

SACOMBANK 



**STEADFAST ACCOMPANY
PRESTIGE BRIGHTEN**

ANNUAL REPORT 2025

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EDITORIAL TEAM

CHIEF EDITOR

Mr. PHUNG THAI PHUNG

Member of BODs and General Director

ASSISTANT CHIEF EDITOR

Mrs. BUT LEAKENA

Deputy Head of Operation Division

GRAPHIC DESIGNER

Mr. TANG CHHENG

Communication - Branding Officer

Mr. CHHORM RATH

Communication - Branding Officer

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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

2009



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.

2010



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.

2011



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.

2017



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.

2014



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.

2013



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.

2019



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.

2020



29 AUGUST 2020

SACOMBANK CAMBODIA officially launches A 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.

2011**05 SEPTEMBER 2011**

SACOMBANK opened its third subbranch 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.

2011**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.

2012**22 MARCH 2012**

For the first time, SACOMBANK CAMBODIA 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.

2013**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.

2012**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. Viceversa, Cambodiasuppliers can also receive their payment from Vietnam buyer directly in Khmer Riel.

2012**26 NOVEMBER 2012**

In the response to strong demands from the bank's clients, SACOMBANK CAMBODIA moved its Vietnamese Supermarket Branch to a larger. 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.

2023**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.

2024**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.

2025**30 SEPTEMBER 2025**

Combining KHQR Tag30 A single code that manages both currencies. This smart feature helps merchants who have accounts in both US Dollars (USD) and Khmer Riel (KHR) without needing to display two separate QR codes. This single KHQR code will automatically handle transactions for both currencies, which helps reduce and prevent customer confusion.

MESSAGE FROM THE CHAIRMAN



“

In 2026, SACOMBANK CAMBODIA remains committed to a development strategy rooted in 'Safety, Efficiency, and Sustainability.' By accelerating digitalization to elevate service quality, strengthening robust risk management frameworks, and investing in human capital, the bank will further facilitate trade connectivity across Cambodia, Vietnam, and Laos. These initiatives serve to solidify its position as the premier Vietnamese bank with an impeccable reputation within the Cambodian market.

Dear Valued Customers, Partners, and SACOMBANK CAMBODIA Employees,

The year 2025 marks an important milestone in SACOMBANK CAMBODIA's restructuring and operational optimization journey. Throughout the year, the Bank conducted a comprehensive review of its operating model, streamlined resources, enhanced cross-functional collaboration among business units, and strengthened governance and management effectiveness.

Guided by the strategic direction of the Parent Bank and the close oversight of the Board of Directors, SACOMBANK CAMBODIA has remained agile in responding to market developments, maintaining safe and stable operations, ensuring liquidity, and continuously strengthening the trust of customers, partners, and the business community. At the same time, risk management and compliance have remained top priorities. Internal control systems have been regularly updated in line with the requirements of the National Bank of Cambodia to ensure safe, transparent, and fully compliant operations.

Digital Transformation – Enhancing Customer Experience

The Bank continued to invest in technology and accelerate digital transformation initiatives to improve operational efficiency and customer experience. During the year, SACOMBANK CAMBODIA introduced a number of enhancements to its digital banking platforms, including strengthened security authentication through Face ID and biometric verification, increased transaction limits, KHQR payment integration, and the development of additional digital payment solutions for both retail and corporate customers. These improvements not only provide greater convenience and security in banking transactions but also enhance connectivity and better meet the increasingly diverse financial needs of customers in the digital era.

Partnering with Customers – Driving Sustainable Growth

With a customer-centric approach at the core of all business activities, SACOMBANK CAMBODIA launched various business initiatives and value-added promotional programs to support customers in overcoming challenges while fostering sustainable growth. The Bank also continued to expand service-based income and foreign exchange trading, contributing to a more diversified revenue structure and improved operational performance. SACOMBANK CAMBODIA remains focused on strategic customer segments, including Vietnamese-invested enterprises in Cambodia, businesses engaged in trade across the Indochina region, and individual customers seeking modern, convenient, and secure financial solutions.

These improvements not only provide greater convenience and security in banking transactions but also enhance connectivity and better meet the increasingly diverse financial needs of customers in the digital era.

Maintaining a Strong Foundation – Ready for the Next Growth Phase

Despite ongoing market challenges and economic pressures, SACOMBANK CAMBODIA maintained stable operations, complied with all prudential ratios required by the National Bank of Cambodia, and further strengthened its financial foundation.

The achievements of 2025 reflect the Bank's adaptability, spirit of innovation, and the collective dedication of employees across the organization. These accomplishments provide a solid foundation for SACOMBANK CAMBODIA to enter 2026 with greater confidence, stronger operational capabilities, and a clearer strategic direction.

Looking Ahead to 2026 – Growth Through Internal Strength and Innovation

Entering 2026, SACOMBANK CAMBODIA remains committed to its strategy of safe, efficient, and sustainable growth. The Bank will continue accelerating digital transformation, enhancing service quality, strengthening risk management, and developing human capital to improve competitiveness, expand sustainable revenue streams, and facilitate economic and trade connectivity among Vietnam, Cambodia, and Laos.

With a strong commitment to innovation and decisive execution, SACOMBANK CAMBODIA is confident in its ability to sustain stable growth, strengthen its competitive position, and further establish itself as a safe, efficient, and reputable Vietnamese bank operating in Cambodia.

On behalf of the Board of Directors, I would like to express my sincere appreciation to our valued customers, partners, the National Bank of Cambodia, our Parent Bank, and all employees for your trust, support, and contributions to SACOMBANK CAMBODIA's development over the years.

Wishing you good health, success, and prosperity.

Sincerely,

Mr. TRAN NGOC CUONG

Chairman

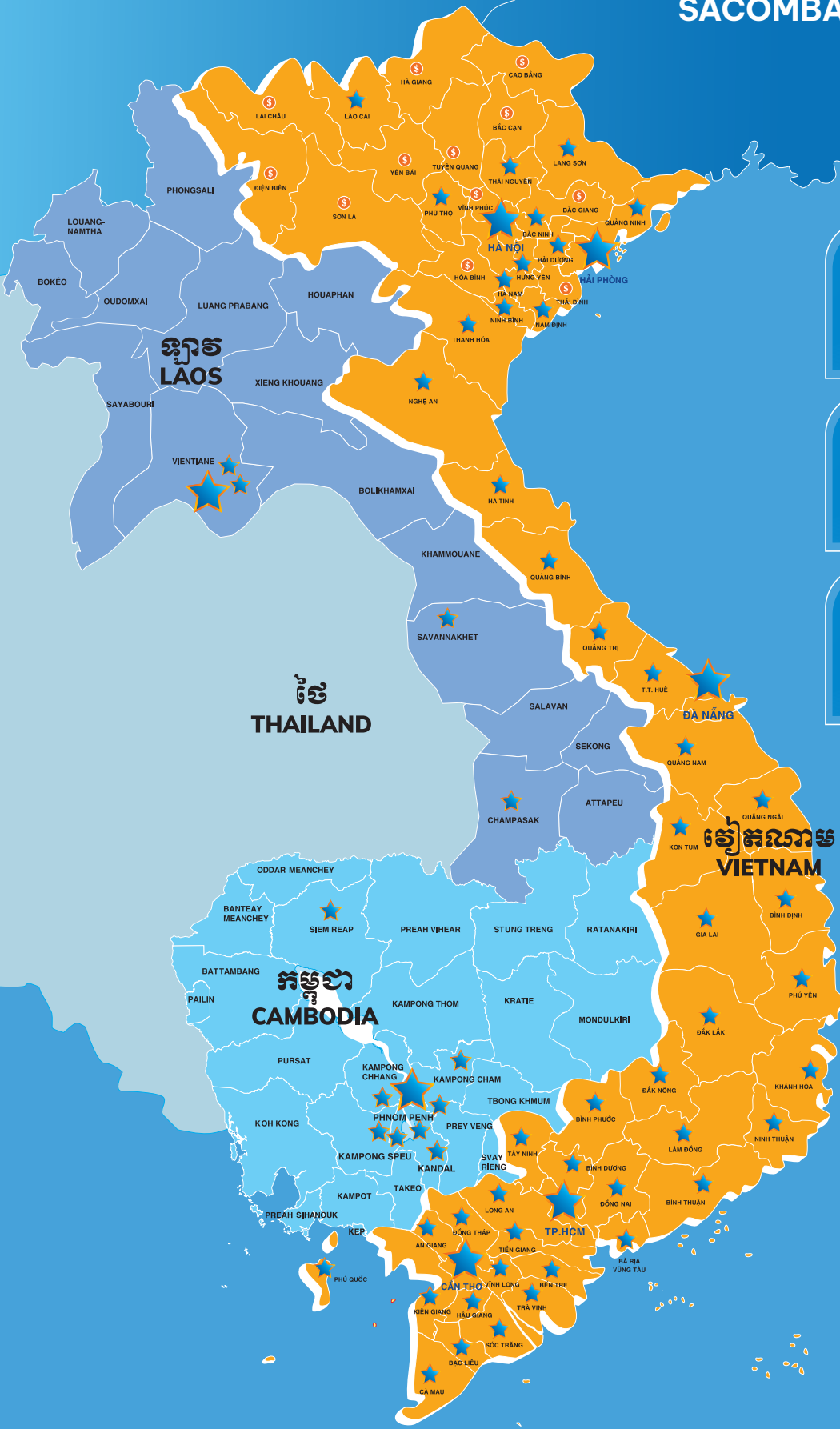
Board of Directors of Sacombank Cambodia



ABOUT SACOMBANK (CAMBODIA) PLC.

Sacombank (Cambodia) Plc is a 100% subsidiary of Sacombank Vietnam with branches/service points throughout Indochina (Vietnam, Cambodia, Laos) with more than 16,190 employees. Established in 2009 and the first Vietnamese bank in Cambodia, Sacombank (Cambodia) Plc now has 214 employees with 3 branches in Phnom Penh and Kampong Cham Province, the main economic hub of Cambodia, serving more than 27,500 customers. Sacombank (Cambodia) Plc provides a wide range of banking products and services to individuals, corporates and SMEs, such as loans, deposits, money transfers, money transfer services, L/C, DA, DP, mobile banking, all types of cards, bank guarantees and bancassurance, ...

SACOMBANK'S NETWORK



VIETNAM

540 LOCATIONS
540 ATMs/CDM/STM

CAMBODIA

3 LOCATIONS
17 ATMs

LAOS

2 LOCATIONS
4 ATMs

ប្រជុំកោះ HOANG SA
HOANG SA ISLES

ប្រជុំកោះ TRUONG SA
TRUONG SA ISLES

EVENT HIGHLIGHTS

2025 ANNUAL PERFORMANCE REVIEW CONFERENCE AND 2026 BUSINESS DIRECTION

ON 16 January 2026, Sacombank Cambodia held its Annual Performance Review Conference to evaluate the Bank’s achievements and operational results for 2025. The event was attended by senior leaders from Sacombank Head Office, members of the Board of Directors, Management, and employees across the Bank.

The conference focused on reviewing key accomplishments achieved during 2025 and outlining strategic priorities and business directions for 2026 to support sustainable growth and long-term development. On this occasion, the Bank also recognized and honored outstanding employees for their exceptional performance and valuable contributions to the Bank’s overall success, reinforcing a culture of excellence and continuous improvement.



SACOMBANK CAMBODIA’S SOCIAL RESPONSIBILITY AND COMMUNITY SUPPORT ACTIVITIES

IN 2025, SACOMBANK CAMBODIA continued to demonstrate its commitment to corporate social responsibility and community development through humanitarian initiatives and support for vulnerable communities facing hardship.

In the spirit of solidarity and social sharing, on the morning of 22 December 2025, the Bank’s management and staff participated in providing food supplies and essential daily necessities to displaced families through the National Bank of Cambodia. This contribution aimed to help ease difficulties and support the livelihoods of people affected by crisis situations.



PARTICIPATION IN THE 1ST PHNOM PENH SHOPPING FESTIVAL

ON 26–27 July 2025, SACOMBANK CAMBODIA participated in the 1st Phnom Penh Shopping Festival, held at the Diamond Island Convention and Exhibition Center, Phnom Penh.

The event provided an excellent platform for the Bank to showcase its financial products and services to the public, customers, and business partners. Through its exhibition booth, SACOMBANK CAMBODIA introduced a wide range of banking solutions, including deposit products, digital banking services, money transfer services, bank cards, and other financial solutions designed to meet the diverse needs of both individual and corporate customers.

The Bank’s participation in the festival reaffirmed its commitment to strengthening brand visibility and enhancing customer engagement, while continuing to deliver innovative and efficient financial services to support the growing needs of the Cambodian market.



ANNUAL HEALTH CHECK-UP PROGRAM FOR EMPLOYEES 2025

IN 2025, SACOMBANK CAMBODIA organized an annual health check-up program for all employees as part of its commitment to promoting employee well-being, healthcare, and quality of work life, in line with the Bank’s human resource development policy. Through this program, all employees received quality healthcare services conducted by professional medical practitioners, including health consultations and guidance on maintaining proper health and wellness. Regular health screenings enabled the early detection and prevention of potential health risks, reduced long-term medical treatment costs, and enhanced employees’ awareness of personal health management and preventive healthcare practices

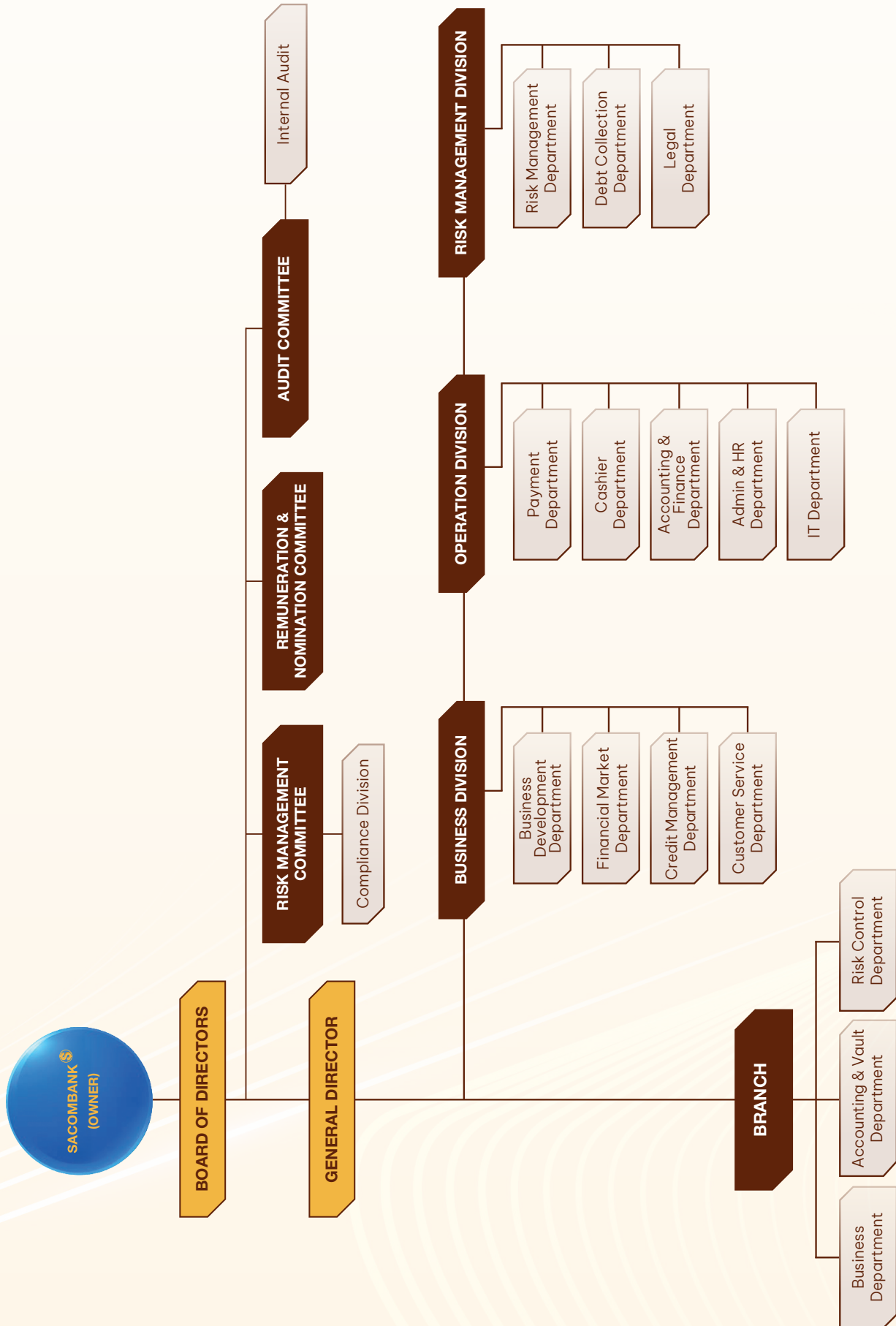


SACOMBANK CAMBODIA PROMOTES DIGITAL PAYMENT ADOPTION THROUGH SACOMBANK KHQR

IN 2025, SACOMBANK CAMBODIA continued to promote digital payment adoption through incentive programs for both merchants and customers using SACOMBANK KHQR for daily transactions. The initiative contributed to the advancement of Cambodia’s digital economy and supported the reduction of cash-based transactions, in line with the National Bank of Cambodia’s digitalization strategy and the growing customer preference for fast, convenient, and secure payment solutions.



ORGANIZATION CHART



BOARD OF DIRECTORS



Mr. TRAN NGOC CUONG
Chairman

- ◆ Over 21 year’s experience
- ◆ Finance and Banking



Mr. NGUYEN NHI THANH
Vice Chairman

- ◆ Over 36 year’s experience
- ◆ Finance and Banking



Mr. PHUNG THAI PHUNG
Member
and General Director

- ◆ Over 23 year’s experience
- ◆ Finance and Banking



Mr. PHAN HOANG ANH
Member
and Deputy General Director

- ◆ Over 22 year’s experience
- ◆ Finance and Banking



Mr. CHHUON CHHEN
Member
and Deputy General Director

- ◆ Over 23 year’s experience
- ◆ Finance and Banking



Mr. LOI QUOC KHAN
Independent Member

- ◆ Over 30 year’s experience
- ◆ Finance and Banking



Mr. PHUNG NGUYEN AU DE
Independent Member

- ◆ Over 17 year’s experience
- ◆ Finance and Banking



Mr. LY ROTH A
Independent Member

- ◆ Over 10 year’s experience
- ◆ Finance and Banking

BOARD OF MANAGEMENT



Mr. PHUNG THAI PHUNG

General Director

- ◆ Over 23 year's experience
- ◆ Finance and Banking
- ◆ Bachelor of Business Administration



Mr. PHAN HOANG ANH

Deputy General Director

- ◆ Over 22 year's experience
- ◆ Finance and Banking
- ◆ Bachelor Degree of Banking



Mr. CHHUON CHHEN

Deputy General Director

- ◆ Over 23 year's experience
- ◆ Finance and Banking
- ◆ Master of Finance and Banking

REPORT OF THE DIRECTORS

The Directors hereby submit their report together with the audited financial statements of Sacombank (Cambodia) Plc. (“the Bank”) for the year ended 31 December 2025.

PRINCIPAL ACTIVITIES

The Bank was established to conduct banking activities which include lending to individuals and organisations, 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 financial year.

PRINCIPAL ACTIVITIES

The financial results of the Bank for the year ended 31 December 2025 were as follows:

	2025		2024	
	US\$	KHR'000 (Note 5)	US\$	KHR'000 (Note 5)
Profit before income tax	4,198,585	16,840,523	9,844,296	40,076,129
Income tax expense	(1,218,349)	(4,886,798)	(1,928,907)	(7,852,580)
Net profit for the year	2,980,236	11,953,725	7,915,389	32,223,549

DIVIDENDS

No dividend was declared or paid and the Directors does not recommend any dividend to be paid for the financial year under review.

SHARE CAPITAL

The share capital of the Bank as at 31 December 2025 is US\$75,000,000 (31 December 2024: US\$75,000,000).

There was no change in shareholders and shareholding structure of the Bank during the financial year.

RESERVES AND PROVISIONS

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

LOANS AND ADVANCES

Before the financial statements of the Bank were prepared, the Directors took reasonable steps to ascertain that actions had been taken in relation to the writing off of any bad loans and advances and the making of allowance for doubtful loans and advances, and satisfied themselves that all known bad loans and advances had been written off and adequate allowance had been made for doubtful loans and advances.

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

REPORT OF THE DIRECTORS (continued)

ASSETS

Before the financial statements of the Bank were prepared, the Directors took reasonable steps to ensure that any assets, other than loans and advances, which were unlikely to be realised 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 realise.

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

VALUATION METHODS

At the date of this report, the Directors are not aware of any circumstances which have arisen which 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:

- (a) any 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, or
- (b) any contingent liability in respect of the Bank that has arisen since the end of the financial year other than in the ordinary course of banking 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 year which, in the opinion of the Directors, will or may substantially affect the ability of the Bank to meet its obligations as and when they fall due.

CHANGE OF CIRCUMSTANCES

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

ITEMS OF MATERIAL UNUSUAL NATURE

The results of the operations of the Bank for the financial year were not, in the opinion of the Director, 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 financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the Directors, to affect substantially the results of the operations of the Bank for the current period in which this report is made.

EVENTS SINCE THE REPORTING DATE

At the date of this report, there have been no significant events occurring after the reporting date which would require adjustments or disclosures to be made in the financial statements.

REPORT OF THE DIRECTORS (continued)

THE BOARD OF DIRECTORS

The Directors who served during the year and at the date of this report are:

Name	Position
Mr. TRAN NGOC CUONG	Chairman
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 (term ended 19 May 2025)
Mr. LY ROTH A	Independent Director
Mr. PHUNG NGUYEN AU DE	Independent Director

DIRECTORS' INTERESTS

None of the Directors held or dealt directly in the shares of the Bank during the financial year.

DIRECTORS' BENEFITS

During and at the end of the financial year, no arrangements existed to which the Bank is a party with the objective of enabling Directors of the Bank to acquire benefits by means of the acquisition of shares in or debentures of the Bank or any other body corporate.

During the year, no Director of the Bank has received or become entitled to receive any benefit (other than a benefit included in the aggregate amount of emoluments received or due and receivable by the Directors as disclosed in the financial statements) by reason of a contract made by the Bank or a related corporation with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest other than as disclosed in the financial statements.

REPORT OF THE DIRECTORS (continued)

THE BOARD OF DIRECTORS

The Directors are responsible for ascertaining that the financial statements as set out on pages 8 to 104 present fairly, in all material respects, the financial position of the Bank as at 31 December 2025, and its financial performance and its cash flows for the year then ended. In preparing these financial statements, the Directors are required to:

- (i) adopt appropriate accounting policies which are supported by reasonable and prudent judgments and estimates and then apply them consistently;
- (ii) comply with Cambodian International Financial Reporting Standards (“CIFRSs”) or, if there have been any departures in the interest of true and fair presentation, ensure that these have been appropriately disclosed, explained and quantified in the financial statements;
- (iii) oversee the Bank’s financial reporting process and maintain adequate accounting records and an effective system of internal controls;
- (iv) assess 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 the Directors either intends to liquidate the Bank or to cease operations, or has no realistic alternative but to do so; and
- (v) control and direct effectively the Bank in all material decisions affecting the operations and performance and ascertain that such have been properly reflected in the financial statements.

The Directors confirm that they have complied with the above requirements in preparing the financial statements.

APPROVAL OF THE FINANCIAL STATEMENTS

We, hereby approve the accompanying financial statements together with the notes thereto which, in our opinion, present fairly, in all material respects, the financial position of the Bank as at 31 December 2025, and its financial performance and its cash flows for the year then ended, in accordance with CIFRSs.

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

Mr. PHUNG THAI PHUNG

General Director

Phnom Penh, Kingdom of Cambodia

Date: 29 April 2026

REPORT OF THE INDEPENDENT AUDITORS

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 of 31 December 2025, the statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising material accounting policies and other explanatory information as set out on pages 8 to 101 (hereafter referred to as “the financial statements”).

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Bank as at 31 December 2025, and its financial performance and its cash flows for the year then ended in accordance with Cambodian International Financial Reporting Standards (“CIFRSs”).

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 Auditors’ Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Bank in accordance with the ethical requirements that are relevant to our audit of the financial statements in Cambodia, and we have fulfilled our other ethical responsibilities in accordance with these requirements. 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 Directors on pages 1 to 4, and the annual report, which is expected to be made available to us after the date of auditors’ report.

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 on the other information obtained prior to the date of this auditors’ report, 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.

Other Matter

The financial statements of the Bank as of and for the year ended 31 December 2024, were audited by another auditor who expressed an unmodified opinion on those financial statements on 28 April 2025.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with CIFRSs, 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.

Those charged with governance are responsible for overseeing the Bank’s financial reporting process.

Auditors’ 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 auditors’ 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 judgment 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 auditors’ report to 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 those charged with governance 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.

For **KPMG Cambodia Ltd**



Mr. PHOUR SOTHY

Director

Phnom Penh, Kingdom of Cambodia

Date: 29 April 2026

STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2025

	Notes	31 December 2025		31 December 2024	
		US\$	KHR'000 (Note 5)	US\$	KHR'000 (Note 5)
ASSETS					
Balances with the National	6	8,836,028	35,458,980	7,433,706	29,920,667
Balances with the National Bank of Cambodia	7	93,281,662	374,339,310	59,463,408	239,340,217
Balances with other banks and financial institutions	8	33,636,436	134,983,018	31,500,744	126,790,495
Equity instruments at FVOCI	9	25,000	100,325	25,000	100,625
Loans and advances to customers	10	200,193,016	803,374,573	195,574,084	787,185,688
Other assets	11	1,317,713	5,287,982	1,524,062	6,134,350
Property and equipment	12	2,082,963	8,358,931	2,417,304	9,729,649
Right-of-use assets	13	1,630,208	6,542,025	2,483,252	9,995,089
Intangible assets	14	329,367	1,321,750	481,305	1,937,253
Income tax credit	19(C)	160,734	645,026	182,690	735,327
Total assets		341,493,127	1,370,411,920	301,085,555	1,211,869,360
LIABILITIES AND SHAREHOLDER'S EQUITY					
Liabilities					
Deposits from other banks and financial institutions	15	17,144,850	68,802,283	6,678,327	26,880,266
Deposits from customers	16	227,675,988	913,663,740	202,472,988	814,953,777
Borrowings	17	167,392	671,744	210,971	849,158
Lease liabilities	18	1,733,024	6,954,625	2,614,025	10,521,451
Deferred tax liabilities, net	19(B)	3,355,686	13,466,368	2,399,344	9,657,360
Other liabilities	20	3,176,120	12,745,770	1,450,069	5,836,528
Total liabilities		253,253,060	1,016,304,530	215,825,724	868,698,540
Shareholder's equity					
Share capital	21	75,000,000	305,625,000	75,000,000	305,625,000
Retained earnings / Accumulated losses		1,004,078	4,248,087	(4,539,654)	(17,987,820)
Regulatory reserves	22	12,235,989	50,202,246	14,799,485	60,484,428
Currency translation reserves		-	(5,967,943)	-	(4,950,788)
Total shareholder's equity		88,240,067	354,107,390	85,259,831	343,170,820
Total liabilities and share- holder's equity		341,493,127	1,370,411,920	301,085,555	1,211,869,360

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

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2025

	Notes	2025		2024	
		US\$	KHR'000 (Note 5)	US\$	KHR'000 (Note 5)
Operating income					
Interest income	23	21,616,201	86,702,582	16,433,527	66,900,889
Interest expense	24	(12,119,418)	(48,610,986)	(11,052,458)	(44,994,557)
Net interest income		9,496,783	38,091,596	5,381,069	21,906,332
Net fee and commission income	25	4,814,298	19,310,149	4,045,327	16,468,527
Other income	26	1,490,747	5,979,386	608,253	2,476,198
Total operating profit		15,801,828	63,381,131	10,034,649	40,851,057
Personnel expenses	27	(5,662,067)	(22,710,551)	(4,726,618)	(19,242,062)
General and administrative expenses	28	(2,617,470)	(10,498,672)	(2,412,121)	(9,819,745)
Depreciation and amortisation expenses	29	(1,747,645)	(7,009,804)	(1,355,466)	(5,518,102)
Total operating expenses		(10,027,182)	(40,219,027)	(8,494,205)	(34,579,909)
Operating profit before impairment		5,774,646	23,162,104	1,540,444	6,271,148
Impairment losses on financial instruments	32	(1,576,061)	(6,321,581)	8,303,852	33,804,981
Profit before income tax		4,198,585	16,840,523	9,844,296	40,076,129
Income tax expenses	19(D)	(1,218,349)	(4,886,798)	(1,928,907)	(7,852,580)
Net profit for the year		2,980,236	11,953,725	7,915,389	32,223,549
Other comprehensive loss					
<i>Items that will not be reclassified to profit or loss</i>					
Currency translation differences		-	(1,017,155)	-	(5,004,775)
Total comprehensive profits for the year		2,980,236	10,936,570	7,915,389	27,218,774

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

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2025

	Share capital		Retained earnings/ Accumulated losses		Regulatory reserves		Currency translation reserves		Total	
	US\$	KHR'000 (Note 5)	US\$	KHR'000 (Note 5)	US\$	KHR'000 (Note 5)	US\$	KHR'000 (Note 5)	US\$	KHR'000 (Note 5)
At 1 January 2025	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
Transaction recognised directly in equity										
Transfer from regulatory reserves to retained earnings to (Note 22)	-	-	2,563,496	10,282,182	(2,563,496)	(10,282,182)	-	-	-	-
Total comprehensive income										
Net profit for the year	-	-	2,980,236	11,953,725	-	-	-	-	2,980,236	11,953,725
Other comprehensive income										
- Currency translation differences	-	-	-	-	-	-	-	(1,017,155)	-	(1,017,155)
At 31 December 2025	75,000,000	305,625,000	1,004,078	4,248,087	12,235,989	50,202,246	-	(5,967,943)	88,240,067	354,107,390
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
Transaction recognised directly in equity										
Transfer from regulatory reserves to retained earnings to (Note 22)	-	-	(8,087,886)	(32,925,784)	8,087,886	32,925,784	-	-	-	-
Total comprehensive income										
Net profit for the year	-	-	7,915,389	32,223,549	-	-	-	-	7,915,389	32,223,549
Other comprehensive income										
- Currency translation differences	-	-	-	-	-	-	-	(5,004,775)	-	(5,004,775)
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

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

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2025

	Notes	2025		2024	
		US\$	KHR'000 (Note 5)	US\$	KHR'000 (Note 5)
Cash flows from operating activities					
Profit before income tax		4,198,585	16,840,523	9,844,296	40,076,129
<i>Adjustments for:</i>					
Depreciation and amortisation	29	1,747,645	7,009,804	1,355,466	5,518,102
losses on financial instruments	32	1,576,061	6,321,581	(8,303,852)	(33,804,981)
Loss on write-off of property and equipment		40,332	161,772	-	-
Dividend income	26	(49,339)	(197,899)	(48,156)	(196,043)
Interest income		(21,616,201)	(86,702,582)	(16,433,527)	(66,900,888)
Interest expense		12,119,418	48,610,986	11,052,458	44,994,557
		(1,983,499)	(7,955,815)	(2,533,315)	(10,313,124)
<i>Changes in:</i>					
Balances with the National Bank of Cambodia		(2,963,600)	(11,887,000)	(1,745,557)	(7,106,163)
Balances with other banks and financial institutions		3,982,253	15,972,816	(6,274,385)	(25,543,021)
Loans and advances to customers		1,504,965	6,036,415	(6,861,691)	(27,933,944)
Other assets		159,754	640,773	(4,254,106)	(17,318,466)
Deposits from other banks and financial institutions		10,020,446	40,192,009	(84,247)	(342,970)
Deposits from customers		25,037,272	100,424,499	30,225,974	123,049,940
Other liabilities		1,153,150	4,625,285	3,586,661	14,601,297
Cash generated from operations		36,910,741	148,048,982	12,059,334	49,093,549
Interest received		13,996,190	56,138,719	17,545,466	71,427,592
Interest paid		(11,507,613)	(46,157,036)	(12,164,397)	(49,521,261)
Income tax paid		(240,051)	(962,845)	(703,344)	(2,863,313)
Net cash generated from operating activities		39,159,267	157,067,820	16,737,059	68,136,567

STATEMENT OF CASH FLOWS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2025

	Notes	2025		2024	
		US\$	KHR'000 (Note 5)	US\$	KHR'000 (Note 5)
Cash flows from investing activities					
Dividend received	26	49,339	197,899	48,156	196,043
Proceed from disposal of property and equipment		2,627	10,537	-	-
Purchase of property and equipment		(419,843)	(1,683,990)	(1,895,284)	(7,715,701)
Purchase of computer software		(57,510)	(230,673)	-	-
Net cash used in operating activities		(425,387)	(1,706,227)	(1,847,128)	(7,519,658)
Cash flows from financing activities					
Payment of principle portion of lease liabilities	18	(351,234)	(1,408,800)	(528,850)	(2,152,948)
Payment of principle portion of borrowing	17	(43,579)	(174,795)	-	-
Net cash used in financing activities		(394,813)	(1,583,595)	(528,850)	(2,152,948)
Net increase in cash and cash equivalents		38,339,067	153,777,998	14,361,081	58,463,961
Cash and cash equivalents at beginning of the year		68,980,691	277,647,282	54,619,610	223,121,107
Currency translation differences		-	(751,091)	-	(3,937,786)
Cash and cash equivalents at end of the year	6	107,319,758	430,674,189	68,980,691	277,647,282

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

These notes form an integral part of, and should be read in conjunction with the accompanying financial statements.

1. Reporting entity

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 financial year.

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

As at 31 December 2025, the Bank had 216 employees (2024: 260 employees).

2. Statement of compliance

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

Details of the Bank’s material accounting policies are included in Note 36.

The financial statements were authorised for issue by the Bank’s Board of Directors on 29 April 2026.

3. Functional and presentation currency

The Bank transacts its business and maintains its accounting records in United States Dollars (“US\$”). Management has determined the US\$ to be the Bank’s functional currency as it reflects the economic substance of the underlying events and circumstances of the Bank.

These financial statements are presented in US\$, which is the Bank’s functional currency. All amounts have been rounded to the nearest dollar, except when otherwise indicated.

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2025

4. Use of judgments and estimates

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of the Bank's accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

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

- Note 36C(ii): classification of financial assets: assessment of the business model within which the assets are held and assessment of whether the contractual terms of the financial asset are SPPI on the principal amount outstanding.
- Note 36C(vii): establishing the criteria for determining whether credit risk on the financial asset has increased significantly since initial recognition, determining methodology for incorporating forward-looking information into measurement of ECL and selection and approval of models used to measure ECL.

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year are included in the following notes:

- Note 36C(vi): measurement of the fair value of financial instruments with significant unobservable inputs.
- Note 36C(vii): impairment of financial instruments: determining inputs into the ECL measurement model, including incorporation of forward-looking information.
- Note 36C(vii): impairment of financial instruments: key assumptions used in estimating recoverable cash flows.

5. Translation of United States Dollars into Khmer Riel

The financial statements are expressed in United States Dollar which is the Bank's functional currency. The translations of United States Dollars amount into Khmer Riel ("KHR") meets the presentation requirements pursuant to Law on Accounting and Auditing and has been done in compliance with *CIAS 21 – The Effects of Changes in Foreign Exchange Rates*.

Assets and liabilities are translated at the closing rate as at the reporting date share capital and equity accounts are translated at the historical rate. The statements of profit or loss and other comprehensive income and cash flows are translated into KHR at the average rate for the year, which have been deemed to approximate the exchange rates at the date of transaction as exchange rates have not fluctuated significantly during the period. Exchange differences arising from the translation are recognised as "Currency Translation Differences" in the other comprehensive income.

The Bank uses the following exchange rates:

Financial year end			Closing rate	Average rate
31 December 2025	US\$1	=	KHR4,013	KHR4,011
31 December 2024	US\$1	=	<u>KHR4,025</u>	<u>KHR4,071</u>

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

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2025

6. Cash on hand

	31 December 2025		31 December 2024	
	US\$	KHR'000 (Note 5)	US\$	KHR'000 (Note 5)
Cash on hand	8,268,138	33,180,037	6,600,026	26,565,105
Cash in ATMs	567,890	2,278,943	833,680	3,355,562
	<u>8,836,028</u>	<u>35,458,980</u>	<u>7,433,706</u>	<u>29,920,667</u>

Cash on hand by currency comprises the following:

	31 December 2025		31 December 2024	
	US\$	KHR'000 (Note 5)	US\$	KHR'000 (Note 5)
US\$	4,422,233	17,746,421	7,049,554	28,374,455
KHR	147,035	590,051	296,345	1,192,789
Other currencies	4,266,760	17,122,508	87,807	353,423
	<u>8,836,028</u>	<u>35,458,980</u>	<u>7,433,706</u>	<u>29,920,667</u>

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

	31 December 2025		31 December 2024	
	US\$	KHR'000 (Note 5)	US\$	KHR'000 (Note 5)
Cash on hand and ATMs	8,836,028	35,458,980	7,433,706	29,920,667
Balances with the National Bank of Cambodia (Note 7)				
- Current accounts	69,001,760	276,904,063	37,667,443	151,611,458
- Negotiable Certificates of Deposits ("NCD") (up to three months)	-	-	482,719	1,942,944
Balances with other banks and financial institutions (Note 8)				
- Current accounts	29,481,970	118,311,146	21,385,277	86,075,740
- Term deposits (up to three months)	-	-	2,011,546	8,096,473
	<u>107,319,758</u>	<u>430,674,189</u>	<u>68,980,691</u>	<u>277,647,282</u>

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2025

7. Balances with the National Bank of Cambodia

		31 December 2025		31 December 2024	
		US\$	KHR'000 (Note 5)	US\$	KHR'000 (Note 5)
Current accounts		69,001,760	276,904,063	37,667,443	151,611,458
Negotiable Certificates of Deposits ("NCD")	A	853,910	3,426,741	482,719	1,942,944
Statutory capital deposit	B	7,500,000	30,097,500	7,500,000	30,187,500
Reserves requirements	C	15,925,992	63,911,006	13,813,246	55,598,315
		<u>93,281,662</u>	<u>374,339,310</u>	<u>59,463,408</u>	<u>239,340,217</u>

A. Negotiable Certificates of Deposits ("NCD")

The Bank has pledge Negotiable Certificates of Deposits ("NCD") of US\$853,910 at 31 December 2025 with the NBC as collateral against the overdraft facilities. As at 31 December 2025, the Bank had not yet utilised the overdraft (31 December 2024: Nil). NCD are maturing in 6 months and earn interest at rates ranging from 0.95% to 1.3% at 31 December 2025 (31 December 2024: 3 months, 1.08% to 1.33%) per annum.

B. Statutory capital deposit

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

C. Reserve requirements

Prakas No. B7-023-005 requires Banking and Financial Institutions to maintain reserve requirement against deposits and borrowings at daily average balance with the NBC as follows:

- For local currency (Khmer Riel):
 - o Reserve requirement shall be maintained at 7%.
- For foreign currencies (other than Khmer Riel):
 - o From 1 January 2023 to 31 December 2023, reserve requirement shall be maintained at 9%.
 - o From 1 January 2024 onwards, reserve requirement shall be maintained at 12.5%.

On 21 August 2024, the NBC issued a letter No. B7-024-1718 to allow Banking and Financial Institutions to continue implementing the reserve requirements on foreign currency at 7% until 31 December 2025.

On 5 January 2026, the NBC announced, through information notice B30-026-013 Sor Chor Nor allowing Banks and Financial institutions to continue maintaining reserve requirements at the rate of 7% until 31 December 2026.

The reserve requirement on customers' deposits and borrowings bears no interest.

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2025

7. Balances with the National Bank of Cambodia (continued)**D. Interest rate (per annum):**

Annual interest rates applicable to balances with the National Bank of Cambodia at the year end were as follows:

	31 December 2025	31 December 2024
Current accounts	Nil	Nil
Negotiable certificates of deposits ("NCD")	0.95% - 1.30%	1.08% - 1.33%
Statutory capital deposit	1.31%	1.31%
Reserves requirements on customers' deposits	Nil	Nil

8. Balances with other banks and financial institutions

	31 December 2025		31 December 2024	
	US\$	KHR'000 (Note 5)	US\$	KHR'000 (Note 5)
<i>Balance with other banks and financial institutions at amortised cost</i>				
Current accounts	29,481,970	118,311,146	21,385,277	86,075,740
Term deposits with maturity up to three months	-	-	2,011,546	8,096,473
Term deposits with maturity more than three months but less than 12 months	4,157,225	16,682,944	8,124,491	32,701,076
	33,639,195	134,994,090	31,521,314	126,873,289
Less: Impairment loss allowance	(2,759)	(11,072)	(20,570)	(82,794)
	33,636,436	134,983,018	31,500,744	126,790,495

The movements of allowance for impairment losses on balances with other banks and financial institutions during the year were as follows:

	2025		2024	
	US\$	KHR'000 (Note 5)	US\$	KHR'000 (Note 5)
At 1 January	20,570	82,794	1,160	4,739
Recognised in profit or loss (Note 32)	(17,811)	(71,440)	19,410	79,018
Currency translation differences	-	(282)	-	(963)
At 31 December	2,759	11,072	20,570	82,794

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2025

8. Balances with other banks and financial institutions (continued)

Balance with other banks and financial institutions are analysed as follows:

A. By currency:

	31 December 2025		31 December 2024	
	US\$	KHR'000 (Note 5)	US\$	KHR'000 (Note 5)
US\$	30,639,952	122,958,127	29,472,681	118,627,541
KHR	10,709	42,975	657,203	2,645,242
Other currencies	2,988,534	11,992,988	1,391,430	5,600,506
	<u>33,639,195</u>	<u>134,994,090</u>	<u>31,521,314</u>	<u>126,873,289</u>

A. By currency:

Annual interest rates applicable to balances with the other banks and financial institutions at the end of the year were as follows:

	31 December 2025	31 December 2024
Current accounts	Nil	Nil
Term deposits	<u>4.20% - 6.50%</u>	<u>4.00% - 6.25%</u>

9. Equity instruments at FVOCI

	31 December 2025		31 December 2024	
	US\$	KHR'000 (Note 5)	US\$	KHR'000 (Note 5)
Investment in Credit Bureau Cambodia	<u>25,000</u>	<u>100,325</u>	<u>25,000</u>	<u>100,325</u>

This represents the equity Investment in Credit Bureau Cambodia which the Bank has no intention of disposing of as at 31 December 2025 and has elected the option to measure this investment at FVOCI.

This represents the equity Investment in Credit Bureau Cambodia which the Bank has no intention of disposing of as at 31 December 2025 and has elected the option to measure this investment at FVOCI.

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2025

10. Loans and advances to customers

	31 December 2025		31 December 2024	
	US\$	KHR'000 (Note 5)	US\$	KHR'000 (Note 5)
Individual loans	149,611,630	600,391,471	172,049,055	692,497,446
Corporate loans	60,886,779	244,338,644	31,684,315	127,529,368
	210,498,409	844,730,115	203,733,370	820,026,814
Less: Allowance for expected credit loss	(10,305,393)	(41,355,542)	(8,159,286)	(32,841,126)
Loans and advances to customers	200,193,016	803,374,573	195,574,084	787,185,688

The movements of allowance for expected credit loss on loans and advances to customers during the year were as follows:

	2025		2024	
	US\$	KHR'000 (Note 5)	US\$	KHR'000 (Note 5)
At 1 January	8,159,286	32,841,126	16,609,143	67,848,349
Recognised in profit or loss (Note 32)	1,478,071	5,928,543	(8,449,857)	(34,399,368)
Unwinding interest	668,036	2,679,492	-	-
Currency translation differences	-	(93,619)	-	(607,855)
At 31 December	10,305,393	41,355,542	8,159,286	32,841,126

Gross loans and advances to customers are analysed as follows:

A. By industry sector:

	31 December 2025		31 December 2024	
	US\$	KHR'000 (Note 5)	US\$	KHR'000 (Note 5)
Consumers	68,007,049	272,912,288	73,592,773	296,210,911
Wholesale and retail	33,515,056	134,495,920	37,597,486	151,329,881
Mining	25,801,026	103,539,517	25,343,794	102,008,771
Real estate and construction	22,455,044	90,112,092	23,167,503	93,249,200
Import and export	4,664,203	18,717,447	5,845,281	23,527,256
Credit card	2,564,331	10,290,660	2,791,051	11,233,980
Services	1,693,064	6,794,266	2,197,476	8,844,841
Other industries	51,798,636	207,867,925	33,198,006	133,621,974
	210,498,409	844,730,115	203,733,370	820,026,814

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2025

10. Loans and advances to customers (continued)

Gross loans and advances to customers are analysed as follows:

B. By maturity:

	31 December 2025		31 December 2024	
	US\$	KHR'000 (Note 5)	US\$	KHR'000 (Note 5)
Within 1 month	9,869,300	39,605,501	10,708,185	43,100,445
More than 1 months to 3 months	14,562,315	58,438,570	10,989,280	44,231,852
More than 3 months to 6 months	19,589,013	78,610,709	5,240,817	21,094,288
More than 6 months to 12 months	30,277,173	121,502,295	17,186,843	69,177,043
More than 1 year to 5 years	23,613,736	94,761,923	44,506,274	179,137,753
More than 5 years	112,586,872	451,811,117	115,101,971	463,285,433
	<u>210,498,409</u>	<u>844,730,115</u>	<u>203,733,370</u>	<u>820,026,814</u>

C. By residency:

	31 December 2025		31 December 2024	
	US\$	KHR'000 (Note 5)	US\$	KHR'000 (Note 5)
Residents	206,770,874	829,771,517	203,733,370	820,026,814
Non-residents	3,727,535	14,958,598	-	-
	<u>210,498,409</u>	<u>844,730,115</u>	<u>203,733,370</u>	<u>820,026,814</u>

D. By relationship:

	31 December 2025		31 December 2024	
	US\$	KHR'000 (Note 5)	US\$	KHR'000 (Note 5)
Related parties (Note 31B(i))	1,483,082	5,951,608	1,960,365	7,890,469
Non-related parties	209,015,327	838,778,507	201,773,005	812,136,345
	<u>210,498,409</u>	<u>844,730,115</u>	<u>203,733,370</u>	<u>820,026,814</u>

E. By currency:

	31 December 2025		31 December 2024	
	US\$	KHR'000 (Note 5)	US\$	KHR'000 (Note 5)
US\$	180,801,908	725,558,057	179,759,759	723,533,030
KHR	29,696,501	119,172,058	23,973,611	96,493,784
	<u>210,498,409</u>	<u>844,730,115</u>	<u>203,733,370</u>	<u>820,026,814</u>

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2025

10. Loans and advances to customers (continued)

Gross loans and advances to customers are analysed as follows: (continued)

F. By secured/unsecured:

	31 December 2025		31 December 2024	
	US\$	KHR'000 (Note 5)	US\$	KHR'000 (Note 5)
Secured	207,483,425	832,630,984	200,196,795	805,792,100
Unsecured	3,014,984	12,099,131	3,536,575	14,234,714
	210,498,409	844,730,115	203,733,370	820,026,814

F. By secured/unsecured:

	31 December 2025		31 December 2024	
	US\$	KHR'000 (Note 5)	US\$	KHR'000 (Note 5)
Large exposures (*)	55,877,484	224,236,343	40,364,760	162,468,159
Non-large exposures	154,620,925	620,493,772	163,368,610	657,558,655
	210,498,409	844,730,115	203,733,370	820,026,814

(*) A "large exposure" is defined under the NBC's Prakas as the overall gross exposure of the aggregate balance of loans and advances with one single beneficiary, which exceeds 10% of the Bank's net worth.

F. By concession:

	31 December 2025		31 December 2024	
	US\$	KHR'000 (Note 5)	US\$	KHR'000 (Note 5)
Restructured (**)	29,178,714	117,094,179	11,905,970	47,921,529
Non-restructured	181,319,695	727,635,936	191,827,400	772,105,285
	210,498,409	844,730,115	203,733,370	820,026,814

(**) A "restructured loan" is a loan that original contractual terms have been modified to provide for concessions for the borrowers on the reasons related to real temporary financial difficulties.

I. Interest rate (per annum)

Annual interest rates applicable to deposits from customers at the year end were as follows:

	2025	2024
Individual loans	4.20% - 19.80%	4.20% - 15.60%
Corporate loans	7.30% - 9.00%	7.80% - 9.00%

For additional analysis of gross amount of loans and advances to customers, refer to Note 34B.

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2025

11. Other assets

	31 December 2025		31 December 2024	
	US\$	KHR'000 (Note 5)	US\$	KHR'000 (Note 5)
Rental deposits	353,178	1,417,303	422,548	1,700,756
Advance payments on WHT on deposits from customers	363,257	1,457,750	343,343	1,381,956
Prepaid system maintenance fees	323,309	1,297,439	272,577	1,097,122
Receivables on express and remittance	147,929	593,639	194,100	781,252
Advances to employees	148,755	596,954	173,650	698,941
Others	27,880	111,883	117,844	474,322
	1,364,308	5,474,968	1,524,062	6,134,350
Less: Allowance for expected credit loss	(46,595)	(186,986)	-	-
	1,317,713	5,287,982	1,524,062	6,134,350

The movements of allowance for expected credit loss on other assets during the year were as follows:

	2025		2024	
	US\$	KHR'000 (Note 5)	US\$	KHR'000 (Note 5)
Rental deposits	-	-	-	-
Recognised in profit or loss (Note 32)	46,595	186,893	-	-
Currency translation differences	-	93	-	-
At 31 December	46,595	186,986	-	-

34 **NOTES TO THE FINANCIAL STATEMENTS** (continued)
FOR THE YEAR ENDED 31 DECEMBER 2025

12. Property and equipment

	Leasehold improvement	Computer equipment	Furniture and equipment	Motor vehicles	Construction in Progress	Total
	US\$	US\$	US\$	US\$	US\$	US\$
2025						KHR'000 (Note 5)
Cost						
At 1 January	2,638,103	3,191,926	1,329,678	720,999	-	7,880,706
Additions	2,596	100,779	3,679	-	312,789	419,843
Disposal	-	(6,339)	(7,213)	(6,015)	-	(19,567)
Write-off	(900,213)	-	(180,957)	-	-	(1,081,170)
Currency translation differences	-	-	-	-	-	(95,930)
At 31 December	1,740,486	3,286,366	1,145,187	714,984	312,789	7,199,812
Less: Accumulated depreciation						
At 1 January	1,113,730	2,684,242	978,054	687,376	-	5,463,402
Depreciation for the year	328,235	262,630	94,993	25,367	-	711,225
Disposal	-	(6,339)	(7,213)	(6,015)	-	(19,567)
Write-off	(857,254)	-	(180,957)	-	-	(1,038,211)
Currency translation differences	-	-	-	-	-	(66,254)
At 31 December	584,711	2,940,533	884,877	706,728	-	5,116,849
Carrying amounts						
At 1 January	1,524,373	507,684	351,624	33,623	-	2,417,304
At 31 December	1,155,775	345,833	260,310	8,256	312,789	2,082,963

Fully depreciated property and equipment items as at 31 December 2025 with original cost of US\$5,627,904 (31 December 2024: US\$4,198,406) were still in use.

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2025

12. Property and equipment

	Leasehold improvement	Computer equipment	Furniture and equipment	Motor vehicles	Construction in Progress	Total	KHR'000 (Note 5)
	US\$	US\$	US\$	US\$	US\$	US\$	
2024							
Cost							
At 1 January	1,210,231	3,127,287	991,085	720,999	6,049,602	24,712,624	31,719,842
Additions	1,450,381	97,557	347,346	-	1,895,284	7,715,701	1,683,990
Disposal	(22,509)	(32,918)	(8,753)	-	(64,180)	(261,277)	(78,483)
Currency translation differences	-	-	-	-	-	(447,206)	(95,930)
At 31 December	2,638,103	3,191,926	1,329,678	720,999	7,880,706	31,719,842	28,892,846
Less: Accumulated depreciation							
At 1 January	1,088,619	2,422,780	968,272	659,674	5,139,345	20,994,224	21,990,193
Depreciation for the year	47,620	294,380	18,535	27,702	388,237	1,580,513	2,852,723
Disposal	(22,509)	(32,918)	(8,753)	-	(64,180)	(261,277)	(78,483)
Currency translation differences	-	-	-	-	-	(323,267)	(66,254)
At 31 December	1,113,730	2,684,242	978,054	687,376	5,463,402	21,990,193	20,533,915
Carrying amounts							
At 1 January	121,612	704,507	22,813	61,325	910,257	3,718,400	9,729,649
At 31 December	1,524,373	507,684	351,624	33,623	2,417,304	9,729,649	8,358,931

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2025

13. Right-of-use assets

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:

	Office building	ATM space	Total	KHR'000 (Note 5)
	US\$	US\$	US\$	
2025				
Cost				
At 1 January	3,486,905	106,034	3,592,939	14,461,579
Additions	434,236	15,593	449,829	1,804,264
Termination	(1,719,650)	(62,004)	(1,781,654)	(7,146,214)
Currency translation differences	-	-	-	(45,779)
At 31 December	2,201,491	59,623	2,261,114	9,073,850
Less: Accumulated depreciation				
At 1 January	1,063,562	46,125	1,109,687	4,466,490
Amortisation for the year	786,368	40,604	826,972	3,316,985
Termination	(1,259,997)	(45,756)	(1,305,753)	(5,237,375)
Currency translation differences	-	-	-	(14,275)
At 31 December	589,933	40,973	630,906	2,531,825
Carrying amounts				
At 31 December	1,611,558	18,650	1,630,208	6,542,025
2024				
Cost				
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)
Currency translation differences	-	-	-	(201,743)
At 31 December	3,486,905	106,034	3,592,939	14,461,579
Less: Accumulated depreciation				
At 1 January	1,371,041	83,571	1,454,612	5,942,090
Amortisation for the year	678,255	62,563	740,818	3,015,870
Termination	(985,734)	(100,009)	(1,085,743)	(4,420,060)
Currency translation differences	-	-	-	(71,410)
At 31 December	1,063,562	46,125	1,109,687	4,466,490
Carrying amounts				
At 31 December	2,423,343	59,909	2,483,252	9,995,089

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2025

14. Intangible assets

	Computer software	Assets in progress	Total	KHR'000 (Note 5)
	US\$	US\$	US\$	
2025				
Cost				
At 1 January	2,341,238	-	2,341,238	9,423,483
Additions	-	57,510	57,510	230,673
Currency translation differences	-	-	-	(27,980)
At 31 December	2,341,238	57,510	2,398,748	9,626,176
Less: Accumulated amortisation				
At 1 January	1,859,933	-	1,859,933	7,486,230
Amortisation for the year	209,448	-	209,448	840,096
Currency translation differences	-	-	-	(21,900)
At 31 December	2,069,381	-	2,069,381	8,304,426
Carrying amounts				
At 1 January	481,305	-	481,305	1,937,253
At 31 December	271,857	57,510	329,367	1,321,750
2024				
Cost				
At 1 January	2,341,238	-	2,341,238	9,563,957
Currency translation differences	-	-	-	(140,474)
At 31 December	2,341,238	-	2,341,238	9,423,483
Less: Accumulated amortisation				
At 1 January	1,633,522	-	1,633,522	6,672,937
Amortisation for the year	226,411	-	226,411	921,719
Currency translation differences	-	-	-	(108,426)
At 31 December	1,859,933	-	1,859,933	7,486,230
Carrying amounts				
At 1 January	707,716	-	707,716	2,891,020
At 31 December	481,305	-	481,305	1,937,253

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2025

15. Deposits from other banks and financial institutions

	31 December 2025		31 December 2024	
	US\$	KHR'000 (Note 5)	US\$	KHR'000 (Note 5)
Current deposits	1,705,325	6,843,469	1,668,734	6,716,654
Term deposits	15,439,525	61,958,814	5,009,593	20,163,612
	<u>17,144,850</u>	<u>68,802,283</u>	<u>6,678,327</u>	<u>26,880,266</u>

Deposits from other banks and financial institutions are analysed as follows:

	31 December 2025		31 December 2024	
	US\$	KHR'000 (Note 5)	US\$	KHR'000 (Note 5)
A. By relationship:				
Related parties	1,702,355	6,831,551	1,665,774	6,704,740
Non-related parties	15,442,495	61,970,732	5,012,553	20,175,526
	<u>17,144,850</u>	<u>68,802,283</u>	<u>6,678,327</u>	<u>26,880,266</u>
B. By residency status:				
Residents	15,442,495	61,970,732	5,012,553	20,175,526
Non-residents	1,702,355	6,831,551	1,665,774	6,704,740
	<u>17,144,850</u>	<u>68,802,283</u>	<u>6,678,327</u>	<u>26,880,266</u>

C. By interest rate (per annum):

Annual interest rates applicable to deposits from other banks and financial institutions at the year end were as follows:

	31 December 2025	31 December 2024
Current deposits	Nil	Nil
Term deposits	4.10% - 5.20%	5.25%

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2025

16. Deposits from customers

	31 December 2025		31 December 2024	
	US\$	KHR'000 (Note 5)	US\$	KHR'000 (Note 5)
Current accounts	7,330,847	29,418,689	8,879,279	35,739,098
Term deposits	200,702,585	805,419,474	172,615,944	694,779,175
Savings deposits	19,642,556	78,825,577	20,977,765	84,435,504
	<u>227,675,988</u>	<u>913,663,740</u>	<u>202,472,988</u>	<u>814,953,777</u>

Deposits from customers are analysed as follows:

	31 December 2025		31 December 2024	
	US\$	KHR'000 (Note 5)	US\$	KHR'000 (Note 5)
A. By types:				
Individual loans	207,261,414	831,740,055	188,260,002	757,746,508
Corporate loans	20,414,574	81,923,685	14,212,986	57,207,269
	<u>227,675,988</u>	<u>913,663,740</u>	<u>202,472,988</u>	<u>814,953,777</u>
B. By residency status:				
Resident individuals	199,305,368	799,812,442	180,349,826	725,908,050
Resident corporations	18,754,335	75,261,146	11,301,244	45,487,507
Non-resident individuals	7,956,046	31,927,613	7,910,176	31,838,458
Non-resident corporations	1,660,239	6,662,539	2,911,742	11,719,762
	<u>227,675,988</u>	<u>913,663,740</u>	<u>202,472,988</u>	<u>814,953,777</u>
C. By currency:				
US\$	215,545,375	864,983,590	188,761,553	759,765,251
KHR	12,118,401	48,631,143	13,703,783	55,157,727
Other currencies	12,212	49,007	7,652	30,799
	<u>227,675,988</u>	<u>913,663,740</u>	<u>202,472,988</u>	<u>814,953,777</u>

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2025

16. Deposits from customers (continued)

Deposits from customers are analysed as follows: (continued)

	31 December 2025		31 December 2024	
	US\$	KHR'000 (Note 5)	US\$	KHR'000 (Note 5)
D. By relationship:				
Related parties (Note 31B(i))	213,767	857,847	39,273	158,074
Non-related parties	227,462,221	912,805,893	202,433,715	814,795,703
	<u>227,675,988</u>	<u>913,663,740</u>	<u>202,472,988</u>	<u>814,953,777</u>

E. By interest rate (per annum):

Annual interest rates applicable to deposits from customers at the year end were as follows:

	31 December 2025	31 December 2024
Current accounts	0.00% - 3.50%	0.00% - 3.50%
Term deposits	2.00% - 7.50%	0.00% - 7.50%
Savings deposits	0.00% - 3.50%	0.00% - 3.50%

17. Borrowings

	31 December 2025		31 December 2024	
	US\$	KHR'000 (Note 5)	US\$	KHR'000 (Note 5)
Borrowings from local bank	<u>167,392</u>	<u>671,744</u>	<u>210,971</u>	<u>849,158</u>

These borrowings are unsecured and bear interest at rates ranging from 2% to 2.5% (2024: 2% to 2.5%) per annum. The borrowings are repayable in 84 monthly instalments commencing from the issue date and mature in 2029.

Annual interest rates applicable to deposits from customers at the year end were as follows:

	31 December 2025		31 December 2024	
	US\$	KHR'000 (Note 5)	US\$	KHR'000 (Note 5)
At 1 January	210,971	849,158	271,042	1,107,207
Principle paid	(43,579)	(174,795)	(60,071)	(244,549)
Interest expenses	4,607	18,479	5,629	22,916
Interest paid	(4,607)	(18,479)	(5,629)	(22,916)
Currency translation differences	-	(2,619)	-	(13,500)
At 31 December	<u>167,392</u>	<u>671,744</u>	<u>210,971</u>	<u>849,158</u>

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2025

18. Lease liabilities

	31 December 2025		31 December 2024	
	US\$	KHR'000 (Note 5)	US\$	KHR'000 (Note 5)
Maturity analysis – undiscounted contractual cash flows				
Within 1 month	39,228	157,423	61,207	246,358
More than 1 months to 3 months	81,255	326,076	183,622	739,079
More than 3 months to 6 months	111,589	447,807	367,244	1,478,157
More than 6 months to 12 months	272,269	1,092,615	122,415	492,720
More than 1 year to 5 years	1,186,412	4,761,071	2,096,217	8,437,273
More than 5 years	351,348	1,409,960	170,490	686,222
	<u>2,042,101</u>	<u>8,194,952</u>	<u>3,001,195</u>	<u>12,079,809</u>
Present value of lease liabilities				
Current	400,352	1,606,613	612,073	164,929
Non-current	1,332,672	5,348,012	2,001,952	10,356,522
	<u>1,733,024</u>	<u>6,954,625</u>	<u>2,614,025</u>	<u>10,521,451</u>

Movements in lease liabilities during the year were as follow:

	2025		2024	
	US\$	KHR'000 (Note 5)	US\$	KHR'000 (Note 5)
At 1 January	2,614,025	10,521,451	1,237,350	5,054,575
Additions	449,829	1,804,264	2,073,841	8,442,607
Accretion of interest	251,163	1,007,415	151,377	616,256
Payments	(602,397)	(2,416,214)	(528,850)	(2,152,948)
Lease terminations	(979,596)	(3,929,160)	(319,693)	(1,301,470)
Currency translation differences	-	(33,131)	-	(137,569)
At 31 December	<u>1,733,024</u>	<u>6,954,625</u>	<u>2,614,025</u>	<u>10,521,451</u>

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2025

18. Lease liabilities (continued)

	31 December 2025		31 December 2024	
	US\$	KHR'000 (Note 5)	US\$	KHR'000 (Note 5)
A. Amounts recognised in profit or loss				
Depreciation expense on right-of-use assets (Note 29)	826,972	3,316,985	740,817	3,015,866
Expenses relating to short-term leases and leases of low-value assets	56,622	227,111	50,479	205,500
Interest expense on lease liabilities (Note 24)	251,163	1,007,415	151,377	616,256
B. Amounts recognised in the statement of cash flows				
Repayment of interest portion of lease liabilities	(251,163)	(1,007,415)	(123,039)	(500,892)
Repayment of principal portion of lease liabilities	(351,234)	(1,408,800)	(528,850)	(2,152,948)
	(602,397)	(2,416,215)	(651,889)	(2,653,840)

19. Income tax**A. Applicable tax rates**

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

According to Prakas 638 issued on 4 July 2017, an entity is eligible to be exempted from payment of minimum tax if it maintained proper accounting records and obtained approval from the General Department of Taxation ("GDT").

On 20 March 2024, the Bank obtained the Gold Certification of tax compliance from the GDT, which cover for the fiscal years 2024 and 2025.

On 26 September 2025, the Bank obtained the confirmation letter on keeping proper accounting records, which cover for the fiscal years of 2025 and 2026, from the GDT. The Bank is therefore exempted from the minimum tax during these periods.

B. Deferred tax liabilities, net

	31 December 2025		31 December 2024	
	US\$	KHR'000 (Note 5)	US\$	KHR'000 (Note 5)
Deferred tax assets	420,805	1,688,690	620,247	2,496,494
Deferred tax liabilities	(3,776,491)	(15,155,058)	(3,019,591)	(12,153,854)
Deferred tax liabilities, net	(3,355,686)	(13,466,368)	(2,399,344)	(9,657,360)

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2025

19. Income tax (continued)**B. Deferred tax liabilities, net** (continued)

Net deferred tax liabilities are attributable to the following:

	31 December 2025		31 December 2024	
	US\$	KHR'000 (Note 5)	US\$	KHR'000 (Note 5)
<i>Deferred tax assets:</i>				
Lease liabilities	346,607	1,390,934	522,805	2,104,290
Unearned loan processing fee	74,198	297,757	97,442	392,204
	420,805	1,688,691	620,247	2,496,494
<i>Deferred tax liabilities:</i>				
Allowance for impairment losses on financial instruments	(3,090,997)	(12,404,171)	(2,491,371)	(10,027,768)
Depreciation and amortisation	(57,951)	(232,557)	(31,570)	(127,070)
Rights-of-use assets	(326,042)	(1,308,407)	(496,650)	(1,999,016)
Unrealised foreign exchange gain or loss	(301,501)	(1,209,924)	-	-
	(3,776,491)	(15,155,059)	(3,019,591)	(12,153,854)
Deferred tax liabilities, net	(3,355,686)	(13,466,368)	(2,399,344)	(9,657,360)

The movements of net deferred tax liabilities are as follows:

	2025		2024	
	US\$	KHR'000 (Note 5)	US\$	KHR'000 (Note 5)
At 1 January	(2,399,344)	(9,657,360)	(770,686)	(3,148,252)
Recognised in profit or loss	(956,342)	(3,835,888)	(1,628,658)	(6,630,266)
Currency translation differences	-	26,880	-	121,158
At 31 December	(3,355,686)	(13,466,368)	(2,399,344)	(9,657,360)

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2025

19. Income tax (continued)**C. Income tax credit**

	2025		2024	
	US\$	KHR'000 (Note 5)	US\$	KHR'000 (Note 5)
At 1 January	(182,690)	(735,327)	220,405	900,354
Income tax expenses	85,854	344,360	300,249	1,222,314
Income tax paid	(240,051)	(962,845)	(703,344)	(2,863,313)
Under provision in prior year	176,153	706,550	-	-
Currency translation differences	-	2,236	-	5,318
At 31 December	(160,734)	(645,026)	(182,690)	(735,327)

D. Income tax expenses

	2025		2024	
	US\$	KHR'000 (Note 5)	US\$	KHR'000 (Note 5)
Current income tax expenses	85,854	344,360	300,249	1,222,314
Under provision in prior year	176,153	706,550	-	-
Deferred tax expenses	956,342	3,835,888	1,628,658	6,630,266
	1,218,349	4,886,798	1,928,907	7,852,580

The reconciliation of income tax computed at the statutory tax rate of 20% to the income tax expense shown in profit or loss is as follows:

	%	2025		%	2024	
		US\$	KHR'000 (Note 5)		US\$	KHR'000 (Note 5)
Profit before income tax		4,198,585	16,840,523		9,844,296	40,076,129
Income tax rate at applicable rate of 20%	20	839,717	3,368,105	20	1,968,859	8,015,225
<i>Tax effect of:</i>						
Non-deductible expenses	2	77,150	309,449	-	37,532	152,793
Under provision in prior year	4	176,153	706,550	-	-	-
Tax-exempt income	(1)	(9,868)	(39,581)	-	(9,631)	(39,208)
Recognition of previously unrecognised (derecognition of previously recognised) deductible temporary differences	4	135,197	542,275	(1)	(67,853)	(276,230)
Income tax expenses	29	1,218,349	4,886,798	19	1,928,907	7,852,580

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

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2025

20. Other liabilities

	2025		2024	
	US\$	KHR'000 (Note 5)	US\$	KHR'000 (Note 5)
Financial liabilities				
Payables on remittance	2,350,200	9,431,353	679,706	2,735,817
Payable to employees	350,000	1,404,550	275,000	1,106,875
Allowance for ECL on off-balance sheet commitments (Note 32)	217,587	873,177	148,381	597,234
Subtotal	2,917,787	11,709,080	1,103,087	4,439,926
Non-financial liabilities				
Other tax payables	228,507	916,999	172,906	695,947
Others	29,826	119,691	174,076	700,655
Subtotal	258,333	1,036,690	346,982	1,396,602
	3,176,120	12,745,770	1,450,069	5,836,528

The reconciliation of income tax computed at the statutory tax rate of 20% to the income tax expense shown in profit or loss is as follows:

	2025		2024	
	US\$	KHR'000 (Note 5)	US\$	KHR'000 (Note 5)
At 1 January	148,381	597,234	21,787	89,000
Recognised in profit or loss (Note 32)	69,206	277,585	126,594	515,364
Currency translation differences	-	(1,642)	-	(7,130)
At 31 December	217,587	873,177	148,381	597,234

21. Share capital

	31 December 2025		31 December 2024	
	US\$	KHR'000 (Note 5)	US\$	KHR'000 (Note 5)
Saigon Thuong Tin Commercial Joint Stock Bank	75,000,000	305,625,000	75,000,000	305,625,000

As at 31 December 2025, the authorised share capital comprises 75,000,000 ordinary shares (2024: 75,000,000) are registered, issued, and paid-up with a par value of US\$1 or equivalent to KHR4,000,000 per share.

There were no changes in the shareholders and the shareholding structure of the Bank during the year.

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2025

22. Regulatory reserves

Regulatory reserves represented the variance between impairment loss on financial instruments in accordance with CIFRSs and the regulatory provision in accordance with the requirement of the National Bank of Cambodia (“NBC”).

As at 31 December 2025, the Bank transfer from regulatory reserves to retained earnings of US\$2,563,496 equivalent to KHR’000 10,282,182 (31 December 2024: from retained earnings to regulatory reserves US\$8,087,886 equivalent to KHR’000 32,925,784).

	Balances with other banks and financial institution	Loans and advances to Customers	Other assets	Off-balance sheet items	US\$	US\$
	US\$	US\$	US\$	US\$	US\$	US\$
31 December 2025						
Allowance per NBC (i)	321,340	22,365,411	-	121,572		22,808,323
Allowance per CIFRS 9 (ii)	2,759	10,305,393	46,595	217,587		10,572,334
Regulatory reserves (A) = (i) - (ii)						12,235,989
31 December 2024						
Allowance per NBC (i)	313,791	22,686,556	-	127,375		23,127,722
Allowance per CIFRS 9 (ii)	20,570	8,159,286	-	148,381		8,328,237
Regulatory reserves (B) = (i) - (ii)						14,799,485
Transfer from regulatory reserves to retained earnings (B - A)						2,563,496
In KHR’000 (Note 5)						10,282,182

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2025

23. Interest income

	2025		2024	
	US\$	KHR'000 (Note 5)	US\$	KHR'000 (Note 5)
Loans and advances to customers	21,154,036	84,848,838	15,860,544	64,568,275
Balances with other banks and financial institutions	376,910	1,511,786	461,917	1,880,464
Balances with the National Bank of Cambodia	85,255	341,958	111,066	452,150
	<u>21,616,201</u>	<u>86,702,582</u>	<u>16,433,527</u>	<u>66,900,889</u>

24. Interest expense

	2025		2024	
	US\$	KHR'000 (Note 5)	US\$	KHR'000 (Note 5)
Deposits from customers	11,290,185	45,284,932	10,553,376	42,962,794
Deposits from other banks and financial institutions	573,463	2,300,160	342,076	1,392,591
Lease liabilities (Note 18)	251,163	1,007,415	151,377	616,256
Borrowings	4,607	18,479	5,629	22,916
	<u>12,119,418</u>	<u>48,610,986</u>	<u>11,052,458</u>	<u>44,994,557</u>

25. Net fee and commission income

	2025		2024	
	US\$	KHR'000 (Note 5)	US\$	KHR'000 (Note 5)
<i>Fee and commission income:</i>				
Settlement services	4,625,135	18,551,416	3,800,661	15,472,491
Other services	338,761	1,358,770	447,546	1,821,960
	<u>4,963,896</u>	<u>19,910,186</u>	<u>4,248,207</u>	<u>17,294,451</u>
<i>Fees and commission expense:</i>				
Commissions paid to other banks and financial institutions	(149,598)	(600,037)	(202,880)	(825,924)
	<u>4,814,298</u>	<u>19,310,149</u>	<u>4,045,327</u>	<u>16,468,527</u>

26. Other income

	2025		2024	
	US\$	KHR'000 (Note 5)	US\$	KHR'000 (Note 5)
Net foreign exchange gains	933,584	3,744,605	339,264	1,381,144
Dividend income from equity instruments (Note 9)	49,339	197,899	48,156	196,043
Other income	507,824	2,036,882	220,833	899,011
	<u>1,490,747</u>	<u>5,979,386</u>	<u>608,253</u>	<u>2,476,198</u>

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2025

27. Personnel expenses

	2025		2024	
	US\$	KHR'000 (Note 5)	US\$	KHR'000 (Note 5)
Salaries and wages	5,447,035	21,848,057	4,468,477	18,191,170
Other benefits	215,032	862,494	258,141	1,050,892
	<u>5,662,067</u>	<u>22,710,551</u>	<u>4,726,618</u>	<u>19,242,062</u>

28. General and administrative expenses

	2025		2024	
	US\$	KHR'000 (Note 5)	US\$	KHR'000 (Note 5)
License fees	597,763	2,397,627	520,747	2,119,961
Repairs and maintenance	409,001	1,640,503	425,001	1,730,179
Other taxes	270,964	1,086,837	236,474	962,686
Communications	260,686	1,045,612	198,500	808,094
Marketing and promotions	209,962	842,158	160,904	655,040
Utilities	112,613	451,691	147,783	601,625
Professional fees (*)	178,498	715,955	147,299	599,654
Printing and stationery	140,930	565,270	116,067	472,509
Office supplies	60,807	243,897	121,393	494,191
Rental expenses	56,622	227,111	50,479	205,500
Transportation	39,000	156,429	52,194	212,482
Travelling	32,954	132,178	46,845	190,706
Net loss on disposal and written of property and equipment	40,332	161,772	-	-
Other expenses	207,338	831,632	188,435	767,118
	<u>2,617,470</u>	<u>10,498,672</u>	<u>2,412,121</u>	<u>9,819,745</u>

(*) Professional fee includes audit fees expense to the auditor amounting to US\$53,900 inclusive of VAT for the year ended 31 December 2025 (2024: US\$27,030).

28. General and administrative expenses

	2025		2024	
	US\$	KHR'000 (Note 5)	US\$	KHR'000 (Note 5)
Property and equipment (Note 12)	711,225	2,852,723	388,237	1,580,513
Right-of-use assets (Note 13)	826,972	3,316,985	740,818	3,015,870
Intangible assets (Note 14)	209,448	840,096	226,411	921,719
	<u>1,747,645</u>	<u>7,009,804</u>	<u>1,355,466</u>	<u>5,518,102</u>

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2025

30. Commitments and contingencies**A. Operations**

In the normal course of business, the Bank makes various commitments and incurs certain contingencies with legal recourse to its customers.

	31 December 2025		31 December 2024	
	US\$	KHR'000 (Note 5)	US\$	KHR'000 (Note 5)
Undrawn portion of credit facilities	16,456,855	66,041,359	12,737,656	51,269,065
Less: Allowance for ECL	(217,587)	(873,177)	(148,381)	(597,234)
	<u>16,239,268</u>	<u>65,168,182</u>	<u>12,589,275</u>	<u>50,671,831</u>

The movements of allowance for expected credit loss on off-balance sheet during the year were follows:

	2025		2024	
	US\$	KHR'000 (Note 5)	US\$	KHR'000 (Note 5)
At 1 January	148,381	597,234	21,786	88,996
RECOGNISED IN PROFIT OR LOSS (NOTE 32)	69,206	277,585	126,596	515,372
Currency translation differences	-	(1,642)	-	(7,130)
At 31 December	<u>217,587</u>	<u>873,177</u>	<u>148,382</u>	<u>597,238</u>

B. Taxation contingencies**Comprehensive tax audit for the period from 1 January to 31 December 2023**

On 25 July 2025, General Department of Taxation (“GDT”) has issued tax notification letter for comprehensive tax audit for the period from 1 January 2023 to 31 December 2023. As at the date of these financial statements, there has not been any official communication on the results yet from the GDT.

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

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2025

31. Related parties**A. Identity of related parties**

For the purposes of these financial statements, parties are considered to be related to the Bank if the Bank has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Bank and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

The Bank has related party relationships with its substantial shareholders, companies under common control and key management personnel.

Key management have banking relationships with Bank entities which are entered into in the normal course of business and on substantially the same terms, including interest rates and security, as for comparable transactions with other persons of a similar standing or, where applicable, with other employees. These transactions did not involve more than the normal risk of repayment or present other unfavourable features.

Related party	Relationship
Saigon Thuong Tin Commercial Joint Stock Bank	Parent Bank
Sacombank Lao Co., Ltd.	Affiliate – all entities under the same ultimate parent company.
Sacombank Remittance Express Co., Ltd.	Affiliate
Key management personnel	The key management personnel are those persons having the authority and responsibility for planning, directing and controlling the activities of the Bank either directly or indirectly. The key management personnel of the Bank include all directors of the Bank who make critical decisions in relation to the strategic direction of the Bank and senior management staff (including their close family members).

The volumes of related party transactions, outstanding balance at the year end and relating expenses and income for the year are as follows:

B. Balances with related parties

	31 December 2025		31 December 2024	
	US\$	KHR'000 (Note 5)	US\$	KHR'000 (Note 5)
(i). Key management				
Loans to key management (Note 10D)	1,483,082	5,951,608	1,960,365	7,890,469
Deposits from directors and key management	213,767	857,847	39,273	158,074
(ii). Parent Bank				
Amount due from	25,341,333	101,694,769	19,018,045	76,547,631
Amount due to	(1,702,231)	(6,831,055)	(1,665,651)	(6,704,245)
Other receivables	136,339	547,127	126,430	508,881
Other payables	(208,191)	(835,470)	(304,083)	(1,223,934)

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2025

31. Related parties (continued)**B. Balances with related parties** (continued)

	31 December 2025		31 December 2024	
	US\$	KHR'000 (Note 5)	US\$	KHR'000 (Note 5)
(iii) Sacombank Lao Co., Ltd.				
Amount due from	124	498	124	499
(iv) Sacombank Remittance Express Co., Ltd.				
Receivables on remittance	30,720	123,281	30,615	123,225

C. Transactions with related parties

	31 December 2025		31 December 2024	
	US\$	KHR'000 (Note 5)	US\$	KHR'000 (Note 5)
(i) Sacombank Remittance Express Co., Ltd.				
Fee and commission expenses	369	1,481	886	3,607
(ii) Key management				
Interest income from loan	790	3,172	60,904	247,940
Interest expense on deposits	1,882	7,553	28	114
Salaries and other benefits	1,911,593	7,667,400	579,498	2,359,136

32. Net impairment losses on financial instruments

	2025		2024	
	US\$	KHR'000 (Note 5)	US\$	KHR'000 (Note 5)
Net impairment loss on balances with other banks and financial institutions (Note 8)	(17,811)	(71,440)	19,410	79,018
Net impairment loss on loans and advances to customers (Note 10)	1,478,071	5,928,543	(8,449,857)	(34,399,368)
Net impairment loss on other assets (Note 11)	47,596	190,908	-	-
Net impairment loss on off-balance sheet items (Note 20)	69,206	277,585	126,595	515,369
	1,576,061	6,321,581	(8,303,852)	(33,804,981)

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2025

33. Classification of financial assets and financial liabilities

The following table provides a reconciliation between line items in the statement of financial position and categories of financial instruments.

	FVOCI – equity instruments	Amortised cost	Total carrying amount	
	US\$	KHR'000 (Note 5)	US\$	KHR'000 (Note 5)
31 December 2025				
Cash on hand	-	8,836,028	8,836,028	35,458,980
Balances with the National Bank of Cambodia	-	93,281,662	93,281,662	374,339,310
Balances with other banks and financial institutions	-	33,636,436	33,636,436	134,983,018
Equity instruments at FVOCI	25,000	-	25,000	100,325
Loans and advances to customers	-	200,193,016	200,193,016	803,374,573
Other assets	-	454,512	454,512	1,823,956
Total financial assets	25,000	336,401,654	336,426,654	1,350,080,162
Deposits from other banks and financial institutions	-	17,144,850	17,144,850	68,802,283
Deposits from customers	-	227,675,988	227,675,988	913,663,740
Borrowings	-	167,392	167,392	671,744
Lease liabilities	-	1,733,024	1,733,024	6,954,625
Other liabilities	-	2,917,787	2,917,787	11,709,080
Total financial liabilities	-	249,639,041	249,639,041	1,001,801,472

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2025

33. Classification of financial assets and financial liabilities (continued)

The following table provides a reconciliation between line items in the statement of financial position and categories of financial instruments. (continued)

	FVOCI – equity instruments	Amortised cost	Total carrying amount	
	US\$	KHR'000 (Note 5)	US\$	KHR'000 (Note 5)
31 December 2024				
Cash on hand	-	7,433,706	7,433,706	29,920,667
Balances with the National Bank of Cambodia	-	59,463,408	59,463,408	239,340,217
Balances with other banks and financial institutions	-	31,500,744	31,500,744	126,790,495
Equity instruments at FVOCI	25,000	-	25,000	100,625
Loans and advances to cus- tomers	-	195,574,084	195,574,084	787,185,688
Other assets	-	616,648	616,648	2,482,009
Total financial assets	25,000	294,588,590	294,613,590	1,185,819,701
Deposits from other banks and financial institutions	-	6,678,327	6,678,327	26,880,266
Deposits from customers	-	202,472,988	202,472,988	814,953,777
Borrowings	-	210,971	210,971	849,158
Lease liabilities	-	2,614,025	2,614,025	10,521,451
Other liabilities	-	1,103,087	1,103,087	4,439,926
Total financial liabilities	-	213,079,398	213,079,398	857,644,578

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2025

34. Financial risk management**A. Introduction and overview**

The Bank has exposure to the following risks from financial instruments:

- credit risk;
- market risk;
- liquidity risk; and
- capital management.

This note presents information about the Bank's exposure to each of the above risks, the Bank's objectives, policies and processes for measuring and managing risk, and the Bank's management of capital.

The Bank holds the following financial assets and liabilities:

	31 December 2025		31 December 2024	
	US\$	KHR'000 (Note 5)	US\$	KHR'000 (Note 5)
Financial assets				
Cash on hand	8,836,028	35,458,980	7,433,706	29,920,667
Balances with the National Bank of Cambodia	93,281,662	374,339,310	59,463,408	239,340,217
Balances with other banks and financial institutions	33,636,436	134,983,018	31,500,744	126,790,495
Equity instruments at FVOCI	25,000	100,325	25,000	100,625
Loans and advances to customers	200,193,016	803,374,573	195,574,084	787,185,688
Other assets	454,512	1,823,956	616,648	2,482,009
	<u>336,426,654</u>	<u>1,350,080,162</u>	<u>294,613,590</u>	<u>1,185,819,701</u>
Financial liabilities				
Deposits from other banks and financial institutions	17,144,850	68,802,283	6,678,327	26,880,266
Deposits from customers	227,675,988	913,663,740	202,472,988	814,953,777
Borrowings	167,392	671,744	210,971	849,158
Lease liabilities	1,733,024	6,954,625	2,614,025	10,521,451
Other liabilities	2,917,787	11,709,080	1,103,087	4,439,926
	<u>249,639,041</u>	<u>1,001,801,472</u>	<u>213,079,398</u>	<u>857,644,578</u>

Risk management functional and governance structure

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 recognises 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.

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2025

34. Financial risk management (continued)

B. Credit risk

'Credit risk' is the risk of financial loss to the Bank if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Bank's loans and advances to customers and banks and other financial institutions, investment debt securities and off-balance sheet. For risk management reporting purposes, the Bank considers and consolidates all elements of credit risk exposure – e.g. individual obligor default risk, country and sector risk.

Credit risk is the potential loss of revenue and principal losses arising mainly from loans and advances and loan commitments as a result of default by the borrowers or counterparties through its lending activities.

(i). Management of credit risk

The lending activities are guided by the Bank's credit policy to ensure that the overall objectives in the area of lending are achieved, i.e., that the loan portfolio is strong and healthy, and credit risks are well diversified. The credit policy documents the lending policy, collateral policy and credit approval processes, including the Branch's own internal credit risk rating system, and procedures implemented to ensure compliance with NBC Guidelines.

The Bank has established the Credit Policy which is designed to govern the Bank's risk undertaking activities. Extension of credit is governed by credit programs that set out the plan for a particular product or portfolio, including the target market, terms and conditions, documentation and procedures under which a credit product will be offered and measured.

Credit risk ratings are reviewed and updated on an annual basis, and in events of (i) change of loan terms and conditions including extension; (ii) repayment irregularities or delinquencies and (iii) adverse information relating to the borrower or transaction.

Management of credit risk is mainly based on:

- a system of delegation of powers to specific persons, reviewed annually by the Commitments Department and Credit Risk Department;
- an internal rating system that is highly integrated into the decision-making process;
- risk-spreading criteria;
- the following up on commitments on a continuous flow basis, with the help of an automated system of "position monitoring", of close-outs for depreciable trials and of defective accounts;
- reinforced detection and prevention of risks with retail, professional and corporate customers via the action of branch network employees and their hierarchy of monitoring tools; and
- permanent control conducted by the Credit Risk Department on regular basis, through a sample selection.

(ii). Concentration of credit risk

The Board of Directors created the Bank Credit Committee for the oversight of credit risk. A separate Bank Credit department, reporting to the Bank Credit Committee, is responsible for managing the Bank's credit risk.

The following table presents the Bank's maximum exposure to credit risk of on-balance sheet and off-balance sheet financial instruments, without taking into account of any collateral held or other credit enhancements. For on-balance sheet assets, the exposure to credit risk equals their carrying amounts. For contingent liabilities such as unused portion of credit facilities, letters of credits and bankers' guarantees, the maximum exposure to credit risk is the maximum amount that the Bank would have to pay if the obligations of the instruments issued are called upon. For credit commitments, the maximum exposure to credit risk is the full amount of the undrawn credit facilities granted to customers.

56 NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2025

34. Financial risk management (continued)

B. Credit risk (continued)

(ii). Concentration of credit risk (continued)

Type of credit exposure

	Maximum credit exposure US\$	Maximum credit exposure KHR'000 (Note 5)	Fully subject to collateral/credit enhancement %	Partially subject to collateral/credit enhancement %	Unsecured and not subject to collateral/credit enhancement %
31 DECEMBER 2025					
On Balance sheet items					
Balances with the National Bank of Cambodia	93,281,662	374,339,310	-	-	100%
Balances with other banks and financial institutions	33,636,436	134,983,018	-	-	100%
Equity instruments at FVOCI	25,000	100,325	-	-	100%
Loans and advances to customers	200,193,016	803,374,573	-	98.57%	1.43%
Other assets	454,512	1,823,956	-	-	100%
Total	327,590,626	1,314,621,182			
Off-Balance sheet items					
Commitments	16,239,268	65,168,182	100%	-	-
Total	343,829,894	1,379,789,364			

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2025

34. Financial risk management (continued)

B. Credit risk (continued)

(ii). *Concentration of credit risk* (continued)

Type of credit exposure (continued)

	Maximum credit exposure US\$	Maximum credit exposure KHR'000 (Note 5)	Fully subject to collateral/credit enhancement %	Partially subject to collateral/credit enhancement %	Unsecured and not subject to collateral/credit enhancement %
31 DECEMBER 2024					
On Balance sheet items					
Balances with the National Bank of Cambodia	59,463,408	239,340,217	-	-	100%
Balances with other banks and financial institutions	31,500,744	126,790,495	-	-	100%
Equity instruments at FVOCI	25,000	100,625	-	-	100%
Loans and advances to customers	195,574,084	787,185,688	-	98.26%	1.74%
Other assets	616,648	2,482,009	-	-	100%
Total	287,179,884	1,155,899,034			
Off - Balance sheet items					
Commitments	12,589,275	50,671,831	100%	-	-
Total	299,769,159	1,206,570,865			

53 **NOTES TO THE FINANCIAL STATEMENTS** (continued)
FOR THE YEAR ENDED 31 DECEMBER 2025

34. Financial risk management (continued)

B. Credit risk (continued)

(ii). *Concentration of credit risk (continued)*

Concentration by industrial sectors

	Balance with National Bank of Cambodia US\$	Balance with other banks and financial institutions US\$	Loans and advances to customers US\$	Other assets US\$	Total US\$
31 DECEMBER 2025					
Financial intermediaries	93,281,662	33,639,195	-	-	126,920,857
Consumers	-	-	68,007,049	-	68,007,049
Wholesale and retail	-	-	33,515,056	-	33,515,056
Real estate and construction	-	-	22,455,044	-	22,455,044
Mining	-	-	25,801,026	-	25,801,026
Imports and exports	-	-	4,664,203	-	4,664,203
Services	-	-	1,693,064	-	1,693,064
OTHER INDUSTRIES	-	-	54,362,967	501,107	54,864,074
Gross amounts (US\$)	93,281,662	33,639,195	210,498,409	501,107	337,920,373
Less: impairment loss	-	(2,759)	(10,305,393)	(46,595)	(10,354,747)
Carrying amounts (US\$)	93,281,662	33,636,436	200,193,016	454,512	327,565,626
Carrying amounts (KHR'000 - Note 5)	374,339,310	134,983,018	803,374,573	1,823,957	1,314,520,857

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2025

34. Financial risk management (continued)

B. Credit risk (continued)

(ii) *Concentration of credit risk* (continued)

Concentration by industrial sectors (continued)

	Balance with National Bank of Cambodia US\$	Balance with other banks and financial institutions US\$	Loans and advances to customers US\$	Other assets US\$	Total US\$
31 DECEMBER 2024					
Financial intermediaries	31,500,744	25,000	-	-	31,525,744
Consumers	-	-	73,592,773	-	73,592,773
Wholesale and retail	-	-	37,597,486	-	37,597,486
Real estate and construction	-	-	23,167,503	-	23,167,503
Mining	-	-	25,343,794	-	25,343,794
Imports and exports	-	-	5,845,281	-	5,845,281
Services	-	-	2,197,476	-	2,197,476
OTHER INDUSTRIES	-	-	35,989,057	-	35,989,057
Gross amounts (US\$)	31,500,744	25,000	203,733,370	-	235,259,114
Less: impairment loss	-	(20,570)	(8,159,286)	-	(8,179,856)
Carrying amounts (US\$)	31,500,744	4,430	195,574,084	-	227,079,258
Carrying amounts (KHR'000 - Note 5)	126,790,495	17,831	787,185,688	-	913,994,013

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2025

34. Financial risk management (continued)

B. Credit risk (continued)

(iii). Collateral

Whilst the Bank's maximum exposure to credit risk is the carrying amount of the assets or, in the case of off-balance sheet instruments, the amount guaranteed, committed, accepted or endorsed, the likely exposure may be lower due to offsetting collateral, credit guarantees and other actions taken to mitigate the Bank's exposure.

The description of collateral for each class of financial asset is set out below.

Balances with the National Bank of Cambodia, balance with other banks and financial institutions, and other assets

Collateral is generally not sought for these assets.

Loans and advances to customers and commitments

Certain loans and advances to customers and commitments are typically collateralised to a substantial extent. In particular, residential mortgage exposures are generally fully secured by residential properties.

(iv). Credit quality analysis

Pursuant to the NBC guideline Prakas B7.017.344, the Bank has followed and applied the following policy which defined each credit grading according to its credit quality as follows:

Normal

Outstanding facility is repaid on timely manner and is not in doubt for the future repayment. Repayment is steadily made according to the contractual terms and the facility does not exhibit any potential weakness in repayment capability, business, cash flow and financial position of the counterparty.

Special Mention

A facility in this class is currently protected and may not be past due but it exhibits potential weaknesses that may adversely affect repayment of the counterparty at the future date, if not corrected in a timely manner, and close attention by the Institution.

Weaknesses include but are not limited to a declining trend in the business operations of the counterparty or in its financial position, and adverse economic and market conditions that all might affect its profitability and its future repayment capacity, or deteriorating conditions on the collateral. This class has clearly its own rational and should not be used as a compromise between Normal and Substandard.

Substandard

A facility ranked in this class exhibits noticeable weakness and is not adequately protected by the current business or financial position and repayment capacity of the counterparty. In essence, the primary source of repayment is not sufficient to service the debt, not taking into account the income from secondary sources such as the realization of the collateral.

Factors leading to a substandard classification include:

- Inability of the counterparty to meet the contractual repayments' terms,
- Unfavourable economic and market conditions that would adversely affect the business and profitability of the counterparty in the future,
- Weakened financial condition and/or inability of the counterparty to generate enough cash flow to service the payments,
- Difficulties experienced by the counterparty in repaying other facilities granted by the Institution or by other institutions when the information is available, and
- Breach of financial covenants by the counterparty.

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2025

34. Financial risk management (continued)

B. Credit risk (continued)

Doubtful

A facility classified in this category exhibits more severe weaknesses than one classified Substandard such that its full collection on the basis of existing facts, conditions or collateral value is highly questionable or improbable. The prospect of loss is high, even if the exact amount remains undetermined for now.

Loss

A facility is classified Loss when it is not collectable, and little or nothing can be done to recover the outstanding amount from the counterparty.

Long-term facilities (more than one year)

GRADES	DPD	DEFAULT INDICATOR
Normal	$0 \leq \text{DPD} < 30$	Performing
Special Mention	$30 \leq \text{DPD} < 90$	Underperforming
Substandard	$90 \leq \text{DPD} < 180$	
Doubtful	$180 \leq \text{DPD} < 360$	Nonperforming
Loss	$\text{DPD} \geq 360$	

Short-term facilities (one year or less)

GRADES	DPD	DEFAULT INDICATOR
Normal	$0 \leq \text{DPD} \leq 14$	Performing
Special Mention	$15 \leq \text{DPD} \leq 30$	Underperforming
Substandard	$31 \leq \text{DPD} \leq 60$	
Doubtful	$61 \leq \text{DPD} \leq 90$	Nonperforming
Loss	$\text{DPD} \geq 91$	

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2025

34. Financial risk management (continued)**B. Credit risk** (continued)**(iv). Credit quality analysis** (continued)**Recognition of ECL**

The Bank apply a three-stage approach based on the change in credit quality since initial recognition:

3-Stage approach	Stage 1	Stage 2	Stage 3
	Performing	Underperforming	Nonperforming
Recognition of expected credit losses	12 months expected credit losses	Lifetime expected credit losses	Lifetime expected credit losses
Criterion	No significant increase in credit risk	Credit risk increased significantly	Credit impaired assets
Basis of calculation of profit revenue	On gross carrying amount	On gross carrying amount	On net carrying amount

The Bank measures ECL using general approach. The general approach consists of segregating the customers into three different stages according to the staging criteria by assessing the credit risk. 12-month ECL will be computed for Stage 1, while lifetime ECL will be computed for Stage 2 and Stage 3. At each reporting date, the Bank will assess credit risk of each account as compared to the risk level at origination date.

- 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 recognises 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 for both short-term and long-term instruments; instruments with credit risk improved and instruments reclassified from Stage 3. The Bank recognises 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”. The Bank recognises a lifetime ECL for Stage 3 financial instruments.

The Bank uses day past due (DPD) information, NBC’s classification and other qualitative criteria for staging criteria.

As for financial assets that are short term in nature, simplified approach will be adopted where no staging criteria is required. In this case, it will be either performing (Stage1) or non-performing.

The following tables set out information about the credit quality of financial assets measured at amortised cost without taking into account collateral or other credit enhancement. Unless specifically indicated, for financial assets the amounts in the table represent gross carrying amounts. For loan commitments and financial guarantee contracts, the amounts in the table represent the amounts committed or guaranteed, respectively.

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2025

34. Financial risk management (continued)**B. Credit risk** (continued)**(iv). Credit quality analysis** (continued)**Recognition of ECL** (continued)

	31 December 2025			
	Stage 1 US\$	Stage 2 US\$	Stage 3 US\$	Total US\$
Loans and advances to customers at amortised cost				
Normal	167,313,477	289,767	9,154,872	176,758,116
Special Mention	1,465,751	204,529	3,616,997	5,287,277
Substandard	-	-	2,378,157	2,378,157
Doubtful	-	-	3,601,600	3,601,600
Loss	-	-	22,473,259	22,473,259
	<u>168,779,228</u>	<u>494,296</u>	<u>41,224,885</u>	<u>210,498,409</u>
Impairment losses	(2,038,222)	(53,967)	(8,213,204)	(10,305,393)
Carrying amounts (US\$)	<u>166,741,006</u>	<u>440,329</u>	<u>33,011,681</u>	<u>200,193,016</u>
Carrying amounts (KHR'000)	<u>669,131,657</u>	<u>1,767,040</u>	<u>132,475,876</u>	<u>803,374,573</u>
	31 December 2024			
	Stage 1 US\$	Stage 2 US\$	Stage 3 US\$	Total US\$
Loans and advances to customers at amortised cost				
Normal	171,333,966	317,826	7,190,215	178,842,007
Special Mention	2,579,713	407,422	1,678,943	4,666,078
Substandard	-	-	1,164,740	1,164,740
Doubtful	-	-	1,217,195	1,217,195
Loss	-	-	17,843,350	17,843,350
	<u>173,913,679</u>	<u>725,248</u>	<u>29,094,443</u>	<u>203,733,370</u>
Impairment losses	(1,448,113)	(87,889)	(6,623,284)	(8,159,286)
Carrying amounts (US\$)	<u>172,465,566</u>	<u>637,359</u>	<u>22,471,159</u>	<u>195,574,084</u>
Carrying amounts (KHR'000)	<u>694,173,903</u>	<u>2,565,370</u>	<u>90,446,415</u>	<u>787,185,688</u>

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2025

34. Financial risk management (continued)**B. Credit risk** (continued)*(iv). Credit quality analysis (continued)***Recognition of ECL (continued)**

	31 December 2025			
	Stage 1 US\$	Stage 2 US\$	Stage 3 US\$	Total US\$
Balances with other banks and financial institutions				
Normal	33,639,195	-	-	33,639,195
Less: Impairment loss allowance	(2,759)	-	-	(2,759)
Carrying amounts (US\$)	33,636,436	-	-	33,636,436
Carrying amounts (KHR'000)	134,983,018	-	-	134,983,018

	31 December 2025			
	Stage 1 US\$	Stage 2 US\$	Stage 3 US\$	Total US\$
Balances with other banks and financial institutions				
Normal	31,521,314	-	-	31,521,314
Less: Impairment loss allowance	(20,570)	-	-	(20,570)
Carrying amounts (US\$)	31,500,744	-	-	31,500,744
Carrying amounts (KHR'000)	126,790,495	-	-	126,790,495

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2025

34. Financial risk management (continued)**B. Credit risk** (continued)*(iv). Credit quality analysis (continued)***Recognition of ECL (continued)**

	31 December 2024			
	Stage 1 US\$	Stage 2 US\$	Stage 3 US\$	Total US\$
Loan commitments				
Normal	16,456,855	-	-	16,456,855
Less: Impairment loss allowance	(217,587)	-	-	(217,587)
Carrying amounts (US\$)	16,239,268	-	-	16,239,268
Carrying amounts (KHR'000)	65,168,182	-	-	65,168,182

	31 December 2024			
	Stage 1 US\$	Stage 2 US\$	Stage 3 US\$	Total US\$
Loan commitments				
Normal	12,737,656	-	-	12,737,656
Less: Impairment loss allowance	(148,381)	-	-	(148,381)
Carrying amounts (US\$)	12,589,275	-	-	12,589,275
Carrying amounts (KHR'000)	50,671,831	-	-	50,671,831

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2025

34. Financial risk management (continued)

B. Credit risk (continued)

(iv). Credit quality analysis (continued)

Recognition of ECL (continued)

Incorporation of forward-looking information

The Bank incorporates forward-looking information into the measurement of ECL.

External information considered includes economic data and forecasts published by governmental bodies and monetary authorities in the countries where the Bank operates, supranational organisations such as the International Monetary Fund, and selected private-sector and academic forecasters.

The Bank has identified and documented key drivers of credit risk and credit losses for each portfolio of financial instruments in accordance with each country and, using an analysis of historical data, has estimated relationships between macro-economic variables and credit risk and credit losses.

For a better understanding of the impact on impairment losses caused by the anticipated modification of the risk (forward-looking method), the impairment losses are analysed between:

- impairment corresponding to the intrinsic risk of a stable environments and
- an impairment corresponding to anticipated risk defined through the combination of economic scenarios (baseline, optimistic and adverse).

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2025

34. Financial risk management (continued)**B. Credit risk** (continued)**(v). Amounts arising from ECL****Recognition of ECL****Loss allowance**

The following tables show reconciliation from the opening to the closing balance of the loss allowance by class of financial instrument.

	2025			
	Stage 1 US\$	Stage 2 US\$	Stage 3 US\$	Total US\$
Impairment loss allowance on loans and advances to customers				
Balance at 1 January	1,448,113	87,889	6,623,284	8,159,286
- Transfer to Stage 1	131,317	(4,952)	(126,365)	-
- Transfer to Stage 2	(5,511)	5,511	-	-
- Transfer to Stage 3	(108,317)	(1,310)	109,627	-
Net remeasurement of loss allowance	419,656	38,388	529,328	987,372
New financial assets originated or purchased	705,351	-	1,954,699	2,660,050
Financial assets that have derecognized	(552,387)	(71,559)	(1,545,405)	(2,169,351)
Unwind of discount	-	-	668,036	668,036
Balance at 31 December (US\$)	2,038,222	53,967	8,213,204	10,305,393
Balance at 31 December (KHR'000)	8,179,385	216,570	32,959,588	41,355,542
	2024			
	Stage 1 US\$	Stage 2 US\$	Stage 3 US\$	Total US\$
Impairment loss allowance on loans and advances to customers				
Balance at 1 January	650,638	475,006	15,483,499	16,609,143
- Transfer to Stage 1	154,968	(101,641)	(53,327)	-
- Transfer to Stage 2	(1,474)	1,474	-	-
- Transfer to Stage 3	(17,894)	(172,843)	190,737	-
Net remeasurement of loss allowance	263,579	62,877	(813,375)	(486,919)
New financial assets originated or purchased	690,163	12,658	1,712,933	2,415,754
Financial assets that have been derecognised	(291,867)	(189,642)	(9,897,183)	(10,378,692)
Balance at 31 December (US\$)	1,448,113	87,889	6,623,284	8,159,286
Balance at 31 December (KHR'000)	5,828,655	353,753	26,658,718	32,841,126

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2025

34. Financial risk management (continued)**B. Credit risk** (continued)**(v). Amounts arising from ECL** (continued)**Recognition of ECL** (continued)**Loss allowance** (continued)

The following tables show reconciliation from the opening to the closing balance of the loss allowance by class of financial instrument. (continued)

	2025			
	Stage 1 US\$	Stage 2 US\$	Stage 3 US\$	Total US\$
Loans and advances to customers				
Balance at 1 January	173,913,679	725,248	29,094,443	203,733,370
- Transfer to Stage 1	623,602	(69,179)	(554,423)	-
- Transfer to Stage 2	(432,863)	432,863	-	-
- Transfer to Stage 3	(3,331,124)	(8,903)	3,340,027	-
Net remeasurement of loss allowance	(8,103,447)	(55,588)	6,125,239	(2,033,796)
New financial assets originated or purchased	69,918,576	-	9,648,071	79,566,647
Financial assets that have been derecognised	(63,809,195)	(530,145)	(6,428,472)	(70,767,812)
Balance at 31 December (US\$)	<u>168,779,228</u>	<u>494,296</u>	<u>41,224,885</u>	<u>210,498,409</u>
Balance at 31 December (KHR'000)	<u>677,311,042</u>	<u>1,983,610</u>	<u>165,435,464</u>	<u>844,730,115</u>
2024				
	Stage 1 US\$	Stage 2 US\$	Stage 3 US\$	Total US\$
Loans and advances to customers				
Balance at 1 January	163,567,423	4,985,240	28,319,016	196,871,679
- Transfer to Stage 1	1,324,873	(1,173,659)	(151,214)	-
- Transfer to Stage 2	(461,834)	461,834	-	-
- Transfer to Stage 3	(5,488,844)	(1,721,278)	7,210,122	-
New financial assets originated or purchased	80,651,283	153,620	6,729,653	87,534,556
Financial assets that have been derecognised	(65,679,222)	(1,980,509)	(13,013,134)	(80,672,865)
Balance at 31 December (US\$)	<u>173,913,679</u>	<u>725,248</u>	<u>29,094,443</u>	<u>203,733,370</u>
Balance at 31 December (KHR'000)	<u>700,002,558</u>	<u>2,919,123</u>	<u>117,105,133</u>	<u>820,026,814</u>

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2025

34. Financial risk management (continued)**B. Credit risk** (continued)**(v). Amounts arising from ECL** (continued)**Recognition of ECL** (continued)**Loss allowance** (continued)

The following tables show reconciliation from the opening to the closing balance of the loss allowance by class of financial instrument. (continued)

	2025			
	Stage 1 US\$	Stage 2 US\$	Stage 3 US\$	Total US\$
Impairment loss allowance on balances with other banks and financial institutions				
Balance at 1 January	20,570	-	-	20,570
Net remeasurement of loss allowance	(17,811)	-	-	(17,811)
Balance at 31 December (US\$)	2,759	-	-	2,759
Balance at 31 December (KHR'000)	11,072	-	-	11,072
	2024			
	Stage 1 US\$	Stage 2 US\$	Stage 3 US\$	Total US\$
Impairment loss allowance on balances with other banks and financial institutions				
Balance at 1 January	1,160	-	-	1,160
Net remeasurement of loss allowance	19,410	-	-	19,410
Balance at 31 December (US\$)	20,570	-	-	20,570
Balance at 31 December (KHR'000)	82,794	-	-	82,794

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2025

34. Financial risk management (continued)**B. Credit risk** (continued)**(v). Amounts arising from ECL** (continued)**Recognition of ECL** (continued)**Loss allowance** (continued)

The following tables show reconciliation from the opening to the closing balance of the loss allowance by class of financial instrument. (continued)

	2025			
	Stage 1 US\$	Stage 2 US\$	Stage 3 US\$	Total US\$
Impairment loss allowance on loan commitments				
Balance at 1 January	21,787	-	-	21,787
Net remeasurement of loss allowance	195,800	-	-	195,800
Balance at 31 December (US\$)	217,587	-	-	217,587
Balance at 31 December (KHR'000)	873,177	-	-	873,177
	2024			
	Stage 1 US\$	Stage 2 US\$	Stage 3 US\$	Total US\$
Impairment loss allowance on loan commitments				
Balance at 1 January	21,787	-	-	21,787
Net remeasurement of loss allowance	126,594	-	-	126,594
Balance at 31 December (US\$)	148,381	-	-	148,381
Balance at 31 December (KHR'000)	595,453	-	-	595,453

C. Market risk

Market risk is the risk that changes in market prices – e.g. interest rates, foreign exchange rates and equity prices – will affect the Bank's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

(i). Interest rate risk

Interest rate risk refers to the volatility in net interest income as a result of changes in the levels of interest rate and shifts in the composition of the assets and liabilities. Interest rate risk is managed through close monitoring of returns on investment, market pricing and cost of funds. The potential reduction in net interest income from an unfavourable interest rate movement is regularly monitored against the risk tolerance limits set.

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2025

34. Financial risk management (continued)

C. Market risk (continued)

(i). Interest rate risk (continued)

The following is a summary of the Bank's interest rate gap position. The interest rate repricing gap table analyses the full-term structure of interest rate mismatches within the Bank's balance sheet based on either (i) the next repricing date or the maturity date if floating rate or (ii) the maturity date if fixed rate.

As at 31 December 2025	Carrying amount US\$	Up to 1 month US\$	> 1-3 months US\$	> 3-6 months US\$	> 6-12 months US\$	> 1 to 5 years US\$	Over 5 years US\$	Non-interest bearing US\$
Financial assets								
Cash on hand	8,836,028	-	-	-	-	-	-	8,836,028
Balances with the National Bank of Cambodia	93,281,662	-	-	-	853,910	-	-	92,427,752
Balances with other banks and financial institutions	33,636,436	-	-	-	4,157,225	-	-	29,479,211
Equity instruments at FVOCI	25,000	-	-	-	-	-	-	25,000
Loans and advances to customers	200,193,016	9,219,557	14,448,240	19,374,534	29,850,650	21,931,806	105,368,229	-
Other assets	454,512	-	-	-	-	-	-	454,512
	<u>336,426,654</u>	<u>9,219,557</u>	<u>14,448,240</u>	<u>19,374,534</u>	<u>34,861,785</u>	<u>21,931,806</u>	<u>105,368,229</u>	<u>131,222,503</u>
Financial assets								
Deposits from customers	17,144,850	1,705,326	5,169,750	10,269,774	-	-	-	-
Deposits from other banks and financial institutions	227,675,988	42,883,443	51,506,449	36,587,740	83,843,047	12,855,309	-	-
Borrowings	167,392	3,678	11,096	11,152	22,475	118,991	-	-
Lease liabilities	1,733,024	30,401	64,029	87,007	218,915	1,023,468	309,204	-
Other liabilities	2,917,787	-	-	-	-	-	-	2,917,787
	<u>249,639,041</u>	<u>44,622,848</u>	<u>56,751,324</u>	<u>46,955,673</u>	<u>84,084,437</u>	<u>13,997,768</u>	<u>309,204</u>	<u>2,917,787</u>
Interest sensitivity gap	86,787,613	(35,403,291)	(42,303,084)	(27,581,139)	(49,222,652)	7,934,038	105,059,025	128,304,716
(KHR'000 equivalents - Note 5)	<u>348,278,691</u>	<u>(142,073,407)</u>	<u>(169,762,276)</u>	<u>(110,683,111)</u>	<u>(197,530,502)</u>	<u>31,839,294</u>	<u>421,601,867</u>	<u>514,886,825</u>

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2025

34. Financial risk management (continued)

C. Market risk (continued)

(i). Interest rate risk (continued)

The following is a summary of the Bank's interest rate gap position. The interest rate repricing gap table analyses the full-term structure of interest rate mismatches within the Bank's balance sheet based on either (i) the next repricing date or the maturity date if floating rate or (ii) the maturity date if fixed rate. (continued)

	Carrying amount US\$	Up to 1 month US\$	> 1-3 months US\$	> 3-6 months US\$	> 6-12 months US\$	> 1 to 5 years US\$	Over 5 years US\$	Non-interest bearing US\$
As at 31 December 2024								
Financial assets								
Cash on hand	7,433,706	-	-	-	-	-	-	7,433,706
Balances with the National Bank of Cambodia	59,463,408	-	-	-	482,719	-	-	58,980,689
Balances with other banks and financial institutions	31,500,744	1,002,075	-	-	8,124,491	-	-	22,374,178
Equity instruments at FVOCI	25,000	-	-	-	-	-	-	25,000
Loans and advances to customers	195,574,084	9,704,266	10,958,371	5,228,287	17,079,595	43,026,792	109,576,773	-
Other assets	616,648	-	-	-	-	-	-	616,648
	294,613,590	10,706,341	10,958,371	5,228,287	25,686,805	43,026,792	109,576,773	89,430,221
Financial assets								
Deposits from customers	6,678,327	1,668,744	-	5,009,583	-	-	-	-
Deposits from other banks and financial institutions	202,472,988	45,755,166	21,105,018	17,095,186	112,241,948	6,208,338	67,332	-
Borrowings	210,971	4,016	12,048	12,048	24,096	158,763	-	-
Lease liabilities	2,614,025	64,671	194,013	194,013	388,026	1,773,302	-	-
Other liabilities	1,103,087	-	-	-	-	-	-	1,103,087
	213,079,398	47,492,597	21,311,079	22,310,830	112,654,070	8,140,403	67,332	1,103,087
Interest sensitivity gap	81,534,192	(36,786,256)	(10,352,708)	(17,082,543)	(86,967,265)	34,886,389	109,509,441	88,327,134
(KHR'000 equivalents - Note 5)	328,175,123	(148,064,680)	(41,669,650)	(68,757,236)	(350,043,242)	140,417,716	440,775,500	355,516,714

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2025

34. Financial risk management (continued)**C. Market risk** (continued)**(i). Interest rate risk** (continued)

A change of 100 basis points in interest rates at the reporting date would have increased/(decreased) equity and profit or loss by the amounts shown below. The analysis assumes that all other variables, in particular foreign currency rates, remain constant.

	Profit or loss		Equity	
	100 bp Increase US\$	100 bp Decrease US\$	100 bp Increase US\$	100 bp Decrease US\$
Borrowings				
31 December 2025				
Variable rate instruments				
At 31 December	167,392	167,392	167,392	167,392
Average for the year	(1,674)	1,674	(1,674)	1,674
Maximum for the year	(1,903)	1,903	(1,903)	1,903
Minimum for the year	(2,074)	2,074	(2,074)	2,074
31 December 2025				
Variable rate instruments				
At 31 December	210,971	210,971	210,971	210,971
Average for the year	(2,110)	2,110	(2,110)	2,110
Maximum for the year	(2,500)	2,500	(2,500)	2,500
Minimum for the year	(2,110)	2,110	(2,110)	2,110

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2025

34. Financial risk management (continued)**C. Market risk** (continued)**(ii). Foreign currency exchange risk**

Foreign currency exchange risk is the risk that the value of financial instruments will fluctuate due to changes in foreign exchange rates.

Concentration of currency risk

The carrying amounts of financial assets and liabilities, by currency denomination, are as follows:

	Denomination US\$ equivalents			Total
	KHR	US\$	Other	
As at 31 December 2025				
Financial assets				
Cash on hand	147,035	4,422,233	4,266,760	8,836,028
Balances with the National Bank of Cambodia	27,618,350	65,663,312	-	93,281,662
Balances with other banks and financial institutions	10,709	30,637,193	2,988,534	33,636,436
Equity instruments at FVOCI	-	25,000	-	25,000
Loans and advances to customers	29,696,501	170,496,515	-	200,193,016
Other assets	-	454,512	-	454,512
	57,472,595	271,698,765	7,255,294	336,426,654
As at 31 December 2025				
Financial liabilities				
Deposits from customers	5,128,558	11,514,831	501,461	17,144,850
Deposits from other banks and financial institutions	12,118,401	215,545,375	12,212	227,675,988
Borrowings	-	167,392	-	167,392
Lease liabilities	-	1,733,024	-	1,733,024
Other liabilities	-	2,917,787	-	2,917,787
	17,246,959	231,878,409	513,673	249,639,041
Net asset position	40,225,636	39,820,356	6,741,621	86,787,613
KHR'000 equivalents (Note 5)	161,425,478	159,799,088	27,054,125	348,278,691

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2025

34. Financial risk management (continued)**C. Market risk** (continued)**(ii). Foreign currency exchange risk** (continued)**Concentration of currency risk** (continued)

The carrying amounts of financial assets and liabilities, by currency denomination, are as follows:
(continued)

	Denomination US\$ equivalents			Total
	KHR	US\$	Other	
As at 31 December 2024				
Financial assets				
Cash on hand	296,345	7,049,554	87,807	7,433,706
Balances with the National Bank of Cambodia	24,955,462	34,507,946	-	59,463,408
Balances with other banks and financial institutions	10,709	30,639,952	850,083	31,500,744
Equity instruments at FVOCI	-	25,000	-	25,000
Loans and advances to customers	23,973,611	171,600,473	-	195,574,084
Other assets	-	616,648	-	616,648
	<u>49,236,127</u>	<u>244,439,573</u>	<u>937,890</u>	<u>294,613,590</u>
As at 31 December 2024				
Financial liabilities				
Deposits from customers	-	6,213,447	464,880	6,678,327
Deposits from other banks and financial institutions	13,703,783	188,761,553	7,652	202,472,988
Borrowings	-	210,971	-	210,971
Lease liabilities	-	2,614,025	-	2,614,025
Other liabilities	-	1,103,087	-	1,103,087
	<u>13,703,783</u>	<u>198,903,083</u>	<u>472,532</u>	<u>213,079,398</u>
Net asset position	<u>35,532,344</u>	<u>45,536,490</u>	<u>465,358</u>	<u>81,534,192</u>
KHR'000 equivalents (Note 5)	<u>143,017,685</u>	<u>183,284,372</u>	<u>1,873,066</u>	<u>328,175,123</u>

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2025

34. Financial risk management (continued)**C. Market risk** (continued)**(ii). Foreign currency exchange risk** (continued)**Sensitivity analysis**

Considering that other risk variables remain constant, the foreign currency revaluation sensitivity for the Bank as at reporting date is summarised as follows (only exposures in currencies that accounts for more than 5 percent of the net open positions are shown in its specific currency in the table below. For other currencies, these exposures are grouped as 'Others'):

	2025		2024	
	+ 1% Appreciation US\$	- 1% Depreciation US\$	+ 1% Appreciation US\$	- 1% Depreciation US\$
KHR	402,256	(402,256)	355,323	(355,323)
Others	67,416	(67,416)	4,654	(4,654)
	<u>469,672</u>	<u>(469,672)</u>	<u>359,977</u>	<u>(359,977)</u>
KHR'000 (Note 5)	<u>1,884,794</u>	<u>(1,884,794)</u>	<u>1,448,907</u>	<u>(1,448,907)</u>

D. Liquidity risk

'Liquidity risk' is the risk that the Bank will encounter difficulty in meeting obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. Liquidity risk arises from mismatches in the timing and amounts of cash flows, which is inherent to the Bank's operations and investments.

(i). Foreign currency exchange risk

The table below summarises the Bank's assets and liabilities based on remaining contractual maturities. The expected cash flows of these assets and liabilities could vary significantly from what is shown in the table. For example, deposits from customers are not all expected to be withdrawn immediately.

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2025

34. Financial risk management (continued)

D. Liquidity risk (continued)

(ii). Maturity analysis for financial liabilities and financial assets

The following tables set out the remaining contractual maturities of the Bank's financial liabilities and financial assets.

	Carrying amount US\$	Gross nominal inflow/ (outflow) US\$	Up to 1 month US\$	> 1-3 months US\$	> 3-6 months US\$	> 6-12 months US\$	> 1 to 5 years US\$	Over 5 years US\$
As at 31 December 2025								
Financial assets								
Cash on hand	8,836,028	8,836,028	8,836,028	-	-	-	-	-
Balances with the National Bank of Cambodia	93,281,662	93,281,826	92,427,752	-	-	854,074	-	-
Balances with other banks and financial institutions	33,636,436	33,697,567	29,481,970	-	-	4,215,597	-	-
Financial assets at FVOCI	25,000	25,000	25,000	-	-	-	-	-
Loans and advances to customers	200,193,016	277,193,440	33,115,198	13,355,830	34,798,575	29,008,153	79,501,402	87,414,282
Other assets	454,512	454,512	454,512	-	-	-	-	-
	<u>336,426,654</u>	<u>413,488,373</u>	<u>164,340,460</u>	<u>13,355,830</u>	<u>34,798,575</u>	<u>34,077,824</u>	<u>79,501,402</u>	<u>87,414,282</u>
Financial liabilities by type								
Deposits from customers	17,144,850	(17,371,897)	(1,705,325)	(5,211,366)	(10,455,206)	-	-	-
Deposits from other banks and financial institutions	227,675,988	(234,203,099)	(42,929,965)	(52,067,369)	(37,537,903)	(87,697,181)	(13,970,681)	-
Borrowings	167,392	(175,008)	(4,016)	(8,031)	(12,047)	(24,094)	(126,820)	-
Lease liabilities	1,733,024	(2,042,101)	(39,228)	(81,255)	(111,589)	(272,269)	(1,186,412)	(351,348)
Other liabilities	2,917,787	(2,917,787)	(2,917,787)	-	-	-	-	-
Issued loan commitments	217,587	(16,239,268)	(217,587)	-	-	-	-	-
	<u>249,856,628</u>	<u>(272,949,160)</u>	<u>(47,813,908)</u>	<u>(57,368,021)</u>	<u>(48,116,745)</u>	<u>(87,993,544)</u>	<u>(15,283,913)</u>	<u>(351,348)</u>
Net liquidity surplus/(gap)	86,570,026	140,539,213	116,526,552	(44,012,191)	(13,318,170)	(53,915,720)	64,217,489	87,062,934
KHR'000 equivalents (Note 5)	<u>347,405,514</u>	<u>563,983,861</u>	<u>467,621,052</u>	<u>(176,620,922)</u>	<u>(53,445,816)</u>	<u>(216,363,784)</u>	<u>257,704,783</u>	<u>349,383,554</u>

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2025

34. Financial risk management (continued)**D. Liquidity risk** (continued)**(ii). Maturity analysis for financial liabilities and financial assets** (continued)

The following tables set out the remaining contractual maturities of the Bank's financial liabilities and financial assets. (continued)

	Carrying amount US\$	Gross nominal inflow/ (outflow) US\$	Up to 1 month US\$	> 1-3 months US\$	> 3-6 months US\$	> 6-12 months US\$	> 1 to 5 years US\$	Over 5 years US\$
As at 31 December 2024								
Financial assets by type								
<i>Non-derivative assets</i>								
Cash on hand	7,433,706	7,433,706	7,433,706	-	-	-	-	-
Balances with the National Bank of Cambodia	59,463,408	59,469,281	58,980,689	-	-	488,592	-	-
Balances with other banks and financial institutions	31,500,744	31,931,755	23,380,537	-	-	8,551,218	-	-
Financial assets at FVOCI	25,000	25,000	25,000	-	-	-	-	-
Loans and advances to customers	195,574,084	280,816,759	39,197,395	12,699,692	20,618,501	25,062,473	85,909,916	97,328,782
Other assets	616,648	616,648	616,648	-	-	-	-	-
	<u>294,613,590</u>	<u>380,293,149</u>	<u>129,633,975</u>	<u>12,699,692</u>	<u>20,618,501</u>	<u>34,102,283</u>	<u>85,909,916</u>	<u>97,328,782</u>
Financial liabilities by type								
<i>Non-derivative liabilities</i>								
Deposits from customers	6,678,327	(17,371,897)	(1,705,325)	(5,211,366)	(10,455,206)	-	-	-
Deposits from other banks and financial institutions	202,472,988	(208,059,154)	(45,802,518)	(21,262,607)	(17,327,876)	(116,760,922)	(6,773,019)	(132,212)
Borrowings	210,971	(223,196)	(4,016)	(8,031)	(12,047)	(24,094)	(175,008)	-
Lease liabilities	2,614,025	(3,001,195)	(61,207)	(183,622)	(367,244)	(122,415)	(2,096,217)	(170,490)
Other liabilities	1,103,087	(1,103,087)	(1,103,087)	-	-	-	-	-
Issued loan commitments	148,381	(12,589,275)	(12,589,275)	-	-	-	-	-
	<u>213,227,779</u>	<u>(242,347,804)</u>	<u>(61,265,428)</u>	<u>(26,665,626)</u>	<u>(28,162,373)</u>	<u>(116,907,431)</u>	<u>(9,044,244)</u>	<u>(302,702)</u>
Net liquidity surplus/(gap)	<u>81,385,811</u>	<u>137,945,345</u>	<u>68,368,547</u>	<u>(13,965,934)</u>	<u>(7,543,872)</u>	<u>(82,805,148)</u>	<u>76,865,672</u>	<u>97,026,080</u>
KHR'000 equivalents (Note 5)	<u>327,577,889</u>	<u>555,230,014</u>	<u>275,183,402</u>	<u>(56,212,884)</u>	<u>(30,364,085)</u>	<u>(333,290,721)</u>	<u>309,384,330</u>	<u>390,529,972</u>

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2025

34. Financial risk management (continued)

D. Liquidity risk (continued)

(iii). Financial assets available to support future funding

The following table sets out the availability of the Bank's financial assets to support future funding.

	Encumbered		Unencumbered		Encumbered	
	Pledged as collateral US\$	Other (*) US\$	Available as collateral US\$	Other (*) US\$	US\$	KHR'000 (Note 5)
As at 31 December 2025						
Cash on hand	-	-	8,836,028	-	8,836,028	35,458,980
Balances with the National Bank of Cambodia	853,910	7,500,000	69,001,760	15,925,992	93,281,662	374,339,310
Balances with other banks and financial institutions	-	-	33,636,436	-	33,636,436	134,983,018
Financial assets at FVOCI	-	25,000	-	-	25,000	100,325
Loans and advances to customers	-	-	-	200,193,016	200,193,016	803,374,573
Other assets	-	-	-	454,512	454,512	1,823,956
	853,910	7,525,000	111,474,224	216,573,520	336,426,654	1,350,080,162
As at 31 December 2024						
Cash on hand	-	-	7,433,706	-	7,433,706	29,920,667
Balances with the National Bank of Cambodia	482,719	7,500,000	37,667,443	13,813,246	59,463,408	239,340,217
Balances with other banks and financial institutions	-	-	31,500,744	-	31,500,744	126,790,495
Financial assets at FVOCI	-	-	-	25,000	25,000	100,625
Loans and advances to customers	-	-	-	195,574,084	195,574,084	787,185,688
Other assets	-	-	-	616,648	616,648	2,482,009
	482,719	7,500,000	76,601,893	210,028,978	294,613,590	1,185,819,701

(*) Represents assets that are not pledged but that the Bank believes it is restricted from using to secure funding, for legal or other reasons.

(**) Represents assets that are not restricted for use as collateral, but that the Bank would not consider readily available to secure funding in the normal course of business.

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2025

34. Financial risk management (continued)**D. Capital management****(i). Regulatory capital**

The Bank's objectives when managing capital, which is a broader concept than the "equity" on the face of the statement of financial position, are:

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

The Bank's policy is to maintain a strong capital base so as to maintain market confidence and to sustain further development of the business. The impact of the level of capital on shareholders' return is also recognised and the Bank recognised the need to maintain a balance between the higher returns that might be possible with greater gearing and advantages and security afforded by a sound capital position.

On 9 January 2023, the NBC issued a circular on the implementation of Prakas on Capital Buffer in Banking and Financial Institutions, which the institution shall rebuild the capital conservation buffer ratio by 1.25% and 2.5% by 30 June 2023 and 31 December 2023, respectively. For the countercyclical capital buffer, the institution shall keep at level of 0%. On 23 November 2023, the NBC has announced to waive the implementation of Capital Conservation Buffer at 2.5% and maintain at 1.25% until 31 December 2024. For the countercyclical capital buffer, the institution shall keep at level of 0%. On 21 August 2024, NBC has allows the continuation and implementation of capital conservation buffer ratio at 1.25% until 31 December 2025.

The below table summarises the composition of the regulatory capital:

	31 December 2025	31 December 2024
	US\$	US\$
TIER 1 CAPITAL		
Share capital	75,000,000	75,000,000
Retained earnings	1,004,078	-
Audited net profit for the last financial year	7,915,389	6,539,319
Less: Accumulated losses	-	(4,539,654)
Less: Intangible assets	(329,367)	(481,305)
Less: Loans to related parties	(1,483,082)	(1,960,365)
	<u>82,107,018</u>	<u>74,557,995</u>
TIER 2 COMPLEMENTARY CAPITAL		
General provision	1,759,443	1,536,001
Less: Equity participation in banking or financial institutions	(25,000)	(25,000)
	<u>1,734,443</u>	<u>1,511,001</u>
Net liquidity surplus/(gap)	<u>83,841,461</u>	<u>76,068,996</u>
KHR'000 equivalents (Note 5)	<u>336,455,783</u>	<u>306,177,709</u>

(ii). Capital allocation

The allocation of capital between specific operations and activities is, to a large extent, driven by optimisation of the return achieved on the capital allocated. The amount of capital allocated to each operation or activity is based primarily upon the regulatory capital.

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2025

35. Fair values of financial instruments

Financial instruments comprise financial assets, financial liabilities and off-balance sheet instruments. 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 in the principal or, in its absence, the most advantageous market to which the Bank has access at that date. The information presented herein represents the estimates of fair values as at the financial position date.

Quoted and observable market prices, where available, are used as the measure of fair values of the financial instruments. Where such quoted and observable market prices are not available, fair values are estimated based on a range of methodologies and assumptions regarding risk characteristics of various financial instruments, discount rates, estimates of future cash flows and other factors.

Fair value information for non-financial assets and liabilities are excluded as they do not fall within the scope of CIFRS 7: Financial Instruments Disclosures which requires the fair value information to be disclosed. These include investment in subsidiaries and property and equipment.

The fair value of the Bank's financial instruments such as cash, balances with the National Bank of Cambodia, balances with other banks and financial institutions, deposits from other banks and financial institutions and customers, borrowings, other assets, other liabilities and borrowings 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 financial position date approximate their fair values.

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

A. Balances with the National Bank of Cambodia, and balances with other banks and financial institutions

The fair values of balances with the National Bank of Cambodia, and balances with other banks and financial institutions, and approximate their carrying amounts due to the short-term nature of these accounts.

B. Loans and advances to customers measured at amortised cost

The fair value of loans to other banks and financial institutions, loans and advances to customers is based on observable market transactions. Where observable market transactions are not available, fair value is estimated using valuation models, such as discounted cash flow techniques. Input into the valuation techniques includes expected lifetime credit losses, interest rates, prepayment rates and primary origination or secondary market spreads.

Input into the models may include data from third party and information obtained from other market participants, which includes observed primary and secondary transactions. Its carrying value approximates to fair value at the reporting date.

C. Financial assets at FVOCI

For fixed rate Financial assets at FVOCI with remaining period to maturity of less than or more than one year, the carrying amounts are generally reasonable estimates of their fair values.

D. Deposits from other banks and financial institutions and deposits from customers

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

The estimated fair value of deposits with no stated maturities, which includes non-interest bearing current accounts and savings deposits, is the amount payable at the reporting date.

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2025

35. Fair values of financial instruments (continued)

E. Borrowings and lease liabilities

The fair value of borrowings, and lease liabilities are estimated by discounting the expected future cash flows using the applicable prevailing market interest rates for borrowings with similar risk profiles. However, only the contractual interest rates which are confirmed and provided by all lenders are available at the reporting date instead of the applicable prevailing market interest rates. The Bank believed that the contractual interest rates were not significantly different to the prevailing market interest rates on the ground that there was no significant change to interest rates considering the Bank's credit risk profile as at reporting date. On this basis, the fair value of borrowings, and lease liabilities approximates their carrying values at the reporting date.

F. Other financial assets and liabilities

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

Fair value hierarchy

CIFRS 7 specifies a hierarchy of valuation techniques based on whether the inputs to those valuation techniques are observable or unobservable. Observable inputs reflect market data obtained from independent sources and unobservable inputs reflect the Bank's market assumptions. The fair value hierarchy is as follows:

- Level 1 – Quoted price (unadjusted) in active markets for the identical assets or liabilities. This level includes listed equity securities and debt instruments.
- Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).
- Level 3 – Inputs for asset or liability that are not based on observable market data (unobservable inputs). This level includes equity instruments and debt instruments with significant unobservable components.

As verifiable market prices are not available, market prices are not available for a significant proportion of the Bank's financial assets and liabilities, the fair values, therefore, have been based on management assumptions according to the profile of the asset and liability base. In the opinion of the management, the carrying amounts of the financial assets and liabilities included in the balance sheet are a reasonable estimation of their fair values.

36. Material accounting policies

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

A. Basis of measurement

The financial statements, except for financial instruments at FVTPL and financial assets at FVOCI, which are measured at FV, have been prepared on a historical cost basis.

B. Foreign currency transactions

Transactions in foreign currencies are translated into the functional currency at the spot exchange rates at the date of the transactions.

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2025

36. Material accounting policies (continued)

B. Foreign currency transactions (continued)

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. The foreign currency gain or loss on monetary items is the difference between the amortised cost in the functional currency at the beginning of the year, adjusted for effective interest impairment and payments during the year, and the amortised cost in the foreign currency translated at the spot exchange rate at the end of the year.

Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the spot exchange rate at the date on which the fair value is determined. Non-monetary items that are measured based on historical cost in a foreign currency are translated using the spot exchange rate at the date of the transaction.

Foreign currency differences arising on translation are generally recognised in profit or loss.

C. Financial assets and financial liabilities

(i). Recognition and initial measurement

The Bank initially recognises loans and advances, deposits, borrowings and subordinated liabilities on the date on which they are originated. All other financial instruments are recognised on the trade date, which is the date on which the Bank becomes a party to the contractual provisions of the instrument.

A financial asset or financial liability is measured initially at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue.

(ii). Classification

Financial assets

On initial recognition, a financial asset is classified as measured at amortised cost, FVOCI or FVTPL.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are SPPI.

A debt instrument is measured at FVOCI only if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are SPPI.

On initial recognition of an equity investment that is not held for trading, the Bank may irrevocably elect to present subsequent changes in fair value in OCI. This election is made on an investment-by-investment basis.

All other financial assets are classified as measured at FVTPL.

In addition, on initial recognition, the Bank may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2025

36. Material accounting policies (continued)

C. Financial assets and financial liabilities (continued)

Business model assessment

The Bank makes an assessment of the objective of a business model in which an asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. In particular, whether management's strategy focuses on earning contractual interest revenue, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of the liabilities that are funding those assets or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Bank's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and its strategy for how those risks are managed;
- how managers of the business are compensated (e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected); and
- the frequency, volume and timing of sales in prior periods, the reasons for such sales and its expectations about future sales activity. However, information about sales activity is not considered in isolation, but as part of an overall assessment of how the Bank's stated objective for managing the financial assets is achieved and how cash flows are realised.

Financial assets that are held for trading or managed and whose performance is evaluated on a fair value basis are measured at FVTPL because they are neither held to collect contractual cash flows nor held both to collect contractual cash flows and to sell financial assets.

Assessment of whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as profit margin.

In assessing whether the contractual cash flows are SPPI, the Bank considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making the assessment, the Bank considers:

- contingent events that would change the amount and timing of cash flows;
- leverage features;
- prepayment and extension terms;
- terms that limit the Bank's claim to cash flows from specified assets (e.g. non-recourse loans); and
- features that modify consideration of the time value of money (e.g. periodical reset of interest rates).

Reclassifications

Financial assets are not reclassified subsequent to their initial recognition, except in the period after the Bank changes its business model for managing financial assets.

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2025

36. Material accounting policies (continued)

C. Financial assets and financial liabilities (continued)

(iii). Derecognition

Financial assets

The Bank derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Bank neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

On derecognition of a financial asset, the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset derecognised) and the sum of (i) the consideration received (including any new asset obtained less any new liability assumed) and (ii) any cumulative gain or loss that had been recognised in OCI is recognised in profit and loss.

Financial liabilities

The Bank derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire.

(iv). Modifications of financial assets and financial liabilities

Financial assets

If the terms of a financial asset are modified, then the Bank evaluates whether the cash flows of the modified asset are substantially different.

If the cash flows are substantially different, then the contractual rights to cash flows from the original financial asset are deemed to have expired. In this case, the original financial asset is derecognised (see (iii)) and a new financial asset is recognised at fair value plus any eligible transaction costs. Any fees received as part of the modification are accounted for as follows:

- fees that are considered in determining the fair value of the new asset and fees that represent reimbursement of eligible transaction costs are included in the initial measurement of the asset; and
- other fees are included in profit and loss as part of the gain or loss on derecognition.

If cash flows are modified when the borrower is in financial difficulties, then the objective of the modification is usually to maximise recovery of the original contractual terms rather than to originate a new asset with substantially different terms. If the Bank plans to modify a financial asset in a way that would result in forgiveness of cash flows, then it first considers whether a portion of the asset should be written off before the modification takes place (see below for write-off policy). This approach impacts the result of the quantitative evaluation and means that the derecognition criteria are not usually met in such cases.

If the modification of a financial asset measured at amortised cost or FVOCI does not result in derecognition of the financial asset, then the Bank first recalculates the gross carrying amount of the financial asset using the original effective interest rate of the asset and recognises the resulting adjustment as a modification gain or loss in profit and loss. For floating-rate financial assets, the original effective interest rate used to calculate the modification gain or loss is adjusted to reflect current market terms at the time of the modification. Any costs or fees incurred and fees received as part of the modification adjust the gross carrying amount of the modified financial asset and are amortised over the remaining term of the modified financial asset.

If such a modification is carried out because of financial difficulties of the borrower, then the gain or loss is presented together with impairment losses. In other cases, it is presented as interest income calculated using the effective interest rate method.

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2025

36. Material accounting policies (continued)

C. Financial assets and financial liabilities (continued)

(iv). Modifications of financial assets and financial liabilities (continued)

Financial liabilities

The Bank derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability derecognised and consideration paid is recognised in profit or loss. Consideration paid includes non-financial assets transferred, if any, and the assumption of liabilities, including the new modified financial liability.

If the modification of a financial liability is not accounted for as derecognition, then the amortised cost of the liability is recalculated by discounting the modified cash flows at the original effective interest rate and the resulting gain or loss is recognised in profit or loss. For floating-rate financial liabilities, the original effective interest rate used to calculate the modification gain or loss is adjusted to reflect current market terms at the time of the modification. Any costs and fees incurred are recognised as an adjustment to the carrying amount of the liability and amortised over the remaining term of the modified financial liability by re-computing the effective interest rate on the instrument.

(v). Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Bank has a legal right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

Income and expenses are presented on a net basis only when permitted under CIFRS, or for gains and losses arising from a group of similar transactions.

(vi). Fair value measurement

'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 in the principal or, in its absence, the most advantageous market to which the Bank has access at that date. The fair value of a liability reflects its non-performance risk.

When one is available, the Bank measures the fair value of an instrument using the quoted price in an active market for that instrument. A market is regarded as 'active' if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

The chosen valuation technique incorporates all of the factors that market participants would take into account in pricing a transaction.

The best evidence of the fair value of a financial instrument on initial recognition is normally the transaction price - i.e. the fair value of the consideration given or received. If the Bank determines that the fair value on initial recognition differs from the transaction price and the fair value is evidenced neither by a quoted price in an active market for an identical asset or liability nor based on a valuation technique for which any unobservable inputs are judged to be insignificant in relation to the measurement, then the financial instrument is initially measured at fair value, adjusted to defer the difference between the fair value on initial recognition and the transaction price. Subsequently, that difference is recognised in profit and loss on an appropriate basis over the life of the instrument but no later than when the valuation is wholly supported by observable market data or the transaction is closed out.

The fair value of a financial liability with a demand feature (e.g. a demand deposit) is not less than the amount payable on demand, discounted from the first date on which the amount could be required to be paid.

The Bank recognises transfers between levels of the fair value hierarchy as of the end of the reporting period during which the change has occurred.

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2025

36. Material accounting policies (continued)

C. Financial assets and financial liabilities (continued)

(vii). Impairment

The Bank records the allowance for expected credit loss (“ECL”) for all loans and receivables and other debt financial assets not held at FVTPL (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

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.

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, doubtful or loss. 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.

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2025

36. Material accounting policies (continued)

C. Financial assets and financial liabilities (continued)

(vii). Impairment (continued)

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).

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.

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.

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2025

36. Material accounting policies (continued)

C. Financial assets and financial liabilities (continued)

(vii). Impairment (continued)

Restructured financial assets

If the terms of a financial asset are renegotiated or modified or an existing financial asset is replaced with a new one due to financial difficulties of the borrower, then an assessment is made of whether the financial asset should be derecognised and ECL are measured as follows.

- If the expected restructuring will not result in derecognition of the existing asset, then the expected cash flows arising from the modified financial asset are included in calculating the cash shortfalls from the existing asset.
- If the expected restructuring will result in derecognition of the existing asset, then the expected fair value of the new asset is treated as the final cash flow from the existing financial asset at the time of its derecognition. This amount is included in calculating the cash shortfalls from the existing financial asset that are discounted from the expected date of derecognition to the reporting date using the original effective interest rate of the existing financial asset.

Credit-impaired financial assets

At each reporting date, the Bank assesses whether financial assets carried at amortised cost and debt financial assets carried at FVOCI are credit-impaired (referred to as 'Stage 3 financial assets'). A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or past due event;
- the restructuring of a loan or advance by the Bank on terms that the Bank would not consider otherwise;
- it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

A loan that has been renegotiated due to a deterioration in the borrower's condition is usually considered to be credit-impaired unless there is evidence that the risk of not receiving contractual cash flows has reduced significantly and there are no other indicators of impairment. In addition, a loan that is overdue for 90 days or more for long term facilities or 30 days for short-term facilities is considered credit-impaired even when the regulatory definition of default is different.

Presentation of allowance for ECL in the statement of financial position

Loss allowances for ECL are presented in the statement of financial position as follows:

- *financial assets measured at amortised cost*: as a deduction from the gross carrying amount of the assets;
- *loan commitments and financial guarantee contracts*: generally, as a provision;
- *where a financial instrument includes both a drawn and an undrawn component, and the Bank cannot identify the ECL on the loan commitment component separately from those on the drawn component*: the Bank presents a combined loss allowance for both components. The combined amount is presented as a deduction from the gross carrying amount of the drawn component. Any excess of the loss allowance over the gross amount of the drawn component is presented as a provision; and

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2025

36. Material accounting policies (continued)**C. Financial assets and financial liabilities** (continued)**(vii). Impairment** (continued)**Presentation of allowance for ECL in the statement of financial position** (continued)

Loss allowances for ECL are presented in the statement of financial position as follows: (continued)

- *debt instruments measured at FVOCI*: no loss allowance is recognised in the statement of financial position because the carrying amount of these assets is their fair value. However, the loss allowance is disclosed and is recognised in retained earnings.

Write-off

Loans and advances are written off (either partially or in full) when there is no reasonable expectation of recovering a financial asset in its entirety or a portion thereof. This is generally the case when the Bank determines that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. This assessment is carried out at the individual asset level.

Recoveries of amounts previously written off are recognised when cash is received and are included in 'impairment losses on financial instruments' in the statement of profit or loss and OCI.

Financial assets that are written off could still be subject to enforcement activities in order to comply with the Bank's procedures for recovery of amounts due.

D. Financial assets and financial liability

Cash and cash equivalents include of cash and bank balances, demand deposits and short-term highly liquid financial assets with original maturities of three months or less from the date of acquisition that subject to an insignificant risk of changes in its fair value, and are used by the Bank in the management of its short-term commitments.

E. Balances with the National Bank of Cambodia, and balances with other banks and financial institutions

Balances with the National Bank of Cambodia, and balances with other banks are stated at amortised cost less allowance for impairment for any uncollectable amounts.

F. Statutory deposits

Statutory deposits included in balances with the NBC are maintained in compliance with the Cambodian Law on Banking and Financial Institutions and are determined by the defined percentage of the minimum share capital and the customers' deposits as required by the NBC.

G. Loans and advances

Loans and advances to other banks and financial institutions and Loans and advances to customers measured at amortised cost. They are initially measured at fair value plus incremental direct transaction costs, and subsequently measured at their amortised cost using effective interest method.

H. Other assets

Other assets are carried at cost less impairment if any.

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2025

36. Material accounting policies (continued)

I. Property and equipment

(i). Recognition and measurement

Items of property and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses.

Cost includes expenditures that are directly attributable to the acquisition of the asset and any other costs directly attributable to bringing the asset to working condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located. The cost of self-constructed assets also includes the cost of materials and direct labour. For qualifying assets, borrowing costs are capitalised in accordance with the accounting policy on borrowing costs. Cost also may include transfers from equity of any gain or loss on qualifying cash flow hedges of foreign currency purchases of property and equipment.

Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

When significant parts of an item of property and equipment have different useful lives, they are accounted for as separate items (major components) of property and equipment.

The gain or loss on disposal of an item of property and equipment is determined by comparing the proceeds from disposal with the carrying amount of property and equipment and is recognised net within "other income" and "other expenses" respectively in profit or loss.

(ii). Subsequent costs

The cost of replacing a component of an item of property and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the component will flow to the Bank, and its cost can be measured reliably. The carrying amount of the replaced component is derecognised to profit or loss. The costs of the day-to-day servicing of property and equipment are recognised in profit or loss as incurred.

(iii). Depreciation

Depreciation is calculated to write off the cost of items of property and equipment less their estimated residual values using the straight-line method over their estimated useful lives, and is generally recognised in profit or loss.

The estimated useful lives for the current and cumulative period are as follows:

	Years
Leasehold improvement	2 to 17
Computer equipment	4 to 5
Furniture and equipment	4 to 15
Motor vehicles	4 to 5

Depreciation methods, useful lives and residual values are reassessed at end of the reporting period and adjusted if appropriate.

Construction in progress is not depreciated until such times as the relevant assets are completed and put into operational use.

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2025

36. Material accounting policies (continued)

J. Intangible assets

Intangible assets, which comprise acquired computer software licenses and related costs, are stated at cost less accumulated amortisation and impairment loss. Acquired computer software licenses are capitalised on the basis of the cost incurred to acquire the specific software and bring it to use.

Subsequent expenditure on intangible assets are capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is recognised in profit or loss as it is incurred.

Intangible assets are amortised on a straight-line basis in profit or loss over its estimated useful life, from the date which it is available to use. The estimated useful life of software for the current and comparative period is from 4 to 5 years.

Amortisation methods, useful lives and residual values are reassessed at end of the reporting period and adjusted if appropriate.

K. 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.

Leases in which the Bank is a lessee

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

The Bank recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is 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 asset is 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 asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The estimated useful lives for the current period are as follows:

- | | |
|--------------------------------|---------------------|
| ■ Building and office branches | 5 – 10 years |
| ■ ATM space | 2 – 4 years |

The lease liability is 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. Generally, the Bank uses its incremental borrowing rate as the discount rate.

The bank determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustment to reflect the terms of the lease and type of asset leased.

Lease payments included in the measurement of the lease liability comprise the following:

- 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

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2025

36. Material accounting policies (continued)

K. Leases (continued)

Leases in which the Bank is a lessee (continued)

Lease payments included in the measurement of the lease liability comprise the following:

- 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.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change, 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, if the bank change its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

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.

The Bank determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustment to reflect the terms of the lease and type of asset leased. The Bank uses incremental borrowing rate ranging from 3%-4% (2024: 3%-4%).

Short-term leases and leases of low-value assets

The Bank has elected not to recognise right-of-use assets and lease liabilities for short-term leases of machinery that have a lease term of 12 months or less and leases of low-value assets. The Bank recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

L. Deposits from customers and other banks and financial institutions

Deposits from customers and from other banks and financial institutions are initially measured at fair value minus incremental direct transaction costs, and subsequently measured at amortised cost using effective interest method.

M. Borrowings

Borrowings are initially measured at fair value minus incremental direct transaction costs, and subsequently measured at amortised cost using effective interest method.

N. Employee benefits

(i). Short-term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Bank has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

(ii). Other long-term employee benefits

The Bank's net obligation in respect of long-term employee benefits is the amount of the benefit that employees have earned in return for their service in the current and prior periods including seniority. That benefit is discounted to determine its present value. Remeasurements are recognised in profit and loss in the period in which they arise.

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2025

36. Material accounting policies (continued)

O. Provisions

Provisions are recognised in the statement of financial position when the Bank has a legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

P. Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of the ordinary share are recognised as a deduction from equity, net of any tax effects. Other shares are classified as equity and/or liability according to the economic substance of the particular instrument. Distributions to holders of a financial instrument classified as an equity instrument are charged directly to equity.

Q. Regulatory reserves

Regulatory reserves are set up for the variance of provision between loan impairment in accordance with CIFRSs and regulatory provision in accordance with National Bank of Cambodia's Prakas No. B7-017-344 dated 1 December 2017 and Circular No. B7-018-001 Sor Ror Chor Nor dated 16 February 2018 on credit risk classification and provision on impairment for banks and financial institutions. In accordance with Article 73, the Bank shall compare the provision calculated in accordance with Articles 49 to 71 and the provision calculated in accordance with Article 72.

- (i) In case that the regulatory provision calculated in accordance with Article 72 is lower than provision calculated in accordance with Articles 49 to 71, the Bank shall recognise the provision calculated in accordance with CIFRSs; and
- (ii) In case that the regulatory provision calculated in accordance with Article 72 is higher than the provision calculated in accordance with Articles 49 to 71, the entity records the provision calculated in accordance with CIFRSs and transfers the difference from retained earnings or accumulated loss account into regulatory reserve in shareholders' equity of the statement of financial position.

The regulatory reserves are not an item to be included in the calculation of the Bank's net worth.

R. Interest income and expense

(i). Effective interest rate

Interest income and expense are recognised in profit and loss using the effective interest method. The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:

- the gross carrying amount of the financial asset; or
- the amortised cost of the financial liability.

When calculating the effective interest rate for financial instruments other than purchased or originated credit-impaired assets, the Bank estimates future cash flows considering all contractual terms of the financial instrument, but not ECL. For purchased or originated credit-impaired financial assets, a credit adjusted effective interest rate is calculated using estimated future cash flows including ECL.

The calculation of the effective interest rate includes transaction costs and fees and points paid or received that are an integral part of the effective interest rate. Transaction costs include incremental costs that are directly attributable to the acquisition or issue of a financial asset or financial liability.

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2025

36. Material accounting policies (continued)

R. Interest income and expense (continued)

(ii). Amortised cost and gross carrying amount

The 'amortised cost' of a financial asset or financial liability is the amount at which the financial asset or financial liability is measured on initial recognition minus the principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount and, for financial assets, adjusted for any expected credit loss allowance.

The 'gross carrying amount of a financial asset' is the amortised cost of a financial asset before adjusting for any expected credit loss allowance.

(iii). Calculation of interest income and expense

The effective interest rate of a financial asset or financial liability is calculated on initial recognition of a financial asset or a financial liability. In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability. The effective interest rate is revised as a result of periodic re-estimation of cash flows of floating rate instruments to reflect movements in market rates of interest. The effective interest rate is also revised for fair value hedge adjustments at the date amortisation of the hedge adjustment begins.

However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

For financial assets that were credit-impaired on initial recognition, interest income is calculated by applying the credit-adjusted effective interest rate to the amortised cost of the asset. The calculation of interest income does not revert to a gross basis, even if the credit risk of the asset improves.

(iv). Presentation

Interest income calculated using the effective interest method presented in the statement of profit or loss and OCI includes interest on financial assets and financial liabilities measured at amortised cost.

Interest expense presented in the statement of profit or loss and OCI includes interest on financial liabilities measured at amortised cost and lease liabilities.

S. Fee and commission

Fee and commission income and expense that are integral to the effective interest rate on a financial asset or financial liability are included in the measurement of the effective interest rate.

Other fee and commission income – including account servicing fees is recognised as the related services are performed.

A contract with a customer that results in a recognised 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. 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.

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2025

36. Material accounting policies (continued)**T. Impairment of non-financial assets**

The carrying amounts of the Bank's non-financial assets, other than contract assets and deferred tax 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 recognised 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 recognised in profit and loss. Impairment losses recognised 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 recognised 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 amortisation, if no impairment loss had been recognised.

U. Income tax

Income tax expense comprises current and deferred tax. It is recognised in profit or loss except items recognised directly in equity or in other comprehensive income.

The Bank has determined that interest and penalties related to income taxes, including uncertain tax treatments, do not meet the definition of income taxes, and therefore has accounted for them under CIAS 37 Provisions, Contingent Liabilities and Contingent Assets and has recognised the related expenses in 'other expenses'.

(i) Current tax

Current tax comprises the expected tax payable or receivable on the taxable income for the period using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous period. It is measured using tax rates exacted or substantively enacted at the reporting date.

(ii) Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

A deferred tax asset is recognised for unused tax losses and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be used. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow the manner in which the Bank expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset only if certain criteria are met.

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2025

36. Material accounting policies (continued)

V. Contingent liabilities

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is not recognised in the statements of financial position and is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events, are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

W. Contingent assets

Where it is not possible that there is an inflow of economic benefits, or the amount cannot be estimated reliably, the asset is not recognised in the statements of financial position and is disclosed as a contingent asset, unless the probability of inflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events, are also disclosed as contingent assets unless the probability of inflow of economic benefits is remote.

37. Changes in accounting policies

A number of amendments to standards and interpretations are effective from 1 January 2025 but they do not have a material effect on the Bank's financial statements.

38. Accounting standards issued but not yet effective

A number of new accounting standards and amendments to accounting standards are effective for annual periods beginning after 1 January 2025 and earlier application is permitted. However, the Bank has not early adopted the new and amended accounting standards in preparing these financial statements.

A. Classification and Measurement of Financial Instruments (Amendments to CIFRS 9 and CIFRS 7)

In May 2024, the International Accounting Standards Board (IASB) issued Amendments to the classification and Measurement of Financial Instruments which amended IFRS 9 and IFRS 7.

The requirements will be effective for annual reporting periods beginning on or after 1 January 2026, with early application permitted, and are related to:

- settling financial liabilities using electronic payments system; and
- assessing contractual cash flow characteristics of financial assets, including those with sustainability-linked features.

The Bank is in the process of assessing the impact of the new amendments.

B. CIFRS 18 Presentation and Disclosures in Financial Statements

CIFRS 18 will replace CIAS 1 Presentation of Financial Statements and applies for annual reporting periods beginning on or after 1 January 2027. The new standard introduces the following key new requirements.

- Entities are required to classify all income and expenses into five categories in the statement of profit or loss, namely the operating, investing, financing, discontinued operations and income tax categories. Entities are also required to present a newly-defined operating profit subtotal. Entities' net profit will not change.
- Management-defined performance measures (MPMs) are disclosed in a single note in the financial statements.
- Enhanced guidance is provided on how to group information in the financial statements.

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2025

38. Accounting standards issued but not yet effective (continued)

B. CIFRS 18 Presentation and Disclosures in Financial Statements (continued)

In addition, all entities are required to use the operating profit subtotal as the starting point for the statement of cash flows when presenting operating cash flows under the indirect method.

The Bank is still in the process of assessing the impact of the new standard, particularly with respect to the structure of the Bank's statement of profit or loss, the statement of cash flows and the additional disclosures required for MPMs. The Bank is also assessing the impact on how information is grouped in the financial statements, including for items currently labelled as 'other'.

C. Other accounting standards

The following amended standards and interpretations are not expected to have a significant impact on the Bank's financial statements:

- Contracts Referencing Nature-dependent Electricity (Amendments to IFRS 9 and IFRS 7).
- Annual Improvements to CIFRS Accounting Standards (Volume 11); and
- CIFRS 19 Subsidiaries without Public Accountability: Disclosures.

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