CANADIA BANK PLC.

FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014
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<td>85–96</td>
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* The Appendix does not form part of the audited financial statements.
DIRECTORS' REPORT

The Board of Directors ("the Directors") hereby submit their report together with the consolidated and separate financial statements of Canadia Bank Plc. and its subsidiary, Cana Securities Ltd. (together referred to as "the Group") and of Canadia Bank Plc. ("the Bank") (collectively referred to as "the financial statements") as at 31 December 2014 and for the year then ended.

CANADIA BANK PLC.

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" or "the Central Bank"), pursuant to the Law on Banking and Financial Institutions of Cambodia and in accordance with Banking Licence No. 05 issued by the NBC, since 1991. The Bank's licence was renewed on 18 October 2006 for an indefinite period following the NBC's Prakas No. B7-06-207, dated 13 September 2006.

HOLDING COMPANY

The holding company of the Group is Canadia Investment Holding Plc. ("CIHP"), a public limited company incorporated in the Kingdom of Cambodia.

PRINCIPAL ACTIVITIES

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

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

In February 2010, Cana Securities Ltd. ("the Subsidiary") was incorporated as a wholly-owned subsidiary of the Bank. The Subsidiary received its securities underwriting licence from the Securities Exchange Commission of Cambodia ("SECC") on 20 October 2010. The principal activities of the Subsidiary are to provide securities-related services; these include, but are not limited to, securities underwriting, dealing, brokerage and investment related services.

FINANCIAL PERFORMANCE

The financial performance of the Group and of the Bank for the year ended 31 December 2014 are set out in the consolidated income statement and income statement on pages 8 and 12, respectively.

DIVIDENDS

There is no dividend declared during the year (2013: US$7,087,762), as disclosed in Note 20 to the financial statements.
SHARE CAPITAL

The Bank’s share capital was US$140,000,000 at 31 December 2014 (2013: US$140,000,000) as disclosed in Note 18 to the financial statements.

BAD AND DOUBTFUL LOANS AND ADVANCES

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

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

ASSETS

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

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

VALUATION METHODS

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

CONTINGENT AND OTHER LIABILITIES

At the date of this report, there is:

(a) no charge on the assets of the Group and of the Bank that has arisen since the end of the year that secures the liabilities of any other person, and

(b) no contingent liability in respect of the Group and of the Bank that has arisen since the end of the year other than in the ordinary course of banking business.

No contingent or other liability of the Group and of the Bank has become enforceable, or is likely to become enforceable within the period of 12 months after the end of the year which, in the opinion of the Directors, will or might have a material effect on the ability of the Group and of the Bank to meet its obligations as and when they become due.

CHANGE OF CIRCUMSTANCES

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

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

THE BOARD OF DIRECTORS

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

- Mr. Pung Kheav Se Chairman
- Mr. Lor Chee Leng Chief Executive Officer
- Mr. Charles Vann Executive Vice President
- Mrs. Pung Carolyne Assistant to Chairman
- Mr. Chen Lee Yiaw Hui Senior Vice President
- Mr. Leow Ming Fong Independent, Non-Executive
- Mr. Gerald Yeo Independent, Non-Executive
- Mr. Peter Michael Buerger Independent, Non-Executive

DIRECTORS' INTERESTS

Mr. Pung Kheav Se and Mrs. Pung Carolyne are the Bank's directors who hold shares in CIHP, the Bank's ultimate parent.

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

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

i) adopt appropriate accounting policies that are supported by reasonable and prudent judgements and estimates and then apply them consistently;

ii) comply with the disclosure requirements and the guidelines issued by the National Bank of Cambodia and Cambodian Accounting Standards. Or, if there has been any departure in the interests of fair presentation, ensure that these have been appropriately disclosed, explained and quantified in the financial statements;

iii) maintain adequate accounting records and an effective system of internal controls;

iv) prepare the financial statements on a going-concern basis, unless it is inappropriate to assume that the Group and the Bank will continue operations in the foreseeable future, and

v) effectively control and direct the Group and the Bank in all material decisions affecting its operations and performance and ascertain that these have been properly reflected in the financial statements.
The Board of Directors confirms that the Group and the Bank have complied with the above requirements in preparing the financial statements.

APPROVAL OF THE FINANCIAL STATEMENTS

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

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

[Signatures]

Mr. Pung Kheav Se
Chairman

Mr. Lor Chee Leng
Chief Executive Officer

Phnom Penh, Kingdom of Cambodia
Date: 26 March 2015
Independent auditor's report

To the Shareholders of Canadia Bank Plc.

We have audited the accompanying consolidated and separate bank financial statements of Canadia Bank Plc. and its subsidiary, Cana Securities Ltd. (together referred to as “the Group”) and of Canadia Bank Plc. (“the Bank”) (collectively referred to as “the financial statements”), which comprise the balance sheets as at 31 December 2014 of the Group and of the Bank and the income statements, statements of changes in equity and statement of cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

Management's responsibility for the financial statements

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

Auditor's responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

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

For PricewaterhouseCoopers (Cambodia) Ltd.

By Kuy Lim
Partner

Phnom Penh, Kingdom of Cambodia
Date: 26 March 2015
CANADIA BANK PLC.

CONSOLIDATED BALANCE SHEET
AS AT 31 DECEMBER 2014

<table>
<thead>
<tr>
<th>Note</th>
<th>2014 US$</th>
<th>Million Riel</th>
<th>2013 US$</th>
<th>Million Riel</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>ASSETS</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Cash on hand</td>
<td>143,514,814</td>
<td>584,823</td>
<td>126,618,929</td>
</tr>
<tr>
<td></td>
<td>Balances with the NBC</td>
<td>509,952,697</td>
<td>2,078,057</td>
<td>332,010,666</td>
</tr>
<tr>
<td></td>
<td>Balances with other banks</td>
<td>226,336,197</td>
<td>922,320</td>
<td>205,216,546</td>
</tr>
<tr>
<td></td>
<td>Loans and advances</td>
<td>1,330,356,608</td>
<td>5,421,203</td>
<td>1,044,990,828</td>
</tr>
<tr>
<td></td>
<td>Available-for-sale financial assets</td>
<td>184,990</td>
<td>754</td>
<td>3,239,668</td>
</tr>
<tr>
<td></td>
<td>Property and equipment</td>
<td>49,492,109</td>
<td>201,680</td>
<td>50,937,238</td>
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<tr>
<td></td>
<td>Intangible assets</td>
<td>1,024,127</td>
<td>4,173</td>
<td>454,884</td>
</tr>
<tr>
<td></td>
<td>Deferred tax assets</td>
<td>2,111,959</td>
<td>8,606</td>
<td>1,537,475</td>
</tr>
<tr>
<td></td>
<td>Other assets</td>
<td>29,445,549</td>
<td>119,991</td>
<td>18,658,839</td>
</tr>
<tr>
<td></td>
<td>Total assets</td>
<td>2,292,419,050</td>
<td>9,341,607</td>
<td>1,783,665,073</td>
</tr>
<tr>
<td></td>
<td>LIABILITIES AND EQUITY</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>LIABILITIES</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Deposits from banks</td>
<td>208,192,754</td>
<td>848,385</td>
<td>130,265,131</td>
</tr>
<tr>
<td></td>
<td>Deposits from customers</td>
<td>1,639,519,318</td>
<td>6,681,041</td>
<td>1,300,057,047</td>
</tr>
<tr>
<td></td>
<td>Income tax payable</td>
<td>11,882,326</td>
<td>48,420</td>
<td>9,729,755</td>
</tr>
<tr>
<td></td>
<td>Borrowings</td>
<td>100,779,775</td>
<td>410,678</td>
<td>64,039,543</td>
</tr>
<tr>
<td></td>
<td>Provision for staff gratitude</td>
<td>4,255,321</td>
<td>17,340</td>
<td>3,006,879</td>
</tr>
<tr>
<td></td>
<td>Other liabilities</td>
<td>38,818,785</td>
<td>158,187</td>
<td>33,325,427</td>
</tr>
<tr>
<td></td>
<td>Total liabilities</td>
<td>2,003,448,279</td>
<td>8,164,051</td>
<td>1,540,423,782</td>
</tr>
<tr>
<td></td>
<td>EQUITY</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Share capital</td>
<td>140,000,000</td>
<td>570,500</td>
<td>140,000,000</td>
</tr>
<tr>
<td></td>
<td>Reserves</td>
<td>77,939,331</td>
<td>317,603</td>
<td>43,054,009</td>
</tr>
<tr>
<td></td>
<td>Retained earnings</td>
<td>71,031,440</td>
<td>289,453</td>
<td>60,187,282</td>
</tr>
<tr>
<td></td>
<td>Total equity</td>
<td>288,970,771</td>
<td>1,177,556</td>
<td>243,241,291</td>
</tr>
<tr>
<td></td>
<td>Total liabilities and equity</td>
<td>2,292,419,050</td>
<td>9,341,607</td>
<td>1,783,665,073</td>
</tr>
</tbody>
</table>

The accompanying notes on pages 15 to 84 form an integral part of these financial statements.
<table>
<thead>
<tr>
<th>Note</th>
<th>2014 US$</th>
<th>Million Riel</th>
<th>2014 US$</th>
<th>Million Riel</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>21</td>
<td>128,934,891</td>
<td>525,410</td>
<td>108,928,207</td>
<td>435,168</td>
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<tr>
<td></td>
<td>(52,461,924)</td>
<td>(213,782)</td>
<td>(41,205,130)</td>
<td>(164,614)</td>
</tr>
<tr>
<td>21</td>
<td>76,472,967</td>
<td>311,628</td>
<td>67,723,077</td>
<td>270,554</td>
</tr>
<tr>
<td>22</td>
<td>20,659,953</td>
<td>84,189</td>
<td>18,046,162</td>
<td>72,094</td>
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<tr>
<td>22</td>
<td>(3,490,106)</td>
<td>(14,222)</td>
<td>(3,508,777)</td>
<td>(14,018)</td>
</tr>
<tr>
<td>22</td>
<td>17,169,847</td>
<td>69,967</td>
<td>14,537,385</td>
<td>58,076</td>
</tr>
<tr>
<td>23</td>
<td>263,252</td>
<td>1,073</td>
<td>1,742,024</td>
<td>6,959</td>
</tr>
<tr>
<td>24</td>
<td>(14,884,648)</td>
<td>(60,655)</td>
<td>(11,511,613)</td>
<td>(45,989)</td>
</tr>
<tr>
<td>25</td>
<td>(5,080,102)</td>
<td>(20,701)</td>
<td>(4,669,092)</td>
<td>(18,653)</td>
</tr>
<tr>
<td>26</td>
<td>(10,791,386)</td>
<td>(43,975)</td>
<td>(10,424,200)</td>
<td>(41,645)</td>
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<tr>
<td>27</td>
<td>(5,736,670)</td>
<td>(23,377)</td>
<td>(8,331,842)</td>
<td>(33,286)</td>
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<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>21</td>
<td>57,413,260</td>
<td>233,960</td>
<td>49,065,739</td>
<td>196,016</td>
</tr>
<tr>
<td>28</td>
<td>(11,569,102)</td>
<td>(47,144)</td>
<td>(9,963,654)</td>
<td>(39,805)</td>
</tr>
<tr>
<td></td>
<td>45,844,158</td>
<td>186,816</td>
<td>39,102,085</td>
<td>156,211</td>
</tr>
</tbody>
</table>

The accompanying notes on pages 15 to 84 form an integral part of these financial statements.
## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2014

<table>
<thead>
<tr>
<th>Note</th>
<th>Share capital US$</th>
<th>Reserves US$</th>
<th>Retained earnings US$</th>
<th>Total US$</th>
</tr>
</thead>
<tbody>
<tr>
<td>At 1 January 2014</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Transferred to reserves</td>
<td>19</td>
<td>35,000,000</td>
<td>(35,000,000)</td>
<td>-</td>
</tr>
<tr>
<td>Change in value of available-for-sale financial assets</td>
<td>7</td>
<td>(114,678)</td>
<td>-</td>
<td>(114,678)</td>
</tr>
<tr>
<td>Profit for the year</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>At 31 December 2014</td>
<td>140,000,000</td>
<td>77,939,331</td>
<td>71,031,440</td>
<td>288,970,771</td>
</tr>
<tr>
<td>Million Riel equivalent</td>
<td>570,500</td>
<td>317,603</td>
<td>289,453</td>
<td>1,177,556</td>
</tr>
<tr>
<td>At 1 January 2013</td>
<td>130,000,000</td>
<td>15,091,569</td>
<td>56,172,959</td>
<td>201,264,528</td>
</tr>
<tr>
<td>Issue of share capital</td>
<td>18</td>
<td>10,000,000</td>
<td>-</td>
<td>10,000,000</td>
</tr>
<tr>
<td>Transferred to reserves</td>
<td>19</td>
<td>28,000,000</td>
<td>(28,000,000)</td>
<td>-</td>
</tr>
<tr>
<td>Dividends</td>
<td>20</td>
<td></td>
<td>(7,087,762)</td>
<td>(7,087,762)</td>
</tr>
<tr>
<td>Change in value of available-for-sale financial assets</td>
<td>7</td>
<td>(37,560)</td>
<td>-</td>
<td>(37,560)</td>
</tr>
<tr>
<td>Profit for the year</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>At 31 December 2013</td>
<td>140,000,000</td>
<td>43,054,009</td>
<td>60,187,282</td>
<td>243,241,291</td>
</tr>
<tr>
<td>Million Riel equivalent</td>
<td>559,300</td>
<td>172,001</td>
<td>240,448</td>
<td>971,749</td>
</tr>
</tbody>
</table>

The accompanying notes on pages 15 to 84 form an integral part of these financial statements.
## CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2014

<table>
<thead>
<tr>
<th>Note</th>
<th>2014</th>
<th></th>
<th>2013</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>US$</td>
<td>Million</td>
<td>Riel</td>
<td>US$</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Cash flows from operating activities</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash used in operations</td>
<td>29</td>
<td>(19,662,109)</td>
<td>(80,122)</td>
<td>(113,725,794)</td>
</tr>
<tr>
<td>Interest received</td>
<td></td>
<td>121,223,232</td>
<td>493,985</td>
<td>102,109,959</td>
</tr>
<tr>
<td>Interest paid</td>
<td></td>
<td>(45,837,894)</td>
<td>(186,789)</td>
<td>(39,239,539)</td>
</tr>
<tr>
<td>Income tax paid</td>
<td>28</td>
<td>(9,991,014)</td>
<td>(40,714)</td>
<td>(9,331,776)</td>
</tr>
<tr>
<td><strong>Net cash from/(used in) operating activities</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>45,732,215</td>
<td>186,360</td>
<td>(60,187,150)</td>
</tr>
<tr>
<td><strong>Cash flows from investing activities</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Purchases of property and equipment</td>
<td>9</td>
<td>(3,304,208)</td>
<td>(13,465)</td>
<td>(11,156,816)</td>
</tr>
<tr>
<td>Purchases of intangible assets</td>
<td>10</td>
<td>(1,037,612)</td>
<td>(4,228)</td>
<td>(342,836)</td>
</tr>
<tr>
<td>Proceeds from disposals of property and equipment</td>
<td></td>
<td>97,074</td>
<td>396</td>
<td>199,013</td>
</tr>
<tr>
<td>Proceeds from disposal of available-for-sale financial assets</td>
<td></td>
<td>3,000,000</td>
<td>12,225</td>
<td>-</td>
</tr>
<tr>
<td><strong>Net cash used in investing activities</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>(1,244,746)</td>
<td>(5,072)</td>
<td>(11,300,639)</td>
</tr>
<tr>
<td><strong>Cash flows from financing activities</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Proceeds from issue of share capital</td>
<td>18</td>
<td>-</td>
<td>-</td>
<td>10,000,000</td>
</tr>
<tr>
<td>Proceeds from borrowings</td>
<td></td>
<td>70,000,000</td>
<td>285,250</td>
<td>46,126,518</td>
</tr>
<tr>
<td>Repayments of borrowings and subordinated debt</td>
<td></td>
<td>(33,259,768)</td>
<td>(135,534)</td>
<td>(7,080,000)</td>
</tr>
<tr>
<td>Dividends paid</td>
<td>20</td>
<td>-</td>
<td>-</td>
<td>(7,087,762)</td>
</tr>
<tr>
<td><strong>Net cash from financing activities</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>36,740,232</td>
<td>149,716</td>
<td>41,958,756</td>
</tr>
<tr>
<td><strong>Net increase/(decrease) in cash and cash equivalents</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>81,227,701</td>
<td>331,004</td>
<td>(29,529,033)</td>
</tr>
<tr>
<td>Cash and cash equivalents at beginning of year</td>
<td></td>
<td>426,256,095</td>
<td>1,702,893</td>
<td>455,785,128</td>
</tr>
<tr>
<td>Currency translation differences</td>
<td></td>
<td>-</td>
<td>34,100</td>
<td>-</td>
</tr>
<tr>
<td><strong>Cash and cash equivalents at end of year</strong></td>
<td>30</td>
<td>507,483,796</td>
<td>2,067,997</td>
<td>426,256,095</td>
</tr>
</tbody>
</table>

The accompanying notes on pages 15 to 84 form an integral part of these financial statements.
# CANADIA BANK PLC.

## BALANCE SHEET

### AS AT 31 DECEMBER 2014

<table>
<thead>
<tr>
<th>Note</th>
<th>2014 US$</th>
<th>Million Riel</th>
<th>2013 US$</th>
<th>Million Riel</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>ASSETS</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash on hand</td>
<td>143,514,514</td>
<td>584,822</td>
<td>126,618,629</td>
<td>505,841</td>
</tr>
<tr>
<td>Balances with the NBC</td>
<td>508,971,102</td>
<td>2,074,057</td>
<td>331,009,415</td>
<td>1,322,383</td>
</tr>
<tr>
<td>Balances with other banks</td>
<td>226,336,197</td>
<td>922,320</td>
<td>205,216,546</td>
<td>819,840</td>
</tr>
<tr>
<td>Loans and advances</td>
<td>1,330,356,608</td>
<td>5,421,203</td>
<td>1,044,990,828</td>
<td>4,174,738</td>
</tr>
<tr>
<td>Investment in subsidiary</td>
<td>11,000,000</td>
<td>44,825</td>
<td>11,000,000</td>
<td>43,945</td>
</tr>
<tr>
<td>Property and equipment</td>
<td>49,443,740</td>
<td>201,483</td>
<td>50,869,521</td>
<td>203,224</td>
</tr>
<tr>
<td>Intangible assets</td>
<td>1,024,127</td>
<td>4,173</td>
<td>454,884</td>
<td>1,817</td>
</tr>
<tr>
<td>Deferred tax assets</td>
<td>2,111,959</td>
<td>8,606</td>
<td>1,537,475</td>
<td>6,142</td>
</tr>
<tr>
<td>Other assets</td>
<td>29,420,182</td>
<td>119,888</td>
<td>18,621,858</td>
<td>74,395</td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td>2,302,178,429</td>
<td>9,381,377</td>
<td>1,790,319,156</td>
<td>7,152,325</td>
</tr>
<tr>
<td><strong>LIABILITIES AND EQUITY</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>LIABILITIES</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Deposits from banks</td>
<td>208,192,754</td>
<td>848,385</td>
<td>130,265,131</td>
<td>520,409</td>
</tr>
<tr>
<td>Deposits from customers</td>
<td>1,649,031,838</td>
<td>6,719,805</td>
<td>1,306,498,786</td>
<td>5,219,463</td>
</tr>
<tr>
<td>Income tax payable</td>
<td>11,879,654</td>
<td>48,410</td>
<td>9,727,820</td>
<td>38,863</td>
</tr>
<tr>
<td>Borrowings</td>
<td>100,779,775</td>
<td>410,678</td>
<td>64,039,543</td>
<td>255,838</td>
</tr>
<tr>
<td>Provision for staff gratitude</td>
<td>4,255,321</td>
<td>17,340</td>
<td>3,006,879</td>
<td>12,012</td>
</tr>
<tr>
<td>Other liabilities</td>
<td>38,812,545</td>
<td>158,161</td>
<td>33,320,789</td>
<td>133,116</td>
</tr>
<tr>
<td><strong>Total liabilities</strong></td>
<td>2,012,951,887</td>
<td>8,202,779</td>
<td>1,546,858,948</td>
<td>6,179,701</td>
</tr>
<tr>
<td><strong>EQUITY</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Share capital</td>
<td>140,000,000</td>
<td>570,500</td>
<td>140,000,000</td>
<td>559,300</td>
</tr>
<tr>
<td>Reserves</td>
<td>78,050,777</td>
<td>318,057</td>
<td>43,050,777</td>
<td>171,988</td>
</tr>
<tr>
<td>Retained earnings</td>
<td>71,175,765</td>
<td>290,041</td>
<td>60,409,431</td>
<td>241,336</td>
</tr>
<tr>
<td><strong>Total equity</strong></td>
<td>289,226,542</td>
<td>1,178,598</td>
<td>243,460,208</td>
<td>972,624</td>
</tr>
<tr>
<td><strong>Total liabilities and equity</strong></td>
<td>2,302,178,429</td>
<td>9,381,377</td>
<td>1,790,319,156</td>
<td>7,152,325</td>
</tr>
</tbody>
</table>

The accompanying notes on pages 15 to 84 form an integral part of these financial statements.
**CANADIA BANK PLC.**

**INCOME STATEMENT**  
**FOR THE YEAR ENDED 31 DECEMBER 2014**

<table>
<thead>
<tr>
<th>Note</th>
<th>2014 US$</th>
<th>Million Riel</th>
<th>2013 US$</th>
<th>Million Riel</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Interest income</strong></td>
<td>128,722,456</td>
<td>524,544</td>
<td>108,776,968</td>
<td>434,564</td>
</tr>
<tr>
<td><strong>Interest expense</strong></td>
<td>(52,679,769)</td>
<td>(214,670)</td>
<td>(41,422,938)</td>
<td>(165,485)</td>
</tr>
<tr>
<td><strong>Net interest income</strong></td>
<td>76,042,687</td>
<td>309,874</td>
<td>67,354,030</td>
<td>269,079</td>
</tr>
<tr>
<td><strong>Fee and commission income</strong></td>
<td>20,658,761</td>
<td>84,184</td>
<td>18,042,743</td>
<td>72,081</td>
</tr>
<tr>
<td><strong>Fee and commission expense</strong></td>
<td>(3,489,652)</td>
<td>(14,220)</td>
<td>(3,506,991)</td>
<td>(14,010)</td>
</tr>
<tr>
<td><strong>Net fee and commission income</strong></td>
<td>17,169,109</td>
<td>69,964</td>
<td>14,535,752</td>
<td>58,071</td>
</tr>
<tr>
<td><strong>Other operating income</strong></td>
<td>310,035</td>
<td>1,263</td>
<td>1,769,005</td>
<td>7,067</td>
</tr>
<tr>
<td><strong>Total operating income</strong></td>
<td>93,521,831</td>
<td>381,101</td>
<td>83,658,787</td>
<td>334,217</td>
</tr>
<tr>
<td><strong>Personnel expenses</strong></td>
<td>(14,657,131)</td>
<td>(59,728)</td>
<td>(11,239,793)</td>
<td>(44,903)</td>
</tr>
<tr>
<td><strong>Depreciation and amortisation charges</strong></td>
<td>(5,056,265)</td>
<td>(20,604)</td>
<td>(4,634,079)</td>
<td>(18,513)</td>
</tr>
<tr>
<td><strong>General and administrative expenses</strong></td>
<td>(10,740,646)</td>
<td>(43,768)</td>
<td>(10,362,442)</td>
<td>(41,398)</td>
</tr>
<tr>
<td><strong>Provision for loan losses</strong></td>
<td>(5,736,670)</td>
<td>(23,377)</td>
<td>(8,331,842)</td>
<td>(33,286)</td>
</tr>
<tr>
<td><strong>Profit before income tax</strong></td>
<td>57,331,119</td>
<td>233,624</td>
<td>49,090,631</td>
<td>196,117</td>
</tr>
<tr>
<td><strong>Income tax expense</strong></td>
<td>(11,564,785)</td>
<td>(47,126)</td>
<td>(9,959,927)</td>
<td>(39,790)</td>
</tr>
<tr>
<td><strong>Profit for the year</strong></td>
<td>45,766,334</td>
<td>186,498</td>
<td>39,130,704</td>
<td>156,327</td>
</tr>
</tbody>
</table>

The accompanying notes on pages 15 to 84 form an integral part of these financial statements.
CANADIA BANK PLC.

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2014

<table>
<thead>
<tr>
<th>Note</th>
<th>Share capital US$</th>
<th>Reserves US$</th>
<th>Retained earnings US$</th>
<th>Total US$</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>At 1 January 2014</td>
<td>140,000,000</td>
<td>43,050,777</td>
<td>60,409,431</td>
<td>243,460,208</td>
</tr>
<tr>
<td>Transferred to reserves</td>
<td>19</td>
<td>-</td>
<td>35,000,000</td>
<td>(35,000,000)</td>
</tr>
<tr>
<td>Profit for the year</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>45,766,334</td>
</tr>
<tr>
<td>At 31 December 2014</td>
<td>140,000,000</td>
<td>78,050,777</td>
<td>71,175,765</td>
<td>289,226,542</td>
</tr>
<tr>
<td>Million Riel equivalent</td>
<td>570,500</td>
<td>318,057</td>
<td>290,041</td>
<td>1,178,598</td>
</tr>
</tbody>
</table>

At 1 January 2013

<table>
<thead>
<tr>
<th>Note</th>
<th>Share capital US$</th>
<th>Reserves US$</th>
<th>Retained earnings US$</th>
<th>Total US$</th>
</tr>
</thead>
<tbody>
<tr>
<td>Issue of share capital</td>
<td>18</td>
<td>10,000,000</td>
<td>-</td>
<td>10,000,000</td>
</tr>
<tr>
<td>Transferred to reserves</td>
<td>19</td>
<td>-</td>
<td>28,000,000</td>
<td>(28,000,000)</td>
</tr>
<tr>
<td>Dividends</td>
<td>20</td>
<td>-</td>
<td>-</td>
<td>(7,087,762)</td>
</tr>
<tr>
<td>Profit for the year</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>39,130,704</td>
</tr>
<tr>
<td>At 31 December 2013</td>
<td>140,000,000</td>
<td>43,050,777</td>
<td>60,409,431</td>
<td>243,460,208</td>
</tr>
<tr>
<td>Million Riel equivalent</td>
<td>559,300</td>
<td>171,988</td>
<td>241,336</td>
<td>972,624</td>
</tr>
</tbody>
</table>

The accompanying notes on pages 15 to 84 form an integral part of these financial statements.
## Cash flows from operating activities

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash used in operations</td>
<td>(16,299,896)</td>
<td>(66,423)</td>
<td>(112,520,021)</td>
<td>(449,516)</td>
</tr>
<tr>
<td>Interest received</td>
<td>121,070,797</td>
<td>493,363</td>
<td>101,958,720</td>
<td>407,325</td>
</tr>
<tr>
<td>Interest paid</td>
<td>(46,055,739)</td>
<td>(187,677)</td>
<td>(39,457,347)</td>
<td>(157,632)</td>
</tr>
<tr>
<td>Income tax paid</td>
<td>(9,987,435)</td>
<td>(40,699)</td>
<td>(9,328,300)</td>
<td>(37,267)</td>
</tr>
</tbody>
</table>

### Net cash from/(used in) operating activities

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>48,727,727</td>
<td>198,564</td>
<td>(59,346,948)</td>
<td>(237,090)</td>
</tr>
</tbody>
</table>

## Cash flows from investing activities

### Investment in subsidiary

<table>
<thead>
<tr>
<th></th>
<th></th>
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<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>-</td>
<td>(841,600)</td>
<td>(3,362)</td>
</tr>
</tbody>
</table>

### Purchases of property and equipment

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>(3,299,720)</td>
<td>(13,446)</td>
<td>(11,155,418)</td>
<td>(44,566)</td>
</tr>
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</table>

### Proceeds from disposals of property and equipment

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>(97,074)</td>
<td>396</td>
<td>199,013</td>
<td>795</td>
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</table>

### Net cash used in investing activities

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>(4,240,258)</td>
<td>(17,278)</td>
<td>(12,140,841)</td>
<td>(48,503)</td>
</tr>
</tbody>
</table>

## Cash flows from financing activities

### Proceeds from issue of share capital

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>70,000,000</td>
<td>285,250</td>
<td>46,126,518</td>
<td>184,275</td>
</tr>
</tbody>
</table>

### Repayments of borrowings and subordinated debt

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>(33,259,768)</td>
<td>(135,534)</td>
<td>(7,080,000)</td>
<td>(28,285)</td>
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</table>

### Dividends paid

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>-</td>
<td>(7,087,762)</td>
<td>(28,316)</td>
</tr>
</tbody>
</table>

### Net cash from financing activities

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>36,740,232</td>
<td>149,716</td>
<td>41,958,756</td>
<td>167,624</td>
</tr>
</tbody>
</table>

## Net increase/(decrease) in cash and cash equivalents

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>81,227,701</td>
<td>331,002</td>
<td>(29,529,033)</td>
<td>(117,969)</td>
</tr>
</tbody>
</table>

### Cash and cash equivalents at beginning of year

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>426,255,795</td>
<td>1,702,891</td>
<td>455,784,828</td>
<td>1,820,860</td>
</tr>
</tbody>
</table>

### Currency translation differences

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>34,103</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

### Cash and cash equivalents at end of year

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>507,483,496</td>
<td>2,067,996</td>
<td>426,255,795</td>
<td>1,702,891</td>
</tr>
</tbody>
</table>

The accompanying notes on pages 15 to 84 form an integral part of these financial statements.
1. BACKGROUND INFORMATION

Canadia Bank Plc. ("the Bank") and its subsidiary (together referred to as “the Group”) are incorporated in the Kingdom of Cambodia.

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" or “the Central Bank”), pursuant to the Law on Banking and Financial Institutions of Cambodia and in accordance with Banking Licence No. 05 issued by the NBC, since 1991. The Bank’s licence was renewed on 18 October 2006 for an indefinite period following the NBC’s Prakas No. B7-06-207, dated 13 September 2006.

Canadia Investment Holding Plc. ("CIHP"), a public limited company incorporated in the Kingdom of Cambodia, is the ultimate holding company of 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.

The Bank’s registered office is currently located at No. 315, Ang Duong Street, Corner Monivong Boulevard, Phnom Penh, Kingdom of Cambodia. The Bank has a total of 53 branches located in Phnom Penh and major provinces in Cambodia.

As at 31 December 2014, the Group and the Bank had a total of 2,108 and 2,091 employees, respectively (2013: Group: 1,638 and Bank: 1,621 employees).

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

2.1 Basis of preparation

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

The consolidated and separate financial statements are prepared based on the historical cost convention, as modified by revaluation of available-for-sale financial assets.
2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.1 Basis of preparation (continued)

The preparation of financial statements in accordance with the guidelines issued by the National Bank of Cambodia and CAS requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of financial statements and the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on management's best knowledge of current events and actions, actual results may ultimately differ from those estimates. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 3 to the financial statements.

2.2 Financial reporting framework

On 28 August 2009, the National Accounting Council of the Ministry of Economy and Finance announced the adoption of Cambodian International Financial Reporting Standards (“CIFRS”) which are based on all standards published by International Accounting Standard Board (“IASB”) including other interpretations and amendments to each standard that might arise in certain circumstances, by adding the word “Cambodian”. Publicly accountable entities shall prepare their financial statements in accordance with CIFRS for accounting periods beginning on or after 1 January 2012.

The National Accounting Council of the Ministry of Economy and Finance, through Circular No. 086MoEF.NAC, dated 30 July 2012, has approved banks and financial institutions’ delaying the adoption of CIFRS until periods beginning on or after 1 January 2016.

The first financial statements of the Bank that will be prepared under CIFRS are for the year ending 31 December 2016. CAS, the current accounting standard used, is different from CIFRS in many areas. Hence, the adoption of CIFRS will have significant impact on the financial statements of the Bank.

2.3 Basis of consolidation

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

The subsidiary is consolidated using the acquisition method of accounting. Under the acquisition method of accounting, the results of the subsidiary acquired or disposed of during the year are included from the date of acquisition and up to the date of disposal. At the date of acquisition, the fair values of the subsidiary’s net assets are determined and these values are reflected in the consolidated financial statements.
2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.3 Basis of consolidation (continued)

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

2.4 Investment in subsidiary

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

2.5 Foreign currencies

(i) Functional and presentation currency

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

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

(ii) Transactions and balances

Transactions in currencies other than US$ are translated into US$ at the exchange rates prevailing at the transaction dates. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in currencies other than US$ at the year-end exchange rates, are recognised in the income statement.

2.6 Cash and cash equivalents

For the purposes of the cash flow statements, cash and cash equivalents comprise balances with original maturity of three months or less from the date of acquisition, including cash on hand, the non-restricted balance with the NBC and balances with other banks.
2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.7 Loans and advances

All loans and advances are stated in the balance sheet at outstanding principal, net of unamortised loan commitment fees less any amounts written off and allowance for losses on loans and advances.

Loans are written-off when there is no realistic prospect of recovery. Recoveries of loans and advances previously written-off, or provided for, decrease the amount of the provision for loan losses in the income statement.

Loans and advances classified as substandard, doubtful or loss are considered to be non-performing loans.

2.8 Allowance for losses on loans and advances

Allowance for losses on loans and advances is made with regard to specific risks and relate to those loans and advances that have been individually reviewed and specifically identified as special mention, sub-standard, doubtful or loss. In addition, a general provision is also maintained for loans classified as normal.

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

<table>
<thead>
<tr>
<th>Classification</th>
<th>Rate of provision (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>General provision:</td>
<td></td>
</tr>
<tr>
<td>Normal</td>
<td>1</td>
</tr>
<tr>
<td>Specific provision:</td>
<td></td>
</tr>
<tr>
<td>Special mention</td>
<td>3</td>
</tr>
<tr>
<td>Sub-standard</td>
<td>20</td>
</tr>
<tr>
<td>Doubtful</td>
<td>50</td>
</tr>
<tr>
<td>Loss</td>
<td>100</td>
</tr>
</tbody>
</table>

2.9 Other credit-related commitments

In the normal course of business, the Group and the Bank enter into other credit-related commitments including loan commitments, letters of credit and guarantees. The accounting policy and provision methodology are similar to those for originated loans as noted above. Specific provisions are raised against other credit-related commitments when losses are considered probable.
2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.10 Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories.

Available-for-sale financial assets are initially recognised at fair value plus transaction costs. The changes in the fair value of available-for-sale financial assets are recognised in equity until the financial asset is sold or impaired. At this time, the cumulative gains or losses previously recognised in the equity are recognised in the income statement.

The Group assesses at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

2.11 Property and equipment

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

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

Freehold land and construction in progress are not depreciated. Depreciation of property and equipment assets is calculated using the following methods and rates:

<table>
<thead>
<tr>
<th>Asset Type</th>
<th>Method</th>
<th>Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Buildings – straight-line</td>
<td>5%</td>
<td></td>
</tr>
<tr>
<td>Vehicles – declining</td>
<td>25%</td>
<td></td>
</tr>
<tr>
<td>Office equipment – declining</td>
<td>25%</td>
<td></td>
</tr>
<tr>
<td>Furniture and fixtures – declining</td>
<td>25%</td>
<td></td>
</tr>
<tr>
<td>Computers and IT equipment – declining</td>
<td>50%</td>
<td></td>
</tr>
</tbody>
</table>

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

Gains and losses on disposals recognised in the income statement are determined by comparing the proceeds and the carrying amount of the disposed property and equipment.
2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.12 Intangible assets

Intangible assets, which comprise acquired computer software licences and related cost, are stated at cost less accumulated amortisation and impairment loss. Acquired computer software is capitalised on the basis of the costs incurred to acquire the specific software and bring it to use. These costs are amortised at the rate of 50% using the declining balance method.

Costs associated with maintaining computer software programs are recognised as expense when incurred.

2.13 Impairment of non-financial assets

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

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

2.15 Provision for staff gratitude

The Bank provides its employees with retirement and resignation benefits. At the age of retirement, the retired employee will be given compensation based on the number of full year’s service rendered multiplied by the final month’s salary. An employee who has worked for the Bank for two years or more is entitled upon resignation to a lump sum payment representing the employee’s final month’s salary multiplied by the number of full years’ service rendered. The payment of employment benefits is subject to the discretion of the Bank’s management.

The Bank recognises the provision for the employment benefits in the financial statements, which is calculated for employees who are entitled to receive this benefit.

2.16 Interest income and expense

Interest earned on loans and advances, balances with the NBC and other banks are recognised on an accrual basis, except where serious doubt exists as to the collectability of loans and advances, in which case no interest income is recognised. The policy on the suspension of interest is in conformity with the NBC’s guidelines on the suspension of interest on non-performing loans and provision for loan losses.

Interest expense on deposits from banks, customers, borrowings and subordinated debt are recognised on an accrual basis.
2. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

2.17 **Fee and commission income**

Fee and commission income is recognised on an accrual basis when the service has been provided. Fee and commission income comprises income received from inward and outward bank transfers, loan processing, bank guarantees, letters of credit, ATM/Visa and MasterCard charges. Loan commitment fees are deferred and recognised to other income in the income statement over the loan term period. Unamortised loan commitment fees are presented as a deduction from loans and advances.

2.18 **Operating leases**

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

2.19 **Provisions**

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

When there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole.

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

2.20 **Current and deferred income tax**

*Current income tax*

Current income tax assets and liabilities for the current and prior periods are measured at the amounts expected to be recovered from or paid to the taxation authorities. The tax rates and law used to compute the amount are those that are enacted at the balance sheet date.

*Deferred income tax*

Deferred income tax is provided using the balance sheet liability method on temporary differences at the balance sheet date between the tax base of assets and liabilities and their carrying amount for financial reporting purposes.

Deferred income tax liabilities are recognised for all taxable temporary differences, except where the deferred income tax liability arises from the initial recognition of an asset or liability in a transaction that at the time of the transaction affects neither the accounting profit nor taxable profit or loss.
2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.20 Current and deferred income tax (continued)

Deferred income tax (continued)

Deferred income tax assets are recognised for all deductible temporary differences to the extent that it is probable that future taxable profits will be available against which these differences can be utilised, except where the deferred tax arises from the initial recognition of an asset or liability in a transaction which at the time of the transaction affects neither the accounting profit nor taxable profit or loss.

The carrying amount of deferred income tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the assets to be recovered. Unrecognised deferred income tax assets are re-assessed at each balance sheet date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax assets to be recovered.

3. CRITICAL ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGEMENTS

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

(a) Impairment losses on loans and advances

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

(b) Provision for staff gratitude

The Bank provides its employees with stage staff gratitude benefits. At the age of retirement or resignation, employee is given benefits based on the number of full years of services multiplied by the final month’s salary. The Bank makes provision for staff gratitude in the financial statements, which is calculated for employees who are entitled to receive the benefit at the reporting period. Management considers that this is in line with industry practice and represents the Bank’s obligation at the reporting date.
3. Critical Accounting Estimates, Assumptions and Judgements (continued)

(c) Taxes

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

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

(d) Impairment of available-for-sale equity investments

The Group follows the guidance of CIAS 39 to determine when an available-for-sale equity investment is impaired. This determination requires significant judgement. In making this judgement, the Group evaluates, among other factors, the duration and extent to which the fair value of an investment is less than its cost; and the financial health of and short-term business outlook for the investee, including factors such as industry and sector performance, changes in technology and operational and financing cash flow.

The management considers the decline in fair value is not prolonged and the Cambodia stock market is at the early stage of development.

If all of the declines in fair value below cost were considered significant or prolonged, the Group would suffer an additional loss of US$111,446 in its 2014 financial statements, being the transfer of the accumulated fair value adjustments recognised in equity on the impaired available-for-sale financial assets to the income statement.
### 4. BALANCES WITH THE NBC

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>US$</td>
<td>Million Riel</td>
<td>US$</td>
<td>Million Riel</td>
<td>US$</td>
<td>Million Riel</td>
</tr>
<tr>
<td>Current accounts</td>
<td>171,848,239</td>
<td>700,282</td>
<td>157,758,551</td>
<td>630,245</td>
<td>171,848,239</td>
<td>700,282</td>
</tr>
<tr>
<td>Term deposits (i)</td>
<td>123,000,000</td>
<td>501,225</td>
<td>-</td>
<td>-</td>
<td>123,000,000</td>
<td>501,225</td>
</tr>
<tr>
<td>Capital guarantee</td>
<td>14,981,595</td>
<td>61,050</td>
<td>14,001,252</td>
<td>55,935</td>
<td>14,000,000</td>
<td>57,050</td>
</tr>
<tr>
<td>deposits (ii)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Reserve deposits (iii)</td>
<td>200,122,863</td>
<td>815,500</td>
<td>160,250,863</td>
<td>640,203</td>
<td>200,122,863</td>
<td>815,500</td>
</tr>
<tr>
<td></td>
<td>509,952,697</td>
<td>2,078,057</td>
<td>332,010,666</td>
<td>1,326,383</td>
<td>508,971,102</td>
<td>2,074,057</td>
</tr>
</tbody>
</table>
4. BALANCES WITH THE NBC (continued)

(i) Term Deposits

Term Deposits with NBC of US$123 Million include US$18 Million of Negotiable Certificate of Deposits ("NCDs"). The NCDs have three-month term and bear interest rate of 0.17% per annum. These NCDs are placed to secure the NBC’s overdraft facility for liquidity contingency in accordance with Prakas B5-014-230 on Facility Provision to Member of Clearing House of the National Bank of Cambodia. As at 31 December 2014, the Bank has yet utilised the overdraft facility.

(ii) Capital guarantee deposits

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

In compliance with the SECC’s Prakas No. 009 on the licensing of securities firms and securities representatives, the Subsidiary is required to place a statutory deposit into SECC’s bank account maintained with the NBC amounting to Riel 4 billion for operating as a securities underwriter in Cambodia.

(iii) Reserve deposits

Reserve deposits represent the minimum reserve requirement calculated at 8% (2013: 8%) for Riel and 12.5% (2013: 12.5%) for other currencies of the total amount of deposits from customers and borrowings.

(iv) Interest rates

Current accounts and reserve deposits do not earn interest. Annual interest rates on other balances with the NBC are as follows:

<table>
<thead>
<tr>
<th></th>
<th>2014</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Term deposits</td>
<td>0.07% - 0.08%</td>
<td>0.09% - 0.10%</td>
</tr>
<tr>
<td>Capital guarantee deposits</td>
<td>0.08%</td>
<td>0.12%</td>
</tr>
</tbody>
</table>
5. BALANCES WITH OTHER BANKS

Group and Bank

<table>
<thead>
<tr>
<th></th>
<th>2014</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>US$</td>
<td>Million Riel</td>
</tr>
<tr>
<td>Local banks:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Current accounts</td>
<td>18,819,264</td>
<td>76,689</td>
</tr>
<tr>
<td>Savings accounts</td>
<td>65,130</td>
<td>265</td>
</tr>
<tr>
<td>Term deposits</td>
<td>70,034,942</td>
<td>285,392</td>
</tr>
<tr>
<td>Overseas banks:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Current accounts (i) 125,833,366</td>
<td>512,771</td>
<td>124,843,810</td>
</tr>
<tr>
<td>Term deposits</td>
<td>11,583,495</td>
<td>47,203</td>
</tr>
<tr>
<td></td>
<td>226,336,197</td>
<td>922,320</td>
</tr>
</tbody>
</table>

(i) Security requirements:

The Group and the Bank have pledged part of their balances with other banks as security with details as follows:

<table>
<thead>
<tr>
<th></th>
<th>2014</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>US$</td>
<td>Million Riel</td>
</tr>
<tr>
<td>Visa Card operations</td>
<td>431,523</td>
<td>1,758</td>
</tr>
<tr>
<td>Master Card operations</td>
<td>849</td>
<td>3</td>
</tr>
<tr>
<td>Borrowed funds of the facilities (Note 15)</td>
<td>84,466,202</td>
<td>344,200</td>
</tr>
<tr>
<td></td>
<td>84,898,574</td>
<td>345,961</td>
</tr>
</tbody>
</table>

(ii) Annual interest rates:

<table>
<thead>
<tr>
<th></th>
<th>2014</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current accounts</td>
<td>Nil - 1.15%</td>
<td>Nil - 1.15%</td>
</tr>
<tr>
<td>Savings accounts</td>
<td>1%</td>
<td>1%</td>
</tr>
<tr>
<td>Term deposits</td>
<td>0.14% - 3.60%</td>
<td>0.14% - 3.60%</td>
</tr>
</tbody>
</table>
6. LOANS AND ADVANCES

<table>
<thead>
<tr>
<th></th>
<th>2014</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>US$ Million Riel</td>
<td>US$ Million Riel</td>
</tr>
<tr>
<td></td>
<td>2014</td>
<td>2013</td>
</tr>
<tr>
<td>Commercial loans:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Short-term loans</td>
<td>693,721,114</td>
<td>606,844,844</td>
</tr>
<tr>
<td></td>
<td>2,826,914</td>
<td>2,424,345</td>
</tr>
<tr>
<td>Overdrafts</td>
<td>201,423,990</td>
<td>145,813,544</td>
</tr>
<tr>
<td></td>
<td>820,803</td>
<td>582,525</td>
</tr>
<tr>
<td>Long-term loans</td>
<td>367,621,569</td>
<td>250,802,427</td>
</tr>
<tr>
<td></td>
<td>1,498,058</td>
<td>1,001,956</td>
</tr>
<tr>
<td>Micro-finance loans</td>
<td></td>
<td>39,000</td>
</tr>
<tr>
<td></td>
<td></td>
<td>156</td>
</tr>
<tr>
<td></td>
<td>1,262,766,673</td>
<td>1,003,499,815</td>
</tr>
<tr>
<td></td>
<td>5,145,775</td>
<td>4,008,982</td>
</tr>
<tr>
<td>Consumer loans:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mortgage loans</td>
<td>111,904,810</td>
<td>79,235,283</td>
</tr>
<tr>
<td></td>
<td>456,012</td>
<td>316,545</td>
</tr>
<tr>
<td>Credit cards</td>
<td>1,214,499</td>
<td>3,687,407</td>
</tr>
<tr>
<td></td>
<td>4,494</td>
<td>14,731</td>
</tr>
<tr>
<td>Leasing</td>
<td>849,742</td>
<td>1,051,124</td>
</tr>
<tr>
<td></td>
<td>3,463</td>
<td>4,199</td>
</tr>
<tr>
<td>Others</td>
<td>760,507</td>
<td>138,372</td>
</tr>
<tr>
<td></td>
<td>3,098</td>
<td>552</td>
</tr>
<tr>
<td></td>
<td>114,729,558</td>
<td>84,112,186</td>
</tr>
<tr>
<td></td>
<td>467,522</td>
<td>336,027</td>
</tr>
<tr>
<td>Total gross loans</td>
<td>1,377,496,231</td>
<td>1,087,612,001</td>
</tr>
<tr>
<td>Allowance for losses on loans and advances</td>
<td>(42,495,632)</td>
<td>(39,305,662)</td>
</tr>
<tr>
<td>Unamortised loan commitment fees</td>
<td>(4,643,991)</td>
<td>(3,315,511)</td>
</tr>
<tr>
<td></td>
<td>1,330,356,608</td>
<td>1,044,990,828</td>
</tr>
<tr>
<td></td>
<td>5,421,203</td>
<td>4,174,738</td>
</tr>
</tbody>
</table>
6. **LOANS AND ADVANCES** (continued)

(a) Allowance for losses on loans and advances

Movements in the allowance for losses on loans and advances are as follows:

<table>
<thead>
<tr>
<th></th>
<th>Specific provision US$</th>
<th>General provision US$</th>
<th>Total US$</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Balance at 1 January 2014</strong></td>
<td>29,008,981</td>
<td>10,296,681</td>
<td>39,305,662</td>
</tr>
<tr>
<td><strong>Charges for the year</strong></td>
<td>7,724,555</td>
<td>3,133,208</td>
<td>10,857,763</td>
</tr>
<tr>
<td><strong>Recoveries during the year</strong></td>
<td>(4,306,064)</td>
<td>(815,029)</td>
<td>(5,121,093)</td>
</tr>
<tr>
<td><strong>Written-off</strong></td>
<td>(2,546,700)</td>
<td>-</td>
<td>(2,546,700)</td>
</tr>
<tr>
<td><strong>Balance at 31 December 2014</strong></td>
<td>29,880,772</td>
<td>12,614,860</td>
<td>42,495,632</td>
</tr>
</tbody>
</table>

**Million Riel equivalent**

<table>
<thead>
<tr>
<th></th>
<th>Million Riel equivalent</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Balance at 1 January 2013</strong></td>
<td>121,764</td>
</tr>
<tr>
<td><strong>Charges for the year</strong></td>
<td>8,303,180</td>
</tr>
<tr>
<td><strong>Recoveries during the year</strong></td>
<td>(834,791)</td>
</tr>
<tr>
<td><strong>Written-off</strong></td>
<td>(723,161)</td>
</tr>
<tr>
<td><strong>Exchange differences</strong></td>
<td>(758)</td>
</tr>
<tr>
<td><strong>Balance at 31 December 2013</strong></td>
<td>29,008,981</td>
</tr>
</tbody>
</table>

**Million Riel equivalent**

<table>
<thead>
<tr>
<th></th>
<th>Million Riel equivalent</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Balance at 1 January 2014</strong></td>
<td>115,891</td>
</tr>
<tr>
<td><strong>Charges for the year</strong></td>
<td>41,135</td>
</tr>
<tr>
<td><strong>Recoveries during the year</strong></td>
<td>157,026</td>
</tr>
</tbody>
</table>

(b) By industry

<table>
<thead>
<tr>
<th></th>
<th><strong>2014</strong></th>
<th><strong>2013</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>US$</td>
<td>Million Riel</td>
</tr>
<tr>
<td>Financial institutions</td>
<td>5,627,305</td>
<td>22,931</td>
</tr>
<tr>
<td>Service</td>
<td>395,515,220</td>
<td>1,611,725</td>
</tr>
<tr>
<td>Mortgage</td>
<td>66,134,118</td>
<td>269,497</td>
</tr>
<tr>
<td>Building and construction</td>
<td>211,113,409</td>
<td>860,287</td>
</tr>
<tr>
<td>Wholesale and retail</td>
<td>344,483,297</td>
<td>1,403,769</td>
</tr>
<tr>
<td>Import and export</td>
<td>82,607,106</td>
<td>336,624</td>
</tr>
<tr>
<td>Agriculture</td>
<td>172,767,101</td>
<td>704,026</td>
</tr>
<tr>
<td>Others</td>
<td>99,248,675</td>
<td>404,439</td>
</tr>
<tr>
<td></td>
<td>1,377,496,231</td>
<td>5,613,298</td>
</tr>
</tbody>
</table>

28
6. **LOANS AND ADVANCES** (continued)

(c) By loan classification

<table>
<thead>
<tr>
<th></th>
<th>2014</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>US$</td>
<td>Million Riel</td>
</tr>
<tr>
<td>Normal:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Secured</td>
<td>1,260,322,071</td>
<td>5,135,853</td>
</tr>
<tr>
<td>Unsecured</td>
<td>1,153,821</td>
<td>4,702</td>
</tr>
<tr>
<td>Special mention:</td>
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<td></td>
</tr>
<tr>
<td>Secured</td>
<td>54,092,106</td>
<td>220,425</td>
</tr>
<tr>
<td>Unsecured</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Sub-standard:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Secured</td>
<td>33,787,223</td>
<td>137,683</td>
</tr>
<tr>
<td>Unsecured</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Doubtful:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Secured</td>
<td>13,260,891</td>
<td>54,038</td>
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<tr>
<td>Unsecured</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Loss:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Secured</td>
<td>14,835,215</td>
<td>60,454</td>
</tr>
<tr>
<td>Unsecured</td>
<td>34,904</td>
<td>143</td>
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<tr>
<td></td>
<td>1,377,496,231</td>
<td>5,613,298</td>
</tr>
</tbody>
</table>

(d) By maturity

<table>
<thead>
<tr>
<th></th>
<th>2014</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>US$</td>
<td>Million Riel</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Not later than 1 year</td>
<td>984,487,316</td>
<td>4,011,786</td>
</tr>
<tr>
<td>Later than 1 year and no later than 3 years</td>
<td>170,874,385</td>
<td>696,313</td>
</tr>
<tr>
<td>Later than 3 years and no later than 5 years</td>
<td>57,637,107</td>
<td>234,871</td>
</tr>
<tr>
<td>Later than 5 years</td>
<td>164,497,423</td>
<td>670,328</td>
</tr>
<tr>
<td></td>
<td>1,377,496,231</td>
<td>5,613,298</td>
</tr>
</tbody>
</table>
6. **LOANS AND ADVANCES** (continued)

(e) **By large exposure**

<table>
<thead>
<tr>
<th></th>
<th>2014 US$</th>
<th>Million Riel</th>
<th>2013 US$</th>
<th>Million Riel</th>
</tr>
</thead>
<tbody>
<tr>
<td>Large exposure</td>
<td>245,175,972</td>
<td>999,092</td>
<td>200,377,454</td>
<td>800,508</td>
</tr>
<tr>
<td>Non-large exposure</td>
<td>1,132,320,259</td>
<td>4,614,206</td>
<td>887,234,547</td>
<td>3,544,501</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>1,377,496,231</td>
<td>5,613,298</td>
<td>1,087,612,001</td>
<td>4,345,009</td>
</tr>
</tbody>
</table>

The large exposure is defined by the NBC as the overall credit exposure to any individual beneficiary that exceeds 10% of the Bank’s net worth.

(f) **By related parties**

<table>
<thead>
<tr>
<th></th>
<th>2014 US$</th>
<th>Million Riel</th>
<th>2013 US$</th>
<th>Million Riel</th>
</tr>
</thead>
<tbody>
<tr>
<td>Related parties</td>
<td>513,244</td>
<td>2,091</td>
<td>737,888</td>
<td>2,948</td>
</tr>
<tr>
<td>Non-related parties</td>
<td>1,376,982,987</td>
<td>5,611,207</td>
<td>1,086,874,113</td>
<td>4,342,061</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>1,377,496,231</td>
<td>5,613,298</td>
<td>1,087,612,001</td>
<td>4,345,009</td>
</tr>
</tbody>
</table>

(g) **Interest rates**

Annual interest rates during the year are as follows:

<table>
<thead>
<tr>
<th>Loan Type</th>
<th>2014</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Credit cards</td>
<td>18% - 21.96%</td>
<td>18% - 21.96%</td>
</tr>
<tr>
<td>Micro-finance loans</td>
<td>14.40%</td>
<td>14.40%</td>
</tr>
<tr>
<td>Long-term loans</td>
<td>5.00% - 19.20%</td>
<td>5.00% - 19.20%</td>
</tr>
<tr>
<td>Leasing</td>
<td>8.04% - 14.40%</td>
<td>8.04% - 14.40%</td>
</tr>
<tr>
<td>Short-term loans - business</td>
<td>6.00% - 21.60%</td>
<td>6.00% - 21.60%</td>
</tr>
<tr>
<td>Short-term loans - consumer</td>
<td>24%</td>
<td>-</td>
</tr>
<tr>
<td>Overdrafts - consumer</td>
<td>30%</td>
<td>-</td>
</tr>
<tr>
<td>Overdrafts - business</td>
<td>4.50% - 18.00%</td>
<td>4.50% - 18.00%</td>
</tr>
<tr>
<td>Mortgage loans</td>
<td>7.00% - 12.00%</td>
<td>7.00% - 12.00%</td>
</tr>
</tbody>
</table>
7. AVAILABLE-FOR-SALE FINANCIAL ASSETS

<table>
<thead>
<tr>
<th></th>
<th>2014</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>US$</td>
<td>Million Riel</td>
</tr>
<tr>
<td>At 1 January</td>
<td>3,239,668</td>
<td>13,202</td>
</tr>
<tr>
<td>Disposals</td>
<td>(3,000,000)</td>
<td>(12,225)</td>
</tr>
<tr>
<td>Net losses transfer to equity</td>
<td>(54,678)</td>
<td>(223)</td>
</tr>
<tr>
<td>At 31 December</td>
<td>184,990</td>
<td>754</td>
</tr>
<tr>
<td>Less non-current portion</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Current portion</td>
<td>184,990</td>
<td>754</td>
</tr>
</tbody>
</table>

Available-for-sale financial assets include the following:

<table>
<thead>
<tr>
<th></th>
<th>2014</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>US$</td>
<td>Million Riel</td>
</tr>
<tr>
<td>Listed securities:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Equity securities</td>
<td>184,990</td>
<td>754</td>
</tr>
<tr>
<td>Unlisted securities:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Debt securities *</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>At 31 December</td>
<td>184,990</td>
<td>754</td>
</tr>
</tbody>
</table>

The fair value of equity securities is based on quoted market prices at the reporting date.

The fair value of debt securities not quoted in any active market is based on the redemption offer letter issued by the issuer of the bonds the Group acquired and held.

* The debt securities are fixed interest bonds issued by a private company and matured in 2014. The fixed interest bonds bear annual interest at rate of 5% per annum. (2013: 5%).

None of these financial assets is either past due or impaired.

8. INVESTMENT IN SUBSIDIARY

In February 2010, Cana Securities Ltd. was incorporated as a wholly-owned subsidiary of the Bank. The Subsidiary received its securities underwriting licence from the Securities Exchange Commission of Cambodia on 20 October 2010. The principal activities of the Subsidiary are to provide securities-related services; these include, but are not limited to, securities underwriting, dealing, brokerage and investment-related services. On 23 February 2013, the Bank injected additional capital of US$841,600 to increase its investment in subsidiary to US$11,000,000.
9. PROPERTY AND EQUIPMENT

<table>
<thead>
<tr>
<th></th>
<th>Group 2014</th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Cost</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>At 1 January 2014</td>
<td>7,582,430</td>
<td>43,220,405</td>
<td>-</td>
<td>5,648,087</td>
<td>6,381,200</td>
<td>5,124,999</td>
</tr>
<tr>
<td>Additions</td>
<td>-</td>
<td>756,911</td>
<td>205,127</td>
<td>405,855</td>
<td>270,404</td>
<td>961,160</td>
</tr>
<tr>
<td>Disposals</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>(69,419)</td>
<td>(219,923)</td>
<td>(171,718)</td>
</tr>
<tr>
<td>At 31 December 2014</td>
<td>7,582,430</td>
<td>43,977,316</td>
<td>205,127</td>
<td>5,984,523</td>
<td>6,431,681</td>
<td>5,914,441</td>
</tr>
</tbody>
</table>

|                      |            |            |            |            |            |            |
|                      |            |            |            |            |            |            |
| Accrual depreciation |            |            |            |            |            |            |
| At 1 January 2014    | -          | 7,422,359  | -          | 3,557,403  | 4,004,967  | 4,017,256  | 2,193,590  | 21,195,575 |
| Depreciation charges | -          | 2,166,971  | -          | 553,701    | 610,708    | 747,980    | 532,394    | 4,611,754  |
| Disposals            | -          | -          | -          | (62,276)   | (190,715)  | (170,143)  | (234,345)  | (657,479)  |
| At 31 December 2014  | -          | 9,589,330  | -          | 4,048,828  | 4,424,960  | 4,595,093  | 2,491,639  | 25,149,850 |

|                      |            |            |            |            |            |            |
|                      |            |            |            |            |            |            |
| Net book value       | 7,582,430  | 34,387,986 | 205,127    | 1,935,695  | 2,006,721  | 1,319,348  | 2,054,802  | 49,492,109 |

|                      | Million Riel equivalent |            |            |            |            |            |
|                      | 30,898        | 140,131     | 837         | 7,888       | 8,177       | 5,376       | 8,373       | 201,680     |
9. **PROPERTY AND EQUIPMENT** (continued)

<table>
<thead>
<tr>
<th></th>
<th>Group 2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cost</td>
<td></td>
</tr>
<tr>
<td>At 1 January 2013</td>
<td>6,841,287</td>
</tr>
<tr>
<td>Additions</td>
<td>741,143</td>
</tr>
<tr>
<td>Transfers</td>
<td>-</td>
</tr>
<tr>
<td>Disposals</td>
<td>-</td>
</tr>
<tr>
<td>At 31 December 2013</td>
<td>7,582,430</td>
</tr>
<tr>
<td>Accumulated depreciation</td>
<td></td>
</tr>
<tr>
<td>At 1 January 2013</td>
<td>-</td>
</tr>
<tr>
<td>Depreciation charges</td>
<td>-</td>
</tr>
<tr>
<td>Disposals</td>
<td>-</td>
</tr>
<tr>
<td>At 31 December 2013</td>
<td>-</td>
</tr>
<tr>
<td>Net book value</td>
<td>7,582,430</td>
</tr>
<tr>
<td>Million Riel equivalent</td>
<td>30,292</td>
</tr>
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</table>
9. PROPERTY AND EQUIPMENT (continued)

<table>
<thead>
<tr>
<th></th>
<th>Bank 2014</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Cost</strong></td>
<td></td>
</tr>
<tr>
<td>At 1 January 2014</td>
<td>7,582,430</td>
</tr>
<tr>
<td>Additions</td>
<td>-</td>
</tr>
<tr>
<td>Disposals</td>
<td>-</td>
</tr>
<tr>
<td>At 31 December 2014</td>
<td>7,582,430</td>
</tr>
<tr>
<td><strong>Accumulated depreciation</strong></td>
<td></td>
</tr>
<tr>
<td>At 1 January 2014</td>
<td>-</td>
</tr>
<tr>
<td>Depreciation charges</td>
<td>-</td>
</tr>
<tr>
<td>Disposals</td>
<td>-</td>
</tr>
<tr>
<td>At 31 December 2014</td>
<td>-</td>
</tr>
<tr>
<td><strong>Net book value</strong></td>
<td>7,582,430</td>
</tr>
<tr>
<td><strong>Million Riel equivalent</strong></td>
<td></td>
</tr>
<tr>
<td></td>
<td>30,898</td>
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</tbody>
</table>
## Property and Equipment (continued)

### Bank

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Cost</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>At 1 January 2013</td>
<td>6,841,287</td>
<td>34,746,397</td>
<td>191,720</td>
<td>5,510,607</td>
<td>5,946,862</td>
<td>4,310,880</td>
<td>4,080,633</td>
<td>61,628,386</td>
</tr>
<tr>
<td>Additions</td>
<td>741,143</td>
<td>8,351,508</td>
<td>122,500</td>
<td>107,378</td>
<td>463,751</td>
<td>737,683</td>
<td>631,455</td>
<td>11,155,418</td>
</tr>
<tr>
<td>Transfers</td>
<td>-</td>
<td>122,500</td>
<td>(122,500)</td>
<td>-</td>
<td>-</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Disposals</td>
<td>-</td>
<td>-</td>
<td>(191,720)</td>
<td>(5,113)</td>
<td>(29,413)</td>
<td>(1,510)</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>At 31 December 2013</td>
<td>7,582,430</td>
<td>43,220,405</td>
<td>-</td>
<td>5,612,872</td>
<td>6,381,200</td>
<td>5,047,053</td>
<td>4,123,192</td>
<td>71,967,152</td>
</tr>
</tbody>
</table>

### Accumulated depreciation

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>At 1 January 2013</strong></td>
<td>-</td>
<td>5,641,516</td>
<td>-</td>
<td>2,872,730</td>
<td>3,318,936</td>
<td>3,307,398</td>
<td>1,984,879</td>
<td>17,125,459</td>
</tr>
<tr>
<td>Depreciation charges</td>
<td>-</td>
<td>1,780,843</td>
<td>-</td>
<td>673,642</td>
<td>710,112</td>
<td>652,089</td>
<td>579,705</td>
<td>4,396,391</td>
</tr>
<tr>
<td>Disposals</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>(4,657)</td>
<td>(24,081)</td>
<td>(1,517)</td>
<td>(393,964)</td>
<td>(424,219)</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>At 31 December 2013</strong></td>
<td>-</td>
<td>7,422,359</td>
<td>-</td>
<td>3,541,715</td>
<td>4,004,967</td>
<td>3,957,970</td>
<td>2,170,620</td>
<td>21,097,631</td>
</tr>
</tbody>
</table>

### Net book value

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>7,582,430</td>
<td>35,798,046</td>
<td>-</td>
<td>2,071,157</td>
<td>2,376,233</td>
<td>1,089,083</td>
<td>1,952,572</td>
<td>50,869,521</td>
</tr>
</tbody>
</table>

### Million Riel equivalent

|                      |                    |               |                              |                           |                      |                               |              |           |
|----------------------|-------------------|---------------|------------------------------|---------------------------|----------------------|-------------------------------|              |           |
|                      | 30,292            | 143,013       | -                            | 8,274                     | 9,493                | 4,351                         | 7,801        | 203,224   |
10. INTANGIBLE ASSETS

<table>
<thead>
<tr>
<th></th>
<th>2014 US$</th>
<th>2013 US$</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Cost</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1 January</td>
<td>2,746,413</td>
<td>2,405,577</td>
</tr>
<tr>
<td>Additions</td>
<td>1,037,612</td>
<td>342,836</td>
</tr>
<tr>
<td>Disposals</td>
<td>(113,068)</td>
<td>(2,000)</td>
</tr>
<tr>
<td><strong>31 December</strong></td>
<td>3,670,957</td>
<td>2,746,413</td>
</tr>
<tr>
<td><strong>Accumulated amortisation</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1 January</td>
<td>2,291,529</td>
<td>2,055,841</td>
</tr>
<tr>
<td>Amortisation charges</td>
<td>468,351</td>
<td>237,688</td>
</tr>
<tr>
<td>Disposals</td>
<td>(113,050)</td>
<td>(2,000)</td>
</tr>
<tr>
<td><strong>31 December</strong></td>
<td>2,646,830</td>
<td>2,291,529</td>
</tr>
<tr>
<td><strong>Net book value</strong></td>
<td>1,024,127</td>
<td>454,884</td>
</tr>
<tr>
<td><strong>Million Riel equivalent</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>4,173</td>
<td>1,817</td>
</tr>
</tbody>
</table>

11. DEFERRED TAX ASSETS

<table>
<thead>
<tr>
<th></th>
<th>2014 US$</th>
<th>2013 US$</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Group and Bank</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Provision for staff gratitude US$</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2014</td>
<td></td>
<td></td>
</tr>
<tr>
<td>At 1 January 2014</td>
<td>601,376</td>
<td>435,169</td>
</tr>
<tr>
<td>Recognised in the income statement</td>
<td>234,622</td>
<td>166,207</td>
</tr>
<tr>
<td><strong>At 31 December 2014</strong></td>
<td>835,998</td>
<td>596,994</td>
</tr>
<tr>
<td><strong>Million Riel equivalent</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>3,407</td>
<td>2,376</td>
</tr>
<tr>
<td><strong>Unamortised commitment fees US$</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2014</td>
<td></td>
<td></td>
</tr>
<tr>
<td>At 1 January 2014</td>
<td>663,102</td>
<td>678,177</td>
</tr>
<tr>
<td>Recognised in the income statement</td>
<td>265,696</td>
<td>(15,075)</td>
</tr>
<tr>
<td><strong>At 31 December 2014</strong></td>
<td>928,798</td>
<td>1,173,102</td>
</tr>
<tr>
<td><strong>Million Riel equivalent</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>3,785</td>
<td>7,377</td>
</tr>
<tr>
<td><strong>Provision for accrued bonus US$</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2014</td>
<td></td>
<td></td>
</tr>
<tr>
<td>At 1 January 2014</td>
<td>272,997</td>
<td>189,751</td>
</tr>
<tr>
<td>Recognised in the income statement</td>
<td>74,166</td>
<td>83,246</td>
</tr>
<tr>
<td><strong>At 31 December 2014</strong></td>
<td>347,163</td>
<td>272,997</td>
</tr>
<tr>
<td><strong>Total US$</strong></td>
<td>2,111,959</td>
<td>1,537,475</td>
</tr>
<tr>
<td><strong>Million Riel equivalent</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>8,606</td>
<td>6,142</td>
</tr>
</tbody>
</table>
12. OTHER ASSETS

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>US$</td>
<td>Million Riel</td>
<td>US$</td>
<td>Million Riel</td>
</tr>
<tr>
<td>Accrued interest receivables</td>
<td>20,792,463</td>
<td>84,729</td>
<td>13,140,804</td>
<td>52,498</td>
</tr>
<tr>
<td>Prepayments</td>
<td>2,492,631</td>
<td>10,157</td>
<td>2,171,490</td>
<td>8,675</td>
</tr>
<tr>
<td>Advances</td>
<td>2,898,662</td>
<td>11,812</td>
<td>1,153,975</td>
<td>4,610</td>
</tr>
<tr>
<td>Receivables from card vendors</td>
<td>1,311,584</td>
<td>5,345</td>
<td>834,797</td>
<td>3,335</td>
</tr>
<tr>
<td>Supplies</td>
<td>854,802</td>
<td>3,483</td>
<td>754,611</td>
<td>3,015</td>
</tr>
<tr>
<td>Others</td>
<td>1,095,407</td>
<td>4,465</td>
<td>603,162</td>
<td>2,409</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>29,445,549</td>
<td>119,991</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>18,658,839</td>
<td>74,542</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>29,420,182</td>
<td>119,888</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>18,621,858</td>
<td>74,395</td>
</tr>
</tbody>
</table>
13. DEPOSITS FROM BANKS

Group and Bank

<table>
<thead>
<tr>
<th></th>
<th>2014</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>US$</td>
<td>Million Riel</td>
</tr>
<tr>
<td>Current accounts</td>
<td>54,466,519</td>
<td>221,951</td>
</tr>
<tr>
<td>Savings accounts</td>
<td>32,943,098</td>
<td>134,243</td>
</tr>
<tr>
<td>Term deposits</td>
<td>120,736,279</td>
<td>492,000</td>
</tr>
<tr>
<td>Marginal deposits</td>
<td>46,858</td>
<td>191</td>
</tr>
<tr>
<td></td>
<td>208,192,754</td>
<td>848,385</td>
</tr>
</tbody>
</table>

Annual interest rates during the year are as follows:

<table>
<thead>
<tr>
<th></th>
<th>2014</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current accounts</td>
<td>Nil - 2%</td>
<td>Nil</td>
</tr>
<tr>
<td>Savings accounts</td>
<td>0.50% - 0.75%</td>
<td>0.50% - 0.75%</td>
</tr>
<tr>
<td>Term deposits</td>
<td>1.00% - 4.50%</td>
<td>1.00% - 3.50%</td>
</tr>
</tbody>
</table>

Marginal deposits represent the aggregate balance of required non-interest bearing cash deposits from banks for letters of credit and guarantees outstanding at year-end.
14. DEPOSITS FROM CUSTOMERS

<table>
<thead>
<tr>
<th></th>
<th>Group</th>
<th></th>
<th>Bank</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2014</td>
<td>2013</td>
<td>2014</td>
<td>2013</td>
</tr>
<tr>
<td></td>
<td>US$</td>
<td>Million Riel</td>
<td>US$</td>
<td>Million Riel</td>
</tr>
<tr>
<td>Current accounts</td>
<td>148,392,169</td>
<td>604,697</td>
<td>107,034,299</td>
<td>427,602</td>
</tr>
<tr>
<td>Savings accounts</td>
<td>566,678,886</td>
<td>2,309,216</td>
<td>458,392,579</td>
<td>1,831,278</td>
</tr>
<tr>
<td>Term deposits</td>
<td>920,213,005</td>
<td>3,749,868</td>
<td>729,704,050</td>
<td>2,915,168</td>
</tr>
<tr>
<td>Marginal deposits</td>
<td>4,235,258</td>
<td>17,260</td>
<td>4,926,119</td>
<td>19,680</td>
</tr>
<tr>
<td></td>
<td>1,639,519,318</td>
<td>6,681,041</td>
<td>1,300,057,047</td>
<td>5,193,728</td>
</tr>
<tr>
<td>Annual interest rates follow:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2014</td>
<td>nil - 2.00%</td>
<td>0.75% - 2.00%</td>
<td>2.00% - 5.50%</td>
<td>2.00% - 5.50%</td>
</tr>
<tr>
<td>2013</td>
<td>nil - 2.00%</td>
<td>0.75% - 2.00%</td>
<td>2.00% - 5.50%</td>
<td>2.00% - 5.50%</td>
</tr>
</tbody>
</table>

Marginal deposits represent the aggregate balance of required non-interest bearing cash deposits from customers for letters of credit and guarantees outstanding at year-end.
15. BORROWINGS

<table>
<thead>
<tr>
<th>Group and Bank</th>
<th>2014</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>US$ Million Riel</td>
<td>US$ Million Riel</td>
</tr>
<tr>
<td>China Development Bank Corporation (i)</td>
<td>46,490,000</td>
<td>189,447</td>
</tr>
<tr>
<td></td>
<td>30,660,000</td>
<td>122,487</td>
</tr>
<tr>
<td>KfW through MoEF (ii)</td>
<td>289,775</td>
<td>1,181</td>
</tr>
<tr>
<td></td>
<td>579,543</td>
<td>2,315</td>
</tr>
<tr>
<td>Bank of China (iii)</td>
<td>20,000,000</td>
<td>81,500</td>
</tr>
<tr>
<td></td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Industrial and Commercial Bank of China (iv)</td>
<td>34,000,000</td>
<td>138,550</td>
</tr>
<tr>
<td></td>
<td>32,800,000</td>
<td>131,036</td>
</tr>
<tr>
<td></td>
<td>100,779,775</td>
<td>410,678</td>
</tr>
<tr>
<td></td>
<td>64,039,543</td>
<td>255,838</td>
</tr>
</tbody>
</table>

(i) The Bank entered into a US$20 million loan facility with China Development Bank Corporation entered in 2010, for a term of eight years. These borrowings bear annual interest at six-month LIBOR plus credit spread of 4.00%. On 5 September 2013, the Bank entered into another facility agreement with China Development Bank amounting to US$30 million loan facility, with a six-year term and annual interest of six-month LIBOR plus credit spread of 4.00%. Based on the agreements, the Bank is required to place one-year fixed deposits with China Development Bank of amounts equivalent to US$30 million (see Note 5).

(ii) Represents loans from Kreditanstalt fur Wiederaufbau ("KfW") through the Ministry of Economy and Finance ("MoEF") that resulted from loan and finance agreements between the Bank, KfW and MoEF, dated 23 April 2003 and 18 October 2005 for Small and Medium Enterprises ("SMEs") term-lending Phase I and Phase II respectively. The agreements stipulate that the funds borrowed from KfW through MoEF shall be sub-lent to SMEs to build SME capacity in Cambodia. The sub-loans are classified as an asset of the Bank under loans and advances. KfW borrowing is unsecured and bears annual interest at an average rate of 5.86% (2013: 5.69%).

(iii) On 29 September 2014, the Bank entered into a facility agreement with Bank of China Limited, Phnom Penh Branch. This agreement is for US$20 million loan with a one-year term and annual interest of 3.50%. Based on the agreement, the Bank is required to place one-year fixed deposit with Bank of China Limited, Phnom Penh Branch of US$10 million and CNY 61.60 million, equivalent to US$10 million (see Note 5).

(iv) On 27 November 2014, the Bank entered into a facility agreement with Industrial and Commercial Bank of China Limited, Phnom Penh Branch. This agreement is for US$34 million loan with a three-year term and annual interest of 3.50%. Based on the agreement, the Bank is required to place one-year fixed deposit with Industrial and Commercial bank of China Limited, Phnom Penh Branch of CNY 211 million, equivalent to US$34 million (see note 5).
16. PROVISION FOR STAFF GRATITUDE

The Bank has established employees’ retirement and resignation plan since August 2006. Movements in the provision for staff benefits are as follows:

<table>
<thead>
<tr>
<th></th>
<th>2014</th>
<th></th>
<th>2013</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>US$</td>
<td>Million Riel</td>
<td>US$</td>
<td>Million Riel</td>
</tr>
<tr>
<td>At 1 January</td>
<td>3,006,879</td>
<td>12,253</td>
<td>2,175,845</td>
<td>8,693</td>
</tr>
<tr>
<td>Provision during the year</td>
<td>1,668,640</td>
<td>6,800</td>
<td>1,023,747</td>
<td>4,090</td>
</tr>
<tr>
<td>Payments during the year</td>
<td>(420,198)</td>
<td>(1,713)</td>
<td>(192,713)</td>
<td>(771)</td>
</tr>
<tr>
<td>At 31 December</td>
<td>4,255,321</td>
<td>17,340</td>
<td>3,006,879</td>
<td>12,012</td>
</tr>
</tbody>
</table>
## 17. OTHER LIABILITIES

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Accrued interest payable</td>
<td>23,600,181</td>
<td>96,171</td>
<td>16,976,151</td>
<td>67,820</td>
<td>23,600,181</td>
<td>96,171</td>
<td>16,976,151</td>
<td>67,820</td>
</tr>
<tr>
<td>Deposits in transit</td>
<td>11,035,129</td>
<td>44,968</td>
<td>13,030,955</td>
<td>52,059</td>
<td>11,048,260</td>
<td>45,022</td>
<td>13,030,955</td>
<td>52,059</td>
</tr>
<tr>
<td>Other trade payables</td>
<td>1,268,753</td>
<td>5,171</td>
<td>848,029</td>
<td>3,388</td>
<td>1,264,178</td>
<td>5,152</td>
<td>845,719</td>
<td>3,379</td>
</tr>
<tr>
<td>Accrued staff bonuses</td>
<td>1,744,734</td>
<td>7,110</td>
<td>1,372,888</td>
<td>5,485</td>
<td>1,743,069</td>
<td>7,103</td>
<td>1,370,560</td>
<td>5,475</td>
</tr>
<tr>
<td>Accrued expenses</td>
<td>348,012</td>
<td>1,418</td>
<td>370,063</td>
<td>1,478</td>
<td>348,012</td>
<td>1,418</td>
<td>370,063</td>
<td>1,478</td>
</tr>
<tr>
<td>Other taxes payable</td>
<td>682,109</td>
<td>2,780</td>
<td>593,381</td>
<td>2,371</td>
<td>682,109</td>
<td>2,780</td>
<td>593,381</td>
<td>2,371</td>
</tr>
<tr>
<td>Others</td>
<td>139,867</td>
<td>569</td>
<td>133,960</td>
<td>534</td>
<td>126,736</td>
<td>515</td>
<td>133,960</td>
<td>534</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>38,818,785</td>
<td>158,177</td>
<td>33,325,427</td>
<td>133,135</td>
<td>38,812,545</td>
<td>158,161</td>
<td>33,320,789</td>
<td>133,116</td>
</tr>
</tbody>
</table>
18. SHARE CAPITAL

Group and Bank

<table>
<thead>
<tr>
<th></th>
<th>2014</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>US$ Million Riel</td>
<td>US$ Million Riel</td>
</tr>
<tr>
<td>Issued and fully paid:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>At 1 January</td>
<td>140,000,000</td>
<td>130,000,000</td>
</tr>
<tr>
<td>Issue of shares</td>
<td>-</td>
<td>10,000,000</td>
</tr>
<tr>
<td>Currency translation differences</td>
<td>-</td>
<td>11,200</td>
</tr>
<tr>
<td>At 31 December</td>
<td>140,000,000</td>
<td>140,000,000</td>
</tr>
</tbody>
</table>

As at 31 December 2014, the Bank’s total share capital was US$140 million shares with a par value of US$ 1 per share. All shares were issued to and fully paid by CIHP.

19. RESERVES

Group

<table>
<thead>
<tr>
<th></th>
<th>2014</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>US$ Million Riel</td>
<td>US$ Million Riel</td>
</tr>
<tr>
<td>General reserves</td>
<td>78,054,009</td>
<td>43,091,569</td>
</tr>
<tr>
<td>Change in fair value of AFS financial assets</td>
<td>(114,678)</td>
<td>(37,560)</td>
</tr>
<tr>
<td></td>
<td>77,939,331</td>
<td>43,054,009</td>
</tr>
</tbody>
</table>

Bank

<table>
<thead>
<tr>
<th></th>
<th>2014</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>US$ Million Riel</td>
<td>US$ Million Riel</td>
</tr>
<tr>
<td>General reserves</td>
<td>78,050,777</td>
<td>43,050,777</td>
</tr>
</tbody>
</table>

The Bank’s general reserves were US$78,050,777 at 31 December 2014 (2013: US$43,050,777). According to the NBC’s letter no. B7-012-165, dated 22 June 2012, this reserve is not distributable unless approved by the NBC. The reserve is included as capital Tier I in the Bank’s net worth calculation based on the NBC’s guidelines (Note 33.5).

20. DIVIDENDS

There is no dividend declared during the year (2013: US$7,087,762) to its sole shareholder, CIHP.
21. **NET INTEREST INCOME**

<table>
<thead>
<tr>
<th></th>
<th>Group and Bank</th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>US$</td>
<td>Million Riel</td>
<td>US$</td>
<td>Million Riel</td>
<td>US$</td>
<td>Million Riel</td>
<td>US$</td>
<td>Million Riel</td>
<td></td>
</tr>
<tr>
<td>Interest income:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Loans and advances</td>
<td>126,652,990</td>
<td>516,111</td>
<td>107,555,028</td>
<td>429,682</td>
<td>126,440,555</td>
<td>515,245</td>
<td>107,555,028</td>
<td>429,682</td>
<td></td>
</tr>
<tr>
<td>Balances with other banks</td>
<td>2,143,989</td>
<td>8,737</td>
<td>1,055,233</td>
<td>4,216</td>
<td>2,143,989</td>
<td>8,737</td>
<td>1,055,233</td>
<td>4,216</td>
<td></td>
</tr>
<tr>
<td>Balances with the NBC</td>
<td>137,912</td>
<td>562</td>
<td>166,707</td>
<td>666</td>
<td>137,912</td>
<td>562</td>
<td>166,707</td>
<td>666</td>
<td></td>
</tr>
<tr>
<td>Available-for-sale financial assets</td>
<td>-</td>
<td>-</td>
<td>151,239</td>
<td>604</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Interest expense:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Deposits from customers</td>
<td>(45,664,271)</td>
<td>(186,082)</td>
<td>(37,526,315)</td>
<td>(149,918)</td>
<td>(45,882,116)</td>
<td>(186,970)</td>
<td>(37,744,124)</td>
<td>(150,788)</td>
<td></td>
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<tr>
<td>Deposits from banks</td>
<td>(3,951,644)</td>
<td>(16,103)</td>
<td>(2,337,639)</td>
<td>(9,339)</td>
<td>(3,951,644)</td>
<td>(16,103)</td>
<td>(2,337,639)</td>
<td>(9,339)</td>
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</tr>
<tr>
<td>Borrowings</td>
<td>(2,846,009)</td>
<td>(11,597)</td>
<td>(1,341,176)</td>
<td>(5,357)</td>
<td>(2,846,009)</td>
<td>(11,597)</td>
<td>(1,341,175)</td>
<td>(5,358)</td>
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<tr>
<td>Total interest expense</td>
<td>(52,461,924)</td>
<td>(213,782)</td>
<td>(41,205,130)</td>
<td>(164,614)</td>
<td>(52,679,769)</td>
<td>(214,670)</td>
<td>(41,422,938)</td>
<td>(165,485)</td>
<td></td>
</tr>
<tr>
<td>Net interest income</td>
<td>76,472,967</td>
<td>311,628</td>
<td>67,723,077</td>
<td>270,554</td>
<td>76,042,687</td>
<td>309,874</td>
<td>67,354,030</td>
<td>269,079</td>
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</table>
## 22. NET FEE AND COMMISSION INCOME

<table>
<thead>
<tr>
<th></th>
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<tbody>
<tr>
<td>Loan commitment fees</td>
<td>9,620,910</td>
<td>8,082,254</td>
<td>9,620,910</td>
<td>8,082,254</td>
</tr>
<tr>
<td>Miscellaneous loan fees and charges</td>
<td>2,217,077</td>
<td>2,114,092</td>
<td>2,217,077</td>
<td>2,114,092</td>
</tr>
<tr>
<td>Income from letters of credit</td>
<td>868,748</td>
<td>551,847</td>
<td>868,748</td>
<td>551,847</td>
</tr>
<tr>
<td>Fees for telex, fax and phone</td>
<td>187,386</td>
<td>253,871</td>
<td>187,386</td>
<td>253,871</td>
</tr>
<tr>
<td>ATM and credit card fees</td>
<td>373,412</td>
<td>272,311</td>
<td>373,412</td>
<td>272,311</td>
</tr>
<tr>
<td>Fees for credit card advances and late payments</td>
<td>122,743</td>
<td>500</td>
<td>122,743</td>
<td>500</td>
</tr>
<tr>
<td>Other fees and commission</td>
<td>4,440,976</td>
<td>4,255,532</td>
<td>4,439,784</td>
<td>4,252,113</td>
</tr>
<tr>
<td><strong>Total fee and commission income</strong></td>
<td><strong>20,659,953</strong></td>
<td><strong>18,046,162</strong></td>
<td><strong>20,658,761</strong></td>
<td><strong>18,042,743</strong></td>
</tr>
<tr>
<td><strong>Fee and commission expense</strong></td>
<td><strong>(3,490,106)</strong></td>
<td><strong>(14,018)</strong></td>
<td><strong>(3,489,652)</strong></td>
<td><strong>(14,010)</strong></td>
</tr>
<tr>
<td><strong>Net fee and commission income</strong></td>
<td><strong>17,169,847</strong></td>
<td><strong>69,967</strong></td>
<td><strong>14,537,385</strong></td>
<td><strong>58,076</strong></td>
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</table>
### 23. OTHER OPERATING INCOME

<table>
<thead>
<tr>
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</tr>
</thead>
<tbody>
<tr>
<td>Gain/(Loss) on foreign exchange currencies</td>
<td>(600,447)</td>
<td>(2,447)</td>
<td>1,203,342</td>
<td>4,807</td>
<td>(580,664)</td>
<td>(2,366)</td>
<td>1,203,324</td>
<td>4,807</td>
</tr>
<tr>
<td>Rental income</td>
<td>737,945</td>
<td>3,007</td>
<td>452,631</td>
<td>1,808</td>
<td>764,945</td>
<td>3,117</td>
<td>479,631</td>
<td>1,916</td>
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<tr>
<td>Other income</td>
<td>125,754</td>
<td>513</td>
<td>86,051</td>
<td>344</td>
<td>125,754</td>
<td>512</td>
<td>86,050</td>
<td>344</td>
</tr>
<tr>
<td></td>
<td>263,252</td>
<td>1,073</td>
<td>1,742,024</td>
<td>6,959</td>
<td>310,035</td>
<td>1,263</td>
<td>1,769,005</td>
<td>7,067</td>
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</table>

### 24. PERSONNEL EXPENSES

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<th></th>
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<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Wages and salaries</td>
<td>12,182,495</td>
<td>49,644</td>
<td>9,700,087</td>
<td>38,752</td>
<td>11,975,886</td>
<td>48,802</td>
<td>9,461,936</td>
<td>37,800</td>
</tr>
<tr>
<td>Staff gratitude benefits</td>
<td>1,973,846</td>
<td>8,043</td>
<td>1,268,454</td>
<td>5,067</td>
<td>1,953,209</td>
<td>7,959</td>
<td>1,234,853</td>
<td>4,933</td>
</tr>
<tr>
<td>Other short term benefits</td>
<td>728,307</td>
<td>2,968</td>
<td>543,072</td>
<td>2,170</td>
<td>728,036</td>
<td>2,967</td>
<td>543,004</td>
<td>2,170</td>
</tr>
<tr>
<td></td>
<td>14,884,648</td>
<td>60,655</td>
<td>11,511,613</td>
<td>45,989</td>
<td>14,657,131</td>
<td>59,728</td>
<td>11,239,793</td>
<td>44,903</td>
</tr>
</tbody>
</table>
### 25. DEPRECIATION AND AMORTISATION CHARGES

<table>
<thead>
<tr>
<th></th>
<th>2014</th>
<th>2013</th>
<th>2014</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>US$ Million Riel</td>
<td>US$ Million Riel</td>
<td>US$ Million Riel</td>
<td>US$ Million Riel</td>
</tr>
<tr>
<td>Depreciation of property and equipment</td>
<td>4,611,750 18,793</td>
<td>4,431,404 17,703</td>
<td>4,587,914 18,696</td>
<td>4,396,391 17,564</td>
</tr>
<tr>
<td>Amortisation of intangible assets</td>
<td>468,352 1,908</td>
<td>237,688 950</td>
<td>468,351 1,908</td>
<td>237,688 949</td>
</tr>
<tr>
<td></td>
<td>5,080,102 20,701</td>
<td>4,669,092 18,653</td>
<td>5,056,265 20,604</td>
<td>4,634,079 18,513</td>
</tr>
</tbody>
</table>
### 26. GENERAL AND ADMINISTRATIVE EXPENSES

<table>
<thead>
<tr>
<th></th>
<th></th>
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<th></th>
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</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>US$ Million Riel</td>
<td>US$ Million Riel</td>
<td>US$ Million Riel</td>
<td>US$ Million Riel</td>
</tr>
<tr>
<td>Utilities</td>
<td>1,499,165</td>
<td>6,109</td>
<td>1,731,167</td>
<td>6,916</td>
</tr>
<tr>
<td>Taxes and duties</td>
<td>1,400,441</td>
<td>5,707</td>
<td>1,095,308</td>
<td>4,376</td>
</tr>
<tr>
<td>Building rental</td>
<td>1,201,348</td>
<td>4,895</td>
<td>1,171,328</td>
<td>4,679</td>
</tr>
<tr>
<td>Charitable donations and gifts</td>
<td>1,046,023</td>
<td>4,263</td>
<td>1,407,390</td>
<td>5,623</td>
</tr>
<tr>
<td>Travel, accommodation and foods</td>
<td>981,028</td>
<td>3,998</td>
<td>858,277</td>
<td>3,429</td>
</tr>
<tr>
<td>Legal and professional fees</td>
<td>804,033</td>
<td>3,276</td>
<td>913,677</td>
<td>3,650</td>
</tr>
<tr>
<td>Communication</td>
<td>623,888</td>
<td>2,542</td>
<td>575,491</td>
<td>2,299</td>
</tr>
<tr>
<td>Repairs and maintenance</td>
<td>616,111</td>
<td>2,511</td>
<td>648,658</td>
<td>2,591</td>
</tr>
<tr>
<td>Advertising and public relations</td>
<td>491,250</td>
<td>2,002</td>
<td>585,772</td>
<td>2,340</td>
</tr>
<tr>
<td>Motor vehicles</td>
<td>318,668</td>
<td>1,299</td>
<td>262,156</td>
<td>1,047</td>
</tr>
<tr>
<td>Stationery and supplies</td>
<td>316,720</td>
<td>1,291</td>
<td>248,448</td>
<td>993</td>
</tr>
<tr>
<td>Printing and forms</td>
<td>299,953</td>
<td>1,222</td>
<td>234,557</td>
<td>937</td>
</tr>
<tr>
<td>Board of directors’ fee</td>
<td>194,700</td>
<td>793</td>
<td>176,400</td>
<td>705</td>
</tr>
<tr>
<td>Insurance expense</td>
<td>153,156</td>
<td>624</td>
<td>157,318</td>
<td>628</td>
</tr>
<tr>
<td>Others</td>
<td>844,902</td>
<td>3,443</td>
<td>358,253</td>
<td>1,432</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>10,791,386</strong></td>
<td><strong>43,975</strong></td>
<td><strong>10,424,200</strong></td>
<td><strong>41,645</strong></td>
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</table>
27. PROVISION FOR LOAN LOSSES

Group and Bank

<table>
<thead>
<tr>
<th></th>
<th>2014 US$ Million Riel</th>
<th>2013 US$ Million Riel</th>
</tr>
</thead>
<tbody>
<tr>
<td>Provision for losses on loans (Note 6a)</td>
<td>10,857,763</td>
<td>15,963,243</td>
</tr>
<tr>
<td>Recovery of losses on loans (Note 6a)</td>
<td>(5,121,093)</td>
<td>(7,631,401)</td>
</tr>
<tr>
<td></td>
<td>5,736,670</td>
<td>8,331,842</td>
</tr>
</tbody>
</table>

28. INCOME TAX

a) Current tax liabilities

The movements of the Group and the Bank’s income tax payable are as follows:

<table>
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<th></th>
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<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Income tax expense</td>
<td>12,143,585</td>
<td>10,198,032</td>
<td>12,139,269</td>
<td>10,194,305</td>
</tr>
<tr>
<td>Income tax paid</td>
<td>(9,991,014)</td>
<td>(9,331,776)</td>
<td>(9,987,435)</td>
<td>(9,328,300)</td>
</tr>
</tbody>
</table>

The Bank obtained tax clearance up to the fiscal year 2012. The current year’s income tax is subject to the General Department of Taxation (“GDT”) assessment, the outcome of which cannot be determined as at the date of these financial statements.
b) Income tax expense

<table>
<thead>
<tr>
<th></th>
<th>2014</th>
<th>2013</th>
<th>2014</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>US$</td>
<td>Million Riel</td>
<td>US$</td>
<td>Million Riel</td>
</tr>
<tr>
<td>Current tax</td>
<td>12,143,585</td>
<td>49,485</td>
<td>10,198,032</td>
<td>40,740</td>
</tr>
<tr>
<td>Deferred tax</td>
<td>(574,484)</td>
<td>(2,342)</td>
<td>(234,378)</td>
<td>(935)</td>
</tr>
<tr>
<td></td>
<td>11,569,102</td>
<td>47,144</td>
<td>9,963,654</td>
<td>39,805</td>
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</tbody>
</table>

Reconciliation between accounting profit and income tax expense of the Group and the bank are as follows:

<table>
<thead>
<tr>
<th></th>
<th>2014</th>
<th>2013</th>
<th>2014</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>US$</td>
<td>Million Riel</td>
<td>US$</td>
<td>Million Riel</td>
</tr>
<tr>
<td>Profit before income tax</td>
<td>57,413,260</td>
<td>233,960</td>
<td>49,065,739</td>
<td>196,016</td>
</tr>
<tr>
<td>Tax calculation at 20%</td>
<td>11,482,652</td>
<td>46,792</td>
<td>9,813,148</td>
<td>39,203</td>
</tr>
<tr>
<td>Tax effects in respect of:</td>
<td>102,650</td>
<td>418</td>
<td>141,801</td>
<td>567</td>
</tr>
<tr>
<td>Expenses not deductible for tax purposes</td>
<td>(16,200)</td>
<td>(66)</td>
<td>8,705</td>
<td>35</td>
</tr>
<tr>
<td>Tax loss not recognised</td>
<td>11,569,102</td>
<td>47,144</td>
<td>9,963,654</td>
<td>39,805</td>
</tr>
</tbody>
</table>
28. **INCOME TAX** (continued)

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

The tax returns of the Group and of the Bank are subject to periodic examination by the General Department of Taxation. As the application of tax laws and regulations to various types of transactions is susceptible to varying interpretations, amounts reported in the financial statements of the Group and of the Bank could be changed at a later date, upon final determination by the General Department of Taxation.
29. CASH FROM/(USED IN) OPERATIONS

<table>
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<tr>
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</thead>
<tbody>
<tr>
<td></td>
<td>US$</td>
<td>Million Riel</td>
<td>US$</td>
<td>Million Riel</td>
<td>US$</td>
<td>Million Riel</td>
</tr>
<tr>
<td>Profit before income tax</td>
<td>57,413,260</td>
<td>233,960</td>
<td>49,065,739</td>
<td>196,016</td>
<td>57,331,119</td>
<td>233,624</td>
</tr>
<tr>
<td>Depreciation and amortisation</td>
<td>5,080,102</td>
<td>20,701</td>
<td>4,669,092</td>
<td>18,653</td>
<td>5,056,265</td>
<td>20,604</td>
</tr>
<tr>
<td>Provision for losses on loans</td>
<td>9,519,543</td>
<td>38,792</td>
<td>15,163,948</td>
<td>60,580</td>
<td>9,519,543</td>
<td>38,792</td>
</tr>
<tr>
<td>Recovery of losses on loans</td>
<td>(5,001,093)</td>
<td>(20,379)</td>
<td>(7,631,401)</td>
<td>(30,487)</td>
<td>(5,001,093)</td>
<td>(20,379)</td>
</tr>
<tr>
<td>Gain on disposals of property and equipment</td>
<td>40,510</td>
<td>165</td>
<td>193,420</td>
<td>773</td>
<td>40,510</td>
<td>165</td>
</tr>
<tr>
<td>Net interest income</td>
<td>(76,472,967)</td>
<td>(311,628)</td>
<td>(67,723,077)</td>
<td>(270,554)</td>
<td>(76,042,687)</td>
<td>(309,874)</td>
</tr>
<tr>
<td>Changes in working capital:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash collateral on borrowings</td>
<td>(21,560,643)</td>
<td>(87,860)</td>
<td>(45,588,616)</td>
<td>(182,127)</td>
<td>(21,560,643)</td>
<td>(87,860)</td>
</tr>
<tr>
<td>Balances with NBC - capital and reserve deposits</td>
<td>(40,852,343)</td>
<td>(166,473)</td>
<td>(15,807,169)</td>
<td>(63,150)</td>
<td>(40,871,999)</td>
<td>(166,553)</td>
</tr>
<tr>
<td>Balances with other banks - maturity more than three months</td>
<td>(72,316,880)</td>
<td>(294,691)</td>
<td>-</td>
<td>-</td>
<td>(72,316,880)</td>
<td>(294,691)</td>
</tr>
<tr>
<td>Loans and advances</td>
<td>(289,884,230)</td>
<td>(1,181,278)</td>
<td>(207,104,051)</td>
<td>(827,381)</td>
<td>(289,884,230)</td>
<td>(1,181,278)</td>
</tr>
<tr>
<td>Other assets</td>
<td>(3,135,051)</td>
<td>(12,775)</td>
<td>1,033,022</td>
<td>4,129</td>
<td>(3,146,665)</td>
<td>(12,823)</td>
</tr>
<tr>
<td>Deposits from banks</td>
<td>77,927,623</td>
<td>317,555</td>
<td>60,275,802</td>
<td>240,802</td>
<td>77,927,623</td>
<td>317,555</td>
</tr>
<tr>
<td>Deposits from customers</td>
<td>339,462,271</td>
<td>1,383,309</td>
<td>92,797,825</td>
<td>370,727</td>
<td>342,533,052</td>
<td>1,395,822</td>
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<tr>
<td>Provision for staff gratitude</td>
<td>1,248,442</td>
<td>5,087</td>
<td>831,034</td>
<td>3,320</td>
<td>1,248,442</td>
<td>5,087</td>
</tr>
<tr>
<td>Other liabilities</td>
<td>(1,130,653)</td>
<td>(4,607)</td>
<td>6,098,638</td>
<td>24,366</td>
<td>(1,132,253)</td>
<td>(4,614)</td>
</tr>
<tr>
<td>Cash used in operations</td>
<td>(19,662,109)</td>
<td>(80,122)</td>
<td>(113,725,794)</td>
<td>(454,333)</td>
<td>(16,299,896)</td>
<td>(66,423)</td>
</tr>
</tbody>
</table>

### 30. CASH AND CASH EQUIVALENTS

<table>
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<tr>
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</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>US$</td>
<td>Million Riel</td>
<td>US$</td>
<td>Million Riel</td>
</tr>
<tr>
<td>Cash on hand</td>
<td>143,514,814</td>
<td>584,823</td>
<td>126,618,929</td>
<td>505,843</td>
</tr>
<tr>
<td>Balances with the NBC:</td>
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<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Current accounts</td>
<td>171,848,239</td>
<td>700,282</td>
<td>157,758,551</td>
<td>630,245</td>
</tr>
<tr>
<td>Term deposits (maturity of three months or less)</td>
<td>123,000,000</td>
<td>501,225</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Balances with other banks:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Current accounts</td>
<td>59,754,056</td>
<td>243,498</td>
<td>84,935,164</td>
<td>339,316</td>
</tr>
<tr>
<td>Savings accounts</td>
<td>65,130</td>
<td>265</td>
<td>45,337</td>
<td>181</td>
</tr>
<tr>
<td>Term deposits (maturity of three months or less)</td>
<td>9,301,557</td>
<td>37,904</td>
<td>56,898,114</td>
<td>227,308</td>
</tr>
<tr>
<td></td>
<td>507,483,796</td>
<td>2,067,997</td>
<td>426,256,095</td>
<td>1,702,893</td>
</tr>
</tbody>
</table>
31. COMMITMENTS AND CONTINGENCIES

a) Loan commitments, guarantees and other financial commitments

Contractual amounts arising from off-balance sheet financial instruments that the Group and the Bank committed to extend credit to customers, guarantees and other facilities are as follows:

<table>
<thead>
<tr>
<th></th>
<th>2014 US$</th>
<th>Million Riel</th>
<th>2013 US$</th>
<th>Million Riel</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unused portion of approved credit facilities</td>
<td>88,819,246</td>
<td>361,938</td>
<td>85,110,356</td>
<td>340,016</td>
</tr>
<tr>
<td>Performance and bankers’ guarantees</td>
<td>8,786,056</td>
<td>35,803</td>
<td>4,434,041</td>
<td>17,714</td>
</tr>
<tr>
<td>Bankers’ acceptance</td>
<td>8,429,498</td>
<td>34,350</td>
<td>7,613,860</td>
<td>30,417</td>
</tr>
<tr>
<td>Documentary credit</td>
<td>18,514,218</td>
<td>75,445</td>
<td>10,575,082</td>
<td>42,247</td>
</tr>
<tr>
<td>Others</td>
<td>1,837,718</td>
<td>7,489</td>
<td>2,959,944</td>
<td>11,825</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>126,386,736</strong></td>
<td><strong>515,025</strong></td>
<td><strong>110,693,283</strong></td>
<td><strong>442,219</strong></td>
</tr>
</tbody>
</table>

No material losses are anticipated as a result of these transactions.

b) Operating lease commitments

Where the Group or the Bank is the lessee, the future minimum lease payments of the Group’s and the Bank’s branches in Phnom Penh and provinces under a non-cancellable operating lease arrangement are as follows:

<table>
<thead>
<tr>
<th></th>
<th>2014 US$</th>
<th>Million Riel</th>
<th>2013 US$</th>
<th>Million Riel</th>
</tr>
</thead>
<tbody>
<tr>
<td>Not later than one year</td>
<td>991,990</td>
<td>4,042</td>
<td>983,400</td>
<td>3,929</td>
</tr>
<tr>
<td>Later than one year and not later than five years</td>
<td>2,923,498</td>
<td>11,913</td>
<td>3,258,522</td>
<td>13,018</td>
</tr>
<tr>
<td>Over five years</td>
<td>3,262,335</td>
<td>13,294</td>
<td>3,214,512</td>
<td>12,842</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>7,177,823</strong></td>
<td><strong>29,249</strong></td>
<td><strong>7,456,434</strong></td>
<td><strong>29,789</strong></td>
</tr>
</tbody>
</table>
32. RELATED PARTY TRANSACTIONS AND BALANCES

a) Related parties and relationship

Related parties, and their relationship with the Group and the Bank are as follows:

<table>
<thead>
<tr>
<th>Relationship</th>
<th>Related party</th>
</tr>
</thead>
<tbody>
<tr>
<td>Immediate and ultimate parent company</td>
<td>Canada Investment Holding Plc. (“CIHP”)</td>
</tr>
<tr>
<td>Subsidiary</td>
<td>Wholly-owned subsidiary of the Bank, Cana Securities Ltd.</td>
</tr>
<tr>
<td>Affiliate</td>
<td>Cambodia Post Bank</td>
</tr>
<tr>
<td>Key management personnel</td>
<td>All directors of the Group and the Bank who make</td>
</tr>
<tr>
<td></td>
<td>critical decisions in relation to the strategic</td>
</tr>
<tr>
<td></td>
<td>direction of the Group and the Bank and senior management staff (including</td>
</tr>
<tr>
<td></td>
<td>their close family members)</td>
</tr>
</tbody>
</table>

b) Loans and advances to directors and key management

Group and Bank

<table>
<thead>
<tr>
<th></th>
<th>2014</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>US$</td>
<td>Million Riel</td>
</tr>
<tr>
<td>At 31 December</td>
<td>513,240</td>
<td>2,050</td>
</tr>
<tr>
<td>Interest income</td>
<td>43,922</td>
<td>179</td>
</tr>
</tbody>
</table>

Loans to directors and key management earn annual interest at rates ranging from 7.75% to 10.00%.

c) Deposits from related parties

<table>
<thead>
<tr>
<th></th>
<th>2014</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>US$</td>
<td>Million Riel</td>
</tr>
<tr>
<td>Parent company</td>
<td>649,385</td>
<td>2,646</td>
</tr>
<tr>
<td>Affiliate</td>
<td>27,782,951</td>
<td>113,216</td>
</tr>
<tr>
<td>Key management personnel</td>
<td>1,916,015</td>
<td>7,808</td>
</tr>
<tr>
<td></td>
<td>30,348,351</td>
<td>123,670</td>
</tr>
<tr>
<td>Interest expense</td>
<td>242,797</td>
<td>989</td>
</tr>
</tbody>
</table>
32. RELATED PARTY TRANSACTIONS AND BALANCES (continued)

c) Deposits from related parties (continued)

<table>
<thead>
<tr>
<th>Bank</th>
<th>2014</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>US$</td>
<td>Million Riel</td>
</tr>
<tr>
<td>Parent company</td>
<td>649,385</td>
<td>2,646</td>
</tr>
<tr>
<td>Subsidiary</td>
<td>9,512,520</td>
<td>38,764</td>
</tr>
<tr>
<td>Affiliate</td>
<td>27,782,951</td>
<td>113,216</td>
</tr>
<tr>
<td>Directors and key management</td>
<td>1,916,015</td>
<td>7,808</td>
</tr>
<tr>
<td></td>
<td>39,860,871</td>
<td>162,434</td>
</tr>
<tr>
<td>Interest expense</td>
<td>460,642</td>
<td>1,877</td>
</tr>
</tbody>
</table>

The deposits from parent company and key management personnel bear interest at rates ranging from 0.75% and 2.00% per annum. Deposit from subsidiary bear interest at rates ranging from 2.00% to 5.00% per annum.

d) Deposit with Affiliate

Group and Bank

<table>
<thead>
<tr>
<th></th>
<th>2014</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>US$</td>
<td>Million Riel</td>
</tr>
<tr>
<td>Term deposits</td>
<td>1,900,527</td>
<td>7,745</td>
</tr>
<tr>
<td>Interest income</td>
<td>95,515</td>
<td>389</td>
</tr>
</tbody>
</table>

Deposit with affiliate bear interest at rates ranging from 6.00% to 7.00% per annum.

e) Key management personnel compensation

<table>
<thead>
<tr>
<th></th>
<th>2014</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>US$</td>
<td>Million Riel</td>
</tr>
<tr>
<td>Salaries and short-term benefits</td>
<td>2,129,531</td>
<td>8,678</td>
</tr>
<tr>
<td>Post-employment benefits</td>
<td>168,825</td>
<td>688</td>
</tr>
<tr>
<td></td>
<td>2,298,356</td>
<td>9,366</td>
</tr>
</tbody>
</table>
### 32. RELATED PARTY TRANSACTIONS AND BALANCES (continued)

#### e) Key management personnel compensation (continued)

<table>
<thead>
<tr>
<th></th>
<th>Bank</th>
<th></th>
<th></th>
<th></th>
<th>Bank</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2014</td>
<td>2013</td>
<td></td>
<td></td>
<td>2014</td>
<td>2013</td>
<td></td>
</tr>
<tr>
<td></td>
<td>US$ Million Riel</td>
<td>US$ Million Riel</td>
<td></td>
<td></td>
<td>US$ Million Riel</td>
<td>US$ Million Riel</td>
<td></td>
</tr>
<tr>
<td>Salaries and short-term benefits</td>
<td>1,937,847</td>
<td>7,897</td>
<td>1,790,508</td>
<td>7,153</td>
<td>1,937,847</td>
<td>7,897</td>
<td>1,790,508</td>
</tr>
<tr>
<td>Post-employment benefits</td>
<td>168,825</td>
<td>688</td>
<td>143,633</td>
<td>574</td>
<td>168,825</td>
<td>688</td>
<td>143,633</td>
</tr>
<tr>
<td></td>
<td>2,106,672</td>
<td>8,585</td>
<td>1,934,141</td>
<td>7,727</td>
<td>2,106,672</td>
<td>8,585</td>
<td>1,934,141</td>
</tr>
</tbody>
</table>

#### f) Other transactions with related parties

<table>
<thead>
<tr>
<th></th>
<th>Group</th>
<th></th>
<th></th>
<th></th>
<th>Bank</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2014</td>
<td>2013</td>
<td></td>
<td></td>
<td>2014</td>
<td>2013</td>
<td></td>
</tr>
<tr>
<td></td>
<td>US$ Million Riel</td>
<td>US$ Million Riel</td>
<td></td>
<td></td>
<td>US$ Million Riel</td>
<td>US$ Million Riel</td>
<td></td>
</tr>
<tr>
<td>Management fee charged by parent company</td>
<td>30,000</td>
<td>122</td>
<td>30,000</td>
<td>120</td>
<td>30,000</td>
<td>122</td>
<td>30,000</td>
</tr>
<tr>
<td>Interest income from short-term loans to affiliate</td>
<td>-</td>
<td>-</td>
<td>286,887</td>
<td>1,146</td>
<td>-</td>
<td>-</td>
<td>286,887</td>
</tr>
<tr>
<td>Rental income from affiliate</td>
<td>140,295</td>
<td>572</td>
<td>46,524</td>
<td>294</td>
<td>167,295</td>
<td>682</td>
<td>73,524</td>
</tr>
<tr>
<td>Bank charge to subsidiary for cash settlement</td>
<td>164</td>
<td>1</td>
<td>230</td>
<td>1</td>
<td>164</td>
<td>1</td>
<td>230</td>
</tr>
</tbody>
</table>
### 33. FINANCIAL RISK MANAGEMENT

The Group and the Bank’s activities expose them to a variety of financial risks: credit risk, market risk (including currency risk, interest rate risk and price risk), and liquidity risk. Taking risk is core to the financial business, and the operational risks are the inevitable consequence of being in business.

The Group and the Bank do not use derivative financial instruments such as foreign exchange contract and interest rate swaps to manage their risk exposure.

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

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Financial assets</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash on hand</td>
<td>143,514,814</td>
<td>584,823</td>
<td>126,618,929</td>
<td>505,843</td>
</tr>
<tr>
<td>Balances with the NBC*</td>
<td>509,952,697</td>
<td>2,078,057</td>
<td>332,010,666</td>
<td>1,326,383</td>
</tr>
<tr>
<td>Balances with other banks</td>
<td>226,336,197</td>
<td>922,320</td>
<td>205,216,546</td>
<td>819,840</td>
</tr>
<tr>
<td>Loans and advances</td>
<td>1,330,356,608</td>
<td>5,421,203</td>
<td>1,044,990,828</td>
<td>4,174,738</td>
</tr>
<tr>
<td>Available-for-sale financial assets</td>
<td>184,990</td>
<td>754</td>
<td>3,239,668</td>
<td>12,942</td>
</tr>
<tr>
<td>Other assets</td>
<td>20,792,463</td>
<td>84,729</td>
<td>13,140,804</td>
<td>52,498</td>
</tr>
<tr>
<td><strong>Total financial assets</strong></td>
<td>2,231,137,769</td>
<td>9,091,886</td>
<td>1,725,217,441</td>
<td>6,892,244</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Financial liabilities</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Deposits from banks</td>
<td>208,192,754</td>
<td>848,385</td>
<td>130,265,131</td>
<td>520,409</td>
</tr>
<tr>
<td>Deposits from customers</td>
<td>1,639,519,318</td>
<td>6,681,041</td>
<td>1,300,057,047</td>
<td>5,193,728</td>
</tr>
<tr>
<td>Borrowings</td>
<td>100,779,775</td>
<td>410,678</td>
<td>64,039,543</td>
<td>255,838</td>
</tr>
<tr>
<td>Other liabilities</td>
<td>38,136,676</td>
<td>158,187</td>
<td>32,732,046</td>
<td>133,135</td>
</tr>
<tr>
<td><strong>Total financial liabilities</strong></td>
<td>1,986,628,523</td>
<td>8,098,291</td>
<td>1,527,093,767</td>
<td>6,103,110</td>
</tr>
</tbody>
</table>

| **Net financial assets** | 244,509,246 | 993,595 | 198,123,674 | 789,134 |

* including capital guarantee and reserve deposits
33. FINANCIAL RISK MANAGEMENT (continued)

33.1 Credit risk

The Group takes exposure to credit risk, which is the risk that counterparty will cause a financial loss to the Group by failing to discharge an obligation. Credit risk is the most important risk for the business of the Group. Credit exposure arises principally in lending activities. There is also credit risk in off-balance sheet financial instruments, such as loan commitments. The credit risk management of the Bank is carried out by its credit committee.

a) Credit risk measurement

The Bank assesses the probability of default of individual counterparties using internal rating tool. The credit committee is responsible for determining the risk rating for each borrower.

In measuring the credit risk of loans and advances at a counterparty level, the Bank uses nine risk rating grades which are: (i) minimal risk, (ii) below average risk, (iii) average risk, (iv) above average risk, (v) higher than above average risk but still acceptable, (vi) watch, (vii) substandard, (viii) doubtful and (ix) loss.

Risk ratings are reviewed and updated at least annually, and in the event of a change in loan terms and conditions including extension; repayment irregularities or delinquencies; and adverse information relating to the borrower or transaction.

b) Risk limit control and mitigation policies

The Bank operates and provides loans and advances to individuals or enterprises within the Kingdom of Cambodia. The Bank manages limits and controls the concentration of credit risk whenever it is identified. Large exposure is defined by the NBC as overall credit exposure to any individual beneficiary which exceeds 10% of the Bank’s net worth.

The Bank is required, under the conditions of Prakas No. B7-06-226, to maintain at all times a maximum ratio of 20% between the Bank’s overall credit exposure to any individual beneficiary and the Bank’s net worth. The aggregation of large credit exposure must not exceed 300% of the Bank’s net worth.

The Bank employs a range of policies and practices to mitigate credit risk. The most traditional of these is the taking of security in the form of collateral for loans and advances. The Bank implements guidelines on the acceptability of specific classes of collateral or credit risk mitigation. The principal collateral types as security for loans and advances are:

- mortgages over residential properties (land, building and other properties);
- charges over business assets such as land and buildings; and
- cash in the form of margin deposits.

c) Impairment and provisioning policies

The Bank is required to follow the mandatory credit classification and provisioning in accordance with the relevant Prakas, as stated in note 2.8 to the financial statements.

Loan classification and loan loss provisioning are determined taking into account past due period of loans and advances to customers and other relevant qualitative factors.
33. FINANCIAL RISK MANAGEMENT (continued)

33.1 Credit risk (continued)

d) Maximum exposures to credit risk before collateral held or other credit enhancements of the Group and the Bank are as follows:

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>US$ Million Riel</td>
<td>US$ Million Riel</td>
<td>US$ Million Riel</td>
<td>US$ Million Riel</td>
</tr>
<tr>
<td>On-balance sheet assets:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Balances with other banks</td>
<td>226,336,197</td>
<td>922,320</td>
<td>205,216,546</td>
<td>819,840</td>
</tr>
<tr>
<td>1,330,356,608</td>
<td>5,421,203</td>
<td>4,174,738</td>
<td></td>
<td></td>
</tr>
<tr>
<td>184,990</td>
<td>754</td>
<td>12,942</td>
<td></td>
<td></td>
</tr>
<tr>
<td>20,792,463</td>
<td>84,729</td>
<td>52,498</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1,577,670,258</td>
<td>6,429,006</td>
<td>5,060,018</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Off-balance sheet items:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Unused portion of approved credit facilities</td>
<td>88,819,246</td>
<td>361,938</td>
<td>85,110,356</td>
<td>340,016</td>
</tr>
<tr>
<td>Guarantees, acceptances and other financial facilities</td>
<td>37,567,490</td>
<td>153,087</td>
<td>25,582,927</td>
<td>102,203</td>
</tr>
<tr>
<td>126,386,736</td>
<td>515,025</td>
<td>442,219</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1,704,056,994</td>
<td>6,944,031</td>
<td>5,502,237</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

The above table represents a worst case scenario of credit risk exposure to the Group and the Bank, since collateral held and/or other credit enhancement attached were not taken into account. For on-balance sheet assets, the exposures set out above are based on net carrying amounts. As at 31 December 2014, 78% (2013: 76%) of total maximum exposure is derived from loans and advances. Management is confident of its ability to continue to control and sustain minimal exposure on credit risk resulting from the Bank’s loans and advances due to the following:

- Almost all loans and advances are collateralised and loan to collateral value range from 60% to 70%.
- 91.58% of loan portfolio is considered neither past due nor impaired (2013:94.67%).

Allowance for losses on loans and advances had been provided for those individually impaired loans in accordance with the NBC’s requirement.
33. FINANCIAL RISK MANAGEMENT (continued)

33.1 Credit risk (continued)

e) Credit quality of financial assets

Loans and advances of the Group and the Bank are as follows:

<table>
<thead>
<tr>
<th></th>
<th>2014</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>US$ Million Riel</td>
<td>US$ Million Riel</td>
</tr>
<tr>
<td>Loans and advances neither past due nor impaired</td>
<td>1,261,485,892 5,140,555</td>
<td>1,029,668,138 4,113,524</td>
</tr>
<tr>
<td>Loans and advances past due but not impaired</td>
<td>54,092,106 220,425</td>
<td>3,695,660 14,764</td>
</tr>
<tr>
<td>Loans and advances individually impaired</td>
<td>61,918,233 252,317</td>
<td>54,248,203 216,721</td>
</tr>
<tr>
<td>Total</td>
<td>1,377,496,231 5,613,297</td>
<td>1,087,612,001 4,345,009</td>
</tr>
</tbody>
</table>

For loan provisioning purposes, expected recovery from collateral (except cash) is not taken into consideration in accordance with the NBC’s requirements.

i. Loans and advances neither past due nor impaired

Loans and advances not past due are not considered impaired, unless other information is available to indicate the contrary.

ii. Loans and advances past due but not impaired

Loans and advances less than 90 days past due are not considered impaired, unless other information is available to indicate the contrary. Gross amount of loans and advances that were past due but not impaired are as follows:

<table>
<thead>
<tr>
<th></th>
<th>2014</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>US$ Million Riel</td>
<td>US$ Million Riel</td>
</tr>
<tr>
<td>Past due up to 90 days</td>
<td>54,092,106 220,425</td>
<td>3,695,660 14,764</td>
</tr>
</tbody>
</table>

iii. Loans and advances individually impaired

In accordance with Prakas B7-09-074 dated 25 February 2009 on the classification and provisioning for bad and doubtful debts, loans and advances that are past due for more than 90 days are considered impaired unless other information is available to indicate the contrary.

<table>
<thead>
<tr>
<th></th>
<th>2014</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>US$ Million Riel</td>
<td>US$ Million Riel</td>
</tr>
<tr>
<td>Past due 91 to 180 days</td>
<td>33,787,223 137,683</td>
<td>24,020,652 95,963</td>
</tr>
<tr>
<td>Past due 181 to 360 days</td>
<td>13,260,891 54,038</td>
<td>12,267,139 49,007</td>
</tr>
<tr>
<td>Past due for more than 360 days</td>
<td>14,870,119 60,596</td>
<td>17,960,412 71,751</td>
</tr>
<tr>
<td>Total</td>
<td>61,918,233 252,317</td>
<td>54,248,203 216,721</td>
</tr>
</tbody>
</table>
33. **FINANCIAL RISK MANAGEMENT** (continued)

33.1 **Credit risk** (continued)

  e)  *Loans and advances (continued)*

  iv. Loans and advances renegotiated

Restructuring activities include extended payment arrangements, modification and deferral of payments. Following restructuring, the loan is still kept in its current classification unless there is strong evidence of improvement in the customer’s financial condition.

There were no restructured loans and advances during the year (2013: Nil).

  f)  *Repossessed properties*

Repossessed properties are classified in the balance sheet as foreclosed properties. There were no repossessed properties during the year (2013: Nil).
### 33. FINANCIAL RISK MANAGEMENT (continued)

#### 33.1 Credit risk (continued)

**g) Concentration of financial assets with credit risk exposure**

**i. Geographical sector**

The following table provides a breakdown of the Group and the Bank’s main credit exposure at their carrying amount, as categorised by geographical region. The Group and the Bank allocated exposure to regions based on the country of domicile of the counterparties.

<table>
<thead>
<tr>
<th>Group</th>
<th>Cambodia US$</th>
<th>North America US$</th>
<th>Other Asia Pacific countries US$</th>
<th>Other ASEAN countries US$</th>
<th>Other countries US$</th>
<th>Total US$</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>As at 31 December 2014</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Balances with other banks</td>
<td>88,919,355</td>
<td>24,714,554</td>
<td>94,759,622</td>
<td>15,960,611</td>
<td>1,982,055</td>
<td>226,336,197</td>
</tr>
<tr>
<td>Loans and advances</td>
<td>1,330,356,608</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>1,330,356,608</td>
</tr>
<tr>
<td>Available-for-sale financial assets</td>
<td>184,990</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>184,990</td>
</tr>
<tr>
<td>Other assets</td>
<td>20,560,400</td>
<td>67,379</td>
<td>164,684</td>
<td>-</td>
<td>-</td>
<td>20,792,463</td>
</tr>
<tr>
<td>Total credit exposure</td>
<td>1,440,021,353</td>
<td>24,781,933</td>
<td>94,924,306</td>
<td>15,960,611</td>
<td>1,982,055</td>
<td>1,577,670,258</td>
</tr>
<tr>
<td>Million Riel equivalent</td>
<td>5,868,087</td>
<td>100,986</td>
<td>386,817</td>
<td>65,039</td>
<td>8,077</td>
<td>6,429,006</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Group</th>
<th>Cambodia US$</th>
<th>North America US$</th>
<th>Other Asia Pacific countries US$</th>
<th>Other ASEAN countries US$</th>
<th>Other countries US$</th>
<th>Total US$</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>As at 31 December 2013</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Balances with other banks</td>
<td>70,116,478</td>
<td>40,658,960</td>
<td>66,828,349</td>
<td>21,815,234</td>
<td>5,797,525</td>
<td>205,216,546</td>
</tr>
<tr>
<td>Loans and advances</td>
<td>1,044,990,828</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>1,044,990,828</td>
</tr>
<tr>
<td>Available-for-sale financial assets</td>
<td>3,239,668</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>3,239,668</td>
</tr>
<tr>
<td>Other assets</td>
<td>13,016,530</td>
<td>59,987</td>
<td>64,287</td>
<td>-</td>
<td>-</td>
<td>13,140,804</td>
</tr>
<tr>
<td>Total credit exposure</td>
<td>1,131,363,504</td>
<td>40,718,947</td>
<td>66,892,636</td>
<td>21,815,234</td>
<td>5,797,525</td>
<td>1,266,587,846</td>
</tr>
<tr>
<td>Million Riel equivalent</td>
<td>4,519,797</td>
<td>162,672</td>
<td>267,236</td>
<td>87,152</td>
<td>23,161</td>
<td>5,060,018</td>
</tr>
</tbody>
</table>
33. **FINANCIAL RISK MANAGEMENT** (continued)

33.1 **Credit risk** (continued)

*g) Concentration of financial assets with credit risk exposure (continued)*

i. Geographical sector (continued)

<table>
<thead>
<tr>
<th></th>
<th>Bank</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Cambodia US$</td>
</tr>
<tr>
<td>As at 31 December 2014</td>
<td></td>
</tr>
<tr>
<td>Balances with other banks</td>
<td>88,919,355</td>
</tr>
<tr>
<td>Loans and advances</td>
<td>1,330,356,608</td>
</tr>
<tr>
<td>Other assets</td>
<td>20,560,400</td>
</tr>
<tr>
<td>Total credit exposure</td>
<td>1,439,836,363</td>
</tr>
<tr>
<td>Million Riel equivalent</td>
<td>5,867,333</td>
</tr>
<tr>
<td>As at 31 December 2013</td>
<td></td>
</tr>
<tr>
<td>Balances with other banks</td>
<td>70,116,478</td>
</tr>
<tr>
<td>Loans and advances</td>
<td>1,044,990,828</td>
</tr>
<tr>
<td>Other assets</td>
<td>13,016,530</td>
</tr>
<tr>
<td>Total credit exposure</td>
<td>1,128,123,836</td>
</tr>
<tr>
<td>Million Riel equivalent</td>
<td>4,506,855</td>
</tr>
</tbody>
</table>
33. FINANCIAL RISK MANAGEMENT (continued)

33.1 Credit risk (continued)

g) Concentration of financial assets with credit risk exposure (continued)

ii. Industry sector

The following table provides a breakdown of the Group and the Bank’s main credit exposure at their carrying amounts, as categorised by industry sector.

<table>
<thead>
<tr>
<th>Financial institutions</th>
<th>Service</th>
<th>Mortgage</th>
<th>Building and construction</th>
<th>Wholesale and retail</th>
<th>Import and export</th>
<th>Agriculture</th>
<th>Others</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Group</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Million Riel equivalent</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>As at 31 December 2014</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Balances with other banks</td>
<td>226,336,197</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>226,336,197</td>
</tr>
<tr>
<td>Loans and advances</td>
<td>4,219,582</td>
<td>373,959,401</td>
<td>65,151,470</td>
<td>207,923,085</td>
<td>336,883,262</td>
<td>81,631,913</td>
<td>167,244,806</td>
<td>93,343,089</td>
</tr>
<tr>
<td>Available-for-sale financial assets</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>184,990</td>
</tr>
<tr>
<td>Other assets</td>
<td>29,200</td>
<td>7,333,751</td>
<td>648,715</td>
<td>2,268,252</td>
<td>2,799,671</td>
<td>2,273,953</td>
<td>1,902,164</td>
<td>3,536,757</td>
</tr>
<tr>
<td><strong>Total credit exposure</strong></td>
<td>230,584,979</td>
<td>381,293,152</td>
<td>65,800,185</td>
<td>210,191,337</td>
<td>339,682,933</td>
<td>83,905,866</td>
<td>169,146,970</td>
<td>97,064,836</td>
</tr>
<tr>
<td><strong>Million Riel equivalent</strong></td>
<td>939,634</td>
<td>1,553,770</td>
<td>268,136</td>
<td>856,530</td>
<td>1,384,208</td>
<td>341,916</td>
<td>689,274</td>
<td>395,538</td>
</tr>
<tr>
<td><strong>As at 31 December 2013</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Balances with other banks</td>
<td>205,216,546</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>205,216,546</td>
</tr>
<tr>
<td>Loans and advances</td>
<td>1,736,916</td>
<td>277,888,535</td>
<td>62,355,388</td>
<td>181,610,291</td>
<td>258,457,939</td>
<td>87,766,014</td>
<td>116,762,941</td>
<td>58,412,804</td>
</tr>
<tr>
<td>Available-for-sale financial assets</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>239,668</td>
</tr>
<tr>
<td>Other assets</td>
<td>495,345</td>
<td>6,582,407</td>
<td>615,381</td>
<td>2,850,627</td>
<td>1,257,481</td>
<td>427,681</td>
<td>666,800</td>
<td>245,082</td>
</tr>
<tr>
<td><strong>Total credit exposure</strong></td>
<td>207,448,807</td>
<td>284,470,942</td>
<td>62,970,769</td>
<td>187,460,918</td>
<td>259,715,420</td>
<td>88,193,865</td>
<td>117,429,741</td>
<td>58,897,554</td>
</tr>
<tr>
<td><strong>Million Riel equivalent</strong></td>
<td>828,758</td>
<td>1,136,461</td>
<td>251,568</td>
<td>748,906</td>
<td>1,037,563</td>
<td>352,334</td>
<td>469,132</td>
<td>235,296</td>
</tr>
</tbody>
</table>
33. **FINANCIAL RISK MANAGEMENT** (continued)

33.1 **Credit risk** (continued)

   **g) Concentration of financial assets with credit risk exposure (continued)**

   **ii. Industry sector (continued)**

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>As at 31 December 2014</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Balances with other banks</td>
<td>226,336,197</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>226,336,197</td>
</tr>
<tr>
<td>Loans and advances</td>
<td>4,219,582</td>
<td>373,959,401</td>
<td>65,151,470</td>
<td>207,923,085</td>
<td>336,883,262</td>
<td>81,631,913</td>
<td>-</td>
<td>1,330,356,608</td>
</tr>
<tr>
<td>Other assets</td>
<td>29,200</td>
<td>7,333,751</td>
<td>648,715</td>
<td>2,268,252</td>
<td>2,799,671</td>
<td>2,273,953</td>
<td>-</td>
<td>20,792,463</td>
</tr>
<tr>
<td>Total credit exposure</td>
<td>230,584,979</td>
<td>381,293,152</td>
<td>65,800,185</td>
<td>210,191,337</td>
<td>339,682,933</td>
<td>83,905,866</td>
<td>-</td>
<td>1,577,485,268</td>
</tr>
<tr>
<td>Million Riel equivalent</td>
<td>939,634</td>
<td>1,553,770</td>
<td>268,136</td>
<td>856,530</td>
<td>1,384,208</td>
<td>341,916</td>
<td>-</td>
<td>6,428,252</td>
</tr>
</tbody>
</table>

| As at 31 December 2013       |             |              |                               |                          |                      |                 |            |          |
| Balances with other banks    | 205,216,546 | -            | -                             | -                        | -                    | -               | -          | 205,216,546 |
| Loans and advances           | 1,736,916   | 277,888,535  | 62,355,388                    | 181,610,291              | 258,457,939          | 87,766,014      | -          | 1,044,990,828 |
| Other assets                 | 495,345     | 6,582,407    | 615,381                       | 2,850,627                | 1,257,481            | 427,681         | -          | 13,140,804  |
| Total credit exposure        | 207,448,807 | 284,470,942  | 62,970,769                    | 184,460,918              | 259,715,420          | 88,193,695      | -          | 1,263,348,178 |
| Million Riel equivalent      | 828,758     | 1,136,461    | 251,568                       | 736,921                  | 1,037,563            | 352,334         | -          | 5,047,075   |
33. FINANCIAL RISK MANAGEMENT (continued)

33.2 Market risk

The Group and the Bank takes exposure to market risk, which is the risk that the fair value or future cash flow of a financial instrument will fluctuate because of changes in market prices. Market risk arises from open positions in interest rates, currency and equity products, all of which are exposed to general and specific market movements and changes in the level of volatility of market rates or prices such as interest rates, credit spreads, foreign exchange rates and equity prices.

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

a) Foreign exchange risk

The Group and the Bank operate in Cambodia and transacts in many currencies, and is exposed to various currency risks, primarily with respect to Riel, Renminbi, euro and Thai Baht.

Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the Group’s and the Bank’s functional currency.

Management monitors foreign exchange risk against the Group’s and the Bank’s functional currency. However, the Group and the Bank do not hedge its foreign exchange risk exposure arising from future commercial transactions and recognised assets and liabilities using forward contracts.

The Group’s and the Bank’s policy is to maintain foreign currency exposure within acceptable limits and within existing regulatory guidelines.

The Group and the Bank did not present a sensitivity analysis on the impact of reasonably possible change in foreign currency on profit and loss before tax and equity since the exposure to foreign currency risk is minimal.

The table below summarises the Group’s and the Bank’s exposure to foreign currency exchange rate risk. Included in the table are the Group and Bank’s financial instruments at their carrying amounts by currency in US$ equivalent.
33. **FINANCIAL RISK MANAGEMENT** (continued)

33.2 **Market risk** (continued)

*a) Foreign exchange risk (continued)*

<table>
<thead>
<tr>
<th>(in US$)</th>
<th>US$</th>
<th>Riel</th>
<th>RMB</th>
<th>EUR</th>
<th>THB</th>
<th>Other</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>As at 31 December 2014</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Financial assets</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash on hand</td>
<td>105,129,402</td>
<td>30,714,736</td>
<td>-</td>
<td>79,477</td>
<td>6,714,004</td>
<td>877,195</td>
<td>143,514,814</td>
</tr>
<tr>
<td>Balances with the NBC *</td>
<td>459,314,195</td>
<td>50,638,502</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>509,952,697</td>
</tr>
<tr>
<td>Balances with other banks</td>
<td>172,632,593</td>
<td>3,481,751</td>
<td>47,994,648</td>
<td>466,132</td>
<td>725,000</td>
<td>1,036,073</td>
<td>226,336,197</td>
</tr>
<tr>
<td>Loans and advances</td>
<td>1,328,111,300</td>
<td>651,171</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>1,330,356,608</td>
</tr>
<tr>
<td>Available-for-sale financial assets</td>
<td>184,990</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>184,990</td>
</tr>
<tr>
<td>Other assets</td>
<td>20,476,321</td>
<td>167,102</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>20,792,463</td>
</tr>
<tr>
<td><strong>Total financial assets</strong></td>
<td>2,085,848,801</td>
<td>85,653,262</td>
<td>47,994,648</td>
<td>545,609</td>
<td>7,439,004</td>
<td>3,656,445</td>
<td>2,231,137,769</td>
</tr>
<tr>
<td><strong>Financial liabilities</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Deposits from banks</td>
<td>203,735,270</td>
<td>4,401,285</td>
<td>-</td>
<td>-</td>
<td>55,954</td>
<td>245</td>
<td>208,192,754</td>
</tr>
<tr>
<td>Deposits from customers</td>
<td>1,541,147,545</td>
<td>85,782,678</td>
<td>5,367,347</td>
<td>84</td>
<td>7,217,512</td>
<td>4,152</td>
<td>1,639,519,318</td>
</tr>
<tr>
<td>Borrowings</td>
<td>100,779,775</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>100,779,775</td>
</tr>
<tr>
<td>Other liabilities</td>
<td>37,085,963</td>
<td>1,020,629</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>38,106,676</td>
</tr>
<tr>
<td><strong>Total financial liabilities</strong></td>
<td>1,882,748,553</td>
<td>91,204,592</td>
<td>5,367,347</td>
<td>84</td>
<td>7,273,466</td>
<td>34,481</td>
<td>1,986,628,523</td>
</tr>
<tr>
<td><strong>Net position</strong></td>
<td>203,100,248</td>
<td>(5,551,330)</td>
<td>42,627,301</td>
<td>545,525</td>
<td>165,538</td>
<td>3,621,964</td>
<td>244,509,246</td>
</tr>
<tr>
<td><strong>Million Riel equivalent</strong></td>
<td>827,634</td>
<td>(22,622)</td>
<td>173,706</td>
<td>2,223</td>
<td>675</td>
<td>14,760</td>
<td>996,376</td>
</tr>
<tr>
<td>Credit commitments</td>
<td>125,482,415</td>
<td>312,936</td>
<td>-</td>
<td>211,752</td>
<td>141,794</td>
<td>237,839</td>
<td>126,386,736</td>
</tr>
<tr>
<td><strong>Million Riel equivalent</strong></td>
<td>511,341</td>
<td>1,275</td>
<td>-</td>
<td>863</td>
<td>578</td>
<td>969</td>
<td>515,026</td>
</tr>
</tbody>
</table>

* including capital guarantee and reserve deposits


33. **FINANCIAL RISK MANAGEMENT** (continued)

33.2 Market risk (continued)

a) *Foreign exchange risk (continued)*

<table>
<thead>
<tr>
<th>(in US$)</th>
<th>US$</th>
<th>Riel</th>
<th>RMB</th>
<th>EUR</th>
<th>THB</th>
<th>Other</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>As at 31 December 2013</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Financial assets</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash on hand</td>
<td>88,071,013</td>
<td>33,796,781</td>
<td>3,517</td>
<td>25,056</td>
<td>3,833,467</td>
<td>889,095</td>
<td>126,618,929</td>
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<tr>
<td>Balances with the NBC*</td>
<td>302,938,365</td>
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<td>-</td>
<td>-</td>
<td>-</td>
<td>332,010,666</td>
</tr>
<tr>
<td>Balances with other banks</td>
<td>151,388,342</td>
<td>3,134,307</td>
<td>48,213,691</td>
<td>753,503</td>
<td>495,638</td>
<td>1,231,065</td>
<td>205,216,546</td>
</tr>
<tr>
<td>Loans and advances</td>
<td>1,043,947,187</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>1,043,641</td>
<td>-</td>
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<tr>
<td>Available-for-sale financial assets</td>
<td>3,000,000</td>
<td>239,668</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>3,239,668</td>
</tr>
<tr>
<td>Other assets</td>
<td>12,966,325</td>
<td>34,133</td>
<td>131,633</td>
<td>-</td>
<td>8,713</td>
<td>-</td>
<td>13,140,804</td>
</tr>
<tr>
<td>Total financial assets</td>
<td>1,602,311,232</td>
<td>66,277,190</td>
<td>48,348,841</td>
<td>778,559</td>
<td>5,381,459</td>
<td>-</td>
<td>1,725,217,441</td>
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<tr>
<td><strong>Financial liabilities</strong></td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Deposits from banks</td>
<td>127,494,371</td>
<td>2,770,678</td>
<td>-</td>
<td>-</td>
<td>82</td>
<td>-</td>
<td>130,265,131</td>
</tr>
<tr>
<td>Deposits from customers</td>
<td>1,228,566,012</td>
<td>65,996,770</td>
<td>165,950</td>
<td>96</td>
<td>5,323,744</td>
<td>4,475</td>
<td>1,300,057,047</td>
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<td>Borrowings</td>
<td>64,039,543</td>
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<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>64,039,543</td>
</tr>
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<td>Other liabilities</td>
<td>25,190,429</td>
<td>7,523,600</td>
<td>-</td>
<td>-</td>
<td>18,013</td>
<td>-</td>
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<td>Total financial liabilities</td>
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<td>96</td>
<td>5,341,839</td>
<td>4,479</td>
<td>1,527,093,767</td>
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<tr>
<td><strong>Net position</strong></td>
<td>157,020,877</td>
<td>(10,013,858)</td>
<td>48,182,891</td>
<td>778,463</td>
<td>39,620</td>
<td>2,115,681</td>
<td>198,123,674</td>
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<tr>
<td><strong>Million Riel equivalent</strong></td>
<td>627,298</td>
<td>(40,005)</td>
<td>192,491</td>
<td>3,110</td>
<td>158</td>
<td>8,452</td>
<td>791,504</td>
</tr>
<tr>
<td><strong>Credit commitments</strong></td>
<td>110,200,138</td>
<td>67,699</td>
<td>-</td>
<td>-</td>
<td>425,446</td>
<td>-</td>
<td>110,693,283</td>
</tr>
<tr>
<td><strong>Million Riel equivalent</strong></td>
<td>440,250</td>
<td>270</td>
<td>-</td>
<td>-</td>
<td>1,700</td>
<td>-</td>
<td>442,220</td>
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</table>

* including capital guarantee and reserve deposits
33. **FINANCIAL RISK MANAGEMENT** (continued)

33.2 **Market risk** (continued)

   a)  *Foreign exchange risk* (continued)

   (in US$)

<table>
<thead>
<tr>
<th></th>
<th>US$</th>
<th>Riel</th>
<th>RMB</th>
<th>EUR</th>
<th>THB</th>
<th>Other</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Financial assets</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash on hand</td>
<td>105,129,102</td>
<td>30,714,736</td>
<td></td>
<td>79,477</td>
<td>6,714,004</td>
<td>877,195</td>
<td>143,514,514</td>
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<tr>
<td>Balances with the NBC*</td>
<td>458,332,600</td>
<td>50,638,502</td>
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<td></td>
<td>508,971,102</td>
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<tr>
<td>Balances with other banks</td>
<td>172,632,593</td>
<td>3,481,751</td>
<td>47,994,648</td>
<td>466,132</td>
<td>725,000</td>
<td></td>
<td>226,336,197</td>
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<td>Loans and advances</td>
<td>1,328,111,300</td>
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<td>1,330,356,608</td>
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<td>20,792,463</td>
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<tr>
<td><strong>Total financial assets</strong></td>
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<td>85,653,262</td>
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<td>545,609</td>
<td>7,439,004</td>
<td>3,656,445</td>
<td>2,229,970,884</td>
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<tr>
<td>Deposits from banks</td>
<td>203,735,270</td>
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<td>55,954</td>
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<td>208,192,754</td>
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<td>Deposits from customers</td>
<td>1,550,660,065</td>
<td>85,782,678</td>
<td>5,367,347</td>
<td>84</td>
<td>7,217,512</td>
<td>4,152</td>
<td>1,649,031,838</td>
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<td></td>
<td>100,779,775</td>
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<tr>
<td>Other liabilities</td>
<td>37,079,723</td>
<td>1,020,629</td>
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<td>38,130,436</td>
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<td><strong>Total financial liabilities</strong></td>
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<td>91,204,592</td>
<td>5,367,347</td>
<td>84</td>
<td>7,273,466</td>
<td>34,481</td>
<td>1,996,134,803</td>
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<tr>
<td><strong>Net position</strong></td>
<td>192,427,083</td>
<td>(5,551,330)</td>
<td>42,627,301</td>
<td>545,525</td>
<td>165,538</td>
<td>3,621,964</td>
<td>233,836,081</td>
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<td>Million Riel equivalent</td>
<td>784,140</td>
<td>(22,622)</td>
<td>173,706</td>
<td>2,223</td>
<td>675</td>
<td>14,760</td>
<td>952,882</td>
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<td>211,752</td>
<td>141,794</td>
<td>237,839</td>
<td>126,386,736</td>
</tr>
<tr>
<td>Million Riel equivalent</td>
<td>511,341</td>
<td>1,275</td>
<td></td>
<td>863</td>
<td>578</td>
<td>969</td>
<td>515,026</td>
</tr>
</tbody>
</table>

* including capital guarantee and reserve deposits
33. **FINANCIAL RISK MANAGEMENT** (continued)

33.2 **Market risk** (continued)

   a)  **Foreign exchange risk** (continued)

   (in US$)

<table>
<thead>
<tr>
<th></th>
<th>US$</th>
<th>Riel</th>
<th>RMB</th>
<th>EUR</th>
<th>THB</th>
<th>Other</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>As at 31 December 2013</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Financial assets</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash on hand</td>
<td>88,070,713</td>
<td>33,796,781</td>
<td>3,517</td>
<td>25,056</td>
<td>3,833,467</td>
<td>889,095</td>
<td>126,618,629</td>
</tr>
<tr>
<td>Balances with the NBC*</td>
<td>303,013,458</td>
<td>27,995,957</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>331,009,415</td>
</tr>
<tr>
<td>Balances with other banks</td>
<td>151,430,486</td>
<td>3,100,468</td>
<td>48,213,691</td>
<td>745,199</td>
<td>495,638</td>
<td>1,231,064</td>
<td>205,216,546</td>
</tr>
<tr>
<td>Loans and advances</td>
<td>1,043,947,187</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>1,043,641</td>
<td>-</td>
<td>1,044,990,828</td>
</tr>
<tr>
<td>Other assets</td>
<td>12,966,325</td>
<td>34,133</td>
<td>131,633</td>
<td>-</td>
<td>-</td>
<td>8,713</td>
<td>- 13,140,804</td>
</tr>
<tr>
<td>Total financial assets</td>
<td>1,599,428,169</td>
<td>64,927,339</td>
<td>48,348,841</td>
<td>770,255</td>
<td>5,381,459</td>
<td>2,120,159</td>
<td>1,720,976,222</td>
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<tr>
<td>Financial liabilities</td>
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<td></td>
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<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Deposits from banks</td>
<td>127,494,371</td>
<td>2,770,678</td>
<td>-</td>
<td>-</td>
<td>82</td>
<td>-</td>
<td>130,265,131</td>
</tr>
<tr>
<td>Deposits from customers</td>
<td>1,235,007,751</td>
<td>65,996,770</td>
<td>165,950</td>
<td>96</td>
<td>5,323,744</td>
<td>4,475</td>
<td>1,306,498,786</td>
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<tr>
<td>Borrowings</td>
<td>64,039,543</td>
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<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>64,039,543</td>
</tr>
<tr>
<td>Other liabilities</td>
<td>25,185,791</td>
<td>7,523,600</td>
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<td>-</td>
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<td>4</td>
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<tr>
<td>Total financial liabilities</td>
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<td>96</td>
<td>5,341,839</td>
<td>4,479</td>
<td>1,533,530,868</td>
</tr>
<tr>
<td>Million Riel equivalent</td>
<td>590,064</td>
<td>(45,398)</td>
<td>192,491</td>
<td>3,077</td>
<td>158</td>
<td>8,452</td>
<td>748,844</td>
</tr>
<tr>
<td>Credit commitments</td>
<td>110,200,138</td>
<td>67,699</td>
<td>-</td>
<td>-</td>
<td>425,446</td>
<td>-</td>
<td>110,693,283</td>
</tr>
<tr>
<td>Million Riel equivalent</td>
<td>440,250</td>
<td>270</td>
<td>-</td>
<td>-</td>
<td>1,700</td>
<td>-</td>
<td>442,220</td>
</tr>
</tbody>
</table>

* including capital guarantee and reserve deposits
33. FINANCIAL RISK MANAGEMENT (continued)

33.2 Market risk (continued)

b) Equity price risk

Equity price risk is the risk that the fair values of equity instruments will fluctuate as a result of changes in the levels of equity indices and the value of individual stocks. The Group is exposed to equity securities price risk. This arises from investments held by the Group for which prices in the future are uncertain. The Group does not have a policy to manage its price risk.

c) Interest rate risk

Interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Fair value interest rate risk is the risk that the value of a financial instrument will fluctuate because of changes in market interest rates. Interest margins may increase as a result of changes but may reduce losses in the event that unexpected movements arise. At this stage, the management of the Group and the Bank do not have a policy to set limits on the level of mismatch of interest rate repricing.

The table below summarises the exposures of the Group and of the Bank to interest rate risk. The assets and liabilities at carrying amount are categorised by the earlier of contractual repricing or maturity dates.
### 33. FINANCIAL RISK MANAGEMENT (continued)

#### 33.2 Market risk (continued)

c) **Interest rate risk (continued)**

<table>
<thead>
<tr>
<th>Group</th>
<th>Up to 1 month</th>
<th>1 to 3 months</th>
<th>4 to 12 months</th>
<th>1 to 5 years</th>
<th>Over 5 years</th>
<th>Non-interest bearing</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>As at 31 December 2014</td>
<td></td>
<td></td>
<td></td>
<td></td>
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<td></td>
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<tr>
<td>Cash on hand</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>143,514,814</td>
<td>143,514,814</td>
</tr>
<tr>
<td>Balances with the NBC*</td>
<td>187,856,331</td>
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<td>-</td>
<td>-</td>
<td>-</td>
<td>322,096,366</td>
<td>509,952,697</td>
</tr>
<tr>
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<td>72,316,880</td>
<td>-</td>
<td>-</td>
<td>53,401,667</td>
<td>226,336,197</td>
</tr>
<tr>
<td>Available-for-sale financial assets</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>184,990</td>
<td>184,990</td>
</tr>
<tr>
<td>Other assets</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>20,792,463</td>
<td>20,792,463</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>544,569,255</td>
<td>106,419,191</td>
<td>647,764,678</td>
<td>226,030,931</td>
<td>166,363,414</td>
<td>353,990,300</td>
<td>2,231,137,769</td>
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<td></td>
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<td></td>
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<td>Deposits from banks</td>
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<td>95,021,518</td>
<td>445,400</td>
<td>-</td>
<td>39,073,885</td>
<td>208,192,754</td>
</tr>
<tr>
<td>Deposits from customers</td>
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<td>75,151,165</td>
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<td>34,289,775</td>
<td>46,490,000</td>
<td>-</td>
<td>100,779,775</td>
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<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>38,136,676</td>
<td>38,136,676</td>
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<tr>
<td><strong>Total</strong></td>
<td>837,606,436</td>
<td>193,519,368</td>
<td>661,260,291</td>
<td>95,390,702</td>
<td>46,490,000</td>
<td>152,361,726</td>
<td>1,986,628,523</td>
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<tr>
<td>Total interest rate re-pricing gap</td>
<td>(293,037,181)</td>
<td>(87,100,177)</td>
<td>(13,495,613)</td>
<td>130,640,229</td>
<td>119,873,414</td>
<td>387,628,574</td>
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</tr>
<tr>
<td>Million Riel equivalent</td>
<td>(1,194,127)</td>
<td>(354,933)</td>
<td>(54,995)</td>
<td>532,359</td>
<td>488,484</td>
<td>1,579,586</td>
<td>996,374</td>
</tr>
</tbody>
</table>

* including capital guarantee and reserve deposits
33. **FINANCIAL RISK MANAGEMENT** (continued)

33.2 **Market risk** (continued)

c) **Interest rate risk** (continued)

<table>
<thead>
<tr>
<th>Group</th>
<th>Up to 1 month US$</th>
<th>1 to 3 months US$</th>
<th>4 to 12 months US$</th>
<th>1 to 5 years US$</th>
<th>Over 5 years US$</th>
<th>Non-interest bearing US$</th>
<th>Total US$</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>As at 31 December 2013</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Financial assets</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash on hand</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>126,618,929</td>
</tr>
<tr>
<td>Balances with the NBC*</td>
<td>332,010,666</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>332,010,666</td>
</tr>
<tr>
<td>Balances with other banks</td>
<td>120,814,808</td>
<td>48,879,209</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>205,216,546</td>
</tr>
<tr>
<td>Loans and advances</td>
<td>136,781,015</td>
<td>147,265,195</td>
<td>492,886,924</td>
<td>155,111,305</td>
<td>93,972,692</td>
<td>18,973,697</td>
<td>1,044,990,828</td>
</tr>
<tr>
<td>Available-for-sale financial assets</td>
<td>-</td>
<td>-</td>
<td>3,000,000</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>3,239,668</td>
</tr>
<tr>
<td>Other assets</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>13,140,804</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>589,606,489</td>
<td>147,265,195</td>
<td>541,766,133</td>
<td>158,111,305</td>
<td>93,972,692</td>
<td>194,495,627</td>
<td>1,725,217,441</td>
</tr>
</tbody>
</table>

| Financial liabilities |                   |                   |                    |                 |                  |                     |           |
| Deposits from banks   | 51,755,965        | 4,079,842         | 61,041,392         | 480,000         | -                | -                   | 129,079,329 |
| Deposits from customers | 593,427,472       | 128,867,846       | 453,617,681        | 43,999,161      | -                | -                   | 1,005,070,478 |
| Borrowings            | 32,800,000        | -                 | 579,543            | 30,660,000      | -                | -                   | 64,039,543 |
| Other liabilities     | -                 | -                 | -                  | -               | -                | -                   | 32,732,046 |
| **Total**             | 677,983,437       | 132,947,688       | 514,659,073        | 45,058,704      | 30,660,000       | 125,784,865         | 1,527,093,767 |

Total interest rate re-pricing gap

| Million Riel equivalent | (353,066) | 57,198 | 108,293 | 451,645 | 252,934 | 274,499 | 791,503 |

* including capital guarantee and reserve deposits
33. **FINANCIAL RISK MANAGEMENT** (continued)

33.2 **Market risk** (continued)

c) **Interest rate risk** (continued)

<table>
<thead>
<tr>
<th>Bank</th>
<th>Up to 1 month US$</th>
<th>1 to 3 months US$</th>
<th>4 to 12 months US$</th>
<th>1 to 5 years US$</th>
<th>Over 5 years US$</th>
<th>Non-interest bearing US$</th>
<th>Total US$</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash on hand</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>143,514,514</td>
<td>143,514,514</td>
</tr>
<tr>
<td>Balances with the NBC*</td>
<td>187,856,331</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>321,114,771</td>
<td>508,971,102</td>
</tr>
<tr>
<td>Balances with other banks</td>
<td>100,617,650</td>
<td>-</td>
<td>72,316,880</td>
<td>-</td>
<td>-</td>
<td>53,401,667</td>
<td>226,336,197</td>
</tr>
<tr>
<td>Loans and advances</td>
<td>256,095,274</td>
<td>106,419,191</td>
<td>575,447,798</td>
<td>226,030,931</td>
<td>166,363,414</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Other assets</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>20,792,463</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>544,569,255</td>
<td>106,419,191</td>
<td>647,764,678</td>
<td>226,030,931</td>
<td>166,363,414</td>
<td>538,823,415</td>
<td>2,229,970,884</td>
</tr>
</tbody>
</table>

**Financial liabilities**

| Deposits from banks | 59,535,045 | 14,116,906 | 95,021,518 | 445,400 | - | 39,073,885 | 208,192,754 |
| Deposits from customers | 758,071,391 | 179,402,462 | 566,238,773 | 60,655,527 | - | 84,663,685 | 1,649,031,838 |
| Borrowings | 20,000,000 | - | - | 34,289,775 | 46,490,000 | - | 100,779,775 |
| Other liabilities | - | - | - | - | - | 38,130,436 | 38,130,436 |
| **Total** | 837,606,436 | 193,519,368 | 661,260,291 | 95,390,702 | 46,490,000 | 161,868,006 | 1,996,134,803 |

Total interest rate re-pricing gap: (293,037,181) (87,100,177) (13,495,613) 130,640,229 119,873,414 376,955,409 233,836,081

Million Riel equivalent: (1,194,127) (354,933) (54,995) 532,359 488,484 1,536,094 952,882

* including capital guarantee and reserve deposits
33. **FINANCIAL RISK MANAGEMENT** (continued)

33.2 **Market risk** (continued)

c) **Interest rate risk** (continued)

<table>
<thead>
<tr>
<th>Financial assets</th>
<th>Up to 1 month US$</th>
<th>1 to 3 months US$</th>
<th>4 to 12 months US$</th>
<th>1 to 5 years US$</th>
<th>Over 5 years US$</th>
<th>Total US$</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash on hand</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Balances with the NBC *</td>
<td>51,678,000</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Balances with other banks</td>
<td>120,814,808</td>
<td>48,879,209</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>169,694,017</td>
</tr>
<tr>
<td>Loans and advances</td>
<td>136,781,015</td>
<td>147,265,195</td>
<td>492,886,924</td>
<td>155,111,305</td>
<td>93,972,692</td>
<td>1,044,990,828</td>
</tr>
<tr>
<td>Other assets</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>309,273,823</td>
<td>147,265,195</td>
<td>541,766,133</td>
<td>155,111,305</td>
<td>93,972,692</td>
<td>1,720,976,222</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Financial liabilities</th>
<th>Up to 1 month US$</th>
<th>1 to 3 months US$</th>
<th>4 to 12 months US$</th>
<th>1 to 5 years US$</th>
<th>Over 5 years US$</th>
<th>Total US$</th>
</tr>
</thead>
<tbody>
<tr>
<td>Deposits from banks</td>
<td>51,755,965</td>
<td>4,079,842</td>
<td>61,041,392</td>
<td>480,000</td>
<td>-</td>
<td>130,265,131</td>
</tr>
<tr>
<td>Deposits from customers</td>
<td>594,569,211</td>
<td>128,867,846</td>
<td>458,917,681</td>
<td>43,999,161</td>
<td>-</td>
<td>1,306,498,786</td>
</tr>
<tr>
<td>Borrowings</td>
<td>32,800,000</td>
<td>-</td>
<td>-</td>
<td>579,543</td>
<td>30,660,000</td>
<td>64,039,543</td>
</tr>
<tr>
<td>Other liabilities</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>32,727,408</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>679,125,176</td>
<td>132,947,688</td>
<td>519,959,073</td>
<td>45,058,704</td>
<td>30,660,000</td>
<td>1,533,530,868</td>
</tr>
</tbody>
</table>

Total interest rate repricing gap

| Million Riel equivalent | (369,851,353) | 14,317,507 | 21,807,060 | 110,052,601 | 63,312,692 | 347,806,847 |

Million Riel equivalent

| Million Riel equivalent | (1,477,556) | 57,198 | 87,119 | 439,660 | 252,934 | 1,389,488 |

Million Riel equivalent

* including capital guarantee and reserve deposits
33. **FINANCIAL RISK MANAGEMENT** (continued)

### 33.3 Liquidity risk

Liquidity risk is the risk that the Group and the Bank are unable to meet its payment obligations associated with its financial liabilities when they fall due and to replace funds when they are withdrawn. The consequence of this may be the failure to meet obligations to repay depositors and fulfil commitments to lend.

**a) Liquidity risk management process**

Management monitors balance sheet liquidity and manage the concentration and profile of debt maturities. Monitoring and reporting, taking the form of daily cash position and projection for the next day, week and month respectively, are key periods for liquidity management. In addition, management monitors the movement of main depositors and projection of their withdrawals.

**b) Funding approach**

The Group’s and Bank’s main sources of liquidity arise from shareholder’s share capital, customers’ deposits and borrowings. The sources of liquidity are regularly reviewed by management through review of maturity of term deposits and the key depositors.

**c) Non-derivative cash flows**

The table below presents the cash flows of the financial instruments by the Group and the Bank by remaining contractual maturities at the balance sheet date. The amounts disclosed in the table are the contractual undiscounted cash flows, whereas the Group and the Bank manage the inherent liquidity risk based on expected undiscounted cash flows.
33. **FINANCIAL RISK MANAGEMENT** (continued)

33.3 **Liquidity risk** (continued)

c) **Non-derivative cash flows** (continued)

<table>
<thead>
<tr>
<th>Group</th>
<th>Up to 1 month US$</th>
<th>1 to 3 months US$</th>
<th>4 to 12 months US$</th>
<th>1 to 5 years US$</th>
<th>Over 5 years US$</th>
<th>Total US$</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>As at 31 December 2014</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Financial assets</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash on hand</td>
<td>143,514,814</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>143,514,814</td>
</tr>
<tr>
<td>Balances with the NBC*</td>
<td>509,966,306</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>509,966,306</td>
</tr>
<tr>
<td>Balances with other banks</td>
<td>154,086,696</td>
<td>-</td>
<td>73,103,628</td>
<td>-</td>
<td>-</td>
<td>227,190,324</td>
</tr>
<tr>
<td>Loans and advances</td>
<td>269,174,375</td>
<td>107,700,234</td>
<td>578,700,175</td>
<td>227,567,212</td>
<td>167,139,339</td>
<td>1,350,281,335</td>
</tr>
<tr>
<td>Available-for-sale financial assets</td>
<td>-</td>
<td>-</td>
<td>184,990</td>
<td>-</td>
<td>-</td>
<td>184,990</td>
</tr>
<tr>
<td>Other assets</td>
<td>20,792,463</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>20,792,463</td>
</tr>
<tr>
<td><strong>Total financial assets by remaining contractual maturities</strong></td>
<td>1,097,534,654</td>
<td>107,700,234</td>
<td>651,988,793</td>
<td>227,567,212</td>
<td>167,139,339</td>
<td>2,251,930,232</td>
</tr>
<tr>
<td>Financial liabilities</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Deposits from banks</td>
<td>99,541,790</td>
<td>14,260,437</td>
<td>96,186,685</td>
<td>451,226</td>
<td>-</td>
<td>210,440,138</td>
</tr>
<tr>
<td>Deposits from customers</td>
<td>849,000,634</td>
<td>177,012,682</td>
<td>572,901,268</td>
<td>61,624,465</td>
<td>-</td>
<td>1,660,539,049</td>
</tr>
<tr>
<td>Borrowings</td>
<td>20,064,113</td>
<td>-</td>
<td>-</td>
<td>34,326,136</td>
<td>46,722,590</td>
<td>101,112,839</td>
</tr>
<tr>
<td>Other liabilities</td>
<td>38,136,676</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>38,136,676</td>
</tr>
<tr>
<td><strong>Total financial liabilities by remaining contractual maturities</strong></td>
<td>1,006,743,213</td>
<td>191,273,119</td>
<td>669,087,953</td>
<td>96,401,827</td>
<td>46,722,590</td>
<td>2,010,228,702</td>
</tr>
<tr>
<td><strong>Net liquidity surplus/(gap)</strong></td>
<td>90,791,441</td>
<td>(83,572,885)</td>
<td>(17,099,160)</td>
<td>131,165,385</td>
<td>120,416,749</td>
<td>241,701,530</td>
</tr>
<tr>
<td><strong>Million Riel equivalent</strong></td>
<td>369,975</td>
<td>(340,560)</td>
<td>(69,679)</td>
<td>534,499</td>
<td>490,698</td>
<td>984,933</td>
</tr>
</tbody>
</table>

* including capital guarantee and reserve deposits
33. **FINANCIAL RISK MANAGEMENT** (continued)

33.3 **Liquidity risk** (continued)

c) **Non-derivative cash flows** (continued)

<table>
<thead>
<tr>
<th></th>
<th>Up to 1 month US$</th>
<th>1 to 3 months US$</th>
<th>4 to 12 months US$</th>
<th>1 to 5 years US$</th>
<th>Over 5 years US$</th>
<th>Total US$</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>As at 31 December 2013</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Financial assets</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash on hand</td>
<td>126,618,929</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>126,618,929</td>
</tr>
<tr>
<td>Balances with the NBC*</td>
<td>51,678,000</td>
<td>280,339,875</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>332,017,875</td>
</tr>
<tr>
<td>Balances with other banks</td>
<td>152,713,223</td>
<td>52,368,346</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>205,081,569</td>
</tr>
<tr>
<td>Loans and advances</td>
<td>305,451,644</td>
<td>80,267,146</td>
<td>376,467,998</td>
<td>201,371,928</td>
<td>95,524,454</td>
<td>1,059,083,170</td>
</tr>
<tr>
<td>Available-for-sale financial assets</td>
<td>239,667</td>
<td>-</td>
<td>151,239</td>
<td>3,000,000</td>
<td>-</td>
<td>3,390,906</td>
</tr>
<tr>
<td>Other assets</td>
<td>13,140,804</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>13,140,804</td>
</tr>
<tr>
<td><strong>Total financial assets by remaining contractual maturities</strong></td>
<td>649,842,267</td>
<td>412,975,367</td>
<td>376,619,237</td>
<td>204,371,928</td>
<td>95,524,454</td>
<td>1,739,333,253</td>
</tr>
<tr>
<td><strong>Financial liabilities</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Deposits from banks</td>
<td>65,159,421</td>
<td>4,155,714</td>
<td>61,723,719</td>
<td>496,124</td>
<td>-</td>
<td>131,534,978</td>
</tr>
<tr>
<td>Deposits from customers</td>
<td>681,261,189</td>
<td>130,420,723</td>
<td>458,582,796</td>
<td>44,616,090</td>
<td>-</td>
<td>1,314,880,798</td>
</tr>
<tr>
<td>Borrowings</td>
<td>-</td>
<td>-</td>
<td>32,879,722</td>
<td>699,090</td>
<td>30,660,000</td>
<td>64,238,812</td>
</tr>
<tr>
<td>Other liabilities</td>
<td>32,732,046</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>32,732,046</td>
</tr>
<tr>
<td><strong>Total financial liabilities by remaining contractual maturities</strong></td>
<td>779,152,656</td>
<td>134,576,437</td>
<td>553,186,237</td>
<td>45,811,304</td>
<td>30,660,000</td>
<td>1,543,386,634</td>
</tr>
<tr>
<td><strong>Net liquidity surplus/(gap)</strong></td>
<td>(129,310,389)</td>
<td>278,398,930</td>
<td>(176,567,000)</td>
<td>158,560,624</td>
<td>64,864,454</td>
<td>195,946,619</td>
</tr>
<tr>
<td><strong>Million Riel equivalent</strong></td>
<td>(516,595)</td>
<td>1,112,204</td>
<td>(705,385)</td>
<td>633,450</td>
<td>259,133</td>
<td>782,807</td>
</tr>
</tbody>
</table>

* including capital guarantee and reserve deposits
33. **FINANCIAL RISK MANAGEMENT** (continued)

33.3 **Liquidity risk** (continued)

c) **Non-derivative cash flows** (continued)

<table>
<thead>
<tr>
<th>Financial assets</th>
<th>Bank</th>
<th>Up to 1 month US$</th>
<th>1 to 3 months US$</th>
<th>4 to 12 months US$</th>
<th>1 to 5 years US$</th>
<th>Over 5 years US$</th>
<th>Total US$</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash on hand</td>
<td>143,514,514</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>143,514,514</td>
<td></td>
</tr>
<tr>
<td>Balances with the NBC*</td>
<td>508,984,711</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>508,984,711</td>
<td></td>
</tr>
<tr>
<td>Balances with other banks</td>
<td>154,086,696</td>
<td>-</td>
<td>73,103,628</td>
<td>-</td>
<td>-</td>
<td>227,190,324</td>
<td></td>
</tr>
<tr>
<td>Loans and advances</td>
<td>269,174,375</td>
<td>107,700,234</td>
<td>578,700,175</td>
<td>227,567,212</td>
<td>167,139,339</td>
<td>1,350,281,335</td>
<td></td>
</tr>
<tr>
<td>Other assets</td>
<td>20,792,463</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>20,792,463</td>
<td></td>
</tr>
<tr>
<td><strong>Total financial assets by remaining contractual maturities</strong></td>
<td>1,096,552,759</td>
<td>107,700,234</td>
<td>651,803,803</td>
<td>227,567,212</td>
<td>167,139,339</td>
<td>2,250,763,347</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Financial liabilities</th>
<th>Bank</th>
<th>Up to 1 month US$</th>
<th>1 to 3 months US$</th>
<th>4 to 12 months US$</th>
<th>1 to 5 years US$</th>
<th>Over 5 years US$</th>
<th>Total US$</th>
</tr>
</thead>
<tbody>
<tr>
<td>Deposits from banks</td>
<td>99,541,790</td>
<td>14,260,437</td>
<td>96,186,685</td>
<td>451,226</td>
<td>-</td>
<td>210,440,138</td>
<td></td>
</tr>
<tr>
<td>Deposits from customers</td>
<td>853,213,154</td>
<td>182,312,682</td>
<td>572,901,268</td>
<td>61,624,465</td>
<td>-</td>
<td>1,670,051,569</td>
<td></td>
</tr>
<tr>
<td>Borrowings</td>
<td>20,064,113</td>
<td>-</td>
<td>-</td>
<td>34,326,136</td>
<td>46,722,590</td>
<td>101,112,839</td>
<td></td>
</tr>
<tr>
<td>Other liabilities</td>
<td>38,130,436</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>38,130,436</td>
<td></td>
</tr>
<tr>
<td><strong>Total financial liabilities by remaining contractual maturities</strong></td>
<td>1,010,949,493</td>
<td>196,573,119</td>
<td>669,087,953</td>
<td>96,401,827</td>
<td>46,722,590</td>
<td>2,019,734,982</td>
<td></td>
</tr>
</tbody>
</table>

**Net liquidity surplus/(gap)**

| Million Riel equivalent | 348,833 | (362,157) | (70,433) | 534,499 | 490,698 | 941,440 |

* including capital guarantee and reserve deposits
### 33. FINANCIAL RISK MANAGEMENT (continued)

#### 33.3 Liquidity risk (continued)

**c) Non-derivative cash flows (continued)**

<table>
<thead>
<tr>
<th>Financial assets</th>
<th>Up to 1 month US$</th>
<th>1 to 3 months US$</th>
<th>4 to 12 months US$</th>
<th>1 to 5 years US$</th>
<th>Over 5 years US$</th>
<th>Total US$</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash on hand</td>
<td>126,618,629</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>126,618,629</td>
</tr>
<tr>
<td>Balances with the NBC*</td>
<td>51,678,000</td>
<td>279,338,624</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>331,016,624</td>
</tr>
<tr>
<td>Balances with other banks</td>
<td>152,713,223</td>
<td>52,368,346</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>205,081,569</td>
</tr>
<tr>
<td>Loans and advances</td>
<td>305,451,644</td>
<td>80,267,146</td>
<td>376,467,998</td>
<td>201,371,928</td>
<td>95,524,454</td>
<td>1,059,083,170</td>
</tr>
<tr>
<td>Other assets</td>
<td>13,140,804</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>13,140,804</td>
</tr>
<tr>
<td><strong>Total financial assets by remaining contractual maturities</strong></td>
<td><strong>649,602,300</strong></td>
<td><strong>411,974,116</strong></td>
<td><strong>376,467,998</strong></td>
<td><strong>201,371,928</strong></td>
<td><strong>95,524,454</strong></td>
<td><strong>1,734,940,796</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Financial liabilities</th>
<th>Up to 1 month US$</th>
<th>1 to 3 months US$</th>
<th>4 to 12 months US$</th>
<th>1 to 5 years US$</th>
<th>Over 5 years US$</th>
<th>Total US$</th>
</tr>
</thead>
<tbody>
<tr>
<td>Deposits from banks</td>
<td>65,159,421</td>
<td>4,155,714</td>
<td>61,723,719</td>
<td>496,124</td>
<td>-</td>
<td>131,534,978</td>
</tr>
<tr>
<td>Deposits from customers</td>
<td>682,402,929</td>
<td>130,420,723</td>
<td>463,882,796</td>
<td>44,616,090</td>
<td>-</td>
<td>1,321,322,538</td>
</tr>
<tr>
<td>Borrowings</td>
<td>-</td>
<td>-</td>
<td>32,879,722</td>
<td>699,090</td>
<td>30,660,000</td>
<td>64,238,812</td>
</tr>
<tr>
<td>Other liabilities</td>
<td>32,727,408</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>32,727,408</td>
</tr>
<tr>
<td><strong>Total financial liabilities by remaining contractual maturities</strong></td>
<td><strong>780,289,758</strong></td>
<td><strong>134,576,437</strong></td>
<td><strong>558,486,237</strong></td>
<td><strong>45,811,304</strong></td>
<td><strong>30,660,000</strong></td>
<td><strong>1,549,823,736</strong></td>
</tr>
</tbody>
</table>

| Net liquidity surplus/(gap) | (130,687,458) | 277,397,679 | (182,018,239) | 155,560,624 | 64,864,454 | 185,117,060 |

**Million Riel equivalent**

| (522,096) | 1,108,204 | (727,163) | 621,465 | 259,133 | 739,543 |

* including capital guarantee and reserve deposits
33. FINANCIAL RISK MANAGEMENT (continued)

33.3 Liquidity risk (continued)

d) Off-balance sheet items

i. Loan commitments

The contractual maturity dates of the Group and the Bank’s off-balance sheet financial instruments with commitment to extend credit to customers and other facilities are summarised in the table below.

ii. Other financial facilities

Other financial facilities are also included below based on the earliest contractual date.

iii. Operating lease commitments

Where the Bank is the lessee, the future minimum lease payments under non-cancellable operating leases are summarised in the table below.

All commitments of the Group and the Bank, as disclosed in Note 31, are summarised in the table below.

<table>
<thead>
<tr>
<th></th>
<th>No later than 1 year</th>
<th>1 to 5 year</th>
<th>Over 5 years</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>As at 31 December 2014</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Unused portion of approved</td>
<td>88,819,246</td>
<td>-</td>
<td>-</td>
<td>88,819,246</td>
</tr>
<tr>
<td>credit facilities</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Acceptances and other</td>
<td>35,729,772</td>
<td>1,837,718</td>
<td>-</td>
<td>37,567,490</td>
</tr>
<tr>
<td>financial facilities</td>
<td>991,990</td>
<td>2,923,498</td>
<td>3,262,335</td>
<td>7,177,823</td>
</tr>
<tr>
<td>Operating lease commitments</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>125,541,008</td>
<td>4,761,216</td>
<td>3,262,335</td>
<td>133,564,559</td>
</tr>
<tr>
<td>Million Riel equivalent</td>
<td>511,580</td>
<td>19,402</td>
<td>13,294</td>
<td>544,276</td>
</tr>
<tr>
<td>As at 31 December 2013</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Unused portion of approved</td>
<td>85,110,356</td>
<td>-</td>
<td>-</td>
<td>85,110,356</td>
</tr>
<tr>
<td>credit facilities</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Acceptances and other</td>
<td>22,622,983</td>
<td>2,959,944</td>
<td>-</td>
<td>25,582,927</td>
</tr>
<tr>
<td>financial facilities</td>
<td>983,400</td>
<td>3,258,522</td>
<td>3,214,512</td>
<td>7,456,434</td>
</tr>
<tr>
<td>Operating lease commitments</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>108,716,739</td>
<td>6,218,466</td>
<td>3,214,512</td>
<td>118,149,717</td>
</tr>
<tr>
<td>Million Riel equivalent</td>
<td>434,323</td>
<td>24,843</td>
<td>12,842</td>
<td>472,008</td>
</tr>
</tbody>
</table>
33. **FINANCIAL RISK MANAGEMENT** (continued)

33.4 Fair value of financial assets and liabilities

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

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

(i) Balances with the NBC and other banks

The carrying amounts of balances with the NBC and other banks approximate their fair values, since these accounts consist mostly of current, savings and short-term deposits.

(ii) Loans and advances

Loans and advances are stated, net of unamortised loan commitment fees less any amounts written off and allowance for losses on loans and advances as determined based on the requirements of the relevant NBC’s Prakas.

(iii) Available-for-sale financial assets

The fair value of equity securities is based on quoted market prices at the reporting date.

(iv) Deposits from banks and customers

The fair values of deposits from customers and deposits from banks approximate their carrying amounts. The estimated fair value of deposits with no stated maturities, which include non-interest earning deposits, is the amount repayable on demand.

Deposits with fixed interest are not quoted in the active market and are short-term. Their fair value approximates the carrying amount.

(v) Borrowings and subordinated debt

Borrowings and subordinated debt are not quoted in active market and their fair value approximates their carrying amount.

(vi) Other financial assets and liabilities

The carrying amounts of other financial assets and liabilities are assumed to approximate their fair values as these items are not materially sensitive to the shift in market interest rates.
33. **FINANCIAL RISK MANAGEMENT** (continued)

33.5 Capital management

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

- to comply with the capital requirement set by the NBC
- to safeguard the Bank’s ability to continue as a going concern so that it can continue to provide returns for shareholders and benefits for other stakeholders and
- to maintain a strong capital base to support the development of business.

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

The table below summarises the composition of the Bank’s regulatory capital:

<table>
<thead>
<tr>
<th></th>
<th>2014</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>US$</td>
<td>Million Riel</td>
</tr>
<tr>
<td>Share capital</td>
<td>140,000,000</td>
<td>570,500</td>
</tr>
<tr>
<td>Reserves</td>
<td>78,050,777</td>
<td>318,057</td>
</tr>
<tr>
<td>Retained earnings</td>
<td>71,175,765</td>
<td>290,041</td>
</tr>
<tr>
<td></td>
<td>289,226,542</td>
<td>1,178,598</td>
</tr>
<tr>
<td>Less: Intangible assets</td>
<td>(1,024,127)</td>
<td>(4,173)</td>
</tr>
<tr>
<td>Loans to related parties</td>
<td>(513,240)</td>
<td>(2,091)</td>
</tr>
<tr>
<td>Investments in financial institutions</td>
<td>(11,025,588)</td>
<td>(44,929)</td>
</tr>
<tr>
<td>Add: General provision</td>
<td>12,614,860</td>
<td>50,396</td>
</tr>
<tr>
<td></td>
<td>289,278,447</td>
<td>1,177,801</td>
</tr>
</tbody>
</table>