

**LOLC (CAMBODIA) PLC.**

**Condensed Interim Financial Statements  
for the three-month and six-month  
periods ended 30 June 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 Ms. Kith Marady, Head of Legal and Compliance Department (resigned on 28 June 2024) Ms. Hoeng Lyhuong, Acting Head of Legal and Compliance Department (appointed on 21 June 2024) Mr. Nuth Theng, Head of Business Department (resigned on 30 April 2024) Mr. Chann Savoeung, Head of Business Department (appointed on 1 July 2024) Mr. Muth Pisey, Head of Credit Department Mr. Thong Rithy, Head of iPay Sale and Digital Business Department Mr. Va Sok Oun, Head of Administration and Procurement Department 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 six-month periods ended 30 June 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 30 June 2024 and its financial performance for the three-month and six-month periods then ended, statements of changes in equity and cash flows of the Company for the six-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: 7 August 2024



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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 30 June 2024 condensed interim financial statements of LOLC (Cambodia) Plc. ("the Company"), as set out on pages 4 to 39 (hereafter referred to as "the condensed interim financial statements") which comprise the condensed interim statement of financial position as at 30 June 2024 and the condensed interim statements of profit or loss and other comprehensive income for the three-month and six-month periods then ended, changes in equity and cash flows for the six-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

7 August 2024

# LOLC (Cambodia) Plc.

## Condensed interim statement of financial position As at 30 June 2024

	Notes	30 June 2024 KHR'000	31 December 2023 KHR'000	30 June 2024 US\$ (Note 2(b))	31 December 2023 US\$ (Note 2(b))
<b>ASSETS</b>					
Cash on hand		109,861,280	124,372,008	26,730,238	30,446,024
Deposits and placements with the National Bank of Cambodia		206,033,263	134,192,224	50,129,748	32,849,994
Deposits and placements with banks		514,065,874	672,287,486	125,076,855	164,574,660
Investment securities at amortised cost	6	3,346,213	-	814,164	-
Financial assets at fair value through other comprehensive income		61,650	61,275	15,000	15,000
Loans and advances at amortised cost	7	5,080,668,744	5,003,139,376	1,236,172,444	1,224,758,721
Statutory deposits with the National Bank of Cambodia	8	341,564,687	371,611,761	83,105,763	90,969,831
Property and equipment	9	11,407,615	12,145,516	2,775,575	2,973,198
Right-of-use assets	10	34,776,231	28,661,010	8,461,370	7,016,159
Intangible assets	11	9,818,454	7,818,094	2,388,918	1,913,854
Deferred tax assets		42,579,883	29,627,908	10,360,069	7,252,854
Other assets		19,938,585	20,679,113	4,851,237	5,062,207
<b>TOTAL ASSETS</b>		<b>6,374,122,479</b>	<b>6,404,595,771</b>	<b>1,550,881,381</b>	<b>1,567,832,502</b>
<b>LIABILITIES AND EQUITY</b>					
<b>LIABILITIES</b>					
Deposits from banks and other financial institutions	12	321,173,729	193,575,862	78,144,460	47,386,992
Deposits from customers	13	3,603,610,437	3,498,928,575	876,790,861	856,530,863
Borrowings	14	687,373,878	884,096,100	167,244,253	216,424,994
Lease liabilities	10	32,773,029	27,481,666	7,973,973	6,727,458
Current income tax liabilities		23,394,800	50,339,592	5,692,165	12,323,034
Employee benefits		1,916,348	2,099,290	466,265	513,902
Other liabilities		18,241,721	39,263,064	4,438,373	9,611,521
Subordinated debts	15	233,015,336	253,753,175	56,694,729	62,118,280
<b>TOTAL LIABILITIES</b>		<b>4,921,499,278</b>	<b>4,949,537,324</b>	<b>1,197,445,079</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		516,219,257	623,203,250	127,043,610	153,048,830
General reserves		380,415,116	380,415,116	93,768,951	93,768,951
Regulatory reserves		-	21,938,040	-	5,367,761
Other reserves	17	131,611,428	5,124,641	32,029,876	1,254,502
Currency translation reserves		-	-	(3,375,353)	(1,213,804)
<b>TOTAL EQUITY</b>		<b>1,452,623,201</b>	<b>1,455,058,447</b>	<b>353,436,302</b>	<b>356,195,458</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>6,374,122,479</b>	<b>6,404,595,771</b>	<b>1,550,881,381</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 six-month periods ended 30 June 2024

	Notes	Three-month period ended				Six-month period ended			
		30 June 2024 KHR'000	30 June 2023 KHR'000	30 June 2024 US\$ (Note 2(b))	30 June 2023 US\$ (Note 2(b))	30 June 2024 KHR'000	30 June 2023 KHR'000	30 June 2024 US\$ (Note 2(b))	30 June 2023 US\$ (Note 2(b))
Interest income	18	221,558,453	224,039,413	54,303,542	54,590,500	438,514,613	454,452,238	107,610,948	111,004,455
Interest expense	18	(90,180,620)	(85,476,488)	(22,103,093)	(20,827,604)	(181,925,732)	(168,494,366)	(44,644,351)	(41,156,416)
<b>Net interest income</b>	18	<u>131,377,833</u>	<u>138,562,925</u>	<u>32,200,449</u>	<u>33,762,896</u>	<u>256,588,881</u>	<u>285,957,872</u>	<u>62,966,597</u>	<u>69,848,039</u>
Fee and commission income		4,264,773	5,038,440	1,045,288	1,227,690	9,240,189	12,445,991	2,267,531	3,040,056
Fee and commission expense		(171,491)	(151,555)	(42,032)	(36,929)	(321,264)	(438,448)	(78,838)	(107,095)
<b>Net fee and commission income</b>		<u>4,093,282</u>	<u>4,886,885</u>	<u>1,003,256</u>	<u>1,190,761</u>	<u>8,918,925</u>	<u>12,007,543</u>	<u>2,188,693</u>	<u>2,932,961</u>
Other operating income		2,267,730	1,292,844	555,816	315,020	3,858,899	2,341,549	946,969	571,947
Other gains/(losses) – net		406,147	(3,212,645)	99,546	(782,808)	(7,341,821)	(2,410,244)	(1,801,674)	(588,726)
Credit impairment losses	19	(50,338,032)	(28,997,065)	(12,337,753)	(7,065,562)	(80,637,069)	(29,278,048)	(19,788,238)	(7,151,453)
Net (losses)/gains on derecognition of financial assets measured at amortised cost		(11,011,078)	746,948	(2,698,794)	182,005	(8,731,256)	2,046,051	(2,142,640)	499,768
<b>Net other operating losses</b>		<u>(58,675,233)</u>	<u>(30,169,918)</u>	<u>(14,381,185)</u>	<u>(7,351,345)</u>	<u>(92,851,247)</u>	<u>(27,300,692)</u>	<u>(22,785,583)</u>	<u>(6,668,464)</u>
Personnel expenses	20	(31,707,279)	(37,805,183)	(7,771,392)	(9,211,789)	(70,756,627)	(78,717,551)	(17,363,589)	(19,227,541)
Depreciation and amortisation charges		(3,739,078)	(3,459,449)	(916,441)	(842,946)	(7,713,190)	(6,738,011)	(1,892,807)	(1,645,826)
Other operating expenses		(13,382,001)	(13,350,031)	(3,279,902)	(3,252,932)	(28,431,367)	(27,056,316)	(6,977,023)	(6,608,773)



## LOLC (Cambodia) Plc.

### Condensed interim statement of profit or loss and other comprehensive income (continued) for three-month and six-month periods ended 30 June 2024

	Notes	Three-month period ended				Six-month period ended			
		30 June 2024 KHR'000	30 June 2023 KHR'000	30 June 2024 US\$ (Note 2(b))	30 June 2023 US\$ (Note 2(b))	30 June 2024 KHR'000	30 June 2023 KHR'000	30 June 2024 US\$ (Note 2(b))	30 June 2023 US\$ (Note 2(b))
<b>Profit before income tax</b>		27,967,524	58,665,229	6,854,785	14,294,645	65,755,375	158,152,845	16,136,288	38,630,396
Income tax expense	21	<u>(5,179,184)</u>	<u>(12,718,279)</u>	<u>(1,269,408)</u>	<u>(3,098,996)</u>	<u>(14,294,691)</u>	<u>(33,145,103)</u>	<u>(3,507,900)</u>	<u>(8,096,019)</u>
<b>Profit for the period</b>		<u>22,788,340</u>	<u>45,946,950</u>	<u>5,585,377</u>	<u>11,195,649</u>	<u>51,460,684</u>	<u>125,007,742</u>	<u>12,628,388</u>	<u>30,534,377</u>
Other comprehensive income:									
Items that will not be reclassified to profit or loss									
Currency translation differences		-	-	<u>(6,092,231)</u>	<u>(5,834,080)</u>	-	-	<u>(2,161,549)</u>	<u>(1,179,862)</u>
Other comprehensive income for the period, net of tax		-	-	<u>(6,092,231)</u>	<u>(5,834,080)</u>	-	-	<u>(2,161,549)</u>	<u>(1,179,862)</u>
<b>Total comprehensive income for the period</b>		<u>22,788,340</u>	<u>45,946,950</u>	<u>(506,854)</u>	<u>5,361,569</u>	<u>51,460,684</u>	<u>125,007,742</u>	<u>10,466,839</u>	<u>29,354,515</u>
<b>Profit attributable to:</b>									
Owners of the Company		<u>22,788,340</u>	<u>45,946,950</u>	<u>5,585,377</u>	<u>11,195,649</u>	<u>51,460,684</u>	<u>125,007,742</u>	<u>12,628,388</u>	<u>30,534,377</u>
<b>Total comprehensive income attributable to:</b>									
Owners of the Company		<u>22,788,340</u>	<u>45,946,950</u>	<u>(506,854)</u>	<u>5,361,569</u>	<u>51,460,684</u>	<u>125,007,742</u>	<u>10,466,839</u>	<u>29,354,515</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 six-month period ended 30 June 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	-	125,007,742	-	-	-	125,007,742	-	30,534,377	-	-	-	-	30,534,377
Other comprehensive income – currency translation differences	-	-	-	-	-	-	-	-	-	-	-	(1,179,862)	(1,179,862)
<b>Total comprehensive income for the period</b>	-	125,007,742	-	-	-	125,007,742	-	30,534,377	-	-	-	(1,179,862)	29,354,515
Transfer from retained earnings to share capital	200,000,000	(200,000,000)	-	-	-	-	48,508,368	(48,508,368)	-	-	-	-	-
<b>Balance at 30 June 2023</b>	424,377,400	515,284,653	380,415,116	-	-	1,320,077,169	103,969,218	126,962,834	93,768,951	-	-	(5,069,727)	319,631,276
<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	-	51,460,684	-	-	-	51,460,684	-	12,628,388	-	-	-	-	12,628,388
Other comprehensive income – currency translation differences	-	-	-	-	-	-	-	-	-	-	-	(2,161,549)	(2,161,549)
<b>Total comprehensive income for the period</b>	-	51,460,684	-	-	-	51,460,684	-	12,628,388	-	-	-	(2,161,549)	10,466,839
Dividend paid (Note 16B)	-	(53,895,930)	-	-	-	(53,895,930)	-	(13,225,995)	-	-	-	-	(13,225,995)
Transfer from regulatory reserves to retained earnings	-	21,938,040	-	(21,938,040)	-	-	-	5,367,761	-	(5,367,761)	-	-	-
Transfer from retained earnings to other reserves	-	(126,486,787)	-	-	126,486,787	-	-	(30,775,374)	-	-	30,775,374	-	-
	-	(158,444,677)	-	(21,938,040)	126,486,787	(53,895,930)	-	(38,633,608)	-	(5,367,761)	30,775,374	-	(13,225,995)
<b>Balance at 30 June 2024</b>	424,377,400	516,219,257	380,415,116	-	131,611,428	1,452,623,201	103,969,218	127,043,610	93,768,951	-	32,029,876	(3,375,353)	353,436,302

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

## LOLC (Cambodia) Plc.

### Condensed interim statement of cash flows for the six-month period ended 30 June 2024

		Six-month period ended				
		30 June 2024	30 June 2023	30 June 2024	30 June 2023	
Notes		KHR'000	KHR'000	US\$ (Note 2(b))	US\$ (Note 2(b))	
<b>Cash flows from operating activities</b>						
	Cash (used in)/generated from operations	22	(8,406,348)	56,450,515	(2,062,909)	13,788,597
	Interest received		427,214,592	449,281,816	104,837,937	109,741,528
	Interest paid		(176,283,370)	(165,880,275)	(43,259,723)	(40,517,898)
	Income tax paid		(54,191,458)	(69,381,888)	(13,298,517)	(16,947,213)
	Employee benefits paid		(4,377,360)	(4,341,637)	(1,074,199)	(1,060,488)
	<b>Net cash generated from operating activities</b>		<u>183,956,056</u>	<u>266,128,531</u>	<u>45,142,589</u>	<u>65,004,526</u>
<b>Cash flows from investing activities</b>						
	Deposits and placements with the National Bank of Cambodia - maturity more than three months		(1,655,549)	799,451	(406,270)	195,274
	Purchases of investment securities at amortised cost		(3,346,213)	-	(821,157)	-
	Purchases of property and equipment	9	(1,948,012)	(2,605,910)	(478,040)	(636,519)
	Purchases of intangible assets	11	(3,458,678)	(479,672)	(848,755)	(117,165)
	Proceeds from disposals of property and equipment		192,953	68,405	47,350	16,709
	<b>Net cash used in investing activities</b>		<u>(10,215,499)</u>	<u>(2,217,726)</u>	<u>(2,506,872)</u>	<u>(541,701)</u>
<b>Cash flows from financing activities</b>						
	Proceeds from borrowings		12,000,000	93,452,718	2,944,785	22,826,751
	Repayments of borrowings		(208,968,329)	(265,927,433)	(51,280,572)	(64,955,406)
	Repayments of subordinated debts		(22,049,000)	(8,173,000)	(5,410,798)	(1,996,336)
	Payment of transaction costs		(120,000)	(290,518)	(29,448)	(70,962)
	Payment of dividends to shareholders		(53,895,930)	-	(13,225,995)	-
	Principal element of lease payment		(4,385,914)	(2,786,322)	(1,076,298)	(680,587)
	<b>Net cash used in from financing activities</b>		<u>(277,419,173)</u>	<u>(183,724,555)</u>	<u>(68,078,326)</u>	<u>(44,876,540)</u>
	<b>Net (decrease)/ increase in cash and cash equivalents</b>		(103,678,616)	80,186,250	(25,442,609)	19,586,285
	<b>Cash and cash equivalents at the beginning of period</b>		932,327,813	672,183,723	228,232,023	163,270,275
	Currency translation differences		-	-	(1,171,605)	(684,653)
	<b>Cash and cash equivalents at the end of period</b>	22	<u>828,649,197</u>	<u>752,369,973</u>	<u>201,617,809</u>	<u>182,171,907</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 six-month periods ended 30 June 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 30 June 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 7 August 2024.

This condensed interim financial statements for the three-month and six-month periods ended 30 June 2024 has been reviewed, but not audited.

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

This condensed interim financial statements for the three-month and six-month periods ended 30 June 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 six-month periods ended 30 June 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); and
- *Supplier Finance Arrangement (Amendments to CIAS7 and CIFRS7).*

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 Six-month</b>	<b>Average rate three-month</b>
30 June 2024	USD1=	KHR4,110	KHR4,075	KHR4,080
30 June 2023	USD1=	KHR4,130	KHR4,094	KHR4,104
31 December 2023	USD1=	<u>KHR4,085</u>	<u>N/A</u>	<u>N/A</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 six-month periods ended 30 June 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 six-month periods ended 30 June 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

	30 June 2024 KHR'000	31 December 2023 KHR'000	30 June 2024 US\$ (Note 2(b))	31 December 2023 US\$ (Note 2(b))
Investment in government bonds	3,346,213	-	814,164	-

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 30 June 2024, there were no allowance for expected credit loss being recognised.

#### 7. Loans and advances at amortised cost

	30 June 2024 KHR'000	31 December 2023 KHR'000	30 June 2024 US\$ (Note 2(b))	31 December 2023 US\$ (Note 2(b))
Group loans	538,843,465	574,400,820	131,105,466	140,612,196
Individual loans	4,676,236,855	4,483,991,759	1,137,770,524	1,097,672,401
Staff loans	31,671,430	33,588,984	7,705,945	8,222,517
Total gross loans	5,246,751,750	5,091,981,563	1,276,581,935	1,246,507,114
Less: Allowance for expected credit loss	(166,083,006)	(88,842,187)	(40,409,491)	(21,748,393)
	<u>5,080,668,744</u>	<u>5,003,139,376</u>	<u>1,236,172,444</u>	<u>1,224,758,721</u>

## LOLC (Cambodia) Plc.

### Notes to the condensed interim financial statements (continued) for the three-month and six-month periods ended 30 June 2024

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

##### (a) Analysis by industry

	30 June 2024 KHR'000	31 December 2023 KHR'000	30 June 2024 US\$ (Note 2(b))	31 December 2023 US\$ (Note 2(b))
Household/family	1,406,417,996	1,361,399,479	342,194,160	333,267,926
Agriculture	1,386,726,199	1,358,578,944	337,402,968	332,577,465
Trade and commerce	1,002,706,362	979,429,343	243,967,485	239,762,385
Services	814,852,865	778,684,244	198,261,038	190,620,378
Manufacturing	352,469,916	334,987,960	85,759,104	82,004,397
Construction	208,221,154	206,357,866	50,662,081	50,516,001
Transportation	75,357,258	72,543,727	18,335,099	17,758,562
Total gross loans	<u>5,246,751,750</u>	<u>5,091,981,563</u>	<u>1,276,581,935</u>	<u>1,246,507,114</u>

##### (b) Analysis by loan classification

	30 June 2024 KHR'000	31 December 2023 KHR'000	30 June 2024 US\$ (Note 2(b))	31 December 2023 US\$ (Note 2(b))
<i>Performing</i>				
Gross amount	4,739,594,404	4,921,687,690	1,153,185,987	1,204,819,508
Exposure at default	4,739,594,404	4,921,687,690	1,153,185,987	1,204,819,508
Allowance for expected credit loss	<u>(34,924,165)</u>	<u>(23,447,275)</u>	<u>(8,497,364)</u>	<u>(5,739,847)</u>
<i>Under-performing</i>				
Gross amount	298,402,402	50,381,792	72,603,991	12,333,364
Exposure at default	298,402,402	50,381,792	72,603,991	12,333,364
Allowance for expected credit loss	<u>(26,677,066)</u>	<u>(5,771,271)</u>	<u>(6,490,770)</u>	<u>(1,412,796)</u>
<i>Non-performing</i>				
Gross amount	208,754,944	119,912,081	50,791,957	29,354,242
Exposure at default	208,754,944	119,912,081	50,791,957	29,354,242
Allowance for expected credit loss	<u>(104,481,775)</u>	<u>(59,623,641)</u>	<u>(25,421,357)</u>	<u>(14,595,750)</u>
Total gross loans	<u>5,246,751,750</u>	<u>5,091,981,563</u>	<u>1,276,581,935</u>	<u>1,246,507,114</u>
Exposure at default	<u>5,246,751,750</u>	<u>5,091,981,563</u>	<u>1,276,581,935</u>	<u>1,246,507,114</u>
Allowance for expected credit loss	<u>(166,083,006)</u>	<u>(88,842,187)</u>	<u>(40,409,491)</u>	<u>(21,748,393)</u>



## LOLC (Cambodia) Plc.

### Notes to the condensed interim financial statements (continued) for the three-month and six-month periods ended 30 June 2024

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

##### (c) Analysis by maturity

	30 June 2024 KHR'000	31 December 2023 KHR'000	30 June 2024 US\$ (Note 2(b))	31 December 2023 US\$ (Note 2(b))
Not later than 1 year	274,600,182	246,252,875	66,812,696	60,282,222
Later than 1 year and no later than 3 years	1,175,799,078	1,207,365,443	286,082,501	295,560,696
Later than 3 years and no later than 5 years	1,610,540,443	1,578,918,479	391,858,989	386,516,152
Later than 5 years	<u>2,185,812,047</u>	<u>2,059,444,766</u>	<u>531,827,749</u>	<u>504,148,044</u>
Total gross loans	<u>5,246,751,750</u>	<u>5,091,981,563</u>	<u>1,276,581,935</u>	<u>1,246,507,114</u>

##### (d) Analysis by relationship

	30 June 2024 KHR'000	31 December 2023 KHR'000	30 June 2024 US\$ (Note 2(b))	31 December 2023 US\$ (Note 2(b))
Related parties (including staff loans)	31,671,430	33,588,984	7,705,945	8,222,518
Non-related parties	<u>5,215,080,320</u>	<u>5,058,392,579</u>	<u>1,268,875,990</u>	<u>1,238,284,596</u>
Total gross loans	<u>5,246,751,750</u>	<u>5,091,981,563</u>	<u>1,276,581,935</u>	<u>1,246,507,114</u>

##### (e) Analysis by residency

	30 June 2024 KHR'000	31 December 2023 KHR'000	30 June 2024 US\$ (Note 2(b))	31 December 2023 US\$ (Note 2(b))
Residents	5,246,751,750	5,091,981,563	1,276,581,935	1,246,507,114
Non-residents	-	-	-	-
Total gross loans	<u>5,246,751,750</u>	<u>5,091,981,563</u>	<u>1,276,581,935</u>	<u>1,246,507,114</u>

##### (f) Interest rates

These loans and advances earn annual interest rates as below:

	30 June 2024	31 December 2023
Short term loans	7.66% - 18.00%	6.78% - 18.00%
Long term loans	<u>7.66% - 18.00%</u>	<u>6.78% - 18.00%</u>

## LOLC (Cambodia) Plc.

### Notes to the condensed interim financial statements (continued) for the three-month and six-month periods ended 30 June 2024

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

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

	30 June 2024 KHR'000	31 December 2023 KHR'000	30 June 2024 US\$ (Note 2(b))	31 December 2023 US\$ (Note 2(b))
12-month ECL (Stage 1)	34,924,165	23,447,275	8,497,364	5,739,847
Lifetime ECL-not credit impaired (Stage 2)	26,677,066	5,771,271	6,490,770	1,412,796
Lifetime ECL-credit impaired (Stage 3)	104,481,775	59,623,641	25,421,357	14,595,750
	<u>166,083,006</u>	<u>88,842,187</u>	<u>40,409,491</u>	<u>21,748,393</u>

##### (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	1,834,446	(842,747)	(991,699)	-
Transfer to stage 2	(3,287,439)	6,418,763	(3,131,324)	-
Transfer to stage 3	(2,898,090)	(3,044,354)	5,942,444	-
Net remeasurement of loss allowance (*)	12,087,012	16,981,223	49,592,044	78,660,279
New financial assets originated or purchased	6,675,016	1,469,415	380,851	8,525,282
Financial assets derecognised during the period other than write off	(3,634,775)	(619,474)	(1,194,413)	(5,448,662)
Write-offs	(10,106)	-	(11,668,848)	(11,678,954)
Unwinding of discount (**)	-	-	3,802,520	3,802,520
Foreign exchange differences	710,826	542,969	2,126,559	3,380,354
Loss allowance as at 30 June 2024	<u>34,924,165</u>	<u>26,677,066</u>	<u>104,481,775</u>	<u>166,083,006</u>
<i>In US\$ equivalent (Note 2(b))</i>	<u>8,497,364</u>	<u>6,490,770</u>	<u>25,421,357</u>	<u>40,409,491</u>

## LOLC (Cambodia) Plc.

### Notes to the condensed interim financial statements (continued) for the three-month and six-month periods ended 30 June 2024

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

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

(\*) 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).

	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	6,620,927	(4,806,930)	(1,813,997)	-
Transfer to stage 2	(263,799,467)	271,246,371	(7,446,904)	-
Transfer to stage 3	(97,392,784)	(17,242,317)	114,635,101	-
New financial assets originated or purchased	1,053,759,561	4,142,302	9,601,230	1,067,503,093
Financial assets derecognised during the period other than write off	(881,266,230)	(5,318,816)	(2,359,432)	(888,944,478)
Write-offs	(15,293)	-	(23,773,135)	(23,788,428)
Gross carrying amount as at 30 June 2024	<u>4,739,594,404</u>	<u>298,402,402</u>	<u>208,754,944</u>	<u>5,246,751,750</u>
<i>In US\$ equivalent (Note 2(b))</i>	<u>1,153,185,987</u>	<u>72,603,991</u>	<u>50,791,957</u>	<u>1,276,581,935</u>

## LOLC (Cambodia) Plc.

### Notes to the condensed interim financial statements (continued) for the three-month and six-month periods ended 30 June 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	4,338,430	(1,538,311)	(2,800,119)	-
Transfer to stage 2	(1,406,112)	2,731,243	(1,325,131)	-
Transfer to stage 3	(3,228,854)	(5,433,972)	8,662,826	-
Net remeasurement of loss allowance (*)	(2,563,550)	10,168,102	17,869,143	25,473,695
New financial assets originated or purchased	16,397,406	3,414,676	525,544	20,337,626
Financial assets derecognised during the period other than write off	(11,397,102)	(2,270,422)	(4,252,248)	(17,919,772)
Unwinding of discount (**)	-	-	3,678,003	3,678,003
Foreign exchange differences	17,421	80,877	101,111	199,409
Loss allowance as at 30 June 2023	<u>60,101,700</u>	<u>17,365,602</u>	<u>106,269,810</u>	<u>183,737,112</u>
<i>In US\$ equivalent (Note 2(b))</i>	<u>14,552,470</u>	<u>4,204,746</u>	<u>25,731,189</u>	<u>44,488,405</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 six-month periods ended 30 June 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	15,132,681	(8,801,226)	(6,331,455)	-
Transfer to stage 2	(57,513,355)	60,731,104	(3,217,749)	-
Transfer to stage 3	(38,898,363)	(19,546,002)	58,444,365	-
New financial assets originated or purchased	853,056,313	5,799,275	4,784,891	863,640,479
Financial assets derecognised during the period other than write off	(880,539,102)	(19,368,004)	(9,740,258)	(909,647,364)
Gross carrying amount as at 30 June 2023	<u>4,840,178,060</u>	<u>92,655,845</u>	<u>179,851,834</u>	<u>5,112,685,739</u>
<i>In US\$ equivalent (Note 2(b))</i>	<u>1,171,955,947</u>	<u>22,434,829</u>	<u>43,547,660</u>	<u>1,237,938,436</u>

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

	Note	30 June 2024 KHR'000	31 December 2023 KHR'000	30 June 2024 US\$ (Note 2(b))	31 December 2023 US\$ (Note 2(b))
Capital guarantee	(a)	42,437,740	42,437,740	10,325,484	10,388,675
Reserve requirement	(b)	299,126,947	329,174,021	72,780,279	80,581,156
		<u>341,564,687</u>	<u>371,611,761</u>	<u>83,105,763</u>	<u>90,969,831</u>

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

### **Notes to the condensed interim financial statements (continued) for the three-month and six-month periods ended 30 June 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. On 25 April 2023, the Company received approval from the National Bank of Cambodia (“NBC”) to transfer retained earnings amounting to KHR200,000 million to share capital. This deposit is not available for use in the Company’s day-to-day operations but is refundable when the Company voluntarily ceases to operate the business in Cambodia. 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 7.00% of the total deposits from customers (31 December 2023: 7.00%) 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 approved and allowed the institution to maintain reserve requirement at the rate of 7% until 31 December 2024.

## LOLC (Cambodia) Plc.

### Notes to the condensed interim financial statements (continued) for the three-month and six-month periods ended 30 June 2024

#### 9. Property and equipment

2024	Furniture and equipment KHR'000	Motor vehicles KHR'000	Computer equipment KHR'000	Leasehold improvement 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	583,421	463,721	688,986	211,884	1,948,012		478,040
Disposals	(92,430)	(643,955)	(228,568)	(2,086)	(967,039)		(237,310)
Currency translation difference	-	-	-	-	-		(66,801)
At 30 June	<u>6,898,974</u>	<u>12,333,000</u>	<u>22,471,029</u>	<u>2,762,661</u>	<u>44,465,664</u>		<u>10,818,896</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	494,174	384,277	1,680,254	119,938	2,678,643		657,336
Disposals	(88,125)	(643,955)	(226,081)	(1,608)	(959,769)		(235,526)
Currency translation difference	-	-	-	-	-		(50,258)
At 30 June	<u>4,988,039</u>	<u>10,326,884</u>	<u>15,925,347</u>	<u>1,817,779</u>	<u>33,058,049</u>		<u>8,043,321</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 30 June	<u>1,910,935</u>	<u>2,006,116</u>	<u>6,545,682</u>	<u>944,882</u>	<u>11,407,615</u>		<u>2,775,575</u>

## LOLC (Cambodia) Plc.

### Notes to the condensed interim financial statements (continued) for the three-month and six-month periods ended 30 June 2024

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

2023	Furniture and equipment KHR'000	Motor vehicles KHR'000	Computer equipment KHR'000	Leasehold improvement 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	1,721,977	450,164	426,391	7,378	2,605,910	636,519
Disposals	(52,254)	(1,130,355)	(191,130)	-	(1,373,739)	(335,549)
Currency translation difference	-	-	-	-	-	(30,851)
At 30 June	<u>6,375,350</u>	<u>13,224,881</u>	<u>16,177,917</u>	<u>2,373,688</u>	<u>38,151,836</u>	<u>9,237,733</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	300,541	363,646	1,011,681	149,610	1,825,478	445,891
Disposals	(51,416)	(1,130,355)	(191,122)	-	(1,372,893)	(335,343)
Currency translation difference	-	-	-	-	-	(23,957)
At 30 June	<u>4,235,883</u>	<u>11,154,578</u>	<u>13,566,049</u>	<u>1,570,616</u>	<u>30,527,126</u>	<u>7,391,556</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 30 June	<u>2,139,467</u>	<u>2,070,303</u>	<u>2,611,868</u>	<u>803,072</u>	<u>7,624,710</u>	<u>1,846,177</u>



## LOLC (Cambodia) Plc.

### Notes to the condensed interim financial statements (continued) for the three-month and six-month periods ended 30 June 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

	30 June 2024 KHR'000	31 December 2023 KHR'000	30 June 2024 US\$ (Note 2(b))	31 December 2023 US\$ (Note 2(b))
<i>Right-of-use assets (Non-current)</i>				
Buildings	<u>34,776,231</u>	<u>28,661,010</u>	<u>8,461,370</u>	<u>7,016,159</u>
<i>Lease liabilities</i>				
Current	6,508,250	5,733,058	1,583,516	1,403,441
Non-current	<u>26,264,779</u>	<u>21,748,608</u>	<u>6,390,457</u>	<u>5,324,017</u>
	<u>32,773,029</u>	<u>27,481,666</u>	<u>7,973,973</u>	<u>6,727,458</u>

Right-of-use assets' additions during the period were KHR9,465,463 thousand (2023: KHR1,661,775 thousand).

## LOLC (Cambodia) Plc.

### Notes to the condensed interim financial statements (continued) for the three-month and six-month periods ended 30 June 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				Six-month period ended			
	30 June 2024 KHR'000	30 June 2023 KHR'000	30 June 2024 US\$ (Note 2(b))	30 June 2023 US\$ (Note 2(b))	30 June 2024 KHR'000	30 June 2023 KHR'000	30 June 2024 US\$ (Note 2(b))	30 June 2023 US\$ (Note 2(b))
<i>Depreciation of right-of-use assets</i>								
Buildings	<u>1,844,873</u>	<u>1,641,268</u>	<u>452,175</u>	<u>399,919</u>	<u>3,576,229</u>	<u>3,263,012</u>	<u>877,602</u>	<u>797,023</u>
Interest expense (Note 18)	<u>648,250</u>	<u>505,971</u>	<u>158,885</u>	<u>123,287</u>	<u>1,261,021</u>	<u>1,015,952</u>	<u>309,453</u>	<u>248,156</u>
Expense relating to short-term lease and leases of low-value assets (included in operating expenses)	<u>2,470,892</u>	<u>2,293,383</u>	<u>605,611</u>	<u>558,817</u>	<u>4,914,356</u>	<u>4,522,503</u>	<u>1,205,977</u>	<u>1,104,666</u>
Total expenses related to leases	<u>4,964,015</u>	<u>4,440,622</u>	<u>1,216,671</u>	<u>1,082,023</u>	<u>9,751,606</u>	<u>8,801,467</u>	<u>2,393,032</u>	<u>2,149,845</u>

Total cash outflow for lease during the period was KHR4,385,914 thousand (2023: KHR2,786,322 thousand).

## LOLC (Cambodia) Plc.

### Notes to the condensed interim financial statements (continued) for the three-month and six-month periods ended 30 June 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	257,593	3,201,085	3,458,678	848,755
Transfers	37,739	(37,739)	-	-
Currency translation difference	-	-	-	(33,246)
At 30 June	<u>16,048,869</u>	<u>4,883,175</u>	<u>20,932,044</u>	<u>5,092,955</u>
<b>Less: Accumulated amortisation</b>				
At 1 January	9,655,272	-	9,655,272	2,363,592
Amortisation for the period	1,458,318	-	1,458,318	357,869
Currency translation difference	-	-	-	(17,424)
At 31 December	<u>11,113,590</u>	<u>-</u>	<u>11,113,590</u>	<u>2,704,037</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 30 June	<u><u>4,935,279</u></u>	<u><u>4,883,175</u></u>	<u><u>9,818,454</u></u>	<u><u>2,388,918</u></u>
<b>2023</b>				
<b>Cost</b>				
At 1 January	14,132,015	316,425	14,448,440	3,509,458
Additions	387,149	92,523	479,672	117,165
Transfers	158,537	(158,537)	-	-
Currency translation difference	-	-	-	(12,068)
At 30 June	<u>14,677,701</u>	<u>250,411</u>	<u>14,928,112</u>	<u>3,614,555</u>
<b>Less: Accumulated amortisation</b>				
At 1 January	6,158,105	-	6,158,105	1,495,775
Amortisation for the period	1,649,521	-	1,649,521	402,912
Currency translation difference	-	-	-	(8,221)
At 30 June	<u>7,807,626</u>	<u>-</u>	<u>7,807,626</u>	<u>1,890,466</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 30 June	<u><u>6,870,075</u></u>	<u><u>250,411</u></u>	<u><u>7,120,486</u></u>	<u><u>1,724,089</u></u>

## LOLC (Cambodia) Plc.

### Notes to the condensed interim financial statements (continued) for the three-month and six-month periods ended 30 June 2024

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

	30 June 2024 KHR'000	31 December 2023 KHR'000	30 June 2024 US\$ (Note 2(b))	31 December 2023 US\$ (Note 2(b))
Savings deposits	1,747,829	3,195,172	425,263	782,172
Fixed deposits	<u>319,425,900</u>	<u>190,380,690</u>	<u>77,719,197</u>	<u>46,604,820</u>
	<u>321,173,729</u>	<u>193,575,862</u>	<u>78,144,460</u>	<u>47,386,992</u>
	30 June 2024 KHR'000	31 December 2023 KHR'000	30 June 2024 US\$ (Note 2(b))	31 December 2023 US\$ (Note 2(b))
Current	321,173,729	193,575,862	78,144,460	47,386,992
Non-current	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>321,173,729</u>	<u>193,575,862</u>	<u>78,144,460</u>	<u>47,386,992</u>

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

	30 June 2024	31 December 2023
Savings deposits	1.00% - 3.00%	1.00% - 3.00%
Fixed deposits	<u>4.00% - 7.90%</u>	<u>5.00% - 7.90%</u>

#### 13. Deposits from customers

	30 June 2024 KHR'000	31 December 2023 KHR'000	30 June 2024 US\$ (Note 2(b))	31 December 2023 US\$ (Note 2(b))
Savings deposits	227,293,156	198,741,416	55,302,471	48,651,509
Fixed deposits	<u>3,376,317,281</u>	<u>3,300,187,159</u>	<u>821,488,390</u>	<u>807,879,354</u>
	<u>3,603,610,437</u>	<u>3,498,928,575</u>	<u>876,790,861</u>	<u>856,530,863</u>

## LOLC (Cambodia) Plc.

### Notes to the condensed interim financial statements (continued) for the three-month and six-month periods ended 30 June 2024

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

	30 June 2024 KHR'000	31 December 2023 KHR'000	30 June 2024 US\$ (Note 2(b))	31 December 2023 US\$ (Note 2(b))
Current	3,238,199,007	3,168,407,625	787,882,970	775,619,982
Non-current	365,411,430	330,520,950	88,907,891	80,910,881
	<u>3,603,610,437</u>	<u>3,498,928,575</u>	<u>876,790,861</u>	<u>856,530,863</u>

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

	30 June 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 30 June 2024, the Company is in breach of covenants of four lenders, of which the actual performance ratio exceeded the limit and the related borrowings amount as follows:

	Limit	Actual	30 June 2024 KHR'000	30 June 2024 US\$ (Note 2(b))
PAR(*) 30 days plus restructured	<=6%	9.92%	37,266,507	9,067,277
PAR(*) 30 days plus restructured exclude Covid	<=5%	9.52%	40,971,895	9,968,831
Open loan exposure ratio	<15%	15.33%	40,971,895	9,968,831
PAR(*) 30 days plus restructure and net write-off last 12 months	<=7%	11.57%	49,634,587	12,076,542
PAR(*) 30 days plus net write-off last 12 months	<=8%	8.05%	45,681,846	11,114,804
Provisioning PAR(*) 90 days	>=100%	78.87%	<u>77,817,688</u>	<u>18,933,744</u>

(\*) Portfolio at risk

As of the date of these condensed interim financial statements, the non-current liabilities portion of KHR65,765,628 thousands (equivalent to US\$16,001,369) had been reclassified to current liabilities.

## LOLC (Cambodia) Plc.

### Notes to the condensed interim financial statements (continued) for the three-month and six-month periods ended 30 June 2024

#### 14. Borrowings (continued)

Borrowings are further analysed as follows:

	<b>30 June 2024 KHR'000</b>	<b>31 December 2023 KHR'000</b>	<b>30 June 2024 US\$ (Note 2(b))</b>	<b>31 December 2023 US\$ (Note 2(b))</b>
Current	484,184,618	426,603,927	117,806,477	104,431,806
Non-current	<u>203,189,260</u>	<u>457,492,173</u>	<u>49,437,776</u>	<u>111,993,188</u>
	<u><u>687,373,878</u></u>	<u><u>884,096,100</u></u>	<u><u>167,244,253</u></u>	<u><u>216,424,994</u></u>

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

#### 15. Subordinated debts

As at 30 June 2024, the Company is in breach of covenants of four lenders, of which the actual performance ratio exceeded the limit and the related subordinated debts amount as follows:

	<b>Limit</b>	<b>Actual</b>	<b>30 June 2024 KHR'000</b>	<b>30 June 2024 US\$ (Note 2(b))</b>
PAR(*) 30 days	<=5%	6.40%	46,633,176	11,346,272
PAR(*) 30 days plus restructured	<=9%	9.92%	46,633,176	11,346,272
PAR(*) 30 days plus restructure (Covid plus flood)	<=6.5%	9.96%	3,314,153	806,363
PAR(*) 30 days plus net write-off last 12 months	<=7%	11.57%	84,890,713	20,654,675
Provisioning PAR(*) 90 days	>=100%	78.87%	<u>275,658,640</u>	<u>67,070,229</u>

(\*) Portfolio at risk

As of the date of these condensed interim financial statements, the non-current liabilities portion of KHR99,580,856 thousands (equivalent to US\$24,228,919) had been reclassified to current liabilities.

	<b>30 June 2024 KHR'000</b>	<b>31 December 2023 KHR'000</b>	<b>30 June 2024 US\$ (Note 2(b))</b>	<b>31 December 2023 US\$ (Note 2(b))</b>
Current	172,045,446	72,213,624	41,860,206	17,677,754
Non-current	<u>60,969,890</u>	<u>181,539,551</u>	<u>14,834,523</u>	<u>44,440,526</u>
	<u><u>233,015,336</u></u>	<u><u>253,753,175</u></u>	<u><u>56,694,729</u></u>	<u><u>62,118,280</u></u>

The annual interest rates are ranging from 7.50% to 10.47% (2023: 7.50% to 10.47%).

# LOLC (Cambodia) Plc.

## Notes to the condensed interim financial statements (continued) for the three-month and six-month periods ended 30 June 2024

### 16. Share capital

#### A. Share capital

The total number of authorised shares of the Company as at 30 June 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:

	30 June 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.

### 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 30 June 2024, the Company transferred from retained earnings to other reserves accumulatively amounting to KHR131,611,428 thousands (equivalent to US\$32,029,876) (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 six-month periods ended 30 June 2024

#### 18. Net interest income

	Three-month period ended				Six-month period ended			
	30 June 2024 KHR'000	30 June 2023 KHR'000	30 June 2024 US\$ (Note 2(b))	30 June 2023 US\$ (Note 2(b))	30 June 2024 KHR'000	30 June 2023 KHR'000	30 June 2024 US\$ (Note 2(b))	30 June 2023 US\$ (Note 2(b))
<i>Interest income from financial assets at amortised cost</i>								
Loans and advances	217,239,122	222,263,255	53,244,883	54,157,713	429,544,242	451,425,927	105,409,630	110,265,248
Deposits and placements with banks	3,989,455	1,475,091	977,808	359,428	8,314,944	2,537,475	2,040,477	619,803
Deposits and placements with the central bank	329,876	301,067	80,851	73,359	655,427	488,836	160,841	119,404
Total interest income	<u>221,558,453</u>	<u>224,039,413</u>	<u>54,303,542</u>	<u>54,590,500</u>	<u>438,514,613</u>	<u>454,452,238</u>	<u>107,610,948</u>	<u>111,004,455</u>
<i>Interest expense on financial liabilities at amortised cost</i>								
Deposits from customers	(70,829,626)	(57,908,461)	(17,360,202)	(14,110,249)	(141,450,305)	(111,821,821)	(34,711,731)	(27,313,586)
Borrowings	(12,900,123)	(19,636,999)	(3,161,795)	(4,784,844)	(27,411,016)	(40,746,734)	(6,726,630)	(9,952,793)
Subordinated debts	(5,802,621)	(7,425,057)	(1,422,211)	(1,809,224)	(11,803,390)	(14,909,859)	(2,896,537)	(3,641,881)
Lease liabilities	(648,250)	(505,971)	(158,885)	(123,287)	(1,261,021)	(1,015,952)	(309,453)	(248,156)
	<u>(90,180,620)</u>	<u>(85,476,488)</u>	<u>(22,103,093)</u>	<u>(20,827,604)</u>	<u>(181,925,732)</u>	<u>(168,494,366)</u>	<u>(44,644,351)</u>	<u>(41,156,416)</u>
Net interest income	<u>131,377,833</u>	<u>138,562,925</u>	<u>32,200,449</u>	<u>33,762,896</u>	<u>256,588,881</u>	<u>285,957,872</u>	<u>62,966,597</u>	<u>69,848,039</u>



## LOLC (Cambodia) Plc.

### Notes to the condensed interim financial statements (continued) for the three-month and six-month periods ended 30 June 2024

#### 19. Credit impairment losses

	Three-month period ended				Six-month period ended			
	30 June 2024 KHR'000	30 June 2023 KHR'000	30 June 2024 US\$ (Note 2(b))	30 June 2023 US\$ (Note 2(b))	30 June 2024 KHR'000	30 June 2023 KHR'000	30 June 2024 US\$ (Note 2(b))	30 June 2023 US\$ (Note 2(b))
<i>Expected Credit Loss (ECL):</i>								
Loans and advances	50,147,765	27,156,617	12,291,119	6,617,109	81,736,899	27,891,549	20,058,135	6,812,787
Deposits and placements with banks	190,267	1,840,448	46,635	448,453	(1,099,830)	1,386,499	(269,897)	338,666
	<u>50,338,032</u>	<u>28,997,065</u>	<u>12,337,753</u>	<u>7,065,562</u>	<u>80,637,069</u>	<u>29,278,048</u>	<u>19,788,238</u>	<u>7,151,453</u>

#### 20. Personnel expenses

	Three-month period ended				Six-month period ended			
	30 June 2024 KHR'000	30 June 2023 KHR'000	30 June 2024 US\$ (Note 2(b))	30 June 2023 US\$ (Note 2(b))	30 June 2024 KHR'000	30 June 2023 KHR'000	30 June 2024 US\$ (Note 2(b))	30 June 2023 US\$ (Note 2(b))
Salaries and wage expenses	28,738,019	34,507,534	7,043,632	8,408,269	64,418,879	72,293,937	15,808,314	17,658,509
Other benefits	2,969,260	3,297,649	727,760	803,520	6,337,748	6,423,614	1,555,275	1,569,032
	<u>31,707,279</u>	<u>37,805,183</u>	<u>7,771,392</u>	<u>9,211,789</u>	<u>70,756,627</u>	<u>78,717,551</u>	<u>17,363,589</u>	<u>19,227,541</u>

## LOLC (Cambodia) Plc.

### Notes to the condensed interim financial statements (continued) for the three-month and six-month periods ended 30 June 2024

#### 21. Income tax expense

##### (a) Income tax expense

	Three-month period ended				Six-month period ended			
	30 June 2024 KHR'000	30 June 2023 KHR'000	30 June 2024 US\$ (Note 2(b))	30 June 2023 US\$ (Note 2(b))	30 June 2024 KHR'000	30 June 2023 KHR'000	30 June 2024 US\$ (Note 2(b))	30 June 2023 US\$ (Note 2(b))
Current income tax	12,629,172	18,267,402	3,095,385	4,451,121	27,246,666	34,801,145	6,686,298	8,500,524
Deferred income tax	(7,449,988)	(5,549,123)	(1,825,977)	(1,352,125)	(12,951,975)	(1,656,042)	(3,178,398)	(404,505)
	<u>5,179,184</u>	<u>12,718,279</u>	<u>1,269,408</u>	<u>3,098,996</u>	<u>14,294,691</u>	<u>33,145,103</u>	<u>3,507,900</u>	<u>8,096,019</u>

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

	Three-month period ended				Six-month period ended			
	30 June 2024 KHR'000	30 June 2023 KHR'000	30 June 2024 US\$ (Note 2(b))	30 June 2023 US\$ (Note 2(b))	30 June 2024 KHR'000	30 June 2023 KHR'000	30 June 2024 US\$ (Note 2(b))	30 June 2023 US\$ (Note 2(b))
Profit before income tax	<u>27,967,524</u>	<u>58,665,229</u>	<u>6,854,785</u>	<u>14,294,645</u>	<u>65,755,375</u>	<u>158,152,845</u>	<u>16,136,288</u>	<u>38,630,396</u>
Tax expenses at 20%	5,593,505	11,733,046	1,370,956	2,858,928	13,151,075	31,630,569	3,227,258	7,726,079
Tax effect of reconciling items:								
Expenses not deductible for tax purposes	335,773	985,233	82,297	240,068	515,981	1,514,534	126,621	369,940
Others	(750,094)	-	(183,845)	-	627,635	-	154,021	-
Income tax expense	<u>5,179,184</u>	<u>12,718,279</u>	<u>1,269,408</u>	<u>3,098,996</u>	<u>14,294,691</u>	<u>33,145,103</u>	<u>3,507,900</u>	<u>8,096,019</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 six-month periods ended 30 June 2024

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

	Six-month period ended			
	30 June 2024 KHR'000	30 June 2023 KHR'000	30 June 2024 US\$ (Note 2(b))	30 June 2023 US\$ (Note 2(b))
Profit before income tax	65,755,375	158,152,845	16,136,288	38,630,396
<i>Adjustments for:</i>				
Depreciation and amortisation charge	7,713,190	6,738,011	1,892,807	1,645,826
Credit impairment losses	80,637,069	29,278,048	19,788,238	7,151,453
Net losses/(gains) on derecognition of financial assets measured at amortised cost	8,731,256	(2,046,051)	2,142,640	(499,768)
Gain on disposals of property and equipment	(191,169)	(335,803)	(46,913)	(82,023)
Provision employee benefits	4,194,418	4,114,227	1,029,305	1,004,941
Unrealised exchange (gains)/ losses	(79,371,706)	5,539,948	(19,477,719)	1,353,187
Net interest income (Note 18)	(256,588,881)	(285,957,872)	(62,966,597)	(69,848,039)
<i>Changes in working capital:</i>				
Reserve requirement deposits	30,047,074	(55,488,493)	7,373,515	(13,553,613)
Loans and advances	(81,331,888)	54,871,776	(19,958,746)	13,402,974
Other assets	740,528	(4,870,781)	181,725	(1,189,736)
Deposits from banks and other financial institutions	127,597,867	65,373,590	31,312,360	15,968,146
Deposits from customers	104,681,862	93,319,419	25,688,800	22,794,191
Other liabilities	(21,021,343)	(12,238,349)	(5,158,612)	(2,989,338)
Cash (used in)/generated from operations	<u>(8,406,348)</u>	<u>56,450,515</u>	<u>(2,062,909)</u>	<u>13,788,597</u>

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

	30 June 2024 KHR'000	30 June 2023 KHR'000	30 June 2024 US\$ (Note 2(b))	30 June 2023 US\$ (Note 2(b))
Cash on hand	109,861,280	119,190,908	26,730,238	28,859,784
<i>Balances with the NBC</i>				
Current accounts	174,698,833	134,123,133	42,505,799	32,475,335
Settlement accounts	24,902,361	46,687,402	6,058,969	11,304,456
<i>Balances with other banks</i>				
Current accounts	123,875,821	295,672,940	30,140,102	71,591,511
Savings accounts	137,455,712	136,692,257	33,444,212	33,097,399
Term deposits (original maturity up to three months)	<u>257,855,190</u>	<u>20,003,333</u>	<u>62,738,489</u>	<u>4,843,422</u>
	<u>828,649,197</u>	<u>752,369,973</u>	<u>201,617,809</u>	<u>182,171,907</u>

## LOLC (Cambodia) Plc.

### Notes to the condensed interim financial statements (continued) for the three-month and six-month periods ended 30 June 2024

#### 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:

<b>Relationship</b>	<b>Related party</b>
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)

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

	<b>30 June 2024</b>	<b>31 December 2023</b>	<b>30 June 2024</b>	<b>31 December 2023</b>
	<b>KHR'000</b>	<b>KHR'000</b>	<b>US\$</b>	<b>US\$</b>
			(Note 2(b))	(Note 2(b))
Loans to key management personnel	<u>3,229,561</u>	<u>4,369,644</u>	<u>785,781</u>	<u>1,069,680</u>

Loans and advances to key management personnel are secured and having interest rate range from 7.66% to 9.83% (2023: 6.78% to 14.40%) per annum. Allowances for expected credit losses for loans to key management personnel during the period was KHR682 thousand (2023: KHR4,541 thousand).

## LOLC (Cambodia) Plc.

### Notes to the condensed interim financial statements (continued) for the three-month and six-month periods ended 30 June 2024

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

##### (c) Related parties balances

	30 June 2024 KHR'000	31 December 2023 KHR'000	30 June 2024 US\$ (Note 2(b))	31 December 2023 US\$ (Note 2(b))
Payables to related companies	<u>1,742,215</u>	<u>1,140,781</u>	<u>423,897</u>	<u>279,261</u>

##### Deposits from related parties

	30 June 2024 KHR'000	31 December 2023 KHR'000	30 June 2024 US\$ (Note 2(b))	31 December 2023 US\$ (Note 2(b))
<b>Deposits from related parties</b>				
Shareholders	96,540	95,771	23,489	23,445
Board of directors	2,149,456	1,936,539	522,982	474,061
Key management personnel	16,879,706	13,912,464	4,106,984	3,405,744
Related companies	<u>305,874</u>	<u>187,003</u>	<u>74,422</u>	<u>45,778</u>
	<u>19,431,576</u>	<u>16,131,777</u>	<u>4,727,877</u>	<u>3,949,028</u>
Interest payables	<u>523,164</u>	<u>403,812</u>	<u>127,291</u>	<u>98,852</u>

Annual interest rates during the period are as follows:

	30 June 2024	31 December 2023
Shareholders	3.00% – 8.50%	3.00% - 8.50%
Board of directors	3.00% – 8.75%	3.00% - 8.75%
Key management personnel	0.00% – 9.13%	1.00% – 9.13%
Related companies	<u>1.00% – 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 six-month periods ended 30 June 2024

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

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

	Three-month period ended				Six-month period ended			
	30 June 2024 KHR'000	30 June 2023 KHR'000	30 June 2024 US\$ (Note 2(b))	30 June 2023 US\$ (Note 2(b))	30 June 2024 KHR'000	30 June 2023 KHR'000	30 June 2024 US\$ (Note 2(b))	30 June 2023 US\$ (Note 2(b))
<i>(i) Incomes from related companies:</i>								
Rental income	6,048	13,789	1,481	3,360	19,727	30,214	4,841	7,380
Management fee income	50,984	46,630	12,499	11,362	101,867	96,553	24,998	23,584
Insurance commission incomes	2,060,802	995,474	505,327	242,689	3,685,238	1,773,341	904,353	433,156
	<u>2,117,834</u>	<u>1,055,893</u>	<u>519,307</u>	<u>257,411</u>	<u>3,806,832</u>	<u>1,900,108</u>	<u>934,192</u>	<u>464,120</u>
<i>(ii) Expenses to related companies:</i>								
License fees	156,519	157,479	38,372	38,372	312,732	314,190	76,744	76,744
IT consultancy and support fees	195,054	95,668	47,798	23,311	476,706	200,152	116,983	48,889
Rental expense	-	-	-	-	-	6,755	-	1,650
	<u>195,054</u>	<u>95,668</u>	<u>47,798</u>	<u>23,311</u>	<u>789,438</u>	<u>521,097</u>	<u>193,727</u>	<u>127,283</u>
<i>(iii) Interest income/expense</i>								
Interest income	76,478	65,807	18,747	16,035	161,066	123,604	39,525	30,191
Interest expense	<u>294,024</u>	<u>39,439</u>	<u>72,088</u>	<u>9,610</u>	<u>564,348</u>	<u>343,674</u>	<u>138,490</u>	<u>83,946</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 six-month periods ended 30 June 2024

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

##### (e) Key management compensation

	Three-month period ended				Six-month period ended			
	30 June 2024 KHR'000	30 June 2023 KHR'000	30 June 2024 US\$ (Note 2(b))	30 June 2023 US\$ (Note 2(b))	30 June 2024 KHR'000	30 June 2023 KHR'000	30 June 2024 US\$ (Note 2(b))	30 June 2023 US\$ (Note 2(b))
Directors' fees	184,931	157,164	45,337	38,295	373,248	352,761	91,595	86,165
Salaries and other benefits to key management	<u>3,039,678</u>	<u>3,299,200</u>	<u>745,165</u>	<u>803,899</u>	<u>6,226,054</u>	<u>6,430,101</u>	<u>1,527,866</u>	<u>1,570,616</u>
	<u><u>3,224,609</u></u>	<u><u>3,456,364</u></u>	<u><u>790,502</u></u>	<u><u>842,194</u></u>	<u><u>6,599,302</u></u>	<u><u>6,782,862</u></u>	<u><u>1,619,461</u></u>	<u><u>1,656,781</u></u>

# LOLC (Cambodia) Plc.

## Notes to the condensed interim financial statements (continued) for the three-month and six-month periods ended 30 June 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 30 June 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 30 June 2024</b>				
<b>Financial assets</b>				
<i>Financial assets at fair value through other comprehensive income (FVOCI)</i>				
Equity securities	-	-	61,650	61,650
<b>Total financial assets</b>	<u>-</u>	<u>-</u>	<u>61,650</u>	<u>61,650</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 six-month periods ended 30 June 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.

(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.

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

### **Notes to the condensed interim financial statements (continued) for the three-month and six-month periods ended 30 June 2024**

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

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

###### *(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.

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

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

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