

Sacombank

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Prestige **BRIGHTEN**

SACOMBANK (CAMBODIA) PLC.
ANNUAL REPORT 2024



KHMER VERSION

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EDITORIAL TEAM

Chief Editor

Mr. PHUNG THAI PHUNG

Member of BODs and General Director

Assistant Chief Editor

Mr. CHENG BUNKRY

*Deputy Head in charge of
Operation Division*

Graphic Designer

Mr. TANG CHHENG

Communication - Branding Officer

Mr. CHHORM RATH

Communication - Branding Officer



VISION

- A safe, stable, and efficient Vietnamese bank that stands as the preferred choice for customers in trade and business transactions among the three Indochinese countries



MISSION

- Research and develop modern financial products and services, as well as innovative and professional business models, to support enterprises and communities living and working in Cambodia, with a particular focus on Vietnamese businesses investing in Cambodia.
- Continuously expand and grow to contribute to Cambodia's economic integration and overall development, thereby serving as a bridge to foster investment cooperation and economic advancement between Cambodia and Vietnam, as well as between Cambodia and Laos, and other countries.
- Create value in careers and provide a dynamic, innovative, fair, and transparent working environment for employees.
- Accompanying the sustainable growth of the community and society.



CORE VALUES

- Expand connections to broaden our customer portfolio and be the top choice for cross-border trade among the three Indochinese countries.
- Drive innovation and agility to ensure sustainable and secure growth.
- Uphold strict compliance in business operations and corporate governance.
- Commit to quality, attentiveness, and dedication as the guiding principles in customer service and partnerships.
- Uphold a high sense of responsibility to society and community.

SACOMBANK (CAMBODIA) PLC. MILESTONES

23 JUNE 2009

Sacombank opened its Phnom Penh Branch, making it the 27th foreign bank to operate in Cambodia and the first Vietnamese bank to invest in the country. In pioneering the entry into the Cambodian banking sector, Sacombank Phnom Penh branch has contributed to an increase in cross-border trade between Cambodia and Vietnam. This event marks another miles in the bank's growth in Indochina region.



2009

08 DECEMBER 2010

Sacombank celebrated the grand opening of the first sub-branch in Phnom Penh - Olympic sub-branch, located at one of the busiest trading areas in the city. The sub-branch supports to fulfil a high demand of financial services in the Olympic Supermarket area by providing key products and services such as trade finance, business loan, and money transfer.

2010

30 AUGUST 2011

Sacombank continued to expand branch network as a part of its expansion strategy in Phnom Penh by opening the second sub-branch, located at Vietnamese Supermarket. The new branch creates significant opportunities for individual and business clients in the surroundings (Supermarket) through diversified products and services and its convenient location particularly.

2011

28 SEPTEMBER 2017

In order to further expand network and banking services in Cambodia, Sacombank Cambodia organized the Grand Opening of Siem Reap Branch. Sacombank Cambodia now have 1 Head Office and 8 Branches, this will make customer easier in using our service and the daily trade payment of enterprises in Cambodia with Sacombank and therefore enhance their trading capacity.

23 APRIL 2014

In order to support the business economy development of one of the most active city in the southern of Phnom Penh. Sacombank Cambodia announced the opening of Takhmao Branch. This is the eighth entity in the country and is the second entity outside Phnom Penh. Continued showing our commitment to expand in the country.

24 JUNE 2013

Sacombank Cambodia announced the opening of Pochentong branch in the western part of Phnom Penh city. This branch is Sacombank Cambodia's 7th entity in the country, complementing Head Office and 5 branches: Olympic, Preah Monivong, Chbar Ampeou, Kampong Cham, Phsar Heng Ly.

2014

2013



2017

22 JUNE 2019

Sacombank Cambodia successfully organized the "10th Anniversary". It's been 10 years since Sacombank opened its first Phnom Penh branch on 23/06/2009, making it the first Vietnamese bank to expand its business in Cambodia. This pioneering step is a fundamental condition for Sacombank to build an impressive featured brand in this country and provide comprehensive financial solutions to clients and support the Cambodian - Vietnamese business community.



2019

29 AUGUST 2020

Sacombank Cambodia officially launches Sacombank Cambodia Mobile Banking SC mBanking – the mobile banking application with the latest modern technology. With SC mBanking, clients will be able to do online banking transaction anytime, anywhere without going to the bank. SC mBanking is now available for downloading at Apple's App Store and Google's Play Store and completely free of charge.

2020

05 SEPTEMBER 2011

Sacombank opened its third sub-branch in the western part of Phnom Penh city, located at Chbar Ampeou market area. As one of the crowded area in the city, where economic development is growing rapidly, Chbar Ampeou sub-branch has the opportunity to contribute to the improvement of the business conditions of market vendors.

01 OCTOBER 2011

The Board of Directors announced to transform its Phnom Penh branch into wholly-owned subsidiary of Sacombank under the approval of National Bank of Cambodia and support of State Bank of Vietnam. This important event marked the transition to a new phase in the development and performance improvement strategy of Sacombank in Cambodia, thus further promoting the good trading relationship of the business communities between Vietnam and Cambodia.

22 MARCH 2012

For the first time, Sacombank (Cambodia) Plc. started outreaching to one of the busiest trading hubs outside the capital city by opening a branch in Kampong Cham province. Besides the key products and services to meet the financial demands of local clients, the newest branch provides quick money transfer services between Kampong Cham and Phnom Penh, increasing the trading capacity between the country's two biggest economic hubs.



2011

2011

2012

17 JANUARY 2013

As a focal point for network expansion strategy, Sacombank Cambodia continued to expand its branch network in Phnom Penh by inaugurating Phsar Heng Ly branch, bringing its broad range of banking products & services to the surrounding community of the major market.

06 DECEMBER 2012

Sacombank Cambodia kicked-off cross-border trade payment service, aims to streamline the process for settling cross-border trade in the Vietnam Dong and enables Cambodian enterprises to conduct cross-border trade in Vietnam Dong electronically without holding an account in the currency. Vice versa, Cambodia suppliers can also receive their payment from Vietnam buyer directly in Khmer Riel.

26 NOVEMBER 2012

In the response to strong demands from the bank's clients, Sacombank Cambodia moved its Vietnamese Supermarket Branch to a larger office located at 537 A-B Monivong Boulevard, Phnom Penh under the name of Preah Monivong branch. The creation of a new transaction office in the city centre is the right thing to support the continuous expansion of the bank. The new office has a perfect location where the economic development, strategy and growth potential exist.



2013

2012

2012

01 AUGUST 2023

Membership and announce of the launch of Bakong and KHQR systems on SC mBanking. Customers can transfer money instantly from any Bakong member bank account to your bank account at Sacombank Cambodia.

26 JUNE 2024

Sacombank Cambodia proudly presents the Premium International Credit Card - Visa Platinum Credit Card - your ideal companion for smart spending. Enjoy up to 55 days interest-free, 0% installment plans, cashback rewards, and VIP airport lounge access. Experience convenience, safety, and luxury in every transaction.



2023

2024



MESSAGE FROM THE CHAIRMAN

We accelerated the integration of technology into our operations and customer service processes. Our Mobile Banking, Internet Banking, and modern payment solutions such as KHQR Payment have been significantly improved, contributing to an expanded customer base and increased brand engagement with Sacombank Cambodia. These technological applications have not only boosted labor productivity but also provided convenience and flexibility for customers in all financial transactions.

DEAR VALUED CUSTOMERS, ESTEEMED PARTNERS EMPLOYEES OF SACOMBANK CAMBODIA

The year 2024 has been continuing to be a period of big changes in both regional and global economies. Facing these challenges, Sacombank Cambodia built upon its internal strength, proactive mindset, and high adaptability to maintain growth momentum, ensure system stability, and strengthen the trust of customers and strategic partners.

Guided by the consistent direction from our Parent Bank and the careful supervision of the Board of Directors, the Board of Management and all Sacombank Cambodia employees made persistent efforts to overcome difficulties, optimize operations, and achieve our key strategic goals.

DIGITAL TRANSFORMATION – ENHANCING CUSTOMER EXPERIENCE, ACCELERATING EFFICIENCY

Over the past year, we accelerated the integration of technology into our operations and customer service processes. Our Mobile Banking, Internet Banking, and modern payment solutions such as KHQR Payment have been significantly improved, contributing to an expanded customer base and increased brand engagement with Sacombank Cambodia. These technological applications have not only boosted labor productivity but also provided convenience and flexibility for customers in all financial transactions.

OPERATIONAL OPTIMIZATION – STRENGTHENING RISK MANAGEMENT

Sacombank Cambodia places top priority on operational safety and risk management. We have been continuing to improve our operational systems, strengthen internal supervision, and update management standards of the National Bank of Cambodia, ensuring full compliance, transparency, and operational efficiency.

COMPREHENSIVE DEVELOPMENT – CENTRIC CUSTOMER

With the motto of “Customer-Centricity,” Sacombank Cambodia has implemented a wide range of customer care programs, exclusive benefits, and financial products tailored to the needs of different market segments. At the same time, we have strengthen human resource training and developed a professional sales team, thereby improving service quality and maintaining its brand reputation in the market.

TOWARDS THE YEAR 2025 – A MILESTONE OF 16 YEARS OF ESTABLISHMENT AND DEVELOPMENT

The year 2025 will mark the 16th anniversary of Sacombank Cambodia – a significant milestone affirming our sustainable growth and integration in the Cambodian market. We will continue to enhance our competitiveness and deepen our integration within the Sacombank network across the region, with the vision of becoming a safe, stable, and efficient Vietnamese bank that stands as the preferred choice for customers in trade and business transactions among the three Indochinese countries.

On behalf of the Board of Directors, I would like to extend my sincere appreciation for the continued support of our valued customers, partners, and all Sacombank Cambodia employees. Especially, we would like to express our deepest gratitude to the National Bank of Cambodia and the management of our Parent Bank for their consistent support, creating a solid foundation for the development of Sacombank Cambodia.

We wish all of you good health, happiness, and success!

Best regards,

TRAN NGOC CUONG (Mr.)

Chairman

Board of Directors of Sacombank Cambodia



ABOUT SACOMBANK (CAMBODIA) PLC.

Sacombank (Cambodia) Plc. is a 100% subsidiary of Sacombank Vietnam which has 566 Branches/ Transaction offices throughout Indochina (Vietnam, Cambodia, Laos) with more than 18,514 employees.

Established in 2009 and to be the first Vietnamese bank in Cambodia, Sacombank (Cambodia) Plc. now has 265 employees with 9 branches in Phnom Penh and other important economic provinces of Cambodia serving over 27,500 customers.

Sacombank (Cambodia) Plc. provides a diversified range of banking products & services to individuals, self-employed customers, and SME enterprises such as loans, deposits, remittances, transfer services, L/C, DA, DP, mobile banking, cards, bank guarantee, and bancassurance,...

SACOMBANK'S NETWORK



EVENT HIGHLIGHTS

SACOMBANK CAMBODIA SUCCESSFULLY HOSTS 2024 YEAR-END REVIEW & 2025 BUSINESS PLAN CONFERENCE

On February 23, 2025, Sacombank Cambodia successfully held the 2024 Year-End Review and 2025 Business Plan Conference at Sofitel Phnom Penh. The event was honored to welcome senior leaders from Sacombank, members of the Board of Directors, the Board of Management, and all employees of Sacombank Cambodia. At the conference, Mrs. Nguyen Duc Thach Diem – Permanent Vice Chairwoman and CEO of Sacombank – along with other Sacombank executives, shared key insights and strategic directions to support Sacombank Cambodia's sustainable growth in 2025 and its long-term commitment in Cambodia. On this occasion, Sacombank Cambodia also recognized and rewarded outstanding individuals for their excellent achievements in 2024, acknowledging their significant contributions to the bank's overall development.



SACOMBANK CAMBODIA ORGANIZED THE CHARITY PROGRAM – YEAR OF THE DRAGON 2024 IN BATTAMBANG PROVINCE, CAMBODIA

On February 2nd, 2024, Sacombank Cambodia coordinated with the Consulate General of Vietnam in Battambang province, the Khmer – Vietnam Association in Battambang, and the local Government of Battambang Province to organize the 21th charity program “Am Tinh Mua Xuan” Year of the Dragon 2024, giving Lunar new year (Tet) gifts to people who live in difficulty in Battambang province, Kingdom of Cambodia. Sacombank Cambodia directly visited, encouraged and gave away 500 gifts with a total budget of 40,000,000 Riel to poor families living in Battambang province, Cambodia.



SACOMBANK CAMBODIA ORGANIZED SONGKRAN TO CELEBRATE THE UPCOMING KHMER NEW YEAR

On April 08, 2024, Sacombank Cambodia organized Songkran to celebrate Khmer New Year at Head Office. This is an opportunity for management and staff to have fun, strengthen solidarity, get to know each other through playing Khmer traditional games including: Bos Angkonh, Veay Kaom, Chaol Chhoung, Teang Prot and also have fun dance party to close the event.

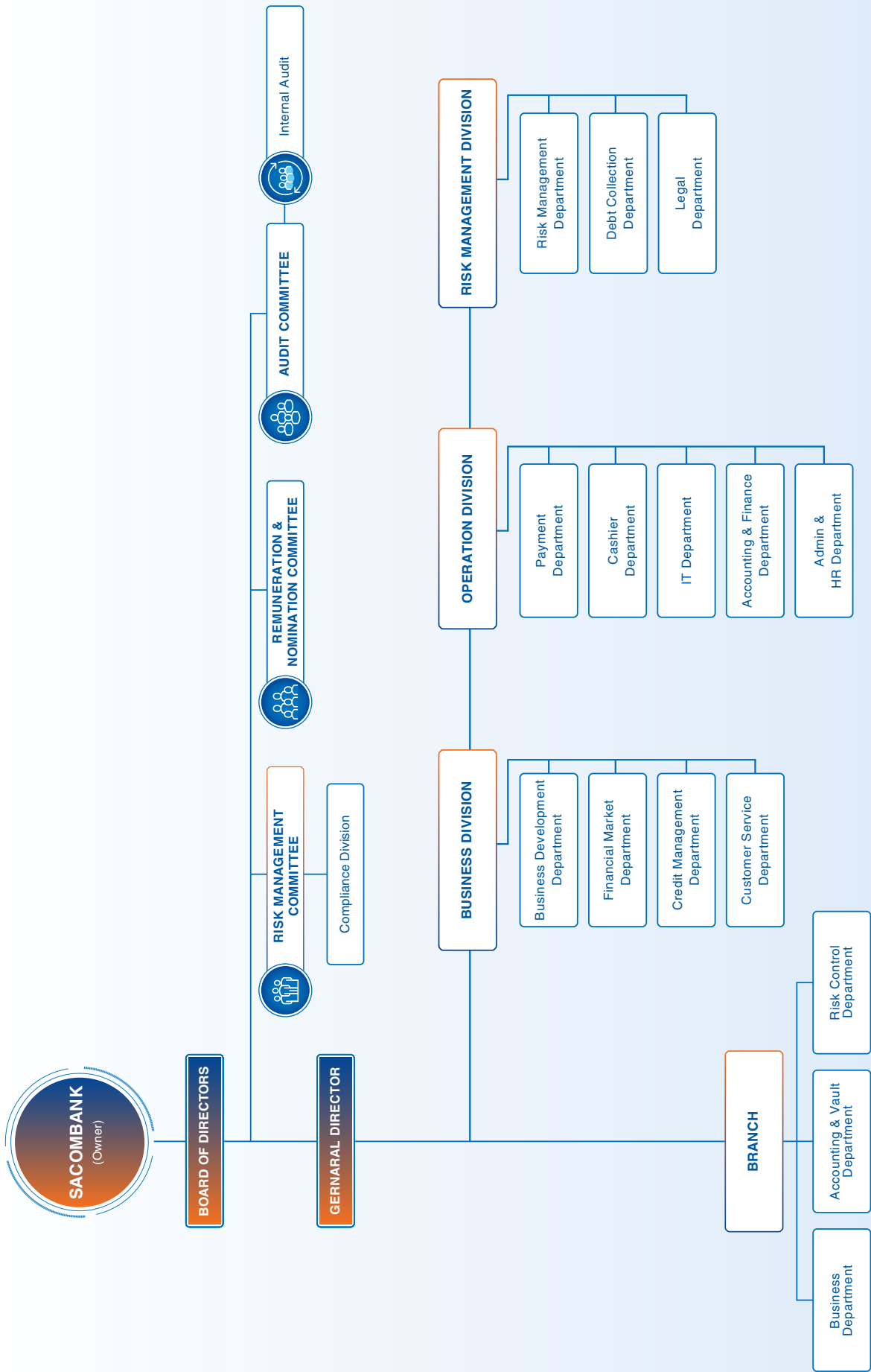


SACOMBANK CAMBODIA'S HIGH-CLASS INTERNATIONAL CREDIT CARD HAS BEEN OFFICIALLY LAUNCHED WITH MANY CLASSY PRIVILEGES EXCLUSIVELY FOR CUSTOMER

Sacombank Cambodia is proud to introduce our premium international credit card – Visa Platinum Credit Card – the perfect financial companion for your modern lifestyle. Designed to meet the special needs of customers, this card offers up to 55 days of interest-free credit, allowing you greater flexibility in managing your finances. Take advantage of our 0% installment plans to make large purchases more manageable, while enjoying attractive cashback rewards on everyday spending. Cardholders also receive complimentary access to exclusive VIP airport lounges, adding comfort and prestige to every journey. With advanced security features and global acceptance, the Visa Platinum Credit Card ensures peace of mind and convenience wherever you go. Whether shopping online, traveling abroad, or making business transactions, experience a world of privileges and seamless service with Sacombank Cambodia Visa Platinum Credit Card.



ORGANIZATION CHART



BOARD OF DIRECTORS



Mr. TRAN NGOC CUONG

Chairman

- Over 20 year's experience
- Finance and Banking



Mr. NGUYEN NHI THANH

Vice Chairman

- Over 35 year's experience
- Finance and Banking



Mr. PHUNG THAI PHUNG

**Member
and General Director**

- Over 22 year's experience
- Finance and Banking



Mr. PHAN HOANG ANH

**Member
and Deputy General Director**

- Over 21 year's experience
- Finance and Banking



Mr. CHHUON CHHEN

**Member
and Deputy General Director**

- Over 22 year's experience
- Finance and Banking



Mr. LOI QUOC KHAN

Independent Member

- Over 29 year's experience
- Finance and Banking



Mr. PHUNG NGUYEN AU DE

Independent Member

- Over 16 year's experience
- Finance and Banking



Mr. LY ROTH A

Independent Member

- Over 9 year's experience
- Finance and Banking

BOARD OF MANAGEMENT



Mr. PHUNG THAI PHUNG

General Director

- Over 22 year's experience
- Finance and Banking
- Bachelor of Business Administration



Mr. PHAN HOANG ANH

Deputy General Director

- Over 21 year's experience
- Finance and Banking
- Bachelor Degree of Banking



Mr. CHHUON CHHEN

Deputy General Director

- Over 22 year's experience
- Finance and Banking
- Bachelor of Business Administration

REPORT OF THE BOARD OF DIRECTORS

The Board of Directors of Sacombank (Cambodia) Plc. ("the Bank") is pleased to present its report and the Bank's audited financial statements as at 31 December 2024 and for the year then ended.

THE BANK

Sacombank (Cambodia) Plc. ("the Bank") is a public limited company which is wholly owned by Saigon Thuong Tin Commercial Joint Stock Bank ("Parent Bank"), a commercial bank incorporated and registered in Vietnam. The Bank was established and operates in the Kingdom of Cambodia under indefinite banking license No. 27 issued by the National Bank of Cambodia ("NBC") on 19 June 2009 and the latest registration number 00002054 dated 20 September 2011.

The Bank's registered office is located at No. 60, Preah Norodom Boulevard, Sangkat Chey Chumneas, Khan Daun Penh, Phnom Penh, Kingdom of Cambodia.

PRINCIPAL ACTIVITIES

The Bank was established to conduct banking activities which include lending to individuals and organizations, acceptance of deposits from individuals and organizations, remittance, foreign currency transactions and other banking services as approved by the NBC.

There were no significant changes to these principal activities during the year.

FINANCIAL RESULTS

The financial performance of the Bank during the year are as follows:

	2024		2023	
	US\$	KHR'000	US\$	KHR'000
Profit before income tax	9,844,296	40,076,129	8,755,219	35,975,195
Income tax expense	(1,928,907)	(7,852,580)	(2,215,900)	(9,105,133)
Net profit for the year	7,915,389	32,223,549	6,539,319	26,870,062
Other comprehensive (loss) income	-	(5,004,775)	-	(2,422,707)
Total comprehensive income for the year	7,915,389	27,218,774	6,539,319	24,447,355

BANK CAPITAL

There were no movements in share capital of the Bank during the year.

RESERVES AND PROVISIONS

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

REPORT OF THE BOARD OF DIRECTORS (continued)

WRITE OFF AND ALLOWANCE FOR EXPECTED CREDIT LOSSES ON FINANCIAL ASSETS

Before the financial statements of the Bank were drawn up, the Board of Directors took reasonable steps to ascertain that action had been taken to write off financial assets that have no reasonable expectations of recovering the contractual cashflow in their entirety or a portion thereof and to recognize allowance for expected credit losses on financial assets, and satisfied themselves that all known financial assets that have no reasonable expectations of recovering the contractual cash flows were written off and that adequate allowance for expected credit losses on financial assets have been recognized.

At the date of this report and on the best knowledge, the Board of Directors is not aware of any circumstances which would render the amount of allowance for expected credit losses on financial assets in the financial statements of the Bank inadequate in any material respect.

ASSETS

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

At the date of this report, the Board of Directors is not aware of any circumstances which would render the values attributed to the assets in the financial statements of the Bank misleading in any material respect.

VALUATION METHODS

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

CONTINGENT AND OTHER LIABILITIES

At the date of this report, there is:

- No charge on the assets of the Bank, which has arisen since the end of the financial year which secures the liabilities of any other person; and,
- No contingent liability in respect of the Bank that has arisen since the end of the financial year other than in the ordinary course of business.

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

CHANGE OF CIRCUMSTANCES

At the date of this report, the Board of Directors is not aware of any circumstances, not otherwise dealt with in this report or the financial statements of the Bank, which would render any amount stated in the financial statements misleading in any material respect.

The results of the operations of the Bank for the reporting year were not, in the opinion of the Board of Directors, substantially affected by any item, transaction or event of a material and unusual nature.

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

REPORT OF THE BOARD OF DIRECTORS (continued)

SUBSEQUENT EVENTS

There have been no significant events occurring during the period between the end of the reporting year and the date of authorization of these financial statements, which would require adjustments or disclosures other than those reflected in the financial statements.

THE BOARD OF DIRECTORS

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

<i>Name</i>	<i>Position</i>
Mr. TRAN NGOC CUONG	Chairman (Appointed on 1 April 2024)
Mr. NGUYEN NHI THANH	Vice Chairman
Mr. PHUNG THAI PHUNG	Member
Mr. PHAN HOANG ANH	Member
Mr. CHHUON CHHEN	Member
Mr. LOI QUOC KHAN	Member
Mr. LY ROTH A	Independent Member
Mr. PHUNG NGUYEN AU DE	Independent Member

MANAGEMENT

The members of the Management during the year and at the date of this report are:

<i>Name</i>	<i>Position</i>
Mr. PHUNG THAI PHUNG	General Director
Mr. PHAN HOANG ANH	Deputy General Director
Mr. CHHUON CHEN	Deputy General Director

AUDITOR

Grant Thornton (Cambodia) Ltd. is the auditor of the Bank's financial statements as at 31 December 2024 and for the year then ended.

DIRECTORS' INTEREST

No member of the Board of Directors holds a direct interest in the equity of the Bank.

DIRECTORS' INTEREST

As at 31 December 2024 and for the year then ended, no arrangement existed, to which the Bank was a party, whose object was to enable the directors to acquire benefits by means of the acquisition of shares in or debentures of the Bank or any other corporate body.

No member of the Board of Directors of the Bank has received or become entitled to receive any benefit by reason of a contract made by the Bank or with a firm in which the director is a member, or with a company which the directors has a material financial interest other than those disclosed in the financial statements.

REPORT OF THE BOARD OF DIRECTORS (continued)

STATEMENT OF THE BOARD OF DIRECTORS' RESPONSIBILITY IN RESPECT TO THE FINANCIAL STATEMENTS

The Board of Directors is responsible for ensuring that the financial statements give a true and fair view of the financial position of the Bank as at 31 December 2024, and its financial performance and its cash flows for the year then ended. The Board of Directors oversees preparation of these financial statements by management, who is required to:

- adopt appropriate material accounting policy information which are supported by reasonable and prudent judgments and estimates and then apply them consistently;
- comply with CIFRS Accounting Standards as adopted by the Accounting and Auditing Regulator of Cambodia, based on IFRS Accounting Standards as issued by the International Accounting Standards Board, and guidelines of the NBC or, if there has been any departure in the interests of fair presentation, ensure this has been appropriately disclosed, explained and quantified in the financial statements;
- maintain adequate accounting records and an effective system of internal control;
- prepare the financial statements on a going concern basis unless it is inappropriate to assume that the Bank will continue operation in the foreseeable future; and,
- set overall policies for the Bank, ratify all decisions and actions by Management that have a material effect on the operations and performance of the Bank, and ensure they have been properly reflected in the financial statements.

Management of the Bank is responsible for ensuring that proper accounting records are kept which disclose, with reasonable accuracy at any time, the financial position of the Bank and to ensure that the accounting records comply with the applicable accounting system. It is also responsible for safeguarding the assets of the Bank and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Board of Directors confirms that the Management has complied with the above requirements in preparing the accompanying financial statements.

APPROVAL OF THE FINANCIAL STATEMENTS

The Board of Directors hereby approve the accompanying financial statements which give a true and fair view of the financial position of the Bank as at 31 December 2024, and of its financial performance and its cash flows for the year then ended in accordance with CIFRS Accounting Standards and guidelines of the NBC.

On behalf of the Board of Directors



Mr. PHUNG THAI PHUNG

General Director

Phnom Penh, Kingdom of Cambodia

28 April 2025

INDEPENDENT AUDITOR'S REPORT

To the Shareholder of Sacombank (Cambodia) Plc.

Opinion

We have audited the financial statements of Sacombank (Cambodia) Plc. ("the Bank"), which comprise the statement of financial position as at 31 December 2024, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policies and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Bank as at 31 December 2024, and of its financial performance and its cash flows for the year then ended in accordance with CIFRS Accounting Standards as adopted by the Accounting and Auditing Regulator of Cambodia, based on IFRS Accounting as issued by the International Accounting Standards Board and guidelines of the National Bank of Cambodia ("NBC").

Basis for Opinion

We conducted our audit in accordance with Cambodian International Standards on Auditing ("CISAs"). Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Bank in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) ("IESBA Code") together with the ethical requirements that are relevant to our audit of financial statements in the Kingdom of Cambodia, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

Management is responsible for the other information. The other information comprises the Report of the Board of Directors, but does not include the financial statements and our auditor's report thereon which we obtained prior to the date of this auditor's report, and the annual report, which is expected to be made available to us after that date.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

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

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to the Board of Directors and respond to that matter in accordance with the requirements of CISA 720 (revised).

Other matter

The Bank's financial statements as at 31 December 2023 and for the year then ended were audited by another auditor who expressed an unmodified opinion on those financial statements on

12 April 2024. We were not engaged to audit, review or apply any procedures to the 2023 financial statements of the Bank. Accordingly, we do not express an opinion or any other form of assurance on the 2023 financial statements of the Bank as a whole.

Responsibilities of Board of Directors and Management for the financial statements

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

In preparing the financial statements, Management is responsible for assessing the Bank's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Management either intends to liquidate the Bank or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is responsible for overseeing the Bank's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

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


As part of an audit in accordance with CISAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Bank's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Bank's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Bank to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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



Certified Public Accountants
Registered Auditor


Ronald C. Almera

Partner – Audit and assurance

Phnom Penh, Kingdom of Cambodia
28 April 2025

STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2024

		31 December 2024		31 December 2023	
	Notes	US\$	KHR'000 (Note 2.1.3)	US\$	KHR'000 (Note 2.1.3)
ASSETS					
Cash on hand	3	7,433,706	29,920,667	7,897,632	32,261,827
Balances with the National Bank of Cambodia	4	59,463,408	239,340,217	43,434,984	177,431,910
Balances with other banks	5	31,500,744	126,790,495	24,703,629	100,914,324
Equity instruments at fair value through other comprehensive income ("FVOCI")	6	25,000	100,625	25,000	102,125
Loans to customers	7	195,574,084	787,185,688	180,262,536	736,372,460
Other assets	8	1,524,062	6,134,350	1,155,145	4,718,766
Property and equipment	9	2,417,304	9,729,649	910,257	3,718,400
Right-of-use assets	10	2,483,252	9,995,089	1,150,229	4,698,685
Intangible assets	11	481,305	1,937,253	707,716	2,891,020
Prepayment of tax on income	15.1	182,690	735,327	-	-
TOTAL ASSETS		301,085,555	1,211,869,360	260,247,128	1,063,109,517
LIABILITIES AND EQUITY					
LIABILITIES					
Deposits and borrowings from other banks	12	6,889,298	27,729,424	6,973,545	28,486,931
Deposits from customers	13	202,472,988	814,953,777	172,247,014	703,629,052
Lease liabilities	14	2,614,025	10,521,451	1,237,350	5,054,575
Income tax payable	15.1	-	-	220,405	900,354
Deferred tax liabilities	15.2	2,399,344	9,657,360	770,686	3,148,252
Other liabilities	16	1,450,069	5,836,528	1,453,686	5,938,307
OTHER LIABILITIES		215,825,724	868,698,540	182,902,686	747,157,471
EQUITY					
Paid-up capital	17	75,000,000	305,625,000	75,000,000	305,625,000
Accumulated losses		(4,539,654)	(17,987,820)	(4,367,157)	(17,285,585)
Regulatory reserve	17	14,799,485	60,484,428	6,711,599	27,558,644
Cumulative translation differences		-	(4,950,788)	-	53,987
TOTAL EQUITY		85,259,831	343,170,820	77,344,442	315,952,046
TOTAL LIABILITIES AND EQUITY		301,085,555	1,211,869,360	260,247,128	1,063,109,517

The attached notes 1 to 31 form part of these financial statements.

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2024

		2024		2023	
		US\$	KHR'000 (Note 2.1.3)	US\$	KHR'000 (Note 2.1.3)
	Notes				
Interest income	18	16,433,527	66,900,889	16,030,331	65,868,630
Interest expense	19	(11,052,458)	(44,994,557)	(8,407,668)	(34,547,108)
Net interest income		5,381,069	21,906,332	7,622,663	31,321,522
Fees and commission income	20	4,248,207	17,294,451	3,452,220	14,185,172
Fees and commission expense	20	(202,880)	(825,924)	(201,617)	(828,444)
Net fees and commission income		4,045,327	16,468,527	3,250,603	13,356,728
Other operating income	21	608,253	2,476,198	293,169	1,204,631
Total operating income		10,034,649	40,851,057	11,166,435	45,882,881
Personnel expenses	22	(4,726,618)	(19,242,062)	(5,462,899)	(22,447,052)
General and administrative expenses	23	(2,412,121)	(9,819,745)	(2,462,249)	(10,117,381)
Depreciation and amortization	24	(1,355,466)	(5,518,102)	(1,116,716)	(4,588,586)
Operating profit		1,540,444	6,271,148	2,124,571	8,729,862
Reversal of expected credit losses	25	8,303,852	33,804,981	6,630,648	27,245,333
Profit before income tax		9,844,296	40,076,129	8,755,219	35,975,195
Income tax expense	15.1	(1,928,907)	(7,852,580)	(2,215,900)	(9,105,133)
Net profit for the year		7,915,389	32,223,549	6,539,319	26,870,062
Other comprehensive loss		-	(5,004,775)	-	(2,422,707)
Total comprehensive income for the year		7,915,389	27,218,774	6,539,319	24,447,355

The attached notes 1 to 31 form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2024

	Paid-up capital		Accumulated losses		Regulatory reserve		Cumulative translation differences		Total
	US\$	KHR'000 (Note 2.1.3)	US\$	KHR'000 (Note 2.1.3)	US\$	KHR'000 (Note 2.1.3)	US\$	KHR'000 (Note 2.1.3)	
Balance as at 1 January 2024	75,000,000	305,625,000	(4,367,157)	(17,285,585)	6,711,599	27,558,644	53,987	77,344,442	315,952,046
Net profit for the year	-	-	7,915,389	32,223,549	-	-	-	7,915,389	32,223,549
Exchange differences on translation	-	-	-	-	-	-	(5,004,775)	-	(5,004,775)
Total comprehensive income for the year	-	-	7,915,389	32,223,549	-	-	(5,004,775)	7,915,389	27,218,774
Transfer from retained earnings to regulatory reserve	-	-	(8,087,886)	(32,925,784)	8,087,886	32,925,784	-	-	-
Balance as at 31 December 2024	75,000,000	305,625,000	(4,539,654)	(17,987,820)	14,799,485	60,484,428	(4,950,788)	85,259,831	343,170,820
Balance as at 1 January 2023	75,000,000	305,625,000	(4,771,250)	(18,946,003)	576,373	2,349,000	2,476,694	70,805,123	291,504,691
Net profit for the year	-	-	6,539,319	26,870,062	-	-	-	6,539,319	26,870,062
Exchange differences on translation	-	-	-	-	-	-	(2,422,707)	-	(2,422,707)
Total comprehensive income for the year	-	-	6,539,319	26,870,062	-	-	(2,422,707)	6,539,319	24,447,355
Transfer from retained earnings to regulatory reserve	-	-	(6,135,226)	(25,209,644)	6,135,226	25,209,644	-	-	-
Balance as at 31 December 2023	75,000,000	305,625,000	(4,367,157)	(17,285,585)	6,711,599	27,558,644	53,987	77,344,442	315,952,046

The attached notes 1 to 31 form part of these financial statements.

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2024

	Notes	2024		2023	
		US\$	KHR'000 (Note 2.1.3)	US\$	KHR'000 (Note 2.1.3)
Cash flows from operating activities					
Profit before income tax		9,844,296	40,076,129	8,755,219	35,975,195
Adjustments for:					
Depreciation and amortization	24	1,355,466	5,518,102	1,116,716	4,588,586
Reversal of expected credit losses	25	(8,303,852)	(33,804,981)	(6,630,648)	(27,245,333)
Dividend income	21	(48,156)	(196,043)	(67,828)	(278,705)
Income tax paid	15.1	(703,344)	(2,863,313)	(243,839)	(1,001,934)
Operating profit before changes in working capital		2,144,410	8,729,894	2,929,620	12,037,809
Changes in:					
Balances with the NBC		(1,745,557)	(7,106,163)	818,095	3,361,552
Balances with other banks		(6,274,385)	(25,543,021)	3,160,957	12,988,372
Loans to customers		(6,861,691)	(27,933,944)	1,613,249	6,628,840
Other assets		(4,254,106)	(17,318,466)	(566,815)	(2,329,043)
Deposits and borrowings from other banks					
Deposits and borrowings from other banks		(84,247)	(342,970)	5,040,925	20,713,161
Deposits from customers		30,225,974	123,049,940	(7,974,082)	(32,765,503)
Other liabilities		3,586,661	14,601,297	1,061,397	4,361,280
Net cash from operating activities		16,737,059	68,136,567	6,083,346	24,996,468

STATEMENT OF CASH FLOWS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2024

	Notes	2024		2023	
		US\$	KHR'000 (Note 2.1.3)	US\$	KHR'000 (Note 2.1.3)
Cash flows from investing activities					
Dividend received	21	48,156	196,043	67,828	278,705
Acquisitions of:					
Property and equipment	9	(1,895,284)	(7,715,701)	(48,317)	(198,535)
Computer software	11	-	-	(49,134)	(201,892)
Net cash used in investing activities		(1,847,128)	(7,519,658)	(29,623)	(121,722)
Cash flows from financing activity					
Repayment of principal portion of lease liabilities		(528,850)	(2,152,948)	(438,275)	(1,800,872)
Net cash used in financing activity		(528,850)	(2,152,948)	(438,275)	(1,800,872)
Net increase in cash and cash equivalents		14,361,081	58,463,961	5,615,448	23,073,874
Cash and cash equivalents at beginning of year	3	54,619,610	223,121,107	49,004,162	201,750,134
Exchange difference on translation		-	(3,937,786)	-	(1,702,901)
Cash and cash equivalents at end of year	3	68,980,691	277,647,282	54,619,610	223,121,107
Additional information on operational cash flows from interest:					
Interest received		9,258,915	37,693,043	16,285,683	66,917,871
Interest paid		(12,164,397)	(49,521,260)	(9,437,525)	(38,778,789)

The attached notes 1 to 31 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 DECEMBER 2024 AND FOR THE YEAR THEN ENDED

1. BANK INFORMATION

Sacombank (Cambodia) Plc. ("the Bank") was incorporated and registered in the Kingdom of Cambodia.

Establishment and operations

Sacombank (Cambodia) Plc. ("the Bank") is a public limited company which is wholly owned by Saigon Thuong Tin Commercial Joint Stock Bank ("Parent Bank"), a commercial bank incorporated and registered in Vietnam. The Bank was established and operates in the Kingdom of Cambodia under indefinite banking license No. 27 issued by the National Bank of Cambodia ("NBC") on 19 June 2009 and the latest registration number 00002054 dated 20 September 2011.

The Bank is established to conduct banking activities which include lending to individuals and organizations, acceptance of deposits from individuals and organizations, remittance, foreign currency transactions and other banking services as approved by the NBC.

There were no significant changes to these principal activities during the year.

Bank Capital

The capital of the Bank as at 31 December 2024 is US\$75,000,000 or KHR305,625,000,000 (2023: US\$75,000,000 or KHR305,625,000,000).

Location

The Bank's registered office is located at No. 60, Preah Norodom Boulevard, Sangkat Chey Chumneas, Khan Daun Penh, Phnom Penh, Kingdom of Cambodia.

Employees

As at 31 December 2024, the Bank had 260 employees (2023: 272 employees).

Approval of the financial statements

The financial statements were authorized for issue by the Board of Directors on 28 April 2025.

NOTES TO THE FINANCIAL STATEMENTS (continued)
AS AT 31 DECEMBER 2024 AND FOR THE YEAR THEN ENDED

2. MATERIAL ACCOUNTING POLICY INFORMATION

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

2.1 Functional and presentation currency

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

2.1.1 Basis of preparation

The financial statements have been prepared on a historical cost basis, except for financial assets at fair value through other comprehensive income ("FVOCI") which have been measured at fair value.

2.1.2 Functional and presentation currency

The national currency of Cambodia is the Khmer Riel ("KHR"). However, as the Bank transacts its business and maintains its accounting records primarily in United States dollar ("US\$"), management has determined the US\$ to be the Bank's functional and presentation currency as it reflects the economic substance of the underlying events and circumstances of the Bank.

2.1.3 Translation of United States Dollar into Khmer Riel

The translation of the US\$ amounts into thousands KHR ("KHR'000") is presented in the financial statements to comply with the Law on Accounting and Auditing using the closing and average rates for the year then ended, as announced by the NBC. This translation should not be construed as a representation that the US\$ amounts have been, could have been, or could in the future be, converted into KHR at this or any other rate of exchange.

Assets and liabilities for each statement of financial position presented are translated at the closing rate prevailing at each reporting date, whereas income and expense items presented in the statement of comprehensive income are translated at the average rate for the year. All resulting exchange differences are recognized in other comprehensive income ("OCI").

The Bank's charter capital is translated at the historical rates of exchange at KHR 4,000 per US\$1.

The financial statements are presented based on applicable exchange rates per US\$1 as follows:

	<i>Closing</i>	<i>Average</i>
31 December 2024	4,025	4,071
31 December 2023	4,085	4,109

2.1.4 Fiscal year

The Bank's fiscal year starts on 1 January and ends on 31 December.

2.1.5 Presentation of financial statements

The accompanying financial statements, including their utilization, are not designed for those who are not informed about the Kingdom of Cambodia's accounting principles, procedures and practices and furthermore are not intended to present the financial position and results of operations and cash flows in accordance with accounting principles and practices generally accepted in countries other than the Kingdom of Cambodia.

NOTES TO THE FINANCIAL STATEMENTS (continued)

AS AT 31 DECEMBER 2024 AND FOR THE YEAR THEN ENDED

2. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

2.2 *New and amended accounting standards and interpretations*

The material accounting policy information adopted in the preparation of financial statements are consistent with those followed in the previous year, except for the adoption, where applicable, of the following amendments to CIFRS Accounting Standards which became effective beginning on or after 1 January 2024. The Bank has not early adopted other standard or amendments that has been issued but is not yet effective. Adoption of below amendments did not have any significant impact on the Bank's financial position and performance.

- Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants - Amendments to CIAS 1 Presentation of Financial Statements
- Lease liability in a Sale and Leaseback - Amendments to CIFRS 16 Leases
- Disclosures: Supplier Finance Arrangements - Amendments to CIAS 7 Statement of Cash Flows and CIFRS 7 Financial Instruments: Disclosures

2.3 *Standard and interpretations issued but not yet effective*

The standard and amendments that are issued, but not yet effective, up to the date of issuance of the Bank's financial statements are disclosed below. These standards and interpretations to CIFRS Accounting Standards issued but not yet effective are not expected to have any significant impact on the financial position or performance of the Bank.

Effective beginning on or after 1 January 2025

- Lack of Exchangeability (Amendments to CIAS 21 *The Effects of Changes in Foreign Exchange Rates*)

Effective beginning on or after 1 January 2026

- Amendments to the Classification and Measurement of Financial Instruments - Amendments to CIFRS 9 *Financial Instruments* and CIFRS 7

Effective beginning on or after 1 January 2027

- CIFRS 18 *Presentation and Disclosure in Financial Statements*
- CIFRS 19 *Subsidiaries without Public Accountability: Disclosure*

The material accounting policy information set out below have been applied consistently to all periods presented in these financial statements, unless otherwise indicated.

NOTES TO THE FINANCIAL STATEMENTS (continued)

AS AT 31 DECEMBER 2024 AND FOR THE YEAR THEN ENDED

2. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

2.4 Summary of material accounting policy information

2.4.1 Revenue recognition

2.4.1.1 The effective interest rate method

Under CIFRS 9, revenue from loan to customer is recorded using the effective interest rate ("EIR") method for all financial instruments measured at amortized cost. Interest expense is also calculated using the EIR method for all financial liabilities held at amortized cost. The EIR is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument or, when appropriate, a shorter period, to the gross carrying amount of the financial instrument.

The EIR (and therefore, the amortized cost of the financial asset) is calculated by taking into account transaction costs, any discount or premium on the acquisition of the financial asset, as well as fees and costs that are an integral part of the EIR. The Bank recognized interest income using a rate of return that represents the best estimate of a constant rate of return over the expected life of the loan. Hence, it recognized the effect of potentially different interest rates charged at various stages, and other characteristics of the product life cycle (including prepayments, penalty interest and charges).

If expectations regarding the cash flows on the fixed rate financial asset or liabilities are revised for reasons other than credit risk, then changes to future contractual cash flows are discounted at the original EIR with a consequential adjustment to the carrying amount. The adjustment is booked as a positive or negative adjustment to the carrying amount of the asset or liability in the statement of financial position with an increase or decrease in interest income/expense calculated using the effective interest method.

For floating-rate financial instruments, periodic re-estimation of cash flows to reflect the movements in the market rates of interest also alters the EIR, but when instruments were initially recognized at an amount equal to the principal, re-estimating the future interest payments does not significantly affect the carrying amount of the asset or the liability.

2.4.1.2 Interest and similar income/expense

Net interest income comprises interest income and interest expense calculated using both the effective interest method and other methods. These are disclosed separately on the face of the statement of comprehensive income for both interest income and interest expense to provide symmetrical and comparable information.

In its interest income/expense calculated using the effective interest method, the Bank only includes interest on those financial instruments that are set out in Note 2.4.1.1 above.

The Bank calculates interest income on financial assets, other than those considered credit-impaired, by applying the EIR to the gross carrying amount of the financial asset.

When a financial asset becomes credit-impaired and is therefore regarded as 'Stage 3', the Bank calculates interest income by applying the EIR to the net amortized cost of the financial asset. If the financial asset cures and is no longer credit-impaired, the Bank reverts to calculating interest income on a gross basis.

NOTES TO THE FINANCIAL STATEMENTS (continued)

AS AT 31 DECEMBER 2024 AND FOR THE YEAR THEN ENDED

2. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

2.4 Summary of material accounting policy information (continued)

2.4.1.3 Fee and commission income

Fee and commission income and expense that are integral to the EIR on a financial asset or financial liability are included in the EIR.

Other fee and commission income, including account servicing fees, are recognized as the related services are performed.

A contract with a customer that results in a recognized financial instrument in the Bank's financial statements may be partially in the scope of CIFRS 9 and partially in the scope of CIFRS 15 Revenue from Contracts with Customers. If this is the case, then the Bank first applies CIFRS 9 to separate and measure the part of the contract that is in the scope of CIFRS 9 and then applies CIFRS 15 to the residual.

Recoveries on loans previously written off and reversal of previous allowances are recorded as other income in the statement of comprehensive income.

2.4.2 Expense recognition

Expenses are recognized when it is probable that decrease in future economic benefits related to a decrease in asset or increase in liability has occurred and that the decrease in economic benefits can be measured reliably. Expenses that may arise in the course of ordinary regular activities of the Bank include, among others, the operating expenses on the Bank's operations. Expenses are recognized as incurred.

- (a) Fee and commission expense are charged to profit or loss when the expense is incurred. Fees on deposits are amortized on a straight-line basis over the term of the related deposits.
- (b) Operating expenses are recognized on an accrual basis.

2.4.3 Financial instruments

2.4.3.1 Date of recognition

Financial assets and liabilities, with the exception of loans to and deposits from customers, are initially recognized on the trade date, i.e., the date that the Bank becomes a party to the contractual provisions of the instrument. This includes regular way trades - purchases or sales of financial assets that require delivery of assets within the time frame generally established by regulation or convention in the marketplace. Loans to customers are recognized when funds are transferred to the customers' accounts. The Bank recognizes customer deposit balances when funds are transferred to the Bank.

NOTES TO THE FINANCIAL STATEMENTS (continued)

AS AT 31 DECEMBER 2024 AND FOR THE YEAR THEN ENDED

2. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

2.4 Summary of material accounting policy information (continued)

2.4.3.2 Initial measurement of financial instruments

The classification of financial instruments at initial recognition depends on their contractual terms and the business model for managing the instruments, as described in Notes 2.4.5.1. Financial instruments are initially measured at their fair value (as defined in Note 2.4.4), except in the case of financial assets and financial liabilities recorded at fair value through profit or loss ("FVTPL"), transaction costs are added to, or subtracted from, this amount. Trade receivables are measured at the transaction price. When the fair value of financial instruments at initial recognition differs from the transaction price, the Bank accounts for the 'Day 1' profit or loss, as described below.

2.4.3.3 'Day 1' profit or loss

When the transaction price of the instrument differs from the fair value at origination and the fair value is based on a valuation technique using only inputs observable in market transactions, the Bank recognized the difference between the transaction price and fair value in profit or loss. In those cases where fair value is based on models for which some of the inputs are not observable, the difference between the transaction price and the fair value is deferred and is only recognized in profit or loss when the inputs become observable, or when the instrument is derecognized.

2.4.3.4 Measurement categories of financial assets and liabilities

The Bank classifies all of its financial assets based on the business model for managing the assets and the assets' contractual terms, measured at either:

- Amortized cost, as explained in Note 2.4.5.1
- FVOCI, as explained in Note 2.4.5.3
- FVPL

Financial liabilities, other than loan commitments and financial guarantees, are measured at amortized cost or at FVTPL when they are held for trading and derivative instruments or the fair value designation is applied.

As at 31 December 2024, the Bank classified its financial assets at amortized cost and FVOCI and its financial liabilities were measured at amortized cost.

2.4.4 Determination of fair value

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (i.e., an exit price). In order to show how fair values have been derived, financial instruments are classified based on a hierarchy of valuation techniques, as recognized below:

NOTES TO THE FINANCIAL STATEMENTS (continued)

AS AT 31 DECEMBER 2024 AND FOR THE YEAR THEN ENDED

2. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

2.4 Summary of material accounting policy information (continued)

2.4.4 Determination of fair value (Continued)

- Level 1 financial instruments - Those where the inputs used in the valuation are unadjusted quoted prices from active markets for identical assets or liabilities that the Bank access to at the measurement date. The Bank considers markets as active only if there are sufficient trading activities with regards to the volume and liquidity of the identical assets or liabilities and when there are binding and exercisable price quotes available at the reporting date.
- Level 2 financial instruments - Those where the inputs that are used for valuation are significant and are derived from directly or indirectly observable market data available over the entire period of the instrument's life. Such inputs include quoted prices for similar assets or liabilities in active markets, quoted prices for identical instruments in inactive markets and observable inputs other than quoted prices such as interest rates and yield curves, implied volatilities, and credit spreads. In addition, adjustments may be required for the condition or location of the asset or the extent to which it relates to items that are comparable to the valued instrument. However, if such adjustments are based on unobservable inputs which are significant to the entire measurement, the Bank will classify the instruments as Level 3.
- Level 3 financial instruments - Those that include one or more unobservable input that is significant to the measurement as whole.

The Bank evaluates the levelling at each reporting period on an instrument-by-instrument basis and reclassifies instruments, when necessary, based on the facts at the end of the reporting period.

2.4.5 Financial assets and liabilities

2.4.5.1 Balance with other banks, loans to customers and other financial assets at amortized cost

The Bank only measures due from banks, loans to customers and other financial investments at amortized cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and,
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest ("SPPI") on the principal amount outstanding.

The details of these conditions are outlined below.

a. Business model assessment

The Bank determines its business model at the level that best reflects how it manages groups of financial assets to achieve its business objective. The Bank's business model is not assessed on an instrument-by-instrument basis, but at a higher level of aggregated portfolios and is based on observable factors such as:

- Business strategy for the portfolios;
- The risks that affect the performance of the business model (and the financial assets held within that business model) and, in particular, the way those risks are managed;
- How managers of the business are compensated (for example, whether the compensation is based on the fair value of the assets managed or on the contractual cash flows collected); and,
- The expected frequency, value and timing of sales are also important aspects of the Bank's assessment.

NOTES TO THE FINANCIAL STATEMENTS (continued)

AS AT 31 DECEMBER 2024 AND FOR THE YEAR THEN ENDED

2. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

2.4 Summary of material accounting policy information (continued)

2.4.5 Financial assets and liabilities (continued)

2.4.5.1 Balance with other banks, loans to Customers and other financial assets at amortised cost (continued)

b. The SPPI test

As a second step of its classification process, the Bank assesses the contractual terms of the financial asset to identify whether they meet the SPPI test.

'Principal' for the purpose of this test is defined as the fair value of the financial asset at initial recognition and may change over the life of the financial asset (for example, if there are repayments of principal or recognized of the premium/discount).

The most significant elements of interest within a lending arrangement are typically the consideration for the time value of money and credit risk. To make the SPPI assessment, the Bank applies judgment and considers relevant factors such as the currency in which the financial asset is denominated, and the period for which the interest rate is set.

In contrast, contractual terms that introduce more than a de minimis exposure to risks or volatility in the contractual cash flows, which are unrelated to a basic lending arrangement, do not give rise to contractual cash flows that are SPPI on the amount outstanding. In such cases, the financial asset is required to be measured at FVTPL.

2.4.5.2 Deposit from other banks and customers

After initial measurement, deposit from other banks and customer are subsequently measured at amortized cost. Amortized cost is calculated by taking into account any discount or premium on issued funds, and costs that are an integral part of the EIR.

2.4.5.3 FVOCI (debt/equity instruments)

The Bank classify debt instruments measured at FVOCI when both of the following conditions are met:

- The instrument is held within a business model, the objective of which is achieved by both collecting contractual cash flows and selling financial assets; and,
- The contractual terms of the financial assets meet the SPPI test.

Financial assets at FVOCI are subsequently measured at fair value with gains and losses arising due to changes in fair value recognized in OCI. Interest income and foreign exchange gains and losses are recognized in profit or loss in the same manner as for financial assets measured at amortized cost. Where the Bank holds more than one investment in the same security, they are deemed to be disposed of on a first-in first-out basis. On derecognition, cumulative gains or losses previously recognized in OCI are reclassified from OCI to profit or loss.

The Bank has no debt instrument at FVOCI as at 31 December 2024 and 31 December 2023.

Equity instruments are normally measured at FVTPL. However, for non-traded equity instruments, with an irrevocable option at inception, the Bank measures the changes through FVOCI (without recycling profit or loss upon derecognition).

The Bank measures its equity instruments at FVOCI as at 31 December 2024 and 31 December 2023.

NOTES TO THE FINANCIAL STATEMENTS (continued)

AS AT 31 DECEMBER 2024 AND FOR THE YEAR THEN ENDED

2. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

2.4 Summary of material accounting policy information (continued)

2.4.6 *Reclassification of financial assets and liabilities*

During the year, the Bank does not reclassify its financial assets subsequent to the Bank's initial recognition, apart from the exceptional circumstances in which the Bank acquires, disposes of, or terminates a business line. Financial liabilities are never reclassified.

2.4.7 *Derecognition of financial assets and financial liabilities*

2.4.7.1 *Derecognition due to substantial modification of terms and conditions*

The Bank derecognizes a financial asset, such as a loan to customers, when the terms and conditions have been renegotiated to the extent that, substantially, it becomes a new loan, with the difference recognized as a derecognition gain or loss, to the extent that an impairment loss has not already been recorded.

When assessing whether or not to derecognize a loan to a customer, amongst others, the Bank considers the following factors:

- Change in the currency of the loan;
- Introduction of an equity feature;
- Change in counterparty; and,
- If the modification is such that the instrument would no longer meet the SPPI criterion.

2.4.7.2 *Derecognition other than for substantive modification*

a. *Financial assets*

A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is derecognized when the rights to receive cash flows from the asset have expired. The Bank also derecognized the financial assets if they have both transferred the financial asset, and the transfer qualifies for derecognition.

The Bank transfers the financial asset if, and only if, either:

- The Bank transfers its contractual rights to receive cash flows from the financial asset; or,
- It retains the rights to the cash flows but assumes an obligation to pay the received cash flows in full without material delay to a third party under a "pass-through" arrangement.

Pass-through arrangements are transactions where the Bank retains the contractual rights to receive the cash flows of a financial asset (the 'original asset'), but assumes a contractual obligation to pay those cash flows to one or more entities (the 'eventual recipients'), when all of the following three conditions are met:

- The Bank has no obligation to pay amounts to the eventual recipients unless it has collected equivalent amounts from the original asset, excluding short-term advances by the entity with the right of full recovery of the amount lent plus accrued interest;
- The Bank cannot sell or pledge the original asset other than as security to the eventual recipients for the obligation to pay them cash flows; and,
- The Bank has to remit any cash flows it collects on behalf of the eventual recipients without material delay. In addition, the Bank is not entitled to reinvest such cash flows, except for investments in cash or cash equivalents, including interest earned, during the short settlement period from the collection date to the date of required remittance to the eventual recipients.

NOTES TO THE FINANCIAL STATEMENTS (continued)

AS AT 31 DECEMBER 2024 AND FOR THE YEAR THEN ENDED

2. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

2.4 Summary of material accounting policy information (continued)

2.4.7 Derecognition of financial assets and financial liabilities (continued)

2.4.7.2 Derecognition other than for substantive modification (continued)

a. Financial assets (continued)

- The Bank has transferred substantially all the risks and rewards of the asset; or
- The Bank has neither transferred nor retained substantially all the risks and rewards of the asset, however, has transferred control of the asset.

In relation to the above, the Bank considers the control to be transferred if, and only if, the transferee has the practical ability to sell the asset in its entirety to an unrelated third party and is able to exercise that ability unilaterally and without needing to impose additional restrictions on the transfer.

When the Bank has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement and has neither transferred nor retained substantially all of the risks and rewards of the asset nor transferred control of the asset, the asset is recognized to the extent of the Bank's continuing involvement in it. In that case, the Bank also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Bank has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Bank could be required to repay.

If continuing involvement takes the form of a written or purchased option (or both) on the transferred asset, the Bank's continuing involvement is the amount of the transferred asset that the Bank may repurchase. However, in the case of a written put option on an asset that is measured at fair value, the extent of the entity's continuing involvement is limited to the lower of the fair value of the transferred asset and the option exercise price.

b. Financial liabilities

A financial liability is derecognized when the obligation under the liability is discharged, cancelled or expired. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability. The difference between the carrying value of the original financial liability and the consideration paid is recognized in profit or loss.

c. Offsetting financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the asset and settle the liability simultaneously.

This is not generally the case with master netting agreements, and the related assets and liabilities are presented gross in the statement of financial position.

NOTES TO THE FINANCIAL STATEMENTS (continued)

AS AT 31 DECEMBER 2024 AND FOR THE YEAR THEN ENDED

2. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

2.4 Summary of material accounting policy information (continued)

2.4.8 Impairment of financial assets

The Bank records the allowance for expected credit losses for all loans and receivables and other debt financial assets not held at FVPL (collectively referred to as 'financial instruments'). Equity instruments are not subject to impairment under CIFRS 9.

ECL represents credit losses that reflect an unbiased and probability-weighted amount which is determined by evaluating a range of possible outcomes, the time value of money and reasonable and supportable information about past events, current conditions and forecasts of future economic conditions. ECL allowances are measured at amounts equal to either (i) 12-month ECL or (ii) lifetime ECL for those financial instruments which have experienced a significant increase in credit risk ("SICR") since initial recognition (General Approach). The 12-month ECL is the portion of lifetime ECL that results from default events on a financial instrument that are possible within the 12 months after the reporting date. Lifetime ECL are credit losses that results from all possible default events over the expected life of a financial instrument.

(i) Staging assessment

A three-stage approach for impairment of financial assets is used, based on whether there has been a significant deterioration in the credit risk of a financial asset. These three stages then determine the amount of impairment to be recognized.

For non-credit-impaired financial instruments:

- Stage 1 is comprised of all financial instruments which have not experienced a SICR since initial recognition or is considered of low credit risk as of the reporting date. The criteria for determining whether an account should be assessed under Stage 1 are as follows: (i) current or past due up to less than 10 days; instruments with credit risk improved and reclassified from Stage 2; or (ii) no significant increase in the probability of default ("PD"). The Bank recognizes a 12-month ECL for Stage 1 financial instruments.
- Stage 2 is comprised of all financial instruments which have experienced a SICR as of reporting date compared to initial recognition. A SICR is generally deemed present in accounts with: (i) from 10 days up to 30 days past due for short-term and up to 90 days past due for long-term; (ii) special mentioned or substandard for short-term and special mentioned for long-term instruments; instruments with credit risk improved and instruments reclassified from Stage 3. The Bank recognizes a lifetime ECL for Stage 2 financial instruments.
- Stage 3 is comprised of all financial instruments that have objective evidence of impairment as a result of one or more loss events that have occurred after initial recognition with a negative impact on the estimated future cash flows of an instrument or a portfolio of instruments. The Bank's criteria for Stage 3 accounts are generally aligned with the definition of "default" which is explained in the next paragraph. The Bank recognizes a lifetime ECL for Stage 3 financial instruments.

NOTES TO THE FINANCIAL STATEMENTS (continued)

AS AT 31 DECEMBER 2024 AND FOR THE YEAR THEN ENDED

2. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

2.4 Summary of material accounting policy information (continued)

2.4.8 Impairment of financial assets (continued)

(i) Definition of “default” and “restored”

The Bank classifies loans, receivables, or any financial asset as in default when it is credit impaired, becomes past due on its contractual payments for more than 30 days for short-term loans and 90 days for long-term loans, considered non-performing, refinanced or restructured in terms of payment or is classified as substandard for long-term loans or doubtful or loss for both types. As part of a qualitative assessment of whether a customer is in default, the Bank considers a variety of instances that may indicate unlikelihood to pay. When such events occur, the Bank carefully considers whether the event should result in treating the customer as defaulted. An instrument is considered to be no longer in default (i.e. restored) if there is sufficient evidence to support that full collection is probable and payments are received for at least six months.

(ii) Determining SICR since initial recognition

At each reporting date, the Bank shall assess whether the credit risk on a loan or credit exposure has increased significantly since initial recognition. The Bank’s assessment of SICR involves looking at (a) quantitative element, (b) qualitative element (i.e. unpaid for at least 10 days for both of short-term loans and long-term loans).

(iii) ECL parameters and methodologies

ECL is a function of the PD, loss given default (“LGD”) and exposure at default (“EAD”), with the timing of the loss also considered, and is estimated by incorporating forward-looking economic information and through the use of experienced credit judgment.

The PD is an estimate of the likelihood of default over a 12-month horizon for Stage 1 or lifetime horizon for Stages 2 and 3. The PD for each individual instrument is modelled based on historic data and is estimated based on current market conditions and reasonable and supportable information about future economic conditions. The Bank segments its credit exposures based on homogenous risk characteristics and developed a corresponding PD methodology for each portfolio. The PD methodology for each relevant portfolio is determined based on the underlying nature or characteristic of the portfolio, behaviour of the accounts and materiality of the segment as compared to the total portfolio.

LGD is an estimate of the loss arising on default. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, including from any collateral. It makes use of defaulted accounts that have either been identified as cured, restructured, or liquidated. The Bank segmented its LGD based on homogenous risk characteristics and calculated the corresponding segment-level averages.

EAD is an estimate of the exposure at a future default date, taking into account expected changes in the exposure after the reporting date, including repayments of principal and interest, and expected drawdowns on committed facilities.

NOTES TO THE FINANCIAL STATEMENTS (continued)

AS AT 31 DECEMBER 2024 AND FOR THE YEAR THEN ENDED

2. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

2.4 Summary of material accounting policy information (continued)

2.4.8 Impairment of financial assets (continued)

(v) Forward-looking information

The Bank incorporates forward-looking information into both its assessment of whether the credit risk of an instrument has increased significantly since its initial recognition and its measurement of ECL. A broad range of forward-looking information are considered as economic inputs, such as gross domestic product ('GDP') growth, exchange rate, interest rate, inflation rate and other economic indicators. The inputs and models used for calculating ECL may not always capture all characteristics of the market at the date of the financial statements. To reflect this, qualitative adjustments or overlays are occasionally made as temporary adjustments when such differences are significantly material.

The key forward-looking economic variables used in each of the economic scenarios for the ECL calculations are consumer price index ('CPI'), total fixed investment (real), investment in local currency units ('LCU').

The Bank apply the following three alternative macroeconomic scenarios to reflect an unbiased probability-weighted range of possible future outcomes in estimating ECL:

- Base scenario: This scenario reflects those current macroeconomic conditions continue to prevail.
- Upside and Downside scenarios: These scenarios are set relative to the base scenario; reflecting best and worst-case macroeconomic conditions based on subject matter expert's best judgment from current economic conditions..

2.4.9 Cash and cash equivalents

For statement of cash flow purposes, cash and cash equivalents consist of cash and bank balances, demand deposits, and short-term highly liquid investments with original maturities of three months or less when purchased, and that are readily convertible to known amounts of cash and subject to an insignificant risk of changes in value.

2.4.10 Balances with the NBC

Capital guarantee deposit and reserve balances are maintained with the NBC in compliance with the Cambodian Law on Banking and Financial Institutions determined at defined percentages of minimum share capital and total deposits from customers, respectively. This account also includes current account carried at cost and interest-bearing term deposit.

2.4.11 Property and equipment

Property and equipment are stated at cost less accumulated depreciation and impairment losses, if any. The cost of a property and equipment item comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use. Where an item of property and equipment comprises, major components having different estimated useful lives, the components are accounted for as separate items of property and equipment.

Subsequent expenditure relating to an item of property and equipment that has already been recognized is added to the carrying amount of the asset when it is probable that future economic benefits, in excess of the originally assessed standard of performance of the existing asset, will flow to the Bank. All other subsequent expenditure is recognized as an expense in the period in which it is incurred.

NOTES TO THE FINANCIAL STATEMENTS (continued)
AS AT 31 DECEMBER 2024 AND FOR THE YEAR THEN ENDED

2. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

2.4 Summary of material accounting policy information (continued)

2.4.11 Property and equipment (continued)

Gain or loss arising from the retirement or disposal of an item of property and equipment is determined as the difference between the estimated net disposal proceeds and the carrying amount of the assets and is recognized in statement of comprehensive income on the date of retirement or disposal.

Depreciation is calculated on a straight-line basis over the respective estimated useful lives of these assets, which are as follows:

	<i>Year</i>
Building and leasehold improvement	2 - 17
Computer equipment	4 - 5
Furniture and equipment	4 - 15
Motor vehicles	4 - 5

Fully depreciated assets are retained in the financial statements until they are no longer in use or no further charge for depreciation is made in respect of these assets.

If there is any indication that there has been a significant change in depreciation or amortization rate, useful life or residual value of an asset, the depreciation of that asset is revised prospectively to reflect the new expectations.

2.4.12 Intangible assets

Intangible assets include software which is stated at cost less accumulated amortization and accumulated impairment losses, if any. Intangible assets are amortized on a straight-line method over 4 to 5 years.

2.4.13 Leases

At inception of a contract, the Bank assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for period of time in exchange for consideration.

To assess whether a contract conveys the right to control the use of an identified asset, the Bank assesses whether:

- the contract involves the use of an identified asset. This may be specified explicitly or implicitly and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right throughout the period of use, then the asset is not identified;
- the Bank has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and,
- the Bank has the right to direct the use of the asset. The Bank has this right when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used. In cases where all the decisions about how and for what purpose the asset is used are predetermined, the Bank has the right to direct the use of the asset if either the Bank has the right to operate the asset; or the Bank designed the asset in a way that predetermines how and for what purpose it will be used.

NOTES TO THE FINANCIAL STATEMENTS (continued)

AS AT 31 DECEMBER 2024 AND FOR THE YEAR THEN ENDED

2. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

2.4 Summary of material accounting policy information (continued)

2.4.13 Leases (continued)

At inception or on reassessment of a contract that contains a lease and non-lease component, the Bank allocates the consideration in the contract to each lease component and aggregate of non-lease components on the basis of their relative stand-alone prices. However, for the leases of land and buildings in which it is a lessee, the Bank has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

Leases in which the Bank is a lessee

An arrangement conveyed the right to use the asset if one of the following was met:

- the purchaser had the ability or right to operate the asset while obtaining or controlling more than an insignificant amount of the output;
- the purchaser had the ability or right to control physical access to the asset while obtaining or controlling more than an insignificant amount of the output; or,
- facts and circumstances indicated that it was remote that other parties would take more than an insignificant amount of the output, and the price per unit was neither fixed per unit of output nor equal to the current market price per unit of output.

The Bank recognizes a right-of-use asset and a lease liability at the lease commencement date.

Right-of-use assets

The right-of-use assets are initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use assets are subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property and equipment. In addition, the right-of-use assets are periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The estimated useful life of offices and branches for the current reporting period ranges from 5 to 10 years, while the useful life for ATM space ranges from 2 to 4 years.

Lease liabilities

The lease liabilities are initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, to the lessee's incremental borrowing rate ("IBR"). Generally, the Bank uses its IBR as the discount rate.

Lease payments included in the measurement of the lease liabilities comprise:

- Fixed payments, including in-substance fixed payments;
- Variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- Amounts expected to be payable under a residual value guarantee; and,
- The exercise price under a purchase option that the Bank is reasonably certain to exercise, lease payments in an optional renewal period if the Bank is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Bank is reasonably certain not to terminate early.

NOTES TO THE FINANCIAL STATEMENTS (continued)

AS AT 31 DECEMBER 2024 AND FOR THE YEAR THEN ENDED

2. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

2.4 Summary of material accounting policy information (continued)

2.4.13 Lease liabilities (continued)

The lease liabilities are measured at amortized cost using the effective interest method. It is remeasured when there is a change in the lease term, a change in the assessment of the option to purchase the underlying asset, a change in future lease payments arising from a change in an index or rate, or if there is a change in the Bank's estimate of the amount expected to be payable under a residual value guarantee.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit and loss if the carrying amount of the right-of-use asset has been reduced to zero.

Short-term leases and leases of low-value assets

The Bank applies the short-term lease recognition exemption to its short-term leases of transportation equipment, ATM spaces and photocopy machine (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered of low value (i.e., below USD 5,000). Lease payments on short-term leases and leases of low-value assets are recognized as expense on a straight-line basis over the lease term.

Security deposits paid under leases

To the extent that the deposit is a true deposit and not a prepaid lease payment, the deposit gives the lessee a right to receive the money back in cash from the lessor and is therefore a financial asset for the lessee and a financial liability for the lessor.

Security deposit is initially accounted for at fair value. The excess of the principal amount of the deposit over its fair value is accounted as a prepaid lease payment. The lessee includes this amount in the cost of its right-of-use asset at the lease commencement date. Interest on the deposit, meanwhile, is accounted for using the effective interest method by both the lessee and the lessor. The fair value of the deposit is determined based on the prevailing market rate of interest for a similar loan to the lessor, considering the lessor's credit-worthiness and, depending on facts and circumstances, any additional security available to the lessee.

2.4.14 Other assets

Other assets are carried at estimated realizable value. An estimate is made for doubtful receivables based on a review of outstanding amounts at the reporting date.

2.4.15 Deposits from other banks and customers

Deposits from others banks and customers are the Bank's sources of debt funding. They are initially measured at fair value minus incremental direct transactions cost, and subsequently measured at their amortized cost using the effective interest method. This account also includes current account and interest-bearing term deposit.

2.4.16 Provisions

Provisions are recognized when the Bank has a present obligation (legal or constructive) as a result of a past event, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made on the amount of the obligation.

NOTES TO THE FINANCIAL STATEMENTS (continued)

AS AT 31 DECEMBER 2024 AND FOR THE YEAR THEN ENDED

2. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

2.4 Summary of material accounting policy information (continued)

2.4.17 Equity

Paid-up capital

This pertains to contributed capital of the Bank recognized based on the face value of contributions.

Accumulated losses

This account represents cumulative periodic losses of the Bank.

2.4.18 Regulatory reserves

A regulatory reserve is established for the difference between the allowance for ECL as determined in accordance with CIFRS 9, and the regulatory allowance in accordance with NBC Prakas No. B7-017-344 dated 1 December 2017 and Circular No. B7-018-001 dated 16 February 2018 on credit risk classification and provisioning for banks and financial institutions. The Bank shall compare the regulatory allowance with the allowance calculated in accordance with CIFRS 9, and:

- (i) In case the regulatory allowance calculated is lower than the allowance calculated in accordance with CIFRS 9, the Bank shall record the allowance based on CIFRS 9; and,
- (ii) In case the regulatory allowance calculated is higher than the allowance calculated in CIFRS 9, the Bank shall record the allowance based on CIFRS 9 and transfer the difference from the retained earnings or accumulated losses account to regulatory reserve in the equity section of the statement of financial position.

This Prakas on regulatory provisioning, requires banks and financial institutions to classify their loan portfolio into five classes and provide general and specific allowance based on the loan classification as follows:

<i>Classification</i>	<i>Number of days past due</i>	<i>Allowance rate</i>
Standard	0 to 14 days (short-term) 0 to 29 days (long-term)	1%
Special mention	15 days to 30 days (short-term) 30 days to 89 days (long-term)	3%
Sub-standard	31 days to 60 days (short-term) 90 days to 179 days (long-term)	20%
Doubtful	61 days to 90 days (short-term) 180 days to 359 days (long-term)	50%
Loss	From 91 days (short-term) 360 days or more (long-term)	100%

2.4.19 Employee benefits

In 2018, the Ministry of Labour and Vocational Training's ("MoLVT") Prakas No. 443 dated 21 September 2018 mandated the payment of seniority indemnity for unspecified duration contracted employees with implementation guidelines issued on 22 March 2019.

The said Prakas requires seniority payment equal to fifteen days per year of employee service for a maximum period not exceeding 6 months based on the average net wages for each year. Payment shall be spread over a period beginning December 2021 and every June and December thereafter as follows:

- Equal to seven and a half days payable every June; and,
- Equal to seven and a half days payable every December.

NOTES TO THE FINANCIAL STATEMENTS (continued)

AS AT 31 DECEMBER 2024 AND FOR THE YEAR THEN ENDED

2. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

2.4 Summary of material accounting policy information (continued)

2.4.20 Impairment of non-financial assets

The carrying amounts of the Bank's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For intangible assets that have indefinite useful lives or that are not yet available for use, the recoverable amount is estimated each year at the same time. An impairment loss is recognized if the carrying amount of an asset or its related cash-generating unit ("CGU") exceeds its estimated recoverable amount.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs.

Impairment losses are recognized in profit or loss. Impairment losses recognized in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the CGU (group of CGUs), and then to reduce the carrying amounts of the other assets in the CGU (group of CGUs) on a pro rata basis.

Impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

2.4.21 Related parties

Parties are considered to be related if the Bank has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions, or vice-versa, or where the Bank and the party are subject to common control or significant influence. Related parties may be individuals or corporate entities and include close family members of any individual considered to be a related party.

Related parties, as defined in Article 49 and 50 of the Cambodian Law on Banking and Financial Institutions, include the following:

- (a) any person holding directly or indirectly at least ten percent (10%) of the capital or voting rights;
- (b) any company of which the Bank directly or indirectly holds at least 10% of the capital or voting rights;
- (c) any individual who participates in the administration, direction, management or internal control; and,
- (d) the external auditors.

NOTES TO THE FINANCIAL STATEMENTS (continued)

AS AT 31 DECEMBER 2024 AND FOR THE YEAR THEN ENDED

2. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

2.4 Summary of material accounting policy information (continued)

2.4.17 Equity

Paid-up capital

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

Deferred tax

Deferred tax is provided on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognized for all taxable temporary differences, except:

- Where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- In respect of taxable temporary differences associated with investments in subsidiaries, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are reassessed at each reporting date and are recognized to the extent that it becomes probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

2.4.23 Presentation and rounding of amounts

Amounts in the financial statements have been rounded off to the nearest dollar and nearest thousands for US\$ and KHR amounts, respectively.

2.5 Significant accounting judgments, estimates and assumptions

The preparation of the Bank financial statements requires Management to make judgments, estimates and assumptions that affect the reported amount of revenues, expenses, assets and liabilities, and the accompanying disclosures, as well as the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods. In the process of applying the Bank's accounting policies, the General Director has made the following judgments and assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Existing circumstances and assumptions about future developments may change due to circumstances beyond the Bank's control and are reflected in the assumptions if and when they occur. Items with the most significant effect on the amounts recognized in the financial statements with substantial Management judgment and/or estimates are collated below with respect to judgments/estimates involved.

NOTES TO THE FINANCIAL STATEMENTS (continued)

AS AT 31 DECEMBER 2024 AND FOR THE YEAR THEN ENDED

2. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

2.5 Significant accounting judgments, estimates and assumptions (continued)

2.5.1 ECL on financial assets

The measurement of impairment losses under CIFRS 9 across all categories of financial assets in scope requires judgment, in particular, the estimation of the amount and timing of future cash flows when determining impairment losses and the assessment of a SICR. These estimates are driven by a number of factors, changes in which can result in different levels of allowances. The Bank's ECL calculations are outputs of complex models with a number of underlying assumptions regarding the choice of variable inputs and their interdependencies. Elements of the ECL models that are considered accounting judgments and estimates include:

- The Bank's criteria for assessing if there has been a SICR and so allowances for financial assets should be measured on an ECL basis;
- The segmentation of financial assets when their ECL or elements of ECL are assessed on a collective basis;
- Development of ECL models, including the various formulas and the choice of inputs;
- Determination of associations between macroeconomic scenarios and economic inputs, such as CPI, total fixed investment (real), investment in LCU, and the effect on PDs;
- Selection of forward-looking macroeconomic scenarios and their probability weightings, to derive the economic inputs into the ECL models;
- The post-model overlays based on a sensitive analysis and Bank's Senior Management's judgment; and,
- The Bank's policy of regularly reviewing its models in the context of actual loss experience and adjusting them when necessary.

2.5.2 Going concern

The Bank's Management has made an assessment of its ability to continue as a going concern and is satisfied that it has the resources to continue in business for the foreseeable future. Furthermore, Management is not aware of any material uncertainties that may cast significant doubt on the Bank's ability to continue as a going concern. Therefore, the financial statements continue to be prepared on a going concern basis.

2.5.3 Fair value of financial instruments

The fair value of financial instruments is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e., an exit price) regardless of whether that price is directly observable or estimated using another valuation technique. When the fair values of financial assets and financial liabilities recorded in the statement of financial position cannot be derived from active markets, they are determined using a variety of valuation techniques that include the use of valuation models. The inputs to these models are taken from observable markets where possible, but where this is not feasible, estimation is required in establishing fair values. Judgments and estimates include considerations of liquidity and model inputs related to items such as credit risk (both own and counterparty), funding value adjustments, correlation and volatility.

NOTES TO THE FINANCIAL STATEMENTS (continued)

AS AT 31 DECEMBER 2024 AND FOR THE YEAR THEN ENDED

2. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

2.5 Significant accounting judgments, estimates and assumptions (continued)

2.5.4 EIR method

The Bank's EIR, as explained in Note 2.4.1.1, recognized interest income using a rate of return that represents the best estimate of a constant rate of return over the expected life of loans and recognized the effect of potentially different interest rates charged at various stages and other characteristics of the product life cycle (including prepayments and penalty interest and charges). This estimation, by nature, requires an element of judgment regarding the expected recognized and life-cycle of the instruments, as well expected changes to the base rate and other fee income/expense that are integral parts of the instrument.

2.5.5 Deferred tax assets

Deferred tax assets are recognized in respect of tax losses to the extent that it is probable that future taxable profit will be available against which the tax losses can be recognized. Judgment is required to determine the amount of deferred tax assets that can be recognized, based on the likely timing and level of future taxable profits, together with future tax-planning strategies.

2.5.6 Determination of the lease term for lease contracts with renewal and termination options (the Bank as a lessee)

The Bank determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised. The Bank has several lease contracts that include extension and termination options. The Bank applies judgment in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Bank reassesses the lease term if there is a significant event or change in circumstances that is within its control that affects its ability to exercise or not to exercise the option to renew or to terminate.

2.5.7 Estimating the IBR to measure lease liabilities

The Bank cannot readily determine the interest rate implicit in the lease, therefore, it uses its IBR to measure lease liabilities. The IBR is the rate of interest that the Bank would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Bank 'would have to pay', which requires estimation when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease. The Bank estimates the IBR using observable inputs by reference to interest rates of deposits from customers with terms similar to the lease term.

NOTES TO THE FINANCIAL STATEMENTS (continued)

AS AT 31 DECEMBER 2024 AND FOR THE YEAR THEN ENDED

3. CASH ON HAND

Cash on hand by currency comprises the following:

	31 December 2024		31 December 2023	
	US\$	KHR'000 (Note 2.1.3)	US\$	KHR'000 (Note 2.1.3)
US\$	7,049,554	28,374,455	7,560,756	30,885,688
KHR	296,345	1,192,789	242,453	990,421
Other currencies	87,807	353,423	94,423	385,718
	7,433,706	29,920,667	7,897,632	32,261,827

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

	31 December 2024		31 December 2023	
	US\$	KHR'000 (Note 2.1.3)	US\$	KHR'000 (Note 2.1.3)
Cash on hand	7,433,706	29,920,667	7,897,632	32,261,827
Balances with the NBC				
Current accounts	37,667,443	151,611,458	22,424,104	91,602,465
Term deposits (up to three months)	482,719	1,942,944	1,443,191	5,895,435
Balances with other banks				
Current accounts	21,385,277	86,075,740	22,854,683	93,361,380
Term deposits (up to three months)	2,011,546	8,096,473	-	-
	68,980,691	277,647,282	54,619,610	223,121,107

4. BALANCES WITH THE NATIONAL BANK OF CAMBODIA

	31 December 2024		31 December 2023	
	US\$	KHR'000 (Note 2.1.3)	US\$	KHR'000 (Note 2.1.3)
Current accounts	37,667,443	151,611,458	22,424,104	91,602,465
Term deposits (i)	482,719	1,942,944	1,443,191	5,895,435
Capital guarantee deposit (ii)	7,500,000	30,187,500	7,500,000	30,637,500
Reserve requirement (iii)	13,813,246	55,598,315	12,067,689	49,296,510
	59,463,408	239,340,217	43,434,984	177,431,910

(i) Term deposits

The balance represents deposits with the NBC with original maturities of three months.

(ii) Capital guarantee deposit

Under NBC Prakas No. B7-01-136 dated 15 October 2001, banks are required to maintain a statutory deposit of 10.00% of registered capital with the NBC. This deposit is not available for use in the Bank's day-to-day operations, but it is refundable when the Bank voluntarily ceases to operate the business in Cambodia.

NOTES TO THE FINANCIAL STATEMENTS (continued)

AS AT 31 DECEMBER 2024 AND FOR THE YEAR THEN ENDED

4. BALANCES WITH THE NATIONAL BANK OF CAMBODIA ("NBC") (continued)

(iii) Reserve requirement

Under the NBC Prakas No. B7-023-005 dated 9 January 2023, commercial banks are required to maintain reserve requirement against deposits and borrowings at a daily average balance with the NBC in accordance with the dates and rates as follows:

- Effective from 1 January to 31 December 2023, reserve requirements in foreign currencies shall be at the rate of 9%; and,
- Effective from 1 January 2024 onward, reserve requirements in foreign currencies shall be at the rate of 12.5%.

The reserve requirement in local currencies (KHR) shall be maintained at the same rate of 7%.

On 23 November 2023, the NBC responded with Letter No. B7-023-2621 to the Association of Banks in Cambodia, allowing commercial banks to maintain the reserve requirement in foreign currencies at a rate of 7% until

31 December 2024. On 21 August 2024, the NBC issued Letter No. B7-024-1718, allowing commercial banks to implement the reserve requirements against deposits and borrowings in foreign currencies at the rate of 7% until 31 December 2025.

The reserve requirements on deposits and borrowings both in local and foreign currencies bear no interest.

Balances with the NBC by currency were as follows:

	31 December 2024		31 December 2023	
	US\$	KHR'000 (Note 2.1.3)	US\$	KHR'000 (Note 2.1.3)
US\$	54,903,046	220,984,760	38,928,791	159,024,112
KHR	4,560,362	18,355,457	4,506,193	18,407,798
	59,463,408	239,340,217	43,434,984	177,431,910

Annual interest rates of balances with the NBC are summarized as follows:

	2024	2023
Capital guarantee deposits - US\$	1.31%	1.33%
Reserve deposits - US\$	Nil	Nil
Term deposits - US\$	1.08%	1.02%
Term deposits - KHR	1.33%	1.33%
Current deposits - US\$	Nil	Nil
Current deposits - KHR	Nil	Nil

5. BALANCES WITH OTHER BANKS

	31 December 2024		31 December 2023	
	US\$	KHR'000 (Note 2.1.3)	US\$	KHR'000 (Note 2.1.3)
Balance with other banks				
Current accounts	21,385,277	86,075,740	22,854,683	93,361,380
Term deposits	10,136,037	40,797,549	1,850,106	7,557,683
Gross balances with other banks	31,521,314	126,873,289	24,704,789	100,919,063
Allowance for expected credit losses	(20,570)	(82,794)	(1,160)	(4,739)
	31,500,744	126,790,495	24,703,629	100,914,324

NOTES TO THE FINANCIAL STATEMENTS (continued)

AS AT 31 DECEMBER 2024 AND FOR THE YEAR THEN ENDED

5. BALANCES WITH OTHER BANKS (continued)

Balances with other banks by currency were as follows:

	31 December 2024		31 December 2023	
	US\$	KHR'000 (Note 2.1.3)	US\$	KHR'000 (Note 2.1.3)
US\$	29,472,681	118,627,541	23,338,255	95,336,772
KHR	1,651,002	6,645,283	944,378	3,857,784
Other currencies	397,631	1,600,465	422,156	1,724,507
	31,521,314	126,873,289	24,704,789	100,919,063

Annual interest rates of balances with other banks were as follows:

	2024	2023
Current deposits	Nil	Nil
Term deposits	4.00% - 6.25%	7.50%

Movements of allowance for expected credit losses on balance with other banks were as follows:

	2024		2023	
	US\$	KHR'000 (Note 2.1.3)	US\$	KHR'000 (Note 2.1.3)
As at 1 January	1,160	4,739	19,738	81,261
Charge/(reversal) during the year	19,410	79,018	(18,578)	(76,337)
Exchange difference on translation	-	(963)	-	(185)
As at 31 December	20,570	82,794	1,160	4,739

6. EQUITY INSTRUMENTS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME ("FVOCI")

	31 December 2024			31 December 2023		
	US\$	KHR'000 (Note 2.1.3)	% owned by the Bank	US\$	KHR'000 (Note 2.1.3)	% owned by the Bank
Unlisted equity securities (*)	25,000	100,625	1%	25,000	102,125	1%

(*) These are equity securities of a local economic entity which the Bank has no intention of disposing of as at 31 December 2024 and has elected the option to measure this investment at FVOCI.

NOTES TO THE FINANCIAL STATEMENTS (continued)

AS AT 31 DECEMBER 2024 AND FOR THE YEAR THEN ENDED

7. LOANS TO CUSTOMERS

Loans to Customers were categorized as follows:

	31 December 2024		31 December 2023	
	US\$	KHR'000 (Note 2.1.3)	US\$	KHR'000 (Note 2.1.3)
Individual loans	172,049,055	692,497,446	166,621,095	680,647,173
Corporation loans	31,684,315	127,529,368	30,250,584	123,573,636
Total gross amount	203,733,370	820,026,814	196,871,679	804,220,809
Allowance for ECL	(8,159,286)	(32,841,126)	(16,609,143)	(67,848,349)
Net loans to customers	195,574,084	787,185,688	180,262,536	736,372,460

An analysis of changes in the gross carrying amount and the corresponding ECL allowances were as follows:

	2024			
	Stage 1 US\$	Stage 2 US\$	Stage 3 US\$	Total US\$
Gross carrying amount as at 1 January	163,567,423	4,985,240	28,319,016	196,871,679
New financial assets originated	80,651,283	153,620	6,729,653	87,534,556
Derecognized or repaid financial assets	(65,679,219)	(1,980,510)	(13,013,136)	(80,672,865)
Transfers to Stage 1	1,324,873	(1,173,659)	(151,214)	-
Transfers to Stage 2	(461,834)	461,834	-	-
Transfers to Stage 3	(5,488,844)	(1,721,278)	7,210,122	-
Adjustment due to exchange rate difference	-	-	-	-
Balance at 31 December	173,913,682	725,247	29,094,441	203,733,370
KHR'000 (Note 2.1.3)	700,002,570	2,919,119	117,105,125	820,026,814
ECL allowance as at 1 January	650,638	475,006	15,483,499	16,609,143
New financial assets originated	690,163	12,658	1,712,933	2,415,754
Derecognized or repaid financial assets	(291,868)	(189,642)	(9,897,182)	(10,378,692)
Net remeasurement of loss allowance	263,579	62,877	(813,375)	(486,919)
Transfers to Stage 1	154,968	(101,641)	(53,327)	-
Transfers to Stage 2	(1,474)	1,474	-	-
Transfers to Stage 3	(17,894)	(172,843)	190,737	-
Balance at 31 December	1,448,112	87,889	6,623,285	8,159,286
KHR'000 (Note 2.1.3)	5,828,651	353,753	26,658,722	32,841,126

NOTES TO THE FINANCIAL STATEMENTS (continued)

AS AT 31 DECEMBER 2024 AND FOR THE YEAR THEN ENDED

7. LOANS TO CUSTOMERS (continued)

Loans to Customers were categorized as follows:

	2023			
	Stage 1 US\$	Stage 2 US\$	Stage 3 US\$	Total US\$
Gross carrying amount as at 1 January	153,015,978	1,585,933	43,883,017	198,484,928
New financial assets originated	65,986,468	2,500,958	829,205	69,316,631
Derecognized or repaid financial assets	(54,211,331)	(746,220)	(15,972,329)	(70,929,880)
Transfers to Stage 1	10,604,777	(245,121)	(10,359,656)	-
Transfers to Stage 2	(2,262,781)	2,434,881	(172,100)	-
Transfers to Stage 3	(9,565,688)	(545,191)	10,110,879	-
Adjustment due to exchange rate difference	163,567,423	4,985,240	28,319,016	196,871,679
Balance at 31 December	668,172,924	20,364,705	115,683,180	804,220,809
KHR'000 (Note 2.1.3)	700,002,570	2,919,119	117,105,125	820,026,814
ECL allowance as at 1 January	169,138	56,811	22,998,429	23,224,378
New financial assets originated	286,532	234,213	186,814	707,559
Derecognized or repaid financial assets	(63,596)	(8,404)	(9,926,456)	(9,998,456)
Net remeasurement of loss allowance	(2,752,051)	187,621	5,240,092	2,675,662
Transfers to Stage 1	3,022,938	(4,698)	(3,018,240)	-
Transfers to Stage 2	(1,974)	50,185	(48,211)	-
Transfers to Stage 3	(10,349)	(40,722)	51,071	-
Balance at 31 December	650,638	475,006	15,483,499	16,609,143
KHR'000 (Note 2.1.3)	2,657,856	1,940,400	63,250,093	67,848,349

Further analyses of gross amount of loans to Customers are set out below:

(a) By grading of loans to Customers

	31 December 2024		31 December 2023	
	US\$	KHR'000 (Note 2.1.3)	US\$	KHR'000 (Note 2.1.3)
Stage 1	173,913,682	700,002,570	163,567,423	668,172,924
Stage 2	725,247	2,919,119	4,985,240	20,364,705
Stage 3	29,094,441	117,105,125	28,319,016	115,683,180
	203,733,370	820,026,814	196,871,679	804,220,809

NOTES TO THE FINANCIAL STATEMENTS (continued)

AS AT 31 DECEMBER 2024 AND FOR THE YEAR THEN ENDED

7. LOANS TO CUSTOMERS (continued)

(b) By security

	31 December 2024		31 December 2023	
	US\$	KHR'000 (Note 2.1.3)	US\$	KHR'000 (Note 2.1.3)
Secured	200,196,795	805,792,100	193,393,086	790,010,757
Real estate	164,969,236	664,001,175	172,390,726	704,216,116
Machinery and transport	470,397	1,893,348	8,400,217	34,314,886
Deposit hold-out	461,697	1,858,330	177,686	725,847
License	12,007,384	48,329,721	-	-
Others	22,288,081	89,709,526	12,424,457	50,753,908
Unsecured	3,536,575	14,234,714	3,478,593	14,210,052
	203,733,370	820,026,814	196,871,679	804,220,809

(c) By maturity

	31 December 2024		31 December 2023	
	US\$	KHR'000 (Note 2.1.3)	US\$	KHR'000 (Note 2.1.3)
Within one month	2,791,051	11,233,980	2,988,224	12,206,895
More than one month to three months	26,794,827	107,849,179	13,483,664	55,080,767
More than one year to five years	30,001,455	120,755,856	38,367,393	156,730,800
More than five years	144,146,037	580,187,799	142,032,398	580,202,347
	203,733,370	820,026,814	196,871,679	804,220,809

(d) By residency and relationship

	31 December 2024		31 December 2023	
	US\$	KHR'000 (Note 2.1.3)	US\$	KHR'000 (Note 2.1.3)
<i>Residency</i>				
Residents	203,733,370	820,026,814	196,871,679	804,220,809
<i>Relationship</i>				
Related parties	1,960,365	7,890,469	937,770	3,830,790
Non-related parties	201,773,005	812,136,345	195,933,909	800,390,019
	203,733,370	820,026,814	196,871,679	804,220,809

NOTES TO THE FINANCIAL STATEMENTS (continued)

AS AT 31 DECEMBER 2024 AND FOR THE YEAR THEN ENDED

7. LOANS TO CUSTOMERS (continued)

(e) By currency

	31 December 2024		31 December 2023	
	US\$	KHR'000 (Note 2.1.3)	US\$	KHR'000 (Note 2.1.3)
US\$	179,759,759	723,533,030	176,801,496	722,234,111
KHR	23,973,611	96,493,784	20,070,183	81,986,698
	203,733,370	820,026,814	196,871,679	804,220,809

Annual interest rates applicable to loans to customers are as follows:

	2024	2023
Individual loans	4.20% - 15.60%	4.20% - 16.80%
Corporation loans	7.80% - 9.00%	5.30% - 9.50%

(f) By industry sector

	31 December 2024		31 December 2023	
	US\$	KHR'000 (Note 2.1.3)	US\$	KHR'000 (Note 2.1.3)
Consumers	73,592,773	296,210,911	87,391,741	356,995,262
Wholesale and retail	37,597,486	151,329,881	40,757,417	166,494,048
Real estate & construction	25,343,794	102,008,771	19,752,602	80,689,379
Mining	23,167,503	93,249,200	21,197,961	86,593,671
Import & Export	5,845,281	23,527,256	4,276,669	17,470,193
Credit card	2,791,051	11,233,980	2,698,224	11,022,245
Services	2,197,476	8,844,841	1,499,981	6,127,422
Other industries	33,198,006	133,621,974	19,297,084	78,828,589
	203,733,370	820,026,814	196,871,679	804,220,809

NOTES TO THE FINANCIAL STATEMENTS (continued)

AS AT 31 DECEMBER 2024 AND FOR THE YEAR THEN ENDED

8. OTHER ASSETS

	31 December 2024		31 December 2023	
	US\$	KHR'000 (Note 2.1.3)	US\$	KHR'000 (Note 2.1.3)
Financial assets				
Rental deposits	422,548	1,700,756	249,588	1,019,567
Receivables on express and remittance	194,100	781,252	60,685	247,898
	616,648	2,482,008	310,273	1,267,465
Non-financial assets				
Advance for deposit tax payments	343,343	1,381,956	-	-
Prepaid system maintenance fees	272,577	1,097,122	355,443	1,451,985
Advances to employees	173,650	698,941	139,954	571,712
Sundry debits	115,725	465,794	347,080	1,417,820
Prepaid insurance	2,119	8,529	2,395	9,784
	907,414	3,652,342	844,872	3,451,301
	1,524,062	6,134,350	1,155,145	4,718,766

NOTES TO THE FINANCIAL STATEMENTS (continued)
AS AT 31 DECEMBER 2024 AND FOR THE YEAR THEN ENDED

9. PROPERTY AND EQUIPMENT

	2024				
	Building and leasehold improvement	Computer equipment	Furniture and equipment	Motor vehicles	Total
	US\$	US\$	US\$	US\$	US\$
					KHR'000 (Note 2.1.3)
Cost					
As at 1 January	1,210,231	3,127,287	991,085	720,999	6,049,602
Additions	1,450,381	97,557	347,346	-	1,895,284
Disposals	(22,509)	(32,918)	(8,753)	-	(64,180)
Exchange difference on translation	-	-	-	-	(447,206)
As at 31 December	2,638,103	3,191,926	1,329,678	720,999	7,880,706
Accumulated depreciation					
As at 1 January	1,088,619	2,422,780	968,272	659,674	5,139,345
Disposals	47,620	294,380	18,535	27,702	388,237
Depreciation	(22,509)	(32,918)	(8,753)	-	(64,180)
Exchange difference on translation	-	-	-	-	(323,267)
As at 31 December	1,113,730	2,684,242	978,054	687,376	5,463,402
Net book value	1,524,373	507,684	351,624	33,623	2,417,304
					9,729,649

NOTES TO THE FINANCIAL STATEMENTS (continued)
AS AT 31 DECEMBER 2024 AND FOR THE YEAR THEN ENDED

9. PROPERTY AND EQUIPMENT (continued)

	2023					
	Building and leasehold improvement	Computer equipment	Furniture and equipment	Motor vehicles	Total	
	US\$	US\$	US\$	US\$	US\$	KHR'000 (Note 2.1.3)
Cost						
As at 1 January	1,207,188	3,171,977	981,926	720,999	6,082,090	25,039,964
Additions	3,043	36,115	9,159	-	48,317	198,535
Disposals	-	(80,805)	-	-	(80,805)	(332,028)
Exchange difference on translation	-	-	-	-	-	(193,847)
As at 31 December	1,210,231	3,127,287	991,085	720,999	6,049,602	24,712,624
Accumulated depreciation						
As at 1 January	1,029,656	2,200,153	941,701	623,664	4,795,174	19,741,731
Disposals	58,963	303,432	26,571	36,010	424,976	1,746,226
Depreciation	-	(80,805)	-	-	(80,805)	(332,028)
Exchange difference on translation	-	-	-	-	-	(161,705)
As at 31 December	1,088,619	2,422,780	968,272	659,674	5,139,345	20,994,224
Net book value	121,612	704,507	22,813	61,325	910,257	3,718,400

NOTES TO THE FINANCIAL STATEMENTS (continued)

AS AT 31 DECEMBER 2024 AND FOR THE YEAR THEN ENDED

10. RIGHT-OF-USE ASSETS

Information about the Bank's leases are disclosed within this note and Note 14.

	31 December 2024		31 December 2023	
	US\$	KHR'000 (Note 2.1.3)	US\$	KHR'000 (Note 2.1.3)
Right-of-use assets	2,483,252	9,995,089	1,150,229	4,698,685

The Bank leases its offices and ATM spaces for periods ranging from 2 to 10 years, renewable upon mutual agreement of both parties. Information about leases for which the Bank is a lessee is presented below:

	2024			
	Office building	ATM space	Total	
	US\$	US\$	US\$	KHR'000 (Note 2.1.3)
Cost				
As at 1 January	2,486,324	118,517	2,604,841	10,640,775
Additions	1,986,315	87,526	2,073,841	8,442,607
Termination	(985,734)	(100,009)	(1,085,743)	(4,420,060)
Exchange difference on translation	-	-	-	(201,743)
As at 31 December	3,486,905	106,034	3,592,939	14,461,579
Accumulated amortization				
As at 1 January	1,371,041	83,571	1,454,612	5,942,090
Amortization	678,255	62,563	740,818	3,015,870
Termination	(985,734)	(100,009)	(1,085,743)	(4,420,060)
Exchange difference on translation	-	-	-	(71,410)
As at 31 December	1,063,562	46,125	1,109,687	4,466,490
Net book value	2,423,343	59,909	2,483,252	9,995,089
	2023			
	Office building	ATM space	Total	
	US\$	US\$	US\$	KHR'000 (Note 2.1.3)
Cost				
As at 1 January	2,355,382	177,857	2,533,239	10,429,345
Additions	275,237	15,012	290,249	1,185,667
Termination	(144,295)	(74,352)	(218,647)	(898,421)
Exchange difference on translation	-	-	-	(75,816)
As at 31 December	2,486,324	118,517	2,604,841	10,640,775
Accumulated amortization				
As at 1 January	1,148,091	91,313	1,239,404	5,102,626
Amortization	367,245	66,610	433,855	1,782,710
Termination	(144,295)	(74,352)	(218,647)	(898,421)
Exchange difference on translation	-	-	-	(44,825)
As at 31 December	1,371,041	83,571	1,454,612	5,942,090
Net book value	1,115,283	34,946	1,150,229	4,698,685

NOTES TO THE FINANCIAL STATEMENTS (continued)

AS AT 31 DECEMBER 2024 AND FOR THE YEAR THEN ENDED

11. INTANGIBLE ASSETS

	2024		2023	
	Computer software		Computer software	
	US\$	KHR'000 (Note 2.1.3)	US\$	KHR'000 (Note 2.1.3)
Cost				
As at 1 January	2,341,238	9,563,957	2,292,104	9,436,592
Additions	-	-	49,134	201,892
Foreign exchange differences	-	(140,474)	-	(74,527)
As at 31 December	2,341,238	9,423,483	2,341,238	9,563,957
Less accumulated amortization				
As at 1 January	1,633,522	6,672,937	1,375,637	5,663,497
Amortization	226,411	921,719	257,885	1,059,650
Foreign exchange differences	-	(108,426)	-	(50,210)
As at 31 December	1,859,933	7,486,230	1,633,522	6,672,937
Net book value	481,305	1,937,253	707,716	2,891,020

12. DEPOSITS AND BORROWINGS FROM OTHER BANKS

	31 December 2024		31 December 2023	
	US\$	KHR'000 (Note 2.1.3)	US\$	KHR'000 (Note 2.1.3)
Deposit from other banks	6,678,327	26,880,266	6,702,503	27,379,724
Borrowings from other banks	210,971	849,158	271,042	1,107,207
	6,889,298	27,729,424	6,973,545	28,486,931

12.1 Deposit from other banks

	31 December 2024		31 December 2023	
	US\$	KHR'000 (Note 2.1.3)	US\$	KHR'000 (Note 2.1.3)
Current deposits	1,668,734	6,716,654	1,702,503	6,954,724
Term deposits	5,009,593	20,163,612	5,000,000	20,425,000
	6,678,327	26,880,266	6,702,503	27,379,724

NOTES TO THE FINANCIAL STATEMENTS (continued)

AS AT 31 DECEMBER 2024 AND FOR THE YEAR THEN ENDED

12. DEPOSITS AND BORROWINGS FROM OTHER BANKS (continued)

12.1 Deposit from other banks (continued)

Deposit from other banks by currency were as follows:

	31 December 2024		31 December 2023	
	US\$	KHR'000 (Note 2.1.3)	US\$	KHR'000 (Note 2.1.3)
US\$	6,213,447	25,009,124	6,203,849	25,342,722
Other currencies	464,880	1,871,142	498,654	2,037,002
	6,678,327	26,880,266	6,702,503	27,379,724

Annual interest rates applicable to Deposit from other banks are as follows:

	2024	2023
Current deposits	Nil	Nil
Term deposits	3.00%	5.25%

12.2 Borrowings from other banks

	31 December 2024		31 December 2023	
	US\$	KHR'000 (Note 2.1.3)	US\$	KHR'000 (Note 2.1.3)
Borrowings from domestic bank in foreign currency	210,971	849,158	271,042	1,107,207

Borrowings from other banks by currency were as follows:

	31 December 2024		31 December 2023	
	US\$	KHR'000 (Note 2.1.3)	US\$	KHR'000 (Note 2.1.3)
In foreign currency				
US\$	210,971	849,158	271,042	1,107,207

Annual interest rates of borrowings from other banks are as follows:

	2024	2023
Borrowings	2.00% - 2.50%	2.00% - 2.50%

NOTES TO THE FINANCIAL STATEMENTS (continued)

AS AT 31 DECEMBER 2024 AND FOR THE YEAR THEN ENDED

13. DEPOSITS FROM CUSTOMERS

	31 December 2024		31 December 2023	
	US\$	KHR'000 (Note 2.1.3)	US\$	KHR'000 (Note 2.1.3)
Current accounts	8,879,279	35,739,098	6,318,020	25,809,112
Term deposits	172,615,944	694,779,175	143,630,373	586,730,074
Savings deposits	20,977,765	84,435,504	22,298,621	91,089,866
	202,472,988	814,953,777	172,247,014	703,629,052

Deposits from customers were further analysed as follows:

(a) By types of customer

	31 December 2024		31 December 2023	
	US\$	KHR'000 (Note 2.1.3)	US\$	KHR'000 (Note 2.1.3)
Resident individuals	180,349,826	725,908,050	155,916,000	636,916,860
Domestic corporations	14,212,986	57,207,269	8,664,159	35,393,090
Non-resident individuals	7,910,176	31,838,458	7,666,855	31,319,102
	202,472,988	814,953,777	172,247,014	703,629,052

(b) By currency

	31 December 2024		31 December 2023	
	US\$	KHR'000 (Note 2.1.3)	US\$	KHR'000 (Note 2.1.3)
US\$	188,761,553	759,765,251	161,603,998	660,152,331
KHR	13,703,783	55,157,727	10,634,807	43,443,187
Other currencies	7,652	30,799	8,209	33,534
	202,472,988	814,953,777	172,247,014	703,629,052

(c) By relationship

	31 December 2024		31 December 2023	
	US\$	KHR'000 (Note 2.1.3)	US\$	KHR'000 (Note 2.1.3)
Non-related parties	202,433,715	814,795,703	172,180,336	703,356,672
Related parties	39,273	158,074	66,678	272,380
	202,472,988	814,953,777	172,247,014	703,629,052

(d) Annual interest rates of deposits from customers are as follows:

	2024	2023
Current accounts	0.00% - 3.50%	0.00% - 3.50%
Term deposits	0.00% - 7.50%	0.00% - 7.50%
Savings deposits	0.00% - 3.50%	0.00% - 3.50%

NOTES TO THE FINANCIAL STATEMENTS (continued)

AS AT 31 DECEMBER 2024 AND FOR THE YEAR THEN ENDED

14. LEASE LIABILITIES

	31 December 2024		31 December 2023	
	US\$	KHR'000 (Note 2.1.3)	US\$	KHR'000 (Note 2.1.3)
Maturity analysis - contractual undiscounted cash flows				
Less than 1 year	734,488	2,956,314	472,675	1,930,877
1 to 5 years	2,096,217	8,437,273	841,758	3,438,581
More than 5 years	170,490	686,222	81,000	330,885
Total undiscounted lease liabilities	3,001,195	12,079,809	1,395,433	5,700,343
Present value of lease liabilities				
As at 1 January	1,237,350	5,054,575	1,385,376	5,703,593
Additions	2,073,841	8,442,607	290,249	1,192,633
Accretion of interest	123,039	500,892	77,240	317,379
Payments	(651,889)	(2,653,840)	(515,515)	(2,118,251)
Adjustment	(168,316)	(685,214)	-	-
Exchange difference on translation	-	(137,569)	-	(40,779)
As at 31 December	2,614,025	10,521,451	1,237,350	5,054,575
Within 1 year	40,976	164,929	358,278	1,463,566
Beyond 1 year	2,573,049	10,356,522	879,072	3,591,009
	2,614,025	10,521,451	1,237,350	5,054,575

Amounts recognized in profit and loss on leases during the year were as follows:

	2024 US\$	2023 US\$
Depreciation expense on right-of-use assets	740,818	433,855
Expenses relating to short-term leases and leases of low-value assets	50,479	90,132
Interest expense on lease liabilities	151,377	77,240
	942,674	601,227
KHR'000 (Note 2.1.3)	3,794,263	2,456,012

15. INCOME TAX

The Bank's tax returns are subject to examination by the General Department of Taxation ("GDT"). Because the application of tax laws and regulations to many types of transactions is susceptible to varying interpretations, the amounts reported in the financial statements could change at a later date upon final determination by the GDT.

Applicable tax rates

In accordance with Cambodian tax law, the Bank has the obligation to pay tax on profit at the rate of 20% of taxable income or minimum tax at 1% of turnover inclusive of all taxes except value-added tax, whichever is higher.

NOTES TO THE FINANCIAL STATEMENTS (continued)

AS AT 31 DECEMBER 2024 AND FOR THE YEAR THEN ENDED

15. INCOME TAX (continued)

15.1 Income tax expense

Income tax expense comprises:

	2024		2023	
	US\$	KHR'000 (Note 2.1.3)	US\$	KHR'000 (Note 2.1.3)
Current income tax	300,249	1,222,314	495,495	2,035,989
Deferred tax	1,628,658	6,630,266	1,720,405	7,069,144
	1,928,907	7,852,580	2,215,900	9,105,133

Movements of (prepayment of tax on income)/income tax payable were as follows:

	2024		2023	
	US\$	KHR'000 (Note 2.1.3)	US\$	KHR'000 (Note 2.1.3)
As at 1 January	220,405	900,354	(31,251)	(128,660)
Current income tax expense	300,249	1,222,314	495,495	2,035,989
Income tax paid	(703,344)	(2,863,313)	(243,839)	(1,001,934)
Exchange difference on translation	-	5,318	-	(5,041)
As at 31 December	(182,690)	(735,327)	220,405	900,354

The reconciliation of statutory income tax and effective income tax was as follows:

	2024		2023	
	US\$	KHR'000 (Note 2.1.3)	US\$	KHR'000 (Note 2.1.3)
Profit before income tax	9,844,296	40,076,129	8,755,219	35,975,195
Income tax expense at applicable tax rate of 20%	1,968,859	8,015,225	1,751,044	7,195,040
Adjust for:				
Non-deductible expenses	37,532	152,793	94,536	388,449
Unrealized gain on exchange	(67,853)	(276,230)	(42,437)	(174,374)
Dividend income	(9,631)	(39,208)	(13,566)	(55,743)
Accounting gain on disposal	-	-	(72)	(296)
Tax losses forfeited	-	-	426,395	1,752,057
Effective income tax expense	1,928,907	7,852,580	2,215,900	9,105,133

NOTES TO THE FINANCIAL STATEMENTS (continued)

AS AT 31 DECEMBER 2024 AND FOR THE YEAR THEN ENDED

15. INCOME TAX (continued)

15.2 Deferred tax

Details of net deferred income tax assets were as follows:

	2024		
	1 January US\$	Recognized in profit or loss during the year US\$	31 December US\$
<i>Deferred tax asset on</i>			
Lease accounting	17,424	8,731	26,155
Amortized loan processing fees	176,204	(78,762)	97,442
	193,628	(70,031)	123,597
<i>Deferred tax liability on:</i>			
Allowance for ECL	(916,886)	(1,574,485)	(2,491,371)
Property and equipment	(47,428)	15,858	(31,570)
	(964,314)	(1,558,627)	(2,522,941)
Net deferred tax liabilities	(770,686)	(1,628,658)	(2,399,344)
KHR'000 (Note 2.1.3)	(3,148,252)	(6,509,108)	(9,657,360)
	2023		
	1 January US\$	Recognized in profit or loss during the year US\$	31 December US\$
<i>Deferred tax asset on</i>			
Lease accounting	18,308	(884)	17,424
Amortized loan processing fees	221,043	(44,839)	176,204
Tax loss carried forward	426,395	(426,395)	-
Allowance for ECL	331,214	(331,214)	-
	996,960	(803,332)	193,628
<i>Deferred tax liability on:</i>			
Allowance for ECL	-	(916,886)	(916,886)
Property and equipment	(47,241)	(187)	(47,428)
	(47,241)	(917,073)	(964,314)
Net deferred tax liabilities	949,719	(1,720,405)	(770,686)
KHR'000 (Note 2.1.3)	3,909,993	(7,058,245)	(3,148,252)

NOTES TO THE FINANCIAL STATEMENTS (continued)

AS AT 31 DECEMBER 2024 AND FOR THE YEAR THEN ENDED

16. OTHER LIABILITIES

	31 December 2024		31 December 2023	
	US\$	KHR'000 (Note 2.1.3)	US\$	KHR'000 (Note 2.1.3)
Financial liabilities				
Payables on remittance	679,706	2,735,817	194,667	795,215
Payable to employees	275,000	1,106,875	1,050,790	4,292,477
Allowance for ECL on off-balance sheet commitments	148,381	597,234	21,786	88,996
	1,103,087	4,439,926	1,267,243	5,176,688
Non-financial liabilities				
Other tax payables	172,906	695,947	99,724	407,373
Others	174,076	700,655	86,719	354,246
	346,982	1,396,602	186,443	761,619
	1,450,069	5,836,528	1,453,686	5,938,307

Movements of allowance for ECL on off-balance sheet commitments are as follows:

	2024		2023	
	US\$	KHR'000 (Note 2.1.3)	US\$	KHR'000 (Note 2.1.3)
As at 1 January	21,786	88,996	18,621	76,663
Charged during the year	126,596	515,372	3,165	13,005
Exchange difference on translation	-	(7,130)	-	(672)
As at 31 December	148,382	597,238	21,786	88,996

17. EQUITY

Paid-up capital

As at 31 December 2024 and 2023, the authorized share capital comprises 75 million ordinary shares, fully issued and paid at par value of US\$1 per share. There were no movements in the paid-up capital during the year.

Regulatory reserves

	2024 US\$	2023 US\$
Allowance per NBC	23,127,723	23,343,688
Less: Allowance per CIFRS 9	(8,328,238)	(16,632,089)
Difference	14,799,485	6,711,599
KHR'000 (Note 2.1.3)	60,484,428	27,558,644

Regulatory reserve as at 31 December 2024 is US\$ 14,799,485 or KHR'000 60,484,428 (2023: US\$ 6,711,599 or KHR'000 27,558,644). As such, there is a transfer of US\$ 8,087,886 or KHR'000 32,925,784 from retained earnings to regulatory reserve (2023: transfer from regulatory reserve to retained earnings of US\$ 6,135,226 or KHR'000 25,209,644).

NOTES TO THE FINANCIAL STATEMENTS (continued)

AS AT 31 DECEMBER 2024 AND FOR THE YEAR THEN ENDED

18. INTEREST INCOME

	2024		2023	
	US\$	KHR'000 (Note 2.1.3)	US\$	KHR'000 (Note 2.1.3)
Loans to Customers	15,860,544	64,568,275	15,705,915	64,535,604
Balances with other banks	461,917	1,880,464	181,226	744,658
Balances with NBC	111,066	452,150	143,190	588,368
	16,433,527	66,900,889	16,030,331	65,868,630

19. INTEREST EXPENSE

	2024		2023	
	US\$	KHR'000 (Note 2.1.3)	US\$	KHR'000 (Note 2.1.3)
Deposits from Customers	10,553,376	42,962,794	8,306,607	34,131,849
Deposits and borrowings from other banks	347,705	1,415,507	23,821	97,880
Lease liabilities	151,377	616,256	77,240	317,379
	11,052,458	44,994,557	8,407,668	34,547,108

20. NET FEES AND COMMISSION INCOME

	2024		2023	
	US\$	KHR'000 (Note 2.1.3)	US\$	KHR'000 (Note 2.1.3)
Settlement services	3,800,661	15,472,491	3,295,995	13,543,243
Other services	447,546	1,821,960	156,225	641,929
Total fees and commission income	4,248,207	17,294,451	3,452,220	14,185,172
Fees and commission expenses	(202,880)	(825,924)	(201,617)	(828,444)
Net fees and commission income	4,045,327	16,468,527	3,250,603	13,356,728

21. OTHER OPERATING INCOME (EXPENSES)

	2024		2023	
	US\$	KHR'000 (Note 2.1.3)	US\$	KHR'000 (Note 2.1.3)
Net foreign exchange gain (loss)	339,264	1,381,144	224,981	924,447
Dividend income	48,156	196,043	67,828	278,705
Gain on disposal of property and equipment	-	-	360	1,479
Others	220,833	899,011	-	-
	608,253	2,476,198	293,169	1,204,631

NOTES TO THE FINANCIAL STATEMENTS (continued)

AS AT 31 DECEMBER 2024 AND FOR THE YEAR THEN ENDED

22. PERSONNEL EXPENSES

	2024		2023	
	US\$	KHR'000 (Note 2.1.3)	US\$	KHR'000 (Note 2.1.3)
Salaries and wages	4,468,477	18,191,170	5,267,718	21,645,053
Other employee benefits	258,141	1,050,892	195,181	801,999
	4,726,618	19,242,062	5,462,899	22,447,052

23. GENERAL AND ADMINISTRATIVE EXPENSES

	2024		2023	
	US\$	KHR'000 (Note 2.1.3)	US\$	KHR'000 (Note 2.1.3)
License fees	520,747	2,119,961	508,705	2,090,269
Repairs and maintenance	425,001	1,730,179	342,656	1,407,974
Printing and stationery	236,474	962,686	184,419	757,778
Marketing and promotions	198,500	808,094	179,000	735,511
Other taxes	160,904	655,040	207,399	852,202
Communications	147,783	601,625	133,579	548,876
Utilities	147,299	599,654	62,082	255,095
Office supplies	121,393	494,191	113,898	468,007
Rental expenses	116,067	472,509	239,055	982,277
Transportation	52,194	212,482	67,251	276,334
Travelling	50,479	205,500	90,132	370,352
Professional fees (*)	46,845	190,706	66,356	272,657
Other expenses	188,435	767,118	267,717	1,100,049
	2,412,121	9,819,745	2,462,249	10,117,381

(*) Professional fees include audit service fees paid or payable to external auditors amounted to US\$ 27,030 or KHR'000 110,039 as at 31 December 2024 and for the year then ended (2023: US\$ 28,000 or KHR'000 114,380). There were no non-audit fees that were paid or are payable to Grant Thornton (Cambodia) Limited by the Bank during the year.

24. DEPRECIATION AND AMORTIZATION

	2024		2023	
	US\$	KHR'000 (Note 2.1.3)	US\$	KHR'000 (Note 2.1.3)
Property and equipment (Note 9)	388,237	1,580,513	424,976	1,746,226
Right-of-use assets (Note 10)	740,818	3,015,870	433,855	1,782,710
Intangible assets (Note 11)	226,411	921,719	257,885	1,059,650
	1,355,466	5,518,102	1,116,716	4,588,586

NOTES TO THE FINANCIAL STATEMENTS (continued)

AS AT 31 DECEMBER 2024 AND FOR THE YEAR THEN ENDED

25. PROVISION FOR EXPECTED CREDIT LOSSES

	2024		2023	
	US\$	KHR'000 (Note 2.1.3)	US\$	KHR'000 (Note 2.1.3)
<i>(Reversal of) Provision for expected credited losses:</i>				
Loans to Customers	(8,449,857)	(34,399,367)	(6,615,235)	(27,182,001)
Commitments	19,410	79,018	(18,578)	(76,337)
Others	126,595	515,368	3,165	13,005
	(8,303,852)	(33,804,981)	(6,630,648)	(27,245,333)

26. COMMITMENTS

	31 December 2024		31 December 2023	
	US\$	KHR'000 (Note 2.1.3)	US\$	KHR'000 (Note 2.1.3)
Undrawn credit facilities	12,737,656	51,269,065	12,472,542	50,950,334
Allowance for ECL on off-balance sheet commitments	(148,382)	(597,238)	(21,786)	(88,996)
	12,589,275	50,671,831	12,450,756	50,861,338

27. RELATED PARTY TRANSACTIONS AND BALANCES

Significant transactions with related parties during the year were as follows:

Related party	Transaction	2024		2023	
		US\$	KHR'000 (Note 2.1.3)	US\$	KHR'000 (Note 2.1.3)
Sacombank Remittance Express Co., Ltd	Fee and commission expenses	(886)	(3,607)	(1,149)	(4,721)
	Interest income on loans				
Key management personnel	Interest expense on deposits	60,904	247,940	26,800	110,121
	Salaries and employee benefits	(28)	(114)	(45)	(185)
		(579,498)	(2,359,136)	(517,763)	(2,127,488)

NOTES TO THE FINANCIAL STATEMENTS (continued)

AS AT 31 DECEMBER 2024 AND FOR THE YEAR THEN ENDED

27. RELATED PARTY TRANSACTIONS AND BALANCES (continued)

Balances with related parties at the reporting date were as follows:

Related party	Transaction	2024		2023	
		US\$	KHR'000 (Note 2.1.3)	US\$	KHR'000 (Note 2.1.3)
Parent Bank	Due from	19,018,045	76,547,631	20,225,496	82,621,151
	Due to	(1,665,651)	(6,704,245)	(1,699,425)	(6,942,151)
	Other receivables	126,430	508,881	138,413	565,417
	Other payables	(304,083)	(1,223,934)	(184,830)	(755,031)
Sacombank Lao Co., Ltd.	Due from	(124)	(499)	(124)	(507)
Sacombank Remittance Express Co., Ltd.	Receivables on remittance	30,615	123,225	11,726	47,901
Key management personnel	Loans-gross	1,960,365	7,890,469	937,770	3,830,790
	Deposits	(39,273)	(158,074)	(66,678)	(272,380)

28. FINANCIAL RISK MANAGEMENT

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

The Bank intends to comply with the NBC's regulations for financial risk management purposes. The Bank however recognizes that international best practices on risk management are yet to be fully implemented. Management has established an Asset and Liability Management Committee and Risk Management Committee to formulate broad parameters of acceptable risk for the Bank and monitor the activities against these parameters.

The Bank holds the following financial assets and liabilities:

	31 December 2024		31 December 2023	
	US\$	KHR'000 (Note 2.1.3)	US\$	KHR'000 (Note 2.1.3)
Financial assets				
Cash on hand	7,433,706	29,920,667	7,897,632	32,261,827
Balances with the NBC	38,150,162	153,554,402	23,867,295	97,497,900
Balances with other banks	31,500,744	126,790,495	24,703,629	100,914,324
Equity instruments at FVOCI	25,000	100,625	25,000	102,125
Loans to customers	195,574,084	787,185,688	180,262,536	736,372,460
Other financial assets	616,648	2,482,008	310,273	1,267,465
Total financial assets	273,300,344	1,100,033,885	237,066,365	968,416,101
Financial liabilities				
Deposits and borrowings from other banks	6,889,298	27,729,424	6,973,545	28,486,931
Deposits from customers	202,472,988	814,953,777	172,247,014	703,629,052
Lease liabilities	2,614,025	10,521,451	1,237,350	5,054,575
Other liabilities	1,103,087	4,439,925	1,267,243	5,176,688
Total financial liabilities	213,079,398	857,644,577	181,725,152	742,347,246

NOTES TO THE FINANCIAL STATEMENTS (continued)

AS AT 31 DECEMBER 2024 AND FOR THE YEAR THEN ENDED

28. FINANCIAL RISK MANAGEMENT (continued)

28.1 Credit risk

The Bank takes on exposure to credit risk, which is the risk that counterparty will cause a financial loss to the Bank by failing to discharge an obligation. Credit risk is the most important risk for the Bank's business. Credit exposure arises principally in lending activities that lead to loans to customers. The credit risk management is carried out by the Credit Committee.

(a) Credit risk measurement

The Bank assesses the PD of individual counterparties in accordance with its credit policy, procedures and practices. The Credit Committee is responsible for determining the appropriateness and sufficiency of its credit policies.

(b) Risk limit control and mitigation policy

The Bank operates and provides loans and advances to individuals or enterprises within the Kingdom of Cambodia. The Bank manages, limits and controls the concentration of credit risk whenever it is identified. Large exposure is defined by the NBC as overall credit exposure to any individual beneficiary which exceeds 10% of the Bank's net worth, and shall maintain at all times a ratio not exceeding 20%. The Bank also maintain at all times a maximum ratio of 300% between the total of large exposures and net worth.

The Bank also employs a range of policies and practices to mitigate credit risk. The most traditional of these is the taking of security in the form of collateral for loans to customers, which is common practice. The Bank implements guidelines on the acceptability of specific classes of collateral or credit risk mitigation.

The principal collateral types for loans to customers are:

- Mortgages over residential properties (land, building and other properties);
- Charges over business assets such as land and buildings;
- Customers' fixed deposits placed with the Bank; and,
- Cash in the form of margin deposit.

(c) Maximum exposure to credit risk before collateral held or other credit enhancements

The table below shows the Bank's maximum exposure to credit risk before taking into account any collateral held and other credit enhancement:

	31 December 2024		31 December 2023	
	US\$	KHR'000 (Note 2.1.3)	US\$	KHR'000 (Note 2.1.3)
Balances with the NBC - gross	38,150,162	153,554,402	23,867,295	97,497,900
Balance with other banks - gross	31,521,314	126,873,289	24,704,789	100,919,063
Loans to Customers - gross	203,733,370	820,026,814	196,871,679	804,220,809
Other financial assets	616,648	2,482,008	310,273	1,267,465
Off-balance sheet commitments - gross	12,737,656	51,269,065	12,472,542	50,950,334
	286,759,150	1,154,205,578	258,226,578	1,054,855,571

NOTES TO THE FINANCIAL STATEMENTS (continued)

AS AT 31 DECEMBER 2024 AND FOR THE YEAR THEN ENDED

28. FINANCIAL RISK MANAGEMENT (continued)

28.1 Credit risk (continued)

The maximum exposure to credit risks for the other financial assets is limited to their carrying value as at 31 December 2024 and 2023.

The Bank holds collateral against loans to customer in the form of real estate mortgages, The Bank holds collateral against loans to customer in the form of real estate mortgages, guarantees, and other registered securities over the customers' assets. Estimates of fair value are based on the value of collateral assessed at the time of borrowing and are regularly updated according to internal lending policies and regulatory guidelines.

(d) *Concentration of risks of financial assets with credit risk exposure*

Concentrations arise when a number of counterparties are engaged in similar business activities or activities in the same geographic region, or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of the Bank's performance to developments affecting a particular industry or geographic location.

The distribution of financial assets by industry sector of the Bank, before taking into account collateral held or other credit enhancements (maximum exposure) follows:

	<i>Balances with the NBC US\$</i>	<i>Balances with other banks US\$</i>	<i>Loans to Customers US\$</i>	<i>Other financial assets US\$</i>	<i>Total US\$</i>
31 December 2024					
Financial intermediaries	38,150,162	31,521,314	-	-	69,671,476
Consumers	-	-	73,592,773	-	73,592,773
Wholesale and retail	-	-	37,597,486	-	37,597,486
Real estate & Construction	-	-	23,167,503	-	23,167,503
Mining	-	-	25,343,794	-	25,343,794
Import & Export	-	-	5,845,281	-	5,845,281
Services	-	-	2,197,476	-	2,197,476
Other industries	-	-	35,989,057	616,648	36,605,705
	38,150,162	31,521,314	203,733,370	616,648	274,021,494
Less: Allowance for expected credit losses on financial assets	-	(20,570)	(8,159,286)		(8,179,856)
	38,150,162	31,500,744	195,574,084	616,648	265,841,638
KHR'000 (Note 2.1.3)	153,554,402	126,790,495	787,185,688	2,482,008	1,070,012,593

NOTES TO THE FINANCIAL STATEMENTS (continued)
AS AT 31 DECEMBER 2024 AND FOR THE YEAR THEN ENDED

28. FINANCIAL RISK MANAGEMENT (continued)

28.1 Credit risk (continued)

(d) Concentration of risks of financial assets with credit risk exposure (continued)

	Balances with the NBC US\$	Balances with other banks US\$	Loans to Customers US\$	Other financial assets US\$	Total US\$
31 December 2023					
Financial intermediaries	23,867,295	24,704,789	-	-	48,572,084
Consumers	-	-	87,391,741	-	87,391,741
Wholesale and retail	-	-	40,757,417	-	40,757,417
Real estate & Construction	-	-	21,197,961	-	21,197,961
Mining	-	-	19,752,602	-	19,752,602
Import & Export	-	-	4,276,669	-	4,276,669
Services	-	-	1,499,981	-	1,499,981
Other industries	-	-	21,995,308	310,273	22,305,581
	23,867,295	24,704,789	196,871,679	310,273	245,754,036
Less: Allowance for expected credit losses on financial assets	-	(1,160)	(16,609,143)	-	(16,610,303)
	23,867,295	24,703,629	180,262,536	310,273	229,143,733
KHR'000 (Note 2.1.3)	97,497,900	100,914,324	736,372,460	1,267,465	936,052,149

NOTES TO THE FINANCIAL STATEMENTS (continued)

AS AT 31 DECEMBER 2024 AND FOR THE YEAR THEN ENDED

28. FINANCIAL RISK MANAGEMENT (continued)

28.1 Credit risk (continued)

(e) Credit quality per class of financial assets

The table below shows the credit quality per class of financial assets based on staging transition policy of the Bank:

	31 December 2024			
	Stage 1 US\$	Stage 2 US\$	Stage 3 US\$	Total US\$
Balances with the NBC - gross	38,150,162	-	-	38,150,162
Balances with other banks - gross	31,521,314	-	-	31,521,314
Loans to customer - gross	173,913,682	725,247	29,094,441	203,733,370
Other financial assets	616,648	-	-	616,648
	244,201,806	725,247	29,094,441	274,021,494
Less: Allowance for expected credit losses on financial assets	(1,468,682)	(87,889)	(6,623,285)	(8,179,856)
	242,733,124	637,358	22,471,156	265,841,638
KHR'000 (Note 2.1.3)	977,000,824	2,565,366	90,446,403	1,070,012,593

	31 December 2023			
	Stage 1 US\$	Stage 2 US\$	Stage 3 US\$	Total US\$
Balances with the NBC - gross	23,867,295	-	-	23,867,295
Balances with other banks - gross	24,704,789	-	-	24,704,789
Loans to customer - gross	163,567,423	4,985,240	28,319,016	196,871,679
Other financial assets	310,273	-	-	310,273
	212,449,780	4,985,240	28,319,016	245,754,036
Less: Allowance for expected credit losses on financial assets	(651,798)	(475,006)	(15,483,499)	(16,610,303)
	211,797,982	4,510,234	12,835,517	229,143,733
KHR'000 (Note 2.1.3)	865,194,756	18,424,306	52,433,087	936,052,149

NOTES TO THE FINANCIAL STATEMENTS (continued)

AS AT 31 DECEMBER 2024 AND FOR THE YEAR THEN ENDED

28. FINANCIAL RISK MANAGEMENT (continued)

28.2 Operational risk

The operational risk losses which would result from inadequate or failed internal processes, people and systems or from external factors are managed through established operational risk management processes, proper monitoring and reporting of the business activities by control and support units which are independent of the business units and oversight provided by the Management.

The operational risk management entails the establishment of clear organizational structure, roles and control policies. Various internal control policies and measures have been implemented. These include the establishment of signing authorities, defining system parameters controls, streamlining procedures and documentation. These are reviewed continually to address the operational risks of its business.

28.3 Market risk

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

(i) Foreign exchange risk

The Bank operates in the Kingdom of Cambodia and transacts in US\$, KHR and other currencies. Foreign exchange risk arises from future commercial transactions and recognized assets and liabilities denominated in a currency that is not the Bank's functional currency.

The balances in monetary assets and liabilities denominated in their respective currencies, expressed in US\$, are as follows:

	31 December 2024			
	US\$	KHR	Other currencies	Total
Financial assets				
Cash on hand	7,049,554	296,345	87,807	7,433,706
Balances with the NBC	34,507,946	3,642,216	-	38,150,162
Balances with other banks	29,452,240	1,650,888	397,616	31,500,744
Equity instruments at FVOCI	25,000	-	-	25,000
Loans to customers	172,231,595	23,342,489	-	195,574,084
Other financial assets	615,468	1,180	-	616,648
Total financial assets	243,881,803	28,933,118	485,423	273,300,344
Financial liabilities				
Deposits and borrowings from other banks	6,424,418	-	464,880	6,889,298
Deposits from customers	188,761,553	13,703,783	7,652	202,472,988
Lease liabilities	2,614,025	-	-	2,614,025
Other financial liabilities	1,077,424	25,663	-	1,103,087
Total financial liabilities	198,877,420	13,729,446	472,532	213,079,398
Net foreign exchange gap	45,004,383	15,203,672	12,891	60,220,946
KHR'000 (Note 2.1.3)	181,142,642	61,194,780	51,886	242,389,308

NOTES TO THE FINANCIAL STATEMENTS (continued)

AS AT 31 DECEMBER 2024 AND FOR THE YEAR THEN ENDED

28. FINANCIAL RISK MANAGEMENT (continued)

28.3 Market risk (continued)

(i) Foreign exchange risk (continued)

	31 December 2023			
	US\$	KHR	Other currencies	Total
Financial assets				
Cash on hand	7,560,756	242,453	94,423	7,897,632
Balances with the NBC	19,361,102	4,506,193	-	23,867,295
Balances with other banks	23,337,135	944,349	422,145	24,703,629
Equity instruments at FVOCI	25,000	-	-	25,000
Loans to customers	160,702,332	19,560,204	-	180,262,536
Other financial assets	291,854	18,419	-	310,273
Total financial assets	211,278,179	25,271,618	516,568	237,066,365
Financial liabilities				
Deposits and borrowings from other banks	6,474,891	-	498,654	6,973,545
Deposits from customers	161,603,998	10,634,807	8,209	172,247,014
Lease liabilities	1,237,350	-	-	1,237,350
Other financial liabilities	1,267,008	235	-	1,267,243
Total financial liabilities	170,583,247	10,635,042	506,863	181,725,152
Net foreign exchange gap	40,694,932	14,636,576	9,705	55,341,213
KHR'000 (Note 2.1.3)	166,238,797	59,790,413	39,645	226,068,855

(ii) Price risk

The Bank is not exposed to securities price risk because it does not hold any investment classified in the statement of financial position either as FVOCI or at FVTPL.

(iii) Interest rate risk

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Fair value interest rate risk is the risk that the value of a financial instrument will fluctuate because of changes in market interest rates. Interest margins may increase as a result of changes and may reduce losses in the event that unexpected movements arise. The Management of the Bank, at this stage, does not have a policy to set limits on the level of mismatch of interest rate re-pricing that may be undertaken; however, Management regularly monitors the mismatch.

Interest rate risk arises from the possibility that changes in interest rates will affect future profitability or the fair values of financial instruments. The Bank is exposed to interest rate risk as a result of mismatches of interest rate re-pricing of assets and liabilities. The Bank manages this risk by matching the re-pricing of assets and liabilities through risk management strategies.

NOTES TO THE FINANCIAL STATEMENTS (continued)
AS AT 31 DECEMBER 2024 AND FOR THE YEAR THEN ENDED

28. FINANCIAL RISK MANAGEMENT (continued)

28.3 Market risk (continued)

(iii) Interest rate risk (continued)

	Overdue US\$	Non-interest bearing US\$	Up to 1 month US\$	From 1 to 3 months US\$	From 3 to 12 months US\$	From 1 to 5 years US\$	Over 5 years US\$	Total US\$
31 December 2024								
Financial assets								
Cash on hand	-	7,433,706	-	-	-	-	-	7,433,706
Balances with the NBC	-	37,667,443	482,719	-	-	-	-	38,150,162
Balances with other banks	-	21,384,538	1,002,075	3,029,386	6,084,745	-	-	31,500,744
Equity instruments at FVOCI	-	25,000	-	-	-	-	-	25,000
Loans to customers	17,399,739	-	9,991,950	9,559,057	43,672,682	18,369,781	96,580,875	195,574,084
Other financial assets	-	616,648	-	-	-	-	-	616,648
Total financial assets	17,399,739	67,127,335	11,476,744	12,588,443	49,757,427	18,369,781	96,580,875	273,300,344
Financial liabilities								
Deposits and borrowings from other banks	-	1,667,807	927	5,009,593	-	210,971	-	6,889,298
Deposits from customers	-	77,409	46,843,228	37,239,026	112,041,489	6,204,502	67,334	202,472,988
Lease liabilities	-	-	159	-	40,818	2,213,125	359,923	2,614,025
Other financial liabilities	-	1,103,087	-	-	-	-	-	1,103,087
Total financial liabilities	-	2,848,303	46,844,314	42,248,619	112,082,307	8,628,598	427,257	213,079,398
Interest sensitive gap	17,399,739	64,279,032	(35,367,570)	(29,660,176)	(62,324,880)	9,741,183	96,153,618	60,220,946
KHR'000 (Note 2.1.3)	70,033,949	258,723,104	(142,354,469)	(119,382,208)	(250,857,642)	39,208,262	387,018,312	242,389,308

NOTES TO THE FINANCIAL STATEMENTS (continued)

AS AT 31 DECEMBER 2024 AND FOR THE YEAR THEN ENDED

28. FINANCIAL RISK MANAGEMENT (continued)

28.3 Market risk (continued)

(iii) Interest rate risk (continued)

	Overdue US\$	Non-interest bearing US\$	Up to 1 month US\$	From 1 to 3 months US\$	From 3 to 12 months US\$	From 1 to 5 years US\$	Over 5 years US\$	Total US\$
31 December 2023								
Financial assets								
Cash on hand	-	7,897,632	-	-	-	-	-	7,897,632
Balances with the NBC	-	22,424,104	1,443,191	-	-	-	-	23,867,295
Balances with other banks	-	22,854,033	-	-	1,849,596	-	-	24,703,629
Equity instruments at FVOCI	-	25,000	-	-	-	-	-	25,000
Loans to customers	22,881,961	-	3,514,533	4,961,209	148,904,833	-	-	180,262,536
Other financial assets	-	310,273	-	-	-	-	-	310,273
Total financial assets	22,881,961	53,511,042	4,957,724	4,961,209	150,754,429	-	-	237,066,365
Financial liabilities								
Deposits and borrowings from other banks	-	-	6,702,503	-	-	-	271,042	6,973,545
Deposits from customers	-	47,751	41,103,324	31,464,426	95,607,178	4,019,331	5,004	172,247,014
Lease liabilities	-	-	-	3,620	14,500	934,432	284,798	1,237,350
Other financial liabilities	-	1,267,243	-	-	-	-	-	1,267,243
Total financial liabilities	-	1,314,994	47,805,827	31,468,046	95,621,678	4,953,763	560,844	181,725,152
Interest sensitive gap	22,881,961	52,196,048	(42,848,103)	(26,506,837)	55,132,751	(4,953,763)	(560,844)	55,341,213
KHR'000 (Note 2.1.3)	93,472,811	213,220,856	(175,034,501)	(108,280,429)	225,217,288	(20,236,122)	(2,291,048)	226,068,855

NOTES TO THE FINANCIAL STATEMENTS (continued)

AS AT 31 DECEMBER 2024 AND FOR THE YEAR THEN ENDED

28. FINANCIAL RISK MANAGEMENT (continued)

28.4 Liquidity risk

Liquidity risk is the risk that the Bank is unable to meet its payment obligations associated with its financial liabilities when they fall due and to replace funds when they are withdrawn. The consequence of this may be the failure to meet obligations to repay depositors and fulfil commitments to lend. Management monitors Bank's overall liquidity position and manages the concentration and profile of debt maturities. Monitoring and reporting take the form of the daily cash position and projection for the next day, week and month, respectively, as these are key periods for liquidity management. Management monitors the movements of the main depositors and projection of their withdrawals.

The following tables present an analysis of the assets and liabilities of the Bank by relevant maturity based on the remaining period at the reporting date to the contractual or estimated maturity dates. In 2024, the amounts disclosed represent contractual undiscounted cash flows, whereas in 2023, the amounts were based on discounted cash flows. The 2023 data required to present contractual undiscounted cash flows is not available, and therefore, the liquidity risk disclosure for 2023 has not been adjusted.

	Overdue		Current					
	Above 3 months US\$	Up to 3 months US\$	Up to 1 month US\$	From 1 to 3 months US\$	From 3 to 12 months US\$	From 1 to 5 years US\$	Over 5 years US\$	Total US\$
31 December 2024								
Financial assets								
Cash on hand	-	-	7,433,706	-	-	-	-	7,433,706
Balances with the NBC	-	-	38,150,162	-	-	-	-	38,150,162
Balances with other banks	-	-	22,386,613	3,029,386	6,084,745	-	-	31,500,744
Equity instruments at FVOCI	-	-	-	-	-	-	25,000	25,000
Loans to customers	8,732,099	1,138,747	39,197,395	11,560,945	36,948,876	85,909,916	97,328,782	280,816,760
Other assets	-	-	194,850	3,533	5,050	336,415	76,800	616,648
Total financial assets	8,732,099	1,138,747	107,362,726	14,593,864	43,038,671	86,246,331	97,430,582	358,543,020
Financial liabilities								
Deposits and loans from other banks and credit institutions	-	-	1,672,318	5,016,813	32,776	167,391	-	6,889,298
Deposits from customers	-	-	46,920,637	37,239,026	112,041,489	6,204,502	67,334	202,472,988
Lease liabilities	-	-	62,799	125,102	546,587	2,096,217	170,490	3,001,195
Other liabilities	-	-	1,103,087	-	-	-	-	1,103,087
Total financial liabilities	-	-	49,758,841	42,380,941	112,620,852	8,468,110	237,824	213,466,568
Net liquidity gap	8,732,099	1,138,747	57,603,885	(27,787,077)	(69,582,181)	77,778,221	97,192,758	145,076,452
KHR'000 (Note 2.1.3)	35,146,698	4,583,457	231,855,637	(111,842,985)	(280,068,279)	313,057,340	391,200,852	583,932,720

NOTES TO THE FINANCIAL STATEMENTS (continued)

AS AT 31 DECEMBER 2024 AND FOR THE YEAR THEN ENDED

28. FINANCIAL RISK MANAGEMENT (continued)

28.4 Liquidity risk (Continued)

	Overdue		Current					
	Above 3 months US\$	Up to 3 months US\$	Up to 1 month US\$	From 1 to 3 months US\$	From 3 to 12 months US\$	From 1 to 5 years US\$	Over 5 years US\$	Total US\$
31 December 2023								
Financial assets								
Cash on hand	-	-	7,897,632	-	-	-	-	7,897,632
Balances with the NBC	-	-	22,424,104	1,443,191	-	-	-	23,867,295
Balances with other banks	-	-	22,854,033	-	1,849,596	-	-	24,703,629
Equity instruments at FVOCI	-	-	-	-	-	-	25,000	25,000
Loans to customers	12,708,304	10,173,657	3,514,533	4,961,209	41,341,523	21,492,218	86,071,092	180,262,536
Other assets	-	-	38,867	2,800	129,126	120,480	19,000	310,273
Total financial assets	12,708,304	10,173,657	56,729,169	6,407,200	43,320,245	21,612,698	86,115,092	237,066,365
Financial liabilities								
Deposits and loans from other banks and credit institutions	-	-	6,702,503	-	-	-	271,042	6,973,545
Deposits from customers	-	-	41,151,075	31,464,426	95,607,178	4,019,331	5,004	172,247,014
Lease liabilities	-	-	-	3,620	14,500	934,432	284,798	1,237,350
Other liabilities	-	-	1,095,457	150,000	21,786	-	-	1,267,243
Total financial liabilities	-	-	48,949,035	31,618,046	95,643,464	4,953,763	560,844	181,725,152
Net liquidity gap	12,708,304	10,173,657	7,780,134	(25,210,846)	(52,323,219)	16,658,935	85,554,248	55,341,213
KHR'000 <small>(Note 2.1.3)</small>	51,913,422	41,559,389	31,781,848	(102,986,306)	(213,740,350)	68,051,749	349,489,103	226,068,855

NOTES TO THE FINANCIAL STATEMENTS (continued)

AS AT 31 DECEMBER 2024 AND FOR THE YEAR THEN ENDED

28. FINANCIAL RISK MANAGEMENT (continued)

28.5 Fair value of financial assets and liabilities

The information presented herein represents the estimates of fair values as at the reporting date. Fair value information for non-financial assets and liabilities are excluded as they do not fall within the scope of CIFRS 7 which requires the fair value information to be disclosed.

The fair value of the Bank's financial instruments are not materially sensitive to shifts in market profit rate because of the limited term to maturity of these instruments. As such, the carrying value of these financial assets and liabilities at the reporting date approximate their fair values.

The methods and assumptions used by the Bank in estimating the fair value of the financial instruments are:

- **Cash on hand, balances with the NBC and with other financial institutions**
The carrying amounts approximate the fair values due to the short-term nature of these accounts.
- **Loans to customers**
The fair value is estimated by discounting the estimated future cash flows using the prevailing market rates of financing with similar credit risks and maturities.
- **Due to other financial institutions and customers**
The estimated fair value of demand deposits with no stated maturity, which includes non-interest-bearing deposits, is the amount repayable on demand. The estimated fair value of long-term fixed interest-bearing deposits from other financial institutions and customers without quoted market price is based on discounted cash flows using interest rates for new debts with similar remaining maturity.
- **Lease liabilities**
The estimated fair value of lease liabilities with maturities of less than one year approximate the carrying values. For other lease liabilities with maturities of one year or more, the fair values are estimated based on discounted cash flows using prevailing market rates of incremental borrowings.
- **Other financial assets and other financial liabilities**
Due to their short duration, the carrying amounts of other financial assets and other financial liabilities in the statement of financial position are considered to be reasonable approximation of their fair values.

28.6 Capital management

The primary objectives of the Bank's capital management are to ensure that it complies with externally imposed capital requirements and maintains strong financial position and healthy capital ratios to support its business and to maximize owner's value.

The NBC, sets and monitors capital requirements for banking operations. The Bank calculates its net worth and risk-weighted assets in accordance with NBC regulations and, throughout the year, has complied with all externally imposed capital requirements, including the solvency ratio prescribed by the NBC.

The Bank's policy is to maintain a strong capital base to sustain business growth, support investor, creditor, and market confidence, and ensure financial stability. The Bank also recognizes the need to balance higher returns associated with increased leverage against the security provided by a sound capital position.

The Bank manages its capital structure proactively, taking into account changes in economic conditions and the risk characteristics of its activities. To maintain or adjust its capital structure, the Bank may modify dividend payments or return capital to the owner. No changes were made to the Bank's capital management objectives, policies, or processes compared to previous years.

NOTES TO THE FINANCIAL STATEMENTS (continued)

AS AT 31 DECEMBER 2024 AND FOR THE YEAR THEN ENDED

29. MATURITY PROFILE OF ASSETS AND LIABILITIES

Analysis of assets and liabilities expected date of recovery and settlement from the balance sheet date is as follows:

	31 December 2024		
	Within 12 months US\$	Over 12 months US\$	Total US\$
Financial assets			
Cash on hand	7,433,706	-	7,433,706
Balances with the NBC	38,150,162	-	38,150,162
Balances with other banks - gross	31,521,314	-	31,521,314
Equity instruments at FVOCI	-	25,000	25,000
Loans to customers - gross	65,865,334	137,868,036	203,733,370
Other financial assets	203,433	413,215	616,648
Non - financial assets			
Balances with the NBC	21,313,246	-	21,313,246
Property and equipment	102,825	2,314,479	2,417,304
Right-of-use assets	36,301	2,446,951	2,483,252
Intangible assets	26,682	454,623	481,305
Prepayment of tax on income	182,690	-	182,690
Other non-financial assets	907,414	-	907,414
Total assets	165,743,107	143,522,304	309,265,411
KHR'000 (Note 2.1.3)	667,116,005	577,677,274	1,244,793,279
<i>Allowance for ECL on:</i>			
Balances with other banks			(20,570)
Loan to customers			(8,159,286)
Net			301,085,555
KHR'000 (Note 2.1.3)			1,211,869,360
Financial liabilities			
Deposits and loans from other banks and credit institutions	6,721,907	167,391	6,889,298
Deposits from customers	196,201,152	6,271,836	202,472,988
Lease liabilities	40,977	2,573,048	2,614,025
Other liabilities	1,103,087	-	1,103,087
Non - financial liabilities			
Income tax payable	-	-	-
Deferred tax liabilities	2,399,344	-	2,399,344
Other liabilities	346,982	-	346,982
Total liabilities	206,813,449	9,012,275	215,825,724
KHR'000 (Note 2.1.3)	832,424,133	36,274,407	868,698,540

NOTES TO THE FINANCIAL STATEMENTS (continued)

AS AT 31 DECEMBER 2024 AND FOR THE YEAR THEN ENDED

29. MATURITY PROFILE OF ASSETS AND LIABILITIES

Analysis of assets and liabilities expected date of recovery and settlement from the balance sheet date is as follows:

	31 December 2023		
	Within 12 months US\$	Over 12 months US\$	Total US\$
Financial assets			
Cash on hand	7,897,632	-	7,897,632
Balances with the NBC	23,867,295	-	23,867,295
Balances with other banks - gross	24,704,789	-	24,704,789
Equity instruments at FVOCI	-	25,000	25,000
Loans to customers - gross	63,237,720	133,633,959	196,871,679
Other financial assets	170,793	139,480	310,273
Non - financial assets			
Balances with the NBC	19,567,689	-	19,567,689
Property and equipment	30,223	880,034	910,257
Right-of-use assets	24,094	1,126,135	1,150,229
Intangible assets	535	707,181	707,716
Other non-financial assets	844,872	-	844,872
Total assets	140,345,642	136,511,789	276,857,431
KHR'000 (Note 2.1.3)	573,311,948	557,650,658	1,130,962,606
<i>Allowance for ECL on:</i>			
Balances with other banks			(1,160)
Loan to Customers			(16,609,143)
Net			260,247,128
KHR'000 (Note 2.1.3)			1,063,109,517
Financial liabilities			
Deposits and loans from other banks and credit institutions	6,702,503	271,042	6,973,545
Deposits from customers	168,222,679	4,024,335	172,247,014
Lease liabilities	18,120	1,219,230	1,237,350
Other liabilities	1,267,243	-	1,267,243
Non - financial liabilities			
Income tax payable	220,405	-	220,405
Deferred tax liabilities	770,686	-	770,686
Other liabilities	186,443	-	186,443
Total liabilities	177,388,079	5,514,607	182,902,686
KHR'000 (Note 2.1.3)	724,630,301	22,527,170	747,157,471

NOTES TO THE FINANCIAL STATEMENTS (continued)

AS AT 31 DECEMBER 2024 AND FOR THE YEAR THEN ENDED

30. TAX CONTINGENCY

The taxation system in Cambodia has undergone numerous changes and is characterized by either often unclear, contradictory and/or differing interpretations among numerous taxation authorities and jurisdictions. Taxes are subject to review and investigation by a number of authorities, which are enabled by law to impose severe fines, penalties and interest charges. These facts may create tax risks in Cambodia substantially more significant than in other countries.

Management believes that it has adequately provided for tax liabilities based on its current interpretation of tax legislations. However, the relevant authorities may have different interpretations and the effects to the Bank could be significant.

31. SUBSEQUENT EVENTS

Other than as disclosed elsewhere in the financial statements, at the date of this report, there were no events which occurred subsequent to the reporting period that had significant impact on the financial statements of the Bank as at 31 December 2024 and for the year then ended.



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