

ORIENTAL BANK PLC.

Building No. 101, Preah Norodom Blvd. Corner Samdach Pan Ave. (214), Sangkat Boeng Reang
Khan Doun Penh, Phnom Penh, Kingdom of Cambodia.

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2024 ANNUAL REPORT

Pioneering the Next Wave of Innovation



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CORPORATE PROFILE



ABOUT US

Oriental Bank was founded in early 2022 by a group of like-minded, forward-thinking entrepreneurial shareholders with diverse backgrounds in banking and finance, retail, and manufacturing. United by a shared ambition to fast-track Cambodia's financial services landscape into the digital era, we combine international expertise with deep local understanding to navigate challenges and seize opportunities in an evolving business environment.

Today, Oriental Bank stands at the forefront of Cambodia's financial transformation. Recognizing the critical role of technology in shaping the future of banking, we are committed to delivering innovative digital solutions that empower individuals, drive business growth, and support Cambodia's evolving digital economy.

By embracing cutting-edge technologies and placing digital innovation at the heart of everything we do, we aim to redefine customer experiences, broaden access to financial services, and contribute meaningfully to the nation's sustainable progress.

MORE THAN JUST A BANK

We offer a comprehensive suite of retail and commercial banking products and services, including Current and Savings Accounts, Debit/Credit Cards, ATMs, Bakong KHQR Payments, Merchant Acquiring POS, Fixed Deposits, Remittances, Foreign Exchange, Business Loans, Property Loans, Personal Loans, Digital Loans and Trade Financing facilities.

At Oriental Bank, we listen first. Our approach is centered on understanding your needs and providing tailor-made, digitally enabled financial solutions designed to help you achieve both business and lifestyle goals.

Every Oriental Bank branch features an Exclusive Banking Centre, where our dedicated Relationship Managers deliver personalized services with the ease, speed, and convenience that modern banking demands.

Through our continuous focus on digital excellence, we are committed to delivering not just products — but a banking experience like never before — intuitive, accessible, and future-ready.

OUR VISION

To be the most trusted and reliable financial partner to our customers by providing convenient and affordable products and services.


OUR MISSION

To provide sustainable products and services that will add value to our customers, our society and economy.

BRANCH NETWORK



HEAD OFFICE

-  Building No. 101, Preah Norodom Blvd. Corner Samdach Pan Ave. (214) Sangkat Boeng Reang, Khan Doun Penh, Phnom Penh, Kingdom of Cambodia
-  (855) 23 920 111 / 23 920 222
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BRANCHES IN PHNOM PENH



Phnom Penh Main

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-  www.orientalbank.com.kh



Local Branch of Oriental Bank Plc. (Khan Saensokh - Sangkat Phnom Penh Thmei)

-  Building No. A1, NW-23 Street, Phum Bayab, Sangkat Phnom Penh Thmei, Khan Saensokh, Phnom Penh, Kingdom of Cambodia.
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Local Branch of Oriental Bank Plc. (Khan Chbar Ampov - Sangkat Preaek Pra)

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CODE OF ETHICS

At Oriental Bank, we are steadfast in our commitment to the highest standards of integrity, transparency, and accountability across all facets of our operations. This Code of Ethics articulates our enduring dedication to ethical conduct, effective corporate governance, and responsible banking practices. It is applicable to all members of the Board of Directors, management personnel, employees, and serves as a guiding framework for our interactions with customers, shareholders, regulators, and all other stakeholders.

Integrity and Honesty

- ◆ We conduct our business with the utmost honesty, fairness, and transparency in every interaction and transaction.
- ◆ We are committed to identifying, avoiding, and appropriately disclosing any actual or potential conflicts of interest, thereby upholding the trust placed in us by all stakeholders.

Customer Commitment

- ◆ We place the highest priority on serving the needs and interests of our customers with professionalism and care.
- ◆ We ensure that all communications regarding our products and services are accurate, clear, and presented in a manner that facilitates informed decision-making.

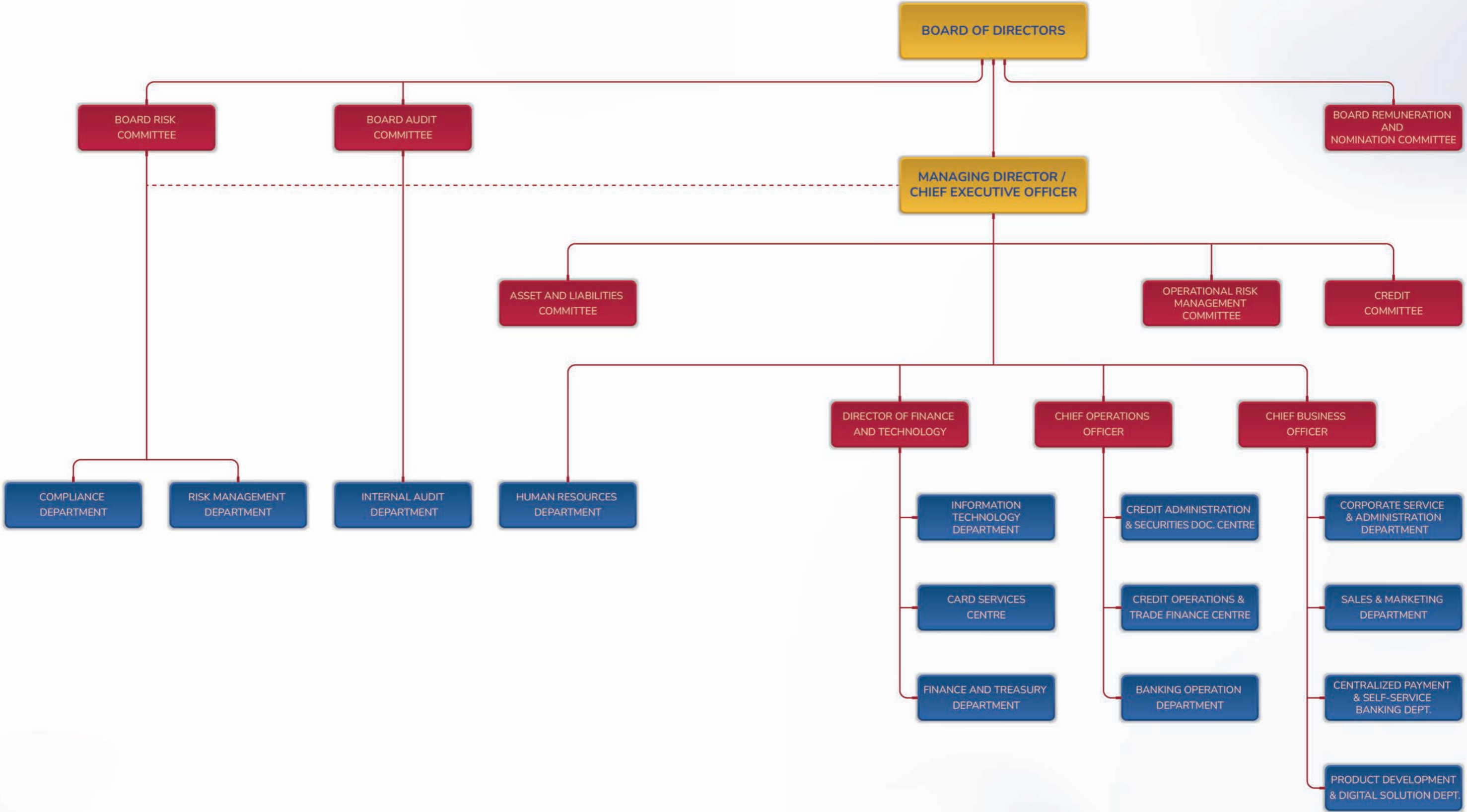
Corporate Governance

- ◆ We maintain and continuously strengthen a culture of sound corporate governance to promote responsible leadership, ethical decision-making, and accountability at all levels of the organization.
- ◆ We fully comply with all applicable legal, regulatory, and industry requirements relevant to the banking sector.
- ◆ We proactively identify, assess, and manage risks to uphold compliance, protect our stakeholders, and preserve the Bank's reputation and financial integrity.

Whistleblower Protection

- ◆ We are committed to fostering an environment where employees and stakeholders feel empowered to report concerns or suspected violations of this Code without fear of retaliation.
- ◆ We ensure that all reports are handled with the highest level of confidentiality and in accordance with our internal whistleblower protection protocols.

ORGANIZATION CHART



CHAIRMAN STATEMENT



It is with great pleasure that I present Oriental Bank's Annual Report for the Financial Year 2024 — a year marked by strategic growth, innovation, and meaningful partnerships that continue to strengthen our role in Cambodia's evolving financial landscape amidst a challenging environment.

During the year, we made significant strides in enhancing cross-border banking capabilities through the introduction of Chinese Renminbi (RMB) account and international remittance services. This development empowers customers to conduct trade and financial transactions worldwide in RMB, USD and all other major currencies with greater convenience, supporting regional connectivity and fostering business growth.

In support of Cambodia's national financial innovation agenda, we are honored to serve as the partner of Mastercard as the settlement bank for the Bakong Tourist App, an initiative launched by the National Bank of Cambodia. This groundbreaking platform enriches the payment experience for international visitors, driving the nation's digital transformation while underscoring our commitment to financial inclusion and a seamless, interoperable transaction ecosystem.

To further strengthen regional economic ties, we have been actively engaging in strategic discussions with different business entities and potential investors in the region. These initiatives seek to promote trade and investment flows into Cambodia, while offering customized financial solutions that support potential investors and businesses in expanding their presence and operations in Cambodia.

We also expanded our range of offerings by introducing escrow services, integrated financial and insurance solutions to our customers. This reflects our continued focus on delivering holistic, customer-centric services that address evolving client needs and contribute to the resilience of Cambodia's financial ecosystem.

Despite the global challenges arising from the aftermath of the COVID-19 pandemic, escalating geopolitical tensions, and persistent economic uncertainties since early 2022, the Bank has navigated these turbulent waters with resilience and unwavering determination. We have continued to strengthen our position in the market, expand our innovative digital capabilities, and enhance our customer experience. In year 2024, the Bank recorded significant financial achievements, driven by growing customer confidence and prudent risk management. Customer deposits surged by 22.6%, accompanied by a 31% increase in the number of depositing customers—underscoring the trust placed in our banking services and innovative product offerings. Our loan portfolio grew by 5%, while total assets rose by 6%, reflecting cautious, steady and sustainable expansion despite the challenging market conditions. Notably, we maintained a low non-performing loan (NPL) ratio of just 1.1%, significantly outperforming the industry average of over 5.4% and highlighting the effectiveness of our credit strategy. These achievements underscore the Bank's effective strategies and the unwavering dedication to building a resilient, forward-thinking, and customer-first institution.

To meet the changing needs of our customers, we will continue to roll out new and inclusive financial products — including debit and credit cards, as well as digital lending solutions designed to improve access to credit in a fast, secure, and responsible manner. These offerings reflect our ambition to deliver meaningful financial services that empower individuals, entrepreneurs, and businesses alike.

In our ongoing effort to expand our reach, we are deepening our collaboration with the Credit Guarantee Corporation of Cambodia (CGCC) to extend financing to a broader segment of the market — including SMEs, MSMEs, and the underserved sectors. This enhanced partnership supports our vision of inclusive growth and financial empowerment across Cambodia.

Our success is powered by our people. In 2024, we placed a strong focus on strengthening human capital, investing in upskilling, talent development, and leadership capabilities across all levels of the organization. Overall, our workforce grew by 8%, reflecting our commitment to building a future-ready team capable of driving long-term value.

Our strategic emphasis on innovation and operational excellence is clearly reflected in our staffing structure. A significant portion of our workforce—amounting to 27%—is dedicated to functions that directly support our digital, payments, product, and card services offerings. This consolidated investment in technology and product capabilities underscores our business model centered on delivering secure, seamless, and innovative financial solutions.

At the same time, we continue to cultivate a strong compliance culture, underpinned by enhanced risk management frameworks. This includes the ongoing strengthening of our Anti-Money Laundering (AML), Counter Financing of Terrorism (CFT), and Proliferation Financing (PF) policies to mitigate risks and to align with global best practices and regulatory compliances.

As we look ahead to 2025, we remain mindful of the uncertain and turbulent global economic outlook, shaped by geopolitical tensions, shifting policy environments, and external shocks. Despite these challenges, the Bank remains firmly committed to our business plan and strategy — grounded in the core values of integrity, excellence, and service delivery that distinguish us from our competitors.

With a renewed emphasis on strengthening our digital infrastructure and delivering innovative, inclusive financial solutions, the Bank continues to evolve in step with the changing needs of our customers and the broader financial landscape. Our growing capabilities in technology, payments, product development, and operational excellence reflect an unwavering dedication to building a resilient, forward-thinking, and customer-first institution.

By leveraging emerging technologies, pursuing strategic collaboration, and staying ahead of industry trends, we aim not only to elevate the customer experience and enhance internal efficiencies, but also to create long-term value for our clients, communities, and Cambodia’s banking ecosystem.

We extend our deepest gratitude to our valued customers for their continued trust and loyalty, which remain the cornerstone of our success. To our shareholders and the Board of Directors, we thank you for your unwavering support and guidance. We are also grateful to our strategic partners and collaborators for their confidence in the Bank and their role in driving innovation and sustainable growth. Together, your belief in our vision empowers us to continue delivering excellence, and to truly embody our slogan “More than just a Bank.” Thank you for being a vital part of our journey.

Thank you



Datuk Phan Ying Tong
Chairman

SIGNIFICANT EVENTS IN 2024

STRATEGIC PARTNERSHIP WITH AIRASIA CAMBODIA

On 18th March 2024, AirAsia Cambodia held its inaugural press conference and flight launch, presided over by Mr. Vissoth Nam, Chief Executive Officer of AirAsia (Cambodia) Co Ltd, marking a significant milestone in the region's travel industry. Meanwhile, AirAsia Cambodia is leveraging on Oriental Bank's



seamless solutions to enhance its customers' experience. This partnership aims to facilitate smoother transactions and excellent digital experiences for passengers while showcasing Oriental Bank's strengths as a comprehensive and reliable digital payment platform, as well as an efficient provider of payment settlement services.

STRATEGIC PARTNERSHIP WITH MALAYSIA CHINA CHAMBER OF COMMERCE (MCCC)



On 20th March 2024, Oriental Bank and the Malaysia China Chamber of Commerce (MCCC) held a productive meeting in Phnom Penh to discuss collaboration and investment opportunities in Cambodia. The discussion aimed at strategic initiatives, showcasing innovative digital solutions, and commitment to supporting business growth for Malaysian and Chinese enterprises in Cambodia.



AIRASIA TRAVEL FAIR PARTICIPATION



Oriental Bank participated in the AirAsia Travel Fair held at Aeon 1 from April 30th to May 5th, 2024, promoting account openings and other financial products and services.

The event featured a promotion offering free air tickets with AirAsia, encouraging account openings, enhancing customer engagement, and making it a memorable experience for all participants.



CamEd BUSINESS SCHOOL STUDY TOUR AT ORIENTAL BANK

Phnom Penh, 7 May 2024 – A group of business school students led by Professor Ho Varabott from CamEd Business School visited Oriental Bank's Head Office for a study tour. Datuk Phan Ying Tong, founder and chairman of Oriental Bank, gave a warm welcome speech and shared his insights into Cambodia's evolving banking system,

including conventional and digital banking, and the Oriental Bank's rich history, enhancing their understanding of the financial landscape and also the background of Oriental Bank.



SPONSORSHIP OF THE CAMBODIAN LIFE SCIENCES INSTITUTE CUP GOLF FRIENDSHIP TOURNAMENT



On 1st July 2024, Oriental Bank sponsored the Cambodian Life Sciences Institute Cup Golf Friendship Tournament, showcasing our commitment to community engagement and allowing us to promote the benefits of our banking solutions effectively.

All golf enthusiasts enjoyed the game, the fellowship, and the sumptuous dinner provided by the organizer.

SUCCESSFUL BOOK LAUNCH FOR DR. VIJAYARAJ R. KANNIAH AT ORIENTAL BANK

On 6th July 2024, Oriental Bank hosted the launch of Dr. Vijayaraj R. Kanniah's book, *Battling Money Laundering, Terrorism Financing & Proliferation Financing in Cambodia*. The event highlighted the Bank's commitment to advancing compliance and financial security in Cambodia. Datuk Phan Ying Tong, Chairman of Oriental Bank, commended Dr. Vijay's contributions, reinforcing Oriental Bank's dedication to industry excellence and integrity.



ORIENTAL BANK CELEBRATES GROUNDBREAKING OF THE FUNAN TECO CANAL PROJECT



On 5th August 2025, at the head office, the management and staff of Oriental Bank

gathered to participate in the groundbreaking ceremony for the Funan Techo Canal, showing support for this significant project which is a major step forward in Cambodia's continuous development of the infrastructure and internal logistic system.



COURTESY VISIT TO THE MINISTER OF ENVIRONMENT H.E. SOPHALLETH EANG

On 22nd October 2024, Datuk Phan Ying Tong, Chairman of Oriental Bank, accompanied by Ms. Kim Sotheavatey, Chief Business Officer, and Mr. Sem Monyoudom, Director of Finance and Technology, paid a courtesy visit to the Minister of Environment H.E. Sophalleth Eang at the Ministry.



His Excellency the Minister shared critical insights on economics, green energy, and environmental sustainability, offering invaluable guidance for banks, particularly in financing and advancing sustainable practices within the banking sector.

COURTESY VISIT BY THE HONG KONG TRADE DEVELOPMENT COUNCIL



On 20th October, Oriental Bank welcomed a distinguished delegation from the Hong Kong Trade Development Council (HKTDC), led by Regional Director Mr. Ronald Ho, Indochina Director Ms. Tina Phan, and Deputy Executive Director Dr. Patrick Lau. The bank acknowledged HKTDC's significant role in promoting economic growth and enhancing trade relations. Oriental Bank reaffirms its commitment to facilitating investments between our two nations, aiming to create mutually beneficial opportunities for both economies and communities.

THE LAUNCH OF THE BAKONG TOURIST APP WITH MASTERCARD AND ORIENTAL BANK



On 11th November 2024, the National Bank of Cambodia launched the Bakong Tourist app in collaboration with Mastercard and Oriental Bank. This initiative aims to simplify financial transactions for international tourists, enabling seamless KHQR payments at over 3.3 million merchant locations nationwide. The partnership seeks to strengthen the financial ecosystem, stimulate economic growth, and transform Cambodia's financial landscape. The ceremony was

presided over by H.E. Dr. Chea Serey, Governor of the National Bank of Cambodia; Mr. Sapan Shah, Senior Vice President of Mastercard; and Datuk Phan Ying Tong, Founder and Chairman of Oriental Bank.



TRAINING SESSION ON "THE TRUST MECHANISM IN CAMBODIA"



Phnom Penh, 25 November 2024 - the Trust Regulator and Oriental Bank Plc. jointly conducted a training session titled "The Trust Mechanism in Cambodia." The event was presided over by H.E. SOK Dara, Director-General of the Trust Regulator, and Datuk Phan Ying Tong, Founder & Chairman of Oriental Bank, at the headquarters of Oriental Bank Plc.

The session aimed to enhance understanding and raise awareness of the trust mechanism among the senior management and staff of Oriental Bank Plc. As a Trustee Operator licensed by the Trust Regulator, Oriental Bank Plc. provides essential retention and escrow services for commercial trust operations.



By equipping participants with the necessary knowledge, the training sought to strengthen the bank's ability to effectively manage trust-related services, ultimately benefiting both its clients and the broader financial landscape in Cambodia.

STRATEGIC PARTNERSHIP BETWEEN ORIENTAL BANK, FORTE INSURANCE, AND FORTE LIFE ASSURANCE



On 12th December 2024, Oriental Bank, Forte Insurance (Cambodia), and Forte Life Assurance (Cambodia) formed a strategic partnership to offer essential financial and insurance products to the customers of the

three (3) entities. The senior management teams led by Datuk Phan Ying Tong, Founder and Chairman of Oriental Bank, Mr. Suy Chantharong, CEO of Forte Insurance (Cambodia), and Mr. Prou Sythan (left), CEO of Forte Life Assurance (Cambodia), visited the SOSORO Museum to understand Cambodia's history and the financial evolution prior to the official signing of the partnership.



BOARD OF DIRECTORS

From Left to Right

MS. RONG RATHAVATEY
DIRECTOR

DATUK PHAN YING TONG
CHAIRMAN

MS. SOK VANSEKA
INDEPENDENT DIRECTOR

MR. HENG ZE MIN DARREN
DIRECTOR

MS. DY SOPHEAK PAGNA
DIRECTOR

MS. LOI JIN CHOO
INDEPENDENT DIRECTOR

MS. HENG PHUOY EANG
DIRECTOR



BOARD COMMITTEES

The Board has set up the following Board Committees as required by the Prakas on Governance in Banks and Financial Institutions:

- ◆ Board Audit Committee
- ◆ Board Remuneration and Nomination Committee
- ◆ Board Risk Committee

Board Audit Committee and Board Remuneration and Nomination Committee



NAME	COMMITTEES POSITION
Ms. Loi Jin Choo (Center)	Chairwoman
Datuk Phan Ying Tong (Left)	Member
Ms. Sok Vansaka (Right)	Member

Board Audit Committee

The key responsibilities of the Board Audit Committee are to ensure high corporate governance practices whilst providing oversight on the Bank's financial reporting, disclosure, regulatory compliance, risk management and monitoring of internal control processes within the Bank.

Board Remuneration and Nomination Committee

The key responsibilities of the Board Remuneration and Nomination Committee include overseeing and recommending the Bank's compensation and benefits framework for board members, senior management, and staff, ensuring alignment with performance, market standards, and strategic objectives. The Committee is also tasked with evaluating and recommending suitable candidates for the Board of Directors and senior management positions, ensuring the leadership team has the appropriate skills and experience.

Board Risk Committee



NAME	COMMITTEES POSITION
Ms. Sok Vansaka (Center)	Chairwoman
Datuk Phan Ying Tong (Left)	Member
Ms. Loi Jin Choo (Right)	Member

The Board Risk committee is responsible in discharging the Board's roles and responsibilities in managing risks including ensuring the risk infrastructures and controls are in place for effective risk management oversight.

MANAGEMENT TEAM



Oriental Bank PLC was founded by its Managing Director and Chief Executive Officer, Datuk Phan Ying Tong, a seasoned banker with over 40 years of regional banking experience, including the last 20 years in the Indochina region. Datuk Phan holds a Master's degree in Business Administration from the University of London. He previously served as Executive Director and Regional Head of a major regional bank, a position he held until December 2020, when he stepped down to pursue his vision of establishing a new financial institution – Oriental Bank PLC. Under his leadership, the regional bank achieved international recognition and received numerous industry awards over the years. In January 2021, he founded Oriental Bank PLC in Cambodia, where he continues to lead as Managing Director and Chief Executive Officer.



Ms. Sotheavatey Kim, aged 43, is the current Chief Business Officer. She graduated with a Bachelor's Degree in IT from Norton University, Phnom Penh in 2004. Prior to joining Oriental Bank, she was with a major regional bank for 18 years where she rose through the ranks, mainly responsible for Product and Digital Solution/Business Development, Branch Business Review, Strategic Communications, and the Business Support Department. She held the position of Assistant General Manager at the major regional bank before joining Oriental Bank in March 2021. She has vast experience in sales, branch management, and general bank management.



Mr. Yap Kah Yip, aged 40, is the current Chief Operations Officer. He graduated from University of Manitoba in Canada with a Bachelor's Degree of Commerce – Honors, majoring Finance and Actuarial Mathematics. Prior to his posting in Cambodia, he was with one of the major regional banks in Malaysia for over 6 years, involved in credit operations and products development for its' various operations in Southeast Asia countries including Cambodia, Laos, Vietnam and Sri Lanka. Subsequently, he was transferred to work in Cambodia for 7 years where he rose through the ranks and gained extensive exposure in credit operations and branch business units before joining Oriental Bank in March 2021. In Oriental Bank, he has spearheaded credit operations since its' inception.



Mr. Sem Monyoudom brings a total of 10 years of professional experience to his role, including three years as an auditor at PricewaterhouseCoopers (Cambodia) and five years at a startup financial leasing company focused on digital solutions. He possesses extensive experiences in areas such as tax, IFRS, data analytics, financial modeling and IT improvement projects. Mr. Oudom joined Oriental Bank as Head of Finance & Treasury in 2022 and was promoted to be the Director of Finance & Technology since June 2024. He holds a BA in Professional Communication from the Institute of Foreign Languages and has earned CAT and ACCA qualifications from the Association of Chartered Certified Accountants. Currently, Mr. Oudom is a member of ACCA.

INTERNAL CONTROL

COMMITMENT TO CONTROL INTEGRITY

The Board of Directors bears ultimate responsibility for ensuring a robust system of internal control across the Bank. The bank's internal control framework is designed to promote effective and efficient business operations, reliable financial reporting, and full compliance with applicable laws, regulations, and internal policies.

The internal control system provides reasonable, though not absolute, assurance against material misstatements, financial loss, or fraud. The Board continuously reviews and reinforces this system to adapt to emerging risks and evolving regulatory requirements.

CONTINUOUS OVERSIGHT AND MONITORING

Recognizing that internal control is not a static activity, the Bank treats it as an ongoing, coordinated process. It evolves with technological advances, operational complexity, and shifts in the external environment. Regular reviews by the Board ensure timely identification, assessment, and mitigation of significant risks, maintaining the effectiveness of the control environment across the Bank.

Based on these comprehensive evaluations, the Board is assured that the internal control system remains robust, adaptable, and well-equipped to manage the complexities of our operations. The Board remains committed to the continuous improvement of the Bank's control environment, recognizing it as a strategic asset that builds trust, drives growth, and generates long-term value for stakeholders.

ROLES OF MANAGEMENT AND INTERNAL AUDIT

Management plays a central role in executing the Board's policies on risk management and internal control. They are responsible for identifying and evaluating risks, designing control measures, and embedding controls into daily operations. This includes implementing key control activities such as segregation of duties, approvals, reconciliations, and operational checks.

The Internal Audit Department (IAD) serves as an independent and objective assurance function. Reporting regularly to the Audit Committee, IAD evaluates the design and operational effectiveness of the Bank's internal controls. Through periodic audits across various departments and functions, IAD identifies gaps, reports deficiencies, and recommends improvements to strengthen the Bank's control posture.

RISK MANAGEMENT

RISK MANAGEMENT FRAMEWORK

Oriental Bank's Risk Management Framework operates under the Three Lines of Defense (3LoD) operating model of accountability and as such enables robust risk mitigation by establishing three levels of control. The operating structure ensures that there are clearly defined operational roles and responsibilities throughout Oriental Bank. It sets out Oriental Bank's requirements for the segregation of duties to ensure adequate independence of risk management staff.

1. FIRST LINE OF DEFENSE

The First Line of Defense consists of each operational front line and Business Unit at Oriental Bank. They are responsible for managing daily risks and compliance issues, as well as implementing corrective actions to address any process and control deficiencies.

2. SECOND LINE OF DEFENSE

The Second Line of Defense is carried out by the Risk Management and Compliance Departments. They oversee governance and provide support to business and functional units on risk and compliance matters for Oriental Bank Executives and the Board.

3. THIRD LINE OF DEFENSE

The Third Line of Defense is conducted by the Internal Audit Department. They offer independent assurance to the Board that the risk and compliance management functions operate effectively as designed.

CREDIT RISK

Credit risk is most simply defined as the potential that a bank's borrower or counterparty will fail to meet its obligations in accordance with agreed terms.

The Bank has a Key Risk Indicator (KRI) and Credit Risk Appetite, Policies & Frameworks as a pro-active credit risk management tool that identified deteriorating credits at early stages, thereby minimising any potential credit loss.

Credit Exposures are actively monitored, reviewed regularly and reported monthly to Senior Management, and quarterly to the Board Risk Committee (BRC).

OPERATIONAL RISK

Operational risk refers to the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events. This definition includes legal risk but excludes strategic and reputation risk.

Operational Risk is embedded as an important element in the assessment of risks within the Bank’s products, services, processes and systems.

The Bank shall implement the operational risk management tools and methodology in order to effectively identify, assess, monitor, control and report the operational risks.

Operational Risk Management (“ORM”) is a mechanism used in identifying the operational risks in the Oriental Bank business and day-to-day operations, understanding the causes, assessing the risk of loss and taking the appropriate actions to minimize the impact of such loss.

MARKET RISK

Market risk refers to the risk of losses in on and off-balance sheet positions arising from movements in market prices.

Interest rate risk is the risk of suffering deterioration in financial position (economic value loss) or financial losses due to impact of changes in interest rates over time on its banking book exposures arising from activities such as deposit taking, lending or financing and investment.

Foreign exchange risk refer to adverse impact arising from movement in exchange rate on foreign currency positions originating from the Net Open Positions (NOP) of currencies denominated other than the base currency, USD.

The Bank monitor its foreign currency exposure and interest rate risk regularly and communicated to ALCO for deliberation and actions. The Bank has also maintained a minimum foreign currency exposure ratio in accordance with guidelines issued by the NBC.

LIQUIDITY RISK

Liquidity risk is the risk of inability to maintain sufficient liquid assets to meet its financial commitment and obligations when they fall due or securing the funding requirement at excessive cost.

The Bank’s management monitors balance sheet liquidity and manages the concentration and profile of debt maturities. Monitoring and reporting take the form of the daily cash position and project for the next day, week and month respectively, as these are key periods for liquidity management. The management monitors the movement of the main depositors and projection of their withdrawals.

CORPORATE GOVERNANCE

OPERATIONAL RISK MANAGEMENT COMMITTEE

1. ROLES & RESPONSIBILITIES

- ◆ To review and advise on the Operational Risk Management Procedure, and Key Risk Indicators proposed by Risk Management Department to facilitate such recommendations to BRC and BoD for approval.
- ◆ Maintain an appropriate work culture which is conducive to facilitate effective and transparent operational risk management matters.
- ◆ To promote, coordinative and drive initiatives to enhance the operational risk management program and system.
- ◆ To facilitate discussion on issues which exposes the Bank to significant operational risk.
- ◆ To oversee and perform regular reviews of the Bank’s operational risk management, and internal control processes as well as technology systems, infrastructure, information security and cybersecurity risks that govern the operations of the Bank by monitoring that they are operating effectively and controls are in place.
- ◆ To conduct annual review of the Bank’s operational risk management Procedure and Key Risk Indicators (KRIs) as well as technology strategic plan, associated road map and proposed expenditure to ensure that it continues to be sound and that the Bank is operating with due regards to the risk appetite set by BRC and BoD.

2. MEMBER COMPOSITION

POSITION	
Managing Director/Chief Executive Officer	Advisor
Chief Operations Officer (COO)	Chairman
Chief Business Officer (CBO)	Member
Head of Compliance	Member
Head of Risk Management	Member
Head of Business Development & Branch Business Review	Member

Head of Product Development & Digital Solutions	Member
Head of Information Technology	Member
Head of Finance & Treasury	Member
Head of Human Resource	Member
Head of Centralized Payments & Self-Service Banking	Member
Head of Credit Operation & Trade Finance	Member
Head of Banking Operations	Member
Head of Credit Administration & Securities Documentation	Member
Risk Management Department	Secretariat

ASSET AND LIABILITIES COMMITTEE (ALCO)

1. ROLES & RESPONSIBILITIES

1.1. FINANCIAL RISK MANAGEMENT:

The Committee shall be responsible for the balance sheet planning of the Bank within the risk parameter set by the Board and its regulatory limits. It will strategically manage the following market risk:

- ◆ Liquidity risk
- ◆ Interest rate risk including deposits and loans
- ◆ Foreign exchange risk
- ◆ Deposit analysis/Concentration Deposit portfolio risk
- ◆ Managing of investment limit and equity risk if any

1.2. ASSETS AND LIABILITIES MANAGEMENT

- ◆ The Committee shall review and manage changes to the Bank’s balance sheet, including structural changes and achievement of strategic objectives in relation to growth.
- ◆ To recommend type of products and treasury instruments with an appropriate duration, interest rate to manage the overall balance sheet structure.

1.3. LIQUIDITY

- ◆ The Committee shall review changes in the profile of liquidity and compliance with all liquidity set out in the Bank’s market risk approved policy.
- ◆ Consider the scenario models as part of liquidity stress testing and identify additional scenarios based on practice and review of monthly stress tests.

1.4. PRODUCT PRICING

- ◆ The Committee shall review and approve changes to lending ratios and deposit pricing following a base rate change or for any other reasons.

1.5. FUNDING

- ◆ The Committee shall review source of funding, identify and assess the impact of new sources of funding and review all funding limits for compliance with the market risk policy.
- ◆ To review balance between funding and lending plans, ensuring the lending plans are compatible with the funding plan especially, core deposits, including secured and unsecured borrowings.
- ◆ To review overall cash flow position and consider the impact of other inflows and outflows that can be effected overall liquidity such as short-term deposits with other banks, deposits from other banks, NCD, and any other cash balance.
- ◆ Ongoing capital and liquidity management and planning, including capital adequacy, and annual capital and budget plans

1.6. NET INTEREST MARGIN

- ◆ The Committee shall review interest margin plans including forecast position, and the variance from the plan’s net interest margin, any required action as appropriate including reviewing adverse and positive movement in pricing.

1.7. INTEREST RATE RISK

- ◆ The Committee shall review/consider and agree to the Bank’s interest rate view and change based on changes to the economic outlook and interest rate environment.

- ◆ To monitor compliance with limits as per the market risk policy.
- ◆ To analyse the impact of changes in interest rate on the economic value of a Bank’s assets, liabilities, and off-balance sheet position based on assessment of the present value of its expected net cash flows and discounted to reflect the market rates.

1.8. INVESTMENT

- ◆ The Committee shall review significant financial risk exposures the Bank generally faces in its investment portfolio, and monitoring of the performance, quality maturity profile, and any action taken by the management.

1.9. OTHER MATTERS:

- ◆ The Committee shall work closely with HR department and decide upon appropriate requirements of training and development of ALCO members, Senior Management as well as Treasury personnel to ensure the requisite skills are available to monitor and control risk.
- ◆ To consider business assurance reviews, feedback from external auditors and other regulators.
- ◆ To determine appropriate fund transfer

2. MEMBER COMPOSITION

POSITION	
Managing Director/Chief Executive Officer	Chairman
Chief Operations Officer	Member
Chief Business Officer	Member
Director of Finance & Technology	Member / Secretary
Head of Compliance	Member
Head of Risk Management	Member
Head of Corporate Services and Administration	Member
Manager of Credit Operations & Trade Finance	Member
Manager of Finance & Treasury	Member

CREDIT COMMITTEE (CRC)

1. ROLES & RESPONSIBILITIES

The CRC shall identify, assess, monitor and manage proper risks associated with credit and take appropriate action to meet the risk management objectives as stated in the Bank's Credit Policy. The duties as well as roles & responsibilities of the CRC shall include but not limited to:

- ◆ To approve Credit Facilities based on BoD’s delegated authorities.
- ◆ To monitor credit risk to be in line with the Bank’s risk appetite and lending direction.
- ◆ To review and comment on the Credit Policy and recommend any changes thereon.
- ◆ To oversight of credit facilities and exposures to related parties.
- ◆ To oversight of credit facilities and exposure to Single Beneficiary.

2. MEMBER COMPOSITION

POSITION	
Managing Director/Chief Executive Officer	Chairman
Chief Operations Officer	Member
Chief Business Officer	Member
Director of Finance and Technology	Member

CUSTOMER PERSPECTIVE

The Bank is functioning in a time characterized by rapid technological progress and changing customer expectations. By moving beyond conventional transactional relationships, we are prioritizing customer centricity in our decision-making processes by providing convenience, accessibility and security to our customers. This transformation not only improves customer satisfaction but also promotes loyalty & relationship building, longevity, and profitability. We are increasingly aware of the importance of aligning our strategies with a customer-focused approach.

Utilizing this essential information allows us to gain a deeper understanding of our customers' needs and expectations. Through various channels—such as surveys, feedback forms, direct customer interactions, and social media—we gather real-time data that reflects the continuously shifting landscape of customer preferences.

Listening to our customers helps us pinpoint emerging trends and areas for improvement in our products and services. This insight is crucial for directing resources to enhance the customer experience effectively.

A customer-centric strategy creates a positive feedback loop, as satisfied customers are more likely to remain loyal to a Bank that actively seek and respond to their needs. Loyalty reflects not just the duration of a customer's relationship with us but also the overall quality of their experience. By prioritizing customer satisfaction, we build trust and credibility, fostering loyalty that goes beyond mere transactions.

By customizing our products to meet our customer needs and provide effective and responsive services, we can create a unique value proposition that sets our Bank apart from competitors. Whether through personalized financial advice, innovative digital services, or responsive customer support, aligning with customer feedback allows us to deliver a tailored experience that resonates with our clientele.

The voice of the customer serves as a guiding principle for our investment decisions, enhancing loyalty, ensuring longevity, and ultimately driving profitability. As technology continues to transform the industry, the Bank will maintain its commitment to prioritizing customer experience, embodying the idea that we are "More Than Just A Bank."



TECHNOLOGY

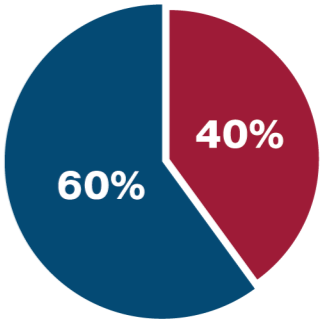
Like all modern enterprises, banks must evolve to keep pace with the changes ushered in by the digital age. In response, the Bank has adopted a 60:40 approach, integrating digital innovation with traditional banking models. This strategy focuses on developing and delivering advanced digital products and services designed to meet the needs of a more tech-savvy customer base. Key elements of the approach include the enhancement of digital banking technologies, improvements to mobile applications, and the seamless integration of mobile and internet banking platforms.

IT has been instrumental in delivering the core architecture and integrations behind the Bank's next-generation digital platforms. This includes major upgrades to mobile and internet banking systems to improve availability, performance, and cross-platform user experience. These efforts have eliminated many of the traditional limitations of branch-based services, enabling customers to transact securely and conveniently across devices and channels.

Milestones such as the rollout of Mobile Banking for personal users in 2022 and corporate digital banking in 2023 were supported by robust backend systems and infrastructure readiness. In late 2024, IT led the technical implementation of the Mastercard Virtual Card, including real-time transaction tracking, secure provisioning, and seamless integration with the Bank's Mobile App. The successful full-scale release in January 2025 reflects the IT team's focus on user-centric design, security, and performance. Work is already underway to support the launch of physical debit and credit cards through further system enhancements and secure service enablement.

Both the Bank's digital platforms and conventional banking operations have been well supported by a robust and well-designed infrastructure, underpinned by strategic forward planning. This includes capacity forecasting, investment in scalable technologies, proactive risk mitigation, and alignment with future business growth. Recognizing the critical importance of trust in digital banking as well as conventional banking platform, the IT division has prioritized cybersecurity, infrastructure resilience, and business continuity. In line with this commitment, a dedicated Disaster Recovery Site was established in 2024 to strengthen system availability and ensure uninterrupted service delivery in the face of potential disruptions. The Bank remains committed to maintaining high standards in IT security and business continuity.

◆ DIGITAL APPROACH



PRODUCT

At Oriental Bank, our slogan, "More Than Just a Bank," reflects our commitment to delivering more than traditional banking services. We focus on providing secure, reliable, and customer-centric products tailored to our clients' needs through cutting-edge technology, ensuring an unparalleled banking experience.

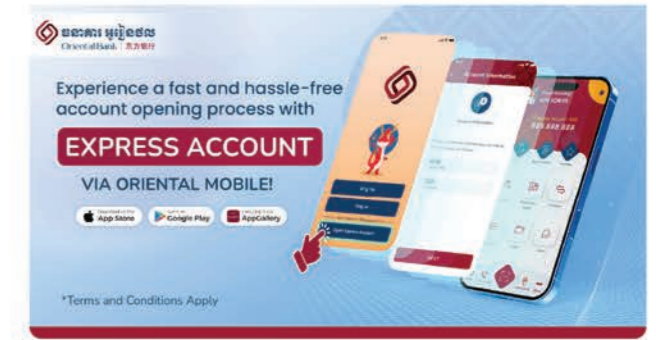
In addition to our ongoing enhancements to the Oriental Mobile Banking Application for Individuals and the Corporate mobile application and internet banking solutions for corporate customers, we have also completed many significant projects, including serving as the sponsoring bank providing back-end settlement process between Bakong Tourist app and Mastercard. This partnership with Mastercard and with the support of the National Bank of Cambodia allows international MasterCard cardholders to link their cards to the National Bakong Tourist App, enabling seamless KHQR payments at over 3.3 million merchant locations across Cambodia.



Oriental Bank remains dedicated to providing tailored solutions that meet our customers' specific needs, offering options in both KHR and USD across various income segments. In our third year of operation, we successfully introduced Chinese Renminbi (RMB) Savings Accounts for individuals and Current Accounts for corporate customers, complementing our RMB Remittance service and enabling clients to maintain funds in RMB, particularly beneficial for businesses requiring RMB settlements. We have also established SWIFT network for international fund transfers for world major currencies, including USD and RMB. In December 2024, we formed a strategic partnership with Forte Insurance, aiming to redefine how financial and insurance services can enhance the lives of individuals and businesses.

Together with Forte Life and Forte Insurance, we are set to introduce more innovative products and services in 2025, specifically designed to address the evolving needs of our customers. By leveraging our insights into the local market and integrating cutting-edge advancements, we are committed to delivering solutions that provide significant value to our clients.

In today's digital landscape, customers actively engage with social media, enabling us to effectively showcase our products and services through videos created by our team as well as influencers across platforms such as TikTok, Facebook, Instagram, and Telegram. To enhance this experience, our website features flexible sharing options for our products, services, and promotional offers from our merchants. This strategy not only aligns us with current digital trends but also allows customers to discover more about our offerings while enjoying their daily social media interactions.



HUMAN CAPITAL

Our employees are our most valuable asset in supporting and driving our success today. At Oriental Bank, we recognize that attracting and retaining exceptional talent is crucial for sustainable growth. We highly value the diversity within our workforce and are dedicated to developing our employees' capabilities. This commitment enables us to better connect with our targeted customers and effectively deliver

our banking products and services. Our focus is on driving performance, fostering continuous improvement, and ensuring high-quality service delivery.

To ensure smooth and effective resource management and continuity of development, Oriental Bank places a strong emphasis on process re-engineering, quality service delivery, strategic resource planning, and employee development and deployment. This commitment begins with our recruitment process and extends through various initiatives that encourage and support professional and career advancement for our employees. We provide training through a variety of platforms to ensure our workforce remains updated with the latest knowledge and skills. As of the end of fiscal year 2024, our workforce comprised a total of 124 employees.

Investing in our employees' professional growth remains a top priority for us. We have comprehensive training initiatives in place that encompass technical skills development, leadership training, and soft skills enhancement. These initiatives are designed to help our employees excel in their roles, adapt their behaviors, and improve overall performance. Our strategy includes a combination of formal internal and external training programs, on-the-job training, orientation sessions, peer learning, and hands-on experiences. As part of this approach, we have transitioned from traditional classroom instruction to experiential learning, enabling participants to engage in flexible, activity-based learning models that foster greater involvement and commitment. We also provide internal training, online learning opportunities, and skill-building activities for our employees.

We prioritize the well-being and safety of our employees. Throughout the year, we maintained a strong focus on occupational health and safety, which included implementing rigorous safety protocols and providing comprehensive training programs. As a result of our commitment to maintaining a safe working environment, we achieved a full year without any work-related incidents.

At Oriental Bank, we recognize that our employees are essential to our success. We are committed to their development, well-being, and safety as we continue to grow and deliver exceptional banking services.



BANKING INDUSTRY

In 2024, Cambodia's banking sector demonstrated resilience amid a challenging economic environment. The National Bank of Cambodia (NBC) reported that outstanding loans increased by 3% year-on-year, reaching approximately \$59.9 billion by the end of the year. However, this growth was modest, primarily due to the sluggish recovery of key sectors such as construction, real estate, tourism, and wholesale and retail trade. Deposits, on the other hand, saw a significant rise, growing by 16.3% to \$57 billion. This substantial increase reflects strong public confidence in the banking system. Nonetheless, the sector faced challenges with non-performing loans (NPLs), which stood at 7.9% for banks and 9% for microfinance institutions.

The increasing cost of funds continues to be a significant challenge for the banks, impacting profitability and lending capacities. In 2023, commercial banks' net profit declined by 45% to 2 trillion riel (approximately \$490.7 million), primarily due to higher cost of fund and increased provision expenses. This trend underscores the need for banks to explore more efficient solutions to serve their customers and maintain profitability. While the U.S. Federal Reserve reduced its policy rate in the second half of 2024, it maintained the rate in the first quarter of 2025, signaling that elevated funding costs are not yet over.

Digital innovation continues to play a pivotal role in the sector's evolution. The National Bank of Cambodia (NBC) has launched the 'Bakong Tourists App' helping foreign tourists in Cambodia to make payments using the country's universal KHQR code at over 3.3 million retail merchant outlets which is expected to improve tourists experience in payment and accessibility to merchants of all sizes ranging from street vendors to restaurants.

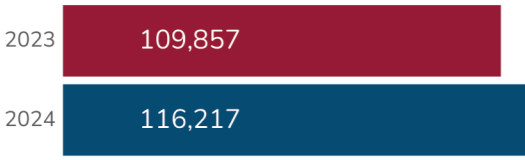
The banking sector remains a driving force in the country's economic growth, but it remains to be seen how the sector adapts to the ongoing trade war waged by the US, Cambodia's largest export market. If the sweeping US tariff remains, they could significantly impact the recovery efforts over the last few years post the pandemic. Foreign direct investment, a key component to the GDP's growth contributing to nearly 10% of last year's GDP, will also be negatively impacted by the uncertainty surrounding US trade policy. Cambodia's foreign exchange reserves remain robust at \$18.3 billion at the end of February 2025, equivalent approximately 7.5 months of import coverage which helps to mitigate this risk.



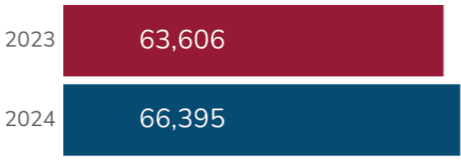
FINANCIAL HIGHLIGHTS

BALANCE SHEET (US\$'000)

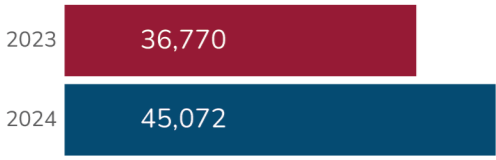
Asset



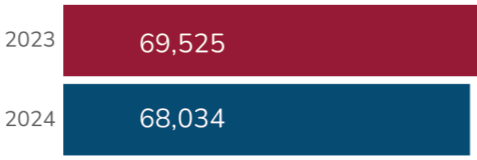
Loan



Deposit

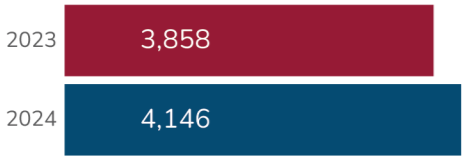


Equity

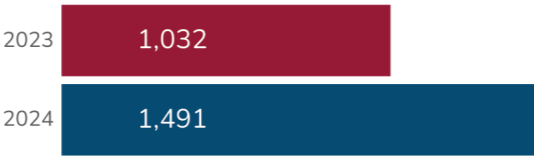


P&L ACCOUNT (US\$'000)

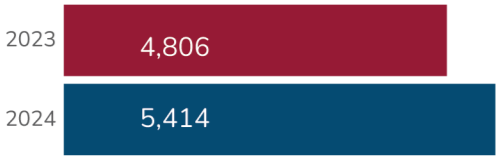
Net Interest Income



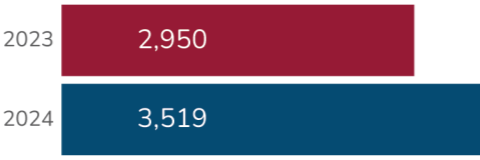
Net Losses



Operating Expenses

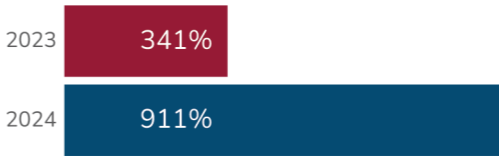


Intangible Asset

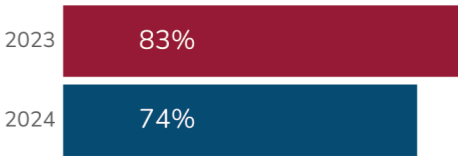


RATIOS (%)

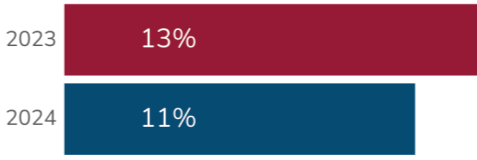
Liquidity Coverage Ratio



Solvency Ratio

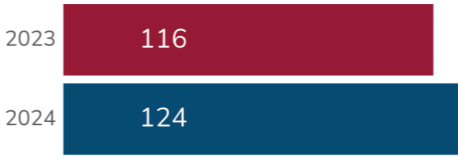


KHR Lending



GENERAL INFORMATION

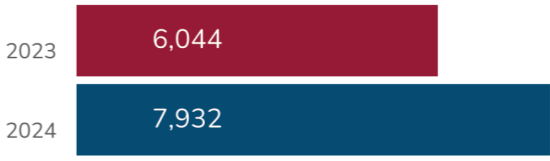
Staff



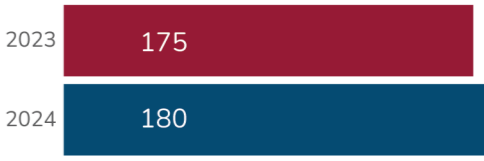
Branch



Deposit Account



Loan Account



The background of the page features a collage of financial data visualizations. In the upper left, a bar chart with blue bars and a red line graph is visible, with data points labeled 200, 280, 400, 410, and 470. Below this, a smaller bar chart is titled 'Detailed information of changing business activity of subdivisions of main company'. In the lower right, a pie chart is partially visible, and a silver pen lies diagonally across a document with more charts. The overall color scheme is light blue and white, with a soft, out-of-focus effect.

AUDITED FINANCIAL STATEMENTS

Directors' Report	39
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Statement of Comprehensive Income	47
Statement of Changes in Equity	48
Statement of Cash Flows	49
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DIRECTORS' REPORT

The directors hereby submit their report together with the audited financial statements of Oriental Bank Plc. (the “Bank”) for the year ended 31 December 2024.

PRINCIPAL ACTIVITIES

The Bank is principally engaged in the commercial banking business and the provision of related financial services in the Kingdom of Cambodia.

There have been no significant changes in the nature of these principal activities during the year.

FINANCIAL RESULTS

	2024	
	USD	KHR'000
Loss for the year	(1,490,755)	(6,068,864)

DIVIDENDS

No dividend has been declared and the directors did not recommend the payment of any dividend in respect of the year ended 31 December 2024.

SHARE CAPITAL

The details of share capital and shareholding structure is disclosed in Note 17 to the financial statements.

RESERVES AND PROVISIONS

Transfers to or from reserves or provisions during the year are disclosed in Note 18 to the financial statements.

BAD AND DOUBTFUL LOANS

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

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

ASSETS

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

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

VALUATION METHODS

At the date of this report, the directors are not aware of any circumstances which had arisen which would render adherence to the existing method of valuation of assets or liabilities of the Bank misleading or inappropriate.

CONTINGENT AND OTHER LIABILITIES

At the date of this report, there does not exist:

- (I) any charge on the assets of the Bank that had arisen since the end of the year to secure the liabilities of any other person; and
- (II) any contingent liabilities in respect of the Bank that had arisen since the end of the year other than in the ordinary course of Banking business.

In the opinion of the directors, 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 will or may affect the ability of the Bank to meet its obligations as and when they fall due.

CHANGE OF CIRCUMSTANCES

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

ITEMS OF MATERIAL AND UNUSUAL NATURE

In the opinion of the directors,

- (i) the results of the operations of the Bank for the year were not substantially affected by any item, transaction or event of material and unusual nature; and

- (ii) no item, transaction or event of material and unusual nature had arisen in the interval between the end of the year and the date of this report which is likely to affect substantially the results of the operations of the Bank for the year in which this report is made.

ISSUANCE OF SHARES AND DEBENTURES

During the year, no new shares or debentures were issued by the Bank.

DIRECTORS

The names of the directors of the Bank who served during the year and up to the date of this report are as follows:

Name	Position
Datuk Phan Ying Tong	Chairman
Ms. Dy Sopheak Pagna	Director
Ms. Loi Jin Choo	Independent Director
Mr. Heng Ze Min Darren	Director
Ms. Heng Phouy Eang	Director
Ms. Rong Rathavatey	Director
Ms. Sok Vanseka	Independent Director

DIRECTORS' BENEFITS

Since the end of the previous year, the directors have not received or become entitled to receive any benefit by reason of a contract made by the Bank or a related corporation with the directors or with a firm of which the director is a member, or with a Bank in which the director has a substantial financial interest, except for any benefit which may be deemed to have arisen by virtue of those transactions as disclosed in Note 27 to the financial statements.

Neither during nor at the end of the year, was the Bank a party to any arrangements where the object is to enable the directors to acquire benefits by means of the acquisition of shares in, or debentures of the Bank or any other body corporate.

SIGNIFICANT EVENT SUBSEQUENT TO THE END OF THE YEAR

There is no significant event subsequent to the end of the year.

AUDITORS

The auditors, Baker Tilly (Cambodia) Co., Ltd, have expressed their willingness to continue in office.

DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS

The directors of the Bank are responsible for ascertaining that the financial statements of the Bank give a true and fair view of the financial position of the Bank as at 31 December 2024, and its financial performance and its cash flows for the year then ended. In preparing these financial statements, the directors of the Bank are required to:

- (I) adopt appropriate accounting policies in accordance with Cambodian International Financial Reporting Standards ("CIFRSs"), which are supported by reasonable and prudent judgments and estimates, and then apply them consistently;
- (II) comply with the disclosure requirements of CIFRSs or, if there have been any departures from such standards, in the interest of fair presentation, ensure that this has been appropriately disclosed, explained and quantified in the financial statements;
- (III) maintain adequate accounting records that enable the Bank to prepare its financial statements under CIFRSs and an effective system of internal controls;
- (IV) prepare the financial statements on a going-concern basis, unless it is inappropriate to assume that the Bank will continue operations in the reasonable future; and
- (V) effectively control and direct the Bank and be involved in all material decisions affecting its operations, performance, and ascertain that such matters have been properly reflected in the financial statements.

The directors confirm that the Bank has complied with the above requirements in preparing the financial statements of the Bank

APPROVAL OF THE FINANCIAL STATEMENTS

In the opinion of the directors, the accompanying statement of financial position of Oriental Bank Plc. (the "Bank") as at 31 December 2024, and the related statement of comprehensive income, changes in equity and cash flows for the year then ended, and the notes to the financial statements are presented fairly, in all material respects, in accordance with Cambodian International Financial Reporting Standards.

Signed on behalf of the Board of Directors,



Datuk Phan Ying Tong
Chairman
Phnom Penh, Kingdom of Cambodia
Date: 21 MAR 2025

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF ORIENTAL BANK PLC.

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Oriental Bank Plc. (the “Bank”), which comprise the statement of financial position as at 31 December 2024, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information, as set out on pages 46 to 106.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Bank as at 31 December 2024, and of its financial performance and its cash flows for the financial year then ended in accordance with the Cambodian International Financial Reporting Standards (“CIFRSs”).

Basis for Opinion

We conducted our audit in accordance with Cambodian International Standards on Auditing (“CISAs”). Our responsibilities under those standards are further described in the Auditors’ Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Bank in accordance with the International Ethics Standards Board for Accountants’ Code of Ethics for Professional Accountants (“IESBA Code”), and the ethical requirements that are relevant to our audit of the financial statements in Cambodia, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other matter

The financial statements of the Bank for the year ended 31 December 2023 was audited by another firm of Certified Public Accountants, whose report dated 13 March 2024 expressed an unqualified opinion on those statements.

Information Other than the Financial Statements and Auditors’ Report Thereon

The directors of the Bank are responsible for the other information. The other information comprises the Annual Report and Directors’ Report (but does not include the financial statements of the Bank and our auditors’ report thereon).

The Directors’ Report was obtained prior to the date of this auditors’ report, and other sections included in the annual report are expected to be made available to us after that date.

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

In connection with our audit of the financial statements of the Bank, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Bank 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 directors, and respond to that matter in accordance with the requirements of CISA 720 (revised).

Responsibilities of the Directors for the Financial Statements

The directors of the Bank are responsible for the preparation of financial statements of the Bank that give a true and fair view in accordance with the CIFRSs. The directors are also responsible for such internal controls as the directors determine are necessary to enable the preparation of financial statements of the Bank that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Bank, the directors are 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 the directors either intend to liquidate the Bank or to cease operations, or have no realistic alternative but to do so.

Auditors’ Responsibilities for the Audit of the Financial Statements

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

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

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

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



Baker Tilly (Cambodia) Co., Ltd.
Certified Public Accountants
Phnom Penh, Kingdom of Cambodia
Date: 21 MAR 2025

Peou Dara
Certified Public Accountant

STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2024

		2024		2023	
ASSETS	NOTES	USD	KHR'000	USD	KHR'000
Cash on hand	5	2,162,366	8,703,523	3,337,753	13,634,721
Deposits and placement with National Bank of Cambodia ("NBC")	6	15,715,912	63,256,546	14,830,906	60,584,251
Deposits and placement with other banks	7	9,446,006	38,020,174	4,754,060	19,420,335
Loans and advances, net	8	66,394,963	267,239,726	63,605,614	259,828,933
Other assets	9	1,141,163	4,593,181	1,225,156	5,004,762
Statutory deposits	10	10,860,000	43,711,500	10,993,023	44,906,499
Property and equipment	11	4,589,694	18,473,518	5,417,799	22,131,709
Intangible assets	12	3,519,118	14,164,450	2,949,585	12,049,055
Right-of-use assets	13	2,388,229	9,612,622	2,743,362	11,206,634
TOTAL ASSETS		116,217,451	467,775,240	109,857,258	448,766,899
LIABILITIES AND EQUITY					
LIABILITIES					
Deposits from customers	14	42,908,731	172,707,642	36,447,261	148,887,061
Deposits from banks and other financial institutions	15	2,163,286	8,707,226	322,873	1,318,936
Lease liabilities	13	2,801,456	11,275,860	3,060,264	12,501,178
Other liabilities	16	309,777	1,246,852	501,904	2,050,278
TOTAL LIABILITIES		48,183,250	193,937,580	40,332,302	164,757,453
EQUITY					
Share capital	17	75,000,000	300,000,000	75,000,000	300,000,000
Regulatory reserves	18	377,347	1,518,822	501,211	2,016,281
Accumulated losses		(7,343,146)	(29,946,170)	(5,976,255)	(24,381,556)
Exchange differences		-	2,265,008	-	6,374,721
TOTAL EQUITY		68,034,201	273,837,660	69,524,956	284,009,446
TOTAL LIABILITIES AND EQUITY		116,217,451	467,775,240	109,857,258	448,766,899

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

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2024

	NOTES	2024		2023	
		USD	KHR'000	USD	KHR'000
OPERATING INCOME					
Interest income	19	6,146,454	25,022,214	4,998,624	20,544,345
Interest expense	19	(2,000,914)	(8,145,721)	(1,140,236)	(4,686,370)
Net interest income		4,145,540	16,876,493	3,858,388	15,857,975
Fees and commission income	20	219,018	891,622	106,406	437,329
Fees and commission expenses	20	(19,991)	(81,383)	(20,406)	(83,869)
Other income	21	128,664	523,791	52,394	215,339
Operating income		4,473,231	18,210,523	3,996,782	16,426,774
Personnel expenses	23	(2,150,149)	(8,753,257)	(2,101,851)	(8,638,608)
Depreciation and amortisation	24	(1,450,529)	(5,905,104)	(1,276,273)	(5,245,482)
Other operating expenses	25	(1,813,246)	(7,381,724)	(1,428,068)	(5,869,359)
Operating loss before impairment losses		(940,693)	(3,829,562)	(809,410)	(3,326,675)
Impairment losses on financial instruments	22	(487,465)	(1,984,470)	(172,077)	(707,236)
Loss before tax		(1,428,158)	(5,814,032)	(981,487)	(4,033,911)
Income tax expense	26(B)	(62,597)	(254,832)	(50,057)	(205,734)
Loss for the year		(1,490,755)	(6,068,864)	(1,031,544)	(4,239,645)
Other comprehensive loss					
Exchange differences		-	(4,109,713)	-	(2,232,020)
Total comprehensive loss for the year		(1,490,755)	(10,178,577)	(1,031,544)	(6,471,665)

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

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2024

	NOTE	SHARE CAPITAL		REGULATORY RESERVES		ACCUMULATED LOSSES		EXCHANGE DIFFERENCES		TOTAL	
		USD	KHR'000	USD	KHR'000	USD	KHR'000	KHR'000	USD	USD	KHR'000
As at 1 January 2024		75,000,000	300,000,000	501,211	2,016,281	(5,976,255)	(24,381,556)	6,374,721	69,524,956	284,009,446	
Total comprehensive loss		-	-	-	-	(1,490,755)	(6,068,864)	-	(1,490,755)	(6,068,864)	
Loss for the year		-	-	-	-	-	-	(4,109,713)	-	(4,109,713)	
Other comprehensive loss		-	-	-	-	-	-	(4,109,713)	-	(4,109,713)	
Total comprehensive loss for the year		-	-	-	-	(1,490,755)	(6,068,864)	(4,109,713)	(1,490,755)	(10,178,577)	
Transactions recognised directly in equity											
Transfers from regulatory reserve to accumulated losses	18	-	-	(123,864)	(504,250)	123,864	504,250	-	-	-	
Exchange differences		-	-	-	6,791	-	-	-	-	6,791	
At 31 December 2024		75,000,000	300,000,000	377,347	1,518,822	(7,343,146)	(29,946,170)	2,265,008	68,034,201	273,837,660	
As at 1 January 2023		75,000,000	300,000,000	397,236	1,588,944	(4,840,736)	(19,714,574)	8,606,741	70,556,500	290,481,111	
Total comprehensive loss											
Loss for the year		-	-	-	-	(1,031,544)	(4,239,645)	-	(1,031,544)	(4,239,645)	
Other comprehensive loss		-	-	-	-	-	-	(2,232,020)	-	(2,232,020)	
Total comprehensive loss for the year		-	-	-	-	(1,031,544)	(4,239,645)	(2,232,020)	(1,031,544)	(6,471,665)	
Transactions recognised directly in equity											
Transfers from accumulated losses to regulatory reserve	18	-	-	103,975	427,337	(103,975)	(427,337)	-	-	-	
As at 31 December 2023		75,000,000	300,000,000	501,211	2,016,281	(5,976,255)	(24,381,556)	6,374,721	69,524,956	284,009,446	

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

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2024

	NOTES	2024		2023	
		USD	KHR'000	USD	KHR'000
Operating activities					
Loss before tax		(1,428,158)	(5,814,032)	(981,487)	(4,033,911)
Adjustments for:					
Depreciation and amortisation	24	1,450,529	5,905,104	1,276,273	5,245,482
Impairment losses on financial instruments	22	487,465	1,984,470	172,077	707,236
Property and equipment transfer to expense	11	19,004	77,365	79,626	327,263
Intangible assets transfer to expense	12	70,048	285,165	5,755	23,653
Net interest income	19	(4,145,540)	(16,876,493)	(3,858,388)	(15,857,975)
Operating loss before changes in working capital		(3,546,652)	(14,438,421)	(3,306,144)	(13,588,252)
Net changes in:					
Loans and advances		(3,250,152)	(13,231,369)	(13,456,353)	(55,305,611)
Statutory deposits		133,023	541,537	(2,342,015)	(9,625,682)
Deposits from customers		6,334,862	25,789,223	21,592,609	88,745,623
Deposits from banks and other financial institutions		1,823,655	7,424,100	322,873	1,327,008
Other assets		136,801	556,917	(124,722)	(512,607)
Other liabilities		(195,494)	(795,856)	(65,125)	(267,664)
Cash generated from operating activities		1,436,043	5,846,131	2,621,123	10,772,815
Interest received		6,070,352	24,433,167	4,856,819	19,840,106
Interest paid		(1,659,972)	(6,681,387)	(432,632)	(1,767,302)
Income tax paid		(62,597)	(254,832)	(50,057)	(205,734)
Net cash generated from operating activities		5,783,826	23,343,079	6,995,253	28,639,885
Investing activities					
Placement of fixed deposits with banks		(1,001,208)	(4,075,918)	-	-
Acquisitions of property and equipment	11	(196,084)	(798,258)	(1,346,485)	(5,534,053)
Acquisitions of intangible assets	12	(729,792)	(2,970,983)	(320,999)	(1,319,306)
Net cash used in investing activities		(1,927,084)	(7,845,159)	(1,667,484)	(6,853,359)

STATEMENT OF CASH FLOWS (Continued)

		2024		2023	
		USD	KHR'000	USD	KHR'000
Financing activity					
Repayment of lease liabilities	13(II)	(456,385)	(1,857,943)	(430,588)	(1,769,717)
Net cash used in financing activities		(456,385)	(1,857,943)	(430,588)	(1,769,717)
Net increase in cash and cash equivalents		3,400,357	13,639,977	4,897,181	20,016,809
Cash and cash equivalents, at beginning of the year		22,922,719	93,639,307	18,025,538	74,211,139
Exchange differences		-	(1,328,903)	-	(588,641)
Cash and cash equivalents, at end of the year	28	26,323,076	105,950,381	22,922,719	93,639,307

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

NOTES TO THE FINANCIAL STATEMENTS

1. CORPORATE INFORMATION

Oriental Bank Plc. (the “Bank”) was incorporated in the Kingdom of Cambodia and registered with the Ministry of Commerce (“MOC”) on 19 March 2021 to operate as a commercial bank with its head office located in Phnom Penh. The registered office of the Bank is located at No.299 (Unit 1F-07), Street Preah Ang Duong (corner of street 108), Sangkat Wat Phnom, Khan Daun Penh, Phnom Penh, Kingdom of Cambodia.

On 13 December 2021, the Bank changed its registered office to No. 101, corner of Preah Norodom Boulevard (Street No. 41) & Samdech Pan Avenue (Street No. 214), Sangkat Boeng Reang, Khan Daun Penh, Phnom Penh.

The amendment of its Article of Incorporation to reflect this change with the MOC was completed on 23 May 2022. On 21 January 2022, the National Bank of Cambodia (“NBC”) issued to the Bank its banking license to operate as a commercial bank.

The Bank is principally engaged in the commercial banking business and the provision of related financial services in the Kingdom of Cambodia.

There have been no significant changes in the nature of these principal activities during the year.

2. BASIS OF PREPARATION

2.1 Statement of compliance

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

2.2 Basis of measurement

The financial statements of the Bank have been prepared on the historical cost basis, except as otherwise disclosed in Note 3 to the financial statements.

2.3 Adoption of new CIFRSs and amendments/improvement to CIFRSs

(a) Amendments/Improvements to standards adopted during the year

The following amendments/improvements were adopted by the Bank but did not have significant impact on the current period or any prior period and it is not likely to affect the future periods.

- ◆ Classification of Liabilities as Current or Non-current liabilities with covenants Amendments to CIAS 1
- ◆ Lease Liability in a Sale and Leaseback – Amendments to CIFRS 16
- ◆ Supplier finance arrangements – Amendments to CIAS 7 and CIFRS 7

(b) Standards and amendments/improvements that have been issued but not yet effective

Effective for financial periods		
New Standards		
CIFRS 18	Presentation and Disclosure in Financial Statements	1 January 2027
Amendments/Improvements		
CIAS 21	Amendments to CIAS 21 – Lack of Exchangeability	1 January 2025
CIFRS 7 and CIFRS 9	Amendments to the Classification and Measurement of Financial Instruments	1 January 2026

The above standards/amendments have been published but not yet effective for year beginning on or after 1 January 2024 and have not been early adopted by the Bank. These standards, amendments or interpretations are not expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

2.4 Functional and presentation currency

The national currency of Cambodia is the Khmer Riel (“KHR”). However, as the Bank transacts its businesses and maintains its accounting records primarily in United States Dollar (“USD”), the directors have determined the USD to be the Bank’s currency for measurement and presentation purposes as it reflects the economic substance of the underlying events and circumstances of the Bank.

The translations of USD amounts into KHR presented in the financial statements are included solely to comply with the Law on Accounting and Auditing and have been using the prescribed official annual closing and average exchange rate of USD1 to 4,025 and USD1 to 4,071 respectively, for the year ended 31 December 2024 (2023: 4,085 and 4,110) as announced by the NBC.

These translations 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.

3. MATERIAL ACCOUNTING POLICY INFORMATION

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

3.1 Financial instruments

(a) Initial measurement

Financial assets and financial liabilities

Financial assets and liabilities are recognised when the Bank becomes a party to the contractual provisions of the instrument.

At initial recognition, the Bank measures financial assets and financial liabilities at fair value plus transaction costs that are directly attributable to the acquisition or issue of financial instruments are added to or deducted from the fair value of the financial instruments, as appropriate, on initial recognition.

(b) Classification

Financial assets

On initial recognition, a financial asset is classified as measured at: amortised cost, or fair value through other comprehensive income (“FVOCI”).

A debt instrument is measured at FVOCI only if it meets both of the following conditions and is not designated as at fair value through profit or loss (“FVPL”):

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

Business model assessmen

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

- the stated policies and objectives for the portfolio and the operation of those policies in practice. In particular, whether management’s strategy focuses on earning contractual interest revenue, maintaining a particular interest rate profile, matching theduration of the financial assets to the duration of the liabilities that are funding those assets or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Bank’s management;

- the risks that affect the performance of the business model (and the financial assets held within that business model) and its strategy for how those risks are managed;
- how managers of the business are compensated (e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected); and
- the frequency, volume and timing of sales in prior periods, the reasons for such sales and its expectations about future sales activity. However, information about sales activity is not considered in isolation, but as part of an overall assessment of how the Bank’s stated objective for managing the financial assets is achieved and how cash flows are realised.

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

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

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

In making the assessment, the Bank considers:

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

Non-recourse loans

In some cases, loans made by the Bank that are secured by collateral of the borrower limit the Bank’s claim to cash flows of the underlying collateral (non-recourse loans). The Bank applies judgment in assessing whether the non-recourse loans meet the SPPI criterion. The Bank typically considers the following information when making this judgement:

- whether the contractual arrangement specifically defines the amounts and dates of the cash payments of the loan;
- the fair value of the collateral relative to the amount of the secured financial asset;

- ◆ the ability and willingness of the borrower to make contractual payments, notwithstanding a decline in the value of collateral;
- ◆ whether the borrower is an individual or a substantive operating entity or is a special-purpose entity;
- ◆ the Bank’s risk of loss on the asset relative to a full-recourse loan;
- ◆ the extent to which the collateral represents all or a substantial portion of the borrower’s assets; and
- ◆ whether the Bank will benefit from any upside from the underlying assets.

Reclassifications

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

Financial liabilities

The Bank classifies its financial liabilities, other than financial guarantees and loan commitments, either at amortised cost or FVPL. As the reporting date, the Bank does not have financial liabilities classified as FVPL.

(c) Derecognition

Financial assets

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

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

Financial liabilities

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

(d) Modifications of financial instruments

Financial assets

If the terms of a financial asset are modified, then the Bank evaluates whether the cash flows of the modified asset are substantially different. The Bank consider, among others:

- ◆ if the borrower is in financial difficulty, whether the modification merely reduces the contractual cash flows to amounts the borrower is expected to be able to pay;
- ◆ whether any substantial new terms are introduced that will affect the risk profile of the loan;
- ◆ significant extension of the loan term when the borrower is not in financial difficulty;
- ◆ significant change in the interest rate;
- ◆ change in the currency the loan is denominated in; and/or,
- ◆ insertion of collateral, other security or credit enhancements that will significantly affect the credit risk associated with the loan.

If the cash flows are substantially different, then the contractual rights to cash flows from the original financial asset are deemed to have expired. In this case, the original financial asset is derecognised (see (c)) and a new financial asset is recognised at fair value plus any eligible transaction costs.

Any fees received as part of the modification are accounted for as follows:

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

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

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

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

Financial liabilities

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

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

(e) Offsetting

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

(f) Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Bank has access at that date. The fair value of a liability reflects its non-performance risk.

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

If there is no quoted price in an active market, then the Bank uses valuation techniques that maximise the use of relevant observable inputs and minimise the use of unobservable inputs.

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

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

If an asset or a liability measured at fair value has a bid price and an ask price, then the Bank measures assets and long positions at a bid price and liabilities and short positions at an ask price.

Portfolios of financial assets and financial liabilities that are exposed to market risk and credit risk that are managed by the Bank on the basis of the net exposure to either market or credit risk are measured on the basis of a price that would be received to sell a net long position (or paid to transfer a net short position) for the particular risk exposure. Portfolio-level adjustments – e.g. bid-ask adjustment or credit risk adjustments that reflect the measurement on the basis of the net exposure – are allocated to the individual assets and liabilities on the basis of the relative risk adjustment of each of the individual instruments in the portfolio.

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

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

(g) Impairment

Financial assets

The Bank recognises loss allowances for Expected Credit Loss ("ECL") on the following financial instruments that are not measured at FVPL:

- ◆ financial assets that are debt instruments;
- ◆ loan and advances; and
- ◆ loan commitments issued.

No impairment loss is recognised on equity investments.

The Bank measures loss allowances at an amount equal to lifetime ECL, except for the following, for which they are measured as 12-month ECL:

- ◆ debt investment securities that are determined to have low credit risk at the reporting date; and,
- ◆ other financial instruments (other than lease receivables) on which credit risk has not increased significantly since their initial recognition.

Loss allowance for loans and advance are 12-month ECL will be computed for stage 1, while lifetime ECL will be computed for stage 2 and stage 3.

12-month ECL are the portion of ECL that result from default events on a financial instrument that are possible within the 12 months after the reporting date. Financial instruments for which a 12-month ECL is recognised are referred to as 'Stage 1 financial instruments'.

Life-time ECL are the ECL that result from all possible default events over the expected life of the financial instrument. Financial instruments for which a lifetime ECL is recognised but which are not credit-impaired are referred to as 'Stage 2 financial instruments'.

At each reporting date, the Bank assesses whether the credit risk of a financial instrument has increased significantly since initial recognition. When credit risk has increased significantly since initial recognition, loss allowance is measured at an amount equal to lifetime ECLs.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Bank considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Bank's historical experience and informed credit assessment and includes forward-looking information.

If credit risk has not increased significantly since initial recognition or if the credit quality of the financial instruments improves such that there is no longer a significant increase in credit risk since initial recognition, loss allowance is measured at an amount equal to 12-month ECLs.

The maximum period considered when estimating ECLs is the maximum contractual period over which the Bank is exposed to credit risk.

Determining whether credit risk has increased significantly

The Bank assesses whether credit risk has increased significantly since initial recognition at each reporting date. Determining whether an increase in credit risk is significant depends on the characteristics of the financial instrument and the borrower, and the geographical region.

The Bank considers that a significant increase in credit risk occurs no later than when an asset is more than 30 days past due. Days past due are determined by counting the number of days since

the earliest elapsed due date in respect of which full payment has not been received. Due dates are determined without considering any grace period that might be available to the borrower.

If there is evidence that there is no longer a significant increase in credit risk relative to initial recognition, then the loss allowance on an instrument returns to being measured as 12-month ECL.

Definition of default

The Bank considers a financial asset to be in default when:

- ◆ the borrower is unlikely to pay its credit obligations to the Bank in full, without recourse by the Bank to actions such as realising security (if any is held); or
- ◆ the borrower is more than or equal to 90 days past due for long-term facilities or more than or equal to 31 days past due for short-term facilities on any material obligation to the Bank; or
- ◆ it is becoming probable that the borrower will restructure the asset as a result of bankruptcy due to the borrower's inability to pay its credit obligations.

Measurement of ECL

ECL are a probability-weighted estimate of credit losses. It is measured as follows:

- ◆ financial assets that are not credit-impaired at the reporting date: as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Bank expects to receive);
- ◆ financial assets that are credit-impaired at the reporting date: as the difference between the gross carrying amount and the present value of estimated future cash flows; and
- ◆ undrawn loan commitments: as the present value of the difference between the contractual cash flows that are due to the Bank if the commitment is drawn down and the cash flows that the Bank expects to receive.

Inputs, assumptions and techniques used for estimating impairment

The key inputs into the measurement of ECL are the term structure of the following variables:

- ◆ probability of default ("PD");
- ◆ loss given default ("LGD"); and
- ◆ exposure at default ("EAD").

ECL for exposures in Stage 1 is calculated by multiplying the 12-month PD by LGD and EAD. Life-time

ECL is calculated by multiplying the lifetime PD by LGD and EAD.

Since the Bank is newly established and has only a few loans at the period of modelling, there is not sufficient historical data to conduct the internal PD, LGD analysis. Therefore, the Bank has relied on external data as a starting point to conduct the PD, LGD proxy based approach.

EAD represents the estimate of the CIFRS 9 book value at the time of default, taking into consideration financial instruments' existing cash flow profiles, as well as expected additional drawings from credit lines up to the date of default. EAD is one of the key components of the credit risk parameters based ECL model. In the context of lifetime ECL calculation, an EAD parameter for each period during the residual lifetime of a financial instrument is required. EAD modelling is cash flow modelling whereby a behavioural approach to exposure modelling is required when no reimbursement scheme exists. When a contractual maturity does not exist, lifetime modelling is also required to obtain a loan's expected lifetime.

As described above, and subject to using a maximum of a 12-month PD for Stage 1 financial assets, the Bank measures ECL considering the risk of default over the maximum contractual period (including any borrower's extension options) over which it is exposed to credit risk, even if, for credit risk management purposes, the Bank considers a longer period. The maximum contractual period extends to the date at which the Bank has the right to require repayment of an advance or terminate a loan commitment or guarantee.

Restructured financial assets

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

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

On 28 December 2021, the NBC issued Circular No. B7.021.2314 on the Classification and Provisioning Requirements on Restructured Loans. On 18 January 2022, a workshop between all banks and financial institutions ("BFIs") under the Association of Banks in Cambodia and the NBC was held to assist BFIs in their application of the Circular and to discuss other related practical issues. Following this workshop, the NBC informed BFIs through letter No. B7.022.167 dated 20 January 2022, the deferment of monthly report submission to 10 February 2022, and the change in financial data to be used for reporting purposes to January 2022, among others. On August 29, 2024, the National Bank of Cambodia (NBC) issued Circular No. B7.024.001 on Loan Restructuring, allowing banking and financial institutions to restructure loans for customer up to two times by retaining the same classification and do not require additional provisioning.

Credit-impaired financial assets

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

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

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

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

Presentation of allowance for ECL in the statement of financial position

Loss allowances for ECL are presented in the statement of financial position for financial assets measured at amortised cost as a deduction from the gross carrying amount of the assets.

Write-off

Financial assets

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

Recoveries of amounts previously written off are included in 'impairment losses on financial instruments' in the statement of profit and loss and other comprehensive income.

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

3.2 Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents comprise cash on hand, deposit and placement with financial institutions and deposit and placement with NBC, that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value, and having been within three months of maturity at acquisition.

3.3 Share capital

Ordinary shares are equity instruments. An equity instrument is a contract that evidences a residual interest in the assets of the Bank after deducting all of its liabilities. Ordinary shares are recorded at all proceeds received, net of directly attributable incremental transaction costs. Dividends on ordinary shares are recognised in equity in the period in which they are declared.

3.4 Regulatory reserves

Regulatory reserves are set up for the variance of allowance between loan impairment in accordance with CIFRS and regulatory allowance in accordance with NBC’s Prakas No. B7-017-344 dated 1 December 2017 and Circular No. B7-018-001 dated 16 February 2018 on credit risk classification and allowance on impairment for Banks and financial institutions.

In accordance with the Prakas, the Bank shall compare the provision calculated in accordance with above requirements and the Bank’s record which is under CIFRS.

- a. In the case whereby the regulatory provision is lower than provision calculated in accordance with CIFRS, the Bank records the provision calculated in accordance with CIFRS; and
- b. In the case whereby the regulatory provision is higher than provision calculated in accordance with CIFRS, the Bank records the provision calculated in accordance with CIFRS and transfer the differences from retained earnings or accumulated losses to the regulatory reserve in the shareholders’ equity under the statement of the financial position.

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

3.5 Statutory deposit

Statutory deposit is stated at cost. Statutory deposits represent mandatory reserve deposits and cash maintained with the NBC in compliance with the Law on Banking and Financial Institutions (“LBFI”) and are not available to finance the Bank’s day to day operations and hence are not considered as part of cash and cash equivalents for the purpose of cash flow statement.

3.6 Property and equipment

All items of property and equipment are initially recognised at cost and subsequently carried at cost less accumulated depreciation and any impairment in value. The cost of property and equip

ment initially recognised includes its purchase price and any cost that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.Assets under construction included in property, plant and equipment are not depreciated as these assets are not available for use.

Property and equipment are depreciated on straight-line basis by allocating their depreciable amounts over the remaining useful life, at the following:

	Useful lives
Leasehold improvement	Shorter of 15 years or lease term
Office and furniture equipment	5 years
Computer equipment	3 years
Motor vehicles	5 years
IT equipment	5 years

The residual values, estimated useful lives and depreciation method of property and equipment are reviewed, and adjusted as appropriate, at each reporting period. The effects of any revision are recognised in profit or loss when the changes arise.

3.7 Intangible assets

Intangible assets that are acquired by the Bank are stated in the statement of financial position at cost less accumulated amortisation (where the estimated useful life is finite) and impairment losses.

Amortisation of intangible assets with finite useful lives is charged to profit or loss on a straight-line basis over the assets’ estimated useful lives from the date they are available for use. Intangible assets are amortised by allocating their amortisable amounts over their useful lives. Useful life of computer software are five years except for license of core banking system which has useful lives of ten years.

Work in progress represents the IT software and system under construction and it is stated at cost. Work in progress is not depreciated until such time when the asset is available for use.

Both the period and method of amortisation are reviewed annually.

3.8 Impairment of non-financial assets

Assets that are subject to depreciation or amortisation are assessed at each reporting date to determine whether there is any indication that the assets are impaired. Where there is any indication that an asset might be impaired, the carrying value of the asset (or cash-generating unit “CGU” to which the asset has been allocated) is tested for impairment.

An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's (or CGU's) fair value less costs to sell and its value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (CGUs). Non-financial assets suffered an impairment are reviewed for possible reversal of the impairment at each reporting date

3.9 Provision

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

3.10 Revenue recognition

The Bank recognises revenue from the following major sources:

- ◆ Net interest income
- ◆ Fee and commission
- ◆ Other income

Revenue is measured based on the consideration to which the Bank expects to be entitled in a contract with a customer and excludes amounts collected on behalf of third parties. The Bank recognises revenue when it transfers control of a product or provides service to a customer.

Net interest income

Interest income and expenses relating to financial instruments measured at amortised cost are recognised in the profit and loss account using the effective interest rate method ("EIR"). The EIR is the rate that ensures the discounted value of estimated future cash flows through the expected life of the financial asset. The EIR measurement should take into accounts, if significant, all fees and commissions received or paid that are an integral part of the EIR of the contract and transaction costs.

Interest income is calculated by applying the effective interest rate to the gross carrying amount of non-credit impaired financial assets (i.e. at the amortised cost of the financial asset before adjusting for any expected credit loss provision), except for:

- ◆ purchased or originated credit-impaired financial assets ('POCI'), for which the original credit adjusted EIR is applied to the amortized cost of the financial assets.

- ◆ financial assets that are not 'POCI' but have subsequently become credit impaired (or 'stage 3'), for which interest income is calculated by applying the EIR to their amortised cost (i.e. the gross carrying amount less the expected credit loss provision).

Interest expenses are recognised by applying the effective interest rate to the gross carrying amount of financial liabilities.

Fees and commission income

Fees and commission income are income other than those that are an integral part of EIR (see above). The fees included in this part of the Bank's statement of profit or loss include a diverse range of services it provides to its customers such as fees charged for servicing a loan.

Fee and commission with regard to services are accounted for as the services are rendered.

Other income

Other income is income generated outside the normal course of business and is recognised when it is probable that the economic benefits will flow to the Bank and it can be measured reliably.

3.11 Lease

The Bank as a lessee

The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Bank's incremental borrowing rate. Generally, the Bank use its incremental borrowing rate as the discount rate.

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

- ◆ fixed lease payments (including in-substance fixed payments), less any lease incentives receivable;
- ◆ variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- ◆ the amount expected to be payable by the lessee under residual value guarantees;
- ◆ the exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- ◆ payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is presented as a separate line in the statement of financial position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

Short-term lease and lease of low-value assets

The Bank has elected not to recognise right-of-use assets and lease liabilities for lease of low-value asset and short-term leases. The Bank recognise the lease payment associated with these leases as an expense on a straight-line basis over the lease term.

4. SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of financial statements in conformity to CIFRSs requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of the revenue and expenses during the reporting period. It also requires directors to exercise their judgement in the process of applying the Bank’s accounting policies. Although these estimates and judgement are based on the directors’ best knowledge of current events and actions, actual results may differ.

Significant areas of estimation, uncertainty and critical judgements in applying accounting policies that have significant effect in determining the amount recognised in the year include the following:

(a) Measurement of income tax

Significant judgement is required in determining the Bank’s estimation for current and deferred taxes because the ultimate tax liability for the Bank as a whole is uncertain. When the final outcome of the tax payable is determined with the tax authorities, the amounts might be different from the initial estimates of the tax payables. Such differences may impact the current and deferred taxes in the period when such determination is made. The Bank will make adjustments for current or deferred taxes in respect of prior years in the current period on those differences arise.

The income tax expense of the Bank is disclosed in Note 26 to the financial statements.

(b) Expected credit loss allowance on financial assets at amortised cost

The expected credit loss allowance for financial assets measured at amortised cost requires the use of complex models and significant assumptions about future economic conditions and credit behavior (e.g., the likelihood of customers defaulting and the resulting losses).

A number of significant judgements are also required in applying the accounting requirements for measuring ECL, such as:

- determining criteria for significant increase in credit risk;
- choosing appropriate models and assumptions for the measurement of ECL
- establishing the number and relative weightings of forward-looking scenarios for each type of product/market and the associated ECL;
- establishing groups of similar financial assets for the purposes of measuring ECL.

The impact of provisioning on the Bank’s loans to customers is disclosed in Note 8.

5. CASH ON HAND

	2024		2023	
	USD	KHR'000	USD	KHR'000
US Dollar	1,827,015	7,353,735	2,884,949	11,785,017
Khmer Riel	335,351	1,349,788	452,804	1,849,704
	2,162,366	8,703,523	3,337,753	13,634,721

6. DEPOSITS AND PLACEMENT WITH NATIONAL BANK OF CAMBODIA (“NBC”)

	2024		2023	
	USD	KHR'000	USD	KHR'000
Current accounts	13,216,576	53,196,718	13,820,205	56,455,537
Settlement accounts	1,888,079	7,599,518	1,010,701	4,128,714
Negotiable Certificate of Deposit (“NCD”)	611,257	2,460,310	-	-
	15,715,912	63,256,546	14,830,906	60,584,251

Interest rate of deposit and placements with the NBC are as follows:

	2024	2023
	Nil	Nil
Current accounts	Nil	Nil
Settlement	Nil	Nil
Negotiable Certificate of Deposit (“NCD”)	0.20% - 1.16%	Nil

During the year, the Bank has pledged NCD sum of USD610,000 (accrued interest income amount USD1,257) with the NBC as a collateral for Liquidity Providing Collateralised Operation (“LPCO”). NCD are maturing in 3 months and earn interest at rates ranging from 0.20% - 1.16% per annum.

7. DEPOSITS AND PLACEMENT WITH OTHER BANKS

	2024		2023	
	USD	KHR'000	USD	KHR'000
IN CAMBODIA:				
Term deposits	9,053,685	36,441,081	3,008,910	12,291,397
Current accounts	192,823	776,113	1,513,811	6,183,919
	9,246,508	37,217,194	4,522,721	18,475,316
OUTSIDE CAMBODIA:				
Current accounts	221,037	889,674	248,819	1,016,425
Deposits and placement with other banks	9,467,545	38,106,868	4,771,540	19,491,741
Less: Allowance for impairment losses	(21,539)	(86,694)	(17,480)	(71,406)
	9,446,006	38,020,174	4,754,060	19,420,335

The deposit and placement with other banks are analysed as follows:

	2024		2023	
	USD	KHR'000	USD	KHR'000
(A) BY MATURITY:				
Within 1 month	6,452,921	25,973,007	1,762,630	7,200,344
More than 1 to 3 months	2,007,288	8,079,334	3,008,910	12,291,397
More than 3 to 12 months	1,007,336	4,054,527	-	-
	9,467,545	38,106,868	4,771,540	19,491,741
(B) BY CURRENCY:				
US Dollar	9,451,625	38,042,790	4,673,915	19,092,943
Khmer Riel	15,920	64,078	97,625	398,798
	9,467,545	38,106,868	4,771,540	19,491,741

(C) BY INTEREST RATE

Annual interest rates of deposits and placements with other banks are as follows:

	2024	2023
Current account	Nil	Nil
Term deposits	3.25% - 6.0%	2.7% - 5.0%

8. LOANS AND ADVANCES, NET

	2024		2023	
	USD	KHR'000	USD	KHR'000
Stage 1	63,712,271	256,441,890	60,577,749	247,460,105
Stage 2	2,736,745	11,015,399	3,147,429	12,857,247
Stage 3	747,265	3,007,742	197,656	807,425
Loans and advances at amortised cost	67,196,281	270,465,031	63,922,834	261,124,777
Less: Allowance for impairments loss	(801,318)	(3,225,305)	(317,220)	(1,295,844)
Net loans and advances	66,394,963	267,239,726	63,605,614	259,828,933

The movement of allowance for impairment losses on loans and advances were as follows:

	2024		2023	
	USD	KHR'000	USD	KHR'000
At 1 January	317,220	1,295,844	157,138	642,223
Allowance during the year (Note 22)	484,098	1,970,763	160,082	657,937
Exchange differences	-	(41,302)	-	(4,316)
At 31 December	801,318	3,225,305	317,220	1,295,844

The gross loans and advances are analysed as follows:

	2024		2023	
	USD	KHR'000	USD	KHR'000
A. BY RELATIONSHIPS:				
External customers	66,608,306	268,098,432	63,715,534	260,277,956
Staff loans	446,255	1,796,176	61,716	252,110
Related parties	141,720	570,423	145,584	594,711
	67,196,281	270,465,031	63,922,834	261,124,777

B. BY MATURITY:

	2024		2023	
	USD	KHR'000	USD	KHR'000
1 to 3 months	5,340,193	21,494,276	4,288,897	17,520,145
More than 3 to 6 months	5,111,507	20,573,816	4,193,366	17,129,900
More than 6 to 12 months	10,352,833	41,670,153	8,461,000	34,563,185
More than 1 to 3 years	11,175,069	44,979,653	9,664,958	39,481,353
More than 3 to 5 years	10,458,945	42,097,254	10,323,981	42,173,462
Over 5 years	24,757,734	99,649,879	26,990,632	110,256,732
	67,196,281	270,465,031	63,922,834	261,124,777

C. BY PERFORMANCE:

	2024		2023	
	USD	KHR'000	USD	KHR'000
Performing	63,712,271	256,441,890	60,577,749	247,460,105
Under-performing	2,736,745	11,015,399	3,147,429	12,857,247
Non-performing	747,265	3,007,742	197,656	807,425
	67,196,281	270,465,031	63,922,834	261,124,777

D. BY SECURED LOANS

	2024		2023	
	USD	(%)	USD	(%)
Secured	67,181,346	99.98	63,916,863	99.99
Unsecured	14,935	0.02	5,971	0.01
	67,196,281	100	63,922,834	100

Secured loans are collateralised by real properties such as land and building with hard or soft title deed. Soft title deed is not issued by cadastral department.

For additional analysis of loans and advances, refer to Note 30 (b).

9. OTHER ASSETS

	2024		2023	
	USD	KHR'000	USD	KHR'000
Prepayments	742,346	2,987,943	924,388	3,776,124
Deposits	250,008	1,006,282	226,659	925,902
Prefund account	108,076	435,006	-	-
Advances	1,998	8,042	66,537	271,804
Others	38,735	155,908	7,572	30,932
	1,141,163	4,593,181	1,225,156	5,004,762

10. STATUTORY DEPOSITS

	2024		2023	
	USD	KHR'000	USD	KHR'000
Reserve requirement (i)	3,360,000	13,524,000	3,493,023	14,268,999
Capital guarantee deposits (ii)	7,500,000	30,187,500	7,500,000	30,637,500
	10,860,000	43,711,500	10,993,023	44,906,499

(i) Regulatory reserves

Reserve requirements are required under NBC's Prakas No. B7-023-005 dated 9 January 2023 for banks and financial institutions to maintain the reserve requirements, in accordance with dates and rates as follows:

- from 1 January 2023 to 31 December 2023, the reserve requirements in foreign currencies shall be at the rate of 9%.
- from 1 January 2024 onwards, the reserve requirements in foreign currencies shall be at the rate of 12.5%.
- the financial institution shall maintain the reserve requirements in local currency (KHR) at the rate of 7%.

However, in the NBC Letter No. B7-023-2621 dated 23 November 2023, the reserve requirements against deposits in foreign currencies was kept at the rate of 7% until 31 December 2024. Subsequently, NBC has issued another letter no. B7-024-1718 dated 21 August 2024, allowing the bank and financial institutions to maintain the reserve requirement rate at 7% until 31 December 2025.

(ii) Capital guarantee

Pursuant to Prakas No. B7-01-136 on Bank’s Capital Guarantee dated 15 October 2001 issued by the NBC, banks are required to maintain 10% of its paid-up capital as a statutory deposit with the NBC. The deposit, which is not available for use in the Bank’s day-to-day operations, is refundable should the Bank voluntarily cease its operations in Cambodia.

(iii) Interest rate

	2024	2023
Reserve requirement	Nil	Nil
Capital guarantee deposits	1.29% - 1.31%	1.19% - 1.33%

11. PROPERTY AND EQUIPMENT

	LEASEHOLD IMPROVE- MENT	OFFICE AND FURNITURE EQUIPMENT	COMPUTER EQUIPMENT	MOTOR VEHICLES	IT EQUIP- MENT	CONSTRUC- TION-IN- PROGRESS	TOTAL
	USD	USD	USD	USD	USD	USD	KHR'000
At 1 January 2024	2,588,582	848,468	178,955	552,915	824,342	1,474,209	6,467,471
Additions	240	26,015	5,843	-	163,986	-	196,084
Transfers	-	46,134	-	-	1,134,011	(1,180,145)	-
Transfer to computer software	-	-	-	-	-	(211,749)	(862,030)
Write off	-	-	-	-	-	(19,004)	(77,365)
Exchange differences	-	-	-	-	-	-	(386,454)
At 31 December 2024	2,588,822	920,617	184,798	552,915	2,122,339	63,311	6,432,802
25,892,028							
Accumulated depreciation							
At 1 January 2024	(299,852)	(216,687)	(111,056)	(252,006)	(170,071)	-	(1,049,672)
Depreciation	(271,618)	(173,710)	(50,337)	(110,584)	(187,187)	-	(793,436)
Exchange differences	-	-	-	-	-	-	99,479
At 31 December 2024	(571,470)	(390,397)	(161,393)	(362,590)	(357,258)	-	(1,843,108)
Carrying amount as at 31 December 2024	2,017,352	530,220	23,405	190,325	1,765,081	63,311	4,589,694
18,473,518							
At 1 January 2023	1,541,196	623,680	156,427	483,255	277,565	2,118,489	21,410,920
Additions	116,295	103,288	22,528	69,660	346,234	688,480	1,346,485
Transfers	1,001,600	126,002	-	-	200,543	(1,328,145)	-
Write off	(70,509)	(4,502)	-	-	-	(4,615)	(327,263)
Exchange differences	-	-	-	-	-	-	(198,091)

11. PROPERTY AND EQUIPMENT (Continued)

	LEASEHOLD IMPROVE- MENT	OFFICE AND FURNITURE EQUIPMENT	COMPUTER EQUIPMENT	MOTOR VEHICLES	IT EQUIP- MENT	CONSTRUC- TION-IN- PROGRESS	TOTAL
	USD	USD	USD	USD	USD	USD	KHR'000
At 31 December 2023	2,588,582	848,468	178,955	552,915	824,342	1,474,209	26,419,619
Accumulated depreciation							
At 1 January 2023	(69,952)	(56,640)	(53,115)	(146,994)	(33,243)	-	(1,481,890)
Depreciation	(229,900)	(160,047)	(57,941)	(105,012)	(136,828)	-	(2,834,782)
Exchange differences	-	-	-	-	-	-	28,762
At 31 December 2023	(299,852)	(216,687)	(111,056)	(252,006)	(170,071)	-	(4,287,910)
Carrying amount as at 31 December 2023	2,288,730	631,781	67,899	300,909	654,271	1,474,209	22,131,709

12. INTANGIBLE ASSETS

	COMPUTER SOFTWARE	WORK-IN- PROGRESS	TOTAL
	USD	USD	USD KHR'000
At 1 January 2024	2,734,911	494,086	3,228,997
Additions	693,988	35,804	729,792
Transfers	391,038	(391,038)	-
Transfers from Construction in Progress	211,749	-	211,749
Write off	-	(70,048)	(70,048)
Exchange differences	-	-	-
At 31 December 2024	4,031,686	68,804	4,100,490
Accumulated depreciation			
At 1 January 2024	(279,412)	-	(279,412)
Amortisation	(301,960)	-	(301,960)
Exchange differences	-	-	-
At 31 December 2024	(581,372)	-	(581,372)
Carrying amount as at 31 December 2024	3,450,314	68,804	3,519,118
At 1 January 2023	1,908,911	1,004,842	2,913,753
Additions	88,232	232,767	320,999
Transfers	737,768	(737,768)	-
Write off	-	(5,755)	(5,755)
Exchange differences	-	-	-
At 31 December 2023	2,734,911	494,086	3,228,997
Accumulated depreciation			
At 1 January 2023	(48,000)	-	(48,000)
Amortisation	(231,412)	-	(231,412)
Exchange differences	-	-	-
At 31 December 2023	(279,412)	-	(279,412)
Carrying amount as at 31 December 2023	2,455,499	494,086	2,949,585

13. RIGHTS-OF-USE ASSETS AND LEASE LIABILITIES

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

The Bank leases three office spaces for its head office and two branches. Rental contracts are typically made for a fixed period ranging from 3 to 12 years.

The table below describes the nature of the Bank's lease of right of-use assets recognised in the statement of financial position as at 31 December 2024.

RIGHT-OF-USE ASSETS	RIGHT OF USE-ASSETS LEASED	RANGE OF REMAINING TERM	LEASES WITH EXTENSION OPTION	LEASES WITH VARIABLE PAYMENTS LINK TO AN INDEX	LEASES WITH TERMINATION OPTION
Office buildings	3	3 - 12 years	3	0	3

(i) Right-of-use assets

	2024		2023	
COST	USD	KHR'000	USD	KHR'000
At 1 January	3,560,022	14,542,690	3,560,022	14,656,611
Exchange differences	-	(213,601)	-	(113,921)
At 31 December	3,560,022	14,329,089	3,560,022	14,542,690
ACCUMULATED DEPRECIATION				
At 1 January	(816,660)	(3,336,056)	(461,527)	(1,900,107)
Depreciation	(355,133)	(1,445,746)	(355,133)	(1,459,597)
Exchange differences	-	65,335	-	23,648
At 31 December	(1,171,793)	(4,716,467)	(816,660)	(3,336,056)
Carrying amounts as at 31 December	2,388,229	9,612,622	2,743,362	11,206,634

(ii) Lease liabilities

	2024		2023	
	USD	KHR'000	USD	KHR'000
At 1 January	3,060,264	12,501,178	3,277,634	13,494,019
Interest expense on lease liabilities	197,577	804,336	213,218	876,326
Payments	(456,385)	(1,857,943)	(430,588)	(1,769,717)
Exchange differences	-	(171,711)	-	(99,450)
At 31 December	2,801,456	11,275,860	3,060,264	12,501,178

Maturity analysis – contractual undiscounted cash flows

	2024		2023	
	USD	KHR'000	USD	KHR'000
Less than one year	453,365	1,824,794	456,384	1,864,329
More than one to five years	1,720,800	6,926,220	1,727,765	7,057,920
More than five years	1,489,319	5,994,510	1,935,720	7,907,416
Total undiscounted lease liabilities	3,663,484	14,745,524	4,119,869	16,829,665
Less: interest expense	(862,028)	(3,469,664)	(1,059,605)	(4,328,487)
Total present value of lease liabilities	2,801,456	11,275,860	3,060,264	12,501,178

Present value of lease liabilities

	2024		2023	
	USD	KHR'000	USD	KHR'000
Current	274,936	1,106,617	258,807	1,057,227
Non-current	2,526,520	10,169,243	2,801,457	11,443,951
	2,801,456	11,275,860	3,060,264	12,501,178

Amounts recognised in profit or loss are as follows:

	2024		2023	
	USD	KHR'000	USD	KHR'000
Depreciation rights-of-use asset	355,133	1,445,746	355,133	1,459,597
Expense relating to leases of low-value assets and short-term leases	4,659	18,967	4,991	20,513
Interest on lease liabilities (Note 19)	197,577	804,336	213,218	876,326
Interest income on refundable deposit	(8,031)	(32,693)	(7,649)	(31,436)
	549,338	2,236,356	565,693	2,325,000

14. DEPOSITS FROM CUSTOMERS

	2024		2023	
	USD	KHR'000	USD	KHR'000
Current accounts	7,447,247	29,975,169	9,073,082	37,063,540
Saving accounts	6,013,840	24,205,706	4,129,991	16,871,013
Fixed deposits	29,447,644	118,526,767	23,244,188	94,952,508
	42,908,731	172,707,642	36,447,261	148,887,061

The deposits from customers are analysed as follows:

	2024		2023	
	USD	KHR'000	USD	KHR'000
a) BY MATURITY:				
Within 1 month	2,692,218	10,836,177	3,065,943	12,524,376
More than 1 to 3 months	5,384,434	21,672,347	11,691,853	47,761,220
More than 3 to 12 months	5,384,434	21,672,347	15,026,035	61,381,353
More than 1 to 2 years	21,257,677	85,562,150	173,231	707,649
More than 2 years	8,189,968	32,964,621	6,490,199	26,512,463
	42,908,731	172,707,642	36,447,261	148,887,061
b) BY RESIDENCY STATUS:				
Resident	39,350,512	158,385,811	34,670,236	141,627,914
Non-resident	3,558,219	14,321,831	1,777,025	7,259,147
	42,908,731	172,707,642	36,447,261	148,887,061
c) BY RELATIONSHIP:				
Related parties	14,147,371	56,943,168	13,004,692	53,124,167
Non-related parties	28,761,360	115,764,474	23,442,569	95,762,894
	42,908,731	172,707,642	36,447,261	148,887,061
d) BY CURRENCY:				
US Dollar	41,633,396	167,574,418	35,689,207	145,790,410
Khmer Riel	1,274,191	5,128,619	758,054	3,096,651
Chinese Yuan	1,144	4,605	-	-
	42,908,731	172,707,642	36,447,261	148,887,061

e) BY INTEREST RATE:

	2024		2023	
	0.00% - 4.00%	0.00% - 4.00%	0.00% - 3.00%	0.00% - 4.00%
Current accounts	0.00% - 4.00%	0.00% - 4.00%	0.00% - 3.00%	0.00% - 4.00%
Saving accounts	0.25% - 3.00%	0.25% - 4.00%	0.25% - 3.00%	0.25% - 4.00%
Fixed deposits	2.50% - 5.50%	3.50% - 6.50%	2.50% - 5.50%	3.50% - 6.50%

15. DEPOSITS FROM BANKS AND OTHER FINANCIAL INSTITUTIONS

	2024		2023	
	USD	KHR'000	USD	KHR'000
Current accounts	196,536	791,057	63,760	260,460
Fixed deposits	1,966,750	7,916,169	259,113	1,058,476
	2,163,286	8,707,226	322,873	1,318,936

The deposit from banks and other financial institution are analysed as follows:

	2024		2023	
	USD	KHR'000	USD	KHR'000
a) BY MATURITY:				
Within 1 month	39,308	158,215	12,752	52,092
More than 1 to 3 months	78,614	316,421	284,617	1,162,660
More than 3 to 12 months	78,614	316,421	25,504	104,184
More than 1 to 2 years	565,885	2,277,687	-	-
More than 2 years	1,400,865	5,638,482	-	-
	2,163,286	8,707,226	322,873	1,318,936
b) BY RESIDENCY STATUS:				
Resident	2,163,286	8,707,226	322,873	1,318,936
c) BY RELATIONSHIP:				
Non-related parties	2,163,286	8,707,226	322,873	1,318,936
d) BY CURRENCY:				
US Dollar	2,058,823	8,286,762	318,100	1,299,438
Khmer Riel	104,463	420,464	4,773	19,498
	2,163,286	8,707,226	322,873	1,318,936
e) BY INTEREST RATE:				
Current accounts	Nil	Nil	Nil	Nil
Fixed deposits	5.00%	Nil	4.75%	Nil

16. OTHER LIABILITIES

	2024		2023	
	USD	KHR'000	USD	KHR'000
Account payables	90,050	362,451	258,971	1,057,897
Other sundry liabilities	53,900	216,948	103,730	423,737
Accrued bonus	68,000	273,700	74,000	302,290
Taxes payables	45,494	183,113	41,033	167,620
Contract liability on undisbursed loans	3,000	12,075	4,227	17,267
Others	49,333	198,565	19,943	81,467
	309,777	1,246,852	501,904	2,050,278

17. SHARE CAPITAL

	2024		
	NO. OF ORDINARY SHARES	USD	KHR'000
Ordinary shares at par value of USD0.75 (KHR3,000) each Registered and authorised	100,000,000	75,000,000	300,000,000
Issued and fully paid Beginning and end of the year	100,000,000	75,000,000	300,000,000

	2023		
	NO. OF ORDINARY SHARES	USD	KHR'000
Ordinary shares at par value of USD0.75 (KHR3,000) each Registered and authorised	100,000,000	75,000,000	300,000,000
Issued and fully paid Beginning and end of the year	100,000,000	75,000,000	300,000,000

18. REGULATORY RESERVES

Regulatory reserves represent the variance of provision between impairment in accordance with CIFRSs and regulatory provision in accordance with the National Bank of Cambodia.

	2024		2023	
	USD	KHR'000	USD	KHR'000
At 1 January	501,211	2,016,281	397,236	1,588,944
Transferred (to)/from retained earning	(123,864)	(504,250)	103,975	427,337
Exchange differences	-	6,791	-	-
At 31 December	377,347	1,518,822	501,211	2,016,281

The transfer from retained earnings to reserve pertains to impairment provision during the year when the provision under NBC's requirement is higher than CIFRSs.

	2024		2023	
	USD	KHR'000	USD	KHR'000
Impairment on credit facilities required by the NBC	1,200,205	4,830,825	835,911	3,414,696
Impairment losses on financial instruments under CIFRS (Note 7 & 8)	(822,858)	(3,312,003)	(334,700)	(1,367,250)
Exchange differences	-	-	-	(31,165)
At 31 December	377,347	1,518,822	501,211	2,016,281

According to Article 73 of Prakas No. B7-017-344 Prokor on Credit Risk Grading and Impairment Provisioning, if the regulatory provision calculated in accordance with the Prakas is higher than the calculation in accordance with CIFRSs, the Institution shall record the provision calculated in accordance with CIFRSs and transfer the difference from retained earnings or accumulated loss account into regulatory reserve in shareholder's equity in the statement of financial position.

19. INTEREST INCOME, NET

	2024		2023	
	USD	KHR'000	USD	KHR'000
Loans and advances	5,723,342	23,299,726	4,802,540	19,738,441
Deposits and placements with other banks	294,848	1,200,326	93,892	385,896
Deposit and placements with the NBC	120,233	489,469	94,543	388,572
Interest income from refundable deposit	8,031	32,693	7,649	31,436
	6,146,454	25,022,214	4,998,624	20,544,345
Fixed deposits	1,485,361	6,046,904	648,207	2,664,130
Current accounts	161,855	658,912	209,674	861,760
Saving accounts	156,121	635,569	69,137	284,154
Lease liabilities (Note 13)	197,577	804,336	213,218	876,326
	2,000,914	8,145,721	1,140,236	4,686,370
Net interest income	4,145,540	16,876,493	3,858,388	15,857,975

20. FEE AND COMMISSION INCOME, NET

	2024		2023	
	USD	KHR'000	USD	KHR'000
Fee and commission income				
Loan renewal fees	82,459	335,691	35,065	144,117
Loan commitment fee	38,384	156,261	29,640	121,820
Early loan redemption fee	45,500	185,231	16,120	66,253
Remittance fees	5,732	23,335	6,027	24,771
Service charge	4,864	19,801	2,914	11,977
Fee income from guarantee	4,575	18,625	1,823	7,493
Administration fees	3,040	12,376	690	2,836
Others	34,464	140,302	14,127	58,062
	219,018	891,622	106,406	437,329
Fee and commission expense	(19,991)	(81,383)	(20,406)	(83,869)
Net fee and commission income	199,027	810,239	86,000	353,460

21. OTHER INCOME

	2024		2023	
	USD	KHR'000	USD	KHR'000
Unrealised foreign exchange gain	128,664	523,791	52,394	215,339

22. IMPAIRMENT LOSSES ON FINANCIAL INSTRUMENTS

	2024		2023	
	USD	KHR'000	USD	KHR'000
Loss allowance for ECL				
Loans and advances	484,098	1,970,763	160,082	657,937
Deposits and placements with other banks	3,367	13,707	11,995	49,299
	487,465	1,984,470	172,077	707,236

23. PERSONNEL EXPENSES

	2024		2023	
	USD	KHR'000	USD	KHR'000
Salaries	1,946,192	7,922,948	1,909,948	7,849,887
Seniority indemnity	102,343	416,638	92,306	379,378
Bonus	23,882	97,224	24,449	100,485
Other staff benefits	77,732	316,447	75,148	308,858
	2,150,149	8,753,257	2,101,851	8,638,608

24. DEPRECIATION AND AMORTISATION

	2024		2023	
	USD	KHR'000	USD	KHR'000
Depreciation of property and equipment (Note 11)	793,436	3,230,079	689,728	2,834,782
Depreciation of right-of-use assets (Note 13)	355,133	1,445,746	355,133	1,459,597
Amortisation of intangible assets (Note 12)	301,960	1,229,279	231,412	951,103
	1,450,529	5,905,104	1,276,273	5,245,482

25. OTHER OPERATING EXPENSES

	2024		2023	
	USD	KHR'000	USD	KHR'000
Subscription and license fees	1,090,492	4,439,393	854,522	3,512,085
Office supplies	131,927	537,075	114,501	470,599
Utilities	104,667	426,099	99,933	410,725
Director fees	84,000	341,964	84,000	345,240
Repairs and maintenance	48,252	196,434	54,701	224,821
Other taxes	54,425	221,564	42,147	173,224
Marketing and advertising	44,757	182,206	26,213	107,735
Communication	31,106	126,633	19,541	80,314
Audit fees	22,000	89,562	19,900	81,789
Credit investigation fees	15,303	62,299	8,788	36,119

	2024		2023	
	USD	KHR'000	USD	KHR'000
Professional fees	7,039	28,656	38,749	159,258
Rental	4,659	18,967	4,991	20,513
Others	174,619	710,872	60,082	246,937
	1,813,246	7,381,724	1,428,068	5,869,359

26. INCOME TAX EXPENSE

(a) Income/Minimum tax expense

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 profits or the minimum tax at 1% of gross revenues, whichever is higher.

	2024		2023	
	USD	KHR'000	USD	KHR'000
Minimum tax expense	62,597	254,832	50,057	205,734
Current income tax	-	-	-	-
Income tax expense	-	-	-	-

(b) Income tax expense

The reconciliation of income tax computed at the statutory tax rate to the Bank's income tax expense is as follows:

	2024		2023	
	USD	KHR'000	USD	KHR'000
Loss before tax	(1,428,158)	(5,814,032)	(981,487)	(4,033,911)
Calculated at tax rate of 20%	(285,632)	(1,162,806)	(196,297)	(806,782)
Effects of non-deductible expenses	149,456	608,435	76,157	313,005
Effects of unrecognised deferred tax	136,176	554,371	120,140	493,777
Income tax expense	-	-	-	-

(c) Unrecognised deferred tax asset

Tax loss carry forward

Tax losses incurred in any tax year can be carried forward and available for offset against the next five years' taxable income.

In accordance with the Prakas on Tol, in order for the tax losses to be carried forward for a period of five consecutive years and utilised against taxable income in subsequent years, the following conditions should be met:

- ◆ The loss must be recorded in the Tol return and submitted to the GDT on time;
- ◆ Continuity of the business activity of the Bank; and
- ◆ No unilateral tax reassessment on the tax losses is made by the GDT during the tax year

Deferred tax assets in respect of the tax losses are not recognised in the financial statements because it is not probable when future taxable profits will be available against which the Bank can use the benefits therefrom.

The details of the Bank's tax losses carried forward are as follows:

ORIGINATING PERIOD	CAN BE UTILISED UP TO	ESTIMATED TAX LOSS AMOUNT	UTILISED DURING THE YEAR	UNUTILISED UP TO 31 DECEMBER 2024	
		USD	USD	USD	KHR'000
2024	2029	1,801,109	-	1,801,109	7,249,466
2023	2028	869,761	-	869,761	3,552,972
2022	2027	2,374,502	-	2,374,502	9,775,825
2021	2026	1,755,241	-	1,755,241	7,150,852

Estimated deferred tax assets not recognised

	2024		2023	
	USD	KHR'000	USD	KHR'000
As at 1 January	1,042,442	4,258,377	460,415	1,881,716
Movement of deferred tax assets not recognised	395,528	1,610,194	582,027	2,392,131
Exchange differences	-	(80,743)	-	(15,470)
At 31 December	1,437,970	5,787,828	1,042,442	4,258,377

Estimated unrecognised deferred tax assets arising from temporary differences are summarised as follows:

	2024		2023	
	USD	KHR'000	USD	KHR'000
Property and equipment and intangible asset	(192,301)	(774,012)	(205,615)	(839,937)
Lease liabilities	560,291	2,255,171	612,053	2,500,237

	2024		2023	
	USD	KHR'000	USD	KHR'000
Right-of-use-assets	(477,646)	(1,922,525)	(548,672)	(2,241,325)
Unearned income	43,658	175,723	44,234	180,696
Provisions for loan loss	143,845	578,976	140,541	574,110
Estimated unabsorbed business losses	1,360,123	5,474,495	999,901	4,084,596
Deferred tax assets – net	1,437,970	5,787,828	1,042,442	4,284,377

Deferred tax assets are not recognised in the financial statements due to the uncertainty of its recoverability.

27. RELATED PARTIES' TRANSACTIONS AND BALANCES

The following balances are outstanding with related parties:

	2024		2023	
	USD	KHR'000	USD	KHR'000
DEPOSITS FROM RELATED PARTIES				
Key managements	8,114	32,659	10,104	41,275
SHAREHOLDERS:				
Current accounts	808,167	3,252,872	1,111,068	4,538,713
Savings accounts	1,206,184	4,854,891	815,095	3,329,663
Fixed deposits	12,088,097	48,654,590	11,044,117	45,115,218
	14,110,562	56,795,012	12,980,384	53,024,869

During the year, the following transactions with related parties is recorded:

	2024		2023	
	USD	KHR'000	USD	KHR'000
Fee and remuneration expenses to related parties				
KEY MANagements:				
Salaries and other benefits	841,203	3,424,536	817,120	3,358,363
Director fees	84,000	341,964	84,000	345,240

Key management personnel are defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Bank either directly or indirectly. Key management includes all the directors of the Bank and certain members of senior management of the Bank.

28. CASH AND CASH EQUIVALENT

	2024		2023	
	USD	KHR'000	USD	KHR'000
Cash on hand	2,162,366	8,703,523	3,337,753	13,634,721
Deposits and placement with National Bank of Cambodia	15,715,912	63,256,546	14,830,906	60,584,251
Deposits and placement with other banks	9,446,006	38,020,174	4,754,060	19,420,335
	27,324,284	109,980,243	22,922,719	93,639,307
Less: placement with maturity more than 3 months	(1,001,208)	(4,029,862)	-	-
At 31 December	26,323,076	105,950,381	22,922,719	93,639,307

29. CONTINGENT LIABILITIES AND COMMITMENTS

	2024		2023	
	USD	KHR'000	USD	KHR'000
(a) LOAN COMMITMENTS AND GUARANTEES				
Credit commitment	3,513,913	14,143,500	4,351,983	17,777,850
Guarantees	300,000	1,207,500	-	-
	3,813,913	15,351,000	4,351,983	17,777,850
(b) CAPITAL COMMITMENT				
Property and equipment	-	-	50,045	204,434
Intangible assets	630,208	2,536,587	515,286	2,104,943
	630,208	2,536,587	565,331	2,309,377

30. FINANCIAL RISK MANAGEMENT

(a) Introduction and overview

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

- ◆ credit risk;
- ◆ market risk; and
- ◆ liquidity risk

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

(b) Credit risk

The Bank takes on exposure to credit risk, which is the risk that counterparties 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 and balances with other banks. There is also credit risk in off-balance sheet financial instruments, such as loan commitments. The credit risk management is carried out by the Bank's credit committee.

The lending activities are guided by the Bank's credit policy to ensure that the overall objectives in the area of lending are achieved; i.e., that the loan portfolio is strong and healthy and credit risks are well diversified and controlled. The credit policy documents the lending policy, collateral policy, and credit approval processes and procedures implemented to ensure compliance with NBC guidelines. Customers with more than one account are subject to stringent and careful review and assessment. The Bank closely monitors concentration of credit risk by industries. Additional criteria for loan disbursement are also imposed for some specific risk areas

(i) Credit risk measurement

The Bank assesses the probability of default of counterparties by focusing on borrowers' forecasted profit and cash flow. The credit committee is responsible for approving loans and advances.

(ii) Risk limit control and mitigation policies

The Bank operates and provides loans to individuals within the Kingdom of Cambodia. The Bank manages limits and controls the concentration of credit risk whenever it is identified.

The Bank deploys 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 in exchange for loans and advances. The Bank also assess the individual cash flow to ensure the repayment capacity.

(iii) Concentration of risk

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

The following table presents the Bank's maximum exposure to credit risk of on-balance sheet and off-balance sheet financial instruments, without taking into account of any collateral held or other credit enhancements. For on-balance sheet assets, the exposure to credit risk equals their carrying amount. For credit commitments, the maximum exposure to credit risk is the full amount of the undrawn credit facilities granted to customers.

Type of credit exposure

	CARRYING AMOUNT (MAXIMUM CREDIT EXPOSURE)		FULLY SUBJECT TO COLLATERAL/CREDIT ENHANCEMENT	UNSECURED AND NOT SUBJECT TO COLLATERAL/ CREDIT ENHANCEMENT
	USD	KHR'000	%	%
At 31 December 2024				
On balance sheet items				
Deposits and placements with National Bank of Cambodia	15,715,912	63,256,546	-	100.00
Deposits and placement with other banks	9,446,006	38,020,174	-	100.00
Loans and advances	66,394,963	267,239,726	99.98	0.02
Other assets	358,084	1,441,288	-	100.00
Total	91,914,965	369,957,734	-	-
Off-Balance sheet items				
Commitments	3,513,913	14,143,500	100.00	-
At 31 December 2023				
On balance sheet items				
Deposits and placements with National Bank of Cambodia	14,830,906	60,584,251	-	100.00
Deposits and placement with other banks	4,754,060	19,420,335	-	100.00
Loans and advances	63,605,614	259,828,933	99.99	0.01
Other assets	226,659	925,902	-	100.00
Total	83,417,239	340,759,421	-	-
Off-Balance sheet items				
Commitments	4,351,983	17,777,850	100.00	-

Concentration risk by industrial sectors

The concentration risk by industrial sectors is analysed based on the gross amounts of the financial assets.

	DEPOSIT AND PLACEMENT WITH OTHER BANKS	LOANS AND ADVANCES	OTHER ASSETS	TOTAL
	USD	USD	USD	USD
31 December 2024				
Construction	-	13,770,261	-	13,770,261
Real estate	-	11,341,472	-	11,341,472
Retail Trade	-	9,648,013	-	9,648,013
Agriculture forestry and fishing	-	5,354,998	-	5,354,998
Transport and storage	-	5,223,881	-	5,223,881

	DEPOSIT AND PLACEMENT WITH OTHER BANKS	LOANS AND ADVANCES	OTHER ASSETS	TOTAL
	USD	USD	USD	USD
Personal lending	-	4,823,763	-	4,823,763
Housing	-	4,575,199	-	4,575,199
Manufacturing	-	3,722,159	-	3,722,159
Wholesale Trade	-	3,270,019	-	3,270,019
Rental and operational leasing activities	-	2,306,102	-	2,306,102
Other Financial Institutions	-	1,393,948	-	1,393,948
Accommodation and food service activities	-	811,282	-	811,282
Mining and quarrying	-	592,346	-	592,346
Banking	9,467,545	-	-	9,467,545
Others	-	362,838	358,084	720,922
Total (USD)	9,467,545	67,196,281	358,084	77,021,910
Total (KHR'000)	38,106,868	270,465,031	1,441,288	310,013,188

31 December 2023

Construction	-	12,125,991	-	12,125,991
Real estate	-	12,239,333	-	12,239,333
Retail Trade	-	9,237,611	-	9,237,611
Agriculture forestry and fishing	-	5,083,131	-	5,083,131
Transport and storage	-	6,347,036	-	6,347,036
Personal lending	-	4,179,729	-	4,179,729
Housing	-	5,420,754	-	5,420,754
Manufacturing	-	1,945,850	-	1,945,850
Wholesale Trade	-	3,140,726	-	3,140,726
Rental and operational leasing activities	-	2,400,985	-	2,400,985
Other Financial Institutions	-	-	-	-
Accommodation and food service activities	-	774,472	-	774,472
Mining and quarrying	-	650,317	-	650,317
Banking	4,771,540	-	-	4,771,540
Other lending	-	376,899	226,659	603,558
Total (USD)	4,771,540	63,922,834	226,659	68,921,033
Total (KHR'000)	19,491,741	261,124,777	925,902	281,542,420

Concentration risk by currency, residency, large-exposures and concession for loans and advances:

BY CURRENCY:

US Dollar

Khmer Riel

BY RESIDENCY STATUS:

Residents

BY EXPOSURE:

Non-large exposures

BY CONCESSION:

Non-restructured

Restructure

	2024		2023	
	USD	KHR'000	USD	KHR'000
US Dollar	60,356,486	242,934,856	55,769,896	227,820,025
Khmer Riel	6,839,795	27,530,175	8,152,938	33,304,752
	67,196,281	270,465,031	63,922,834	261,124,777
Residents	67,196,281	270,465,031	63,922,834	261,124,777
Non-large exposures	67,196,281	270,465,031	63,922,834	261,124,777
Non-restructured	62,321,146	250,842,613	63,922,834	261,124,777
Restructure	4,875,135	19,622,418	-	-
	67,196,281	270,465,031	63,922,834	261,124,777

Currency

On 1 December 2016, the NBC issued a Prakas No. B7-016-334 on Provision of Credit in National Currency of Banking and Financial Institutions, required all institutions to maintain loans in national currency (KHR) at least 10% of the total loan portfolio.

Exposure

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

(iv) Collateral

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

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

Cash on hand, deposits and placements with other banks, deposits and placements with National Bank of Cambodia and other assets.

Collateral is generally not sought for these assets.

Loans and advances, contingent liabilities and commitments

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

The table below summarises the Bank’s security coverage of its financial assets:

	SECURED-PROPERTY	UNSECURED CREDIT EXPOSURE	TOTAL
	USD	USD	USD
At 31 December 2024			
Loans and advances	67,181,346	14,935	67,196,281
Commitments	3,513,913	-	3,513,913
	70,695,259	14,935	70,710,194
At 31 December 2023			
Loans and advances	63,916,863	5,971	63,922,834
Commitments	4,351,983	-	4,351,983
	68,268,846	5,971	68,274,817
At 31 December 2024	KHR'000	KHR'000	KHR'000
Loans and advances	270,404,918	60,113	270,465,031
Commitments	14,143,500	-	14,143,500
	284,548,418	60,113	284,608,531
At 31 December 2023			
Loans and advances	261,100,385	24,392	261,124,777
Commitments	17,777,850	-	17,777,850
	278,878,235	24,392	278,902,627

(v) Credit quality of gross loans and advances

NBC guideline Prakas B7-017-344 defined each credit grading according to its credit quality as follows:

Normal:

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

Special Mention:

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

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

Substandard

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

Factors leading to a substandard classification include:

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

Doubtful

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

Loss

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

Recognition of ECL

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

3-STAGE APPROACH	STAGE 1	STAGE 2	STAGE 3
	PERFORMING	UNDERPERFORMING	NONPERFORMING
Recognition of expected credit losses	12 months expected credit losses	Lifetime expected credit losses	Lifetime expected credit losses
Criterion	No significant increase in credit risk	Credit risk increased significantly	Credit impaired assets
Basic of calculation of profit revenue	On gross carrying amount	On gross carrying amount	On net carrying amount

The table below summarises the credit quality of the Bank's gross financing according to the above classifications.

	31 DECEMBER 2024			
	STAGE 1	STAGE 2	STAGE 3	TOTAL
	USD	USD	USD	USD
LOANS AND ADVANCES AT AMORTISED COST				
Normal	63,712,271	-	-	63,712,271
Special Mention	-	2,736,745	-	2,736,745
Substandard	-	-	504,666	504,666
Doubtful	-	-	-	-
Loss	-	-	242,599	242,599
Total	63,712,271	2,736,745	747,265	67,196,281
Less: allowance for impairment loss	(520,714)	(120,139)	(160,465)	(801,318)
Carrying amount (USD)	63,191,557	2,616,606	586,800	66,394,963
Carrying amount (KHR'000)	254,346,017	10,531,839	2,361,870	267,239,726

	31 DECEMBER 2023			
	STAGE 1	STAGE 2	STAGE 3	TOTAL
	USD	USD	USD	USD
LOANS AND ADVANCES AT AMORTISED COST				
Normal	60,577,749	-	-	60,577,749
Special Mention	-	3,147,429	-	3,147,429
Substandard	-	-	197,656	197,656
Total	60,577,749	3,147,429	197,656	63,922,834
Less: allowance for impairment loss	(214,416)	(60,342)	(42,462)	(317,220)
Carrying amount (USD)	60,363,333	3,087,087	155,194	63,605,614
Carrying amount (KHR'000)	246,584,215	12,610,750	633,967	259,828,933

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 NBC 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.

Loss allowance

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

	31 DECEMBER 2024			
	STAGE 1	STAGE 2	STAGE 3	TOTAL
	USD	USD	USD	USD
LOANS AND ADVANCES AT AMORTISED COST				
At 1 January	214,416	60,342	42,462	317,220
New financial assets originated or purchased	306,298	59,797	118,003	484,098
At 31 December (USD)	520,714	120,139	160,465	801,318
At 31 December (KHR'000)	2,095,874	483,559	645,872	3,225,305

	31 DECEMBER 2023			
	STAGE 1	STAGE 2	STAGE 3	TOTAL
LOANS AND ADVANCES AT AMORTISED COST	USD	USD	USD	USD
At 1 January	157,138	-	-	157,138
New financial assets originated or purchased	57,278	60,342	42,462	160,082
At 31 December (USD)	214,416	60,342	42,462	317,220
At 31 December (KHR'000)	875,889	246,497	173,457	1,295,844

(c) Market risk

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

(i) Interest rate risk

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

The table below summarises the Bank’s exposure to interest rate risk. The table indicates the periods in which the financial instruments reprice or mature, whichever is earlier.

	UP TO 1 MONTH	> 1-3 MONTHS	> 3-12 MONTHS	> 1 TO 5 YEARS	OVER 5 YEARS	NON-INTEREST BEARING	TOTAL	INTEREST RATE
31 December 2024	USD	USD	USD	USD	USD	USD	USD	%
Financial assets	-	-	-	-	-	2,162,366	2,162,366	-
Cash on hand	611,257	-	-	-	-	15,104,655	15,715,912	0.2 - 1.16
Deposits and placement with National Bank of Cambodia	6,039,062	2,007,288	1,007,336	-	-	413,859	9,467,545	3.5 - 6
Deposits and placement with other banks	1,922,245	3,417,949	15,464,340	21,634,014	24,757,733	-	67,196,281	4.5 - 15
Loans and advances	-	-	-	-	-	358,084	358,084	-
Other assets	-	-	-	-	-	3,360,000	10,860,000	1.29 - 1.31
Statutory deposits	-	-	-	-	7,500,000	-	-	-
	8,572,564	5,425,237	16,471,676	21,634,014	32,257,733	21,398,964	105,760,188	
Financial liabilities								
Deposits from customers	2,692,218	5,384,434	5,384,434	29,447,645	-	-	42,908,731	0.25 - 5.5
Deposits from banks and other financial institutions	39,308	78,614	78,614	1,966,750	-	-	2,163,286	2 - 4.75
Lease liabilities	24,720	49,861	200,355	1,190,132	1,336,389	-	2,801,457	7
Other liabilities	-	-	-	-	-	261,283	261,283	-
	2,756,246	5,512,909	5,663,403	32,604,527	1,336,389	261,283	48,134,757	
Interest sensitivity gap	5,816,318	(87,672)	10,808,273	(10,970,513)	30,921,344	21,137,681	57,625,431	
KHR'000 equivalents	23,410,680	(352,880)	43,503,299	(44,156,315)	124,458,410	85,079,166	231,942,360	

	UP TO 1 MONTH	> 1-3 MONTHS	> 3-12 MONTHS	> 1 TO 5 YEARS	OVER 5 YEARS	NON-INTEREST BEARING	TOTAL	INTEREST RATE
	USD	USD	USD	USD	USD	USD	USD	%
31 December 2023								
Financial assets								
Cash on hand	-	-	-	-	-	3,337,753	3,337,753	-
Deposits and placement with National Bank of Cambodia	-	-	-	-	-	14,830,906	14,830,906	-
Deposits and placement with other banks	1,762,630	3,008,910	-	-	-	-	4,771,540	2.7 - 5.0
Loans and advances	1,488,791	2,800,106	12,654,366	19,988,939	26,990,632	-	63,922,834	5 - 14
Other assets	-	-	-	-	-	226,659	226,659	-
Statutory deposits	-	-	-	-	7,500,000	3,493,023	10,993,023	1.19 - 1.33
	3,251,421	5,809,016	12,654,366	19,988,939	34,490,632	21,888,341	98,082,715	
Financial liabilities								
Deposits from customers	3,065,943	11,691,853	15,026,035	6,663,430	-	-	36,447,261	0.25 - 5.5
Deposits from banks and other financial institutions	12,752	284,617	25,504	-	-	-	322,873	0 - 4.75
Lease liabilities	18,631	37,578	202,598	1,119,644	1,681,813	-	3,060,264	7
Other liabilities	-	-	-	-	-	456,644	456,644	-
	3,097,326	12,014,048	15,254,137	7,783,074	1,681,813	456,644	40,287,042	
Interest sensitivity gap	154,095	(6,205,032)	(2,599,771)	12,205,865	32,808,819	21,431,697	57,795,673	
KHR'000 equivalents	629,478	(25,347,556)	(10,620,065)	49,860,959	134,024,026	87,548,482	236,095,324	

Sensitivity analysis

A change of 1% in interest rates at the reporting date would have increased/(decreased) in equity and profit or loss by the amounts shown below. The analysis assumes that all interest-bearing, in particular foreign currency rates, remain constant.

31 DECEMBER 2024

Interest-bearing financial instruments

KHR'000 equivalents

PROFIT OR LOSS		EQUITY	
INCREASED +1%	DECREASED -1%	INCREASED +1%	DECREASED -1%
USD	USD	USD	USD
364,878	(364,878)	364,878	(364,878)
1,468,634	(1,468,634)	1,468,634	(1,468,634)

31 DECEMBER 2023

Interest-bearing financial instruments

KHR'000 equivalents

PROFIT OR LOSS		EQUITY	
INCREASED +1%	DECREASED -1%	INCREASED +1%	DECREASED -1%
USD	USD	USD	USD
363,640	(363,640)	363,640	(363,640)
1,485,469	(1,485,469)	1,485,469	(1,485,469)

(ii) Foreign currency exchange risk

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

Concentration of currency risk

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

31 DECEMBER 2024
FINANCIAL ASSETS

Cash on hand
Deposits and placement with the National Bank of Cambodia
Deposits and placement with other banks
Loans and advances, net
Other assets
Statutory deposits

DENOMINATION USD EQUIVALENTS			
KHR	USD	OTHERS	TOTAL
1,827,015	335,351	-	2,162,366
13,750,500	1,965,412	-	15,715,912
9,451,625	15,920	-	9,467,545
60,356,486	6,839,795	-	67,196,281
358,084	-	-	358,084
10,660,000	200,000	-	10,860,000
96,403,710	9,356,478	-	105,760,188

**31 DECEMBER 2024
FINANCIAL LIABILITIES**

	DENOMINATION USD EQUIVALENTS			
	KHR	USD	OTHERS	TOTAL
Deposits from customers	41,633,396	1,274,191	1,144	42,908,731
Deposits from banks and other financial institutions	2,058,823	104,463	-	2,163,286
Lease liabilities	2,801,456	-	-	2,801,456
Other liabilities	261,283	-	-	261,283
	46,754,958	1,378,654	1,144	48,134,756
Net asset position	49,648,752	7,977,824	(1,144)	57,625,432
KHR'000 equivalents	199,836,227	32,110,742	(4,605)	231,942,364

**31 December 2023
Financial assets**

	DENOMINATION USD EQUIVALENTS			
	KHR	USD	OTHERS	TOTAL
Cash on hand	2,884,949	452,804	-	3,337,753
Deposits and placement with the National Bank of Cambodia	13,129,150	1,701,756	-	14,830,906
Deposits and placement with other banks	4,673,915	97,625	-	4,771,540
Loans and advances, net	55,769,896	8,152,938	-	63,922,834
Other assets	226,659	-	-	226,659
Statutory deposits	10,900,000	93,023	-	10,993,023
	87,584,569	10,498,146	-	98,082,715

Financial liabilities

Deposits from customers	35,689,207	758,054	-	36,447,261
Deposits from banks and other financial institutions	318,100	4,773	-	322,873
Lease liabilities	3,060,264	-	-	3,060,264
Other liabilities	456,644	-	-	456,644
	39,524,215	762,827	-	40,287,042
Net asset position	48,060,354	9,735,319	-	57,795,673
KHR'000 equivalents	196,326,546	39,768,778	-	236,095,324

Sensitivity analysis

Considering that other risk variables remain constant, the foreign currency revaluation sensitivity for the Bank as at reporting date is summarised and shown in its specific currency in the table below:

	2024		2023	
	DEPRECIATION -1%	APPRECIATION +1%	DEPRECIATION -1%	APPRECIATION +1%
	USD	USD	USD	USD
KHR	(79,778)	79,778	(97,353)	97,353
Others	11	(11)	-	-
	(79,767)	79,767	(97,353)	97,353
KHR'000 equivalents	(321,062)	321,062	(397,687)	397,687

(d) Liquidity risk

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

Management of liquidity risk

The Bank manages its liquidity through its Asset Liability Management Committee which is responsible for establishing the liquidity policy as well as monitoring liquidity on an ongoing basis. A Minimum Liquid Asset requirement has been established to ensure that the ratio of liquid assets to qualifying liabilities is subject to a minimum threshold at all times.

The table below summarises the Bank's assets and liabilities based on remaining contractual maturities. The expected cash flows of these assets and liabilities could vary significantly from what is shown in the table.

	UP TO 1 MONTH	> 1-3 MONTHS	> 3-12 MONTHS	> 1 TO 5 YEARS	OVER 5 YEARS	NO MATURITY	TOTAL
	USD	USD	USD	USD	USD	USD	USD
31 December 2024							
Financial liabilities							
Deposits from customers	2,692,217	5,384,434	5,384,434	32,407,596	-	-	45,868,681
Deposits from banks and other financial institutions	39,307	78,614	78,614	2,160,875	-	-	2,357,410
Lease liabilities	40,332	80,664	332,368	1,720,800	1,489,320	-	3,663,484
Other liabilities	-	-	-	-	-	261,283	261,283
	2,771,856	5,543,712	5,795,416	36,289,271	1,489,320	261,283	52,150,858
KHR'000 equivalents	11,156,720	22,313,441	23,326,549	146,064,314	5,994,513	1,051,664	209,907,203
31 December 2023							
Financial liabilities							
Deposits from customers	3,081,984	11,992,619	15,551,832	8,437,575	-	-	39,064,010
Deposits from banks and other financial institutions	12,752	296,525	25,504	-	-	-	334,781
Lease liabilities	35,732	71,464	349,188	1,727,765	1,935,720	-	4,119,869
Other liabilities	-	-	-	-	-	456,644	456,644
	3,130,468	12,360,607	15,926,524	10,165,340	1,935,720	456,644	43,975,303
KHR'000 equivalents	12,787,962	50,493,081	65,059,851	41,525,414	7,907,416	1,865,391	179,639,115

(e) Capital management

Regulatory capital

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

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

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

The regulated capital is calculated in accordance with the guidance issued by the NBC which may be different in some material respects compared to generally accepted principles applied by financial institutions in other jurisdiction. The regulated capital information is therefore not intended for users who are not informed about the guidance issued by the NBC.

Capital allocation

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

31. FAIR VALUES OF FINANCIAL INSTRUMENTS

Financial instruments comprise financial assets, financial liabilities and off-balance sheet instruments. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Bank has access at that date. The information presented herein represents the estimates of fair values as at the financial position date.

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

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

The fair value of the Bank's financial instruments such as cash on hand, deposits and placements with other banks, deposits and placements with National Bank of Cambodia, other assets, and other liabilities are not materially sensitive to shifts in market profit rate because of the limited term to maturity of these instruments. As such, the carrying value of these financial assets and liabilities at financial position date approximate their fair values

Deposits and placements with financial institutions

Balance with financial institutions include non-interest bearing current accounts and savings deposits. The fair value of placements with other financial institutions approximates the carrying amount.

Loans and advances

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.

Fair value hierarchy

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

- ◆ **Level 1** – Quoted price (unadjusted) in active markets for the identical assets or liabilities. This level includes listed equity securities and debt instruments.
- ◆ **Level 2** – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).

- ◆ **Level 3** – Inputs for asset or liability that are not based on observable market data (unobservable inputs). This level includes equity instruments and debt instruments with significant unobservable components

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

32. TAXATION CONTINGENCIES

The taxation system in Cambodia is characterised by numerous taxes and frequently changing legislation, which is often unclear and subject to interpretation. Often different interpretation exists among numerous taxation authorities and jurisdiction. 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. Management believes that tax liabilities have been adequately provided based on its interpretation of tax legislations. However, the relevant authorities may have differing interpretations and effects could be significant.

33. SIGNIFICANT EVENTS SUBSEQUENT TO THE END OF THE YEAR

There is no significant event subsequent to the end of the year.

34. AUTHORISATION OF FINANCIAL STATEMENTS

The financial statements of the Bank for the year ended 31 December 2024 were authorised for issue by the directors dated 21 March 2025.