

LOLC (CAMBODIA) PLC.

**Condensed Interim Financial Statements
for the three-month and six-month
periods ended 30 June 2025**

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 Mrs. Try Sola, Head of Treasury Department Mr. Bun Bella, Head of Information Technology Department Mr. Teng Pheap, Head of Internal Audit Department Mr. Men Sambo, Head of Legal and Compliance (appointed on 2 July 2025) Mrs. Inn Sreyrath, Head of Digital Banking Department Mr. Kong Kosal, Head of Business Department (appointed on 5 June 2025) Mr. Chann Savoeung, Head of Business Department (resigned on 8 May 2025) Mr. Muth Pisey, Head of Client Business Revival Department (promoted on 21 May 2025) Mrs. Khleang Sovanna, Head of Administration and Procurement Department (appointed on 2 June 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 six-month periods ended 30 June 2025.

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 |
| 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 2025 and its financial performance for the three-month and six-month periods then ended, 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: 1 September 2025



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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 2025 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 30 June 2025 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

1 September 2025

LOLC (Cambodia) Plc.

Condensed interim statement of financial position as at 30 June 2025

		30 June 2025 KHR'000	31 December 2024 KHR'000	30 June 2025 US\$ (Note 2(b))	31 December 2024 US\$ (Note 2(b))
Notes					
ASSETS					
		94,240,459	108,021,390	23,501,361	26,837,612
		221,897,025	221,714,379	55,335,916	55,084,318
		576,622,507	556,774,147	143,796,136	138,328,981
6	Investment securities at amortised cost	3,331,937	3,339,960	830,907	829,804
7	Investment in associate	4,010,000	-	1,000,000	-
		60,150	60,375	15,000	15,000
8	Loans and advances at amortised cost	5,022,458,933	5,135,970,992	1,252,483,524	1,276,017,638
9	Statutory deposits with the National Bank of Cambodia	340,272,161	339,868,390	84,855,900	84,439,352
10	Property and equipment	8,868,756	9,624,545	2,211,660	2,391,192
11	Right-of-use assets	31,272,374	30,640,659	7,798,597	7,612,586
12	Intangible assets	11,154,075	11,814,205	2,781,565	2,935,206
	Deferred tax assets	23,879,999	23,543,707	5,955,112	5,849,368
	Other assets	23,137,723	20,787,876	5,770,006	5,164,690
		<u>6,361,206,099</u>	<u>6,462,160,625</u>	<u>1,586,335,684</u>	<u>1,605,505,747</u>
TOTAL ASSETS					
LIABILITIES AND EQUITY					
LIABILITIES					
13	Deposits from banks and other financial institutions	315,381,587	336,956,689	78,648,775	83,715,948
14	Deposits from customers	3,781,736,496	3,693,593,747	943,076,433	917,663,043
15	Borrowings	405,362,282	592,478,916	101,087,851	147,199,731
16	Subordinated debts	156,650,504	178,978,277	39,064,964	44,466,653
11	Lease liabilities	29,617,035	28,859,765	7,385,794	7,170,128
	Current income tax liabilities	9,503,188	28,116,358	2,369,872	6,985,431
	Employee benefits	1,631,388	1,826,652	406,830	453,827
	Other liabilities	29,855,648	37,343,832	7,445,297	9,277,970
		<u>4,729,738,128</u>	<u>4,898,154,236</u>	<u>1,179,485,816</u>	<u>1,216,932,731</u>
TOTAL LIABILITIES					
EQUITY					
17	Share capital	424,377,400	424,377,400	103,969,218	103,969,218
	Retained earnings	551,238,225	578,409,737	134,834,026	141,614,157
	General reserves	380,415,116	380,415,116	93,768,951	93,768,951
	Regulatory reserves	83,768,802	49,192,708	20,761,574	12,139,107
18	Other reserves	191,668,428	131,611,428	47,656,599	32,679,791
	Currency translation reserves	-	-	5,859,500	4,401,792
		<u>1,631,467,971</u>	<u>1,564,006,389</u>	<u>406,849,868</u>	<u>388,573,016</u>
TOTAL EQUITY					
TOTAL LIABILITIES AND EQUITY					
		<u>6,361,206,099</u>	<u>6,462,160,625</u>	<u>1,586,335,684</u>	<u>1,605,505,747</u>

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 2025

	Notes	Three-month period ended				Six-month period ended			
		30 June 2025 KHR'000	30 June 2024 KHR'000	30 June 2025 US\$ (Note 2(b))	30 June 2024 US\$ (Note 2(b))	30 June 2025 KHR'000	30 June 2024 KHR'000	30 June 2025 US\$ (Note 2(b))	30 June 2024 US\$ (Note 2(b))
Interest income	19	219,355,163	221,558,453	54,770,328	54,303,542	445,365,750	438,514,613	111,036,088	107,610,948
Interest expense	19	(74,492,458)	(90,180,620)	(18,599,865)	(22,103,093)	(154,230,956)	(181,925,732)	(38,451,996)	(44,644,351)
Net interest income	19	<u>144,862,705</u>	<u>131,377,833</u>	<u>36,170,463</u>	<u>32,200,449</u>	<u>291,134,794</u>	<u>256,588,881</u>	<u>72,584,092</u>	<u>62,966,597</u>
Fee and commission income		4,672,996	4,264,773	1,166,791	1,045,288	9,026,930	9,240,189	2,250,544	2,267,531
Fee and commission expense		(110,621)	(171,491)	(27,621)	(42,032)	(306,717)	(321,264)	(76,469)	(78,838)
Net fee and commission income		<u>4,562,375</u>	<u>4,093,282</u>	<u>1,139,170</u>	<u>1,003,256</u>	<u>8,720,213</u>	<u>8,918,925</u>	<u>2,174,075</u>	<u>2,188,693</u>
Other operating income		2,858,339	2,267,730	713,693	555,816	6,167,372	3,858,899	1,537,615	946,969
Other gains/(losses) – net		3,170,224	406,147	791,567	99,546	2,891,685	(7,341,821)	720,939	(1,801,674)
Credit impairment losses	20	(33,292,866)	(50,338,032)	(8,312,825)	(12,337,753)	(109,509,671)	(80,637,069)	(27,302,336)	(19,788,238)
Net losses on derecognition of financial assets measured at amortised cost		<u>(10,945,010)</u>	<u>(11,011,078)</u>	<u>(2,732,836)</u>	<u>(2,698,794)</u>	<u>(8,687,249)</u>	<u>(8,731,256)</u>	<u>(2,165,856)</u>	<u>(2,142,640)</u>
Net other operating losses		<u>(38,209,313)</u>	<u>(58,675,233)</u>	<u>(9,540,401)</u>	<u>(14,381,185)</u>	<u>(109,137,863)</u>	<u>(92,851,247)</u>	<u>(27,209,638)</u>	<u>(22,785,583)</u>
Personnel expenses	21	(39,702,962)	(31,707,279)	(9,913,349)	(7,771,392)	(75,834,164)	(70,756,627)	(18,906,548)	(17,363,589)
Depreciation and amortisation charges		(3,604,794)	(3,739,078)	(900,073)	(916,441)	(7,199,147)	(7,713,190)	(1,794,851)	(1,892,807)
Other operating expenses		<u>(13,411,305)</u>	<u>(13,382,001)</u>	<u>(3,348,640)</u>	<u>(3,279,902)</u>	<u>(26,713,396)</u>	<u>(28,431,367)</u>	<u>(6,660,034)</u>	<u>(6,977,023)</u>

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 2025

	Notes	Three-month period ended				Six-month period ended			
		30 June 2025 KHR'000	30 June 2024 KHR'000	30 June 2025 US\$ (Note 2(b))	30 June 2024 US\$ (Note 2(b))	30 June 2025 KHR'000	30 June 2024 KHR'000	30 June 2025 US\$ (Note 2(b))	30 June 2024 US\$ (Note 2(b))
Profit before income tax		54,496,706	27,967,524	13,607,170	6,854,785	80,970,437	65,755,375	20,187,096	16,136,288
Income tax expense	22	(9,183,966)	(5,179,184)	(2,293,125)	(1,269,408)	(13,508,855)	(14,294,691)	(3,367,952)	(3,507,900)
Profit for the period		<u>45,312,740</u>	<u>22,788,340</u>	<u>11,314,045</u>	<u>5,585,377</u>	<u>67,461,582</u>	<u>51,460,684</u>	<u>16,819,144</u>	<u>12,628,388</u>
Other comprehensive income:									
<i>Items that will not be reclassified to profit or loss</i>									
Currency translation differences		-	-	(994,308)	(6,092,231)	-	-	1,457,708	(2,161,549)
Other comprehensive income for the period, net of tax		-	-	(994,308)	(6,092,231)	-	-	1,457,708	(2,161,549)
Total comprehensive income for the period		<u>45,312,740</u>	<u>22,788,340</u>	<u>10,319,737</u>	<u>(506,854)</u>	<u>67,461,582</u>	<u>51,460,684</u>	<u>18,276,852</u>	<u>10,466,839</u>
Profit attributable to:									
Owners of the Company		<u>45,312,740</u>	<u>22,788,340</u>	<u>11,314,045</u>	<u>5,585,377</u>	<u>67,461,582</u>	<u>51,460,684</u>	<u>16,819,144</u>	<u>12,628,388</u>
Total comprehensive income attributable to:									
Owners of the Company		<u>45,312,740</u>	<u>22,788,340</u>	<u>10,319,737</u>	<u>(506,854)</u>	<u>67,461,582</u>	<u>51,460,684</u>	<u>18,276,852</u>	<u>10,466,839</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 2025

	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))
As at 1 January 2024	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)
Total comprehensive income for the period	-	51,460,684	-	-	-	51,460,684	-	12,628,388	-	-	-	(2,161,549)	10,466,839
Dividend paid	-	(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)
As at 30 June 2024	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
As at 1 January 2025	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
Profit for the period	-	67,461,582	-	-	-	67,461,582	-	16,819,144	-	-	-	-	16,819,144
Other comprehensive income – currency translation differences	-	-	-	-	-	-	-	-	-	-	-	1,457,708	1,457,708
Total comprehensive income for the period	-	67,461,582	-	-	-	67,461,582	-	16,819,144	-	-	-	1,457,708	18,276,852
Transfer from retained earnings to regulatory reserves	-	(34,576,094)	-	34,576,094	-	-	-	(8,622,467)	-	8,622,467	-	-	-
Transfer from retained earnings to other reserves	-	(60,057,000)	-	-	60,057,000	-	-	(14,976,808)	-	-	14,976,808	-	-
	-	(94,633,094)	-	34,576,094	60,057,000	-	-	(23,599,275)	-	8,622,467	14,976,808	-	-
As at 30 June 2025	424,377,400	551,238,225	380,415,116	83,768,802	191,668,428	1,631,467,971	103,969,218	134,834,026	93,768,951	20,761,574	47,656,599	5,859,500	406,849,868

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 2025

		Six-month period ended			
	Notes	30 June 2025 KHR'000	30 June 2024 KHR'000	30 June 2025 US\$ (Note 2(b))	30 June 2024 US\$ (Note 2(b))
Cash flows from operating activities					
Cash used in operations	23	(2,519,801)	(8,406,348)	(628,221)	(2,062,909)
Interest received		413,527,182	427,214,592	103,098,275	104,837,937
Interest paid		(151,619,362)	(176,283,370)	(37,800,888)	(43,259,723)
Income tax paid		(32,458,317)	(54,191,458)	(8,092,325)	(13,298,517)
Employee benefits paid		(4,014,047)	(4,377,360)	(1,000,760)	(1,074,199)
Net cash generated from operating activities		<u>222,915,655</u>	<u>183,956,056</u>	<u>55,576,081</u>	<u>45,142,589</u>
Cash flows from investing activities					
Deposits and placements with the National Bank of Cambodia - maturity more than three months		23,600,389	(1,655,549)	5,883,916	(406,270)
Investment in associate		(4,000,000)	-	(997,258)	-
Purchases of investment securities at amortised cost		-	(3,346,213)	-	(821,157)
Purchases of property and equipment	10	(1,824,970)	(1,948,012)	(454,991)	(478,040)
Purchases of intangible assets	12	(240,833)	(3,458,678)	(60,043)	(848,755)
Proceeds from disposals of property and equipment		58,758	192,953	14,649	47,350
Net cash generated from/(used in) investing activities		<u>17,593,344</u>	<u>(10,215,499)</u>	<u>4,386,273</u>	<u>(2,506,872)</u>
Cash flows from financing activities					
Proceeds from borrowings		60,110,000	12,000,000	14,986,288	2,944,785
Repayments of borrowings		(245,109,473)	(208,968,329)	(61,109,318)	(51,280,572)
Repayments of subordinated debts		(21,632,600)	(22,049,000)	(5,393,318)	(5,410,798)
Payment of transaction costs		-	(120,000)	-	(29,448)
Payment of dividends to shareholders		-	(53,895,930)	-	(13,225,995)
Principal element of lease payment		(3,600,070)	(4,385,914)	(897,549)	(1,076,298)
Net cash used in financing activities		<u>(210,232,143)</u>	<u>(277,419,173)</u>	<u>(52,413,897)</u>	<u>(68,078,326)</u>
Net increase/(decrease) in cash and cash equivalents					
		30,276,856	(103,678,616)	7,548,457	(25,442,609)
Cash and cash equivalents at the beginning of period		845,200,338	932,327,813	205,644,851	228,232,023
Currency translation differences		-	-	5,130,182	(1,171,605)
Cash and cash equivalents at the end of period	23	<u>875,477,194</u>	<u>828,649,197</u>	<u>218,323,490</u>	<u>201,617,809</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 2025

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 2025, 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 1 September 2025.

pThis condensed interim financial statements for the three-month and six-month periods ended 30 June 2025 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 2025 has 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 2024 (‘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 2025

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:

- Lack of Exchangeability (*Amendment to CIAS21*)
- Classification and Measurement of Financial Instruments (*Amendments to CIFRS9 and CIFRS7*)
- Contract Referencing Nature-dependent Electricity (*Amendments to CIFRS9 and CIFRS7*)
- Presentation and Disclosures in Financial Statements (*CIFRS 18*)

Those amended standards have no material impact on the Company's financial statements.

(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:

		Closing rate	Average rate Six-month	Average rate three-month
30 June 2025	USD1=	KHR4,010	KHR4,011	KHR4,005
30 June 2024	USD1=	KHR4,110	KHR4,075	KHR4,080
31 December 2024	USD1=	<u>KHR4,025</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 2025

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 2025

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 2025 KHR'000	31 December 2024 KHR'000	30 June 2025 US\$ (Note 2(b))	31 December 2024 US\$ (Note 2(b))
Investment in government bonds	<u>3,331,937</u>	<u>3,339,960</u>	<u>830,907</u>	<u>829,804</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 30 June 2025, there were no allowance for expected credit loss being recognised (31 December 2024: nil).

The Company has pledged government bonds amounting to KHR780,000 thousands as collateral for overdraft (31 December 2024: KHR2,810,000 thousands).

7. Investment in associate

This represents the investment at 25% stake in Serendib Micro Insurance Plc.'s total share capital as approved by the NBC on 6 January 2025 in response to the Company's request letter dated 18 November 2024. As of the reporting date, the investment is still waiting for approval from Insurance Regulator of Cambodia (IRC). The objective of the Company's investment is strategically aligned with its long-term goals of enhancing financial inclusion, diversifying its products, creating a positive social impact, and tapping into the growing demand for affordable insurance in Cambodia.

On 28 October 2024, the Board of Directors resolved to inject US\$1,000,000 equivalent to 25% of Serendib Micro Insurance Plc.'s total share capital. This capital was injected and paid on 28 March 2025.

Subsequently, on 14 August 2025, the Board of Directors has approved additional investment in Serendib Micro Insurance Plc. amounting to US\$999,990. Thus result in total investment amount to US\$1,999,990 equivalent to 48.93% of Serendib Micro Insurance Plc. total share capital.

As of the reporting date, no significant transactions related to Serendib Micro Insurance Plc. that require recognition in the Company's condensed interim financial statements yet.

LOLC (Cambodia) Plc.

Notes to the condensed interim financial statements (continued) for the three-month and six-month periods ended 30 June 2025

8. Loans and advances at amortised cost

	30 June 2025 KHR'000	31 December 2024 KHR'000	30 June 2025 US\$ (Note 2(b))	31 December 2024 US\$ (Note 2(b))
Group loans	434,996,152	496,363,762	108,477,843	123,320,189
Individual loans	4,830,925,456	4,787,736,239	1,204,719,565	1,189,499,687
Staff loans	29,990,905	32,264,541	7,479,029	8,016,035
Total gross loans	5,295,912,513	5,316,364,542	1,320,676,437	1,320,835,911
Less: Allowance for expected credit loss	(273,453,580)	(180,393,550)	(68,192,913)	(44,818,273)
	<u>5,022,458,933</u>	<u>5,135,970,992</u>	<u>1,252,483,524</u>	<u>1,276,017,638</u>

(a) Analysis by industry

	30 June 2025 KHR'000	31 December 2024 KHR'000	30 June 2025 US\$ (Note 2(b))	31 December 2024 US\$ (Note 2(b))
Household/family	1,453,712,163	1,417,524,512	362,521,736	352,180,003
Agriculture	1,365,009,684	1,419,397,914	340,401,417	352,645,444
Trade and commerce	980,054,750	998,980,153	244,402,681	248,193,827
Services	841,084,801	834,410,205	209,746,833	207,306,883
Manufacturing	381,371,896	367,318,354	95,105,211	91,259,218
Construction	198,278,401	201,516,695	49,445,985	50,066,260
Transportation	76,400,818	77,216,709	19,052,574	19,184,276
Total gross loans	<u>5,295,912,513</u>	<u>5,316,364,542</u>	<u>1,320,676,437</u>	<u>1,320,835,911</u>

LOLC (Cambodia) Plc.

Notes to the condensed interim financial statements (continued) for the three-month and six-month periods ended 30 June 2025

8. Loans and advances at amortised cost (continued)

(b) Analysis by loan classification

	30 June 2025 KHR'000	31 December 2024 KHR'000	30 June 2025 US\$ (Note 2(b))	31 December 2024 US\$ (Note 2(b))
<i>Performing</i>				
Gross amount	4,228,047,396	4,515,237,712	1,054,375,909	1,121,798,189
Exposure at default	4,228,047,396	4,515,237,712	1,054,375,909	1,121,798,189
Allowance for expected credit loss	(27,965,392)	(18,919,816)	(6,973,913)	(4,700,575)
<i>Under-performing</i>				
Gross amount	441,167,523	438,448,450	110,016,839	108,931,292
Exposure at default	441,167,523	438,448,450	110,016,839	108,931,292
Allowance for expected credit loss	(25,327,932)	(17,235,755)	(6,316,193)	(4,282,175)
<i>Non-performing</i>				
Gross amount	626,697,594	362,678,380	156,283,689	90,106,430
Exposure at default	626,697,594	362,678,380	156,283,689	90,106,430
Allowance for expected credit loss	(220,160,256)	(144,237,979)	(54,902,807)	(35,835,523)
Total gross loans	5,295,912,513	5,316,364,542	1,320,676,437	1,320,835,911
Exposure at default	5,295,912,513	5,316,364,542	1,320,676,437	1,320,835,911
Allowance for expected credit loss	(273,453,580)	(180,393,550)	(68,192,913)	(44,818,273)

(c) Analysis by maturity

	30 June 2025 KHR'000	31 December 2024 KHR'000	30 June 2025 US\$ (Note 2(b))	31 December 2024 US\$ (Note 2(b))
Not later than 1 year	232,411,698	247,274,938	57,958,029	61,434,766
Later than 1 year and no later than 3 years	1,096,605,099	1,124,803,455	273,467,606	279,454,275
Later than 3 years and no later than 5 years	1,457,431,531	1,524,075,244	363,449,260	378,652,235
Later than 5 years	2,509,464,185	2,420,210,905	625,801,542	601,294,635
Total gross loans	5,295,912,513	5,316,364,542	1,320,676,437	1,320,835,911

LOLC (Cambodia) Plc.

Notes to the condensed interim financial statements (continued) for the three-month and six-month periods ended 30 June 2025

8. Loans and advances at amortised cost (continued)

(d) Analysis by relationship

	30 June 2025 KHR'000	31 December 2024 KHR'000	30 June 2025 US\$ (Note 2(b))	31 December 2024 US\$ (Note 2(b))
Related parties (including staff loans)	29,990,905	32,264,541	7,479,029	8,016,035
Non-related parties	5,265,921,608	5,284,100,001	1,313,197,408	1,312,819,876
Total gross loans	<u>5,295,912,513</u>	<u>5,316,364,542</u>	<u>1,320,676,437</u>	<u>1,320,835,911</u>

(e) Analysis by residency

	30 June 2025 KHR'000	31 December 2024 KHR'000	30 June 2025 US\$ (Note 2(b))	31 December 2024 US\$ (Note 2(b))
Residents	5,295,912,513	5,316,364,542	1,320,676,437	1,320,835,911
Non-residents	-	-	-	-
Total gross loans	<u>5,295,912,513</u>	<u>5,316,364,542</u>	<u>1,320,676,437</u>	<u>1,320,835,911</u>

(f) Interest rates

These loans and advances earn annual interest rates as below:

	30 June 2025	31 December 2024
Short term loans	6.79% – 18.00%	6.75% – 18.00%
Long term loans	<u>6.79% – 18.00%</u>	<u>7.66% – 18.00%</u>

(g) Allowance for expected credit loss

	30 June 2025 KHR'000	31 December 2024 KHR'000	30 June 2025 US\$ (Note 2(b))	31 December 2024 US\$ (Note 2(b))
12-month ECL (Stage 1)	27,965,392	18,919,816	6,973,913	4,700,575
Lifetime ECL-not credit impaired (Stage 2)	25,327,932	17,235,755	6,316,193	4,282,175
Lifetime ECL-credit impaired (Stage 3)	<u>220,160,256</u>	<u>144,237,979</u>	<u>54,902,807</u>	<u>35,835,523</u>
	<u>273,453,580</u>	<u>180,393,550</u>	<u>68,192,913</u>	<u>44,818,273</u>

LOLC (Cambodia) Plc.

Notes to the condensed interim financial statements (continued) for the three-month and six-month periods ended 30 June 2025

8. 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
Expected Credit Losses				
Loss allowance as at 1 January 2025	18,919,816	17,235,755	144,237,979	180,393,550
<i>Changes due to exposure:</i>				
Transfer to stage 1	1,644,048	(1,119,081)	(524,967)	-
Transfer to stage 2	(3,623,959)	10,154,445	(6,530,486)	-
Transfer to stage 3	(2,765,712)	(9,938,841)	12,704,553	-
Net remeasurement of loss allowance (*)	10,990,218	9,154,916	91,162,592	111,307,726
New financial assets originated or purchased	5,792,558	1,783,291	502,147	8,077,996
Financial assets derecognised during the period other than write off	(3,626,066)	(2,356,420)	(4,415,875)	(10,398,361)
Write-offs	(9)	-	(28,134,890)	(28,134,899)
Unwinding of discount (**)	-	-	6,951,526	6,951,526
Foreign exchange differences	634,498	413,867	4,207,677	5,256,042
Loss allowance as at 30 June 2025	<u>27,965,392</u>	<u>25,327,932</u>	<u>220,160,256</u>	<u>273,453,580</u>
<i>In US\$ equivalent (Note 2(b))</i>	<u>6,973,913</u>	<u>6,316,193</u>	<u>54,902,807</u>	<u>68,192,913</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 2025

8. 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
Gross carrying amount				
Gross carrying amount as at 1 January 2025	4,515,237,712	438,448,450	362,678,380	5,316,364,542
<i>Changes due to financial instruments recognised:</i>				
Transfer to stage 1	65,375,867	(63,698,449)	(1,677,418)	-
Transfer to stage 2	(289,312,577)	308,241,159	(18,928,582)	-
Transfer to stage 3	(127,410,000)	(186,328,530)	313,738,530	-
New financial assets originated or purchased	836,851,467	3,523,404	28,905,164	869,280,035
Financial assets derecognised during the period other than write off	(772,675,146)	(59,018,511)	(14,656,000)	(846,349,657)
Write-offs	(19,927)	-	(43,362,480)	(43,382,407)
Gross carrying amount as at 30 June 2025	<u>4,228,047,396</u>	<u>441,167,523</u>	<u>626,697,594</u>	<u>5,295,912,513</u>
<i>In US\$ equivalent (Note 2(b))</i>	<u>1,054,375,909</u>	<u>110,016,839</u>	<u>156,283,689</u>	<u>1,320,676,437</u>

LOLC (Cambodia) Plc.

Notes to the condensed interim financial statements (continued) for the three-month and six-month periods ended 30 June 2025

8. 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
Expected Credit Losses				
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>

(*) 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 2025

8. 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
Gross carrying amount				
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>

9. Statutory deposits with the National Bank of Cambodia

	Note	30 June 2025 KHR'000	31 December 2024 KHR'000	30 June 2025 US\$ (Note 2(b))	31 December 2024 US\$ (Note 2(b))
Capital guarantee	(a)	42,437,740	42,437,740	10,582,977	10,543,538
Reserve requirement	(b)	<u>297,834,421</u>	<u>297,430,650</u>	<u>74,272,923</u>	<u>73,895,814</u>
		<u>340,272,161</u>	<u>339,868,390</u>	<u>84,855,900</u>	<u>84,439,352</u>

LOLC (Cambodia) Plc.

Notes to the condensed interim financial statements (continued) for the three-month and six-month periods ended 30 June 2025

9. 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 2024: 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, non-resident's bank placement and non-resident borrowings (31 December 2024: 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, non-resident's bank placement and non-resident borrowings. Reserve requirement and does not earn interest.

This reserve requirement rate is kept at the rate of 7% until 31 December 2025.

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Notes to the condensed interim financial statements (continued) for the three-month and six-month periods ended 30 June 2025

10. Property and equipment

2025	Furniture and equipment KHR'000	Motor vehicles KHR'000	Computer equipment KHR'000	Leasehold improvement KHR'000	KHR'000	Total US\$ (Note 2(b))
Cost						
At 1 January	6,979,535	12,413,478	22,641,729	2,849,871	44,884,613	11,151,457
Additions	464,414	984,755	190,630	185,171	1,824,970	454,991
Disposals	(115,965)	(227,262)	(94,428)	(9,132)	(446,787)	(111,390)
Currency translation difference	-	-	-	-	-	41,799
At 30 June	<u>7,327,984</u>	<u>13,170,971</u>	<u>22,737,931</u>	<u>3,025,910</u>	<u>46,262,796</u>	<u>11,536,857</u>
Less: Accumulated depreciation						
At 1 January	5,446,204	10,416,048	17,468,650	1,929,166	35,260,068	8,760,265
Depreciation for the period	501,990	392,704	1,569,242	115,229	2,579,165	643,023
Disposals	(114,374)	(227,262)	(94,425)	(9,132)	(445,193)	(110,993)
Currency translation difference	-	-	-	-	-	32,902
At 30 June	<u>5,833,820</u>	<u>10,581,490</u>	<u>18,943,467</u>	<u>2,035,263</u>	<u>37,394,040</u>	<u>9,325,197</u>
Carrying amounts						
At 1 January	<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>
At 30 June	<u>1,494,164</u>	<u>2,589,481</u>	<u>3,794,464</u>	<u>990,647</u>	<u>8,868,756</u>	<u>2,211,660</u>

LOLC (Cambodia) Plc.

Notes to the condensed interim financial statements (continued) for the three-month and six-month periods ended 30 June 2025

10. Property and equipment (continued)

2024	Furniture and equipment KHR'000	Motor vehicles KHR'000	Computer equipment KHR'000	Leasehold improvement KHR'000	Total KHR'000	US\$ (Note 2(b))
Cost						
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	6,898,974	12,333,000	22,471,029	2,762,661	44,465,664	10,818,896
Less: Accumulated depreciation						
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	4,988,039	10,326,884	15,925,347	1,817,779	33,058,049	8,043,321
Carrying amounts						
At 1 January	1,825,993	1,926,672	7,539,437	853,414	12,145,516	2,973,198
At 30 June	1,910,935	2,006,116	6,545,682	944,882	11,407,615	2,775,575

LOLC (Cambodia) Plc.

Notes to the condensed interim financial statements (continued) for the three-month and six-month periods ended 30 June 2025

11. 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 2025 KHR'000	31 December 2024 KHR'000	30 June 2025 US\$ (Note 2(b))	31 December 2024 US\$ (Note 2(b))
<i>Right-of-use assets (Non-current)</i>				
Buildings	<u>31,272,374</u>	<u>30,640,659</u>	<u>7,798,597</u>	<u>7,612,586</u>
<i>Lease liabilities</i>				
Current	6,396,153	6,380,120	1,595,050	1,585,123
Non-current	<u>23,220,882</u>	<u>22,479,645</u>	<u>5,790,744</u>	<u>5,585,005</u>
	<u>29,617,035</u>	<u>28,859,765</u>	<u>7,385,794</u>	<u>7,170,128</u>

Right-of-use assets' additions during the period were KHR4,465,109 thousand (2024: KHR9,465,463 thousand).

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Notes to the condensed interim financial statements (continued) for the three-month and six-month periods ended 30 June 2025

11. 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 2025 KHR'000	30 June 2024 KHR'000	30 June 2025 US\$ (Note 2(b))	30 June 2024 US\$ (Note 2(b))	30 June 2025 KHR'000	30 June 2024 KHR'000	30 June 2025 US\$ (Note 2(b))	30 June 2024 US\$ (Note 2(b))
<i>Depreciation of right-of-use assets</i>								
Buildings	<u>1,867,101</u>	<u>1,844,873</u>	<u>466,193</u>	<u>452,175</u>	<u>3,719,019</u>	<u>3,576,229</u>	<u>927,205</u>	<u>877,602</u>
Interest expense (Note 19)	<u>596,199</u>	<u>648,250</u>	<u>148,864</u>	<u>158,885</u>	<u>1,180,670</u>	<u>1,261,021</u>	<u>294,359</u>	<u>309,453</u>
Expense relating to short-term lease and leases of low-value assets (included in operating expenses)	<u>2,530,429</u>	<u>2,470,892</u>	<u>631,817</u>	<u>605,611</u>	<u>5,005,594</u>	<u>4,914,356</u>	<u>1,247,968</u>	<u>1,205,977</u>
Total expenses related to leases	<u>4,993,729</u>	<u>4,964,015</u>	<u>1,246,874</u>	<u>1,216,671</u>	<u>9,905,283</u>	<u>9,751,606</u>	<u>2,469,532</u>	<u>2,393,032</u>

Total cash outflow for lease during the period was KHR8,605,664 thousand (2024: KHR9,300,270 thousand).

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Notes to the condensed interim financial statements (continued) for the three-month and six-month periods ended 30 June 2025

12. Intangible assets

2025	Software and license KHR'000	Work in progress KHR'000	Total KHR'000	US\$ (Note 2(b))
Cost				
At 1 January	23,449,001	126,935	23,575,936	5,857,375
Additions	115,612	125,221	240,833	60,043
Transfers	205,887	(205,887)	-	-
Currency translation difference	-	-	-	21,926
At 30 June	23,770,500	46,269	23,816,769	5,939,344
Less: Accumulated depreciation				
At 1 January	11,761,731	-	11,761,731	2,922,169
Amortisation for the period	900,963	-	900,963	224,623
Currency translation difference	-	-	-	10,987
At 30 June	12,662,694	-	12,662,694	3,157,779
Carrying amounts				
At 1 January	11,687,270	126,935	11,814,205	2,935,206
At 30 June	11,107,806	46,269	11,154,075	2,781,565
2024				
Cost				
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	16,048,869	4,883,175	20,932,044	5,092,955
Less: Accumulated depreciation				
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 30 June	11,113,590	-	11,113,590	2,704,037
Carrying amounts				
At 1 January	6,098,265	1,719,829	7,818,094	1,913,854
At 30 June	4,935,279	4,883,175	9,818,454	2,388,918

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Notes to the condensed interim financial statements (continued) for the three-month and six-month periods ended 30 June 2025

13. Deposits from banks and other financial institutions

	30 June 2025 KHR'000	31 December 2024 KHR'000	30 June 2025 US\$ (Note 2(b))	31 December 2024 US\$ (Note 2(b))
Savings deposits	9,550,527	10,517,544	2,381,678	2,613,055
Fixed deposits	<u>305,831,060</u>	<u>326,439,145</u>	<u>76,267,097</u>	<u>81,102,893</u>
	<u>315,381,587</u>	<u>336,956,689</u>	<u>78,648,775</u>	<u>83,715,948</u>
	30 June 2025 KHR'000	31 December 2024 KHR'000	30 June 2025 US\$ (Note 2(b))	31 December 2024 US\$ (Note 2(b))
Current	315,381,587	336,956,689	78,648,775	83,715,948
Non-current	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>315,381,587</u>	<u>336,956,689</u>	<u>78,648,775</u>	<u>83,715,948</u>

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

	30 June 2025	31 December 2024
Savings deposits	0.00% - 2.50%	0.00% - 3.00%
Fixed deposits	<u>2.75 % - 5.35%</u>	<u>3.75 % - 6.25%</u>

14. Deposits from customers

	30 June 2025 KHR'000	31 December 2024 KHR'000	30 June 2025 US\$ (Note 2(b))	31 December 2024 US\$ (Note 2(b))
Savings deposits	220,141,975	233,005,254	54,898,248	57,889,504
Fixed deposits	<u>3,561,594,521</u>	<u>3,460,588,493</u>	<u>888,178,185</u>	<u>859,773,539</u>
	<u>3,781,736,496</u>	<u>3,693,593,747</u>	<u>943,076,433</u>	<u>917,663,043</u>

LOLC (Cambodia) Plc.

Notes to the condensed interim financial statements (continued) for the three-month and six-month periods ended 30 June 2025

14. Deposits from customers (continued)

	30 June 2025 KHR'000	31 December 2024 KHR'000	30 June 2025 US\$ (Note 2(b))	31 December 2024 US\$ (Note 2(b))
Current	3,338,512,173	3,255,384,361	832,546,677	808,791,146
Non-current	443,224,323	438,209,386	110,529,756	108,871,897
	<u>3,781,736,496</u>	<u>3,693,593,747</u>	<u>943,076,433</u>	<u>917,663,043</u>

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

	30 June 2025	31 December 2024
Savings deposits	0.00 % - 5.00%	0.00 % - 5.00%
Fixed deposits	<u>3.25 % - 9.13%</u>	<u>2.75 % - 9.13%</u>

15. Borrowings

As at 30 June 2025, the Company is in breach of covenants with thirteen lenders, of which the actual performance ratio exceeded the limit as follow:

Ratio	Limit	Actual	30 June 2025	30 June 2025
			KHR'000	US\$
(Note 2(b))				
PAR(*) 90 days plus restructured loan excludes Covid 19 minus loan loss reserve divide by net worth	<= 25%	Exceeded limit	26,758,604	6,672,969
(Substandard loan + doubtful loan + loss) divided by gross loan portfolio	<= 9%	Exceeded limit	107,575,426	26,826,789
PAR(*) 30 days plus economic recovery restructured loan divide by gross loan portfolio	<= 6.5%	Exceeded limit	12,269,510	3,059,728
PAR(*) 30 days plus restructured loan excludes Covid 19 divide by gross loan portfolio	<= 18%	Exceeded limit	7,989,464	1,992,385
PAR(*) 30 days plus restructure loan exclude Covid 19 divided by gross loan portfolio	<= 7%	Exceeded limit	18,959,653	4,728,093
PAR(*) 30 days plus restructured loan excludes Covid 19 less loan loss reserve divided by net worth	<= 15%	Exceeded limit		

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Notes to the condensed interim financial statements (continued) for the three-month and six-month periods ended 30 June 2025

15. Borrowings (continued)

As at 30 June 2025, the Company is in breach of covenants with thirteen lenders, of which the actual performance ratio exceeded the limit as follow: (continued)

Ratio	Limit	Actual	30 June 2025	30 June 2025
			KHR'000	US\$
(Note 2(b))				
PAR(*) 30 days plus economic recovery restructured loan plus net-charged-offs last 12 months divided by gross loan portfolio	<= 7%	Exceeded limit	20,240,237	5,047,441
PAR(*) 90 days plus restructured loan divided by loan loss reserve	>=100%	Not met		
PAR(*) 30 days plus net write-off last 12 months divided by gross loan portfolio	<= 6%	Exceeded limit	30,640,334	7,640,981
PAR(*) 30 days plus net-charged-offs last 12 months divide by gross loan portfolio	<= 12%	Exceeded limit	31,228,456	7,787,645
PAR(*) 30 days plus restructured loan exclude Covid 19 divided by gross loan portfolio	<= 5%	Exceeded limit	19,974,548	4,981,184
PAR(*) 30 days plus restructured loan exclude Covid 19 less the allowance for loan losses divided by net worth	<= 15%	Exceeded limit		
PAR(*) 30 days divided by gross loan portfolio	<= 5%	Exceeded limit	11,990,160	2,990,065
PAR(*) 90 days divided by gross loan portfolio	<= 3%	Exceeded limit		
PAR(*) 30 days plus restructure loan exclude Covid 19 divide by gross loan portfolio	<= 5%	Exceeded limit	9,989,203	2,491,073
PAR(*) 90 days plus economic recovery restructured loan plus net-charged-offs last 12 months divided by gross loan portfolio	<= 12%	Exceeded limit	13,973,392	3,484,636
Loan loss reserve divided by PAR(*) 90 days plus economic recovery restructured loan	>= 100%	Not met		
PAR(*) 30 days divide by gross loan portfolio	<= 5%	Exceeded limit	10,200,664	2,543,807

(*) Portfolio at risk

As of the date of these condensed interim financial statements, the non-current liabilities portion of KHR120,189,483 thousand (equivalent to US\$29,972,440) had been reclassified to current liabilities.

The Company complied with the performance ratios set by the lenders when it was tested on 30 June 2025. As at 30 June 2025, the Company has assessed all covenants compliance for the next twelve months after reporting date and the Company is expected remain in compliance throughout the period. Therefore, the borrowings amounted to KHR13,355,384 thousand (equivalent to US\$3,330,520) is classified as non-current as at 30 June 2025 because the Company has an existing right to defer settlement of the loan for at least 12 months after the reporting period.

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Notes to the condensed interim financial statements (continued) for the three-month and six-month periods ended 30 June 2025

15. Borrowings (continued)

Borrowings are further analysed as follows:

	30 June 2025 KHR'000	31 December 2024 KHR'000	30 June 2025 US\$ (Note 2(b))	31 December 2024 US\$ (Note 2(b))
Current	392,006,898	495,942,606	97,757,331	123,215,555
Non-current	13,355,384	96,536,310	3,330,520	23,984,176
	<u>405,362,282</u>	<u>592,478,916</u>	<u>101,087,851</u>	<u>147,199,731</u>

The annual interest rates are ranging from 5.38% to 8.20% (2024: 5.38% to 8.20%).

16. Subordinated debts

As at 30 June 2025, the Company is in breach of covenants with seven lenders, of which the actual performance ratio exceeded the limit as follows:

Ratio	Limit	Actual	30 June 2025 KHR'000	30 June 2025 US\$
			(Note 2(b))	
PAR(*) 30 days plus restructure loan minus loan loss reserve divided by net worth	< 25%	Exceeded limit	26,487,139	6,605,272
PAR(*) 30 days plus economic recovery restructured loan plus net-charged-offs last 12 months divided by gross loan portfolio	<= 7%	Exceeded limit	53,182,028	13,262,351
PAR(*) 90 days plus restructured loan divided by loan loss reserve	>=100%	Not met		
PAR(*) 30 days plus restructure loan exclude Covid 19 divided by gross loan portfolio	<= 8%	Exceeded limit	12,247,165	3,054,156
PAR(*) 30 days plus all restructured loan divided by gross loan portfolio	<= 17%	Exceeded limit	1,618,965	403,732
PAR(*) 30 days plus economic recovery restructured loan, rescheduled and refinanced loan less loan loss reserve divided by equity	<= 29%	Exceeded limit		
PAR(*) 30 days divided by gross loan portfolio	<= 5%	Exceeded limit	34,149,096	8,515,984
PAR(*) 30 days plus economic recovery restructured loan divided by gross loan portfolio	<= 9%	Exceeded limit		
Loan loss reserve divided by PAR(*) 90 days	>= 100%	Not met	8,213,979	2,048,374
PAR(*) 90 days plus economic recovery restructured loan plus net-charged-offs last 12 months divided by gross loan portfolio	<= 12%	Exceeded limit		
Loan loss reserve divided by PAR(*) 90 days plus economic recovery restructured loan	>= 100%	Not met		

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Notes to the condensed interim financial statements (continued) for the three-month and six-month periods ended 30 June 2025

16. Subordinated debts (continued)

As at 30 June 2025, the Company is in breach of covenants with seven lenders, of which the actual performance ratio exceeded the limit as follows: (continued)

Ratio	Limit	Actual	30 June 2025	30 June 2025
			KHR'000	US\$
(Note 2(b))				
PAR(*) 30 days plus restructured loan divided by gross loan portfolio	<= 15%	Exceeded limit	16,745,939	4,176,045
PAR(*) 30 days divided by gross loan portfolio	<= 7%	Exceeded limit		

(*) Portfolio at risk

As of the date of these condensed interim financial statements, the non-current liabilities portion of KHR89,785,468 thousand (equivalent to US\$22,390,391) had been reclassified to current liabilities.

	30 June 2025 KHR'000	31 December 2024 KHR'000	30 June 2025 US\$ (Note 2(b))	31 December 2024 US\$ (Note 2(b))
Current	156,650,504	174,948,657	39,064,964	43,465,505
Non-current	-	4,029,620	-	1,001,148
	<u>156,650,504</u>	<u>178,978,277</u>	<u>39,064,964</u>	<u>44,466,653</u>

The annual interest rates are ranging from 7.50% to 10.47% (2024: 7.50% to 10.47%).

17. Share capital

The total number of authorised shares of the Company as at 30 June 2025 was 4,243,774 shares (2024: 4,243,774 shares) with a par value of KHR100 thousand per share (2024: KHR100 thousand). All authorised shares are issued and fully paid up.

The detail of shareholders and shareholding structure are as follows:

	30 June 2025/31 December 2024		
	Number of shares	%	KHR'000
Shareholders:			
LOLC Asia Private Limited	4,115,192	97%	411,519,200
TPC-ESOP Co., Ltd	128,582	3%	12,858,200
	<u>4,243,774</u>	<u>100%</u>	<u>424,377,400</u>
In US\$ equivalent (Note 2(b))			<u>103,969,218</u>

LOLC (Cambodia) Plc.

Notes to the condensed interim financial statements (continued) for the three-month and six-month periods ended 30 June 2025

18. 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 then compare with the loan and advances impairment covering 100% risk coverage ratio of Non-Performing Loan “PAR 90 days” in accordance with lender covenants.

As at 30 June 2025, the Company transferred from retained earnings to other reserves accumulatively amounting to KHR191,668,428 thousands (equivalent to US\$47,656,599) (31 December 2024: KHR131,611,428 thousands (equivalent to US\$32,679,791)).

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Notes to the condensed interim financial statements (continued) for the three-month and six-month periods ended 30 June 2025

19. Net interest income

	Three-month period ended				Six-month period ended			
	30 June 2025 KHR'000	30 June 2024 KHR'000	30 June 2025 US\$ (Note 2(b))	30 June 2024 US\$ (Note 2(b))	30 June 2025 KHR'000	30 June 2024 KHR'000	30 June 2025 US\$ (Note 2(b))	30 June 2024 US\$ (Note 2(b))
<i>Interest income from financial assets at amortised cost</i>								
Loans and advances	214,512,695	217,239,122	53,561,222	53,244,883	435,462,213	429,544,242	108,566,994	105,409,630
Deposits and placements with banks	4,481,310	3,989,455	1,118,929	977,808	9,189,959	8,314,944	2,291,189	2,040,477
Deposits and placements with the central bank	327,862	329,876	81,863	80,851	647,351	655,427	161,394	160,841
Investment securities at amortised cost	33,296	-	8,314	-	66,227	-	16,511	-
Total interest income	219,355,163	221,558,453	54,770,328	54,303,542	445,365,750	438,514,613	111,036,088	107,610,948
<i>Interest expense on financial liabilities at amortised cost</i>								
Deposits from customers	(61,003,144)	(70,829,626)	(15,231,746)	(17,360,202)	(126,052,411)	(141,450,305)	(31,426,679)	(34,711,731)
Borrowings	(9,041,388)	(12,900,123)	(2,257,525)	(3,161,795)	(18,937,909)	(27,411,016)	(4,721,493)	(6,726,630)
Subordinated debts	(3,851,727)	(5,802,621)	(961,730)	(1,422,211)	(8,059,966)	(11,803,390)	(2,009,465)	(2,896,537)
Lease liabilities	(596,199)	(648,250)	(148,864)	(158,885)	(1,180,670)	(1,261,021)	(294,359)	(309,453)
	(74,492,458)	(90,180,620)	(18,599,865)	(22,103,093)	(154,230,956)	(181,925,732)	(38,451,996)	(44,644,351)
Net interest income	144,862,705	131,377,833	36,170,463	32,200,449	291,134,794	256,588,881	72,584,092	62,966,597

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Notes to the condensed interim financial statements (continued) for the three-month and six-month periods ended 30 June 2025

20. Credit impairment losses

	Three-month period ended				Six-month period ended			
	30 June 2025 KHR'000	30 June 2024 KHR'000	30 June 2025 US\$ (Note 2(b))	30 June 2024 US\$ (Note 2(b))	30 June 2025 KHR'000	30 June 2024 KHR'000	30 June 2025 US\$ (Note 2(b))	30 June 2024 US\$ (Note 2(b))
<i>Expected Credit Loss (ECL):</i>								
Loans and advances	33,225,181	50,147,765	8,295,925	12,291,119	108,987,361	81,736,899	27,172,117	20,058,135
Deposits and placements with banks	<u>67,685</u>	<u>190,267</u>	<u>16,900</u>	<u>46,634</u>	<u>522,310</u>	<u>(1,099,830)</u>	<u>130,219</u>	<u>(269,897)</u>
	<u>33,292,866</u>	<u>50,338,032</u>	<u>8,312,825</u>	<u>12,337,753</u>	<u>109,509,671</u>	<u>80,637,069</u>	<u>27,302,336</u>	<u>19,788,238</u>

21. Personnel expenses

	Three-month period ended				Six-month period ended			
	30 June 2025 KHR'000	30 June 2024 KHR'000	30 June 2025 US\$ (Note 2(b))	30 June 2024 US\$ (Note 2(b))	30 June 2025 KHR'000	30 June 2024 KHR'000	30 June 2025 US\$ (Note 2(b))	30 June 2024 US\$ (Note 2(b))
Salaries and wage expenses	32,902,960	26,696,723	8,215,471	6,543,314	63,092,622	60,100,913	15,729,898	14,748,690
Other benefits	<u>6,800,002</u>	<u>5,010,556</u>	<u>1,697,878</u>	<u>1,228,078</u>	<u>12,741,542</u>	<u>10,655,714</u>	<u>3,176,650</u>	<u>2,614,899</u>
	<u>39,702,962</u>	<u>31,707,279</u>	<u>9,913,349</u>	<u>7,771,392</u>	<u>75,834,164</u>	<u>70,756,627</u>	<u>18,906,548</u>	<u>17,363,589</u>

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Notes to the condensed interim financial statements (continued) for the three-month and six-month periods ended 30 June 2025

22. Income tax expense

(a) Income tax expense

	Three-month period ended				Six-month period ended			
	30 June 2025 KHR'000	30 June 2024 KHR'000	30 June 2025 US\$ (Note 2(b))	30 June 2024 US\$ (Note 2(b))	30 June 2025 KHR'000	30 June 2024 KHR'000	30 June 2025 US\$ (Note 2(b))	30 June 2024 US\$ (Note 2(b))
Current income tax	1,007,446	12,629,172	251,547	3,095,385	13,845,147	27,246,666	3,451,794	6,686,298
Deferred income tax	8,176,520	(7,449,988)	2,041,578	(1,825,977)	(336,292)	(12,951,975)	(83,842)	(3,178,398)
	<u>9,183,966</u>	<u>5,179,184</u>	<u>2,293,125</u>	<u>1,269,408</u>	<u>13,508,855</u>	<u>14,294,691</u>	<u>3,367,952</u>	<u>3,507,900</u>

(b) Reconciliation between income tax expenses and accounting profit

	Three-month period ended				Six-month period ended			
	30 June 2025 KHR'000	30 June 2024 KHR'000	30 June 2025 US\$ (Note 2(b))	30 June 2024 US\$ (Note 2(b))	30 June 2025 KHR'000	30 June 2024 KHR'000	30 June 2025 US\$ (Note 2(b))	30 June 2024 US\$ (Note 2(b))
Profit before income tax	54,496,706	27,967,524	13,607,170	6,854,785	80,970,437	65,755,375	20,187,096	16,136,288
Tax expenses at 20%	10,899,341	5,593,505	2,721,434	1,370,956	16,194,087	13,151,075	4,037,419	3,227,258
Tax effect of reconciling items:								
Expenses not deductible for tax purposes	396,412	335,773	98,979	82,297	623,424	515,981	155,429	126,621
Others	(2,111,787)	(750,094)	(527,288)	(183,845)	(3,308,656)	627,635	(824,896)	154,021
Income tax expense	<u>9,183,966</u>	<u>5,179,184</u>	<u>2,293,125</u>	<u>1,269,408</u>	<u>13,508,855</u>	<u>14,294,691</u>	<u>3,367,952</u>	<u>3,507,900</u>

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

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

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Notes to the condensed interim financial statements (continued) for the three-month and six-month periods ended 30 June 2025

23. Cash used in operations

	Six-month period ended			
	30 June 2025 KHR'000	30 June 2024 KHR'000	30 June 2025 US\$ (Note 2(b))	30 June 2024 US\$ (Note 2(b))
Profit before income tax	80,970,437	65,755,375	20,187,096	16,136,288
<i>Adjustments for:</i>				
Depreciation and amortisation charge	7,199,147	7,713,190	1,794,851	1,892,807
Credit impairment losses	109,509,671	80,637,069	27,302,336	19,788,238
Net losses on derecognition of financial assets measured at amortised cost	8,687,249	8,731,256	2,165,856	2,142,640
Gain on disposals of property and equipment	(57,164)	(191,169)	(14,252)	(46,913)
Provision employee benefits	3,818,783	4,194,418	952,078	1,029,305
Unrealised exchange losses/(gains)	3,832,960	(79,371,706)	955,612	(19,477,719)
Net interest income (Note 19)	(291,134,794)	(256,588,881)	(72,584,092)	(62,966,597)
<i>Changes in working capital:</i>				
Reserve requirement deposits	(403,771)	30,047,074	(100,666)	7,373,515
Loans and advances	22,294,332	(81,331,888)	5,558,298	(19,958,746)
Other assets	(2,349,847)	740,528	(585,851)	181,725
Deposits from banks and other financial institutions	(21,575,102)	127,597,867	(5,378,983)	31,312,360
Deposits from customers	84,176,482	104,681,862	20,986,408	25,688,800
Other liabilities	(7,488,184)	(21,021,343)	(1,866,912)	(5,158,612)
Cash used in operations	<u>(2,519,801)</u>	<u>(8,406,348)</u>	<u>(628,221)</u>	<u>(2,062,909)</u>

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

	30 June 2025 KHR'000	30 June 2024 KHR'000	30 June 2025 US\$ (Note 2(b))	30 June 2024 US\$ (Note 2(b))
Cash on hand	94,240,459	109,861,280	23,501,361	26,730,238
<i>Balances with the NBC</i>				
Current accounts	175,959,978	174,698,833	43,880,294	42,505,799
Settlement accounts	43,615,309	24,902,361	10,876,636	6,058,969
<i>Balances with other banks</i>				
Current accounts	187,188,810	123,875,821	46,680,501	30,140,102
Savings accounts	89,775,387	137,455,712	22,387,877	33,444,212
Term deposits (original maturity up to three months)	<u>284,697,251</u>	<u>257,855,190</u>	<u>70,996,821</u>	<u>62,738,489</u>
	<u>875,477,194</u>	<u>828,649,197</u>	<u>218,323,490</u>	<u>201,617,809</u>

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Notes to the condensed interim financial statements (continued) for the three-month and six-month periods ended 30 June 2025

24. 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)

(b) Loans and advances to key management personnel

	30 June 2025 KHR'000	31 December 2024 KHR'000	30 June 2025 US\$ (Note 2(b))	31 December 2024 US\$ (Note 2(b))
Loans to key management personnel	<u>2,424,376</u>	<u>2,895,100</u>	<u>604,583</u>	<u>719,280</u>

Loans and advances to key management personnel are secured and having interest rate range from 6.79% to 14.40% (2024: 7.66% to 14.40%) per annum. Allowances for expected credit losses for loans to key management personnel during the period was KHR40,148 thousand (2024: KHR473 thousand).

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Notes to the condensed interim financial statements (continued) for the three-month and six-month periods ended 30 June 2025

24. Related party transactions and balances (continued)

(c) Related parties balances

	30 June 2025 KHR'000	31 December 2024 KHR'000	30 June 2025 US\$ (Note 2(b))	31 December 2024 US\$ (Note 2(b))
Payables to related companies	<u>3,108,090</u>	<u>2,210,336</u>	<u>775,085</u>	<u>549,152</u>

Deposits from related parties

	30 June 2025 KHR'000	31 December 2024 KHR'000	30 June 2025 US\$ (Note 2(b))	31 December 2024 US\$ (Note 2(b))
Deposits from related parties				
Shareholders	100,510	100,670	25,065	25,011
Board of directors	2,303,801	2,224,157	574,514	552,586
Key management personnel	21,184,679	18,242,169	5,282,962	4,532,216
Related companies	<u>2,252,744</u>	<u>1,168,501</u>	<u>561,782</u>	<u>290,311</u>
	<u>25,841,734</u>	<u>21,735,497</u>	<u>6,444,323</u>	<u>5,400,124</u>
Interest payables	<u>782,861</u>	<u>756,582</u>	<u>195,227</u>	<u>187,971</u>

Annual interest rates during the period are as follows:

	30 June 2025	31 December 2024
Shareholders	2.00% – 7.00%	3.00% – 7.00%
Board of directors	2.00% – 7.00%	3.00% – 7.75%
Key management personnel	2.00% – 9.13%	0.00% – 9.13%
Related companies	<u>2.00%</u>	<u>0.00% – 3.00%</u>

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Notes to the condensed interim financial statements (continued) for the three-month and six-month periods ended 30 June 2025

24. Related party transactions and balances (continued)

(d) Transactions with related parties

	Three-month period ended				Six-month period ended			
	30 June 2025 KHR'000	30 June 2024 KHR'000	30 June 2025 US\$ (Note 2(b))	30 June 2024 US\$ (Note 2(b))	30 June 2025 KHR'000	30 June 2024 KHR'000	30 June 2025 US\$ (Note 2(b))	30 June 2024 US\$ (Note 2(b))
(i) <i>Incomes from related companies:</i>								
Rental income	-	6,048	-	1,481	-	19,727	-	4,841
Management fee income	45,505	50,984	11,362	12,499	91,150	101,867	22,725	24,998
Insurance commission incomes	2,567,184	2,060,802	640,995	505,327	5,070,474	3,685,238	1,264,142	904,353
	<u>2,612,689</u>	<u>2,117,834</u>	<u>652,357</u>	<u>519,307</u>	<u>5,161,624</u>	<u>3,806,832</u>	<u>1,286,867</u>	<u>934,192</u>
(ii) <i>Expenses to related companies:</i>								
License fees	172,379	156,212	43,041	38,372	337,028	312,425	84,026	76,744
IT consultancy and support fees	399,751	195,054	99,813	47,798	825,424	476,706	205,790	116,983
	<u>572,130</u>	<u>351,266</u>	<u>142,854</u>	<u>86,170</u>	<u>1,162,452</u>	<u>789,131</u>	<u>289,816</u>	<u>193,727</u>
(iii) <i>Interest income/expense</i>								
Interest income	53,963	76,478	13,474	18,747	111,402	161,066	27,774	39,525
Interest expense	<u>307,401</u>	<u>294,024</u>	<u>76,754</u>	<u>72,088</u>	<u>622,412</u>	<u>564,348</u>	<u>155,176</u>	<u>138,490</u>

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

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Notes to the condensed interim financial statements (continued) for the three-month and six-month periods ended 30 June 2025

24. Related party transactions and balances (continued)

(e) Key management compensation

	Three-month period ended				Six-month period ended			
	30 June 2025 KHR'000	30 June 2024 KHR'000	30 June 2025 US\$ (Note 2(b))	30 June 2024 US\$ (Note 2(b))	30 June 2025 KHR'000	30 June 2024 KHR'000	30 June 2025 US\$ (Note 2(b))	30 June 2024 US\$ (Note 2(b))
Directors' fees	178,678	184,931	44,614	45,337	359,628	373,248	89,660	91,595
Salaries and other benefits to key management	3,162,975	3,039,678	789,757	745,165	6,389,037	6,226,054	1,592,879	1,527,866
	<u>3,341,653</u>	<u>3,224,609</u>	<u>834,371</u>	<u>790,502</u>	<u>6,748,665</u>	<u>6,599,302</u>	<u>1,682,539</u>	<u>1,619,461</u>

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Notes to the condensed interim financial statements (continued) for the three-month and six-month periods ended 30 June 2025

25. 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 2025 and 31 December 2024 on a recurring basis:

	Level 1 KHR'000	Level 2 KHR'000	Level 3 KHR'000	Total KHR'000
As at 30 June 2025				
Financial assets				
<i>Financial assets at fair value through other comprehensive income (FVOCI)</i>				
Equity securities	-	-	60,150	60,150
Total financial assets	-	-	60,150	60,150
<i>In US\$ equivalent (Note 2(b))</i>	-	-	15,000	15,000
As at 31 December 2024				
Financial assets				
<i>Financial assets at fair value through other comprehensive income (FVOCI)</i>				
Equity securities	-	-	60,375	60,375
Total financial assets	-	-	60,375	60,375
<i>In US\$ equivalent (Note 2(b))</i>	-	-	15,000	15,000

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.

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Notes to the condensed interim financial statements (continued) for the three-month and six-month periods ended 30 June 2025

25. Fair value measurement of financial instruments (continued)

(a) Fair value hierarchy (continued)

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.

(iii) *Investment in associate*

Investment in associate is accounted for at cost less any accumulated impairment losses. Dividend income from investment in associate is recognised when the Company’s right to receive such payment has been established. It is included in other income.

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Notes to the condensed interim financial statements (continued) for the three-month and six-month periods ended 30 June 2025

25. Fair value measurement of financial instruments (continued)

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

(iv) 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.

(v) 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.

(vi) 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.

(vii) Borrowings and subordinated debts

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

26. 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.

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Notes to the condensed interim financial statements (continued) for the three-month and six-month periods ended 30 June 2025

27. Subsequent event

On 6 August 2025, the Company had written-off outstanding loans totalling KHR313,798 thousand (equivalent to US\$78,254) in an effort to honoring and supporting Cambodian veterans who made ultimate sacrifices in defense of the nation during a brief armed conflict with Thailand. As at the date of these condensed financial statements, the Company is actively evaluating and aligning its effort with government-wide initiatives aimed at supporting military veterans and individuals displaced by the Cambodia–Thailand border conflict, in accordance with the NBC's instruction No. B017-025-019 Sor Kor Nor Nor issued on 30 July 2025.

On 14 August 2025, the Board of Directors has approved additional investment in Serendib Micro Insurance Plc. amounting to US\$999,990. Refer to Note 7 for details.