO IMPROVE CUSTOMER EXPERIENCE



CONTINUE THE RENOVATION OF OUR BRANCHES FOR A BETTER CIMB IMAGE AND SERVICE TO ALL CUSTOMERS



FOCUS ON ENHANCING CUSTOMER EXPERIENCE WITH MANY PROGRAMMES TO IMPROVE THE NET PROMOTER SCORE



CONTINUE TO PUSH CONSUMER LENDING AND CREDIT CARD



CONTINUOUSLY IMPROVE AND DEVELOP EMPLOYEE SKILLSETS



LAUNCH NEW COMPETITIVE PRODUCT WITH ATTRACTIVE FEATURE

## CORPORATE, TRANSACTION BANKING & FINANCIAL INSTITUTIONS GROUP



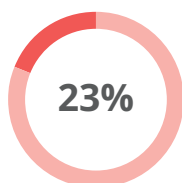
The Corporate Banking, Transaction Banking (CTB) and Financial Institutions Group (FIG) Division is responsible for CIMB Bank's relationships with local and multinational corporates, financial institutions and CIMB Group's global corporates who are operating in Cambodia. The Division's scope includes funding, trade financing, cash management and transactional service delivery as well as product innovation.

### 2022 IN REVIEW

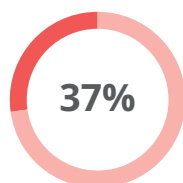
The government took significant measures to soften any negative impact of regional competition and partial loss of Everything but Arms (EBA) scheme as well as the slowdown of tourism as result of the virus outbreak. The measures include improving productivity, tax incentives and investment in public infrastructure.

CTB & FIG manage to close a satisfactorily financial year with a Year-On-Year (YoY) operating income growth at 23%, zero NPL and LDR ratio at 37%. This was achieved by a combination of improving or innovating service quality and coverage as well as diversification of our CTB and FIG client base into new sectors.

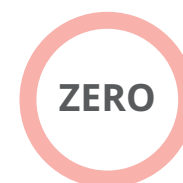
Our CTB & FIG team takes pride in going the extra mile to build in-depth understanding of our clients' business evolution and their growth strategies, beyond the traditional offerings of products and services. We thrived to capitalize on CIMB Group's regional strengths in such a way that our clients have access to the best possible services wherever they choose to do business in ASEAN.



Operating  
Income Growth



LDR Ratio



NPL Ratio

### 2023 OUTLOOK

The Government expects the Cambodian economy to grow by 6.6% in 2023. However, the growth outlook remains highly uncertain. CIMB Cambodia is looking forward to play its role to support our clients' needs. We will continue to innovate in order to meet the requirements of modern banking, risk management and technological security. At the same time, our main commitments will continue to be adherence to prudential banking practices in compliance with all directives by the National Bank of Cambodia and international standards.

# TREASURY & MARKETS



Treasury & Markets (T&M) Division of CIMB Bank PLC, in collaboration with other business units, provides cross-border solutions to regional and domestic clients for their trade, investment and financial requirements including local and foreign exchange (FX) transactions for both Spot and Forward value dates, foreign currency deposits and remittance payment services. T&M also oversees funding for the Bank to ensure sufficient liquidity with optimal cash flows, as well as diversify funding sources by maintaining relationships with other banks in the market.

## 2022 IN REVIEW

It remarked when the global economy struggled under macro and geopolitical headwinds, including monetary tightening by central banks around the world to cope with inflation, the conflict in Europe, supply chain disruptions, and lingering effects of the COVID-19 pandemic. The expected global growth is around 3.2% in 2022, a sharp drop from 6.0% in 2021. Meanwhile, the inflation growth rate continued to spike, reaching 8.8% in 2022.

Cambodia also faced higher inflation in 2022 reaching around at 4.0% from 2021 at 2.9%. However, the National Bank of Cambodia (NBC) had kept responding proactively to the market situation by balancing liquidity in the financial markets to stabilize local currency value. Since 2020, NBC had continued relaxation of monetary policy on reserve requirement and capital burden to commercial banks, allowing loan restructuring for impacted borrowers or segments, and providing financial support to local small and medium enterprises (SME) in order to maintain the financial stability and support the economic activity as a whole. As a result, Cambodia's annual GDP growth in 2022 was around 5.1% increasing by 2.1% from 3.0% in 2021. The economy growth in Cambodia was mainly contributed by Manufacturing sector (+9.4%), Hotels and restaurants (+15.2%), Transportation (+6.1%) and Wholesale and retail trades (+4.5%).

In 2022, it was of challenging years impacted by high USD funding cost condition, T&M on its funding role had performed persistently and closely cooperated with both domestic and foreign counterparties, and at the same time expanded counterparts to diversify funding sources and minimize cost. This enabled the Bank to be self-sufficient and optimize its balance sheet fluctuation or short-term funding position while simultaneously having a greater range of funding sources and opportunities. Nevertheless, T&M together with Risk Management have achieved the requirement of annual review and testing on Contingency Funding Plan (CFP) to ensure liquidity risk awareness as well as to anticipate and address any new potential funding issues.

At front desk, T&M also well prepared and maintained its FX sales market share in 2022 by having achieved yearly growth in total trade volume of around 32%. This remarkable growth rate was strongly by internal collaboration and commitment with other business units, CIMB's competitive price offering environment and differentiation in services by leveraging on CIMB Group's network and regional franchise.

## 2023 OUTLOOK AND STRATEGY

Despite the high possibility in 2023 that Cambodia regulator may tighten monetary policy which puts more burden on banking industry business and market uncertainty by or the upcoming national election in country, Cambodia's economy following 2022 was seen recovering well from the impact of COVID-19. The annual GDP growth in 2023 is expected to grow up to around 6.6%.

With the above optimistic forecast and proactive behavior of the NBC, T&M will continue maintaining its long-term strategy by the partnership with its business units to offer very competitive products and services to our existing and new clients and deepen its capabilities by broadening its network of bank & financial institution counterparties. T&M will also continue to conduct annual review and update the Bank's Contingency Funding Plan to cater for a rapidly evolving environment and to maintain our liquidity strength in order to serve and fully meet our clients' expectations. Importantly, our focus on local currency (KHR) remains unchanged in 2023, which we will continue working on diversifying our counterparties and avenues to prepare well for the anticipated growth of the Bank's KHR balance sheet and payment services along with the NBC's long-term key initiatives.

# FINANCE



Finance Division is responsible for developing and executing accounting policies and procedures to comply with Cambodian Accounting Standards and guidelines stipulated by the National Bank of Cambodia. It also manages financial performance reporting and analysis for each business unit.

In our financial accounting, we ensure that all bank accounting processes are accurate, transparent and properly maintained. We also ensure constant compliance with all regulatory requirements, reporting to the National Bank of Cambodia as well as providing tax declarations to the General Department of Taxation, and ensuring timely and accurate financial statement reporting to management and CIMB Group.

## ACHIEVEMENTS IN 2022

We have engaged with the local professional consulting firm to develop the Bank's expected credit lost (ECL) model base on the Bank's historical database. We have linked up with Group Finance expertise team to assist us through the completion of the exercise and ensure consistency with the group framework. We also engaged with Business Heads and Risk team for the development of the model and database. The project team has moved to the final stage of finalization the model to propose after lot of works done for data collection, data validation, and few round of discussions on the few list of models.

We have been implementing value-added-tax (VAT) reverse charge following the general department of taxation since April 2022. We are continuing to work with relevant stakeholders including the third parties as necessary to ensure that the Bank is in compliance with the tax requirement.

We have developed an in-house module for fixed assets registration and automation of depreciation/amortization in June 2022 with the support from IT team. This has been helping the team to better managing the fixed asset database. It provides a more reliable database maintenance.

We have reviewed and proposed for transferring of the Bank's retained earnings to capital reserve as part of the capital management plan for 2022. This exercise was to ensure that the Bank is fully optimizing its capital to support the core business growth onward.

## OUR PLAN FOR 2023

The team will be confusing on completion of the ECL Model development and implementation of the developed ECL model. The implementation stage will involve documentation of the process, reviewing the current policy and procedure, and on-going monitoring the model to ensure the smooth implementation.

We will develop the guideline for fixed asset registration module and plan roll out the module to more users including branches, business units, and business enablers. This will improve on the fixed asset movement tracking and the timely and accuracy of the reporting.

Internal process and reporting improvement will be continuing for 2023 including automation of ECL calculation, loan fee amortization, e-payment registration, and LCR calculation phase 2. The team will continue engaging with IT team for this exercise as part of productivity improvement, turn-around-time for month-end closing, and more reliable database maintenance.

In December 2022; the National Bank of Cambodia (NBC) has conducted a workshop on the new regulatory reporting template for all the Banks and FIs to comply with. The new template will be on a test-run for the first 3 months from March – May 2023 reporting dates. The team will be conducting the gap analysis on the new reporting templates and working with relevant stakeholders to ensure that the Bank will be able to fulfill all the regulatory reporting templates on a timely and accuracy manner.

Capital management will remain our key focus in 2023 as the NBC has drafted out the new regulatory capital framework for banks and financial institutions in late 2021 and early 2022. We are going to review both tier 1 and tier 2 capital to fulfill the Bank's regulatory capital minimum requirement as well as to maximize the utilization of the regulatory capital to support the banking core business growth in 2023-2025.



## CORPORATE RESOURCES



Corporate Resources oversees Human Resources, Administration & Property Management and Strategic Procurement. The key functions of Human Resources include talent acquisition, organisational development and workforce planning, rewards and performance management, learning and talent development, employer branding and engagement. Administration & Property Management and Strategic Procurement cover general administrative work, property projects and maintenance, procurement & tenders and security.

### CIMB BANK PLC IS A PLACE



#### WHERE TALENT GROWS

We strive to attract, to retain and to nurture our top talents in order to prepare them for the future. We immerse them with the opportunities within or across departments locally and regionally. We expose talented employees through various platforms and efficient mechanisms to ensure their knowledge is expanded, added value is created, and innovation is shared. Our talents can then build up their strengths to bring forth the utmost competitive advantage among our peers.



#### WHERE EMPLOYEES ARE ENGAGED

We work hard to ensure that our employee engagement and teamwork are at the highest level. We host a yearly town hall and run many programmes such as Leadership Sharing Session, Tuesday Chat with staff, Team Building, and Staff Gala Dinner to name a few. We run a yearly bank-wide Internal Customer Satisfaction Survey to allow our employees to share their voices to bring the organisation to the next level. We inculcate the mindset of open culture to bring improvement and betterment in the workplace. We believe that Engaged Employees Are Productive.



#### WHERE PERFORMANCE AND REWARDS ARE COMMENSURATE WITH EACH OTHER

We have robust performance management practices driven by Key Performance Indicators (KPI). We ensure our KPIs are aligned with the business goals and Group's direction. Our KPI entails compliance and governance elements and linkage between performance and rewards. On top of KPI, we embrace the culture of ongoing performance conversations across the organisation to ensure our people are on track and are able to receive prompt support in order for them to achieve higher in their respective performance.



#### WHERE THE CIMB CULTURE STRIVES

We are guided by our core values and culture that promote “going the extra mile to delight customers, engage openly and work together, respect each other and always back each other’s up”. This guiding principle has enabled our employees to work effectively as a team and across the region. To effectively drive our culture, we have appointed business sponsors and informal leaders in various business units to encourage employees to display our three critical behaviours and share among employees the good exemplars.

### HUMAN CAPITAL GROWTH AND TALENT DEVELOPMENT



We are obsessed with talent growth, and we value each individual employee who has contributed to growing CIMB Bank PLC as it is today.



# RISK MANAGEMENT



With the rapid development of the banking industry in Cambodia, changes in regulatory requirements at the global level and new risks emerging especially from the compliance and technology perspectives, the Bank has put in place a robust and effective risk management system to achieve continued risk balanced profitability and create shareholder and stakeholder value. The Bank embraces risk management as an integral part of the Bank's strategy, businesses, operations and decision-making processes. Risk Management is involved in the early stages of the strategy discussion and risk-taking process to provide independent inputs, including relevant valuations and scenario analysis, credit evaluations, new product assessments and quantification of capital requirements and risk return analysis/simulations. These inputs enable the business units to assess the risk-vs-reward of their propositions.

The Bank, as part of CIMB Group, employs the Enterprise Wide Risk Management (EWRM) framework as a standardized approach to effectively manage its risks and opportunities. The EWRM framework provides the Board and its management with tools to anticipate and manage both existing and potential risks by taking into consideration evolving risk profiles as dictated by changes in business strategies, the external and/or regulatory environment.

The Risk Committee (RC) is a Board-delegated committee and reports to the Board of Directors on all risk-management matters. RC's meeting is conducted on monthly basis to administer and to supervise the implementation of the Bank's overall management of risks and control activities.

The day-to-day responsibility for liquidity risk management and control, funding profile, balance sheet and hedging strategies, the overall interest rate risk in the banking book profile, and ensuring that such risk profile is within the established risk appetites, are delegated to the Asset Liability Management Committee (ALCO), which conducts on monthly basis and subsequently reports to RC.

The Cambodia Credit Committee (CCC) is set up to enhance the efficiency and effectiveness of the credit oversight as well as the credit approval process for all credit applications originating from the business units. CCC reports to the RC on credit-related matters of the Bank. Empowered by the Board to consider and to make decisions on credit applications, the CCC meets on a weekly basis.

## CREDIT RISK

Credit risk is defined as the possibility of losses due to an obligor, market counterparty or an issuer of securities or other instruments held, failing to perform its contractual obligations to the Bank.

Purpose of credit risk management is to keep credit risk exposure to an acceptable level vis-à-vis the capital, and to ensure the returns commensurate with risks. Without effective credit risk management, the impact of the potential losses can be overwhelming.

The risk-based delegated authority framework encompasses joint delegated authority, enhanced credit approval process and a clear set of policies and procedures that defines the limits and types of authority designated to the specific individuals. The Bank adopts a multi-tiered credit approving authority spanning from the delegated authorities at business level, joint delegated authorities between business units and Risk, to the credit committee and/or above.

Credit exposures are actively monitored, reviewed on a regular basis and reported regularly to RC. Asset quality is closely monitored so that deteriorating exposures are identified, analyzed and discussed with the relevant business units for appropriate remedial actions, including recovery actions, if required.

The employment of various credit risk mitigation techniques such as appropriate credit structuring and posting of collateral and/or third-party support forms an integral part of credit risk management process. Credit risk mitigants are taken, where possible, and are considered second-recourse to the obligor for the credit risk underwritten.

## LIQUIDITY AND FUNDING RISK

Liquidity and funding risk is defined as the current and potential risk to earnings, shareholders' funds or the Bank's reputation arising from its inability to efficiently meet its present and future funding needs or regulatory obligations, when they are due, which may adversely affect its daily operations and incur unacceptable losses. Liquidity risk arises from mismatches in the timing of cash flows.

The objective of liquidity risk management is to ensure that the Bank can meet its cash obligations in a timely and cost-effective manner. The day-to-day liquidity risk monitoring and management is on the basis of cash flow projections under both business-as-usual and stress conditions. Liquidity Coverage Ratio (LCR) is a key liquidity risk metric and regulatory requirement which seeks to ensure that the Bank holds sufficient High Quality Liquid Assets (HQLA) to withstand an acute liquidity stress scenario over a 30-day horizon.

The Bank also performs semi-annual stress tests, including liquidity stress tests to identify sources of potential liquidity strain and vulnerable areas in its portfolio to gauge the financial impact and enable management to take pre-emptive actions.

In addition to regulatory limits, liquidity risk undertaken by the Bank is governed by a set of established liquidity risk limits and appetite. Management Action Triggers (MATs) have been established to alert management to potential and emerging liquidity pressures. These limits and appetite as well as liquidity related policies and procedures are regularly reviewed in response to regulatory changes, changing business needs, and market conditions. Subject to regular testing, Contingency Funding Plan (CFP) is also in place to alert and enable the management to act effectively and efficiently during a liquidity or funding crisis and under adverse market conditions.

Risk Management is responsible for independently monitoring the Bank's liquidity risk profile, and provides monthly reports to ALCO and RC. During the year, there were many ad-hoc ALCO meetings conducted to define various business strategies to diversify funding sources, prevent potential outflows of customers' deposits and expand deposit base.

## OPERATIONAL RISK

Operational risk is the risk of loss resulting from inadequate or failed processes, people and systems or from external events. It includes legal risk but excludes strategic risk.

The Bank has established standardized methodology, tools and processes for the identification, assessment, reporting, and management of operational risks by the respective risk owners across the Bank. The Bank has deployed operational risk management tools including Operational Event and Loss Data Management, Risk and Control Self-Assessment, Control Issue Management, Key Risk Indicators, New Product Approval Process, and Scenario Analysis.

The Bank's Operational Risk Management strategy is based on a strong risk framework, which provides overall guiding principles with a robust governance structure to inculcate a proactive risk management culture. Monitoring of the identified risks and controls is primarily done by Risk Management with monthly report to the Risk Committee who oversees and monitors overall control environment of the Bank.

### MARKET RISK

Market risk is defined as fluctuations in the value of financial instruments due to changes in market risk factors such as interest rates, currency exchange rates, credit spreads, equity prices, commodity prices and their associated volatility.

Interest Rate Risk in the Banking Book (IRRBB) is defined as the current and potential risk to the Bank's earnings and economic value arising from movement in interest rates. IRRBB undertaken by the Bank is governed by an established risk appetite that defines the acceptable level of risk approved the Board.

### FRAUD RISK

Fraud risk is the risk of loss resulting from an act or course of deception or omission with the intention to conceal, omit, distort, misrepresent, falsify or etc. to: (i) gain unlawful/illegal/unfair personal advantages, (ii) induce another individual(s) to surrender willing/unwilling of legal right/possession or (iii) damage another individual(s) resulting in a loss to another.

The Bank has established Fraud Risk Policy and Fraud Risk Governance Procedure to prevent, detect and respond to the associated legal, regulatory, reputation and financial risks for fraud incidents occurring in and having an impact to the Bank, its customers and counterparties.

Risk Management tracks and monitors fraud event reported and turn-around time of fraud investigations to ensure all suspected fraud events are attended to in a timely manner with monthly update/oversight by the Risk Committee.

### BUSINESS CONTINUITY MANAGEMENT

The Business Continuity Management (BCM) program, embodied within the Bank's BCM Policies and Procedures, is in place to minimize disruptions, ensure continuity of services to its customers and supporting business process. BCM plays the primary role of providing the methodology and tools for an integrated and standardized BCM approach across the organization, as well as to ensure effective coordination and supervision of all BCM activities.

Regular reviews, re-assessments and updates for BCM documentations/plans are conducted to ensure adequacy, effectiveness and relevance of the business recovery strategies. These plans are rehearsed and tested on a regular basis. The Bank's BCM Steering committee provides oversight on the BCM program to ensure the Bank meets BCM statutory and regulatory responsibilities, adheres to accepted best practices, and aligns with the organization's business vision and strategy.

TECHNOLOGY RISK

Technology risk is the risk of loss resulting from inadequate or weaknesses in strategy, people, process, technology or external events, which includes financial risk, regulatory/compliance risk and the risk of reputational loss/damage.

Technology Risk Management (TRM) is responsible to ensure enterprise-wide implementation of the Bank’s TRM Framework while ensuring compliance to relevant regulatory policies and guidelines. TRM actively engages with the first line-of-defence to identify technology risks and validates completeness and effectiveness of controls to avoid risk of disruptions. In addition, TRM reviews risk assessments performed by business units for technology related programs and processes, and recommends appropriate improvements. TRM also partners with BCM to ensure resiliency of the technology services.

Under Risk Governance framework, TRM reports regularly to Group TRM to provide independent oversight and deliberations on technology risk based on the approved Technology Risk Appetite.

OUTSOURCING RISK

Outsourcing risk defined as the risk emanating from outsourcing arrangements that could result in a disruption to business operations, financial loss or reputational damage to the Bank.

The Bank has implemented several initiatives to strengthen and manage its approach towards Outsourcing risk including the establishment of Outsourcing Policy and Procedures, which outlines the controls required in managing outsourcing arrangements with an outsourced service provider. This includes periodic reviews on performance of service providers to identify potential service degradations and collaboration with BCM and TRM to strengthen business continuity and technology resiliency to disruptions.

ADDITIONAL RISK MANAGEMENT

Risk Management is tasked to review policies and procedures of other business units/enablers, as part of Compliance Audit Risk (CAR) function. The team is involved at early stage and ongoing review of policies and procedures by providing independent assessments, filtering potential risks, and providing inputs to ensure risk balanced business operations.

## MARKETING & COMMUNICATIONS



The Marketing & Communications (Marcomm) unit plays an important role in driving the Bank's communications agenda to enhance CIMB Cambodia's profile and branding. The unit oversees internal communications between various departments and external communications activities to promote its products and services. It develops and enhances the Bank's brand positioning and communications agenda through an integrated framework comprising various functions covering branding, advertising and marketing, media and public relations, events and sponsorship management and internal communications.

### 2022 KEY HIGHLIGHTS

We have consistently positioned CIMB Cambodia as a financial service provider and business partner that is simultaneously highly localised in Cambodia and well-connected across ASEAN. Aside from creating a narrative to cement CIMB Cambodia's local identity, Marcomm leverages on CIMB Group's ASEAN capabilities and communicates regional services which are highly relevant to Cambodian customers such as CIMB Group's ATM Regional Link, Same Day Telegraphic Transfers across 5 ASEAN nations, and a host of regional rewards and privileges for shopping, dining and travelling. In addition, Marcomm has localised CIMB Group's new brand promise of "FORWARD", an expression adopted across all CIMB Group entities to communicate CIMB's commitment to facilitate the progression of our customers' goals and aspirations.

Functionally, Marcomm spearheaded the Bank's both respective internal and external corporate events and activities. Back to normal situation from the pandemic period, we were able to organised CIMB Bank Town Hall and Staff Retreat as face-to-face gathering at Siem Reap province with the cycling activity in Angkor resort area, participated by all top management team and staff. As previous years, we also celebrated CIMB Bank's Customer Day at all branches nationwide as part of Customer Experience programme to engage customers more closely and demonstrate the Bank's appreciation to their continued support and trust. For our sponsorship programme, we strongly supported Human Resource department to participate in - National Career and Productivity Fair, organised by ministry of labour and vocational training, and - Career Forum, organised by CamEd Business School, in order to promote our corporate branding and employer branding among new and experienced professionals.

Aligned with our business strategy in bringing our banking products and services more competitive, more convenient and closer to the customers, Marcomm significantly took part in holding partnership with - Borey Chan Kiri, a major urban property developer, to offer customers a special and favourable mortgage package, - GGear Group, a Cambodia's leading electronic supplier, to offer special and favourable business loan package and - Credit Guarantee Corporation of Cambodia, a state-owned enterprise, to offer small and medium enterprises (SMEs) guaranteed loan package to the customer without collaterals.

As CIMB Bank is committed to a build high sustainable organisation that helps customers and society, Marcomm managed to deliver the Bank's Corporate Social Responsibility (CSR) Projects across the country, covering different sectors including Education, Healthcare, Socials and Environment. We supported to organise the charity events by donating medical equipment and fund to Prek Dambok Health Centre. In collaboration with the National Bank of Cambodia (NBC), we sponsored essential fund to Kampong Thmor High School and Eyes Treatment programme for disadvantaged local citizens in Kampong Thom province.

In support of the Bank's CSR project in education, Marcomm organised the MOU signing ceremony with CamEd Business School for a scholarship programme granted 6 seats worth USD72,000. Besides, we have regularly supported the event activation and the publicity for the CIMB ASEAN Scholarship to announce and encourage Cambodian undergraduates to apply for this fully-funded scholarship at any world-class universities around the globe. Fortunately, we are proud to have two successful Cambodian scholars who competed with other ASEAN students to achieve this full scholarship programme.

In line with CIMB Group's roadmap, CIMB Bank PLC introduced EPICC, the internal refreshed corporate values, to its all employee in the purpose of guiding us to become the leading focused ASEAN bank. In order to accomplish the mission and vision toward our commitment, Marcomm heavily contributed in EPICC campaign to raise the awareness and encourage all employees to display the EPICC culture at work within its 5 values including Enabling Talent, Passion, Integrity and Accountability, Collaboration and Customer Centricity. For the external side, CIMB Bank PLC launched a new innovative Mobile Banking Application (Mobile App), CIMB Mobile, to the market. As a new entry for the mobile app, Marcomm actively exercised its marketing plan and production within the brief and budget to promote this new product to all new and existing customers as well as the public as a whole.

In media and public relations functions, Marcomm strongly endeavoured to increase the Bank's media exposure with different media organisations, ranging from traditional to digital media such as newspapers, magazines, radio and television channels, and websites. We have established and kept up-to-date our corporate website and Facebook and LinkedIn page as our digital platforms to be parts of our engagement agenda, helping the Bank to access new customer segments and demographics as we expand our business lines.

## 2023 PRIORITIES

2023 promises to be a very wonderful year for Marcomm. CIMB Bank PLC has built a concrete foundation and heritage for its thirteen years of its operation and milestone in Cambodia. With our awarded legacy as the "Best Company to work for" by HR Asia, we will further promote our employer branding to potential new-to-bank and professional candidates with our strong people agenda and employees' welfare and benefits. Marcomm's extensive work is to re-introduce CIMB Bank brand with our new theme, "Moving Forward with You", by different marketing and advertising platforms to our customer as an international bank that could forward customers' pursuit of personal and business-related aspirations toward success.

In line with CIMB Group's strategy, we will maintain and extend our corporate brand identity and image as the "ASEAN-Focused Bank" and transform locally as "Local Regional Bank". In response to the market trends and demands, we will continue to promote and advertise our Mobile App that provides all customers a very secured, convenient and responsive platform and experience with more functions and innovation in the upcoming year.

Moreover, we will continue to enhance the bank's public relations by engaging a broad range of media publications across conventional and digital platforms, to be more active and attractive on our social media platforms by introducing another new social media page, Telegram, to promote and advertise CIMB Bank's career opportunities and to have bigger presence and louder voice in the market with different advertising formats and platform.

## TECHNOLOGY & DATA



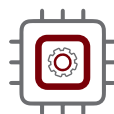
Technology & Data Division (TDD) operates across the Bank, delivering Information Technology (IT) services and data governance. The operating model is in line with CIMB Group Technology & Data (GTD). TDD reports to the local management of CIMB Bank PLC and has a matrix reporting line to Group Technology and Data. Technology & Data Division provides all IT services to support business users (BU), manage all IT projects, maintain existing IT infrastructure and applications, build in-house systems to support business and internal control and monitor whole IT system security.

In 2022, the Technology Department had successfully completed strategic IT projects such as (i). Launching first release of Mobile Banking, (ii). Migrating EMV Chip (Issuing and Acquiring), (iii). Building new data centre and relocation for disaster recovery (DR) site, (iv). Improving IT internal control and security by deploying IT Asset Management, Privileged Access Management (PAM) and technology refreshment of all PCs to Window 10 and technology refreshment of all network firewalls, (v). Enhancing existing systems to reduce manual work, support business growth and comply with regulator/compliance. There are 4 projects that are in progress and will continue in 2023 such as (a). Bakong Integration, (b). Technology refreshment of Trade Finance System, (c). Improvement of Network Infrastructure, Core Banking Server and SAN Storage, (d). Improvement of Cyber Security.

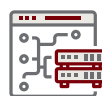
### COMPLETED STRATEGIC IT PROJECTS IN 2022



LAUNCHING FIRST  
RELEASE OF  
MOBILE BANKING



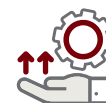
MIGRATING EMV CHIP  
(ISSUING AND ACQUIRING)



BUILDING NEW  
DATA CENTRE AND  
RELOCATION FOR DISASTER  
RECOVERY (DR) SITE



IMPROVING IT  
INTERNAL CONTROLL  
AND SECURITY



ENHANCING  
EXISTING SYSTEMS

In 2023, the Technology Department will focus to complete all forwarding projects from 2022 by Q2/2023 such as technology refreshment for Core Banking Front-End, improving and adding more features in Digital Banking channels, reducing transactions through the counters by providing more self-services to customers, and we will keep continuing to strengthen IT infrastructure and Cyber Resiliency.

### KEY FOCUSES IN 2023



CORE BANKING  
FRONT-END



MORE FEATURES IN DIGITAL  
BANKING CHANNELS



REDUCING TRANSACTIONS  
THROUGH THE COUNTERS



IT INFRASTRUCTURE



CYBER RESILIENCY



# OPERATIONS



The Operations Division operates across the bank by enabling operations back office support by ensuring that the transactions initiated from the Bank’s frontline and customers are swiftly and accurately proceeded. The main responsibilities of the Operations Division include local/international remittances, trade finance, inward/outward cheque clearing, self-service terminal (SST) management, centralised cash management, internet banking, mobile app and payroll fulfilment, treasury operations, loan disbursement/settlement and safekeeping of security documents, and other payment/settlement services.

In 2022, aside from supporting Business Units (BUs) and other Business Enablers (BEs), the Operations Division had completed 16 strategic projects as follows:

- Fourteen (14) projects to improve internal processes, transaction turnaround time, increase staff productivity and mitigate risks
- Two (02) projects for technology refreshment to comply with regulator and compliance`

## THE MAIN RESPONSIBILITIES OF THE OPERATIONS DIVISION



LOCAL/INTERNATIONAL  
REMITTANCES



TRADE FINANCE



INWARD/OUTWARD  
CHEQUE CLEARING



SELF-SERVICE TERMINAL  
(SST) MANAGEMENT



CENTRALISED CASH  
MANAGEMENT



INTERNET BANKING



MOBILE APP AND  
PAYROLL FULFILMENT



LOAN DISBURSEMENT/  
SETTLEMENT AND SAFEKEEPING  
OF SECURITY DOCUMENTS



TREASURY OPERATIONS



PAYMENT/SETTLEMENT  
SERVICES

In 2023, the Operations Division will continue the journey from 2022 and will remain focus on simplifying processes and systems, improving operational risk and strengthening staff’s competency through hard and soft skill training. Besides, we will also make the effort to centralise some back office functions from our braches, and they will be able to focus more on Customer Experience (CX).

## KEY FOCUSES IN 2023



SIMPLIFYING PROCESSES  
AND SYSTEMS



IMPROVING  
OPERATIONAL RISK



STRENGTHENING  
STAFF’S COMPETENCY



CENTRALISING SOME  
BACK OFFICE FUNCTIONS

# STRATEGY



Strategy Department of CIMB Bank PLC was set up in 2022 with the key objectives of overseeing the development and implementation of bank wide strategic plans, which includes middle to longer-term business strategies to support organic and inorganic growth, enhance revenue generation and identifying potential opportunities. Other focus areas include organizational efficiencies and optimizing its operating model.

In addition to the core Strategy roles, the functions of Environmental Social and Governance (ESG) and Product Management of the Bank are also under the purview of the Strategy Department.

## PRODUCT MANAGEMENT

The Product Management unit is an integral part of the Bank's business activities. Its function is to enable the Bank to remain competitive and to continue to increase its market share by introducing innovative products and services that meet our customers' needs.

Product Management contributes to the Bank's overall competitiveness by introducing and improving banking products and services. This enables the Bank to meet our customers' needs in keeping pace with ever-evolving customer requirements and technological advances. In addition, we cooperate with other units including Digital Banking and Operations to enhance our digital banking services. These services include CIMB Mobile Banking and Regional ATM Services, which enable CIMB customers to withdraw cash in local currency in Malaysia, Singapore and Indonesia respectively.

Delighting our customers is pivotal to our product strategy. We work continuously to make our lending and deposit products more accessible and attractive, taking into consideration valuable feedbacks from customers and utilising market best practices. In addition, we also plan to roll out products and services that create positive impact for the environment and community in line with sustainability principles.

## ENVIRONMENTAL SOCIAL AND GOVERNANCE

CIMB Bank is committed to a build high sustainable organization that help customers and society. Through the sustainability principles embedded in our organizational purpose, we are committed to operate in a way in which we assume responsibility towards our actions. With sustainability, we integrate economic, environmental and social considerations in our business decisions including financing, deposit taking, procurement, and other operational activities.

Our aim is to create net positive impact in our business activities. We take due care and diligence to evaluate and advocate measures that minimize harm to environment, as well as promote social equality and inclusion including the safeguarding of human rights across our value chain. Sustainability risks are managed through a structured due diligence and escalation process. We engage openly with our customers and stakeholders and strive to influence positively their own sustainability performance and commitment.

Sustainable business is an emerging market opportunity. As a financial intermediary, we recognise our ability and responsibility to channel funds towards enabling a green and just economy. In line with market readiness, we will develop positive impact products and services that improve people's life while contributing to the environment and society.

# COMPLIANCE



Compliance Division is responsible for ensuring all departments as well as all employees in the Bank are aware of their responsibilities and impact of the applicable regulations. Its main roles are related to monitoring and advising business and support units to ensure they are in compliance with the applicable regulations and internal guidelines.

On the monitoring side, the Division performs onsite compliance reviews, regulations and self-testing validations to ensure that their processes and procedures are in compliance with all the relevant laws, regulations and internal guidelines. The Division drives active participation of various stakeholders in meeting the Bank's responsibilities towards regulations such as the Law on Anti-Money Laundering and Combating Financing of Terrorism (AML/CFT), Law on Anti-Financing of Proliferation (AFP), Law on Banking and Financial Institutions, and other new and updated regulations.

Compliance Division acts independently from the business operations and directly report to the Board of Directors who oversees and approves the annual compliance work plan proposed by the Compliance Division. Based on the Compliance Framework, the Division is governed by CIMB Bank PLC's Compliance Policies and Procedures, CIMB Bank PLC's AML/CFT and TFS Policies and Procedures and other related policies and procedures which are approved by the Board. The Division also cooperates with other departments to establish various guidelines and codes of conduct such as the Guidelines on Account Opening, Guidelines on Alert Monitoring, Sales Codes of Conduct, etc.

## ACHIEVEMENTS IN 2022

In 2022, the Compliance Division performed onsite compliance reviews for 10 business units and branches. The Division also got approval on new Integrity Framework and Anti-Bribery and Corruption Policies and developed awareness programme to cultivate good conduct and culture. For the monitoring of AML/CFT, Compliance Division has deployed AML Automated System phase 2 and enhanced the customer risk profiling framework to improve risk parameters.

Our Training and Awareness Programme is also a key focus area for the Division. All new employees are required to attend the induction course within three months of joining the Bank, and it is mandatory for existing employees to complete an AML/CFT e-learning course on annual basis. In 2022, the Compliance Division conducted a total of 42 sessions on regulatory requirements including AML/CFT.



ONSITE COMPLIANCE REVIEWS  
FOR **10** BUSINESS UNITS AND  
BRANCHES



A TOTAL OF **42** SESSIONS OF TRAINING  
AND AWARENESS PROGRAMME ON  
REGULATORY REQUIREMENTS  
INCLUDING AML/CFT

## PLANS FOR 2023

In addition to on-site unit reviews and thematic reviews, the Division will expand the review on the data analytic which may cover more transactions at branches. Furthermore, the Division will enhance the on-going due diligence procedures and establish the quality assurance framework to ascertain the quality of the transaction monitoring and on-going due diligence clearance. The Division will continue to improve the training and awareness programme on AML/CFT and TFS, Sanction, Watchlist Management and Compliance Policies and Procedures.

## CORPORATE ASSURANCE



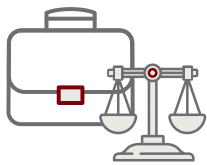
Corporate Assurance plays a crucial role in providing independent appraisals on the adequacy, efficiency and effectiveness of the internal control systems implemented by the Management of CIMB Bank PLC. The evaluations conducted by Corporate Assurance are based on the control environment, risk-assessment practices, control activities, information sources, communication effectiveness and monitoring practices.

Corporate Assurance reports directly to the Audit Committee and is independent from the activities and operations of other business and support units.

In 2022, Corporate Assurance with support from CIMB Group's Corporate Assurance Division completed 18 audit assignments covering critical areas of the Bank including branch audits, departmental audits, and thematic audits.

Our plan for 2023 is to continue to conduct audit assignments according to Corporate Assurance's internal risk assessment, incorporate the use of Data Analytics/Agile approach in audit work, and conduct ad-hoc projects as per requirement.

# LEGAL & COMPANY SECRETARIAL



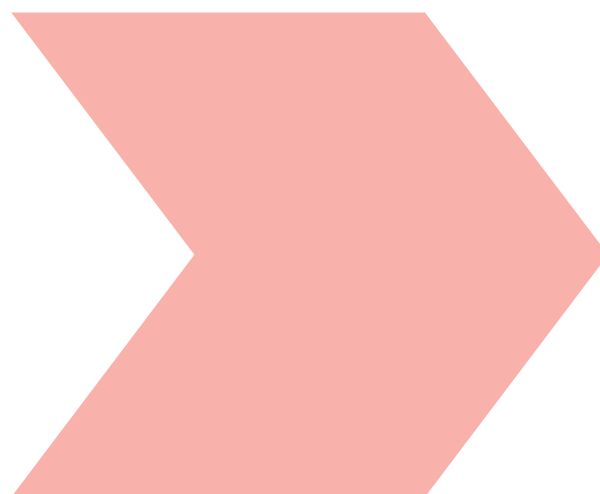
The Legal & Company Secretarial Division consists of the Legal and Company Secretarial. Legal oversees the legal aspects of activities undertaken by the Bank, and is responsible for facilitating and advising business and support units to ensure that they are acting in accordance with respective laws, regulations and guidelines.

Legal plays a major role in providing the legal advices to all employees in the Bank in performing their functions in order to ensure that the Bank's interests are well protected in doing all businesses. The Division also coordinates all litigation matters from in-house perspective and liaises with the external counsels to monitor all litigation cases.

In line with good governance, the Company Secretarial provides supports to the Board, Board committees, and Management committees in carrying out their duties and responsibilities. Also, it serves in an advisory capacity on governance matters, including legal and regulatory requirements to all units within the Bank. The Company Secretarial also manages day-to-day corporate secretarial matters and functions of the Bank, including processes with the relevant approving authorities and regulators.

The Division from time to time participates in various taskforces and project working teams to ensure the Bank's responsibilities towards regulations.

03



# **CORPORATE GOVERNANCE**

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# STATEMENT ON CORPORATE GOVERNANCE

The Board of Directors (the “Board”) believes that strong corporate governance is essential for delivering sustainable value, enhancing business integrity and in maintaining investors’ confidence towards achieving the Bank’s corporate objectives and vision.

Effective corporate governance structure and culture are critical elements in determining how the Bank functions, which has been continuously emphasised to all employees. The governance framework adopted by the Bank is developed on the basis of the principles and best practices recommended by the Prakas on Governance in Banks and Financial Institutions and the Prakas on Fit and Proper Regulatory Requirements for Applying to Entities and Licensed Banks and Financial Institutions (the “Prakas”) issued by the National Bank of Cambodia (the “NBC”), and international best practices in corporate governance, where applicable.

## BOARD OF DIRECTORS

### The Board and Board Balance

The Board currently has six members, with one Executive Director and five Non-Executive Directors, of whom three are Independent Directors. The Board confirms it has the appropriate number of Independent Directors who bring strong, independent judgment to the Board’s discussions. The Board is also committed to a collective decision-making process.

The Board benefits from the contribution of each of the Non-Executive Directors in all areas of the Bank’s businesses. In addition to their wide range of skills and business experience, the Non-Executive Directors also bring independent judgment in the deliberations on issues of strategy, audit, performance and risk.

The structure and composition of the Board are in line with the requirements of the Prakas issued by the NBC.

Board Composition	<ul style="list-style-type: none"><li>• 50% Independent Directors</li><li>• 50% Non-Independent Directors</li></ul>
Gender	<ul style="list-style-type: none"><li>• Female: 1 member or 17%</li><li>• Male: 5 members or 83%</li></ul>
Nationality	<ul style="list-style-type: none"><li>• Cambodians: 2 members or 33%</li><li>• Malaysians: 4 members or 67%</li></ul>
Age Group	<ul style="list-style-type: none"><li>• Below 50 years old: 1 member</li><li>• 50 years old and above: 5 members</li></ul>
Length of Tenure	<ul style="list-style-type: none"><li>• Below 3 years: 2 members</li><li>• 3 years and above: 4 members</li></ul>

To ensure the balance of authority, increased accountability and greater capacity for independent decision making, the roles of Chairman and Executive Director (“ED”) are distinct and separate with a clear division of responsibilities between the Chairman and the ED, which ensures that no individual or group dominates the decision-making process.

### The Chairman

The Board is led by the Chairman, Datuk Mohd Nasir Bin Ahmad, a Malaysian national, who was appointed as the Chairman on 16 December 2019. Datuk Mohd Nasir Bin Ahmad is responsible for the leadership and management of the Board and for ensuring the effective functioning of the Board and its Committees. He assumes the formal role of a leader and chairs all Board meetings, leads discussions amongst the Directors and provides leadership to the Board in its oversight of management. The Chairman facilitates the flow of information between Management and the Board, and in consultation with Management, sets the agenda for each Board meeting.

### Executive Director

Mr. Bun Yin, a Cambodian national, is the Chief Executive Officer (“CEO”) of the Bank and also the ED of the Board. He was appointed as the CEO and ED on 1 January and 29 January 2015, respectively. He is the first Cambodian to head an international foreign bank in Cambodia.

As ED/CEO, Bun Yin has overall responsibility for the implementation of the Bank’s strategy, and for carrying out the Board’s direction, managing the Bank’s businesses and driving performance within strategic goals and commercial objectives. He leads the Management in carrying out the corporate strategy and vision of the Bank. As ED/CEO, he is accountable to the Board for the day-to-day operations of the Bank’s business.

### Size and Composition of Board of Directors

The Board is committed to regularly reviewing the size and composition of the Board, taking into account the scope, nature, diversity and expansion of the Bank’s business. The Board considers its present size to be appropriate to oversee the overall businesses of the Bank. The current Directors bring to the Board a wealth of knowledge, experience and skills to drive the Bank towards the vision of the Group.

The Directors of the Bank have met the criteria for the appointment of Directors as set out in the Prakas. All Independent Directors demonstrate sound and independent judgment and do not participate in any business transaction that could impair their independent judgment and decision making.

Brief backgrounds of each Director are presented on pages 68 to 75 of the Annual Report.

### Directors’ Code of Ethics

The Board of Directors observes the code of ethics set out in the Prakas issued by the NBC and the Bank’s internal Code of Conduct for Directors.

The Directors of the Bank adhere to the code of ethics, which provides guidance for the proper standards of conduct and sound and prudent business practices. It also provides the standards of ethical behaviour required for Directors, based on the principles of integrity, responsibility, sincerity and corporate social responsibility.



Duties and Responsibilities of the Board

The Board is the ultimate decision-making body of the Bank, with the exception of matters requiring shareholder’s approval. The Board sets the Bank’s strategic direction and vision. The Board takes full responsibility for leading, governing, guiding and monitoring the entire performance of the Bank, and enforces standards of accountability, all with a view to enabling management to execute its responsibilities effectively.

The Board has overall responsibility for putting in place a framework of good corporate governance within the Bank, including the processes of financial reporting, risk management and compliance. All Board members bring their independent judgment, diverse knowledge and experience when deliberating issues pertaining to strategy, performance, resources and business conduct.

The Board has adopted a schedule of business specifically reserved for the Board’s approval, which includes, amongst other matters, reviewing and approving the following:

- Strategic and business plans and annual budget;
- New investments, divestments, mergers and acquisitions, and corporate restructuring, including the establishment of subsidiaries, joint ventures or strategic alliances, both locally and abroad;
- Annual financial statements and interim dividends and recommending the final dividends payable to shareholder prior to public announcements and publications;
- Appointment of new Directors and the Chief Executive Officer and their emoluments and benefits.

The overall principal responsibilities of the Board are as follows:

- Providing clear objectives and policies within which the senior executives of the Bank are to operate;
- Ensuring that there are adequate controls and systems in place to facilitate the implementation of the Bank’s policies;
- Monitoring management’s success in implementing the approved strategies, plans and budget;
- Understanding the principal risks of all aspects of the businesses in which the Bank is engaged and ensuring that systems are in place to effectively monitor and manage these risks with a view to ensuring the Bank’s long-term viability and success;
- Monitoring and assessing development which may affect the Bank’s strategic plans;
- Reviewing the adequacy and integrity of the Bank’s internal control systems and management information systems, including systems for compliance with the applicable laws, regulations, rules, directives and guidelines;
- Avoiding conflicts of interest and ensuring disclosure of possible conflicts of interest; and
- Upholding and observing banking and other relevant laws, rules and regulations.

Apart from the aforesaid principal responsibilities of the Board, the Board has also delegated specific responsibilities to Committees. While the Committees have the authority to discuss and decide on particular issues, the Committees will report to the Board on their decisions and/or recommendations. The ultimate responsibility for all matters lies with the entire Board.

The terms of reference and responsibilities of the Committees are set out on pages 45 to 51.

Appointments to the Board

The Bank leverages on the Group Nomination and Remuneration Committee (“GNRC”), which resides at CIMB Group Holdings Berhad. The GNRC is responsible for identifying and nominating suitable candidates for appointment to the Board for approval, either to fill vacancies or as additions to meet the changing needs of the Bank. Before recommending an appointment to the Board, the GNRC will carry out a thorough and comprehensive evaluation of the candidate based on the criteria adopted by the Board. The Bank also takes into account the Bank’s businesses and will match the capabilities and contributions expected for a particular appointment.

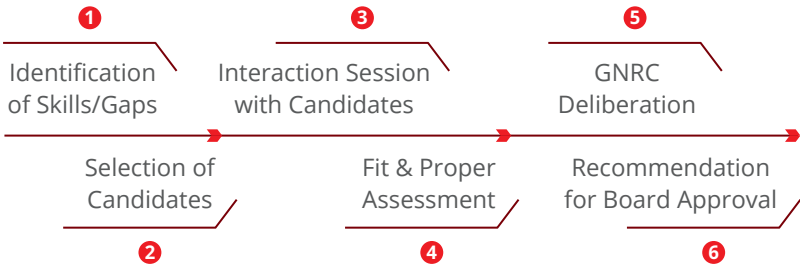
The appointment process is conducted in accordance with the Prakas and the Group’s Policies and Procedures on Fit and Proper for Key Responsible Persons (“Fit and Proper Policy”). The Fit and Proper Policy sets out a formal process for the appointment of Directors, Chairman and Chief Executive Officer. Proper assessments are conducted on candidates and the GNRC confirms that the candidates are fit and proper for their respective roles.

The Fit and Proper Policy also outlines the following criteria for assessment of the suitability of the candidate for an appointment:

- (i) Probity, personal integrity and reputation, where the candidate must have personal qualities such as honesty, integrity, diligence, independence of mind and fairness;
- (ii) Competence and capability, where the candidate must have the skills, work experience, capability and commitment necessary to carry out the role;
- (iii) Financial integrity, where the candidate must manage his debts or financial affairs prudently.

The process for identifying and nominating candidates by the GNRC for appointment involves the following five stages:

Nomination Framework



Proposals for the appointment of Directors are subject to NBC’s vetting and prior approval.

## Re-appointment and Re-election of Directors

The Memorandum and Articles of Association of the Bank requires that all Directors retire from office at least once every three years, but shall be eligible for re-election at the Annual General Meeting. Proposals for the re-appointment and re-election of Directors are recommended by the GNRC to the Board prior to the Shareholder's approval at the Annual General Meeting.

## MEETINGS AND SUPPLY OF INFORMATION TO THE BOARD

The Board meets regularly to discuss business strategy, financial performance, matters pertaining to compliance and governance as well as reports on matters deliberated by the respective committees. The Board meets at least once every two months, and amongst the agenda that are tabled to the Board for discussion/approval, the Board reviews the financial performance of the Bank, risk management and compliance reports. Board meetings are scheduled in advance each year to facilitate Directors to plan their schedule. Meeting papers on proposals and various reports are delivered to the Board prior to Board meetings, giving Directors sufficient time to evaluate the proposals and, if necessary, request additional information to facilitate the effective discharge of their duties. Procedures have been established concerning the format, content, presentation and delivery of meeting papers. The meeting papers clearly address the background, objective, key issues, rationale, impact and other information relevant to each proposal to enable the Board to reach an informed and effective decision.

Directors have access to all information within the Bank. Through regular Board meetings, the Board receives updates on the development and business operations of the Bank, as well as comprehensive sets of papers, which include regular business progress reports and discussion documents related to specific matters.

Directors are also allowed to participate in the Board meetings via telephone conference. All deliberations at the Board meetings, including dissenting views, are duly minuted as records of their proceedings. The Board's decisions are communicated to Management within one working day of the Board meeting to ensure that decisions and directions are executed in a timely manner. The draft minutes are circulated to the Directors for their review and comments before the final minutes are tabled for confirmation at the next Board meeting.

At Board meetings, the ED/CEO provides a comprehensive explanation of significant issues relating to the Bank's business and financial performance. The Chairman of the Audit Committee provides a summary of the audit reports deliberated at the Audit Committee meetings for the Board's notation, including the significant audit findings by the Corporate Assurance Division (formerly 'Internal Audit' Division) for Board's discussion and direction. In addition, reports from the Head of Compliance on the status of compliance with the laws, regulatory requirements and internal policies and procedures adopted by the Bank are also reported for Board's information. Management is also invited to present proposals and to answer queries raised by the Board on a need-basis. Management takes immediate action on all matters arising from the Board meeting and updates the Board on the status of these matters at the next Board meeting or, if urgent, via circulation of the memorandum.

Any Director who has an interest in any proposal or transaction will declare his interest and will abstain from deliberation and voting on the proposal or proposed transactions. This process is duly recorded in the minutes of the proceedings.

The Board will also at the beginning of the financial year, considers the Bank's annual budget in line with the Bank's strategies and plans formulated at the Annual Management Dialogue.

A total of 7 Board meetings (1 special meeting and 6 scheduled meetings) were held in 2022 and the Directors' attendance at the meetings is as follows:

Directors	Number of Meetings	
	Attended	Held
<b>Datuk Mohd Nasir Bin Ahmad</b> Chairman / Independent Non-Executive Director	7	7
<b>Long Beang *<sup>1</sup></b> Independent Non-Executive Director	6	6
<b>Aisyah Lam Binti Abdullah</b> Independent Non-Executive Director	7	7
<b>Ahmad Shazli Bin Kamarulzaman</b> Non-Independent Non-Executive Director	7	7
<b>Cheong Weng Teong</b> Non-Independent Non-Executive Director	7	7
<b>Bun Yin</b> Non-Independent Executive Director & Chief Executive Officer	7	7

### Notes:

\*<sup>1</sup> Appointed on 9 March 2022

## Training and Development of Directors

Directors' Training is an integral process in the appointment of new Directors. The Board is further mindful of the need to keep pace with new laws, regulations, accounting standards, changing commercial risks, latest market trends and developments, key challenges in domestic and regional markets and the banking industry. To this end, the Board evaluates training needs on a continuous basis and determines areas that would further enhance the Directors' understanding of issues involving the Bank.

Listed below are the training sessions which the Directors attended in 2022:

<b>Titles/Topics</b>	<b>Mode of Training</b>	<b>Duration (in Hour/Day)</b>	<b>Attended by</b>
BNM-FIDE FORUM Masterclasses MyFintech Week 2022	Forum (virtual)	1 day	<b>Datuk Mohd Nasir Bin Ahmad</b>
ICDM Audit Committee Dialogue & Networking	Dialogue (virtual)	3 hours	
Bank Negara Malaysia (BNM) Annual Report	Meeting (virtual)	1 hour	
Joint ISSB-MASB Outreach on IFRS Sustainability Disclosure Exposure Drafts	Session (virtual)	2 hours	
AML Refresher Training	Training (virtual)	2.5 hours	
CIMB Expert Talk Series for Board & Key Management: Net Zero Pathways: Managing Risks & Taking Opportunities	Talk Series (virtual)	2 hours	
Leadership Perspectives Forum on Board Effectiveness	Forum	2.5 hours	
Deloitte Inspire Series #4: The Power of Giving Back	Series	2.5 hours	
The Cooler Earth Summit 2022	Summit	1 day	
Regional Directors Sharing Session	Sharing Session	2 days	
Khazanah Megatrends	Forum (virtual)	1.5 days	
14th ACCA Asia Pacific Thought Leadership Forum : Geopolitics, Stagflation and Deterioration of 'the Commons': considerations in your Business Planning for 2023 and beyond Confirmation	Forum (virtual)	2.5 hours	
CIMB Expert Talk Series for Board & Key Management #2: Sharing by Standard Chartered on Sustainable Finance / Sustainability Training KPIs	Talk Series (virtual)	2.5 hours	
Outreach IFRS for SMEs	Discussion Event	3.5 hours	
Talk at INCEIF - Annual Reports: What Information the Users Look For?	Session	1.5 hours	<b>Ms. Aisyah Lam Binti Abdullah</b>
Khazanah Shareholder Expectations Statement Roundtable with Chairman/CEO	Roundtable Discussion	2.5 hours	
Talk at INCEIF - Good Governance Practices & Firm's Performance	Session	1.5 hours	
CIMB Expert Talk Series for Board & Key Management: Net Zero Pathways: Managing Risks & Taking Opportunities	Talk Series (virtual)	2 hours	
Special Joint Board Meeting on Group Sustainability Reporting	Meeting (virtual)	1.5 hours	
Regional Audit Plans Submit	Submit	2 days	
5th Directors' Sharing Session	Sharing Session (virtual)	9 hours	
The Cooler Earth Summit 2022	Summit	0.5 day	
CIMB Expert Talk Series for Board & Key Management #2: Sharing by Standard Chartered on Sustainable Finance / Sustainability Training KPIs	Talk Series (virtual)	2.5 hours	
CIMB Expert Talk Series for Board & Key Management: Net Zero Pathways: Managing Risks & Taking Opportunities	Talk Series (virtual)	2 hours	<b>Mr. Long Beang</b>
Special Joint Board Meeting on Group Sustainability Reporting	Meeting (virtual)	1.5 hours	
Regional Audit Plans Submit	Submit	2 days	
5th Directors' Sharing Session	Sharing Session (virtual)	9 hours	
The Cooler Earth Summit 2022	Summit	0.5 day	
CIMB Expert Talk Series for Board & Key Management #2: Sharing by Standard Chartered on Sustainable Finance / Sustainability Training KPIs	Talk Series (virtual)	2.5 hours	

## STATEMENT ON CORPORATE GOVERNANCE

<b>Titles/Topics</b>	<b>Mode of Training</b>	<b>Duration (in Hour/Day)</b>	<b>Attended by</b>
AML Refresher Training For Board Of Directors & Key Management 2022	Training (virtual)	2.5 hours	<b>Mr. Ahmad Shazli Bin Kamarulzaman</b>
Change Champion Culture Cascade Masterclasses (GEXCO Minus 1 and 2) 2022	Masterclass	7 hours	
CIMB Expert Talk Series For Board & Key Management #2: Sharing By Standard Chartered On Sustainable Finance 2022	Talk Series (virtual)	2.5 hours	
IT Security Talk For Group Commercial Banking 2022	Sharing Session (virtual)	2 hours	
Anti-Money Laundering/Counter Financing of Terrorism	E-learning	4 hours	
Business Continuity Management Awareness	E-learning	4 hours	
Information Security Awareness (ISA)	E-learning	4 hours	
Data Protection	E-learning	4 hours	
Measuring Portfolio Alignment to Climate Scenarios and Climate Transition Stress Testing	Meeting (virtual)	2 hours	
CIMB Expert Talk Series for Board & Key Management: Net Zero Pathways: Managing Risks & Taking Opportunities	Talk Series (virtual)	2 hours	<b>Mr. Cheong Weng Teong</b>
5th Directors' Sharing Session	Sharing Session (virtual)	9 hours	
AR2021 JE Result Sharing Session for KH	Sharing Session (virtual)	1 hour	
Training for member banks to ADB's Energy Efficiency/Transition-Related Revolving Fund ("EERF")	Training (virtual)	1 hour	
EPICC - Collective Leadership Alignment	Session	1.5 days	<b>Mr. Bun Yin</b>
AML Refresher Training for the Board of Directors, GEXCO and Senior Management Group	Training (virtual)	2.5 hours	
Culture Masterclass for GEXCO and Senior leaders organized by Group Human Resource	Masterclass (virtual)	2 hours	
Dissemination Workshop on the Law on Public-Private Partnership invited by MEF	Workshop	2 hours	
CIMB Expert Talk Series for Board & Key Management: Net Zero Pathways: Managing Risks & Taking Opportunities	Talk Series (virtual)	2 hours	
Training and Examination for Approved Person and Continuing Professional Education (Trust)	Training	2 hours	
EPICC Masterclass-Cascade Session	Session	7 hours	
5th Directors' Sharing Session	Sharing Session (virtual)	9 hours	
Cambodia Outlook Conference 2022: "Revitalising Cambodia: Sustaining Development After Covid-19"	Conference	10 hours	
CIMB Expert Talk Series For Board & Key Management #2: Sharing By Standard Chartered On Sustainable Finance 2022	Talk Series (virtual)	2.5 hours	
Forward 23+ Interactive Webcast Q3 2022	Webinar	1 hour	
2022 Digital Leadership Series #6 - Face off against cybersecurity threats	Webinar	1 hour	

## COMPANY SECRETARIES

The Company Secretaries demonstrate on-going support in advising and assisting the Board on matters relating to the affairs of the Bank, including issues pertaining to corporate compliance, corporate governance and best practices, boardroom effectiveness and Directors' duties and responsibilities. During the year, various Board processes were reviewed with a view to enhancing the Board's decision-making processes and the effective functioning of the Board.

The Company Secretaries ensure that the Board, Committees and Shareholder's meetings are properly convened in accordance with the laws and best practices, and records of proceedings at Board, Committee and Shareholder's meetings are duly minuted and kept.

The Company Secretaries apart from assisting the Chairman in formulating the agenda and conduct of the Board, Committees and Shareholder's meetings, also facilitate the communication of key decisions and policies between the Board, Committees and Senior Executives.

All Directors have full access to the advice of the Company Secretaries and may seek independent professional advice at the Bank's expense in furtherance of their duties.

## COMMITTEES

The Board delegates specific responsibilities to the Audit Committee and Risk Committee. These Committees operate within clearly defined roles and responsibilities as set out in the duly approved formal terms of reference of each of the Committees.

The Committees report to the Board on their deliberations, findings and recommendations. The Chairmen of the Audit Committee and Risk Committee report to the Board on matters dealt with at their respective Committee's meetings. The Board accepts that while these Committees have the authority to deliberate on matters delegated to them, all decisions and/or recommendations made by these Committees are brought to the attention of the Board and collectively, are responsible for the Bank's success, business, strategy, risk management, and operational and financial performance.

The Board implements a process for an annual assessment of the effectiveness of the Audit Committee and Risk Committee as well as the contribution of each individual member whether the Committees and their members have carried out their duties in accordance with their references.

Further details on the Committees are set out in the following sections.

### Audit Committee

The Audit Committee comprises solely of Independent Non-Executive Directors who have financial knowledge and experience. Collectively, the Audit Committee comprises of directors who have the skills, knowledge and expertise relevant to the responsibilities of the Audit Committee. The Audit Committee is chaired by Independent Director with accounting and legal expertise. The Audit Committee Chairman is not the Chairman of the Board; this is to promote robust and open deliberations by the Board on matters referred by the Audit Committee. Any vacancy arising in the Audit Committee is to be filled within 3 months.

The key responsibilities of the Audit Committee are to ensure high corporate governance practices whilst providing oversight on the Bank's financial reporting, disclosure, regulatory compliance, risk management and monitoring of internal control processes within the Bank. The Audit Committee meets regularly to, amongst other things, review the quarterly results, full-year financial statements and audit reports, which include observations pertaining to risk management and internal controls, as well as related party transactions.

The Audit Committee met 6 times in 2022 and the attendance of the members of the Audit Committee is as follows:

Members	Number of Meetings	
	Attended	Held
<b>Long Beang *<sup>1</sup></b> Chairman / Independent Non-Executive Director	5	5
<b>Datuk Mohd Nasir Bin Ahmad</b> Independent Non-Executive Director	6	6
<b>Aisyah Lam Binti Abdullah</b> Independent Non-Executive Director	6	6

#### Notes:

\*<sup>1</sup> Appointed on 9 March 2022

## STATEMENT ON CORPORATE GOVERNANCE

The terms of reference of the Audit Committee are as follows:

Area	Responsibilities
Internal Control / Risk Management / Governance	To review the effectiveness of internal controls, risk management processes and governance within the Bank, taking into account the requirements in the Prakas on Governance in Banks and Financial Institutions.
Internal Audit	<ul style="list-style-type: none"> <li>a. To ensure the internal audit function is well placed to undertake review or investigation on behalf of the AC and be placed under the direct authority and supervision of the AC.</li> <li>b. To review and approve the audit scope, procedures frequency and the annual internal audit plan.</li> <li>c. To oversee the effectiveness of the internal audit function, staff competency requirements and adequacy of audit resources, and that internal audit has the necessary authority to carry out its work.</li> <li>d. To review key reports and ensure that senior management is taking necessary corrective actions in a timely manner to address control weakness, non-compliance with laws, regulatory requirements, policies and other problems identified by the internal audit and other control functions.</li> <li>e. To note significant disagreements between the Internal Audit Head and the rest of the senior management team, irrespective of whether these have been resolved, in order to identify any impact the disagreements may have on the audit process or findings.</li> <li>f. To ensure compliance with the Laws and Regulations applicable to Banks and Financial Institutions and that the reports of internal auditors should not be subject to clearance by management.</li> <li>g. To establish a mechanism to assess the performance and effectiveness of the internal audit function.</li> <li>h. To evaluate the performance and decide on the remuneration package of the Internal Audit Head.</li> <li>i. To approve the appointment, transfer and dismissal of the Internal Audit Head or senior staff members of the internal audit function, and to be informed of the resignation of any senior internal audit staff members and to provide the resigning staff member with an opportunity to submit his/her reasons for resigning.</li> </ul>
External Audit	<ul style="list-style-type: none"> <li>a. To make recommendations to the Board on the appointment, removal and remuneration of the external auditors.</li> <li>b. To discuss and review with the external auditors before the audit commences, the nature and scope of the audit, and ensure co-ordination where more than one audit firm is involved.</li> <li>c. To assess the objectivity, performance and independence of external auditors (e.g. by reviewing and assessing the various relationships between the external auditors and Bank).</li> <li>d. To approve the provision of non-audit service by the external auditors, and to monitor and assess evaluating whether such non-audit would impair their independence</li> <li>e. To ensure that there are proper checks and balances in place so that the provision of non-audit services does not interfere with the exercising of independent judgment of the auditors.</li> <li>f. To ensure that the financial statements are prepared in a timely and accurate manner with the adequacy of allowances against contingencies and impaired assets.</li> <li>g. To maintain regular, timely, open and honest communication with the external auditors, and requiring the external auditors to report to the AC on significant matters (in the absence of management where necessary).</li> <li>h. To review the external auditors' Internal Control Report and ensure that senior management is taking necessary corrective actions in a timely manner to address external audit findings and recommendations.</li> <li>i. To monitor and assess the effectiveness of the external audit, including meeting the external auditors at least once a year without the presence of the management or executive directors to discuss any key concerns and obtain feedback.</li> </ul>
Audit Findings, Internal Control and Compliance Issues	To review the findings of major investigations, routine audit findings, and internal control and compliance reported by the internal, external and regulatory auditors.
Financial Statements	<p>To review the quarterly results and year-end financial statements of the Bank, prior to approval by the Board, focusing particularly on:</p> <ul style="list-style-type: none"> <li>• changes in or implementation of major accounting policy change;</li> <li>• significant matters highlighted including financial reporting issues, significant judgments made by Management, significant and unusual events or transactions, and how these matters are addressed;</li> <li>• the going concern assumption; and</li> <li>• compliance with accounting standards and applicable financial reporting standards and other legal or regulatory requirements.</li> </ul>
Related Party Transactions	To review all related party transactions and keep the Board informed of such transactions.
Review of Reports Related to Financial Statements	To review the accuracy and adequacy of the chairman's statement in the director's report, corporate governance disclosures, interim financial reports and preliminary announcements in relation to the preparation of financial statements.
Monitoring of Compliance with Conflict of Interest Policy	To monitor compliance with the Board's conflict of interest policy.
Review of Internal Control Framework	To review third party opinion on the design and effectiveness of the Bank's internal control framework.
Others	<ul style="list-style-type: none"> <li>a. To engage on a continuous basis with senior management in order to keep informed of matters affecting the Bank.</li> <li>b. To convene meetings with internal auditors, external auditors, or both whenever deemed necessary.</li> <li>c. To review the semi-annual and annual financial statements for submission to the Bank's Board of Directors and ensure prompt publication of annual financial statements.</li> </ul>



## Risk Committee

The Risk Committee is the Board delegated committee to determine the Bank's risk policy objectives and assumes responsibility on behalf of the Board for supervision of risk management. The day-to-day responsibility of risk management supervision and control is delegated to the Risk Committee, which reports directly to the Board. The Risk Committee meets on a monthly basis or as and when required.

A total of 12 Risk Committee meetings were held in 2022 and the members' attendance at the meetings is as follows:

Members	Number of Meetings	
	Attended	Held
<b>Aisyah Lam Binti Abdullah</b> Chairperson / Independent Non-Executive Director	12	12
<b>Bun Yin</b> Chief Executive Officer / Executive Director	12	12
<b>Kien Vatana</b> Head, Risk Management	12	12
<b>Hong Cheap</b> Head, Commercial Banking	10	12
<b>Ky Sana</b> Head, Corporate, Transaction Banking & FIG	12	12
<b>Pech Somaly</b> <sup>*1</sup> Head, Consumer Banking	4	5
<b>Heng Viboth</b> Head, Technology & Data	12	12
<b>Heng Vuthy</b> Head, Finance	10	12
<b>Heng Phuong Rachana</b> <sup>*2</sup> Head, Operations	1	1
<b>Heng Torang</b> <sup>*2</sup> Head, Treasury & Markets	1	1

### Notes:

<sup>\*1</sup> Appointed as a member on 27 July 2022

<sup>\*2</sup> Appointed as members on 25 November 2022

The terms of reference of the Risk Committee are as follows:

Area	Responsibilities
Risk Appetite	<ol style="list-style-type: none"> <li>Review and recommend to the Board for approval of the Bank's Risk Appetite taking into consideration the budget, proposed business plans, and expected macroeconomic conditions;</li> <li>To ensure effective implementation of the Bank's Risk Appetite by: <ol style="list-style-type: none"> <li>Recommending changes to the Risk Appetite to the Board throughout the year based on the macroeconomic environment, regulatory landscape, liquidity and capital profile, etc.</li> <li>Monitoring and reporting compliance with the Risk Appetite;</li> <li>Assigning, reviewing and/or approving portfolio limit triggers/thresholds as well as requesting and reviewing portfolio views; and</li> <li>Deciding on action plan in cases where there is non-compliance with the Risk Appetite in accordance with approved policies and procedures.</li> </ol> </li> </ol>
Risk and Compliance Culture	<ol style="list-style-type: none"> <li>To emphasize the three lines of defence model in managing risks across the Bank;</li> <li>To promote risk awareness and ensure a proactive risk management culture so that risk management processes and controls are applied and embedded in the day-to-day business and operational activities;</li> <li>To ensure a framework is in place to facilitate the right compliance culture in the day-to-day business and operational activities; and</li> <li>To ensure a proactive compliance risk management culture by providing guidance and support with regards to the Bank's compliance efforts.</li> </ol>



## STATEMENT ON CORPORATE GOVERNANCE

Area	Responsibilities
Capital Management	<ul style="list-style-type: none"> <li>a. Allocate Capital-at-Risk (CaR) for different lines of businesses and different categories of risks to ensure adequate diversification of risk, complies with the regulatory limit requirements and the Bank has sufficient capital to cushion against stress scenarios;</li> <li>b. Enhance shareholder value through evaluation of the risk-return profiles of business activities and ensuring that they are within the parameters established by the Board of Directors.</li> </ul>
Risk Management Framework / Policies	<ul style="list-style-type: none"> <li>a. To review and recommend new risk framework/policies, and material amendments to risk framework / policies for approval by the Board, and to approve risk methodology/standard not within the purview of the sub-risk committees;</li> <li>b. To review and endorse changes to risk framework/policies as per approval authority stated in Cambodia Risk Policy Governance &amp; Approval Standard.</li> </ul>
Risk Identification and Measurement	<ul style="list-style-type: none"> <li>a. To oversee the Bank's risk exposure as well as risk-return profile of business activities and proposed improvements to the Bank's risk management frameworks, policies, methodologies, procedures and/or controls so as to mitigate the risks;</li> <li>b. To review and recommend risk model parameters and model validation results for the Board's approval; and</li> <li>c. To review emerging risks as well as regulatory and accounting changes and discuss potential mitigating controls.</li> </ul>
Market Risk and Treasury	<ul style="list-style-type: none"> <li>a. Review market risk reports to satisfy that market risk is being appropriately managed and seeking responses to limit breaches; and</li> <li>b. To approve new treasury products, treasury products with material variations and variation on existing treasury products.</li> </ul>
Operational Risk	<ul style="list-style-type: none"> <li>a. To review operational risk related matters and overall control environment self-rating by Divisions/Departments;</li> <li>b. To approve CIM extension / acceptance as per approval authority; and</li> <li>c. To approve new / material variation / refresh of non-treasury product.</li> </ul>
Oversight of Technology Risks	<ul style="list-style-type: none"> <li>a. To provide overall oversight on Technology Risks</li> <li>b. To periodic review technology risks related matters, including but not limited to cyber risks, technology risk management profile and severity incidents/non-compliance, and ensure such issues are resolved effectively and expeditiously;</li> <li>c. To oversee on Technology Risks including ex-ante risk assessment on e-banking services;</li> <li>d. Effective risk management practices and internal controls should be instituted to achieve data confidentiality, system security, reliability, resiliency recoverability in the organization;</li> <li>e. To ensure the adequate and robust control on technology systems and technology risk management.</li> </ul>
Compliance and Anti-Money Laundering/Counter Financing Terrorism ("AML/CFT") Strategy	<ul style="list-style-type: none"> <li>a. To recommend the compliance and AML/CFT strategy of the Bank; and</li> <li>b. To assist in defining the compliance and AML/CFT risk management objectives across business lines.</li> </ul>
Compliance Framework	<ul style="list-style-type: none"> <li>a. To discuss compliance and AML/CFT risk issues and ensure such issues are resolved effectively and expeditiously;</li> <li>b. To review and recommend compliance and AML/CFT framework/policies and material amendments to compliance and AML/CFT risk framework/policies;</li> <li>c. To evaluate the effectiveness of the Bank's overall management of compliance and AML/CFT risk;</li> <li>d. To accord high attention and strengthen compliance functions, resources and infrastructure;</li> <li>e. To ensure products offered by the business units are within the standard and policies set by the Board;</li> <li>f. To review and approve parameter, methodology, and procedures related with AML/CFT.</li> </ul>
Maintenance of Assets Quality	<ul style="list-style-type: none"> <li>a. To ensure that the Bank's overall impaired loans portfolio meets with the guidelines of regulatory authorities and approved policies and procedures;</li> <li>b. To review that the Business Units and their respective credit committee(s) have clearly defined Asset Quality Review and Early Warning Indicators/ Credit Watchlist Process in identifying, classifying, reporting, monitoring any problematic loans (in particular Impaired loans) in line with the Credit Risk Policy/ regulatory authorities/ approved credit policies and procedures/ accounting standards (where applicable);</li> <li>c. To review asset quality so as to be in line with the overall Risk Appetite of the Bank and Business Units; To review and deliberate on portfolio and Impaired default trends/reports for risk identification.</li> </ul>
Oversight of Outsourcing Arrangements	<ul style="list-style-type: none"> <li>a. To review and take note of annual Outsourcing Plans;</li> <li>b. To endorse new and renewal/renegotiation of existing Material Outsourcing Arrangements with significant modification of scope for the Board's approval;</li> <li>c. To take note of new and renewal/renegotiation of existing Non-Material Outsourcing Arrangements; and</li> <li>d. Have oversight of material adverse developments, any material non-compliance to terms of outsourcing agreement and any breach of legal and regulatory requirements by the Outsourcing Service Providers that is reported by Business Units / Business Enablers.</li> </ul>
Appointment of Risk Committee's Member and Sub-Committees	<ul style="list-style-type: none"> <li>a. To approve on change in individual members within the same corporate function with notation to Board of Directors. Where changes in membership involve a change in corporate function of members or amendments are proposed to the Terms of Reference, approval must be sought from Board of Directors before implementation.</li> <li>b. To review and approve the terms of reference and composition of any Sub-Committees, including the appointment and removal of members and invitees to such Committees.</li> </ul>

## Management Committees

The following management committees have been established to assist the Chief Executive Officer (CEO) and management in managing the various businesses and support activities of the Bank:

- Management Committee
- Cambodia Credit Committee
- Cambodia Asset Liability Management Committee

### Management Committee

The Management Committee reports to the Board of Directors on the day-to-day management matters of the Bank.

Members	
<b>Bun Yin</b> Chief Executive Officer	Chairman
<b>Heng Torang</b> Head, Treasury & Markets	Member
<b>Hong Cheap</b> Head, Commercial Banking	Member
<b>Pech Somaly</b> <sup>*1</sup> Head, Consumer Banking	Member
<b>Kien Vatana</b> Head, Risk Management	Member
<b>Heng Vuthy</b> Head, Finance	Member
<b>Oum Chenda Pheakdey</b> Head, Corporate Resources	Member
<b>Heng Viboth</b> <sup>*2</sup> Head, Technology & Data	Member
<b>Ky Sana</b> Head, Corporate, Transaction Banking & FIG	Member
<b>Ouk Thanin</b> Head, Product Management	Member
<b>Seng Kok Wing</b> Head, Strategy	Member
<b>Heng Phuong Rachana</b> <sup>*3</sup> Head, Operations	Member

#### Remark:

Permanent Invitees of the Committee include Head of Internal Audit and Head of Compliance.

#### Notes:

<sup>\*1</sup> Appointed as Head of Consumer Banking and as member from 1 March 2022

<sup>\*2</sup> Revised title from 5 September 2022

<sup>\*3</sup> Appointed as member from 5 September 2022

## The roles and responsibilities of the Management Committee ("MC") are as follows:

- Advise the Chief Executive Officer ("CEO").
- Monitor and evaluate the performance of each business division, including but not limited to oversight on functions of committees or working groups established by Management Committee to perform any function, if necessary.
- Review financial and other management reports of the Bank.

- Devise a strategy, business plans and budgets for the Bank (including IT-related items).
- Identify cross-departmental synergies.
- Deliberate on key regulatory issues.
- Other matters as directed by the CEO from time to time.
- Other matters as directed by the Board/Group CEO from time to time.

### Cambodia Credit Committee

The Cambodia Credit Committee reports to the Risk Committee on credit-related matters of the Bank.

Members	
<b>Kien Vatana</b> Head, Risk Management	Chairman
<b>Bun Yin</b> Chief Executive Officer	Alternate Chairman
<b>Hong Cheap</b> Head, Commercial Banking	Member
<b>Sam Vannak</b> <sup>*1</sup> Head, Consumer Lending	Member
<b>Chamnan Vanita</b> Head, Credit Management	Member
<b>John Chuah Keat Kong</b> <sup>*2</sup> Credit Advisor, Commercial Banking	Member
<b>Ky Sana</b> Head, Corporate, Transaction Banking & FIG	Member
<b>Hong Bunroeut</b> <sup>*3</sup> Head, Business Centre of Commercial Banking	Member
<b>Chong Kok Ping</b> <sup>*4</sup> Head, Regional Credit Management	Member
<b>Lim Gek Peng</b> <sup>*5</sup> Director, Financial Institutions and Traded Credit Management	Member
<b>Michael Ng Mun Seng</b> <sup>*6</sup> Head, Regional Credit Risk Analytics	Member
<b>Ganga Devi Katheraveloo</b> <sup>*7</sup> Head, Customer and Business Analytics, Group Commercial Banking	Member

#### Notes:

<sup>\*1</sup> Sam Vannak: For Consumer Banking cases only, effective from 28 February 2022

<sup>\*2</sup> Retired in August 2022

<sup>\*3</sup> Resigned in September 2022

<sup>\*4</sup> Chong Kok Ping or Liew Chee How (Director, Regional Credit Management) in the absence of Chong Kok Ping is a mandatory voting member for credit proposals which exceed the CCC's approving authority

<sup>\*5</sup> Lim Gek Peng or Charly Kjongian (Director, Financial Institutions & Traded Credit Management) in the absence of Lim Gek Peng is a voting member for credit proposals of Treasury and Financial Institution Group (FIG) cases only

<sup>\*6</sup> Michael Ng Mun Seng or Leong Wai Chyi (Head, Regional FIG Credit) in the absence of Michael Ng Mun Seng as a voting member for credit proposals of Corporate Banking, Treasury and FIG cases only

<sup>\*7</sup> Ganga Devi Katheraveloo: For Commercial Banking cases only and must provide mandatory vote for credit proposals under the CCC's approving authority, effective from 8 September 2022

### The roles and responsibilities of the Cambodia Credit Committee ("CCC") are as follows:

#### Credit-Related Decisions

- To review and approve credit facilities originating from the Bank, on a case-by-case basis, which are within the approved limits delegated by the Board.
- To recommend for Board approval, all credit proposals, which exceed the CCC's approving authority.
- To review and approve the internal credit rating of each borrower, where applicable.
- To ensure the Bank's overall exposures meets the regulatory guidelines, approved credit policies and procedures, as well as the approved risk appetite.
- To assess the risk return trade-off when approving exposures to ensure that facilities granted are within the
- Bank's risk appetite.
- To review and approve restructuring and rescheduling and any recovery actions including compromised settlements and write offs related thereto, to be taken against cases within the committee's sanctions.
- To review and evaluate the various credit products engaged by the Bank to ensure that they are conducted within the standards and policies set by the Board.
- To approve professional panels i.e. lawyer, insurance companies, and valuer.

#### Others

- Delegate specific follow-up items post CCC approval to CCC members and/or Joint Delegated Authority "JDA" (Risk and/or Business Unit "BU") related to final documentation matters and other matters that do not materially change the decision made by CCC (excludes change in exposure amount, tenor, and collateral position). Such delegation shall be detailed in the CCC minutes.
- Approval of all renewal of credit transactions on unchanged basis or at a lower limit which have earlier approved by the Board, as per the Board's delegated authority.
- To perform any other functions as and when directed and/or delegated by Risk Committee and/or the Board.



#### Cambodia Asset Liability Management Committee

The Cambodia Asset Liability Management Committee reports to the Risk Committee on liquidity risk and assets and liability matters of the Bank. The Committee met 19 times in 2022.

Members	
<b>Bun Yin</b> Chief Executive Officer / Executive Director	Chairman
<b>Pech Somaly</b> <sup>*1</sup> Head, Consumer Banking	Member
<b>Hong Cheap</b> Head, Commercial Banking	Member
<b>Heng Vuthy</b> Head, Finance	Member
<b>Heng Torang</b> Head, Treasury & Markets	Member

#### Members

<b>Ky Sana</b> Head, Corporate, Transaction Banking & FIG	Member
<b>Kien Vatana</b> Head, Risk Management	Member
<b>Seng Kok Wing</b> <sup>*2</sup> Head, Strategy	Member

#### Notes:

<sup>\*1</sup> Appointed as Head of Consumer Banking and as a member on 1 March 2022

<sup>\*2</sup> Appointed as a member on 21 February 2022

### The role and responsibilities of the Cambodia Asset Liability Management Committee ("ALCO") are as follows:

#### Balance Sheet and NII Review

- To review and analyse the Bank's balance sheet plan by business including asset and liability mix, currency, growth, yield and margin;
- To review variations between actual and planned balance sheet and how this impacts Net Interest Income (NII), funding plan and whether the Bank will remain within the established risk appetites;
- To review the NII and margin trends including forecast position, and the variances from the planned Net Interest Margin (NIM), and detail any required actions as appropriate;
- To review the impact on earnings (NII) under both a base case, identified possible scenarios and stressed scenarios;
- To review and ensure the Fund Transfer Pricing ("FTP") is appropriate and act as the arbitrator between business lines in designing and implementing FTP and promote consistency across the Bank; and
- To review Price Value of a Basis Point ("PVBP") limits for banking book portfolios and ensure exposure is within limits for the banking book, if applicable.

#### Contingency Funding Plan

- To review the Contingency Funding Plan ("CFP") as an operational business plan and assess the capacity of the plan to ensure that any management action is realistic; and
- To ensure that early warning indicators are up-to-date and relevant.

#### Assets and Liabilities Management ("ALM")

- To review ALM framework and policies (if applicable) to ensure they are appropriate for the size and complexity of the current and future operations of the Bank;
- To promote consistent policies and practices across the Bank;
- To review and endorse / approve the risk appetite / limits / Management Action Triggers ("MAT") for liquidity risk and interest rate risk in the banking book (IRRBB) in accordance with the approved liquidity risk and IRRBB governance framework;
- To set, monitor and review the hedging strategies of the Bank (if applicable);
- To review and ensure that the Bank's risk profile is within established MAT/ limits for liquidity risk and interest rate risk in the banking book, including reviewing internal and regulatory stress testing results across material currencies in the Bank;
- To review and recommend new ALM risk models for internal behavioral modeling for approval by Risk Committee; and
- To identify and review Bank liquidity and funding requirements and appropriate actions to address these requirements.

## Market Risk Management

- To oversee the Bank's market risk measurement approach, methodology and system – both internal and regulatory if applicable.
- To review and recommend risk model parameters and model validation results for approval by Risk Committee.
- To review the proposed annual market risk limits and recommend to Risk Committee for approval.
- To review and approve punctual interim change in market risk limits.

## Approval Authority

- To review and recommend ALM risks framework and policies (if applicable) for Risk Committee's approval;
- To review and approve ALM risks methodologies and standard (if applicable) to be met to comply with approved policies;
- To review and approve annual calibration including back testing results which are used in internal liquidity and IRRBB metrics;
- To review and approve FTP framework (if applicable), policies and methodologies for the Bank;
- To review and endorse the risk appetite and limits for liquidity risk and interest rate risk in the Banking Book for subsequent approval by Risk Committee;
- To endorse market risk framework and policy, and recommend to the Risk Committee for approval;
- To approve market risk methodology and standard, in line with Cambodia Risk Policy Governance and Approval Standard;
- To review and approve pricing for new products of the Bank;
- To approve the Delegated Authority ("DA") for pricing of deposits for the Bank, as per the Board's delegated authority;
- To approve pricing proposal based on its approved DA; and
- To escalate to Risk Committee any MAT / trigger / limits breaches (non-regulatory) that are not viewed as material variance to the approved Risk Appetite Statement and to the capital / liquidity / reputation of the Bank.

## ACCOUNTABILITY AND AUDIT

### Financial Reporting

Pursuant to the Law on Commercial Enterprises and the Law on Banking and Financial Institutions, financial statements for each financial year are to be prepared. The financial statements are prepared in accordance with the Cambodian International Financial Reporting Standards ("CIFRS") and present fairly, in all material respects, the financial position of the Bank as at 31 December 2022. In preparing these financial statements, the directors are required to:

- adopt appropriate accounting policies which are supported by reasonable and prudent judgments and estimates and then apply them consistently;
- comply with the disclosure requirements of CIFRS, or, if there have been any departures in the interest of fair presentation, these have been appropriately disclosed, explained and quantified in the financial statements;

- maintain adequate accounting records and an effective system of internal controls;
- prepare the financial statements on the going concern basis
- unless it is inappropriate to assume that the Bank will continue operations in the foreseeable future; and effectively control and direct the Bank in all material decisions affecting its operations and performance and ascertain that such have been properly reflected in the financial statements.

The Board is satisfied that it has met its obligations to present a balanced and understandable assessment of the Bank's position and prospects in preparing the financial statements, reflected in the directors' report as set out on pages 90 to 91 of the financial statements section of this annual report.

### Audit Committee

The Audit Committee assists the Board in overseeing the financial reporting process. The Bank's quarterly and half-yearly results and annual financial statements are subject to review by the Audit Committee and approval of the Board, prior to submission to the NBC.

### Internal Control

The Board has overall responsibility for maintaining sound internal control systems that cover financial controls, effective and efficient operations, legal and regulatory compliance as well as risk management. The size and complexity of the Bank necessitate the management of a wide and diverse spectrum of risks. The nature of these risks means that events may occur which could give rise to unanticipated or unavoidable losses. The inherent system of internal controls is designed to provide reasonable, though not absolute assurance against the risk of material errors, fraud or losses occurring.

The Board considers that the Bank's framework and system of internal controls and procedures maintained by the Bank's management, and set in place throughout the financial year up to the date of this report, is adequate to meet the needs of the Bank in the current business environment. The system of internal controls is designed to provide reasonable, but not absolute assurance for achieving certain internal control standards and helps the Bank to manage the risk of failure to achieve business objectives, rather than to eliminate it.

The statement on internal control which provides an overview of the state of internal control of the Bank is set out on pages 55 to 57 of the annual report.

The Statement on Corporate Governance was approved by the Board of Directors on 21 March 2023.

# AUDIT COMMITTEE REPORT

## OVERVIEW

The Audit Committee (AC) of CIMB Bank PLC is committed to its role of ensuring high corporate governance practices and providing oversight of the Bank's financial reporting, risk management and internal control systems.

### 1. ATTENDANCE OF MEETING

The details of the Audit Committee's membership and meetings held in 2022 are as follows:

Members		Number of Meetings	
		Attended	Held
Long Beang * <sup>1</sup>	Chairman / Independent Non-Executive Director	5	5
Datuk Mohd Nasir Bin Ahmad	Independent Non-Executive Director	6	6
Aisyah Lam Binti Abdullah	Independent Non-Executive Director	6	6

#### Notes:

\*<sup>1</sup> Appointed on 9 March 2022, succeeding Dr. Mey Kalyan

In addition to the 6 meetings held to deliberate on matters relating to the Bank, the AC also had 1 joint AC meeting with CIMB Group Holdings and CIMB Banking Group.

The Chairman of the AC, who is also a Board member, reports to the Board on brief on matters deliberated during the AC's meetings.

Deliberations at the AC meetings were robust and detailed generally lasting for a few hours. Minutes of the AC meeting held were provided to members of the Board.

### 2. AUTHORITY

The AC is a Board-delegated committee and in discharging its duties, it has explicit authority to investigate any matter within its Terms of Reference. It has full access to and co-operation from Management and full discretion to invite any director or executive officer to attend its meetings. The AC has full and unrestricted access to information and is able to obtain independent professional advice, if necessary, with any related expenses to be borne by the Bank. The Bank should make the necessary resources available to the AC to enable it to discharge its functions effectively.



### 3. TERMS OF REFERENCE OF THE AUDIT COMMITTEE

Area	Responsibilities
Internal Control / Risk Management / Governance	To review the effectiveness of internal controls, risk management processes and governance within the Bank, taking into account the requirements in the Prakas on Governance in Banks and Financial Institutions.
Internal Audit	<ul style="list-style-type: none"> <li>a. To ensure the internal audit function is well placed to undertake review or investigation on behalf of the AC and be placed under the direct authority and supervision of the AC.</li> <li>b. To review and approve the audit scope, procedures frequency and the annual internal audit plan.</li> <li>c. To oversee the effectiveness of the internal audit function, staff competency requirements and adequacy of audit resources, and that internal audit has the necessary authority to carry out its work.</li> <li>d. To review key reports and ensure that senior management is taking necessary corrective actions in a timely manner to address control weakness, non-compliance with laws, regulatory requirements, policies and other problems identified by the internal audit and other control functions.</li> <li>e. To note significant disagreements between the Internal Audit Head and the rest of the senior management team, irrespective of whether these have been resolved, in order to identify any impact the disagreements may have on the audit process or findings.</li> <li>f. To ensure compliance with the Laws and Regulations applicable to Banks and Financial Institutions and that the reports of internal auditors should not be subject to clearance by management.</li> <li>g. To establish a mechanism to assess the performance and effectiveness of the internal audit function.</li> <li>h. To evaluate the performance and decide on the remuneration package of the Internal Audit Head.</li> <li>i. To approve the appointment, transfer and dismissal of the Internal Audit Head or senior staff members of the internal audit function, and to be informed of the resignation of any senior internal audit staff members and to provide the resigning staff member with an opportunity to submit his/her reasons for resigning.</li> </ul>
External Audit	<ul style="list-style-type: none"> <li>a. To make recommendations to the Board on the appointment, removal and remuneration of the external auditors.</li> <li>b. To discuss and review with the external auditors before the audit commences, the nature and scope of the audit, and ensure co-ordination where more than one audit firm is involved.</li> <li>c. To assess the objectivity, performance and independence of external auditors (e.g. by reviewing and assessing the various relationships between the external auditors and Bank).</li> <li>d. To approve the provision of non-audit service by the external auditors, and to monitor and assess evaluating whether such non-audit would impair their independence</li> <li>e. To ensure that there are proper checks and balances in place so that the provision of non-audit services does not interfere with the exercising of independent judgment of the auditors.</li> <li>f. To ensure that the financial statements are prepared in a timely and accurate manner with the adequacy of allowances against contingencies and impaired assets.</li> <li>g. To maintain regular, timely, open and honest communication with the external auditors, and requiring the external auditors to report to the AC on significant matters (in the absence of management where necessary).</li> <li>h. To review the external auditors' Internal Control Report and ensure that senior management is taking necessary corrective actions in a timely manner to address external audit findings and recommendations.</li> <li>i. To monitor and assess the effectiveness of the external audit, including meeting the external auditors at least once a year without the presence of the management or executive directors to discuss any key concerns and obtain feedback.</li> </ul>
Audit Findings, Internal Control and Compliance Issues	To review the findings of major investigations, routine audit findings, and internal control and compliance reported by the internal, external and regulatory auditors.
Financial Statements	<p>To review the quarterly results and year-end financial statements of the Bank, prior to approval by the Board, focusing particularly on:</p> <ul style="list-style-type: none"> <li>• changes in or implementation of major accounting policy change;</li> <li>• significant matters highlighted including financial reporting issues, significant judgments made by Management, significant and unusual events or transactions, and how these matters are addressed;</li> <li>• the going concern assumption; and</li> <li>• compliance with accounting standards and applicable financial reporting standards and other legal or regulatory requirements.</li> </ul>
Related Party Transactions	To review all related party transactions and keep the Board informed of such transactions.
Review of Reports Related to Financial Statements	To review the accuracy and adequacy of the chairman's statement in the director's report, corporate governance disclosures, interim financial reports and preliminary announcements in relation to the preparation of financial statements.
Monitoring of Compliance with Conflict of Interest Policy	To monitor compliance with the Board's conflict of interest policy.
Review of Internal Control Framework	To review third party opinion on the design and effectiveness of the Bank's internal control framework.
Others	<ul style="list-style-type: none"> <li>a. To engage on a continuous basis with senior management in order to keep informed of matters affecting the Bank.</li> <li>b. To convene meetings with internal auditors, external auditors, or both whenever deemed necessary.</li> <li>c. To review the semi-annual and annual financial statements for submission to the Bank's Board of Directors and ensure prompt publication of annual financial statements.</li> </ul>

## 4. SUMMARY OF ACTIVITIES IN 2022

### 4.1 Audit Committee

- a. Reviewed and approved the annual audit plan, the scope of work, and resources requirements of Corporate Assurance Division (CAD) (formerly "Internal Audit Division").
- b. Reviewed the adequacy and effectiveness of the system of controls, reporting, and risk management to ensure there is a systematic methodology for identifying, assessing and mitigating risk areas.
- c. Reviewed the efficiency of operations and the economical use of resources throughout the Bank.
- d. Reviewed the appointment of external auditors and their independence and effectiveness.
- e. Reviewed the external auditors' audit plan, the scope of work, and the results of the annual audit of the Bank.
- f. Met with the external auditors (on 24 November 2022) without the presence of management and the executive director to discuss relevant issues and obtain feedback.
- g. Reviewed the internal control issues identified by internal and external auditors as well as ascertained appropriate and prompt management's responses to audit recommendations and the implementation of agreed action plans.
- h. Reviewed the quarterly financial statements of the Bank.
- i. Reviewed related party transactions and the adequacy of the Bank's procedures in identifying, monitoring, reporting, and reviewing related party transactions.
- j. Ensured compliance with regulatory requirements and internal policies, and provided a status update on follow up by management on internal and external audit recommendations.
- k. Evaluated CAD's annual performance together with the remuneration payout and provided feedback for improvements.

### 4.2 Internal Audit Function

- a. Corporate Assurance Division (CAD) (formerly "Internal Audit Division"), which is supported by Group Corporate Assurance, conducted audits for the Bank.
- b. CAD provided independent and objective assurance on the adequacy and effectiveness of the internal control systems implemented by management.
- c. CAD assisted the Audit Committee and management in effectively discharging their responsibilities in establishing cost-effective controls, assessing risk management, recommending measures to mitigate identified risks, and ensuring that proper governance processes are followed.
- d. CAD provided periodic reports to the Audit Committee and management on the outcomes of the audits conducted, which highlighted the effectiveness of the system of internal control and significant risks.
- e. CAD conducted relevant investigations on suspected fraudulent activities and other irregularities as and when required by the regulators / as per requestes by top management of the Bank as appropriate.
- f. CAD continued to identify both quantitative and qualitative value added recommendation from the audits performed.
- g. CAD continued to implement initiatives (i.e. adopted agile audit, embedded data analytics, etc.) as part of Forward23+ plan.
- h. CAD monitored the implementation of management's action and reported status of audit observations to Audit Committee.
- i. CAD strengthened relationship with management through periodic business monitoring meeting to gain insight on business processes and audit focus areas.
- j. CAD provided comments on proposed policies and procedures to ascertain potential risks are governed and controlled.

### 4.3 Internal Audit Reports

- a. CAD completed 18 audit assignments during the year, covering audits of all key operations.
- b. All findings by CAD were tracked and followed up until they were dealt with and reported on a bi-monthly basis to the Audit Committee.
- c. The implementation status of audit recommendations was reported to the Audit Committee on a bi-monthly basis.



# STATEMENT ON INTERNAL CONTROL

## BOARD RESPONSIBILITY

The Board places importance on and is committed to maintaining a sound system of internal control. The system of internal control addresses the need for effective and efficient business operations, sound financial reporting and control procedures, and above all, compliance with the applicable laws, regulations, rules and guidelines.

The Board has overall responsibility for the Bank's internal control and management information systems. The Board also recognizes that reviewing the internal control system is a concerted and on-going process and takes into account changes in technology, the business environment and regulatory guidelines, with a view to enhancing the process for identifying, evaluating and managing risks. The internal control system is designed to identify, manage and control risks, including operational risks, rather than to eliminate the risk of failure to achieve corporate objectives.

## RISK MANAGEMENT AND CONTROL FRAMEWORK

The Bank considers risk management as an important element of the Bank's business and embeds strong risk culture in the Bank's daily business operations and decision-making process. With the growing importance of risk management for the Bank to achieve sustainable growth, the risk management team is involved at the inception of the risk-taking process to provide independent review and input including new product assessments, outsourcing governance, fraud monitoring, strategy setting, credit evaluation and others.

The Bank as part of CIMB Group employs the Enterprise Wide Risk Management (EWRM) framework to manage its risk and opportunities. The EWRM provides the Board and its management with tools to anticipate and manage both the existing and potential risks, taking into consideration the changing risk profiles as dictated by changes in business strategies, regulatory environment, and functional activities.

## INFORMATION TECHNOLOGY SECURITY

IT Security requires integrated strategy governing discipline over people, process and technology. In order to strengthen and enhance the level of IT security management, the Bank adopted CIMB Group's IT Security Standard, process and control. By implementing the Group IT Security Blueprint, the strategies maintain and enforce an effective IT security infrastructure to safeguard the business and the Bank's reputation.

In line with the banking business growth and IT Infrastructure expansions, our technology design was constantly reviewed and improved to effectively mitigate both internal and external risks and threats. In addition, we leverage on Group's Security Operation Center (SOC) to monitor and respond to potential cyber-attacks in a more effective manner.

At the network security level, additional network firewalls and network access control lists were deployed to manage security domains for group users and network resources in a logical and physical manner and allow restrictions on access and authorisation at the network. The Bank is further leveraging on Enterprise End-Point Anti-Malware, End-Point Encryption, Data Loss Prevention System, Intrusion Prevention System and Content filtering on Web and Email which can significantly mitigate the security risks when data traverses the network. The definition files and configurations of these tools continue to be updated as and when required to mitigate newly discovered vulnerabilities.

The Bank has implemented IT security awareness programmes for targeted employees to improve awareness of privacy, leakage of information and IT security responsibility. These programmes consist of e-learning class, annual assessment and periodic newsletters circulated within the organisation.

## KEY INTERNAL CONTROL PROCESSES

The key processes that the Board has established in reviewing the adequacy and integrity of the system of internal control, including compliance with the applicable laws, regulations, rules, directives and guidelines, are as follows:

### Audit Committee

The Audit Committee (AC) comprises Independent Non-Executive Directors. It is a Board-delegated committee with oversight of financial reporting, disclosure, regulatory compliance, risk management, governance practices and monitoring of internal control processes in the Bank. Senior management, internal auditors and external auditors report to the AC on the effectiveness and efficiency of internal controls. All significant and material findings by the internal auditors, external auditors and regulators are reported to the AC for review and deliberation. The AC reviews and ensures the implementation of Senior Management's mitigation plans to safeguard the interests of the Bank and maintain proper governance. Management of business and support units that are rated as "Unsatisfactory" or "Unacceptable" by Corporate Assurance (formerly "Internal Audit") are counselled by the AC.

The AC also reviews all related party transactions, and audit and non-audit related fees proposed by the Bank's external auditors.

Presentations of business plans, current developments, operations, risks associated with the business and controls to mitigate risks are made by the relevant business and support units as and when deemed necessary by the AC.

The AC members also attends the Bank's annual management summit where each business and support unit reviews its operations for the year and presents strategies and plans for the year to come.

### Risk Committee

The Risk Committee (RC) determines the Bank's risk policy objectives and assumes responsibility on behalf of the Board for supervision of risk management. The day-to-day responsibility of risk management supervision and control is delegated to the RC, which reports directly to the Board. The RC meets on a monthly basis or as and when required.

The Cambodia Asset Liability Management Committee (ALCO) reports to the RC on liquidity risk and assets and liabilities matters of the Bank. The Committee meets on a monthly basis with its primary role being to monitor and to strategically manage the balance sheet financial risk. It has specific accountability for the management of the cost of borrowing, developing suitable advisory inputs to the Risk Committee for decision making pertaining to the Bank's liquidity and interest rate risk, diversification of funding sources, and the review of the loans and deposits composition of the Bank's balance sheet. ALCO oversees overall implementation of effective processes for managing the Bank's interest rates, liquidity, and similar risks relating to the Bank's balance sheet and associated levels.

## Management Committee

The Management Committee is a committee set up by the Board of Directors to manage day-to-day operational issues. The meetings of this Committee are held on a monthly basis, during the third week of the month, or as and when required. The Committee comprises of members from each division and includes representatives from Corporate Assurance and Compliance as permanent invitees.

## Internal Policies and Procedures

The Board has approved the documented internal policies and procedures of all business units. Policies and procedures serve as a day-to-day operational guide to ensure compliance with internal controls and the applicable laws and regulations. This is to ensure continuous improvements in operational efficiency while taking into consideration the changing industry profile on regulatory requirements, risks and internal control measures for mitigation, as well as new products and services.

## Corporate Assurance (formerly “Internal Audit”)

The Corporate Assurance Division (CAD) reports independently to the AC and is independent of the activities and operations of other business and support units. The principal responsibility of CAD is to provide an independent appraisal on the adequacy, efficiency and effectiveness of risk management, control and governance processes implemented by Management. In evaluating internal control, CAD adopts the five components set out in the Internal Control Integrated Framework issued by the Committee of Sponsoring Organisations of the Treadway Commission (COSO); namely control environment, risk assessment, control activities, information and communication, and monitoring activities. COSO is an internationally recognized organization providing thought leadership and guidance on internal control, enterprise risk management and fraud deterrence.

CAD’s scope of coverage encompasses all business and support units. The selection of the units to be audited from the audit universe is based on an annual audit plan that is approved by the AC. The annual audit plan is developed based on an assessment of the risks, exposures and strategies of the Bank. Units that are assessed as high risk are subject to an annual audit, while those that are assessed to be medium or low risk are subject to a cycle audit. Notwithstanding the risk assessment, the annual audit plan will include units that must be audited annually due to regulatory requirements, recent incidence of fraud, adverse audit rating in the past year, recent action taken by regulators due to both market conduct or otherwise, potential loss events reported amounting to USD25,000 and above, or significant changes in operations or computer systems. CAD also undertakes investigations into alleged fraud by staff, customers and third parties, and recommends appropriate improvements to prevent recurrence and actions against the persons responsible.

CAD has unrestricted access to information required in the course of its work. CAD’s scope of work is established in accordance with The Institute of Internal Auditors’ (IIA) International Standards for the Professional Practice of Internal Auditing and relevant regulatory guidelines.

The Audit Report is the final product of an audit assignment, which provides the scope of audit work performed, a general evaluation of the system of internal control together with detailed audit observations and, the responses from Management and recommendation from CAD for improvement. The implementation of actions by management is monitored and followed up by CAD with appropriate validation. The AC reviews and evaluates any exceptions or non-compliance raised by CAD and monitors activities to ensure that appropriate and prompt remedial actions are taken by the Management.

CAD submits a report to the Group AC once every quarter. CAD follows the same audit planning and audit rating methodology as the Group Corporate Assurance Division with such modifications as necessary to suit the local environment and regulations.

CAD has incorporated data analytics, agile approach, digital upskilling, and influence change as part of Forward 23+ strategic plan to be in line with Group Corporate Assurance Division’s direction. CAD intensifies data analytic audit approach by integrating data-driven assurance platform to facilitate auditors in performing systemic activities with more targeted key risk areas. CAD also identifies potential cost savings and qualitative value added recommendation (i.e. new control design) from the audits performed during the year.

To enhance relationship with management, CAD has conducted Quarterly Business Monitoring (“QBM”) with Department Heads, Section Heads, and relevant key stakeholders to strengthen working relationship and business understanding for better audit focus. In addition, CAD reviews and provides feedback on drafts of new and revised policies to ascertain adequacy of proposed governance and controls to address risks.

## Compliance Framework

The Board recognises that the compliance function forms an integral part of the Bank’s management and internal controls, as a strong compliance culture reflects a corporate culture of high integrity and ethics.

The Bank’s compliance function is driven by the Compliance Division (COD) with consultation and guidance from the Group Legal and Compliance Division which is headquartered in Malaysia. Its main function is to facilitate advice, monitor and educate the business and support units to act in accordance with laws, regulations and guidelines. In line with good governance, COD reports independently to the Board of Directors.

The Bank has established the Compliance Programme which requires all business and support units to establish a Compliance Matrix which encompasses relevant laws, regulations and guidelines applicable to the business and support units. Additionally, the business and support units are required to perform the gap analysis on the new/updates of law and regulations, guidance and subject to consultation with COD on the gaps or actions to be taken to ensure that the new/updates of law, regulations are adhered. Compliance Matrix shall be reviewed and updated annually. Business and support units are also required to conduct a self-testing exercise on the Compliance Matrix which COD will independently perform validation on quarterly basis. Additionally, COD conducts Compliance Reviews on business and support units based on the Compliance Work Plan that has been approved by the Board. Moreover, scheduled trainings are regularly conducted to promote awareness of the Compliance Framework and to facilitate the implementation within the Bank.

The Board of Directors is provided with compliance reports on a regular basis to facilitate the Board having a holistic and overall view of all compliance matters of the Bank.

## New Product Approval Policy and Procedures

New product approval policy and procedures are enforced for all new banking products and services. New products are products and/or services that are offered by the Bank for the first time or a combination of or variation to existing products and/or services that have a material change in the risk profile, as determined by Risk Management. All new product proposals are subject to a rigorous risk review process by various stakeholders at Bank and relevant Group level to ensure that

all critical and relevant areas of risk are appropriately identified, assessed and mitigated prior to implementation. The product proposal is then subject to extensive deliberations in various Bank and Group committees before submission to the Risk Committee for final approval with post approval notification to the Board of Directors.

### Exceptions Management and Escalation

The Bank continuously stresses the importance of adhering to regulatory requirements, internal controls and other established procedures in preserving its brand reputation. Exceptions are addressed and managed in a timely and transparent manner. To this end, the Bank has established exception management and escalation procedures to handle escalation of any exceptions, including regulatory non-compliance, breaches of rules or limits, fraud and other non-compliance with the internal processes. This procedure advocates timely remedial measures and strengthens transparency and management oversight.

Under the exception management and escalation procedures, reports on incidents are required to be submitted within 24 hours of discovery or first notification of such incident. Each exception will then be managed based on the severity and impact of the case to the Bank's business, operations and brand reputation. Exceptions are summarised and reported to the Risk Committee on a monthly basis.

### Code of Ethics

The Bank has in place a standard minimum code of conduct for all its employees, which encompasses all aspects of its day-to-day business operations. The guidelines of the code of conduct are adopted from the Group and incorporated in the employment contract acknowledged and signed by all employees.

### Human Resources Policies and Procedures

Human Resources (HR) Policies and Procedures have been instituted throughout the Group, covering all aspects of human resource management. The policies on recruitment, promotion, transfer and termination of employees within the Group are clearly defined therein. These policies are built upon and in line with the relevant local regulations to ensure compliance. Employees are appraised on an annual basis and the appraisal is directed by key performance indicators and core competency measurements. Learning and capability development programs which include skills and/or technical training are developed and put in place to support and improve the competency of our employees to ensure that they are able to discharge their duties effectively and efficiently. Employees are periodically reminded of the relevant policies via e-mail or memoranda and also through relevant training sessions. One such training conducted is the Anti-Money Laundering (AML) session, which is carried out regularly to further emphasize the Group's zero tolerance towards non-compliance with the AML policy. This is also emphasized during the orientation programme.

## BUSINESS CONTINUITY MANAGEMENT

CIMB Group is committed to safeguarding the interests of all its key stakeholders, the reputation of the organisation and value-creating activities by ensuring an appropriate level of continuity on business processes and functions throughout the Group. The responsibilities for implementing and running the Business Continuity Management ("BCM") programme lies with the Board of Directors and Management.

A BCM framework is adopted from CIMB Group and is in place to outline and enforce minimum BCM requirements, procedures and practices on business and support units, so as to ensure the continuity of critical business functions and essential services within a specified timeframe in the event of major disruptions, thus ensuring;

- (i) customer's expectations can be fulfilled and quality of services can be maintained to promote customer confidence;
- (ii) minimal impact on business operations during major disruption;
- (iii) reputation and image of the Bank will not be negatively affected, and
- (iv) regulatory compliance with BCM guidelines/principles/regulations.

The BCM framework is regularly updated and aligned with CIMB Group standards, and BCM procedures and practices include analysing the business functions and identifying continuity strategies, responses, continuity culture, exercises and plan maintenance of each business and support units.

Pursuant to the BCM, Business Continuity Plans ("BCP") are documented for mission-critical functions and processes, and Disaster Recovery Plans ("DRP") are documented for application systems. The BCP and DRP are rehearsed and tested on a regular basis.

In addition, BCM workshops are conducted annually for business and support units across the bank in efforts to increase employee awareness on their roles, responsibilities and accountabilities with respect to BCM.

### Anti-Money Laundering / Counter-Terrorism Financing (AML/CFT)

The Bank places importance on and is committed to establishing an effective internal control system for AML/CFT in compliance with all related laws, regulations, guidelines and industry best practices.

The Bank maintains the AML/CFT Policies and Procedures which have been duly approved by the Board and subsequently updated once per two years or as necessary to reflect the new trends and mechanism on Money Laundering and or Financing Terrorism.

The Bank's AML/CFT systems and supporting systems facilitate AML risk, customer and transaction monitoring including Watchlist Management, Customer Due Diligence (CDD) or Know Your Customer (KYC) and AML/CFT Alert Monitoring. The Bank has ensured that the process, people, and system are able to detect the risk and report any suspicion to the regulators.

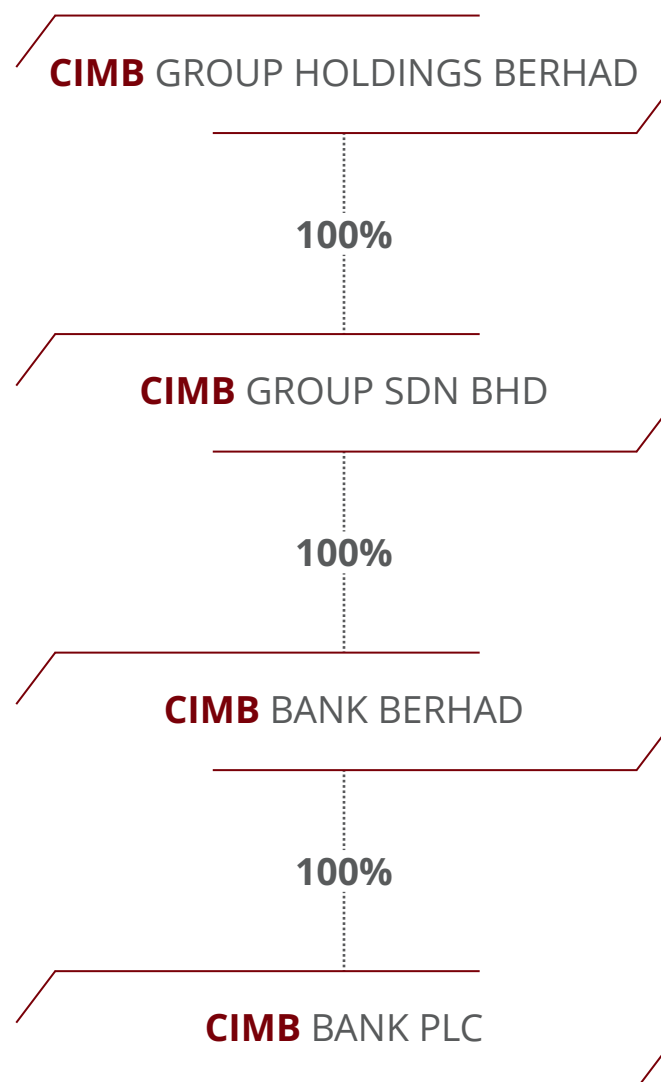
Regular training and awareness programmes are conducted. This is supplemented with the latest updates on AML/CFT, real transaction case study on the risk of money laundering and financing terrorism, with emphasis on the roles and responsibilities of employees. The Bank has taken and will continue to undertake on-going measures to reduce the risk of CIMB's exposure to possible money laundering and financing of terrorism activities, and at the same time ensure compliance with regulatory guidelines.

## CONCLUSION

The Board believes that the system of internal control in place is adequate to safeguard shareholder interests as well as the assets of the Bank. The Board also acknowledges the effectiveness of the on-going process for the identification, evaluation and management of significant risks in the Bank and is committed to continuing to review the operations and effectiveness of the Bank's internal controls, including financial, operational and compliance controls and risk management.

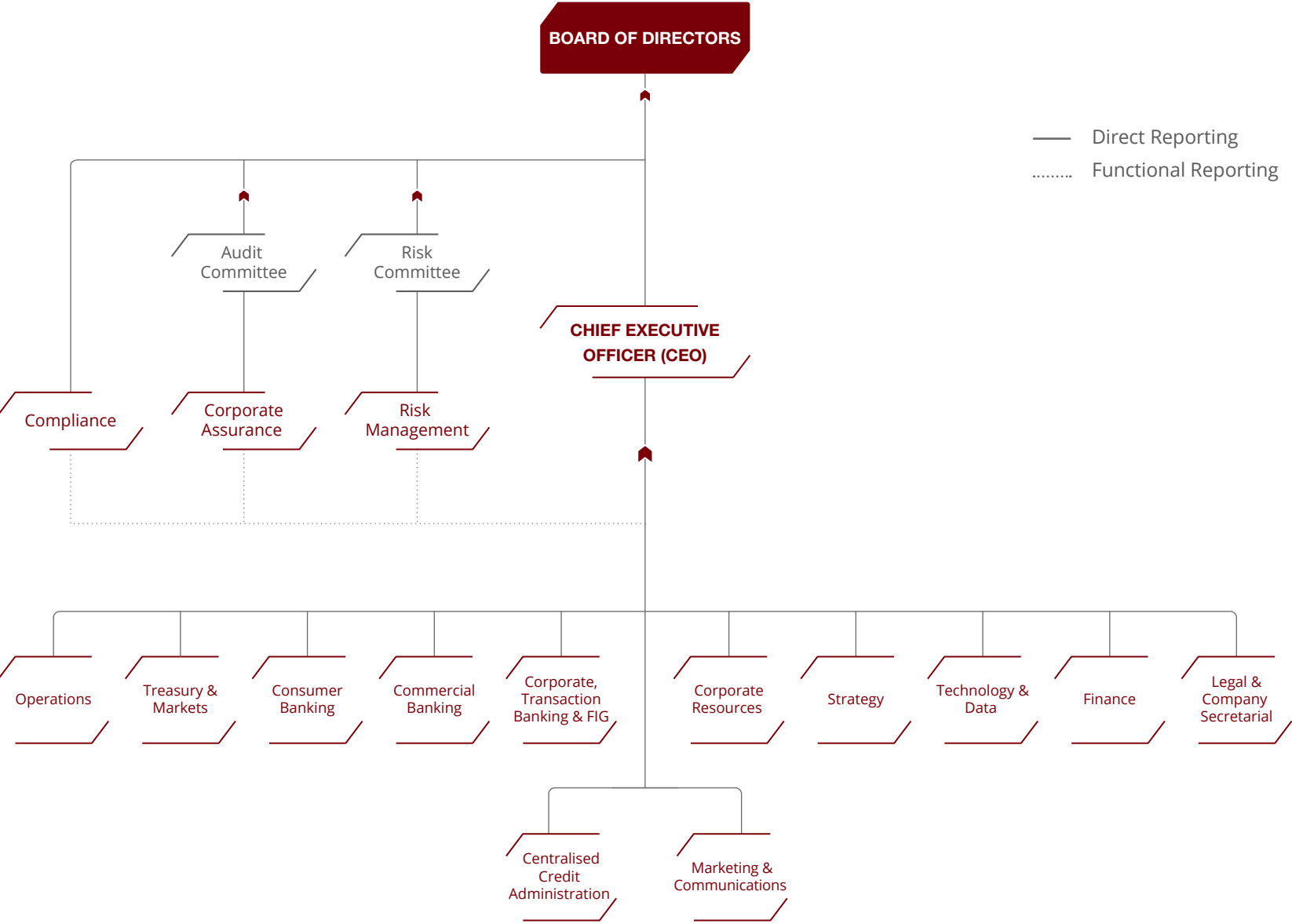
# CORPORATE STRUCTURE

(As at 31 December 2022)



# ORGANISATION CHART

(As at 31 December 2022)



# CORPORATE INFORMATION

(As at 31 December 2022)

## BOARD OF DIRECTORS

Datuk Mohd Nasir Bin Ahmad	_____	Chairman / Independent Non-Executive Director
Long Beang	_____	Independent Non-Executive Director
Aisyah Lam Binti Abdullah	_____	Independent Non-Executive Director
Ahmad Shazli Bin Kamarulzaman	_____	Non-Independent Non-Executive Director
Cheong Weng Teong	_____	Non-Independent Non-Executive Director
Bun Yin	_____	Non-Independent Executive Director

## AUDIT COMMITTEE

Long Beang	.....	Chairman / Independent Non-Executive Director
Datuk Mohd Nasir Bin Ahmad	_____	Independent Non-Executive Director
Aisyah Lam Binti Abdullah	.....	Independent Non-Executive Director

## RISK COMMITTEE

Aisyah Lam Binti Abdullah	_____	Chairperson / Independent Non-Executive Director
Bun Yin	_____	Chief Executive Officer / Executive Director
Kien Vatana	_____	Head, Risk Management
Hong Cheap	_____	Head, Commercial Banking
Ky Sana	_____	Head, Corporate, Transaction Banking & FIG
Pech Somaly	_____	Head, Consumer Banking ( <i>Appointed as member on 27 July 2022</i> )
Heng Viboth	_____	Head, Technology & Data
Heng Vuthy	_____	Head, Finance
Heng Phuong Rachana	_____	Head, Operations ( <i>Appointed as member on 25 November 2022</i> )
Heng Torang	_____	Head, Treasury & Markets ( <i>Appointed as member on 25 November 2022</i> )

## MANAGEMENT COMMITTEE

Bun Yin	_____	Chairman / Chief Executive Officer
Heng Torang	_____	Head, Treasury & Markets
Hong Cheap	_____	Head, Commercial Banking
Pech Somaly	_____	Head, Consumer Banking
Kien Vatana	_____	Head, Risk Management
Heng Vuthy	_____	Head, Finance
Oum Chenda Pheakdey	_____	Head, Corporate Resources
Heng Viboth	_____	Head, Technology & Data
Ky Sana	_____	Head, Corporate, Transaction Banking & FIG
Ouk Thanin	_____	Head, Product Management
Seng Kok Wing	_____	Head, Strategy
Heng Phuong Rachana	_____	Head, Operations ( <i>Appoint as member on 5 September 2022</i> )

(Permanent invitees of the Committee include Head of Internal Audit and Head of Compliance)



**CAMBODIA CREDIT COMMITTEE**

<b>Kien Vatana</b>	Chairman / Head, Risk Management
<b>Bun Yin</b>	Alternative Chairman / Chief Executive Officer / Executive Director
<b>Hong Cheap</b>	Head, Commercial Banking
<b>Sam Vannak</b>	Head, Consumer Lending
<b>Chamnan Vanita</b>	Head, Credit Management
<b>John Chuah Keat Kong</b>	Credit Advisor, Commercial Banking ( <i>Retired in August 2022</i> )
<b>Ky Sana</b>	Head, Corporate, Transaction Banking & FIG
<b>Hong Bunroeut</b>	Head, Business Centre of Commercial Banking ( <i>Resigned in September 2022</i> )
<b>Chong Kok Ping</b>	Head, Regional Credit Management
<b>Lim Gek Peng</b>	Director, Financial Institutions and Traded Credit Management
<b>Michael Ng Mun Seng</b>	Head, Regional Credit Risk Analytics
<b>Ganga Devi Katheraveloo</b>	Head, Customer and Business Analytics, Group Commercial Banking ( <i>Appointed as member on 8 September 2022</i> )

**CAMBODIA ASSET LIABILITY MANAGEMENT COMMITTEE**

<b>Bun Yin</b>	Chairman / Chief Executive Officer / Executive Director
<b>Pech Somaly</b>	Head, Consumer Banking
<b>Hong Cheap</b>	Head, Commercial Banking
<b>Heng Vuthy</b>	Head, Finance
<b>Heng Torang</b>	Head, Treasury & Markets
<b>Ky Sana</b>	Head, Corporate, Transaction Banking & FIG
<b>Kien Vatana</b>	Head, Risk Management
<b>Seng Kok Wing</b>	Head, Strategy

**COMPANY SECRETARIES**

**Ly Sophea**  
**Datin Rossaya Mohd Nashir**

**REGISTRATION NO.****00010524****REGISTERED OFFICE**

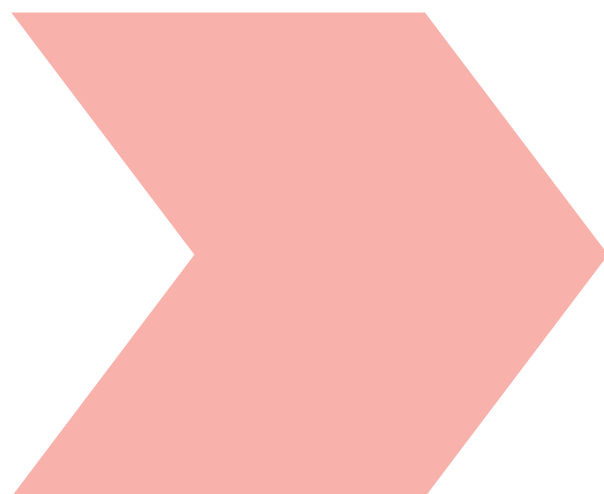
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 Fax : +855 23 988099  
 Website : [www.cimbbank.com.kh](http://www.cimbbank.com.kh)

**AUDITORS**

**PricewaterhouseCoopers (Cambodia) Ltd.**  
 #58C Sihanouk Boulevard,  
 Sangkat Tonle Bassac, Phnom Penh 12210  
 P.O. Box 1147  
 Tel : +855 23 860 606  
 Fax : +855 23 211 594  
 Website : [www.pwc.com.kh](http://www.pwc.com.kh)



04



## **HIGHLIGHTS & ACHIEVEMENT 2022**



64	Corporate Event Highlights
67	Media Highlights

# CORPORATE EVENT HIGHLIGHTS

## CORPORATE RESPONSIBILITY PROGRAMMES



### EDUCATION SPONSORSHIP

04 FEBRUARY 2022 @KAMPONG THMOR HIGH SCHOOL, KAMPONG THOM



### CIMB BANK BLOOD DONATION

06 MAY 2022 @CIMB BANK'S HEAD OFFICE, PHNOM PENH



### DONATION TO EYES TREATMENT PROGRAMME BY THE NBC

01 OCTOBER 2022 @ICLINIC, PHNOM PENH



### CIMB BANK BLOOD DONATION

07 OCTOBER 2022 @CIMB BANK'S HEAD OFFICE, PHNOM PENH



### DONATION TO PREK DAMBOK HEALTH CENTRE

28 OCTOBER 2023 @PREK DAMBOK HEALTH CENTRE, KAMPONG CHAM



### MOU SIGNING CEREMONY ON THE SCHOLARSHIP FUND

22 NOVEMBER 2022 @CIMB BANK'S HEAD OFFICE, PHNOM PENH



## CORPORATE EVENTS



**MOU SIGNING CEREMONY ON FINANCING DEALER**  
25 FEBRUARY 2022 @GGEAR GROUP'S OFFICE, PHNOM PENH



**MOU SIGNING CEREMONY BETWEEN CIMB BANK & URBANLAND**  
01 MARCH 2022 @URBANLAND'S OFFICE, PHNOM PENH



**CIMB BANK'S CEO SHARING SESSION**  
04 OCTOBER 2022 @CAMED BUSINESS SCHOOL'S OFFICE, PHNOM PENH



**CIMB BANK TOWN HALL AND STAFF RETREAT**  
19 NOVEMBER 2022 @SIEM REAP





## CORPORATE EVENTS

**PEOPLE'S PICK AWARD**

17 MARCH 2022 @CIMB BANK'S HEAD OFFICE, PHNOM PENH

**SIGNING CEREMONY ON CREDIT GUARANTEE AGREEMENT**

22 NOVEMBER 2022 @CIMB BANK'S HEAD OFFICE, PHNOM PENH

## SPONSORSHIP

**MALAYSIA RETAIL CHAIN ASSOCIATION TRADE MISSION TO PHNOM PENH**

31 AUGUST 2022 @NAGA WORLD, PHNOM PENH

**CIMB BANK'S STUDY TOUR**

23 SEPTEMBER 2022 @THE IMPACT HUB, PHNOM PENH

**NATIONAL CAREER AND PRODUCTIVITY FAIR 2022**

28-29 OCTOBER 2022 @KOH PICH EXHIBITION HALL, PHNOM PENH



# MEDIA HIGHLIGHTS









# BOARD OF DIRECTORS





**DATUK MOHD NASIR BIN AHMAD**

**Chairman / Independent Non-Executive Director**

Malaysian

68 years old

Joined the Board on 16 December 2019

Attended all 7 Board meetings held in 2022

Member of the Audit Committee

Datuk Mohd Nasir Bin Ahmad is a Fellow of Association of Chartered Certified Accountants (ACCA), United Kingdom, a Chartered Accountant with Malaysian Institute of Accountants (MIA), and holds a Master of Business Administration (Finance) from Universiti Kebangsaan Malaysia, Malaysia.

He was appointed as Chairman/Independent Non-Executive Director on 16 December 2019.

Datuk Mohd Nasir has been an Independent Director of CIMB Group Holdings Berhad since 20 July 2015 and appointed as Chairman/Independent Director on 20 October 2018. Datuk Mohd Nasir was also the President of MIA from August 2011 to July 2013. In September 2013 he was elected as a Council Member of the ACCA UK and re-elected in September 2016 and November 2019.

He brings with him vast experience in the areas of leadership, management, finance and accounting which spans over 40 years, having started his career as a Trainee Accountant with Tenaga Nasional Berhad (TNB) in 1979 and moving on to hold various positions in the Finance Division.

In January 1993, Datuk Mohd Nasir was seconded to TNB’s subsidiary company, Malaysia Transformer Manufacturing Sdn Bhd as the Financial Controller before being appointed as Chief Executive Officer (CEO) in June 1994.

In January 2000, he joined Sharikat Permodalan Kebangsaan Berhad as its CEO. On 1 June 2001, he was appointed CEO of Perbadanan Usahawan Nasional Berhad, a position he held until his retirement on 1 June 2011.

Datuk Mohd Nasir also holds Chairmanship of CIMB Foundation and directorships in CIMB EOP Management Sdn Bhd, Touch ‘n Go Sdn Bhd, Perdana Leadership Foundation and is a Trustee of Yayasan Canselor UNITEN.



**AISYAH LAM BINTI ABDULLAH**

**Independent Non-Executive Director**

Malaysian

58 years old

Joined the Board on 5 July 2018

Attended all 7 Board meetings held in 2022

Chairwoman of the Risk Committee

Member of the Audit Committee

Ms. Aisyah Lam has been appointed as an Independent Director and Chairwoman of the Risk Committee of the Bank from 5 July 2018. She is also an Independent Director of CIMB Bank Vietnam and COO of The American Chiropractic Clinic group in Vietnam.

Starting her banking career in Standard Chartered Bank, she went on to Deutsche Bank (Malaysia) in 1994 where she became the Head of Global Corporate Cash Management, pioneering the set-up of online corporate trade and transactional business for Deutsche Bank in Malaysia and then joining the regional sales team in Singapore. In 2001, she moved on to IslamicQ.com Asia (Dubai) where she was the Country Manager responsible for the management, development and implementation of business strategies in Asia.

In 2003, Ms. Aisyah returned to Malaysia to become the General Manager of Wealth Management for Hong Leong Bank Berhad. Her responsibilities include expansion of the business, growing the portfolio of assets under management, developing and managing the bank's priority as well as private banking sales channels in addition to the branch network. Ms Aisyah went on to Citibank in 2006 to head and to develop their Wealth Management portfolio in Malaysia.

Ms. Aisyah decided to leave for Hanoi in Vietnam in May 2010 to take up a new challenge in starting up a retail business for Ngan Hang TMCP Bac A Bank. The mission was to put up the infrastructure in the bank to support the key retail banking products and services in line with its strategic plan in building and growing this segment as a major business for the bank. Upon completion of the project, she moved on to Hong Leong Bank Ltd Vietnam where from 2012 to 2015, she developed and built the businesses of personal financial services for the bank in Vietnam.

From banking, Ms. Aisyah moved into the health care industry in 2016 and is currently managing a group of chiropractic clinics in Vietnam in all aspects of operations as well as business development.

Ms. Aisyah Lam graduated from the Chartered Institute of Banking UK with a post graduate advance diploma in Chartered Marketing.





## LONG BEANG

### Independent Non-Executive Director

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Cambodian

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43 years old

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Joined the Board on 9 March 2022

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Attended all 6 Board meetings held in 2022

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Chairman of the Audit Committee

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Mr. Beang is a member of the Bar Association of Kingdom of Cambodia (BAKC), a member of the National Commercial Arbitration Center (NCAC) and holds a Master of International Commercial Law and Corporate Counsel from The Royal University of Law and Economics, Cambodia.

He has been appointed as an Independent Non-Executive Director and the Chairman of the Audit Committee of the Bank from 9 March 2022.

Beang had been appointed as an Independent Director of Ly Hour Insurance Plc. in March 2019 and as Chairman of the Audit Committee to the Board of Director for Ly Hour Insurance Plc. early 2020 until his resignation from this directorship on 25 September 2021.

He brings with him vast experience in the areas of leadership, management, legal profession by having advised to various clients on many practice areas, including but not limited to; real estate and construction, banking and finance, insurance, telecom, tourism and hotel, labor and employment, capital markets (Securities and derivative businesses), sale and purchase contract for goods and services, project finance, legal due diligence, manufacturing business and also representing clients before the courts for civil and commercial cases.

Since September 2018, as one of the senior and top Cambodian commercial arbitrators, Beang has been involving with managing, ruling and leading arbitration proceedings and arbitration tribunals regarding commercial dispute resolutions notably for matters relating to international trade, supply and services contracts and construction.

In January 2022, he has been accredited as CEDR Accredited Mediator by Centre for Effective Dispute Resolution which is based in United Kingdom.

Beang is a managing partner of PYT & Associates, registered with the BAKC and he leads on some practice areas namely; banking and finance, project finance, insurance, labor and employment, dispute resolutions within the jurisdiction of the Securities and Exchange Commission of Cambodia ("SECC") and NCAC and also regarding civil and commercial litigation and also co-leads on other areas such as: real estate and construction (transaction), merger and acquisition ("M&A") and securities and derivative business including Initial Public Offering ("IPO").



**AHMAD SHAZLI BIN KAMARULZAMAN**

**Non-Independent Non-Executive Director**

Malaysian

51 years old

Joined the Board on 16 December 2019

Attended all 7 Board meetings held in 2022

Mr. Ahmad Shazli Bin Kamarulzaman, 51 years old, holds a Bachelor of Science (Hon) Economics and Accounting, University of Bristol, UK.

He was appointed as Non-Independent Non-Executive Director on 16 December 2019.

Ahmad Shazli Kamarulzaman is the Deputy CEO of Group Commercial Banking and Head of Commercial Banking Malaysia, CIMB Bank.

As Deputy CEO of Group Commercial Banking, Ahmad Shazli oversees the Group’s Business and SME segments for Malaysia, Singapore, Indonesia, Thailand and Cambodia.

As Head of Commercial Banking Malaysia, he is responsible for the entire Business and SME Banking segments in Malaysia. This includes strategy, credit, customer management and product & services in both Conventional and Islamic Banking. He is also responsible for factoring and leasing operations.

Shazli led the highly successful transformation of Commercial Banking Malaysia and under his stewardship, impressive strides have been made in Commercial business. Since joining CIMB in January 2006, he has also been instrumental in the Group’s recovery operations having set up Group Special Asset Management to recover the NPLs for Corporate, Commercial / SME and Retail Banking. He is a Chairman of Sathorn Asset Management Co. (Thailand) and CEO of Southeast Asia Special Asset Management Berhad, SPVs set up to acquire distressed loans / assets from CIMB Bank.

Ahmad Shazli started his career at a leading merchant bank before moving to Malaysia’s national asset management company, Pengurusan Danaharta Nasional Berhad (Danaharta).

In addition to the above, Shazli is also one of the founding member and Treasurer of Parent Action Group for Education (PAGE), Malaysia’s foremost Education NGO, that aims to advance Malaysia’s education system.



## CHEONG WENG TEONG

### Non-Independent Non-Executive Director

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Malaysian

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54 years old

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Joined the Board on 20 May 2021

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Attended all 7 Board meetings held in 2022

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Mr. Cheong Weng Teong holds a Master Degree in Marketing from RMIT University. He was appointed as the Bank's Non-Independent Non-Executive Director on 20 May 2021.

Currently, he is also the Head of Consumer Banking of CIMB Bank Berhad, where he is responsible for the management and operations of the bank's consumer banking business. Prior to that, he was the Head of Retail & Enterprise Distribution at CIMB Bank Berhad and Head of Branch Distribution Group at Southern Bank. Before joining CIMB Group in 2004, he was the Head of Sales Development at AIG Marketing Group and Head of Consumer Clients at ABN AMRO Bank.

He has over 25 years of experience in consumer banking spanning branch management, sales and product management. He was instrumental in formulating and executing the sales and distribution strategy for the consumer banking where he transformed the branch network and non-branch channels into a high performing sales organisation.



**BUN YIN**  
**Chief Executive Officer/  
Non-Independent Executive Director**

Cambodian

67 years old

Joined the Board on 29 January 2015

Attended all 7 Board meetings held in 2022

Member of the Risk Committee

Mr. Bun Yin earned a Bachelor Degree from the Faculty of Finance, Accounting and Banking of the Ministry of Finance in Cambodia in 1987. He has also gained Chartered Banker status which has been conferred by Asian Institute of Chartered Bankers (AICB).

He was appointed as Chief Executive Officer (CEO) on 1 January 2015 after serving as Deputy General Manager since the inception of the Bank in Cambodia. Bun Yin was appointed as the Bank’s Executive Director (ED) on 29 January 2015. He is also a member of the Bank’s Risk Committee. He turned the Bank around to become profitable during his first year as the CEO. Despite challenging market conditions and the extremely high internal standards, Bun Yin navigated the tides and positioned the business of CIMB to a profitable track since then.

As ED/CEO, Bun Yin has overall responsibility for the implementation of the Bank’s strategy, and for carrying out the Board’s direction, managing the Bank’s businesses and driving performance within strategic goals and commercial objectives. He leads the Management team in carrying out the corporate strategy and vision of the Bank. He is also accountable to the Board for the day-to-day operations of the Bank’s business.

Bun Yin has been working in the banking industry for more than 40 years. With his extensive experience in banking, he understands the local market well and has played a central role in driving the Bank’s business agenda. He has been recognised as one of the pioneers in the Cambodia’s banking industry.



**DATIN ROSSAYA MOHD NASHIR****Joint Company Secretary**

Malaysian

Datin Rossaya Mohd Nashir is the Group Company Secretary, and she has worked at the bank since joining the Corporate Legal Services Unit in 2002. She was instrumental in setting up the Company Secretarial Department in 2004 and was appointed as Group Company Secretary in 2006.

In her role, Datin Rossaya is responsible for providing counsel and advice on Board duties and responsibilities, to ensure that CIMB complies with relevant laws and regulatory requirements. She also plays a liaison role between the Board and its key stakeholders both in Malaysia and in the Group's regional operations, ensuring that a corporate governance framework is deployed in a manner that supports the Group's vision and aspirations.

She has extensive industry knowledge, with over 25 years of experience in corporate secretarial practice. Previously, she was with Permodalan Nasional Berhad where she assumed the position of Joint Company Secretary for several of its subsidiaries. She began her career with the Time Engineering Group.

Datin Rossaya serves as a member of the Companies Commission of Malaysia's Corporate Practice Consultative Forum and is a Director of several subsidiaries in the CIMB group. She is a CIMB Sustainability Champion and has initiated several projects to encourage sustainability in the workplace for #teamcimb. She actively advocates greater participation of women in the boardroom and has been involved in various networking initiatives to promote this agenda.

Datin Rossaya holds a Bachelor of Laws, majoring in Business Law, from Coventry University, United Kingdom. She is a licensed secretary awarded by Companies Commission of Malaysia, and she is also an affiliate of Malaysian Institute of Chartered Secretaries and Administrators.



**LY SOPHEA**

**Joint Company Secretary**

Cambodian

Ly Sophea has been the Joint Company Secretary of CIMB Bank PLC since November 2010. She also acts as the Joint Company Secretary to the Board of Directors and the Audit Committee of CIMB Bank PLC. Sophea is also the Secretary to the Management Committee and Cambodia Business Review Committee as well as is a permanent invitee of other committees of the Bank such as the Risk Committee and Cambodia Credit Committee.

Prior to joining CIMB Bank PLC, Sophea was an Assistant to the Senior Vice President and Head of Legal and Corporate Affairs at a major Bank in Cambodia. She simultaneously studied and worked for six years in legal and corporate secretarial roles in Legal and Corporate Affairs Division at her previous workplace.

Sophea graduated in 2004 from Royal University of Law and Economics (“RULES”) with a Bachelor of Law and in that same year, earned a Bachelor of Accounting from the Faculty of Business Administration of Institution of the Technology and Management (currently known as Puthisastras University). In 2007, she further obtained her Master’s Degree in Private Law from RULES. Sophea was qualified for the certificate in AML/CFT from Asian Institute of Chartered Bankers (AICB), Malaysia, in 2017 and qualified as a CEDR Accredited Mediator from the Centre for Effective Dispute Resolution (CEDR), which is based in United Kingdom, in January 2022. In August 2022, Sophea attended the 1st Training and Examination and successfully be certified as the Approved Persons in the Trust Sector of 2022. Furthermore, she has also completed the Advanced Level of Commercial Arbitration Skills Training Course in December 2022.







# MANAGEMENT TEAM





## HONG CHEAP

### Head, Commercial Banking

Cambodian

With a large body of experience in the commercial banking sector, frontline customer facing and risk management, Hong Cheap has equipped himself with strong customer and industry knowledge to provide valuable insight to the Bank on business and risk management matters. Hong Cheap also has experience in risk management in Laos in the position of Chief Risk Officer for an International Bank.

Before becoming the Head of Commercial Banking starting 1 January 2018, Hong Cheap served role as Head of Risk for CIMB Bank PLC for 5 years and managed the Bank's overall risk management, chaired the Credit Committee and worked closely with other business units to embed a strong risk culture within the Bank.

As Head of Commercial Banking, he is vital in planning and executing the Bank's commercial strategies. He leads the team in growing loan book while maintaining good asset quality, enhancing deposits, improving capabilities and productivity, and increasing profits for the whole Bank. Hong Cheap is also actively involved in enhancing collaboration between Commercial Banking and their stakeholders within the Bank.

He holds a Bachelor's and a Master's Degree in Business Administration and has also completed the CIMB-INSEAD Leadership Programme.



## PECH SOMALY

### Head, Consumer Banking

Cambodian

Pech Somaly joined CIMB Bank PLC in 2021 as Head of Branch and Delivery to lead Preferred Banking, branch network and support before being promoted as Head of Consumer Banking. In her role, Somaly is responsible for the overall management and financial performance of CIMB Bank's Consumer Banking, which includes customer experience, product development, sales and branch network, and credit management. Somaly devises business strategies and also takes care of Branch Distribution, Preferred Banking, Mortgage, Auto Loan, Personal Loan and Credit Cards Portfolios.

Somaly has over 23 years of experience in banking and financial services. She started her career with few Regional Banks where she worked both in Cambodia and other regional countries as a member of the senior management.

Prior to joining CIMB Bank PLC, Somaly worked for a major International Bank in Cambodia for 13 years, where she assumed multitude of management positions from Operations to be Sale Director and then as Chief Operating Officer of one startup and well-known Fintech.

Somaly obtained her Bachelor's Degree in Banking and Finance in Phnom Penh and continuously earned her MBA in Finance and Management from the Charles Sturt University.





## HENG TORANG

### Head, Treasury & Markets

Cambodian

Heng Torang is one of the pioneers in the management team of CIMB Bank PLC, joining the Bank in 2010. He formed up the Bank's Risk Management roles and provided secretarial duties to the Board Risk Committee. In mid-2013, he moved to take over Treasury & Markets to manage the Bank's balance sheet, money market, liquidity risk, foreign exchange and other treasury structure products sales, and to maintain the Bank & FIs relationship. Apart of members in the Management Committee, he also sits in the Assets & Liabilities Management Committee and the Risk Committee.

Before joining CIMB Bank PLC, he was a Treasury & Market Risk Manager and used to serve in treasury business and cash flow management with a very well-grounded experience at a major bank in Cambodia for 6 years.

Torang carries a BA in Accounting from the National Institution of Management in Cambodia, an MBA in Finance from Pannasastra University of Cambodia, and completed the Accelerated Universal Bankers Programme from Nanyang Technological University in Singapore.



## KY SANA

### Head, Corporate, Transactions Banking & Financial Institutions Group

Cambodian

Ky Sana has over 20 years of experience in banking services. Her career began in an International Bank, where she served in various disciplines, from front offices to back office operations, credit, trade finance and as a member of the senior management. She joined CIMB Bank PLC in 2010 as Branch Manager of its first main branch. She was taking care of Preferred and Commercial Banking portfolios before being promoted as Head of Corporate, Transaction Banking and Financial Institutions Group.

In her current role, Sana is responsible for relationship management with large corporate and FIG clients and the overall performance of Corporate Banking and FIG unit in Cambodia. Beyond the traditional corporate funding services, she is also in charge of providing solutions and added values in respect to their transactional banking requirements such as Cash Management, Trade Finance and Internet Banking.

During the tenure with CIMB, Sana was the recipient of the following awards:

1. Best Branch of the Year Award 2011 from CIMB Cambodia;
2. Most Admired Employee Award 2011 from CIMB Cambodia;
3. Emerald Award 2013 for High Performing Middle Managers from CIMB Group;
4. Most Influential Woman Award 2020 from CIMB Cambodia;

Sana holds a Bachelor's Degree in accounting from the National Institute of Management and completed the Accelerated Universal Bankers Programme from Nanyang Technological University in Singapore. Sana is currently pursuing MBA from one of a local University in Phnom Penh.



## HENG VUTHY

### Head, Finance

Cambodian

Heng Vuthy was one of the pioneers in the management team of CIMB Bank PLC, joining the Bank in 2010. His primary duties are to manage financial functions, plan, organize, direct and manage subordinate personnel involved in developing, implementing and maintaining policies and practices for the financial management, budgeting, taxation, accounting and regulatory reporting, and business strategy of the Bank.

Vuthy also has oversight of the accounting system and reporting, financial controls, business planning, and serves as liaison to the Group Head Office in Malaysia. Prior to joining CIMB Bank PLC, he had eight years of experience in financial management and was Deputy Head of the Finance Division in his last post with a major Bank in Cambodia.

Vuthy holds a Master of Business Administration in Finance from Pannasastra University of Cambodia and an Association of Chartered Certified Accountants (ACCA) degree from CamEd Institute, Official ACCA Platinum Tuition Provider.



## OUM CHENDA PHEAKDEY

### Head, Corporate Resources

Cambodian

As one of the pioneers in the management team of CIMB Bank PLC, Pheakdey stands behind the success of our people strategy including talent acquisition, performance & rewards, employee engagement, culture building, talent management and development. She ensures CIMB remains a top of mind employer in the market. In 2020, she led the Bank to be awarded the “Best Company to Work For In Asia”, a proud achievement thus far.

Progressively, Pheakdey brought splendid achievements to the Bank through the building of top talents within competitiveness and the utilisation of our human resources to their utmost. Her main focuses are on talent attraction and retention for a driven and sustainable business with the short, mid and long-term strategy. Her futuristic insights and strategies keep our bank up-to-date in the era of digitalisation and technology. She immerses our employees with acquiring new skills in 3D (Digital, Data and Design Thinking) and through experiential learning and diverse development programmes within/across the region.

Pheakdey has a good communication and engagement skills that allow her to collaborate smoothly with our leadership team to drive talent growth aspiration and be fully supported by regional development and/or attachment programme.

Beyond Human Resources specialty, Pheakdey goes the extra mile in directing and managing the Administration, Property Management and Strategic Procurement functions. She oversees key property projects to ensure they are effectively managed in terms of cost-efficiency and deliverables.

Prior to joining CIMB Bank PLC, Pheakdey has been thriving as one of the most participated leaders in HR role for over 15 years within various industries. She holds a Bachelor’s Degree of Business Administration from the National Institute of Management, Cambodia.





## SENG KOK WING

### Head, Strategy

Malaysian

Seng Kok Wing joined CIMB Bank PLC in 2022 as Head of Strategy. He is primarily responsible for the origination and execution of strategic initiatives of CIMB Bank PLC. He has 29 years of experience in the fields of banking, finance and business consulting.

Prior to this role, he has spent 16 years in CIMB Bank Malaysia in core areas of Commercial Banking, Consumer Banking and Group Ventures and Partnerships. In Commercial Banking, his experience span from Asset Quality Management to heading the distribution channel as Head of Commercial Banking Sales. He was key in rebuilding the Commercial Banking franchise in the Mid Corp and SME segment.

Kok Wing possesses a unique background of having managed both Commercial and Consumer Banking businesses. While in Consumer Banking, he headed the Auto Financing business before moving on to assume the role of Head, Retail Assets and Deposits. In this role, he helmed Auto Financing Services, Secured Lending and Deposits of the Malaysia Consumer Banking business.

He held his last posting in Malaysia as Managing Director, Group Ventures and Partnerships, with a mandate to create and capture new revenue opportunities from platform-based channels through strategic joint-ventures in the ecosystem space. During this period, he worked with global digital platforms to actualize innovative digital consumer banking products.

Prior to joining CIMB Banking Group, Kok Wing has worked in several leading financial institutions in Malaysia and Singapore, including Malaysia's National Asset Management Company, Pengurusan Danaharta Nasional Berhad. Kok Wing holds a Bachelor's Degree in Law (hon) from University of London and an Alumni of the CIMB-INSEAD Leadership Programme.



## HENG VIBOTH

### Head, Technology & Data

Cambodian

Heng Viboth joined CIMB Bank PLC as Head of Technology & Operations in August 2018 and in September 2022, he was appointed as Head of Technology & Data. In his role, Viboth is responsible for the planning and implementation of the Bank's technology roadmap, which includes overseeing taskforces, project progress and risk evaluation. He leads his team to ensure that policies/procedures are in compliance and to continuously provide timely support to the Business Units and Business Enablers.

In Data areas, Viboth is responsible for the Bank's Data Governance management, which includes managing data labelling, data usage, data at rest and data storing. He also ensures that the Bank's data management policy is up to date and in compliance with regulation and internal processes.

Viboth has 20 years of working experience in the banking industry and started his career as a Software Engineer in 2003. Prior to CIMB Bank PLC, he was the Head of Information Technology Services at a leading local bank in Cambodia.

Viboth holds a Bachelor's Degree in Computer Science from the Royal University of Phnom Penh.



### OUK THANIN

#### Head, Product Management

Cambodian

Ouk Thanin joined CIMB Bank PLC in March 2017 to oversee the Product Management unit. Thanin's responsibilities include managing, coordinating and delivering projects, policies and guidelines related to new and existing product offerings to align with market needs. Throughout the years, he has been instrumental in managing the Product Management unit and successfully introduced new products, which have differentiated CIMB from an increasingly competitive market. He also serves as the lead coordinator for a number of bank-wide initiatives and projects, including Sustainability programme.

Prior to joining CIMB, he had 9 years of experience in the financial service industry covering diverse fields that include general insurance, credit management and institutional banking.

Thanin was a recipient of Singapore Government Scholarship and Fulbright Scholarship. He graduated with a BBA Honor from the National University of Singapore in 2006 and with an MBA from Vanderbilt University in the United States in 2012. He was selected in 2012 for membership in Beta Gamma Sigma, the international honor society for collegiate schools of business.



### HENG PHUONG RACHANA

#### Head, Operations

Cambodian

Heng Phuong Rachana joined CIMB Bank PLC in 2012 as an Assistant Vice President in charge of Operations Department under Group Information and Operations Division. During her 10 year services with the bank, she progresses well and manage to run the bigger scale of operations with proven positive result. In September 2022, Rachana has been appointed as Head of Operations Division following the restructuring of Technology and Operations Division.

In her role, Rachana is responsible for managing back office functions with particular reference to local/international remittances, trade finance, inward/outward cheque clearing, self-service terminal (SST) management, centralised cash management, internet banking, treasury operations, loan disbursement and other payment/settlement services. She also leads and develops team to ensure their professional growth by maintaining quality and excellent service/support.

Rachana has 20 years of working experience both banking services and back office functions. Prior to CIMB Bank PLC, she was the Head of Banking Services at one local bank in Cambodia.

She holds two Bachelor's degrees in (i) Accounting from National Institute of Management and (ii) English Communication from Norton University.



### **KHIEU LANIN**

#### **Head, Corporate Assurance**

Cambodian

As one of the pioneers in the management team of CIMB Bank PLC since 2010, Khieu Lanin's responsibilities include developing and overseeing audit plans, strategies, standards and policies as well as the overall management of the Corporate Assurance Division.

Lanin has over 20 years of working experience in the banking industry, especially in internal audit, which enables him to effectively execute his roles along with assisting the Audit Committee and management in establishing cost-effective controls, identifying and assessing risks, recommending measures to mitigate risks, assuring proper governance process, ensuring the establishment of quality programmes, and supervising audit work.

Lanin holds a Bachelor's Degree in Finance and Banking from the National University of Management and a Master's Degree in Accounting and Finance from Build Bright University. He graduated in the Regulatory Compliance course from the Institute of Banking and Finance (IBF). He is currently pursuing qualification of Certified Internal Audit (CIA) from the Institute of Internal Auditors (IIA).



### **CHHUN PUTHKOMPHEAKVATTEY**

#### **Head, Compliance**

Cambodian

Chhun Puthkompheakvattey joined CIMB Bank PLC as Head of Compliance in August 2017. She is responsible for the overall management of the Compliance function of the Bank and reports to the Board of Directors of CIMB Bank PLC. As the Head of the Compliance Division, Vattey oversees and supervises Compliance-related activities within the Bank, and is the primary liaison for the National Bank of Cambodia and other regulators.

Vattey started her career as an auditor in an international audit firm and she subsequently took on a compliance-related role in the financial sector. Vattey possesses 12 years of working experience in the banking industry, specialising in compliance and operational risk management. Prior to joining CIMB Bank PLC, Vattey was Head of Operational Risk Management and Internal Control with a major Bank in Cambodia.

Vattey holds a Bachelor's Degree in Finance and Banking from Pannasastra University of Cambodia and graduated in the Regulatory Compliance course from the Institute of Banking and Finance (IBF). Vattey also completed the International Advanced Certificate in Anti Money Laundering and International Diploma in Anti Money Laundering from the International Compliance Association.



## KIEN VATANA

### Head, Risk Management

Cambodian

Kien Vatana is Head, Risk Management of CIMB Bank PLC, to hold responsibility for overall risk management and work closely with other business units and Group Risk to embed a strong risk culture and control within the Bank.

He was one of the pioneers in credit management team, joining the Bank in 2010 covering credit portfolio of all business units (Consumer Banking, Commercial Banking and Corporate Banking). He has a profound knowledge and experience in the credit management. He has equipped himself with strong customer and industry knowledge through regional attachment with Credit Management in Malaysia and Singapore reviewing all the credit proposals from Cambodia, Thailand and Malaysia.

Kien Vatana has been appointed as the Chairman of Credit Committee based on his lengthy experience in credit management for over 17 years in banking industry. He provides direction and guidance from a lending point of view to maintain and attract creditworthy customers while maintaining quality books. He also oversees other risk matters, including but not limited to operational risk, market risk, and liquidity risk.

He holds two Bachelor's degrees in (i) Banking and Finance and (ii) Science Mathematics. He has also completed CIMB-Omega's Core Credit Assessment Skills Programme and Accelerated Universal Bankers Programme, Nanyang Technological University, Singapore.



## LY SOPHEA

### Head, Legal & Company Secretarial

Cambodian

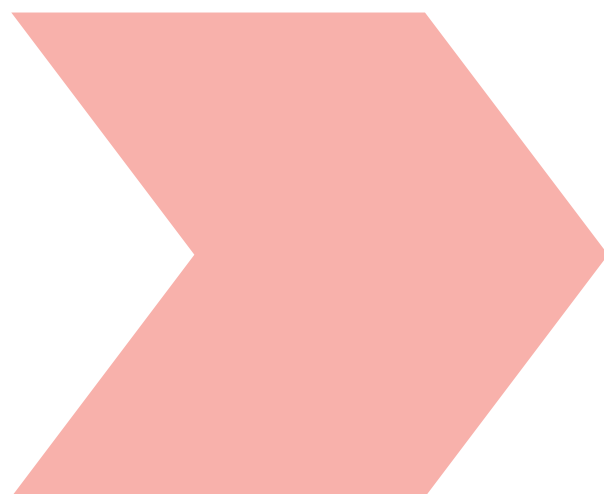
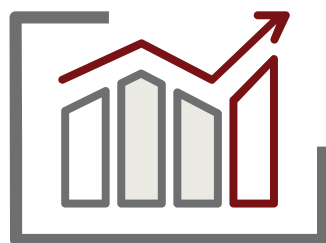
Ly Sophea has been the Head of Legal & Company Secretarial since CIMB Bank PLC started operations in November 2010. Sophea is responsible for managing functions of Legal and Company Secretarial. She is the Joint Company Secretary to the Board of Directors and the Audit Committee of CIMB Bank PLC. She also acts as the Secretary to Management Committee and Cambodia Business Review Committee, and sits as a permanent invitee of other committees of the Bank such as Risk Committee and Cambodia Credit Committee.

Prior to joining CIMB Bank PLC, Sophea was an Assistant to the Senior Vice President and Head of Legal and Corporate Affairs at one major bank in Cambodia. She simultaneously studied and worked for six years in legal and corporate secretarial role in Legal and Corporate Affairs Division at her previous workplace.

Sophea graduated in 2004 from Royal University of Law and Economics ("RULES") with a Bachelor of Law and in that same year, earned a Bachelor of Accounting from the Faculty of Business Administration of Institution of the Technology and Management (currently known as Puthisastra University). In 2007, she further obtained her Master's Degree in Private Law from RULES. Sophea was qualified for the certificate in AML/CFT from Asian Institute of Chartered Bankers (AICB), Malaysia, in 2017 and qualified as a CEDR Accredited Mediator from the Centre for Effective Dispute Resolution (CEDR), which is based in United Kingdom, in January 2022. In August 2022, Sophea attended the 1st Training and Examination and successfully be certified as the Approved Persons in the Trust Sector of 2022. Furthermore, she has also completed the Advanced Level of Commercial Arbitration Skills Training Course in December 2022.



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## **AUDITED FINANCIAL STATEMENTS**



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## DIRECTORS' REPORT

The Board of Directors (the Directors) hereby submits their report together with the audited financial statements of CIMB Bank PLC (the Bank) for the year ended 31 December 2022.

### THE BANK

The Bank was incorporated on 20 September 2010 and is a wholly owned subsidiary of CIMB Bank Berhad, a licensed bank incorporated in Malaysia. CIMB Group Holdings Berhad, a publicly listed company incorporated in Malaysia, is the ultimate holding company.

### PRINCIPAL ACTIVITIES

The Bank is principally engaged in all aspects of banking business and the provision of related financial services in Cambodia.

### FINANCIAL PERFORMANCE

The financial performance of the Bank for the year is set out in the statement of profit or loss and other comprehensive income on page 95.

No dividends were declared or paid during the year ended 31 December 2022.

### STATUTORY CAPITAL

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

### BAD AND DOUBTFUL FINANCIAL FACILITIES

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

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

### ASSETS

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

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

### CONTINGENT AND OTHER LIABILITIES

At the date of this report, there is:

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

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

### CHANGE OF CIRCUMSTANCES

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

### ITEMS OF AN UNUSUAL NATURE

The results of the operations of the Bank for the financial year were not, in the opinion of the Directors, materially affected by any items, transactions or events of a material and unusual nature. There has not arisen in the interval between the end of the financial year and the date of this report any items, transactions or events of a material and unusual nature likely, in the opinion of the Directors, to substantially affect the results of the operations of the Bank for the year in which this report is made.

THE BOARD OF DIRECTORS

The members of the Board of Directors of the Bank during the year and as at the date of this report are:

Datuk Mohd Nasir Bin Ahmad	Chairman/Independent Non-Executive Director
Dr. Mey Kalyan	Independent Non-Executive Director (Retired on 9 March 2022)
Mr. Long Beang	Independent Non-Executive Director (Appointed on 9 March 2022)
Ms. Aisyah Lam Binti Abdullah	Independent Non-Executive Director
Mr. Ahmad Shazli Bin Kamarulzaman	Non-Independent Non-Executive Director
Mr. Cheong Weng Teong	Non-Independent Non-Executive Director
Mr. Bun Yin	Non-Independent Executive Director / Chief Executive Officer

THE DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS

The Directors are responsible for ascertaining that the financial statements present fairly, in all material respects, the financial position of the Bank as at 31 December 2022 and of its financial performance and its cash flows for the year then ended in accordance with the Cambodian International Financial Reporting Standards (CIFRS).

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

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

APPROVAL OF THE FINANCIAL STATEMENTS

The accompanying financial statements, together with the notes thereto, which present fairly, in all material respects, the financial position of the Bank as at 31 December 2022 and the financial performance and cash flows of the Bank for the year then ended in accordance with the Cambodian International Financial Reporting Standards, were approved by the Board of Directors.

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



Mr. Bun Yin  
Executive Director/Chief Executive Officer

Phnom Penh, Kingdom of Cambodia  
30 March 2023

# INDEPENDENT AUDITOR'S REPORT

To the shareholder of CIMB Bank PLC

## OUR OPINION

In our opinion, the financial statements present fairly, in all material respects, the financial position of CIMB Bank PLC (the Bank) as at 31 December 2022, and its financial performance and its cash flows for the year then ended in accordance with Cambodian International Financial Reporting Standards (CIFRS).

### *What we have audited*

The Bank's financial statements comprise:

- the statement of financial position as at 31 December 2022;
- the statement of profit or loss and other comprehensive income for the year then ended;
- the statement of changes in equity for the year then ended;
- the statement of cash flows for the year then ended; and
- the notes to the financial statements, which include significant accounting policies and other explanatory information.

## BASIS FOR OPINION

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

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

### *Independence*

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

## OTHER INFORMATION

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

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

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

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

## RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE FINANCIAL STATEMENTS

Management is responsible for the preparation and fair presentation of the financial statements in accordance with CIFRS, 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.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Bank's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by 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.

For PricewaterhouseCoopers (Cambodia) Ltd.



By **Lang Hy**  
Partner

Phnom Penh, Kingdom of Cambodia  
30 March 2023

# STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2022

		2022		2021	
	Notes	US\$	KHR'000	US\$	KHR'000
ASSETS					
Cash on hand	4	53,574,614	220,566,686	56,737,044	231,146,717
Deposits and placements with the central bank	5	120,906,100	497,770,414	155,638,694	634,072,039
Deposits and placements with other banks	6	63,496,732	261,416,046	129,303,907	526,784,111
Loans and advances at amortised cost	7	1,019,457,213	4,197,105,346	919,621,447	3,746,537,775
Statutory deposits with the central bank	8	78,327,893	322,475,935	81,209,425	330,847,197
Right-of-use assets	9	7,332,350	30,187,285	6,516,998	26,550,250
Property and equipment	10	6,601,551	27,178,585	5,287,962	21,543,157
Intangible assets	11	1,812,576	7,462,375	2,002,912	8,159,863
Deferred tax assets	12	2,072,405	8,532,091	2,478,586	10,097,759
Other assets	13	5,267,606	21,686,734	5,047,196	20,562,278
TOTAL ASSETS		1,358,849,040	5,594,381,497	1,363,844,171	5,556,301,152
LIABILITIES AND EQUITY					
LIABILITIES					
Deposits from banks	14	224,907,872	925,945,709	165,470,450	674,126,613
Deposits from customers	15	847,725,348	3,490,085,258	931,403,749	3,794,538,873
Borrowings	16	21,738,894	89,499,027	26,141,521	106,500,557
Subordinated debts	17	47,405,592	195,168,822	47,405,592	193,130,382
Lease liabilities	9	7,935,261	32,669,470	6,987,782	28,468,224
Current income tax liabilities	30	5,410,147	22,273,575	5,449,519	22,201,340
Employee benefits	18	3,514,059	14,467,381	2,971,605	12,106,319
Other liabilities	19	14,054,395	57,861,943	17,799,084	72,513,468
TOTAL LIABILITIES		1,172,691,568	4,827,971,185	1,203,629,302	4,903,585,776
EQUITY					
Share capital	20	75,000,000	308,775,000	75,000,000	305,550,000
Share-based payment reserves	21	576,022	2,371,483	220,315	897,563
Retained earnings		71,876,338	291,910,537	58,546,886	237,433,068
Capital reserves	22	25,500,000	104,983,500	17,500,000	71,295,000
Regulatory reserves	23	13,205,112	54,365,446	8,947,668	36,452,799
Other reserves		-	4,004,346	-	1,086,946
TOTAL EQUITY		186,157,472	766,410,312	160,214,869	652,715,376
TOTAL LIABILITIES AND EQUITY		1,358,849,040	5,594,381,497	1,363,844,171	5,556,301,152

The accompanying notes on pages 98 to 139 form an integral part of these financial statements.



# STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2022

	Notes	2022		2021	
		US\$	KHR'000	US\$	KHR'000
Interest income	24	71,573,919	292,522,607	63,991,057	260,315,620
Interest expense	24	(26,293,874)	(107,463,063)	(23,904,886)	(97,245,076)
<b>Net interest income</b>	24	45,280,045	185,059,544	40,086,171	163,070,544
Fee and commission income	25	8,334,428	34,062,807	7,743,185	31,499,277
Fee and commission expense	25	(2,715,621)	(11,098,743)	(2,468,909)	(10,043,522)
<b>Net fee and commission income</b>	25	5,618,807	22,964,064	5,274,276	21,455,755
Credit impairment losses	26	(88,523)	(361,794)	(1,194,218)	(4,858,079)
Other operating income		1,985,155	8,113,328	1,510,154	6,143,306
Other losses – net		(249,414)	(1,019,355)	(110,566)	(449,782)
<b>Net other operating income</b>		1,647,218	6,732,179	205,370	835,445
<b>Expenses</b>					
Personnel expenses	27	(12,496,427)	(51,072,897)	(10,904,270)	(44,358,570)
Depreciation and amortisation charges	28	(3,959,742)	(16,183,466)	(2,928,061)	(11,911,352)
Other operating expenses	29	(3,898,440)	(15,932,924)	(3,212,354)	(13,067,856)
		(20,354,609)	(83,189,287)	(17,044,685)	(69,337,778)
<b>Profit before income tax</b>		32,191,461	131,566,500	28,521,132	116,023,966
Income tax expenses	30	(6,604,565)	(26,992,857)	(5,829,808)	(23,715,659)
<b>Profit for the year</b>		25,586,896	104,573,643	22,691,324	92,308,307
<b>Other comprehensive income:</b>					
Items that will not be reclassified to profit or loss					
Currency translation differences		-	2,917,400	-	1,209,042
Other comprehensive income for the year, net of tax		-	2,917,400	-	1,209,042
<b>Total comprehensive income for the year</b>		25,586,896	107,491,043	22,691,324	93,517,349
<b>Profit attributable to:</b>					
Owners of the Bank		25,586,896	104,573,643	22,691,324	92,308,307
<b>Total comprehensive income attributable to:</b>					
Owners of the Bank		25,586,896	107,491,043	22,691,324	93,517,349

The accompanying notes on pages 98 to 139 form an integral part of these financial statements.

## STATEMENT OF CHANGES IN EQUITY

## STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2022

Attributable to owners of the Bank														
	Share capital		Share-based payment reserves		Retained earnings		Capital reserves		Regulatory reserves		Other reserves		Total	
	US\$	KHR'000	US\$	KHR'000	US\$	KHR'000	US\$	KHR'000	US\$	KHR'000	US\$	KHR'000	US\$	KHR'000
Balance at														
1 January 2021	75,000,000	303,375,000	-	-	37,293,927	150,976,030	17,500,000	70,787,500	7,509,303	30,375,131	-	(122,096)	137,303,230	555,391,565
Profit for the year	-	-	-	-	22,691,324	92,308,307	-	-	-	-	-	-	22,691,324	92,308,307
Other comprehensive income	-	-	-	-	-	-	-	-	-	-	-	1,209,042	-	1,209,042
Total comprehensive income for the year	-	-	-	-	22,691,324	92,308,307	-	-	-	-	-	1,209,042	22,691,324	93,517,349
Transactions with owners in their capacity as owners:														
Share-based payments: value of employee services (Note 21)	-	-	220,315	896,241	-	-	-	-	-	-	-	-	220,315	896,241
Transfer to regulatory reserves (Note 23)	-	-	-	-	(1,438,365)	(5,851,269)	-	-	1,438,365	5,851,269	-	-	-	-
Currency translation differences	-	2,175,000	-	1,322	-	-	-	507,500	-	226,399	-	-	-	2,910,221
Total transactions with owners	-	2,175,000	220,315	897,563	(1,438,365)	(5,851,269)	-	507,500	1,438,365	6,077,668	-	-	220,315	3,806,462
Balance at														
31 December 2021	75,000,000	305,550,000	220,315	897,563	58,546,886	237,433,068	17,500,000	71,295,000	8,947,668	36,452,799	-	1,086,946	160,214,869	652,715,376
Balance at														
1 January 2022	75,000,000	305,550,000	220,315	897,563	58,546,886	237,433,068	17,500,000	71,295,000	8,947,668	36,452,799	-	1,086,946	160,214,869	652,715,376
Profit for the year	-	-	-	-	25,586,896	104,573,643	-	-	-	-	-	-	25,586,896	104,573,643
Other comprehensive income	-	-	-	-	-	-	-	-	-	-	-	2,917,400	-	2,917,400
Total comprehensive income for the year	-	-	-	-	25,586,896	104,573,643	-	-	-	-	-	2,917,400	25,586,896	107,491,043
Transactions with owners in their capacity as owners:														
Share-based payments: value of employee services (Note 21)	-	-	355,707	1,453,775	-	-	-	-	-	-	-	-	355,707	1,453,775
Transfer to capital reserves (Note 22)	-	-	-	-	(8,000,000)	(32,696,000)	8,000,000	32,696,000	-	-	-	-	-	-
Transfer to regulatory reserves (Note 23)	-	-	-	-	(4,257,444)	(17,400,174)	-	-	4,257,444	17,400,174	-	-	-	-
Currency translation differences	-	3,225,000	-	20,145	-	-	-	992,500	-	512,473	-	-	-	4,750,118
Total transactions with owners	-	3,225,000	355,707	1,473,920	(12,257,444)	(50,096,174)	8,000,000	33,688,500	4,257,444	17,912,647	-	-	355,707	6,203,893
Balance at														
31 December 2022	75,000,000	308,775,000	576,022	2,371,483	71,876,338	291,910,537	25,500,000	104,983,500	13,205,112	54,365,446	-	4,004,346	186,157,472	766,410,312

The accompanying notes on pages 98 to 139 form an integral part of these financial statements.

# STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2022

		2022		2021	
	Notes	US\$	KHR'000	US\$	KHR'000
<b>Cash flows from operating activities</b>					
Cash used in operations	32	(135,895,118)	(555,403,348)	(23,016,569)	(93,631,402)
Interest received		71,562,828	292,477,278	63,085,264	256,630,854
Interest paid		(24,438,070)	(99,878,392)	(22,913,390)	(93,211,671)
Income tax paid	30	(6,237,756)	(25,493,709)	(5,872,092)	(23,887,670)
Staff pension fund paid	18	(318,225)	(1,300,586)	(306,995)	(1,248,856)
Seniority paid	18	(45,414)	(185,607)	(25,113)	(102,160)
<b>Net cash (used in)/generated from operating activities</b>		(95,371,755)	(389,784,364)	10,951,105	44,549,095
<b>Cash flows from investing activities</b>					
Negotiable certificate of deposits		25,990,000	106,221,130	36,231,000	147,387,708
Deposits and placements with other banks - maturity more than three months		4,500,000	18,391,500	-	-
Purchases of property and equipment		(2,876,504)	(11,756,272)	(1,730,239)	(7,038,612)
Purchases of intangible assets		(342,768)	(1,400,893)	(550,266)	(2,238,482)
Proceeds from disposals of property and equipment		30,558	124,891	1,518	6,175
<b>Net cash generated from investing activities</b>		27,301,286	111,580,356	33,952,013	138,116,789
<b>Cash flows from financing activities</b>					
Proceeds from borrowings	16	25,617,130	104,697,210	57,856,303	235,359,441
Repayments of borrowings	16	(29,242,546)	(119,514,286)	(95,489,565)	(388,451,550)
Proceeds from subordinated debts	17	-	-	7,000,000	28,476,000
Repayments of subordinated debts	17	-	-	(7,000,000)	(28,476,000)
Principal elements of lease payments		(1,507,788)	(6,162,330)	(1,334,499)	(5,428,742)
<b>Net cash used in financing activities</b>		(5,133,204)	(20,979,406)	(38,967,761)	(158,520,851)
<b>Net (decrease)/increase in cash and cash equivalents</b>		(73,203,673)	(299,183,414)	5,935,357	24,145,033
Cash and cash equivalents at beginning of the year		298,064,459	1,214,314,605	292,129,102	1,181,662,218
Currency translation differences		-	10,620,666	-	8,507,354
<b>Cash and cash equivalents at end of the year</b>		224,860,786	925,751,857	298,064,459	1,214,314,605

The accompanying notes on pages 98 to 139 form an integral part of these financial statements.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

## 1. BACKGROUND INFORMATION

The Bank was incorporated in Cambodia on 20 September 2010 under the Registration No. 00010524, granted by the Ministry of Commerce and commenced its operations on 19 November 2010. The Bank is a wholly owned subsidiary of CIMB Bank Berhad, a licensed bank incorporated in Malaysia. CIMB Group Holdings Berhad, a publicly listed company incorporated in Malaysia, is the ultimate holding company.

The Bank is principally engaged in all aspects of banking business and the provision of related financial services in Cambodia. The Bank holds a banking licence that was issued by the National Bank of Cambodia (NBC or the Central Bank) on 11 November 2010.

The registered office of the Bank is located at No. 20AB, Corner Preah Norodom Boulevard and Street 118, Sangkat Phsar Chas, Phnom Penh, the Kingdom of Cambodia.

The financial statements were authorised for issue by the Board of Directors on 30 March 2023.

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

### 2.1 Basis of preparation

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

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

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

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

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

## 2.2 New standards and interpretation

### i) New and amended standards adopted by the Bank

The Bank has applied the following standards and amendments for the first time for their annual reporting period commencing 1 January 2022:

- Property, Plant and Equipment: Proceeds before Intended Use – Amendments to IAS 16,
- Onerous Contracts – Cost of Fulfilling a Contract – Amendments to IAS 37, and
- Annual Improvements to CIFRS Standards 2018-2020

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

### ii) New standards and interpretations not yet adopted by the Bank

Certain new accounting standards and interpretations have been published that are not mandatory for 31 December 2022 reporting period and have not been early adopted by the Bank. These standards are not expected to have a material impact on the Bank in the current or future reporting periods and on foreseeable future transactions.

## 2.3 Foreign currency translation

### i) Functional and presentation currency

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

### ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in currencies other than US\$ are recognised in profit or loss.

### iii) Presentation in Khmer Riel

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

The Bank has used the official rates of exchange published by the National Bank of Cambodia, and as at the reporting date, the yearly average rate was US\$ 1 to KHR 4,087 (2021: US\$ 1 to KHR 4,068) and the closing rate was US\$ 1 to KHR 4,117 (2021: US\$ 1 to KHR 4,074).

## 2.4 Cash and cash equivalents

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

Deposits and placements with the central bank and other banks are carried at amortised cost in the statement of financial position. Bank overdrafts are shown within borrowings in current liabilities in the statement of financial position.

## 2.5 Financial assets

### a) Classification

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

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

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

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

### b) Recognition and derecognition

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

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

### c) Measurement

At initial recognition, the Bank measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss. Immediately after initial recognition, an expected credit loss allowance (ECL) is recognised for financial assets measured at amortised cost, which results in an accounting loss being recognised in profit or loss when an asset is newly originated.

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

#### *Debt instruments*

Subsequent measurement of debt instruments depends on the Bank's business model for managing the assets and the cash flow characteristics of the assets. The Bank classifies its debt instruments as financial assets measured at amortised cost.

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

For staff housing loans at an interest rate below the market rate, such loans are initially recognised at the present value of the future cash payments discounted at a market rate of interest for a similar loan. Differences between the amount of cash paid and the present value of the future cash receipts are recognised as advanced employee benefits in other assets.

### d) Reclassification of financial assets

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

### e) Impairment

The Bank assesses on a forward-looking basis the expected credit losses (ECL) associated with its debt instrument assets carried at amortised cost and with the exposure arising from credit commitments (including undrawn overdrafts and revolving facilities) and financial guarantee contracts. The Bank recognises a loss allowance for such losses at each reporting date. The measurement of ECL reflects:

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



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

- Debt instruments measured at amortised cost; and
- Credit commitments (including undrawn overdrafts and revolving facilities) and financial guarantee contracts

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

(a) Stage 1: 12-months ECL

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

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

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

(c) Stage 3: Lifetime ECL – credit impaired

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

## 2.6 Financial liabilities

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

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

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

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

## 2.7 Credit commitments and financial guarantee contracts

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

For credit commitments (including undrawn overdraft and revolving facilities), the expected credit losses are recognised as provisions (presented within other liabilities). However, for contracts that include both a loan and an undrawn commitment and that the Bank cannot separately identify the expected credit losses on the undrawn commitment component from those on the loan component, the expected credit losses on the undrawn commitment are recognised together with the loss allowance for the loan. To the extent that the combined expected credit losses exceed the gross carrying amount of the loan, the expected credit losses are recognised as a provision.

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

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

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

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

## 2.8 Offsetting financial instruments

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

## 2.9 Property and equipment

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

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that the 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 profit or loss in the financial year in which they are incurred.

Work-in-progress is not depreciated. Depreciation of property and equipment is charged to profit or loss on a straight-line basis over the estimated useful lives of the individual assets at the following annual rates:

	Depreciation rate
Leasehold improvements	20% or shorter of lease terms
Office equipment	10% – 20%
Computer equipment	20% – 33%
Motor vehicles	20%

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

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

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

## 2.10 Intangible assets

Intangible assets, which comprise acquired computer software licences and related costs, are stated at cost less accumulated amortisation and impairment loss. Acquired computer software licences are capitalised based on the cost incurred to acquire the specific software and bring it into use. These costs are amortised over three years using the straight-line method, except for the license of the core banking system which has a useful life of ten years.

Work-in-progress is not amortised. Costs associated with maintaining intangible assets are recognised as an expense when incurred.

## 2.11 Impairment of non-financial assets

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

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

## 2.12 Leases

### *The Bank as a lessee*

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

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

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

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

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

### i) Lease liabilities

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

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

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

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

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

### ii) Right-of-use assets

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

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

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

Subsequently the right-of-use asset is measured at cost less accumulated depreciation and any accumulated impairment losses and adjusted for any remeasurement of the lease liability.

### iii) Recognition exemptions

Payments associated with all short-term leases are charged to profit or loss on a straight-line basis over the period of the lease. Short-term leases comprise space rental for ATMs.

## 2.13 Income tax

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

The current income tax charge is calculated on the basis of the tax law enacted or substantively enacted at the reporting date in the country where the Bank operates and generates taxable income.

Deferred tax is provided in full, using the liability method, providing for temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax is determined using tax rates based on laws that have been enacted or substantively enacted by the reporting date.

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

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

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

## 2.14 Provision

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

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

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

## 2.15 Borrowings

Borrowings are initially measured at fair value minus incremental direct transaction costs, and subsequently measured at amortised cost using effective interest method.

## 2.16 Subordinated debts

Subordinated debts are initially measured at fair value minus incremental direct transaction costs, and subsequently measured at amortised cost using effective interest method.

## 2.17 Employee benefits

### i) Short-term employee benefits

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

### ii) Pension fund scheme

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

### iii) Other employment benefits - seniority payments

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

- Annual service - effective January 2019, 15 days of their average monthly salary and benefits each year payable every six months on 30 June and 31 December (7.5 days each payment).
- Past years of seniority service - employees are entitled to 15 days of their salary per year of service since the commencement of employment up to 31 December 2018 and still continue working with the Bank. The past seniority payment depends on each staff's past services and shall not exceed six months of average gross salaries. On 22 March 2019, the Ministry of Labour and Vocational Training issued guideline number 042/19 K.B/S.N.N.Kh.L, to delay the payment of the past years of seniority service which will be payable three days each in June and in December starting December 2021.

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

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

#### iv) Other employment benefits – staff pension fund

The Bank established a staff pension fund for the benefit of all permanent employees. Both the employees and the employer contribute 5% each of the employee's monthly salary. Staff who have been working for three years or less will receive only their accumulated contributions upon resignation or retirement. Staff who have been working for more than three years will receive both theirs and the Bank's contribution upon resignation or retirement.

The fund is maintained in separate bank accounts for each individual staff but under the control of the Bank. The Bank provides interest on the fund for both contributions from the Bank and staff at a 12-month fixed deposit rate. The contribution expense (5% from the Bank) is recognised in profit or loss on a monthly basis.

#### v) Share-based compensation benefits

CIMB Group Holdings Berhad (CIMBGH) established a long-term incentive plan (LTIP) starting in June 2021, which comprises an employee share option scheme (ESOS) and a share grant plan (SGP).

The LTIP offered to the qualified employees of the Bank are equity-settled plans. The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled, ending on the date on which the award is vested to relevant employees. The fair value of the employee services received in exchange for the grant of the shares and/or options is recognised as an expense in profit or loss over the vesting period, based on the best available estimate of the number of shares and/or options expected to be vested at each of the vesting date.

The total amount to be expensed over the vesting period is determined by reference to the fair value at grant date of the share and/or options granted. Non-market performance and service conditions are included in assumptions for the number of shares and/or options that are expected to be vested. At the end of each period, the Bank revises its estimates of the number of shares and/or options that are expected to be vested based on the service vesting conditions. Any impact of the revision to original estimates is recognised in the statement of profit or loss corresponding to adjustment to equity. Where awards of share-based payment arrangements have graded vesting terms, each tranche is recognised as a separate award, and therefore the fair value of each tranche is recognised over the applicable vesting period.

The Bank estimates the fair value of options using a Black-Scholes model. This model requires inputs such as the strike price, the current stock price, the time to expiration, the risk-free rate, and the volatility of the option.

Where modification of an equity-settled share-based compensation plan occurs, the grant date fair value continues to be recognised, together with any incremental value arising on the date of modification if non-market conditions are met.

#### 2.18 Regulatory reserves

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

#### 2.19 Interest income and expense

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

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

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

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

#### 2.20 Fee and commission income

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

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



## 2.21 Rounding of amounts

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

## 3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

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

### i) Expected credit loss allowance on financial assets at amortised cost

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

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

- grouping financial assets sharing similar credit risk characteristics for the purposes of measuring ECL
- choosing appropriate models and assumptions to measure ECL
- determining criteria for identifying loans to customers that have experienced a significant increase in credit risk (SICR)
- applying assumptions and analysis on expected future cash flows and forward-looking information
- applying a non-mechanistic approach to ECL by considering additional qualitative criteria for SICR on restructured loans due to COVID-19 which the existing ECL model was not built for.

### ii) Other long-term employee benefits - seniority payments

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

### iii) Lease terms

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

## 4. CASH ON HAND

	2022		2021	
	US\$	KHR'000	US\$	KHR'000
<i>Current</i>				
US Dollars	47,411,759	195,194,212	51,979,126	211,762,959
Khmer Riel	6,162,855	25,372,474	4,757,918	19,383,758
	53,574,614	220,566,686	56,737,044	231,146,717

## 5. DEPOSITS AND PLACEMENTS WITH THE CENTRAL BANK

	2022		2021	
	US\$	KHR'000	US\$	KHR'000
<i>Current</i>				
Current accounts	92,150,976	379,385,568	113,009,984	460,402,675
Settlement accounts	625,154	2,573,759	3,578,136	14,577,326
Negotiable certificate of deposits (i)	28,129,970	115,811,087	39,050,574	159,092,038
	120,906,100	497,770,414	155,638,694	634,072,039

- (i) The Bank has pledged negotiable certificate of deposits (NCDs) amounting to US\$7,796,190 (31 December 2021: US\$13,601,177) with the central bank as collateral for settlement clearing facilities. Another NCDs amounting to US\$5,329,798 (31 December 2021: US\$25,449,397) with the central bank are pledged as collateral for borrowings on Liquidity-Providing Collateralized Operations (LPCOs) (Note 16). As at 31 December 2022, the Bank had yet utilised the overdraft on settlement clearing facilities.

Annual interest rates on deposits and placements with the central bank are as follows:

	2022	2021
Current accounts	0%	0%
Settlement accounts	0%	0%
NCDs	0.07% - 3.23%	0.04% - 0.16%



## 6. DEPOSITS AND PLACEMENTS WITH OTHER BANKS

	2022		2021	
	US\$	KHR'000	US\$	KHR'000
<i>Current</i>				
<i>Deposits and</i>				
<i>placements with</i>				
<i>local banks:</i>				
Fixed deposits	18,076,274	74,420,020	38,913,250	158,532,581
Current accounts	988,660	4,070,313	2,138,166	8,710,888
Savings accounts	2,192,382	9,026,037	1,866,830	7,605,465
	21,257,316	87,516,370	42,918,246	174,848,934
<i>Deposits and</i>				
<i>placements with</i>				
<i>overseas banks:</i>				
Fixed deposits	37,815,714	155,687,295	77,732,382	316,681,724
Current accounts	4,437,012	18,267,178	8,680,388	35,363,902
	42,252,726	173,954,473	86,412,770	352,045,626
Less: Allowance for				
expected credit loss	(13,310)	(54,797)	(27,109)	(110,443)
	63,496,732	261,416,046	129,303,907	526,784,117

Annual interest rates on deposits and placements with the central bank are as follows:

	2022	2021
Current accounts	0.00% - 0.35%	0.00% - 0.35%
Savings accounts	1.25%	1.25%
Fixed deposits	1.30% - 6.25%	0.00% - 6.50%

## 7. LOANS AND ADVANCES AT AMORTISED COST

	2022		2021	
	US\$	KHR'000	US\$	KHR'000
Long-term loans	554,551,462	2,283,088,369	499,347,464	2,034,341,568
Mortgage loans	251,380,364	1,034,932,959	242,366,622	987,401,618
Overdrafts	119,641,097	492,562,396	99,949,065	407,192,491
Trust receipts	56,884,360	234,192,910	64,668,349	263,458,854
Credit revolving loans	28,718,404	118,233,669	8,973,040	36,556,165
Auto loans	8,031,810	33,066,962	4,886,388	19,907,145
Personal loans	1,588,278	6,538,941	2,341,554	9,539,491
Credit cards	1,449,353	5,966,986	966,729	3,938,454
Short-term loans	1,992,771	8,204,238	783,763	3,193,050
Total gross loans	1,024,237,899	4,216,787,430	924,282,974	3,765,528,836
Less: Allowance for				
expected credit				
loss (a)	(4,780,686)	(19,682,084)	(4,661,527)	(18,991,061)
Total net loans	1,019,457,213	4,197,105,346	919,621,447	3,746,537,775

### a) Allowance for expected credit loss

Allowance for expected credit loss by stages are as follows:

	2022		2021	
	US\$	KHR'000	US\$	KHR'000
12-month ECL				
(Stage 1)	3,022,233	12,442,533	2,798,957	11,402,951
Lifetime ECL - not				
credit impaired				
(Stage 2)	169,437	697,572	131,718	536,619
Lifetime ECL -				
credit impaired				
(Stage 3)	1,589,016	6,541,979	1,730,852	7,051,491
	4,780,686	19,682,084	4,661,527	18,991,061

### b) By industry

	2022		2021	
	US\$	KHR'000	US\$	KHR'000
Mortgage	251,764,474	1,036,514,339	244,604,583	996,519,071
Wholesale and retail	203,633,235	838,358,028	180,214,500	734,193,873
Import and export	157,029,141	646,488,973	147,512,034	600,964,027
Manufacturing	73,595,463	302,992,521	64,529,784	262,894,340
Construction	50,113,802	206,318,523	60,160,391	245,093,433
Financial institutions	70,813,873	291,540,715	59,614,244	242,868,430
Other non-financial				
services	63,986,542	263,432,593	58,318,438	237,589,316
Finance, insurance,				
real estate and				
business services	78,497,482	323,174,133	52,337,946	213,224,792
Transport, storage and				
communications	28,306,869	116,539,380	18,407,213	74,990,986
Electricity, gas				
and water	7,553,068	31,095,981	12,450,481	50,723,260
Agriculture	1,542,430	6,350,184	1,234,281	5,028,461
Others	37,401,520	153,982,060	24,899,079	101,438,847
Total gross loans	1,024,237,899	4,216,787,430	924,282,974	3,765,528,836

**c) Analysis by loan classification**

	<b>2022</b>		<b>2021</b>	
	<b>US\$</b>	<b>KHR'000</b>	<b>US\$</b>	<b>KHR'000</b>
<i>Performing</i>				
Gross amount	981,323,610	4,040,109,302	897,296,850	3,655,587,366
Exposure at default	1,043,992,663	4,298,117,794	954,302,887	3,887,829,962
Allowance for expected credit loss	3,022,233	12,442,533	2,798,957	11,402,951
<i>Under-performing</i>				
Gross amount	35,216,481	144,986,252	16,952,156	69,063,084
Exposure at default	48,851,532	201,121,757	25,255,259	102,889,925
Allowance for expected credit loss	169,437	697,572	131,718	536,619
<i>Non-performing</i>				
Gross amount	7,697,808	31,691,876	10,033,968	40,878,386
Exposure at default	13,834,326	56,955,920	16,291,236	66,370,495
Allowance for expected credit loss	1,589,016	6,541,979	1,730,852	7,051,491
<b>Total</b>				
Gross amount	1,024,237,899	4,216,787,430	924,282,974	3,765,528,836
Exposure at default	1,106,678,521	4,556,195,471	995,849,382	4,057,090,382
Allowance for expected credit loss	4,780,686	19,682,084	4,661,527	18,991,061

**d) By maturity**

	<b>2022</b>		<b>2021</b>	
	<b>US\$</b>	<b>KHR'000</b>	<b>US\$</b>	<b>KHR'000</b>
Not later than 1 year	214,191,352	881,825,796	188,057,067	766,144,491
Later than 1 year and no later than 3 years	123,463,757	508,300,288	88,993,867	362,561,014
Later than 3 years and no later than 5 years	201,783,653	830,743,299	190,290,814	775,244,776
Later than 5 years	484,799,137	1,995,918,047	456,941,226	1,861,578,555
<b>Total gross loans</b>	<b>1,024,237,899</b>	<b>4,216,787,430</b>	<b>924,282,974</b>	<b>3,765,528,836</b>

**e) By exposure**

	<b>2022</b>		<b>2021</b>	
	<b>US\$</b>	<b>KHR'000</b>	<b>US\$</b>	<b>KHR'000</b>
Non-large exposure	921,705,413	3,794,661,185	869,287,401	3,541,476,872
Large exposure	102,532,486	422,126,245	54,995,573	224,051,964
<b>Total gross loans</b>	<b>1,024,237,899</b>	<b>4,216,787,430</b>	<b>924,282,974</b>	<b>3,765,528,836</b>

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

**f) By relationship**

	<b>2022</b>		<b>2021</b>	
	<b>US\$</b>	<b>KHR'000</b>	<b>US\$</b>	<b>KHR'000</b>
Related parties	2,115,478	8,709,423	2,452,555	9,991,709
Non-related parties	1,022,122,421	4,208,078,007	921,830,419	3,755,537,127
<b>Total gross loans</b>	<b>1,024,237,899</b>	<b>4,216,787,430</b>	<b>924,282,974</b>	<b>3,765,528,836</b>

**g) By residency**

	<b>2022</b>		<b>2021</b>	
	<b>US\$</b>	<b>KHR'000</b>	<b>US\$</b>	<b>KHR'000</b>
Residents	1,024,237,899	4,216,787,430	924,282,974	3,765,528,836
<b>Total gross loans</b>	<b>1,024,237,899</b>	<b>4,216,787,430</b>	<b>924,282,974</b>	<b>3,765,528,836</b>

**h) By interest rate**

	<b>2022</b>	<b>2021</b>
Long-term loans	2.00% - 18.00%	2.00% - 18.00%
Mortgage loans	3.50% - 12.00%	3.50% - 12.00%
Overdrafts	6.75% - 11.00%	5.75% - 10.00%
Trust receipts	6.00% - 7.80%	6.00% - 10.00%
Credit revolving loans	6.00% - 8.00%	6.50% - 8.00%
Personal loans	8.00% - 24.00%	9.00% - 24.00%
Auto loans	6.50% - 18.00%	6.50% - 18.00%
Credit cards	18.00%	18.00%
Short-term loans	5.75% - 8.50%	7.50% - 8.50%

## 8. STATUTORY DEPOSITS WITH THE CENTRAL BANK

	2022		2021	
	US\$	KHR'000	US\$	KHR'000
<i>Current</i>				
Reserve requirement (i)	70,827,893	291,598,435	73,709,425	300,292,197
<i>Non-current</i>				
Capital guarantee deposit (ii)	7,500,000	30,877,500	7,500,000	30,555,000
	78,327,893	322,475,935	81,209,425	330,847,197

### (i) Reserve requirement

The reserve requirement represents the minimum reserve which is calculated at 7% (2021: 7%) of customers' deposits and borrowings in Khmer Riel and other currencies. The reserve requirement on customers' deposits and borrowings bear no interest.

### (ii) Capital guarantee deposit

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

Annual interest rates of statutory deposits with the central bank are as follows:

	2022	2021
Capital guarantee deposit	0.08% - 0.65%	0.04% - 0.06%
Reserve requirement	0%	0%

## 9. LEASES

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

The Bank leases various buildings for its head office and branch operation. Rental contracts are typically made for fixed periods of two years to ten years. The lease has varying terms, escalation clauses and renewal rights. On renewal, the terms of the leases are renegotiated.

### a) Amounts recognised in the statement of financial position

	2022		2021	
	US\$	KHR'000	US\$	KHR'000
<i>Right-of-use assets</i>				
<i>(Non-current)</i>				
Buildings	7,332,350	30,187,285	6,516,998	26,550,250
	7,332,350	30,187,285	6,516,998	26,550,250
<i>Lease liabilities</i>				
Current	1,793,330	7,383,140	1,365,301	5,562,236
Non-current	6,141,931	25,286,330	5,622,481	22,905,988
	7,935,261	32,669,470	6,987,782	28,468,224

Additions to the right-of-use assets during the year were US\$2,455,267 (2021: US\$2,959,917).

### b) Amounts recognised in the statement of profit or loss

	2022		2021	
	US\$	KHR'000	US\$	KHR'000
<i>Depreciation charge of</i>				
<i>right-of-use assets</i>				
Buildings	1,639,916	6,702,337	1,390,811	5,657,819
Depreciation charge (Note 28)	1,639,916	6,702,337	1,390,811	5,657,819
<i>Interest expense on</i>				
<i>lease liabilities</i>				
Buildings	291,140	1,189,889	224,988	915,251
Interest expense (Note 24)	291,140	1,189,889	224,988	915,251
Expense relating to short-term leases (included in other operating expenses) (Note 29)	152,718	624,158	135,996	553,232
Total expenses related to leases	2,083,774	8,516,384	1,751,795	7,126,302

Total cash outflow for leases for 2022 was US\$1,951,646 (2021: US\$1,695,483).

## 10. PROPERTY AND EQUIPMENT

Non-current	Leasehold improvements	Office equipment	Computer equipment	Motor vehicles	Work in progress	Total
	US\$	US\$	US\$	US\$	US\$	US\$
<b>As at 1 January 2021</b>						
Cost	7,612,345	1,617,562	3,447,462	1,172,629	1,149,165	14,999,163
Accumulated depreciation	(5,411,649)	(1,220,071)	(2,921,772)	(788,561)	-	(10,342,053)
Net book value	2,200,696	397,491	525,690	384,068	1,149,165	4,657,110
In KHR'000 equivalent	8,901,815	1,607,851	2,126,416	1,553,555	4,648,373	18,838,010
<b>For the year ended 31 December 2021</b>						
Opening net book value	2,200,696	397,491	525,690	384,068	1,149,165	4,657,110
Additions	8,220	99,748	2,085	94,500	1,522,298	1,726,851
Transfers	-	18,298	430,279	-	(448,577)	-
Reclassifications	-	-	-	-	181,748	181,748
Depreciation charge	(686,687)	(138,346)	(296,583)	(156,131)	-	(1,277,747)
Closing net book value	1,522,229	377,191	661,471	322,437	2,404,634	5,287,962
<b>As at 31 December 2021</b>						
Cost	7,609,037	1,735,608	3,879,826	1,267,129	2,404,634	16,896,234
Accumulated depreciation	(6,086,808)	(1,358,417)	(3,218,355)	(944,692)	-	(11,608,272)
Net book value	1,522,229	377,191	661,471	322,437	2,404,634	5,287,962
In KHR'000 equivalent	6,201,561	1,536,676	2,694,833	1,313,608	9,796,479	21,543,157
<b>As at 1 January 2022</b>						
Cost	7,609,037	1,735,608	3,879,826	1,267,129	2,404,634	16,896,234
Accumulated depreciation	(6,086,808)	(1,358,417)	(3,218,355)	(944,692)	-	(11,608,272)
Net book value	1,522,229	377,191	661,471	322,437	2,404,634	5,287,962
In KHR'000 equivalent	6,201,561	1,536,676	2,694,833	1,313,608	9,796,479	21,543,157
<b>For the year ended 31 December 2022</b>						
Opening net book value	1,522,229	377,191	661,471	322,437	2,404,634	5,287,962
Additions	246,301	43,329	1,377	-	2,737,533	3,028,540
Transfers	1,954,237	439,588	1,004,391	-	(3,398,216)	-
Reclassifications	-	3,950	(3,950)	-	(94,639)	(94,639)
Depreciation charge	(744,588)	(209,730)	(535,602)	(130,392)	-	(1,620,312)
Closing net book value	2,978,179	654,328	1,127,687	192,045	1,649,312	6,601,551
<b>As at 31 December 2022</b>						
Cost	8,748,044	2,061,891	4,091,276	1,238,394	1,649,312	17,788,917
Accumulated depreciation	(5,769,865)	(1,407,563)	(2,963,589)	(1,046,349)	-	(11,187,366)
Net book value	2,978,179	654,328	1,127,687	192,045	1,649,312	6,601,551
In KHR'000 equivalent	12,261,163	2,693,868	4,642,687	790,649	6,790,218	27,178,585

## 11. INTANGIBLE ASSETS

Non-current	Computer software	Work in progress	Total
	US\$	US\$	US\$
<b>As at 1 January 2021</b>			
Cost	4,082,055	1,327,646	5,409,701
Accumulated amortisation	(3,505,232)	-	(3,505,232)
Net book value	576,823	1,327,646	1,904,469
In KHR'000 equivalent	2,333,249	5,370,328	7,703,577
<b>For the year ended 31 December 2021</b>			
Opening net book value	576,823	1,327,646	1,904,469
Additions	-	539,694	539,694
Transfers	250,496	(250,496)	-
Reclassifications	-	(181,748)	(181,748)
Amortisation charge	(259,503)	-	(259,503)
Closing net book value	567,816	1,435,096	2,002,912
<b>As at 31 December 2021</b>			
Cost	4,332,551	1,435,096	5,767,647
Accumulated amortisation	(3,764,735)	-	(3,764,735)
Net book value	567,816	1,435,096	2,002,912
In KHR'000 equivalent	2,313,282	5,846,581	8,159,863
<b>As at 1 January 2022</b>			
Cost	4,332,551	1,435,096	5,767,647
Accumulated amortisation	(3,764,735)	-	(3,764,735)
Net book value	567,816	1,435,096	2,002,912
In KHR'000 equivalent	2,313,282	5,846,581	8,159,863
<b>For the year ended 31 December 2022</b>			
Opening net book value	567,816	1,435,096	2,002,912
Additions	118,677	295,862	414,539
Transfers	1,702,430	(1,702,430)	-
Reclassifications	-	94,639	94,639
Amortisation charge	(699,514)	-	(699,514)
Closing net book value	1,689,409	123,167	1,812,576
<b>As at 31 December 2022</b>			
Cost	6,151,902	123,167	6,275,069
Accumulated amortisation	(4,462,493)	-	(4,462,493)
Net book value	1,689,409	123,167	1,812,576
In KHR'000 equivalent	6,955,296	507,079	7,462,375



## 12. DEFERRED TAX ASSETS

	<b>2022</b>		<b>2021</b>	
	<b>US\$</b>	<b>KHR'000</b>	<b>US\$</b>	<b>KHR'000</b>
<i>Non-current</i>				
Deferred tax assets	3,688,601	15,185,970	3,844,936	15,664,269
Deferred tax liabilities	(1,616,196)	(6,653,879)	(1,366,350)	(5,566,510)
Deferred tax assets - net	2,072,405	8,532,091	2,478,586	10,097,759

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

	<b>2022</b>		<b>2021</b>	
	<b>US\$</b>	<b>KHR'000</b>	<b>US\$</b>	<b>KHR'000</b>
At 1 January	2,478,586	10,097,759	2,109,158	8,531,544
(Charged)/credited to profit or loss (Note 30 (b))	(406,181)	(1,660,062)	369,428	1,502,833
Currency translation differences	-	94,394	-	63,382
As at 31 December	2,072,405	8,532,091	2,478,586	10,097,759

### (i) Movement for deferred tax assets

	Impairment loss	Unamortised loan fees	Lease liabilities	Seniority payments	Pension fund	Share-based payments	Accelerated depreciation and amortisation	Other accruals	Total
	<b>US\$</b>	<b>US\$</b>	<b>US\$</b>	<b>US\$</b>	<b>US\$</b>	<b>US\$</b>	<b>US\$</b>	<b>US\$</b>	<b>US\$</b>
<b>2021</b>									
At 1 January 2021	537,362	589,098	1,076,320	27,968	243,695	-	639,641	72,513	3,186,597
Credited/(charged) to profit or loss	88,036	131,955	321,236	(5,023)	41,993	44,063	60,879	(24,800)	658,339
As at 31 December 2021	625,398	721,053	1,397,556	22,945	285,688	44,063	700,520	47,713	3,844,936
In KHR'000 equivalent	2,547,871	2,937,570	5,693,643	93,478	1,163,893	179,513	2,853,918	194,383	15,664,269
<b>2022</b>									
At 1 January 2022	625,398	721,053	1,397,556	22,945	285,688	44,063	700,520	47,713	3,844,936
Credited/(charged) to profit or loss	(625,398)	52,203	189,496	(9,083)	58,787	71,141	108,873	(2,354)	(156,335)
As at 31 December 2022	-	773,256	1,587,052	13,862	344,475	115,204	809,393	45,359	3,688,601
In KHR'000 equivalent	-	3,183,495	6,533,893	57,070	1,418,204	474,295	3,332,270	186,743	15,185,970

**(ii) Movement of deferred tax liabilities**

	Impairment loss	Right-of-use assets	Unrealised foreign exchange gain - net	Total
	US\$	US\$	US\$	US\$
<b>2021</b>				
At 1 January 2021	-	(992,071)	(85,368)	(1,077,439)
(Charged)/credited to profit or loss	-	(311,328)	22,417	(288,911)
As at 31 December 2021	-	(1,303,399)	(62,951)	(1,366,350)
In KHR'000 equivalent	-	(5,310,048)	(256,462)	(5,566,510)
<b>2022</b>				
At 1 January 2022	-	(1,303,399)	(62,951)	(1,366,350)
(Charged)/credited to profit or loss	(142,769)	(163,071)	55,994	(249,846)
As at 31 December 2022	(142,769)	(1,466,470)	(6,957)	(1,616,196)
In KHR'000 equivalent	(587,780)	(6,037,457)	(28,642)	(6,653,879)

**13. OTHER ASSETS**

	<b>2022</b>		<b>2021</b>	
	US\$	KHR'000	US\$	KHR'000
Advanced employee benefits	3,644,195	15,003,151	3,556,435	14,488,916
Deposits	846,532	3,485,172	718,597	2,927,564
Prepayments	674,547	2,777,110	579,745	2,361,881
Outstanding inward transactions	49,429	203,499	103,109	420,066
Amounts due from immediate parent	18,871	77,692	40,060	163,204
Amounts due from related parties	3,361	13,837	3,150	12,833
Others	30,671	126,273	46,100	187,814
	5,267,606	21,686,734	5,047,196	20,562,278

	<b>2022</b>		<b>2021</b>	
	US\$	KHR'000	US\$	KHR'000
Current	1,005,378	4,139,141	922,290	3,757,409
Non-current	4,262,228	17,547,593	4,124,906	16,804,869
	5,267,606	21,686,734	5,047,196	20,562,278

## 14. DEPOSITS FROM BANKS

	2022		2021	
	US\$	KHR'000	US\$	KHR'000
<i>Current</i>				
Fixed deposits	223,869,123	921,669,179	162,658,735	662,671,686
Current accounts	1,038,749	4,276,530	2,811,715	11,454,927
	224,907,872	925,945,709	165,470,450	674,126,613

### a) By interest rate

	2022	2021
Fixed deposits	1.10% - 6.75%	1.10% - 4.20%
Current accounts	0.00% - 1.20%	0.00% - 1.20%

### b) By residency

	2022		2021	
	US\$	KHR'000	US\$	KHR'000
Cambodia	199,058,901	819,525,495	105,310,414	429,034,627
Overseas	25,848,971	106,420,214	60,160,036	245,091,986
	224,907,872	925,945,709	165,470,450	674,126,613

### c) By relationship

	2022		2021	
	US\$	KHR'000	US\$	KHR'000
Related parties	25,848,971	106,420,214	60,160,036	245,091,987
Non-related parties	199,058,901	819,525,495	105,310,414	429,034,626
	224,907,872	925,945,709	165,470,450	674,126,613

## 15. DEPOSITS FROM CUSTOMERS

	2022		2021	
	US\$	KHR'000	US\$	KHR'000
<i>Current</i>				
Fixed deposits	448,286,551	1,845,595,730	416,227,197	1,695,709,601
Current accounts	361,426,057	1,487,991,077	461,577,087	1,880,465,052
Savings accounts	38,012,740	156,498,451	53,599,465	218,364,220
	847,725,348	3,490,085,258	931,403,749	3,794,538,873

### a) By interest rate

	2022	2021
Fixed deposits	1.00% - 7.10%	0.18% - 6.40%
Current accounts	0.00% - 4.00%	0.00% - 4.00%
Fixed deposits	0.00% - 1.68%	0.00% - 1.68%

### b) By residency

	2022		2021	
	US\$	KHR'000	US\$	KHR'000
Cambodia	791,194,513	3,257,347,810	880,252,361	3,586,148,118
Overseas	56,530,835	232,737,448	51,151,388	208,390,755
	847,725,348	3,490,085,258	931,403,749	3,794,538,873

### c) By relationship

	2022		2021	
	US\$	KHR'000	US\$	KHR'000
Related parties	1,478,650	6,087,602	803,665	3,274,131
Non-related parties	846,246,698	3,483,997,656	930,600,084	3,791,264,742
	847,725,348	3,490,085,258	931,403,749	3,794,538,873

## 16. BORROWINGS

	2022		2021	
	US\$	KHR'000	US\$	KHR'000
<i>Current</i>				
Liquidity-providing				
collateralized operation (i)	5,017,987	20,659,053	25,036,103	101,997,084
Small and medium loans (ii)	412,892	1,699,876	264,950	1,079,406
Long-term debt (iii)	156,000	642,252	-	-
	5,586,879	23,001,181	25,301,053	103,076,490
<i>Non-current</i>				
Small and medium loans (ii)	1,152,015	4,742,846	840,468	3,424,067
Long-term debt (iii)	15,000,000	61,755,000	-	-
	16,152,015	66,497,846	840,468	3,424,067
<b>Total borrowings</b>	<b>21,738,894</b>	<b>89,499,027</b>	<b>26,141,521</b>	<b>106,500,557</b>

(i) The Bank obtained borrowings under a form of liquidity-providing collateralised operations (LPCOs) from the National Bank of Cambodia with a maturity of less than 12 months. The Bank used negotiable certificates of deposits as the collaterals (Note 5).

(ii) The Bank entered into a borrowing agreement with Small and Medium Enterprise Bank of Cambodia Plc. (SME Bank) on 31 March 2020. The borrowing bears interest rate ranging from 2.00% to 3.00% per annum (2021: 2.00% to 3.00% per annum) and it is payable for a period of seven years with a monthly repayment for both interest and principal.

(iii) The Bank entered into a borrowing agreement with KGI Bank Co., Ltd. on 08 November 2022. The borrowing bears a floating interest rate that varies every six months which consists of a margin rate plus six-month interest rate from Secured Overnight Financing Rate (SOFR) plus a portion of the cost of funds. The borrowing is payable for a period of 3 years with interest repayable every six months and principal repayable every six months starting from the 24th month of the first utilisation.

	2022		2021	
	US\$	KHR'000	US\$	KHR'000
Principal amount	21,422,811	88,197,713	25,160,401	102,503,474
Interest payables	316,083	1,301,314	981,120	3,997,083
	21,738,894	89,499,027	26,141,521	106,500,557

#### Changes in liabilities arising from financing activities – borrowings

	2022		2021	
	US\$	KHR'000	US\$	KHR'000
<i>Principal amount</i>				
At 1 January	25,160,401	102,503,474	63,182,493	255,573,184
Additions	25,617,130	104,697,210	57,856,303	235,359,441
Repayments	(29,242,546)	(119,514,286)	(95,489,565)	(388,451,550)
Foreign currency exchanges	(112,174)	(458,455)	(388,830)	(1,581,760)
Currency translation differences	-	969,770	-	1,604,159
As at 31 December	21,422,811	88,197,713	25,160,401	102,503,474
<i>Interest payables</i>				
At 1 January	981,120	3,997,083	1,070,835	4,331,528
Charges during the year	702,514	2,871,175	2,360,249	9,601,493
Interest payments	(1,363,255)	(5,571,623)	(2,448,032)	(9,958,594)
Foreign currency exchanges	(4,296)	(17,558)	(1,932)	(7,859)
Currency translation differences	-	22,237	-	30,515
As at 31 December	316,083	1,301,314	981,120	3,997,083

Annual interest rate for borrowings are as follows:

	2022	2021
Liquidity-providing collateralised operation	4.50% - 6.15%	2.10% - 6.00%
Small and medium loans	2.00% - 3.00%	2.00% - 3.00%
Long-term debt	7.80%	-

## 17. SUBORDINATED DEBTS

	2022		2021	
	US\$	KHR'000	US\$	KHR'000
<i>Immediate parent</i> (Note 34 (e))				
Principal amount – non-current	47,000,000	193,499,000	47,000,000	191,478,000
Interest payables – current	405,592	1,669,822	405,592	1,652,382
Total subordinated debts	47,405,592	195,168,822	47,405,592	193,130,382

The Bank has entered into four subordinated debt agreements with CIMB Bank Berhad, the shareholder. Each subordinated debt has a maturity of ten years. Those subordinated debts will be payable at the maturity date and bear interest rates ranging from 2.74% - 4.50% per annum (2021: 2.74% - 4.50% per annum). The interest will be paid every six months. The subordinated debts were approved by the National Bank of Cambodia for the purpose of Tier 2 capital computation.

#### Changes in liabilities arising from financing activities – subordinated debts

	2022		2021	
	US\$	KHR'000	US\$	KHR'000
<i>Principal amount</i>				
At 1 January	47,000,000	191,478,000	47,000,000	190,115,000
Additions	-	-	7,000,000	28,476,000
Repayments	-	-	(7,000,000)	(28,476,000)
Currency translation differences	-	2,021,000	-	1,363,000
As at 31 December	47,000,000	193,499,000	47,000,000	191,478,000
<i>Interest payables</i>				
At 1 January	405,592	1,652,382	411,000	1,662,495
Charges during the year	2,046,462	8,363,890	1,824,592	7,422,440
Withholding tax on interest expense	(234,662)	(959,064)	(182,459)	(742,243)
Interest payment	(1,811,800)	(7,404,827)	(1,647,541)	(6,702,197)
Currency translation differences	-	17,441	-	11,887
As at 31 December	405,592	1,669,822	405,592	1,652,382

## 18. EMPLOYEE BENEFITS

	2022		2021	
	US\$	KHR'000	US\$	KHR'000
<i>Non-current</i>				
Staff pension fund (i)	3,444,748	14,182,028	2,856,880	11,638,929
Seniority payments (ii)	20,620	84,892	55,589	226,470
	3,465,368	14,266,920	2,912,469	11,865,399
<i>Current</i>				
Seniority payments (ii)	48,691	200,461	59,136	240,920
	48,691	200,461	59,136	240,920
	3,514,059	14,467,381	2,971,605	12,106,319

## NOTES TO THE FINANCIAL STATEMENTS

**(i) Staff pension fund**

	<b>2022</b>		<b>2021</b>	
	<b>US\$</b>	<b>KHR'000</b>	<b>US\$</b>	<b>KHR'000</b>
At the beginning of the year	2,856,880	11,638,929	2,436,949	9,857,459
Additions during the year:				
- Employees' contribution	374,562	1,530,835	332,003	1,350,588
- Bank's contribution	389,562	1,592,140	339,753	1,382,115
- Interest	125,716	513,801	103,770	422,136
Staff pension fund paid	(318,225)	(1,300,586)	(306,995)	(1,248,856)
Adjustment	16,253	66,426	(48,600)	(197,705)
Currency translation differences	-	140,483	-	73,192
At the end of the year	3,444,748	14,182,028	2,856,880	11,638,929

**(ii) Seniority payments**

	<b>2022</b>		<b>2021</b>	
	<b>US\$</b>	<b>KHR'000</b>	<b>US\$</b>	<b>KHR'000</b>
At the beginning of the year	114,725	467,390	139,838	565,644
Seniority paid	(45,414)	(185,607)	(25,113)	(102,160)
Currency translation differences	-	3,570	-	3,906
At the end of the year	69,311	285,353	114,725	467,390

**19. OTHER LIABILITIES**

	<b>2022</b>		<b>2021</b>	
	<b>US\$</b>	<b>KHR'000</b>	<b>US\$</b>	<b>KHR'000</b>
Banker's cheque and other collection accounts	7,322,149	30,145,287	6,288,625	25,619,858
Accrued bonus payable	2,280,000	9,386,760	2,307,550	9,400,959
Outstanding outward transactions	1,796,097	7,394,531	4,473,958	18,226,905
Amount due to suppliers	1,418,975	5,841,920	1,603,773	6,533,771
Accrued tax payable	334,987	1,379,141	185,562	755,980
Accrued annual leave	226,794	933,711	190,564	776,358
Impairment loss for ECL on credit commitments and financial guarantee contracts	100,810	415,035	123,821	504,447
Others	574,583	2,365,558	2,625,231	10,695,190
	14,054,395	57,861,943	17,799,084	72,513,468

	<b>2022</b>		<b>2021</b>	
	<b>US\$</b>	<b>KHR'000</b>	<b>US\$</b>	<b>KHR'000</b>
Current	13,827,601	56,928,233	17,560,520	71,541,558
Non-current	226,794	933,710	238,564	971,910
Total other liabilities	14,054,395	57,861,943	17,799,084	72,513,468

Loss allowance for ECL on credit commitment and financial guarantee contracts

	<b>2022</b>		<b>2021</b>	
	<b>US\$</b>	<b>KHR'000</b>	<b>US\$</b>	<b>KHR'000</b>
At the beginning of the year	123,821	504,447	65,611	265,396
(Credited)/charged to profit or loss	(23,011)	(94,046)	58,210	236,798
Currency translation differences	-	4,634	-	2,253
At the end of the year	100,810	415,035	123,821	504,447

**20. SHARE CAPITAL**

The registered capital of the Bank as at 31 December 2022 is 75 million shares (31 December 2021: 75 million shares) at a par value of US\$1 per share. All authorised shares are fully paid.

	<b>2022</b>		<b>2021</b>	
	<b>US\$</b>	<b>KHR'000</b>	<b>US\$</b>	<b>KHR'000</b>
<i>Issued and fully paid:</i>				
At the beginning of the year	75,000,000	305,550,000	75,000,000	303,375,000
Currency translation differences	-	3,225,000	-	2,175,000
At the end of the year	75,000,000	308,775,000	75,000,000	305,550,000

**21. SHARE-BASED COMPENSATION RESERVES**

CIMB Group Holdings Berhad (CIMBGH) established a long-term incentive plan (LTIP) starting in June 2021, which comprises an employee share option scheme (ESOS) and a share grant plan (SGP).

The share-based compensation reserves for the two schemes are as follows:

	<b>2022</b>		<b>2021</b>	
	<b>US\$</b>	<b>KHR'000</b>	<b>US\$</b>	<b>KHR'000</b>
Share Grant Plan (SGP)				
Scheme (i)	287,227	1,182,514	111,434	453,982
Employee Share Option Scheme (ESOS) (ii)	288,795	1,188,969	108,881	443,581
	576,022	2,371,483	220,315	897,563



### i) Share Grant Plan (SGP) Scheme

The SGP was introduced in June 2021 by CIMB Group Holdings Berhad where CIMB Group awarded ordinary shares of CIMB Group to eligible employees of the Bank. Under the SGP Scheme, the vesting of the granted SGP is conditional primarily upon the long-term return on equity targets as determined by the LTIP Committee. SGP grants are vested in tranches over the vesting period in which each vesting tranche is accounted for as a separate grant for the purposes of recognising the expense over the vesting period.

Grant dates	Vesting dates	No. of share	Fair value at grant date
09 June 2021	31 March 2024	271,050	US\$1.12
09 June 2021	31 March 2025	271,050	US\$1.12
<b>Total</b>		<b>542,100</b>	

	2022	2021
	Number of shares	Number of shares
<i>Number of shares – Share Grant Plan</i>		
Outstanding as at 1 January	542,100	-
Awarded	-	542,100
Outstanding at end of financial year	542,100	542,100

The movement on SGP Scheme reserves are as follows:

	2022		2021	
	US\$	KHR'000	US\$	KHR'000
Opening share-based payment reverses at 1 January	111,434	453,982	-	-
Charges during the year	175,793	718,466	111,434	453,314
Currency translation differences	-	10,066	-	668
As at 31 December	287,227	1,182,514	111,434	453,982

### ii) Employee Share Option Scheme (ESOS)

The ESOS was introduced in June 2021 by CIMB Group where CIMB Group made grants of share options of CIMB Group to eligible employees of the Bank. The ESOS grants are vested in tranches over the vesting period in which each vesting tranche is accounted for as a separate grant for the purposes of recognising the expense over the vesting period.

The awarded share options expire 7 years from each vested date and each share option entitles the eligible employees to subscribe for one ordinary share.

	For the year ended 31 December 2022	Fair value at grant date (US\$)
<i>Number of shares – Employee Share Option</i>		
Outstanding as at 1 January	5,733,000	0.11
Awarded	-	
Outstanding at end of financial year	5,733,000	

	For the year ended 31 December 2021	Fair value at grant date (US\$)
<i>Number of shares – Employee Share Option</i>		
Outstanding as at 1 January	-	0.11
Awarded	5,733,000	
Outstanding at end of financial year	5,733,000	

The movement on ESOS reserves are as follows:

	2022		2021	
	US\$	KHR'000	US\$	KHR'000
Opening share-based payment reverses at 1 January	108,881	443,581	-	-
Charges during the year	179,914	735,309	108,881	442,928
Currency translation differences	-	10,079	-	653
As at 31 December	288,795	1,188,969	108,881	443,581

## 22. CAPITAL RESERVES

The Bank transferred its retained earnings of US\$8,000,000 to capital reserves on 15 March 2022 to comply with the maximum 20% cap of retained earnings compared with total Tier 1 (core capital) as per Prakas No. B7-010-182 for Net Worth. This transfer was approved by the Board of Directors and the National Bank of Cambodia on 25 January 2022 and 15 March 2022 respectively.

## 23. REGULATORY RESERVES

As in Note 2.18, the accumulated regulatory provision based on NBC's guidelines is higher than the accumulated impairment based on CIFRS 9, the 'topping up' is transferred from retained earnings to regulatory reserves presented under equity.

## NOTES TO THE FINANCIAL STATEMENTS

	2022		2021	
	US\$	KHR'000	US\$	KHR'000
Regulatory provision				
based on NBC's guidelines	18,099,918	74,517,362	13,760,125	56,058,749
Allowance for expected credit				
loss based on CIFRS 9	(4,894,806)	(20,151,916)	(4,812,457)	(19,605,950)
Regulatory reserves transferred				
from retained earnings	13,205,112	54,365,446	8,947,668	36,452,799

The movement on regulatory reserves are as follows:

	2022		2021	
	US\$	KHR'000	US\$	KHR'000
At the beginning of the year	8,947,668	36,452,799	7,509,303	30,375,131
Additional transfer to regulatory				
reserves during the year	4,257,444	17,400,174	1,438,365	5,851,269
Currency translation differences	-	512,473	-	226,399
At the end of the year	13,205,112	54,365,446	8,947,668	36,452,799

## 24. NET INTEREST INCOME

	2022		2021	
	US\$	KHR'000	US\$	KHR'000
<i>Interest income from financial</i>				
<i>assets at amortised cost:</i>				
Loans and advances	69,799,058	285,268,750	63,407,110	257,940,123
Deposits and placements				
with the central bank	309,432	1,264,649	114,194	464,541
Deposits and placements				
with other banks				
- Local banks	458,829	1,875,234	416,010	1,692,329
- Overseas banks	1,006,600	4,113,974	53,743	218,627
Total interest income	71,573,919	292,522,607	63,991,057	260,315,620
<i>Interest expense on financial</i>				
<i>liabilities at amortised cost:</i>				
Fixed deposits	20,547,481	83,977,555	16,394,138	66,691,354
Current accounts	2,290,541	9,361,441	2,523,767	10,266,684
Savings accounts	278,101	1,136,599	287,210	1,168,370
Borrowings	714,433	2,919,888	2,363,111	9,613,136
Subordinated debts	2,046,462	8,363,890	2,007,902	8,168,145
Lease liabilities	291,140	1,189,889	224,988	915,251
Staff pension fund	125,716	513,801	103,770	422,136
Total interest expense	26,293,874	107,463,063	23,904,886	97,245,076
Net interest income	45,280,045	185,059,544	40,086,171	163,070,544

## 25. NET FEE AND COMMISSION INCOME

	2022		2021	
	US\$	KHR'000	US\$	KHR'000
<i>Fee and commission income:</i>				
Remittance fees	2,731,332	11,162,954	3,081,636	12,536,095
Trade finance fees	2,621,432	10,713,793	1,829,376	7,441,902
Early settlement charge	1,087,714	4,445,487	954,404	3,882,515
Loan commitment fees	569,756	2,328,593	652,785	2,655,529
Miscellaneous loan fees				
and charges	321,911	1,315,650	321,697	1,308,663
Fees for telex, fax and phone	242,171	989,753	275,705	1,121,568
Administration fee	127,919	522,805	56,347	229,220
ATM and credit cards annual fee,				
advances, and late charges	125,647	513,519	121,013	492,281
Service charge	117,351	479,614	126,805	515,843
Others	389,195	1,590,639	323,417	1,315,661
Total fee and commission				
income	8,334,428	34,062,807	7,743,185	31,499,277
Fee and commission expense	(2,715,621)	(11,098,743)	(2,468,909)	(10,043,522)
Net fee and commission				
income	5,618,807	22,964,064	5,274,276	21,455,755

## 26. CREDIT IMPAIRMENT LOSSES

	2022		2021	
	US\$	KHR'000	US\$	KHR'000
<i>Expected Credit Loss (ECL):</i>				
Loans and advances	124,987	510,822	1,122,253	4,565,325
Deposits and placements				
with other banks	(13,470)	(55,052)	13,747	55,923
Credit commitments and				
financial guarantee contracts	(22,994)	(93,976)	58,218	236,831
	88,523	361,794	1,194,218	4,858,079

**27. PERSONNEL EXPENSES**

	<b>2022</b>		<b>2021</b>	
	<b>US\$</b>	<b>KHR'000</b>	<b>US\$</b>	<b>KHR'000</b>
Salaries and wages	7,780,490	31,798,863	6,825,717	27,767,017
Bonuses and incentives	2,374,334	9,703,903	2,307,550	9,387,113
Other employee benefits	610,230	2,494,010	415,812	1,691,523
Seniority payments	578,497	2,364,317	502,198	2,042,941
Allowances	400,208	1,635,650	255,722	1,040,277
Staff pension fund expense	383,278	1,566,457	319,660	1,300,377
Staff loans benefits	223,129	911,928	192,715	783,965
Annual leaves	36,230	148,072	-	-
Employee training expenses	26,914	109,998	12,569	51,131
Others	83,117	339,699	72,327	294,226
	<b>12,496,427</b>	<b>51,072,897</b>	<b>10,904,270</b>	<b>44,358,570</b>

**28. DEPRECIATION AND AMORTISATION CHARGES**

	<b>2022</b>		<b>2021</b>	
	<b>US\$</b>	<b>KHR'000</b>	<b>US\$</b>	<b>KHR'000</b>
Depreciation of right-of-use assets (Note 9)	1,639,916	6,702,337	1,390,811	5,657,819
Depreciation of property and equipment (Note 10)	1,620,312	6,622,215	1,277,747	5,197,875
Amortisation of intangible assets (Note 11)	699,514	2,858,914	259,503	1,055,658
	<b>3,959,742</b>	<b>16,183,466</b>	<b>2,928,061</b>	<b>11,911,352</b>

**29. OTHER OPERATING EXPENSES**

	<b>2022</b>		<b>2021</b>	
	<b>US\$</b>	<b>KHR'000</b>	<b>US\$</b>	<b>KHR'000</b>
Repairs and maintenance	1,067,464	4,362,725	779,625	3,171,515
Licence fee expenses	395,982	1,618,378	380,374	1,547,361
Security expense	340,341	1,390,974	338,289	1,376,160
Communication expenses	274,753	1,122,916	177,211	720,894
Utilities	255,843	1,045,630	287,518	1,169,623
Expenses for motor vehicles	184,797	755,265	151,191	615,045
Legal and professional fees	163,446	668,004	123,928	504,139
Rental expenses	152,718	624,158	135,996	553,232
Insurance expenses	147,389	602,379	133,240	542,020
Advertising and public relations	141,368	577,771	105,935	430,944
Director's fee	114,473	467,851	107,700	438,124
Office supplies	109,696	448,328	132,303	538,209
Travelling and accommodation	63,065	257,747	32,460	132,047
Furniture and fixtures	38,778	158,486	39,184	159,401
Other expenses	448,327	1,832,312	287,400	1,169,142
	<b>3,898,440</b>	<b>15,932,924</b>	<b>3,212,354</b>	<b>13,067,856</b>

**30. INCOME TAX****a) Current income tax liabilities**

The movement of the Bank's income tax liabilities are as follows:

	<b>2022</b>		<b>2021</b>	
	<b>US\$</b>	<b>KHR'000</b>	<b>US\$</b>	<b>KHR'000</b>
<i>Current</i>				
At the beginning of the year	5,449,519	22,201,340	5,122,375	20,720,007
Income tax expense	6,224,117	25,437,966	6,181,037	25,144,459
Income tax paid	(6,237,756)	(25,493,709)	(5,872,092)	(23,887,670)
Adjustments for current tax of prior period	(25,733)	(105,171)	18,199	74,034
Currency translation differences	-	233,149	-	150,510
<u>At the end of the year</u>	<u>5,410,147</u>	<u>22,273,575</u>	<u>5,449,519</u>	<u>22,201,340</u>

**b) Income tax expenses**

	<b>2022</b>		<b>2021</b>	
	<b>US\$</b>	<b>KHR'000</b>	<b>US\$</b>	<b>KHR'000</b>
Current income tax	6,224,117	25,437,966	6,181,037	25,144,459
Adjustments for current tax of prior period	(25,733)	(105,171)	18,199	74,033
Total current tax expense	6,198,384	25,332,795	6,199,236	25,218,492
Deferred tax	406,181	1,660,062	(369,428)	(1,502,833)
<u>Income tax expenses</u>	<u>6,604,565</u>	<u>26,992,857</u>	<u>5,829,808</u>	<u>23,715,659</u>

**c) Reconciliation of income tax expenses and accounting profit**

	<b>2022</b>		<b>2021</b>	
	<b>US\$</b>	<b>KHR'000</b>	<b>US\$</b>	<b>KHR'000</b>
Profit before income tax	32,191,461	131,566,500	28,521,132	116,023,966
Cambodian tax rate at 20%	6,438,292	26,313,300	5,704,226	23,204,793
<i>Tax effects in respect of:</i>				
Expenses not deductible for tax purposes	181,957	743,658	97,828	397,964
Write-off deferred tax assets previously recognised	10,049	41,070	9,555	38,869
Adjustments for current tax of prior period	(25,733)	(105,171)	18,199	74,033
<u>Income tax expenses</u>	<u>6,604,565</u>	<u>26,992,857</u>	<u>5,829,808</u>	<u>23,715,659</u>

Under the Cambodian tax regulations, the Bank is subject to 20% Income Tax.

#### d) Other matter

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

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

## 31. CASH AND CASH EQUIVALENTS

	2022		2021	
	US\$	KHR'000	US\$	KHR'000
Cash on hand	53,574,614	220,566,686	56,737,044	231,146,717
Deposits and placements with the central bank				
Current accounts	92,150,976	379,385,568	113,009,984	460,402,675
Settlement accounts	625,154	2,573,759	3,578,136	14,577,326
Negotiable certificate of deposits	15,000,000	61,755,000	-	-
Deposits and placements with other banks				
Current accounts	5,425,672	22,337,492	10,818,554	44,074,789
Savings accounts	2,192,382	9,026,037	1,866,830	7,605,465
Fixed deposits with maturity three months or less	55,891,988	230,107,315	112,053,911	456,507,633
	224,860,786	925,751,857	298,064,459	1,214,314,605

## 32. CASH FLOWS INFORMATION

### a) Cash flow from operations

	Notes	2022		2021	
		US\$	KHR'000	US\$	KHR'000
Profit before income tax		32,191,461	131,566,500	28,521,132	116,023,966
Adjustments for:					
Depreciation and amortisation charges	28	3,959,742	16,183,466	2,928,061	11,911,352
Credit impairment losses	26	88,523	361,794	1,194,218	4,858,079
Non-cash employee benefits expense – share-based payments		355,707	1,453,775	220,315	896,241
Gains on disposals of property and equipment		(30,558)	(124,891)	(1,518)	(6,175)
Adjustment of staff pension fund	18	16,253	66,426	(48,600)	(197,705)
Staff pension fund	18	889,840	3,636,776	671,756	2,732,703
Annual leaves	27	36,230	148,072	-	-
Staff loans benefits	27	223,129	911,928	192,715	783,965
Net interest income and expense	24	(45,280,045)	(185,059,544)	(40,086,171)	(163,070,544)
Unrealised exchange gain		(112,174)	(458,455)	(388,830)	(1,581,760)
<i>Change in working capital:</i>					
Reserve requirement deposits		2,881,532	11,776,821	(3,976,758)	(16,177,452)
Loans and advances		(99,927,684)	(408,404,445)	(73,354,231)	(298,405,012)
Other assets		(443,539)	(1,812,744)	(413,213)	(1,680,950)
Deposits from banks		57,961,906	236,890,310	29,650,276	120,617,323
Deposits from customers		(84,723,726)	(346,265,868)	34,737,264	141,311,190
Other liabilities		(3,981,715)	(16,273,269)	1,637,015	6,659,377
Cash used in operations		(135,895,118)	(555,403,348)	(18,516,569)	(75,325,402)

**b) Non-cash investing and financing activities**

	<b>2022</b>		<b>2021</b>	
	<b>US\$</b>	<b>KHR'000</b>	<b>US\$</b>	<b>KHR'000</b>
Acquisition of property and equipment (*)	193,729	791,770	41,693	169,607
Acquisition of intangible assets (*)	372,347	1,521,782	300,576	1,222,743
	566,076	2,313,552	342,269	1,392,350

(\*) These are payables for capital expenditure as at 31 December 2022 and 31 December 2021 respectively.

Non-cash financing activities are disclosed in Note 9 for acquisition of right-of-use assets.

**c) Net debt reconciliation**

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

<b>Net debt</b>	<b>2022</b>		<b>2021</b>	
	<b>US\$</b>	<b>KHR'000</b>	<b>US\$</b>	<b>KHR'000</b>
Cash and cash equivalents	224,860,786	925,751,857	298,064,459	1,214,314,605
Borrowings	(21,738,894)	(89,499,027)	(26,141,521)	(106,500,557)
Subordinated debts	(47,405,592)	(195,168,822)	(47,405,592)	(193,130,382)
Lease liabilities	(7,935,261)	(32,669,470)	(6,987,782)	(28,468,224)
<b>Net debt</b>	<b>147,781,039</b>	<b>608,414,538</b>	<b>217,529,564</b>	<b>886,215,442</b>
Cash and cash equivalents	224,860,786	925,751,857	298,064,459	1,214,314,605
Gross debt – fixed interest rates	(61,923,747)	(302,181,319)	(80,534,895)	(328,099,163)
Gross debt – variable interest rates	(15,156,000)	(15,156,000)	-	-
<b>Net debt</b>	<b>147,781,039</b>	<b>608,414,538</b>	<b>217,529,564</b>	<b>886,215,442</b>

	<b>Liabilities from financing activities</b>				<b>Other assets</b>	<b>Total</b>
	<b>Borrowings</b>	<b>Subordinated debts</b>	<b>Lease liabilities</b>	<b>Sub-total</b>	<b>Cash and cash equivalents</b>	
	<b>US\$</b>	<b>US\$</b>	<b>US\$</b>	<b>US\$</b>	<b>US\$</b>	
<b>Net debt at 1 January 2021</b>	(64,253,328)	(47,411,000)	(5,381,598)	(117,045,926)	292,129,102	175,083,176
Cash flows	37,633,262	-	1,334,499	38,967,761	5,935,357	44,903,118
New leases	-	-	(2,959,917)	(2,959,917)	-	(2,959,917)
Foreign exchange adjustments	390,762	-	-	390,762	-	390,762
Other changes (i)	87,783	5,408	19,234	112,425	-	112,425
<b>Net debt as at 31 December 2021</b>	<b>(26,141,521)</b>	<b>(47,405,592)</b>	<b>(6,987,782)</b>	<b>(80,534,895)</b>	<b>298,064,459</b>	<b>217,529,564</b>
In KHR'000 equivalent	(106,500,557)	(193,130,382)	(28,468,224)	(328,099,163)	1,214,314,605	886,215,442
<b>Net debt at 1 January 2022</b>	<b>(26,141,521)</b>	<b>(47,405,592)</b>	<b>(6,987,782)</b>	<b>(80,534,895)</b>	<b>298,064,459</b>	<b>217,529,564</b>
Cash flows	3,625,416	-	1,507,788	5,133,204	(73,203,673)	(68,070,469)
New leases	-	-	(2,455,267)	(2,455,267)	-	(2,455,267)
Foreign exchange adjustments	116,470	-	-	116,470	-	116,470
Other changes (i)	660,741	-	-	660,741	-	660,741
<b>Net debt as at 31 December 2022</b>	<b>(21,738,894)</b>	<b>(47,405,592)</b>	<b>(7,935,261)</b>	<b>(77,079,747)</b>	<b>224,860,786</b>	<b>147,781,039</b>
In KHR'000 equivalent	(89,499,027)	(195,168,822)	(32,669,470)	(317,337,319)	925,751,857	608,414,538

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



### 33. COMMITMENTS AND CONTINGENCIES

#### a. Loan commitments, guarantees and other financial commitments

At 31 December 2022, the Bank had the contractual amounts of the Bank's off-balance sheet financial instruments that commit it to extend credit to customers as follows:

	2022		2021	
	US\$	KHR'000	US\$	KHR'000
Bank guarantees and letters of credits	266,846,645	1,098,607,637	241,426,940	983,573,354
Unused portion of overdrafts	67,581,494	278,233,011	63,993,139	260,708,048
Unused portion of credit cards	11,545,053	47,530,983	10,786,393	43,943,765
Term loan commitments	13,088,544	53,885,536	14,874,612	60,599,169
	359,061,736	1,478,257,167	331,081,084	1,348,824,336
Less: Loss allowance for ECL	(100,810)	(415,035)	(123,821)	(504,447)
Net exposure	358,960,926	1,477,842,132	330,957,263	1,348,319,889

#### b) Operating lease commitments

The Bank recognised right-of-use assets and lease liabilities for lease contracts where the Bank is a lessee, except for short-term leases, see Note 2.12.iii) and Note 9 for further information. The lease commitments of short-term leases are insignificant.

### 34. RELATED-PARTY DISCLOSURES

#### a) Related parties and relationships

The Bank is a wholly owned subsidiary of CIMB Bank Berhad, a licensed bank incorporated in Malaysia. CIMB Group Holdings Berhad, a quoted company incorporated in Malaysia, is the ultimate holding company.

Related party	Relationship
CIMB Group Holdings Berhad	Ultimate parent company
CIMB Bank Berhad	Immediate parent company
CIMB Thai Bank Public Co. Limited (CIMB Thai)	Affiliates
PT Bank CIMB Niaga TBK (CIMB Indonesia)	Affiliates
CIMB Bank (Singapore)	Affiliates
CIMB Bank Berhad Shanghai Branch	Affiliates
CIMB Bank (Vietnam) Limited	Affiliates
Key management personnel	Key management personnel of the Bank are all directors of the Bank who make critical decisions in relation to the strategic direction of the Bank and senior management staff (including their close family members).

#### b) Deposits and placements with related parties

	2022		2021	
	US\$	KHR'000	US\$	KHR'000
Parent (current accounts)	2,463,827	10,143,576	5,165,555	21,044,471
Parent's foreign bank subsidiaries and branches (current accounts)	1,940,006	7,987,005	84,247	343,222
Parent (fixed deposits)	28,206,232	116,125,057	46,379,309	188,949,305
	32,610,065	134,255,638	51,629,111	210,336,998
Interest income	863,663	3,529,791	5,826	23,700

Current accounts with parent and parent's foreign bank subsidiaries and branches bear no interest (2021: nil), except the current accounts placed with CIMB Bank Berhad Shanghai Branch bears interest rate at 0.35% per annum (2021: 0.35% per annum).

Fixed deposits with parent bear interest at rates ranging from 1.30% to 4.10% per annum (2021: 0.00% to 0.05% per annum).

**c) Loans and advances at amortised cost to related parties**

	<b>2022</b>		<b>2021</b>	
	<b>US\$</b>	<b>KHR'000</b>	<b>US\$</b>	<b>KHR'000</b>
Directors and key management	2,421,303	9,968,504	2,436,375	9,925,792
Interest income	121,533	496,705	130,786	532,037

Loans and advances to directors and key management earned annual interest at rates ranging from 3.50% to 8.00% per annum (2021: 3.50% to 11.00% per annum).

**d) Deposits from related parties**

	<b>2022</b>		<b>2021</b>	
	<b>US\$</b>	<b>KHR'000</b>	<b>US\$</b>	<b>KHR'000</b>
Parent's foreign bank subsidiaries and branches (current accounts)	9,915	40,820	109,855	447,549
Parent's foreign bank subsidiaries (fixed deposits)	25,839,056	106,379,395	60,050,181	244,644,438
Directors and key management (current accounts)	141,300	581,732	166,827	679,653
Directors and key management (savings accounts)	130,506	537,293	117,210	477,514
Directors and key management (fixed deposits)	1,206,844	4,968,577	519,628	2,116,964
	27,327,621	112,507,817	60,963,701	248,366,118
Interest expense	898,873	3,673,694	67,806	275,835

Annual interest rate during the year are as follows:

	<b>2022</b>	<b>2021</b>
Parent's foreign bank subsidiaries and branches (current accounts)	0.00%	0.00%
Parent's foreign bank subsidiaries (fixed deposits)	0.30% - 7.58%	0.25% - 1.45%
Directors and key management (current accounts)	0.00% - 1.50%	0.00% - 0.50%
Directors and key management (savings accounts)	0.50% - 1.68%	0.50% - 1.68%
Directors and key management (fixed deposits)	3.25% - 6.50%	3.25% - 5.25%

**e) Subordinated debts from related parties**

	<b>2022</b>		<b>2021</b>	
	<b>US\$</b>	<b>KHR'000</b>	<b>US\$</b>	<b>KHR'000</b>
Immediate parent	47,405,592	195,168,822	47,405,592	193,130,382
Interest expense	2,046,462	8,363,890	2,007,051	8,164,683

Subordinated debts from immediate parent are unsecured and having annual interest at rates ranging from 2.74% to 4.50% per annum (2021: 2.74% to 4.50% per annum).

**f) Amounts due from related parties**

	<b>2022</b>		<b>2021</b>	
	<b>US\$</b>	<b>KHR'000</b>	<b>US\$</b>	<b>KHR'000</b>
<b>Other assets</b>				
Amounts due from immediate parent	18,871	77,692	40,060	163,204
Amounts due from related parties	3,361	13,837	3,150	12,833
	22,232	91,529	43,210	176,037

**g) Key management personnel compensation**

	<b>2022</b>		<b>2021</b>	
	<b>US\$</b>	<b>KHR'000</b>	<b>US\$</b>	<b>KHR'000</b>
Directors' fees	114,473	467,851	107,700	438,124
Salaries and short-term benefits	2,789,584	11,401,030	2,361,999	9,608,612
Other long-term benefits	77,526	316,849	65,422	266,137
	2,867,110	11,717,879	2,427,421	9,874,749

**35. FINANCIAL RISK MANAGEMENT**

The Bank embraces risk management as an integral part of the Bank's business, operations and decision-making process. In ensuring that the Bank achieves optimum returns whilst operating within a sound business environment, the risk management teams are involved at the early stage of the risk-taking process by providing independent inputs, including relevant valuations, credit evaluations, new product assessments and quantification of capital requirements. These inputs enable the business units to assess the risk-vs-reward of their propositions, thus enabling risk to be priced appropriately in relation to the return.

Generally, the objectives of the Bank's risk management activities are to:

- identify the various risk exposures and capital requirements;
- ensure risk-taking activities are consistent with risk policies and the aggregated risk position are within the risk appetite as approved by the Board; and
- create shareholders' value through a sound risk management framework.

	2022		2021	
	US\$	KHR'000	US\$	KHR'000
<b>Financial assets</b>				
Financial assets at				
amortised costs				
Cash on hand	53,574,614	220,566,686	56,737,044	231,146,717
Deposits and placements				
with the central bank	120,906,100	497,770,414	155,638,694	634,072,039
Deposits and placements				
with other banks	63,496,732	261,416,046	129,303,907	526,784,117
Loans and advances at				
amortised cost	1,019,457,213	4,197,105,346	919,621,447	3,746,537,775
Other financial assets	934,309	3,846,550	884,793	3,604,647
<b>Total financial assets</b>	<b>1,258,368,968</b>	<b>5,180,705,042</b>	<b>1,262,185,885</b>	<b>5,142,145,295</b>
<b>Financial liabilities</b>				
Financial liabilities at				
amortised cost				
Deposits from banks	224,907,872	925,945,709	165,470,450	674,126,613
Deposits from customers	847,725,348	3,490,085,258	931,403,749	3,794,538,873
Borrowings	21,738,894	89,499,027	26,141,521	106,500,557
Subordinated debts	47,405,592	195,168,822	47,405,592	193,130,382
Lease liabilities	7,935,261	32,669,470	6,987,782	28,468,224
Other financial liabilities	10,942,901	45,051,922	12,897,106	52,542,809
<b>Total financial liabilities</b>	<b>1,160,655,868</b>	<b>4,778,420,208</b>	<b>1,190,306,200</b>	<b>4,849,307,458</b>
<b>Net financial assets</b>	<b>97,713,100</b>	<b>402,284,834</b>	<b>71,879,685</b>	<b>292,837,837</b>

### 35.1 Credit risk

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

#### (a) Credit risk measurement

Credit risk is managed on a group basis.

For loans and advances and credit commitments, the estimation of credit exposure for risk management purposes requires the use of models, as the exposure varies with changes in market conditions, expected cash flows and the passage of time. The assessment of credit risk of a portfolio of assets entails further estimations as to the likelihood of default occurring, of the associated loss ratios and of default correlations between counterparties. The Bank measures credit risk using Probability of Default (PD), Exposure at Default (EAD) and Loss Given Default (LGD) for the purposes of measuring Expected Credit Loss (ECL) under CIFRS 9.

Deposits and placements with the central bank and other banks are considered to be low credit risk. The credit ratings of these assets are monitored for credit deterioration. Measurement for impairment is limited to 12-month expected credit loss. Other financial assets at amortised cost are monitored for its credit rating deterioration, and the measurement of impairment follows a three-stage approach in note 35.1 (c).

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

The Bank operates and provides loans and advances to individuals or enterprises within the Kingdom of Cambodia. The Bank manages, limits and controls the concentration of credit risk whenever it is identified.

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

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

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

#### (c) Impairment (expected credit loss) policies

The measurement of expected credit loss allowance under the CIFRS 9's three-stage approach is to recognise lifetime expected credit loss allowance for financial instruments for which there has been a significant increase in credit risk since initial origination or is credit-impaired as at the reporting date. The financial instrument which has not undergone any significant deterioration in credit risk shall be recognised with 12-month expected credit loss allowance.

Under the three-stage approach, the financial instrument is allocated into three stages based on the relative movement in the credit risk.

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

The key judgements and assumptions adopted by the Bank in addressing the requirements of the standard on the measurement of allowances are:

#### (i) Significant increase in credit risk (SICR)

The assessment of SICR shall be a multifactor and holistic analysis and based on a mixture of quantitative and/or qualitative information. To determine whether the risk of default of a loan/financing has increased significantly since initial recognition, the current risk of default at the reporting date is compared with the risk of default at initial recognition.

A borrower is considered to have credit risk increased significantly since initial recognition if any of the following criteria is met:

- Past due 31 days for short-term facilities on its contractual payment; and
- Past due 90 days for long-term facilities on its contractual payment.

## (ii) Definition of default and credit impaired

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

- Where the principal or interest or both of any of the credit facilities is past due for more than 90 consecutive days or more and/or in actual default. In the case of revolving facilities (e.g. overdraft facilities), the facility shall be classified as impaired where the outstanding amount has remained in excess of the approved limit for a period of more than 90 days or 3 months for the purpose of ascertaining the period in arrears.
- When an obligor/counterparty has multiple loans with the Bank and cross default obligation applies, an assessment of provision is required under which default of one debt obligation triggers default on another debt obligation (cross default). Where there is no right to set off clause is available, assessment of provision needs to be performed on individual loan level instead of consolidated obligor/counterparty level.
- Write-off/charged-off accounts.

## (iii) Measuring (ECL - inputs, assumptions and estimation techniques)

The ECL is measured on either a 12-month or lifetime basis depending on whether a significant increase in credit risk has occurred since initial recognition or whether an asset is considered to be credit-impaired. The ECL is assessed and measured on a collective and individual basis.

For collective assessment, the ECL allowance is determined by projecting the PD, LGD and EAD for each future month and for collective segment. The three components are multiplied together to calculate an ECL for each future year, which is then discounted back to the reporting date and summed. The discount rate used in the ECL calculation is the original effective interest rate or an approximation thereof.

For individual assessment, the ECL allowance is determined by comparing the outstanding exposure with the present value of cash flow which is expected to be received from the borrowers.

### Probability of Default (PD)

The PD represents the likelihood that a borrower will be unable to meet its financial obligation either over the next 12 months (12-month PD) or over the remaining lifetime (lifetime PD) of the obligation.

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

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

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

### Exposure at Default (EAD)

EAD is the total amount that the Bank is exposed to at the time the borrower defaults.

The 12-month and lifetime EADs are determined based on the expected payment profile, which varies by product type.

- For amortising products and bullet repayment loans, this is based on the contractual repayments owed by the borrower over a 12-month or remaining maturity.
- For revolving products, the exposure at default is the higher of outstanding balance or applicable limit multiplied with utilisation rate. Utilisation rate is derived using a simplified approach, outstanding sum of portfolio or product divided by total combined available limit of a portfolio or product.

### Loss Given Default (LGD)

LGD represents the Bank's expectation of the extent of loss on a defaulted exposure. LGD varies by type of counterparty, type and seniority of claim and availability of collateral or other credit support. LGD is expressed as a percentage loss per unit of exposure at the time of default. LGD is the percentage of loss expected to be made if the default occurs over the remaining expected lifetime of the loan.

For a portfolio without sufficient default data, Proxy LGD is used.

The assumptions underlying the ECL calculation are monitored and reviewed periodically. There have been no significant changes in estimation techniques or significant assumptions made during the reporting period.

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

The calculation of ECL incorporates forward-looking information. The Bank has performed statistical analysis based on historical experience and identified the key economic variables impacting credit risk and expected credit losses for each portfolio. The relationship of these economic variables on the PD, EAD and LGD have been determined by performing statistical regression analysis to understand the impact changes in these variables have had historically on default rates and on the components of PD and LGD. These economic variables and their associated impact on the PD, EAD and LGD vary by financial instrument. Expert judgement has also been applied in this process. Forecasts of these economic variables are sourced from the Bank's immediate parent's economics team and external research house.

To consider the effect of COVID-19 pandemic on the Bank's loans and advances, the management continuously refreshes the macroeconomic variables yearly to reflect the current economic condition in its forward-looking model. For the year ended 31 December 2022, the management has refreshed the latest macroeconomics variables available which were up to 31 December 2022. The management believes that the adjustment is made to reflect the most recent economic condition. The longevity of COVID-19 pandemic has also led to an uncertain economic environment which may result in higher credit impairment expenses. As a result, the management has adjusted the Bank's probability weighted percentage in the probability weighted forward looking Probability of Default (PD) to give a heavier weight to the worst case scenario and a lighter weight to the best case scenario using reasonable and supportable information.

The Bank applies three economic scenarios to reflect an unbiased probability-weighted range of possible future outcome in estimating ECL:

- Base case: This represents the 'most likely outcome' of future economic conditions which is aligned with information used by the Bank for other purposes such as budgeting and stress testing.
- Best and Worst case: This represents the 'upside' and 'downside' outcome of future economic conditions which are determined by a combination of statistical analysis and expert credit judgement.

#### *Macroeconomic variable assumptions*

The weightings assigned to each economic scenario as at 31 December 2022 and 31 December 2021 are as follows:

	<b>Base</b>	<b>Best</b>	<b>Worst</b>
As at 31 December 2022	%	%	%
Scenario probability weighting	60%	10%	30%
	<b>Base</b>	<b>Best</b>	<b>Worst</b>
As at 31 December 2021	%	%	%
Scenario probability weighting	60%	10%	30%

As with any economic forecasts, the projections and likelihoods of occurrence are subject to high degree of inherent uncertainty and therefore the actual outcomes may be significantly different to those projected. The Bank considers these forecasts to represent its best estimate of the possible outcomes and are appropriately representative of the range of possible scenarios. The scenario weightage, number of scenarios and their attributes are reassessed periodically.

#### *Sensitivity analysis*

The Bank has also identified the key economic variables and carried out a sensitivity assessment of ECL for loans, advances and financing in relation to the changes in these key economic variables whilst keeping other variables unchanged. The sensitivity factors used are derived based on expected standard deviation determined for each key economic variable to assess the impact on the ECL of the Bank.

#### **(v) Grouping of exposure for ECL measured on collective basis**

For expected credit loss provisions modelled on a collective basis, a grouping of exposures is performed on the basis of shared risk characteristics, such that risk exposures within a group are homogeneous.

In performing this grouping, there must be sufficient information for the groupings to be statistically credible. Where sufficient information is not available internally, the Bank has considered benchmarking internal/external supplementary data to use for modelling purposes.

The appropriateness of groupings is monitored and reviewed on a periodic basis by the Credit Risk.

#### **(vi) Write off policy**

Write-off is usually taken when relevant recovery actions have been exhausted or further recovery is not economically feasible or justifiable. When a loan or debt instrument is deemed uncollectible, it is written

off against the related allowance for impairment. Such loans are either written off in full or partially after taking into consideration the realisable value of collateral (if any) and when in the judgement of the management, there is no prospect of recovery. All write-offs must be approved by the Board or its delegated authorities.

#### **(vii) Modification of loans**

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

- If the borrower is in financial difficulty, whether the modification merely reduces the contractual cash flows to amounts the borrower is expected to be able to pay.
- Whether any substantial new terms are introduced, such as a profit share/equity-based return that substantially affects the risk profile of the loan.
- Significant extension of the loan term when the borrower is not in financial difficulty.
- Significant change in the interest rate.
- Change in the currency the loan is denominated in.
- Insertion of collateral, other security or credit enhancements that significantly affect the credit risk associated with the loan.

The risk of default of such loans after modification is assessed at the reporting date and compared with the risk under the original terms at initial recognition, when the modification is not substantial and so does not result in derecognition of the original loans. The Bank monitors the subsequent performance of modified assets. The Bank may determine that the credit risk has significantly improved after restructuring, so that the assets are moved from Stage 3 or Stage 2 (Lifetime ECL) to Stage 1 (12-month ECL). This is only the case for assets which have performed in accordance with the new terms for six consecutive months or more.

#### **(viii) Off-balance sheet exposures**

Off-balance sheet exposures are exposures such as trade facilities and undrawn commitments. The Bank applied internal Cash Conversion Factor (CCF) to estimate the EAD of off-balance sheet items. For operational simplification, the Bank assumes CCF for the off-balance sheet exposures as follows:

- 20% CCF is assumed for unused portion of overdrafts, unused portion of credit cards and letters of credits;
- 75% CCF is assumed for undrawn trust receipts; and
- 100% CCF is assumed for undrawn term loans.

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

The maximum exposure to credit risk for financial assets recognised in the statements of financial position is their gross carrying amounts. For contingent liabilities, the maximum exposure to credit risk is the maximum amount that the Bank would have to pay if the obligations of the instruments issued are called upon. For credit commitments, the maximum exposure to credit risk is the full amount of the undrawn credit facilities granted to customers. The table below shows the maximum exposure to credit risk for the Bank on financial instruments subject to impairment.



	2022		2021	
	US\$	KHR'000	US\$	KHR'000
Credit risk exposure relating to on-balance sheet assets:				
Deposits and placements with other banks	63,510,042	261,470,843	129,331,016	526,894,559
Loans and advances at amortised cost	1,024,237,899	4,216,787,430	924,282,974	3,765,528,836
Other financial assets	934,309	3,846,550	884,793	3,604,647
	1,088,682,250	4,482,104,823	1,054,498,783	4,296,028,042
Credit risk exposure relating to off-balance sheet items:				
Bank guarantees and letters of credits	266,846,645	1,098,607,637	241,426,940	983,573,354
Unused portion of overdrafts	67,581,494	278,233,011	63,993,139	260,708,048
Unused portion of credit cards	11,545,053	47,530,983	10,786,393	43,943,765
Term loan commitments	13,088,544	53,885,536	14,874,612	60,599,169
	359,061,736	1,478,257,167	331,081,084	1,348,824,336
Total maximum credit risk exposure that are subject to impairment	1,447,743,986	5,960,361,990	1,385,579,867	5,644,852,378
Less: Loss allowance (ECL)	(4,894,806)	(20,151,916)	(4,812,457)	(19,605,950)
Total net credit exposure	1,442,849,180	5,940,210,074	1,380,767,410	5,625,246,428

The above table represents a worst-case scenario of credit risk exposure to the Bank, since collateral held and/or other credit enhancement attached were not taken into account. For on-balance sheet assets, the exposures set out above are based on gross carrying amounts. As shown above, 71% (2021: 67%) of total maximum exposure is derived from loans and advances. Management is confident of its ability to continue to control and sustain minimal exposure on credit risk resulting from the Bank's loans and advances due to the followings:

- Almost all loans and advances are collateralised and loan to collateral value ranges from 60% to 70%.
- The Bank has a proper credit evaluation process in place for granting of loans and advances to customers.
- 48% (2021: 40%) of deposits and placements with other banks is held with its parent company, a bank with credit rating A3. The remaining balances were held with local banks and overseas banks and management has done proper risk assessment and believe there will be no material loss from these local banks and overseas banks.

## e) Credit quality of financial assets

The Bank assesses credit quality of loans, advances and financing using internal rating techniques tailored to the various categories of products and counterparties. These techniques have been developed internally and combine statistical analysis with credit officers' judgement.

Credit quality description is summarised as follows:

Credit quality	Description
Standard monitoring	<p>Obligors in this category exhibit strong capacity to meet financial commitments.</p> <p>The Bank monitors obligors in this category by delinquency status. Obligors included in standard monitoring are:</p> <ul style="list-style-type: none"> <li>• those less than 15 days past due on its contractual payments for short-term facilities</li> <li>• those less than 30 days past due on its contractual payments for long-term facilities</li> </ul>
Special monitoring	<p>Obligors in this category have a fairly acceptable capacity to meet financial commitments.</p> <p>The Bank monitors obligors in this category by delinquency status. Obligors included in special monitoring are:</p> <ul style="list-style-type: none"> <li>• those that are from 15 days to 30 days past due on its contractual payments for short-term facilities</li> <li>• those that are from 30 days to 89 days past due on its contractual payments for long-term facilities</li> </ul>
Default/Credit impaired	Obligors assessed to be impaired.

The credit quality of financial instruments other than loans, advances and financing are determined based on the ratings of counterparties as defined equivalent ratings of other international rating agencies as defined below:

Credit quality	Description
Sovereign	Refers to financial assets issued by the central bank/government or guarantee by the central bank/government.
Investment grade	Refers to the credit quality of the financial assets that the issuer is able to meet payment obligation and exposure bondholder to low credit risk of default.
Non-investment grade	Refers to low credit quality of the financial assets that are highly exposed to default risk.
No rating	Refers to financial assets which are currently not assigned with ratings due to unavailability of ratings models.
Credit impaired	Refers to the financial assets that are being impaired.

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

	2022				2021			
	12-month ECL	Lifetime ECL not Credit-Impaired	Lifetime ECL Credit-Impaired	Total	12-month ECL	Lifetime ECL not Credit-Impaired	Lifetime ECL Credit-Impaired	Total
	US\$	US\$	US\$	US\$	US\$	US\$	US\$	US\$
<b>Deposits and placements with other banks</b>								
Investment grade	42,254,587	-	-	42,254,587	82,834,323	-	-	82,834,323
Non-investment grade	-	-	-	-	-	-	-	-
No rating	21,255,455	-	-	21,255,455	46,496,693	-	-	46,496,693
Gross carrying amount	63,510,042	-	-	63,510,042	129,331,016	-	-	129,331,016
Less: Expected credit loss	(13,310)	-	-	(13,310)	(27,109)	-	-	(27,109)
Net carrying amount	63,496,732	-	-	63,496,732	129,303,907	-	-	129,303,907
In KHR'000 equivalents	261,416,046	-	-	261,416,046	526,784,117	-	-	526,784,117
<b>Loans and advances at amortised cost</b>								
Standard monitoring	981,323,610	-	-	981,323,610	897,296,850	-	-	897,296,850
Special monitoring	-	35,216,481	-	35,216,481	-	16,952,156	-	16,952,156
Default	-	-	7,697,808	7,697,808	-	-	10,033,968	10,033,968
Gross carrying amount	981,323,610	35,216,481	7,697,808	1,024,237,899	897,296,850	16,952,156	10,033,968	924,282,974
Less: Expected credit loss	(3,022,233)	(169,437)	(1,589,016)	(4,780,686)	(2,798,957)	(131,718)	(1,730,852)	(4,661,527)
Net carrying amount	978,301,377	35,047,044	6,108,792	1,019,457,213	894,497,893	16,820,438	8,303,116	919,621,447
In KHR'000 equivalents	4,027,666,769	144,288,680	25,149,897	4,197,105,346	3,644,184,416	68,526,464	33,826,895	3,746,537,775
<b>Off-balance sheet items</b>								
Standard monitoring	359,061,736	-	-	359,061,736	331,081,084	-	-	331,081,084
Special monitoring	-	-	-	-	-	-	-	-
Default	-	-	-	-	-	-	-	-
Gross carrying amount	359,061,736	-	-	359,061,736	331,081,084	-	-	331,081,084
Less: Expected credit loss	(100,810)	-	-	(100,810)	(123,821)	-	-	(123,821)
Net carrying amount	358,960,926	-	-	358,960,926	330,957,263	-	-	330,957,263
In KHR'000 equivalents	1,477,842,132	-	-	1,477,842,132	1,348,319,889	-	-	1,348,319,889

**(f) Loss allowance**

(i) Expected credit loss reconciliation – loans and advances at amortised cost

	Stage 1	Stage 2	Stage 3	
	12-month ECL	Lifetime ECL not Credit-Impaired	Lifetime ECL Credit-Impaired	Total
	US\$	US\$	US\$	US\$
<b>Expected credit losses</b>				
Loss allowance as at 1 January 2022	2,798,957	131,718	1,730,852	4,661,527
<i>Changes due to financial instruments recognised as at 1 January:</i>				
Transfer to stage 1	199,118	(31,750)	(167,368)	-
Transfer to stage 2	(63,223)	155,017	(91,794)	-
Transfer to stage 3	(6,134)	(10,433)	16,567	-
Net remeasurement of loss allowance (*)	(463,111)	(57,969)	109,125	(411,955)
New financial assets originated or purchased	891,874	6,159	75,784	973,817
Financial assets derecognised during the period other than write off	(335,248)	(23,305)	(78,322)	(436,875)
Write-offs	-	-	(23,651)	(23,651)
Unwinding of discounts	-	-	17,823	17,823
Loss allowance as at 31 December 2022	3,022,233	169,437	1,589,016	4,780,686
In KHR'000 equivalent	12,442,533	697,572	6,541,979	19,682,084

(\*)Impact of the measurement of ECL due to changes in EAD and PD during the year arising from regular refreshing of inputs to models.

	Stage 1	Stage 2	Stage 3	
	12-month ECL	Lifetime ECL not Credit-Impaired	Lifetime ECL Credit-Impaired	Total
	US\$	US\$	US\$	US\$
<b>Gross carrying amount</b>				
Gross carrying amount as at 1 January 2022	897,296,850	16,952,156	10,033,968	924,282,974
<i>Changes due to financial instruments recognised as at 1 January:</i>				
Transfer to stage 1	2,979,854	(2,191,221)	(788,633)	-
Transfer to stage 2	(24,952,268)	27,366,481	(2,414,213)	-
Transfer to stage 3	(451,343)	(627,191)	1,078,534	-
New financial assets originated or purchased	321,811,659	2,062,422	302,385	324,176,466
Financial assets derecognised during the period other than write off	(215,361,142)	(8,346,166)	(400,394)	(224,107,702)
Write-offs	-	-	(113,839)	(113,839)
Gross carrying amount as at 31 December 2022	981,323,610	35,216,481	7,697,808	1,024,237,899
In KHR'000 equivalent	4,040,109,302	144,986,252	31,691,876	4,216,787,430

	Stage 1	Stage 2	Stage 3	
	12-month ECL	Lifetime ECL not Credit-Impaired	Lifetime ECL Credit-Impaired	Total
	US\$	US\$	US\$	US\$
<b>Expected credit losses</b>				
Loss allowance as at 1 January 2021	2,577,282	18,042	1,011,527	3,606,851
<i>Changes due to financial instruments recognised as at 1 January:</i>				
Transfer to stage 1	957,752	(117,131)	(840,621)	-
Transfer to stage 2	(2,392)	106,542	(104,150)	-
Transfer to stage 3	(788)	(4,880)	5,668	-
Net remeasurement of loss allowance (*)	(1,154,408)	129,220	1,848,871	823,683
New financial assets originated or purchased	766,511	-	-	766,511
Financial assets derecognised during the period other than write off	(345,000)	(75)	(99,295)	(444,370)
Write-offs	-	-	(91,148)	(91,148)
Loss allowance as at 31 December 2021	2,798,957	131,718	1,730,852	4,661,527
In KHR'000 equivalent	11,402,951	536,619	7,051,491	18,991,061

(\*)Impact of the measurement of ECL due to changes in EAD and PD during the year arising from regular refreshing of inputs to models.

	Stage 1	Stage 2	Stage 3	
	12-month ECL	Lifetime ECL not Credit-Impaired	Lifetime ECL Credit-Impaired	Total
	US\$	US\$	US\$	US\$
<b>Gross carrying amount</b>				
Gross carrying amount as at 1 January 2021	844,195,278	1,607,588	4,844,191	850,647,057
<i>Changes due to financial instruments recognised as at 1 January:</i>				
Transfer to stage 1	5,549,355	-	(5,549,355)	-
Transfer to stage 2	(208,942)	208,942	-	-
Transfer to stage 3	(143,571)	(208,819)	352,390	-
New financial assets originated or purchased	330,726,136	-	-	330,726,136
Financial assets derecognised during the period other than write off	(282,821,406)	15,344,445	10,477,890	(256,999,071)
Write-offs	-	-	(91,148)	(91,148)
Gross carrying amount as at 31 December 2021	897,296,850	16,952,156	10,033,968	924,282,974
In KHR'000 equivalent	3,655,587,367	69,063,084	40,878,385	3,765,528,836

## NOTES TO THE FINANCIAL STATEMENTS

(ii) Expected credit loss reconciliation – deposits and placements with other banks

	Stage 1	Stage 2	Stage 3	
	12-month ECL	Lifetime ECL not Credit-Impaired	Lifetime ECL Credit-Impaired	Total
	US\$	US\$	US\$	US\$
<b>Expected credit losses</b>				
Loss allowance as at 1 January 2022	27,109	-	-	27,109
<i>Changes due to financial instruments recognised as at 1 January:</i>				
Transfer to stage 1	-	-	-	-
Transfer to stage 2	-	-	-	-
Transfer to stage 3	-	-	-	-
Net remeasurement of loss allowance (*)	(1,062)	-	-	(1,062)
New financial assets originated or purchased	11,713	-	-	11,713
Financial assets derecognised during the period other than write off	(24,121)	-	-	(24,121)
Foreign exchange and other movement	(329)	-	-	(329)
Loss allowance as at 31 December 2022	13,310	-	-	13,310
In KHR'000 equivalent	54,797	-	-	54,797

(\*) Impact of the measurement of ECL due to changes in EAD and PD during the year arising from regular refreshing of inputs to models.

	Stage 1	Stage 2	Stage 3	
	12-month ECL	Lifetime ECL not Credit-Impaired	Lifetime ECL Credit-Impaired	Total
	US\$	US\$	US\$	US\$
<b>Gross carrying amount</b>				
Gross carrying amount as at 1 January 2022	129,331,016	-	-	129,331,016
<i>Changes due to financial instruments recognised as at 1 January:</i>				
Transfer to stage 1	-	-	-	-
Transfer to stage 2	-	-	-	-
Transfer to stage 3	-	-	-	-
New financial assets originated or purchased	58,341,857	-	-	58,341,857
Financial assets derecognised during the period other than write off	(124,162,831)	-	-	(124,162,831)
Gross carrying amount as at 31 December 2022	63,510,042	-	-	63,510,042
In KHR'000 equivalent	261,470,843	-	-	261,470,843

	Stage 1	Stage 2	Stage 3	
	12-month ECL	Lifetime ECL not Credit-Impaired	Lifetime ECL Credit-Impaired	Total
	US\$	US\$	US\$	US\$
<b>Expected credit losses</b>				
Loss allowance as at 1 January 2021	13,434	-	-	13,434
<i>Changes due to financial instruments recognised as at 1 January:</i>				
Transfer to stage 1	-	-	-	-
Transfer to stage 2	-	-	-	-
Transfer to stage 3	-	-	-	-
Net remeasurement of loss allowance (*)	1,865	-	-	1,865
New financial assets originated or purchased	24,450	-	-	24,450
Financial assets derecognised during the period other than write off	(12,640)	-	-	(12,640)
Loss allowance as at 31 December 2021	27,109	-	-	27,109
In KHR'000 equivalent	110,442	-	-	110,442

(\*) Impact of the measurement of ECL due to changes in EAD and PD during the year arising from regular refreshing of inputs to models.

	Stage 1	Stage 2	Stage 3	
	12-month ECL	Lifetime ECL not Credit-Impaired	Lifetime ECL Credit-Impaired	Total
	US\$	US\$	US\$	US\$
<b>Gross carrying amount</b>				
Gross carrying amount as at 1 January 2021	66,028,303	-	-	66,028,303
<i>Changes due to financial instruments recognised as at 1 January:</i>				
Transfer to stage 1	-	-	-	-
Transfer to stage 2	-	-	-	-
Transfer to stage 3	-	-	-	-
New financial assets originated or purchased	121,861,357	-	-	121,861,357
Financial assets derecognised during the period other than write off	(58,558,644)	-	-	(58,558,644)
Gross carrying amount as at 31 December 2021	129,331,016	-	-	129,331,016
In KHR'000 equivalent	526,894,559	-	-	526,894,559

(iii) Expected credit loss reconciliation – credit commitments and financial guarantee contracts

	Stage 1	Stage 2	Stage 3	
	12-month ECL	Lifetime ECL not Credit-Impaired	Lifetime ECL Credit-Impaired	Total
	US\$	US\$	US\$	US\$
<b>Expected credit losses</b>				
Loss allowance as at 1 January 2022	123,821	-	-	123,821
<i>Changes due to exposure as at 1 January:</i>				
Transfer to stage 1	-	-	-	-
Transfer to stage 2	-	-	-	-
Transfer to stage 3	-	-	-	-
Net remeasurement of loss allowance (*)	8,226	-	-	8,226
New exposure	24,673	-	-	24,673
Exposure derecognised or expired	(55,893)	-	-	(55,893)
Foreign exchange and other movement	(17)	-	-	(17)
Loss allowance as at 31 December 2022	100,810	-	-	100,810
In KHR'000 equivalent	415,035	-	-	415,035

(\*) Impact of the measurement of ECL due to changes in EAD and PD during the year arising from regular refreshing of inputs to models.

	Stage 1	Stage 2	Stage 3	
	12-month ECL	Lifetime ECL not Credit-Impaired	Lifetime ECL Credit-Impaired	Total
	US\$	US\$	US\$	US\$
<b>Exposure amount</b>				
Exposure amount as at 1 January 2022	331,081,084	-	-	331,081,084
<i>Changes due to exposure as at 1 January:</i>				
Transfer to stage 1	-	-	-	-
Transfer to stage 2	-	-	-	-
Transfer to stage 3	-	-	-	-
New exposure	51,156,510	-	-	51,156,510
Exposure derecognised or expired	(23,175,858)	-	-	(23,175,858)
Exposure amount as at 31 December 2022	359,061,736	-	-	359,061,736
In KHR'000 equivalent	1,478,257,167	-	-	1,478,257,167

	Stage 1	Stage 2	Stage 3	
	12-month ECL	Lifetime ECL not Credit-Impaired	Lifetime ECL Credit-Impaired	Total
	US\$	US\$	US\$	US\$
<b>Expected credit losses</b>				
Loss allowance as at 1 January 2021	65,611	-	-	65,611
<i>Changes due to exposure as at 1 January:</i>				
Transfer to stage 1	-	-	-	-
Transfer to stage 2	-	-	-	-
Transfer to stage 3	-	-	-	-
Net remeasurement of loss allowance (*)	36,730	-	-	36,730
New exposure	73,054	-	-	73,054
Exposure derecognised or expired	(51,574)	-	-	(51,574)
Loss allowance as at 31 December 2021	123,821	-	-	123,821
In KHR'000 equivalent	504,447	-	-	504,447

(\*) Impact of the measurement of ECL due to changes in EAD and PD during the year arising from regular refreshing of inputs to models.

	Stage 1	Stage 2	Stage 3	
	12-month ECL	Lifetime ECL not Credit-Impaired	Lifetime ECL Credit-Impaired	Total
	US\$	US\$	US\$	US\$
<b>Exposure amount</b>				
Exposure amount as at 1 January 2021	305,784,900	-	-	305,784,900
<i>Changes due to exposure as at 1 January:</i>				
Transfer to stage 1	-	-	-	-
Transfer to stage 2	-	-	-	-
Transfer to stage 3	-	-	-	-
New exposure	224,690,204	-	-	224,690,204
Exposure derecognised or expired	(199,394,020)	-	-	(199,394,020)
Exposure amount as at 31 December 2021	331,081,084	-	-	331,081,084
In KHR'000 equivalent	1,348,824,336	-	-	1,348,824,336



**(g) Concentration of financial assets with credit risk exposure****(i) Geographical sector**

The following table breaks down the Bank's main credit exposure at their gross carrying amount, as categorised by geographical region as at 31 December 2022. For this table, the Bank has allocated exposure to countries based on the country of domicile of its counterparties.

	<b>Cambodia</b>	<b>Malaysia</b>	<b>Thailand</b>	<b>USA</b>	<b>Singapore</b>	<b>Indonesia</b>	<b>Others</b>	<b>Total</b>
	<b>US\$</b>	<b>US\$</b>	<b>US\$</b>	<b>US\$</b>	<b>US\$</b>	<b>US\$</b>	<b>US\$</b>	<b>US\$</b>
<b>At 31 December 2022</b>								
<i>On-balance sheet assets:</i>								
Deposits and placements with other banks	21,257,310	30,676,487	1,883,616	9,635,050	40,723	7,798	9,058	63,510,042
Loans and advances at amortised cost	1,024,237,899	-	-	-	-	-	-	1,024,237,899
Other financial assets	874,679	32,525	530	-	25,175	1,208	192	934,309
	1,046,369,888	30,709,012	1,884,146	9,635,050	65,898	9,006	9,250	1,088,682,250
<i>Off-balance sheet assets:</i>								
Bank guarantees and letters of credits	266,846,645	-	-	-	-	-	-	266,846,645
Unused portion of overdrafts	67,581,494	-	-	-	-	-	-	67,581,494
Unused portion of credit cards	11,545,053	-	-	-	-	-	-	11,545,053
Term loan commitments	13,088,544	-	-	-	-	-	-	13,088,544
	359,061,736	-	-	-	-	-	-	359,061,736
Gross carrying amount	1,405,431,624	30,709,012	1,884,146	9,635,050	65,898	9,006	9,250	1,447,743,986
Less: Allowance for expected credit loss	(4,885,950)	(6,429)	(395)	(2,020)	(9)	(2)	(1)	(4,894,806)
Net carrying amount	1,400,545,674	30,702,583	1,883,751	9,633,030	65,889	9,004	9,249	1,442,849,180
In KHR'000 equivalents	5,766,046,540	126,402,534	7,755,403	39,659,185	271,265	37,069	38,078	5,940,210,074
<b>At 31 December 2021</b>								
<i>On-balance sheet assets:</i>								
Deposits and placements with other banks	46,498,239	51,555,671	859,304	30,364,245	32,052	8,614	12,891	129,331,016
Loans and advances at amortised cost	924,282,974	-	-	-	-	-	-	924,282,974
Other financial assets	714,036	108,979	457	-	57,774	1,156	2,391	884,793
	971,495,249	51,664,650	859,761	30,364,245	89,826	9,770	15,282	1,054,498,783
<i>Off-balance sheet assets:</i>								
Bank guarantees and letters of credits	241,426,940	-	-	-	-	-	-	241,426,940
Unused portion of overdrafts	63,993,139	-	-	-	-	-	-	63,993,139
Unused portion of credit cards	10,786,393	-	-	-	-	-	-	10,786,393
Term loan commitments	14,874,612	-	-	-	-	-	-	14,874,612
	331,081,084	-	-	-	-	-	-	331,081,084
Gross carrying amount	1,302,576,333	51,664,650	859,761	30,364,245	89,826	9,770	15,282	1,385,579,867
Less: Allowance for expected credit loss	(4,795,094)	(10,807)	(180)	(6,365)	(7)	(2)	(2)	(4,812,457)
Net carrying amount	1,297,781,239	51,653,843	859,581	30,357,880	89,819	9,768	15,280	1,380,767,410
In KHR'000 equivalents	5,287,160,768	210,437,756	3,501,933	123,678,003	365,923	39,795	62,250	5,625,246,428

**(ii) Industry sector**

The following table breaks down the Bank's main credit exposure at their gross carrying amounts less impairment if any, as categorised by the industry sectors of its counterparties.

	2022					2021				
	Deposits and placements with other banks	Loans and advances at amortised cost	Other assets	Off-balance sheet items	Total	Deposits and placements with other banks	Loans and advances at amortised cost	Other assets	Off-balance sheet items	Total
	US\$	US\$	US\$	US\$	US\$	US\$	US\$	US\$	US\$	US\$
Financial institutions	63,510,042	70,813,873	71,661	2,100,000	136,495,576	129,331,016	59,614,244	132,467	412,730	189,490,457
Mortgage	-	251,764,474	823,315	1,589,206	254,176,995	-	244,604,583	695,277	917,416	246,217,276
Wholesale and retail	-	203,633,235	-	88,727,650	292,360,885	-	180,214,500	-	85,412,093	265,626,593
Import and export	-	157,029,141	-	179,802,070	336,831,211	-	147,512,034	-	169,185,401	316,697,435
Manufacturing	-	73,595,463	-	23,721,025	97,316,488	-	64,529,784	-	28,676,049	93,205,833
Finance, insurance, real estate and business services	-	78,497,482	-	3,448,497	81,945,979	-	52,337,946	-	2,274,957	54,612,903
Other non-financial services	-	63,986,542	-	4,672,896	68,659,438	-	58,318,438	-	7,472,815	65,791,253
Construction	-	50,113,802	-	25,391,081	75,504,883	-	60,160,391	-	28,118,028	88,278,419
Transport, storage and communications	-	28,306,869	-	12,754,414	41,061,283	-	18,407,213	-	5,112,148	23,519,361
Electricity, gas and water	-	7,553,068	9,774	2,310,261	9,873,103	-	12,450,481	9,875	942,238	13,402,594
Agriculture	-	1,542,430	-	1,878,172	3,420,602	-	1,234,281	-	143,087	1,377,368
Others	-	37,401,520	29,559	12,666,464	50,097,543	-	24,899,079	47,174	2,414,122	27,360,375
Gross carrying amount	63,510,042	1,024,237,899	934,309	359,061,736	1,447,743,986	129,331,016	924,282,974	884,793	331,081,084	1,385,579,867
Less: Allowance for expected credit loss	(13,310)	(4,780,686)	-	(100,810)	(4,894,806)	(27,109)	(4,661,527)	-	(123,821)	(4,812,457)
Net carrying amount	63,496,732	1,019,457,213	934,309	358,960,926	1,442,849,180	129,303,907	919,621,447	884,793	330,957,263	1,380,767,410
In KHR'000 equivalents	261,416,046	4,197,105,346	3,846,550	1,477,842,132	5,940,210,074	526,784,117	3,746,537,775	3,604,647	1,348,319,889	5,625,246,428

**(h) Repossessed collateral**

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

The Bank did not obtain assets by taking possession of collateral held as security as at 31 December 2022 (31 December 2021: nil).

**(i) Sensitivity analysis**

The Bank has performed ECL sensitivity assessment on loans, advances and financing based on the changes in key macroeconomic variables. The sensitivity factors used are assumptions based on parallel shifts in the key variables to project the impact on the ECL of the Bank.

The analysis is based on the 3-year moving average of gross domestic product from 2020 to 2022 in which it resulted in changes of 1%.

The table below outlines the effect of ECL on the changes in key variables used while other variables remain constant:

	Changes
Gross domestic product	+/-1%

	2022		2021	
	US\$	KHR'000	US\$	KHR'000
Total decrease in ECL on the positive changes in key variables	(543,127)	(2,236,052)	(281,638)	(1,147,393)
Total increase in ECL on the negative changes in key variables	543,127	2,236,052	281,638	1,147,393

### 35.2 Market risk

The Bank takes exposure to market risk, which is the risk that the fair value or future cash flow of a financial instrument will fluctuate because of changes in market prices. Market risk arises from open positions in interest rates, currency and equity products, all of which are exposed to general and specific market movements and changes in the level of volatility of market rates or prices such as interest rates, credit spreads, foreign exchange rates and equity prices.

As at 31 December 2022, the Bank did not use derivative financial instruments such as foreign exchange contracts and interest rate swaps to hedge its risk exposure.

#### (i) Foreign exchange risk

The Bank operates in Cambodia and transacts in many currencies, and is exposed to various currency risks, mainly with respect to Khmer Riel and Australian Dollar.

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

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

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

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

	In US\$ equivalent									
	US\$	KHR	EUR	THB	AUD	SGD	GBP	MYR	Others	Total
As at 31 December 2022										
Financial assets										
Cash on hand	47,411,759	6,162,855	-	-	-	-	-	-	-	53,574,614
Deposits and placements with the central bank	96,871,898	24,034,202	-	-	-	-	-	-	-	120,906,100
Deposits and placements with other banks	53,545,937	3,324,063	3,473,556	1,883,256	11,698	40,837	199,685	69,398	948,302	63,496,732
Loans and advances at amortised cost	915,994,328	103,462,885	-	-	-	-	-	-	-	1,019,457,213
Other financial assets	912,325	(15,415)	5,751	-	-	23,552	7,903	-	193	934,309
Total financial assets	1,114,736,247	136,968,590	3,479,307	1,883,256	11,698	64,389	207,588	69,398	948,495	1,258,368,968
Financial liabilities										
Deposits from banks	211,942,015	12,945,632	19,155	1,070	-	-	-	-	-	224,907,872
Deposits from customers	759,109,969	66,541,310	2,881,007	2,053,133	15,968,940	129,262	201,494	-	840,233	847,725,348
Borrowings	16,720,905	5,017,989	-	-	-	-	-	-	-	21,738,894
Subordinated debts	47,405,592	-	-	-	-	-	-	-	-	47,405,592
Lease liabilities	7,935,261	-	-	-	-	-	-	-	-	7,935,261
Other financial liabilities	9,914,537	495,407	49,099	1,107	77,089	33,973	1,382	320,237	50,070	10,942,901
Total financial liabilities	1,053,028,279	85,000,338	2,949,261	2,055,310	16,046,029	163,235	202,876	320,237	890,303	1,160,655,868
Net on-balance										
sheet position	61,707,968	51,968,252	530,046	(172,054)	(16,034,331)	(98,846)	4,712	(250,839)	58,192	97,713,100
In KHR'000 equivalents	254,051,707	213,953,293	2,182,199	(708,346)	(66,013,341)	(406,949)	19,399	(1,032,704)	239,576	402,284,834

[illegible]

## Sensitivity analysis

The Bank takes on exposure to the effects of fluctuations in the prevailing foreign currency exchange rates on their financial position and cash flows. The table below sets out the principal structure of foreign exchange exposures of the Bank:

	<b>2022</b>		<b>2021</b>	
	<b>US\$</b>	<b>KHR'000</b>	<b>US\$</b>	<b>KHR'000</b>
<b>Asset/(Liability)</b>				
Khmer Riel (KHR)	51,968,252	213,953,293	44,687,214	182,055,710
Euro (EUR)	530,046	2,182,199	527,133	2,147,540
Thai Baht (THB)	(172,054)	(708,346)	(27,870)	(113,542)
Australian Dollar (AUD)	(16,034,331)	(66,013,341)	(34,933)	(142,317)
Singapore Dollar (SGD)	(98,846)	(406,949)	(84,408)	(343,878)
Great Britain Pound (GBP)	4,712	19,399	5,465	22,264
Malaysian Ringgit (MYR)	(250,839)	(1,032,704)	(129,831)	(528,931)
Others	58,192	239,576	16,864	68,703
	<b>36,005,132</b>	<b>148,233,127</b>	<b>44,959,634</b>	<b>183,165,549</b>

As shown in the table above, the Bank is primarily exposed to changes in US\$/KHR exchange rates. The sensitivity of profit or loss to changes in exchange rates arises mainly from KHR denominated financial instruments.

The analysis below is based on the assumption that the KHR exchange rate has increased or decreased by 1% which is set based on the 3-year moving average of the exchange rate from 2020 to 2022 and using 1% as the basis to assess the sensitivity analysis for other currencies.

An analysis of the exposures to assess the impact of 1% change in the foreign currency exchange rates to the profit after tax are as follows:

	<b>2022</b>		<b>2021</b>	
	<b>US\$</b>	<b>KHR'000</b>	<b>US\$</b>	<b>KHR'000</b>
<b>Increase/(Decrease)</b>				
<b>-1%</b>				
Khmer Riel (KHR)	419,945	1,728,914	361,109	1,471,158
Australian Dollar (AUD)	(129,570)	(533,440)	(282)	(1,149)
Other currencies	576	2,371	2,483	10,115
	<b>290,951</b>	<b>1,197,845</b>	<b>363,310</b>	<b>1,480,124</b>
<b>Increase/(Decrease)</b>				
<b>+1%</b>				
Khmer Riel (KHR)	(411,630)	(1,694,681)	(353,958)	(1,442,025)
Australian Dollar (AUD)	127,005	522,880	277	1,128
Other currencies	(564)	(2,322)	(2,435)	(9,920)
	<b>(285,189)</b>	<b>(1,174,123)</b>	<b>(356,116)</b>	<b>(1,450,817)</b>



**(ii) Price risk**

The Bank is not exposed to a securities price risk because it does not have any investment held and classified on the statement of financial position at fair value.

**(iii) Interest rate risk**

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Fair value interest rate risk is the risk that the value of a financial instrument will fluctuate because of changes in market interest rates. Interest margins may increase as a result of changes but may reduce losses in the event that unexpected movements arise.

The Bank's main interest rate risk arises from borrowings with variable rate which exposes the Bank to cash flow interest rate risk. The Bank does not have fair value interest rate risk as the interest rates of financial instruments measured at amortised cost are similar to prevailing market rates.

The management of the Bank at this stage does not have a policy to set limits on the level of mismatch of interest rate repricing that may be undertaken; however, the management regularly monitors the mismatch. In addition, the management regularly analyses and foresees the expected changes in the interest rates and manages cash flow interest rate risk by assessing its impacts and developed actions to respond to the interest rate risk.

The table below summarises the Bank's exposure to interest rate risks. It includes the Bank's financial instruments at net carrying amounts, categorised by the earlier of contractual repricing or maturity dates.

	Up to 1 month	1 to 3 months	3 to 12 months	1 to 5 years	Over 5 years	Non-interest rate sensitive	Total
	US\$	US\$	US\$	US\$	US\$	US\$	US\$
<b>As at 31 December 2022</b>							
<b>Financial assets</b>							
Cash on hand	-	-	-	-	-	53,574,614	53,574,614
Deposits and placements with the central bank	23,835,720	1,108,907	3,185,343	-	-	92,776,130	120,906,100
Deposits and placements with other banks	43,596,824	14,493,648	-	-	-	5,406,260	63,496,732
Loans and advances at amortised cost	17,261,181	60,065,267	134,062,714	325,819,777	482,248,274	-	1,019,457,213
Other financial assets	-	-	-	-	-	934,309	934,309
Total financial assets	84,693,725	75,667,822	137,248,057	325,819,777	482,248,274	152,691,313	1,258,368,968
<b>Financial liabilities</b>							
Deposits from banks	39,198,052	74,286,486	110,733,871	-	-	689,463	224,907,872
Deposits from customers	378,229,837	75,413,771	305,640,869	-	-	88,440,871	847,725,348
Borrowings	1,034,096	1,054,740	3,465,003	16,077,881	107,174	-	21,738,894
Subordinated debts	-	318,674	86,918	-	47,000,000	-	47,405,592
Lease liabilities	152,320	304,670	1,340,982	5,229,106	908,183	-	7,935,261
Other financial liabilities	-	-	-	-	-	10,942,901	10,942,901
	418,614,305	151,378,341	421,267,643	21,306,987	48,015,357	100,073,235	1,160,655,868
Total interest rate repricing gap	(333,920,580)	(75,710,519)	(284,019,586)	304,512,790	434,232,917	52,618,078	97,713,100
In KHR'000 equivalent	(1,374,751,028)	(311,700,207)	(1,169,308,636)	1,253,679,156	1,787,736,919	216,628,630	402,284,834
<b>Off-balance sheet items</b>							
Bank guarantees and letters of credits	1,341,974	3,154,548	262,265,308	-	-	-	266,761,830
Unused portion of overdrafts	67,581,494	-	-	-	-	-	67,581,494
Unused portion of credit cards	11,545,053	-	-	-	-	-	11,545,053
Term loan commitments	-	-	6,827,036	-	6,245,513	-	13,072,549
	80,468,521	3,154,548	269,092,344	-	6,245,513	-	358,960,926
In KHR'000 equivalent	331,288,901	12,987,274	1,107,853,180	-	25,712,777	-	1,477,842,132

	Up to 1 month	1 to 3 months	3 to 12 months	1 to 5 years	Over 5 years	Non-interest rate sensitive	Total
	US\$	US\$	US\$	US\$	US\$	US\$	US\$
<b>As at 31 December 2021</b>							
<b>Financial assets</b>							
Cash on hand	-	-	-	-	-	56,737,044	56,737,044
Deposits and placements with the central bank	24,627,423	5,155,570	9,267,581	-	-	116,588,120	155,638,694
Deposits and placements with other banks	111,500,515	7,008,814	-	-	-	10,794,578	129,303,907
Loans and advances at amortised cost	18,580,778	82,436,244	86,690,637	275,111,519	456,802,269	-	919,621,447
Other financial assets	-	-	-	-	-	884,793	884,793
Total financial assets	154,708,716	94,600,628	95,958,218	275,111,519	456,802,269	185,004,535	1,262,185,885
<b>Financial liabilities</b>							
Deposits from banks	32,084,224	24,048,530	106,650,234	-	-	2,687,462	165,470,450
Deposits from customers	398,772,032	173,555,986	208,244,979	-	-	150,830,752	931,403,749
Borrowings	11,329,344	5,153,618	8,826,539	768,911	63,109	-	26,141,521
Subordinated debts	-	318,674	86,918	-	47,000,000	-	47,405,592
Lease liabilities	97,531	252,182	481,163	4,797,808	1,359,098	-	6,987,782
Other financial liabilities	-	-	-	-	-	12,897,106	12,897,106
	442,283,131	203,328,990	324,289,833	5,566,719	48,422,207	166,415,320	1,190,306,200
Total interest rate repricing gap	(287,574,415)	(108,728,362)	(228,331,615)	269,544,800	408,380,062	18,589,215	71,879,685
In KHR'000 equivalent	(1,171,578,167)	(442,959,347)	(930,223,000)	1,098,125,515	1,663,740,373	75,732,463	292,837,837
<b>Off-balance sheet items</b>							
Bank guarantees and letters of credits	751,727	2,507,907	238,069,743	-	-	-	241,329,377
Unused portion of overdrafts	63,993,139	-	-	-	-	-	63,993,139
Unused portion of credit cards	10,786,393	-	-	-	-	-	10,786,393
Term loan commitments	-	-	4,912,118	-	-	9,936,236	14,848,354
	75,531,259	2,507,907	242,981,861	-	-	9,936,236	330,957,263
In KHR'000 equivalent	307,714,349	10,217,213	989,908,102	-	-	40,480,225	1,348,319,889

### Sensitivity analysis

The interest rate sensitivity shows the impact on profit after tax and equity of financial assets and financial liabilities bearing floating interest rates and fixed rate financial assets and financial liabilities carried at fair value.

Profit or loss is sensitive to higher/lower interest expense as a result of changes in interest rates. The table below outlines the impact on post tax profit on the changes in interest rates of borrowings:

	Impact on post tax profit	
	US\$	KHR'000
<b>2022</b>		
Interest rate increased by 1%	(16,000)	(65,392)
Interest rate decreased by 1%	16,000	65,392

### 35.3 Liquidity risk

Liquidity risk is the risk that the Bank is unable to meet its payment obligations associated with its financial liabilities when they fall due and to replace funds when they are withdrawn. The consequence of this may be the failure to meet obligations to repay depositors and fulfil commitments to lend.

#### (a) Liquidity risk management process

The Bank's management monitors balance sheet liquidity and manages the concentration and profile of debt maturities. Monitoring and reporting take the form of the daily cash position and project for the next day, week and month respectively, as these are key periods for liquidity management. The management monitors the movement of the main depositors and projection of their withdrawals.

#### (b) Funding approach

The Bank's main sources of liquidities arise from shareholder's paid-up capital, borrowings, subordinated debts and deposits from banks and customers. The sources of liquidity are regularly reviewed daily through management's review of maturity of term deposits and key depositors.

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

The table below presents the cash flows payable by the Bank under non-derivative financial liabilities based on remaining contractual maturities at the balance sheet date. The amounts disclosed in the table are the contractual undiscounted cash flows, whereas the Bank manages the inherent liquidity risk based on expected undiscounted cash flows.

	Up to 1 month	1 to 3 months	3 to 12 months	1 to 5 years	Over 5 years	Total
	US\$	US\$	US\$	US\$	US\$	US\$
<b>As at 31 December 2022</b>						
<b>Financial assets</b>						
Cash on hand	53,574,614	-	-	-	-	53,574,614
Deposits and placements with the central bank	116,630,935	1,114,174	3,225,785	-	-	120,970,894
Deposits and placements with other banks	49,021,629	14,632,376	-	-	-	63,654,005
Loans and advances at amortised cost	42,351,004	110,581,139	312,323,237	546,236,476	319,092,084	1,330,583,940
Other financial assets	49,429	-	16,116	868,764	-	934,309
<b>Total financial assets</b>	<b>261,627,611</b>	<b>126,327,689</b>	<b>315,565,138</b>	<b>547,105,240</b>	<b>319,092,084</b>	<b>1,569,717,762</b>
<b>Financial liabilities</b>						
Deposits from banks	39,963,685	74,818,966	114,237,157	-	-	229,019,808
Deposits from customers	466,805,015	75,903,237	317,022,417	-	-	859,730,669
Borrowings	985,207	1,054,508	4,579,739	18,021,430	109,272	24,750,156
Subordinated debts	-	566,843	1,249,922	7,652,792	50,442,344	59,911,901
Lease liabilities	179,191	356,861	1,550,365	5,752,716	968,889	8,808,022
Other financial liabilities	9,173,295	10,965	1,758,641	-	-	10,942,901
<b>Total financial liabilities</b>	<b>517,106,393</b>	<b>152,711,380</b>	<b>440,398,241</b>	<b>31,426,938</b>	<b>51,520,505</b>	<b>1,193,163,457</b>
<b>Net financial (liabilities)/assets</b>	<b>(255,478,782)</b>	<b>(26,383,691)</b>	<b>(124,833,103)</b>	<b>515,678,302</b>	<b>267,571,579</b>	<b>376,554,305</b>
In KHR'000 equivalent	(1,051,806,145)	(108,621,656)	(513,937,885)	2,123,047,569	1,101,592,191	1,550,274,074
<b>Off-balance sheet items</b>						
Bank guarantees and letters of credits	266,846,645	-	-	-	-	266,846,645
Unused portion of overdrafts	67,581,494	-	-	-	-	67,581,494
Unused portion of credit cards	11,545,053	-	-	-	-	11,545,053
Term loan commitments	13,088,544	-	-	-	-	13,088,544
	<b>359,061,736</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>359,061,736</b>
In KHR'000 equivalent	1,478,257,167	-	-	-	-	1,478,257,167

	Up to 1 month	1 to 3 months	3 to 12 months	1 to 5 years	Over 5 years	Total
	US\$	US\$	US\$	US\$	US\$	US\$
<b>As at 31 December 2021</b>						
<b>Financial assets</b>						
Cash on hand	56,737,044	-	-	-	-	56,737,044
Deposits and placements with the central bank	141,216,343	5,157,210	9,271,852	-	-	155,645,405
Deposits and placements with other banks	122,323,763	7,020,250	-	-	-	129,344,013
Loans and advances at amortised cost	38,833,258	113,007,100	210,194,644	283,429,746	508,605,873	1,154,070,621
Other financial assets	103,109	-	19,878	761,806	-	884,793
Total financial assets	359,213,517	125,184,560	219,486,374	284,191,552	508,605,873	1,496,681,876
<b>Financial liabilities</b>						
Deposits from banks	34,782,021	24,082,983	107,760,783	-	-	166,625,787
Deposits from customers	549,656,485	174,653,238	212,804,421	-	-	937,114,144
Borrowings	11,351,757	5,216,578	8,985,075	808,716	64,426	26,426,552
Subordinated debts	-	566,843	1,249,922	7,652,792	52,254,144	61,723,701
Lease liabilities	149,271	298,542	1,207,369	4,814,181	1,464,973	7,934,336
Other financial liabilities	10,917,077	36,132	1,943,897	-	-	12,897,106
Total financial liabilities	606,856,611	204,854,316	333,951,467	13,275,689	53,783,543	1,212,721,626
Net financial (liabilities)/assets	(247,643,094)	(79,669,756)	(114,465,093)	270,915,863	454,822,330	283,960,250
In KHR'000 equivalent	(1,008,897,965)	(324,574,586)	(466,330,789)	1,103,711,226	1,852,946,172	1,156,854,059
<b>Off-balance sheet items</b>						
Bank guarantees and letters of credits	241,426,940	-	-	-	-	241,426,940
Unused portion of overdrafts	63,993,139	-	-	-	-	63,993,139
Unused portion of credit cards	10,786,393	-	-	-	-	10,786,393
Term loan commitments	14,874,612	-	-	-	-	14,874,612
	331,081,084	-	-	-	-	331,081,084
In KHR'000 equivalent	1,348,824,336	-	-	-	-	1,348,824,336

### 35.4 Fair value of financial assets and liabilities

#### (a) Financial instruments measured at fair value

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

#### (b) Financial instruments not measured at fair value

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

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

##### i. Deposits and placements with the central bank and other banks

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

**ii. Loans and advances to customers**

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

For fixed rate loans with remaining period to maturity of one year and above, fair values are estimated by discounting the estimated future cash flows using a current lending rate as the prevailing market rates of loans with similar credit risks and maturities have been assessed as insignificantly different to the contractual lending rates. As a result, the fair value of non-current loans and advances to customers might approximate their carrying value as at reporting date.

**iii. Deposits from banks and customers**

The fair value of deposits from banks and customers with maturities of less than one year approximate their carrying amount due to the relatively short maturity of these instruments. The fair value of deposits from banks and customers with remaining maturities of more than one year are expected to approximate their carrying amount due to the Bank offering a similar interest rate of the instrument with similar maturities and terms.

The estimated fair value of deposits with no stated maturities, which includes non-interest bearing deposits, deposits payable on demand is the amount payable at the reporting date.

**iv. Other financial assets and other financial liabilities**

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

**v. Borrowings and subordinated debts**

Borrowings and subordinated debts are not quoted in the active market and their fair value approximates their carrying amount because the interest rate is similar to the prevailing market rate.

**35.5 Capital management**

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

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

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

The table below summarises the composition of regulatory capital:

	<b>2022</b>		<b>2021</b>	
	<b>US\$</b>	<b>KHR'000</b>	<b>US\$</b>	<b>KHR'000</b>
<b>Tier 1 capital</b>				
Share capital	75,000,000	308,775,000	75,000,000	305,550,000
Reserves	25,500,000	104,983,500	17,500,000	71,295,000
Retained earnings	23,910,723	98,440,447	49,691,386	202,442,707
Less: Intangible assets	(1,689,409)	(6,955,297)	(567,816)	(2,313,282)
Less: Loans to related parties	(2,727,057)	(11,227,294)	(2,716,861)	(11,068,492)
	119,994,257	494,016,356	138,906,709	565,905,933
<b>Tier 2 complementary capital</b>				
General provision	11,780,339	48,499,656	11,880,280	48,400,261
Subordinated debts	47,000,000	193,499,000	47,000,000	191,478,000
	58,780,339	241,998,656	58,880,280	239,878,261
	178,774,596	736,015,012	197,786,989	805,784,194



# SUPPLEMENTARY FINANCIAL INFORMATION REQUIRED BY THE NATIONAL BANK OF CAMBODIA

FOR THE YEAR ENDED 31 DECEMBER 2022

## STATEMENT BY DIRECTORS

I, the undersigned, being the Executive Director/Chief Executive Officer of CIMB Bank PLC, do hereby state that in my opinion, the accompanying supplementary financial information consisting of the disclosure requirements set by the relevant Prakas of the National Bank of Cambodia, is properly drawn up so as to reflect fairly the required financial information of the Bank as at 31 December 2022. Information and data contained herein are the responsibility of the Bank's management. This supplementary financial information and the financial statements are consistent with one another, and this information does not contain any material misstatements.

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



**Mr. Bun Yin**

Executive Director/Chief Executive Officer

Phnom Penh, Kingdom of Cambodia  
07 April 2023

This note does not form part of the audited financial statements.

### 1. LIQUIDITY COVERAGE RATIO, PRAKAS NO. B7-015-349 AND CIRCULAR NO. B7-020-003 C.L

The Bank shall calculate Liquidity Coverage Ratio (LCR) using new reporting template from 1 January 2016 via a phase-in period until fully comply by 1 January 2020. The Bank shall, at all time, maintain an adequate stock of eligible liquid assets to fulfil the LCR limits as determined in accordance with the following timeline:

Effect from	1 Sep 2016	1 Sep 2017	1 Sep 2018	1 Jun 2019	1 Jan 2020
Minimum LCR	60%	70%	80%	90%	100%

As at 31 December 2022, the Bank's Liquidity Coverage Ratio was 103.71%.

The Liquidity Coverage Ratio calculation is detailed in Schedule 1.

### 2. MINIMUM REGISTERED CAPITAL REQUIREMENT, PRAKAS NO. B7-016-117

The Central Bank's Prakas No. B7-016-117 on the minimum registered capital of banks and financial institutions requires the commercial banks established under the foreign branch banks that have the parent company with the investment rating scaled by a reputable rating agency must have minimum capital equal to at least KHR200 billion (or US\$50 million) and commercial banks incorporated as locally companies or as the subsidiaries of foreign banks must have minimum capital of at least KHR300 billion (or US\$75 million) within two years, starting from signing date 22 March 2016.

As at 31 December 2022, the Bank had paid-up statutory capital of US\$75,000,000 which meet the minimum registered capital requirement.

### 3. NET WORTH, PRAKAS NO. B7-010-182

The Bank's Net Worth as at 31 December 2022 amounted to US\$206,650,683 as computed in Schedule 2.

Banks must maintain their net worth at least equal to the minimum capital. As at 31 December 2022, the Bank's net worth of US\$206,650,683 was higher by US\$131,650,683 compared to the minimum capital of US\$75,000,000.

The Net Worth calculation is detailed in Schedule 2.

### 4. SOLVENCY RATIO, PRAKAS NO. B7-00-46, B7-04-206, AND B7-07-135

Banks are required to maintain a Solvency Ratio of at least 15%.

As at 31 December 2022, the Bank maintained a Solvency Ratio of 18.83% of net worth as a percentage of its risk-weighted assets and off-balance sheet items.

The Solvency Ratio calculation is detailed in Schedule 3.

### 5. FOREIGN CURRENCY TRANSACTIONS, PRAKAS NO. B7-00-50

The Bank transacts its business primarily in United States Dollars (US\$) and maintains its books of accounts in US\$. Accordingly, all currencies other than US\$ are considered as foreign currencies.

#### Balance sheet items

As at 31 December 2022, in accordance with Prakas No. B7-00-50, all assets and liabilities of the Bank that were denominated in foreign currencies were translated using the year end exchange rate.

#### Off-balance sheet items

The Bank is required to record off-balance sheet items from the capital commitments arising from purchases and sales of foreign currencies relating to spot transactions (with a completion period of two days) and forward foreign exchange transactions.

As at 31 December 2022, the Bank did not have commitments of this nature for forward foreign exchange transactions, and the Bank was in compliance with this Prakas.

### 6. NET OPEN POSITION IN FOREIGN CURRENCY, PRAKAS NO. B7-07-134 AND LETTER NO. B7-020-868

Banks are required, under the conditions of the above Prakas, to maintain their net open position in foreign currencies in either any foreign currency or overall net open position in all foreign currencies, whether long or short, shall not exceed twenty percent (20%) of Banks' net worth, except for Khmer Riel and US Dollar.

As at 31 December 2022, the Bank did not have net open position in foreign currencies exceeding 20% of the Bank's net worth as detailed in Schedule 5.

## 7. CLASSIFICATION OF AND PROVISIONING FOR LOSSES ON FINANCIAL FACILITIES, PRAKAS NO. B7-017-344 AND CIRCULAR NO. B7-018-001

The central bank's circular B7-021-2314 on classification and provisioning requirement on restructured loan dated 28 December 2021 (implemented from 1 January 2022) requires the financial institutions to classify and make provision on the restructured loan into three groups of viable, need more restructuring, and non-viable. Each group is classified into five classifications with the minimum level of provision accordingly

The amount of the provision for impairment losses on financial facilities determined as at 31 December 2022 is in accordance with the requirements of this Prakas and Circulars.

The details of the computation of the required financial facilities provision are provided in Schedule 4.

## 8. LARGE CREDIT EXPOSURES, PRAKAS NO. B7-06-226

Banks are required, under the conditions of the above Prakas, to maintain at all times a maximum ratio of 20% between their overall exposure resulting from their operations with each individual beneficiary and their net worth and the aggregate individual large credit exposure must not be more than 300% of the Bank's net worth.

As at 31 December 2022, the Bank had no large exposure with a single beneficiary where such exposure exceeded 20% and 300% as aggregate of individual large credit exposure of the net worth as computed in Schedule 2.

For large exposure to net worth, please refer to Schedule 7, ratio 20 on other ratio computations.

## 9. LOANS TO RELATED PARTIES, PRAKAS NO. B7-02-146

The Bank is required to maintain total weighted outstanding of loans to related parties to be not more than 10% of the Bank's net worth.

As at 31 December 2022, loans to related party's exposure did not exceed 10% of the net worth as computed in Schedule 2.

For loans to related parties to net worth, please refer to Schedule 7, ratio 19 on other ratio computations.

## 10. FIXED ASSETS, PRAKAS NO. B7-01-186

Fixed assets acquired by banks for operational purposes shall be less than 30% of total bank's net worth as defined in Prakas B7-010-182. Fixed assets with no direct link to operating the Bank shall be sold not later than one year after the date they became property of the Bank.

As at 31 December 2022, the Bank's fixed assets amounting to US\$8,414,127 (including intangible assets of US\$1,812,576) was equivalent to 4.07% of the Bank's net worth.

## 11. PREPAID RENTAL AND LEASE, PRAKAS NO. B7-04-037

The Central Bank issued Prakas No. B7-04-037 on 9 March 2004 which stipulates that banks are only allowed to lease properties if these are directly related to its banking operations. Moreover, this Prakas stipulates that prepaid rental or lease should not exceed one year of the rental or lease term. In addition, rental with related parties is required to be reported as part of the loans and advances to related parties in a bank's quarterly related parties transactions and balances declaration with the Central Bank. In the event that a bank has prepaid rental or lease of more than one year, the bank should be in compliance with the provisions of this Prakas within six months after 9 March 2004 and thereafter, the prepaid rental or lease of more than one year shall be deducted in calculating the bank's net worth.

As at 31 December 2022, the Bank's rents were for its operations and rental prepayment did not exceed one year rent.

## 12. DETERMINATION OF CAPITAL BUFFER OF BANKS AND FINANCIAL INSTITUTIONS, PRAKAS NO. B7-018-068, CIRCULAR NO. B7-020-002 C.L AND LETTER NO. B7-020-622

The Central Bank issued Prakas No. B7-018-068 on 22 February 2018 with aims at:

- Strengthening capital base to settle any loss which may arise from risk of institution;
- Preventing the decrease of capital to that lower than minimum capital; and
- Reducing risk deriving from relationship between financial sector and pro-cyclicality

The Bank is required to build up capital conservation buffer by 1.25% and 2.50% from 01 January 2019 and from 01 January 2020 respectively in addition to minimum tier 1 capital. Following the Letter No. B7-020-622 dated 13 April 2020, the capital buffer is reduced back to 1.25%.

Distribution of annual profit shall be prohibited when tier capital 1 ratio (MCR1) of institution is under any quartile of capital conservation buffer as stipulated in article 11 of the present Prakas.

As at 31 December 2022, the Bank's capital buffer is 11.13% which is already exceed the required capital conservation buffer of 1.25%. Please refer to Schedule 6 for details.

# SCHEDULE 1

LIQUIDITY COVERAGE RATIO  
UNAUDITED AS AT 31 DECEMBER 2022

in US\$				Non weighted amounts			Weighted amounts			Total		
ASSETS				KHR	US\$	Other currencies	KHR	US\$	Other currencies			
HQLA	1.11	1	Notes and coins	6,162,855	47,411,759	-	6,162,855	47,411,759	-	53,574,614		
	1.12	1	Reserves requirement with the NBC > minimum reserve requirement	-	2,825,852	-	-	2,825,852	-	2,825,852		
	1.13	1	Reserves requirement with the NBC in KHR	5,875,893	-	-	5,875,893	-	-	5,875,893		
	1.14	0.7	Reserves requirement with the NBC in USD	-	62,126,148	-	-	43,488,304	-	43,488,304		
	1.15	1	Amounts deposited at the NBC excluding settlement account and capital guarantee account	23,883,877	61,632,111	-	23,883,877	61,632,111	-	85,515,988		
	1.16	1	NCDs (and any other securities) issued by the NBC	-	15,000,000	-	-	15,000,000	-	15,000,000		
			Market value of unencumbered marketable debt securities on or guaranteed by sovereigns and central banks, with rating comprised between AAA and AA- included BIS, IMF, ECB, EU, and MDBs when rated AAA	-	-	-	-	-	-	-		
	Total 1 = Σ (1.11 ; 1.17)			35,922,625	188,995,870	-	35,922,625	170,358,026	-	206,280,651		
OLA	1.17	1	Market value of unencumbered marketable debt securities on or guaranteed by sovereigns and central banks, with rating between A+ and A-	-	-	-	-	-	-	-		
	1.21	0.85	Market value of unencumbered marketable debt securities on or guaranteed by Public Sector Entities (PSEs) and MDBs not included in 1.17 with rating higher or equal to A-	-	-	-	-	-	-	-		
	1.22	0.85	Unencumbered eligible debt securities (including commercial paper) and covered bonds, with rating higher or equal to AA-	-	-	-	-	-	-	-		
	1.23	0.85	Gold for own account	-	-	-	-	-	-	-		
	1.24	0.75		-	-	-	-	-	-	-		
	Total 2 = Minimum [OLA ; 40% (HQLA+OLA)]			-	-	-	-	-	-	-		
Total assets			Total 3 = Total 1 + Total 2			35,922,625	188,995,870	-	35,922,625	170,358,026	-	206,280,651

in US\$			Non weighted amounts			Weighted amounts			Total
			KHR	US\$	Other currencies	KHR	US\$	Other currencies	
NET CASH OUTFLOWS = expected cash outflows - expected cash inflows									
CASH OUT FLOWS	NET CASH OUTFLOWS								
	<b>Retail cash outflows (regardless of amount) and qualifying SME deposits (less than or equal to USD 100,000 or equivalent)</b>								
	2.11	0.05	Stable deposits	-	-	-	-	-	-
	2.12	0.15	Less stable deposits	31,957,471	485,064,040	4,965,113	4,793,621	72,759,606	78,297,994
	<b>Unsecured wholesale funding</b>								
	2.21	0.25	operational deposits (unsecured funding generated by clearing, custody and cash management activities)	13,507,801	167,489,576	1,720,914	3,376,950	41,872,394	45,679,573
	2.22	0.4	non-operational deposits from non-financial corp. not qualifying for reporting in 2.11 to 2.12	19,898,224	52,002,787	15,308,200	7,959,290	20,801,115	34,883,685
	2.23	0.4	non-operational deposits from sovereigns, central banks, and PSEs	-	-	-	-	-	-
	2.24	1	non-operational deposits from banks and financial institutions (as defined in Annex 2)	4,904,656	24,052,769	1,070	4,904,656	24,052,769	28,958,495
	2.25	1	non-operational deposits from all other legal entities	-	-	-	-	-	-
	2.26	1	any other unsecured wholesale funding including debt securities	-	-	-	-	-	-
	<b>Secured funding</b>								
	2.31	0	secured funding transactions backed by HQLA	971,581	-	-	-	-	-
	2.32	0.15	secured funding transactions backed by OLA other than Gold	-	-	-	-	-	-
	2.33	0.25	secured funding transactions backed by Gold for own account	-	-	-	-	-	-
	2.34	1	all other secured funding transactions	-	-	-	-	-	-
	<b>Increased liquidity needs related to derivatives and other transactions</b>								
	2.41	1	derivative payables	-	-	-	-	-	-
	2.42	1	outflows from market valuation changes of collateral for derivative transactions	-	-	-	-	-	-
	2.43	1	other derivative cash outflows	-	-	-	-	-	-



in US\$			Non weighted amounts			Weighted amounts			Total
			KHR	US\$	Other currencies	KHR	US\$	Other currencies	
NET CASH OUTFLOWS = expected cash outflows - expected cash inflows									
CASH OUT FLOWS	NET CASH OUTFLOWS								
	<b>Committed facilities</b>								
	<b>for the undrawn portion</b>								
	<b>of committed credit</b>								
	<b>and liquidity facilities</b>								
	<i>to retails and SMEs</i>								
	2.51	0.05	credit facilities	-	11,570,053	-	-	578,503	578,503
	2.52	0.05	liquidity facilities	-	-	-	-	-	-
	<i>to non financial corporates, sovereigns and central banks</i>								
	2.53	0.1	credit facilities	533,304	155,377,144	-	53,330	15,537,714	15,591,044
	2.54	0.3	liquidity facilities	-	-	-	-	-	-
	<i>to banks and financial institutions (as defined in Annex 2)</i>								
	2.55	0.4	credit facilities	-	-	-	-	-	-
	2.56	0.4	liquidity facilities	-	-	-	-	-	-
	<i>to other financial institutions</i>								
	2.57	0.4	credit facilities	-	-	-	-	-	-
	2.58	1	liquidity facilities	-	-	-	-	-	-
	<i>to other legal entities</i>								
	2.59	1	credit facilities	-	-	-	-	-	-
	2.60	1	liquidity facilities	-	-	-	-	-	-
	<b>Other contingent funding obligations (whether contractual or not)</b>								
	2.71	0.1	unconditional revocable credit and liquidity facilities' agreements	89,320	142,579,019	-	8,932	14,257,902	14,266,834
	2.72	1	trade finance related obligations (report average of monthly net outflows in last 12 month period)	-	39,592,037	-	-	39,592,037	39,592,037
	2.73	0.5	Guarantees and letters of credit other than trade finance related obligations (report average of monthly net outflows in last 12 month period)	-	-	-	-	-	-
	2.81	1	<b>Other contractual outflows</b>	4,108	16,994	-	4,108	16,994	21,102
	<b>Total 4 = Σ ( 2.11 ; 2.81)</b>			<b>71,866,465</b>	<b>1,077,744,419</b>	<b>21,995,297</b>	<b>21,100,887</b>	<b>229,469,034</b>	<b>257,869,267</b>

in US\$				Non weighted amounts			Weighted amounts			Total
				KHR	US\$	Other currencies	KHR	US\$	Other currencies	
	INFLOWS									
CASH IN FLOWS	<b>Outstanding Reverse repos and securities borrowing with remaining maturities within 30 days</b>									
	<i>where the collateral received is not re-hypothecated</i>									
	3.11	0	covered by HQLA	-	-	-	-	-	-	-
	3.12	0.25	covered by OLA	-	-	-	-	-	-	-
	3.13	1	covered by other assets	-	-	-	-	-	-	-
	<i>where the collateral received is re-hypothecated</i>									
	3.14	0	covered by HQLA	-	8,780,000	-	-	-	-	-
	3.15	0	covered by OLA	-	-	-	-	-	-	-
	3.16	0	covered by other assets	-	-	-	-	-	-	-
	<i>Undrawn committed facilities from banks and financial institutions as defined in Annex 2</i>									
	3.21	0	Committed facilities from banks and financial institutions other than those reported in 3.22	-	-	-	-	-	-	-
	3.22	1	Committed fund facilities with parent bank	-	-	-	-	-	-	-
	<b>Other contractual inflows, either secured or unsecured, within 30 days</b>									
	3.31	0.5	from retail customers	947,905	21,755,721	-	473,953	10,877,861	-	11,351,814
	3.32	0.5	from SMEs			-	-	-	-	-
	3.33	0.5	from non financial corporates	1,622,646	10,976,265	-	811,323	5,488,133	-	6,299,456
	3.34	1	from central banks	-	-	-	-	-	-	-
	3.35	1	from banks and financial institutions as defined in Annex 2	-	-	-	-	-	-	-
	3.36	0.5	from other financial institutions as defined in Annex 2	-	-	-	-	-	-	-
	3.37	0.5	from other legal entities	-	-	-	-	-	-	-
	3.38	0.5	from sovereigns	-	-	-	-	-	-	-
	3.39	1	deposits with banks and financial institutions as defined in Annex 2	-	38,102,902	3,206,218	-	38,102,902	3,206,218	41,309,120
	<b>derivative cash inflows</b>									
	3.50	1	net contractual derivative cash inflows within 30 days	-	-	-	-	-	-	-
	3.60	1	Contractual inflows from other securities maturing within 30 days	-	-	-	-	-	-	-
	3.70	0	Any other contractual inflows due in the next 30 days	-	-	-	-	-	-	-
Total 5 = Σ ( 3.11 ; 3.70)			2,570,551	79,614,888	3,206,218	1,285,276	54,468,896	3,206,218	58,960,390	
Total 6 = Total 4 - Min (Total 5; 75% Total 4)			69,295,914	998,129,531	18,789,079	19,815,611	175,000,138	4,093,128	198,908,877	
LIQUIDITY COVERAGE RATIO LCR= Total 3/Total 6						181.28%	97.35%	-	103.71%	

# SCHEDULE 2

NET WORTH  
UNAUDITED AS AT 31 DECEMBER 2022

NET WORTH CALCULATION	in US\$	in Million KHR
<b>Tier 1: (Core Capital)</b>		
<b>I. Sub-total A</b>		
+ Paid-in capital/Capital endowment	75,000,000	308,775
+ Reserves (other than revaluation reserves)	25,500,000	104,984
+ Audited Net Profit (last financial year)	21,329,452	87,813
+ Retained Earnings	30,457,358	125,393
+ Other Items (to be detailed and supported by and NBC approval to be referred to)		
1. Provide reference of NBC's authority/approval	-	-
2. Provide reference of NBC's authority/approval	-	-
<b>Sub-Total A</b>	152,286,810	626,965
+ Limited check on retained earnings (max. 20% of Sub-Total A)	20.00%	20.00%
<b>II. Sub-total B (Deduction)</b>		
+ Own shares held (at Book Value)	-	-
+ Accumulated losses	-	-
+ Intangible assets to be deducted	1,689,409	6,955
+ Shareholders, Directors, Related Parties (deduct)	2,727,057	11,227
1. Unpaid portion(s) of capital (a)	-	-
2. Loans, overdrafts and other advances (b)	2,727,057	11,227
3. Debt instruments held bearing signature of Shareholders, Directors, Related Parties (c)	-	-
+ Other losses		
(a), (b), and (c) to be itemized in an attachment	-	-
<b>Sub-Total B</b>	4,416,466	18,182
<b>Total Tier 1 (Core Capital) (A) - (B)</b>	147,870,344	608,783
<b>Tier 2: (Complementary Capital)</b>		
<b>III. Sub-Total C</b>		
+ Re-evaluation reserves (NBC's Approval ref.)	-	-
+ Provisions for general banking risks (NBC's Approval ref.)	-	-
+ 1% General provision (Prakas on Asset Class)	11,780,339	48,500
+ Subordinated Debts Instruments (Provided complying with condition set forth in article 7)	47,000,000	193,499
+ Other items (to be detailed and supported)		
1. Provide reference of NBC's authority/approval	-	-
2. Provide reference of NBC's authority/approval	-	-
<b>Sub-Total C</b>	58,780,339	241,999
+ Limit check on Subordinated Debts (max. 50 % of Tier 1 Capital)	31.78%	31.78%
<b>IV. Sub-Total D (Tier 2, Deductions)</b>		
+ Equity participation banking & Fin. Institution	-	-
+ Other items to be deducted (def. charge...)	-	-
<b>Sub-Total D</b>	-	-
<b>Total Tier 2 (Complementary Capital) (C) - (D)</b>	58,780,339	241,999
+ Limit check on Tier 2 capital (Tier 2 = max. 100 % of Tier 1)	39.75%	39,75%
<b>Regulatory Net Worth (A)- (B) + (C) - (D)</b>	206,650,683	850,782

# SCHEDULE 3

SOLVENCY RATIO  
UNAUDITED AS AT 31 DECEMBER 2022

	in US\$	Weighting	in US\$	in Million KHR
<b>I- Balance Sheet Items, weighted by degree of Counter-Party Risks</b>				
1- Weighting 0% on Assets with low Risk	287,611,794		-	-
1.1- Cash	53,574,614	0%	-	-
1.2- Gold	-	0%	-	-
1.3- Claims on the National Bank of Cambodia	199,233,993	0%	-	-
1.4- Assets collateralized by Deposits 100% lodged with Banks	34,803,187	0%	-	-
1.5- Claims on or Guaranteed by Sovereigns rated AAA to AA- or equivalent	-	0%	-	-
2- Weighting 20% on Assets with Moderate Risk	9,613,571		1,922,714	7,833
2.1- Claims on or Guaranteed by Sovereigns rated A+ to A- or equivalent	-	20%	-	-
2.2- Claims on or Guaranteed by banks rated AAA to AA- or equivalent	9,613,571	20%	1,922,714	7,833
3- Weighting 50% on Assets with Medium Risk	33,176,918		16,588,459	67,581
3.1- Claims on or Guaranteed by Sovereigns rated BBB+ to BBB- or equivalent	-	50%	-	-
3.2- Claims on or Guaranteed by Banks rated A+ to A- or equivalent	33,176,918	50%	16,588,459	67,581
4- Weighting 100% on Assets with Full Risk	1,031,545,228		1,031,545,228	4,202,515
4.1- All other Assets, besides mentioned above	1,031,545,228	100%	1,031,545,228	4,202,515
5- Weighting 120% on Tradable Securities	-		-	-
5.1- Tradable Securities	-	120%	-	-
<b>Total (I) = (1) + (2) + (3) + (4)</b>	<b>1,361,947,511</b>		<b>1,050,056,401</b>	<b>4,277,929</b>
<b>II- Off-Balance Sheet items, weighted by degree of Counter-Party Risk</b>				
1- Weighting 0% on Operations with low Risk	239,148,347		-	-
1.1- Undrawn Facilities, particularly overdrafts and commitments to lend, which are for an initial term of not more than one year	239,148,347	0%	-	-
1.2- Other items carrying a low risk	-	0%	-	-
2- Weighting 20% on Operations with Moderate Risk	2,343,913		468,783	1,910
2.1- Documentary credits is sued or confirmed where the underlying goods serve as collateral and other similar transactions	2,343,913	20%	468,783	1,910
2.2- Other Items carrying moderate risk	-	20%	-	-
3- Weighting 50% on Operations with Medium Risk	117,569,477		58,784,739	239,489
3.1- Commitments to pay resulting from documentary credits, issued or confirmed, where the underlying goods do not serve as collateral	111,307,969	50%	55,653,985	226,734
3.2- Warranties and indemnity bonds (including tender, performance, customs and tax bonds) and guarantees not having the character of credit substitutes	-	50%	-	-
3.3- Undrawn facilities, particularly overdrafts and commitments to lend with an initial term of more than one year	6,261,508	50%	3,130,754	12,755
3.4- Other items carrying medium risk	-	50%	-	-
4- Weighting 100% on Operations with Full Risk	-		-	-
4.1- Loan guarantees (deductible from the risk exposure in respect of the beneficiary)	-	100%	-	-
4.2- Acceptances	-	100%	-	-
4.3- Endorsement on bills not bearing the name of another bank or financial institution	-	100%	-	-
4.4- Transactions with recourse	-	100%	-	-
4.5- Irrevocable credit lines, or guarantees, having the character of credit substitutes	-	100%	-	-
4.6- Other items carrying a high risk	-	100%	-	-
<b>Total (II) = (1) + (2) + (3) + (4)</b>	<b>359,061,737</b>		<b>59,253,522</b>	<b>241,399</b>
<b>III- Total Assets and Operations after weighting Risk = (I) + (II)</b>			<b>1,109,309,923</b>	<b>4,519,328</b>
<b>Solvency Ratio = Total Net Worth / III ( &gt;15% )</b>			<b>18.83%</b>	<b>18.83%</b>

SCHEDULE 4

CLASSIFICATION OF AND PROVISIONING FOR BAD AND DOUBTFUL FINANCIAL FACILITIES  
UNAUDITED AS AT 31 DECEMBER 2022

The Bank	Financial facilities amount	The Central Bank requirement Classification	Estimated Collateral Value	The Central Bank's Provision	The Central Bank's Required Provision	Provision recorded by the Bank	Difference in Provision amount
	US\$		US\$	Rate	US\$	US\$	US\$
Financial facilities	1,178,033,929	Normal	7,975,535,263	1%	11,780,339	11,780,339	-
Financial facilities	23,697,578	Special mention	161,574,599	3%	710,927	710,927	-
Financial facilities	1,473,085	Substandard	5,904,966	20%	294,617	294,617	-
Financial facilities	672,131	Doubtful	1,913,485	50%	336,066	336,066	-
Financial facilities	4,977,969	Loss	13,826,366	100%	4,977,969	4,977,969	-
Total	1,208,854,692		8,158,754,679		18,099,918	18,099,918	-



# SCHEDULE 5

NET OPEN POSITION  
UNAUDITED AS AT 31 DECEMBER 2022

No	Currency	Elements after deduction of affected provision				Net open position	Net open position/net worth	Limit	Excess
		Assets	Liabilities and capital	Currency receivables	Currency payables				
				Off-balance sheet	Off-balance sheet				
		1	2	3	4	5=1-2+3-4			
1	USD	146,572,263	146,742,592	622,624	622,624	(170,329)	-0.08%	20%	No
2	KHR	1,205,486,291	1,205,315,958	358,338,302	358,338,302	170,333	0.08%	20%	No
3	EUR	3,479,307	3,479,307	-	-	-	0.00%	20%	No
4	SGD	64,389	64,389	-	-	-	0.00%	20%	No
5	HKD	15,495	15,495	-	-	-	0.00%	20%	No
6	THB	1,883,256	1,883,256	-	-	-	0.00%	20%	No
7	JPY	802,217	(69,110)	-	-	871,327	0.42%	20%	No
8	PHP	-	-	-	-	-	0.00%	20%	No
9	AUD	16,428	16,428	-	-	-	0.00%	20%	No
10	CAD	22,822	22,822	-	-	-	0.00%	20%	No
11	GBP	207,570	207,570	-	-	-	0.00%	20%	No
12	CNY	11,668	480	-	-	11,188	0.01%	20%	No
13	KRW	-	-	-	-	-	0.00%	20%	No
14	VND	-	-	-	-	-	0.00%	20%	No
15	OTHERS	287,334	1,169,853	-	-	(882,519)	-0.43%	20%	No
	<b>Total</b>	<b>1,358,849,040</b>	<b>1,358,849,040</b>	<b>358,960,926</b>	<b>358,960,926</b>	<b>-</b>			

## SCHEDULE 6

DETERMINATION OF CAPITAL BUFFER  
UNAUDITED AS AT 31 DECEMBER 2022

Tier 1 Capital Ratio	Minimum Capital Conservation Ratio (expressed as percentage of earning)
≥ MCR1 (7.5%) to (MCR1 + 0.625%)	100
> (MCR1 + 0.625%) to (MCR1 + 1.25%)	80
> (MCR1 + 1.25%) to (MCR1 + 1.85%)	60
> (MCR1 + 1.85%) to (MCR1 + 2.5%)	40
> (MCR1 + 2.5%)	0
<b>THE BANK</b>	
<b>Specific rules applicable to the institution:</b>	%
Minimum solvency ratio =	15
Minimum Tier1 solvency ratio =	7.5
Capital conservation buffer (%) =	1.25
Countercyclical buffer (%) =	0

Buffer to be built	Amount	as % of RWA
Capital conservation buffer	13,866,374	1.25
Countercyclical capital buffer	-	-
Total capital buffer	13,866,374	1.25
Tier 1 Capital	147,870,344	13.33
Tier 2 Capital	58,780,339	5.30
Total Capital (Net Worth)	206,650,683	18.63
Risk Weighted Assets - RWA	1,109,309,923	
Tier 1 capital needed for Minimum Solvency ratio	107,616,149	9.70
Available Tier 1 Capital for Capital Buffer	40,254,195	3.63
<b>Additional Tier 1 Capital buffer to be built up</b>	13,866,374	1.25
<b>Minimum Tier 1 capital ratio + available Tier 1 capital for capital buffer</b>		<b>11.13</b>
<b>Minimum Capital Conservation ratio (expressed as percentage of earnings)</b>		<b>-</b>

# SCHEDULE 7

OTHER RATIO COMPUTATIONS  
UNAUDITED AS AT 31 DECEMBER 2022

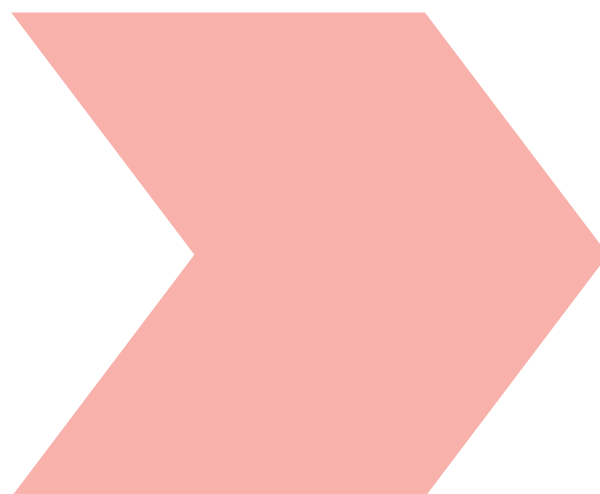
CAPITAL	US\$
<b>1 Equity to total assets (A/B)</b>	<b>13.70%</b>
A – Equity	186,157,472
B – Total assets	1,358,849,040
<b>2 Capital Tier I to total assets (A/B)</b>	<b>10.88%</b>
A – Capital Tier 1	147,870,344
B – Total assets	1,358,849,040
<b>3 Capital Tier I to risk weighted assets (A/B)</b>	<b>13.33%</b>
A – Capital Tier 1	147,870,344
B – Risk weighted assets	1,109,309,923
<b>4 Capital Tier I + Tier II to risk weighted assets (A/B)</b>	<b>18.63%</b>
A – Capital Tier I + Tier II	206,650,683
B – Risk weighted assets	1,109,309,923
<b>5 Net worth to assets (A/B)</b>	<b>15.21%</b>
A – Net worth	206,650,683
B – Total assets	1,358,849,040
<b>6 Solvency ratio (A/B)</b>	<b>18.63%</b>
A – Net worth	206,650,683
B – Risk weighted assets	1,109,309,923
<b>7 Debt to total assets (A/B)</b>	<b>86.30%</b>
A – Total liabilities	1,172,691,568
B – Total assets	1,358,849,040
<b>8 Debt to equity (A/B)</b>	<b>629.95%</b>
A – Total liabilities	1,172,691,568
B – Equity	186,157,472
<b>9 Dividend to net profit (A/B)</b>	<b>0.00%</b>
A – Dividend	-
B – Net profit	25,586,896
ASSET QUALITY	US\$
<b>10 Banking reserve to total loans (A/B)</b>	<b>2.49%</b>
A – Banking reserves	25,500,000
B – Total loans (gross)	1,024,237,899
<b>11 Banking reserve to total assets (A/B)</b>	<b>1.88%</b>
A – Banking reserves	25,500,000
B – Total assets	1,358,849,040
<b>12 Non-performing loans to total loans (A/B)</b>	<b>0.70%</b>
A – Non-performing loans	7,123,185
B – Total loans (gross)	1,024,237,899

ASSET QUALITY	US\$
<b>13 Non-performing loans to total assets (A/B)</b>	<b>0.52%</b>
A – Non-performing loans	7,123,185
B – Total assets	1,358,849,040
<b>14 Classified assets to total loans (A/B)</b>	<b>0.70%</b>
A – Classified assets	7,123,185
B – Total loans (gross)	1,024,237,899
<b>15 Classified assets to total assets (A/B)</b>	<b>0.52%</b>
A – Classified assets	7,123,185
B – Total assets	1,358,849,040
<b>16 Classified assets to equity (A/B)</b>	<b>3.83%</b>
A – Classified assets	7,123,185
B – Equity	186,157,472
<b>17 Loans to related parties to total loans (A/B)</b>	<b>0.27%</b>
A – Loans to related parties	2,727,057
B – Total loans (gross)	1,024,237,899
<b>18 Large exposure to total loans (A/B)</b>	<b>10.25%</b>
A – Large exposure	105,022,292
B – Total loans (gross)	1,024,237,899
<b>19 Loans to related parties to net worth (A/B)</b>	<b>1.32%</b>
A – Loans to related parties	2,727,057
B – Net worth	206,650,683
<b>20 Large exposure to net worth (A/B)</b>	<b>50.82%</b>
A – Large exposure	105,022,292
B – Net worth	206,650,683
<b>21 General provision to total loans (A/B)</b>	<b>1.15%</b>
A – General provision	11,780,339
B – Total loans (gross)	1,024,237,899
<b>22 Specific provision to total loans (A/B)</b>	<b>0.62%</b>
A – Specific provision	6,319,579
B – Total loans (gross)	1,024,237,899
<b>23 Specific provision to non-performing loans (A/B)</b>	<b>88.72%</b>
A – Specific provision	6,319,579
B – Non performing loans	7,123,185
<b>24 All allowances to total assets (A/B)</b>	<b>1.33%</b>
A – Total all allowances	18,099,918
B – Total assets	1,358,849,040
<b>25 Loans to deposits (A/B)</b>	<b>112.47%</b>
A – Total loans to non-bank customers (gross)	953,424,026
B – Customer's deposits	847,725,348

<b>EARNINGS</b>	<b>US\$</b>
<b>26 Return on assets(ROA) (A/B)</b>	<b>1.88%</b>
A – Net profit	25,586,896
B – Total assets	1,358,849,040
<b>27 Return on equity (ROE) (A/B)</b>	<b>13.74%</b>
A – Net profit	25,586,896
B – Equity	186,157,472
<b>28 Gross yield (A/B)</b>	<b>5.27%</b>
A – Interest income	71,573,919
B – Total assets	1,358,849,040
<b>29 Net interest margin (NIM) to total assets ((A-B)/C)</b>	<b>3.33%</b>
A – Interest income	71,573,919
B – Interest expense	26,293,874
C – Total assets	1,358,849,040
<b>30 Other income (OTINC) to total assets = (A/B)</b>	<b>0.76%</b>
A – Other incomes	10,319,583
B – Total assets	1,358,849,040
<b>31 Provision to total assets (A/B)</b>	<b>1.33%</b>
A – Provision	18,099,918
B – Total assets	1,358,849,040
<b>32 Overhead to total assets = (A/B)</b>	<b>2.21%</b>
A – Non-interest expense	30,012,732
B – Total assets	1,358,849,040
<b>33 Net income before tax (NIBT) to total assets = (A/B)</b>	<b>2.37%</b>
A – Net income before tax	32,191,461
B – Total assets	1,358,849,040
<b>34 Tax to total assets (A/B)</b>	<b>0.49%</b>
A – Tax	6,604,565
B – Total assets	1,358,849,040
<b>35 Interest margin to gross income ((A-B)/C)</b>	<b>55.29%</b>
A – Interest income	71,573,919
B – Interest expense	26,293,874
C – Gross income	81,893,502
<b>36 Non-interest income to gross income (A/B)</b>	<b>12.60%</b>
A – Non-interest income	10,319,583
B – Gross income	81,893,502
<b>37 Non-interest expense to gross income (A/B)</b>	<b>36.65%</b>
A – Non-interest expense	30,012,732
B – Gross income	81,893,502
<b>38 Times interest earned ((A+B)/C)</b>	<b>0.82</b>
A – Income before tax	32,191,461
B – Interest expense	26,293,874
C – Interest income	71,573,919

<b>LIQUIDITY</b>	<b>US\$</b>
<b>39 Liquid assets to total assets (A/B)</b>	<b>15.75%</b>
A – Liquid assets	213,985,590
B – Total assets	1,358,849,040
<b>40 Short-term liabilities to total assets (A/B)</b>	<b>62.78%</b>
A – Short-term liabilities (less than one year)	853,106,446
B – Total assets	1,358,849,040
<b>41 Net Liquid assets ((A-B)/C)</b>	<b>-54.50%</b>
A – Liquid assets	213,985,590
B – Short-term liabilities (less than one year)	853,106,446
C – Total liabilities	1,172,691,568
<b>42 Quick ratio (A/B)</b>	<b>25.08%</b>
A – Quick assets	213,985,590
B – Current liabilities	853,106,446
<b>43 Deposit to total loans (A/B)</b>	<b>88.91%</b>
A – Total customers' deposits	847,725,348
B – Total loans to non-bank customers (gross)	953,424,026

07



# **CORPORATE DIRECTORY**





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## BRANCH NETWORK

### BRANCH LOCATION



#### NORODOM NORTH BRANCH

20A/B, Preah Norodom Boulevard Corner of Street 118, Sangkat Phsar Chas, Khan Daun Penh, Phnom Penh

#### MAO TSE TOUNG BOULEVARD BRANCH

187 E0E1, Mao Tse TOUNG Boulevard, Sangkat Toul Svay Prey I, Khan Chamkarmon, Phnom Penh

#### CHAMKAR MON BRANCH

763, Street 93, Sangkat Boeng Trabaek, Khan Chamkar Mon, Phnom Penh

#### EXCHANGE SQUARE BRANCH

Ground Floor, Exchange Square, Street 51-61 & 102-106, Sangkat Wat Phnom, Khan Daun Penh, Phnom Penh

#### KRONG SIEM REAP BRANCH

38-39-40, Sivatha Street, Sangkat Svay Dangkom, Krong Siem Reap, Siem Reap Province

#### OLYMPIC BRANCH

201, Jawaharlal Nehru Boulevard, Sangkat Phsar Doeum Kor, Khan Toul Kork, Phnom Penh

#### TUEK THLA BRANCH

Unit 1E&F, Ground Floor, California Social House, Russian Federation Boulevard, Sangkat Tuek Thla, Khan Sen Sok, Phnom Penh

#### BAK TOUK BRANCH

Ground Floor, Building VTrust Tower, Street 169, Sangkat Veal Vong, Khan 7 Makara, Phnom Penh

#### KRONG PREAH SIHANOUK BRANCH

90, Ek Reach Boulevard, Sangkat No 4, Krong Preah Sihanouk, Preah Sihanouk Province

#### KRONG BATTAMBANG BRANCH

98-99, Sangkat Svay Por, Krong Battambang, Battambang Province

#### PREAH SIHANOUK

#### BOULEVARD BRANCH

57F, Preah Sihanouk Boulevard, Sangkat Chaktomok, Khan Daun Penh, Phnom Penh

#### TUOL KOUK BRANCH

150NB and 152B1 E0E1E2E3E4, Street 516, Sangkat Boeung Kak I, Khan Tuol Kouk, Phnom Penh

#### PHSAR HENGLY BRANCH

12Z, Street 271, Sangkat Tuek Laark III, Khan Toul Kork, Phnom Penh

#### KRONG KAMPONG CHAM BRANCH

Village 4, Sangkat Veal Vong, Krong Kampong Cham, Kampong Cham Province

### CIMB PREFERRED CENTRE



#### NORODOM NORTH

20A/B, Preah Norodom Boulevard Corner of Street 118, Sangkat Phsar Chas, Khan Daun Penh, Phnom Penh

#### MAO TSE TOUNG BOULEVARD

187 E0E1, Mao Tse TOUNG Boulevard, Sangkat Toul Svay Prey I, Khan Chamkarmon, Phnom Penh

#### CHAMKAR MON

763, Street 93, Sangkat Boeng Trabaek, Khan Chamkar Mon, Phnom Penh

#### OLYMPIC

201, Jawaharlal Nehru Boulevard, Sangkat Phsar Doeum Kor, Khan Toul Kork, Phnom Penh

#### TUEK THLA

Unit 1E&F, Ground Floor, California Social House, Russian Federation Boulevard, Sangkat Tuek Thla, Khan Sen Sok, Phnom Penh

#### PHSAR HENGLY

12Z, Street 271, Sangkat Tuek Laark III, Khan Toul Kork, Phnom Penh

#### TUOL KOUK

150NB and 152B1 E0E1E2E3E4, Street 516, Sangkat Boeung Kak I, Khan Tuol Kouk, Phnom Penh

#### BAK TOUK

Ground Floor, Building VTrust Tower, Street 169, Sangkat Veal Vong, Khan 7 Makara, Phnom Penh

#### KRONG SIEM REAP

38-39-40, Sivatha Street, Sangkat Svay Dangkom, Krong Siem Reap, Siem Reap Province

## OFFSITE ATM

**PHNOM PENH INTERNATIONAL AIRPORT**

New Arrivals Terminal Area,  
National Road 4, Khan  
Posenchey, Phnom Penh

**MAKRO MALL**

No 5734, Street 1003,  
Sangkat Phnom Penh Thmey,  
Khan Sen Sok, Phnom Penh

**NAGA WORLD I & NAGA WORLD II**

Samdech Techo Hun Sen Park,  
Phnom Penh

**LIM LONG (VENG SRENG)**

Dey Lo #9, Veng Sreng  
Boulevard, Sangkat Chom Chao,  
Khan Posenchey,  
Phnom Penh

**TOTAL 598**

Street 598, Phum 4,  
Sangkat Chrang Chamres 1,  
Khan Russey Keo, Phnom Penh

**RAINTREE**

#299, Street Preah Ang Duong,  
Sangkat Wat Phnom, Khan Daun  
Penh, Phnom Penh

**ANGKOR MARKET (SIEM REAP PROVINCE)**

National Road 6, Phum  
Salakanseng, Sangkat Svay  
Dongkum, Krong Siem Reap,  
Siem Reap 17252

**AEON MALL**

Behind Adidas, AEON mall,  
No.132, Samdech Sothearos  
Boulevard, Sangkat Tonle  
Bassac, Khan Chamkarmon,  
Phnom Penh

**MAKRO MALL CHROY CHANGVA**

National Road No. 6, Bak Khaeng  
Leu Village, Sangkat Bak Khaeng,  
Khan Chroy Changva,  
Phnom Penh

**THE PARK DEVELOPMENT COMMUNITY**

National road #1, Sangkat Nirot,  
Khan Chbar Ampov,  
Phnom Penh

**PTT (POCHENTONG)**

No.7A, Russian Boulevard,  
Sangkat Kakab, Khan  
Posenchey, Phnom Penh

**THE BRIDGE**

The Bridge SoHo Tower, National  
Assembly Street, Sangkat Tonle  
Bassac, Khan Chamkarmorn,  
Phnom Penh

**CAMBREW (PREAH SIHANOUK PROVINCE)**

Phum 3, Sangkat 1, Krong Preah  
Sihanouk, Preah Sihanouk  
Province

**AEON MALL SEN SOK**

Second floor of AEON MALL,  
Bayarb Village, Phnom Penh  
Thmey Commune, Sen Sok  
District, Phnom Penh Capital

**EXCHANGE SQUARE**

Ground Floor, Exchange Square,  
Street 51-61 & 102-106, Sangkat  
Wat Phnom, Khan Daun Penh,  
Phnom Penh

**ROYAL INN**

No. 128D6-7-8, Samdech  
Sothearos Boulevard,  
Sangkat Tonle Bassac,  
Khan Chamkarmorn,  
Phnom Penh

**TOTAL (PHNOM PENH THMEY)**

Street 1986, Sangkat Phnom  
Penh Thmey, Khan Sen Sok,  
Phnom Penh

**EDEN GARDEN**

Phnom Penh City Center (PPCC),  
Sangkat Sras Chork, Khan  
Daun Penh, Phnom Penh

**MAKRO MALL SIEM REAP**

National Road 6, Koak Tnout  
Village, Kandaek Commune,  
Prasat Bakorng District,  
Siem Reap

## GROUP CORPORATE DIRECTORY

### CIMB GROUP HOLDINGS BERHAD

Level 13, Menara CIMB  
Jalan Stesen Sentral 2  
Kuala Lumpur Sentral  
50470 Kuala Lumpur, Malaysia  
Tel : 603 2261 8888  
Fax : 603 2261 0099  
Website : [www.cimb.com](http://www.cimb.com)

### CIMB BANK PLC

20A/B, Corner Preah Norodom  
Boulevard & Street 118  
Sangkat Phsar Chas  
Phnom Penh 120209  
Cambodia  
Tel : 855 23 988 388  
Fax : 855 23 988 099  
Website : [www.cimbbank.com.kh](http://www.cimbbank.com.kh)

### CIMB BANK BERHAD PHILIPPINES BRANCH

28th Floor, ORE Central Building  
9th Avenue Corner 31st Street  
Bonifacio Global City, Taguig  
1634 Philippines  
Tel : 63 2 8858 0102  
Fax : Nil  
Website : [www.cimbbank.com.ph](http://www.cimbbank.com.ph)

### PT BANK CIMB NIAGA TBK

Graha CIMB Niaga  
Jl. Jend Sudirman Kav. 58  
Jakarta 12190, Indonesia  
Tel : 62 21 250 5252  
62 21 250 5353  
Fax : 62 21 250 5205  
Website : [www.cimbniaga.co.id](http://www.cimbniaga.co.id)

### CIMB THAI BANK PUBLIC COMPANY LIMITED

44, Langsuan Road  
Lumpini, Pathumwan  
Bangkok 10330, Thailand  
Tel : 662 638 8000  
662 626 7000  
Fax : 662 657 3333  
Website : [www.cimbthai.com](http://www.cimbthai.com)

### CIMB BANK BERHAD HONG KONG BRANCH

Rooms 2501 & 2507-2510  
25th Floor, Gloucester Tower  
The Landmark, 15 Queen's Road  
Central, Hong Kong  
Tel : 852 2586 7288  
Fax : 852 2556 3863  
Website : [www.cimb.com](http://www.cimb.com)

### CIMB ISLAMIC BANK BERHAD

Level 17, Menara CIMB  
Jalan Stesen Sentral 2  
Kuala Lumpur Sentral  
50470 Kuala Lumpur, Malaysia  
Tel : 603 2261 8888  
Fax : 603 2261 0099  
Website : [www.cimb.com](http://www.cimb.com)

### CIMB BANK BERHAD LONDON BRANCH

27 Knightsbridge  
SW1X 7LY  
United Kingdom  
Tel : 44 0 20 7201 3150  
Fax : 44 0 20 7201 3151  
Website : [www.cimb.com](http://www.cimb.com)

### CIMB BANK BERHAD SHANGHAI BRANCH

Unit 1805-1807, Azia Centre  
1233, Lujiazui Ring Road  
Pudong New District  
Shanghai 200120, China  
Tel : 86 21 2026 1888  
Fax : 86 21 2026 1988  
Website : [www.cimb.com](http://www.cimb.com)

### CIMB INVESTMENT BANK BERHAD

Level 17, Menara CIMB  
Jalan Stesen Sentral 2  
Kuala Lumpur Sentral  
50470 Kuala Lumpur, Malaysia  
Tel : 603 2261 8888  
Fax : 603 2261 0099  
Website : [www.cimb.com](http://www.cimb.com)

### CIMB BANK BERHAD SINGAPORE BRANCH

30 Raffles Place #04-01  
Singapore 048622  
Tel : 65 6333 7777  
Fax : 65 6337 5335  
Website : [www.cimb.com.sg](http://www.cimb.com.sg)

### CIMB BANK BERHAD LABUAN OFFSHORE BRANCH

Level 14(A), Main Office Tower  
Financial Park Labuan  
Jalan Merdeka  
87000 W P Labuan, Malaysia  
Tel : 6087 597 500  
Fax : 6087 597 501  
Website : [www.cimb.com](http://www.cimb.com)

### CIMB BANK BERHAD

Level 17, Menara CIMB  
Jalan Stesen Sentral 2  
Kuala Lumpur Sentral  
50470 Kuala Lumpur, Malaysia  
Tel : 603 2261 8888  
Fax : 603 2261 0099  
Website : [www.cimb.com](http://www.cimb.com)

### CIMB BANK (VIETNAM) LIMITED

Level 2, Cornerstone Building  
16 Phan Chu Trinh  
Hoan Kiem District  
Hanoi, Vietnam  
Tel : 84 24 3266 3388  
Fax : 84 24 3266 3389  
Website : [www.cimbbank.com.vn](http://www.cimbbank.com.vn)

### CIMB BANK (L) LIMITED

Level 14(A), Main Office Tower  
Financial Park Labuan  
Jalan Merdeka  
87000 W P Labuan, Malaysia  
Tel : 6087 597 500  
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