



ធនាគារ ប្រៃសណីយ៍កម្ពុជា ភ.អ
柬埔寨郵政銀行 CAMBODIA POST BANK PLC.

ANNUAL REPORT 2020



CONTENTS

CORPORATE PROFILE

About Cambodia Post Bank Plc.	4
Vision and Mission	6
Core Value “RICE”	6
Shareholders	7
Corporate Milestones	8
Operation Networks	10
Corporate Governance	12
Risk Management	16
Compliance	20

MANAGEMENT LEADERSHIP

Bank Performance Highlight	21
Organizational Structure	22
Chairman’s Message	24
CEO’s Message	26
Board of Directors	28
Executive Management	32

AWARDS, CORPORATE SOCIAL ACTIVITIES

Awards	36
Corporate Social Activities	37
Other Events	38

AUDITED FINANCIAL STATEMENTS 44

ABOUT CAMBODIA POST BANK PLC.

Cambodia Post Bank Plc. is one of the fastest growing commercial bank among Cambodia's leading commercial banks and financial institutions which was founded in September 2013 under the strategic partnership among CANADIA Investment Holding Plc. (CIH), Cambodia Post (CP) of Ministry of Post and Telecommunications and Fullerton Financial Holdings Pte. (FFH).

Initially, CPBank started its operation with registered capital of USD 38 million which has been increased to USD 58 million in January 2017 with the growing business needs. As part of the capital management plan, CPBank has increased its capital further to USD 70.79 million in September 2017 and to USD 76 million in March 2018.

Just only 7 years of operation, CPBank has rapidly become a digital bank that allows customers to access and manage their finances easily and securely by using just a mobile phone. By 2020, CPBank has achieved total assets of over \$1,000,000,000 with 58 branches, 72 ATMs/CDMs, more than 100,000 accounts, 50,000 ATM/Debit Cards, 2,000 business partners and 7,000 partner agencies nationwide. Funan Microfinance Institution is a subsidiary of CPBank with total branches network of 51.

In 2020, CPBank received many outstanding awards from national and international institutions based on our services and responsibilities to customers and community.

Many banking services have been available through digital channels, which allows customers to use our financial services without access any branches including Online Loan Request and Online Account Opening Application, Loan Origination System (LOS), and CPBank Mobile App with many special functions such as payment and fund transfer via QR, bill payment, private water, electric, and solid waste collection payment, local fund transfer via Bakong, Retail Pay, FAST, phone top-up and many other special functions. In addition, CPBank has “365 days banking services” which provides banking services to customers every day including weekends and public holidays such as the Main branch, Sen Sok branch (Aeon Mall Sen Sok), and Olympic branch.

CPBank is committed to building a strong service culture among our staff backed by strong morals through maintaining a professional code of conduct and standards. This is to maintain and improve our performance as well as to bring the best in class customer service experience for our customers in order to reach an ambitious objective of **“One Family, One Account”** within the next 5 years.





Page 8



Page 38



Page 39

VISION & MISSION



VISION

To be the best mass market bank that enriches lives and fulfills the growing aspirations of the people of Cambodia and create sustainable value for shareholders, employees and society.



MISSION

Design and provide innovative financial solutions and deliver best in class services to our customers.

CORE VALUE "RICE"

RELIABILITY

To be a reliable, dependable and trustworthy service provider, offering quality products and services.

INNOVATION

Adopt effective product, services, process, technologies, and ideas to design innovative solutions to achieve customer objectives.

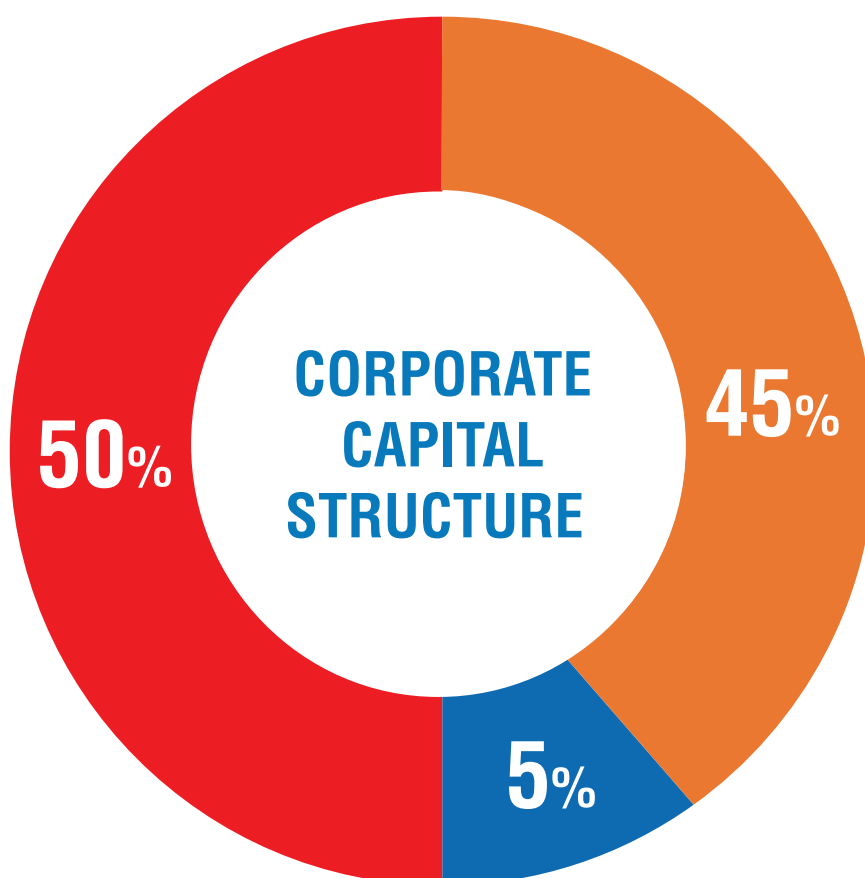
CARE

Go the extra mile in providing excellent service to internal and external stakeholders to build a quality lasting relationship.

ENTREPRENEURSHIP

Encourage empowerment, initiative and accountability among our employees to continuously reinvent, with an entrepreneurial spirit to make our company stronger.

SHAREHOLDERS



50%

CANADIA INVESTMENT HOLDING PLC.

Canada Investment Holding Plc. (CIH) is one of largest and trusted financial services group locally incorporated in Cambodia. CIH reported its financial services group total assets of over US\$7.2 billion as at the end of 2020. CIH derives its revenues through its subsidiaries and affiliates (8 entities) by offering wide range of banking and financial products and services Commercial banking (Corporate, SME and Consumer) banking, micro-finance, Life Insurance, General Insurance, Trust and Securities business in Cambodia. CIH has in-depth knowledge of the Cambodian market and operates with high discipline and corporate social responsibility.

45%

FULLERTON FINANCIAL CAPITAL PTE.

A WHOLLY OWNED SUBSIDIARY OF FULLERTON FINANCIAL HOLDINGS

Fullerton Financial Holdings Pte. Ltd. (FFH) is an independently-operated strategic and operating investor in financial and related services in emerging markets. FFH creates shareholder value by being committed to building differentiated business models focused on the Mass Market and SME segments, and an enabler of digital innovation for our portfolio companies.

5%

CAMBODIA POST BY MINISTRY OF POSTS AND TELECOMMUNICATIONS

Cambodia Post (CP) the public enterprise, state own company under technical regulated by Ministry of Posts and Telecommunications (MPTC) and financial regulated by Ministry of Economy and Finance (MEF).

CP operated under the privilege authority granted by government for supporting their objectives, mission and vision and also government policies.

CORPORATE MILESTONES

2016

- Introduced digital service delivery channel
- Launch ATM services
- Pilot test mobile banking
- Equipped branches with enhanced customer service ability
- Introduced regional control, enhanced MIS and Analytics function
- Opened 6 new branches, total branch network increased to 37
- Achieved USD 416M asset size with 1,182 staff
- Net Profit after Tax doubled to USD 8M
- Introduced Telecollection team at Head Office.

Awarded The ESQR's Quality Choice Prize Award Program in 2016

CPBank has been nominated as the winner by interatinal organization known as ESQR in ESQR's Quality Choice Prize Award "Gold Category" which is organized in Germany at December 2016.



2017

- Acquired 100% stake of FUNAN Microfinance Plc. with 51 branches network tripled FUNAN's asset size within a year
- Official Launch of Mobile Banking Services
- Become member of FAST payment System
- Partnership with Wing for loan Collection
- Opened 5 more new branches with total branch network increased to 42 branches
- Corresponding Banking partnership with DBS (Singapore) and ICBC (China)
- Introduced 20 mobile touch point
- Centralized Asset operations
- Total asset reached to USD 577M with 1,281 staff.
- Achieved USD 8.5M Net Profit after Tax



2018

- Implemented Credit Application Score Card
- Developed Capital Management Framework
- Opened 3 more New Branches and total branch network increased to 45
- Become pioneer member of Cambodian Shared Switch (CSS)
- Increased registered capital to USD 76m
- Partnership with Sovannaphum Life Assurance Plc.
- Partnership with DaraPay for Loan Collection
- Total asset reached to USD 783M with 1,441 staffs.
- Achieved USD 17M Net Profit

The BIZZ AWARD in 2018

The BIZZ AWARD 2018 that has been granted for CPBank's Business Excellence at the City of Miami, Florida in 2018.



2019

- Introduced 365days Banking Services in 3 Branches in Phnom Penh Area such as: Main Branch, Olympic and Sensok Branch (Aeon II).
- Launched Visa Debit Card
- Become a first group member of Bakong app
- Enabled QR based payment function in Mobile Banking for free fund transfer.
- Enabled eWallet top up function to DaraPay and Wing using Mobile Banking
- Opened 6 new branches and total Branch network stands at 51.
- Pilot Test the Loan Origination System.
- 24 Hours Call Center with Web Chat.
- Hosting International Event under "Women and Finance" With WSBI.
- Total asset reached to USD 824M with 1,585 staffs.
- Achieved USD 20M Net Profit



2020

KEY ACHIEVEMENTS:

- Achieved total assets of 1.06 billion US dollars in 7years
- Launched Visa Credit Card, Virtual Card, utilities payment in Mobile Banking App
- Actively participated in NBC Digital initiatives by implement Fast Payment, Bakong E-wallet and Retail Pay via Mobile Banking App and OTC
- Enabled Online Loan Request and Online Account Opening Application
- Launched Private Banking Services
- Participate in the SME Co-Financing Scheme of SME Bank Licensed by NBC with the technical and financial guidance of the Ministry of Economic and Finance (the "MEF")
- Launched Loan Origination System and Collections Management System under UAT
- Opened 7 new branches and total branch network of 58 with 72 ATM/CDMs Machines included Cash Recycling Machines
- Achieved USD 9M net profit and total of 1,523 staffs

AWARDS:

- Honorable mentions as "Best Bank for Women Entrepreneurs 2020" from International Finance Corporation (IFC) and SME Finance Forum
- Recognized by the General Department of Taxation with a "Gold Award for Tax Compliance"
- Named as "Best Retail Bank Cambodia 2020" by International Business Magazine
- Achieved the outstanding awards as "Fastest Growing Retail Bank Cambodia 2020" from Global Banking and Finance Review
- Visa Awarded as Leadership in Contactless Conversion 2020



Best Bank for Women Entrepreneurs by IFC

CPBank was named as "Best Bank for Women Entrepreneurs" by International Finance Corporation (IFC) member of the World Bank in the SME Finance Forum 2020.

OPERATION NETWORKS

HEAD OFFICE

#265-269, Street Ang Doung, Sangkat Wat Phnom, Khan Doun Penh, Phnom Penh City

Tel: (+855) 23 260 888
Email: info@cambodiapostbank.com

PHNOM PENH BRANCHES

Main Branch

#265-269, Street Ang Doung, Sangkat Wat Phnom, Khan Doun Penh, Phnom Penh

(+855) 70 600 098



Saensokh Branch

Bayab Village, Sangkat Phnom Penh Thmei, Khan Saensokh, Phnom Penh

(+855) 69 700 099



Olympic Branch

#057-058-059, Preah Sihanouk Blvd., Sangkat Veal Vong, Khan Prampir Meakkakra, Phnom Penh

(+855) 70 600 015



Boeng Trabaek Branch

Phum 5, Sangkat Phsar Daeum Thkov, Khan Chamkar Mon, Phnom Penh

(+855) 69 600 092

Canacity Branch

#A1-A2, Street Veng Sreng, Phum Choam Chao, Sangkat Choam Chao, Khan Porsenchey, Phnom Penh

(+855) 70 600 025

Chrouy Changvar Branch

#2Ha & b, Group 1, NR 6A, Daeum Kor Village, Sangkat Chrouy Changvar, Khan Chrouy Changvar, Phnom Penh.

(+855) 70 700 064

Chhbar Ampov Branch

National Road N° 1, Deum Slaeng Village, Sangkat Chbar Ampov Ti Pir, Khan Chbar Ampov, Phnom Penh

(+855) 70 600 014

Doun Penh Branch

Building A, Street 13 corner of Street 102, Sangkat Voat Phnum, Khan Doun Penh, Phnom Penh

(+855) 70 600 026

Ou Baek K'am Branch

#117A, St. 271, Phum1, Sangkat Boeng Salang, Khan Tuol Kouk Phnom Penh

(+855) 70 600 051

Russey Keo Branch

National Road N° 5, Sangkat Russey Keo, Khan Russey Keo, Phnom Penh

(+855) 93 600 073

Russey Keo 2 Branch

National Road No.5, Phum Svay Pak, Sangkat Svay Pak, Khan Russey Keo, Phnom Penh

(+855) 70 600 054

Sovanna Branch

N° D33, Street Diamond, Sangkat Tomnob Tuek, Khan Chamkar Mon, Phnom Penh

(+855) 70 600 089

Teuk Thla Branch

No. A127-129, Russian Blvd., Sangkat Teuk Thla, Khan Sen Sok, Phnom Penh

(+855) 70 600 013

Vimean Ekareach Branch

N0 130E0&E1, Preah Sihanouk Blvd, Sangkat Boeng Keng Kang Ti Muoy, Khan Boeng Keng Kang, Phnom Penh.

(+855) 69 600 029

PROVINCIAL BRANCHES

Battambang Branch

No. 248, National Road N° 5, Ochar Village, Sangkat Ochar, Krong Battambang, Battambang Province

(+855) 70 600 097

Krong Battambang Branch

Kammeakor Village, Sangkat Svay Por, Krong Battambang, Battambang Province

(+855) 70 700 062

Banteay Meanchey Branch

Phum 3, Sangkat Preah Ponlea, Krong Serei Saophoan, Banteay Meanchey Province

(+855) 70 600 046

Kampong Cham Branch

Phum Ti Prammuoy, Sangkat Veal Vong, Krong Kampong Cham, Kampong Cham Province.

(+855) 70 600 052

Kampong Chhnang Branch

Kandal Village, Sangkat Kampong Chhnang, Krong Kampong Chhnang, Kampong Chhnang Province

(+855) 69 600 045

Kampong Thom Branch

National Road N° 6A, Ballangk Lech Village, Sangkat Damrei Chao Khla, Krong Stueng Saen, Kampong Thom Province.

(+855) 69 600 027

Kampong Speu Branch

National Road N° 4, Samnang Village, Sangkat Rokar Thum, Krong Chbar Mon, Kampong Speu Province

(+855) 70 600 074

Kampot Branch

Kampong Bay Khang Tboung Village, Sangkat Kampong Bay, Krong Kampot, Kampot Province

(+855) 70 600 031

Kratie Branch

Sangkum Reastre Niyum Street, Voat Village, Sangkat Kracheh, Krong Kracheh, Kratie Province

(+855) 70 700 058

Koh Kong Branch

National Road No 48, Ti Mouy Village, Sangkat Smach Mean Chey, Krong Khemara Phoumin, Koh Kong Province

(+855) 16 600 094

Krong Bavet Branch

National Road N° 1, Bavet Kandal Village, Sangkat Bavet, Krong Bavet, Svay Rieng Province

(+855) 70 700 042

Krong Paoy Paet Branch

Kilou Lekh Buon Village, Sangkat Phsar Kandal, Krong Paoy Paet, Banteay Meanchey Province

(+855) 70 600 045

Krong Ta Khmau Branch

National Road N° 2, Thmei Village, Sangkat Ta Khmau, Krong Ta Khmau, Kandal Province

(+855) 70 600 087

Oddar Meanchey Branch

Samraong Village, Sangkat Samraong, Krong Samraong, Oddar Meanchey Province

(+855) 70 600 042

Pailin Branch

Pahi Tboung Village, Sangkat Pailin, Krong Pailin, Pailin Province

(+855) 70 600 073

Note: Report by February 2021

OPERATION NETWORKS



CPBank



CPBank



CPBank

PROVINCIAL BRANCHES

Preah Sihanouk Branch

N° 099, Ekareach Street, Phum 2, Sangkat 4, Krong Preah Sihanouk, Preah Sihanouk Province

(+855) 70 700 084

Prey Veng Branch

Lekh Buon Village, Sangkat Kampong Leav, Krong Prey Veng, Prey Veng Province

(+855) 70 600 094

Pursat Branch

Sthani Village, Sangkat Svay At, Krong Pursat, Pursat Province

(+855) 70 600 078

Ratanak Kiri Branch

National Road No 78, Phnom Svay Village, Sangkat Boeng Kansaeng, Krong Ban Lung, Ratanakiri Province

(+855) 93 600 012

Siem Reap Branch

Mondol 2 Village, Sangkat Svay Dankum, Krong Siem Reap, Siem Reap Province

(+855) 70 600 035

Siem Reap-Phsar Leu Branch

National Road N° 6, Chongkaosou Village, Sangkat Sla Kram, Krong Siem Reap, Siem Reap Province

(+855) 70 700 034

Stung Treng Branch

Pum Preaek Village, Stung Treng Commune, Stung Treng District, Stung Treng Province

(+855) 10 600 013

Svay Rieng Branch

Kien Sang Village, Sangkat Svay Rieng, Krong Svay Rieng, Svay Rieng Province

(+855) 70 600 076

Takeo Branch

National Road N° 2, Phum Bei, Sangkat Roka Krong, Krong Doun Kaev, Takeo Province

(+855) 70 600 034

DISTRICT BRANCHES

Angk Snuol District Branch-Baek Chan Commune

#1& 2, National Road N° 4, Borei Kammeakkar Village, Baek Chan Commune, Angk Snuol District, Kandal province

(+855) 70 700 054

Angk Snuol District Branch-Damnak Ampil Commune

Thnal Totueng Village, Damnak Ampil Commune, Angk Snuol District, Kandal Province.

(+855) 15 600 043

Bakan District Branch - Boeng Khnar Commune

National Road N° 5, Boeng Khnar Village, Boeng Khnar Commune, Bakan District, Pursat Province

(+855) 70 600 082

Baray District Branch-Ballangk Commune

National Road N° 6, Prey Ta Trav Village, Ballangk Commune, Baray District, Kampong Thom Province

(+855) 93 700 032

Bati District Branch - Trapeang Sab Commune

Smau Khnei Village, Trapeang Sab Commune, Bati District, Takeo Province.

(+855) 70 600 041

Cheung Prey District - Soutib Commune

Skon Village, Soutib Commune, Cheung Prey District, Kampong Cham Province

(+855) 70 700 096

Kong Pisei District Branch - Chongruk Commune

National Road No 3, Krabei Tram Village, Chongruk Commune, Kong Pisei District, Kampong Speu Province

(+855) 69 600 071

Kien Svay District Branch - Dei Edth Commune

National Road N° 1, Dei Edth Kaoh Phos Village, Dei Edth Commune, Kien Svay District, Kandal Province

(+855) 70 600 092

Memot District Branch - Memot Commune

National Road N° 7, Masin Tuek Village, Memot Commune, Memot District, Tboung Khmum Province

(+855) 93 700 019

Mukh Kampul District Branch - Preaek Anhchanh Commune

National Road 6A, Kraom Village, Preaek Anhchanh Commune, Mukh Kampul District, Kandal Province

(+855) 70 600 047

Peam Ro District Branch - Banlich Prasat Commune

Preaek Reang Village, Banlich Prasat Commune, Peam Ro District, Prey Veng Province

(+855) 70 600 057

Ponhea Kraek District Branch - Kraek Commune

NR7, Kraek Tboung Village, Kraek Commune, Ponhea Kraek District, Tboung Khmum Province

(+855) 93 700 026

Ponhea Lueu District - Vihear Luong Commune Branch

Tep Pranam Village, Vihear Luong Commune, Ponhea Lueu District, Kandal Province

(+855) 69 600 073

Puok District Branch - Puok Commune

National Road N° 6, Chambak Haer Village, Puok Commune, Puok District, Siem Reap Province

(+855) 70 600 093

Rotonak Mondol District Branch - Sdau Commune

Sdau Village, Sdau commune, Rotonak Mondol District, Battambang Province

(+855) 70 700 050

Tram Kak District Branch - Angk Ta Saom Commune

Prey Rumdeng Village, Angk Ta Saom Commune, Tram Kak District, Takeo Province

(+855) 93 600 084

Thma Koul District Branch - Ta Meun Commune

No28, National Road 5, Kouk Trab Village, Ta Meun Commune, Thma Koul District, Battambang Province

(+855) 70 600 091

Sampov Lun District Branch - Santepheap Commune

National Road N° 57B, Trapeng Prohit Village, Santepheap commune, Sampov Lun District, Battambang Province

(+855) 70 600 084

S'ang District Branch - Preaek Koy Commune

National Road N° 21, Preaek Run Village, Preaek Koy Commune, S'ang District, Kandal Province

(+855) 70 600 019

Stoung District - Kampong Chen Tboung Commune Branch

NR6, Leab Tong Village, Kampong Chen Tboung Commune, Stoung District, Kampong Thom Province

(+855) 70 600 043

Note: Report by February 2021

CORPORATE GOVERNANCE

Good corporate governance enhances the reputation and provides greater confidence to all stakeholders customers, investors, regulators, employees, suppliers and the community at large. CPBank continues to maintain the sound corporate governance culture and effective internal control function.

The established Corporate Governance Structure comprising the following parties, provides a comprehensive framework to (i) independent internal auditors and Compliance function who report to the Chairman of the Audit Committee and notes to the management (ii) independent external auditors who is appointed by the Board and submit their report to the Board (iii) management committees which are responsible for various day to day operations of the bank (iv) various codes of conduct, whistleblower policies that are in place. (v) Board / committees have oversight and approve important operating policy and processes where the execution of these policies and plans being the responsibility of the management (vi) independent Risk Management Function directly reported to Risk Oversight Committee of the Board.

The role of the Board is defined by taking into account prevailing international best practices while ensuring compliance with local legal and regulatory framework. The current corporate governance structure includes the Board of Directors (BOD), different Board committees and various Management committees.

BOARD COMMITTEES

Three Board Committees will assist the Board in focusing on specific matters, fulfill their roles and responsibilities delegated by the Board, report to the Board on decisions and actions taken, monitor the management's performance, and make any necessary recommendations. These three committees are as below:

1. Audit Committee (AC):

This committee is constituted to ensure safe and sound corporate governance and it is vested with necessary powers as defined in its Charter to achieve its objectives. The powers and terms of reference of the Audit Committee are comprehensive and comply with the requirements as set out by Article 131 of the Law of Commercial Enterprise, as well as Article 8 of the National Bank of Cambodia's Prakas B7-08-211 on Governance in Bank and Financial Institutions. The Chairperson of this committee is a Non-Executive Independent Director who also answers all queries from shareholders at Annual General Meeting.

Members:

The AC consists of not less than 3 members. All the members of the AC are independent of the management of the Company. The existing AC are as below:

- | | |
|---------------------------|----------|
| ■ Mr. Giang Sovann | Chairman |
| ■ Dr. Pung Carolyne | Member |
| ■ Mr. Teo Meng Poh Philip | Member |

Meeting:

The AC meets as frequently as required, but not less than 4 times a year.

2. Risk Oversight Committee (ROC):

This committee includes three members and chaired by a person with expertise in risk management of finance and banking. The committee undertakes key duties as decided by the Board and documented in its Terms of Reference, and any such duties delegated to it. The committee is also responsible for monitoring the implementation of risk management policies as defined by the Board. It also plays a key role in giving professional advice to the risk function of the bank with best international practice.

Members:

The Board appoints the ROC Chairperson and the term of office is for three years from the date of appointment.

The ROC can be composed of non-executive directors and experts who are not directors of the Company of whom are considered by the board to be independent of management and free from any business or other relationship which could interfere with the exercise of their independent judgment. The existing ROC are as below :

- | | |
|---------------------------|----------|
| ■ Mr. Teo Meng Poh Philip | Chairman |
| ■ Mr. Giang Sovann | Member |
| ■ Mr. Neo Poh Kiat | Member |

Meeting:

Meetings are held as and when deemed appropriate, but at least four times a year. The Chairperson of the ROC may convene additional meetings if deemed necessary.

3. Remuneration and Nomination Committee (RNC):

This committee is constituted by the Board to meet requirements of Governance to deliver best practice for the Bank. The Chairperson of this committee is an Independent Director. The committee is responsible for implementing a very good remuneration policy to be consistent with the long-term objectives and corporate values of the Bank. It also recommends some procedures to select and replace board members and independent individuals who will potentially become committee members. The committee approves the nomination of senior managements as well.

The Committee is appointed by the Board and consists of 3 members. The Board shall have the power at any time to remove any members from the Committee and to fill any vacancies created for such removal.

Members:

- | | |
|---------------------|----------|
| ■ Mr. Neo Poh Kiat | Chairman |
| ■ Dr. Pung Carolyne | Member |
| ■ Mr. Yeo Hong Ping | Member |

Meeting:

Meetings shall be held as and when appropriate, but at least twice a year. The Chairperson of the Committee may convene additional meetings if deemed necessary.

MANAGEMENT COMMITTEES

CPBank has eight Management Committees to assist the Chief Executive Officer (CEO) in focusing on specific matters, monitoring and tracking an overall bank's operation, performance and also fulfill their roles and responsibilities delegated by the CEO, report to the CEO on decisions and actions taken, monitor the Bank's performance, and make any necessary recommendations on general matters arises on daily business operations.

1. Executive Committee (EC):

This committee consists of all Chiefs and Heads Department who are under direct reporting to Chief Executive Officer (CEO). Other important Department Heads or Managers can also be invited as deemed necessary. This committee is chaired by CEO. This committee is to support the CEO, in monitoring and tracking on the overall bank's operations, performance and progress of day-to-day activities from each business unit as well as decide on the general matter arises from daily business operations.

Members:

The EC member shall comprise all one-level down from CEO (CEO's direct reports), including:

- | | |
|--|-------------|
| ■ Chief Executive Officer | Chairperson |
| ■ Deputy Chief Executive Officer | Member |
| ■ Chief Human Resources Officer | Member |
| ■ Chief Financial Officer | Member |
| ■ Chief Operating Officer | Member |
| ■ Chief Sales and Distribution Officer | Member |
| ■ Chief IT Officer | Member |
| ■ Head of Credit | Member |
| ■ Head of Legal Unit | Secretary |

Meeting:

Meetings shall be held as and when appropriate, but at least once a week. The Chairperson of the Committee may convene additional meetings or cancel meeting if deemed necessary.

2. Asset and Liability Committee (ALCO):

The purpose of the Committee is to monitor all elements of Assets and Liability Management, and of major concern like liquidity, loan to deposit ratio, exposure due to reliance on given deposit categories & specific customers, limits on maximum and minimum maturities for assets & liabilities and sensitivity of interest rates. The Bank's interest is to ensure that all elements of assets and liability management are properly disclosed and managed transparently and accurately.

Members:

The ROC will appoint the ALCO Chairman and the term of office is for three years from the date of appointment.

The ALCO will comprise of the following members.

- | | |
|---|-------------|
| ■ Chief Executive Officer | Chairperson |
| ■ Chief Financial Officer | Member |
| ■ Chief Operating Officer | Member |
| ■ Chief Sales and Distribution Officer | Member |
| ■ Head / Manager of Treasury Department | Member |
| ■ Head of Analytic Department | Member |
| ■ Executive Secretary | Secretary |

Meeting:

Meeting shall be held as and when appropriate, but at least once in a month. The Chairperson of the ALCO may convene additional meetings if deemed necessary.

3. Credit Committee (CC):

The Credit Committee (CC) is established to ensure the compliance with program governance and portfolio management of the Bank. The purpose of the CC is to:

- Approve credit guidelines allowed under the program Governance Framework and credit limit granted for a customer or a group of related customers as per delegated authority provided by the Board Committee.
- Be responsible for implementation and monitoring of the credit risk management frameworks and policies in concerning with the Bank business as whole.
- Ensure compliance with the Program Governance and Monitoring Framework.

Members:

- | | |
|----------------------------------|-------------|
| ■ Head of Credit | Chairperson |
| ■ Chief Executive Officer | Member |
| ■ Deputy Chief Executive Officer | Member |
| ■ Chief Financial Officer | Member |
| ■ Chief Operating Officer | Member |
| ■ Head of Risk Management | Secretary |

Meeting:

Approvals can be done via circulation as and when there is a case required CC approval. A formal meeting on the other matters stated in the duties set shall be held at least once a month.

The Chairperson of CC may convene additional meetings if deemed necessary.

4. Customer Service and Complaint Handling Committee (CCC):

The purpose of the committee is to inform members on the importance of Customer Service and Complaint Handling and assist, coordinate education and training as well as building a culture of customer service and standard complaint handling for the purpose of improving and providing excellent service and customer satisfaction. In addition, CCC will oversee, monitor, evaluate and recommend all aspect of customer perceptions, Complaint and customer satisfaction as well as service provide to customers.

Members:

The Committee members shall comprise of a Chairperson and at least three other members from Management of the company.

- | | |
|---------------------------------------|-----------------------|
| ■ Head of Compliance | Chairperson |
| ■ Chief Executive Officer | Alternate Chairperson |
| ■ Chief Operating Officer | Member |
| ■ Chief Human Resource Officer | Member |
| ■ Chief Sale and Distribution Officer | Member |
| ■ Marketing Manager | Member |
| ■ Head of Legal Unit | Secretary |

Meeting:

Meetings shall be held as and when appropriate, but at least once a month. The Chairperson of the CCC may convene additional meeting if deemed necessary.

5. Human Resource Committee (HRC):

The purpose of the HRC is to:

- Ensure that the HR policy is consistently practised with the long term objectives and corporate values of the Bank.
- Recommend the procedures to management in related to any HR inquiry from related business unit which is not stated in the Bank's policy.
- Advise to management about staff disciplinary procedure at the point of they cannot make any decision within their own business unit.
- Any additional personnel responsibility as the Chief Executive Officer sees fit to designate.

Members:

The committee members should be careful to avoid conflicts of interest that would compromise their judgment, and should excuse themselves from any decision in which there may be conflicts of interest, whether actual, potential or apparent. The permanent members consist of:

- | | |
|----------------------------------|-------------|
| ■ Chief Human Resources Officer | Chairperson |
| ■ Chief Executive Officer | Member |
| ■ Head of Employee Relation Unit | Secretary |

Any member can appoint proxy in case they are not able to join any meeting. Any member can appoint proxy, the meeting. In case, where Chairperson appoint proxy, the meeting needs to be chaired by another regular Member selected by the members present in the meeting.

Meeting:

Meeting shall be held as and Meetings shall be held as and when appropriate. The Chairperson of the HRC may convene additional meeting if deemed necessary.

6. Operational Risk Management Committee (ORMC):

The Bank has established ORMC to ensure the identification, monitoring and management of all operational risks of the Bank. The purpose of the ORMC is to:

- Implement and maintain an effective operational risk management framework for the Bank.
- Oversee and improve operational issues containing potential risks to enhance risk management practices to be able to avoid or mitigate critical operational risks for the Bank.

- Be responsible for implementation and monitoring of the operational risk management framework as well as policies in conformity with business and risk strategies of the Bank.
- Ensure compliance with the Program Governance and Monitoring Framework.

Members:

The ORMC includes the following members and chaired by Chief Risk Officer :

- **Deputy Chief Executive Officer** **Chairperson**
- **Chief Executive Officer** **Alternate Chairperson**
- **Chief Risk Officer** **Member**
- **Chief Operating Officer** **Member**
- **Chief Sales and Distribution Officer** **Member**
- **Chief IT Officer** **Member**
- **Head of Risk Management** **Member**
- **Manager Operational Risk** **Secretary**
Risk Management Unit

Meeting:

A formal meeting on matters of operational risk management stated in the duties set above shall be held at least once a month. The Chairperson of the ORMC may convene additional meetings if considered necessary.

7. Procurement Committee (PROCO):

The purpose of the PROCO Committee is to seek value for money in all procurement. Value for money is achieved in an open competitive environment in which suppliers can be confident that their proposals will be assessed based on merit.

It does not automatically mean “lowest prices”; it incorporates and considers fitness for purpose; fair market price; return on investment; whole-of life costs; timely delivery; post-delivery support; environmental sustainability; social responsibility; evidence of previous performance of experience, effective warranty and conformity to law.

Members:

The PROCO Committee will comprise of the following members:

- **Chief Financial Officer** **Chairperson**
- **Chief Executive Officer** **Alternate Chairperson**
- **Chief Operating Officer** **Member**
- **Head of Risk Management** **Member**
- **Administration & Procurement Manager** **Member & Secretary**

Meeting:

Meeting shall be held as and when appropriate. The Chairperson of the PROCO may convene additional meetings if deemed necessary.

8. Information Technology Steering Committee (ITSC):

Purposes:

The purpose of TC Takes responsibility to govern and oversee the CPBank's information technology related matters, infrastructure and services, the deployment, implementation, monitoring and review of the policies, practices and guideline and technology projects aimed at realizing the business needs, resource optimization while minimize the risk.

Members:

- **Chief IT Officer** **Chairperson**
- **Chief Executive Officer** **Alternate Chairperson**
- **Chief Risk Officer** **Member**
- **Chief Operating Officer** **Member**
- **Chief Financial Officer** **Member**
- **Chief Sale and Distribution Officer** **Member**
- **Head of E-Channel** **Member**
- **IT Security Officer** **Secretary**

Other shall be invited to the meeting while deemed relevant.

Meeting:

The meeting shall be arranged, organized and held as required while there is a request from chairperson.

RISK MANAGEMENT

CPBank is continuing with the commitment of building a safe and sound risk management system which is independent and incorporated best international practices in accordance with the Bank's strategic objectives. Our Risk Management is directly supervised by the Risk Oversight Committee of the Board and the function covers overall risk management activities of the Bank.

CPBank's Risk management framework starts with setting the Risk Appetite for the Bank which is done by the Board and our business strategy is linked with the appetite. The framework also serves to reinforce our risk culture through 'tone from the top' articulation of risks that we are willing to accept for the Bank. Accordingly, material risks including credit, operational, liquidity and market risks are regularly monitored and effectively mitigated to ensure that the Bank always maintains its economic capital, regulatory capital adequacy, liquidity position, and other regulatory compliances.

The Bank's Board of Directors have overall responsibility for the establishment and oversight of the Bank's risk management framework. The Board of Directors has established a Risk Oversight Committee (ROC) to oversee various management committees such as Credit Committee (CC), Operational Risk Management Committee (ORMC), Asset and Liability Committee (ALCO), which are responsible for recommending, implementing and monitoring the Bank's risk management policies and processes.

The Bank's ROC is responsible for providing oversight of risk management policies established to identify and analyse the risks faced by the Bank, to set appropriate risk limits and controls, and to monitor risks and adherence to such limits. The risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Bank's activities. The Bank, through training, management standards and procedures, aim to develop a disciplined and effective risk control environment in which all employees understand their roles and obligations.

The Bank's Audit Committee oversees the implementation of internal controls and compliance with regulatory requirements. The Bank's Audit Committee is assisted in its oversight role by Internal Audit Function as well as the Compliance Unit. Internal Audit undertakes both regular and ad hoc reviews of internal controls and procedures and Compliance Unit ensures that all regulatory requirements are fully complied with, the results of which are reported to the Bank's Audit Committee.

The Bank manage the identification, assessment and mitigation of top and emerging risks through an internal governance process with the use of risk management tools and processes. Our approach to identification and impact assessment aims to ensure that we mitigate the impact of these risks on our financial results, long-term strategic goals and reputation. As part of our regular analysis, sensitivities of the key portfolio risks are reviewed using a bottom-up risk assessment, complemented by a top-down macro-economic and political scenario analysis. This two-pronged approach allows us to capture both those risk drivers that have an impact across our risk inventories as well as those relevant only to specific portfolios.

We are committed to continue to strengthen risk management capabilities and control with enhancement related to risk procedures, risk policies, risk tools, risk analytics, and risk reports. At the same time our credit underwriting and credit control procedures as well as credit policies are also periodically reviewed and fine-tuned to balance between speed, cost and risk control along with regulatory changes. Risk awareness is constantly raised through a series of internal trainings. Through continuous implementation of best practices to improve the portfolio quality, CPBank could able to manage the loan portfolio despite paced credit growth than previous years in a challenging market environment due to COVID-19 pandemics.

CREDIT RISK MANAGEMENT

'Credit risk' is the risk of financial loss to the Bank if a customer or counterparty of a loan and advance or a financial instrument fails to meet its contractual obligations. For risk management reporting purposes, the Bank consider and consolidate all elements of credit risk exposure – e.g. individual obligor default risk and sector risk exposure.

CPBank has built prudent credit policies and robust Management Information System for credit products and customer segments and applied advanced risk measurement techniques. All our loan products are governed by a product program which are developed based on the customer life cycle needs and has approved by the Board Committee and these product program are regularly reviewed in order to adopt and mitigate the risk. Portfolios are regularly monitored based on the different portfolio triggers to ensure the Bank operates within the set boundary. All credit policies are presented to the board committees for approval. We have daily, weekly, monthly portfolio report to monitor, so that the timely action can be taken to mitigate any credit risk.

CPBank regularly monitor its concentration risk by product, customer segment, business sector etc. In 2020, we have reviewed all our financial institution counterparty exposures. We have launched our Loan Origination System and the Collections Management System is under User Acceptance Test (UAT) Stage, which will help us to facilitate risk management for different stages of the credit life cycle. We aspire to be a Bank with infinite possibilities backed by technology to enhance the capability to serve our customer at their convenience with an experience and satisfaction.

In the year 2020, the overall Cambodian economy was impacted by the ongoing pandemic. As impacts of the COVID-19 pandemic on businesses were felt across the board, no country was spared from this crisis, including major economies and many of Cambodia's trade partners. Amid the protracted, uncertain and unprecedented situation, various businesses were forced to cease operations, and many workers were laid off. Under these circumstances, overall purchasing power deteriorated sharply. Given the implementation of assistance measures by financial institutions under the National Bank of Cambodia's guidelines, the Bank have therefore closely monitored borrowers' status so that the necessary remedial actions can be taken in a timely manner, particularly if customers cannot service their debt obligations to the Bank. We have been careful to provide those regulatory forbearances only to selected customers with detailed analyses and strict assessment of repayment ability. Although we have observed some surge in delinquency in the initial period of the pandemic, this was reduced by year end. Assistance measures introduced by the government and financial institutions to relieve the financial burdens of borrowers may help sustain the situation to some extent and help those impacted ones through such unprecedented times.

Given changing consumers' behavior in the 'New Normal' environment in the wake of the COVID-19 pandemic, banks and businesses must fine-tune themselves and embrace new business models that can align with the changing circumstances, especially amidst the heightened risk to the economy. Under these circumstances, the Bank have adopted a more cautious stance when it comes to new credit approval; we have focused on analytics based on information from various sources to ensure improved analyses and monitoring of overall risks. Although we have seen a slight economic rebound with the gradual reopening of certain types of business establishments, certain business sectors could not return to normalcy, particularly those reliant mainly on foreigner's arrivals such as the tourism and hospitality industries.

We have implemented various strategies to tackle different credit risk situations. Reviews on asset quality management structures through root-cause analysis of credit business hindrances, vintage analysis of requisite accounts and delinquency pattern investigations of specific areas were undertaken during the year. Some of the other initiatives that furthered our risk mitigation objectives comprised of extensive credit risk profiling, exploration of potential opportunities and adjustment of the bank's growth aspirations due to elevated risk brought about by the ongoing pandemic. Our portfolio segmentation in our PD model incorporates the recent impact from the pandemic. As the Bank have taken the proactive approach since the outbreak of the pandemic through implementation of various measures. We believe that the portfolio has now gradually returned to normalcy although the overall economy may take another year or so.

We have performed the assessment of the potential impacts of these risks is integrated into our stress tests which assess our ability to absorb these events should they occur. We also reviewed all the policy and procedures during the year 2020 with regards to product program. With the regulatory requirement of implementing CIFRS, we have already implemented IFRS9 models for impairment to comply and also taking initiatives to improve that further in the coming years.

The overall focus of risk and capital management throughout 2020 was on maintaining our risk profile in line with our risk strategy, increasing our capital base to support our strategic management initiatives with a focus on balance sheet optimization.

OPERATIONAL RISK MANAGEMENT

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

Operational risk management entails the establishment of clear organizational structures, roles and control policies. Various internal control policies and measures have been implemented. These include the establishment of delegation of authorities, defining system parameters controls, streaming procedures and documentation to ensure compliance with regulatory and legal requirements. These are reviewed continuously to address the operational risks arising from banking business. The the Bank manage

operational risks at various levels and monitor them through the Operational Risk Management Committee. Each functional unit performs the Risk Control Self-Assessment (RCSA) which is periodically tested by the Operational Risk team to ensure proper operational risk management at the Bank level. Bank has system for loss data collection and have business wise key risk indicators (KRIs) to monitor risk exposures. There are on-going RCSA workshops delivered to all functions and branches across the bank to enhance Operational Risk Management practice.

In 2020 we had performed BCP exercises several times which includes BCP activation due to pandemic where part of our workforce worked remotely or from home and BCP testing, call tree exercise. These are done to ensure the effectiveness of the execution of continuity plan as well as its readiness to cope with any disruption that may occur in our business environment.

The Bank has activated first BCP during March 2020. We had equipped all of Bank premises with various measures such as:

- Ensure proper hygiene and precautionary measures such as temperature taking, use of masks, disinfectants etc.
- Communications to staff on COVID-19, DOs and DON'Ts during the pandemic.
- Split shift and team in place including work from home during March 2020.
- We have tested the call tree exercise during March 2020.
- Put in place COVID-19 specific BCP plan and tested the plan to ensure business continuity.
- Place restrictions on travel for staff and followed MOH directives for travel restriction.
- Self-quarantined guideline for staff as and when required following Ministry of Health (MOH) directives as deemed necessary.

Moreover, the Bank has followed all the regulatory and Royal Government of Cambodia (RGC) directives during the pandemic to ensure compliance as well as to protect our staff and customers from the spread of COVID-19.

Each Business Unit has (BCP) documentation for any emergency. The BCP includes procedures, floor plan and information that will enable the Business Unit to respond to the disruption, recover and resume the function.

LIQUIDITY RISK MANAGEMENT

'Liquidity risk' is the risk that the the Bank will encounter difficulty in meeting obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. Liquidity risk arises from mismatches in the timing and amounts of cash flows, which is inherent to the Bank's operations and investments.

In 2020 during the COVID-19 pandemic, National Bank of Cambodia (NBC)– continued to implement liquidity boosting measures, especially in the provision of liquidity in riel through Liquidity Providing Collateralized Operation (LPCO) transaction according to the situation of riel exchange rate and liquidity status; reduce the minimum interest rate by 0.5% of (LPCO) for all maturities; reduce the interest rate of Negotiable Certificate of Deposits (NCD) in KHR and USD to an appropriate level; reduce the reserve requirements against deposits and borrowings at the daily average balance equal to 7% (seven percent) in Riel and foreign currencies and extended it until the end of the first semester 2021; delay the banks and financial institutions to maintain the 50% of Capital Conservation Buffer (CCB) and reduce the appropriate level of Liquidity Coverage Ratio (LCR) as necessary.

The Bank manage liquidity through the Asset and Liability Committee which is responsible for establishing the liquidity policy as well as monitoring liquidity on an ongoing basis. A Minimum Liquid Asset requirement has been established to ensure that the ratio of liquid assets to qualifying liabilities is subject to a minimum threshold at all times. CPBank fully monitors its liquidity position with monitoring metrics such as Liquidity Coverage Ratio (LCR) and monitor it on daily basis. Moreover, Bank also monitor the cash flow to ensure the maximization of the cash in Bank operation. These practices have been supporting the Bank in forecasting and reacting smoothly and effectively in normal and stressed scenarios and also help the Bank to maintain a sound liquidity position. CPBank is also perform the maturity gap analysis for the management of market risk to ensure funding with required maturity to minimize the gap. CPBank has defined management action triggers as part of the risk appetite statement, to approach safe and sound practices of liquidity risk management at its early stage

During 2020, CPBank maintained the liquidity fairly well with full compliance with regulatory requirements. Bank also established contingency funding arrangements with off-shore Financial Institutes in order to manage the liquidity during stress which enable bank to operate smoothly as per plan.

MARKET RISK MANAGEMENT

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

Overall, Cambodia economy gained traction in the last quarter with the accommodative monetary policy adopted by central banks and easing restrictions on several businesses like school, restaurant, entertainment etc. However, risk of re-emergence of COVID-19 cases still hindered international travels and transportation. This situation dealt a severe blow to the Cambodia economy as the country is heavily dependent on income from abroad, especially exports and tourism.

However, during the Covid'19 pandemics, National Bank of Cambodia continues to stabilize the exchange rate by intervening in the exchange market as needed and also waived the limitation imposed on banks' and financial institutions' for net open position in local currency.

To cope with the volatile financial markets, the Bank is closely monitoring the situation and has conducted impact assessment to ensure that effective actions are taken in a timely manner to cope with the uncertainties. The Bank have also placed emphasis on risk management under the supervision of the ROC and Asset and Liability Committee (ALCO) to ensure timely and efficient risk management, thus maintaining risk exposures within specified, prudent limits.

INFORMATION TECHNOLOGY RISK MANAGEMENT

The emerging and advancement of information technology has brought about rapid changes to the way businesses and operations are being conducted in the CP Bank. Management of security and quick threat identification have become imperative aspects of technological applications. CPBank financial system and networks supporting the business operation have grown in scope and complexity over the years and offer diversity of products and services which have the system operating in multiple locations and supported by different service providers.

We understand the risk fully and set out the guiding principles for our Information Technology Risk Management framework as below:

- a. Establishing a sound and robust technology risk management framework;
- b. Strengthening system security, reliability, resiliency, and recoverability; and
- c. Deploying strong authentication to protect customer data, transactions and systems.

We are not only putting control and monitoring the technology risk but also perform periodical penetration test to ensure the robustness of our system security and proactively taking appropriate steps to enhance the security to keep our system safe. We have data backup management for safeguarding the information as well as dedicated Disaster Recovery site in addition to our BCP site.

We have user access management process to ensure proper access control within the Bank. We also have change request management process in place to ensure all changes are adequately evaluated before deployment. We have finalized the deployment of Security Information and Event Management (SIEM) solution with managed 24/7 Security Operating Center (SOC) which will have strengthened our overall Technology Risk management on real time basis and protect the Bank from Cyber security issues. We are also on the verge of upgrading our core banking system which will not only provide the Bank with technologically advanced strong core banking solution but will also support multiple system interfaces more reliably for better customer experience.

COMPLIANCE

The Cambodia Post Bank Plc. is committed to follow the best practices and market standards in areas of accountability, transparency and business ethics in order to promote sustainability. Good governance and corporate social responsibility form an integral part of market standards. At the core of these efforts are integrity issues and the reputation risk the Bank faces in its activities. To manage these issues the Bank has established an independent compliance function. The bank has developed the compliance policy intended to present how Cambodia Post Bank Plc. defines compliance and the Compliance Function's role and responsibilities regarding the management of compliance risks.

This Policy has been updated and approved by the Board of Directors and enters into force as of 3rd December 2019. The Policy will be subject to review at least every years or as needed to ensure that it reflects developments in the market and best practices, taking into account the changing environment of the Bank and with due regard to the resources assigned from time to time to the Compliance function.

THE COMPLIANCE PROGRAM OF THE BANK HAS THE FOLLOWING:

(a) AML/CFT compliance:

Cambodia Post Bank Plc. has strongly committed to the fight against money laundering and financing of terrorism. The bank has set up the comprehensive policy and procedure on anti-money laundering and counter financing of terrorism in line with the law and Prakas on AML/CFT. All the relevant staff is required to strictly implement this policy and procedure.

(b) Legal compliance:

Cambodia Post Bank Plc. has fully adhered to relevant laws and regulation. Cambodia Post Bank Plc has created the compliance checklist to evaluate the performance of the bank. Compliance department of the bank is the main facilitator and monitoring the implementation of the whole bank in term of legal/regulatory compliance.

(c) Whistleblowing:

The Bank is committed to achieve and maintain the highest standards of openness, probity and accountability. Either stakeholders or employees at all levels are expected to conduct themselves with integrity, impartiality and honesty. The implementation has been enforced within the whole bank to encourage the bank staff to report the significant matters which may include but are not confined to:

- Breach of legal or regulatory requirements;
- Malpractice, impropriety or fraud relating to internal controls, accounting, auditing and financial matters;
- Endangerment of the health and safety of an individual;
- Violation of rules of conducts applicable within the Bank;
- Deliberate concealment of any of the above;
- Criminal offenses, breach of civil law and miscarriage of justice;
- Potential conflict of interest situation;
- Damage caused to the environment;
- Improper conduct or unethical behavior likely to prejudice the standing of the Bank;

(d). Customer Complaints Handling:

The bank is committed to provide customers the best service in class. The Bank has established the policy on the customer complaint handling to resolve customer complaints fairly, effectively and efficiently which will be in line with the Prakas No. B7-017-299 Pro Kor dated 27 September, 2017 on the customer complain handling, which has been issued by National Bank of Cambodia. This policy applies in the whole bank regarding to our products, service, staff and complaint handling.

(e) FATCA Compliance:

Cambodia Post Bank Plc. has also implemented the FATCA program. Now, the FATCA become local law because the government of Cambodia has signed the Inter Government Agreement Model IB (IGA IB) with U.S government on 14 September, 2015. So under this IGA, it means the government and financial institution shall have obligation to be carried out under the FATCA provisions.

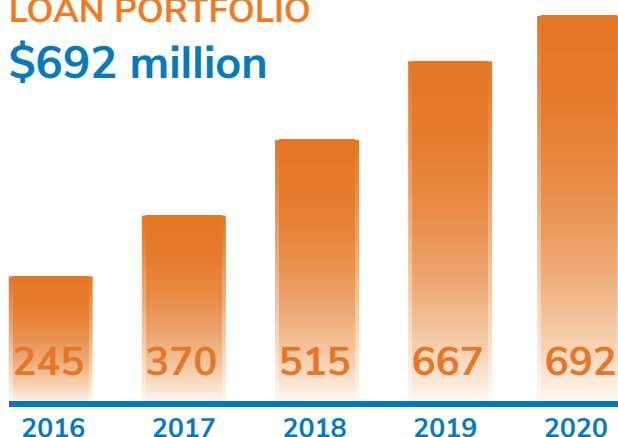
The reporting on U.S. person accounts maintained with financial and banking institutions under the jurisdiction of Cambodia shall be required to submit the report to the General Taxation Department under the supervision of ministry of Economics & Finance. To comply with Foreign Account Tax Compliance Act provisions the bank has set out the following guidelines that updated as shown below:

- Decision No HQ 0230-05-20 dated 28 May, 2020 on the promulgating the Operating Manual on Foreign Account Tax Compliance Act (FATCA).
- Additionally, the bank has set up the FATCA Steering Committee which composes senior management of Cambodia Bank Plc. to build the FATCA Reporting System.

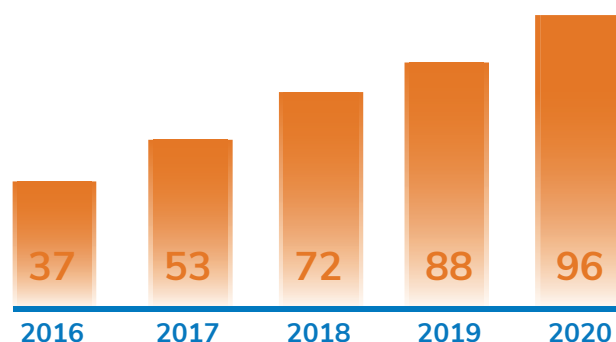
BANK PERFORMANCE HIGHLIGHT

Consolidated with wholly owned subsidiary Funan Microfinance Plc.

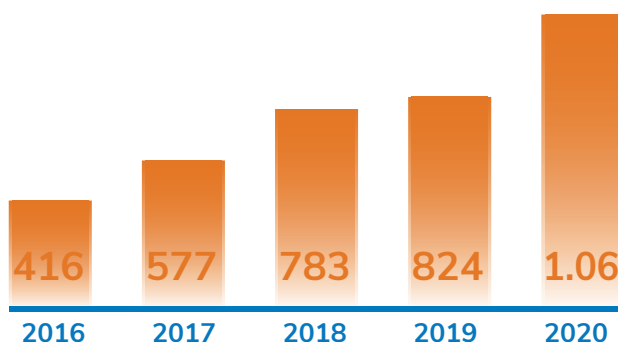
LOAN PORTFOLIO
\$692 million



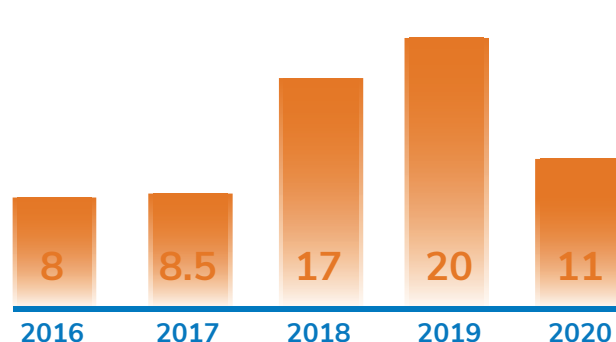
TOTAL REVENUES
\$96 million



TOTAL ASSETS
\$1.06 billion

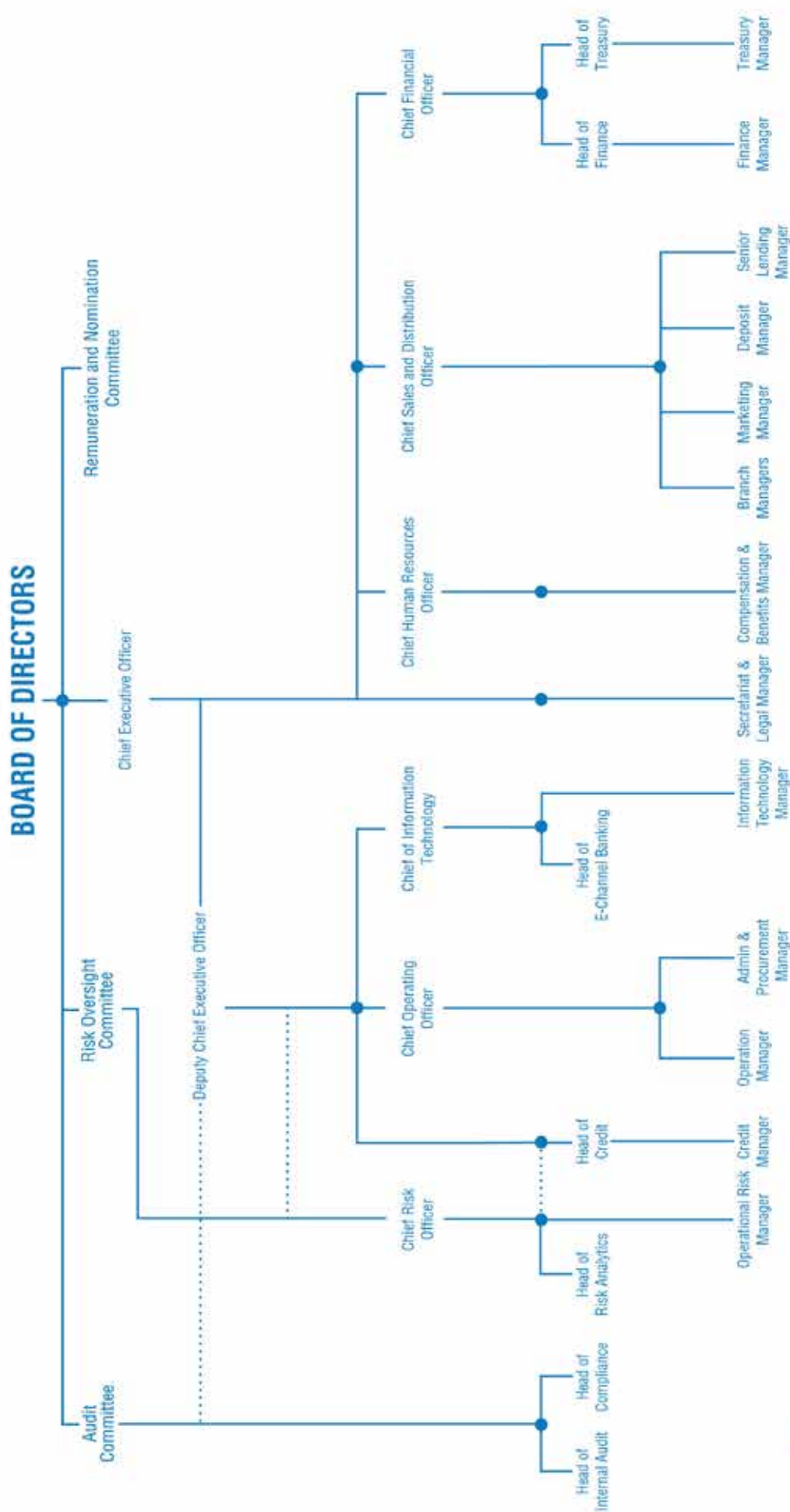


NET PROFIT
\$11 million

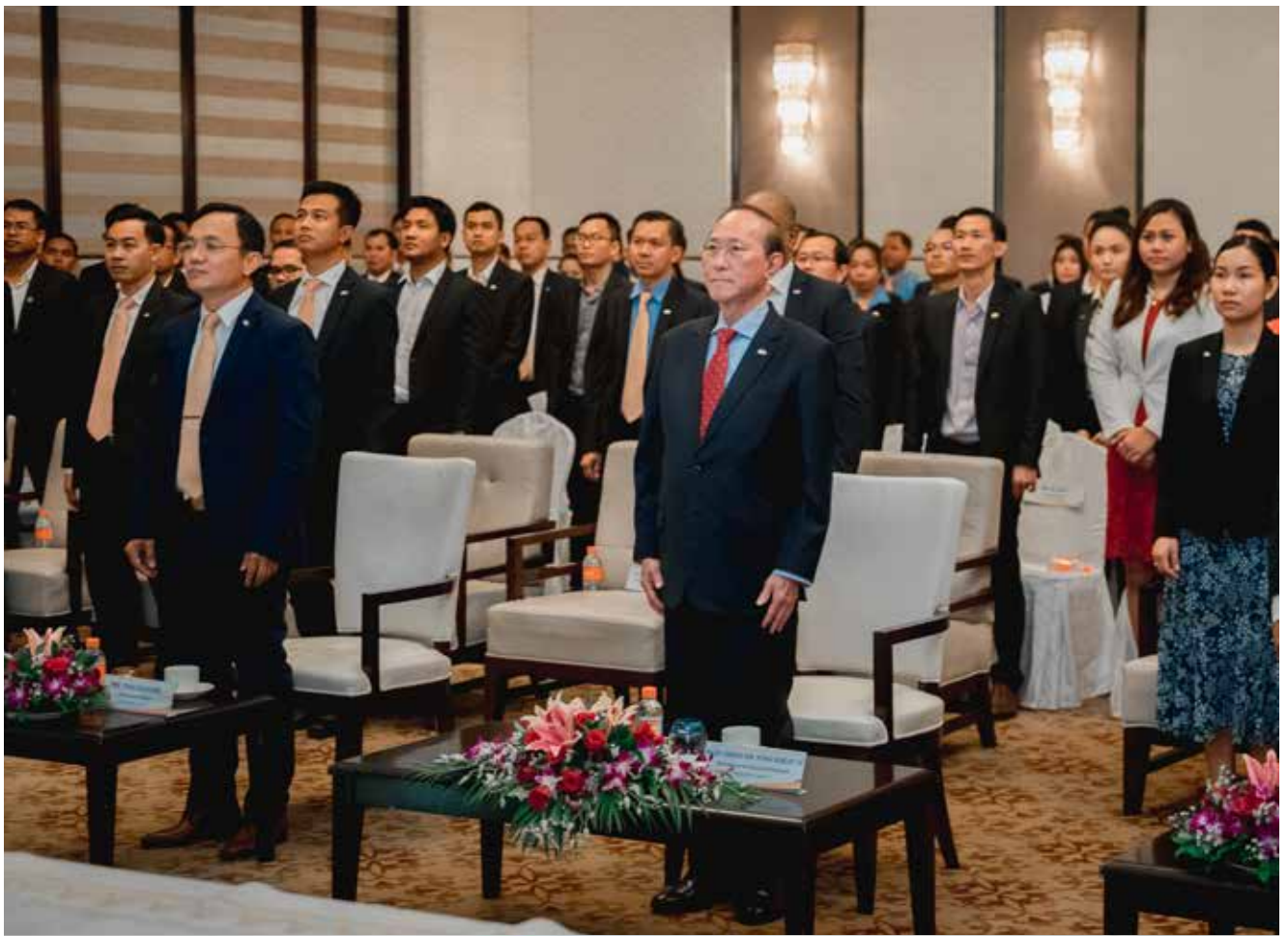


- 2015-2017: Existing Cambodia GAAP
- 2018-2020: Cambodia International Financial Reporting Standards ("CIFRS")

ORGANIZATIONAL STRUCTURE



NOTE:
 • Dotted report to Deputy CEO included Head of IA, Head of Compliance, and Chief Risk Officer.
 • Head of Credit has a dotted line report to CFO.



CHAIRMAN'S MESSAGE



**“SUSTAINABLE
GROWTH AND
STRATEGIES
TO DRIVE THE BANK
TO ACHIEVE AND
MAINTAIN BALANCE
SHEET, EVEN IN A
SITUATION OF
COVID-19 PANDEMIC”**

Cambodia is one of the fastest growing economy in Asean region with an average yearly GDP growth of 7% for the last few years. Over the past 20 years, Cambodia has made excellent progress in poverty reduction and human development, on the back of strong growth in agriculture, garment manufacturing, and tourism. Cambodia achieved lower middle-income status in 2015 and aims to recover from COVID-19 and become an upper middle-income country by 2030. To do so, it is diversifying its manufacturing sector beyond garments and textiles, with strong growth in high-value exports.

We have seen a phenomenal growth in the past twenty years in the capital Phnom Penh as well as across provinces. The Cambodian capital's population has almost doubled during this time. Estimated at 2 million now, the city is expected to have 3 million residents by 2030. Kingdom's economy has maintained robust growth with low and manageable inflation which paves a

favorable path for the banking sector's continuous development. Continuous adoption of technology towards digitalization in the financial industry are playing an important role in the financial inclusion giving more financial access to residents in rural areas.

We all faced the crisis of a generation in 2020, with the Covid-19 pandemic roiling lives and livelihoods everywhere in the world. It was a year of turbulence for Cambodia, as the economy weakened considerably due to the chaos caused by the coronavirus pandemic. We have gone through various challenges and uncertainties during the time, but our Bank's team could able to pull through this together as a team with good spirit.

This pandemic not only create uncertainty but also provide us with the opportunity to think differently specially on the transactional front, customers now expect a fully immersive experience and COVID-19 is driving everyone towards a low-contact,

low-touch economy. By now, we all have realized that digital adoption is not only an option but is inevitable reality for everyone. Thanks to National Bank of Cambodia to take the center stage to drive the digital agenda in the financial sector of Cambodia through their various initiatives like Bakong, Retail Pay, Koica, CSS etc. which not only make customer's life easier but also make the operational ease for the Industry.

Despite various initiatives from governments, rolling out different stimulus packages, Cambodia economy shrank significantly with nearly zero growth in 2020. The geopolitical rivalry between China and the United States also intensified, adding to the uncertainty. Against this backdrop, CPBank demonstrated some sort of resilience. With NBC's various initiatives to bolster economies, CPBank maintained a balance sheet of US\$1B asset and our nimble execution cushioned the impact of market turbulence. In particular, loans grew 4% and US\$ 8.5M Net profit for the year 2020 despite the economic disruption caused by the pandemic.

I've always believed that change is the only constant in life and in business. The sense of reinvention is crucial with a view to stay relevant to the times, which I believe is the most significant component of sustained shareholder and stakeholder value creation. What gives me the confidence that we'll achieve success over the long-term is the fact that today, we have a balance sheet of over USD 1B with strengthened capital adequacy to pose for future. During the year 2020, CPBank experienced notable improvements in key fundamentals with our countrywide network of 58 branches, 70 ATMs, 2 CDMs and diversified service delivery channels. We also maintained a comfortable liquidity and capital position throughout the year. Bank's subsidiary Funan Microfinance also managed the profitability very well during 2020 with their managed growth on their loan portfolio.

Appreciable performance was observed in digitalization, which included online customer onboarding and growth in digital transactions achieved via our Mobile Banking and other alternate channel services. The bank also recognizes the

role and potential of digital banking to connect with under-banked and unbanked segments of the mass market, thereby promoting financial inclusion across the country. With the responsiveness and continuous agility of our people, and the support of our shareholders and customers, we are confident of emerging from this storm as stronger than ever.

Another ongoing focus has been to embed ourselves in the customer journey, so that banking is simple, seamless and effortless. In August 2020, we have pilot launched Loan Origination system to introduce a seamless automated loan onboarding journey with quick turnaround time. In 2020, we made modest progress in building a simpler, safer and more customer-focused bank, thanks to the bank's dynamic leadership that played a pivotal role in maneuvering the bank through this challenging time. We have always kept Banks door open for our customers even during this pandemic. I am glad that the senior management team worked relentlessly to keep the business continuation as well as to keep both staff and customer safe during the whole period.

As always, I express my sincere gratitude to my colleagues on the Board for their learned advice which has helped the Bank to navigate through this difficult time and create opportunity. I am also thankful to the regulatory bodies of Cambodia, especially National Bank of Cambodia, General Department of Taxation, Ministry of Economy and Finance, for all of their support. Your on-going support is tremendously appreciated. I am very grateful to each and every customer of the bank for their unwavering trust and support.

Finally, I also extend our heartfelt gratitude to all front-liners and emergency responders at the various sectors, who selflessly put themselves and their families at risk through their vocation for beavering through this difficult time as a Nation. I am hopeful that we will see the new sunrise which will put an end to the pandemic and we will emerge again.



NEAK OKNHA DR. PUNG KHEAV SE
Chairman of the Board of Directors

CEO'S MESSAGE



**2020 WAS A VERY
CHALLENGING
YEAR!
BUT BANK
HAS EMERGED
STRONGER.**

In 2020, Covid-19 thrashed the global economy as well in Cambodia, although we haven't seen its toll on human life in Cambodia. As a purpose-driven mass market bank to enrich lives and fulfills the growing aspirations of the people of Cambodia and create sustainable value for shareholders, employees and society, we stood with our customers, employees and the community to lend a hand, ease a burden, and navigate the uncertainty. I believe through this toughest time; we all came out stronger together and demonstrated a remarkable resilience.

As a bank with a widespread presence across Cambodia, we assumed a crucial role in assisting the government driven socio-economic recovery efforts with a spirit of alliance through Associations of Bankers in Cambodia. We have always kept our focus on prioritizing the financial needs of our customers during this very challenging times to support them. It was true challenge to our purpose of being with our customers. But, I am happy that

we have passed the test as an industry by standing by our customers in this unprecedented challenging times by creating opportunity. I want to extend our gratitude to our regulators specially the National Bank of Cambodia to drive special measures that was really required during this difficult time to support the local economy.

Under the strategic partnership among Canadia Investment Holding, Fullerton Financial Holdings and Cambodia Post of Ministry of Post and telecommunication, we are very privileged to provide sustainable service experience to our customers even during this pandemic. Over past few years, we have invested in our digital capabilities and I believe it started to bring the opportunity even during the pandemic to reposition our business. Our Board and shareholders have kindly consented on various projects for digitization during 2020 which will provide us the opportunity to serve our customers better with utmost security.

I'm privileged to navigate the Bank to laid with the strong foundations which will help us to achieve the sustainable growth in the months and years ahead. Despite the pandemic we have performed modestly in 2020. We have taken this situation as opportunity to strengthen our relationship with customer to understand them better which will eventually help us to serve them at the best. We strive to make sure that we continue to operate as a responsible and compliant bank for the wider benefit of our customers, society in general, and for the planet as a whole.

The Bank has expanded the branch network to 58 by the end of 2020, which took us at our customer doorsteps nationwide. We have online account opening service and also upgraded our mobile Banking services with various new features to serve our customers better. We have also signed the partnership with Bill24 in order to access to various types of bill payment services for our customers. We have started issuing Visa Credit Card. Our SME Banking also running with full scale to serve the Small businesses with innovative approach to support the Cambodia's highest contributor segment for economic growth. Our subsidiary Funan Microfinance has also grown modestly and adopted similar approach in 2020.

We have strengthened our Business Continuity Plan not only to run the business but also to ensure our staff and customer safety through various health and safety measures during the pandemic. Further, as we already had a strong digital infrastructure, it was relatively easy for us to adopt split operations even to enable our staff for work-from-home. Our digital platforms also made it possible for our customers to carry out their banking transactions online, without coming to branches.

In 2020, our total asset grown by 31% year on year to US\$ 1Billion which is mostly driven by our 37% year on year deposit growth. Although our profitability of 2020 is bit lower, but we have strengthened our Capital Adequacy for strong growth in the upcoming years. We have also achieved our 100,000+ account base, larger ATM network with 5,000+ access point through CSS. These numbers are not only our capability of greater access but also a testament of our goal to be one of the top 5 Commercial Banks and market leader in the MSME segment in Cambodia.

2020 was a very challenging year but Bank has emerged stronger. This is happened due to the reliable dedication of all our employees. I want to thank everyone at CPBank for doing their very best, and also our Board & Shareholders for their continued valuable guidance to sail through this unprecedented times of financial and social stress. I also want to extend my sincere gratitude to all regulatory bodies for enabling with an ecosystem for us to carry out our responsibilities in a confident manner for sustainability. As a Bank, we are here to serve you with more care than ever before to ensure innovative financial solutions and deliver best in class services. Thank you and we look forward to your continued support and keep trust on us.



TOCH CHAOCHKEK
Chief Executive Officer

BOARD OF DIRECTORS



**NEAK OKNHA Dr.
PUNG KHEAV SE**

**Chairman of the Board
of Directors**

Neak Oknha Dr. Pung Kheav Se serves as Chairman of the Board of CPBank, Canada Bank, and Overseas Cambodian Investment Corporation, and is actively involved in the investment and development activities of both companies. A distinguished entrepreneur and respected business leader in Cambodia and Canada, Neak Oknha Dr. Pung Kheav Se has served as Chairman, President, CEO and Board Member of several companies, including Oriental Ship Supplies, Oriental Commercial Inc., and has led CPBank's growth since 2013 and also Canada Bank's growth since 1991.

He used to be a Chairman of the Association of Banks in Cambodia and also serves as President of Cambodia Constructors Association, working closely with industry leaders to guide the development of the banking and construction sectors in Cambodia.

Among the honors and awards Neak Oknha Dr. Pung Kheav Se holds a Mahaserey Vattanac Award presented by His Majesty, Norodom Sihanouk, King-Father of Cambodia in 2002; and "The Highest National Contribution" medal awarded by Prime Minister Hun Sen, presented by His Majesty, Norodom Sihamoni King of Cambodia in 2012, for the significant contributions he has made and continues to make toward the development of Cambodia.

In November 21st, 2019, Neak Oknha Dr. Pung Kheav Se was honorary as Doctor of Business Administration under representative of by Akka Moha Sena Padei Techo HUN SEN, Prime Minister of the Kingdom of Cambodia during the inauguration of the Indradevi Building of the Royal Academy of Cambodia.



Mr. YEO HONG PING

**Vice Chairman of the Board
of Directors**

Mr Yeo is the Chief Executive Officer of Fullerton Financial Holdings Pte Ltd ("FFH"). He oversees the building of the FFH franchise and the development of FFH's visions and strategies with the goal of increasing stakeholder value on a sustainable basis. Mr Yeo has overall responsibility of FFH and its investee companies.

Before joining FFH, Mr Yeo was Managing Director of J.P. Morgan and was responsible for the overall investment banking business in Singapore. Mr Yeo also served as Senior Management Committee member for J.P. Morgan Singapore, and Board Member for J.P. Morgan (SEA).

He previously held other senior appointments including Head of Real Estate Investment Banking and Head of Corporate Finance in Southeast Asia.

BOARD OF DIRECTORS



H.E. ORK BORA

Advisor to the Board of
Directors

H.E. Bora has been appointed as the General Manager of Cambodia Post in 2010 and as the Royal Delegation in charge of Cambodia Post in 2011.

H.E. Bora had also served as the Chief of Post and Telecommunication Department in Banteay Meanchey province and was a member of Cambodia Engineering Institution from 2000 to 2010.

H.E. Bora has a Master of Business Administration and graduated in Telecom Engineer from University of Hanoi Polytechnic, Vietnam in 1997. Since 1998, he had accomplished many technical training programs related to telecom and ICT (local and international).



Mr. NEO POH KIAT

Independent Director

Mr. Neo is currently a Managing Director of Octagon Advisors Private Limited and Managing Director of Octagon Advisors (Shanghai) Limited.

Prior to joining Octagon Advisors, Mr. Neo was the Senior Vice President and China Country Officer for Singapore's United Overseas Bank (UOB). Based in Hong Kong, Mr. Neo was also responsible for UOB's corporate banking relationships in the Greater China region.

Before joining UOB, Mr. Neo held various appointments in Singapore's DBS Bank, with his last held appointment being that of Managing Director and General Manager of DBS Bank's Hong Kong branch. Concurrently, he was also an Executive Director and a member of the Executive Committee of DBS Kwong On Bank, Supervisory Director of DBS Asia Capital Limited which is the investment banking subsidiary of DBS Bank in Hong Kong. He was instrumental in the setting up of DBS Securities Hong Kong and had served as its Executive Director in the early 90's. Mr. Neo holds a Bachelor of Commerce (Honours) degree from the former Nanyang University, Singapore.

BOARD OF DIRECTORS



Mr. GIANG SOVANN

Independent Director

Mr. Giang is the founder of Corporate Governance Academy and teaches at the Singapore Management University and the Singapore University of Social Sciences on corporate governance, listing rules, risk management and sustainability reporting. He also teaches charity governance at the Social Service Institute and the Institute of Singapore Chartered Accountants. Mr. Giang is Senior Director of Business Consulting at RSM Singapore and is the head of Environmental Sustainability Service and Deputy Head of Not-for-Profit Service. He has written many articles on corporate governance, risk management and sustainability reporting. His management concepts, "Four pillars of effective corporate oversight" and "Eight drivers of effective risk management" have been adopted by many organizations.

Mr. Giang was Executive Director of the Singapore Institute of Directors where he also sat on the organizing committee of the Singapore Corporate Awards and co-managed the Best Managed Board Award for Singapore-listed companies. He has more than 10 years of experience serving as independent director of SGX listed companies. His board responsibilities and experiences include non-executive chairman, lead independent director, chairman of the audit & risk committee, chairman of remuneration committee, and a member of the nominating committee.

Mr. Giang qualified as a Chartered Accountant with the Canadian Institute of Chartered Accountants. He is also a Chartered Accountant, Singapore and a member of the Singapore Institute of Directors. He was a Member of the Complaints & Disciplinary Panel, the Public Accountants Oversight Committee, and Accounting & Corporate Regulatory Authority (ACRA).



**Mr. TEO MENG
POH PHILIP**

Non-Executive Director

Mr. Teo is a Senior Vice President for Integrated Risk Management at FFH. In this capacity, he oversees the various Risk aspects of the FFH franchise in China and Indo China. In his role, Mr Teo is also responsible for Operational Risk Management, Audit and Compliance of the FFH Franchise, including setting its policies and governance framework. He is also the Risk lead for M&A activities. Prior to joining FFH, Mr Teo was the Head of Audit, Client Origination and Corporate Finance at Standard Chartered Bank. Mr. Teo started his career with Oversea-Chinese Banking Corporation where he held various senior roles and was responsible for client origination in the Bank's overseas franchises in Shanghai and Bangkok.

BOARD OF DIRECTORS



Mr. ROS PHIRUN
Non-Executive Director

Since 2013 till present, Mr. Phirun holds the position of Deputy Director General of the General Department of Financial Industry (GDFI) of Ministry of Economy and Finance. He is mainly responsible for the Public Finance Management Reform Program and Auditing of the GDFI.

Prior to his current position, Mr. Phirun was responsible for establishing and developing Government Securities, Commodity Market, Sovereign Funds, Financial Stability Policy and the Financial District of Cambodia under the guideline of Financial Sector Development Strategy. Mr. Phirun was also the Vice Chairman of Board of Directors of the National Social Security Funds for Civil Servants (NSSFC) which oversees and adopts all regulations drafted by the management of the NSSFC from 2009 to April 2013.

From 2004 to 2008, he was the Chief of Casino Management Division under Financial Industries Department and also served as Deputy of the WTO Legal Compliance and Assistant to the Senior Economic Official for Cambodia under the ASEAN and International Organizations Department of Ministry of Commerce.

Mr. Ros Phirun graduated with a Master of Science in Strategic Tourism Management from CERAM ESC Sophia Antipolis, France in 2002 and Master of Business Administration in International Business from Asian Institute of Technology, Thailand.



Dr. CAROLYNE PUNG
Non-Executive Director

Carolynne was born in Phnom Penh. She grew up and was educated in Montreal, Canada. She pursued medical studies and obtained her MD degree in 2000. She specialized in Family Medicine and graduated from the University of Montreal in 2002. For nearly 5 years, she practiced in different hospitals and private clinics in 2 Canadian provinces: Quebec and Ontario.

In 2007, due to family reasons, she moved to Cambodia. To keep up with her medical practice, she has been working part-time as a Medical Officer at International SOS Clinic/Raffles Medical in Phnom Penh until 2020.

She has been an Executive Director at the Board of Canadia Bank PLC, a leading commercial bank in Cambodia since 2007 and a Non-Executive Director at the Board of Cambodia Post Bank since 2013.

EXECUTIVE MANAGEMENT



Mr. TOCH CHAOCHER

Chief Executive Officer

Mr. Toch Chaochek has more than 20 years' working experience in Banking and Financial Sector in Cambodia. He was appointed as Chief Executive Officer since the set-up stage in March 2013 and he also the Board of Director of Funan Microfinance Plc. subsidiary of CPBank.

Prior to CPBank, He served as Head of Credit Department, Head of Operation Department and EVP & Chief Operation Officer of Hatha Kaksekar Micro Finance in charge of Company Business's Strategies, Loan Operational Processes, Loan Portfolio Management, Credit Underwriting, Deposit Mobilization, Products Development and also Branch Channels Supervision. He was working in several senior management levels such as Senior Staff and Manager at Credit Division of ACLEDA Bank Plc. Besides the Banking and Finance experience, he also had 2 years in his first career started with Manufacturing Industry as Marketing Manager.

Mr. Toch Chaochek graduated and hold the MBA in Finance and Banking since 2006 from University of Cambodia, BBA in Marketing in 1999 from National University of Management, Bachelor Degree in Public Law in 1999 and also Associated Degree in Professional Law in 1996 from Faculty of Law and Economic Sciences. Mr. Toch has also attended numerous executive training courses locally and internationally in field of Banking and Finance which are most related to Leadership, Performance Management, Risk Management... etc.



Mr. MALAY KUMER PAUL

Deputy Chief Executive Officer

Mr. Malay Kumer Paul is an Executive Management Professional with over 26 years of working experience in Bank and Financial Institutions in APAC and Middle East region with Global, Local and Investment Banks. He joined CPBank as Chief Risk Officer in 2017 and in 2020, he was appointed as Deputy Chief Executive Officer of the Bank.

In his previous role in Fullerton Financial Holdings (FFH) as Vice President, Integrated Risk Management, he used to support risk function of FFH's portfolio companies across 8 countries. He served as various senior Risk Management role in his carrier which includes, Vice President, Integrated Risk Management, FFH in Singapore; Deputy CEO & CRO, Mekong Development Bank (MDB) in Vietnam; Head of Credit and Collection for Retail & SME in The City Bank Ltd. and BRAC Bank Ltd. in Bangladesh.

Prior to that, he served 13 years in Standard Chartered Bank, and last position was the Cluster Head of Collections covering Bahrain, Qatar, Jordan and Lebanon. He started his banking career in ANZ Grindlays Bank's where he used to be in Branch Banking and impaired Assets management.

Mr. Malay Kumer Paul holds a Master of Science (First Class) degree with the University of Dhaka, Bangladesh. He is a certified Collection Trainer and completed the Microfinance Train the Trainer course organized jointly by Asian Development Bank Institute (ADBI), the World Bank Tokyo Development Learning Center (TDLC), which is a member of GDLN Asia Pacific and the United Nations Capital Development Fund (UNCDF). He was a visiting trainer at the Bangladesh Institute of Bank Management for Risk Management courses. He is also a member of Global Association of Risk Professionals (GARP).

EXECUTIVE MANAGEMENT



Mr. YI SAKUN

Chief Human Resources
Officer

Mr. Yi Sakun has more than 17 years' experience in Human Resources management, Training & Development, Performance Management, and HR Strategic Business Partner for Financial sectors included Banking and Micro Finance industries, and hospitality industry. He joined CPBank since the set-up stage, February 2013. He currently holds the position of Chief Human Resources Officer of CPBank.

Prior to join CPBank, he was the Deputy Head of Human Resources at AMRET Microfinance, Human Resources Manager and Human Resources Business Partner and the Country Project Coordinator for ANZ Royal Bank, and the Head of Human Resources for SOKHA Group Hotels and Resorts. He also had spent few years times serving in Sales & Customer Service roles for hospitality including local and 5-Star International hotels such as Sofitel, Raffle (Le Royal and Grand d'Angkor), etc., Tour Operators, and Telecom industries.

He has extensive experience in the areas of people management and development, establishment of Corporate Culture, HR transformation management, Performance management, and talent management for both new established companies and reformed restructured companies.

Mr. Yi Sakun holds a bachelor degree of Business Administration. He had also attended many training courses locally and internationally which are mostly related to leadership and Human Capital Management.



Mr. KONG CHHAYLONG

Chief Operating Officer

Mr. Chhay Long had over 23 years of working experiences in Technology and Banking, he joined Cambodia Post Bank Plc., in 2016. He pursued his long careers with two big International Technology Companies for 12 years, later on starting with ANZ Royal Bank as part of Australia & New Zealand Banking group for another 10 years. Involving in banking industry, he diversified the Technology knowledge and experiences to transforms the operational services to be more on digitalize, simplified and automation to actually satisfy the market demand and for a better governance. His career path was gone through a various critical and challenging roles in the ANZ Royal Bank, being with Technology then managing operational channels team to provide support to Retail Banking, Wealth Management and Corporate & Institutional Business to actually succeed and become a big bank in the market back then.

With that commitments and contributions was brought out a significant outcome, therefore he was later appointed to be a Head of Central Operation to manage and lead 5 department functions underneath.

From the Technology passionate, beside BAU, he had successfully led many operational projects for the Bank, including system transformation and processes re-engineering.

Mr. Chhay Long holding Master Degree of Information & Technology, and other comprehensive leadership as well as a member of ICA and Certified Candidate.

EXECUTIVE MANAGEMENT



**Mrs. CHUA
PHAK JU (SANDY)**

**Chief Sales and Distribution
Officer**

Mrs. Chua Phak Ju has been in banking industry since 2004. She joined CPBank in May 2019 as Chief Sales and Distribution Officer.

Prior to join CPBank, she has experienced in Cambodia Asia Bank as Secretary to CEO, served several operational and management roles in ANZ Royal Bank in different areas including Human Resources, Customer Services, Branch Compliance, Branch Management and Regional Lending. She also been assigned to a mobile payment company, Wing Cambodia (subsidiary of ANZ in 2008) as Customer Care and Admin Manager looking after Call Center, Retail Store, Admin and Operations Department. She also experienced in various senior positions in Maybank (Cambodia) Plc. specialized in Business Development, Consumer Banking and Retail SME Banking.

She is one of the Banking and Finance Industry Representative to Government and Private Sector acknowledged by Priminister. Committee Member under Chamber of Professional and Micro Enterprises of Cambodia ('CPMEC') and Representative in Chemical Products under Ministry of Industry and Handicraft. She also an EXCO member of CSU_ACA and a member of Cambodia Chamber of Commerce ('CCC'), Cambodia Women Entrepreneur Association and Federation of Khmer Chinese in Cambodia.

Ms. Chua holds a Master Degree of General Management from Charles Sturt University, Australia. She also accredited by Omega Credit Skills and LEAN Six Sigma.



Mr. CHEA BUNHEAN

Chief Financial Officer

Mr. Chea Bunhean brings over 10 years of professional working experience in Banking and Auditing. He joined CPBank as Chief Financial Officer in November 2019.

He spent over 2 years with Canadia Group and in charged various roles such as Head of Business Planning & Management Reporting Department and Head of Treasury Department at Canadia Bank Plc., and Chief Executive Officer at Cana Securities Ltd. Prior to this, Mr. Bunhean worked also with a regional bank as a Deputy Head of Commercial Banking Division for 4 years. In addition, he involved in audit practice for more than 7 years, where his latest position was Audit Manager, with local and big 4 audit firms in Singapore, Vietnam and Cambodia.

He was also an accredited auditor, Securities Exchange Commission of Cambodia. He has direct working experience with regulators i.e. the National Bank of Cambodia, General Tax Department, KICPAA, National Account Council, and with business chambers i.e. Association Bank of Cambodia and Malaysian Chambers of Commerce.

Mr. Bunhean is a Certified Public Accountant, CPA Australia and KICPAA. He also has Master of Business Administration from Paris Institute of Business Administration, University Paris 1 – France. He has completed his Bachelor of Economics from Lyon 2 University – France.

EXECUTIVE MANAGEMENT



Mr. KROUCH CHANTHOL

Chief Information
Technology Officer

Mr. Krouch Chanthol has over 20 years of professional experience. He joined CPBank as Head of Information Technology in July 2016 and was appointed as Chief Information Technology Officer of CPBank in 2020.

Currently, he is leading the IT and Digital team of CPBank, driving bank technology & digital strategic imperative to the next technology generation in Cambodia. With his team, he is committed to take the current technology trend to another level and acquire innovative digital products that will move faster and boost efficiency for business growth.

He has taken part as a pioneer founding member to setup Life Insurance, CamKo, RHB Bank and successfully launched the business to go live within a 6 months period. In his role, he managed the Technology & Digital Roadmap, ITSC Chairperson, implemented infrastructure platform, service and product support, card center operation, vendor management, cyber threats, audit, risk, compliance, governance & QA, technical support, application development, business continuity, and disaster recovery plan. He was managing 33 staff activities under the IT & Digital Operation Department. Prior to this role, he held senior positions in the various bank and insurance industries. Among the previous job, he was head of IT and service support in UCB, RHB, CamKo Bank and Prudential Life Insurance.

Mr. Krouch Chanthol graduated with Computer Sciences from the Royal University of Phnom Penh and with a dual degree in Business Administration.



Going Cashless
makes transactions
quick and convenient

AWARDS

BEST BANK FOR WOMEN ENTREPRENEURS BY IFC

Women entrepreneurs are a key contributor to private sector development as well as economic growth in Cambodia. Nowadays, most small and medium business owners in Cambodia are women, who are a key driver of job creation in communities across the country. Promoting and providing opportunities for women to participate in the business and financial sectors is the highest attention and commitment of CPBank.

CPBank was Honorable Mention as **"Best Bank for Women Entrepreneurs"** by International Finance Corporation (IFC). CPBank still continues the efforts aim of focusing on the dedication and commitment to providing financial services to all women entrepreneurs across the country in order to achieve the goals of the national financial to increase the capacity and authority of women entrepreneurs and women leadership in business across the country.



**BEST RETAIL BANK
CAMBODIA 2020**

This award has presented to CPBank was named the "BEST RETAIL BANK CAMBODIA 2020" by International Business Magazine as an outstanding bank in Asia which provides financial services to customers which can facilitate them to use and manage their cash through Loan and Saving Accounts Product. This priceless award comes from the truth of our customers and the efforts of every colleague.



**FASTEST GROWING
RETAIL BANK CAMBODIA 2020**

as "Fastest Growing Retail Bank Cambodia 2020" by Global Banking and Finance Review in terms of assets and the fastest expansion of its operating network in just 7 years which is a record in the history of the Cambodia banking and finance sector. Not only that, this award also recognized the commitment of CPBank to providing quality and innovative financial services to customers and nearby customers.



**CPBank Continues to be
Recognized with Gold Award for
Tax Compliance**

CPBank has been recognized again by the General Department of Taxation (GDT) with a Gold Award for Tax Compliance. This award demonstrates the responsibility of CPBank that shows its adherence to tax guidelines and regulations for the banking sector in Cambodia.

CORPORATE SOCIAL ACTIVITIES



**NEAK OKNHA
DR. PUNG KHEAV SE,**

Chairman of Cambodia Post Bank
has donated

USD 3,000,000

to Samdech Techo Hun Sen to
purchase COVID-19 Vaccines.



CPBank helping those in distress

Cambodia Post Bank Plc (CPBank) joined the Post Flood Relief Campaign on Wednesday. CPBank CEO Toch Chaochek, deputy CEO Malay Kumer Paul and chief sales and distribution officer Sandy Chua Phak Ju expressed their support for the initiative to *The Phnom Penh Post's* commercial manager Chap Narith.



OTHER ACTIVITIES

Cambodia Post Bank Celebrated its 7th Anniversary with \$1B Assets



On Saturday, September 26th, 2020 CPBank celebrated its 7th Anniversary with the achieving 1 billion dollar fixed assets held at Dara Airport City Hotel, Phnom Penh. CPBank has organized this event in order to celebrate the achievement of 1 billion dollars Total assets and also presented a certificate of appreciation and award to 7 years seniority staff for joining CPBank for 7 years since the bank opened.

Mr. Toch Chaochek, Chief Executive Officer of CPBank "CPBank was initially established under the concept of contributing to poverty reduction in Cambodia by providing financial services to Cambodia people and

also seeing the growth of Post Bank of some Asian countries such as China, South Korea, Japan, and Singapore, which is why Neak Oknha Dr. Pung Kheav Se, Chairman of the Board of CPBank has initiated establishment CPBank by using a network of post offices throughout the country."

Reaching the total assets of USD 1 billion is a historic milestone for the Cambodia Post Bank. Even more remarkable is that the Bank was able to achieve this in just seven years. Such success is attributed to multiple factors such as business partners, financial force, and human resources. "He added".



7th General Assembly at Preah Sihanouk Province

Branch Opening Event in 2020



52 Bati District Branch - Trapeang Sab Commune



53 Stueng Treng Provincial Branch



54 Angk Snuol District Branch - Damnak Ampil Commune



55 Ruessey Keo 2 Branch

OTHER ACTIVITIES

CPBank Donates Benches to Rotonak Mondol District Hall



On 24th July 2020, CPBank Rotonak Mondol District Branch under the leadership of Branch Manager with the participant of all branch staff has donated benches to Rotonak Mondol district hall to serve the public in the commune around Sdau village, Sdau commune, Rotonak Mondol district, Battambang province.

This donation was to play a part in social involvement and community development. For instance, CPBank has allocated our profit for donations or charity such as cash,

benches, school materials, hospital materials, and other materials to hospitals, schools, social and charity activities in Cambodia in order to contribute to the improvement of social welfare and facilitate the convenience of citizens in Cambodia.

CPBank is delighted to help promote the public order sector in the country. The handover ceremony of benches donation today demonstrates our corporate social responsibility and commitment to achieving the goal of helping and developing society.



CPBank Celebrated the 40th Anniversary of Khmer Riel



OTHER ACTIVITIES

BEST RETAIL BANK CAMBODIA 2020 CELEBRATION

Based on our 6 years commitment of operating and dedication to providing high-quality products and services to customers, CPBank has received a lot of outstanding awards in history. In 2020, CPBank was named the "BEST RETAIL BANK CAMBODIA 2020" by International Business Magazine.

This award has presented to CPBank as an outstanding bank in Asia which provides financial services to customers which can facilitate them to use and manage their cash through Loan and Saving Accounts Product. This priceless award comes from the truth of our customers and the efforts of every colleague.

Thank Everyone!



OTHER ACTIVITIES

TAX COLLECTION LAUNCHING CEREMONY



On February 08, 2021, at the Olympia City Hotel, Phnom Penh, CPBank held a “launching ceremony of Cambodia Post Bank for all types of tax collection to the General Department of Taxation of Cambodia nationwide” which allows all customers and the public to pay various taxes such as all kinds of taxes, transportation tax and property tax to the General Department of Taxation through the Cambodia Post Bank.

The event was presided over by H.E Dr. Ken Sambath, deputy director of the General Department of Taxation, H.E Ok Bora, Royal Government Delegation in charge of the Director-General of the Cambodia Post and advisor to the board of directors of Cambodia Post Bank, Mr. Toch Chaochek, CEO of Cambodia Post Bank and senior management of the bank and representatives from the tax department.



OTHER ACTIVITIES

“THE CAREER IN THE BANKING SECTOR AND FUTURE DIRECTION FOR YOUNG PEOPLE IN THE DIGITAL AGE”



To orient students who are studying in high school, especially students who love and want to work in the banking and finance sector. On January 15th, 2021, CPBank under the representative of Mr. Toch Chaochek, Chief Executive Officer, has shared the knowledge, experiences, and as well as provide orientation ideas to more than 100 students at Krou Yerng School in Ratanakiri Province in the workshop as “The career in the banking sector and future direction for young people in the digital age”.

This workshop held in objective to disseminate information and educate high school students for help them to clarify and define their plans and preparing for success in university life and be able to achieve their goals in the future.

In this workshop, Mr. Toch Chaochek, CEO of CPBank said “To become a human resource with high ability, knowledge, skills, and techniques, all students must study hard from high school until the university. After graduated the university, please choose a job that you love and willing to do and take the time to study this job as soon as possible to be able to develop yourself become a good leader in the future.

If you love and interested in financial careers so please study hard from now on to be a human resource in the future. CPBank will be waiting for all of you to join us. We always provide opportunities for students who have the ability and want to develop themselves in the banking sector. “He added”.

CPBank also donated 100 bags of study materials including pens, books, and eco-bag to the students who participated in this workshop and hope that all students will study hard and can achieve their goals in the future.

POST FOCUS

WWW.PHNOMPENHPOST.COM/POST-FOCUS

BANKING

Cambodia Post Bank marks milestone with \$1B in assets

Doing things differently has delivered attractive dividends for Cambodia Post Bank, with the financial institution reaching more than \$1 billion in total assets.



THE number seven will remain in the memory for some time to come as Cambodia Post Bank Plc – one of the leading commercial banking and financial services institution – celebrates a milestone anniversary with more than \$1 billion worth of total assets.

Inspired to establish a financial institution based on the age old tried-and-tested postal banking platform after visiting countries where postal banks have grown to be very significant and successful, Cambodia Post Bank founder and chairman Neak Oknha Dr Pung Kheav Se then chose to start a banking and financial services institution with a difference.

Between 2011 and 2012, he approached Cambodia Post, a state-owned public company regulated by the Ministry of Post and Telecommunications with a proposal. After several rounds of discussions, an agreement was reached to form Cambodia Post Bank together with approval from the Ministry of Economy and Finance.

A banking licence was then granted to Cambodia Post Bank on September 20, 2013 by the National Bank of Cambodia (NBC) on the premise of supporting the economic growth of the nation. Today, after seven years of operations, the financial institution has achieved in excess of \$1 billion in total assets.

When Toch Chaochek, Cambodia Post Bank CEO was approached to give his views on the bank's historic milestone

celebration he said: "Reaching the \$1 billion-in-total-assets mark is a historic milestone for Cambodia Post Bank. What makes it even more remarkable is that we managed to achieve it in just seven years. This success has been attributed to a combination of several factors – strategic partnerships, financial strength and human resources.

"The strength of our company's shareholders, which comprise Canada Investment Holding Plc, Cambodia Post and Fullerton Financial Holdings – a subsidiary of the Temasek Group owned by the government of Singapore – is what gives us our strategic and financial strength. Our partnerships with leading Cambodian and international financial institutions provide us with local as well as regional knowledge, expertise and experience to reach our goals and aspirations. "As for human resources, our workforce is made up of mostly Cambodian banking and finance professionals because we believe only local talent can truly understand the Cambodian market," Chaochek said.

The combination of sound partnerships with leading financial institutions and inspiring leadership by Cambodians is behind the bank's remarkable achievement.

As of today, the total assets at Cambodia Post Bank has reached \$1,007 billion.

As a locally established banking and finance institution, Cambodia Post Bank understands the Cambodian



The headquarters of Cambodia Post Bank is located in Phnom Penh.



Cambodia Post Bank CEO Toch Chaochek.

market. It sees opportunities in offering its banking services to rural communities – a strategy of creating a deep presence in rural areas that some commercial banks are hesitant to pursue.

It also prides itself in creat-

ing jobs for the people in the Kingdom. The bank employs an estimated 1,000-plus staff, with its subsidiary Funan Microfinance employing around 600.

Optimistic about further developing the nation's financial talent and economy, he added:

"The development of local talent overall will contribute significantly not only to the nation's economic growth but also raise the level of professionalism among local banking and financial services professionals in our country.

"This has in turn allowed us to support the whole country and acquire more than 100,000 account holders.

"Our contribution however, is not just limited to job creation for Cambodians – the loans we provide to people and businesses in both rural and urban areas allow our customers to improve their standards of living and grow their businesses."

Recent statistics show that at present microfinance institutions and commercial banks operating in Cambodia have 2.2 million loan accounts and 1.2 million saving accounts, respectively.

Data shows that there are more families who have loan accounts rather than a savings accounts, while those customers who have loan accounts

are not able to access services provided by a savings account, Chaochek observed.

"Therefore, starting last year we embarked on initiatives to encourage people, especially our customers in rural areas, to open savings accounts, as well as offering the opening of payroll accounts for the employees of rural and urban manufacturing companies.

"In addition, to support our payroll account holders, we encourage and train them to perform transactions that include transferring funds to parents and family in the provinces. It is a big part of our 'One Family, One Account' campaign created to increase the opening of savings accounts and financial inclusion for rural folk," he said.

Chaochek added that Cambodia Post Bank will support recent efforts by the NBC to de-dollarise the Cambodian economy with the recent call back of one-dollar and five-dollar bills.

"This as an initiative that will boost the economic pride of our people, he said."



Cambodia Post Bank offers a range of services in the competitive financial sector.



As a home-grown bank, it is entirely operated by Cambodian staff.



The bank boasts 55 branches across the Kingdom.

CAMBODIA POST BANK PLC. AND ITS SUBSIDIARY

Consolidated and Separate Financial Statements for the year ended 31 December 2020 and Report of the Independent Auditors

Corporate information

Bank	Cambodia Post Bank Plc.	
Registration No.	Co. 1794 M/2013	
Registered office	No. 265-269, Ang Duong Street Sangkat Wat Phnom, Khan Daun Penh, Phnom Penh Kingdom of Cambodia	
Shareholders	Canada Investment Holding Plc. ("CIHP") Fullerton Financial Capital Pte. Ltd. ("Fullerton") Cambodia Post ("CP")	
Board of Directors	Neak Oknha Dr. Pung Kheav Se Mr. Yeo Hong Ping Mr. Ros Phirun Dr. Pung Carolyne Mr. Teo Meng Poh Philip Mr. Neo Poh Kiat Mr. Giang Sovann	Chairman Vice-Chairman Director Director Non-Executive Director Independent, Non-Executive Director Independent, Non-Executive Director
Auditors	KPMG Cambodia Ltd	

Contents

	Page
Report of the Board of Directors	46
Report of the Independent Auditors	49
Financial statements:	
Consolidated financial statements:	
Consolidated statement of financial position	51
Consolidated statement of profit or loss and other comprehensive income	52
Consolidated statement of changes in equity	53
Consolidated statement of cash flows	54
Separate financial statements:	
Separate statement of financial position	55
Separate statement of profit or loss and other comprehensive income	56
Separate statement of changes in equity	56
Separate statement of cash flows	57

Report of the Board Directors

The Board of Directors ("the Directors") have pleasure in submitting their report together with the consolidated financial statements of Cambodia Post Bank Plc. ("the Bank") and its subsidiary (collectively referred to as "the Group"), and the separate financial statements of the Bank for the year ended 31 December 2020.

Principal activities

The Bank

The principal activities of the Bank consist of the operation of core banking business and the provision of related financial services through the Bank's head office and various branches in Phnom Penh and in the provinces.

There was no significant change in the principal activities of the Bank during the year.

The subsidiary

Funan Microfinance Plc., 100% owned by the Bank from 11 April 2017, is a microfinance institution providing loan to improve living standards in term of rural development through its head office in Phnom Penh and its various offices in the Kingdom of Cambodia.

Financial results

The financial results of the Group and the Bank were as follows:

	2020	2019	2020	2019
	US\$	US\$	KHR'000 (Note 5)	KHR'000 (Note 5)

The Group

Profit before income tax	14,236,162	25,888,517	58,040,832	104,900,271
Income tax expense	<u>(3,098,042)</u>	<u>(5,528,199)</u>	<u>(12,630,717)</u>	<u>(22,400,262)</u>
Net profit for the year	<u>11,138,120</u>	<u>20,360,318</u>	<u>45,410,115</u>	<u>82,500,009</u>

The Bank

Profit before income tax	11,087,123	22,174,365	45,202,200	89,850,528
Income tax expense	<u>(2,580,903)</u>	<u>(4,551,838)</u>	<u>(10,522,342)</u>	<u>(18,444,048)</u>
Net profit for the year	<u>8,506,220</u>	<u>17,622,527</u>	<u>34,679,858</u>	<u>71,406,480</u>

Dividends

No dividend was declared or paid, and the Directors does not recommend any dividend to be paid for the year under review.

Share capital

There were no changes in the registered and paid up share capital of the Group and the Bank during the year.

Reserves and provisions

On 19 February 2021, the Board approved to transfer the amount of US\$8,000,000 from retained earnings as at 31 December 2019 to non-distributable reserves which are qualified as capital tier 1. The request was approved by the National Bank of Cambodia on 23 March 2021.

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

Loans and advances

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

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

Assets

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

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

Valuation methods

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

Contingent and other liabilities

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

- (a) any charge on the assets of the Group and the Bank which has arisen since the end of the financial year which secures the liabilities of any other person, or
- (b) any contingent liability in respect of the Group and 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 Group and the Bank has become enforceable or is likely to become enforceable within the period of 12 months after the end of the financial year which, in the opinion of the Directors, will or may substantially affect the ability of the Group and the Bank to meet its obligations as and when they fall due.

Change of circumstances

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

Items of unusual nature

The results of the operations of the Group and the Bank for the financial year were not, in the opinion of the Directors, substantially affected by any item, transaction or event of a material and unusual nature except for the outbreak of the COVID-19.

Coronavirus and impact on Expected Credit Loss ("ECL")

The ECL was estimated based on a range of forecast economic conditions as at reporting date. The Novel Coronavirus ("the COVID-19") outbreak has spread across mainland China, Cambodia and beyond, causing disruption to business and economic activity. The impact on GDP and other key indicators has been considered when determining the severity and likelihood of downside economic scenarios that are used to estimate ECL in which the calculation of the ECL in this current environment is subject to significant uncertainty. Management provides its best estimate on the possible outcomes of the COVID-19 on the Group and the Bank, however, this estimate may move materially as events unfold.

There has not arisen in the interval between the end of the financial period 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 Group and the Bank for the period in which this report is made.

The Board of Directors

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

Neak Oknha Dr. Pung Kheav Se	Chairman
Mr. Yeo Hong Ping	Vice-Chairman
Mr. Ros Phirun	Director
Dr. Pung Carolyne	Director
Mr. Teo Meng Poh Philip	Non-Executive Director
Mr. Neo Poh Kiat	Independence Director
Mr. Giang Sovann	Independence Director

Directors' interests

Neak Oknha Dr. Pung Kheav Se, Chairman of the Board, holds shares in CIHP, a shareholder of the Group and of the Bank.

Directors' benefits

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

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

Directors' responsibility in respect of the financial statements

The Directors are responsible for ascertaining that the financial statements present fairly, in all material respects, the financial positions of the Group and the Bank as at 31 December 2020, and their financial performance and their cash flows for the year then ended. In preparing these financial statements, the Directors are required to:

- (i) adopt appropriate accounting policies which are supported by reasonable and prudent judgments and estimates and then apply them consistently;
- (ii) comply with Cambodian International Financial Reporting Standards ("CIFRSs") or, if there have been any departures in the interest of true and fair presentation, ensure that these have been appropriately disclosed, explained and quantified in the financial statements;

On behalf of the Board of Directors and in accordance with the resolution of the Board.



Neak Oknha Dr. Pung Kheav Se
Chairman of the Board of Directors

- (iii) oversee the Group's and the Bank's financial reporting process and maintain adequate accounting records and an effective system of internal controls;
- (iv) assess the Group's and the Bank's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intends to liquidate the Group and the Bank or to cease operations, or has no realistic alternative but to do so; and
- (v) effectively control and direct effectively the Group and the Bank in all material decisions affecting the operations and performance and ascertain that such have been properly reflected in the financial statements.

The Directors confirm that they have complied with the above requirements in preparing the financial statements.

Corresponding figures

Certain corresponding figures have been reclassified to conform with current year's presentation.

Approval of the financial statements

We, hereby approve the accompanying financial statements together with the notes thereto which, in our opinion, present fairly, in all material respects, the financial positions of the Group and the Bank as at 31 December 2020, and their financial performance and their cash flows for the year then ended, in accordance with CIFRSs.

Mr. Toch Chaochek
Chief Executive Officer

Phnom Penh, Kingdom of Cambodia
Date: 30th March 2021

Report of the Independent Auditors

To the shareholders of Cambodia Post Bank Plc.

Opinion

We have audited the consolidated financial statements of Cambodia Post Bank Plc. (“the Bank”) and its subsidiary (collectively referred to as “the Group”) and the separate financial statements of the Bank, which comprise the consolidated and the separate statement of financial position as at 31 December 2020, the consolidated and the separate statements of profit or loss and other comprehensive income, consolidated and the separate statements of changes in equity and cash flows for the year then ended, and notes, comprising significant accounting policies and other explanatory information as set out on pages 9 to 130 (hereafter referred to as “the financial statements”).

In our opinion, the accompanying consolidated and separate financial statements present fairly, in all material respects, the consolidated and unconsolidated financial position of the Group and the Bank as at 31 December 2020, and their consolidated and unconsolidated financial performance and their cash flows for the year then ended in accordance with Cambodian International Financial Reporting Standards (“CIFRSs”).

Basis for Opinion

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

Other Information

Management is responsible for the other information. The other information obtained at the date of this auditors’ report is the report of the Directors on pages 1 to 5, and the annual report, which is expected to be made available to us after that date. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing

so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

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

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

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

In preparing the financial statements, management is responsible for assessing the Group’s and 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 Group and the Bank or to cease operations, or has no realistic alternative but to do so.

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

Auditors’ Responsibilities for the Audit of the Financial Statements

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

As part of an audit in accordance with CISAs, we

exercise professional judgment and maintain professional skepticism throughout the audit. We also:

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

activities within the Group and the Bank to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion

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

For **KPMG Cambodia Ltd**



Nge Huy

Partner

Phnom Penh, Kingdom of Cambodia

30th March 2021

Cambodia Post Bank Plc. and its subsidiary

Consolidated statement of financial position as at 31 December 2020

	Note	31 December		31 December	
		2020	2019	2020	2019
		US\$	US\$	KHR'000 (Note 5)	KHR'000 (Note 5)
ASSETS					
Cash on hand	6	30,080,980	25,158,725	121,677,564	102,521,804
Placements with other financial institutions - net	7	280,712,006	52,235,945	1,135,480,064	212,861,476
Statutory deposits	8	54,199,135	69,247,853	219,235,501	282,185,001
Loans and advances to customers – net	9	682,018,901	661,928,721	2,758,766,455	2,697,359,538
Other assets	10	1,517,688	1,469,086	6,139,048	5,986,525
Intangible assets	11	655,196	960,421	2,650,268	3,913,716
Property and equipment	12	4,027,288	4,230,499	16,290,380	17,239,283
Right-of-use assets	13	7,518,919	6,007,571	30,414,027	24,480,852
Goodwill	14	754,215	754,215	3,050,800	3,073,426
Deferred tax assets – net	22	1,983,889	1,926,961	8,024,831	7,852,366
Total assets		<u>1,063,468,217</u>	<u>823,919,997</u>	<u>4,301,728,938</u>	<u>3,357,473,987</u>
LIABILITIES AND SHAREHOLDERS' EQUITY					
Liabilities					
Deposits from customers	15	665,985,860	484,555,033	2,693,912,804	1,974,561,759
Deposits from other financial institutions	16	109,289,254	83,149,211	442,075,032	338,833,035
Borrowings	17	113,269,881	90,420,263	458,176,669	368,462,571
Subordinated debts	18	34,028,479	34,028,479	137,645,198	138,666,052
Lease liabilities	19	7,397,574	5,931,948	29,923,187	24,172,688
Other liabilities	20	2,781,171	3,715,255	11,249,836	15,139,664
Provision for employee benefits	21	397,653	410,049	1,608,506	1,670,950
Current income tax liabilities	22	2,254,574	4,784,108	9,119,752	19,495,240
Total liabilities		<u>935,404,446</u>	<u>706,994,346</u>	<u>3,783,710,984</u>	<u>2,881,001,959</u>
Shareholders' equity					
Share capital	23	76,000,000	76,000,000	304,093,780	304,093,780
Regulatory reserves	24	4,873,295	5,734,785	19,676,927	23,164,489
Retained earnings		47,190,476	35,190,866	191,210,743	142,313,066
Currency translation reserves		-	-	3,036,504	6,900,693
Total shareholders' equity		<u>128,063,771</u>	<u>116,925,651</u>	<u>518,017,954</u>	<u>476,472,028</u>
Total liabilities and shareholders' equity		<u>1,063,468,217</u>	<u>823,919,997</u>	<u>4,301,728,938</u>	<u>3,357,473,987</u>

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

Cambodia Post Bank Plc. and its subsidiary

Consolidated statement of profit or loss and other comprehensive income for the year ended 31 December 2020

	Note	2020 US\$	2019 US\$	2020 KHR'000 (Note 5)	2019 KHR'000 (Note 5)
Operating income					
Interest income	25	92,750,217	84,417,468	378,142,635	342,059,580
Interest expense	26	(49,077,051)	(37,111,532)	(200,087,137)	(150,375,928)
Net interest income		43,673,166	47,305,936	178,055,498	191,683,652
Net fee and commission income	27	233,550	409,400	952,183	1,658,889
Other income	28	2,945,804	3,276,763	12,010,043	13,277,444
Total operating profit		46,852,520	50,992,099	191,017,724	206,619,985
Personnel expenses	29	(13,556,129)	(13,145,838)	(55,268,338)	(53,266,936)
Other operating expenses	30	(9,571,594)	(9,005,217)	(39,023,389)	(36,489,139)
Total operating expenses		(23,127,723)	(22,151,055)	(94,291,727)	(89,756,075)
Operating profit before impairment		23,724,797	28,841,044	96,725,997	116,863,910
Impairment losses on financial instruments	9	(9,488,635)	(2,952,527)	(38,685,165)	(11,963,639)
Profit before income tax		14,236,162	25,888,517	58,040,832	104,900,271
Income tax expense	22	(3,098,042)	(5,528,199)	(12,630,717)	(22,400,262)
Net profit for the year		11,138,120	20,360,318	45,410,115	82,500,009
Other comprehensive income					
Currency translation differences		-	-	(3,864,189)	5,972,511
Total comprehensive income for the year		11,138,120	20,360,318	41,545,926	88,472,520

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

Cambodia Post Bank Plc. and its subsidiary

Consolidated statement of changes in equity for the year ended 31 December 2020

	Share capital		Regulatory reserves		Retained earnings		Currency translation reserves		Total	
	US\$	KHR'000 (Note 5)	US\$	KHR'000 (Note 5)	US\$	KHR'000 (Note 5)	US\$	KHR'000 (Note 5)	US\$	KHR'000 (Note 5)
At 1 January 2020	76,000,000	304,093,780	3,955,873	15,915,423	16,609,460	67,062,123	-	928,182	96,565,333	387,999,508
Transactions recognised directly in equity										
transfers from regulatory reserves to retained earnings	-	-	1,778,912	7,249,066	(1,778,912)	(7,249,066)	-	-	-	-
Total comprehensive income										
Net profit for the year	-	-	-	-	20,360,318	82,500,009	-	-	20,360,318	82,500,009
Currency translation differences	-	-	-	-	-	-	-	5,972,511	-	5,972,511
At 31 December 2020	76,000,000	304,093,780	5,734,785	23,164,489	35,190,866	142,313,066	-	6,900,693	116,925,651	476,472,028
At 1 January 2019	76,000,000	304,093,780	5,734,785	23,164,489	35,190,866	142,313,066	-	6,900,693	116,925,651	476,472,028
ransactions recognised directly in equity										
transfers from retained earnings to regulatory reserves	-	-	(861,490)	(3,487,562)	861,490	3,487,562	-	-	-	-
Total comprehensive income										
Net profit for the year	-	-	-	-	11,138,120	45,410,115	-	-	11,138,120	45,410,115
Currency translation differences	-	-	-	-	-	-	-	(3,864,189)	-	(3,864,189)
At 31 December 2019	76,000,000	304,093,780	4,873,295	19,676,927	47,190,476	191,210,743	-	3,036,504	128,063,771	518,017,954

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

Cambodia Post Bank Plc. and its subsidiary

Consolidated statement of cash flows for the year ended 31 December 2020

	2020 US\$	2019 US\$	2020 KHR'000 (Note 5)	2019 KHR'000 (Note 5)
Cash flows from operating activities				
Net profit for the year	11,138,120	20,360,318	45,410,115	82,500,009
<i>Adjustments for:</i>				
Depreciation and amortisation	4,120,603	3,641,925	16,799,698	14,757,080
(Gain) on disposal of property and equipment	(125)	(12,769)	(510)	(51,740)
Income tax expense	3,098,042	5,528,199	12,630,717	22,400,262
Net impairment losses on financial instruments	9,488,635	2,952,527	38,685,165	11,963,639
Provision for employee benefits	(12,396)	(256,851)	(50,538)	(1,040,760)
	<u>27,832,879</u>	<u>32,213,349</u>	<u>113,474,647</u>	<u>130,528,490</u>
<i>Changes in:</i>				
Placements with other financial institutions	(11,684,226)	(4,303,424)	(47,262,694)	(17,437,474)
Loans and advances	(29,580,237)	(154,442,170)	(119,652,059)	(629,351,843)
Statutory deposits	15,048,718	2,003,516	60,872,064	8,164,328
Other assets	(48,600)	(248,284)	(196,587)	(1,011,757)
Deposits from customers	181,430,827	(26,692,832)	733,887,695	(108,773,290)
Deposits from other financial institutions	26,140,043	11,019,100	105,736,474	44,902,833
Borrowings	260,900	577,931	1,055,341	2,355,069
Other liabilities	(601,749)	(14,949,163)	(2,434,075)	(60,917,839)
Cash generated from/(used in) operations	208,798,555	(154,821,977)	845,480,806	(631,541,483)
Income tax paid	(5,684,504)	(4,643,796)	(23,175,723)	(18,816,661)
Net cash generated from/ (used in) operating activities	<u>203,114,051</u>	<u>(159,465,773)</u>	<u>822,305,083</u>	<u>(650,358,144)</u>
Cash flows from investing activities				
Purchase of property and equipment and intangible assets	(1,570,494)	(3,126,744)	(6,402,904)	(12,669,567)
Proceeds from disposal of property and equipment	179	29,882	730	121,082
Net cash used in investing activities	<u>(1,570,315)</u>	<u>(3,096,862)</u>	<u>(6,402,174)</u>	<u>(12,548,485)</u>
Cash flows from financing activities				
Proceeds from borrowings	54,266,974	37,064,551	221,246,453	150,185,561
Repayments of borrowings	(31,678,256)	(14,977,115)	(129,152,250)	(60,687,270)
Proceeds from subordinated debts	-	27,700,000	-	112,240,400
Payments of lease liabilities	(2,419,786)	(2,602,584)	(9,865,468)	(10,545,670)
Net cash generated from financing activities	<u>20,168,932</u>	<u>47,184,852</u>	<u>82,228,735</u>	<u>191,193,021</u>
Net increase/(decrease) in cash and cash equivalents	<u>221,712,668</u>	<u>(115,377,783)</u>	<u>898,131,644</u>	<u>(471,713,608)</u>
Cash and cash equivalents at beginning of the year	<u>73,132,627</u>	<u>188,510,410</u>	<u>298,015,455</u>	<u>757,434,827</u>
Currency translation differences	-	-	(3,497,881)	12,294,236
Cash and cash equivalents at end of the year (Note 7)	<u>294,845,295</u>	<u>73,132,627</u>	<u>1,192,649,218</u>	<u>298,015,455</u>

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

Cambodia Post Bank Plc. and its subsidiary

Separate statement of financial position as at 31 December 2020

	Note	2020 US\$	2019 US\$	2020 KHR'000 (Note 5)	2019 KHR'000 (Note 5)
ASSETS					
Cash on hand	6	29,730,158	24,813,127	120,258,489	101,113,493
Placements with other financial institutions-net	7	279,065,745	51,499,286	1,128,820,939	209,859,590
Statutory deposits	8	53,799,135	68,847,853	217,617,501	280,555,001
Loans and advances to customers – net	9	626,939,714	606,971,782	2,535,971,143	2,473,410,012
Other assets	10	1,249,796	1,222,926	5,055,425	4,983,423
Investment in subsidiary	14	8,685,818	8,685,818	35,134,134	35,394,708
Intangible assets	11	603,109	854,876	2,439,576	3,483,620
Property and equipment	12	3,252,092	3,631,392	13,154,712	14,797,922
Right-of-use assets	13	6,394,869	4,614,191	25,867,245	18,802,828
Deferred tax assets – net	22	1,747,314	1,803,309	7,067,885	7,348,484
Total assets		<u>1,011,467,750</u>	<u>772,944,560</u>	<u>4,091,387,049</u>	<u>3,149,749,081</u>
LIABILITIES AND SHAREHOLDERS' EQUITY					
Liabilities					
Deposits from customers	15	665,985,860	484,555,033	2,693,912,804	1,974,561,759
Deposits from other financial institutions	16	110,703,850	83,686,891	447,797,073	341,024,081
Borrowings	17	72,889,222	49,663,761	294,836,903	202,379,826
Subordinated debts	18	31,000,000	31,000,000	125,395,000	126,325,000
Lease liabilities	19	6,352,062	4,633,170	25,694,091	18,880,168
Other liabilities	20	1,968,908	3,023,041	7,964,233	12,318,892
Provision for employee benefits	21	354,483	356,525	1,433,884	1,452,839
Current income tax liabilities	22	1,748,239	4,067,233	7,071,627	16,573,974
Total liabilities		<u>891,002,624</u>	<u>660,985,654</u>	<u>3,604,105,615</u>	<u>2,693,516,539</u>
Shareholders' equity					
Share capital	23	76,000,000	76,000,000	304,093,780	304,093,780
Regulatory reserves	24	4,617,020	5,384,020	18,652,992	21,755,507
Retained earnings		39,848,106	30,574,886	161,668,348	123,885,975
Currency translation reserves		-	-	2,866,314	6,497,280
Total shareholders' equity		<u>120,465,126</u>	<u>111,958,906</u>	<u>487,281,434</u>	<u>456,232,542</u>
Total liabilities and shareholders' equity		<u>1,011,467,750</u>	<u>772,944,560</u>	<u>4,091,387,049</u>	<u>3,149,749,081</u>

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

Cambodia Post Bank Plc.

Separate statement of profit or loss and other comprehensive income for the year ended 31 December 2020

	Note	2020 US\$	2019 US\$	2020 KHR'000 (Note 5)	2019 KHR'000 (Note 5)
Operating income					
Interest income	25	79,991,963	72,304,870	326,127,233	292,979,333
Interest expense	26	(45,339,925)	(34,003,111)	(184,850,874)	(137,780,606)
Net interest income		34,652,038	38,301,759	141,276,359	155,198,727
Net fee and commission income	27	233,550	409,400	952,183	1,658,889
Other income	28	2,501,398	2,901,438	10,198,200	11,756,627
Total operating profit		37,386,986	41,612,597	152,426,742	168,614,243
Personnel expenses	29	(10,301,225)	(10,014,641)	(41,998,094)	(40,579,325)
Other operating expenses	30	(7,221,645)	(6,816,725)	(29,442,647)	(27,621,369)
Total operating expenses		(17,522,870)	(16,831,366)	(71,440,741)	(68,200,694)
Operating profit before impairment		19,864,116	24,781,231	80,986,001	100,413,549
Impairment losses on financial instruments	9	(8,776,993)	(2,606,866)	(35,783,801)	(10,563,021)
Profit before income tax		11,087,123	22,174,365	45,202,200	89,850,528
Income tax expense	22	(2,580,903)	(4,551,838)	(10,522,342)	(18,444,048)
Net profit for the year		8,506,220	17,622,527	34,679,858	71,406,480
Other comprehensive income					
Currency translation differences		-	-	(3,630,966)	5,782,491
Total comprehensive income for the year		8,506,220	17,622,527	31,048,892	77,188,971

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

Cambodia Post Bank Plc.

Separate statement of changes in equity for the year ended 31 December 2020

	Share capital		Regulatory reserves		Retained earnings		Currency translation reserves		Total	
	US\$	KHR'000 (Note 5)	US\$	KHR'000 (Note 5)	US\$	KHR'000 (Note 5)	US\$	KHR'000 (Note 5)	US\$	KHR'000 (Note 5)
At 1 January 2020	76,000,000	304,093,780	5,384,020	21,755,507	30,574,886	123,885,975	-	6,497,280	111,958,906	456,232,542
Transactions recognised directly in equity										
Transfers from regulatory reserves to retained earnings	-	-	(767,000)	(3,102,515)	767,000	3,102,515	-	-	-	-
Total comprehensive income										
Net profit for the year	-	-	-	-	8,506,220	34,679,858	-	-	8,506,220	34,679,858
Currency translation differences	-	-	-	-	-	-	-	(3,630,966)	-	(3,630,966)
	-	-	(767,000)	(3,102,515)	9,273,220	37,782,373	-	(3,630,966)	8,506,220	31,048,892
At 31 December 2020	76,000,000	304,093,780	4,617,020	18,652,992	39,848,106	161,668,348	-	2,866,314	120,465,126	487,281,434

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

	Share capital		Regulatory reserves		Retained earnings		Currency translation reserves		Total	
	US\$	KHR'000 (Note 5)	US\$	KHR'000 (Note 5)	US\$	KHR'000 (Note 5)	US\$	KHR'000 (Note 5)	US\$	KHR'000 (Note 5)
At 1 January 2019	76,000,000	304,093,780	3,598,243	14,478,466	14,738,136	59,756,536	-	714,789	94,336,379	379,043,571
Transactions recognised directly in equity										
Transfers from retained earnings to regulatory reserves	-	-	1,785,777	7,277,041	(1,785,777)	(7,277,041)	-	-	-	-
Total comprehensive income										
Net profit for the year	-	-	-	-	17,622,527	71,406,480	-	-	17,622,527	71,406,480
Currency translation differences	-	-	-	-	-	-	-	5,782,491	-	5,782,491
	-	-	1,785,777	7,277,041	15,836,750	64,129,439	-	5,782,491	17,622,527	77,188,971
At 31 December 2019	76,000,000	304,093,780	5,384,020	21,755,507	30,574,886	123,885,975	-	6,497,280	111,958,906	456,232,542

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

Cambodia Post Bank Plc.
Separate statement of cash flows
for the year ended 31 December 2020

	2020 US\$	2019 US\$	2020 KHR'000 (Note 5)	2019 KHR'000 (Note 5)
Cash flows from operating activities				
Net profit for the year	8,506,220	17,622,527	34,679,858	71,406,480
<i>Adjustments for:</i>				
Depreciation and amortisation	3,247,169	2,928,182	13,238,708	11,864,993
Gain on disposals of property, plant and equipment	(125)	(12,768)	(510)	(51,736)
Income tax expense	2,580,903	4,551,838	10,522,340	18,444,048
Net impairment losses on financial instruments	8,776,993	2,606,866	35,783,801	10,563,021
Provision for employee benefits	(2,042)	(143,646)	(8,325)	(582,054)
	<u>23,109,118</u>	<u>27,552,999</u>	<u>94,215,872</u>	<u>111,644,752</u>
<i>Changes in:</i>				
Placements with other financial institutions	(11,684,226)	(4,314,545)	(47,262,694)	(17,581,772)
Loans and advances	(28,744,435)	(145,548,324)	(116,271,240)	(593,109,420)
Statutory deposits	15,048,718	2,003,516	60,872,064	8,164,328
Other assets	(26,870)	(204,148)	(108,689)	(831,903)
Deposits from customers	181,430,827	(26,155,152)	733,887,695	(106,582,244)
Deposits from other financial institutions	27,016,959	10,934,198	109,283,599	44,556,857
Borrowings	260,900	442,902	1,055,341	1,804,826
Other liabilities	(811,949)	(15,628,244)	(3,284,333)	(63,685,095)
Cash used in operations	<u>205,599,042</u>	<u>(150,916,798)</u>	<u>832,387,615</u>	<u>(615,619,671)</u>
Income tax paid	<u>(4,843,902)</u>	<u>(3,965,686)</u>	<u>(19,748,588)</u>	<u>(16,068,960)</u>
Net cash generated from/(used in) operating activities	<u>200,755,140</u>	<u>(154,882,484)</u>	<u>812,639,027</u>	<u>(631,688,631)</u>
Cash flows from investing activities				
Purchase of property and equipment and intangible assets	(1,172,432)	(2,590,766)	(4,780,005)	(10,497,784)
Proceeds from disposal of property and equipment	<u>179</u>	<u>29,882</u>	<u>730</u>	<u>121,082</u>
Net cash used in investing activities	<u>(1,172,253)</u>	<u>(2,560,884)</u>	<u>(4,779,275)</u>	<u>(10,376,702)</u>
Cash flows from financing activities				
Proceeds from borrowings	48,141,538	31,181,038	196,273,050	126,345,566
Repayments of borrowings	(25,176,977)	(13,000,000)	(102,646,535)	(52,676,000)
Proceeds from subordinated debts	-	24,700,000	-	100,084,400
Payments of lease liabilities	(1,747,694)	(1,377,971)	(7,125,349)	(5,583,538)
Net cash generated from financing activities	<u>21,216,867</u>	<u>41,503,067</u>	<u>86,501,166</u>	<u>168,170,428</u>
Net increase/(decrease) in cash and cash equivalents	<u>220,799,754</u>	<u>(115,940,301)</u>	<u>894,360,918</u>	<u>(473,894,905)</u>
Cash and cash equivalents at beginning of the year	<u>72,035,410</u>	<u>187,975,711</u>	<u>293,544,296</u>	<u>755,286,407</u>
Currency translation difference	-	-	(3,386,976)	12,152,794
Cash and cash equivalents at end of the year (Note 7)	<u>292,835,164</u>	<u>72,035,410</u>	<u>1,184,518,238</u>	<u>293,544,296</u>

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

Cambodia Post Bank Plc. and its subsidiary

Notes to the financial statements for the year ended 31 December 2020

1. Reporting entity

Cambodia Post Bank Plc ("the Bank") and its subsidiary (collectively referred to as "the Group") were incorporated and registered in the Kingdom of Cambodia.

The Bank

The Bank is a commercial bank operating in accordance with the Cambodian Law on Commercial Enterprises and under the supervision of the National Bank of Cambodia ("NBC"), pursuant to the Law on Banking and Financial Institutions of Cambodia and in accordance with Banking License No. 38 dated 20 September 2013 issued by the NBC.

The main shareholders of the Bank are Canadia Investment Holding Plc. ("CIHP"), a public limited company incorporated in the Kingdom of Cambodia, Cambodia Post (CP) of Ministry of Post and Telecommunications and Fullerton Financial Capital Pte. Ltd. ("Fullerton"), incorporated in Singapore (Note 23).

The principal activities of the Bank consist of the operation of core banking business and the provision of related financial services through the Bank's head office and various branches in Phnom Penh and in the provinces.

The Bank's registered office is currently located at No. 265-269, Ang Duong Street, Sangkat Wat Phnom, Khan Daun Penh, Phnom Penh, Kingdom of Cambodia. The Bank has a total of 58 branches located in Phnom Penh and major provinces in Cambodia.

There is no significant change in the principal activities of the Bank during the year.

The paid-up capital of the Bank as at 31 December 2020 is US\$76,000,000 (2019: US\$76,000,000).

As at 31 December 2020, the Bank has a total of 1,523 employees (2019: 1,585 employees).

The subsidiary

Funan Microfinance Plc., the subsidiary, is a microfinance institution with 51 branches located across Cambodia providing small and medium-sized loans.

The subsidiary was incorporated in the Kingdom of Cambodia and registered with the MoC as a public limited liability company under registration number Co. 2133 KH2015 dated 17 June 2015.

2. Basis of accounting

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

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

Details of the Group's and the Bank's accounting policies are included in Note 35.

The financial statements were authorised for issue by the Board of Directors on 30 March 2021.

3. Functional and presentation currency

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

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

4. Use of judgments and estimates

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

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

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

- Note 35D(ii): classification of financial assets: assessment of the business model within which the assets are held and assessment of whether the contractual terms of the financial asset are solely payments of principal and interest (SPPI) on the principal amount outstanding.
- Note 35D(vii): establishing the criteria for determining whether credit risk on the financial asset has increased significantly since initial recognition, determining methodology for incorporating forward-looking information into measurement of expected credit loss (ECL) and selection and approval of models used to measure ECL.

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities in the year ended 31 December 2020 are included in the following notes:

- Note 35D(vi): determination of the fair value of financial instruments with significant unobservable inputs.
- Note 35D(vii): impairment of financial instruments: determining inputs into the ECL measurement model, including incorporation of forward-looking information.
- Note 35D(vii): impairment of financial instruments: key assumptions used in estimating recoverable cash flows.

5. Translation of United States Dollars into Khmer Riel

The financial statements are expressed in United States Dollars. The translations of United States Dollars amounts into Khmer Riel are included solely for compliance with the Law on Accounting and Auditing.

Assets and liabilities are translated at the closing rate as at the reporting date and share capital is translated at the historical rate. The statements of profit or loss and other comprehensive income and cash flows are translated into KHR using the average rate for the year. Exchange differences arising from the translation are recognised as "Currency translation reserves" in the other comprehensive income.

The Group and the Bank uses the following exchange rates:

			Closing rate	Average rate
31 December 2020	US\$1	=	KHR 4,045	KHR 4,077
31 December 2019	US\$1	=	KHR 4,075	KHR 4,052

These convenient translations should not be construed as representations that the United States Dollars amounts have been, could have been, or could in the future be, converted into Khmer Riels at this or any other rate of exchange.

6. Cash on hand

	31 December		31 December	
	2020	2019	2020	2019
	US\$	US\$	KHR'000 (Note 5)	KHR'000 (Note 5)
The Group				
US\$	24,239,195	18,555,282	98,047,544	75,612,774
Other currencies	<u>5,841,785</u>	<u>6,603,443</u>	<u>23,630,020</u>	<u>26,909,030</u>
	<u>30,080,980</u>	<u>25,158,725</u>	<u>121,677,564</u>	<u>102,521,804</u>
The Bank				
US\$	24,071,436	18,386,281	97,368,959	74,924,095
Other currencies	<u>5,658,722</u>	<u>6,426,846</u>	<u>22,889,530</u>	<u>26,189,398</u>
	<u>29,730,158</u>	<u>24,813,127</u>	<u>120,258,489</u>	<u>101,113,493</u>

7. Placements with other financial institutions - net

	31 December		31 December	
	2020	2019	2020	2019
	US\$	US\$	KHR'000 (Note 5)	KHR'000 (Note 5)
The Group				
Placements with other financial institutions	280,763,085	52,288,446	1,135,686,679	213,075,418
Less: Allowance for impairment losses	<u>(51,079)</u>	<u>(52,501)</u>	<u>(206,615)</u>	<u>(213,942)</u>
	<u>280,712,006</u>	<u>52,235,945</u>	<u>1,135,480,064</u>	<u>212,861,476</u>
The Bank				
Placements with other financial institutions	279,103,776	51,536,827	1,128,974,774	210,012,570
Less: Allowance for impairment losses	<u>(38,031)</u>	<u>(37,541)</u>	<u>(153,835)</u>	<u>(152,980)</u>
	<u>279,065,745</u>	<u>51,499,286</u>	<u>1,128,820,939</u>	<u>209,859,590</u>

A. By account types:

Gross amount of placements with other financial institutions are analysed as below:

	31 December		31 December	
	2020	2019	2020	2019
	US\$	US\$	KHR'000 (Note 5)	KHR'000 (Note 5)
The Group				
Current accounts	118,461,051	44,321,788	479,174,951	180,611,286
Savings accounts	4,803,264	2,152,114	19,429,203	8,769,865
Fixed deposits	<u>157,398,331</u>	<u>5,758,239</u>	<u>636,676,249</u>	<u>23,464,824</u>
	280,662,646	52,232,141	1,135,280,403	212,845,975
Accrued interest receivables	<u>100,439</u>	<u>56,305</u>	<u>406,276</u>	<u>229,443</u>
	<u>280,763,085</u>	<u>52,288,446</u>	<u>1,135,686,679</u>	<u>213,075,418</u>
The Bank				
Current accounts	117,906,364	44,180,827	476,931,242	180,036,870
Savings accounts	3,698,642	1,541,456	14,961,007	6,281,433
Fixed deposits	<u>157,398,331</u>	<u>5,758,239</u>	<u>636,676,249</u>	<u>23,464,824</u>
	279,003,337	51,480,522	1,128,568,498	209,783,127
Accrued interest receivables	<u>100,439</u>	<u>56,305</u>	<u>406,276</u>	<u>229,443</u>
	<u>279,103,776</u>	<u>51,536,827</u>	<u>1,128,974,774</u>	<u>210,012,570</u>

7. Placements with other financial institutions – net (continued)

B. Cash and cash equivalents

	31 December		31 December	
	2020 US\$	2019 US\$	2020 KHR'000 (Note 5)	2019 KHR'000 (Note 5)
The Group				
Cash on hand (Note 6)	30,080,980	25,158,725	121,677,564	102,521,804
<i>Placements with other financial institutions:</i>				
Current accounts	118,461,051	44,321,788	479,174,951	180,611,286
Savings accounts	4,803,264	2,152,114	19,429,203	8,769,865
Term deposits (original term of three months or less)	<u>141,500,000</u>	<u>1,500,000</u>	<u>572,367,500</u>	<u>6,112,500</u>
Cash and cash equivalents in the statement of cash flows	<u>294,845,295</u>	<u>73,132,627</u>	<u>1,192,649,218</u>	<u>298,015,455</u>
The Bank				
Cash on hand (Note 6)	29,730,158	24,813,127	120,258,489	101,113,493
<i>Placements with other financial institutions:</i>				
Current accounts	117,906,364	44,180,827	476,931,242	180,036,870
Savings accounts	3,698,642	1,541,456	14,961,007	6,281,433
Term deposits (original term of three months or less)	<u>141,500,000</u>	<u>1,500,000</u>	<u>572,367,500</u>	<u>6,112,500</u>
Cash and cash equivalents in the statement of cash flows	<u>292,835,164</u>	<u>72,035,410</u>	<u>1,184,518,238</u>	<u>293,544,296</u>

C. Interest rate (per annum)

	The Group		The Bank	
	2020	2019	2020	2019
Current accounts	0.0% – 0.75%	0.0% – 1.20%	0.0% – 0.75%	0.0% – 1.20%
Savings accounts	0.0% – 1.50%	0.0% – 1.50%	0.0% – 1.50%	0.0% – 1.50%
Term deposits	<u>2.0% – 3.50%</u>	<u>0.0% – 2.25%</u>	<u>2.0% – 3.50%</u>	<u>0.0% – 2.25%</u>

D. Allowance for impairment losses

The movements of allowance for impairment losses on placements with other financial institutions were as follow:

	31 December		31 December	
	2020 US\$	2019 US\$	2020 KHR'000 (Note 5)	2019 KHR'000 (Note 5)
The Group				
At 1 January	52,501	27,268	213,942	109,563
(Reversal)/Allowance for the year	(1,422)	25,233	(5,797)	102,244
Currency translation differences	<u>-</u>	<u>-</u>	<u>(1,530)</u>	<u>2,135</u>
At 31 December	<u>51,079</u>	<u>52,501</u>	<u>206,615</u>	<u>213,942</u>
The Bank				
At 1 January	37,541	12,308	152,980	49,454
Allowance for the year	490	25,233	1,998	102,244
Currency translation differences	<u>-</u>	<u>-</u>	<u>(1,143)</u>	<u>1,282</u>
At 31 December	<u>38,031</u>	<u>37,541</u>	<u>153,835</u>	<u>152,980</u>

8. Statutory deposits

	31 December		31 December	
	2020	2019	2020	2019
	US\$	US\$	KHR'000 (Note 5)	KHR'000 (Note 5)
The Group				
Capital guarantee deposits	8,000,000	8,000,000	32,360,000	32,600,000
Reserve requirements on customers' deposits	<u>46,199,135</u>	<u>61,247,853</u>	<u>186,875,501</u>	<u>249,585,001</u>
	<u>54,199,135</u>	<u>69,247,853</u>	<u>219,235,501</u>	<u>282,185,001</u>
The Bank				
Capital guarantee deposits	7,600,000	7,600,000	30,742,000	30,970,000
Reserve requirements on customers' deposits	<u>46,199,135</u>	<u>61,247,853</u>	<u>186,875,501</u>	<u>249,585,001</u>
	<u>53,799,135</u>	<u>68,847,853</u>	<u>217,617,501</u>	<u>280,555,001</u>

A. Capital guarantee deposits

Under the NBC's regulation, the Bank is required to maintain a statutory deposit 10% (the subsidiary: 5%) of its capital. This deposit is not available for use in the Group's and the Bank's day-to-day operations and is refundable should the Group and the Bank voluntarily cease its operations in Cambodia. These deposits earn interest at rate of 0.06% (2019: 0.48%) per annum.

B. Reserve requirements on customers' deposits

The reserve requirement represents the minimum reserve which is calculated at 8% for KHR and 12.50% for other currencies of the total amount of deposits from customers, non-residential banks and financial institution deposits, and non-residential borrowings. Pursuant to the National Bank of Cambodia's Prakas No. B7-018-282 on the maintenance of reserve requirement against commercial banks' deposits and borrowings, reserve requirements both in KHR and in other currencies bear no interest effective from 29 August 2018.

On 18 March 2020, the NBC announced the reduction of the Reserve Requirements Rate ("RRR") to 7% for both local and foreign currencies in order to help mitigate the impact of the COVID-19 pandemic on Cambodia's economy.

9. Loans and advances to customers - net

	31 December		31 December	
	2020	2019	2020	2019
	US\$	US\$	KHR'000 (Note 5)	KHR'000 (Note 5)
The Group				
Commercial loans:				
Overdrafts	121,308	566,007	490,691	2,306,479
Short term loans	648,855	1,141,056	2,624,618	4,649,803
Long term loans	691,375,958	665,375,337	2,796,615,750	2,711,404,498
Consumer loans	<u>146,574</u>	<u>54,987</u>	<u>592,892</u>	<u>224,072</u>
Gross loans and advances	692,292,695	667,137,387	2,800,323,951	2,718,584,852
Interest receivables	5,824,215	5,669,320	23,558,950	23,102,479
Unearned loan commitment fees	<u>(6,520,069)</u>	<u>(6,576,832)</u>	<u>(26,373,679)</u>	<u>(26,800,590)</u>
	691,596,841	666,229,875	2,797,509,222	2,714,886,741
Allowance for impairment losses	<u>(9,577,940)</u>	<u>(4,301,154)</u>	<u>(38,742,767)</u>	<u>(17,527,203)</u>
Loans and advances – net	<u>682,018,901</u>	<u>661,928,721</u>	<u>2,758,766,455</u>	<u>2,697,359,538</u>
The Bank				
Commercial loans:				
Overdrafts	121,308	566,007	490,691	2,306,479
Short term loans	334,792	520,850	1,354,234	2,122,464
Long term loans	635,967,308	610,435,907	2,572,487,761	2,487,526,321
Consumer loans	<u>16,012</u>	<u>54,987</u>	<u>64,769</u>	<u>224,072</u>
Gross loans and advances	636,439,420	611,577,751	2,574,397,455	2,492,179,336
Interest receivables	5,244,127	5,069,984	21,212,494	20,660,185
Unearned loan commitment fees	<u>(5,787,091)</u>	<u>(5,789,488)</u>	<u>(23,408,785)</u>	<u>(23,592,164)</u>
	635,896,456	610,858,247	2,572,201,164	2,489,247,357
Allowance for impairment losses	<u>(8,956,742)</u>	<u>(3,886,465)</u>	<u>(36,230,021)</u>	<u>(15,837,345)</u>
Loans and advances – net	<u>626,939,714</u>	<u>606,971,782</u>	<u>2,535,971,143</u>	<u>2,473,410,012</u>

9. Loans and advances to customers – net (continued)

(i) Allowance for impairment losses recognised in profit or loss is summarised as follows:

	2020 US\$	2019 US\$	2020 KHR'000 (Note 5)	2019 KHR'000 (Note 5)
The Group				
Allowance for loans and advances	9,490,057	2,927,294	38,690,962	11,861,395
Allowance for placements with other financial institutions	(1,422)	25,233	(5,797)	102,244
	<u>9,488,635</u>	<u>2,952,527</u>	<u>38,685,165</u>	<u>11,963,639</u>

	2020 US\$	2019 US\$	2020 KHR'000 (Note 5)	2019 KHR'000 (Note 5)
The Bank				
Allowance for loans and advances	8,776,503	2,581,633	35,781,803	10,460,777
Allowance for placements with other financial institutions	490	25,233	1,998	102,244
	<u>8,776,993</u>	<u>2,606,866</u>	<u>35,783,801</u>	<u>10,563,021</u>

(ii) The movements of allowance for losses on loans and advances were as follows:

	2020 US\$	2019 US\$	2020 KHR'000 (Note 5)	2019 KHR'000 (Note 5)
The Group				
At 1 January	4,301,154	4,054,773	17,527,203	16,292,078
Allowance for the year	9,490,057	2,927,294	38,690,962	11,861,395
Written off for the year	(4,213,271)	(2,680,913)	(17,177,506)	(10,863,059)
Currency translation differences	-	-	(297,892)	236,789
At 31 December	<u>9,577,940</u>	<u>4,301,154</u>	<u>38,742,767</u>	<u>17,527,203</u>

	2020 US\$	2019 US\$	2020 KHR'000 (Note 5)	2019 KHR'000 (Note 5)
The Bank				
At 1 January	3,886,465	3,683,368	15,837,345	14,799,773
Allowance for the year	8,776,503	2,581,633	35,781,803	10,460,777
Written off for the year	(3,706,226)	(2,378,536)	(15,110,283)	(9,637,828)
Currency translation differences	-	-	(278,844)	214,623
At 31 December	<u>8,956,742</u>	<u>3,886,465</u>	<u>36,230,021</u>	<u>15,837,345</u>

10. Other assets

	31 December		31 December	
	2020 US\$	2019 US\$	2020 KHR'000 (Note 5)	2019 KHR'000 (Note 5)
The Group				
Guarantee deposits	528,754	636,590	2,138,810	2,594,104
Prepayments	746,837	527,267	3,020,956	2,148,613
Others	<u>242,097</u>	<u>305,229</u>	<u>979,282</u>	<u>1,243,808</u>
	<u>1,517,688</u>	<u>1,469,086</u>	<u>6,139,048</u>	<u>5,986,525</u>

	2020 US\$	2019 US\$	2020 KHR'000 (Note 5)	2019 KHR'000 (Note 5)
The Bank				
Guarantee deposits	528,754	636,590	2,138,810	2,594,104
Prepayments	521,626	295,818	2,109,977	1,205,458
Others	<u>199,416</u>	<u>290,518</u>	<u>806,638</u>	<u>1,183,861</u>
	<u>1,249,796</u>	<u>1,222,926</u>	<u>5,055,425</u>	<u>4,983,423</u>

11. Intangible assets

	The Group		2020 KHR'000 (Note 5)	2019 KHR'000 (Note 5)
	2020 US\$	2019 US\$		
Cost				
At 1 January	2,680,311	2,290,146	10,922,267	9,201,807
Additions	83,403	390,165	340,034	1,580,949
Currency translation differences	-	-	(83,078)	139,511
At 31 December	<u>2,763,714</u>	<u>2,680,311</u>	<u>11,179,223</u>	<u>10,922,267</u>
Less: Accumulated amortisation				
At 1 January	1,719,890	1,363,136	7,008,551	5,477,080
Amortisation for the year	388,628	356,754	1,584,436	1,445,567
Currency translation differences	-	-	(64,032)	85,904
At 31 December	<u>2,108,518</u>	<u>1,719,890</u>	<u>8,528,955</u>	<u>7,008,551</u>
Carrying amounts				
At 31 December	<u>655,196</u>	<u>960,421</u>	<u>2,650,268</u>	<u>3,913,716</u>

	The Bank		2020 KHR'000 (Note 5)	2019 KHR'000 (Note 5)
	2020 US\$	2019 US\$		
Cost				
At 1 January	2,296,235	1,944,570	9,357,158	7,813,282
Additions	83,403	351,665	340,034	1,424,947
Currency translation differences	-	-	(71,556)	118,929
At 31 December	<u>2,379,638</u>	<u>2,296,235</u>	<u>9,625,636</u>	<u>9,357,158</u>
Less: Accumulated amortisation				
At 1 January	1,441,359	1,159,814	5,873,538	4,660,133
Amortisation for the year	335,170	281,545	1,366,488	1,140,820
Currency translation differences	-	-	(53,966)	72,585
At 31 December	<u>1,776,529</u>	<u>1,441,359</u>	<u>7,186,060</u>	<u>5,873,538</u>
Carrying amounts				
At 31 December	<u>603,109</u>	<u>854,876</u>	<u>2,439,576</u>	<u>3,483,620</u>

12. Property and equipment

The Group 2020	Leasehold improvements US\$	Office equip- ment US\$	Furniture, fixtures and fittings US\$	Computer and IT equipment US\$	Vehicles US\$	Construction in progress US\$	Total US\$	KHR'000 (Note 5)
Cost								
At 1 January 2020	1,511,697	2,390,749	534,635	3,233,152	1,884,649	221,260	9,776,142	39,837,779
Additions	126,659	423,792	44,196	346,786	267,467	278,191	1,487,091	6,062,870
Transfer	188,350	9,772	7,325	-	-	(205,447)	-	-
Disposals	(4,823)	-	(1,487)	-	-	-	(6,310)	(25,726)
Write-offs	-	-	-	(3,760)	-	-	(3,760)	(15,330)
Currency translation differences	-	-	-	-	-	-	-	(340,549)
At 31 December 2020	<u>1,821,883</u>	<u>2,824,313</u>	<u>584,669</u>	<u>3,576,178</u>	<u>2,152,116</u>	<u>294,004</u>	<u>11,253,163</u>	<u>45,519,044</u>
Less: Accumulated depreciation								
At 1 January 2020	824,068	1,157,159	401,571	1,843,963	1,318,883	-	5,545,644	22,598,496
Depreciation for the year	280,491	520,252	58,573	567,139	263,792	-	1,690,247	6,891,137
Disposals	(4,769)	-	(1,487)	-	-	-	(6,256)	(25,506)
Write-offs	-	-	-	(3,760)	-	-	(3,760)	(15,330)
Currency translation differences	-	-	-	-	-	-	-	(220,133)
At 31 December 2020	<u>1,099,790</u>	<u>1,677,411</u>	<u>458,657</u>	<u>2,407,342</u>	<u>1,582,675</u>	<u>-</u>	<u>7,225,875</u>	<u>29,228,664</u>
Carrying amounts								
At 31 December 2020	<u>722,093</u>	<u>1,146,902</u>	<u>126,012</u>	<u>1,168,836</u>	<u>569,441</u>	<u>294,004</u>	<u>4,027,288</u>	<u>16,290,380</u>

The Group 2019	Leasehold improve- ments US\$	Office equip- ment US\$	Furniture, fixtures and fittings US\$	Computer and IT equipment US\$	Vehicles US\$	Construction in progress US\$	Total US\$	KHR'000 (Note 5)
Cost								
At 1 January 2019	1,018,324	1,766,144	442,959	2,197,934	1,545,715	224,160	7,195,236	28,910,458
Additions	391,898	322,979	83,380	759,227	415,234	763,861	2,736,579	11,088,618
Transfer	172,548	306,586	9,611	278,016	-	(766,761)	-	-
Disposals	(71,073)	(760)	-	-	(76,300)	-	(148,133)	(600,235)
Write-offs	-	(4,200)	(1,315)	(2,025)	-	-	(7,540)	(30,552)
Currency translation differences	-	-	-	-	-	-	-	469,490
At 31 December 2019	<u>1,511,697</u>	<u>2,390,749</u>	<u>534,635</u>	<u>3,233,152</u>	<u>1,884,649</u>	<u>221,260</u>	<u>9,776,142</u>	<u>39,837,779</u>
Less: Accumulated depreciation								
At 1 January 2019	662,162	758,031	347,295	1,348,392	1,034,434	-	4,150,314	16,675,962
Depreciation for the year	223,154	403,778	55,591	497,596	353,770	-	1,533,889	6,215,318
Disposals	(61,248)	(450)	-	-	(69,321)	-	(131,019)	(530,889)
Write-offs	-	(4,200)	(1,316)	(2,025)	-	-	(7,541)	(30,556)
Currency translation differences	-	-	-	-	-	-	-	268,661
At 31 December 2019	<u>824,068</u>	<u>1,157,159</u>	<u>401,570</u>	<u>1,843,963</u>	<u>1,318,883</u>	<u>-</u>	<u>5,545,643</u>	<u>22,598,496</u>
Carrying amounts								
At 31 December 2019	<u>687,629</u>	<u>1,233,590</u>	<u>133,065</u>	<u>1,389,189</u>	<u>565,766</u>	<u>221,260</u>	<u>4,230,499</u>	<u>17,239,283</u>

12. Property and equipment (continued)

The Bank	Leasehold improve- ments US\$	Office equipment US\$	Furniture, fixtures and fittings US\$	Computer and IT equipment US\$	Vehicles US\$	Construction in progress US\$	Total US\$	Total KHR '000 (Note 5)
2020								
Cost								
At 1 January 2020	1,444,050	2,300,953	458,325	2,471,206	1,683,328	221,260	8,579,122	34,959,922
Additions	116,935	418,612	44,196	106,223	206,250	196,813	1,089,029	4,439,971
Transfers	188,350	9,772	7,325	-	-	(205,447)	-	-
Disposals	(4,823)	-	(1,487)	-	-	-	(6,310)	(25,726)
Currency translation differences	-	-	-	-	-	-	-	(292,020)
As at 31 December 2020	1,744,512	2,729,337	508,359	2,577,429	1,889,578	212,626	9,661,841	39,082,147
Less: Accumulated depreciation								
At 1 January 2020	803,105	1,096,021	339,251	1,543,735	1,165,618	-	4,947,730	20,162,000
Depreciation for the year	261,454	506,237	49,479	417,758	233,347	-	1,468,275	5,986,157
Disposals	(4,769)	-	(1,487)	-	-	-	(6,256)	(25,506)
Currency translation differences	-	-	-	-	-	-	-	(195,216)
As at 31 December 2020	1,059,790	1,602,258	387,243	1,961,493	1,398,965	-	6,409,749	25,927,435
Carrying amounts								
At 31 December 2020	684,722	1,127,079	121,116	615,936	490,613	212,626	3,252,092	13,154,712

The Bank	Leasehold improve- ments US\$	Office equipment US\$	Furniture, fixtures and fittings US\$	Computer and IT equipment US\$	Vehicles US\$	Construction in progress US\$	Total US\$	Total KHR '000 (Note 5)
2019								
Cost								
At 1 January 2019	986,673	1,685,684	370,408	1,854,025	1,379,929	211,435	6,488,154	26,069,403
Additions	355,902	309,443	78,306	339,165	379,699	776,586	2,239,101	9,072,837
Transfers	172,548	306,586	9,611	278,016	-	(766,761)	-	-
Disposals	(71,073)	(760)	-	-	(76,300)	-	(148,133)	(600,235)
Currency translation differences	-	-	-	-	-	-	-	417,917
As at 31 December 2019	1,444,050	2,300,953	458,325	2,471,206	1,683,328	221,260	8,579,122	34,959,922
Less: Accumulated depreciation								
At 1 January 2019	653,830	708,498	295,820	1,108,268	906,354	-	3,672,770	14,757,190
Depreciation for the year	210,523	387,973	43,431	435,467	328,585	-	1,405,979	5,697,027
Disposals	(61,248)	(450)	-	-	(69,321)	-	(131,019)	(530,889)
Currency translation differences	-	-	-	-	-	-	-	238,672
As at 31 December 2019	803,105	1,096,021	339,251	1,543,735	1,165,618	-	4,947,730	20,162,000
Carrying amounts								
At 31 December 2019	640,945	1,204,932	119,074	927,471	517,710	221,260	3,631,392	14,797,922

13. Right-of-use assets

Information about the Group/ the Bank's leases are disclosed within this note and Note 19.

	31 December		31 December	
	2020	2019	2020	2019
	US\$	US\$	KHR'000 (Note 5)	KHR'000 (Note 5)

The Group

Right-of-use assets	<u>7,518,919</u>	<u>6,007,571</u>	<u>30,414,027</u>	<u>24,480,852</u>
---------------------	------------------	------------------	-------------------	-------------------

The Bank

Right-of-use-assets	<u>6,394,869</u>	<u>4,614,191</u>	<u>25,867,245</u>	<u>18,802,828</u>
---------------------	------------------	------------------	-------------------	-------------------

The Group/ the Bank leases for their Head Office and branches office spaces. Information about leases for which the Group/ the Bank is a lessee is presented below:

The Group

Cost

At 1 January	9,295,810	6,693,226	37,880,426	26,893,382
Additions	3,553,076	2,602,584	14,485,891	10,545,670
Currency translation differences	<u>-</u>	<u>-</u>	<u>(392,573)</u>	<u>441,374</u>
At 31 December	<u>12,848,886</u>	<u>9,295,810</u>	<u>51,973,744</u>	<u>37,880,426</u>

Accumulated amortisation

At 1 January	3,288,239	1,536,957	13,399,574	6,175,493
Amortisation for the year	2,041,728	1,751,282	8,324,125	7,096,195
Currency translation differences	<u>-</u>	<u>-</u>	<u>(163,982)</u>	<u>127,886</u>
At 31 December	<u>5,329,967</u>	<u>3,288,239</u>	<u>21,559,717</u>	<u>13,399,574</u>

Carrying amounts

At 31 December	<u>7,518,919</u>	<u>6,007,571</u>	<u>30,414,027</u>	<u>24,480,852</u>
----------------	------------------	------------------	-------------------	-------------------

The Bank

Cost

At 1 January	6,958,769	5,580,798	28,356,984	22,423,646
Additions	3,224,402	1,377,971	13,145,887	5,583,538
Currency translation differences	<u>-</u>	<u>-</u>	<u>(311,944)</u>	<u>349,800</u>
At 31 December	<u>10,183,171</u>	<u>6,958,769</u>	<u>41,190,927</u>	<u>28,356,984</u>

Less: Accumulated amortisation

At 1 January	2,344,578	1,103,920	9,554,156	4,435,551
Amortisation for the year	1,443,724	1,240,658	5,886,063	5,027,146
Currency translation differences	<u>-</u>	<u>-</u>	<u>(116,537)</u>	<u>91,459</u>
At 31 December	<u>3,788,302</u>	<u>2,344,578</u>	<u>15,323,682</u>	<u>9,554,156</u>

Carrying amounts

At 31 December	<u>6,394,869</u>	<u>4,614,191</u>	<u>25,867,245</u>	<u>18,802,828</u>
----------------	------------------	------------------	-------------------	-------------------

14. Goodwill/investment in subsidiary

Investment in subsidiary in the separate financial statements represents the net consideration paid for the acquisition of the unquoted shares of the subsidiary.

Goodwill represents the surplus of the consideration paid over their fair value of the net assets.

No impairment losses on goodwill were recognised during the years ended 31 December 2020 and 31 December 2019.

15. Deposits from customers

	31 December		31 December	
	2020	2019	2020	2019
	US\$	US\$	KHR'000 (Note 5)	KHR'000 (Note 5)
The Group				
Demand deposits	15,861,140	12,111,732	64,158,311	49,355,308
Saving accounts	63,001,449	38,243,709	254,840,861	155,843,114
Fixed deposits	<u>568,723,251</u>	<u>421,242,450</u>	<u>2,300,485,550</u>	<u>1,716,562,984</u>
	647,585,840	471,597,891	2,619,484,722	1,921,761,406
Accrued interest payable	<u>18,400,020</u>	<u>12,957,142</u>	<u>74,428,082</u>	<u>52,800,353</u>
	<u>665,985,860</u>	<u>484,555,033</u>	<u>2,693,912,804</u>	<u>1,974,561,759</u>
The Bank				
Demand deposits	15,861,140	12,111,732	64,158,311	49,355,308
Saving accounts	63,001,449	38,243,709	254,840,861	155,843,114
Fixed deposits	<u>568,723,251</u>	<u>421,242,450</u>	<u>2,300,485,550</u>	<u>1,716,562,984</u>
	647,585,840	471,597,891	2,619,484,722	1,921,761,406
Accrued interest payable	<u>18,400,020</u>	<u>12,957,142</u>	<u>74,428,082</u>	<u>52,800,353</u>
	<u>665,985,860</u>	<u>484,555,033</u>	<u>2,693,912,804</u>	<u>1,974,561,759</u>

Gross deposits from customers are analysed as follows:

A. By customer type:

	31 December		31 December	
	2020	2019	2020	2019
	US\$	US\$	KHR'000 (Note 5)	KHR'000 (Note 5)
The Group				
Individuals	643,252,022	466,738,705	2,601,954,429	1,901,960,223
Business enterprises	<u>4,333,818</u>	<u>4,859,186</u>	<u>17,530,293</u>	<u>19,801,183</u>
	<u>647,585,840</u>	<u>471,597,891</u>	<u>2,619,484,722</u>	<u>1,921,761,406</u>
The Bank				
Individuals	643,252,022	466,738,705	2,601,954,429	1,901,960,223
Business enterprises	<u>4,333,818</u>	<u>4,859,186</u>	<u>17,530,293</u>	<u>19,801,183</u>
	<u>647,585,840</u>	<u>471,597,891</u>	<u>2,619,484,722</u>	<u>1,921,761,406</u>

B. By residency status:

The Group

Residents	557,988,487	375,861,226	2,257,063,430	1,531,634,496
Non-residents	89,597,353	95,736,665	362,421,292	390,126,910
	<u>647,585,840</u>	<u>471,597,891</u>	<u>2,619,484,722</u>	<u>1,921,761,406</u>

The Bank

Residents	557,988,487	375,861,226	2,257,063,430	1,531,634,496
Non-residents	89,597,353	95,736,665	362,421,292	390,126,910
	<u>647,585,840</u>	<u>471,597,891</u>	<u>2,619,484,722</u>	<u>1,921,761,406</u>

C. By interest rate (per annum):

	2020	2019
The Group		
Demand deposits (current account)	0.00% - 2.00%	0.00% - 2.00%
Saving accounts	0.25% - 1.50%	0.25% - 1.50%
Fixed deposits	<u>2.50% - 7.00%</u>	<u>2.50% - 7.00%</u>
The Bank		
Demand deposits (current account)	0.00% - 2.00%	0.00% - 2.00%
Saving accounts	0.25% - 1.50%	0.25% - 1.50%
Fixed deposits	<u>2.50% - 7.00%</u>	<u>2.50% - 7.00%</u>

16. Deposits from other financial institutions

	31 December		31 December	
	2020	2019	2020	2019
	US\$	US\$	KHR'000 (Note 5)	KHR'000 (Note 5)
The Group				
Demand deposits	1,628,029	5,325,094	6,585,377	21,699,758
Saving accounts	6,373,555	5,972,100	25,781,030	24,336,307
Fixed deposits	<u>98,115,824</u>	<u>69,333,941</u>	<u>396,878,508</u>	<u>282,535,810</u>
	106,117,408	80,631,135	429,244,915	328,571,875
Accrued interest payable	<u>3,171,846</u>	<u>2,518,076</u>	<u>12,830,117</u>	<u>10,261,160</u>
	<u>109,289,254</u>	<u>83,149,211</u>	<u>442,075,032</u>	<u>338,833,035</u>
The Bank				
Demand deposits	1,705,665	5,373,171	6,899,415	21,895,672
Saving accounts	7,710,515	6,461,703	31,189,033	26,331,440
Fixed deposits	<u>98,115,824</u>	<u>69,333,941</u>	<u>396,878,508</u>	<u>282,535,809</u>
	107,532,004	81,168,815	434,966,956	330,762,921
Accrued interest payable	<u>3,171,846</u>	<u>2,518,076</u>	<u>12,830,117</u>	<u>10,261,160</u>
	<u>110,703,850</u>	<u>83,686,891</u>	<u>447,797,073</u>	<u>341,024,081</u>

Gross deposits from other financial institutions are analysed as follows:

16. Deposits from other financial institutions (Continue)

A. By relationship:

	31 December		31 December	
	2020	2019	2020	2019
	US\$	US\$	KHR'000	KHR'000
			(Note 5)	(Note 5)
The Group				
Related parties	25,325,979	32,894,390	102,443,585	134,044,639
Non-related parties	<u>80,791,429</u>	<u>47,736,745</u>	<u>326,801,330</u>	<u>194,527,236</u>
	<u>106,117,408</u>	<u>80,631,135</u>	<u>429,244,915</u>	<u>328,571,875</u>
The Bank				
Related parties	26,740,575	33,432,070	108,165,626	136,235,685
Non-related parties	<u>80,791,429</u>	<u>47,736,745</u>	<u>326,801,330</u>	<u>194,527,236</u>
	<u>107,532,004</u>	<u>81,168,815</u>	<u>434,966,956</u>	<u>330,762,921</u>

B. By residency status:

	31 December		31 December	
	2020	2019	2020	2019
	US\$	US\$	KHR'000	KHR'000
			(Note 5)	(Note 5)
The Group				
Residents	<u>106,117,408</u>	<u>80,631,135</u>	<u>429,244,915</u>	<u>328,571,875</u>
The Bank				
Residents	<u>107,532,004</u>	<u>81,168,815</u>	<u>434,966,956</u>	<u>330,762,921</u>

C. By interest rate (per annum):

	2020	2019
The Group		
Demand Deposit / Saving accounts	0.25% - 1.50%	0.25% - 1.50%
Fixed deposits	<u>2.50% - 4.75%</u>	<u>2.50% - 4.75%</u>
The Bank		
Demand Deposit / Saving accounts	0.25% - 1.50%	0.25% - 1.50%
Fixed deposits	<u>2.50% - 4.75%</u>	<u>2.50% - 4.75%</u>

17. Borrowings

	31 December		31 December	
	2020	2019	2020	2019
	US\$	US\$	KHR'000 (Note 5)	KHR'000 (Note 5)
The Group				
Related parties	27,874,846	29,792,946	112,753,752	121,406,255
Non-related parties	<u>84,500,315</u>	<u>60,026,073</u>	<u>341,803,774</u>	<u>244,606,247</u>
	112,375,161	89,819,019	454,557,526	366,012,502
Accrued interest payable	<u>894,720</u>	<u>601,244</u>	<u>3,619,143</u>	<u>2,450,069</u>
	<u>113,269,881</u>	<u>90,420,263</u>	<u>458,176,669</u>	<u>368,462,571</u>
The Bank				
Non-related parties	72,185,420	49,220,859	291,990,024	200,575,000
Accrued interest payable	<u>703,802</u>	<u>442,902</u>	<u>2,846,879</u>	<u>1,804,826</u>
	<u>72,889,222</u>	<u>49,663,761</u>	<u>294,836,903</u>	<u>202,379,826</u>

Borrowings from related and non-related parties bear interest rates ranging from 2.00%% to 7.50% per annum (2019: 3.06% - 8.00% per annum).

18. Subordinated debts

The Group/the Bank entered into four subordinated debts agreements with Canada Investment Holding Plc. ("CIHP"), Fullerton Financial Capital Plc. Ltd. ("Fullerton"), Cambodia Post ("CP"), shareholders of the Bank and Overseas Cambodia Investment Corporation ("OCIC"). These facilities were approved by the NBC as Tier II capital. The principal amount will be repaid in five equal instalments starting from third anniversary until maturity.

19. Lease liabilities

	31 December		31 December	
	2020	2019	2020	2019
	US\$	US\$	KHR'000 (Note 5)	KHR'000 (Note 5)
The Group				
Maturity analysis – contractual undiscounted cash flows				
Less than one year	2,243,889	1,859,901	9,076,531	7,579,097
One to five years	5,563,933	4,446,031	22,506,109	18,117,576
More than five years	<u>1,132,477</u>	<u>855,645</u>	<u>4,580,869</u>	<u>3,486,753</u>
Total undiscounted lease liabilities	<u>8,940,299</u>	<u>7,161,577</u>	<u>36,163,509</u>	<u>29,183,426</u>
Present value of lease liabilities				
Current	1,808,855	1,510,706	7,316,818	6,156,127
Non-current	<u>5,588,719</u>	<u>4,421,242</u>	<u>22,606,369</u>	<u>18,016,561</u>
	<u>7,397,574</u>	<u>5,931,948</u>	<u>29,923,187</u>	<u>24,172,688</u>

19. Lease liabilities (Continue)

The Bank

Maturity analysis – contractual undiscounted cash flows

Less than one year	1,689,884	1,245,616	6,835,581	5,075,885
One to five years	4,873,508	3,523,466	19,713,340	14,358,124
More than five years	<u>1,127,144</u>	<u>855,645</u>	<u>4,559,297</u>	<u>3,486,753</u>
Total undiscounted lease liabilities	<u>7,690,536</u>	<u>5,624,727</u>	<u>31,108,218</u>	<u>22,920,762</u>

Present value of lease liabilities

Current	1,318,030	974,185	5,331,431	3,969,804
Non-current	<u>5,034,032</u>	<u>3,658,985</u>	<u>20,362,660</u>	<u>14,910,364</u>
	<u>6,352,062</u>	<u>4,633,170</u>	<u>25,694,091</u>	<u>18,880,168</u>

A. Amounts recognised in profit or loss

	2020 US\$	2019 US\$	2020 KHR'000 (Note 5)	2019 KHR'000 (Note 5)
The Group				
Interest on lease liabilities	515,336	401,441	2,101,025	1,626,639
Expenses relating to short-term lease assets	<u>476,418</u>	<u>481,112</u>	<u>1,942,356</u>	<u>1,949,466</u>
	<u>991,754</u>	<u>882,553</u>	<u>4,043,381</u>	<u>3,576,105</u>
The Bank				
Interest on lease liabilities	418,529	326,556	1,706,343	1,323,205
Expenses relating to short-term lease assets	<u>391,568</u>	<u>394,240</u>	<u>1,596,423</u>	<u>1,597,460</u>
	<u>810,097</u>	<u>720,796</u>	<u>3,302,766</u>	<u>2,920,665</u>

B. Amounts recognised in the statement of cash flows

	2020 US\$	2019 US\$	2020 KHR'000 (Note 5)	2019 KHR'000 (Note 5)
The Group				
Cash flows from financing activities				
Total cash outflow for leases	<u>(2,419,786)</u>	<u>(2,602,584)</u>	<u>(9,865,468)</u>	<u>(10,545,670)</u>
The Bank				
Cash flows from financing activities				
Total cash outflow for leases	<u>(1,747,694)</u>	<u>(1,377,971)</u>	<u>(7,125,349)</u>	<u>(5,583,538)</u>

20. Other liabilities

	31 December		31 December	
	2020	2019	2020	2019
	US\$	US\$	KHR'000	KHR'000
			(Note 5)	(Note 5)
The Group				
Accounts payable	228,692	1,070,223	925,059	4,361,159
Accrued staff bonuses and unused leaves	1,410,454	1,755,347	5,705,286	7,153,039
Accrued expenses	384,625	433,264	1,555,808	1,765,551
Other taxes payable	291,974	223,442	1,181,035	910,526
Others	465,426	232,979	1,882,648	949,389
	<u>2,781,171</u>	<u>3,715,255</u>	<u>11,249,836</u>	<u>15,139,664</u>
The Bank				
Accounts payable	217,879	1,030,047	881,321	4,197,442
Accrued staff bonuses and unused leaves	1,167,251	1,462,168	4,721,530	5,958,335
Accrued expenses	264,365	280,652	1,069,356	1,143,657
Other taxes payable	276,801	205,117	1,119,660	835,852
Others	42,612	45,057	172,366	183,606
	<u>1,968,908</u>	<u>3,023,041</u>	<u>7,964,233</u>	<u>12,318,892</u>

21. Provision for employee benefits

	31 December		31 December	
	2020	2019	2020	2019
	US\$	US\$	KHR'000	KHR'000
			(Note 5)	(Note 5)
The Group				
Provision for seniority indemnity	<u>397,653</u>	<u>410,049</u>	<u>1,608,506</u>	<u>1,670,950</u>
The Bank				
Provision for seniority indemnity	<u>354,483</u>	<u>356,525</u>	<u>1,433,884</u>	<u>1,452,839</u>

This represents provision for seniority indemnity payments required by Prakas No. 443 issued by the Ministry of Labour and Vocational Training ("MoLVT") on 21 September 2018, and subsequently amended by the Instruction No. 042/19 dated 22 March 2019. It requires all employers to settle the seniority indemnity to their employee as follows:

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

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

On 2 June 2020, the MoLVT issued Prakas No. 018/20 for the postponement of seniority indemnity backpay for periods before 2019 and postponement of seniority payments in 2020. Under this new measure, both the issuance of seniority indemnity backpay for periods before 2019, and the issuance of seniority payments for 2020, have been delayed until 2021.

22. Income tax

A. Deferred tax assets – net

	31 December		31 December	
	2020	2019	2020	2019
	US\$	US\$	KHR'000	KHR'000
			(Note 5)	(Note 5)

The Group

Deferred tax assets	3,534,843	3,171,254	14,298,440	12,922,860
Deferred tax liabilities	(1,550,954)	(1,244,293)	(6,273,609)	(5,070,494)
Deferred tax assets – net	<u>1,983,889</u>	<u>1,926,961</u>	<u>8,024,831</u>	<u>7,852,366</u>

The Bank

Deferred tax assets	3,040,265	2,726,147	12,297,872	11,109,049
Deferred tax liabilities	(1,292,951)	(922,838)	(5,229,987)	(3,760,565)
Deferred tax assets – net	<u>1,747,314</u>	<u>1,803,309</u>	<u>7,067,885</u>	<u>7,348,484</u>

Deferred tax are attributable to the following:

The Group

Allowance for loan losses	418,420	242,972	1,692,509	990,111
Provision for employee benefits	49,531	351,070	200,353	1,430,610
Depreciation and amortisation	248,857	133,524	1,006,627	544,110
Unearned loan commitment fees	1,304,014	1,172,393	5,274,737	4,777,501
Lease liabilities	1,479,515	1,186,389	5,984,638	4,834,535
Right-of-use assets	(1,503,784)	(1,201,514)	(6,082,806)	(4,896,170)
Unrealised exchange loss - net	(12,664)	42,127	(51,227)	171,669
	<u>1,983,889</u>	<u>1,926,961</u>	<u>8,024,831</u>	<u>7,852,366</u>

The Bank

Allowance for loan losses	330,385	139,800	1,336,407	569,685
Provision for employee benefits	-	292,434	-	1,191,669
Depreciation and amortisation	282,050	176,303	1,140,892	718,435
Unearned loan commitment fees	1,157,418	1,157,898	4,681,756	4,718,434
Lease liabilities	1,270,413	926,633	5,138,821	3,776,029
Right-of-use assets	(1,278,974)	(922,838)	(5,173,450)	(3,760,565)
Unrealised exchange loss - net	(13,978)	33,079	(56,541)	134,797
	<u>1,747,314</u>	<u>1,803,309</u>	<u>7,067,885</u>	<u>7,348,484</u>

The movements of deferred tax are as follows:

The Group

At 1 January	1,926,961	1,731,187	7,852,366	6,955,909
Recognised in profit or loss	56,928	195,774	232,096	793,277
Currency translation difference	-	-	(59,631)	103,180
At 31 December	<u>1,983,889</u>	<u>1,926,961</u>	<u>8,024,831</u>	<u>7,852,366</u>

The Bank

At 1 January	1,803,309	1,466,811	7,348,484	5,893,647
(Reversal)/ recognised in profit or loss	(55,995)	336,498	(228,292)	1,363,489
Currency translation difference	-	-	(52,307)	91,348
At 31 December	<u>1,747,314</u>	<u>1,803,309</u>	<u>7,067,885</u>	<u>7,348,484</u>

B. Current income tax liabilities

	2020 US\$	2019 US\$	2020 KHR'000 (Note 5)	2019 KHR'000 (Note 5)
The Group				
At 1 January	4,784,108	3,703,931	19,495,240	14,882,395
Income tax expense	3,154,970	5,723,973	12,862,813	23,193,539
Income tax paid	(5,684,504)	(4,643,796)	(23,175,723)	(18,816,661)
Currency translation difference	-	-	(62,578)	235,967
At 31 December	<u>2,254,574</u>	<u>4,784,108</u>	<u>9,119,752</u>	<u>19,495,240</u>
The Bank				
At 1 January	4,067,233	3,144,583	16,573,974	12,634,934
Income tax expense	2,524,908	4,888,336	10,294,050	19,807,537
Income tax paid	(4,843,902)	(3,965,686)	(19,748,588)	(16,068,960)
Currency translation difference	-	-	(47,809)	200,463
At 31 December	<u>1,748,239</u>	<u>4,067,233</u>	<u>7,071,627</u>	<u>16,573,974</u>

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

C. Income tax expense

	2020 US\$	2019 US\$	2020 KHR'000 (Note 5)	2019 KHR'000 (Note 5)
The Group				
Current income tax	3,154,970	5,723,973	12,862,813	23,193,539
Deferred tax	<u>(56,928)</u>	<u>(195,774)</u>	<u>(232,096)</u>	<u>(793,277)</u>
	<u>3,098,042</u>	<u>5,528,199</u>	<u>12,630,717</u>	<u>22,400,262</u>
The Bank				
Current income tax	2,524,908	4,888,336	10,294,050	19,807,537
Deferred tax	<u>55,995</u>	<u>(336,498)</u>	<u>228,292</u>	<u>(1,363,489)</u>

22. Income tax (continued)

C. Income tax expense (continued)

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

	2020			2019		
	US\$	KHR'000 (Note 5)	%	US\$	KHR'000 (Note 5)	%
The Group						
Profit before income tax	<u>14,236,162</u>	<u>58,040,832</u>		<u>25,888,517</u>	<u>104,900,271</u>	
Income tax using statutory rate at 20%	2,847,232	11,608,165	20%	5,177,703	20,980,054	20%
Non-deductible expenses	<u>250,810</u>	<u>1,022,552</u>	1%	<u>350,496</u>	<u>1,420,208</u>	1%
Income tax expense	<u>3,098,042</u>	<u>12,630,717</u>	21%	<u>5,528,199</u>	<u>22,400,262</u>	21%
The Bank						
Profit before income tax	<u>11,087,123</u>	<u>45,202,200</u>		<u>22,174,365</u>	<u>89,850,528</u>	
Income tax using statutory rate at 20%	2,217,425	9,040,442	20%	4,434,873	17,970,105	20%
Non-deductible expenses	<u>363,478</u>	<u>1,481,900</u>	1%	<u>116,965</u>	<u>473,943</u>	1%
Income tax expense	<u>2,580,903</u>	<u>10,522,342</u>	21%	<u>4,551,838</u>	<u>18,444,048</u>	21%

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

23. Share capital

	31 December		31 December	
	2020 US\$	2019 US\$	2020 KHR'000 (Note 5)	2019 KHR'000 (Note 5)
Registered, issued and fully paid 76,000,000 ordinary shares of US\$ 1 per share	<u>76,000,000</u>	<u>76,000,000</u>	<u>304,093,780</u>	<u>304,093,780</u>

The details of shareholders and their respective interest was as follows:

	2020		2019	
	Ownership %	Amount US\$	Ownership %	Amount US\$
Canadia Investment Holding Plc. ("CIHP")	50%	38,000,000	50%	38,000,000
Fullerton Financial Capital Pte. Ltd. ("Fullerton")	45%	34,200,000	45%	34,200,000
Cambodia Post ("CP")	<u>5%</u>	<u>3,800,000</u>	<u>5%</u>	<u>3,800,000</u>
	<u>100%</u>	<u>76,000,000</u>	<u>100%</u>	<u>76,000,000</u>

There were no changes in the share capital and ownership during the year.

24. Regulatory reserves

Regulatory reserves represented the variance of provision between impairment loss in accordance with CIFRSs and regulatory provision in accordance with the National Bank of Cambodia.

25. Interest income

	2020	2019	2020	2019
	US\$	US\$	KHR'000 (Note 5)	KHR'000 (Note 5)
The Group				
Loans and advances	91,923,316	84,015,783	374,771,359	340,431,953
Placements with the NBC	143,284	261,585	584,169	1,059,942
Placements with other financial institutions	<u>683,617</u>	<u>140,100</u>	<u>2,787,107</u>	<u>567,685</u>
	<u>92,750,217</u>	<u>84,417,468</u>	<u>378,142,635</u>	<u>342,059,580</u>
The Bank				
Loans and advances	79,214,317	71,916,004	322,956,770	291,403,648
Placements with the NBC	143,284	261,585	584,169	1,059,942
Placements with other financial institutions	<u>634,362</u>	<u>127,281</u>	<u>2,586,294</u>	<u>515,743</u>
	<u>79,991,963</u>	<u>72,304,870</u>	<u>326,127,233</u>	<u>292,979,333</u>

26. Interest expense

	2020	2019	2020	2019
	US\$	US\$	KHR'000 (Note 5)	KHR'000 (Note 5)
The Group				
Deposits from customers and other financial institutions	38,361,893	29,675,859	156,401,438	120,246,581
Borrowings	10,199,822	7,034,232	41,584,674	28,502,708
Interest on lease liabilities	<u>515,336</u>	<u>401,441</u>	<u>2,101,025</u>	<u>1,626,639</u>
	<u>49,077,051</u>	<u>37,111,532</u>	<u>200,087,137</u>	<u>150,375,928</u>
The Bank				
Deposits from customers and other financial institutions	38,456,596	29,770,073	156,787,541	120,628,336
Borrowings	6,464,800	3,906,482	26,356,990	15,829,065
Interest on lease liabilities	<u>418,529</u>	<u>326,556</u>	<u>1,706,343</u>	<u>1,323,205</u>
	<u>45,339,925</u>	<u>34,003,111</u>	<u>184,850,874</u>	<u>137,780,606</u>

27. Net fee and commission income

	2020 US\$	2019 US\$	2020 KHR'000 (Note 5)	2019 KHR'000 (Note 5)
The Group				
Loan commitment fees	750	5,100	3,058	20,665
Other fees and commission	413,057	423,460	1,684,033	1,715,860
Fee and commission expense	<u>(180,257)</u>	<u>(19,160)</u>	<u>(734,908)</u>	<u>(77,636)</u>
	<u>233,550</u>	<u>409,400</u>	<u>952,183</u>	<u>1,658,889</u>
The Bank				
Loan commitment fees	750	5,100	3,058	20,665
Other fees and commission	413,057	423,460	1,684,033	1,715,860
Fee and commission expense	<u>(180,257)</u>	<u>(19,160)</u>	<u>(734,908)</u>	<u>(77,636)</u>
	<u>233,550</u>	<u>409,400</u>	<u>952,183</u>	<u>1,658,889</u>

28. Other income

	2020 US\$	2019 US\$	2020 KHR'000 (Note 5)	2019 KHR'000 (Note 5)
The Group				
Foreign exchange gain/(loss)	7,030	(48,816)	28,661	(197,802)
Other income	<u>2,938,774</u>	<u>3,325,579</u>	<u>11,981,382</u>	<u>13,475,246</u>
	<u>2,945,804</u>	<u>3,276,763</u>	<u>12,010,043</u>	<u>13,277,444</u>
The Bank				
Foreign exchange (loss)/gain	6,983	(49,152)	28,470	(199,164)
Other income	<u>2,494,415</u>	<u>2,950,590</u>	<u>10,169,730</u>	<u>11,955,791</u>
	<u>2,501,398</u>	<u>2,901,438</u>	<u>10,198,200</u>	<u>11,756,627</u>

29. Personnel expenses

	2020 US\$	2019 US\$	2020 KHR'000 (Note 5)	2019 KHR'000 (Note 5)
The Group				
Salaries and wages	12,848,872	12,496,233	52,384,851	50,634,736
Other costs	<u>707,257</u>	<u>649,605</u>	<u>2,883,487</u>	<u>2,632,200</u>
	<u>13,556,129</u>	<u>13,145,838</u>	<u>55,268,338</u>	<u>53,266,936</u>
The Bank				
Salaries and wages	9,895,329	9,556,422	40,343,256	38,722,622
Other costs	<u>405,896</u>	<u>458,219</u>	<u>1,654,838</u>	<u>1,856,703</u>
	<u>10,301,225</u>	<u>10,014,641</u>	<u>41,998,094</u>	<u>40,579,325</u>

30. Other operating expenses

	2020 US\$	2019 US\$	2020 KHR'000 (Note 5)	2019 KHR'000 (Note 5)
The Group				
Depreciation and amortisation	4,120,603	3,641,925	16,799,698	14,757,080
Rental	476,418	481,112	1,942,356	1,949,466
Motor vehicles	621,031	696,326	2,531,943	2,821,513
License fees	525,343	499,348	2,141,823	2,023,358
Communication	520,169	465,014	2,120,729	1,884,237
Utilities	458,843	415,345	1,870,703	1,682,978
Stationery and supplies	343,440	306,182	1,400,205	1,240,649
Repairs and maintenance	551,219	453,885	2,247,320	1,839,142
Legal and professional fees	218,899	253,986	892,451	1,029,151
Travel, accommodation and food	155,118	196,211	632,416	795,047
Advertising and public relations	92,852	216,249	378,558	876,241
Non-capitalised equipment and fixtures	75,309	81,340	307,035	329,590
Taxes and duties	114,190	153,968	465,553	623,878
Printing and forms	38,008	54,045	154,959	218,990
Others	<u>1,260,152</u>	<u>1,090,281</u>	<u>5,137,640</u>	<u>4,417,819</u>
	<u>9,571,594</u>	<u>9,005,217</u>	<u>39,023,389</u>	<u>36,489,139</u>

The Bank

Depreciation and amortisation	3,247,169	2,928,182	13,238,708	11,864,993
Rental	391,568	394,240	1,596,423	1,597,460
Motor vehicles	465,765	513,881	1,898,924	2,082,246
License fees	525,343	499,348	2,141,823	2,023,358
Communication	415,127	373,223	1,692,473	1,512,300
Utilities	368,346	331,528	1,501,747	1,343,351
Stationery and supplies	256,631	209,945	1,046,285	850,697
Repairs and maintenance	365,554	292,156	1,490,364	1,183,816
Legal and professional fees	145,857	136,412	594,659	552,741
Travel, accommodation and food	67,029	110,905	273,277	449,387
Advertising and public relations	85,476	208,033	348,486	842,950
Non-capitalised equipment and fixtures	75,309	81,340	307,035	329,590
Taxes and duties	81,255	81,439	331,277	329,991
Printing and forms	33,680	42,230	137,313	171,116
Others	<u>697,536</u>	<u>613,863</u>	<u>2,843,853</u>	<u>2,487,373</u>
	<u>7,221,645</u>	<u>6,816,725</u>	<u>29,442,647</u>	<u>27,621,369</u>

**OPEN
ACCOUNT
SCAN ME**



#265-269, St.Ang Duong, Sangkat Wat Phnom, Khan Doun Penh, Phnom Penh, Cambodia.
Hotline: (+855) 23 260 888 / Email: info@cambodiapostbank.com