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SATHAPANA BANK



Annual Report  
**2024**





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**Sathapana Bank, a leading commercial bank in Cambodia with US\$ 2.7 billion in assets and a nationwide branch network**



**Assets**

US\$ 2.7 billion



**Net Profit**

US\$ 16 million

12% ↑





**Customer Deposits**  
US\$ 1,916 million



**Loan to Customers**  
US\$ 2,027 million



**Employees**  
4,239

## ABOUT SATHAPANA BANK

As one of the leading commercial banks in Cambodia, Sathapana Bank has a strong team of 4,239 employees and total assets of US\$ 2.7 billion. The bank operates 4 Sathapana Premier Banking lounges and maintains a growing network of 175 branches, and 342 ATMs for convenient access throughout the country.

To simplify the customers' financial lives, the bank offers a comprehensive range of retail and commercial solutions, including loans, deposits, as well as convenient digital banking services such as mobile banking, a business portal, debit and credit cards, and domestic and international remittances. On top of that, the Sathapana Bank also facilitates tax collections and offers payment services for various government agencies, including the Ministry of Public Works and Transportation and the Ministry of Labor and Vocational Training.

Sathapana Bank is committed to providing customers and Cambodian people with Everyday Banking Convenience. This is why the bank partners with both public and private establishments such as ministries, Visa, Mastercard, Manulife and other top institutions.

The bank has consistently demonstrated a commitment to innovation and customer satisfaction. This dedication was recognized with "Most Innovative Mobile Banking App – Cambodia 2024" and "Best Retail Banking - Cambodia 2024." These awards build upon a series of accolades, including three 2024 Mastercard awards and recognition for its revamped Sathapana Mobile app in 2022. These awards recognize Sathapana Bank's commitment to providing its customers and Cambodians with the most innovative and the best possible mobile banking experience.



## VISION AND MISSION



# VISION

- To be the bank of choice
- To be the employer of choice

# MISSION

Building a brighter future by placing clients at the heart of everything we do, exceeding customer expectations, offering innovative financial solutions and forging sustainable community relationships





# RIGHT VALUES





# MILESTONES

Since our inception, we at Sathapana Bank are proud to have been able to serve our customers and contribute to the growth and development of the nation. Over the years, we have achieved numerous milestones— including expanding our branch network, introducing innovative financial products and services, and playing a vital role in supporting key industries and infrastructure projects.

As we look forward to serving you even better, we are proud of the progress the Bank has made and are committed to providing our customers with the utmost customer experience in the years to come.

## 2016

Sathapana Bank Plc. was established in 2016 as a result of the merger of two financial institutions namely Maruhan Japan Bank Plc., the first Japanese-owned commercial bank in Cambodia established since 2008 and Sathapana Limited, a microfinance institution, established since 1995



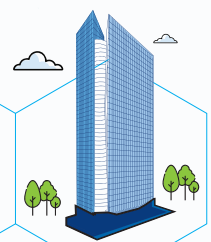
## 2018

- Officially launched Sathapana Mobile App
- Soft launched Visa Cards
- Announced partnerships with Wing, Pi Pay, and Western Union
- Rolled out new Cash Recycling Machines (Deposit ATM)
- Launched the Aeon Mall 2 Branch in Phnom Penh



## 2020

- Launched Online Accounts
- Launched Tax Collection Services
- Extended partnership with EDC, PPWSA, PPSWMA, MLVT, and MPWT
- Most Innovative Retail Banking App Cambodia Award
- Cambodia's Best Employer Brand Award
- Most Innovative Digital Bank Cambodia Award
- New Headquarter Building "Sathapana Tower"
- Reached over US\$2 billion in total assets



## 2017

- Unveiled the new logo for Sathapana Bank
- Reached US\$1 billion in total assets



## 2019

- Introduced Sathapana Visa Debit & Credit Cards
- Best Mobile App in Cambodia
- TrueMoney and Ly Hour Veluy Partnerships



## 2024

- Successfully upgraded core banking system, a significant milestone in our digital transformation journey
- The roll-out of the new customer promotion designed to drive new customers
- Launched a renovated branch, "Preah Sihanouk Branch"
- Introduced the First Sathapana CSS Co-badged Mastercard Debit Card in Cambodia
- Received the Payment Card Industry Data Security Standard (PCI-DSS) and Personal Identification Number (PCI-PIN) Security certificate of compliance from SISA
- Introduced UnionPay International for financial transactions at Sathapana POS and ATMs
- Most Innovative Mobile Banking App in Cambodia 2024 Award



## 2022

- Best Mobile Banking App Award 2022
- Mobile Banking & Payment Initiative of the Year
- Officially launched the "I'm Financially Literate" Executive Program
- Unveiled the revamped Sathapana Mobile app
- Received the Payment Card Industry Data Security Standard (PCI-DSS) and Personal Identification Number (PCI-PIN) Security certificate of compliance from ControlCase
- Launched Sathapana ePayroll
- Launched Sathapana Gateway
- Introduced Sathapana Neary Credit Card
- Launched new branches: "Phsar Thum Thmei Branch" and "Aeon Mall Mean Chey Branch"



## 2023

- Launched new branches: "Phsar Chhuk Meas Branch", "Stat Chas Branch", and "Olympic Branch"
- Introduced the Sathapana Credit Mastercard
- Received an award as a "Top Performing Financial Institutions of CGCC 2022" on "Role of Credit Guarantee Schemes in SMEs Development in Cambodia and ASEAN"
- Launched short films, 'Mouy Teat - One More' and 'Krob Pel' to showcase our commitment to delivering Everyday Banking Convenience
- Launched the new remittance service with Thunes to perform international fund transfer
- Launched Term Deposit Top up feature on Sathapana Mobile
- Launched new products: Group Savings Plan, Sathapana Business Loan, Business Refinancing Program, EasyCash Lending Program, Flash Loan, Personal Loan, Sathapana Tutort, Sathapana Reward, and S2Biz
- Obtained the esteemed Payment Card Industry Data Security Standard (PCI DSS v4.0) v3.1) certification from SISA

## 2021

- Started our Transformation Journey
- Best Companies to Work for in Asia 2021 Award
- Launched the "Women in Business Program"
- Officially launched Sathapana Premier Banking
- Announced instant fund transfer using Bakong



# PRODUCTS AND SERVICES

## PERSONAL BANKING



### Deposits

- Savings Account
- Smart Savings Account
- Current Account
- Current Plus Account
- Sathapana Self-BizAccount
- Premier Current & Savings Account
- Foreign Currency Account (FCA)
- Term Deposit

### Loans

- Home Loan
- Personal Loan

## BUSINESS BANKING

### Deposits

- Current Account
- Current Plus Corporate Account
- Corporate Savings Account
- Term Deposit Account
- MoneyPlus Savings Account
- Payroll Services
- Escrow Account

### Loans

- Overdraft Loan
- Business Term Loan
- Sathapana Agriculture Loan
- Short Term Revolving Credit
- Sathapana SME Loan



## SATHAPANA CARDS

- Debit & Credit Mastercard
- Visa Credit & Debit Card
- Visa Corporate Credit Card
- Virtual Card



## BILL PAYMENTS



- Water Supply
- Electricity
- Waste
- Ministry Bills
- Financial Services
- Real Estate
- Insurance
- Internet
- Education
- Transportation
- Trading
- Donation
- General Bill

## FUND TRANSFERS

- Domestic Transfer through Bakong, Retail pay, FAST, and NCS
- International Transfer through SWIFT, VISA Direct and VISA B2B connect



## LIFE INSURANCE SOLUTIONS WITH MANULIFE

- Manulife Group Credit Life
- Manulife Individual



## DIGITAL PAYMENT SOLUTIONS



- Sathapana Tutot
- Sathapana POS
- Sathapana Gateway
- Sathapana ePOS
- Merchant In a Box
- Sathapana S2Biz
- Merchant ICCP
- Gateway DPG
- BIN Sponsorship
- Self Service Terminal



## NETWORK OF BRANCHES



## NATIONWIDE COVERAGE

**25**  
PROVINCES

**197**  
DISTRICTS

**1,674**  
COMMUNES

**11,403**  
VILLAGES

## OTHER CHANNELS



Business  
Management Platform,  
S2Biz



Sathapana  
Mobile



Customer  
Care  
**24/7**





## MESSAGE FROM THE CHAIRMAN



“

**Sathapana Bank demonstrated resilience in 2024, growing shareholder equity to US\$ 438 million and upgrading its core banking system for enhanced digital experiences.**

”

In the face of global economic volatility and evolving market dynamics, Cambodia's economy demonstrated resilience and fundamental strength. Despite challenges in certain sectors, Sathapana Bank remained steadfast in its commitment to navigating complexity, delivering sustainable growth, and generating long-term value for our customers, communities, and shareholders.

Through disciplined risk management and a focus on financial resilience, we maintained a strong balance sheet, improved capital adequacy, and ensured robust liquidity. Our shareholder equity grew from US\$ 411 million in 2023 to US\$ 438 million in 2024, underscoring the strength of our financial foundation and long-term strategy.

At the same time, we faced continued pressure on asset quality due to rising non-performing loans (NPLs)—a critical challenge across the banking sector. We are actively strengthening our credit risk frameworks and exploring portfolio optimization strategies to preserve long-term profitability and financial stability.

Operational efficiency and cost discipline remain key priorities. As part of our transformation agenda, we are optimizing branch productivity, simplifying manual processes, and investing in digital capabilities to move our cost-to-income ratio toward a more sustainable level. In an increasingly competitive market, strong branding, competitive pricing, and customer-centric innovation are more essential than ever. Sathapana is accelerating

efforts to reposition itself by enhancing customer experience, expanding digital access, and strengthening brand visibility in both urban and rural areas.

The successful upgrade of our core banking system in 2024 marked a major milestone in our digital transformation journey. Our investments in platforms such as Sathapana Mobile, Tutort, and S2Biz are helping us deliver secure, personalized, and seamless banking services.

Aligned with our Connected Banking vision and One Bank strategy, we are building an integrated ecosystem that connects individuals, businesses, and communities—deepening relationships and reinforcing our mission to deliver everyday banking convenience. Sustainability and social responsibility are central to our identity. In collaboration with the National Bank of Cambodia and the Association of Banks in Cambodia, we advanced key initiatives in education, healthcare, and financial inclusion. We also continued our contributions to the Cambodian Red Cross and Smile Cambodia, and organized blood donation campaigns and employee volunteer programs.

Our people remain our greatest asset. With over 4,000 dedicated employees, we continue to foster a culture of innovation, collaboration, and accountability through continuous learning and development. Our commitment to diversity and inclusion enriches our workplace and enhances our collective decision-making.

2024 marked a pivotal year of leadership transformation with the arrival of our new CEO. Alongside this, we welcomed a new generation of executive leaders who bring diverse perspectives, global experience, and a shared vision for innovation and sustainable growth. This renewed leadership team reflects our commitment to building a more agile, inclusive, and forward-looking organization.

On behalf of the Board of Directors, I would like to express my sincere appreciation to our valued customers, the National Bank of Cambodia for its continued guidance, and our management and staff for their dedication. Together, we are turning challenges into opportunities and leading Sathapana Bank into a stronger, more sustainable future.



**Dr. Han Chang-Woo**  
Chairman of the Board



## MESSAGE FROM THE CHIEF EXECUTIVE OFFICER



“

**Sathapana Bank showed resilience and growth in 2024, with assets at US\$ 2.7 billion and deposits rising to US\$ 1,916 million. Focusing on digital advancement and security, the bank expanded its community support in education and healthcare, striving to be Cambodia's preferred bank and employer.**

”

2024 has been a year of resilience, transformation, and forward momentum for Sathapana customers and the communities we serve. Cambodia's economy continued to strengthen, supported by sound governance and key drivers such as manufacturing and tourism—even amidst an evolving global geopolitical landscape.

At Sathapana Bank, we embraced this dynamic environment by turning challenges into opportunities. Our financial position remains solid, anchored by total assets of US\$ 2.7 billion, a testament to the strength and stability of our institution. Customer deposits rose to US\$ 1,916 million, reflecting continued confidence from our growing client base.

Our loan portfolio, totaling US\$ 2,027 million, is aligned with the applied strategic risk management to safeguard quality and ensure sustainability. Our shareholder equity increased to US\$ 438 million, reinforcing our foundation for long-term growth and resilience.

Last year, we made bold strides in embracing digital technology as a catalyst for efficiency, innovation, and growth. Our digital agenda is thoughtfully designed to connect the dots across key platforms toward enhancing Sathapana Mobile, advancing our digital merchant solutions, and elevating S2Biz—our all-in-one platform for businesses. These initiatives reflect our strategic focus on creating a seamless, integrated, and customer-centric banking experience.

Notably, our early focus in driving digitally funded and active accounts have delivered measurable results, providing solid insights that now inform our evolving customer acquisition strategy. Internally, we have leveraged automation and digital workflows to streamline operations, optimize resource utilization, and elevate overall productivity—building a more agile and future-ready bank.

Security remains a top priority. In 2024, we proudly achieved global standards for transaction security, earning Payment Card Industry Data Security Standard (PCI-DSS) and “Personal Identification Number (PCI-PIN) Security” certificates of compliance. These recognitions reinforce our unwavering commitment to protecting customer data and delivering trusted, secure banking experiences.

Beyond financial performance, we remain deeply committed to creating a positive social impact. In 2024, we expanded our Corporate Social Responsibility initiatives—supporting tree planting campaigns, renovating Sattharam Primary School, and donating school supplies and technology to Neak Kmao Primary School in Siem Reap. Through our donation to Japan Heart, we continue to help uplift healthcare access across Cambodia.

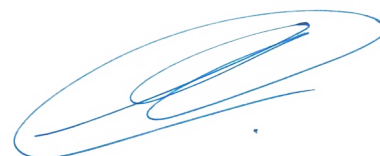
Our vision is clear: to be the bank of choice and employer of choice in Cambodia. Through our newly introduced One-Bank approach, we are working

toward building a customer-centric ecosystem that seamlessly connects customers, businesses, and communities. This integrated model is designed to drive inclusive, sustainable financial growth and strengthen trust across all stakeholder groups.

Aligned with the National Bank of Cambodia’s financial inclusion agenda, we are expanding access to banking services for underserved communities—fostering economic empowerment and contributing to a more equitable society. We see this not only as a responsibility, but as a strategic opportunity to unlock Cambodia’s full potential.

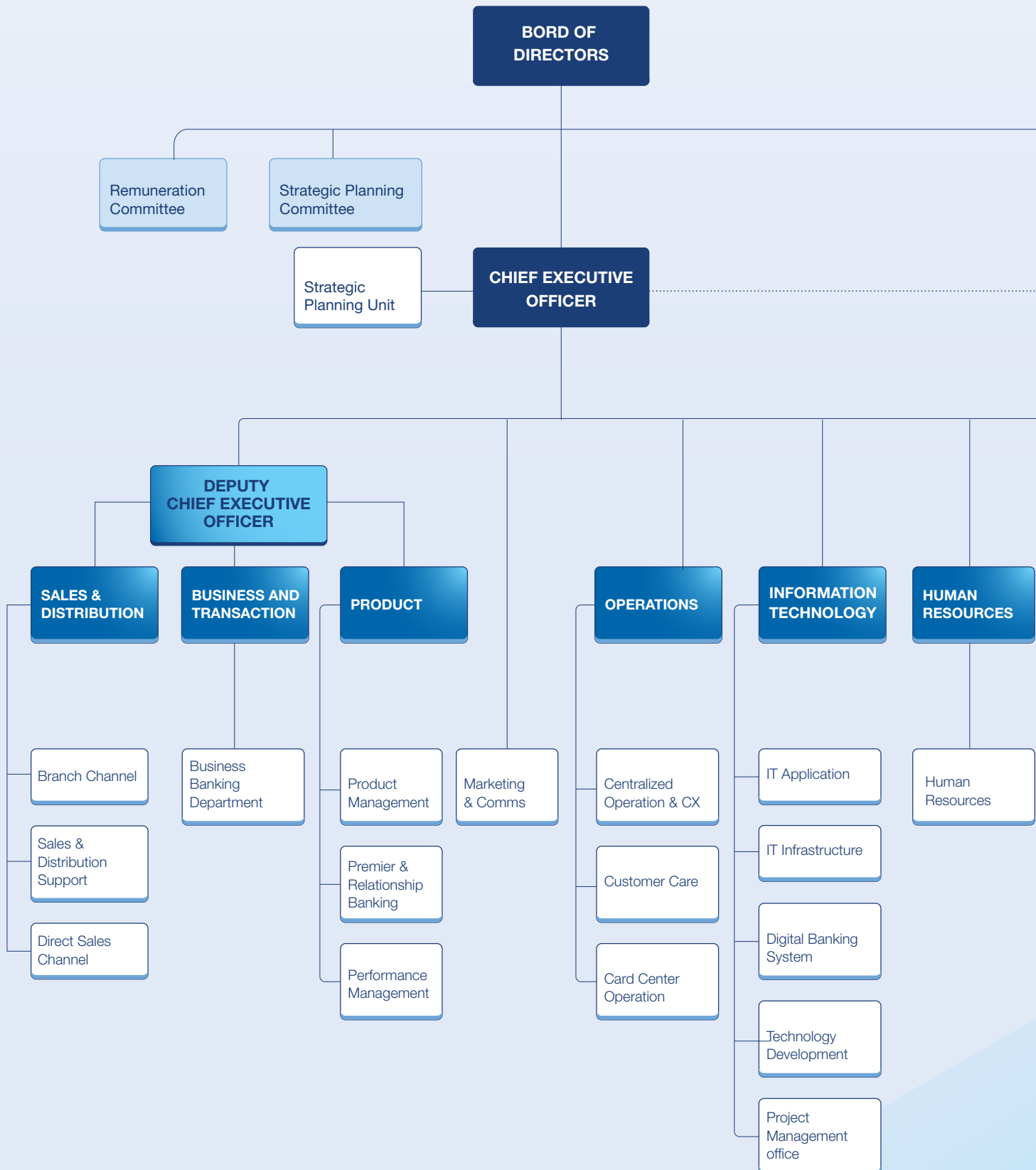
As we look ahead, we are optimistic. We will continue to invest in our people, technology, and partnerships, ensuring that Sathapana remains agile, innovative, and impactful in a rapidly evolving world. Our focus remains on delivering long-term value for our shareholders, building lifetime relationships with our customers, and driving prosperity for our communities.

We extend our sincere gratitude to the Royal Government of Cambodia for its visionary leadership in fostering a conducive environment for growth and development. To our employees, thank you for your dedication and passion. To our shareholders, customers, and partners—your trust inspires us every day.

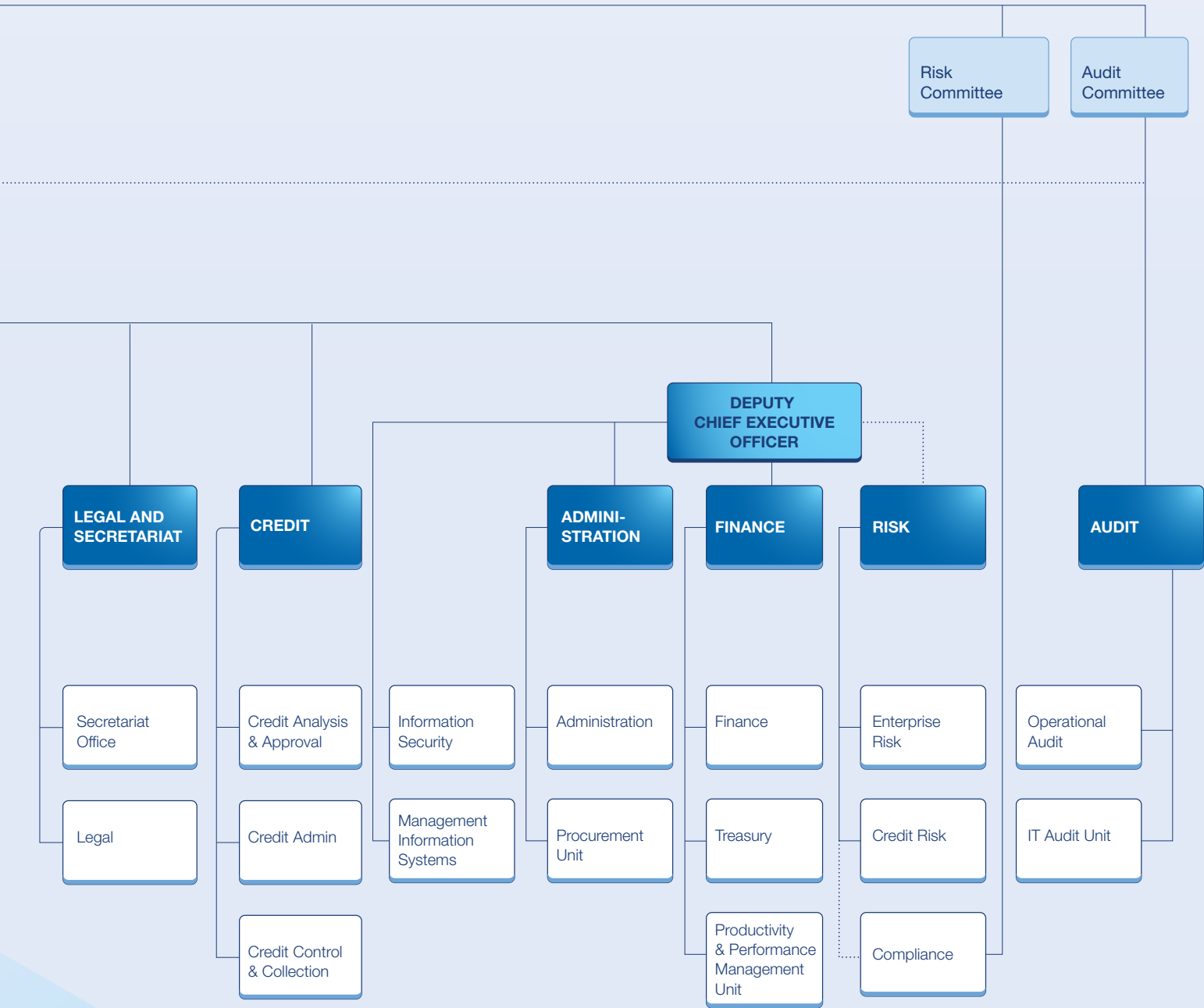


**MR. HENK G. MULDER**  
Chief Executive Officer

# ORGANIZATIONAL STRUCTURE







# BOARD OF DIRECTORS



## **DR. HAN CHANG-WOO**

**Chairman of the Board**

Dr. HAN Chang-Woo is the founder, Chairman, and CEO of MARUHAN Corporation of Japan, which operates and manages a variety of entertainment and amusement facilities such as golf courses, driving ranges, bowling alleys, game centers, restaurants, and pachinko parlors. He founded MARUHAN Corporation in 1957 and saw the business grow rapidly, with earnings over US\$ 25 billion in annual sales. MARUHAN Corporation is known as the industry's leading company in Japan. The success in the company's business growth comes from Dr. Han's determination in challenges, and strong belief in pursuing customer satisfaction. Currently, he actively participates in several associations and sits as Honorary Chief Advisor of Han Chang-Woo Tetsu Cultural Foundation, Director of the Kyoto UNESCO Association, Director of the United Nations Association of Japan Kyoto Headquarters, Director of Tokyo Philharmonic, Chairman of the World Federation of Korean Chambers of Commerce and Industry and Honorary Advisor of the Central Association of Japan-Korea Friendship Societies. He obtained his Bachelor of Political Economics degree from Hosei University in 1953.



## **MR. HAN KEN**

**Vice Chairman of the Board**

Mr. HAN Ken joined MARUHAN Corporation in 2000, after working for Nomura Securities since 1998. In 2007, he was appointed as Director of MARUHAN Corporation and in 2014, rose to become Managing Director. In 2020, he was subsequently appointed as Representative Director. In 2021, he was appointed as President of Financial Company. He is also the Managing Director and CEO/President of MARUHAN Investment Asia Pte. Ltd. that has its financial headquarters in Singapore. He manages its financial subsidiaries such as Sathapana Bank Plc. in Cambodia as Vice Chairman since July 2023, Sathapana Limited in Myanmar, and MARUHAN Japan Bank Lao. In June 2023, he was appointed as Director of Taiheiyo Club, Inc., a subsidiary of MARUHAN Corporation, operating the 19 Golf courses in Japan, where the world class Golf championships are regularly held. He obtained his Bachelor of Law degree from DOSHISHA University in 1997.





## MR. NAOYA HIRAMATSU

Director

Mr. Naoya Hiramatsu began his career at Mitsubishi UFJ Bank in Tokyo in 1988. Over the span of 35 years, he has accumulated extensive experience as a seasoned banking and corporate executive, having worked in both banking and corporate sectors.

His career at MUFG includes a total of 16 years of overseas assignments in New York and Singapore, where he held positions in treasury, corporate planning, finance, HR, IT management, and risk & compliance management. Additionally, he developed strategies to involve local staff in management processes, implemented significant governance reforms, and enhanced the bank's international presence and operational efficiency, contributing to a significant expansion in performance.

In 2019, Mr. Hiramatsu transitioned to the Nippon Paint Group, where he spearheaded the group's globalization efforts. As the Deputy President and Executive Corporate Officer at Nippon Paint Automotive Coatings Co., Ltd., he led major financial and organizational reforms, establishing new business areas and bolstering the management foundation. Furthermore, by leveraging artificial intelligence and digital transformation in business operations, he increased productivity, turned the company profitable, and achieved exponential growth.

In 2024, Mr. Hiramatsu joined MARUHAN Corporation as a Corporate Officer, responsible for overseeing overseas subsidiary financial institutions and providing support for strategic initiatives in business development and organizational reform.



## H.E. KIM VADA

Independent Director

H.E. KIM Vada had over 37 years of working experience at the National Bank of Cambodia (NBC). He started as the Head of NBC's Kandal Provincial Branch and made his way up to becoming Director General of Banking Supervision Directorate. During his time at the central bank, he held several senior positions in the banking field, covering the areas of risk management (market, credit, liquidity, operational risks, etc.), corporate governance, and business strategy. He played a key role in restructuring the banking system successfully in Cambodia during the 2000s, by developing a competitive, safe and sound banking system which was well-regulated and supervised. He had also effectively mobilized savings for financing to stimulate the growth of the Cambodian economy.

H.E. Vada obtained a Bachelor of Law degree in 1975, a bachelor's degree in Banking in 1985, and an MBA majoring in Finance, from Charles Sturt University of Australia in 2003. He was also sought after as a lecturer and guest speaker at several well-known universities in Cambodia.

Besides that, over the last 10 years, he has actively participated as a prominent speaker in various conferences and seminars pertaining to the regulatory and supervisory framework, banking and microfinance supervision, mobile banking, as well as financial inclusion, both locally and internationally. In the international sphere, he held the position of the Chairman of Asia Pacific Rural and Agricultural Credit Association (APRACA) from July 2012 to June 2014 and was an executive member of Alliance for Financial Inclusion (AFI) from January 2015 to June 2017.



**H.E. SHINOHARA KATSUHIRO**  
Independent Director

H.E. SHINOHARA Katsuhiko has a history with Cambodia spanning over 50 years. In 1967, he first arrived in Cambodia as a Japanese Diplomat. He spent his first 2 years in Wat Ounalom Pagoda in Phnom Penh; of which, 7 months he spent as a monk studying language, and Khmer culture, before taking up the position as Secretary Officer at the Japanese Embassy in Cambodia. After returning to Cambodia for as a Senior Consular Official at the Japanese Embassy in Cambodia (from 1991-1994 and 2001-2004 respectively), he eventually cemented his relationship with Cambodia by serving as the Japanese Ambassador to the Kingdom of Cambodia from 2007 to 2009. Since December 2012, has sat on Sathapana Bank's board as an Independent Director and committee member. Current, he is the Chief Representative of CIESF's (the NGO, Cambodia International Education Support Foundation of Japan) Cambodian Office in Phnom Penh.



**MR. JOHN GERARD WILLIAMS**  
Director

A senior HR executive with an extensive international background and highly diverse experiences, Mr. Williams began working in the Financial Services Industry in 1986. In a career which then spanned 36 years, he has held senior leadership roles in Human resources, many at a regional or global level. Mr. Williams is experienced in working both with senior executives and board-level professionals.

In addition to London, much of his career has been spent working in a variety of overseas locations, including Amsterdam, Tokyo, Hong Kong and Singapore. He has worked in both large multinational and smaller platforms and learned to adapt his style accordingly.

Mr. Williams is very capable of building, developing and leading HR teams, hiring senior leaders, and helping to ensure their effective integration. He is sensitive to cross-cultural differences and the diversity therein. He has led many key international projects in a variety of fields, such as Compensation, Recruitment, Organizational Change, Talent Management and Expatriate Mobility.

Over his career he has worked with Swiss Re, Kleinwort Benson, ING, Daiwa Capital Markets and most recently, MUFG.

In the latter part of 2022, Mr. Williams decided to step away from his corporate career. In 2023, he set up his own business with a focus on coaching, mediation, and interim HR advisory work. He is a qualified Coach with the International Coaching Federation and has an accreditation as a Mediator with CEDR.

In 2024, Mr. Williams joined Sathapana Bank Plc. as an Independent Board Director and The Chairman of Remuneration and Nomination Committee.





# EXECUTIVE MANAGEMENT



# EXECUTIVE MANAGEMENT



## MR. HENK G. MULDER

Chief Executive Officer

Currently, Mr. Henk G. Mulder is the Chief Executive Officer at Sathapana Bank. Mr. Henk is an accomplished leader with over 40 years of extensive experience in retail business and investment banking with functional expertise in strategic and change management, credit risk and treasury. Mr. Henk has a proven track record of successfully turning around and scaling businesses in a short period of time, having led multibillion-dollar balance sheet operations in diverse markets.

He started his career in 1982 at ABN Amro Bank where he served in various roles in the Netherlands, India, Brazil, Indonesia, Colombia, Romania and Saudi Arabia.

Prior to joining Sathapana Bank, Mr. Henk served as the President Director of Devshack International ("DSI Group") of Companies, where he developed and implemented strategies for the Sub-Saharan region. He has also held CEO positions at Zambia National Commercial Bank Plc., ("Zanaco") in Zambia, Rabo Development in the Netherlands, and PT Bank Rabobank in Indonesia, working with diverse teams across four continents; Asia, Europe, South America, and Africa.



## MR. ARVID SWARTSENBURG

Deputy Chief Executive Officer

Mr. Arvid Swartsenburg, Deputy Chief Executive Officer of Sathapana Bank Plc., has over 25 years of experience in global banking and management consulting, spanning developed and emerging markets. His expertise encompasses consumer and business banking, wealth management, and strategic change initiatives, including digital transformation, data analytics, and risk management.

With a passion for innovation and digital transformation, Arvid leads Retail, Digital, and Business Banking at Sathapana Bank, driving sustainable growth and commercial success.

His prior experience includes spearheading digital strategy and transformation at United Overseas Bank (UOB) and serving as a principal management consultant at Arete Financial Partners in Singapore. Earlier in his career, he held senior leadership positions at Citibank across the US, Europe, and Asia.

Arvid holds a Master of Business Administration from Melbourne Business School and a Bachelor of Business Administration in Finance and a Bachelor of Science in Economics from the College of William & Mary.



### **MR. YOSHIHARU MORIMOTO**

**Deputy Chief Executive Officer**

Mr. Yoshiharu Morimoto is a Deputy Chief Executive Officer at Sathapana Bank. He joins Sathapana Bank in December 2024. Mr. Morimoto has over 30 years' experience of commercial banking since he joined The Sumitomo Bank Limited, subsequently changed to Sumitomo Mitsui Banking Corporation (SMBC), in 1994. He served in wide range of senior roles in Japan, Singapore, Malaysia, Indonesia and the Philippines before joining Sathapana Bank.

Mr. Morimoto leads Finance, Treasury, Administration, Procurement, Information Security, Management Information Systems, Productivity & Performance Management and Risk with his commitment to valued customer and society in Cambodia based on his over 10 years prior experience in Asia Pacific.

He obtained his Master and Bachelor degree of Engineering from Osaka University.



### **MR. SEANG SEREY**

**Chief Administrative Officer**

Mr. Seang Serey has over 25 years of professional experience with various financial institutions and multi-national FMCG companies. He was seconded to be Chief Executive Officer of SATHAPANA Limited, Myanmar before resuming his office with SATHAPANA Bank Plc as Chief Administrative Officer in January 2023. He joined MARUHAN Japan Bank in 2008 as Branch Manager and developed his professional career in many different roles including Head of Main Branch, Head of Sales, Head of Financial Institution, Chief Administrative Officer and Chief Executive Officer.

Mr. Serey obtained his Bachelor of Management degree from MAHARISHI Vedic University in 1997 and Master of Business Administration in 2008 from Charles Sturt University, Australia. During his career he attended various local and international training related with business banking and he is a certified board of director by Myanmar Institute of Director in 2020.

## EXECUTIVE MANAGEMENT



**MR. MENG VEASNA**

Chief Risk Officer

Mr. MENG Veasna has over 17 years of professional experience in the banking industry and an international audit firm. He was an Audit Manager in PricewaterhouseCoopers (Cambodia) before joining MARUHAN Japan Bank in April 2012, as Head of Internal Audit and later, held other positions such as Head of Corporate Risk Management and then Head of Credit; before the merger in April 2016 between MARUHAN Japan Bank and Sathapana Limited to create a new commercial bank. He continued to serve as Head of Commercial Credit in the newly formed Sathapana Bank until appointed as Chief Risk Officer (CRO) in April 2020. Mr. Veasna obtained his Bachelor of Business Administration degree from the National University of Management in 2002. He passed the exam and became a member of ACCA in 2009, and FCCA in 2014. In September 2019, he obtained his Certified Expert in Risk Management certification from the Frankfurt School of Finance and Management, Germany.



**MR. HONG LUNDY**

Chief Internal Audit Officer

Mr. HONG Lundy has many years of working experience in the banking industry and in one of Cambodia's big four accounting firms. Before joining Sathapana Bank Plc., he was an auditor at PricewaterhouseCoopers, Cambodia, for assurance and advisory services. He served various clients, mainly in the telecom and banking industry. In 2013, Mr. Lundy joined MARUHAN Japan Bank as Head of Internal Audit until its merger in 2016, with Sathapana Limited that formed Sathapana Bank. Since 2016, he led various control sessions for the Bank, including Risk and Compliance, Operational and Market Risk, and Internal Audit. Mr. Lundy obtained his BBA degree from the Institute of Technology and Management, CAT and ACCA qualifications from the Association of Chartered Certified Accountants (ACCA), and Certified Expert in Risk Management (CERM) certification from the Frankfurt School of Finance and Management, Germany. He was an FCCA member, and is also member of IIAP and KICPAA.





### **MR. NAK PECHKORSA**

Chief Technology and Information Officer

Mr. NAK Pechkorsa has over 20 years of technology experience with international companies and financial institutions. Before joining Sathapana Bank Plc., he was the Head of Information Technology at J Trust Royal Bank. He has worked in ANZ Royal Bank and J Trust Royal Bank for over eight years. Mr. Korsa obtained a Master of Business Administration degree from Norton University, and a Bachelor of Economics Informatics degree from the Royal University of Law and Economics. He also holds international certifications in ITIL, COBIT, CPISI, ISO 27001:2013 ISMS Lead Implementer, and ISO 9001:2015 QMS Requirement.



### **MR. KOY CHAMROEUNVICHEA**

Chief Credit Officer

Mr. KOY Chamroeunvichea has over 16 years of working experience in the banking industry. Before joining Sathapana Bank, he worked as a Branch Manager at Vattanac Bank for over 8 years. In September 2015, he joined Sathapana Bank as Deputy Head of Credit. He was then promoted to Head of Credit Operations in April 2018, managing a range of units such as retail and commercial credit analysis, credit administration, and collateral valuation.

Over the years, he has led credit functions to deliver remarkable results. He successfully led the Merger Project team in setting up the parameter for credit products and modules in the core banking system. He also developed standard operating procedures and policies, as well as conducted process reengineering and automation. Additionally, he has led the Credit Admin team to improve data quality in the core banking system, which resulted in the Bank obtaining the Data Quality Award from the CBC in October, 2017.

Currently, he is appointed as the Chief Credit Officer of Sathapana Bank. In 2007, Mr. Vichea received his bachelor's degree in management. In 2010, he obtained his Master of Business Administration, majoring in Management, at Norton University, Cambodia.

## EXECUTIVE MANAGEMENT



**MS. CHHIM SAM OL**  
Chief Legal and Secretariat Officer

Ms. CHHIM Sam Ol is a key member of Sathapana Bank's senior management team. She currently stands as the Chief Legal and Secretariat Officer, leading two divisions—the Legal and Secretariat departments. Sam Ol is a licensed attorney-at-law with the Bar Association of the Kingdom of Cambodia. She has over 10 years of experience in providing quality legal advice and services to domestic and multinational clients. Her experience includes but is not limited to civil and criminal cases. She has also provided legal services in the securities sector for the Security and Exchange Regulator of Cambodia.

Ms. Sam Ol is a PhD candidate in Royal Academy of Cambodia and holds a dual Master in Land Law from Royal University of Law and University Lumière Lyon 3. She was also awarded the "Scholarship of Royal Government of Cambodia" from 2004 to 2008, where she completed her dual Bachelor's degree in Comparative Law from both Royal University of Law and University Lumière Lyon 2. Additionally, Sam Ol has earned a Bachelor of Education in Teaching English as a Foreign Language (TEFL) from Royal University of Phnom Penh, Institute of Foreign Languages (IFL).

Her professional accolades include the CEDR Mediator Accreditation of United Kingdom in 2022 and the completion of the International Entry Course to be a member of SI Arb (Singapore Institute of Arbitration) in 2017. She also served as a fellow researcher in the National University of Singapore in 2010.



**MR. BUN SARADY**  
Chief Product Officer

Mr. Bun Sarady was appointed as the Chief Product Officer of Sathapana Bank on October 01, 2024, leading the product portfolio, performance, and Premier Banking of the Bank. He has 18 years of professional experience in the banking industry and 5 years at the international audit firm PricewaterhouseCoopers (PwC) Cambodia as an External Auditor.

At Sathapana Bank, he has held various roles, including Head of Operations, Head of Branch Management, Deputy Chief Retail Banking Officer, and Chief Product Officer.

Before joining Sathapana Bank, he also held several positions at other banks, including Head of Risk and Compliance at Vattanac Bank and Senior Internal Auditor at Canadia Bank.

A 2001 graduate of the National University of Management, Mr. Sarady's career began as a Senior Auditor at PwC, where he gained valuable experience in auditing practices and financial analysis. With his diverse range of roles and extensive experience in the banking industry, Mr. Bun Sarady continues to make significant contributions to the growth and success of Sathapana Bank.



### MR. CHHENG YANITH

Chief Sales and Distribution Officer

Mr. Yanith was appointed as Chief Sales and Distribution Officer on October 01, 2024. He has worked as Sathapana Bank's Deputy Chief Retail Banking Officer from June 2024.

He has 20 years of professional experience in microfinance and banking, with an outstanding record of working in a variety of situations both locally and internationally.

He excels in sales, digital, project management, credit product development, risk and internal control, and leadership coaching and training. He has unique experience in start-up, growth, and crisis management, as proven by his time as Chief Operating Officer of Myanmar.

Mr. Yanith has an MBA in Finance and Banking from the Royal University of Law and Economics (RULE) and a Project Management certificate from the Singapore Institution of Management.



### MR. LY SALIN

Chief Human Resources Officer

Mr. Ly Salin joined Sathapana Bank earlier on March 10, 2025 as the Chief Human Resources Officer, bringing over 15 years of experience in the insurance and banking industries. Before joining SATHAPANA, he spent more than nine years at Prudential Cambodia, where he led the HR function in Cambodia and oversaw talent and learning initiatives across Cambodia, Myanmar, and Laos. He was also seconded and worked for Prudential Singapore as Head of Rewards & Performance for almost three years.

Mr. Salin has extensive expertise in HR strategy, organization alignment, change management, talent development, succession planning, and performance management. His leadership has driven impactful HR transformations, aligning people strategies with business objectives.

He obtained his Master's Degree in Professional Economics from Victoria University of Wellington, New Zealand.



## EXECUTIVE MANAGEMENT



**MR. SUY SOKLEANG**  
Chief Operating Officer

Mr. Suy Sokleang was appointed as Chief Operating Officer earlier on April 01, 2025 and has over 20 years of professional experience in commercial banking, deep expertise in IT, digital products, operations, and strategic transformation, including card and payment modernization. As COO at Sathapana Bank Plc., he leads the bank's core operational infrastructures—including branches, ATMs, cards, digital platforms, and customer care—driving operational excellence and sustainable growth.

Prior to joining Sathapana Bank, he managed business operations at UnionPay International in Cambodia and led multiple departments, including IT, operations, digital banking, and card center at Phnom Penh Commercial Bank for over three years. At 10 years with Cambodia Mekong Bank, he handled general management of banking applications and IT systems.

He holds an MBA of business management from the National University of Management and a bachelor's degree in computer science and engineering from the Royal University of Phnom Penh.



**MR. THAV PHAT SOPHEARIN**  
Chief Commercial Banking Officer

Mr. Thav Phat Sophearin joined Sathapana Bank on March 17, 2025 as the Chief Commercial Banking Officer. He has over 15 years of experience in the banking industry, with a diverse background spanning Business/Commercial, Corporate, and Financial Institution Banking, as well as Trade Supply Chain. Throughout his career, he has developed strong relationships with local and regional banks, providing comprehensive banking solutions that integrate facilities, structure, and banking products.

Prior to joining Sathapana Bank, Mr. Sophearin spent four years as a business and financial consultant, gaining valuable insights into various business operations and models. His expertise will be instrumental in driving Sathapana Bank's Business and Transaction Banking division forward, delivering innovative solutions and exceptional service to our clients.

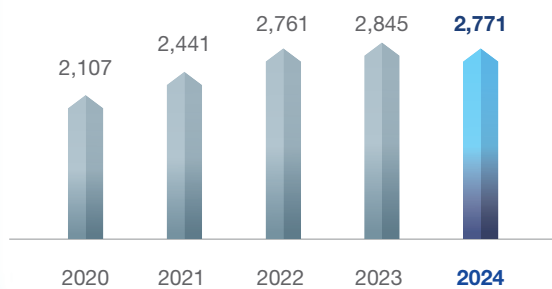
Mr. Sophearin obtained his dual degree (a Bachelor of Administration from the Royal University of Law and Economics, Cambodia, and a Bachelor of Economics from the University of Lyon 2, France) in 2003, and an MBA from the School of Management, Asian Institute of Technology, Thailand, in 2005.



# KEY FINANCIAL HIGHLIGHTS

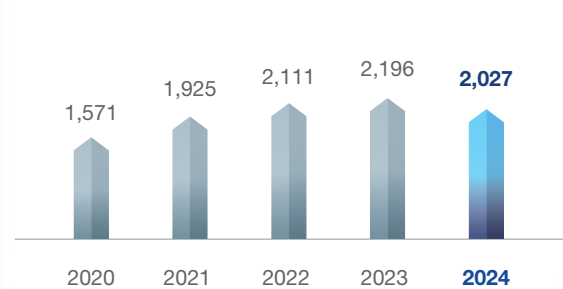
## TOTAL ASSETS

US\$ Millions



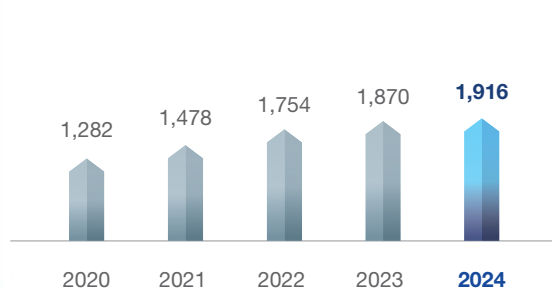
## TOTAL LOANS (GROSS)

US\$ Millions



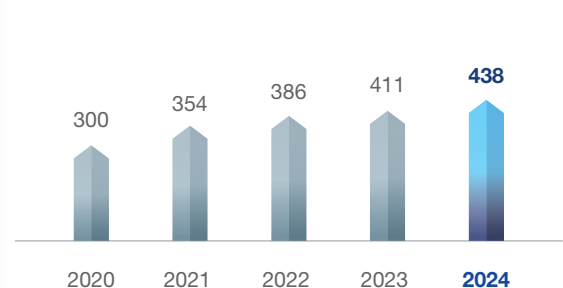
## TOTAL DEPOSITS

US\$ millions



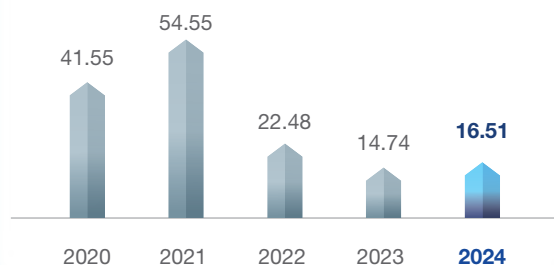
## SHAREHOLDER'S EQUITY

US\$ Millions

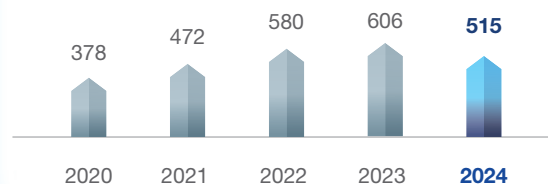


**NET PROFIT**

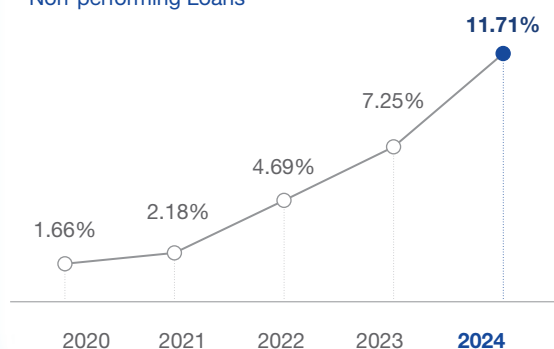
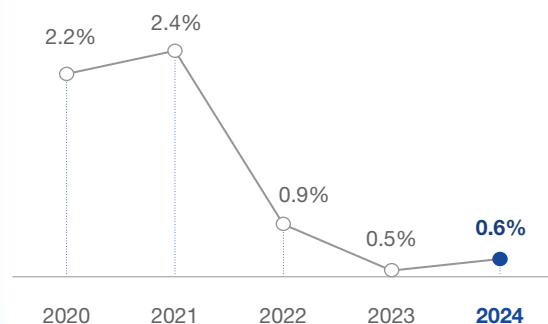
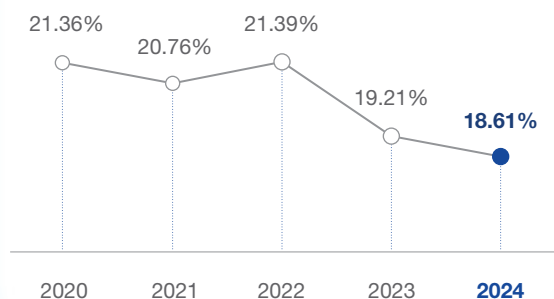
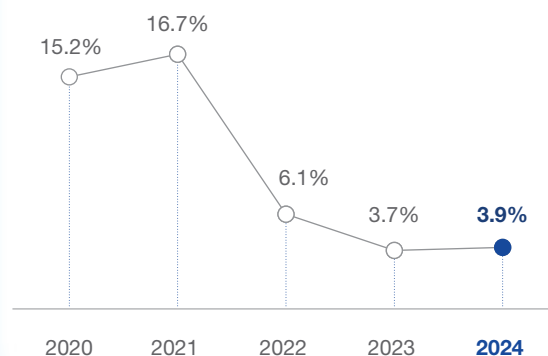
US\$ millions

**TOTAL CUSTOMERS  
(DEPOSIT AND LOAN)**

Persons'000

**ASSET QUALITY**

Non-performing Loans

**RETURN ON ASSET (ROA)****CAPITAL ADEQUACY RATIO****RETURN ON EQUITY (ROE)**



# DEPOSIT BUSINESS HIGHLIGHTS

Sathapana Bank's deposits continued to grow in 2024. This consistent growth demonstrates customers' confidence and trust in the bank's stability and banking solutions. Deposits increased by 2.5% (US\$ 45.8 million) to US\$ 1,916 million in 2024, showcasing its commitment to empowering customers with financial freedom and flexibility.

This growth was driven by strong performance across our deposit products, with Term Deposits contributing 73% and Current Account Savings Accounts (CASA) accounting for 27%. Key drivers of this success included:



## Customer-Centric Retail and Digital Products:

We focused on enhancing our offerings to better serve individuals, SMEs, and MSMEs, recognizing their vital role in Cambodia's economy.



## Seamless Digital Banking:

Our digital solutions, including mobile banking, have gained immense popularity, providing customers with fast, convenient, and secure access to their funds.



## Accessible Financial Inclusion:

We prioritized expanding access to our products and services nationwide, ensuring financial inclusion for all Cambodians.



## Unwavering Commitment to Customer Service:

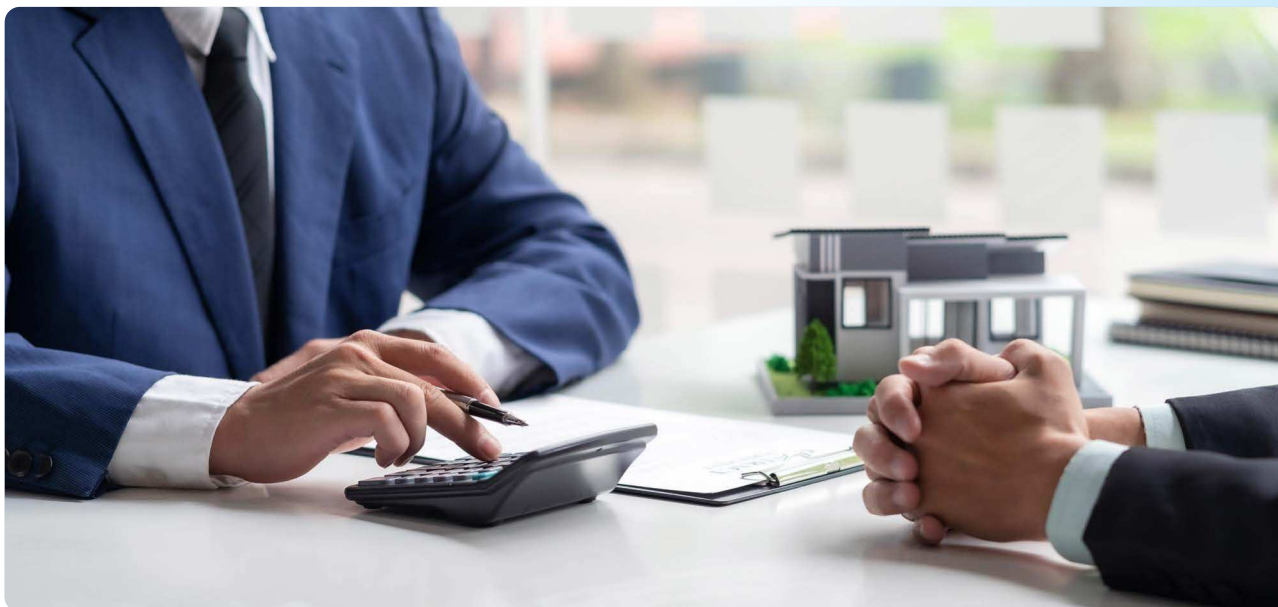
We remain dedicated to delivering exceptional customer experiences, ensuring satisfaction at every touchpoint.



Furthermore, Sathapana Bank actively collaborated with government agencies to offer a comprehensive suite of payment services, including tax, utilities, and bill payments, supporting the National Bank of Cambodia's (NBC) Bakong integration.

Additionally, we also offer payroll services that benefit both employees and employers, all while they enjoy competitive offers along with our innovative banking services.

# LOAN BUSINESS HIGHLIGHTS



The bank loan portfolio, reaching a balance of US\$ 2,027 million. While Retail Banking decreased by 9.7%. Notably, Business Banking demonstrated positive momentum, expanding by 2.8% (US\$ 10.4 million) to reach US\$ 385 million. This growth was contributed by the Commercial segment, which grew by US\$ 16.6 million, and the Financial Institutions (FI) segment, which increased by US\$ 21.9 million. Within Retail Banking, the High Net Worth Individual (HNWI) segment also contributed positively, showing an increase of US\$ 2.6 million.

Looking at the portfolio structure in 2024, the bank benefits from a well-diversified foundation across crucial economic sectors. Trade and Commerce represent 35.6% of the portfolio, with significant contributions from Household loans (31.4%), Services (13.8%), Agriculture (9.6%), Construction and Manufacturing (8%), and Bank FI & Others (1.6%).

Further strengthening its market position, the bank is pursuing valuable strategic partnerships and initiatives. Key collaborations include the ACSEP program, a partnership with the Asian Development Bank (ADB), the Ministry of Agriculture, and the Ministry of Economy and Finance, specifically designed to support the vital agriculture sector through attractive financing at 7% per annum.



Loan portfolio  
**US\$ 2,027 million**



Business Banking grew by  
**2.8% (US\$ 10.4 million)**



Successful new refinancing program.  
Diversified portfolio, strategic  
partnerships supporting key sectors

In addition to this, Sathapana Bank also provides external refinancing to help our customers pay lower installments and have some capital to invest in their businesses. This program was launched in September 2024 with very good performance, reaching a total outstanding balance of US\$ 26.48 million and 583 accounts as of December 2024.

# DIGITAL BANKING

Sathapana Bank's mobile app earned the "**Most Innovative**" award in Cambodia for 2024, their third consecutive win, recognizing their digital banking leadership.



2024 has been a year of innovation and excellence for us, marked by significant achievements. As one of the leading commercial banks in Cambodia, we remain committed to innovation, reliability, security, and customer satisfaction.

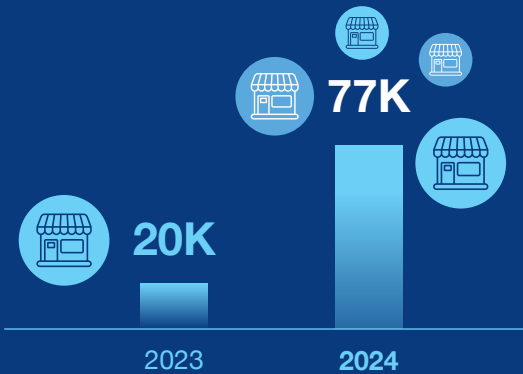
Sathapana Bank has once again proven its supremacy by winning its third award in two consecutive years, earning the title of **Most Innovative Mobile Banking Application in Cambodia 2024** by the prestigious **International Finance Awards**. This distinguished accolade reinforces Sathapana Mobile App's leadership in digital banking innovation in Cambodia.

Sathapana Mobile App offers cutting-edge features and technology, empowering users to manage their finances with ease. With rapid transaction speeds and a user-friendly design, Sathapana Mobile redefines convenience. Its simple navigation allows users to easily create Smart Savings Accounts make transfers, pay bills and perform other useful services, making financial management seamless and accessible.



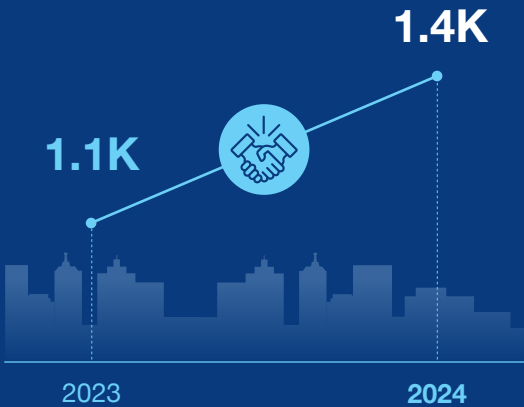
Merchant App Growth

Our Merchant App has also seen tremendous growth, with user numbers soaring from 20K in 2023 to an extraordinary 77K in 2024. This substantial rise could reflect the successful expansion and adoption of services among merchants, potentially driven by enhanced features, improved accessibility, and strategic initiatives.



Corporate Growth

Meanwhile, the Corporate User segment has seen a slight increase, growing from 1,1K to 1,4K users. This rise could reflect an increasing adoption of services by corporate entities, highlighting a potential area for further growth and development.





# SATHAPANA CARDS

In 2024, Sathapana Bank issued 373,773 cards, demonstrating continued growth in our card services. This growth was fueled by a significant increase in payment volume, reflecting strong financial performance. Through strong collaborations with Mastercard and Visa, we introduced innovative card products designed to enhance the banking experience and provide exceptional value to our valued customers.

Designed with convenience and security in mind, these cards empower our customers to effortlessly make purchases, pay bills, or withdraw cash from over 2 million ATMs worldwide."



## DEBIT CARD

Sathapana debit cards are accepted worldwide and are embedded with the latest EMV chip and contactless technology, providing cutting-edge fraud protection.

At Sathapana Bank, customers' security is our priority. Our debit cards utilize EMV chip technology, which significantly enhances transaction security, making it virtually impossible for criminals to reuse intercepted data for fraudulent purposes. This allows our customers to confidently use their Sathapana Debit Visa Cards and Sathapana Mastercard Debit Cards for convenient and secure payments, both domestically and internationally, whether in-person or online. Our debit cards offer quick and convenient access to your funds, wherever you may be.



## VISA DIRECT TRANSFER

Sathapana Bank, in collaboration with Visa, offers a convenient and cost-effective real-time fund transfer service. Customers can seamlessly send funds to any Visa cardholder within seven neighbouring countries: Cambodia, Philippines, Malaysia, Singapore, Thailand, Indonesia, Brunei Darussalam, and Vietnam.



## CREDIT CARD

Sathapana Credit Cards provides convenient access to funds while offering the added benefit of building their credit scores. This empowers our customers with valuable financial tools, assisting them in achieving their financial goals, from securing loans to obtaining mortgages.

Our credit cards also provide a range of exclusive benefits, including access to airport lounges worldwide, travel insurance, and various lifestyle perks.

When using a Sathapana Visa Credit Card or a Sathapana Mastercard Credit Card, customers utilize a credit line provided by the bank, with flexible payment options allowing them to repay their balance within a designated timeframe.

## MASTERCARD SEND (FUND RECEIVING)

Mastercard Send enables customers to securely and easily receive funds directly into their bank accounts linked to their debit or credit cards, from anywhere in the world. This convenient and rapid fund receiving service, powered by Sathapana Bank, allows Mastercard cardholders to quickly access funds from both domestic and international sources.

## TRANSACTION NOTIFICATION

For enhanced security, customers receive an SMS notification for every transaction made. Sathapana Mobile provides convenient access to credit card information, allowing customers to easily view their credit limits, billing statements, transaction history, and the amount due.

At Sathapana Bank, we empower our people through leadership, digital, and technical training — building a skilled, united, and future-ready workforce.



# EMPLOYEES DEVELOPMENT

## HR VISION & MISSION

At Sathapana Bank, we are committed to building a workforce equipped with the skills and leadership necessary to drive business success. In 2024, we focused on strengthening technical expertise, leadership development, and digital capabilities across our 4,239 employees, including 1,644 female employees.



### Key Achievements in 2024

- Enhanced employee compensation and benefits to improve retention and engagement.
- Conducted targeted training programs covering leadership, compliance, digital banking, and customer service.
- Expanded self-learning platforms and mentorship opportunities to support career growth.
- Ensured accessibility and inclusivity across all training initiatives.

### Talent Development and Future Leadership

- Established structured career pathways for leadership candidates.
- Introduced cross-functional training and rotational assignments to build a versatile workforce.
- Strengthened internal promotion pipelines to ensure seamless leadership transitions.

### Core Training Programs in 2024

- Leadership & Succession Planning: Leadership Development and BM Successors Program to nurture future leaders.
- Technical & Compliance Training: Risk management, fraud prevention, regulatory compliance, and business writing to reinforce operational excellence.
- Customer & Sales Excellence: CASA Sales Training and customer service programs to enhance client experience.
- Digital Transformation & Process Efficiency: Digital Banking, KAIZEN PDCA, and automation training to drive operational improvements.
- Onboarding & Career Growth: Induction Training to support new hires and their integration into the company.

In 2025, Sathapana Bank will continue prioritizing employee development by enhancing leadership programs, strengthening digital skills, and fostering a culture of continuous learning to ensure long-term growth and success.

# RISK MANAGEMENT, CORPORATE GOVERNANCE AND COMPLIANCE

The success of our business strategies is built on the foundation of prudent management, sound corporate governance, risk management, and compliance. We prioritize good corporate governance with robust internal control systems that create a well-controlled environment. This approach fosters sustainable growth in our business, contributes to Cambodia's economic growth, and improves the standard of living for Cambodians through our direct and indirect banking services. Our corporate governance is well-structured and clearly communicated from the top, starting with the Board of Directors.



## THE BOARD

Our Board members possess relevant academic backgrounds, as well as experience and expertise in Banking, Finance, and Economics. The Board comprises both independent and non-independent members. At the Board level, the Bank has four Board Committees: Risk Committee, Audit Committee, Remuneration and Nomination Committee, and Strategy Committee. These committees have clear roles and responsibilities to protect the Bank's interests, create value, and lead business strategies. This includes approving and overseeing the implementation of the Bank's strategic objectives, governance framework, and corporate culture. The Board also oversees our Senior Management team in terms of recruiting, promoting, and assigning key people as members of the management team. The Board ensures that the management team's decisions align with the Bank's strategies, objectives, policies, and risk appetite statement.

## SENIOR MANAGEMENT

In addition to the four Board Committees, the Board delegates its authority to the Bank's Chief Executive Officer and Management Committee to oversee risk management, Bank strategies, and objectives based on their expertise, concerning the Bank's day-to-day management activities.

## THREE LINES OF DEFENSE

The Bank's Organization Structure is designed and implemented in alignment with the Three Lines of Defense as recommended by the Basel Committee on Banking Supervision (BCBS). Each of the three lines reflects clear roles and responsibilities members have to carry out.

### 1st Line of DEFENSE

Risk owners in the business lines and support functions manage the types of risk that may occur when conducting banking activities.

### 2nd Line of DEFENSE

The Risk Management and Compliance functions are responsible for bank-wide risk management and compliance matters, including AML/CFT. These functions are independent and report directly to the Board Risk Committee.

### 3rd Line of DEFENSE

The Internal Audit function conducts risk-based approaches, performs general audits, and provides assurance to the Board about the overall governance framework. This includes assurance on the risk management framework and that the Bank's strategies and objectives are effective and consistent with the Board's approval.

## CODE OF CONDUCT AND BUSINESS ETHICS

The Code of Conduct defines our corporate culture, ensuring compliance with laws and regulations. We value professionalism, driving growth and trust from customers and employees. Our team constantly seeks to improve Service Excellence for our customers. Sathapana Bank Plc.'s Code of Conduct ensures no discrimination, sexual harassment, or political interests within the Bank, providing unbiased financial services to all, safeguarding customer information.

## CONFLICT OF INTEREST

We have a policy of Conflict of Interest in place. All employees, including Board members, are required to declare their conflicts of interest to the Bank. We manage conflicts by practicing fair evaluation of employees' performances. Overall, the goal is to protect the Bank's reputation and gain trust from employees and the public.

## RISK MANAGEMENT

We acknowledge that effective Risk Management is crucial for successfully overseeing and supporting our business strategies and objectives. As the Second Line of Defense, the Risk Management Department offers a professional risk analysis perspective to safeguard the Bank's interests. This department ensures that the Bank is protected from potential risks arising from business activities, processes, systems, personnel, and new initiatives.

The Bank has implemented a Risk Appetite Framework, approved by the Board, to oversee all risk-taking activities, ensuring they align with our accepted risk appetite and tolerance levels. All related policies, procedures, and guidelines are well-established, communicated, and monitored.

Additionally, the department actively monitors and informs the Board and business lines about external threats and opportunities, including economic factors, industry developments, market competition, political and social factors, technological advancements, and natural disasters.

## THE BANK HAS EXPOSURE TO THE FOLLOWING KEY RISKS:

### Credit Risk

Credit Risk Management at Sathapana Bank is overseen by the Bank's Credit Committee. Credit risk represents the financial loss the Bank face when a borrower or counterparty fails to fulfill their contractual obligations. This type of risk is particularly significant and can arise from both on balance sheet and off-balance sheet financial instruments.

To govern lending activities, the Bank has established a comprehensive Credit Policy. Execution of these activities is guided by a detailed credit standard operating procedure (SOP) that outlines the strategy for specific products or portfolios, including target markets, terms and conditions, documentation, and assessment procedures. Additionally, clear segregation of duties is maintained between loan originators, evaluators, and approving authorities.

Credit risk exposure is managed through regular assessments of borrowers' and potential borrowers' ability to meet interest and capital repayment obligations. The management conducts annual credit reviews post-disbursement to analyze the financial condition and performance of borrowers. Furthermore, risk mitigation is achieved by obtaining collateral and personal guarantees. The Bank adheres to various policies and practices, including traditional security measures such as taking collateral for customer loans. Guidelines on acceptable classes of collateral or credit risk mitigation measures have been implemented.

The primary types of collateral used to secure customer loans include:

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

In addition to traditional collateral, the Bank participates with the Credit Guarantee Corporation of Cambodia Plc. (CGCC) by accepting credit guarantee schemes. This participation supports economic growth through lending to Small and Medium Enterprises (SMEs) and promotes financial inclusion for Cambodians.



Acknowledging the ongoing impact of the Covid-19 pandemic and slow global GDP growth on borrowers' income sources, the National Bank of Cambodia (NBC) issued a loan restructuring initiative. This initiative aims to maintain financial stability and alleviate financial burdens for borrowers. The Bank implements loan restructuring in accordance with NBC's guidelines, considering economic conditions and circumstances.

### Market Risk

Market Risk arises from the potential for losses due to fluctuations in market prices, which can impact the fair value or future cash flows of financial instruments. This type of risk stems from open positions in interest rate, currency, and equity products, making them vulnerable to general market movements and volatility in market rates or prices, such as interest rates, credit spreads, foreign exchange rates, and equity prices.

The Bank faces market risk primarily in the Banking Book and not in the Trading Book. The main market risk in the Banking Book comes from exposure to interest rate risk and foreign exchange rate risk, which are the key market risks in the day-to-day of the Cambodian banking market.

### Operational Risk

Operational Risk refers to the potential for direct or indirect loss resulting from inadequate or failed internal processes, personnel, systems, technology, infrastructure, or external factors. This category of risk includes, but is not limited to, those arising from legal and regulatory requirements.

To manage operational risk, the Bank has implemented an established Operational Risk Management process, which includes rigorous monitoring and reporting of business activities by the relevant support units, under the oversight of Senior Management.

The Bank's Operational Risk Management framework involves the creation of clear organizational structures, defined roles, and control policies. This includes setting up clear signing authorities, establishing system parameter controls, streamlining procedures, and ensuring compliance with regulatory and legal requirements.

The primary goal of Operational Risk Management is not the complete elimination of risk but rather the management of inherent risks through the implementation of adequate controls. It aims to ensure that residual operational risks remain within acceptable levels as defined by the Bank's Risk Appetite.

To enhance the Operational Risk Management process, the Bank employs a comprehensive risk assessment tool, the Risk Control Self-Assessment (RCSA). This tool is used to evaluate risk-taking activities across branch operations, headquarters

departments, business strategies, and new products and services, thereby mitigating potential risks.

The Bank has also secured various insurance policies to transfer and mitigate operational risks. These policies include the Bankers Blanket Bond and Electronic Computer Crime Insurance (BBB and ECC Policy), Directors and Officers Liability Insurance (D&O Policy), Money Insurance in ATMs and Transit, and Building Fire Insurance.

Furthermore, the Bank has established a Business Continuity Management (BCM) policy, which includes business continuity plans for each critical business function. These plans, alongside the Disaster Recovery Plan, are meticulously prepared, regularly tested, and exercised to ensure the speed of personnel and systems to respond effectively to any unforeseen events.

### Liquidity Risk

Liquidity Risk refers to the risk faced by a bank when it is unable to meet its payment obligations associated with its financial liabilities or commitments, or when it is unable to replace funds once they are withdrawn. This may result in the bank's failure to meet obligations to repay depositors and fulfill commitments to lend.

The Bank adheres to a comprehensive Liquidity Management Framework that provides guidance for effective liquidity risk management, encompassing funding, deposits, borrowings, and capital activities. The Bank diligently monitors its balance sheet liquidity and manages the concentration and profile of cash flow management to ensure adequate liquidity performance that aligns with the Liquidity Coverage Ratio (LCR) requirements. Regular reviews and reports of short- and long-term cash positions and cash flow projections are conducted. Furthermore, the Bank has implemented a Liquidity Contingency Plan to address any unforeseen circumstances arising from economic factors, changes in the banking industry, or other external events.

### Information Technology Risk

Information Technology (IT) supports the Bank by improving processes, efficiency, security, governance, productivity, and cost through innovation. The IT Strategy Committee oversees IT projects, governance, and ensures alignment with business strategy and adequate investment.

Information Security integrates people, processes, and technology, adopting international standards like PCI-DSS, PCI-PIN Security, and SWIFT Customer Security Program. Moreover, the Bank has implemented Network security including firewalls, DoS protection, segmented networks, end-point anti-virus and EDR.

Application and database security involve monthly vulnerability assessments and weekly patches. Regular Information Security Awareness Programs educate employees on privacy, information leakage, and security responsibilities through e-learning, newsletters, and cyber-attack simulations.

## Compliance

The Compliance Department is tasked with ensuring the Bank adheres to all regulatory requirements and fostering a culture of compliance. This is achieved through comprehensive training, facilitation, advising, monitoring, and support for all

employees, ensuring strict adherence to Cambodian laws and regulations. To avoid conflicts of interest, the Compliance Department reports directly to the Board Risk Management Committee. This structure ensures strict adherence to compliance policies, the AML/CFT framework, prudential regulations, and the Bank's whistleblowing policy. These policies and procedures are developed and implemented in alignment with the requirements set forth by the National Bank of Cambodia (NBC) and the Cambodia Financial Intelligence Unit (CAFIU).

### KEY ACTIVITIES IN 2024

<b>Strong Compliance Culture</b>	A Compliance Culture continually ensures all employees conduct their respective tasks ethically and fully comply with the Bank's policies and procedures. An employee training agenda with compulsory compliance training was introduced and tracked properly.
<b>Fraud Detection Unit</b>	Expanded detection methodology, including loan application review, vendor survey, staff hearing participation, fraud survey, and fraud declaration. Continuous improvement in fraud detection and investigation processes.
<b>Project Risk Assessment</b>	The purpose of risk assessment is to ensure all risks are identified with adequate controls in place to successfully launch new products and services
<b>Risk and Control Self-Assessment</b>	The Risk and Control Self-Assessment (RCSA) is conducted to ensure all types of risk are identified with sufficient controls in place. In 2024, we introduced new RCSA framework and tools for the improvement and ensure accountability of the control owners.
<b>Credit Insight Analysis</b>	Credit portfolio analysis was further improved with deep dive analysis in credit portfolio risk management and proactively provided recommendations to credit personnel to take remedial action to improve loan collection and ensure loan quality.
<b>Risk Management Newsletters</b>	The Newsletter was issued monthly and shared with staff to provide lessons learned and improve operational risk management.
<b>Disaster Recovery Plan</b>	The Disaster Recovery Plan was exercised for critical systems and met the Recovery Time Objective successfully.
<b>Liquidity Stress Test</b>	Liquidity Stress Tests were performed and reported on a quarterly and annual basis to ensure sufficient liquidity in each stressful scenario and to meet regulators' guidelines.
<b>Capital Adequacy Framework</b>	The capital adequacy ratio is assessed following the new Prakas from the Central Bank of Cambodia to ensure the Bank has sufficient capital for future bank's operation.
<b>Risk Appetite Policy</b>	Established a comprehensive risk appetite policy and monitored each appetite monthly to report to the Board Risk Management Committee.
<b>Bank Wide Risk Committee</b>	The meeting was conducted regularly on a quarterly basis to discuss the key risks. The relevant risk owners were also invited to this meeting.

# ENVIRONMENT AND SOCIAL SUSTAINABILITY MANAGEMENT

Sathapana Bank Plc. is dedicated to integrating environmental and social considerations into its business operations and decision-making processes. This report outlines the key initiatives and achievements in the areas of environmental sustainability and social responsibility for the year 2024.

## MISSION

Our mission is to achieve sustainable development in Cambodia and meet the Cambodian Sustainable Finance Principles (CSFP) by the Association of Banks in Cambodia (ABC). These principles help banks lower investment risks and find new business opportunities while preserving the environment, cultural heritage, and local communities.





## SUSTAINABILITY PILLARS

### ENVIRONMENTAL

We are committed to minimizing our environmental impact and addressing climate change. We align our sustainable development goals with those of our customers.



### SOCIAL

We promote diversity, equity, and an inclusive culture, respecting individuals within our community, staff and customers.



### GOVERNANCE

We act as a responsible partner to create long-term value for our stakeholders, ensuring fair dealing in all business activities in compliance with applicable laws and regulations.



### SUSTAINABILITY ACTIONS

- Managed our footprint on energy consumption and paper usage.
- Integrated ESG factors into our business processes.
- Provided financial inclusion and literacy to community.
- Adhered to the code of conduct on lending guidelines.
- Respected human rights, diversity, and gender equality.
- Maintained zero tolerance for fraud and corruption.
- Avoided activities leading to socially sensitive behavior and regulatory violations.
- Adhered to the best governance structure in business operations.
- Provided a safe and hygienic workplace.

### NINE SUSTAINABLE FINANCE PRINCIPLES

- 1 → Assess and manage environmental risks related to climate change, pollution, waste management, and protection of natural resources.
- 2 → Assess and manage risks potentially impacting local communities, workers, and indigenous/minority populations.
- 3 → Assess and manage risks potentially impacting cultural heritage, including language, culture, traditions, and monuments.
- 4 → Increase financial awareness and literacy among Cambodians and improve customer/client protection.
- 5 → Expand reach to those with limited access to the formal banking sector and provide innovative solutions to improve banking access and service levels.
- 6 → Finance innovations that create efficiencies and improvements in traditional sectors and develop new green economy activities.
- 7 → Build capacity across banks to deliver commitments and raise awareness about sustainable, inclusive finance.
- 8 → Manage the bank's environmental and social footprints and request similar standards from suppliers.
- 9 → Annually report individual and sector progress against commitments to hold accountable and share outcomes.



## THE PRINCIPLES IN ACTIONS

### PROTECTING THE ENVIRONMENT, PEOPLE, AND CULTURAL HERITAGE



We have a credit policy for managing ES risk in our lending practices, supplemented by a policy on Environmental and Social Sustainability. This policy sets performance standards and prohibited transactions (exclusion list) to guide the credit evaluation process.

### FINANCING THE FUTURE OF CAMBODIA



We have established financial programs to increase financial awareness and expand our outreach to those with limited access to the formal banking sector. These programs help provide funding sources for business operations, improve quality of life, create jobs, and boost the economy. The "I'm Financially Literate" program strengthens financial inclusion across all community segments.

Our commitment to providing loans to women and rural areas reflects our dedication to promoting financial inclusion and empowering underserved communities. By facilitating access to financial resources, we aim to support female entrepreneurs and rural populations, thereby fostering economic growth and enhancing the quality of life across diverse segments of society. This inclusive approach aligns with our broader mission to expand banking access, improve service levels, and contribute to sustainable development in Cambodia.

#### FINANCING GROWHT

Descriptions	2022	2023	2024
Loan to Female Borrower %	48%	47%	46%
Loan to Urban %	46%	30%	33%
Loan to Rural %	54%	70%	67%

Our outreach efforts to encourage savings have shown particular success in targeting female depositors. By increasing our support and resources aimed at women, we have seen a positive trend in overall depositor numbers.

#### ENCOURAGING SAVING

##### (NUMBER OF DEPOSITORS, PERSON' 000)

Descriptions	2022	2023	2024
Total Depositor	579	605	514
Female Depositor	287	299	254

### CLIENT PROTECTION



Client protection is a core value that underpins all our operations. We strive to ensure that our clients receive fair treatment, transparent information, and secure financial products. Our policies are designed to safeguard clients' rights and to foster a trusting relationship between the bank and its customers. We prioritize ethical practices, privacy protection, and financial literacy initiatives to empower our clients. By providing ongoing training and adhering to industry's best practices, we strive to foster a safe and supportive environment for all our clients.

We are proud to have received certification from M-Cril, an esteemed organization known for its rigorous standards in microfinance assessments and ratings. This certification underscores our commitment to maintaining excellence in transparency, client protection, and financial performance. With this recognition, our clients can be confident that they are partnering with a credible and reliable institution dedicated to their financial well-being.

## EMPLOYMENT AND TRAINING



We provide equal employment opportunities, focusing on fairness, transparency, and non-conflict of interest in compensation and benefits. We encourage and motivate employees to increase their capacity through knowledge, skills, and experience. We also offer traineeships for students to understand financial services in the banking sector.

<b>EMPLOYMENT</b>			
Descriptions	2022	2023	2024
Female Employee	41%	39%	<b>39%</b>
Male Employee	59%	61%	<b>61%</b>
Total Employee	4,378	4,608	<b>4,239</b>
Trainee	6%	1.2%	<b>1.1%</b>

<b>STAFF TRAINING</b>			
Descriptions	2022	2023	2024
Refresher Program	3,634	3,699	<b>3,907</b>
Induction Program	1,634	1,195	<b>587</b>

## ENERGY, WATER, AND TISSUE CONSUMPTION



We continue to implement initiatives to manage energy consumption and paper usage. Digital platforms have replaced paper-based operations, and most meetings/training are conducted online.

<b>ENERGY, WATER AND TISSUE CONSUMPTION</b>			
Descriptions	2022	2023	2024
Energy Kwh/FTE	1,292	1,540	<b>1,469</b>
Gasoline L/FTE	73	57	<b>62</b>
Water m3/FTE	31	26	<b>27</b>
Paper Kg/FTE	5	5	<b>3</b>

# CORPORATE SOCIAL RESPONSIBILITY

## FOOTBALL CLINIC

Sathapana Bank, in collaboration with ISI Dangkor Senchey FC, hosted a football clinic at Preah Sisowath High School to empower youth through sports in Cambodia. At the event, we donated sports and study materials, including jerseys, footballs, notebooks, and pens.

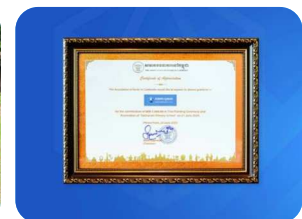
Professional coaches and players participated, sharing their experience in football techniques and engaging in fun activities with the students.



## SUPPORTING THE TREE PLANTING EVENT AND RENOVATION OF SATTHARAM PRIMARY SCHOOL

Sathapana Bank participated in the “Tree Planting Ceremony and Renovation of Sattharam Primary School” in Tarong Village, Takeo Province, which was organized by the Association of Banks in Cambodia.

The initiative aimed to promote sustainable financial principles and corporate social responsibility. Over 350 students participated and had the opportunity to learn about environmental impacts and solutions.





## CHARITY FOOTBALL

Sathapana Bank and ISI Dangkor Senchey FC hosted a charity football match at AIA Stadium to benefit Angkor Hospital for Children. Over 1,000 fans attended the exciting match, where Pka Rik Krob Rodov FC emerged victorious in a penalty shootout. This event aligns with Sathapana Bank's CSR focus on using football to connect communities and improve the lives of young Cambodians.



## DONATION TO JAPAN HEART

Sathapana Bank was happy to support Japan Heart in a new medical center of Japan Heart Children's Medical Center at Chey Chumneas Hospital, Takhmao City, Kandal Province.

As Japan Heart has saved lots of children in Cambodia by providing free medical treatment to those who had cancers, Sathapana Bank highly respects and sympathizes with these continuous contributions with integrity and has decided to support their expansion.



## SCHOOL SUPPLIES AND COMPUTERS DONATED TO NEAK KMAO PRIMARY SCHOOL IN SIEM REAP

Sathapana Bank generously donated school supplies for the 150 students and computer sets to the school and local authority in Banteay Srei Village, Khnar Sanday Commune, Banteay Srei District, Siem Reap Province.

This donation will help support the children's education and enable them to reach their full potential. We would like to express our sincere gratitude to the teachers and local authorities for their invaluable support of education in this community.





## SPONSORED BADMINTON COMPETITIONS

Sathapana Bank proudly supported the TKS Badminton Coach Tournament, which aimed to help talented young people advance their badminton careers. The bank is committed to empowering youth to pursue their passions and achieve their full potential.

## SPONSORED THE CYCLING EVENT

Sathapana Bank was proud to be a Diamond Sponsor of the cycling event themed "Promote Khmer Riel and Sustainability of Banking Sector" held at the World Heritage Site of Sambor Prei Kuk, Kampong Thom Province, and organized by the Association of Banks in Cambodia. The bank's participation actively contributes to promoting the riel and the broader banking sector, benefiting the Cambodians.



## SPONSORED ASEAN SAVINGS DAY 2024

Sathapana Bank proudly sponsored ASEAN Savings Day 2024, themed "The Importance of Saving Money from Childhood." Our participation contributes to promoting financial literacy and encouraging savings habits through formal financial services. This is a crucial step towards improving Cambodia's financial inclusion.



### SPONSORED THE FINANCIAL INCLUSION PROGRAM, "FINANCIAL STREET" SEASON 2

Sathapana Bank sponsored “Financial Street Season 2” which is organized by Apsara Media Services (AMS). The program aims to empower Cambodian people with financial literacy including having safe access to finance, budget management, and making wise financial decisions when using financial services and products.

### DONATION TO CAMBODIAN RED CROSS

Sathapana Bank is honored to contribute 20 Million Riels to the Cambodian Red Cross (CRC) in celebration of the 161st Anniversary of World Red Cross and Red Crescent Day on May 8, 2024, under the theme of “Together with the Cambodian Red Cross for Healthy and Climate-Resilient Communities” and continue our support for humanitarian acts across Cambodia.



### BLOOD DONATION

Every drop of blood donated today has the potential to save the lives of people who are in need!

Sathapana Bank, in partnership with CBRE Cambodia, Sathapana Tower, and the National Blood Transfusion Center, organized an event "Donate Blood to Save Lives". This event aimed to raise awareness about the importance of blood donation and encourage individuals to contribute to this cause.



# AWARDS & RECOGNITION



**CAMBODIA BANKING  
CONFERENCE**  
Certificate of Appreciation



**MOVABLE ASSET FINANCE**  
Certificate of Appreciation



**PREPARE FOR THE FUTURE BY  
STARTING WITH FINANCIAL  
PLANNING**  
Certificate of Appreciation



**ANGKOR HOSPITAL FOR  
CHILDREN**  
Certificate of Appreciation



**SUSTAINABILITY RECOGNITION**  
Advancing Digital Society



#### AWARD FROM MASTERCARD

Leadership in Credit Growth 2024  
Leadership in Debit Growth 2024  
Leadership in Credit Volume 2024

#### AWARD FROM INTERNATIONAL FINANCE AWARDS

Most Innovative Mobile Banking Application in Cambodia 2024



#### SUPPORT TREE PLANTING AND RENOVATION OF SATHTHARAM PRIMARY SCHOOL

Certificate of Appreciation

#### BANKERS' ANNUAL DINNER

Certificate of Appreciation

#### AWARD FROM VISA

Leadership in Consumer Debit Payment Volume  
Leadership in Total Merchant Sales Volume Growth  
Leadership in Active Net New Acceptance Location



#### CERTIFICATE FROM SISA

The esteemed Payment Card Industry Data Security Standard (PCI DSS v4.0) and Payment Card Industry Pin Security Standard (PCI PIN v3.1) certification

#### AWARD FROM CGCC

Outstanding Performance in Number of Guaranteed Accounts 2024



# AUDITED FINANCIAL STATEMENTS

# REPORT OF THE BOARD OF DIRECTORS

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

## THE BANK

SATHAPANA Limited, the micro-finance institution ("MFI"), was incorporated in the Kingdom of Cambodia by the Ministry of Commerce ("MoC") on 19 February 2003, based on the Memorandum and Articles of Association signed on 27 December 2002 between Cambodia Community Building ("CCB"), a local non-governmental organization established in 1996 and the MFI's staff. The MFI obtained its license to operate as a micro-finance institution from the National Bank of Cambodia ("NBC") on 23 April 2003 and, from 19 April 2006, with an indefinite term. Under the micro-finance license, the MFI was authorized to grant credit and offer saving services to poor and low-income households and small enterprise operating in the Kingdom of Cambodia.

On 22 January 2009, the MFI received a license from the NBC to conduct deposit-taking business. On 11 February 2014, the MFI received another 3-year license to conduct money exchange business.

On 19 October 2012, MARUHAN Japan Bank ("MJB") entered into a sale and purchase agreement with Stichting Triodos-Doen, Nederlandse Financierings-Maatschappij Voor Ontwikkelingslanden N.V., DWM Funds S.C.A.-SICAV SIF, CCB, and SATHAPANA Employee Investment Limited to acquire 95.1% equity in SATHAPANA Limited. This transaction was approved by the NBC on 5 December 2012 with the subject shares approved for change in ownership by the MoC on 17 December 2012.

On 8 February 2016, the Board of Directors of the MFI, pursuant to the option agreement with CCB, passed a resolution to approve the sale of the remaining 4.9% equity of the MFI to MJB, representing all the non-controlling interest of the MFI for a total price of US\$ 6.02 million. The transaction was completed on 17 March 2016.

In early 2015, MJB and SATHAPANA Limited agreed to merge the two institutions into one entity, under the name SATHAPANA Bank Plc., as approved by the NBC on 28 March 2016. On 29 March 2016, the NBC also granted the Bank its banking license with an indefinite term. On 1 April 2016, all assets and liabilities of MJB were transferred to the Bank.

The Bank operates its businesses in 25 provinces with a network of 175 branches.

## PRINCIPAL ACTIVITY

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

## LOCATION

The registered office of the Bank is located at Sathapana Tower, No. 63, Preah Norodom Blvd., corner Street No. 172 and Street No. 174, Phnum 14, Sangkat Phsar Thmey 3, Khan Daun Penh, Phnom Penh, Kingdom of Cambodia. The Bank operates its businesses in 25 provinces with a network of 175 branches.

## EMPLOYEE

As at 31 December 2024, the Bank had 4,239 employees (2023: 4,608 employees).

## FINANCIAL RESULT

The financial performance of the Bank for the year ended 31 December 2024 is set out in the statement of comprehensive income.

## PAID-UP CAPITAL

The paid-up capital of the Bank as at 31 December 2024 is US\$ 290,000,000 (2023: US\$ 280,000,000).

## RESERVES AND PROVISIONS

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

## EXPECTED CREDIT LOSSES ON LOANS TO CUSTOMERS AND OTHER FINANCIAL ASSETS CARRIED AT AMORTIZED COST

Before the financial statements of the Bank were drawn up, the directors took reasonable steps to ascertain that action had been taken in relation to writing off or in recognizing provisions for expected credit losses, and satisfied themselves that all known bad loans and other financial assets carried at amortized cost had been written off and that reasonable provisions had been made for expected credit losses.

At the date of this report, the directors are not aware of any circumstances which would render the amount written off or the amount of the provisions for expected credit losses on loans to customers and other financial assets carried at amortized cost in the financial statements of the Bank inadequate in any material respect.

## ASSETS

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

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 in any material respect.

## VALUATION METHODS

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

## CONTINGENT AND OTHER LIABILITIES

At the date of this report, there is:

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

No contingent liability or other liability of the Bank has become enforceable, or is likely to become enforceable within the period

of twelve months after the end of the financial year which, in the opinion of the directors, will or may have a material effect on the ability of the Bank to meet its obligations when they become due.

## SUBSEQUENT EVENTS

No significant events occurred after 31 December 2024 requiring adjustment or disclosure other than those already recognized or disclosed in the accompanying notes to the financial statements.

## THE BOARD OF DIRECTORS

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

<b>Dr. Han Chang-Woo</b>	Chairman (non-executive)
<b>Mr. Han Ken</b>	Vice-chairman (non-executive)
<b>H.E. Shinohara Katsuhiko</b>	Independent and non-executive director
<b>H.E. Kim Vada</b>	Independent and non-executive director
<b>Mr. Williams John Gerard</b>	Independent and non-executive director (appointed on 2 July 2024)
<b>Mr. Iwasa Tomoyuki</b>	Non-executive Director (resigned on 28 October 2024)
<b>Mr. Nguyenle QuocAnh</b>	Independent and non-executive director (resigned on 31 March 2024)
<b>Mr. Hosoi Takehito</b>	Non-Executive Director (appointed on 2 July 2024)
<b>Mr. Hiramatsu Naoya</b>	Non-Executive Director (appointed on 2 July 2024)
<b>Mr. Kawahara Yoshiki</b>	Non-Executive Director (appointed on 27 February 2024)

## AUDITORS

Ernst & Young (Cambodia) Ltd. is the auditor of the Bank

## DIRECTORS' BENEFIT

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

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 director or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest other than as disclosed in the financial statements.

## BOARD OF DIRECTORS' RESPONSIBILITY IN RESPECT OF THE FINANCIAL STATEMENTS

The Board of Directors is responsible for ensuring that the financial statements give a true and fair view of the financial position of the Bank as at 31 December 2024, and its financial performance and cash flows for the year then ended in accordance with Cambodian International Financial Reporting Standards ("CIFRSs"). The Board of Directors oversees preparation of these financial statements by management who is required to:

- i. adopt appropriate accounting policies which are supported by reasonable and prudent judgments and estimates and then apply them consistently;
- ii. comply with CIFRSs or, if there have been any departures in the interest of fair presentation, these have been appropriately disclosed, explained and quantified in the financial statements;
- iii. maintain adequate accounting records 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 foreseeable future; and,

- v. effectively control and direct the Bank in all material decisions affecting the operations and performance and ascertain that these have been properly reflected in the financial statements.

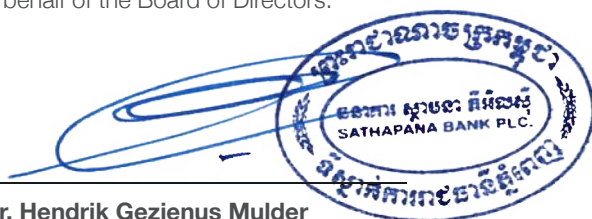
Management is responsible for ensuring that proper accounting records are kept which disclose, with reasonable accuracy at any time, the financial position and performance of the Bank and to ensure that the accounting records comply with the registered accounting system. It is also responsible for safeguarding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

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

## APPROVAL OF THE FINANCIAL STATEMENTS

We hereby approve the accompanying financial statements that give a true and fair view of the financial position of the Bank as at 31 December 2024, and its financial performance and cash flows for the year then ended in accordance with CIFRSs.

On behalf of the Board of Directors:



**Mr. Hendrik Gezienus Mulder**  
Chief Executive Officer



**Mr. Yoshiharu Morimoto**  
Deputy Chief Executive Officer

Phnom Penh, Kingdom of Cambodia  
25 March 2025



# INDEPENDENT AUDITOR'S REPORT

**To: The Board of Directors and Shareholder  
of SATHAPANA Bank Plc.**

## Opinion

We have audited the financial statements of SATHAPANA 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 its cash flows for the year then ended, and notes to the financial statements, including material accounting policy information.

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 its financial performance and its cash flows for the year then ended in accordance with Cambodian International Financial Reporting Standards ("CIFRSs").

## Basis for opinion

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

## Emphasis of matter – Correction of Prior Year's Error

We draw attention to Note 34 of the financial statements which describes the effects of management's correction of prior year's accounting error in relation to prepaid tax on income, which was recognized as income tax expense rather than income tax credit under other assets. Our opinion is not modified in respect of this matter.

## Other matter

The financial statements of the Bank for the year ended 31 December 2023, were audited by another auditor who expressed an unmodified opinion on those statements on 25 March 2024.

## Information Other than the Financial Statements and Auditor's Report Thereon

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

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with CIFRSs, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

### Auditor's Responsibilities for the Audit of the Financial Statements

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

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


- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are

appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Bank's internal control.

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

### Auditor's Responsibilities for the Audit of the Financial Statements (continued)

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



Emmanuel A. Guelas  
Partner

Ernst & Young (Cambodia) Ltd.  
Certified Public Accountants  
Registered Auditors

Phnom Penh, Kingdom of Cambodia

25 March 2025

# STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2024

	Notes	31 December 2024		31 December 2023	
		US\$	KHR'000 (Note 2.4)	US\$	KHR'000 (Note 2.4) (As restated – Note 34)
Assets					
Cash on hand	3	147,680,886	594,415,566	173,674,052	709,458,502
Balances with the National Bank of Cambodia	4	417,220,778	1,679,313,632	325,826,340	1,331,000,599
Balances with other banks	5	81,902,686	329,658,311	68,988,332	281,817,336
Loans to customers	6	2,009,458,354	8,088,069,875	2,162,521,611	8,833,900,781
Other investments	7	10,048,201	40,444,010	93,750	382,969
Other assets	8	22,984,871	92,514,105	19,648,747	80,265,131
Property and equipment	9	21,212,926	85,382,027	25,997,875	106,201,319
Right-of-use assets	10	32,784,645	131,958,196	39,946,509	163,181,489
Software costs	11	10,634,124	42,802,349	10,030,963	40,976,484
Goodwill	12	17,380,030	69,954,621	17,380,030	70,997,423
Deferred tax assets	18(b)	-	-	1,303,398	5,324,381
Total assets		2,771,307,501	11,154,512,692	2,845,411,607	11,623,506,414
LIABILITIES AND EQUITY					
LIABILITIES					
Deposits from customers and other financial institutions	13	1,916,042,640	7,712,071,626	1,870,169,378	7,639,641,909
Borrowings	14	183,699,443	739,390,258	300,400,276	1,227,135,127
Subordinated debts	15	105,550,000	424,838,750	125,200,000	511,442,000
Other liabilities	16	60,128,928	242,018,935	66,740,706	272,635,783
Employee benefits	17	30,669,208	123,443,562	29,494,197	120,483,795
Deferred tax liabilities	18(b)	670,751	2,699,773	-	-
Lease liabilities	19	36,936,124	148,667,899	42,311,196	172,841,236
Total liabilities		2,333,697,094	9,393,130,803	2,434,315,753	9,944,179,850
Equity					
Share capital	20(a)	290,000,000	1,160,000,000	280,000,000	1,120,000,000
Retained earnings		21,464,985	92,238,911	66,833,417	276,933,797
Regulatory reserve	20(b)	126,145,422	514,516,048	64,262,437	262,590,416
Currency translation reserves		-	(5,373,070)	-	19,802,351
Total equity		437,610,407	1,761,381,889	411,095,854	1,679,326,564
Total liabilities and equity		2,771,307,501	11,154,512,692	2,845,411,607	11,623,506,414

The accompany notes on pages 12 to 91 form an integral part of these financial statements.

# STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR THEN ENDED 31 DECEMBER 2024

	Notes	For the year ended 31 December 2024		For the year ended 31 December 2023	
		US\$	KHR'000 (Note 2.4)	US\$	KHR'000 (Note 2.4) (As restated – Note 34)
<b>Operating income</b>					
Interest income	21	236,407,687	962,415,694	248,494,842	1,021,313,801
Interest expense	22	(142,927,435)	(581,857,588)	(143,063,060)	(587,989,177)
<b>Net interest income</b>		<b>93,480,252</b>	<b>380,558,106</b>	<b>105,431,782</b>	<b>433,324,624</b>
Other income	23	9,622,926	39,174,932	16,532,629	67,949,105
Net fees and commissions	24	11,002,348	44,790,559	13,939,763	57,292,426
<b>Operating income</b>		<b>114,105,526</b>	<b>464,523,597</b>	<b>135,904,174</b>	<b>558,566,155</b>
General and administrative expenses	25	(87,595,592)	(356,601,655)	(91,660,507)	(376,724,684)
Provisions for expected credit losses	26	(8,021,232)	(32,654,435)	(26,290,804)	(108,055,204)
<b>Income before income tax</b>		<b>18,488,702</b>	<b>75,267,507</b>	<b>17,952,863</b>	<b>73,786,267</b>
Income tax expense	18	(1,974,149)	(8,036,761)	(3,212,380)	(13,202,882)
<b>Net income for the year</b>		<b>16,514,553</b>	<b>67,230,746</b>	<b>14,740,483</b>	<b>60,583,385</b>
<b>Other comprehensive income:</b>					
Currency translation difference		-	(25,175,421)	-	(11,881,884)
<b>Total comprehensive income</b>		<b>16,514,553</b>	<b>42,055,325</b>	<b>14,740,483</b>	<b>48,701,501</b>

The accompany notes on pages 12 to 91 form an integral part of these financial statements.



# STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR THEN ENDED 31 DECEMBER 2024

	Share capital		Retained earnings		Regulatory reserve		Currency translation reserves	Total	
	US\$	KHR'000 (Note 20)	US\$	KHR'000 (Notes 2.4 and 20)	US\$	KHR'000 (Notes 2.4 and 20)	KHR'000 (Note 2.4)	US\$	KHR'000 (Note 2.4)
Balance as at 1 January 2024	280,000,000	1,120,000,000	66,833,417	276,933,797	64,262,437	262,590,416	19,802,351	411,095,854	1,679,326,564
Total comprehensive income	-	-	16,514,553	67,230,746	-	-	(25,175,421)	16,514,553	42,055,325
Additional capital contribution	10,000,000	40,000,000	-	-	-	-	-	10,000,000	40,000,000
Transfer to regulatory reserve	-	-	(61,882,985)	(251,925,632)	61,882,985	251,925,632	-	-	-
Balance as at 31 December 2024	290,000,000	1,160,000,000	21,464,985	92,238,911	126,145,422	514,516,048	(5,373,070)	437,610,407	1,761,381,889
Balance as at 1 January 2023	250,000,000	1,000,000,000	102,307,047	420,530,418	34,048,324	138,410,410	31,684,235	386,355,371	1,590,625,063
Total comprehensive income (as restated – Note 34)	-	-	14,740,483	60,583,385	-	-	(11,881,884)	14,740,483	48,701,501
Additional capital contribution	10,000,000	40,000,000	-	-	-	-	-	10,000,000	40,000,000
Transfer to regulatory reserve	-	-	(30,214,113)	(124,180,006)	30,214,113	124,180,006	-	-	-
Capitalization of retained earnings	20,000,000	80,000,000	(20,000,000)	(80,000,000)	-	-	-	-	-
Balance as at 31 December 2023	280,000,000	1,120,000,000	66,833,417	276,933,797	64,262,437	262,590,416	19,802,351	411,095,854	1,679,326,564

The accompany notes on pages 12 to 91 form an integral part of these financial statements.

# STATEMENT OF CASH FLOWS

FOR THE YEAR THEN ENDED 31 DECEMBER 2024

	Note	For the year ended 31 December 2024		For the year ended 31 December 2023	
		US\$	KHR'000 (Note 2.4)	US\$	KHR'000 (Notes 2.4) (As restated – Note 34)
<b>Net cash generated from operating activities</b>	27	<b>223,620,611</b>	<b>910,359,509</b>	<b>56,461,625</b>	<b>232,057,280</b>
<b>Investing activities</b>					
Acquisitions of:					
Other investments		(9,937,888)	(40,457,142)	-	-
Property and equipment	9	(2,913,681)	(11,861,595)	(7,999,546)	(32,878,126)
Software costs	11	(1,692,046)	(6,888,319)	(2,898,365)	(11,912,280)
Right-of-use asset		(27,313)	(111,191)	(16,511)	(67,860)
Disposals of:					
Other investments		-	-	2,914,744	11,979,598
Property and equipment		23,740	96,646	3,009	12,368
<b>Net cash used in investing activities</b>		<b>(14,547,188)</b>	<b>(59,221,601)</b>	<b>(7,996,669)</b>	<b>(32,866,300)</b>
<b>Financing activities</b>					
Proceeds from:					
Capital contribution	20(a)	10,000,000	40,000,000	10,000,000	40,000,000
Subordinated debts	15	3,300,000	13,434,300	-	-
Borrowings	14	1,017,680	4,142,975	83,100,000	341,541,000
Repayments of:					
Borrowings	14	(117,718,513)	(479,232,066)	(132,509,943)	(544,615,866)
Subordinated debts	15	(22,950,000)	(93,429,450)	(13,750,000)	(56,512,500)
Lease liabilities	19	(6,060,921)	(24,674,009)	(6,448,440)	(26,503,088)
<b>Net cash used in financing activities</b>		<b>(132,411,754)</b>	<b>(539,758,250)</b>	<b>(59,608,383)</b>	<b>(246,090,454)</b>
<b>Net increase (decrease) in cash and cash equivalents</b>		<b>76,661,669</b>	<b>311,379,658</b>	<b>(11,143,427)</b>	<b>(46,899,474)</b>
Cash and cash equivalents at beginning of year		375,743,519	1,534,912,275	386,886,946	1,592,813,557
Currency translation difference		-	(25,361,050)	-	(11,001,808)
<b>Cash and cash equivalents at end of year</b>	3	<b>452,405,188</b>	<b>1,820,930,883</b>	<b>375,743,519</b>	<b>1,534,912,275</b>

The accompany notes on pages 12 to 91 form an integral part of these financial statements.

# NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 DECEMBER 2024 AND FOR THE YEAR THEN ENDED

## 1. GENERAL INFORMATION

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

### *Establishment and operation*

SATHAPANA Limited, the micro-finance institution ("MFI"), was incorporated in the Kingdom of Cambodia by the Ministry of Commerce ("MoC") on 19 February 2003, based on the Memorandum and Articles of Association signed on 27 December 2002 between Cambodia Community Building ("CCB"), a local non-governmental organization established in 1996 and the MFI's staff. The MFI obtained its license to operate as a micro-finance institution from the National Bank of Cambodia ("NBC") on 23 April 2003 and, from 19 April 2006, with an indefinite term. Under the micro-finance license, the MFI is authorized to grant credit and offer saving services to poor and low-income households and small enterprise operating in the Kingdom of Cambodia.

On 22 January 2009, the MFI received a license from the NBC to conduct deposit-taking business. On 11 February 2014, the MFI received another 3-year license to conduct money exchange business.

On 19 October 2012, MARUHAN Japan Bank ("MJB") entered into a sale and purchase agreement with Stichting Triodos-Doen ("ST"), Nederlandse Financierings-Maatschappij Voor Ontwikkelingslanden N.V. ("NFVO"), DWM Funds S.C.A.-SICAV SIF ("DWM"), CCB, and SATHAPANA Employee Investment Limited ("SEI") to acquire 95.1% equity in SATHAPANA Limited. This transaction was approved by the NBC on 5 December 2012 with the subject shares approved for change in ownership by the MoC on 17 December 2012.

On 8 February 2016, the Board of Directors of the MFI, pursuant to the option agreement with CCB, passed a resolution to approve the sale of the remaining 4.9% equity of the MFI to MJB, representing all the non-controlling interest of the MFI for a total price of US\$ 6.02 million. The transaction was completed on 17 March 2016.

In early 2015, MJB and SATHAPANA Limited agreed to merge the two institutions into one entity, under the name SATHAPANA Bank Plc., as approved by the NBC on 28 March 2016. On 29 March 2016, the NBC also granted the Bank its banking license with an indefinite term. On 1 April 2016, all assets and liabilities of MJB were transferred to the Bank.

The registered office of the Bank is located at Sathapana Tower, No. 63, Preah Norodom Blvd., corner Street No. 172 and Street No. 174, Phnum 14, Sangkat Phsar Thmey 3, Khan Daun Penh, Phnom Penh, Kingdom of Cambodia.

The Bank operates its businesses in 25 provinces with a network of 175 branches.

As at 31 December 2024, the Bank had 4,239 employees (2023: 4,608 employees).

### *Principal activity*

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

### *Paid-up capital*

The paid-up capital of the Bank as at 31 December 2024 is US\$ 290,000,000 (2023: US\$ 280,000,000).

### *The Board of Directors*

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

<b>Dr. Han Chang-Woo</b>	Chairman (non-executive)
<b>Mr. Han Ken</b>	Vice-chairman (non-executive)
<b>H.E. Shinohara Katsuhiko</b>	Independent and non-executive director
<b>H.E. Kim Vada</b>	Independent and non-executive director
<b>Mr. Williams John Gerard</b>	Independent and non-executive director (appointed on 2 July 2024)
<b>Mr. Iwasa Tomoyuki</b>	Non-Executive Director (resigned on 28 October 2024)
<b>Mr. Nguyenle QuocAnh</b>	Independent and non-executive director (resigned on 31 March 2024)
<b>Mr. Hosoi Takehito</b>	Non-Executive Director (appointed on 2 July 2024)
<b>Mr. Hiramatsu Naoya</b>	Non-Executive Director (appointed on 2 July 2024)
<b>Mr. Kawahara Yoshiki</b>	Non-Executive Director (appointed on 27 February 2024)

## 2. MATERIAL ACCOUNTING POLICY INFORMATION

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

### 2.1 Basis of preparation

The financial statements have been prepared on a historical cost basis, except for items which are not prepared under historical cost basis such as:

- Financial instruments at amortized cost;
- Financial instruments which are valued at fair value;
- Defined benefit obligation; and,
- Provisions measured at its best estimate of the expenditure required to settle the present obligation, with discounting if the effect of time value of money is material.

### Fiscal year

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

### 2.2 Statement of compliance

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

The Accounting and Auditing Regulator, as mandated by Prakas (Circular) No. 068-MEF-Pr dated 8 January 2009 issued by the Ministry of Economy and Finance of Cambodia, has adopted International Financial Reporting Standards ("IFRSs") issued by the International Accounting Standards Board ("IASB") unless deferred, otherwise. The standards are referred to as CIFRSs.

### 2.3 Presentation of financial statements

The Bank presents its statement of financial position in the order of liquidity based on the Bank's intention and perceived ability to recover/settle the majority of assets/liabilities of the corresponding financial statement line items. An analysis of recovery or settlement within 12 months after the reporting date ("current") and more than 12 months after the reporting date ("non-current") is presented in Note 31.

### 2.4 Functional and presentation currency

The functional currency of the Bank is United States dollar ("US\$"). The financial statements are presented in US\$ and all values are rounded to the nearest dollar, except when otherwise indicated. The translation of the US\$ amounts

into Khmer Riel ("KHR") is included solely for meeting the presentation requirement pursuant to the Law on Accounting and Auditing dated 11 April 2016 and have been made using the prescribed official exchange rate based on the applicable exchange rate per US\$ 1 as announced by the NBC.

The financial statements are presented in KHR based on the following applicable exchange rates per US\$ 1:

	2024	2023
Closing rate	4,025	4,085
Average rate*	4,071	4,110

\* The average amounts were determined using the NBC's average of daily rates.

### 2.5 Summary of material accounting policy information

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

#### 2.5.1 Financial assets and financial liabilities

##### (a) Recognition and initial measurement

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

A financial asset or financial liability is measured initially at fair value plus transaction costs that are directly attributable to its acquisition or issuance.

##### (b) Classification

###### Financial assets

On initial recognition, a financial asset is classified as measured at: amortized cost, fair value through other comprehensive income ("FVOCI") or fair value through profit or loss ("FVTPL").

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

- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and,
- the contractual terms of the financial asset give rise on specified dates to cash flows that are 'solely payment for principal and interest' ("SPPI").

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



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

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

All other financial assets are classified as measured at FVTPL.

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

#### ***Business model assessment***

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

- the stated policies and objectives for the portfolio and the operation of those policies in practice. In particular, whether management's strategy focuses on earning contractual interest revenue, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of the liabilities that are funding those assets or realizing 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 realized.

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

#### ***Assessment of whether contractual cash flows are SPPI***

For 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.

### **(c) Derecognition**

#### **Financial assets**

The Bank derecognizes 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 derecognized) and the sum of (i) the consideration received (including any new asset obtained less any new liability assumed) and (ii) any cumulative gain or loss that had been recognized in OCI is recognized in profit or loss.

#### **Financial liabilities**

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

### **(d) Modifications of financial assets and financial liabilities**

#### **Financial assets**

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

If the cash flows are substantially different, then the contractual rights to cash flows from the original financial asset are deemed to have expired. In this case, the original financial asset is derecognized and a new financial asset is recognized 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 or 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 maximize 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 write-off policy in Note 2.5.1(g)). 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 amortized cost or FVOCI does not result in derecognition of the financial asset, then the Bank first recalculates the gross carrying amount of the financial asset using the original effective interest rate of the asset and recognizes the resulting adjustment as a modification gain or loss in profit or 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 amortized over the remaining term of the modified financial asset.

If such 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 method.

#### **Financial liabilities**

The Bank derecognizes 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 recognized at fair value. The difference between the carrying amount of the financial liability derecognized and consideration paid is recognized in profit or loss. Consideration paid includes non-financial assets transferred, if any, and the assumption of liabilities, including the new modified financial liability.

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

#### **(e) Offsetting**

Financial assets and financial liabilities are offset and the net amount is 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 realize 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 market 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 maximize the use of relevant observable inputs and minimize 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 recognized in profit or 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., 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 recognizes transfers between levels of the fair value hierarchy as of the end of the reporting period during which the change has occurred.

#### **(g) Impairment**

The Bank recognizes allowance for expected credit losses (“ECL”) on the following financial instruments that are not measured at FVTPL:

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

No impairment loss is recognized on equity investments.

The Bank measures loss allowance 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 on which credit risk has not increased significantly since their initial recognition.

12-month ECL is the portion of ECL that results 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 recognized are referred to as ‘Stage 1 financial instruments’.

Lifetime ECL is the ECL that results from all possible default events over the expected life of the financial instrument. Financial instruments for which a lifetime ECL is recognized 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 its lifetime ECL.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECL, 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 ECL.

The maximum period considered when estimating ECL 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 when an asset is more than 30 days past due ("DPD"). 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 realizing security (if any is held);
- the Bank considers that a significant increase in credit risk occurs when an asset is more than 30 days past due;
- when the account undergoes debt restructuring or rescheduling;
- when account shows deterioration in its credit profile but its delinquency does not exceed 30 days past due (forced accounts); or
- when accounts are crossed default by obligor(s) of the same borrower type within the same loan listing source.

#### ***Measurement of ECL***

ECL is a probability-weighted estimate of credit losses, 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 Bank 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 ECL***

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

- Probability of default ("PD");
- Loss given default ("LGD");
- Exposure at default ("EAD");
- Economic factor adjustment ("EFA"); and
- Discount factor ("DF").

ECL for exposures in Stage 1 is calculated by multiplying the 12-month PD by 12-month EAD, by 12-month EFA, by pool LGD and by DF. Lifetime ECL is calculated by multiplying the lifetime PD by lifetime EAD, by lifetime EFA, by pool LGD and by DF.



The Bank adopts the delinquency-based transition matrix, historical loss rate model and proxy models to estimate its PD.

LGD is the magnitude of the likely loss if there is a default. The Bank estimates LGD parameters based on the history of recovery rates of claims against defaulted counterparties. The LGD models consider the structure, collateral, seniority of the claim, counterparty industry and recovery costs of any collateral that are integral to the financial asset. The LGD is computed based on a workout style method. The workout style method is based on a set of derived estimated cash flows (i.e., collection or sale of collateral) during the workout period and discounted by the effective interest rate to the date of default.

EAD represents the expected exposure in the event of a default. The Bank derives the EAD from the current exposure to the counterparty and potential changes to the current amount allowed under the contract and arising from amortization. The EAD of a financial asset is its gross carrying amount at the time of default. For lending commitments, the EADs are potential future amounts that may be drawn under the contract, which are estimated based on historical observations and forward-looking forecasts. For some financial assets, EAD is determined by modelling the range of possible exposure outcomes at various points in time using scenario and statistical techniques.

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 derecognized and ECL is measured as follows:

- If the expected restructuring will not result in derecognition of the existing asset, then the expected cash flows arising from the modified financial asset are included in calculating the cash shortfalls from the existing asset.
- If the expected restructuring will result in derecognition of the existing asset, then the expected fair value of the new asset is treated as the final cash flow from the existing financial asset at the time of its derecognition. This amount is included in calculating the cash shortfalls

from the existing financial asset that are discounted from the expected date of derecognition to the reporting date using the original effective interest rate of the existing financial asset.

#### ***Credit-impaired financial assets***

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

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

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

#### ***Presentation of allowance for ECL in the statement of financial position***

Allowance for ECL is presented in the statement of financial position for financial assets measured at amortized cost as contra-account from the gross carrying amount of the assets.

#### ***Write-off***

Loans 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 recognized in profit or loss.

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.

### 2.5.2 Cash and cash equivalents

For statement of cash flows purposes, cash and cash equivalents consist of cash on hand, balances with other banks, and highly-liquid short-term investments with an original maturity of three months or less that are readily convertible to known amounts of cash and subject to an insignificant risk of changes in value.

Cash and cash equivalents are carried at amortized cost in the statement of financial position.

### 2.5.3 Equity

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

Retained earnings includes all current and prior period retained profits.

### 2.5.4 General and regulatory reserves

A general reserve is set up as necessary for any overall financial risk. The Board of Directors exercises its discretion for the use and maintenance of the general reserve. Any transfer from retained earnings to general reserve is subject to the approval of the Board of Directors.

Regulatory reserve is set up to account for the difference in provision between ECL determined in accordance with CIFRS 9, Financial Instruments, and the regulatory provision computed in accordance with NBC Prakas No. B7-017-344 dated 1 December 2017 and Circular No. B7-018-001 dated 16 February 2018 on credit risk classification and provision on impairment for BFIs.

The regulatory provision requires BFIs to classify their loan portfolio into five classes and provide general and specific allowance based on the loan classification as follows:

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

The Bank shall compare the provision calculated in accordance with CIFRS 9 and the regulatory provision, and:

- In case the regulatory provision is lower than provision calculated under CIFRS 9, the Bank shall record the provision calculated in accordance with CIFRS 9; and,
- In case the regulatory provision is higher than provision calculated under CIFRS 9, the Bank shall record the provision calculated in accordance with CIFRS 9 and transfer the difference from retained earnings to the regulatory reserve.

On 5 February 2025, NBC issued Circular No. B30-025-170 Sor Chor Nor on calculation of regulatory provision. The NBC requires all bank and financial institutions ("BFIs") to calculate regulatory provision using facility's gross carrying amount which include accrued interest receivables based on accounting standards in place, multiplying its respective rates determined by regulations (Standard 1%, Special Mention 3%, Substandard 20%, Doubtful 50% and Loss 100%). This is effective for 2024 audited financial statements and regulatory quarterly reporting starting from January 2025.

### 2.5.5 Deposits and placements with other banks

Deposits and placements with other banks are stated at cost less ECL.

### 2.5.6 Loans to customers

Loans to customers are initially measured at fair value plus adjustment on direct transaction costs, and subsequently at their amortized cost using the effective interest method.

### 2.5.7 Other investments

Other investments consist of equity and bond investments.

The equity investment represents the Bank's investment on unlisted equity securities designated as FVTPL and is valued at cost less any impairment.

The bond investments represent the Bank's investment on treasury bonds guaranteed by the Cambodian Government. These bond investments are valued at amortized cost and are held for the purpose of earning interest, and the cash flows are expected to be collected at a specific future period of time.

### 2.5.8 Other assets

Other assets are carried at cost less impairment, if any.

### 2.5.9 Property and equipment

#### (a) Recognition and measurement

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

Cost includes expenditures that are directly attributable to the acquisition of the asset and any other costs directly attributable to bringing the asset to working condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located. The cost of self-constructed assets also includes the cost of materials and direct labour. For qualifying assets, borrowing costs are capitalized in accordance with the accounting policy on borrowing costs.

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

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

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

#### (b) Subsequent costs

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

#### (c) Depreciation

Depreciation is based on the cost of an asset less its residual value. Significant components of individual assets are assessed, and if a component has a useful life that is different from the remainder of that asset, then that component is depreciated separately.

Depreciation is recognized as an expense in profit or loss on a straight-line over the estimated useful lives of each component of an item of property and equipment.

Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Bank will obtain ownership by the end of the lease term.

Depreciation is recognized from the date that the property and equipment are installed and are ready for use, or in respect of internally-constructed assets, from the date that the asset is completed and ready for use. Construction in progress is not depreciated.

The estimated useful lives of property and equipment items are as follows:

	Number of years
Office furniture and equipment	4 to 7
Computers	3 to 7
Motor vehicles	4 to 5
Leasehold improvements	Shorter of lease period and its economic life of 5 years

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

### 2.5.10 Software costs

Software costs, comprising acquired computer software licenses and related costs, are stated at cost less accumulated amortization and any accumulated impairment. Acquired computer software licenses are capitalized on the basis of the costs incurred to acquire the specific software and bring it to use.

Software costs are depreciated on a straight-line basis over an estimated 10-year useful life.

Costs associated with the development or maintenance of computer software are recognized as expense when incurred.

### 2.5.11 Leases

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

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

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

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

#### *Leases in which the Bank is a lessee*

An arrangement conveys the right to use an asset if one of the following is met:

- the purchaser has the ability or right to operate the asset while obtaining or controlling more than an insignificant amount of the output; or,
- the purchaser has the ability or right to control physical access to the asset while obtaining or controlling more than an insignificant amount of the output.

Facts and circumstances indicated that it is remote that other parties would take more than an insignificant amount of the output, and the price per unit was neither fixed per unit of output nor equal to the current market price per unit of output.

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

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

The estimated useful lives of right-of-use assets comprising leases of head office, branch offices and ATM locations range between 14 months to 15 years.

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

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

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

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



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

The Bank presents right-of-use assets and lease liabilities separately in the statement of financial position.

#### **Short-term leases and leases of low-value assets**

The Bank has elected not to recognize right-of-use assets and lease liabilities for short-term leases (i.e., lease term of 12 months or less) and leases of low-value assets. The Bank recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

### **2.5.12 Employee benefits**

#### **(a) Short-term employee benefits**

The Bank recognizes a liability and a provision for short-term employee benefits where it is contractually obliged or where there is a past practice that has created a constructive obligation.

Wages, salaries, bonuses, and other short-term benefits are recognized as an expense in the year in which the associated services are rendered by employees of the Bank.

#### **(b) Post-employment benefits**

The post-employment benefits consist of the Bank's liability to employees for provident fund, seniority indemnity payment and unpaid annual leave which are considered as defined benefit obligations.

#### **Provident fund**

The Bank provides its employees with benefits under the provident fund policy. Employees who complete their probation have an option to participate in the provident fund scheme. The fund is sourced from the following:

- Employees may contribute up to 5.00% of their monthly salary, and the Bank contributes twice that amount.
- The Bank contributes interest on the cumulative balance of the provident fund computed at 6.50% per annum.

The Bank's contributions are charged to profit or loss during the year the employees rendered their services. The provident fund will be paid to employees (who have contributed to the fund) upon their retirement, resignation or termination of employment.

Upon retirement or resignation, the employee's contribution and related interest are paid in full while the Bank's contribution and related interest are paid in accordance with the following conditions:

<b>Years of service</b>	<b>Bank's % of contribution</b>
Equal to or less than 1 year	-
Worked for at least 1 year	20.00
Worked for at least 2 years	40.00
Worked for at least 3 years	60.00
Worked for at least 4 years	80.00
Worked for at least 5 years	100.00

Those who have been terminated due to serious misconduct are only entitled to his/her contribution plus interest, regardless of how long they have been employed by the Bank.

#### **Seniority indemnity payment**

In 2018, the Ministry of Labour and Vocational Training's ("MoLVT") Prakas No. 443 dated 21 September 2018 mandated the payment of seniority indemnity for unspecified duration contracted employees with implementation guidelines issued on 22 March 2019. The said Prakas requires retroactive seniority payment equal to fifteen days per year of employee service for a maximum not exceeding 6 months based on the average net wages for each year.

Payment shall be spread every June and December of each year as follows:

- equal to three days payable every June; and,
- equal to three days payable every December.

#### **Unpaid annual leave**

The Bank provides its active employees with benefits under unpaid annual leave benefit plan. Unused annual leave could be brought forward by certain amount depending on year of service. The total unused annual leaves will be paid based on the salary at the time of leaving the Bank.

<b>Year of service</b>	<b>Annual leave days</b>
1 to 3 years	18 days per year (max forward a year = 6 days)
4 to 6 years (from 3 years and 1 day up)	19 days per year (max forward a year = 7 days)
7 to 9 years (from 6 years and 1 day up)	20 days per year (max forward a year = 8 days)
10 years and above (from 9 years and 1 day up)	21 days per year (max forward a year = 9 days)

At the end of each reporting period, the provident fund, seniority indemnity payment and unpaid annual leave are reassessed following actuarial valuation performed by the Bank's independent actuaries using the projected unit credit method. The liability with respect to provident fund, seniority indemnity payment and unpaid annual leave is regarded as fully accrued, and, therefore, is not split between a past (or accrued) and future in-service element. The net defined benefit liability is recognized at the present value of the obligation.

### **2.5.13 Deposit liabilities**

Deposit liabilities are stated at amounts in which they are to be paid. Interest is accrued periodically and recognized in a separate liability account before recognizing as part of deposit liabilities.

### **2.5.14 Provisions**

Provisions are recognized 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 recognized as finance cost.

### **2.5.15 Interest**

#### **Effective interest rate**

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

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

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

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

#### **Amortized cost and gross carrying amount**

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

The 'gross carrying amount of a financial asset' is the amortized cost of a financial asset before adjusting for any ECL allowance.

#### **Calculation of interest income and expense**

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

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

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

#### **Presentation**

Interest income and interest expense determined using the effective interest method are recognized in profit or loss.

### **2.5.16 Fee and commission**

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

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

A contract with a customer that results in a recognized financial instrument in the Bank's financial statements may be partially in scope of CIFRS 9 and partially in scope of CIFRS 15, Revenue

from Contracts with Customers. If this is the case, then the Bank first applies CIFRS 9 to separate and measure the part of the contract that is in scope of CIFRS 9 and then applies CIFRS 15, to the residual.

### **2.5.17 Dividend income**

Dividend income is recognized when the Bank's right to receive the payment is established.

### **2.5.18 Impairment of non-financial assets**

The carrying amounts of the Bank's non-financial assets, other than inventories, contract assets and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For intangible assets that have indefinite useful lives or that are not yet available for use, the recoverable amount is estimated each year at the same time.

An impairment loss is recognized if the carrying amount of an asset or its related cash-generating unit ("CGU") exceeds its estimated recoverable amount.

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

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

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

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

### **2.5.19 Income tax**

Income tax expense comprises current and deferred tax. It is recognized in profit or loss except for items that are recognized directly in equity or in OCI.

The Bank has determined that interest and penalties related to income taxes, including uncertain tax treatments, do not meet the definition of income taxes, and therefore has accounted for them under Cambodian International Accounting Standard ("CIAS") 37, Provisions, Contingent Liabilities and Contingent Assets, and has recognized the related expenses in 'Other expenses'.

Following the adoption of CIFRSs, the General Department of Taxation ("GDT") has not indicated the changes to tax bases for tax computations for the tax effects of transition to CIFRSs. The Bank have exercised judgment in determining tax payable and deferred taxes. The use of different assumptions could lead to a material impact on the financial statements. The final tax liabilities and deferred taxes of the Bank are subject to the determination of the GDT.

#### **(i) Current tax**

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

#### **(ii) Deferred tax**

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

Deferred tax assets are recognized for unused tax losses and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be used. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized; such reductions are reversed when the probability of future taxable profits improves. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

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

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

### 2.5.20 Goodwill

Goodwill is initially measured at cost (being the excess of the aggregate of the consideration transferred and the amount recognized for non-controlling interests and any previous interest held over the net identifiable assets acquired and liabilities assumed). If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Bank reassesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognized at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognized in profit or loss.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is required to be tested at least annually for impairment. For purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Bank's CGUs that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Where goodwill has been allocated to a CGU and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the CGU retained.

### 2.5.21 Contingent liabilities

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

### 2.5.22 Contingent assets

Contingent assets usually arise from unplanned or other unexpected events that give rise to the possibility of an inflow of economic benefits to the Bank. Contingent assets are not recognized in financial statements since this may result in the recognition of income that may never be realized. However, when the realization of income is virtually certain, then the related asset is not a contingent asset and its recognition is appropriate.

### 2.5.23 Related parties

A related party is a person or entity that is related to the Bank. A related party transaction is a transfer of resources, services or obligations between the Bank and its related party, regardless of whether a price is charged.

- a. A person or a close member of that person's family is related to the Bank if that person:
  - i. Has control or joint control over the Bank;
  - ii. Has significant influence over the Bank; or,
  - iii. Is a member of the key management personnel of the Bank.
- b. An entity is related to the Bank if any of the following conditions applies:
  - i. The entity and the Bank are members of the same group.
  - ii. One entity is an associate or joint venture of the other entity.
  - iii. Both entities are joint ventures of the same third party.
  - iv. One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
  - v. The entity is a post-employment benefit plan for the benefits of employees of either the Bank or an entity related to the Bank.
  - vi. The entity is controlled or jointly-controlled by a person identified in a. above.
  - vii. A person identified in a.i. above has significant influence over the entity or is a member of the key management personnel of the ultimate holding company or the entity.
  - viii. The entity, or any member of a group of which it is a part, provides key management personnel services to the Bank or to the parent of the Bank.

### 2.5.24 Rounding of amounts

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

### 2.5.25 Events after the reporting period

The Bank identifies events after the end of each reporting period as those events, both favourable and unfavourable, that occur between the end of the reporting period and the date when the financial statements are authorized for issue. The financial statements of the Bank are adjusted to reflect those events that provide evidence of conditions that existed at the end of the reporting period. Non-adjusting events after the end of the reporting period are disclosed in the notes to the financial statements when material.



## 2.6 Significant accounting judgments and estimates

The preparation of the financial statements in accordance with CIFRSs requires the Bank to make estimates and assumptions that affect the reported amounts of resources, liabilities, income and expenses and the disclosures of contingent resources and contingent liabilities. Future events may occur which can cause the assumptions used in arriving the estimates to change. The effects of any change in estimates are reflected in the financial statements as they become reasonably determinable.

### 2.6.1 Judgments

The following are the critical judgments and key assumptions that have a significant risk of material adjustment to the carrying amounts of assets and liabilities within the next financial year:

#### *Classification of financial assets*

The Bank classifies its financial assets depending on the business model for managing those financial assets and whether the contractual terms of the financial asset are SPPI on the principal amount outstanding. The Bank performs the business model assessment based on observable factors such as:

- performance of the business model and the financial assets held within that business model are evaluated and reported to the Bank's Management;
- risks that affect the performance of the business model (and the financial assets held within that business model) and, in particular, the way those risks are managed;
- compensation of business units whether based on the fair value of the assets managed or on the contractual cash flows collected; and,
- expected frequency, value and timing of sales.

In performing the SPPI test, the Bank applies judgment and considers relevant factors such as the currency in which the financial asset is denominated, the period for which the interest rate is set, contingent events that would change the amount and timing of cash flows, leverage features, prepayment and extension terms and other features that may modify the consideration for the time value of money.

#### *Fair value of financial instruments*

Where the fair values of financial assets and financial liabilities recorded in the statement of financial position or disclosed in the notes to financial statements cannot be derived from active markets, these are determined using internal valuation techniques using generally accepted market valuation models. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values.

### *Leases*

The evaluation of whether an arrangement contains a lease is based on its substance. An arrangement is, or contains, a lease when the fulfilment of the arrangement depends on a specific asset or assets and the arrangement conveys the right to use the asset.

In assessing whether leases are of low-value, Management considers the economic substance of the underlying asset as a whole.

### *Extension and termination options*

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

The Bank has several lease contracts that include extension and termination options. The Bank applies judgment in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors such as leasehold improvements and location that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Bank reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate.

### 2.6.2 Estimates

#### *ECL on financial assets*

The Bank's ECL calculations are outputs of complex models with a number of underlying assumptions regarding the choice of variable inputs and their interdependencies. Elements of the ECL models that are considered accounting judgments and estimates include, among others:

- segmentation of the portfolio, where the appropriate model or ECL approach is used;
- criteria for assessing if there has been a significant increase in credit risk and the allowance for debt financial assets should be measured on a lifetime ECL basis and the qualitative assessment;
- segmentation of debt financial assets when their ECL is assessed on a collective basis and on an individual basis for significant customer as defined by the Bank's Management;
- development of ECL models, including the various formulas and the choice of inputs;

- determination of associations between macroeconomic scenarios and economic inputs and the effect on PDs, EADs and LGDs; and,
- selection of forward-looking macroeconomics scenarios and their probability weightings, to derive the economic inputs into the ECL models.

### **Recognition of deferred tax assets**

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

### **Income tax expense**

The taxation system in Cambodia is characterized by numerous taxes and frequently changing legislation, which is subject to interpretation. Taxes are subject to review and investigation by a number of authorities, which are empowered by law to impose fines, penalties and interest charges.

These factors may create potential tax exposures for the Bank. The Management believes that they have understood relevant tax regulations and adequately provided for tax liabilities based on their interpretation of the current tax legislation. However, where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the tax amount reported in the period in which such determination is made.

### **Defined benefit obligations**

The present value of the defined benefit obligation depends on a number of factors that are determined by Management using a number of assumptions. The assumptions used in determining the net cost for defined benefits. Any changes in these assumptions will impact the value of defined benefit obligation.

## **2.7 Adoption of amended accounting standards**

### **2.7.1 Amendments to CIFRSs issued and adopted by the Bank**

The Bank has applied the following amendments for the first time for their annual reporting period commencing on 1 January 2024:

- Amendments to CIAS 1, Non-current Liabilities with Covenants
- Amendments to CIAS 7 and CIFRS 7, Supplier Finance Arrangements
- Amendments to CIFRS 16, Lease Liability in a Sale and Leaseback

The amendments listed above did not have any significant impact on the amounts recognized in prior, the current or future periods.

### **2.7.2 Standards and amendments to CIFRSs issued but not yet effective**

The new and amended standards that are issued, but not yet effective or early adopted by the Bank that are not expected to have material impact, up to the date of issuance of the financial statements are disclosed below:

Effective beginning on or after 1 January 2025

- Amendments to CIAS 21, Lack of exchangeability

Effective beginning on or after 1 January 2026

- Amendments to CIFRS 9 and CIFRS 7, *Classification and Measurement of Financial Instruments*
- Annual Improvements to CIFRS Accounting Standards - Volume 11

Effective beginning on or after 1 January 2027

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

Effective date deferred indefinitely

- Amendments to CIFRS 10, *Consolidated Financial Statements*, and CIAS 28, *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*

### 3. CASH ON HAND

Cash on hand is broken down as follows:

	31 December 2024		31 December 2023	
	US\$	KHR'000 (Note 2.4)	US\$	KHR'000 (Note 2.4)
United States dollar	91,092,602	366,647,723	107,266,488	438,183,603
Cambodian riel	56,268,850	226,482,121	66,094,822	269,997,348
Thai baht	188,938	760,475	169,151	690,982
Japanese yen	53,827	216,654	62,287	254,442
Euro	32,687	131,565	34,828	142,272
British pound sterling	16,855	67,841	17,175	70,160
Australian dollar	16,563	66,666	18,206	74,372
Chinese yuan	9,664	38,898	10,019	40,928
Singaporean dollar	900	3,623	1,076	4,395
	<b>147,680,886</b>	<b>594,415,566</b>	<b>173,674,052</b>	<b>709,458,502</b>

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

	31 December 2024		31 December 2023	
	US\$	KHR'000 (Note 2.4)	US\$	KHR'000 (Note 2.4) (As restated – Note 34)
Cash on hand	147,680,886	594,415,566	173,674,052	709,458,502
Balances with NBC				
Current accounts (Note 4)	204,465,023	822,971,718	147,881,225	604,094,803
Short-term deposits (Note 4)	30,018,388	120,824,012	-	-
Balances with Other Banks				
Current accounts (Note 5)	37,061,882	149,174,075	36,527,724	149,215,753
Savings accounts (Note 5)	83,146	334,663	82,354	336,415
Short-term deposits (Note 5)	33,095,863	133,210,849	17,578,164	71,806,802
	<b>452,405,188</b>	<b>1,820,930,883</b>	<b>375,743,519</b>	<b>1,534,912,275</b>

#### 4. BALANCES WITH THE NATIONAL BANK OF CAMBODIA

Balances with the NBC comprise:

	31 December 2024		31 December 2023	
	US\$	KHR'000 (Note 2.4)	US\$	KHR'000 (Note 2.4) (As restated – Note 34)
Current accounts	204,465,023	822,971,718	147,881,225	604,094,803
Short-term deposits with original term (i)				
3 months or less	30,018,388	120,824,012	-	-
More than 3 months to 12 months	16,053,832	64,616,673	14,091,492	57,563,745
Capital guarantee (ii)	29,190,988	117,493,727	28,183,978	115,131,551
Reserve requirement (iii)	137,492,547	553,407,502	135,669,645	554,210,500
	<b>417,220,778</b>	<b>1,679,313,632</b>	<b>325,826,340</b>	<b>1,331,000,599</b>

##### (i). Short-term deposits

Annual interest rates of short-term deposits are as follows:

	2024	2023
Currency	in US\$	in US\$
Term		
3 months	1.00%	-
6 months	1.15% to 1.16%	0.90%
12 months	-	1.08% to 3.63%

##### (ii). Capital guarantee

Under NBC Prakas No. B7-01-136 dated 15 October 2001, banks are required to maintain a statutory deposit of 10% of registered capital with the NBC. This deposit is not available for use in the Bank's day-to-day operations but is refundable when the Bank voluntarily ceases to operate the business in Cambodia. The capital guarantee deposit earned interest at rate of 1.29% and 1.31% per annum for first and second semester, respectively (2023: 1.19% and 1.33% per annum).

##### (iii). Reserve requirements

Under NBC Prakas No. B7-020-230 dated 18 March 2020, commercial banks are required to maintain certain cash reserves with the NBC in the form of compulsory deposits, computed at 7.0% of customer deposits and borrowings in KHR and other currencies.



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

- Effective from 1 January 2023 to 31 December 2023, reserve requirements maintained in foreign currencies shall be calculated at 9% of total deposits and borrowings; and
- Effective from 1 January 2024, reserve requirements maintained in foreign currencies shall be calculated at 12.5% of total deposits and borrowings.
- The reserve requirement for local currencies remained the same.

On 23 November 2023, the NBC responded a letter to the Association of Banks in Cambodia allowing commercial banks to maintain reserve requirement in foreign currencies at rate of 7% until 31 December 2024. On 21 August 2024, the NBC sent a letter to all financial institutions to continue maintain reserve requirement in foreign currencies at rate of 7% until 31 December 2025.

During the year, interest income from balance with the NBC amounted to US\$ 1,081,018 or KHR'000 4,400,824 (2023: US\$ 777,375 or KHR'000 3,195,011) (see Note 21).

#### 5. BALANCES WITH OTHER BANKS

Balances with other banks are held as follows:

	31 December 2024		31 December 2023	
	US\$	KHR'000 (Note 2.4)	US\$	KHR'000 (Note 2.4) (As restated – Note 34)
Current accounts	37,061,882	149,174,075	36,527,724	149,215,753
Savings accounts	83,146	334,663	82,354	336,415
Short-term deposits with original term				
less than 3 months	33,095,863	133,210,849	17,578,164	71,806,802
3 - 12 months	12,067,991	48,573,663	15,355,891	62,728,813
<b>Gross balances with other banks</b>	<b>82,308,882</b>	<b>331,293,250</b>	<b>69,544,133</b>	<b>284,087,783</b>
Allowance for ECL	(406,196)	(1,634,939)	(555,801)	(2,270,447)
<b>Net balances with other banks</b>	<b>81,902,686</b>	<b>329,658,311</b>	<b>68,988,332</b>	<b>281,817,336</b>

Interest rates

	2024	2023
Short-term deposits	4.00% to 6.50%	5.50% to 7.00%
Current accounts	0.25%	0.25%
Savings accounts	0.50% to 2.00%	0.50% to 1.25%

During the year, interest income from balances with other banks amounted to US\$ 2,678,037 or KHR'000 10,902,289 (2023: US\$ 2,023,187 or KHR'000 8,315,300) (see Note 21).

## 5. BALANCES WITH OTHER BANKS (continued)

The movements in allowance for ECL are as follows:

	2024		2023	
	US\$	KHR'000 (Note 2.4)	US\$	KHR'000 (Note 2.4)
Balance as at 1 January	555,801	2,270,447	84,601	348,302
(Reversal of)/provision for ECL (Note 26)	(149,605)	(609,042)	471,200	1,936,632
Currency translation difference	-	(26,466)	-	(14,487)
<b>Balance as at 31 December</b>	<b>406,196</b>	<b>1,634,939</b>	<b>555,801</b>	<b>2,270,447</b>

## 6. LOANS TO CUSTOMERS

Details of loans to customers are as follows:

	31 December 2024		31 December 2023	
	US\$	KHR'000 (Note 2.4)	US\$	KHR'000 (Note 2.4)
Retail business	813,200,690	3,273,132,777	913,637,277	3,732,208,277
Personal	370,430,027	1,490,980,859	423,676,162	1,730,717,122
Commercial business	335,425,231	1,350,086,555	313,778,989	1,281,787,170
Housing	237,115,828	954,391,208	223,594,052	913,381,702
Agriculture	188,665,220	759,377,511	225,310,718	920,394,283
Overdraft	52,626,449	211,821,457	67,712,040	276,603,683
Staff loans	25,831,769	103,972,870	23,852,033	97,435,555
Credit card	4,191,128	16,869,290	4,003,692	16,355,082
Automobile	-	-	4,968	20,294
<b>Gross loans to customers</b>	<b>2,027,486,342</b>	<b>8,160,632,527</b>	<b>2,195,569,931</b>	<b>8,968,903,168</b>
Interest receivable	30,640,117	123,326,471	20,962,928	85,633,561
	<b>2,058,126,459</b>	<b>8,283,958,998</b>	<b>2,216,532,859</b>	<b>9,054,536,729</b>
Allowance for ECL	(38,960,310)	(156,815,248)	(40,703,280)	(166,272,899)
Unamortized loan processing fees	(9,707,795)	(39,073,875)	(13,307,968)	(54,363,049)
<b>Loans to customers - Net</b>	<b>2,009,458,354</b>	<b>8,088,069,875</b>	<b>2,162,521,611</b>	<b>8,833,900,781</b>

## 6. LOANS TO CUSTOMER (continued)

Further analyses of loans to customers are as follows:

### (i) Movements in allowance for ECL

	2024				
	Stage 1	Stage 2	Stage 3	Total	
	US\$	US\$	US\$	US\$	KHR'000 (Note 2.4)
<b>Balance as at 1 January</b>	<b>2,523,849</b>	<b>1,221,152</b>	<b>36,958,279</b>	<b>40,703,280</b>	<b>166,272,899</b>
Newly-originated assets	1,692,505	599,803	694,000	2,986,308	12,157,260
Payments and assets derecognized	1,788,890	(3,939,228)	153,735	(1,996,603)	(8,128,171)
Impact on ECL of exposures transferred between stages	-	2,819,160	11,703,651	14,522,811	59,122,364
Effect of loans closed during the year	(945,698)	(228,464)	(6,270,996)	(7,445,158)	(30,309,238)
Transfers to Stage 1	228,355	(36,766)	(191,589)	-	-
Transfers to Stage 2	(467,538)	4,291,683	(3,824,145)	-	-
Transfers to Stage 3	(189,582)	(505,020)	694,602	-	-
<b>Amount recognized in profit or loss during the year</b>	<b>2,106,932</b>	<b>3,001,168</b>	<b>2,959,259</b>	<b>8,067,359</b>	<b>32,842,218</b>
Loans written off	-	-	(9,810,329)	(9,810,329)	(39,937,849)
Currency translation difference	-	-	-	-	(2,362,020)
<b>Balance as at 31 December</b>	<b>4,630,781</b>	<b>4,222,320</b>	<b>30,107,209</b>	<b>38,960,310</b>	<b>156,815,248</b>

	2023				
	Stage 1	Stage 2	Stage 3	Total	
	US\$	US\$	US\$	US\$	KHR'000 (Note 2.4)
<b>Balance as at 1 January</b>	<b>4,717,908</b>	<b>3,429,142</b>	<b>24,744,001</b>	<b>32,891,051</b>	<b>135,412,457</b>
Newly-originated assets	844,663	307,822	4,532,018	5,684,503	23,363,307
Payments and assets derecognized	(3,998,159)	(714,640)	18,925,426	14,212,627	58,413,897
Impact on ECL of exposures transferred between stages	-	648,593	18,380,399	19,028,992	78,209,157
Effect of loans closed during the year	(2,080,287)	(1,135,703)	(9,893,835)	(13,109,825)	(53,881,381)
Transfers to Stage 1	3,645,210	(789,721)	(2,855,489)	-	-
Transfers to Stage 2	(143,693)	771,226	(627,533)	-	-
Transfers to Stage 3	(461,793)	(1,295,567)	1,757,360	-	-
<b>Amount recognized in profit or loss during the year</b>	<b>(2,194,059)</b>	<b>(2,207,990)</b>	<b>30,218,346</b>	<b>25,816,297</b>	<b>106,104,980</b>
Loans written off	-	-	(18,004,068)	(18,004,068)	(73,996,719)
Currency translation difference	-	-	-	-	(1,247,819)
<b>Balance as at 31 December</b>	<b>2,523,849</b>	<b>1,221,152</b>	<b>36,958,279</b>	<b>40,703,280</b>	<b>166,272,899</b>

## 6. LOANS TO CUSTOMER (continued)

### (ii) By industry

	31 December 2024		31 December 2023	
	US\$	KHR'000 (Note 2.4)	US\$	KHR'000 (Note 2.4)
Trade – wholesale and retail	568,799,010	2,289,416,015	634,282,119	2,591,042,456
Personal lending	396,747,080	1,596,906,997	445,264,387	1,818,905,021
Services	321,434,518	1,293,773,935	344,925,962	1,409,022,555
Construction and real estate	294,908,011	1,187,004,744	290,998,002	1,188,726,838
Mortgage	245,080,264	986,448,063	229,778,840	938,646,561
Agriculture	197,950,415	796,750,420	234,533,684	958,070,099
Financial institutions	32,944,819	132,602,896	36,124,810	147,569,849
Others	262,342	1,055,928	625,055	2,553,350
	<b>2,058,126,459</b>	<b>8,283,958,998</b>	<b>2,216,532,859</b>	<b>9,054,536,729</b>

### (iii) By maturity

Refer to Note 29 on the maturity profile of assets and liabilities.

### (iv) By residency, relationship, exposure and interest rates range

	31 December 2024		31 December 2023	
	US\$	KHR'000 (Note 2.4)	US\$	KHR'000 (Note 2.4)
<b>Residency:</b>				
Residents	2,058,126,459	8,283,958,998	2,216,532,859	9,054,536,729
Non-residents	-	-	-	-
	<b>2,058,126,459</b>	<b>8,283,958,998</b>	<b>2,216,532,859</b>	<b>9,054,536,729</b>
<b>Relationship:</b>				
Related parties	27,723,633	111,587,623	29,430,326	120,222,882
Non-related parties	2,030,402,826	8,172,371,375	2,187,102,533	8,934,313,847
	<b>2,058,126,459</b>	<b>8,283,958,998</b>	<b>2,216,532,859</b>	<b>9,054,536,729</b>
<b>Exposure:</b>				
Large	-	-	-	-
Non-large	2,058,126,459	8,283,958,998	2,216,532,859	9,054,536,729
	<b>2,058,126,459</b>	<b>8,283,958,998</b>	<b>2,216,532,859</b>	<b>9,054,536,729</b>



## 6. LOANS TO CUSTOMER (continued)

	2024	2023
<b>Annual interest rates are as follows:</b>		
External customers	3.00% to 19.20%	6.00% to 19.20%
Staff loans	5.50% to 7.50%	5.50% to 6.50%

During the year, interest income on loans to customers amounted to US\$ 232,422,946 or KHR'000 946,193,813 (2023: US\$ 245,641,769 or KHR'000 1,009,587,670) (see Note 21).

### (v) Staging of the loan portfolio, including net interest receivable

	31 December 2024		31 December 2023	
	US\$	KHR'000 (Note 2.4)	US\$	KHR'000 (Note 2.4)
Stage 1	1,501,676,230	6,044,246,826	2,045,123,071	8,354,327,745
Stage 2	379,733,876	1,528,428,851	35,685,404	145,774,875
Stage 3	176,716,353	711,283,321	135,724,384	554,434,109
	<b>2,058,126,459</b>	<b>8,283,958,998</b>	<b>2,216,532,859</b>	<b>9,054,536,729</b>

## 7. OTHER INVESTMENTS

	31 December 2024		31 December 2023	
	US\$	KHR'000 (Note 2.4)	US\$	KHR'000 (Note 2.4)
Investment securities at amortized cost (*)	9,937,888	40,000,000	-	-
Unlisted equity securities at FVTPL (**)	93,750	377,344	93,750	382,969
	<b>10,031,638</b>	<b>40,377,344</b>	<b>93,750</b>	<b>382,969</b>
Interest receivable	16,563	66,666	-	-
	<b>10,048,201</b>	<b>40,444,010</b>	<b>93,750</b>	<b>382,969</b>

(\*) This represent the Bank's investment in government bonds is classified and measured at amortized cost. On 31 May 2024 and 28 June 2024, the Bank invested in government bond issued by the National Bank of Cambodia ("NBC"). This government bonds have maturity term of 2 years and 3 years with yield of 4.00% and 4.50% per annum, respectively.

During the year, interest income from this investment amounted to US\$ 225,686 or KHR'000 918,768 (2023: US\$ 52,511 or KHR'000 215,820) (see Note 21).

(\*\*) This represent the Bank's investment in Credit Bureau Holding (Cambodia) Ltd ("CBC") classified as equity instrument at fair value through profit or loss (FVTPL without recycling). The table below shows dividends income recognized for this investment during the year.

## 7. OTHER INVESTMENTS (continued)

### Dividend income (Note 23)

	31 December 2024		31 December 2023	
	US\$	KHR'000 (Note 2.4)	US\$	KHR'000 (Note 2.4)
Investment in CBC	120,478	490,466	168,443	692,302

## 8. OTHER ASSETS

	31 December 2024		31 December 2023	
	US\$	KHR'000 (Note 2.4)	US\$	KHR'000 (Note 2.4) (As restated – Note 34)
Prepayments	9,319,458	37,510,818	9,910,626	40,484,907
Income tax credit (Note 18)	5,093,125	20,499,828	2,502,619	10,223,198
Advanced employee benefits	3,652,848	14,702,713	2,749,215	11,230,543
Refundable deposits	2,358,720	9,493,848	2,135,364	8,722,962
Advance payments or deposits	1,808,421	7,278,895	1,409,964	5,759,703
Accounts receivable	558,877	2,249,480	616,992	2,520,412
Others	193,422	778,523	323,967	1,323,406
	<b>22,984,871</b>	<b>92,514,105</b>	<b>19,648,747</b>	<b>80,265,131</b>

## 9. PROPERTY AND EQUIPMENT

	Office furniture and equipment	Computers	Motor vehicles	Leasehold improve- ments	Work in progress	Total	
	US\$	US\$	US\$	US\$	US\$	US\$	KHR'000 (Note 2.4)
Cost							
As at 1 January 2024	19,412,548	29,017,258	4,366,623	4,786,177	2,914,900	60,497,506	247,132,312
Acquisitions	999,303	1,479,084	-	379,418	55,876	2,913,681	11,861,595
Transfers	982,323	1,152,614	-	671,665	(2,806,602)	-	-
Reclassification to soft- ware cost (Note 11)	-	-	-	-	(105,681)	(105,681)	(430,227)
Disposals	(146,245)	(213,788)	(136,565)	(65,198)	-	(561,796)	(2,287,072)
Write-offs	(14,533)	(27,816)	-	-	(2,617)	(44,966)	(183,057)
Currency translation difference	-	-	-	-	-	-	(3,731,106)
<b>As at 31 December 2024</b>	<b>21,233,396</b>	<b>31,407,352</b>	<b>4,230,058</b>	<b>5,772,062</b>	<b>55,876</b>	<b>62,698,744</b>	<b>252,362,445</b>
Accumulated depreciation							
As at 1 January 2024	10,258,535	17,601,809	4,160,566	2,478,721	-	34,499,631	140,930,993
Depreciation (Note 25)	2,954,279	3,648,402	151,504	833,545	-	7,587,730	30,889,649
Disposals	(144,634)	(212,797)	(136,565)	(65,198)	-	(559,194)	(2,276,479)
Write-offs	(14,533)	(27,816)	-	-	-	(42,349)	(172,403)
Currency translation difference	-	-	-	-	-	-	(2,391,342)
<b>As at 31 December 2024</b>	<b>13,053,647</b>	<b>21,009,598</b>	<b>4,175,505</b>	<b>3,247,068</b>	<b>-</b>	<b>41,485,818</b>	<b>166,980,418</b>
<b>Carrying amount as at 31 December 2024</b>	<b>8,179,749</b>	<b>10,397,754</b>	<b>54,553</b>	<b>2,524,994</b>	<b>55,876</b>	<b>21,212,926</b>	<b>85,382,027</b>

## 9. PROPERTY AND EQUIPMENT (continued)

	Office furniture and equipment	Computers	Motor vehicles	Leasehold improve- ments	Work in progress	Total	
	US\$	US\$	US\$	US\$	US\$	US\$	KHR'000 (Note 2.4)
Cost							
As at 1 January 2023	15,968,619	22,715,447	4,340,323	4,177,580	5,321,017	52,522,986	216,237,135
Acquisitions	2,406,551	2,723,457	26,300	354,454	2,488,784	7,999,546	32,878,126
Transfers	1,144,113	3,595,044	-	282,683	(5,021,840)	-	-
Reclassification from software cost (Note 11)	-	-	-	-	126,939	126,939	521,719
Disposals	(106,735)	(3,458)	-	(28,540)	-	(138,733)	(570,193)
Write-offs	-	(13,232)	-	-	-	(13,232)	(54,384)
Currency translation difference	-	-	-	-	-	-	(1,880,091)
<b>As at 31 December 2023</b>	<b>19,412,548</b>	<b>29,017,258</b>	<b>4,366,623</b>	<b>4,786,177</b>	<b>2,914,900</b>	<b>60,497,506</b>	<b>247,132,312</b>
Accumulated depreciation							
As at 1 January 2023	7,875,082	14,347,736	3,992,796	1,778,603	-	27,994,217	115,252,189
Depreciation (Note 25)	2,485,743	3,270,292	167,770	728,376	-	6,652,181	27,340,464
Disposals	(102,290)	(3,011)	-	(28,258)	-	(133,559)	(548,927)
Write-offs	-	(13,208)	-	-	-	(13,208)	(54,285)
Currency translation difference	-	-	-	-	-	-	(1,058,448)
<b>As at 31 December 2023</b>	<b>10,258,535</b>	<b>17,601,809</b>	<b>4,160,566</b>	<b>2,478,721</b>	<b>-</b>	<b>34,499,631</b>	<b>140,930,993</b>
<b>Carrying amount as at 31 December 2023</b>	<b>9,154,013</b>	<b>11,415,449</b>	<b>206,057</b>	<b>2,307,456</b>	<b>2,914,900</b>	<b>25,997,875</b>	<b>106,201,319</b>

As at 31 December 2024, the fully depreciated property and equipment with total historical cost of US\$ 20,128,638 or KHR'000 81,017,768 (2023: US\$ 16,592,710 or KHR'000 67,781,220) are still in active use.

During the year, the Bank has disposed property and equipment with total carrying amount of US\$ 2,602 or KHR'000 10,593 and recognized gain of US\$ 21,138 or KHR'000 86,053 in profit or loss, accordingly (2023: total carrying amount of US\$ 5,174 or KHR'000 21,266; loss of US\$ 2,165 or KHR'000 8,898). Moreover, the Bank has written off property and equipment with total carrying amount of US\$ 2,617 or KHR'000 10,654 and recognized a loss of the same amount in profit or loss (2023: US\$ 24 or KHR'000 99). The gain or loss on the disposal and write-off of property equipment are presented within general and administrative expenses as 'others' (see Note 25).



## 10. RIGHT-OF-USE ASSETS

The Bank leases office space for its head office and branches and ATM locations. Information about leases for which the Bank is a lessee is presented below.

	Office space	ATM locations	Total	
	US\$	US\$	US\$	KHR'000 (Note 2.4)
<b>Cost</b>				
<b>As at 1 January 2024</b>	63,149,539	2,082,471	65,232,010	266,472,761
Additions	1,773,093	157,773	1,930,866	7,860,555
Expirations	(1,363,601)	(1,045,733)	(2,409,334)	(9,808,399)
Remeasurement	(1,217,704)	-	(1,217,704)	(4,957,273)
Currency translation difference	-	-	-	(3,835,896)
<b>As at 31 December 2024</b>	<b>62,341,327</b>	<b>1,194,511</b>	<b>63,535,838</b>	<b>255,731,748</b>
<b>Accumulated depreciation</b>				
As at 1 January 2024	24,427,360	858,141	25,285,501	103,291,272
Depreciation (Note 25)	7,023,778	725,656	7,749,434	31,547,945
Expirations	(1,363,601)	(920,141)	(2,283,742)	(9,297,113)
Currency translation difference	-	-	-	(1,768,552)
<b>As at 31 December 2024</b>	<b>30,087,537</b>	<b>663,656</b>	<b>30,751,193</b>	<b>123,773,552</b>
<b>Net carrying amount as at 31 December 2024</b>	<b>32,253,790</b>	<b>530,855</b>	<b>32,784,645</b>	<b>131,958,196</b>

	Office space	ATM locations	Total	
	US\$	US\$	US\$	KHR'000 (Note 2.4)
<b>Cost</b>				
<b>As at 1 January 2023</b>	61,706,533	1,412,107	63,118,640	257,824,189
Additions	3,810,584	1,236,012	5,046,596	20,741,510
Expirations	(2,367,578)	(565,648)	(2,933,226)	(12,055,559)
Currency translation difference	-	-	-	(37,379)
<b>As at 31 December 2023</b>	<b>63,149,539</b>	<b>2,082,471</b>	<b>65,232,010</b>	<b>266,472,761</b>
<b>Accumulated depreciation</b>				
<b>As at 1 January 2023</b>	19,481,553	584,566	20,066,119	80,581,032
Depreciation (Note 25)	7,311,081	818,886	8,129,967	33,414,164
Expirations	(2,365,274)	(545,311)	(2,910,585)	(11,962,504)
Currency translation difference	-	-	-	1,258,580
<b>As at 31 December 2023</b>	<b>24,427,360</b>	<b>858,141</b>	<b>25,285,501</b>	<b>103,291,272</b>
<b>Net carrying amount as at 31 December 2023</b>	<b>38,722,179</b>	<b>1,224,330</b>	<b>39,946,509</b>	<b>163,181,489</b>

## 11. SOFTWARE COSTS

Movements in the Bank's software costs are as follows:

	2024		2023	
	US\$	KHR'000 (Note 2.4)	US\$	KHR'000 (Note 2.4)
<b>Cost</b>				
As at 1 January	16,486,699	67,348,165	13,715,273	56,465,777
Acquisitions	1,692,046	6,888,319	2,898,365	11,912,280
Reclassification from (to) property and equipment (Note 9)	105,681	430,227	(126,939)	(521,719)
Write-offs	(6,600)	(26,869)	-	-
Currency translation difference	-	(1,071,592)	-	(508,173)
<b>As at 31 December</b>	<b>18,277,826</b>	<b>73,568,250</b>	<b>16,486,699</b>	<b>67,348,165</b>
<b>Accumulated amortization</b>				
As at 1 January	6,455,736	26,371,681	5,546,930	22,836,712
Amortization (Note 25)	1,187,966	4,836,210	908,806	3,735,193
Currency translation difference	-	(441,990)	-	(200,224)
<b>As at 31 December</b>	<b>7,643,702</b>	<b>30,765,901</b>	<b>6,455,736</b>	<b>26,371,681</b>
<b>Net carrying amount as at 31 December</b>	<b>10,634,124</b>	<b>42,802,349</b>	<b>10,030,963</b>	<b>40,976,484</b>

## 12. GOODWILL

Goodwill pertains to the excess of cost over fair value of net assets from the legal merger between MJB and SATHAPANA Limited on 1 April 2016 and from MJB's initial acquisition of shares of SATHAPANA Limited on 17 December 2012.

No impairment losses recognized on goodwill during the year (2023: Nil).

### 13. DEPOSITS FROM CUSTOMERS AND OTHER FINANCIAL INSTITUTIONS

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

#### (a) By type of customers

	31 December 2024		31 December 2023	
	US\$	KHR'000 (Note 2.4)	US\$	KHR'000 (Note 2.4)
<b>Current accounts:</b>				
Individuals	37,739,159	151,900,115	29,222,354	119,373,316
Corporate	58,796,663	236,656,569	34,395,149	140,504,184
Government	28,728,448	115,632,003	7,053,597	28,813,944
Other financial institutions	141,775,949	570,648,195	100,782,596	411,696,905
<b>Savings deposits:</b>				
Individuals	202,826,721	816,377,552	156,384,085	638,828,987
Corporate	34,566,627	139,130,674	32,293,859	131,920,414
Other financial institutions	14,105,066	56,772,891	15,804,574	64,561,685
<b>Term deposits:</b>				
Individuals	1,106,055,235	4,451,872,321	1,168,640,334	4,773,895,763
Corporate	165,309,055	665,368,946	137,331,528	560,999,292
Other financial institutions	126,139,717	507,712,360	188,261,302	769,047,419
	<b>1,916,042,640</b>	<b>7,712,071,626</b>	<b>1,870,169,378</b>	<b>7,639,641,909</b>

#### (b) By residency status

	31 December 2024		31 December 2023	
	US\$	KHR'000 (Note 2.4)	US\$	KHR'000 (Note 2.4)
Residents	1,844,084,125	7,422,438,603	1,794,837,157	7,331,909,786
Non-residents	71,958,515	289,633,023	75,332,221	307,732,123
	<b>1,916,042,640</b>	<b>7,712,071,626</b>	<b>1,870,169,378</b>	<b>7,639,641,909</b>

#### (c) By currency

	31 December 2024		31 December 2023	
	US\$	KHR'000 (Note 2.4)	US\$	KHR'000 (Note 2.4)
United States dollar	1,632,959,603	6,572,662,403	1,577,763,680	6,445,164,632
Cambodian riel	263,474,843	1,060,486,243	263,918,281	1,078,106,178
Japanese yen	19,563,524	78,743,184	28,435,433	116,158,744
Thai baht	44,239	178,062	51,524	210,476
Euro	419	1,686	447	1,826
Australian dollar	12	48	13	53
	<b>1,916,042,640</b>	<b>7,712,071,626</b>	<b>1,870,169,378</b>	<b>7,639,641,909</b>

**13. DEPOSITS FROM CUSTOMERS AND OTHER FINANCIAL INSTITUTIONS (continued)****(d) By relationship**

	31 December 2024		31 December 2023	
	US\$	KHR'000 (Note 2.4)	US\$	KHR'000 (Note 2.4)
Related parties	48,039,793	193,360,167	59,640,124	243,629,907
Non-related parties	1,868,002,847	7,518,711,459	1,810,529,254	7,396,012,002
	<b>1,916,042,640</b>	<b>7,712,071,626</b>	<b>1,870,169,378</b>	<b>7,639,641,909</b>

**(e) By maturity**

	31 December 2024		31 December 2023	
	US\$	KHR'000 (Note 2.4)	US\$	KHR'000 (Note 2.4)
Within 1 month	518,538,633	2,087,117,998	457,648,086	1,869,492,432
Between 1 to 3 months	14,648,933	58,961,955	206,974,228	845,489,721
More than 3 months	1,382,855,074	5,565,991,673	1,205,547,064	4,924,659,756
	<b>1,916,042,640</b>	<b>7,712,071,626</b>	<b>1,870,169,378</b>	<b>7,639,641,909</b>

**(f) By annual interest rates**

	2024	2023
<b>Banks and financial institutions</b>		
Term deposits	3.25% - 9.50%	3.50% - 9.50%
<b>Individuals</b>		
Savings deposits	0.25% - 6.00%	0.25% - 6.00%
Current plus	0.75% - 3.50%	0.75% - 3.50%
Term deposits	2.75% - 9.00%	2.75% - 9.00%
<b>Corporate</b>		
Savings deposits	0.25% - 3.50%	0.25% - 3.00%
Current plus	0.50% - 2.00%	0.50% - 3.50%
Term deposits	2.00% - 8.50%	2.00% - 8.50%

During the year, interest expense on deposits from customers and other financial institutions amounted to US\$ 108,278,041 or KHR'000 440,799,905 (2023: US\$ 101,691,063 or KHR'000 417,950,269) (see Note 22).



## 14. BORROWINGS

	31 December 2024		31 December 2023	
	US\$	KHR'000 (Note 2.4)	US\$	KHR'000 (Note 2.4)
MIZUHO Bank Ltd.	93,333,336	375,666,677	153,333,335	626,366,673
Societe De Promotion Et De Participation Pour La Cooperation Economique S.A ("PROPARCO")	44,761,906	180,166,672	65,714,286	268,442,858
Aozora Bank Ltd.	20,000,000	80,500,000	45,100,000	184,233,500
BlueOrchard Microfinance Ltd.	15,000,000	60,375,000	20,000,000	81,700,000
SME Bank of Cambodia	6,586,521	26,510,747	8,252,655	33,712,096
Nederlandse Financierings – Maatschappij voor Ontwik-ke-lingslanden N.V ("FMO")	-	-	5,000,000	20,425,000
Ministry of Economy and Finance (Fund from Asian Development Bank)	4,017,680	16,171,162	3,000,000	12,255,000
	<b>183,699,443</b>	<b>739,390,258</b>	<b>300,400,276</b>	<b>1,227,135,127</b>

Movements in the borrowings are as follows:

	31 December 2024		31 December 2023	
	US\$	KHR'000 (Note 2.4)	US\$	KHR'000 (Note 2.4)
As at 1 January	300,400,276	1,227,135,127	349,810,219	1,440,168,672
Drawdowns	1,017,680	4,142,975	83,100,000	341,541,000
Repayments	(117,718,513)	(479,232,066)	(132,509,943)	(544,615,866)
Currency translation difference	-	(12,655,778)	-	(9,958,679)
	<b>183,699,443</b>	<b>739,390,258</b>	<b>300,400,276</b>	<b>1,227,135,127</b>

Further analyses of unsecured borrowings are set out below.

### (a). By currency

	31 December 2024		31 December 2023	
	US\$	KHR'000 (Note 2.4)	US\$	KHR'000 (Note 2.4)
United States dollar	183,667,485	739,261,627	300,362,098	1,226,979,170
Cambodian riel	31,958	128,631	38,178	155,957
	<b>183,699,443</b>	<b>739,390,258</b>	<b>300,400,276</b>	<b>1,227,135,127</b>

## 14. BORROWINGS (continued)

### (b). By maturity

	31 December 2024		31 December 2023	
	US\$	KHR'000 (Note 2.4)	US\$	KHR'000 (Note 2.4)
Within 1 month	134,145	539,934	8,438,791	34,472,461
Between 1 to 3 months	21,932,758	88,279,351	35,279,759	144,117,816
Between 3 to 12 months	48,831,514	196,546,844	74,000,432	302,291,765
More than 1 and up to 5 years	112,801,026	454,024,129	182,681,294	746,253,085
	<b>183,699,443</b>	<b>739,390,258</b>	<b>300,400,276</b>	<b>1,227,135,127</b>

### (c). By interest rate range

	2024	2023
United States dollar	1.40% to 7.67%	1.40% - 7.67%
Cambodian riel	3.00%	3.00%

During the year, interest expense on borrowings amounted to US\$ 13,834,481 or KHR'000 56,320,172 (2023: US\$ 18,223,958 or KHR'000 74,900,467) (see Note 22).

## 15. SUBORDINATED DEBTS

	31 December 2024		31 December 2023	
	US\$	KHR'000 (Note 2.4)	US\$	KHR'000 (Note 2.4)
<b>Related party</b>				
Maruhan Investment Asia Pte. Ltd.	1,200,000	4,830,000	1,600,000	6,536,000
<b>Non-related parties</b>				
BlueOrchard Microfinance Ltd.	20,600,000	82,915,000	27,800,000	113,563,000
FMO	20,000,000	80,500,000	20,000,000	81,700,000
Oesterreichische Entwicklungsbank AG ("OeEB")	15,000,000	60,375,000	15,000,000	61,275,000
Symbiotics SA	10,850,000	43,671,250	14,400,000	58,824,000
Norfund	9,000,000	36,225,000	12,000,000	49,020,000
Finnish Fund for Industrial Cooperation Ltd.	8,000,000	32,200,000	11,000,000	44,935,000
OP FinnFund Global Impact Fund I LP	8,000,000	32,200,000	10,000,000	40,850,000
EMF Microfinance Fund AGMVK	4,000,000	16,100,000	5,000,000	20,425,000
NMI Fund IV KS	3,200,000	12,880,000	4,800,000	19,608,000
Samurai Asset Finance Co., LTD.	3,300,000	13,282,500	-	-
The Investment Fund for Developing Countries	2,400,000	9,660,000	3,600,000	14,706,000
	<b>105,550,000</b>	<b>424,838,750</b>	<b>125,200,000</b>	<b>511,442,000</b>

## 15. SUBORDINATED DEBTS (continued)

Movements in the subordinated debts are as follows:

	31 December 2024		31 December 2023	
	US\$	KHR'000 (Note 2.4)	US\$	KHR'000 (Note 2.4)
As at 1 January	125,200,000	511,442,000	138,950,000	572,057,150
Drawdowns	3,300,000	13,434,300	-	-
Repayments	(22,950,000)	(93,429,450)	(13,750,000)	(56,512,500)
Currency translation difference	-	(6,608,100)	-	(4,102,650)
	<b>105,550,000</b>	<b>424,838,750</b>	<b>125,200,000</b>	<b>511,442,000</b>

### (a). By currency

	31 December 2024		31 December 2023	
	US\$	KHR'000 (Note 2.4)	US\$	KHR'000 (Note 2.4)
United States dollar	<b>105,550,000</b>	<b>424,838,750</b>	<b>125,200,000</b>	<b>511,442,000</b>

### (b). By maturity

	31 December 2024		31 December 2023	
	US\$	KHR'000 (Note 2.4)	US\$	KHR'000 (Note 2.4)
Between 3 to 12 months	29,950,000	120,548,750	22,950,000	93,750,750
More than 1 and up to 5 years	75,600,000	304,290,000	102,250,000	417,691,250
	<b>105,550,000</b>	<b>424,838,750</b>	<b>125,200,000</b>	<b>511,442,000</b>

### (c). By interest rate range

	2024	2023
Annual interest rates	<b>10.23% - 12.31%</b>	<b>10.23% - 12.31%</b>

During the year, interest expense on subordinated debts amounted to US\$ 13,040,984 or KHR'000 53,089,846 (2023: US\$ 14,649,741 or KHR'000 60,210,436) (see Note 22).

The Bank's subordinated debt agreements are subject to covenant clauses, whereby the Bank is required to meet certain key financial ratios. During the year, the Bank did not meet certain financial ratios. As at 31 December 2024, The Bank received a waiver from lenders for the covenant violation. The waiver allows the Bank to remain in compliance with the subordinated debt agreement for the year ending 31 December 2024.

## 16. OTHER LIABILITIES

	31 December 2024		31 December 2023	
	US\$	KHR'000 (Note 2.4)	US\$	KHR'000 (Note 2.4) (As restated – Note 34)
Interest payable	50,198,132	202,047,481	52,821,035	215,773,928
Accrued expenses*	3,410,805	13,728,490	3,617,352	14,776,883
Personnel and other related costs	3,148,044	12,670,877	5,024,626	20,525,597
Accounts payable	2,491,105	10,026,698	4,252,640	17,372,034
Other taxes payable	381,040	1,533,686	595,605	2,433,045
Unearned income	276,294	1,112,083	309,418	1,263,973
Provision for ECL on credit commitments and financial guarantee contracts (Note 28)	223,508	899,620	120,030	490,323
	<b>60,128,928</b>	<b>242,018,935</b>	<b>66,740,706</b>	<b>272,635,783</b>

\* Accrued expenses include unpaid professional fees, utilities, and other miscellaneous expenses. These are non-interest bearing and are payable on demand. The accrual on the professional fees includes audit service fees amounting to US\$ 16,500 or KHR'000 66,413.

Terms and conditions of the above financial liabilities:

- Trade payables are non-interest bearing and are normally settled by the Bank on 60-day terms, including those trade payables that are included in the Bank's supplier finance arrangement
- Other payables are non-interest bearing and have an average term of six months
- Interest payable is normally settled quarterly throughout the financial year
- For terms and conditions with related parties.

## 17. EMPLOYEE BENEFITS

Employee benefits presented in the statement of financial position are broken down as follows:

	31 December 2024		31 December 2023	
	US\$	KHR'000 (Note 2.4)	US\$	KHR'000 (Note 2.4)
Provident fund contributed by employees (i)	8,913,686	35,877,586	8,058,595	32,919,361
Provident fund contributed by the Bank (ii)	19,758,556	79,528,188	19,470,329	79,536,294
Seniority indemnity payment (iii)	162,131	652,577	199,492	814,925
Unpaid annual leave (iv)	1,834,835	7,385,211	1,765,781	7,213,215
	<b>30,669,208</b>	<b>123,443,562</b>	<b>29,494,197</b>	<b>120,483,795</b>



## 17. EMPLOYEE BENEFITS (continued)

### (i). Provident fund contributed by employees

	2024		2023	
	US\$	KHR'000 (Note 2.4)	US\$	KHR'000 (Note 2.4)
As at 1 January	8,058,595	32,919,361	7,097,885	29,221,992
Employees contribution during the year	1,389,366	5,656,109	1,429,854	5,876,700
Interest expense	470,819	1,916,704	420,537	1,728,407
Payments during the year	(1,005,094)	(4,091,738)	(889,681)	(3,656,589)
Currency translation difference	-	(522,850)	-	(251,149)
<b>As at 31 December</b>	<b>8,913,686</b>	<b>35,877,586</b>	<b>8,058,595</b>	<b>32,919,361</b>

### (ii). Provident fund contributed by the Bank

	2024		2023	
	US\$	KHR'000 (Note 2.4)	US\$	KHR'000 (Note 2.4)
As at 1 January	19,470,329	79,536,294	19,643,192	80,871,021
Current service cost	3,047,090	12,404,703	2,874,613	11,814,659
Interest expense	1,231,339	5,012,781	1,222,955	5,026,345
Benefits paid directly by the Bank	(3,990,202)	(16,244,112)	(4,270,431)	(17,551,471)
Currency translation difference	-	(1,181,478)	-	(624,260)
<b>As at 31 December</b>	<b>19,758,556</b>	<b>79,528,188</b>	<b>19,470,329</b>	<b>79,536,294</b>

### (iii). Seniority indemnity payment

	2024		2023	
	US\$	KHR'000 (Note 2.4)	US\$	KHR'000 (Note 2.4)
As at 1 January	199,492	814,925	253,142	1,042,186
Interest expense	10,533	42,880	13,184	54,186
Payments during the year	(47,894)	(194,976)	(66,834)	(274,688)
Currency translation difference	-	(10,252)	-	(6,759)
<b>As at 31 December</b>	<b>162,131</b>	<b>652,577</b>	<b>199,492</b>	<b>814,925</b>

## 17. EMPLOYEE BENEFITS (continued)

### (iv). Unpaid annual leave

	2024		2023	
	US\$	KHR'000 (Note 2.4)	US\$	KHR'000 (Note 2.4)
As at 1 January	1,765,781	7,213,215	1,754,313	7,222,507
Current service cost	453,411	1,845,836	427,746	1,758,036
Interest expense	118,078	480,696	114,986	472,592
Benefits paid directly by the Bank	(502,435)	(2,045,413)	(531,264)	(2,183,495)
Currency translation difference	-	(109,123)	-	(56,425)
<b>As at 31 December</b>	<b>1,834,835</b>	<b>7,385,211</b>	<b>1,765,781</b>	<b>7,213,215</b>

	31 December 2024		31 December 2023	
	US\$	KHR'000 (Note 2.4)	US\$	KHR'000 (Note 2.4)
Expense recognized in profit or loss				
Current service cost	3,500,501	14,250,539	3,302,359	13,572,695
Interest expense	1,359,950	5,536,357	1,351,125	5,553,123
	<b>4,860,451</b>	<b>19,786,896</b>	<b>4,653,484</b>	<b>19,125,818</b>

The following is a summary of the defined benefit obligations in US\$, with different discount rate, salary growth rate and turnover rate assumptions:

Assumptions	2024			2023		
	Provident fund	Seniority indemnity pay	Unpaid annual leave	Provident fund	Seniority indemnity pay	Unpaid annual leave
	US\$	US\$	US\$	US\$	US\$	US\$
<i>Discount rate</i>						
Baseline assumption - 6% per annum	19,758,556	162,131	1,834,835	19,470,329	199,492	1,765,781
+ 0.5%	19,314,181	157,659	1,806,284	19,029,865	195,968	1,737,043
- 0.5%	20,226,848	166,779	1,864,625	20,395,903	206,808	1,825,475
<i>Salary growth</i>						
Baseline assumption - 6% per annum	19,758,556	162,131	1,834,835	19,470,329	199,492	1,765,781
+ 0.5%	19,850,983	162,131	1,811,446	19,561,943	199,492	1,789,323
- 0.5%	19,669,213	162,131	1,812,223	19,291,002	199,492	1,720,088
<i>Turnover rate</i>						
Baseline assumption - 15% - 30% depending on seniority	19,758,556	162,131	1,834,835	19,470,329	199,492	1,765,781
+ 0.5%	19,750,746	196,390	1,845,166	19,462,588	194,968	1,776,180
- 0.5%	19,766,532	168,088	1,824,108	19,485,982	208,925	1,744,709

## 17. EMPLOYEE BENEFITS (continued)

### (iv). Unpaid annual leave (continued)

The above has been determined based on a method that extrapolates the impact on the defined benefit obligations as a result of reasonable changes in key assumptions occurring at the end of the reporting period. The sensitivity analyses are based on a change in a significant assumption, keeping all other assumptions constant. The sensitivity analysis may not be representative of an actual change in the defined benefit obligations as it is unlikely that changes in assumptions would occur in isolation from one another.

The following are the expected payments or contributions in US\$ to the defined benefit plan in future years:

	Provident fund	Seniority indemnity pay	Unpaid annual leave
	US\$	US\$	US\$
2025	2,795,263	39,239	431,745
2026 to 2029	43,831,593	170,179	2,742,105

## 18. INCOME TAX

Major components of income tax expense are as follows:

	For the year ended 31 December 2024		For the year ended 31 December 2023	
	US\$	KHR'000 (Note 2.4)	US\$	KHR'000 (Note 2.4) (As restated – Note 34)
Adjustments in respect of current income tax of prior years	-	-	(180,391)	(741,407)
Deferred tax	1,974,149	8,036,761	3,392,771	13,944,289
	<b>1,974,149</b>	<b>8,036,761</b>	<b>3,212,380</b>	<b>13,202,882</b>

### (a.) Income tax expenses

In accordance with the Cambodian tax regulations, current income tax is calculated at the higher of the taxable income for the year multiplied by the tax rate of 20% at the reporting date and 1% of annual turnover.

Cambodia's Ministry of Economy and Finance issued guidance on 4 July 2017 (Prakas 638) that clarifies the conditions that must be fulfilled for an enterprise to qualify for an exemption from the 1% minimum tax on turnover. This exemption will be available only to taxpayers that comply with stringent rules governing the maintenance of proper accounting records.

On 13 September 2023, the Bank received certificate of proper accounting records from the General Department of Taxation ("GDT") of Cambodia for tax years 2023 and 2024, exempting the bank from paying minimum tax.

**18. INCOME TAX (continued)****(a.) Income tax expenses (continued)**

	<b>2024</b>		<b>2023</b>	
	US\$	KHR'000 (Note 2.4)	US\$	KHR'000 (Note 2.4) (As restated – Note 34)
<b>Accounting profit before income tax</b>	<b>18,488,702</b>	<b>75,267,507</b>	<b>17,952,863</b>	<b>73,786,267</b>
Income tax using statutory rate of 20%	3,697,740	15,053,501	3,590,573	14,757,253
Non-deductible expenses	(1,723,591)	(7,016,740)	(197,802)	(812,964)
Over provision in prior year	-	-	(180,391)	(741,407)
<b>Income tax expenses</b>	<b>1,974,149</b>	<b>8,036,761</b>	<b>3,212,380</b>	<b>13,202,882</b>

**(b.) Deferred tax (liabilities) assets – net**

Deferred tax (liabilities) assets – net is attributable to:

	<b>31 December 2024</b>		<b>31 December 2023</b>	
	US\$	KHR'000 (Note 2.4)	US\$	KHR'000 (Note 2.4)
<b>Deferred tax assets</b>				
Unused tax losses	11,827,155	47,604,299	3,293,354	13,453,351
Lease liabilities	7,387,225	29,733,581	8,462,239	34,568,247
Employee benefits	4,351,104	17,513,194	4,287,121	17,512,889
Unamortized loan processing fees	1,996,818	8,037,192	2,723,452	11,125,301
Allowance for off-balance sheet instruments and cash at other banks	81,239	326,987	111,160	454,089
	<b>25,643,541</b>	<b>103,215,253</b>	<b>18,877,326</b>	<b>77,113,877</b>
<b>Deferred tax liabilities</b>				
Allowance for ECL	(17,999,220)	(72,446,861)	(8,046,538)	(32,870,108)
Right-of-use assets	(6,556,929)	(26,391,639)	(7,726,472)	(31,562,638)
Depreciation on property and equipment	(1,758,143)	(7,076,526)	(1,800,918)	(7,356,750)
	<b>(26,314,292)</b>	<b>(105,915,026)</b>	<b>(17,573,928)</b>	<b>(71,789,496)</b>
<b>Deferred tax (liabilities) assets – net</b>	<b>(670,751)</b>	<b>(2,699,773)</b>	<b>1,303,398</b>	<b>5,324,381</b>

## 18. INCOME TAX (continued)

### (b). Deferred tax (liabilities) assets – net (continued)

Movements in deferred tax (liabilities) assets – net during the year are as follows:

	2024		2023	
	US\$	KHR'000 (Note 2.4)	US\$	KHR'000 (Note 2.4)
As at 1 January	1,303,398	5,324,381	4,696,169	19,334,128
Charged to profit or loss	(1,974,149)	(8,036,761)	(3,392,771)	(13,944,289)
Currency translation difference	-	12,607	-	(65,458)
<b>As at 31 December</b>	<b>(670,751)</b>	<b>(2,699,773)</b>	<b>1,303,398</b>	<b>5,324,381</b>

### (c). Tax losses carried forward

In accordance with the Prakas No. 098 on ToI, for the tax losses to be carried forward for a period of five consecutive years and utilized against taxable profit in subsequent years, the following conditions should be met:

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

Tax loss is subject to assessment by GDT and may not be utilized if one of the criteria mentioned above will not be met.

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

Originating year	Can be utilized up to	Tax loss amount	Utilized	Forfeited	Unutilized
		US\$	US\$	US\$	US\$
2023	2028	16,466,772	-	-	16,466,772
2024	2029	42,669,006	-	-	42,669,006
		<b>59,135,778</b>	<b>-</b>	<b>-</b>	<b>59,135,778</b>

### (d). Income tax payable

Details of movements in income tax payable are as follows:

	2024		2023	
	US\$	KHR'000 (Note 2.4)	US\$	KHR'000 (Note 2.4) (As restated – Note 34)
As at 1 January	-	-	3,486,185	14,352,618
Income tax paid	-	-	(3,305,795)	(13,586,818)
Over provision in prior year	-	-	(180,391)	(741,407)
Currency translation difference	-	-	-	(24,393)
<b>As at 31 December</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>



## 18. INCOME TAX (continued)

### (e). Income tax credit

Since the Bank is exempt from minimum tax and in a tax loss position as at 31 December 2024, the prepayment tax on income paid during the year can be used to offset any future taxable income or claim a refund from GDT in accordance with the Cambodia Law on Taxation. Details are as follows:

	2024		2023	
	US\$	KHR'000 (Note 2.4)	US\$	KHR'000 (Note 2.4) (As restated – Note 34)
As at 1 January	2,502,619	10,223,198	-	-
Addition	2,590,506	10,545,950	2,502,619	10,285,764
Currency translation difference	-	(269,320)	-	(62,566)
<b>As at 31 December</b>	<b>5,093,125</b>	<b>20,499,828</b>	<b>2,502,619</b>	<b>10,223,198</b>

## 19. LEASE LIABILITIES

	2024		2023	
	US\$	KHR'000 (Note 2.4)	US\$	KHR'000 (Note 2.4)
As at 1 January	42,311,196	172,841,236	43,728,562	180,030,490
Additions	1,903,553	7,749,364	5,031,074	20,677,713
Interest expense (Note 22)	3,653,537	14,873,549	4,115,834	16,916,078
Payments of principal portion	(6,060,921)	(24,674,009)	(6,448,440)	(26,503,088)
Payments of interest portion	(3,653,537)	(14,873,549)	(4,115,834)	(16,916,079)
Remeasurement	(1,217,704)	(4,957,273)	-	-
Currency translation difference	-	(2,291,419)	-	(1,363,878)
<b>As at 31 December</b>	<b>36,936,124</b>	<b>148,667,899</b>	<b>42,311,196</b>	<b>172,841,236</b>

	2024		2023	
	US\$	KHR'000 (Note 2.4)	US\$	KHR'000 (Note 2.4)
<b>Maturity analysis:</b>				
<b>Contractual undiscounted cash flows</b>				
Less than one year	9,779,983	39,364,432	10,342,885	42,250,685
One to five years	33,113,250	133,280,831	34,154,742	139,522,121
More than five years	4,320,323	17,389,300	11,356,422	46,390,984
<b>Total undiscounted lease liabilities</b>	<b>47,213,556</b>	<b>190,034,563</b>	<b>55,854,049</b>	<b>228,163,790</b>
<b>Present value of lease liabilities</b>				
Current	6,622,765	26,656,629	6,699,337	27,366,792
Non-current	30,313,359	122,011,270	35,611,859	145,474,444
<b>Total present value of lease liabilities</b>	<b>36,936,124</b>	<b>148,667,899</b>	<b>42,311,196</b>	<b>172,841,236</b>

## 19. LEASE LIABILITIES (continued)

Amounts recognized in profit or loss are as follows:

	For the year ended 31 December 2024		For the year ended 31 December 2023	
	US\$	KHR'000 (Note 2.4)	US\$	KHR'000 (Note 2.4)
Interest on lease liabilities (Note 22)	3,653,537	14,873,549	4,115,834	16,916,078
Expenses relating to short-term leases	172,218	701,099	299,760	1,232,012
Expenses relating to leases of low-value assets	4,574	18,621	118,627	487,559
	<b>3,830,329</b>	<b>15,593,269</b>	<b>4,534,221</b>	<b>18,635,649</b>

## 20. SHARE CAPITAL AND REGULATORY RESERVE

### (a) Share capital

	31 December 2024		31 December 2023	
	No. of shares	Amount US\$	No. of shares	Amount US\$
Maruhan Investment Asia Pte. Ltd.	2,320,000	290,000,000	2,240,000	280,000,000
KHR'000 equivalent (Note 2.4)		1,160,000,000		1,120,000,000

The total authorized number of shares is with indicative par value of US\$ 125 per share. All shares are issued and outstanding.

The movements of share capital follows:

	2024		2023	
	US\$	KHR'000	US\$	KHR'000
As at 1 January	280,000,000	1,120,000,000	250,000,000	1,000,000,000
Additional capital contribution*	10,000,000	40,000,000	10,000,000	40,000,000
Capitalization of retained earnings*	-	-	20,000,000	80,000,000
<b>As at 31 December</b>	<b>290,000,000</b>	<b>1,160,000,000</b>	<b>280,000,000</b>	<b>1,120,000,000</b>

\*The additional capital contribution for 2024 and 2023 were approved by the Board of Directors on 10 March 2024 and 7 August 2023, respectively. The NBC approved the additional capital contribution in 2024 on 21 May 2024, and additional capital contribution and capitalization of retained earnings for the year 2023 on 9 October 2023.

## 20. SHARE CAPITAL AND REGULATORY RESERVE (continued)

### (b) Regulatory reserve (Note 2.5.4)

The movements in regulatory reserve are as follows:

	2024		2023	
	US\$	KHR'000 (Note 2.4)	US\$	KHR'000 (Note 2.4)
Balance as at 1 January	64,262,437	262,590,416	34,048,324	138,410,410
Transferred from retained earnings	61,882,985	251,925,632	30,214,113	124,180,006
<b>Balance as at 31 December</b>	<b>126,145,422</b>	<b>514,516,048</b>	<b>64,262,437</b>	<b>262,590,416</b>

## 21. INTEREST INCOME

Interest income arises from:

	For the year ended 31 December 2024		For the year ended 31 December 2023	
	US\$	KHR'000 (Note 2.4)	US\$	KHR'000 (Note 2.4) (As restated – Note 34)
Loans to customers (Note 6)	232,422,946	946,193,813	245,641,769	1,009,587,670
Balances with other banks (Note 5)	2,678,037	10,902,289	2,023,187	8,315,300
Balances with the NBC (Note 4)	1,081,018	4,400,824	777,375	3,195,011
Investment securities at amortized cost (Note 7)	225,686	918,768	52,511	215,820
	<b>236,407,687</b>	<b>962,415,694</b>	<b>248,494,842</b>	<b>1,021,313,801</b>

## 22. INTEREST EXPENSE

Interest expense arises from:

	For the year ended 31 December 2024		For the year ended 31 December 2023	
	US\$	KHR'000 (Note 2.4)	US\$	KHR'000 (Note 2.4) (As restated – Note 34)
Deposits from customers and other financial institutions (Note 13)	108,278,041	440,799,905	101,691,063	417,950,269
Borrowings (Note 14)	13,834,481	56,320,172	18,223,958	74,900,467
Subordinated debts (Note 15)	13,040,984	53,089,846	14,649,741	60,210,436
Borrowing fees	2,491,457	10,142,722	2,939,912	12,083,038
Lease liabilities (Note 19)	3,653,537	14,873,549	4,115,834	16,916,078
Others	1,628,935	6,631,394	1,442,552	5,928,889
	<b>142,927,435</b>	<b>581,857,588</b>	<b>143,063,060</b>	<b>587,989,177</b>

## 23. OTHER INCOME

	For the year ended 31 December 2024		For the year ended 31 December 2023	
	US\$	KHR'000 (Note 2.4)	US\$	KHR'000 (Note 2.4) (As restated – Note 34)
Recovery from loans written off	8,047,074	32,759,639	13,338,530	54,821,358
Foreign exchange gain, net	983,905	4,005,477	650,027	2,671,611
Dividend income	120,478	490,466	168,443	692,301
Other income	471,469	1,919,350	2,375,629	9,763,835
	<b>9,622,926</b>	<b>39,174,932</b>	<b>16,532,629</b>	<b>67,949,105</b>

## 24. NET FEES AND COMMISSIONS

Details of net fees and commission are as follows:

	For the year ended 31 December 2024		For the year ended 31 December 2023	
	US\$	KHR'000 (Note 2.4)	US\$	KHR'000 (Note 2.4) (As restated – Note 34)
Fee income from loans	4,740,327	19,297,871	4,984,877	20,487,844
Card scheme fees	3,255,215	13,251,980	3,296,415	13,548,266
Remittance fees	1,243,551	5,062,496	1,313,040	5,396,594
Deposit fees	769,672	3,133,335	778,278	3,198,723
Fee income from Bancassurance	421,867	1,717,421	1,192,756	4,902,227
Partnership fees	263,211	1,071,532	1,744,121	7,168,337
Other fee and commission income	308,505	1,255,924	630,276	2,590,435
	<b>11,002,348</b>	<b>44,790,559</b>	<b>13,939,763</b>	<b>57,292,426</b>

## 25. GENERAL AND ADMINISTRATIVE EXPENSES

	For the year ended 31 December 2024		For the year ended 31 December 2023	
	US\$	KHR'000 (Note 2.4)	US\$	KHR'000 (Note 2.4)
Personnel and other related costs	44,017,882	179,196,798	46,392,483	190,673,105
Depreciation of right-of-use assets (Note 10)	7,749,434	31,547,945	8,129,967	33,414,164
Depreciation of property and equipment (Note 9)	7,587,730	30,889,649	6,652,181	27,340,464
Repairs and maintenance	6,472,147	26,348,110	6,491,823	26,681,393
Professional fees*	5,131,076	20,888,610	3,930,175	16,153,019
Motor vehicle repairs and maintenance	1,989,908	8,100,915	2,036,379	8,369,518
Utilities	1,613,415	6,568,212	1,452,442	5,969,537
Bank charges	1,293,786	5,267,003	953,858	3,920,356
Amortization of software costs (Note 11)	1,187,966	4,836,210	908,806	3,735,193
Securities	1,025,248	4,173,785	1,215,100	4,994,061
License fees	1,013,381	4,125,474	998,391	4,103,387
Communications	1,007,858	4,102,990	1,233,025	5,067,733
Stationeries and printing	727,242	2,960,602	1,043,587	4,289,143
Marketing and advertising	590,100	2,402,297	1,122,286	4,612,595
Transportation	558,137	2,272,176	570,529	2,344,874
Office rentals	176,792	719,720	418,387	1,719,571
Others**	5,453,490	22,201,159	8,111,088	33,336,571
	<b>87,595,592</b>	<b>356,601,655</b>	<b>91,660,507</b>	<b>376,724,684</b>

\* Professional fees include audit service fees amounted to US\$ 90,750 or KHR'000 369,443 for the year-ended 31 December 2024.

\*\*Others include welfare expenses, membership fees and dues, miscellaneous expenses, and gain or loss on the disposal and write-off of property equipment.

## 26. PROVISIONS FOR EXPECTED CREDIT LOSSES

	For the year ended 31 December 2024		For the year ended 31 December 2023	
	US\$	KHR'000 (Note 2.4)	US\$	KHR'000 (Note 2.4)
Provision for ECL on Loans and advances to customers (Note 6)	8,067,359	32,842,218	25,816,297	106,104,980
Provision for ECL on credit commitment and financial guarantee contracts (Note 28)	103,478	421,259	3,307	13,592
(Reversals of) provision for ECL on balances with other financial institutions (Note 5)	(149,605)	(609,042)	471,200	1,936,632
	<b>8,021,232</b>	<b>32,654,435</b>	<b>26,290,804</b>	<b>108,055,204</b>



## 27. NET CASH FROM OPERATING ACTIVITIES

	Note	For the year ended 31 December 2024		For the year ended 31 December 2023	
		US\$	KHR'000 (Note 2.4)	US\$	KHR'000 (Notes 2.4) (As restated – Note 34)
<b>Income before income tax</b>		<b>18,488,702</b>	<b>75,267,507</b>	<b>17,952,863</b>	<b>73,786,267</b>
<i>Adjustments for:</i>					
Net interest income		(93,480,252)	(380,558,106)	(105,431,782)	(433,324,624)
Provision for ECL	26	8,021,232	32,654,435	26,290,804	108,055,204
Depreciation and amortisation of:					
Property and equipment	9	7,587,730	30,889,649	6,652,181	27,340,464
Right-of-use assets	10	7,749,434	31,547,945	8,129,967	33,414,164
Software costs	11	1,187,966	4,836,210	908,806	3,735,193
Employee benefits expense	17	3,500,501	14,250,539	3,302,359	13,572,695
Loss on disposal of property and equipment	9	(21,138)	(86,053)	2,165	8,898
Loss on written-off of lease		125,592	511,285	22,641	93,055
Property and equipment written off	9	2,617	10,654	24	99
Property and equipment written off		6,600	26,869	-	-
		<b>(46,831,016)</b>	<b>(190,649,066)</b>	<b>(42,169,972)</b>	<b>(173,318,585)</b>
<i>Changes in operating assets and liabilities:</i>					
Balances with the NBC		(4,804,514)	(19,559,176)	(22,400,159)	(92,064,653)
Time deposits with other banks		3,011,538	12,259,971	6,243,208	25,659,585
Loans to customers		163,198,777	664,382,221	(105,277,763)	(432,691,606)
Other assets		(745,618)	(3,035,411)	835,323	3,433,178
Deposits from customers and other financial institutions		45,873,262	186,750,050	116,516,631	478,883,353
Employee benefits		3,220,135	13,109,170	3,201,516	13,158,231
Other liabilities		(4,420,158)	(17,994,463)	3,734,267	15,347,837
<b>Cash generated from (used in) operating activities</b>		<b>158,502,406</b>	<b>645,263,296</b>	<b>(39,316,949)</b>	<b>(161,592,660)</b>
Interest received		218,476,869	889,419,334	243,598,760	1,001,190,904
Interest paid		(145,222,533)	(591,200,932)	(136,269,410)	(560,067,275)
Income tax paid		(2,590,506)	(10,545,950)	(5,792,566)	(23,807,446)
Employee benefits paid	17	(5,545,625)	(22,576,239)	(5,758,210)	(23,666,243)
<b>Net cash from operating activities</b>		<b>223,620,611</b>	<b>910,359,509</b>	<b>56,461,625</b>	<b>232,057,280</b>

## 27. NET CASH FROM OPERATING ACTIVITIES (continued)

Additional information on operational cash flows from dividend

	For the year ended 31 December 2024		For the year ended 31 December 2023	
	US\$	KHR'000 (Note 2.4)	US\$	KHR'000 (Note 2.4)
Dividend received	120,478	490,466	168,443	692,302

## 28. COMMITMENTS AND CONTINGENCIES

### Credit commitments

	31 December 2024		31 December 2023	
	US\$	KHR'000 (Note 2.4)	US\$	KHR'000 (Note 2.4)
<b>Assets</b>				
Unused portion of overdraft	81,436,551	327,782,118	69,967,489	285,817,193
<b>Liabilities</b>				
Undrawn portion of borrowings	87,160,630	350,821,536	-	-
Bank guarantees	3,881,259	15,622,067	9,710,098	39,665,750
Letters of credit	10,366	41,723	1,608,301	6,569,908

Movements of allowance for ECLs

	2024		2023	
	US\$	KHR'000 (Note 2.4)	US\$	KHR'000 (Note 2.4)
Balance as at 1 January	120,030	490,323	116,723	480,549
Provision for ECL (Note 26)	103,478	421,259	3,307	13,592
Currency translation difference	-	(11,962)	-	(3,818)
<b>Balance as at 31 December</b>	<b>223,508</b>	<b>899,620</b>	<b>120,030</b>	<b>490,323</b>

### Legal claims recovery

During the year, the Bank pursued legal claims against borrowers in default. Majority of these claims are still being negotiated and/or disputed by borrowers, thus, neither the ultimate outcome of these claims nor the amounts recoverable can be determined at this time.

### Tax contingency

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

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

## 29. RELATED PARTY BALANCES AND TRANSACTIONS

### Related parties and relationship

The related parties of and their relationship with the Bank are as follows:

Related party	Relationship
Maruhan Corporation	Under common control
Maruhan (Cambodia) Corporation	Under common control
Maruhan Investment Asia Pte. Ltd.	Shareholder
Maruhan Investment Cambodia Co., Ltd.	Under common control
Maruhan Japan Bank Lao Co., Ltd.	Under common control
Station Ecosystem (Cambodia) Co., Ltd	Under common control
Station Ecosystem Pte.Ltd	Under common control
Key management personnel	All directors of the Bank who make critical decisions in relation to the strategic direction of the Bank and senior management (including their close family members)

### Balances with related parties

Related party	31 December 2024		31 December 2023	
	US\$	KHR'000 (Note 2.4)	US\$	KHR'000 (Note 2.4)
<b>Loans to customers</b>				
Maruhan Investment Cambodia Co., Ltd.	19,597,862	78,881,395	19,973,576	81,592,058
Maruhan (Cambodia) Corporation	3,221,116	12,964,992	3,937,847	16,086,105
Senior management	4,904,655	19,741,236	5,518,903	22,544,719
	<b>27,723,633</b>	<b>111,587,623</b>	<b>29,430,326</b>	<b>120,222,882</b>
<b>Security deposit</b>				
Maruhan Investment Cambodia Co., Ltd.	1,773,409	7,137,971	1,773,410	7,244,380
Maruhan (Cambodia) Corporation	1,448,167	5,828,872	1,448,167	5,915,762
	<b>3,221,576</b>	<b>12,966,843</b>	<b>3,221,577</b>	<b>13,160,142</b>
<b>Deposits from customers</b>				
Maruhan Corporation	21,067,705	84,797,513	21,022,478	85,876,823
Maruhan (Cambodia) Corporation	1,128,261	4,541,251	2,242,085	9,158,917
Maruhan Investment Asia Pte. Ltd.	1,685,903	6,785,760	1,570,201	6,414,271
Maruhan Investment Cambodia Co., Ltd.	3,271,506	13,167,812	8,085,862	33,030,746
Maruhan Japan Bank Lao Co., Ltd.	73,456	295,660	29,537	120,659
Station Ecosystem (Cambodia) Co., Ltd	11,427	45,994	207,330	846,943
Station Ecosystem Pte.Ltd	54,063	217,604	1,359	5,552
Han Family	19,561,661	78,735,686	24,779,232	101,223,163
Senior management	1,185,811	4,772,887	1,702,040	6,952,833
	<b>48,039,793</b>	<b>193,360,167</b>	<b>59,640,124</b>	<b>243,629,907</b>
<b>Subordinated debt</b>				
Maruhan Investment Asia Pte. Ltd.	1,200,000	4,830,000	1,600,000	6,536,000

## 29. RELATED PARTY BALANCES AND TRANSACTIONS (continued)

### Transactions with related parties

Related party	Nature of transaction	For the year ended 31 December 2024		For the year ended 31 December 2023	
		US\$	KHR'000 (Note 2.4)	US\$	KHR'000 (Note 2.4)
Maruhan Corporation	Interest expense	52,727	214,652	52,459	215,606
	Deposits received	45,227	184,119	45,040	185,114
Maruhan (Cambodia) Corporation	Interest expense	12,202	49,674	45,167	185,636
	Deposits paid	(1,113,824)	(4,534,378)	(1,929,697)	(7,931,055)
	Loan repaid	(723,562)	(2,945,621)	(715,972)	(2,942,646)
	Payments on behalf	92,259	375,586	101,053	415,326
	Rental expenses	1,811,634	7,375,162	1,056,982	4,344,196
Maruhan Investment Asia Pte. Ltd.	Interest expense	158,293	644,411	202,690	833,057
	Deposits received	115,702	471,023	524,404	2,155,301
	Subordinate debt repayment	400,000	1,628,400	400,000	1,644,000
Maruhan Investment Cambodia Co., Ltd.	Deposits (paid)/received	(4,814,356)	(19,599,243)	4,763,234	19,576,892
	Loans (repaid)/disbursed	(375,714)	(1,529,532)	19,973,576	82,091,396
	Rental expenses	2,290,987	9,326,608	1,291,694	5,308,862
	Interest expense	110,600	450,253	112,314	461,610
	Payments on behalf	10,955	44,598	10,868	44,667
Maruhan Japan Bank Lao Co., Ltd.	Deposits received/(paid)	43,919	178,794	(21,298)	(87,534)
Station Ecosystem (Cambodia) Co., Ltd	Deposits (paid)/received	(195,903)	(797,521)	207,330	852,126
Station Ecosystem Pte.Ltd	Deposits received	52,704	214,558	1,359	5,585
	Loans (repaid)/disbursed	(750,000)	(3,053,250)	750,000	3,082,500
Han Family	Deposits paid	(5,217,571)	(21,240,732)	(1,206,257)	(4,957,716)
	Deposits (paid)/received	(516,230)	(2,101,572)	301,486	1,239,107
Senior management	Loans (repaid)/disbursed	(618,944)	(2,519,721)	3,127,619	12,854,516
	Remuneration	2,036,341	8,289,944	1,921,208	7,896,164

### 30. FINANCIAL RISK MANAGEMENT

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

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

#### ***Risk management functional and governance structure***

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

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

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

The details of financial assets and liabilities are as follows:

	<b>31 December 2024</b>		<b>31 December 2023</b>	
	US\$	KHR'000 (Note 2.4)	US\$	KHR'000 (Note 2.4)
<b>Financial assets</b>				
Cash on hand	147,680,886	594,415,566	173,674,052	709,458,502
Balances with the NBC	417,220,778	1,679,313,632	325,826,340	1,331,000,599
Balances with other banks	81,902,686	329,658,311	68,988,332	281,817,336
Loans to customers	2,009,458,354	8,088,069,875	2,162,521,611	8,833,900,781
Other investments	10,048,201	40,444,010	93,750	382,969
Refundable deposits	2,358,720	9,493,848	2,135,364	8,722,962
Accounts receivable	558,877	2,249,480	616,992	2,520,412
<b>Total financial assets</b>	<b>2,669,228,502</b>	<b>10,743,644,722</b>	<b>2,733,856,441</b>	<b>11,167,803,561</b>
<b>Financial liabilities</b>				
Deposits from customers and other financial institutions	1,916,042,640	7,712,071,626	1,870,169,378	7,639,641,909
Borrowings	183,699,443	739,390,258	300,400,276	1,227,135,127
Subordinated debts	105,550,000	424,838,750	125,200,000	511,442,000
Other liabilities*	59,629,126	240,007,232	66,311,258	270,881,487
Lease liabilities	36,936,124	148,667,899	42,311,196	172,841,236
<b>Total financial liabilities</b>	<b>2,301,857,333</b>	<b>9,264,975,765</b>	<b>2,404,392,108</b>	<b>9,821,941,759</b>

\* This excludes unearned income and provision for ECL on credit commitments and financial guarantee contracts.



## 30. FINANCIAL RISK MANAGEMENT (continued)

### 30.1 Operational risk

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

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

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

### 30.2 Credit risk

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

#### **Credit risk measurement**

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

Risk ratings are reviewed and updated regularly, and in events of (i) change of loan terms and conditions, including extension, (ii) repayment irregularities or delinquencies, and (iii) adverse information relating to the borrower or transaction.

#### **Risk limit control and mitigation policies**

The Bank operates and provides loans to individuals or enterprises within the Kingdom of Cambodia. The Bank manages, limits and controls the concentration of credit risk whenever it is identified. Large exposure is defined by the NBC as overall credit exposure to any individual beneficiary which exceeds 10.00% of the Bank's net worth.

The Bank is required, under the conditions of NBC Prakas No. B7-06-226, to maintain at all times a maximum ratio of 20.00% between the Bank's overall credit exposure to any single beneficiary's net worth. The aggregate of large credit exposure must not exceed 300.00% of the Bank's net worth.

#### **Management of credit risk**

Developing and maintaining the Bank's processes for measuring ECL: This includes processes for:

- initial approval, regular validation and back-testing of the models used;
- determining and monitoring significant increase in credit risk; and,
- incorporation of forward-looking information.

Reviewing compliance of business units with agreed exposure limits, including those for selected industries, country risk and product types. Regular reports on the credit quality of local portfolios are provided to the Bank's Credit Committee, which may require appropriate corrective action to be taken. These include reports containing ECL allowance estimation.

### 30. FINANCIAL RISK MANAGEMENT (continued)

#### 30.2 Credit risk (continued)

##### *Management of credit risk (continued)*

Providing advice, guidance and specialist skills to business units to promote best practice throughout the Bank in the management of credit risk. The Bank employs a range of policies and practices to mitigate credit risk. The most traditional of these is the taking of security in the form of collateral for loans to customers, which is a common practice. The Bank implements guidelines on the acceptability of specific classes of collateral or credit risk mitigation. The principal collateral types to secure for loans to customers are:

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

##### *Concentration of risk*

The Bank monitors concentration of credit risk of its counterparties by industry. An analysis of concentration of the credit risk as at the balance sheet date is shown below.

Maximum exposure to credit risk before collateral held or other credit enhancements

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

	31 December 2024		31 December 2023	
	US\$	KHR'000 (Note 2.4)	US\$	KHR'000 (Note 2.4)
Balances with the NBC	417,220,778	1,679,313,632	325,826,340	1,331,000,599
Balances with other banks	82,308,882	331,293,250	69,544,133	284,087,783
Loans to customers	2,058,126,459	8,283,958,998	2,216,532,859	9,054,536,729
Other investments	10,048,201	40,444,010	93,750	382,969
Refundable deposits	2,358,720	9,493,848	2,135,364	8,722,962
Accounts receivable	558,877	2,249,480	616,992	2,520,412
	<b>2,570,621,917</b>	<b>10,346,753,218</b>	<b>2,614,749,438</b>	<b>10,681,251,454</b>

The credit exposure amounts arising from off-balance sheet items are disclosed in Note 26.

##### *Concentration of risks of financial assets with credit risk exposure*

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

**30. FINANCIAL RISK MANAGEMENT (continued)****30.2 Credit risk (continued)****Concentration of risks of financial assets with credit risk exposure (continued)**

	<b>31 December 2024</b>						
	<i>Balances with the NBC</i>	<i>Balances with other banks – net</i>	<i>Loans to customers – net</i>	<i>Other investments</i>	<i>Refundable deposits</i>	<i>Accounts receivable</i>	<i>Total</i>
	US\$	US\$	US\$	US\$	US\$	US\$	US\$
Financial intermediaries	417,220,778	82,308,882	-	9,954,451	-	-	509,484,111
Trade – whole-sale and retail	-	-	568,799,010	-	-	-	568,799,010
Personal lending	-	-	396,747,080	-	-	-	396,747,080
Services	-	-	321,434,518	-	-	-	321,434,518
Construction and real estate	-	-	294,908,011	-	-	-	294,908,011
Mortgage	-	-	245,080,264	-	-	-	245,080,264
Agriculture	-	-	197,950,415	-	-	-	197,950,415
Financial institutions	-	-	32,944,819	-	-	-	32,944,819
Others	-	-	262,342	93,750	2,358,720	558,877	3,273,689
	<b>417,220,778</b>	<b>82,308,882</b>	<b>2,058,126,459</b>	<b>10,048,201</b>	<b>2,358,720</b>	<b>558,877</b>	<b>2,570,621,917</b>
Allowance for ECL	-	(406,196)	(38,960,310)	-	-	-	(39,366,506)
Unamortized loan processing fees	-	-	(9,707,795)	-	-	-	(9,707,795)
	<b>417,220,778</b>	<b>81,902,686</b>	<b>2,009,458,354</b>	<b>10,048,201</b>	<b>2,358,720</b>	<b>558,877</b>	<b>2,521,547,616</b>
<b>KHR'000 equivalent</b> (Note 2.4)	<b>1,679,313,632</b>	<b>329,658,311</b>	<b>8,088,069,875</b>	<b>40,444,010</b>	<b>9,493,848</b>	<b>2,249,480</b>	<b>10,149,229,156</b>

### 30. FINANCIAL RISK MANAGEMENT (continued)

#### 30.2 Credit risk (continued)

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

	31 December 2023						
	Balances with the NBC	Balances with other banks – net	Loans to customers – net	Other investments	Refundable deposits	Accounts receivable	Total
	US\$	US\$	US\$	US\$	US\$	US\$	US\$
Financial intermediaries	325,826,340	69,544,133	-	-	-	-	395,370,473
Trade – whole-sale and retail	-	-	634,282,119	-	-	-	634,282,119
Personal lending	-	-	445,264,387	-	-	-	445,264,387
Services	-	-	344,925,962	-	-	-	344,925,962
Construction and real estate	-	-	290,998,002	-	-	-	290,998,002
Mortgage	-	-	229,778,840	-	-	-	229,778,840
Agriculture	-	-	234,533,684	-	-	-	234,533,684
Financial institutions	-	-	36,124,810	-	-	-	36,124,810
Others	-	-	625,055	93,750	2,135,364	616,992	3,471,161
	<b>325,826,340</b>	<b>69,544,133</b>	<b>2,216,532,859</b>	<b>93,750</b>	<b>2,135,364</b>	<b>616,992</b>	<b>2,614,749,438</b>
Allowance for ECL	-	(555,801)	(40,703,280)	-	-	-	(41,259,081)
Unamortized loan processing fees	-	-	(13,307,968)	-	-	-	(13,307,968)
	<b>325,826,340</b>	<b>68,988,332</b>	<b>2,162,521,611</b>	<b>93,750</b>	<b>2,135,364</b>	<b>616,992</b>	<b>2,560,182,389</b>
<b>KHR'000 equivalent</b>							
(Note 2.4)	<b>1,331,000,599</b>	<b>281,817,336</b>	<b>8,833,900,781</b>	<b>382,969</b>	<b>8,722,962</b>	<b>2,520,412</b>	<b>10,681,251,454</b>

**30. FINANCIAL RISK MANAGEMENT (continued)****30.2 Credit risk (continued)****Credit quality**

	<b>31 December 2024</b>			
	<b>Stage 1</b>	<b>Stage 2</b>	<b>Stage 3</b>	<b>Total</b>
	US\$	US\$	US\$	US\$
Balances with the NBC	417,220,778	-	-	417,220,778
Balances with other banks	82,308,882	-	-	82,308,882
Loans to customers	1,501,676,230	379,733,876	176,716,353	2,058,126,459
Other investments	10,048,201	-	-	10,048,201
Refundable deposits	2,358,720	-	-	2,358,720
Accounts receivable	558,877	-	-	558,877
	<b>2,014,171,688</b>	<b>379,733,876</b>	<b>176,716,353</b>	<b>2,570,621,917</b>
Allowance for ECL	(5,036,977)	(4,222,320)	(30,107,209)	(39,366,506)
Unamortized loan processing fees	(9,204,948)	(94,688)	(408,159)	(9,707,795)
	<b>1,999,929,763</b>	<b>375,416,868</b>	<b>146,200,985</b>	<b>2,521,547,616</b>
<b>KHR'000 equivalent</b> (Note 2.4)	<b>8,049,717,296</b>	<b>1,511,052,894</b>	<b>588,458,965</b>	<b>10,149,229,154</b>

	<b>31 December 2023</b>			
	<b>Stage 1</b>	<b>Stage 2</b>	<b>Stage 3</b>	<b>Total</b>
	US\$	US\$	US\$	US\$
Balances with the NBC	325,826,340	-	-	325,826,340
Balances with other banks	69,544,133	-	-	69,544,133
Loans to customers	2,045,123,071	35,685,404	135,724,384	2,216,532,859
Other investments	93,750	-	-	93,750
Refundable deposits	2,135,364	-	-	2,135,364
Accounts receivable	616,992	-	-	616,992
	<b>2,443,339,650</b>	<b>35,685,404</b>	<b>135,724,384</b>	<b>2,614,749,438</b>
Allowance for ECL	(3,079,650)	(1,221,152)	(36,958,279)	(41,259,081)
Unamortized loan processing fees	(12,719,932)	(110,692)	(477,344)	(13,307,968)
	<b>2,427,540,068</b>	<b>34,353,560</b>	<b>98,288,761</b>	<b>2,560,182,389</b>
<b>KHR'000 equivalent</b> (Note 2.4)	<b>9,770,848,774</b>	<b>138,273,079</b>	<b>395,612,263</b>	<b>10,304,734,116</b>

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



### 30. FINANCIAL RISK MANAGEMENT (continued)

#### 30.2 Credit risk (continued)

##### Credit quality (continued)

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

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

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

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

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

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

Stage	Credit risk status	Default indicator
1	12-month ECL – not credit-impaired	0 to 30 DPD
2	Lifetime ECL – not credit-impaired	31 to 90 DPD
3	Lifetime ECL – credit-impaired	More than 90 DPD Restructured and rescheduled Forced default Related default

The definition of default used for these purposes shall be applied consistently to all financial assets unless information becomes available that demonstrates that another default definition is more appropriate for a particular financial instrument.

Based on the Bank's definition of default, an account classified as default will be automatically tagged as "Yes" in the "Impairment indicator" field when the "Default reason" field shows one of the four default reasons below.

- (a) *Normal turn*: The account's delinquency exceeds 90 DPD and is applicable to all products except trade finance product which has a definition of default of 31 DPD due to the short-term nature of the product.
- (b) *Restructured and rescheduled*: When the account undergoes debt restructuring or rescheduling;
- (c) *Forced*: When an account shows deterioration in its credit profile, but its delinquency does not exceed 90 DPD; and,
- (d) *Related*: Refers to cross default by obligor(s) of the same borrower type within the same loan listing source.

##### (iv) Incorporation of forward-looking information

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

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

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

##### Repossessed collateral

During the year, the Bank did not repossess any collateral held as security.

## 30. FINANCIAL RISK MANAGEMENT (continued)

### 30.3 Market risk

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

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

#### **Foreign exchange risk**

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

The balances of monetary assets and liabilities denominated in currencies other than US\$ are not significant, therefore, no sensitivity analysis for foreign exchange risk was presented.

#### **Price risk**

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

#### **Interest rate risk**

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

The Bank has no significant financial assets and liabilities with floating interest rates. Balances with the NBC, balances with other banks, loans to customers, deposits from customers and other financial institutions, borrowings and subordinated debts have fixed interest rates and are interest bearing assets and liabilities.

### 30. FINANCIAL RISK MANAGEMENT (continued)

#### 30.3 Market risk (continued)

##### Interest rate risk (continued)

	<i>Up to 1 month</i>	<i>1 - 3 months</i>	<i>3 - 12 months</i>	<i>1 - 5 years</i>	<i>Over 5 years</i>	<i>Non-interest sensitive</i>	<i>Total</i>
	US\$	US\$	US\$	US\$	US\$	US\$	US\$
<b>31 December 2024</b>							
<b>Financial assets</b>							
Cash on hand	-	-	-	-	-	147,680,886	147,680,886
Balances with the NBC	10,229,746	25,006,967	11,026,496	-	-	370,957,569	417,220,778
Balances with other banks	123,988	40,160,302	5,003,552	-	-	37,021,040	82,308,882
Loans to customers	154,780,675	70,115,112	247,663,315	917,116,537	668,450,820	-	2,058,126,459
Other investments	-	-	-	9,954,451	-	93,750	10,048,201
Refundable deposits	80,112	80,112	310,220	1,767,251	121,025	-	2,358,720
Accounts receivable	-	-	-	-	-	558,877	558,877
<b>Total financial assets</b>	<b>165,214,521</b>	<b>135,362,493</b>	<b>264,003,583</b>	<b>928,838,239</b>	<b>668,571,845</b>	<b>556,312,122</b>	<b>2,718,302,803</b>
<b>Financial liabilities</b>							
Deposits from customers and other financial institutions	414,367,365	206,815,772	822,879,767	204,939,517	-	267,040,219	1,916,042,640
Borrowings	134,145	21,932,758	48,831,514	108,895,856	3,905,170	-	183,699,443
Subordinated debts	-	-	29,950,000	72,300,000	3,300,000	-	105,550,000
Other liabilities*	-	-	-	-	-	59,629,126	59,629,126
Lease liabilities	-	-	-	-	-	36,936,124	36,936,124
<b>Total financial liabilities</b>	<b>414,501,510</b>	<b>228,748,530</b>	<b>901,661,281</b>	<b>386,135,373</b>	<b>7,205,170</b>	<b>363,605,469</b>	<b>2,301,857,333</b>
<b>Net liquidity (gap) surplus</b>	<b>(249,286,989)</b>	<b>(93,386,037)</b>	<b>(637,657,698)</b>	<b>542,702,866</b>	<b>661,366,675</b>	<b>192,706,653</b>	<b>416,445,470</b>
<b>KHR'000 equivalent (Note 2.4)</b>	<b>(1,003,380,131)</b>	<b>(375,878,799)</b>	<b>(2,566,572,234)</b>	<b>2,184,379,036</b>	<b>2,662,000,867</b>	<b>775,644,278</b>	<b>1,676,193,017</b>

\* This excludes unearned income and provision for ECL on credit commitments and financial guarantee contracts.

**30. FINANCIAL RISK MANAGEMENT (continued)****30.3 Market risk (continued)****Interest rate risk (continued)**

	<i>Up to 1 month</i>	<i>1 - 3 months</i>	<i>3 - 12 months</i>	<i>1 - 5 years</i>	<i>Over 5 years</i>	<i>Non-interest sensitive</i>	<i>Total</i>
	US\$	US\$	US\$	US\$	US\$	US\$	US\$
<b>31 December 2023</b>							
<b>Financial assets</b>							
Cash on hand	-	-	-	-	-	173,674,052	173,674,052
Balances with the NBC	11,260,202	-	3,015,268	-	-	311,550,870	325,826,340
Balances with other banks	604,093	22,840,356	10,093,699	-	-	36,005,985	69,544,133
Loans to customers	165,978,182	60,032,877	371,344,897	1,024,958,573	594,218,330	-	2,216,532,859
Other investments	-	-	-	-	-	93,750	93,750
Refundable deposits	60,949	60,949	243,370	1,370,447	399,649	-	2,135,364
Accounts receivable	-	-	-	-	-	616,992	616,992
<b>Total financial assets</b>	<b>177,903,426</b>	<b>82,934,182</b>	<b>384,697,234</b>	<b>1,026,329,020</b>	<b>594,617,979</b>	<b>521,941,649</b>	<b>2,788,423,490</b>
<b>Financial liabilities</b>							
Deposits from customers and other financial institutions	286,194,391	206,974,228	862,172,665	343,374,400	-	171,453,694	1,870,169,378
Borrowings	8,438,791	35,279,759	74,000,432	179,286,125	3,395,169	-	300,400,276
Subordinated debts	-	-	22,950,000	95,250,000	7,000,000	-	125,200,000
Other liabilities*	-	-	-	-	-	66,311,258	66,311,258
Lease liabilities	-	-	-	-	-	42,311,196	42,311,196
<b>Total financial liabilities</b>	<b>294,633,182</b>	<b>242,253,987</b>	<b>959,123,097</b>	<b>617,910,525</b>	<b>10,395,169</b>	<b>280,076,148</b>	<b>2,404,392,108</b>
<b>Net liquidity (gap) surplus</b>	<b>(116,729,756)</b>	<b>(159,319,805)</b>	<b>(574,425,863)</b>	<b>408,418,495</b>	<b>584,222,810</b>	<b>241,865,501</b>	<b>384,031,382</b>
<b>KHR'000 equivalent</b>							
<i>(Note 2.4)</i>	<b>(476,841,054)</b>	<b>(650,821,403)</b>	<b>(2,346,529,651)</b>	<b>1,668,389,552</b>	<b>2,386,550,179</b>	<b>988,020,573</b>	<b>1,568,768,195</b>

\* This excludes unearned income and provision for ECL on credit commitments and financial guarantee contracts.

## **30. FINANCIAL RISK MANAGEMENT (continued)**

### **30.4 *Liquidity risk***

Liquidity risk is the risk that the Bank is unable to meet its payment obligations associated with its financial liabilities when they fall due and to replace funds when they are withdrawn. The consequence of this may be the failure to meet obligations to repay depositors and fulfil commitments to lend.

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

The table in Note 31 is an analysis of the assets and liabilities of the Bank by relevant maturity based on the remaining period at the reporting date to their contractual or estimated maturity dates.

### **30.5 *Capital management***

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

The Bank manages its capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of its activities. In order to maintain or adjust the capital structure, the Bank may adjust the amount of dividend payment to shareholder, return capital structure or issue capital securities. No changes were made in the objectives, policies and processes from previous years.



### 31. MATURITY PROFILE OF ASSETS AND LIABILITIES

The following table presents an analysis of the maturity profile of the Bank's assets and liabilities as to whether they are expected to be recovered or settled within one year or beyond one year from the reporting date:

	31 December 2024			31 December 2023		
	<i>Within one year</i>	<i>Beyond one year</i>	<i>Total</i>	<i>Within one year</i>	<i>Beyond one year</i>	<i>Total</i>
	US\$	US\$	US\$	US\$	US\$	US\$
<b>Financial assets</b>						
Cash on hand	147,680,886	-	147,680,886	173,674,052	-	173,674,052
Balances with the NBC	331,782,823	85,437,955	417,220,778	230,706,047	95,120,293	325,826,340
Balances with other banks	82,308,882	-	82,308,882	69,544,133	-	69,544,133
Loans to customers	472,559,103	1,585,567,356	2,058,126,459	597,355,957	1,619,176,902	2,216,532,859
Other investments	-	10,048,201	10,048,201	-	93,750	93,750
Refundable deposits	470,445	1,888,275	2,358,720	365,267	1,770,097	2,135,364
Accounts receivable	-	558,877	558,877	-	616,992	616,992
	<b>1,034,802,139</b>	<b>1,683,500,664</b>	<b>2,718,302,803</b>	<b>1,071,645,456</b>	<b>1,716,778,034</b>	<b>2,788,423,490</b>
<b>Non-financial assets</b>						
Other assets	20,067,274	-	20,067,274	16,896,391	-	16,896,391
Property and equipment	-	62,698,744	62,698,744	-	60,497,506	60,497,506
Right-of-use assets	-	63,535,838	63,535,838	-	65,232,010	65,232,010
Software costs	-	18,277,826	18,277,826	-	16,486,699	16,486,699
Goodwill	-	17,380,030	17,380,030	-	17,380,030	17,380,030
Deferred tax assets – net	-	-	-	-	1,303,398	1,303,398
	<b>20,067,274</b>	<b>161,892,438</b>	<b>181,959,712</b>	<b>16,896,391</b>	<b>160,899,643</b>	<b>177,796,034</b>
Unamortized loan processing fees	-	-	(9,707,795)	-	-	(13,307,968)
Allowance for ECL	-	-	(39,366,506)	-	-	(41,259,081)
Accumulated depreciation and amortization	-	-	(79,880,713)	-	-	(66,240,868)
<b>Total assets</b>	<b>1,054,869,413</b>	<b>1,845,393,102</b>	<b>2,771,307,501</b>	<b>1,088,541,847</b>	<b>1,877,677,677</b>	<b>2,845,411,607</b>
<b>KHR'000 equivalent (Note 2.4)</b>	<b>4,245,849,387</b>	<b>7,427,707,236</b>	<b>11,154,512,692</b>	<b>4,446,693,444</b>	<b>7,670,313,310</b>	<b>11,623,506,414</b>

### 31. MATURITY PROFILE OF ASSETS AND LIABILITIES (continued)

	31 December 2024			31 December 2023		
	<i>Within one year</i>	<i>Beyond one year</i>	<i>Total</i>	<i>Within one year</i>	<i>Beyond one year</i>	<i>Total</i>
	US\$	US\$	US\$	US\$	US\$	US\$
<b>Financial liabilities</b>						
Deposits from customers and other financial institutions	1,711,103,124	204,939,516	1,916,042,640	1,526,794,978	343,374,400	1,870,169,378
Borrowings	70,898,417	112,801,026	183,699,443	117,718,982	182,681,294	300,400,276
Subordinated debts	29,950,000	75,600,000	105,550,000	22,950,000	102,250,000	125,200,000
Other liabilities	53,127,257	6,501,869	59,629,126	53,496,934	12,814,324	66,311,258
Lease liabilities	6,622,765	30,313,359	36,936,124	6,699,337	35,611,859	42,311,196
	<b>1,871,701,563</b>	<b>430,155,770</b>	<b>2,301,857,333</b>	<b>1,727,660,231</b>	<b>676,731,877</b>	<b>2,404,392,108</b>
<b>Non-financial liabilities</b>						
Other liabilities	499,802	-	499,802	429,448	-	429,448
Employee benefits	-	30,669,208	30,669,208	-	29,494,197	29,494,197
Deferred Tax Liabilities	-	670,751	670,751	-	-	-
	<b>499,802</b>	<b>31,339,959</b>	<b>31,839,761</b>	<b>429,448</b>	<b>29,494,197</b>	<b>29,923,645</b>
<b>Total liabilities</b>	<b>1,872,201,365</b>	<b>461,495,729</b>	<b>2,333,697,094</b>	<b>1,728,089,679</b>	<b>706,226,074</b>	<b>2,434,315,753</b>
<b>KHR'000 equivalent (Note 2.4)</b>	<b>7,535,610,494</b>	<b>1,857,520,309</b>	<b>9,393,130,803</b>	<b>7,059,246,338</b>	<b>2,884,933,511</b>	<b>9,944,179,850</b>

### 32. LIQUIDITY RISK

#### Financial assets

Analysis of financial assets into maturity grouping is based on the expected date on which these assets will be realized. For other assets, the analysis into maturity grouping is based on the remaining period from the end of the reporting period to the contractual maturity date or if earlier, the expected date the assets will be realized.

#### Financial liabilities

The maturity grouping of the financial liabilities is based on the remaining period from the end of the reporting period to the contractual maturity date. When a counterparty has a choice of when the amount is paid, the liability is allocated to the earliest period in which the Bank can be required to pay.

**32. LIQUIDITY RISK (continued)***Financial liabilities (continued)*

Maturity profile of the financial assets and liabilities based on the remaining period to repayment date is as follows:

	<i>On demand and up to 1 month</i>	<i>&gt; 1 to 3 months</i>	<i>&gt; 3 to 12 months</i>	<i>&gt; 1 to 5 years</i>	<i>Over 5 years</i>	<i>No fixed maturity date</i>	<i>Total</i>
	US\$	US\$	US\$	US\$	US\$	US\$	US\$
<b>31 December 2024</b>							
<b>Financial assets</b>							
Cash on hand	147,680,886	-	-	-	-	-	147,680,886
Balances with the NBC	245,040,989	40,282,601	46,555,152	54,509,250	1,928,705	29,000,000	417,316,697
Balances with other banks	37,145,028	33,188,904	12,491,005	-	-	-	82,824,937
Loans to customers	200,316,455	102,778,562	398,004,850	1,383,142,922	906,427,088	-	2,990,669,877
Other investments	-	-	-	10,786,197	93,750	-	10,879,947
Refundable deposits	83,632	135,454	347,278	2,603,939	121,025	-	3,291,328
Accounts receivable	-	-	-	-	-	558,877	558,877
<b>Total financial assets</b>	<b>630,266,990</b>	<b>176,385,521</b>	<b>457,398,285</b>	<b>1,451,042,308</b>	<b>908,570,568</b>	<b>29,558,877</b>	<b>3,653,222,549</b>
	<i>On demand and up to 1 month</i>	<i>&gt; 1 to 3 months</i>	<i>&gt; 3 to 12 months</i>	<i>&gt; 1 to 5 years</i>	<i>Over 5 years</i>	<i>No fixed maturity date</i>	<i>Total</i>
	US\$	US\$	US\$	US\$	US\$	US\$	US\$
<b>Financial liabilities</b>							
Deposits from customers and other financial institutions	681,407,585	206,815,772	822,879,767	204,939,516	-	-	1,916,042,640
Borrowings	134,145	21,932,758	48,831,514	108,895,856	3,905,170	-	183,699,443
Subordinated debts	-	-	29,950,000	72,300,000	3,300,000	-	105,550,000
Other liabilities	17,915,307	19,264,273	69,142,317	59,079,992	2,157,777	-	167,559,666
Lease liabilities	839,635	1,682,346	7,258,003	32,516,126	4,917,446	-	47,213,556
<b>Total financial liabilities</b>	<b>700,296,672</b>	<b>249,695,149</b>	<b>978,061,601</b>	<b>477,731,490</b>	<b>14,280,393</b>	<b>-</b>	<b>2,420,065,305</b>
<b>Net liquidity surplus (gap)</b>	<b>(70,029,682)</b>	<b>(73,309,628)</b>	<b>(520,663,316)</b>	<b>973,310,818</b>	<b>894,290,175</b>	<b>29,558,877</b>	<b>1,233,157,244</b>
<b>KHR'000 equivalent (Note 2.4)</b>	<b>(281,869,470)</b>	<b>(295,071,253)</b>	<b>(2,095,669,847)</b>	<b>3,917,576,042</b>	<b>3,599,517,954</b>	<b>118,974,480</b>	<b>4,963,457,907</b>

## 32. LIQUIDITY RISK (continued)

### Financial liabilities (continued)

	On demand and up to 1 month	> 1 to 3 months	> 3 to 12 months	> 1 to 5 years	Over 5 years	No fixed maturity date	Total
	US\$	US\$	US\$	US\$	US\$	US\$	US\$
<b>31 December 2023</b>							
<b>Financial assets</b>							
Cash on hand	173,674,052	-	-	-	-	-	173,674,052
Balances with the NBC	170,374,757	14,586,196	45,766,965	64,706,345	2,413,948	28,000,000	325,848,211
Balances with other banks	36,610,078	17,781,527	15,777,055	-	-	-	70,168,660
Loans to customers	212,966,085	91,441,721	533,843,807	1,506,630,077	814,404,490	-	3,159,286,180
Other investments	-	-	-	-	-	93,750	93,750
Refundable deposits	65,801	515,020	354,112	1,370,448	399,649	-	2,705,030
Accounts receivable	-	-	-	-	-	616,992	616,992
<b>Total financial assets</b>	<b>593,690,773</b>	<b>124,324,464</b>	<b>595,741,939</b>	<b>1,572,706,870</b>	<b>817,218,087</b>	<b>28,710,742</b>	<b>3,732,392,875</b>
<b>Financial liabilities</b>							
Deposits from customers and other financial institutions	457,648,085	206,974,228	862,172,665	343,374,400	-	-	1,870,169,378
Borrowings	8,438,791	35,279,759	74,000,432	179,286,124	3,395,170	-	300,400,276
Subordinated debts	-	-	22,950,000	95,250,000	7,000,000	-	125,200,000
Other liabilities	12,535,000	23,616,318	84,149,719	102,575,237	1,883,531	-	224,759,805
Lease liabilities	891,507	1,796,716	7,654,662	33,517,262	11,993,902	-	55,854,049
<b>Total financial liabilities</b>	<b>479,513,383</b>	<b>267,667,021</b>	<b>1,050,927,478</b>	<b>754,003,023</b>	<b>24,272,603</b>	<b>-</b>	<b>2,576,383,508</b>
<b>Net liquidity surplus (gap)</b>	<b>114,177,390</b>	<b>(143,342,557)</b>	<b>(455,185,539)</b>	<b>818,703,847</b>	<b>792,945,484</b>	<b>28,710,742</b>	<b>1,156,009,367</b>
<b>KHR'000 equivalent (Note 2.4)</b>	<b>466,414,638</b>	<b>(585,554,345)</b>	<b>(1,859,432,927)</b>	<b>3,344,405,215</b>	<b>3,239,182,302</b>	<b>117,283,381</b>	<b>4,722,298,264</b>

### 33. FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES

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 reporting 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 is excluded as they do not fall within the scope of CIFRS 7, Financial Instruments: Disclosures, which requires the fair value information to be disclosed.

The fair values of the Bank's financial instruments such as cash on hand, balances with the NBC and other banks, loans to customers, deposits from customers and other financial institutions, certain other assets, certain other liabilities, borrowings and subordinated debts are not materially sensitive to shifts in market profit rate because of the limited term to maturity of these instruments. As such, the carrying values of these financial assets and liabilities as reporting date approximate their fair values.

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

#### ***Cash on hand and balances with the NBC and other banks***

The carrying amounts approximate the fair values due to the short-term nature of these accounts.

#### ***Loans to customers***

The fair value of loans and advances is based on observable market transactions. Where observable market transactions are not available, fair value is estimated using valuation models, such as discounted cash flow techniques. Inputs into the valuation techniques include expected lifetime credit losses, interest rates, prepayment rates, and primary origination or secondary market spreads. For collateral-dependent impaired loans, the fair value is measured based on the value of the underlying collateral.

Inputs into the models may include data from third party and information obtained from other market participants, which include observed primary and secondary transactions.

The fair value of loans to customers is estimated by discounting the estimated future cash flows using the prevailing market rates of financing with similar credit risks and maturities. Its carrying value approximates fair value as at the reporting date.

#### ***Deposits from customers***

The fair value of deposits from customers with maturities of less than one year approximate their carrying amount due to the relatively short maturity of these instruments. The fair value of deposits from customers with remaining maturities of more than one year are expected to approximate their carrying amount due to the Bank offered similar interest rate of the instrument with similar maturities and terms and due to stability of interest rate in Cambodia.

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

#### ***Borrowings and subordinated debts***

The borrowings are not quoted in an active market, and their value approximates the carrying amount.

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



### 33. FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES (continued)

#### *Certain other assets and liabilities*

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

#### *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 statement of financial position are a reasonable estimation of their fair values.

The table below summarizes the fair value hierarchy of financial asset and liability which are not measured at fair value in the statement of financial position but for which fair value is disclosed.

	2024		2023	
	Carrying amount	Fair value - Level 3	Carrying amount	Fair value - Level 3
	US\$	US\$	US\$	US\$
<b>Financial asset for which fair value is disclosed</b>				
Loans and advances to customers	2,009,458,354	2,060,266,640	2,162,521,611	2,218,610,361
<b>KHR'000 equivalent (Note 2.4)</b>	<b>8,088,069,875</b>	<b>8,292,573,227</b>	<b>8,833,900,781</b>	<b>9,063,023,323</b>
<b>Financial liability for which fair value is disclosed</b>				
Borrowings	183,699,443	183,703,367	300,400,276	300,403,942
Subordinated debts	105,550,000	105,550,893	125,200,000	125,200,443
<b>Total</b>	<b>289,249,443</b>	<b>289,254,260</b>	<b>425,600,276</b>	<b>425,604,384</b>
<b>KHR'000 equivalent (Note 2.4)</b>	<b>1,164,229,008</b>	<b>1,164,248,396</b>	<b>1,738,577,127</b>	<b>1,738,593,911</b>

### 34. RESTATEMENT OF CORRESPONDING FIGURES

During the year, the Bank retrospectively adjusted certain figures to correct prior year's accounting error in relation to prepaid tax on income, which was recognized as income tax expense rather than income tax credit under other assets. Also, certain accounts in the financial statements for the year ended 31 December 2023 have been reclassified to conform to the current year's presentation. Accordingly, the impact on corresponding figures are as follows:

	As previously presented		Restatement		Reclassification		As restated	
	US\$	KHR'000 (Note 2.4)	US\$	KHR'000 (Note 2.4)	US\$	KHR'000 (Note 2.4)	US\$	KHR'000 (Note 2.4)
<i>Statement of financial position</i>								
Other assets	17,146,128	70,041,933	2,502,619	10,223,198	-	-	19,648,747	80,265,131
Current income tax liabilities	275,975	1,127,358	(275,975)	(1,127,357)	-	-	-	-
Retained earnings	64,054,823	265,513,776	2,778,594	11,420,021	-	-	66,833,417	276,933,797
<i>Statement of comprehensive income</i>								
General and administrative expenses	90,800,674	373,190,770	(15,848)	(65,135)	875,681	3,599,049	91,660,507	376,724,684
Income tax expense	5,975,126	24,557,768	(2,762,746)	(11,354,886)	-	-	3,212,380	13,202,882
Interest income	248,442,331	1,021,097,980	-	-	52,511	215,821	248,494,842	1,021,313,801
Interest expense	(143,101,545)	(588,147,350)	-	-	38,485	158,173	(143,063,060)	(587,989,177)
Other income	21,034,083	86,450,081	-	-	(4,501,454)	(18,500,976)	16,532,629	67,949,105
Net fees and commissions	8,653,624	35,566,395	-	-	5,286,139	21,726,031	13,939,763	57,292,426
<i>Statement of cash flows</i>								
Income before income tax	17,937,015	73,721,132	15,848	65,135	-	-	17,952,863	73,786,267
Net interest income	(105,340,786)	(432,950,630)	-	-	(90,996)	(373,994)	(105,431,782)	(433,324,624)
Depreciation of right-of-use assets	7,904,313	32,486,726	-	-	225,654	927,438	8,129,967	33,414,164
Loss on written-off of lease	-	-	-	-	22,641	93,055	22,641	93,055
Balances with the NBC	6,195,347	25,462,876	-	-	(28,595,506)	(117,527,529)	(22,400,159)	(92,064,653)
Time deposits with other banks	4,797,536	19,717,873	-	-	1,445,672	5,941,712	6,243,208	25,659,585
Other liabilities	(1,293,509)	(5,316,322)	-	-	5,027,776	20,664,159	3,734,267	15,347,837
Loans to customers	(105,281,109)	(432,705,358)	-	-	3,346	13,752	(105,277,763)	(432,691,606)
Interest received	244,205,177	1,003,683,275	-	-	(606,417)	(2,492,371)	243,598,760	1,001,190,904
Interest paid	(140,423,728)	(577,141,524)	-	-	4,154,318	17,074,249	(136,269,410)	(560,067,275)
Acquisitions of:			-	-				
Property and equipment	(8,126,482)	(33,399,837)	-	-	126,936	521,711	(7,999,546)	(32,878,126)
Software costs	(2,771,426)	(11,390,561)	-	-	(126,939)	(521,719)	(2,898,365)	(11,912,280)
Right-of-use assets	-	-	-	-	(16,511)	(67,860)	(16,511)	(67,860)
Proceed from Capital contribution	10,000,000	41,100,000	-	-	-	(1,100,000)	10,000,000	40,000,000

### 34. RESTATEMENT OF CORRESPONDING FIGURES (continued)

	As previously presented		Restatement		Reclassification		As restated	
	US\$	KHR'000 (Note 2.4)	US\$	KHR'000 (Note 2.4)	US\$	KHR'000 (Note 2.4)	US\$	KHR'000 (Note 2.4)
<i>Statement of cash flows (continued)</i>								
Repayments of								
Borrowings	(132,510,252)	(544,617,136)	-	-	309	1,270	(132,509,943)	(544,615,866)
Lease liabilities	(10,564,274)	(43,419,167)	-	-	4,115,834	16,916,079	(6,448,440)	(26,503,088)
Currency translation difference	(222,391)	(13,368,112)	-	-	222,391	2,366,304	-	(11,001,808)
Cash and cash equivalents at end of year	389,835,011	1,592,476,020	-	-	(14,091,492)	(57,563,745)	375,743,519	1,534,912,275

### 36. SUBSEQUENT EVENTS

There were no significant events occurred after the end of the reporting period and the date of authorization of the financial statements which would require adjustments or disclosures to be made in the financial statements.

### 37. AUTHORIZATION OF FINANCIAL STATEMENTS

The financial statements as at 31 December 2024 and for the year then ended were approved for issue by the Board of Directors on 25 March 2025.

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