

**LOLC (CAMBODIA) PLC.**

**Condensed Interim Financial Statements  
for the three-month and twelve-month  
periods ended 31 December 2024  
and  
Independent Auditors' Report on Review of  
Condensed Interim Financial Statements**

## Corporate information

Company	LOLC (Cambodia) Plc.
Registration No.	00012829
Registered office	Building No. 666B, Street 271 Sangkat Boeung Tumpun 2 Khan Mean Chey, Phnom Penh Kingdom of Cambodia
Shareholders	LOLC Asia Private Limited TPC-ESOP Co., Ltd.
Board of Directors	Mr. Brindley Chrishantha Gajanayake de Zylva, Chairman Mr. Indrajith Wijesiriwardana, Member Mr. Chitral Nalin Wijesinha, Member Mr. Dulip Rasika Samaraweera, Member Mr. Francisco Kankanamalage Conrad Prasad Nirosh Dias, Member
Executive committee	Mr. Sok Voeun, Chief Executive Officer Mr. Sok Sophal, Deputy Chief Executive Officer/Chief Finance Officer Mr. Damburæ Liyanage Duleep Roshan, Chief Information Officer Mrs. Svoeuy Sodyna, Chief Risk Officer Mr. Perera Hewa Ambepitiyage Chanaka Romesh, Chief Channel Officer Mrs. Chheang Kagna, Chief Digital Financial Services and Deposit Officer Mrs. Leng Thavy, Head of Human Resources Department Mrs. Keo Taraty, Head of Finance Department Ms. Try Sola, Head of Treasury Department Mr. Bun Bella, Head of Information Technology Department Mr. Teng Pheap, Head of Internal Audit Department Mrs. Srun Houng, Head of Legal and Compliance Department (resigned on 15 January 2025) Ms. Hoeng Lyhuong, Acting Head of Legal and Compliance Department (appointed on 16 January 2025) Mr. Chann Savoeung, Head of Business Department Mrs. Inn Sreyrath, Head of Digital Banking Department (appointed on 14 January 2025) Mr. Muth Pisey, Head of Credit Department Mr. Va Sok Oun, Head of Administration and Procurement Department (resigned on 19 February 2025) Mr. Tun Komg, Deputy Head of Credit Department
Auditors	KPMG Cambodia Ltd

# **LOLC (Cambodia) Plc.**

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LOLC (Cambodia) Plc.

## Statement by the Board of Directors

The Board of Directors has pleasure in submitting the condensed interim financial statements of LOLC (Cambodia) Plc. ("the Company") for the three-month and twelve-month periods ended 31 December 2024.

### Board of Directors

The Board of Directors of the Company during the periods and up to the date of this report are:

- |  |          |
|--|----------|
| 1. Mr. Brindley Chrisantha Gajanayake de Zylva           | Chairman |
| 2. Mr. Indrajith Wijesiriwardana                         | Member   |
| 3. Mr Chitral Nalin Wijesinha, Member                    | Member   |
| 4. Mr. Dulip Rasika Samaraweera                          | Member   |
| 5. Mr. Francisco Kankanamalage Conrad Prasad Nirosh Dias | Member   |

In the opinion of the Board of Directors, the condensed interim financial statements of the Company together with the notes thereto, are prepared in all material respects, the financial position of the Company as at 31 December 2024 and its financial performance for the three-month and twelve-month periods then ended, statements of changes in equity and cash flows of the Company for the twelve-month period then ended, in accordance with Cambodian International Accounting Standard 34, "Interim Financial Reporting".

*On behalf of the Board of Directors*

Mr. Brindley Chrisantha Gajanayake de Zylva  
Chairman

Phnom Penh, Kingdom of Cambodia

Date: 28 March 2025



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## **THE INDEPENDENT AUDITORS' REPORT ON REVIEW OF CONDENSED INTERIM FINANCIAL STATEMENTS**

**To the Shareholders of  
LOLC (Cambodia) Plc.**

### ***Introduction***

We have reviewed the accompanying 31 December 2024 condensed interim financial statements of LOLC (Cambodia) Plc. ("the Company"), as set out on pages 4 to 43 (hereafter referred to as "the condensed interim financial statements") which comprise the condensed interim statement of financial position as at 31 December 2024 and the condensed interim statements of profit or loss and other comprehensive income for the three-month and twelve-month periods then ended, changes in equity and cash flows for the twelve-month period then ended and other explanatory notes to the condensed interim financial statements.

Management is responsible for the preparation and presentation of these condensed interim financial statements in accordance with the Cambodian International Accounting Standard 34, "*Interim Financial Reporting*". Our responsibility is to express a conclusion on these condensed interim financial statements based on our review.

### ***Scope of Review***

We conducted our review in accordance with the Cambodian International Standard on Review Engagements 2410, "*Review of Interim Financial statements Performed by the Independent Auditor of the Entity*". A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Cambodian International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.



**Conclusion**

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial statements are not prepared, in all material respects, in accordance with the Cambodian International Accounting Standard 34, “Interim Financial Reporting”.

For KPMG Cambodia Ltd

  
  
Guek Teav  
Partner

Phnom Penh, Kingdom of Cambodia

28 March 2025

# LOLC (Cambodia) Plc.

## Condensed interim statement of financial position As at 31 December 2024

		31 December 2024	31 December 2023	31 December 2024	31 December 2023
	Notes	KHR'000	KHR'000	US\$ (Note 2(b))	US\$ (Note 2(b))
<b>ASSETS</b>					
Cash on hand		108,021,390	124,372,008	26,837,612	30,446,024
Deposits and placements with the National Bank of Cambodia		221,714,379	134,192,224	55,084,318	32,849,994
Deposits and placements with banks		556,774,147	672,287,486	138,328,981	164,574,660
Investment securities at amortised cost	6	3,339,960	-	829,804	-
Financial assets at fair value through other comprehensive income		60,375	61,275	15,000	15,000
Loans and advances at amortised cost	7	5,135,970,992	5,003,139,376	1,276,017,638	1,224,758,721
Statutory deposits with the National Bank of Cambodia	8	339,868,390	371,611,761	84,439,352	90,969,831
Property and equipment	9	9,624,545	12,145,516	2,391,192	2,973,198
Right-of-use assets	10	30,640,659	28,661,010	7,612,586	7,016,159
Intangible assets	11	11,814,205	7,818,094	2,935,206	1,913,854
Deferred tax assets		23,543,707	29,627,908	5,849,368	7,252,854
Other assets		20,787,876	20,679,113	5,164,690	5,062,207
<b>TOTAL ASSETS</b>		<b>6,462,160,625</b>	<b>6,404,595,771</b>	<b>1,605,505,747</b>	<b>1,567,832,502</b>
<b>LIABILITIES AND EQUITY</b>					
<b>LIABILITIES</b>					
Deposits from banks and other financial institutions	12	336,956,689	193,575,862	83,715,948	47,386,992
Deposits from customers	13	3,693,593,747	3,498,928,575	917,663,043	856,530,863
Borrowings	14	592,478,916	884,096,100	147,199,731	216,424,994
Subordinated debts	15	178,978,277	253,753,175	44,466,653	62,118,280
Lease liabilities	10	28,859,765	27,481,666	7,170,128	6,727,458
Current income tax liabilities		28,116,358	50,339,592	6,985,431	12,323,034
Employee benefits		1,826,652	2,099,290	453,827	513,902
Other liabilities		37,343,832	39,263,064	9,277,970	9,611,521
<b>TOTAL LIABILITIES</b>		<b>4,898,154,236</b>	<b>4,949,537,324</b>	<b>1,216,932,731</b>	<b>1,211,637,044</b>
<b>EQUITY</b>					
Share capital	16	424,377,400	424,377,400	103,969,218	103,969,218
Retained earnings		578,409,737	623,203,250	141,614,157	153,048,830
General reserves		380,415,116	380,415,116	93,768,951	93,768,951
Regulatory reserves		49,192,708	21,938,040	12,139,107	5,367,761
Other reserves	17	131,611,428	5,124,641	32,679,791	1,254,502
Currency translation reserves		-	-	4,401,792	(1,213,804)
<b>TOTAL EQUITY</b>		<b>1,564,006,389</b>	<b>1,455,058,447</b>	<b>388,573,016</b>	<b>356,195,458</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>6,462,160,625</b>	<b>6,404,595,771</b>	<b>1,605,505,747</b>	<b>1,567,832,502</b>

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

## LOLC (Cambodia) Plc.

### Condensed interim statement of profit or loss and other comprehensive income for three-month and twelve-month periods ended 31 December 2024

	Notes	Three-month period ended				Twelve-month period ended			
		31 December 2024 KHR'000	31 December 2023 KHR'000	31 December 2024 US\$ (Note 2(b))	31 December 2023 US\$ (Note 2(b))	31 December 2024 KHR'000	31 December 2023 KHR'000	31 December 2024 US\$ (Note 2(b))	31 December 2023 US\$ (Note 2(b))
Interest income	18	221,484,605	213,258,572	54,782,242	51,774,356	889,181,399	891,105,944	218,418,423	216,814,098
Interest expense	18	(82,418,345)	(94,611,603)	(20,385,443)	(22,969,556)	(347,156,997)	(354,216,437)	(85,275,607)	(86,184,048)
<b>Net interest income</b>	18	<u>139,066,260</u>	<u>118,646,969</u>	<u>34,396,799</u>	<u>28,804,800</u>	<u>542,024,402</u>	<u>536,889,507</u>	<u>133,142,816</u>	<u>130,630,050</u>
Fee and commission income		3,326,138	4,015,617	822,691	974,901	16,802,961	22,222,917	4,127,478	5,407,036
Fee and commission expense		(138,252)	(164,217)	(34,195)	(39,868)	(641,516)	(832,034)	(157,582)	(202,441)
<b>Net fee and commission income</b>		<u>3,187,886</u>	<u>3,851,400</u>	<u>788,496</u>	<u>935,033</u>	<u>16,161,445</u>	<u>21,390,883</u>	<u>3,969,896</u>	<u>5,204,595</u>
Other operating income		2,407,127	1,562,924	595,381	379,443	8,816,472	5,671,028	2,165,677	1,379,812
Other (losses)/gains– net		(5,592,961)	8,425,086	(1,383,369)	2,045,420	(1,712,699)	2,892,912	(420,707)	703,872
Credit impairment reversal/(losses)	19	17,386,176	111,241,441	4,300,316	27,006,905	(110,687,157)	19,600,358	(27,189,181)	4,768,944
Net losses on derecognition of financial assets measured at amortised cost		(18,587,551)	(32,817,352)	(4,597,465)	(7,967,311)	(25,999,966)	(29,849,686)	(6,386,629)	(7,262,697)
<b>Net other operating losses</b>		<u>(4,387,209)</u>	<u>88,412,099</u>	<u>(1,085,137)</u>	<u>21,464,457</u>	<u>(129,583,350)</u>	<u>(1,685,388)</u>	<u>(31,830,840)</u>	<u>(410,069)</u>
Personnel expenses	20	(39,430,829)	(47,981,955)	(9,752,864)	(11,648,933)	(149,481,354)	(148,471,679)	(36,718,584)	(36,124,496)
Depreciation and amortisation charges		(3,547,417)	(3,862,000)	(877,422)	(937,606)	(14,723,746)	(14,201,166)	(3,616,739)	(3,455,272)
Other operating expenses		(15,507,455)	(14,056,292)	(3,835,631)	(3,412,550)	(58,860,195)	(54,831,042)	(14,458,412)	(13,340,886)



## LOLC (Cambodia) Plc.

### Condensed interim statement of profit or loss and other comprehensive income (continued) for three-month and twelve-month periods ended 31 December 2024

	Notes	Three-month period ended				Twelve-month period ended			
		31 December 2024 KHR'000	31 December 2023 KHR'000	31 December 2024 US\$ (Note 2(b))	31 December 2023 US\$ (Note 2(b))	31 December 2024 KHR'000	31 December 2023 KHR'000	31 December 2024 US\$ (Note 2(b))	31 December 2023 US\$ (Note 2(b))
<b>Profit before income tax</b>		79,381,236	145,010,221	19,634,241	35,205,201	205,537,202	339,091,115	50,488,137	82,503,922
Income tax expense	21	<u>(16,172,553)</u>	<u>(28,559,754)</u>	<u>(4,000,137)</u>	<u>(6,933,662)</u>	<u>(42,693,330)</u>	<u>(69,005,113)</u>	<u>(10,487,185)</u>	<u>(16,789,565)</u>
<b>Profit for the period</b>		<u>63,208,683</u>	<u>116,450,467</u>	<u>15,634,104</u>	<u>28,271,539</u>	<u>162,843,872</u>	<u>270,086,002</u>	<u>40,000,952</u>	<u>65,714,357</u>
Other comprehensive income:									
Items that will not be reclassified to profit or loss									
Currency translation differences		-	-	3,458,077	3,164,295	-	-	5,615,596	2,676,061
Other comprehensive income for the period, net of tax		-	-	3,458,077	3,164,295	-	-	5,615,596	2,676,061
<b>Total comprehensive income for the period</b>		<u>63,208,683</u>	<u>116,450,467</u>	<u>19,092,181</u>	<u>31,435,834</u>	<u>162,843,872</u>	<u>270,086,002</u>	<u>45,616,548</u>	<u>68,390,418</u>
<b>Profit attributable to:</b>									
Owners of the Company		<u>63,208,683</u>	<u>116,450,467</u>	<u>15,634,104</u>	<u>28,271,539</u>	<u>162,843,872</u>	<u>270,086,002</u>	<u>40,000,952</u>	<u>65,714,357</u>
<b>Total comprehensive income attributable to:</b>									
Owners of the Company		<u>63,208,683</u>	<u>116,450,467</u>	<u>19,092,181</u>	<u>31,435,834</u>	<u>162,843,872</u>	<u>270,086,002</u>	<u>45,616,548</u>	<u>68,390,418</u>

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

## LOLC (Cambodia) Plc.

### Condensed interim statement of changes in equity For the twelve-month period ended 31 December 2024

	Attributable to owners of the Company												
	Share capital KHR'000	Retained earnings KHR'000	General reserves KHR'000	Regulatory reserves KHR'000	Other reserves KHR'000	Total KHR'000	Share capital US\$ (Note 2(b))	Retained earnings US\$ (Note 2(b))	General reserves US\$ (Note 2(b))	Regulatory reserves US\$ (Note 2(b))	Other reserves US\$ (Note 2(b))	Currency translation reserves US\$ (Note 2(b))	Total US\$ (Note 2(b))
<b>Balance at 1 January 2023</b>	224,377,400	590,276,911	380,415,116	-	-	1,195,069,427	55,460,850	144,936,825	93,768,951	-	-	(3,889,865)	290,276,761
Profit for the period	-	270,086,002	-	-	-	270,086,002	-	65,714,357	-	-	-	-	65,714,357
Other comprehensive income – currency translation differences	-	-	-	-	-	-	-	-	-	-	-	2,676,061	2,676,061
<b>Total comprehensive income for the period</b>	-	270,086,002	-	-	-	270,086,002	-	65,714,357	-	-	-	2,676,061	68,390,418
Transfer from retained earnings to share capitals (Note 16A)	200,000,000	(200,000,000)	-	-	-	-	48,508,368	(48,508,368)	-	-	-	-	-
Dividend paid (Note 16B)	-	(10,096,982)	-	-	-	(10,096,982)	-	(2,471,721)	-	-	-	-	(2,471,721)
Transfer from retained earnings to regulatory reserves	-	(21,938,040)	-	21,938,040	-	-	-	(5,367,761)	-	5,367,761	-	-	-
Transfer from retained earnings to other reserves	-	(5,124,641)	-	-	5,124,641	-	-	(1,254,502)	-	-	1,254,502	-	-
	200,000,000	(237,159,663)	-	21,938,040	5,124,641	(10,096,982)	48,508,368	(57,602,352)	-	5,367,761	1,254,502	-	(2,471,721)
<b>Balance at 31 December 2023</b>	424,377,400	623,203,250	380,415,116	21,938,040	5,124,641	1,455,058,447	103,969,218	153,048,830	93,768,951	5,367,761	1,254,502	(1,213,804)	356,195,458
<b>Balance at 1 January 2024</b>	424,377,400	623,203,250	380,415,116	21,938,040	5,124,641	1,455,058,447	103,969,218	153,048,830	93,768,951	5,367,761	1,254,502	(1,213,804)	356,195,458
Profit for the period	-	162,843,872	-	-	-	162,843,872	-	40,000,952	-	-	-	-	40,000,952
Other comprehensive income – currency translation differences	-	-	-	-	-	-	-	-	-	-	-	5,615,596	5,615,596
<b>Total comprehensive income for the period</b>	-	162,843,872	-	-	-	162,843,872	-	40,000,952	-	-	-	5,615,596	45,616,548
Dividend paid (Note 16B)	-	(53,895,930)	-	-	-	(53,895,930)	-	(13,238,990)	-	-	-	-	(13,238,990)
Transfer from retained earnings to regulatory reserves	-	(27,254,668)	-	27,254,668	-	-	-	(6,771,346)	-	6,771,346	-	-	-
Transfer from retained earnings to other reserves	-	(126,486,787)	-	-	126,486,787	-	-	(31,425,289)	-	-	31,425,289	-	-
	-	(207,637,385)	-	27,254,668	126,486,787	(53,895,930)	-	(51,435,625)	-	6,771,346	31,425,289	-	(13,238,990)
<b>Balance at 31 December 2024</b>	424,377,400	578,409,737	380,415,116	49,192,708	131,611,428	1,564,006,389	103,969,218	141,614,157	93,768,951	12,139,107	32,679,791	4,401,792	388,573,016

The accompanying form an integral part of these condensed interim financial statements.

# LOLC (Cambodia) Plc.

## Condensed interim statement of cash flows for the twelve-month period ended 31 December 2024

	Notes	Twelve-month period ended			
		31 December 2024 KHR'000	31 December 2023 KHR'000	31 December 2024 US\$ (Note 2(b))	31 December 2023 US\$ (Note 2(b))
<b>Cash flows from operating activities</b>					
Cash (used in)/ generated					
from operations	22	(51,544,368)	256,281,782	(12,661,354)	62,355,666
Interest received		857,923,480	890,607,708	210,740,231	216,692,873
Interest paid		(358,883,118)	(340,407,104)	(88,156,010)	(82,824,113)
Income tax paid		(58,832,363)	(74,027,325)	(14,451,575)	(18,011,515)
Employee benefits paid		(7,543,083)	(7,355,020)	(1,852,882)	(1,789,542)
<b>Net cash generated from operating activities</b>		<u>381,120,548</u>	<u>725,100,041</u>	<u>93,618,410</u>	<u>176,423,369</u>
<b>Cash flows from investing activities</b>					
Deposits and placements with the National Bank of Cambodia - maturity more than three months		(41,980,661)	(269,560)	(10,312,125)	(65,586)
Purchases of investment securities at amortised cost		(3,346,213)	-	(821,963)	-
Purchases of property and equipment	9	(2,894,453)	(9,256,605)	(710,993)	(2,252,215)
Purchases of intangible assets	11	(6,295,155)	(3,024,926)	(1,546,341)	(735,992)
Proceeds from disposals of property and equipment		291,330	550,858	71,562	134,029
<b>Net cash used in investing activities</b>		<u>(54,225,152)</u>	<u>(12,000,233)</u>	<u>(13,319,860)</u>	<u>(2,919,764)</u>
<b>Cash flows from financing activities</b>					
Proceeds from borrowings		121,160,750	97,365,032	29,761,914	23,689,789
Repayments of borrowings		(401,676,040)	(479,619,214)	(98,667,659)	(116,695,673)
Repayments of subordinated debts		(71,111,400)	(54,382,800)	(17,467,797)	(13,231,825)
Payment of transaction costs		(660,750)	(290,518)	(162,307)	(70,686)
Payment of dividends to shareholders		(53,895,930)	(10,096,982)	(13,238,990)	(2,456,687)
Principal element of lease payment		(7,839,501)	(5,931,236)	(1,925,694)	(1,443,123)
<b>Net cash used in from financing activities</b>		<u>(414,022,871)</u>	<u>(452,955,718)</u>	<u>(101,700,533)</u>	<u>(110,208,205)</u>
<b>Net (decrease)/ increase in cash and cash equivalents</b>		<u>(87,127,475)</u>	<u>260,144,090</u>	<u>(21,401,983)</u>	<u>63,295,400</u>
<b>Cash and cash equivalents at the beginning of period</b>		<u>932,327,813</u>	<u>672,183,723</u>	<u>228,232,023</u>	<u>163,270,275</u>
Currency translation differences		-	-	3,157,620	1,666,348
<b>Cash and cash equivalents at the end of period</b>	22	<u>845,200,338</u>	<u>932,327,813</u>	<u>209,987,660</u>	<u>228,232,023</u>

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

# **LOLC (Cambodia) Plc.**

## **Notes to the condensed interim financial statements for the three-month and twelve-month periods ended 31 December 2024**

### **1. General information**

LOLC (Cambodia) Plc. (formerly known as Thaneakea Phum (Cambodia) Ltd.) (the Company), a licensed micro-finance institution, incorporated in the Kingdom of Cambodia and registered with the Ministry of Commerce (MoC) as a public limited liability company under the registration number Co. 1413 E/2002, dated 23 May 2002 and changed to the new registration number 00012829 dated 28 September 2015.

On 11 September 2015, the Company obtained a Micro-finance Deposit Taking Institution (MDI) license to conduct deposit taking business from the National Bank of Cambodia (“NBC”).

The Company is owned by LOLC Asia Private Limited (based in Singapore) and TPC-ESOP Co., Ltd with 96.97% and 3.03% shares respectively.

The principal activity of the Company is to provide micro-finance services (deposit-taking and lending) to the rural population, micro-enterprises and small and medium enterprises through its head office in Phnom Penh and its various branches in the Kingdom of Cambodia. Its corporate objective is to provide reliable and affordable access to financial services to micro-entrepreneurs and small and medium enterprises.

As at 31 December 2024, the Company has 83 office locations (82 branches and a Head Office in Phnom Penh). The Company’s registered office is at Building No. 666B, Street 271, Sangkat Boeung Tumpun 2, Khan Mean Chey, Phnom Penh, the Kingdom of Cambodia.

The condensed interim financial statements were authorised to issue by the Board of Directors on 28 March 2025.

This condensed interim financial statements for the three-month and twelve-month periods ended 31 December 2024 has been reviewed, but not audited.

### **2. Basis of preparation**

This condensed interim financial statements for the three-month and twelve-month periods ended 31 December 2024 have been prepared in accordance with Cambodian International Accounting Standard 34, “Interim financial reporting” (“CIAS 34”) and should be read in conjunction with the last annual audited financial statements for the year ended 31 December 2023 (‘last annual financial statements’). They do not include all of the information required for a complete set of financial statements prepared in accordance with Cambodian International Financial Reporting Standards (“CIFRS”). However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the financial position and performance since the last annual financial statements.

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period.

# LOLC (Cambodia) Plc.

## Notes to the condensed interim financial statements (continued) for the three-month and twelve-month periods ended 31 December 2024

### 2. Basis of preparation (continued)

#### (a) New and amended standards not yet adopted by the Company

A number of amended standards became applicable for the current reporting period as follows:

- Lease Liabilities in a Sale and Leaseback transaction (Amendments to CIFRS16)
- Supplier Finance Arrangement (*Amendments to CIAS7*)
- Presentation and Disclosures in Financial Statements (*CIFRS 18*)
- Lack of exchangeabilities (*Amendment to CIAS21*)

Those amended standards have no material impact on the Company. As a result, the Company did not have to change its accounting policies or make retrospective adjustments.

#### (b) Presentation in United States dollars (US\$)

The translation of Khmer Riel (KHR) into US\$ is solely for management's use only and is based on the official exchange rates published by the National Bank of Cambodia as at the reporting dates and average rate for the period. The translations of Khmer Riel ("KHR") into United States Dollars ("US\$") amounts meets the presentation requirements pursuant to the Law on Accounting and Auditing and has been done in accordance with the translation method of CIAS 21-*The Effects of Changes in Foreign Exchange Rates*.

Assets and liabilities are translated into US\$ at the closing rate as at the reporting date and share capital account is translated at the historical rate. The statements of profit or loss and other comprehensive income and cash flows are translated into US\$ using the average rate for the period, which have been deemed to approximate the exchange rates at the end of transactions as exchange rates have not fluctuated significantly during the period. Exchange differences arising from the translation are recognised as "Currency Translation Reserves" in other comprehensive income.

The Company has used the official rate of exchange published by the National Bank of Cambodia. As at the reporting date, the average rates and closing rates are based on the following exchange rates:

		<b>Closing rate</b>	<b>Average rate twelve-month</b>	<b>Average rate three-month</b>
31 December 2024	USD1=	KHR4,025	KHR4,071	KHR4,043
31 December 2023	USD1=	<u>KHR4,085</u>	<u>KHR4,110</u>	<u>KHR4,119</u>

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

# **LOLC (Cambodia) Plc.**

## **Notes to the condensed interim financial statements (continued) for the three-month and twelve-month periods ended 31 December 2024**

### **3. Critical accounting estimates, assumptions and judgements**

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

#### **(i) Judgements**

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

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

#### **(ii) Assumptions and estimation uncertainties**

Information about assumptions and estimation uncertainties that have material risks that could give rise to any adjustments on the carrying amounts of assets and liabilities recognised in the next financial statements is included in the following notes.

- Determination of the fair value of financial instruments with significant unobservable inputs.
- Impairment of financial instruments: determining inputs into the ECL measurement model, including incorporation of forward-looking information.
- Impairment of financial instruments: key assumptions used in estimating recoverable cash flows.
- lease term: whether the Company is reasonably certain to exercise extension option.

### **4. Seasonality**

The principal business of the Company are mainly to providing lending and other financial services to the citizens and small and medium size enterprises, and to engage in all other activities that support these objectives. There is no significant seasonality factor associated with these businesses.

# LOLC (Cambodia) Plc.

## Notes to the condensed interim financial statements (continued) for the three-month and twelve-month periods ended 31 December 2024

### 5. Segment and revenue information

The Company has only one reportable segment, namely, interest income. The chief operating decision-maker (the management team) reviews the internal management report, which reports the performances of the interest income segment as a whole, to assess performance and allocate resources. The management team also reviews profit before tax and net profit as a whole compared to prior periods.

### 6. Investment securities at amortised cost

	31 December 2024 KHR'000	31 December 2023 KHR'000	31 December 2024 US\$ (Note 2(b))	31 December 2023 US\$ (Note 2(b))
Investment in government bonds	<u>3,339,960</u>	<u>-</u>	<u>829,804</u>	<u>-</u>

Investment in government bonds is measured at amortised cost. These government bonds have maturity term of 3 years effective from 28 June 2024 to 28 June 2027 and earned annual interest rate at 4.5%. As at 31 December 2024, there were no allowance for expected credit loss being recognised.

The Company has pledged government bonds amounting to KHR2,810,000 thousands as collateral for overdraft (31 December 2023 (negotiable certificate of deposits): KHR2,429,072 thousands).

### 7. Loans and advances at amortised cost

	31 December 2024 KHR'000	31 December 2023 KHR'000	31 December 2024 US\$ (Note 2(b))	31 December 2023 US\$ (Note 2(b))
Group loans	496,363,762	574,400,820	123,320,189	140,612,196
Individual loans	4,787,736,239	4,483,991,759	1,189,499,687	1,097,672,401
Staff loans	<u>32,264,541</u>	<u>33,588,984</u>	<u>8,016,035</u>	<u>8,222,517</u>
Total gross loans	5,316,364,542	5,091,981,563	1,320,835,911	1,246,507,114
Less: Allowance for expected credit loss	<u>(180,393,550)</u>	<u>(88,842,187)</u>	<u>(44,818,273)</u>	<u>(21,748,393)</u>
	<u>5,135,970,992</u>	<u>5,003,139,376</u>	<u>1,276,017,638</u>	<u>1,224,758,721</u>

## LOLC (Cambodia) Plc.

### Notes to the condensed interim financial statements (continued) for the three-month and twelve-month periods ended 31 December 2024

#### 7. Loans and advances at amortised cost (continued)

##### (a) Analysis by industry

	31 December 2024 KHR'000	31 December 2023 KHR'000	31 December 2024 US\$ (Note 2(b))	31 December 2023 US\$ (Note 2(b))
Agriculture	1,419,397,914	1,358,578,944	352,645,444	332,577,465
Household/family	1,417,524,512	1,361,399,479	352,180,003	333,267,926
Trade and commerce	998,980,153	979,429,343	248,193,827	239,762,385
Services	834,410,205	778,684,244	207,306,883	190,620,378
Manufacturing	367,318,354	334,987,960	91,259,218	82,004,397
Construction	201,516,695	206,357,866	50,066,260	50,516,001
Transportation	77,216,709	72,543,727	19,184,276	17,758,562
Total gross loans	<u>5,316,364,542</u>	<u>5,091,981,563</u>	<u>1,320,835,911</u>	<u>1,246,507,114</u>

##### b) Analysis by loan classification

	31 December 2024 KHR'000	31 December 2023 KHR'000	31 December 2024 US\$ (Note 2(b))	31 December 2023 US\$ (Note 2(b))
<i>Performing</i>				
Gross amount	<u>4,515,237,712</u>	<u>4,921,687,690</u>	<u>1,121,798,189</u>	<u>1,204,819,508</u>
Exposure at default	<u>4,515,237,712</u>	<u>4,921,687,690</u>	<u>1,121,798,189</u>	<u>1,204,819,508</u>
Allowance for expected credit loss	<u>(18,919,816)</u>	<u>(23,447,275)</u>	<u>(4,700,575)</u>	<u>(5,739,847)</u>
<i>Under-performing</i>				
Gross amount	<u>438,448,450</u>	<u>50,381,792</u>	<u>108,931,292</u>	<u>12,333,364</u>
Exposure at default	<u>438,448,450</u>	<u>50,381,792</u>	<u>108,931,292</u>	<u>12,333,364</u>
Allowance for expected credit loss	<u>(17,235,755)</u>	<u>(5,771,271)</u>	<u>(4,282,175)</u>	<u>(1,412,796)</u>
<i>Non-performing</i>				
Gross amount	<u>362,678,380</u>	<u>119,912,081</u>	<u>90,106,430</u>	<u>29,354,242</u>
Exposure at default	<u>362,678,380</u>	<u>119,912,081</u>	<u>90,106,430</u>	<u>29,354,242</u>
Allowance for expected credit loss	<u>(144,237,979)</u>	<u>(59,623,641)</u>	<u>(35,835,523)</u>	<u>(14,595,750)</u>
Total gross loans	<u>5,316,364,542</u>	<u>5,091,981,563</u>	<u>1,320,835,911</u>	<u>1,246,507,114</u>
Exposure at default	<u>5,316,364,542</u>	<u>5,091,981,563</u>	<u>1,320,835,911</u>	<u>1,246,507,114</u>
Allowance for expected credit loss	<u>(180,393,550)</u>	<u>(88,842,187)</u>	<u>(44,818,273)</u>	<u>(21,748,393)</u>



## LOLC (Cambodia) Plc.

### Notes to the condensed interim financial statements (continued) for the three-month and twelve-month periods ended 31 December 2024

#### 7. Loans and advances at amortised cost (continued)

##### (c) Analysis by maturity

	31 December 2024 KHR'000	31 December 2023 KHR'000	31 December 2024 US\$ (Note 2(b))	31 December 2023 US\$ (Note 2(b))
Not later than 1 year	247,274,938	246,252,875	61,434,766	60,282,222
Later than 1 year and no later than 3 years	1,124,803,455	1,207,365,443	279,454,275	295,560,696
Later than 3 years and no later than 5 years	1,524,075,244	1,578,918,479	378,652,235	386,516,152
Later than 5 years	<u>2,420,210,905</u>	<u>2,059,444,766</u>	<u>601,294,635</u>	<u>504,148,044</u>
Total gross loans	<u>5,316,364,542</u>	<u>5,091,981,563</u>	<u>1,320,835,911</u>	<u>1,246,507,114</u>

##### (d) Analysis by relationship

	31 December 2024 KHR'000	31 December 2023 KHR'000	31 December 2024 US\$ (Note 2(b))	31 December 2023 US\$ (Note 2(b))
Related parties (including staff loans)	32,264,541	33,588,984	8,016,035	8,222,518
Non-related parties	<u>5,284,100,001</u>	<u>5,058,392,579</u>	<u>1,312,819,876</u>	<u>1,238,284,596</u>
Total gross loans	<u>5,316,364,542</u>	<u>5,091,981,563</u>	<u>1,320,835,911</u>	<u>1,246,507,114</u>

##### (e) Analysis by residency

	31 December 2024 KHR'000	31 December 2023 KHR'000	31 December 2024 US\$ (Note 2(b))	31 December 2023 US\$ (Note 2(b))
Residents	5,316,364,542	5,091,981,563	1,320,835,911	1,246,507,114
Non-residents	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total gross loans	<u>5,316,364,542</u>	<u>5,091,981,563</u>	<u>1,320,835,911</u>	<u>1,246,507,114</u>

## LOLC (Cambodia) Plc.

### Notes to the condensed interim financial statements (continued) for the three-month and twelve-month periods ended 31 December 2024

#### 7. Loans and advances at amortised cost (continued)

##### (f) Interest rates

These loans and advances earn annual interest rates as below:

	31 December 2024	31 December 2023
Short term loans	6.75% - 18.00%	6.78% - 18.00%
Long term loans	<u>3% - 18.00%</u>	<u>6.78% - 18.00%</u>

##### (g) Allowance for expected credit loss

	31 December 2024 KHR'000	31 December 2023 KHR'000	31 December 2024 US\$ (Note 2(b))	31 December 2023 US\$ (Note 2(b))
12-month ECL (Stage 1)	18,919,816	23,447,275	4,700,575	5,739,847
Lifetime ECL-not credit impaired (Stage 2)	17,235,755	5,771,271	4,282,175	1,412,796
Lifetime ECL-credit impaired (Stage 3)	<u>144,237,979</u>	<u>59,623,641</u>	<u>35,835,523</u>	<u>14,595,750</u>
	<u>180,393,550</u>	<u>88,842,187</u>	<u>44,818,273</u>	<u>21,748,393</u>

## LOLC (Cambodia) Plc.

### Notes to the condensed interim financial statements (continued) for the three-month and twelve-month periods ended 31 December 2024

#### 7. Loans and advances at amortised cost (continued)

##### (h) Expected credit loss reconciliation – loans and advances

	Stage 1 12-month ECL KHR'000	Stage 2 Lifetime ECL not Credit-Impaired KHR'000	Stage 3 Lifetime ECL Credit-Impaired KHR'000	Total KHR'000
<b>Expected Credit Losses</b>				
Loss allowance as at 1 January 2024	23,447,275	5,771,271	59,623,641	88,842,187
<i>Changes due to exposure:</i>				
Transfer to stage 1	1,003,559	(449,157)	(554,402)	-
Transfer to stage 2	(2,997,261)	4,407,275	(1,410,014)	-
Transfer to stage 3	(4,698,057)	(3,345,245)	8,043,302	-
Net remeasurement of loss allowance (*)	332,199	9,615,312	86,160,064	96,107,575
New financial assets originated purchased	9,457,305	5,743,334	10,170,610	25,371,249
Financial assets derecognised during the period other than write off	(6,912,451)	(933,980)	(2,266,685)	(10,113,116)
Write-offs	(14,921)	(216,826)	(32,877,215)	(33,108,962)
Unwinding of discount (**)	-	-	7,771,542	7,771,542
Foreign exchange differences	(697,832)	(3,356,229)	9,577,136	5,523,075
Loss allowance as at 31 December 2024	<u>18,919,816</u>	<u>17,235,755</u>	<u>144,237,979</u>	<u>180,393,550</u>
<i>In US\$ equivalent (Note 2(b))</i>	<u>4,700,575</u>	<u>4,282,175</u>	<u>35,835,523</u>	<u>44,818,273</u>

(\*) Impact of the measurement of ECL due to changes in loss given default (LGD) and probability of default (PD) during the period arising from refreshing of inputs to models.

(\*\*) The unwinding of discount on Stage 3 loans is reported within 'Interest income' so that interest income is recognised on the amortised cost (after deducting the ECL allowance).

## LOLC (Cambodia) Plc.

### Notes to the condensed interim financial statements (continued) for the three-month and twelve-month periods ended 31 December 2024

#### 7. Loans and advances at amortised cost (continued)

##### (h) Expected credit loss reconciliation – loans and advances (continued)

	Stage 1 12-month ECL KHR'000	Stage 2 Lifetime ECL not Credit-Impaired KHR'000	Stage 3 Lifetime ECL Credit-Impaired KHR'000	Total KHR'000
<b>Gross carrying amount</b>				
Gross carrying amount as at 1 January 2024	4,921,687,690	50,381,792	119,912,081	5,091,981,563
<i>Changes due to financial instruments recognised:</i>				
Transfer to stage 1	5,949,651	(4,811,810)	(1,137,841)	-
Transfer to stage 2	(359,294,095)	362,753,813	(3,459,718)	-
Transfer to stage 3	(253,960,311)	(23,008,110)	276,968,421	-
New financial assets originated or purchased	1,942,547,059	63,839,065	40,362,100	2,046,748,224
Financial assets derecognised during the period other than write off	(1,741,632,384)	(10,222,805)	(5,167,627)	(1,757,022,816)
Write-offs	(59,898)	(483,495)	(64,799,036)	(65,342,429)
Gross carrying amount as at 31 December 2024	<u>4,515,237,712</u>	<u>438,448,450</u>	<u>362,678,380</u>	<u>5,316,364,542</u>
<i>In US\$ equivalent (Note 2(b))</i>	<u>1,121,798,189</u>	<u>108,931,292</u>	<u>90,106,430</u>	<u>1,320,835,911</u>

## LOLC (Cambodia) Plc.

### Notes to the condensed interim financial statements (continued) for the three-month and twelve-month periods ended 31 December 2024

#### 7. Loans and advances at amortised cost (continued)

##### (h) Expected credit loss reconciliation – loans and advances (continued)

	Stage 1 12-month ECL KHR'000	Stage 2 Lifetime ECL not Credit-Impaired KHR'000	Stage 3 Lifetime ECL Credit-Impaired KHR'000	Total KHR'000
<b>Expected Credit Losses</b>				
Loss allowance as at 1 January 2023	57,944,061	10,213,409	83,810,681	151,968,151
<i>Changes due to exposure:</i>				
Transfer to stage 1	5,814,773	(2,338,229)	(3,476,544)	-
Transfer to stage 2	(632,406)	2,599,952	(1,967,546)	-
Transfer to stage 3	(3,159,635)	(2,258,775)	5,418,410	-
Net remeasurement of loss allowance (*)	(60,013,529)	(1,788,978)	47,860,508	(13,941,999)
New financial assets originated or purchased	11,478,479	2,145,500	6,486,417	20,110,396
Financial assets derecognised during the period other than write off	(20,090,706)	(4,937,946)	(4,025,552)	(29,054,204)
Write-offs	-	(7,060)	(48,628,268)	(48,635,328)
Unwinding of discount (**)	-	-	(2,311,847)	(2,311,847)
Foreign exchange differences	32,106,238	2,143,398	(23,542,618)	10,707,018
Loss allowance as at 31 December 2023	<u>23,447,275</u>	<u>5,771,271</u>	<u>59,623,641</u>	<u>88,842,187</u>
<i>In US\$ equivalent (Note 2(b))</i>	<u>5,739,847</u>	<u>1,412,796</u>	<u>14,595,750</u>	<u>21,748,393</u>

(\*) Impact of the measurement of ECL due to changes in loss given default (LGD) and probability of default (PD) during the period arising from refreshing of inputs to models.

(\*\*) The unwinding of discount on Stage 3 loans is reported within 'Interest income' so that interest income is recognised on the amortised cost (after deducting the ECL allowance).

## LOLC (Cambodia) Plc.

### Notes to the condensed interim financial statements (continued) for the three-month and twelve-month periods ended 31 December 2024

#### 7. Loans and advances at amortised cost (continued)

##### (h) Expected credit loss reconciliation – loans and advances (continued)

	Stage 1 12-month ECL KHR'000	Stage 2 Lifetime ECL not Credit-Impaired KHR'000	Stage 3 Lifetime ECL Credit-Impaired KHR'000	Total KHR'000
<b>Gross carrying amount</b>				
Gross carrying amount as at 1 January 2023	4,948,939,886	73,840,698	135,912,040	5,158,692,624
<i>Changes due to financial instruments recognised:</i>				
Transfer to stage 1	20,862,635	(11,885,640)	(8,976,995)	-
Transfer to stage 2	(24,081,754)	29,380,068	(5,298,314)	-
Transfer to stage 3	(68,701,734)	(9,720,799)	78,422,533	-
New financial assets originated or purchased	1,791,964,697	929,980	11,975,664	1,804,870,341
Financial assets derecognised during the period other than write off	(1,747,296,040)	(32,154,410)	(9,093,753)	(1,788,544,203)
Write-offs	-	(8,105)	(83,029,094)	(83,037,199)
Gross carrying amount as at 31 December 2023	<u>4,921,687,690</u>	<u>50,381,792</u>	<u>119,912,081</u>	<u>5,091,981,563</u>
<i>In US\$ equivalent (Note 2(b))</i>	<u>1,204,819,508</u>	<u>12,333,364</u>	<u>29,354,242</u>	<u>1,246,507,114</u>

#### 8. Statutory deposits with the National Bank of Cambodia

	Note	31 December 2024 KHR'000	31 December 2023 KHR'000	31 December 2024 US\$ (Note 2(b))	31 December 2023 US\$ (Note 2(b))
Capital guarantee	(a)	42,437,740	42,437,740	10,543,538	10,388,676
Reserve requirement	(b)	297,430,650	329,174,021	73,895,814	80,581,155
		<u>339,868,390</u>	<u>371,611,761</u>	<u>84,439,352</u>	<u>90,969,831</u>

## **LOLC (Cambodia) Plc.**

### **Notes to the condensed interim financial statements (continued) for the three-month and twelve-month periods ended 31 December 2024**

#### **8. Statutory deposits with the National Bank of Cambodia (continued)**

##### **(a) Capital guarantee**

Under Prakas No. B7-07-163 dated 13 December 2007 on Licensing of Deposit-Taking Microfinance Institutions, the Company is required to maintain a capital guarantee deposit equivalent to 10% of registered capital with the NBC. The capital guarantee deposit earns annual interest rate at 3% (31 December 2023: 3%) during the periods.

##### **(b) Reserve requirement**

This represents the minimum reserve requirement which is calculated at 7% of the total deposits from customers (31 December 2023: 7%) as required by the NBC's Prakas No. B7-07-163. The reserve requirement fluctuates depending on the level of deposits from customers and does not earn interest.

On 9 January 2023, the NBC announced, through Prakas No.B7-023-005, to increase of the Reserve Requirements Rate ("RRR") to 9% and 12.5% for foreign currencies deposits and borrowings, which is effective from 1 January 2023 to 31 December 2023, and from 1 January 2024 onward, respectively. While the RRR for local currency deposits and borrowings will remain at 7%. On 28 February 2023, the NBC announced through NBC letter B7-023-438 to delay in implementation of the reserve requirement against borrowings at daily average balance until 1 September 2023.

On 23 November 2023, the NBC has approved and allows the institutions to maintain reserve requirement at the rate of 7% until 31 December 2024.

In addition, on 21 August 2024, the NBC had issued another letter No.B7-024-1718 Chhor Tor allows institutions to continue maintaining reserve requirement at the rate of 7% until 31 December 2025.

## LOLC (Cambodia) Plc.

### Notes to the condensed interim financial statements (continued) for the three-month and twelve-month periods ended 31 December 2024

#### 9. Property and equipment

2024	Furniture and equipment KHR'000	Motor vehicles KHR'000	Computer equipment KHR'000	Leasehold improvements KHR'000	KHR'000	Total US\$ (Note 2(b))
<b>Cost</b>						
At 1 January	6,407,983	12,513,234	22,010,611	2,552,863	43,484,691	10,644,967
Additions	718,829	855,946	1,020,584	299,094	2,894,453	710,993
Disposals	(147,277)	(955,702)	(389,466)	(2,086)	(1,494,531)	(367,116)
Currency translation difference	-	-	-	-	-	162,613
At 31 December	<u>6,979,535</u>	<u>12,413,478</u>	<u>22,641,729</u>	<u>2,849,871</u>	<u>44,884,613</u>	<u>11,151,457</u>
<b>Less: Accumulated depreciation</b>						
At 1 January	4,581,990	10,586,562	14,471,174	1,699,449	31,339,175	7,671,769
Depreciation for the period	1,005,878	785,188	3,381,266	231,399	5,403,731	1,327,372
Disposals	(141,664)	(955,702)	(383,790)	(1,682)	(1,482,838)	(364,244)
Currency translation difference	-	-	-	-	-	125,368
At 31 December	<u>5,446,204</u>	<u>10,416,048</u>	<u>17,468,650</u>	<u>1,929,166</u>	<u>35,260,068</u>	<u>8,760,265</u>
<b>Carrying amounts</b>						
At 1 January	<u>1,825,993</u>	<u>1,926,672</u>	<u>7,539,437</u>	<u>853,414</u>	<u>12,145,516</u>	<u>2,973,198</u>
At 31 December	<u>1,533,331</u>	<u>1,997,430</u>	<u>5,173,079</u>	<u>920,705</u>	<u>9,624,545</u>	<u>2,391,192</u>



## LOLC (Cambodia) Plc.

### Notes to the condensed interim financial statements (continued) for the three-month and twelve-month periods ended 31 December 2024

#### 9. Property and equipment (continued)

2023	Furniture and equipment KHR'000	Motor vehicles KHR'000	Computer equipment KHR'000	Leasehold improvements KHR'000	Total KHR'000	US\$ (Note 2(b))
<b>Cost</b>						
At 1 January	4,705,627	13,905,072	15,942,656	2,366,310	36,919,665	8,967,614
Additions	1,862,668	685,631	6,517,690	190,616	9,256,605	2,252,215
Disposals	(160,312)	(2,077,469)	(449,735)	(4,063)	(2,691,579)	(654,885)
Currency translation difference	-	-	-	-	-	80,023
At 31 December	<u>6,407,983</u>	<u>12,513,234</u>	<u>22,010,611</u>	<u>2,552,863</u>	<u>43,484,691</u>	<u>10,644,967</u>
<b>Less: Accumulated depreciation</b>						
At 1 January	3,986,758	11,921,287	12,745,490	1,421,006	30,074,541	7,304,965
Depreciation for the period	752,945	731,044	2,174,023	282,439	3,940,451	958,747
Disposals	(157,713)	(2,065,769)	(448,339)	(3,996)	(2,675,817)	(651,050)
Currency translation difference	-	-	-	-	-	59,107
At 31 December	<u>4,581,990</u>	<u>10,586,562</u>	<u>14,471,174</u>	<u>1,699,449</u>	<u>31,339,175</u>	<u>7,671,769</u>
<b>Carrying amounts</b>						
At 1 January	<u>718,869</u>	<u>1,983,785</u>	<u>3,197,166</u>	<u>945,304</u>	<u>6,845,124</u>	<u>1,662,649</u>
At 31 December	<u>1,825,993</u>	<u>1,926,672</u>	<u>7,539,437</u>	<u>853,414</u>	<u>12,145,516</u>	<u>2,973,198</u>

## LOLC (Cambodia) Plc.

### Notes to the condensed interim financial statements (continued) for the three-month and twelve-month periods ended 31 December 2024

#### 10. Leases

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

The Company leases various buildings for its head office and branch operation. Rental contracts are typically made for fixed periods of one to twelve years. The leases have varying terms, escalation clauses and renewal rights. On renewal, the terms of the leases are renegotiated.

##### (i) Amounts recognised in the statement of financial position

	31 December 2024 KHR'000	31 December 2023 KHR'000	31 December 2024 US\$ (Note 2(b))	31 December 2023 US\$ (Note 2(b))
<i>Right-of-use assets (Non-current)</i>				
Buildings	<u>30,640,659</u>	<u>28,661,010</u>	<u>7,612,586</u>	<u>7,016,159</u>
<i>Lease liabilities</i>				
Current	6,380,120	5,733,058	1,585,123	1,403,441
Non-current	<u>22,479,645</u>	<u>21,748,608</u>	<u>5,585,005</u>	<u>5,324,017</u>
	<u>28,859,765</u>	<u>27,481,666</u>	<u>7,170,128</u>	<u>6,727,458</u>

Right-of-use assets' additions during the period were KHR9,641,610 thousand (2023: KHR7,284,149 thousand).

## LOLC (Cambodia) Plc.

### Notes to the condensed interim financial statements (continued) for the three-month and twelve-month periods ended 31 December 2024

#### 10. Leases (continued)

##### (ii) Amounts recognised in the statement of profit or loss

The statement of profit or loss shows the following amounts relating to leases:

	Three-month period ended				Twelve-month period ended			
	31 December 2024 KHR'000	31 December 2023 KHR'000	31 December 2024 US\$ (Note 2(b))	31 December 2023 US\$ (Note 2(b))	31 December 2024 KHR'000	31 December 2023 KHR'000	31 December 2024 US\$ (Note 2(b))	31 December 2023 US\$ (Note 2(b))
<i>Depreciation of right-of-use assets</i>								
Buildings	1,839,351	1,792,744	454,947	435,238	7,213,556	6,763,548	1,771,937	1,645,632
Interest expense (Note 18)	586,151	567,345	144,979	137,738	2,245,287	2,117,106	551,531	515,111
Expense relating to short-term lease and leases of low-value assets (included in operating expenses)	2,550,698	2,422,478	630,892	588,123	9,869,372	9,214,371	2,424,311	2,241,939
Total expenses related to leases	4,976,200	4,782,567	1,230,818	1,161,099	19,328,215	18,095,025	4,747,779	4,402,682

Total cash outflow for lease during the period was KHR19,954,160 thousand (2023: KHR17,262,713 thousand).

# LOLC (Cambodia) Plc.

## Notes to the condensed interim financial statements (continued) for the three-month and twelve-month periods ended 31 December 2024

### 11. Intangible assets

<b>2024</b>	<b>Software and license KHR'000</b>	<b>Work in progress KHR'000</b>	<b>Total KHR'000</b>	<b>US\$ (Note 2(b))</b>
<b>Cost</b>				
At 1 January	15,753,537	1,719,829	17,473,366	4,277,446
Additions	1,172,767	5,122,388	6,295,155	1,546,341
Transfers	6,522,697	(6,522,697)	-	-
Write-off	-	(192,585)	(192,585)	(47,307)
Currency translation difference	-	-	-	80,895
At 31 December	<u>23,449,001</u>	<u>126,935</u>	<u>23,575,936</u>	<u>5,857,375</u>
<b>Less: Accumulated amortisation</b>				
At 1 January	9,655,272	-	9,655,272	2,363,592
Amortisation for the period	2,106,459	-	2,106,459	517,430
Currency translation difference	-	-	-	41,147
At 31 September	<u>11,761,731</u>	<u>-</u>	<u>11,761,731</u>	<u>2,922,169</u>
<b>Carrying amounts</b>				
At 1 January	<u>6,098,265</u>	<u>1,719,829</u>	<u>7,818,094</u>	<u>1,913,854</u>
At 31 December	<u>11,687,270</u>	<u>126,935</u>	<u>11,814,205</u>	<u>2,935,206</u>
<b>2023</b>				
<b>Cost</b>				
At 1 January	14,132,015	316,425	14,448,440	3,509,458
Additions	1,462,985	1,561,941	3,024,926	735,992
Transfers	158,537	(158,537)	-	-
Currency translation difference	-	-	-	31,996
At 31 December	<u>15,753,537</u>	<u>1,719,829</u>	<u>17,473,366</u>	<u>4,277,446</u>
<b>Less: Accumulated amortisation</b>				
At 1 January	6,158,105	-	6,158,105	1,495,775
Amortisation for the period	3,497,167	-	3,497,167	850,893
Currency translation difference	-	-	-	16,924
At 31 December	<u>9,655,272</u>	<u>-</u>	<u>9,655,272</u>	<u>2,363,592</u>
<b>Carrying amounts</b>				
At 1 January	<u>7,973,910</u>	<u>316,425</u>	<u>8,290,335</u>	<u>2,013,683</u>
At 31 December	<u>6,098,265</u>	<u>1,719,829</u>	<u>7,818,094</u>	<u>1,913,854</u>

## LOLC (Cambodia) Plc.

### Notes to the condensed interim financial statements (continued) for the three-month and twelve-month periods ended 31 December 2024

#### 12. Deposits from banks and other financial institutions

	31 December 2024 KHR'000	31 December 2023 KHR'000	31 December 2024 US\$ (Note 2(b))	31 December 2023 US\$ (Note 2(b))
Savings deposits	10,517,544	3,195,172	2,613,055	782,172
Fixed deposits	326,439,145	190,380,690	81,102,893	46,604,820
	<u>336,956,689</u>	<u>193,575,862</u>	<u>83,715,948</u>	<u>47,386,992</u>
	31 December 2024 KHR'000	31 December 2023 KHR'000	31 December 2024 US\$ (Note 2(b))	31 December 2023 US\$ (Note 2(b))
Current	336,956,689	193,575,862	83,715,948	47,386,992
Non-current	-	-	-	-
	<u>336,956,689</u>	<u>193,575,862</u>	<u>83,715,948</u>	<u>47,386,992</u>

The annual interest rate for deposits from banks and other financial institutions are as below:

	<u>31 December 2024</u>	<u>31 December 2023</u>
Savings deposits	0.00% - 3.00%	1.00% - 3.00%
Fixed deposits	3.75% - 6.25%	5.00% - 7.90%

#### 13. Deposits from customers

	31 December 2024 KHR'000	31 December 2023 KHR'000	31 December 2024 US\$ (Note 2(b))	31 December 2023 US\$ (Note 2(b))
Savings deposits	233,005,254	198,741,416	57,889,504	48,651,509
Fixed deposits	3,460,588,493	3,300,187,159	859,773,539	807,879,354
	<u>3,693,593,747</u>	<u>3,498,928,575</u>	<u>917,663,043</u>	<u>856,530,863</u>

## LOLC (Cambodia) Plc.

### Notes to the condensed interim financial statements (continued) for the three-month and twelve-month periods ended 31 December 2024

#### 13. Deposits from customers (continued)

	31 December 2024 KHR'000	31 December 2023 KHR'000	31 December 2024 US\$ (Note 2(b))	31 December 2023 US\$ (Note 2(b))
Current	3,255,384,361	3,168,407,625	808,791,146	775,619,982
Non-current	<u>438,209,386</u>	<u>330,520,950</u>	<u>108,871,897</u>	<u>80,910,881</u>
	<u>3,693,593,747</u>	<u>3,498,928,575</u>	<u>917,663,043</u>	<u>856,530,863</u>

The annual interest rate for deposits from customers are as below:

	31 December 2024	31 December 2023
Savings deposits	0.00% - 5.00%	0.00% - 5.00%
Fixed deposits	<u>2.75% - 9.13%</u>	<u>2.90% - 9.40%</u>

#### 14. Borrowings

As at 31 December 2024, the Company is in breach of covenants of ten lenders, of which the actual performance ratio exceeded the limit and the related borrowings amount as follows:

	Limit	Actual	31 December 2024 KHR'000	31 December 2024 US\$ (Note 2(b))
Provisioning PAR(*) 90 days	<= 12%	13.79%	27,648,731	6,869,250
Provisioning PAR(*) 90 days	<= 5%	5.54%	14,965,825	3,718,217
Provision ratio	>= 100%	53.36%	68,261,769	16,959,446
Non-performing loan	<= 5%	7.20%	14,255,570	3,541,757
Restructured loan	<= 8%	10.37%	37,818,984	9,396,021
PAR(*) 30 days plus economic recovery restructured loan	<= 6%	15.24%	20,056,174	4,982,900
PAR(*) 30 days excluded economic recovery restructured loan	<= 6.5%	7.95%	12,307,098	3,057,664
PAR(*) 30 days plus net charge-offs last 12 months	<= 9%	9.04%	36,826,652	9,149,479
PAR(*) 30 days excludes Covid 19 restructured loan	<= 15%	15.24%	38,064,718	9,457,073
PAR(*) 30 days plus restructured loan and write-off last 12 months	<= 15%	16.65%	17,635,374	4,381,459
PAR(*) 30 days plus economic recovery restructured loan and write-off last 12 months	<u>&lt;= 7%</u>	<u>16.21%</u>	<u>40,613,038</u>	<u>10,090,196</u>

(\*) Portfolio at risk

## LOLC (Cambodia) Plc.

### Notes to the condensed interim financial statements (continued) for the three-month and twelve-month periods ended 31 December 2024

#### 14. Borrowings (continued)

As of the date of these condensed interim financial statements, the non-current liabilities portion of KHR143,889,030 thousands (equivalent to US\$35,748,827) had been reclassified to current liabilities.

Borrowings are further analysed as follows:

	31 December 2024 KHR'000	31 December 2023 KHR'000	31 December 2024 US\$ (Note 2(b))	31 December 2023 US\$ (Note 2(b))
Current	495,942,606	426,603,927	123,215,555	104,431,806
Non-current	96,536,310	457,492,173	23,984,176	111,993,188
	<u>592,478,916</u>	<u>884,096,100</u>	<u>147,199,731</u>	<u>216,424,994</u>

The annual interest rates are ranging from 5.38% to 8.20% (2023: 5.25% to 8.20%).

All the borrowings are unsecured.

#### 15. Subordinated debts

As at 31 December 2024, the Company is in breach of covenants of six lenders, of which the actual performance ratio exceeded the limit and the related subordinated debts amount as follows:

	Limit	Actual	31 December 2024 KHR'000	31 December 2024 US\$ (Note 2(b))
Uncovered capital ratio	<= 25%	37.35%	24,133,547	5,995,912
PAR(*) 90 days	<= 12%	13.79%	8,233,034	2,045,474
Provision ratio/ risk coverage ratio	>= 100%	53.36%	90,007,024	22,361,994
PAR(*) 30 days	<= 5%	7.95%	34,236,841	8,506,048
PAR(*) 30 days	<= 7%	7.95%	22,415,310	5,569,021
PAR(*) 30 days plus economic recovery restructured loan	<= 9%	15.24%	34,236,841	8,506,048
PAR(*) 30 days plus restructured loan	<= 15%	15.64%	22,415,310	5,569,021
PAR(*) 30 days excludes Covid 19 restructured loan	<= 11%	15.24%	16,395,887	4,073,512
PAR(*) 30 days plus economic recovery restructured loan and write-off last 12 months	<= 7%	16.21%	<u>47,537,149</u>	<u>11,810,472</u>

(\*) Portfolio at risk

As of the date of these condensed interim financial statements, the non-current liabilities portion of KHR103,863,120 thousands (equivalent to US\$25,804,502) had been reclassified to current liabilities.

# LOLC (Cambodia) Plc.

## Notes to the condensed interim financial statements (continued) for the three-month and twelve-month periods ended 31 December 2024

### 15. Subordinated debts (continued)

	31 December 2024 KHR'000	31 December 2023 KHR'000	31 December 2024 US\$ (Note 2(b))	31 December 2023 US\$ (Note 2(b))
Current	174,948,657	72,213,624	43,465,505	17,677,754
Non-current	4,029,620	181,539,551	1,001,148	44,440,526
	<u>178,978,277</u>	<u>253,753,175</u>	<u>44,466,653</u>	<u>62,118,280</u>

During the period, the Company repaid subordinated debts to various financial institutions amounting to KHR71,111,400 thousand (2023: KHR54,382,800 thousand). The annual interest rates are ranging from 7.50% to 10.47% (2023: 7.50% to 10.47%).

### 16. Share capital

#### A. Share capital

The total number of authorised shares of the Company as at 31 December 2024 was 4,243,774 shares (2023: 4,243,774 shares) with a par value of KHR100 thousand per share (2023: KHR100 thousand). All authorised shares are issued and fully paid up.

The detail of shareholders and shareholding structure are as follows:

	31 December 2024/31 December 2023		
	%	Number of shares	KHR'000
<b>Shareholders:</b>			
LOLC Asia Private Limited	97	4,115,192	411,519,200
TPC-ESOP Co., Ltd	3	128,582	12,858,200
	<u>100</u>	<u>4,243,774</u>	<u>424,377,400</u>
In US\$ equivalent (Note 2(b))			<u>103,969,218</u>

#### B. Dividend

On 14 February 2024, the Board of Directors approved for a dividend to be paid to its shareholders amounting to KHR53,895,930 thousand (2023: KHR10,096,982 thousand). The dividend distribution was approved by the National Bank of Cambodia on 18 April 2024 and was paid to the shareholders on 16 May 2024.



## **LOLC (Cambodia) Plc.**

### **Notes to the condensed interim financial statements (continued) for the three-month and twelve-month periods ended 31 December 2024**

#### **17. Other reserves**

Other reserves represented the variance of allowance between loan and advances impairment loss in accordance with CIFRSs or NBC provision whichever is higher and loan and advances allowance covering 100% risk coverage ratio of Non-Performing Loan “PAR 90 days” in accordance with lender covenants.

As at 31 December 2024, the Company transferred from retained earnings to other reserves accumulatively amounting to KHR131,611,428 thousands (equivalent to US\$32,679,791) (31 December 2023: KHR5,124,641 thousands (equivalent to US\$1,254,502)).

## LOLC (Cambodia) Plc.

### Notes to the condensed interim financial statements (continued) for the three-month and twelve-month periods ended 31 December 2024

#### 18. Net interest income

	Three-month period ended				Twelve-month period ended			
	31 December 2024 KHR'000	31 December 2023 KHR'000	31 December 2024 US\$ (Note 2(b))	31 December 2023 US\$ (Note 2(b))	31 December 2024 KHR'000	31 December 2023 KHR'000	31 December 2024 US\$ (Note 2(b))	31 December 2023 US\$ (Note 2(b))
<i>Interest income from financial assets at amortised cost</i>								
Loans and advances	217,299,286	209,546,641	53,747,041	50,873,183	872,428,575	881,228,658	214,303,262	214,410,866
Deposits and placements with banks	3,823,217	3,373,305	945,639	818,962	15,351,255	8,705,508	3,770,881	2,118,128
Deposits and placements with the central bank	328,481	338,626	81,247	82,211	1,333,572	1,171,778	327,577	285,104
Deposits and placements with the central bank	33,621	-	8,315	-	67,997	-	16,703	-
Total interest income	<u>221,484,605</u>	<u>213,258,572</u>	<u>54,782,242</u>	<u>51,774,356</u>	<u>889,181,399</u>	<u>891,105,944</u>	<u>218,418,423</u>	<u>216,814,098</u>
<i>Interest expense on financial liabilities at amortised cost</i>								
Deposits from customers and banks and other financial institutions	(66,027,081)	(70,344,556)	(16,331,210)	(17,078,067)	(273,204,776)	(246,902,950)	(67,109,992)	(60,073,710)
Borrowings	(11,083,337)	(16,919,383)	(2,741,365)	(4,107,643)	(49,645,014)	(76,333,731)	(12,194,796)	(18,572,684)
Subordinated debts	(4,721,776)	(6,780,319)	(1,167,889)	(1,646,108)	(22,061,920)	(28,862,650)	(5,419,288)	(7,022,543)
Lease liabilities	(586,151)	(567,345)	(144,979)	(137,738)	(2,245,287)	(2,117,106)	(551,531)	(515,111)
	<u>(82,418,345)</u>	<u>(94,611,603)</u>	<u>(20,385,443)</u>	<u>(22,969,556)</u>	<u>(347,156,997)</u>	<u>(354,216,437)</u>	<u>(85,275,607)</u>	<u>(86,184,048)</u>
Net interest income	<u>139,066,260</u>	<u>118,646,969</u>	<u>34,396,799</u>	<u>28,804,800</u>	<u>542,024,402</u>	<u>536,889,507</u>	<u>133,142,816</u>	<u>130,630,050</u>

## LOLC (Cambodia) Plc.

### Notes to the condensed interim financial statements (continued) for the three-month and twelve-month periods ended 31 December 2024

#### 19. (Reversal)/credit impairment losses

	Three-month period ended				Twelve-month period ended			
	31 December 2024 KHR'000	31 December 2023 KHR'000	31 December 2024 US\$ (Note 2(b))	31 December 2023 US\$ (Note 2(b))	31 December 2024 KHR'000	31 December 2023 KHR'000	31 December 2024 US\$ (Note 2(b))	31 December 2023 US\$ (Note 2(b))
<i>Expected Credit Loss (ECL):</i>								
Loans and advances	(18,087,174)	(111,932,009)	(4,473,701)	(27,174,559)	111,365,708	(22,885,807)	27,355,860	(5,568,323)
Deposits and placements with banks	700,998	690,568	173,385	167,654	(678,551)	3,285,449	(166,679)	799,379
	<u>(17,386,176)</u>	<u>(111,241,441)</u>	<u>(4,300,316)</u>	<u>(27,006,905)</u>	<u>110,687,157</u>	<u>(19,600,358)</u>	<u>27,189,181</u>	<u>(4,768,944)</u>

#### 20. Personnel expenses

	Three-month period ended				Twelve-month period ended			
	31 December 2024 KHR'000	31 December 2023 KHR'000	31 December 2024 US\$ (Note 2(b))	31 December 2023 US\$ (Note 2(b))	31 December 2024 KHR'000	31 December 2023 KHR'000	31 December 2024 US\$ (Note 2(b))	31 December 2023 US\$ (Note 2(b))
Salaries and wage expenses	37,577,676	45,696,312	9,294,503	11,094,031	138,007,862	136,762,870	33,900,236	33,275,637
Other benefits	1,853,153	2,285,643	458,361	554,902	11,473,492	11,708,809	2,818,348	2,848,859
	<u>39,430,829</u>	<u>47,981,955</u>	<u>9,752,864</u>	<u>11,648,933</u>	<u>149,481,354</u>	<u>148,471,679</u>	<u>36,718,584</u>	<u>36,124,496</u>

## LOLC (Cambodia) Plc.

### Notes to the condensed interim financial statements (continued) for the three-month and twelve-month periods ended 31 December 2024

#### 21. Income tax expense

##### (a) Income tax expense

	Three-month period ended				Twelve-month period ended			
	31 December 2024 KHR'000	31 December 2023 KHR'000	31 December 2024 US\$ (Note 2(b))	31 December 2023 US\$ (Note 2(b))	31 December 2024 KHR'000	31 December 2023 KHR'000	31 December 2024 US\$ (Note 2(b))	31 December 2023 US\$ (Note 2(b))
Current income tax	39,073	9,386,119	9,664	2,278,737	36,609,129	59,688,878	8,992,663	14,522,841
Deferred income tax	16,133,480	19,173,635	3,990,473	4,654,925	6,084,201	9,316,235	1,494,522	2,266,724
	<u>16,172,553</u>	<u>28,559,754</u>	<u>4,000,137</u>	<u>6,933,662</u>	<u>42,693,330</u>	<u>69,005,113</u>	<u>10,487,185</u>	<u>16,789,565</u>

##### (b) Reconciliation between income tax expenses and accounting profit

	Three-month period ended				Twelve-month period ended			
	31 December 2024 KHR'000	31 December 2023 KHR'000	31 December 2024 US\$ (Note 2(b))	31 December 2023 US\$ (Note 2(b))	31 December 2024 KHR'000	31 December 2023 KHR'000	31 December 2024 US\$ (Note 2(b))	31 December 2023 US\$ (Note 2(b))
Profit before income tax	79,381,236	145,010,221	19,634,240	35,205,201	205,537,202	339,091,115	50,488,137	82,503,922
Tax expenses at 20%	15,876,247	29,002,044	3,926,848	7,041,039	41,107,440	67,818,223	10,097,627	16,500,784
Tax effect of reconciling items:								
Expenses not deductible for tax purposes	6,915	115,576	1,710	28,060	538,022	728,854	132,160	177,337
Others	289,391	(557,866)	71,579	(135,437)	1,047,868	458,036	257,398	111,444
Income tax expense	<u>16,172,553</u>	<u>28,559,754</u>	<u>4,000,137</u>	<u>6,933,662</u>	<u>42,693,330</u>	<u>69,005,113</u>	<u>10,487,185</u>	<u>16,789,565</u>

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

## LOLC (Cambodia) Plc.

### Notes to the condensed interim financial statements (continued) for the three-month and twelve-month periods ended 31 December 2024

#### 22. Cash (used in)/generated from operations

	Twelve-month period ended			
	31 December 2024 KHR'000	31 December 2023 KHR'000	31 December 2024 US\$ (Note 2(b))	31 December 2023 US\$ (Note 2(b))
Profit before income tax	205,537,202	339,091,115	50,488,137	82,503,922
<i>Adjustments for:</i>				
Depreciation and amortisation charge	14,723,746	14,201,166	3,616,739	3,455,272
Credit impairment losses	110,687,157	(19,600,358)	27,189,181	(4,768,944)
Net losses/(gains) on derecognition of financial assets measured at amortised cost	25,999,966	29,849,686	6,386,629	7,262,697
Gain on disposals of property and equipment	(279,637)	(535,095)	(68,690)	(130,193)
Written off on intangible assets	192,585	-	47,307	-
Provision employee benefits	7,270,445	7,143,981	1,785,911	1,738,195
Unrealised exchange gains	(5,294,780)	(2,452,700)	(1,300,609)	(596,764)
Net interest income (Note 18)	(542,024,402)	(536,889,507)	(133,142,816)	(130,630,050)
<i>Changes in working capital:</i>				
Reserve requirement deposits	31,743,371	(80,798,761)	7,797,438	(19,659,066)
Loans and advances	(244,782,011)	(5,896,944)	(60,128,227)	(1,434,780)
Other assets	(108,763)	932,681	(26,717)	226,930
Deposits from banks and other financial institutions	143,380,827	69,033,545	35,220,051	16,796,483
Deposits from customers	203,329,158	447,560,028	49,945,752	108,895,384
Other liabilities	(1,919,232)	(5,357,055)	(471,440)	(1,303,420)
Cash (used in)/generated from operations	<u>(51,544,368)</u>	<u>256,281,782</u>	<u>(12,661,354)</u>	<u>62,355,666</u>

## LOLC (Cambodia) Plc.

### Notes to the condensed interim financial statements (continued) for the three-month and twelve-month periods ended 31 December 2024

#### 22. Cash (used in)/generated from operations

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

	31 December 2024 KHR'000	31 December 2023 KHR'000	31 December 2024 US\$ (Note 2(b))	31 December 2023 US\$ (Note 2(b))
Cash on hand	108,021,390	124,372,008	26,837,612	30,446,024
<i>Balances with the NBC</i>				
Current accounts	151,610,099	96,106,522	37,667,105	23,526,688
Settlement accounts	67,783,263	33,309,182	16,840,562	8,154,023
<i>Balances with other banks</i>				
Current accounts	170,685,773	272,879,251	42,406,403	66,800,306
Savings accounts	157,125,366	203,438,836	39,037,358	49,801,429
Term deposits (original maturity up to three months)	189,974,447	202,222,014	47,198,620	49,503,553
	<u>845,200,338</u>	<u>932,327,813</u>	<u>209,987,660</u>	<u>228,232,023</u>

#### 23. Related party transactions and balances

The Company entered into a number of transactions with related parties in the normal course of business. The volumes of related party transactions, outstanding balance at the period end and relating expenses and income for the period are as follows:

##### (a) Related parties and relationship

The related parties of and their relationship with the Company are as follows:

Relationship	Related party
Ultimate parent	LOLC Holdings Plc.
Shareholders	LOLC Asia Private Limited TPC-ESOP Co., Ltd.
Related company	Entity under the same parent company
Key management personnel	All directors of the Company who make critical decisions in relation to the strategic direction of the Company and senior management staff (including their close family members)

## LOLC (Cambodia) Plc.

### Notes to the condensed interim financial statements (continued) for the three-month and twelve-month periods ended 31 December 2024

#### 23. Related party transactions and balances (continued)

##### (b) Loans and advances to key management personnel

	31 December 2024 KHR'000	31 December 2023 KHR'000	31 December 2024 US\$ (Note 2(b))	31 December 2023 US\$ (Note 2(b))
Loans to key management personnel	2,895,100	4,369,644	719,280	1,069,680
Interest income	289,310	259,160	71,066	63,056

Loans and advances to key management personnel are secured and having interest rate range from 7.66% to 14.40% (2023: 6.78% to 14.40%) per annum. Allowances for expected credit losses for loans to key management personnel during the period was KHR473 thousand (2023: KHR4,541 thousand).

##### (c) Related party balances

	31 December 2024 KHR'000	31 December 2023 KHR'000	31 December 2024 US\$ (Note 2(b))	31 December 2023 US\$ (Note 2(b))
Payables to related companies	2,210,336	1,140,781	549,152	279,261

##### Deposits from related parties

	31 December 2024 KHR'000	31 December 2023 KHR'000	31 December 2024 US\$ (Note 2(b))	31 December 2023 US\$ (Note 2(b))
Shareholders	100,670	95,771	25,011	23,445
Board of directors	2,224,157	1,936,539	552,586	474,061
Key management personnel	18,242,169	13,912,464	4,532,216	3,405,744
Related companies	1,168,501	187,003	290,311	45,778
	<u>21,735,497</u>	<u>16,131,777</u>	<u>5,400,124</u>	<u>3,949,028</u>
Interest payables	756,582	403,812	187,971	98,852
Interest expense	<u>1,066,272</u>	<u>878,805</u>	<u>261,919</u>	<u>213,821</u>

## LOLC (Cambodia) Plc.

### Notes to the condensed interim financial statements (continued) for the three-month and twelve-month periods ended 31 December 2024

#### 23. Related party transactions and balances (continued)

##### (c) Related party balances (continued)

Annual interest rates during the period are as follows:

	<b>31 December 2024</b>	<b>31 December 2023</b>
Shareholders	3.00% - 7.00%	3.00% - 8.50%
Board of directors	3.00% - 7.75%	3.00% - 8.75%
Key management personnel	0.00% - 9.13%	1.00% - 9.13%
Related companies	<u>0.00% - 3.00%</u>	<u>1.00% - 3.00%</u>



## LOLC (Cambodia) Plc.

### Notes to the condensed interim financial statements (continued) for the three-month and twelve-month periods ended 31 December 2024

#### 23. Related party transactions and balances (continued)

##### (d) Transactions with related parties

	Three-month period ended				Twelve-month period ended			
	31 December 2024 KHR'000	31 December 2023 KHR'000	31 December 2024 US\$ (Note 2(b))	31 December 2023 US\$ (Note 2(b))	31 December 2024 KHR'000	31 December 2023 KHR'000	31 December 2024 US\$ (Note 2(b))	31 December 2023 US\$ (Note 2(b))
<i>(i) Incomes from related companies:</i>								
Rental income	-	13,840	-	3,360	19,708	57,951	4,841	14,100
Management fee income	50,546	65,521	12,502	15,907	203,530	190,330	49,995	46,309
IT service fee income	-	71,830	-	17,477	-	71,830	-	17,477
Insurance commission incomes	2,132,725	2,046,233	527,511	496,779	8,120,615	4,362,366	1,994,747	1,061,403
	<u>2,183,271</u>	<u>2,125,594</u>	<u>540,013</u>	<u>516,046</u>	<u>8,343,853</u>	<u>4,682,477</u>	<u>2,049,583</u>	<u>1,139,289</u>
<i>(ii) Expenses to related companies:</i>								
License fees	1,573,830	158,054	389,273	38,372	2,113,479	630,836	519,155	153,488
IT consultancy and support fees	697,898	342,907	172,619	83,250	1,805,769	854,436	443,569	207,892
Rental expense	-	-	-	-	-	6,782	-	1,650
	<u>2,271,728</u>	<u>500,961</u>	<u>561,892</u>	<u>121,622</u>	<u>3,919,248</u>	<u>1,492,054</u>	<u>962,724</u>	<u>363,030</u>
<i>(iii) Interest income/expense</i>								
Interest income	61,554	60,825	15,225	14,767	289,310	259,160	71,066	63,056
Interest expense	<u>106,525</u>	<u>307,080</u>	<u>26,348</u>	<u>74,552</u>	<u>1,066,272</u>	<u>878,805</u>	<u>261,919</u>	<u>213,821</u>

Transactions with related parties were made on normal commercial terms and conditions.

## LOLC (Cambodia) Plc.

### Notes to the condensed interim financial statements (continued) for the three-month and twelve-month periods ended 31 December 2024

#### 23. Related party transactions and balances (continued)

##### (e) Key management compensation

	Three-month period ended				Twelve-month period ended			
	31 December 2024 KHR'000	31 December 2023 KHR'000	31 December 2024 US\$ (Note 2(b))	31 December 2023 US\$ (Note 2(b))	31 December 2024 KHR'000	31 December 2023 KHR'000	31 December 2024 US\$ (Note 2(b))	31 December 2023 US\$ (Note 2(b))
Directors' fees	192,518	195,976	47,618	47,579	754,401	789,825	185,311	192,172
Salaries and other benefits to key management	<u>5,106,395</u>	<u>5,665,974</u>	<u>1,263,021</u>	<u>1,375,570</u>	<u>13,220,609</u>	<u>12,605,987</u>	<u>3,247,509</u>	<u>3,067,150</u>
	<u>5,298,913</u>	<u>5,861,950</u>	<u>1,310,639</u>	<u>1,423,149</u>	<u>13,975,010</u>	<u>13,395,812</u>	<u>3,432,820</u>	<u>3,259,322</u>

# LOLC (Cambodia) Plc.

## Notes to the condensed interim financial statements (continued) for the three-month and twelve-month periods ended 31 December 2024

### 24. Fair value measurement of financial instruments

This note provides an update on the judgements and estimates made by the Company in determining the fair values of the financial instruments since the last annual audited financial statements.

#### (a) Fair value hierarchy

To provide an indication about the reliability of the inputs used in determining fair value, the Company classifies its financial instruments into the three levels prescribed under the accounting standards. An explanation of each level follows underneath the table.

The following table presents the Company's financial assets measured and recognised at fair value at 31 December 2024 and 31 December 2023 on a recurring basis:

	<u>Level 1</u> <u>KHR'000</u>	<u>Level 2</u> <u>KHR'000</u>	<u>Level 3</u> <u>KHR'000</u>	<u>Total</u> <u>KHR'000</u>
<b>As at 31 December 2024</b>				
<b>Financial assets</b>				
<i>Financial assets at fair value through other comprehensive income (FVOCI)</i>				
Equity securities	-	-	60,375	60,375
<b>Total financial assets</b>	<u>-</u>	<u>-</u>	<u>60,375</u>	<u>60,375</u>
<i>In US\$ equivalent (Note 2(b))</i>	<u>-</u>	<u>-</u>	<u>15,000</u>	<u>15,000</u>
<b>As at 31 December 2023</b>				
<b>Financial assets</b>				
<i>Financial assets at fair value through other comprehensive income (FVOCI)</i>				
Equity securities	-	-	61,275	61,275
<b>Total financial assets</b>	<u>-</u>	<u>-</u>	<u>61,275</u>	<u>61,275</u>
<i>In US\$ equivalent (Note 2(b))</i>	<u>-</u>	<u>-</u>	<u>15,000</u>	<u>15,000</u>

# LOLC (Cambodia) Plc.

## Notes to the condensed interim financial statements (continued) for the three-month and twelve-month periods ended 31 December 2024

### 24. Fair value measurement of financial instruments (continued)

#### (a) Fair value hierarchy (continued)

**Level 1:** The fair value of financial instruments traded in active markets (such as publicly traded derivatives and equity securities) is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the Company is the current bid price. These instruments are included in level 1.

**Level 2:** The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

**Level 3:** If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities.

#### (b) Fair value measurements using significant unobservable inputs (level 3)

The unlisted equity securities are the investment in Credit Bureau Cambodia (“CBC”) to be measured at fair value through other comprehensive income as they are not held for trading and the Company has irrevocably elected at initial recognition to recognize as the financial assets at FVOCI. These are the strategic investments and the Company considers this classification to be more relevant.

The fair value of FVOCI have been determined based on present values and the discount rate used were adjusted for counterparty or own credit risk.

There is no gain/loss recognised in other comprehensive income due to fair value approximate the carrying amount.

#### (c) Financial instruments not measured at fair value

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

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

##### (i) *Deposits and placements with the central bank and banks*

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

# LOLC (Cambodia) Plc.

## Notes to the condensed interim financial statements (continued) for the three-month and twelve-month periods ended 31 December 2024

### 24. Fair value measurement of financial instruments (continued)

#### (c) Financial instruments not measured at fair value (continued)

##### (ii) *Investment securities at amortised cost*

Investment securities include government bonds where were valued at amortised cost and were purchased for the purpose of holding them until maturity and for earning interest.

##### (iii) *Loans and advances*

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

For fixed rate loans with remaining period to maturity of one year and above, fair values are estimated by discounting the estimated future cash flows using a current lending rate as the prevailing market rates of loans with similar credit risks and maturities have been assessed as insignificantly different to the contractual lending rates. As a result, the fair value of non-current loan and advances to customers is approximate to their carrying value as reporting date.

##### (iv) *Deposits from banks, other financial institutions and customers*

The fair value of deposits from banks, other financial institutions and customers with maturities of less than one year approximate their carrying values due to the relatively short maturity of these instruments. The fair value of deposits from customers with remaining maturities of one year or more are expected to approximate their carrying amount due to the Company offered similar interest rate of the instrument with similar maturities and terms.

##### (v) *Other financial assets and other financial liabilities*

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

##### (vi) *Borrowings and subordinated debts*

Borrowings and subordinated debts issued are not quoted in active market and their fair value approximate their carrying amount.

## **LOLC (Cambodia) Plc.**

### **Notes to the condensed interim financial statements (continued) for the three-month and twelve-month periods ended 31 December 2024**

#### **25. Tax contingency**

The Company assesses its tax obligations based on applicable tax laws and regulations as of the reporting date. Given the evolving nature of tax legislation, certain tax treatments may necessitate judgment and interpretation. Management exercises judgment in establishing the Company's tax positions and continually monitors regulatory developments. While the Company strives to comply with current tax requirements, interpretations of tax regulations may vary. Any adjustments resulting from regulatory reviews, once conducted and finalised, will be reflected into the financial statements as appropriate.

#### **26. Subsequent event**

On 6 January 2025, the Company obtained approval from the NBC on the investment in equity of Serendib Micro Insurance Plc. amounting to US\$1,000,000 equivalent to 25% of Serendib Micro Insurance Plc.'s total share capital in response to the Company's request letter dated 18 November 2024.