Report of the Board of Directors
and
Audited Financial Statements

Small and Medium Enterprise Bank of Cambodia Plc.

31 December 2025

SMALL AND MEDIUM ENTERPRISE BANK OF CAMBODIA PLC.

CONTENTS

Report of the Board of Directors

The Board of Directors of Small and Medium Enterprise Bank of Cambodia Plc. ("the Bank") presents its report and the Bank's financial statements as at 31 December 2025 and for the year then ended.

Principal activity
The Bank was incorporated in the Kingdom of Cambodia as a state-owned bank organised under the Law on the General Statute of Public Enterprise with the registration certificate Co. 0001 M/2020 issued by the Ministry of Commerce on 13 January 2020. The Bank is under the technical and financial supervision of Ministry of Economy and Finance ("MEF").

The Bank obtained its banking license from the National Bank of Cambodia ("NBC") on 27 February 2020 to operate as a commercial bank.

The Bank's principal business activities are the provisions of financing and commercial banking services to support small and medium enterprises in the Kingdom of Cambodia.

The Bank's registered office address is located at MEF Business Development Center, Slot S, OCIC Street, Phum Kien Khleang, Sangkat Chrouy Changvar, Khan Chrouy Changvar, Phnom Penh, Cambodia.

Results of operation and dividend
The results of the Bank's operations for the year ended 31 December 2025, and the state of its affairs as at that date are set out in the accompanying financial statements.

There were no dividends proposed, declared or paid by the Bank during the year.

Expected credit losses on loans and advances
Before the financial statements of the Bank were prepared, the Board of Directors took reasonable steps to ascertain that action had been taken in relation to writing off bad loans or recognition of allowance for expected credit losses and satisfied themselves that all known bad loans had been written off and that adequate allowance had been made for expected credit losses on loans and advances.

At the date of this report and based on the best of our knowledge, the Board of Directors is not aware of any circumstances which would render the amounts written off for bad loans or the amounts of the allowance for expected credit losses in the financial statements of the Bank inadequate to any material extent.

Assets
Before the financial statements of the Bank were prepared, the Board of Directors took reasonable steps to ensure that any assets, which were unlikely to be realised in the ordinary course of business at their values as shown in the accounting records of the Bank, had been written down to amounts which they might be expected to realise.

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

Valuation methods
At the date of this report, the 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 are:

(a) no charges on the assets of the Bank which has arisen since the end of the year which secures the liabilities of any other person except as disclosed in the financial statements; and,
(b) no contingent liabilities in respect of the Bank that has arisen since the end of the year other than in the ordinary course of its business operations.

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 Board of 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 in any material respect.

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

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

The Board of Directors
The members of the Board of Directors holding office during the year and to the date of this report are:

Name	Position	Date of appointment
H.E. Dr. Phan Phalla	Secretary of State, Ministry of Economy and Finance and Chairman of the Board of Directors	18 November 2020
H.E. Tep Phiyorin	Member	5 December 2019
H.E. Son Seng Huot	Member	5 December 2019
H.E. Chan Sokty	Member	5 December 2019
Mrs. Chhorn Dalis	Member	1 September 2020
Mr. Chea Sophak	Chief Executive Officer and Member	3 April 2025
Mr. Huot Sokha	Chief Business Officer and Member	31 October 2025

Auditor

The financial statements as at 31 December 2025 and for the year then ended have been audited by the accounting firm of Grant Thornton (Cambodia) Limited.

Directors' interests

No directors held any interest in the equity of the Bank. No arrangement existed to which the Bank is a party with the object of enabling the members to obtain an interest in the Bank or in any corporate body.

Directors' benefits

During and at the end of the year, no arrangement existed to which the Bank was a party with the objective of enabling the 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 financial year, no director of the Bank has received or become entitled to receive any benefit 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 substantial financial interest other than as disclosed in the financial statements.

Responsibilities of the Board of Directors and the Management in respect of the financial statements

The Management is responsible for the preparation of financial statements that present fairly, in all material respects, the financial position of the Bank as at 31 December 2025, and of its financial performance and its cash flows for the year then ended in accordance with CIFRS Accounting Standards and guidelines of NBC. In preparing these financial statements, the Management is required to:

- adopt appropriate accounting policies which are supported by reasonable and prudent judgments and estimates and then apply them consistently;

- comply with the requirements of CIFRS Accounting Standards as adopted by the Accounting and Auditing Regulator of Cambodia, based on IFRS Accounting Standards as issued by the International Accounting Standards Board or, if there have been any departures in the interest of fair presentation, these have been appropriately disclosed, explained, and quantified in the financial statements;

- maintain adequate accounting records and an effective system of internal control;

- 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 management either intends to liquidate the Bank or to cease operations, or has no realistic alternative but to do so; and

- control and direct effectively the Bank in all material decisions affecting the operations and performance and ascertain that such decisions and/or instructions have been properly reflected in the financial statements.

The Board of Directors is also responsible for safeguarding the assets of the Bank and, hence, for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Board of Directors confirms that the Bank has complied with the above requirements in preparing and reviewing the financial statements.

Statement by the Board of Directors

In the opinion of the Board of Directors, the accompanying statements of financial position, comprehensive income, changes in equity and cash flows, together with the notes thereto, have been properly drawn up, and present fairly, in all material respects, the financial position of the Bank as at 31 December 2025, and of its financial performance and its cash flows for the year then ended in accordance with CIFRS Accounting Standards and guidelines of NBC.

Signed on behalf of the Board of Directors:

SME BANK

Phan Phalla, PhD
Secretary of State, Ministry of Economy and Finance and Chairman of the Board of Directors

Chea Sophak
Chief Executive Officer and Board Member

Phnom Penh, Kingdom of Cambodia
23 March 2026

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Independent auditor's report

To the Shareholders of
Small and Medium Enterprise Bank of Cambodia Plc.

Opinion

We have audited the financial statements of Small and Medium Enterprise Bank of Cambodia Plc. ("the Bank"), which comprise the statement of financial position as at 31 December 2025, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policies and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Bank as at 31 December 2025, and of its financial performance and its cash flows for the year then ended, in accordance with CIFRS Accounting Standards as adopted by the Accounting and Auditing Regulator of Cambodia based on IFRS Accounting Standards as issued by the International Accounting Standards Board.

Basis for opinion

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

Information other than the financial statements and auditor's report thereon

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

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

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

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

Responsibilities of Management and the Board of Directors for the financial statements

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

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

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

Auditor's responsibilities for the audit of the financial statements

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

As part of an audit in accordance with CISAs, we exercise professional 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.

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- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Bank's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Bank to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including 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.

Grant Thornton

GRANT THORNTON (CAMBODIA) LIMITED
Certified Public Accountants
Registered Auditors

Ronald C. Almera
Partner - Audit and assurance

Phnom Penh, Kingdom of Cambodia
23 March 2026

SMALL AND MEDIUM ENTERPRISE BANK OF CAMBODIA PLC.

STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2025

	Note	31 December 2025		31 December 2024	
		USD	**KHR'000 (Note 2.3)**	USD	KHR'000 (Note 2.3)
Assets					
Cash on hand	4	**359,218**	**1,441,542**	1,947,169	7,837,355
Balances with National Bank of Cambodia	5	**11,888,923**	**47,710,248**	12,171,470	48,990,167
Balances with other banks	6	**157,722,183**	**632,939,120**	150,363,754	605,214,110
Loans and advances to customers – net	7	**220,158,059**	**883,494,291**	211,200,141	850,080,568
Intangible assets	9	**3,680,294**	**14,769,019**	308,821	1,243,005
Property and equipment	10	**1,154,230**	**4,631,926**	1,534,045	6,174,531
Right-of-use assets	11	**1,297,857**	**5,208,300**	1,661,935	6,689,288
Statutory deposits	12	**495,986**	**1,990,392**	439,155	1,767,599
Deferred tax assets	13 (iv)	**-**	**-**	445,640	1,793,701
Other assets	8	**444,305**	**1,782,996**	308,200	1,240,505
Total assets		**397,201,055**	**1,593,967,834**	380,380,330	1,531,030,829
Equity and liabilities					
Equity					
Share capital	18	**200,000,000**	**800,000,000**	200,000,000	800,000,000
Contributions from Ministry of Economy and Finance	19	**1,246,882**	**4,987,528**	1,246,882	4,987,528
Regulatory reserves	20	**13,459,117**	**54,011,437**	8,160,362	32,845,457
Accumulated losses		**(12,945,068)**	**(52,052,277)**	(9,748,666)	(39,318,838)
Cumulative translation differences		**-**	**2,719,928**	-	5,111,629
Total equity		**201,760,931**	**809,666,616**	199,658,578	803,625,776
Liabilities					
Deposits from other financial institutions	14	**16,308**	**65,446**	30,662	123,415
Deposits from customers	15	**3,061,637**	**12,286,349**	4,775,962	19,223,247
Borrowings	16	**189,297,719**	**759,651,746**	173,577,977	698,651,357
Income tax liabilities	13 (i)	**12,448**	**49,954**	12,496	50,297
Deferred tax liability	13 (iv)	**146,052**	**586,106**	-	-
Lease liabilities	11	**1,355,561**	**5,439,866**	1,725,330	6,944,453
Other liabilities	17	**1,550,399**	**6,221,751**	599,325	2,412,284
Total liabilities		**195,440,124**	**784,301,218**	180,721,752	727,405,053
Total equity and liabilities		**397,201,055**	**1,593,967,834**	380,380,330	1,531,030,829

SMALL AND MEDIUM ENTERPRISE BANK OF CAMBODIA PLC.

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2025

	Note	For the year ended 31 December 2025 USD	For the year ended 31 December 2025 KHR'000 (Note 2.3)	(As reclassified) For the year ended 31 December 2024 USD	(As reclassified) For the year ended 31 December 2024 KHR'000 (Notes 2.3 and 3)
Interest income	21	**14,774,797**	**59,261,711**	13,787,216	56,127,756
Interest expense	21	**(3,567,041)**	**(14,307,401)**	(2,760,385)	(11,237,527)
Net interest income		**11,207,756**	**44,954,310**	11,026,831	44,890,229
Net fee and commission	22	**209,048**	**838,492**	151,841	618,145
Foreign exchange losses		**(52,487)**	**(210,525)**	(309,943)	(1,261,778)
Total operating income		**11,364,317**	**45,582,277**	10,868,729	44,246,596
Provision for expected credit losses	7 (vi)	**(859,331)**	**(3,446,777)**	(1,639,324)	(6,673,688)
Personnel expenses	23	**(4,495,511)**	**(18,031,495)**	(4,154,814)	(16,914,248)
Depreciation and amortisation	24	**(1,267,657)**	**(5,084,570)**	(1,437,801)	(5,853,288)
General and administrative expenses	25	**(1,898,647)**	**(7,615,473)**	(1,740,013)	(7,083,593)
Profit before income tax		**2,843,171**	**11,403,962**	1,896,777	7,721,779
Income tax expense	13 (ii)	**(740,818)**	**(2,971,421)**	(531,321)	(2,163,008)
Net profit for the year		**2,102,353**	**8,432,541**	1,365,456	5,558,771
Other comprehensive loss -					
Currency translation differences		**-**	**(2,391,701)**	-	(11,960,398)
Total comprehensive income/(loss) for the year		**2,102,353**	**6,040,840**	1,365,456	(6,401,627)

SMALL AND MEDIUM ENTERPRISE BANK OF CAMBODIA PLC.

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2025

	Share capital USD	Contributions from Ministry of Economy and Finance USD	Accumulated losses USD	Regulatory reserves USD	Cumulative translation differences KHR'000 (Note 2.3)	USD	Total equity KHR'000 (Note 2.3)
As at 1 January 2025	**200,000,000**	**1,246,882**	**(9,748,666)**	**8,160,362**	**5,111,629**	**199,658,578**	**803,625,776**
Profit for the year	**-**	**-**	**2,102,353**	**-**	**-**	**2,102,353**	**8,432,541**
Transfer to regulatory reserves	**-**	**-**	**(5,298,755)**	**5,298,755**	**-**	**-**	**-**
Currency translation differences	**-**	**-**	**-**	**-**	**(2,391,701)**	**-**	**(2,391,701)**
As at 31 December 2025	**200,000,000**	**1,246,882**	**(12,945,068)**	**13,459,117**	**2,719,928**	**201,760,931**	**809,666,616**
As at 1 January 2024	200,000,000	1,246,882	(4,213,344)	1,259,584	17,072,027	198,293,122	810,027,403
Profit for the year	-	-	1,365,456	-	-	1,365,456	5,558,771
Transfer to regulatory reserves	-	-	(6,900,778)	6,900,778	-	-	-
Currency translation differences	-	-	-	-	(11,960,398)	-	(11,960,398)
As at 31 December 2024	200,000,000	1,246,882	(9,748,666)	8,160,362	5,111,629	199,658,578	803,625,776

SMALL AND MEDIUM ENTERPRISE BANK OF CAMBODIA PLC.

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2025

	Note	**For the year ended 31 December 2025**		For the year ended 31 December 2024	
		USD	**KHR'000 (Note 2.3)**	USD	KHR'000 (Note 2.3)
Cash flows from operating activities					
Profit before income tax		**2,843,171**	**11,403,962**	1,896,777	7,721,779
Adjustments for:					
Provision for expected credit losses	7	**859,331**	**3,446,777**	1,639,324	6,673,688
Interest expense on borrowings	16	**3,527,237**	**14,147,748**	2,602,870	10,596,284
Depreciation and amortisation	24	**1,267,657**	**5,084,570**	1,437,801	5,853,288
Currency revaluation on borrowings	16	**261,580**	**1,049,197**	1,198,948	4,880,917
Unrealised loss on foreign currency exchange		**59,676**	**239,360**	314,447	1,280,114
Write-off of software in progress	9	**-**	**-**	46,800	190,523
Interest expense on lease liabilities	11	**34,719**	**139,258**	44,544	181,339
Operating profit before changes in working capital		**8,853,371**	**35,510,872**	9,181,511	37,377,932
Changes in working capital					
Net changes in:					
Statutory deposits		**(56,831)**	**(227,949)**	(100,883)	(410,695)
Loans and advances to customers - net		**(9,817,249)**	**(39,376,986)**	(905,612)	(3,686,746)
Deposit from other financial institutions		**(14,354)**	**(57,574)**	(22,193)	(90,348)
Deposit from customers		**(1,714,325)**	**(6,876,158)**	811,102	3,301,996
Other assets		**(195,781)**	**(785,278)**	(237,970)	(968,776)
Other liabilities		**951,074**	**3,814,758**	(84,213)	(342,831)
Cash (used in)/generated from operating activities		**(1,994,095)**	**(7,998,316)**	8,641,742	35,180,531
Income tax paid	13 (i)	**(149,174)**	**(598,337)**	(139,069)	(566,150)
Net cash (used in)/from operating activities		**(2,143,269)**	**(8,596,653)**	8,502,673	34,614,381
Cash flows from investing activities					
Placements in short-term deposits		**(103,882,393)**	**(416,672,278)**	(16,909,432)	(68,838,298)
Purchases of property and equipment	10	**(318,208)**	**(1,276,332)**	(176,253)	(717,526)
Purchases of intangible assets	9	**(3,577,029)**	**(14,347,463)**	(16,766)	(68,254)
Net cash used in investing activities		**(107,777,630)**	**(432,296,073)**	(17,102,451)	(69,624,078)
Cash flows from financing activities					
Proceeds from borrowings	16	**27,856,419**	**111,732,097**	55,853,460	227,379,436
Principal repayment	16	**(12,662,054)**	**(50,787,500)**	-	-
Interest paid on borrowings	16	**(3,263,440)**	**(13,089,658)**	(2,588,874)	(10,539,306)
Payments of lease liabilities	11	**(404,488)**	**(1,622,401)**	(419,107)	(1,706,185)
Net cash from financing activities		**11,526,437**	**46,232,538**	52,845,479	215,133,945
Net (decrease)/increase in cash and cash equivalents		**(98,394,462)**	**(394,660,188)**	44,245,701	180,124,248
Cash and cash equivalents at the beginning of the year		**119,516,269**	**481,052,983**	75,270,568	307,480,271
Currency translation differences		**-**	**(1,630,983)**	-	(6,551,536)
Cash and cash equivalents at the end of the year	4	**21,121,807**	**84,761,812**	119,516,269	481,052,983

Additional information on operating cash flow from interest:

Interest received	**14,945,159**	**59,945,033**	13,349,122	54,344,276
Interest paid	**3,577,836**	**14,350,700**	2,865,731	11,666,391

1. Corporate information

The Bank was incorporated in the Kingdom of Cambodia as a state-owned bank organised under the Law on the General Statute of Public Enterprise with the registration certificate Co. 0001M/2020 issued by the Ministry of Commerce on 13 January 2020. The Bank is under the technical and financial supervision of Ministry of Economy and Finance ("MEF").

The Bank obtained its banking license from the National Bank of Cambodia ("NBC") on 27 February 2020 to operate as a commercial bank with a permanent validity.

The Bank's principal business activities are provisions of financing and commercial banking services to support small and medium enterprises in the Kingdom of Cambodia.

The Bank's registered office address is located at MEF Business Development Center, OCIC Street, Phum Kien Khleang, Sangkat Chraoy Chongvar, Khan Chraoy Chongvar, Phnom Penh, Cambodia.

As at 31 December 2025, the Bank had 232 employees (2024: 215 employees).

2. Basis of preparation

2.1. Statement of compliance with CIFRS Accounting Standards

The financial statements of the Bank have been prepared in accordance with the CIFRS Accounting Standards as adopted by the Accounting and Auditing Regulator of Cambodia ("ACAR"), based on IFRS Accounting Standards as issued by the International Accounting Standards Board ("IASB").

2.2. Basis of preparation

The financial statements, expressed in United States dollar ("USD"), have been prepared on a historical cost basis, except otherwise indicated.

2.3. Functional and presentation currency

Functional and presentation currency

Items included in the financial statements of the Bank are measured using the currency of the primary economic environment in which the Bank operates ("the functional currency"). The USD reflects the economic substance of underlying events and circumstances of the Bank. The financial statements are therefore presented in USD, which is the Bank's functional and presentation currency.

Transactions and balances

Transactions in currencies other than USD are translated into USD at the exchange rates prevailing at the dates of transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in currencies other than USD at the year-end exchange rates, are recognised in statement of comprehensive income.

Presentation in Khmer Riel

Assets and liabilities for each statement of financial position presented are translated into Khmer Riel ("KHR") at the closing rate ruling at each reporting date, whereas income and expense items for each statement of comprehensive income and cash flow items presented are translated at the average rates for the year then ended. All resulting exchange differences are recognised in other comprehensive income.

The translations of USD amounts into KHR as presented in the financial statements are included solely to comply with the requirement pursuant to the Law on Accounting and Auditing dated 11 April 2016, and have been made using the prescribed official exchange rate based on the following applicable exchange rates per USD1 as announced by the NBC:

	2025	2024
Closing rate	**4,013**	4,025
Average rate*	**4,011**	4,071

* The average rate is calculated using the NBC daily rates during the year.

Such translated amounts are unaudited and should not be construed as representations that the USD amounts represent, or have been or could be, converted into KHR at that or any other rate of exchange.

2.4. Rounding of amounts

Except as indicated otherwise, amounts in the financial statements have been rounded off to the nearest dollar for USD amounts and nearest thousand for KHR amounts.

2.5. Amendments and interpretations to existing standards that are effective as at 1 January 2025

The Bank adopted all accounting standards and interpretations as at 1 January 2025. The amended accounting standards assessed to be applicable and have no material impact to the Bank's financial statements are as follows:

- Lack of Exchangeability (Amendments to CIAS 21)

  The amendments impact entity that has a transaction or an operation in a foreign currency that is not exchangeable into another currency at a measurement date for a specified purpose. A currency is exchangeable when there is an ability to obtain the other currency (with a normal administrative delay), and the transaction would take place through a market or exchange mechanism that creates enforceable rights and obligations. Assessing exchangeability between two currencies requires an analysis of different factors such as the time frame for the exchange, the ability to obtain the other currency, markets or exchange mechanisms, the purpose of obtaining the other currency, and the ability to obtain only limited amounts of the other currency.

  When a currency is not exchangeable into another currency, the spot exchange rate needs to be estimated. The objective in estimating the spot exchange rate at a measurement date is to determine the rate at which an orderly exchange transaction would take place at that date between market participants under prevailing economic conditions.

  The amendments also set out a framework under which an entity can determine the spot exchange rate at the measurement date using an observable exchange rate without adjustment or another estimation technique.

These amendments do not have a significant impact on the Bank's Financial Statements and therefore the disclosures have not been made.

2.6. New standards and amendments to existing standards that are not yet effective and have not been adopted early by the Bank

At the date of authorization of these financial statements, the following are the new and revised accounting standards that have been issued but are not yet effective and have not been adopted early by the Bank:

- Amendments to the Classification and Measurement of Financial Instruments (Amendments to CIFRS 9 and CIFRS 7)
- Annual Improvements to CIFRS Accounting Standards – Volume 11
- Contracts Referencing Nature-dependent Electricity (Amendments to CIFRS 9 and CIFRS 7)
- CIFRS 19 Subsidiaries without Public Accountability: Disclosures
- Amendments to CIFRS 19 'Subsidiaries without Public Accountability: Disclosure'
- CIFRS 19: CIFRS for SMEs – third edition
- Translation to a Hyperinflationary Presentation Currency (Amendments to CIAS 21)

These amendments are not expected to have a significant impact on the Bank's financial statements in the period of initial application and therefore the disclosures have not been made.

- CIFRS 18 Presentation and Disclosure in Financial Statements

In April 2024, the IASB issued CIFRS 18, which replaces CIAS 1 'Presentation of Financial Statements'. Although CIFRS 18 includes many of the requirements of CIAS 1, it introduces new requirements to better structure financial statements and to provide more detailed and useful information to investors, including:

- two new subtotals defined in the statement of profit or loss, namely (1) operating profit and (2) profit or loss before financing and income taxes
- the classification of all income and expenses within the statement of profit or loss in one of five categories
- a new requirement to disclose performance measures defined by management, and
- an improvement in the principles related to the aggregation and disaggregation of information in the financial statements and accompanying notes.

Some of the disclosure requirements previously contained in CIAS 1 have been transferred to CIAS 8 without any material changes. This applies in particular to disclosures on accounting policies and sources of estimation uncertainty. As a result of these changes, CIAS 8 will be renamed 'Basis of Preparation of Financial Statements'.

The publication of CIFRS 18 also results in consequential amendments to other CIFRS Accounting Standards, including CIAS 7.

CIFRS 18 is effective for annual periods beginning on or after 1 January 2027, with earlier application permitted. CIFRS 18 will be applied retrospectively with specific transitional provisions.

The Bank is currently working to identify all of the impacts that CIFRS 18 will have on the primary financial statements and notes to the financial statements.

2.7. Significant accounting judgments and estimation

The preparation of financial statements in accordance with CIFRS Accounting Standards requires the use of judgments, estimates and assumptions that affect the reported amounts and disclosures of assets and liabilities at the date of financial statements and the reported amounts and disclosures of revenues and expenses during the reporting period. The resulting accounting judgments and estimates will, by definition, seldom equal the related actual results.

Judgments, estimates and assumptions are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

2.7.1. Judgments

The following are the critical judgements, apart from those involving estimation *(Note 2.7.2)*, that Management has made in the process of applying the Bank's accounting policies that have the most significant effect on the amounts recognized in the financial statements.

(i) Significant increase in credit risk

Expected credit losses (“ECL”) are measured as an allowance equal to 12-month ECL for stage 1 assets, or lifetime ECL for stage 2 or stage 3 assets. An asset moves to stage 2 when its credit risk has increased significantly since initial recognition. CIFRS 9 does not define what constitutes a significant increase in credit risk. In assessing whether the credit risk of an asset has significantly increased, the Bank takes into account qualitative and quantitative reasonable and supportable forward-looking information.

(ii) Business model assessment

Classification and measurement of financial assets depends on the results of the Solely Payments of Principal and Interest (“SPPI”) and the business model test. The Bank determines the business model at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. This assessment includes judgement reflecting all relevant evidence including how the performance of the assets is evaluated and their performance is measured, the risks that affect the performance of the assets and how these are managed and how the managers of the assets are compensated.

The Bank monitors financial assets measured at amortized cost or fair value through other comprehensive income that are derecognized prior to their maturity to understand the reason for their disposal and whether the reasons are consistent with the objective of the business for which the asset was held. Monitoring is part of the Bank’s continuous assessment of whether the business model for which the remaining financial assets are held continues to be appropriate and if it is not appropriate whether there has been a change in business model and so a prospective change to the classification of those assets.

Establishing groups of assets with similar credit risk characteristics

When ECL are measured on a collective basis, the financial instruments are grouped on the basis of shared risk characteristics. The Bank monitors the appropriateness of the credit risk characteristics on an ongoing basis to assess whether they continue to be similar. This is required in order to ensure that should credit risk characteristics change there is appropriate re-segmentation of the assets. This may result in new portfolios being created or assets moving to an existing portfolio that better reflects the similar credit risk characteristics of that group of assets.

Re-segmentation of portfolios and movement between portfolios is more common when there is a significant increase in credit risk (or when that significant increase reverses) and so assets move from 12-month to lifetime ECL, or vice versa, but it can also occur within portfolios that continue to be measured on the same basis of 12-month or lifetime ECL but the amount of ECL changes because the credit risk of the portfolios differ.

(iii) Models and assumptions used

The Bank uses various models and assumptions in measuring fair value of financial assets as well as in estimating ECL. Judgement is applied in identifying the most appropriate model for each type of asset, as well as for determining the assumptions used in these models, including assumptions that relate to key drivers of credit risk.

(iv) Recognition of deferred tax assets

The extent to which deferred tax assets can be recognised is based on an assessment of the probability of the Bank’s future taxable income against which the deductible temporary differences can be utilised. In additions, significant judgement is required in assessing the impact of any legal or economic limits or uncertainties in various tax jurisdictions.

(v) Leases

The Bank determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

(vi) Functional currency

CIAS 21 requires Management to use its judgment to determine the entity's functional currency such that it most faithfully represents the economic effects of the underlying transactions, events and conditions that are relevant to the entity. In making this judgment, the Bank considers the following:

i) The currency that mainly influences prices for financial instruments and services (this will often be the currency in which prices for its financial instruments and services are denominated and settled);
ii) The currency in which funds from financing activities are generated; and,
iii) The currency in which receipts from operating activities are usually retained.

2.7.2. Estimation

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below.

The Bank based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Bank. Such changes are reflected in the assumptions when they occur.

(i) Taxes

Taxes are calculated on the basis of the tax laws and regulations and its current interpretation. However, these regulations are subject to periodic variation and the ultimate determination of tax expense will be made following inspection by the General Department of Taxation ("GDT"). The Bank's tax returns are subject to periodic examination by the GDT. As the application of tax laws and regulations to many types of transactions are susceptible to varying interpretations, amounts reported in the financial statements could be changed at a later date upon final determination by the GDT.

Deferred tax assets are recognized for all unused tax losses and temporary differences to the extent that it is probable that future taxable profit will be available against which the losses can be utilized. Significant management judgment is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and level of future taxable income together with future tax planning strategies.

(ii) Calculation of ECL allowance

When measuring expected credit losses, the Bank establishes the number and relative weightings of forward-looking scenarios for each type of product and determines the forward-looking information relevant to each scenario. The Bank uses reasonable and supportable forward-looking information, which is based on assumptions for the future movement of different economic drivers and how these drivers will affect each other.

Loss given default 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, taking into account cash flows from collateral and integral credit enhancements.

Probability of default constitutes a key input in measuring ECL. Probability of default is an estimate of the likelihood of default over a given time horizon, the calculation of which includes historical data, assumptions and expectations of future conditions.

(iii) Estimating useful lives of assets

The useful lives of the Bank's assets with definite life are estimated based on the period over which the assets are expected to be available for use. The estimated useful lives of Bank's property and equipment and right-of-use assets are reviewed periodically and are updated if expectations differ from previous estimates due to physical wear and tear, technical or commercial obsolescence and legal or other limits on the use of the Bank's assets. In addition, the estimation of the useful lives is based on the Bank's collective assessment of industry practice, internal technical evaluation and experience with similar assets. It is possible, however, that future results of operations could be materially affected by changes in estimates brought about by changes in factors mentioned above. The amounts and timing of recorded expenses for any period would be affected by changes in these factors and circumstances.
A reduction in the estimated useful lives of property and equipment and right of use assets would increase the recognised operating expenses and decrease non-current assets.

(iv) Incremental borrowing rate ("IBR")

The Bank cannot readily determine the interest rate implicit in the lease, therefore, it uses its IBR to measure lease liabilities. The IBR for lease liabilities are the rate of interest that the Bank would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the ROU asset in a similar economic environment. The Bank estimates the IBR for lease liabilities using observable inputs (by reference to prevailing risk-free rates) adjusted to take into account the Bank's credit risk.

(v) Impairment of non-financial assets

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs to sell and its value in use. The fair value less costs to sell calculation is based on available data from binding sales transactions in an arm's length transaction of similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a discounted cash flow model. The cash flows are derived from the budget and do not include restructuring activities that the Bank is not yet committed to or significant future investments that will enhance the asset's performance of the cash generating unit being tested. The recoverable amount is most sensitive to the discount rate used for the discounted cash flow model.

3. Reclassification of comparative amounts

Certain comparative figures have been reclassified to conform with the current year's presentation. The reclassification did not affect the Bank's total liabilities, net assets, or profit or loss. Detail of the reclassification are as follows:

Statement of comprehensive income at 31 December 2024 (extracted)

	As previously reported	Reclassification	(As reclassified) 31 December 2024	
	USD	USD	USD	KHR'000 (Note 2.3)
Net fees and commission	406,609	(254,768)	151,841	618,145
Interest income	13,532,448	254,768	13,787,216	56,127,756

4. Cash on hand

	31 December 2025		31 December 2024	
	USD	**KHR'000 (Note 2.3)**	USD	KHR'000 (Note 2.3)
USD	**181,203**	**727,168**	1,439,277	5,793,090
KHR	**178,015**	**714,374**	507,892	2,044,265
	359,218	**1,441,542**	1,947,169	7,837,355

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

	31 December 2025		31 December 2024	
	USD	**KHR'000 (Note 2.3)**	USD	KHR'000 (Note 2.3)
Cash on hand	**359,218**	**1,441,542**	1,947,169	7,837,355
Balances with National Bank of Cambodia ("NBC")	**11,888,923**	**47,710,248**	12,171,470	48,990,167
Balances with other banks*	**8,873,666**	**35,610,022**	105,397,630	424,225,461
	21,121,807	**84,761,812**	119,516,269	481,052,983

(*) Excluded from the balances with other banks are term deposits with maturity date of more than three months from the date of placement amounting to USD148,848,517 (2024: USD44,966,124).

5. Balances with National Bank of Cambodia ("NBC")

	31 December 2025		31 December 2024	
	USD	**KHR'000 (Note 2.3)**	USD	KHR'000 (Note 2.3)
USD	**7,335,199**	**29,436,154**	8,078,171	32,514,639
KHR	**4,553,724**	**18,274,094**	4,093,299	16,475,528
	11,888,923	**47,710,248**	12,171,470	48,990,167

The Bank maintains current account with the NBC. The current accounts are non-interest bearing.

6. Balances with other banks

	31 December 2025		31 December 2024	
	USD	**KHR'000 (Note 2.3)**	USD	KHR'000 (Note 2.3)
Current accounts	**3,868,134**	**15,522,822**	4,423,600	17,804,990
Time deposits	**152,970,844**	**613,871,996**	144,832,299	582,950,004
Savings	**5,532**	**22,200**	5,087	20,475
Accrued interest receivable	**877,673**	**3,522,102**	1,102,768	4,438,641
	157,722,183	**632,939,120**	150,363,754	605,214,110

(i) Analysis by currency

	31 December 2025		31 December 2024	
	USD	**KHR'000 (Note 2.3)**	USD	KHR'000 (Note 2.3)
USD	**147,631,169**	**592,443,881**	121,832,055	490,374,021
KHR	**10,091,014**	**40,495,239**	28,531,699	114,840,089
	157,722,183	**632,939,120**	150,363,754	605,214,110

(ii) Analysis by maturity

	31 December 2025		31 December 2024	
	USD	**KHR'000 (Note 2.3)**	USD	KHR'000 (Note 2.3)
On demand	**3,873,666**	**15,545,022**	4,428,687	17,825,465
Three months or less	**5,000,000**	**20,065,000**	100,968,943	406,399,996
More than three months	**148,848,517**	**597,329,098**	44,966,124	180,988,649
	157,722,183	**632,939,120**	150,363,754	605,214,110

(iii) Analysis by interest rates

	31 December 2025	31 December 2024
Current accounts	**Nil**	Nil
Time deposits	**2.00% to 4.50%**	3.25% to 5.5%
Saving accounts	**Nil**	Nil

7. Loans and advances to customers - net

	31 December 2025		31 December 2024	
	USD	**KHR'000 (Note 2.3)**	USD	KHR'000 (Note 2.3)
Long-term loans	**221,234,097**	**887,812,432**	214,381,835	862,886,886
Short-term loans	**5,597,138**	**22,461,315**	3,926,287	15,803,305
Staff loans	**3,360,341**	**13,485,048**	2,154,701	8,672,672
Accrued interest receivable	**508,469**	**2,040,485**	453,736	1,826,287
Total principal and accrued interest receivable	**230,700,045**	**925,799,280**	220,916,559	889,189,150
Unamortised loan processing fees	**(698,468)**	**(2,802,952)**	(732,231)	(2,947,230)
Gross carrying amount	**230,001,577**	**922,996,328**	220,184,328	886,241,920
Allowance for ECL	**(9,843,518)**	**(39,502,037)**	(8,984,187)	(36,161,352)
Net carrying amount	**220,158,059**	**883,494,291**	211,200,141	850,080,568

Further analyses of loans and advances to customers are as follows:

(i) Analysis by staging of gross loan portfolio

	31 December 2025		31 December 2024	
	USD	**KHR'000 (Note 2.3)**	USD	KHR'000 (Note 2.3)
Stage 1	**200,815,841**	**805,873,970**	195,027,320	784,984,963
Stage 2	**9,387,036**	**37,670,175**	7,693,749	30,967,340
Stage 3	**19,798,700**	**79,452,183**	17,463,259	70,289,617
	230,001,577	**922,996,328**	220,184,328	886,241,920

(ii) Analysis by industry

	31 December 2025		31 December 2024	
	USD	**KHR'000 (Note 2.3)**	USD	KHR'000 (Note 2.3)
Manufacturing	**81,426,431**	**326,764,268**	60,418,848	243,185,863
Financial institutions	**61,942,915**	**248,576,919**	95,984,887	386,339,169
Utilities	**29,058,102**	**116,610,163**	18,448,395	74,254,790
Hotel and tourism	**26,461,380**	**106,189,518**	15,242,715	61,351,928
Wholesale trade	**9,364,419**	**37,579,413**	11,761,393	47,339,607
Other non-financial services	**7,827,644**	**31,412,335**	6,900,119	27,772,979
Retail trade	**6,416,765**	**25,750,478**	6,419,557	25,838,717
Personal	**3,361,080**	**13,488,014**	2,155,237	8,674,829
Transportation and storage	**2,223,729**	**8,923,824**	1,491,460	6,003,127
Information media and telecommunication	**1,802,697**	**7,234,223**	1,006,891	4,052,736
Other industries	**116,415**	**467,173**	354,826	1,428,175
	230,001,577	**922,996,328**	220,184,328	886,241,920

(iii) Analysis by maturity

	31 December 2025		31 December 2024	
	USD	**KHR'000**	USD	KHR'000
		(Note 2.3)		(Note 2.3)
By maturity:				
Within one month	**916,329**	**3,677,228**	1,132,473	4,558,204
One to three months	**310,797**	**1,247,228**	15,323	61,675
Three to twelve months	**7,469,354**	**29,974,518**	3,479,754	14,006,010
One to three years	**31,195,926**	**125,189,251**	24,743,954	99,594,415
Three to five years	**57,277,925**	**229,856,313**	85,809,412	345,382,883
Over five years	**132,831,246**	**533,051,790**	105,003,412	422,638,733
	230,001,577	**922,996,328**	220,184,328	886,241,920

(iv) Analysis by relationship

	31 December 2025		31 December 2024	
	USD	**KHR'000**	USD	KHR'000
		(Note 2.3)		(Note 2.3)
Related parties	**4,288,844**	**17,211,131**	2,280,875	9,180,522
Non-related parties	**225,712,733**	**905,785,197**	217,903,453	877,061,398
	230,001,577	**922,996,328**	220,184,328	886,241,920

(v) Analysis by security

	31 December 2025		31 December 2024	
	USD	**KHR'000**	USD	KHR'000
		(Note 2.3)		(Note 2.3)
Secured	**165,609,727**	**664,591,834**	122,727,706	493,979,017
Unsecured	**64,391,850**	**258,404,494**	97,456,622	392,262,903
	230,001,577	**922,996,328**	220,184,328	886,241,920

(vi) Analysis by exposure

	31 December 2025		31 December 2024	
	USD	**KHR'000**	USD	KHR'000
		(Note 2.3)		(Note 2.3)
Large exposures	**21,453,082**	**86,091,218**	29,497,677	118,728,150
Non-large exposures	**208,548,495**	**836,905,110**	190,686,651	767,513,770
	230,001,577	**922,996,328**	220,184,328	886,241,920

(vii) Analysis by interest rate

	31 December 2025	31 December 2024
Long-term loans	**2% to 12%**	2% to 12%
Short-term loans	**5% to 7.50%**	5.25% to 7.50%
Staff loans	**3.5% to 4.5%**	4% to 5%

(viii) Breakdown of allowance for ECL on loans and advances to customers is as follows:

	31 December 2025		31 December 2024	
	USD	**KHR'000 (Note 2.3)**	USD	KHR'000 (Note 2.3)
Stage 1	**2,928,547**	**11,752,259**	2,894,610	11,650,805
Stage 2	**583,089**	**2,339,936**	461,120	1,856,008
Stage 3	**6,331,882**	**25,409,842**	5,628,457	22,654,539
	9,843,518	**39,502,037**	8,984,187	36,161,352

Movements of allowance for ECL are as follows:

	2025		2024	
	USD	**KHR'000 (Note 2.3)**	USD	KHR'000 (Note 2.3)
As at 1 January	**8,984,187**	**36,161,352**	7,344,863	30,003,765
Provision for expected credit losses	**859,331**	**3,446,777**	1,639,324	6,673,688
Currency translation differences	**-**	**(106,092)**	-	(516,101)
As at 31 December	**9,843,518**	**39,502,037**	8,984,187	36,161,352

(ix) Reconciliation of allowance for credit losses on loans and advances are as follows:

	Stage 1 USD	**Stage 2 USD**	**Stage 3 USD**	**Total USD**	**Total KHR'000 (Note 2.3)**
As at 1 January 2025	**2,894,610**	**461,120**	**5,628,457**	**8,984,187**	**36,161,352**
Newly originated assets	**962,426**	**-**	**-**	**962,426**	**3,860,291**
Transfer to stage 2	**(73,263)**	**73,263**	**-**	**-**	**-**
Transfer to stage 3	**(15,841)**	**(141,468)**	**157,309**	**-**	**-**
Net remeasurement of loss allowance	**(616,529)**	**226,354**	**777,578**	**387,403**	**1,553,873**
Financial assets derecognized during the period other than write off	**(222,856)**	**(36,180)**	**(231,462)**	**(490,498)**	**(1,967,387)**
Currency translation differences	**-**	**-**	**-**	**-**	**(106,092)**
As at 31 December 2025	**2,928,547**	**583,089**	**6,331,882**	**9,843,518**	**39,502,037**

	Stage 1 USD	Stage 2 USD	Stage 3 USD	Total USD	Total KHR'000 (Note 2.3)
As at 1 January 2024	3,216,661	186,957	3,941,245	7,344,863	30,003,765
Newly originated assets	787,012	-	-	787,012	3,203,926
Newly originated assets that moved to stage 2 and stage 3	(48,595)	46,277	2,318	-	-
Changes due to transfer between stages:					
Transfer to stage 2	(123,698)	123,698	-	-	-
Transfer to stage 3	(71,523)	(185,325)	256,848	-	-
Net remeasurement of loss allowance	(691,321)	289,513	1,428,046	1,026,238	4,177,815
Financial assets derecognised during the period other than write off	(173,926)	-	-	(173,926)	(708,053)
Currency translation differences	-	-	-	-	(516,101)
As at 31 December 2024	2,894,610	461,120	5,628,457	8,984,187	36,161,352

(x) Significant changes in Gross Carrying Amount Affecting Allowance for ECL

	Stage 1 USD	**Stage 2 USD**	**Stage 3 USD**	**Total USD**	**Total KHR'000 (Note 2.3)**
As at 1 January 2025	**195,027,320**	**7,693,749**	**17,463,259**	**220,184,328**	**886,241,920**
Newly originated assets	**58,727,933**	**-**	**-**	**58,727,933**	**235,675,195**
Transfer to stage 2	**(4,736,623)**	**4,736,623**	**-**	**-**	**-**
Transfer to stage 3	**(918,233)**	**(2,136,547)**	**3,054,780**	**-**	**-**
Net remeasurement of loss allowance	**(31,271,650)**	**(236,437)**	**(270,749)**	**(31,778,836)**	**(127,528,469)**
Financial assets derecognized during the period other than write off	**(16,012,906)**	**(670,352)**	**(448,590)**	**(17,131,848)**	**(68,750,106)**
Currency translation differences	**-**	**-**	**-**	**-**	**(2,642,212)**
As at 31 December 2025	**200,815,841**	**9,387,036**	**19,798,700**	**230,001,577**	**922,996,328**

	Stage 1 USD	Stage 2 USD	Stage 3 USD	Total USD	Total KHR'000 (Note 2.3)
As at 1 January 2024	206,721,859	2,813,313	9,743,544	219,278,716	895,753,555
Newly originated assets	45,189,075	-	-	45,189,075	181,886,027
Newly originated assets that moved to stage 2 and stage 3	-	548,683	9,340	558,023	2,246,043
Changes due to transfer between stages:					
Transfer to stage 2	(7,596,240)	7,596,240	-	-	-
Transfer to stage 3	(4,950,983)	(2,781,198)	7,732,181	-	-
Net remeasurement of loss allowance	(32,291,724)	(483,289)	(21,806)	(32,796,819)	(132,007,196)
Financial assets derecognised during the period other than write off	(12,044,667)	-	-	(12,044,667)	(48,479,785)
Currency translation differences	-	-	-	-	(13,156,724)
As at 31 December 2024	195,027,320	7,693,749	17,463,259	220,184,328	886,241,920

Material accounting policy information

Expected credit losses ("ECL")

The Bank recognizes allowance for ECL on the following financial instruments that are measured at amortized cost.

ECL are required to be measured through a loss allowance at an amount equal to:

- 12-month ECL, i.e. lifetime ECL that result from those default events on the financial instrument that are possible within 12 months after the reporting date, (referred to as Stage 1); or
- Full lifetime ECL, i.e. lifetime ECL that result from all possible default events over the life of the financial instrument, (referred to as Stage 2 and Stage 3).

A loss allowance for full lifetime ECL is required for a financial instrument if the credit risk on that financial instrument has increased significantly since initial recognition. For all other financial instruments, ECL are measured at an amount equal to the 12-month ECL. More details on the determination of a significant increase in credit risk are provided below.

ECL are a probability-weighted estimate of the present value of credit losses. These are measured as the present value of the difference between the cash flows due to the Bank under the contract and the cash flows that the Bank expects to receive arising from the weighting of multiple future economic scenarios, discounted at the asset's EIR.

- for undrawn loan commitments, the ECL is the difference between the present value of the difference between the contractual cash flows that are due to the Bank if the holder of the commitment draws down the loan and the cash flows that the Bank expects to receive if the loan is drawn down; and
- for financial guarantee contracts, the ECL is the difference between the expected payments to reimburse the holder of the guaranteed debt instrument less any amounts that the Bank expects to receive from the holder, the debtor or any other party.
- The Bank measures ECL on an individual basis, or on a collective basis for portfolios of loans that share similar economic risk characteristics. The measurement of the loss allowance is based on the present value of the asset's expected cash flows using the asset's original EIR, regardless of whether it is measured on an individual basis or a collective basis.

Credit-impaired 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. Credit-impaired financial assets are referred to as Stage 3 assets.

Evidence of credit-impairment includes observable data about the following events:

- Significant financial difficulty of the borrower or issuer;
- A breach of contract such as a default or past due event;
- The lender of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession that the lender would not otherwise consider;
- The disappearance of an active market for a security because of financial difficulties; or
- The purchase of a financial asset at a deep discount that reflects the incurred credit losses.

It may not be possible to identify a single discrete event. Instead, the combined effect of several events may have caused financial assets to become credit-impaired. The Bank assesses whether debt instruments that are financial assets measured at amortized cost or FVTOCI are credit-impaired at each reporting date. To assess if sovereign and corporate debt instruments are credit impaired, the Bank considers factors such as bond yields, credit ratings and the ability of the borrower to raise funding.

A loan is considered credit-impaired when a concession is granted to the borrower due to a deterioration in the borrower's financial condition, unless there is evidence that as a result of granting the concession the risk of not receiving the contractual cash flows has reduced significantly and there are no other indicators of impairment. For financial assets where concessions are contemplated but not granted the asset is deemed credit impaired when there is observable evidence of credit-impairment including meeting the definition of default.

The definition of default (see below) includes unlikeliness to pay indicators and a backstop if amounts are overdue for 90 days or more.

Definition of default
Critical to the determination of ECL is the definition of default. The definition of default is used in measuring the amount of ECL and in the determination of whether the loss allowance is based on 12-month or lifetime ECL, as default is a component of the probability of default ("PD") which affects both the measurement of ECL and the identification of a significant increase in credit risk.

The Bank considers the following as constituting an event of default:

- The borrower is past due more than 90 days on any material credit obligation to the Bank; or
- The borrower is unlikely to pay its credit obligations to the Bank in full.

This definition of default is used by the Bank for accounting purposes as well as for internal credit risk management purposes and is broadly aligned to the regulatory definition of default. The definition of default is appropriately tailored to reflect different characteristics of different types of assets. Overdrafts are considered as being past due once the customer has breached an advised limit or has been advised of a limit smaller than the current amount outstanding.

When assessing if the borrower is unlikely to pay its credit obligation, the Bank take into account both qualitative and quantitative indicators. The information assessed depends on the type of the asset, for example in corporate lending a qualitative indicator used is the breach of covenants, which is not relevant for retail lending. Quantitative indicators, such as overdue status and non-payment on another obligation of the same counterparty are key inputs in this analysis. The Bank uses a variety of sources of information to assess default which are either developed internally or obtained from external sources. As noted in the definition of credit impaired financial assets above, default is evidence that an asset is credit impaired. Therefore, credit impaired assets will include defaulted assets, but will also include other non-defaulted given the definition of credit impaired is broader than the definition of default.

Significant increase in credit risk
The Bank monitors all financial assets, issued loan commitments and financial guarantee contracts that are subject to the impairment requirements to assess whether there has been a significant increase in credit risk since initial recognition. If there has been a significant increase in credit risk, the Bank will measure the loss allowance based on lifetime rather than 12-month ECL. Financial assets with 'low' credit risk at the reporting date are deemed not to have had a significant increase in credit risk. As a result, the Bank monitors all financial assets, issued loan commitments and financial guarantee contracts that are subject to impairment for significant increase in credit risk.

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Bank compares the risk of a default occurring on the financial instrument at the reporting date based on the remaining maturity of the instrument with the risk of a default occurring that was anticipated for the remaining maturity at the current reporting date when the financial instrument was first recognized. In making this assessment, the Bank considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort, based on the Bank's historical experience and expert credit assessment including forward-looking information.

Multiple economic scenarios form the basis of determining the probability of default at initial recognition and at subsequent reporting dates. Different economic scenarios will lead to a different probability of default. It is the weighting of these different scenarios that forms the basis of a weighted average probability of default that is used to determine whether credit risk has significantly increased.

For corporate lending, forward-looking information includes the future prospects of the industries in which the Bank's counterparties operate, obtained from economic expert reports, financial analysts, governmental bodies, relevant think-tanks and other similar organisations, as well as consideration of various internal and external sources of actual and forecast economic information. For retail, lending forward-looking information includes the same economic forecasts as corporate lending with additional forecasts of local economic indicators, particularly for regions with a concentration to certain industries, as well as internally generated information of customer payment behavior. The Bank allocates its counterparties to a relevant internal credit risk grade depending on their credit quality. The quantitative information is a primary indicator of significant increase in credit risk and is based on the change in lifetime PD by comparing:

- The remaining lifetime PD at the reporting date; with
- The remaining lifetime PD for this point in time that was estimated based on facts and circumstances at the time of initial recognition of the exposure.

The PDs used are forward-looking and the Bank uses the same methodologies and data used to measure the loss allowance for ECL. The qualitative factors that indicate significant increase in credit risk are reflected in PD models on a timely basis. However, the Bank still considers separately some qualitative factors to assess if credit risk has increased significantly. For corporate lending there is particular focus on assets that are included on a 'watch list' given an exposure is on a watch list once there is a concern that the creditworthiness of the specific counterparty has deteriorated. For retail lending, the Bank considers the expectation of forbearance and payment holidays, credit scores and events such as unemployment, bankruptcy, divorce or death.

Given that a significant increase in credit risk since initial recognition is a relative measure, a given change, in absolute terms, in the PD will be more significant for a financial instrument with a lower initial PD than compared to a financial instrument with a higher PD.

As a backstop when an asset becomes 30 days past due, the Bank considers that a significant increase in credit risk has occurred and the asset is in stage 2 of the impairment model, i.e. the loss allowance is measured as the lifetime ECL. In addition, loans that are individually assessed and are included on a watch list are in stage 2 of the impairment model. As noted if there is evidence of credit-impairment the assets are at stage 3 of the impairment model.

Write-off

Loans and debt securities are written off when the Bank has no reasonable expectations of recovering the financial asset (either in its entirety or a portion of it). This is 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. A write-off constitutes a derecognition event. The Bank may apply enforcement activities to financial assets written off. Recoveries resulting from the Bank's enforcement activities will result in impairment gains, which will be presented in 'net impairment loss on financial assets/other income' in profit or loss.

8. Other assets

	31 December 2025		31 December 2024	
	USD	KHR'000 (Note 2.3)	USD	KHR'000 (Note 2.3)
Financial assets				
Security deposits	**63,073**	**253,112**	60,265	242,567
Non-financial assets				
Advances and prepayments	**313,141**	**1,256,635**	217,955	877,268
Others	**68,091**	**273,249**	29,980	120,670
	381,232	**1,529,884**	247,935	997,938
	444,305	**1,782,996**	308,200	1,240,505

9. Intangible assets

	Computer software USD	Other intangible assets USD	Software in progress (*) USD	USD	Total KHR'000 (Note 2.3)
Cost					
As at 1 January 2025	**1,166,679**	**13,988**	**-**	**1,180,667**	**4,752,185**
Additions	**-**	**-**	**3,577,029**	**3,577,029**	**14,347,463**
Currency translation differences	**-**	**-**	**-**	**-**	**(7,014)**
Balance as at 31 December 2025	**1,166,679**	**13,988**	**3,577,029**	**4,757,696**	**19,092,634**
Less: accumulated amortisation					
As at 1 January 2025	**863,400**	**8,446**	**-**	**871,846**	**3,509,180**
Charge during the year	**201,489**	**4,067**	**-**	**205,556**	**824,484**
Currency translation differences	**-**	**-**	**-**	**-**	**(10,049)**
Balance as at 31 December 2025	**1,064,889**	**12,513**	**-**	**1,077,402**	**4,323,615**
Carrying amount as at 31 December 2025	**101,790**	**1,475**	**3,577,029**	**3,680,294**	**14,769,019**

(*) During the year, the Bank entered into an agreement with a supplier to acquire a new core banking system. Implementation of the system is currently in progress, and it is expected to be launched in April 2026.

9. Intangible assets (continued)

	Computer Software USD	Other intangible assets USD	Software in progress USD	Total USD	Total KHR'000 (Note 2.3)
Cost					
As at 1 January 2024	1,086,989	13,988	109,724	1,210,701	4,945,714
Additions	16,766	-	-	16,766	68,254
Transfer	62,924	-	(62,924)	-	-
Write-off	-	-	(46,800)	(46,800)	(190,523)
Currency translation differences	-	-	-	-	(71,260)
Balance as at 31 December 2024	1,166,679	13,988	-	1,180,667	4,752,185
Less: accumulated amortisation					
As at 1 January 2024	591,916	4,366	-	596,282	2,435,812
Charge during the year	271,484	4,080	-	275,564	1,121,821
Currency translation differences	-	-	-	-	(48,453)
Balance as at 31 December 2024	863,400	8,446	-	871,846	3,509,180
Carrying amount as at 31 December 2024	303,279	5,542	-	308,821	1,243,005

Material accounting policy information

Recognition and measurement

Computer software and related costs are stated at cost less accumulated amortisation and accumulated impairment losses, if any. Amortisation is recognized in the statement of comprehensive income on a straight-line basis at the rate of 20% per annum. If there is an indication that there has been a significant change in amortisation rate or useful life of an intangible asset, the amortisation is revised prospectively to reflect the new expectations.

Software in progress is not amortized until it is ready for use as intended by the Management.

10. Property and equipment

	Leasehold improvements USD	Equipment USD	Computer equipment USD	Furniture and fixture USD	Motor vehicles USD	Fixed assets in progress USD	USD	Total KHR'000 (Note 2.3)
As at 1 January 2025	1,844,070	581,461	1,380,867	125,549	471,510	-	4,403,457	17,723,914
Additions	-	5,365	219,450	5,360	79,998	8,035	318,208	1,276,332
Currency translation differences	-	-	-	-	-	-	-	(52,204)
Balance as at 31 December 2025	1,844,070	586,826	1,600,317	130,909	551,508	8,035	4,721,665	18,948,042
Less accumulated depreciation								
As at 1 January 2025	1,245,993	308,873	986,347	52,219	275,980	-	2,869,412	11,549,383
Charge during the year	215,476	132,659	238,685	31,825	79,378	-	698,023	2,799,770
Currency translation differences	-	-	-	-	-	-	-	(33,037)
Balance as at 31 December 2025	1,461,469	441,532	1,225,032	84,044	355,358	-	3,567,435	14,316,116
Carrying amounts as at 31 December 2025	382,601	145,294	375,285	46,865	196,150	8,035	1,154,230	4,631,926

10. Property and equipment (continued)

	Leasehold improvements	Equipment	Computer equipment	Furniture and fixture	Motor vehicles	Fixed assets in progress	Total	
	USD	USD	USD	USD	USD	USD	USD	KHR'000 (Note 2.3)
Cost								
As at 1 January 2024	1,750,198	564,749	1,288,486	89,418	471,510	62,843	4,227,204	17,268,128
Additions	-	490	92,381	-	-	83,382	176,253	717,526
Transfer	93,872	16,222	-	36,131	-	(146,225)	-	-
Currency translation differences	-	-	-	-	-	-	-	(261,740)
Balance as at 31 December 2024	1,844,070	581,461	1,380,867	125,549	471,510	-	4,403,457	17,723,914
Less accumulated depreciation								
As at 1 January 2024	982,993	171,386	724,901	20,845	181,568	-	2,081,693	8,503,716
Charge during the year	263,000	137,487	261,446	31,374	94,412	-	787,719	3,206,804
Currency translation differences	-	-	-	-	-	-	-	(161,137)
Balance as at 31 December 2024	1,245,993	308,873	986,347	52,219	275,980	-	2,869,412	11,549,383
Carrying amount as at 31 December 2024	598,077	272,588	394,520	73,330	195,530	-	1,534,045	6,174,531

Material accounting policy information

(a) Recognition and measurement

Items of property and equipment are stated at cost less accumulated depreciation and accumulated impairment losses, if any. Where an item of property and equipment have different useful lives, then they are accounted for as separate items (major components) of property and equipment.

Any gains or losses on disposal of an item of property and equipment is recognized in profit or loss.

(b) Subsequent expenditure

Subsequent expenditure is capitalised only when it is probable that the future economic benefits of the expenditure will flow to the Bank. Ongoing repairs and maintenance are expensed as incurred.

Gains or losses on disposal of an item of property and equipment are determined by comparing the proceeds from disposal with the carrying amount of property and equipment and are recognized net within “Other income” in the statement of comprehensive income.

Fully depreciated property and equipment are retained in the statement of financial position until they are disposed of or written-off.

(c) Depreciation

Depreciation is based on 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 recognized in the statement of comprehensive income.

	Useful life (number of years)
Leasehold improvements	5 or lease term, whichever is shorter
Equipment	4
Computer equipment	3
Furniture and fixture	4
Motor vehicles	5

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

Fixed assets in progress are not depreciated until they are ready for use as intended by the Management.

11. Leases

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

The Bank leases various buildings for its head office and branch operations, with lease terms ranging from five to ten years. The Bank applies the ‘short-term lease assets’ recognition exemption for leases of vehicles.

Set out below are the carrying amounts of right-of-use assets and lease liabilities recognized and the movements during the year:

	Right-of-use assets			
	31 December 2025		31 December 2024	
	USD	**KHR’000 (Note 2.3)**	USD	KHR’000 (Note 2.3)
At beginning of the year	**1,661,935**	**6,689,288**	2,034,601	8,311,345
Additions	**-**	**-**	1,852	7,539
Charge during the year	**(364,078)**	**(1,460,316)**	(374,518)	(1,524,663)
Currency translation differences	**-**	**(20,672)**	-	(104,933)
At end of the year	**1,297,857**	**5,208,300**	1,661,935	6,689,288

	Lease liabilities			
	31 December 2025		31 December 2024	
	USD	**KHR'000 (Note 2.3)**	USD	KHR'000 (Note 2.3)
At beginning of the year	**1,725,330**	**6,944,453**	2,100,041	8,578,667
Lease adjustment	**-**	**-**	(148)	(603)
Accretion of interest	**34,719**	**139,258**	44,544	181,339
Payments	**(404,488)**	**(1,622,401)**	(419,107)	(1,706,185)
Currency translation differences	**-**	**(21,444)**	-	(108,765)
At end of the year	**1,355,561**	**5,439,866**	1,725,330	6,944,453

(i) Current and non-current portion

Current	**351,664**	**1,411,227**	369,769	1,488,319
Non-current	**1,003,897**	**4,028,639**	1,355,561	5,456,134
	1,355,561	**5,439,866**	1,725,330	6,944,453

(ii) Maturity analysis of contractual undiscounted cash flows

Less than one year	**376,840**	**1,512,259**	404,487	1,628,060
One to five years	**915,269**	**3,672,974**	958,776	3,859,073
More than five years	**141,444**	**567,615**	474,778	1,910,981
Total undiscounted lease liabilities	**1,433,553**	**5,752,848**	1,838,041	7,398,114

The following amounts are recognized in profit or loss:

	For the year ended 31 December 2025		For the year ended 31 December 2024	
	USD	**KHR'000 (Note 2.3)**	USD	KHR'000 (Note 2.3)
Depreciation of right-of-use assets (Note 24)	**364,078**	**1,460,316**	374,518	1,524,663
Short-term leased assets (Note 25)	**84,392**	**338,496**	60,876	247,826
Interest on lease liabilities (Note 21)	**34,719**	**139,258**	44,544	181,339
	483,189	**1,938,070**	479,938	1,953,828

Material accounting policy information

(a) Lease and non-lease components

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

(b) Recognition exemption

The Bank has elected not to recognize right-of-use assets and lease liabilities for short-term leases 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. When the Bank is an intermediate lessor, it accounts for its interests in the head lease and the sublease separately. It assesses the lease classification of a sublease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short-term lease to which the Bank applies the exemption described above, then it classifies the sublease as an operating lease.

12. Statutory deposits

	31 December 2025		31 December 2024	
	USD	**KHR'000 (Note 2.3)**	USD	KHR'000 (Note 2.3)
KHR	**311,986**	**1,252,000**	255,155	1,026,999
USD	**184,000**	**738,392**	184,000	740,600
	495,986	**1,990,392**	439,155	1,767,599

Reserve requirement

Pursuant to the NBC's Prakas No. B7-023-005 on the maintenance of reserve requirement against banking and financial institutions' deposits and borrowings dated 9 January 2023, the institution shall maintain reserve requirement against deposits and borrowings in accordance with dates and rates as follows:

- From 1 January 2023 to 31 December 2023, reserve requirement in foreign currencies shall be at the rate of 9%. From 1 January 2024 onwards, reserve requirement in foreign currencies shall be at the rate of 12.5%. The institution shall maintain the reserve requirement in local currency (KHR) at the rate of 7%.
- However, in the NBC Letter No. B7-023-2621 Chhor.Tor dated 23 November 2023, the reserve requirement against deposits and borrowings in foreign currencies was changed at the rate of 7% until 31 December 2024.

Subsequently, NBC issued another letter No. B7-024-1718 Chhor.Tor dated 21 August 2024 to further maintain the reserve requirement against deposits and borrowings in foreign currencies at the rate of 7% until 31 December 2025.

Capital guarantee

Under NBC Prakas No. B7-01-136 dated 15 October 2001, Banks are required to maintain a capital guarantee of 10% of registered capital with the NBC. However, the Bank obtained approval from the NBC on 29 January 2020 for an exemption from such obligation.

13. Income tax

(i) Income tax liabilities

	2025		2024	
	USD	**KHR'000 (Note 2.3)**	USD	KHR'000 (Note 2.3)
As at 1 January	**12,496**	**50,297**	11,521	47,063
Income tax expense	**149,126**	**598,144**	140,044	570,119
Income tax paid	**(149,174)**	**(598,337)**	(139,069)	(566,150)
Currency translation differences	**-**	**(150)**	-	(735)
As at 31 December	**12,448**	**49,954**	12,496	50,297

(ii) Income tax expense

	For the year then ended 31 December 2025		For the year then ended 31 December 2024	
	USD	**KHR'000 (Note 2.3)**	USD	KHR'000 (Note 2.3)
Current income tax expense	**149,126**	**598,144**	140,044	570,119
Deferred tax expense	**591,692**	**2,373,277**	391,277	1,592,889
Income tax expense	**740,818**	**2,971,421**	531,321	2,163,008

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

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

	For the year ended 31 December 2025		For the year ended 31 December 2024	
	USD	**KHR'000 (Note 2.3)**	USD	KHR'000 (Note 2.3)
Profit before income tax	**2,843,171**	**11,403,962**	1,896,777	7,721,779
Add non-deductible expenses	**115,289**	**462,421**	59,608	242,666
Movement of deferred tax recognised	**(2,958,460)**	**(11,866,383)**	(1,956,385)	(7,964,445)
Estimated taxable income	**-**	**-**	-	-
Income tax at applicable rate of 20% (A)	**-**	**-**	-	-
Minimum tax at the rate of 1% of revenue (B)	**149,126**	**598,144**	140,044	570,119
Estimated current income tax expense (higher of A or B)	**149,126**	**598,144**	140,044	570,119
Effect of deferred tax	**591,692**	**2,373,277**	391,277	1,592,889
Income tax expense	**740,818**	**2,971,421**	531,321	2,163,008

(iii) Tax loss carried forward

In accordance with Prakas No. 578 on Tax on Income, for the tax losses to be carried forward for a period of five consecutive years and utilized against taxable profit in subsequent years, the following conditions should be met:

- Tax loss has been calculated based on the tax rules and reported on the annual tax return submitted to the GDT;
- The business activity of the Company must not have changed; and,
- No tax unilateral reassessment on the tax losses has been made by the GDT.

Tax loss is subject to assessment by GDT.

The details of the tax loss and its utilisation for the following years are as follows:

Originating year	Can be utilised up to	Tax loss amount USD	Utilized USD	**Unutilised as at 31 December 2025 USD**	**Unutilised as at 31 December 2025 KHR'000 (Note 2.3)**
2023	2028	738,681	-	**738,681**	**2,973,191**
2024	2029	2,645,232	-	**2,645,232**	**10,647,059**
2025	2030	1,091,911	-	**1,091,911**	**4,381,840**
		4,475,824	-	**4,475,824**	**18,002,090**

(iv) Deferred tax (liabilities)/assets

Temporary differences recognized during the year giving rise to the net deferred tax (liabilities)/assets are as follows:

	31 December 2025		31 December 2024	
	USD	**KHR'000 (Note 2.3)**	USD	KHR'000 (Note 2.3)
Deferred tax (liabilities)/assets				
Lease liabilities	**271,112**	**1,087,972**	345,066	1,388,891
Right-of-use assets	**(259,571)**	**(1,041,658)**	(332,387)	(1,337,858)
Allowance for ECL	**(1,499,715)**	**(6,018,356)**	(675,156)	(2,717,503)
Unrealised foreign exchange gain	**11,935**	**47,895**	62,892	253,140
Tax loss carried forward	**896,894**	**3,599,236**	676,781	2,724,044
Property and equipment and Intangible assets	**287,389**	**1,153,292**	221,243	890,503
Provision for seniority indemnity back-pay	**6,210**	**24,921**	755	3,039
Unamortized loan fee balance	**139,694**	**560,592**	146,446	589,445
Deferred tax (liabilities)/assets – net	**(146,052)**	**(586,106)**	445,640	1,793,701

The movements of deferred tax (liabilities)/assets – net are as follows:

	2025		2024	
	USD	**KHR'000 (Note 2.3)**	USD	KHR'000 (Note 2.3)
At 1 January	**445,640**	**1,793,701**	836,917	3,418,805
Recognised in profit or loss	**(591,692)**	**(2,373,277)**	(391,277)	(1,592,889)
Currency translation differences	**-**	**(6,530)**	-	(32,215)
At 31 December	**(146,052)**	**(586,106)**	445,640	1,793,701

14. Deposits from other financial institutions

	31 December 2025		31 December 2024	
	USD	**KHR'000 (Note 2.3)**	USD	KHR'000 (Note 2.3)
Demand deposits	**16,308**	**65,446**	30,662	123,415

15. Deposits from customers

	31 December 2025		31 December 2024	
	USD	**KHR'000 (Note 2.3)**	USD	KHR'000 (Note 2.3)
Demand deposits	**2,803,911**	**11,252,095**	1,404,245	5,652,086
Savings deposits	**257,726**	**1,034,254**	379,556	1,527,713
Time deposits	**-**	**-**	2,981,366	11,999,998
Interest payable	**-**	**-**	10,795	43,450
	3,061,637	**12,286,349**	4,775,962	19,223,247

Further analyses of deposits from customers follow:
(i) Analysis by interest rates

Annual interest rates for deposits from customers are as follows:

	31 December 2025	31 December 2024
Demand deposits	Nil	Nil
Savings deposits	0.50%	0.80%
Term deposits	3.80%	3.80%

(ii) Analysis by maturity
Please refer to Note 30.4 on liquidity risk.

(iii) Analysis by type of customers

	31 December 2025		31 December 2024	
	USD	**KHR'000 (Note 2.3)**	USD	KHR'000 (Note 2.3)
Domestic corporations	**545,597**	**2,189,481**	3,478,259	13,999,993
Individuals	**2,516,032**	**10,096,836**	1,297,695	5,223,222
Non-residents	**8**	**32**	8	32
	3,061,637	**12,286,349**	4,775,962	19,223,247

16. Borrowings

	31 December 2025		31 December 2024	
	USD	**KHR'000 (Note 2.3)**	USD	KHR'000 (Note 2.3)
Principal amount	**188,571,518**	**756,737,502**	173,115,573	696,790,181
Interest payable	**726,201**	**2,914,244**	462,404	1,861,176
	189,297,719	**759,651,746**	173,577,977	698,651,357

On 27 April 2022, the Bank requested for funds amounting to KHR304,725,000,000 from the MEF for an 8-year term in order to support for the Tourism Recovery Co-Financing Scheme ("TRCS") which is part of its implementation strategy to restore and promote Cambodia's economic growth amid Covid 19 with a new and financial normalization trajectory. An interest rate of 1.7% per annum has been charged since 1 January 2023.

On 26 April 2023, the Bank entered into another unsecured borrowing agreement with the MEF for a loan amounting to USD100,000,000 over a 12-year term, which is disbursed in instalments. Funds amounted to USD41,467,082 has been received during the year. In 2024, the Bank received a total of USD45,853,460 while the remaining USD12,679,458 was received on 8 August 2025. All three disbursements are subject to an interest rate of 2% per annum.

On 22 February 2024, the Bank entered into another unsecured borrowing agreement with MEF to support the Tourism Financing Scheme for Siem Reap ("TFSS") for a loan amounting to KHR101,500,000,000 over a 8-year term, which is disbursed in three instalments. The Bank received the first disbursement in 2024 amounting to KHR40,600,000,000 subject to an interest charge of 2% per annum. On 18 February 2025, the Bank received the second disbursement amounting to KHR40,600,000,000 and the third disbursement of KHR20,300,000,000 was received on 14 August 2025 which are subject to an interest charge of 2% per annum.

Movement in the borrowings and interest payable are as follows:

		2025		2024
	USD	**KHR'000 (Note 2.3)**	USD	KHR'000 (Note 2.3)
Balance as at 1 January	**173,115,573**	**696,790,181**	116,063,165	474,118,029
Additions	**27,856,419**	**111,732,097**	55,853,460	227,379,436
Principal repayments	**(12,662,054)**	**(50,787,500)**	-	-
Accretion due to currency revaluation	**261,580**	**1,049,197**	1,198,948	4,880,917
Currency translation differences	**-**	**(2,046,473)**	-	(9,588,201)
Balance as at 31 December	**188,571,518**	**756,737,502**	173,115,573	696,790,181
Interest payable				
Balance as at 1 January	**462,404**	**1,861,176**	448,408	1,831,747
Interest charges (Note 21)	**3,527,237**	**14,147,748**	2,602,870	10,596,284
Interest paid	**(3,263,440)**	**(13,089,658)**	(2,588,874)	(10,539,306)
Currency translation differences	**-**	**(5,022)**	-	(27,549)
Balance as at 31 December	**726,201**	**2,914,244**	462,404	1,861,176

17. Other liabilities

	31 December 2025		31 December 2024	
	USD	**KHR'000 (Note 2.3)**	USD	KHR'000 (Note 2.3)
Financial liabilities				
Account payables	**962,685**	**3,863,255**	133,395	536,916
Accrued bonuses	**414,803**	**1,664,604**	276,040	1,111,061
Accrued expenses	**138,760**	**556,844**	158,774	639,065
Accrued severance payments	**2,293**	**9,202**	3,774	15,190
	1,518,541	**6,093,905**	571,983	2,302,232
Non-financial liability				
Withholding taxes payable	**31,858**	**127,846**	27,342	110,052
	1,550,399	**6,221,751**	599,325	2,412,284

18. Share capital

	31 December 2025		31 December 2024	
	USD	**KHR'000 (Note 2.3)**	USD	KHR'000 (Note 2.3)
Registered, issued and fully paid				
Ordinary shares of USD 250 par value per share	**200,000,000**	**800,000,000**	200,000,000	800,000,000

19. Contributions from Ministry of Economy and Finance ("MEF")

Contributions from MEF represents the Bank's start-up costs and capitalized expenditures shouldered by the MEF amounting to USD529,942 (KHR2,119,768,000) and USD778,140 (KHR3,112,560,000), respectively.

MEF issued Deika No. 1686 dated 20 September 2021 requesting the Bank to refund USD61,200 regarding rental deposits returned by lessor upon lease maturity. The Bank has returned the deposits to MEF on 16 November 2022.

20. Regulatory reserves

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

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

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

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

In December 2021, the NBC issued Circular No. B7-021-2314 to provide additional guidance to banks and financial institutions on classifying their loans which have been restructured up to 31 December 2021 and in determining the required regulatory allowance. This Circular requires banks and financial institutions to classify the restructured loans as follows:

- Special mention if a restructured loan is “viable” or deemed as “performing”
- Substandard if a first-time restructured loan will need another restructuring
- Doubtful if a second-time restructured loan will need another restructuring
- Loss if a restructured loan is “non-viable” or deemed as “non-performing”

Allowance for ECL per CIFRS 9 of USD9,843,518 or KHR39,502,037,000 (2024: USD8,984,187 or KHR36,161,352,000) is lower than regulatory allowance of USD23,302,635 or KHR93,513,474,000 (2024: USD17,144,549 or KHR69,006,810,000). As such, there is a regulatory reserve amounted USD13,459,117 or KHR54,011,437,000 required.

21. Net interest income

	For the year ended 31 December 2025		(As reclassified) For the year ended 31 December 2024	
	USD	**KHR'000 (Note 2.3)**	USD	KHR'000 (Note 2.3 and 3)
Interest income				
Loans and advances to customers	**9,854,936**	**39,528,149**	8,771,515	35,708,837
Balances with the NBC and other banks	**4,919,861**	**19,733,562**	5,015,701	20,418,919
	14,774,797	**59,261,711**	13,787,216	56,127,756
Interest expense				
Customer deposits	**5,085**	**20,395**	112,971	459,904
Lease liabilities (Note 11)	**34,719**	**139,258**	44,544	181,339
Borrowings (Note 16)	**3,527,237**	**14,147,748**	2,602,870	10,596,284
	3,567,041	**14,307,401**	2,760,385	11,237,527
Net interest income	**11,207,756**	**44,954,310**	11,026,831	44,890,229

Material accounting policy information

(a) Interest income

Interest income are recognized in profit and loss using the effective interest method. It is calculated by applying the effective interest rate to the gross carrying amount of financial asset except for:

- Purchased or originated credit-impaired financial assets. Credit-adjusted EIR is applied to the amortized cost of the financial assets; and,
- Financial assets that are not purchased or originated credit-impaired financial assets but subsequently have become credit-impaired financial assets. EIR to the amortized cost of the financial asset in subsequent reporting periods is applied.

Credit-adjusted effective interest rate is a rate that exactly discounts the estimated future cash payment or receipts through the expected life of the financial asset to the amortized cost of a financial assets that is a purchased or originated credit-impaired financial asset.

Interest income calculated using the effective interest method presented in the statement of comprehensive income includes interest on financial assets measured at amortized cost.

(b) Interest expense

Interest expense is also calculated using the EIR method for all financial liabilities held at amortized cost. Interest expense presented in the statement of comprehensive income includes financial liabilities measured at amortized cost.

22. Net fee and commission

	For the year ended 31 December 2025		(As reclassified) For the year ended 31 December 2024	
	USD	**KHR'000 (Note 2.3)**	USD	KHR'000 (Note 2.3 and 3)
Fee and commission income				
Miscellaneous loan charges	**178,622**	**716,454**	122,362	498,136
Fee and commission	**7,119**	**28,554**	6,499	26,457
Others	**23,307**	**93,484**	22,980	93,552
	209,048	**838,492**	**151,841**	**618,145**

Material accounting policy information

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 effective interest rate.

A contract with a customer that results in a recognized financial instrument in the Bank's financial statements may be partially in the scope of CIFRS 9 and partially in the scope of CIFRS 15. 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. The Bank follows a five-step model to account for revenue arising from contracts with customers under CIFRS 15.

The five-step model is as follows:

i) Identify the contract(s) with a customer
ii) Identify the performance obligations in the contract
iii) Determine the transaction price
iv) Allocate the transaction price to the performance obligation in the contract
v) Recognize revenue when (or as) the entity satisfies a performance obligation

Fees and commission income are recognized as the related services are performed.

23. Personnel expenses

	For the year ended 31 December 2025		For the year ended 31 December 2024	
	USD	**KHR'000 (Note 2.3)**	USD	KHR'000 (Note 2.3)
Salaries and bonuses	**4,408,243**	**17,681,463**	4,029,528	16,404,209
Other staff-related costs	**87,268**	**350,032**	125,286	510,039
	4,495,511	**18,031,495**	4,154,814	16,914,248

24. Depreciation and amortisation

	For the year ended 31 December 2025		For the year ended 31 December 2024	
	USD	**KHR'000 (Note 2.3)**	USD	KHR'000 (Note 2.3)
Property and equipment (Note 10)	**698,023**	**2,799,770**	787,719	3,206,804
Right-of-use assets (Note 11)	**364,078**	**1,460,316**	374,518	1,524,663
Intangible assets (Note 9)	**205,556**	**824,484**	275,564	1,121,821
	1,267,657	**5,084,570**	1,437,801	5,853,288

25. General and administrative expenses

	For the year ended 31 December 2025		For the year ended 31 December 2024	
	USD	**KHR'000 (Note 2.3)**	USD	KHR'000 (Note 2.3)
Repairs and maintenance	**679,655**	**2,726,096**	557,583	2,269,920
Licenses and membership fees	**215,884**	**865,911**	199,349	811,550
Transportation	**189,979**	**762,006**	137,967	561,664
Insurance	**136,904**	**549,122**	146,272	595,473
Security	**110,770**	**444,298**	117,451	478,143
Short-term leased assets (Note 11)	**84,392**	**338,496**	60,876	247,826
Utilities	**81,880**	**328,421**	92,358	375,989
Business meals and entertainment	**74,250**	**297,817**	81,850	333,211
Communications	**54,248**	**217,589**	62,464	254,291
Other taxes	**51,473**	**206,458**	50,999	207,617
Advertising	**50,542**	**202,724**	59,466	242,086
Audit fees	**33,825**	**135,672**	33,825	137,702
Office supplies	**23,801**	**95,466**	24,233	98,653
Other low value assets	**1,328**	**5,327**	15,837	64,472
Others	**109,716**	**440,070**	99,483	404,996
	1,898,647	**7,615,473**	1,740,013	7,083,593

26. Related party balances and transactions

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

Related parties and relationship

Relationship	**Related party**
Holding	Ministry of Economy and Finance
Key management personnel	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)

26.1. Outstanding balances with related parties

	31 December 2025		31 December 2024	
	USD	**KHR'000 (Note 2.3)**	USD	KHR'000 (Note 2.3)
MEF:				
Borrowings (Note 16)	**189,297,719**	**759,651,746**	173,577,977	698,651,357
Key management personnel:				
Loan (principal and accrued interest receivable) (Note 7)	**4,288,844**	**17,211,131**	2,280,875	9,180,522

26.2. Transactions with related parties

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

	For the year ended 31 December 2025		For the year ended 31 December 2024	
	USD	**KHR'000 (Note 2.3)**	USD	KHR'000 (Note 2.3)
MEF:				
Borrow fund - Direct Lending Project	**12,679,458**	**50,857,306**	45,853,460	186,669,436
Borrow fund - TFSS	**15,176,961**	**60,874,791**	10,000,000	40,710,000
Interest	**3,527,237**	**14,147,748**	2,602,870	10,596,284
Key management personnel:				
Salaries and benefits	**495,345**	**1,986,830**	700,615	2,852,203
Interest income from loans	**164,542**	**659,978**	80,991	329,715

27. Commitment and contingency

27.1. Credit commitment

(i) Loan commitments, guarantee and other financial facilities

The Bank had contractual off-balance sheet financial instruments that commit it to extend credit to customers, guarantee and other facilities as follows:

	31 December 2025		31 December 2024	
	USD	**KHR'000 (Note 2.3)**	USD	KHR'000 (Note 2.3)
Undisbursed portion of loans and advances	**20,499,597**	**82,264,883**	9,259,452	37,269,294

The Bank's assessment of expected credit losses on off-balance-sheet financial instruments is based on historical experience, current economic conditions, and other relevant factors. Management will continue to monitor these factors and reassess the adequacy of our provisions for expected credit losses as necessary.

Given the immateriality of expected credit losses associated with off-balance-sheet financial instruments, no further disclosure is provided in these financial statements.

(ii) Operating lease commitments

The Bank recognized right-of-use assets and lease liabilities for lease contracts where the Bank is a lessee, except for short term leases (see Note 11 for further information). The lease commitments of short-term leases are insignificant.

(iii) Capital commitments

	For the year ended 31 December 2025		For the year ended 31 December 2024	
	USD	**KHR'000 (Note 2.3)**	USD	KHR'000 (Note 2.3)
Intangible assets	**1,796,511**	**7,209,399**	-	-
Property and equipment	**22,503**	**90,305**	-	-

As at 31 December 2025, these commitments are related to ongoing procurement of satellite branch decorations, other management systems including the core banking and mobile banking, and other maintenance services.

(iv) Loan commitments from MEF

	For the year ended 31 December 2025		For the year ended 31 December 2024	
	USD	KHR'000 (Note 2.3)	USD	KHR'000 (Note 2.3)
Undisbursed loan facilities	-	-	27,658,916	111,327,137

(v) Other commitments

As at 31 December 2025, the Bank has outstanding service contracts amounting to USD161,451 or KHR647,903,000 (31 December 2024: USD28,704 or KHR115,534,000). These represent commitments relating to services contracted but not yet rendered or paid at the reporting date.

27.2. Tax contingency

The taxation system in Cambodia is characterised by numerous taxes and legislations, which are subject to interpretation. Taxes are subject to review and investigation by a number of authorities, who are enabled by law to impose severe fines, penalties and interest charges. These facts may create tax risks in Cambodia substantially more significant than in other countries.

Management believes that it has adequately provided for tax liabilities based on its interpretation of tax legislation. However, the relevant authorities may have differing interpretations and the effects since the incorporation of the Bank and its subsidiaries could be significant.

28. Categories of financial instruments

	31 December 2025		31 December 2024	
	USD	KHR'000	USD	KHR'000
Financial assets		(Note 2.3)		(Note 2.3)
At amortised cost				
Cash on hand	359,218	1,441,542	1,947,169	7,837,355
Balances with National Bank of Cambodia	11,888,923	47,710,248	12,171,470	48,990,167
Balances with other banks	157,722,183	632,939,120	150,363,754	605,214,110
Loans and advances to customers	230,700,045	925,799,280	220,916,559	889,189,150
Other assets	63,073	253,112	60,265	242,567
	400,733,442	1,608,143,302	385,459,217	1,551,473,349
Financial liabilities				
At amortised cost				
Deposits from other financial institutions	16,308	65,446	30,662	123,415
Deposits from customers	3,061,637	12,286,349	4,775,962	19,223,247
Borrowings	189,297,719	759,651,746	173,577,977	698,651,357
Lease liabilities	1,355,561	5,439,866	1,725,330	6,944,453
Other liabilities	1,518,541	6,093,905	571,983	2,302,232
	195,249,766	783,537,312	180,681,914	727,244,704

29. Maturity profile of assets and liabilities

The following table shows an analysis of assets as to whether they are expected to be recovered or settled within one year or beyond one year from the end of reporting period:

			31 December 2025			31 December 2024
	Within one year	**Beyond one year**	**Total**	Within one year	Beyond one year	Total
	USD	**USD**	**USD**	USD	USD	USD
Financial assets						
Cash on hand	**359,218**	**-**	**359,218**	1,947,169	-	1,947,169
Balances with National Bank of Cambodia	**11,888,923**	**-**	**11,888,923**	12,171,470	-	12,171,470
Balances with other banks	**157,722,183**	**-**	**157,722,183**	150,363,754	-	150,363,754
Loans and advances to customers	**8,696,691**	**222,003,354**	**230,700,045**	4,627,559	216,289,000	220,916,559
Other assets	**-**	**63,073**	**63,073**	-	60,265	60,265
	178,667,015	**222,066,427**	**400,733,442**	169,109,952	216,349,265	385,459,217
Non-financial assets						
Statutory deposit	**-**	**495,986**	**495,986**	- -	439,155	439,155
Other assets	**381,232**	**-**	**381,232**	247,935	-	247,935
Property and equipment	**-**	**1,154,230**	**1,154,230**	-	1,534,045	1,534,045
Right-of-use assets	**-**	**1,297,857**	**1,297,857**	-	1,661,935	1,661,935
Intangible assets	**-**	**3,680,294**	**3,680,294**	-	308,821	308,821
Deferred tax assets	**-**	**-**	**-**	-	445,640	445,640
	381,232	**6,628,367**	**7,009,599**	247,935	4,389,596	4,637,531
Total financial and non-financial assets			**407,743,041**			390,096,748
Unamortised loan processing fee			**(698,468)**			(732,231)
Allowance for expected credit loss			**(9,843,518)**			(8,984,187)
Total assets			**397,201,055**			380,380,330
In KHR'000 (Note 2.3)			**1,593,967,834**			1,531,030,829

29. Maturity profile of assets and liabilities (continued)

The following table shows an analysis of liabilities as to whether they are expected to be recovered or settled within one year or beyond one year from the end of reporting period:

			31 December 2025			31 December 2024
	Within one year	**Beyond one year**	**Total**	Within one year	Beyond one year	Total
	USD	**USD**	**USD**	USD	USD	USD
Financial liabilities						
Deposits from other financial institutions	**16,308**	**-**	**16,308**	30,662	-	30,662
Deposits from customers	**3,061,637**	**-**	**3,061,637**	1,794,596	2,981,366	4,775,962
Borrowings	**15,068,132**	**174,229,587**	**189,297,719**	13,080,416	160,497,561	173,577,977
Lease liabilities	**351,664**	**1,003,897**	**1,355,561**	369,769	1,355,561	1,725,330
Other liabilities	**1,518,541**	**-**	**1,518,541**	571,983	-	571,983
	20,016,282	**175,233,484**	**195,249,766**	15,847,426	164,834,488	180,681,914
Non-financial liabilities						
Other liabilities	**31,858**	**-**	**31,858**	27,342	-	27,342
Income tax liabilities	**12,448**	**-**	**12,448**	12,496	-	12,496
Deferred tax liabilities	**146,052**	**-**	**146,052**	-	-	-
	190,358	**-**	**190,358**	39,838	-	39,838
Total liabilities	**20,206,640**	**175,233,484**	**195,440,124**	15,887,264	164,834,488	180,721,752
In KHR’000 (Note 2.3)			**784,301,218**			727,405,053

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30. Financial risk management

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

- Operational risk;
- Credit risk;
- Market risk; and,
- Liquidity risk.

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

Risk management functional and governance structure

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

The Bank does not use derivative financial instruments such as foreign exchange contract and interest rate swaps to manage its risk exposure.

The primary objective of the Bank in risk management is to comply with NBC's regulations. On the other hand, the Bank has recognized the importance of achieving international best practices on risk management. The Board of Directors has established a Credit Committee to formulate broad parameters of acceptable risk for the Bank and monitor the activities against these parameters.

30.1. Operational risk

Operational risk is the risk of direct or indirect loss arising from inadequate or failed internal processes, personnel, technology and infrastructure, and from external factors other than credit, market and liquidity risks such as those arising from legal and regulatory requirements and generally accepted standards of corporate behavior.

The operational risk loss is managed through established operational risk management processes, proper monitoring and reporting of the business activities by control and support units which are independent of the business units and oversight provided by the senior management of the Bank.

The Bank's operational risk management entails the establishment of clear organisational structures, roles and control policies. Various internal control policies and measures have been implemented including the establishment of signing authorities, defining system parameters controls, streamlining procedures and documentation and compliance with regulatory and other legal requirements. These are continually reviewed to address the operational risks of the business unit as well as to assess the level of compliance with the Bank policies by a program of periodic reviews undertaken by the internal audit function. The results of internal audit reviews are discussed with the management of the business unit to which they relate, with summaries submitted to the Audit Committee and senior management of the Bank.

30.2. Credit risk

The Bank takes on exposure to credit risk, which is the risk that a counterparty will cause a financial loss to the Bank by failing to discharge an obligation. Credit risk is the most important risk for the Bank's business. Credit exposure arises principally in lending activities that lead to loans and advances. There is also credit risk in off-balance sheet financial instruments, such as loan commitments. 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 credit risks are well diversified. The credit policy documents the lending policy, collateral policy and credit approval processes, including the Bank's own internal grading system, and procedures implemented to ensure compliance with the NBC's guidelines.

(a) Credit risk measurement

The Bank assesses the probability of default of individual counterparties using internal rating tool. Local credit committee is responsible for determining the risk rating policies.

Risk ratings are reviewed and updated regularly, 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.

(b) Risk limit control and mitigation policies

The Bank operates and provides loans and advances to individuals or enterprises within the Kingdom of Cambodia. The Bank manages, limits and controls the concentration of credit risk whenever it is identified. Large exposure is defined by the NBC as overall credit exposure to any individual beneficiary which exceeds 10% of the Bank's net worth.

The Bank is required, under the conditions of NBC Prakas No. B7-06-226, to maintain at all times a maximum ratio of 20% between the Bank's overall credit exposure to any single beneficiary and the Bank's net worth. The aggregate of large credit exposure must not exceed 300% of the Bank's net worth.

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

- Mortgages over residential properties (land, building and other properties);
- Charges over business assets such as land and buildings; and
- Cash in the form of margin deposits.

(c) Management of credit risk

- Developing and maintaining the Bank's processes for measuring ECL*:* This includes processes for:
  - initial approval, regular validation and back-testing of the models used;
  - determining and monitoring significant increase in credit risk; and
  - incorporation of forward-looking information.
- Reviewing compliance of business units with agreed exposure limits, including those for selected industries, country risk and product types. Regular reports on the credit quality of local portfolios are provided to the Bank and may require appropriate corrective action to be taken. These include reports containing estimates of ECL allowances.
- Providing advice, guidance and specialist skills to business units to promote best practice throughout the Bank in the management of credit risk.

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

Details of maximum exposure to credit risk before collateral held or other credit enhancements are as follows:

	31 December 2025		31 December 2024	
	USD	**KHR'000 (Note 2.3)**	USD	KHR'000 (Note 2.3)
On-balance sheet financial assets				
Balances with National Bank of Cambodia	**11,888,923**	**47,710,248**	12,171,470	48,990,167
Balances with other banks	**157,722,183**	**632,939,120**	150,363,754	605,214,110
Loans and advances to customers - gross	**230,001,577**	**922,996,328**	220,184,328	886,241,920
Other assets	**63,073**	**253,112**	60,265	242,567
	399,675,756	**1,603,898,808**	382,779,817	1,540,688,764
Off-balance sheet items				
Credit commitments	**20,499,597**	**82,264,883**	9,259,452	37,269,294
Total credit exposure	**420,175,353**	**1,686,163,691**	392,039,269	1,577,958,058

(e) Concentration of risk

Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographic region, or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions.

Concentrations indicate the relative sensitivity of the Bank's performance to developments affecting a particular industry or geographic location.

The Bank monitors concentration of credit risk of counterparty by industry. An analysis of concentration of the credit risk as at the reporting date for loans and advances to customer is shown below:

	31 December 2025		31 December 2024	
	USD	**KHR'000 (Note 2.3)**	USD	KHR'000 (Note 2.3)
By maturity:				
Within one month	**916,329**	**3,677,228**	1,132,473	4,558,204
One to three months	**310,797**	**1,247,228**	15,323	61,675
Three to twelve months	**7,469,354**	**29,974,518**	3,479,754	14,006,010
One to three years	**31,195,926**	**125,189,251**	24,743,954	99,594,415
Three to five years	**57,277,925**	**229,856,313**	85,809,412	345,382,883
Over five years	**132,831,246**	**533,051,790**	105,003,412	422,638,733
	230,001,577	**922,996,328**	220,184,328	886,241,920
By security:				
Secured	**165,609,727**	**664,591,834**	122,727,706	493,979,017
Unsecured	**64,391,850**	**258,404,494**	97,456,622	392,262,903
	230,001,577	**922,996,328**	220,184,328	886,241,920

(e). Concentration of risk (continued)

	31 December 2025		31 December 2024	
	USD	**KHR'000 (Note 2.3)**	USD	KHR'000 (Note 2.3)
By industry:				
Manufacturing	**81,426,431**	**326,764,268**	60,418,848	243,185,863
Financial institutions	**61,942,915**	**248,576,919**	95,984,887	386,339,169
Utilities	**29,058,102**	**116,610,163**	18,448,395	74,254,790
Hotel and tourism	**26,461,380**	**106,189,518**	15,242,715	61,351,928
Wholesale trade	**9,364,419**	**37,579,413**	11,761,393	47,339,607
Other non-financial services	**7,827,644**	**31,412,335**	6,900,119	27,772,979
Retail trade	**6,416,765**	**25,750,478**	6,419,557	25,838,717
Personal	**3,361,080**	**13,488,014**	2,155,237	8,674,829
Transportation and storage	**2,223,729**	**8,923,824**	1,491,460	6,003,127
Information media and telecommunication	**1,802,697**	**7,234,223**	1,006,891	4,052,736
Other industries	**116,415**	**467,173**	354,826	1,428,175
	230,001,577	**922,996,328**	220,184,328	886,241,920
By currency:				
USD	**177,872,740**	**713,803,306**	185,637,329	747,190,249
KHR	**52,128,837**	**209,193,022**	34,546,999	139,051,671
	230,001,577	**922,996,328**	220,184,328	886,241,920
By residency:				
Residents	**230,001,577**	**922,996,328**	220,184,328	886,241,920
By relationship:				
Related parties	**4,288,844**	**17,211,131**	2,280,875	9,180,523
Non-related parties	**225,712,733**	**905,785,197**	217,903,453	877,061,397
	230,001,577	**922,996,328**	220,184,328	886,241,920
By exposure:				
Large exposures*	**21,453,082**	**86,091,218**	29,497,677	118,728,150
Non-large exposures	**208,548,495**	**836,905,110**	190,686,651	767,513,770
	230,001,577	**922,996,328**	220,184,328	886,241,920
By interest rates (per annum)*:*				
Long-term loans		**2% to 12%**		2% to 12%
Short-term loans		**5% to 7.50%**		5.25% to 7.50%
Staff loans		**3.5% to 4.5%**		4% to 5%

*A “large exposure” is defined under NBC Prakas as the overall gross exposure of the aggregate balance of loans and advances to customers with one single beneficiary, which exceeds 10% of the Bank’s net worth. The exposure is the higher of the outstanding loans or commitments and the authorised loans or commitment.

(e) Concentration of risk (continued)

				31 December 2025				31 December 2024
	Stage 1	**Stage 2**	**Stage 3**	**Total**	Stage 1	Stage 2	Stage 3	Total
	USD	**USD**	**USD**	**USD**	USD	USD	USD	USD
Balances with National Bank of Cambodia	**11,888,923**	**-**	**-**	**11,888,923**	12,171,470	-	-	12,171,470
Balances with other banks	**157,722,183**	**-**	**-**	**157,722,183**	150,363,754	-	-	150,363,754
Loans and advances to customers – gross	**200,815,841**	**9,387,036**	**19,798,700**	**230,001,577**	195,027,320	7,693,749	17,463,259	220,184,328
Other assets	**63,073**	**-**	**-**	**63,073**	60,265	-	-	60,265
	370,490,020	**9,387,036**	**19,798,700**	**399,675,756**	357,622,809	7,693,749	17,463,259	382,779,817
Allowance for expected credit loss	**(2,928,547)**	**(583,089)**	**(6,331,882)**	**(9,843,518)**	(2,894,610)	(461,120)	(5,628,457)	(8,984,187)
Total	**367,561,473**	**8,803,947**	**13,466,818**	**389,832,238**	354,728,199	7,232,629	11,834,802	373,795,630
In KHR'000 (Note 2.3)	**1,475,024,191**	**35,330,239**	**54,042,341**	**1,564,396,771**	1,427,781,001	29,111,332	47,635,078	1,504,527,411

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

Allowance for impairment will be made based on the following three-stage approach which reflects the change in credit quality of the financial instrument since initial recognition:

(i) Stage 1: 12-month ECL – not credit-impaired

For exposures where there has not been a significant increase in credit risk since initial recognition and that are not credit-impaired upon origination, the ECL associated with the probability of default events occurring within next 12 months will be recognized.

(ii) Stage 2: Lifetime ECL – not credit-impaired

For exposures where there has been a significant increase in credit risk since initial recognition but that are not credit-impaired, a lifetime ECL will be recognized.

(iii) Stage 3: Lifetime ECL – credit-impaired

Financial assets are assessed as credit-impaired when one or more events that have detrimental impact on the estimated future cash flows of that asset have occurred. For financial assets that are credit-impaired, a lifetime ECL will be recognized.

(iv) Incorporation of forward-looking information

The Bank incorporates forward-looking information into both the assessment of whether the credit risk of an instrument has increased significantly since its initial recognition and 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.

(f) Repossessed collateral

The Bank does not utilise the repossessed collaterals for its business use.

The Bank did not obtain assets by taking possession of collateral held as security as at 31 December 2025 and 2024.

30.3. Market risk

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

The Bank does not use derivative financial instruments such as foreign exchange contract and interest rate swaps to hedge its risk exposure.

(i) Foreign exchange risk

Foreign exchange risk arises from future commercial transactions and recognized assets and liabilities denominated in a currency that is not the Bank’s functional currency. The Bank maintains a policy of not exposing itself to large foreign exchange positions. Any foreign currency exchange open positions are monitored against the operating requirements, pre-determined position limits and cut-loss limits.

The balances in monetary assets and liabilities denominated in currencies other than USD are not significant. Therefore, no sensitivity analysis for foreign currency exchange risk was presented.

(ii) Price risk

The Bank is not exposed to price risk of securities because it does not hold any investments classified on the statement of financial position as marketable securities.

(iii) Interest rate risk

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

The Bank has no significant financial assets and liabilities with floating interest rates. Balances with the NBC, balances with other banks, and loans and advances earn fixed interest rates and deposits from other banks and customers have fixed interest rates.

30.4. Liquidity risk

Liquidity risk relates to the ability to maintain sufficient liquid assets to meet its financial commitments and obligations when they fall due at a reasonable cost.

In addition to full compliance of all liquidity requirements, the management of the Bank closely monitors all inflows and outflows and the maturity gaps through periodical reporting. Movements in loans and customers' deposits are monitored and liquidity requirements adjusted to ensure sufficient liquid assets to meet its financial commitments and obligations as and when they fall due.

The following table provides an analysis of the financial assets and liabilities of the Bank into relevant maturity groupings, including instalments due.

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30.4. Liquidity risk (continued)

Analysis for financial assets and financial liabilities by contractual maturity:

	31 December 2025							
	On demand USD	Up to 1 month USD	> 1 – 3 months USD	> 3 – 12 months USD	> 1 – 3 years USD	> 3 – 5 years USD	Over 5 years USD	Total USD
Financial assets								
Cash on hand	359,218	-	-	-	-	-	-	359,218
Balances with National Bank of Cambodia	11,888,923	-	-	-	-	-	-	11,888,923
Balances with other banks	157,722,183	-	-	-	-	-	-	157,722,183
Loans and advances to customers - gross	-	916,329	310,797	7,469,354	31,195,926	57,277,925	132,831,246	230,001,577
Other assets	-	-	-	8,850	45,069	-	9,154	63,073
	169,970,324	916,329	310,797	7,478,204	31,240,995	57,277,925	132,840,400	400,034,974
Financial liabilities								
Deposits from customers	3,061,637	-	-	-	-	-	-	3,061,637
Deposits from other financial institutions	16,308	-	-	-	-	-	-	16,308
Borrowings	-	-	1,686,187	13,381,945	32,899,327	48,216,934	93,113,326	189,297,719
Lease liabilities	-	28,945	58,086	264,633	541,891	321,911	140,095	1,355,561
Other liabilities	1,518,541	-	-	-	-	-	-	1,518,541
	4,596,486	28,945	1,744,273	13,646,578	33,441,218	48,538,845	93,253,421	195,249,766
Net liquidity surplus/(gap)	165,373,838	887,384	(1,433,476)	(6,168,374)	(2,200,223)	8,739,080	39,586,979	204,785,208
In KHR'000 (Note 2.3)	663,645,212	3,561,071	(5,752,538)	(24,753,684)	(8,829,495)	35,069,928	158,862,546	821,803,040

30.4. Liquidity risk (continued)

	31 December 2024							
	On demand USD	Up to 1 month USD	> 1 – 3 months USD	> 3 – 12 months USD	> 1 – 3 years USD	> 3 – 5 years USD	Over 5 years USD	Total USD
Financial assets								
Cash on hand	1,947,169	-	-	-	-	-	-	1,947,169
Balances with National Bank of Cambodia	12,171,470	-	-	-	-	-	-	12,171,470
Balances with other banks	150,363,754	-	-	-	-	-	-	150,363,754
Loans and advances to customers - gross	-	1,132,473	15,323	3,479,754	24,743,954	85,809,412	105,003,412	220,184,328
Other assets	-	-	-	-	6,950	44,313	9,001	60,265
	164,482,393	1,132,473	15,323	3,479,754	24,750,904	85,853,725	105,012,413	384,726,986
Financial liabilities								
Deposits from customers	1,794,596	-	-	-	2,981,366	-	-	4,775,962
Deposits from other financial institution	30,662	-	-	-	-	-	-	30,662
Borrowings	-	-	-	13,080,416	28,598,344	32,765,010	99,134,207	173,577,977
Lease liabilities	-	31,655	63,517	274,596	583,601	309,954	462,006	1,725,330
Other liabilities	571,983	-	-	-	-	-	-	571,983
	2,397,241	31,655	63,517	13,355,013	32,163,311	33,074,964	99,596,213	180,681,914
Net liquidity surplus/(gap)	162,085,152	1,100,818	(48,194)	(9,875,259)	(7,412,407)	52,778,761	5,416,201	204,045,072
In KHR'000 (Note 2.3)	652,392,737	4,430,791	(193,982)	(39,747,916)	(29,834,938)	212,434,514	21,800,207	821,281,413

30.4. Liquidity risk (continued)

Analysis of financial instruments by contractual maturities

The table below analyses the maturity profile of the Company's financial liabilities based on contractual undiscounted cash flow:

	31 December 2025							
	On demand USD	**Up to 1 month USD**	**> 1 – 3 months USD**	**> 3 – 12 months USD**	**> 1 – 3 years USD**	**> 3 – 5 years USD**	**Over 5 years USD**	**Total USD**
Financial liabilities								
Deposits from customers	**3,061,637**	**-**	**-**	**-**	**-**	**-**	**-**	**3,061,637**
Deposits from other financial institutions	**16,308**	**-**	**-**	**-**	**-**	**-**	**-**	**16,308**
Borrowings	**-**	**-**	**2,154,385**	**15,731,482**	**39,282,178**	**53,335,485**	**98,949,373**	**209,452,903**
Lease liabilities	**-**	**31,403**	**62,807**	**282,630**	**581,936**	**333,333**	**141,445**	**1,433,554**
Other liabilities	**1,518,541**	**-**	**-**	**-**	**-**	**-**	**-**	**1,518,541**
	4,596,486	**31,403**	**2,217,192**	**16,014,112**	**39,864,114**	**53,668,818**	**99,090,818**	**215,482,943**

	31 December 2024							
	On demand USD	Up to 1 month USD	> 1 – 3 months USD	> 3 – 12 months USD	> 1 – 3 years USD	> 3 – 5 years USD	Over 5 years USD	Total USD
Financial liabilities								
Deposits from customers	1,794,596	-	-	-	2,981,366	-	-	4,775,962
Deposits from other financial institution	30,662	-	-	-	-	-	-	30,662
Borrowings	-	-	188,850	15,598,212	34,395,465	37,570,003	105,576,545	193,329,075
Lease liabilities	-	34,926	69,851	299,711	625,443	333,333	474,778	1,838,042
Other liabilities	571,983	-	-	-	-	-	-	571,983
	2,397,241	34,926	258,701	15,897,923	38,002,274	37,903,336	106,051,323	200,545,724

30.5. Fair value of financial assets and financial liabilities

The fair values of the Bank's financial instruments such as cash on hand, balances with National Bank of Cambodia and other banks, loans to customers, deposits from customers and other financial institution, certain other assets, certain 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 values of these financial assets and liabilities as reporting date approximate their fair values.

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

Cash on hand and balances with National Bank of Cambodia and other banks
The carrying amounts approximate the fair values due to the short-term nature of these accounts.

Loans to customers
The fair value is estimated by discounting the estimated future cash flows using the prevailing market rates of financing with similar credit risks and maturities.

Deposits and borrowings
The estimated fair value of demand deposits with no stated maturity, which includes non-interest-bearing deposits, is the amount repayable on demand. The estimated fair value of long-term fixed interest-bearing deposits, borrowings and subordinated debts without quoted market price is based on discounted cash flows using interest rates for new debts with similar remaining maturity. The carrying amounts approximate the fair values of these accounts.

Other assets and liabilities
Due to their short duration, the carrying amounts of other liabilities in the statement of financial position are considered to be reasonable approximation of their fair values.

In the opinion of the Management, the carrying amounts of the financial assets and liabilities included in the statement of financial position are a reasonable estimation of their fair values.

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30.6. Capital management

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 requirement set by the Central Bank;
- 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 business.

The NBC requires all commercial banks to i) hold minimum capital requirement, ii) maintain the Bank's net worth at least equal to minimum capital, and iii) comply with solvency, liquidity and other ratios.

The table below summarises the composition of regulatory capital:

	31 December 2025		31 December 2024	
	USD	**KHR'000 (Note 2.3)**	USD	KHR'000 (Note 2.3)
Tier 1 capital				
Share capital	**200,000,000**	**800,000,000**	200,000,000	800,000,000
Accumulated losses	**(12,945,068)**	**(52,052,277)**	(1,588,304)	(32,845,457)
Less intangible assets (Note 9)	**(101,249)**	**(406,312)**	(308,821)	(1,243,005)
Less loans to related parties (Note 7)	**(4,288,844)**	**(17,211,131)**	(2,280,875)	(9,180,523)
	182,664,839	**730,330,280**	195,822,000	756,731,015
Tier 2 complementary capital				
General provision	**3,466,124**	**13,909,554**	3,552,904	14,300,439
Less equity participation in banking or financial institutions	-	-	-	-
	3,466,124	**13,909,554**	3,552,904	14,300,439
Total capital Tier I + Tier II	**186,130,963**	**744,239,834**	199,374,904	771,031,454

31. Events after the reporting date

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

32. Authorisation of financial statements

The financial statements as at 31 December 2025 and for the year then ended were approved for issue by the Board of Directors on 23 March 2026.