

# ANNUAL REPORT 2025





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# ABOUT SATHAPANA BANK



**Assets**  
US\$ 2,780 million



**Net Profit**  
US\$ 6 million



**SATHAPANA BANK**

**SATHAPANA BANK**

Sathapana Bank Plc. was established in 2016 following the merger of two financial institutions: Maruhan Japan Bank Plc., the first Japanese-owned commercial bank in Cambodia (established in 2008), and Sathapana Limited, a microfinance institution (established in 1995).

Since its merger, Sathapana Bank has become a leading commercial bank in Cambodia, with total assets of over US\$ 2,780 million and 3,464 employees. The bank has an extensive nationwide network including 175 branches, 4 Sathapana Premier Banking halls, and over 280 ATMs. The bank provides a full range of banking services, such as loans, deposits, mobile banking, internet banking, POS, eCommerce, ICCP, debit & credit cards, domestic and foreign remittances, payroll services, cross-border fund transfers with SWIFT, Visa B2B Connect, Visa Direct, Bakong, trade finance, and other financial services.

Sathapana Bank has achieved Gold-level Client Protection Certification, PCI-DSS, and PCI-PIN security certifications, demonstrating its commitment to responsible and inclusive financial services. Additionally, it has been named the “Most Innovative Mobile Banking App” for three consecutive years.



Customer Deposits  
**US\$ 1,974 million**



Loans to Customers  
**US\$ 2,060 million**



Employees  
**3,464**



Digital Users  
**463,000**

# 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

## R

### Respect

We treat our colleagues and customers with mutual understanding, respect and fairness.

## I

### Integrity

We commit to honesty, transparency, and ethical conduct, when we perform our duties.

## G

### Growth Mindset

We are open to feedback that helps us innovate and grow as one team.

## H

### High Quality

We deliver exceptional quality in everything we do, balancing excellence with cost effectiveness and efficiency.

## T

### Trust

We trust each other by willingly to deliver our commitments to customers.



# MILESTONES

2016

Maruhan Japan Bank merged with Sathapana Bank Limited.



2017

Unveiled the new Sathapana Bank logo.



2018

Launched the Sathapana Mobile App. Rolled out Deposit ATM.



2019

Launched Sathapana Visa Debit and Credit cards.



2020

Launched the new Sathapana Tower, the Sathapana Bank's headquarters.



# 2025

Launched the Sathapana Anakot Lab  
Launched of Cross Border payment between Cambodia-Japan

# 2024

Launched the first Sathapana CSS Co-badged Mastercard. Launched eCommerce and ICCP

# 2023

Launched Sathapana eBusiness platform.

# 2022

Launched the new flagship branch at Phsar Thum Thmei.

# 2021

Launched Sathapana Premier Banking.



# PRODUCTS AND SERVICES

## PERSONAL BANKING

Banking with better benefits



## BUSINESS BANKING

More than a bank, a business partner



## BILL PAYMENTS

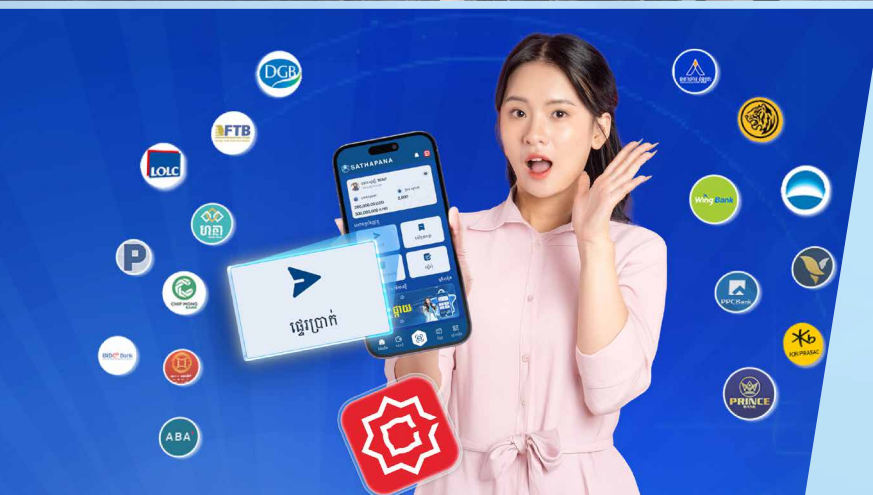
One tap, all your bills





## SATHAPANA CARDS

Confidence in every transaction



## FUND TRANSFERS

Securely sent. Instantly received



## LIFE & GENERAL INSURANCE

Protecting loved ones and enhancing financial resilience



## DIGITAL PAYMENTS

Banking made even more convenient



# PRIORITY AND PRIVILEGE A LIFE DEFINED BY LUXURY



# MESSAGE FROM THE CHAIRMAN

By strengthening our balance sheet and prioritizing liquidity, we drove a substantial increase in shareholder equity - rising from US\$ 438 million to US\$ 449 million.



**Dr. HAN CHANG-WOO**  
CHAIRMAN OF THE BOARD

While global markets remain unpredictable, Cambodia's economic foundation stands firm. This has been a year of transformation, as we set Sathapana Bank on a trajectory toward long-term growth and sustained success for our stakeholders and the Cambodian people.

Notwithstanding a challenging year, we continued to achieve strong financial performance by fortifying our balance sheet and maintaining healthy liquidity. Through disciplined risk oversight and proactive capital management, we achieved a significant increase in shareholder equity—growing from US\$ 438 million to US\$ 449 million. This growth is a clear testament to our solid financial foundation and the efficacy of our long-term strategy.

Despite our growth in assets and deposits, our asset quality is not yet where we want it to be due to rising non-performing loans (NPLs), a critical challenge currently facing the entire banking sector. Addressing this remains a primary pillar of our credit framework. We are proactively driving improvements in this area, ensuring that robust risk mitigation is successfully embedded across all our operations.

Our strategy remains focused on operational efficiency and cost rationalization. By streamlining processes and expanding capacity, we are elevating the customer experience while strengthening productivity. A key priority in our transformation is the delivery of a new digital front-end, which will optimize our cost-to-income ratio and ensure sustainable, profitable growth.

In this rapidly evolving market, refining our brand identity and value proposition is fundamental to our success. To maintain our competitive edge, we are deepening our commitment to customer-centricity. We ensure that every touchpoint reflects the reliability Sathapana is known for, while investing in digital-first solutions that deliver an intuitive and personalized banking experience for every Cambodian.

Sathapana Bank remains dedicated to Cambodia's growth through sustainable, socially responsible initiatives. In partnership with the National Bank of Cambodia and the ABC, we champion financial inclusion and literacy. From healthcare contributions and humanitarian aid to donating laptops and supporting the Cambodian Red Cross, we continue to prioritize grassroots community support.

I would like to thank our customers for their trust, our employees for their dedication to our strategic evolution, and our shareholders for their continued support. Most importantly, I wish to express my gratitude to the National Bank of Cambodia and our regulators for their steadfast guidance. I am confident that our 2026 strategy sets us up for success and positions us to deliver increased value for many years to come.



**Dr. HAN CHANG-WOO**  
CHAIRMAN OF THE BOARD



**Mr. HENK G. MULDER**  
CHIEF EXECUTIVE OFFICER

In 2025, Cambodia's operating environment remained dynamic, shaped by evolving global economic conditions, changing customer expectations, and a more competitive banking landscape. Despite these challenges, the Cambodian economy continued to demonstrate resilience, supported by the recovery of tourism, continued trade activity, and the underlying strength of domestic consumption.

Against this backdrop, Sathapana Bank remained focused on preserving financial strength, supporting customers responsibly, and continuing the long-term development of the institution. Throughout the year, our priorities remained anchored on discipline, resilience, prudent risk management, and sustainable growth.

As of the end of 2025, the Bank's total assets reached US\$ 2,780 million, while customer deposits stood at US\$ 1,974 million, reflecting the continued trust and confidence of our customers and partners. Our loan portfolio grew to US\$ 2,060 million, supported by disciplined underwriting standards and a continued focus on responsible lending across retail, SME, and commercial segments.

The Bank also further strengthened its capital position, with shareholder equity increasing to US\$ 449 million. At the same time, the Bank remained focused on maintaining prudent liquidity, capital, and risk management standards amid evolving market conditions. This strong financial foundation continues to reinforce the Bank's long-term stability and supports our commitment to sound governance, operational discipline, and sustainable value creation.

During the year, we continued investing in customer experience and digital capabilities across the franchise. Enhancements to Sathapana Mobile and Sathapana eBusiness were undertaken with a focus on accessibility, security, convenience, and service reliability for both individual and business customers. We also launched Sathapana Anakot, an innovation initiative aimed at encouraging collaboration, new ideas, and future-focused thinking across the organization.

At the same time, the Bank continued strengthening its operational resilience, governance framework, risk management capabilities, cybersecurity preparedness, and technology foundations to support sustainable growth in an increasingly complex operating environment. These efforts reflect our long-term commitment to building a stronger, more agile, and future-ready institution.

While external recognitions received during the year were encouraging, the Bank remains focused on strengthening long-term customer trust, institutional capability, and operational resilience. We remain committed to maintaining high standards of customer protection, service quality, and responsible banking practices across the organization.

Beyond banking, we continued supporting community initiatives across education, humanitarian assistance, and social development, reflecting our belief that long-term institutional success must remain closely connected to the broader development of Cambodian society.

On behalf of the management team, I would like to express sincere appreciation to our customers, employees, shareholders, business partners, and the National Bank of Cambodia for their continued trust, partnership, and support throughout the year.

As we move into 2026, Sathapana Bank remains committed to strengthening institutional resilience, deepening customer trust, enhancing governance and operational discipline, and continuing to build a stronger and more sustainable franchise for the long term.

A handwritten signature in blue ink, consisting of several loops and a long horizontal stroke, positioned above the printed name and title.

**Mr. HENK G. MULDER**  
CHIEF EXECUTIVE OFFICER

# BUILDING A STRONGER AND MORE RESILIENT INSTITUTION



## **Strengthening Customer Trust**

Continuing to enhance customer experience, accessibility, and service reliability across physical and digital channels while maintaining responsible and customer-centric banking practices.



## **Enhancing Governance & Operational Discipline**

Strengthening governance frameworks, risk management capabilities, cybersecurity preparedness, and operational resilience to support sustainable long-term growth and institutional stability.



## **Accelerating Digital & Institutional Transformation**

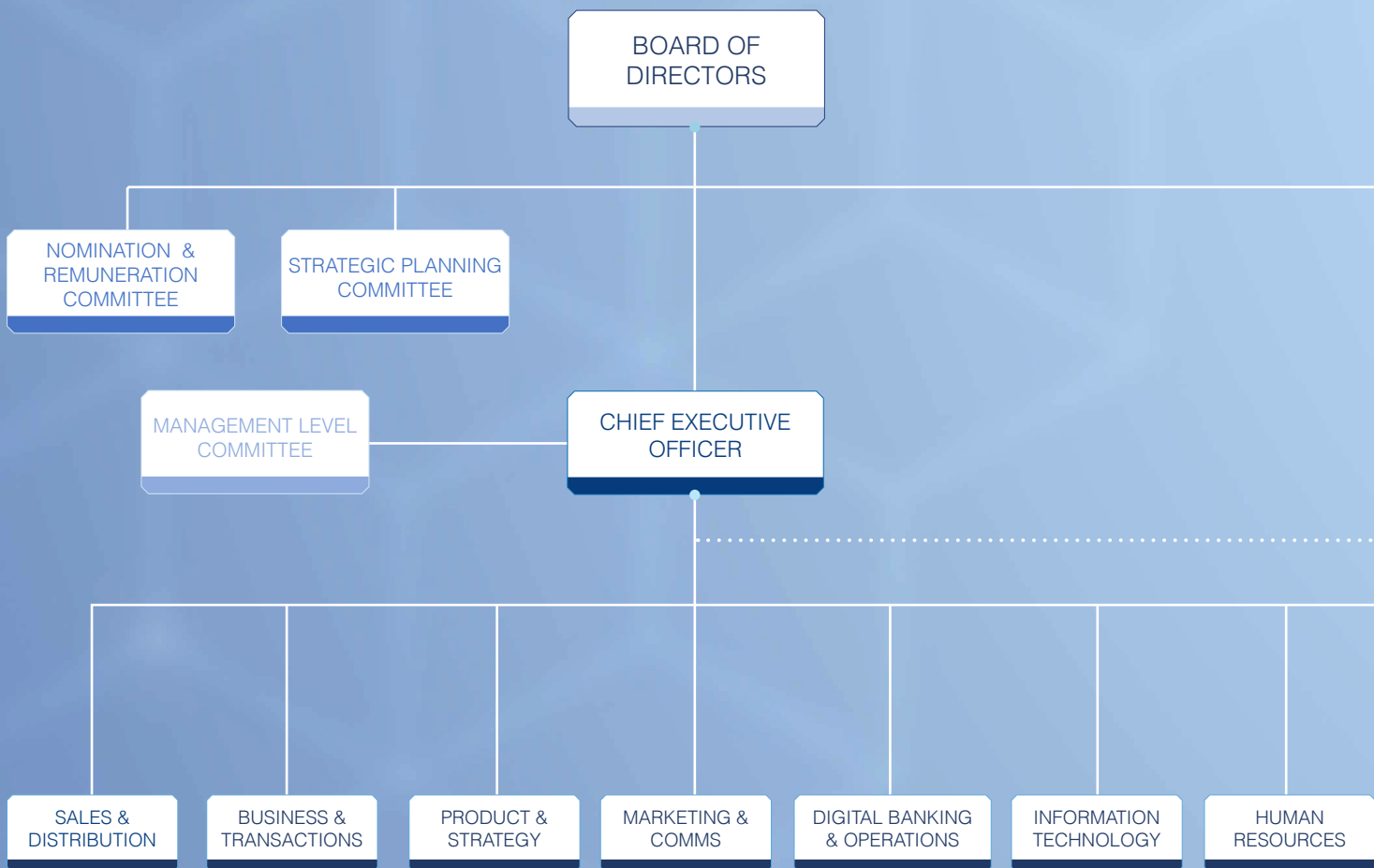
Investing in digital capabilities, operational modernization, and organizational agility to better serve the evolving needs of customers and the Cambodian financial sector.

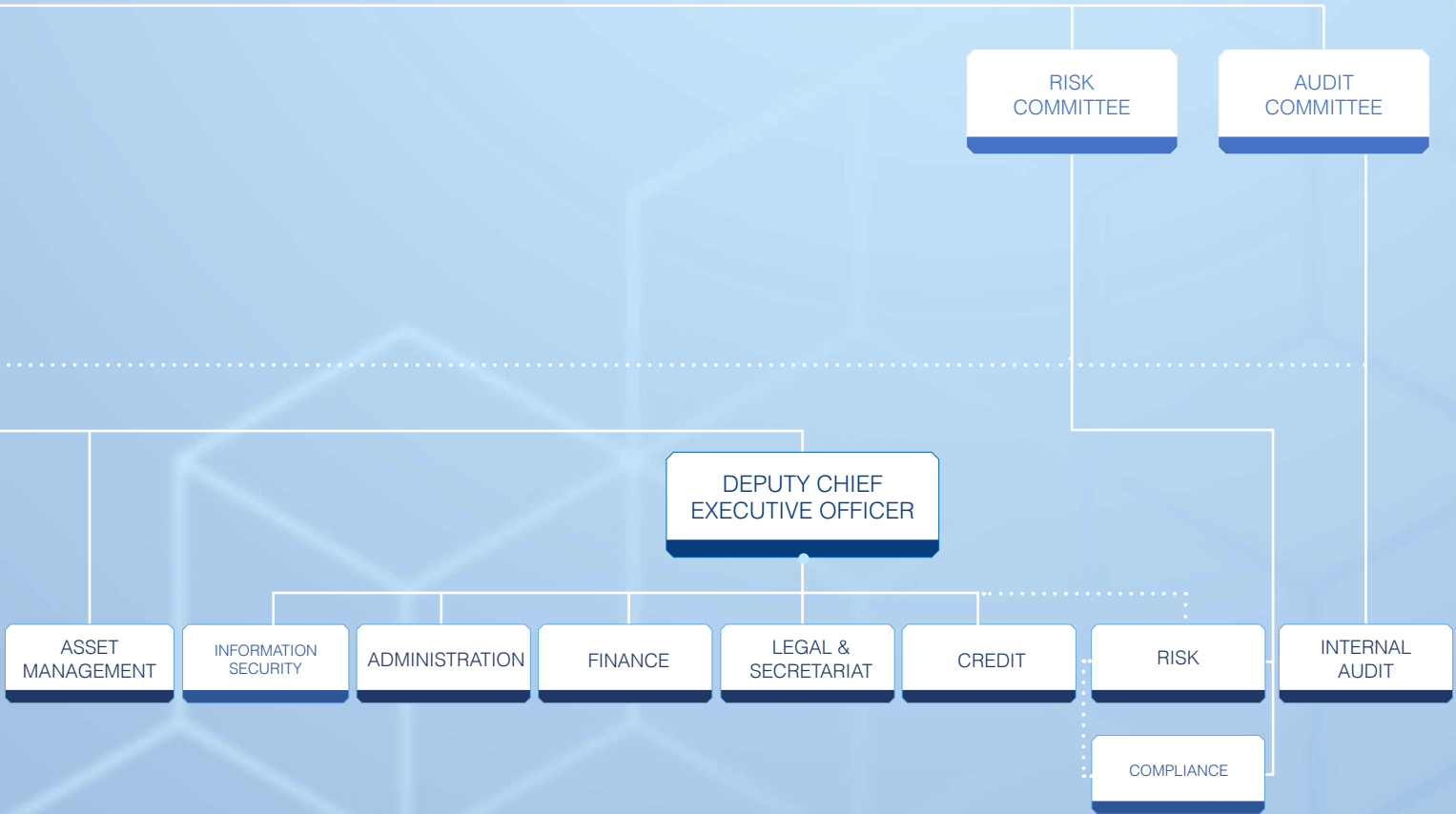


## **Maintaining Financial Strength & Stability**

Maintaining prudent liquidity, capital, and risk management standards while continuing to support customers, businesses, and communities responsibly across Cambodia.

# ORGANIZATIONAL STRUCTURE





# BOARD OF DIRECTORS

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\$ 10 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 Administrative Director of the Han Chang Woo-Tetsu Foundation (Public Interest Incorporated Foundation), Director of the Kyoto UNESCO Association, Director of the United Nations Association of Japan (Public Interest Incorporated Foundation), Director of the Tokyo Philharmonic Orchestra (Public Interest Incorporated Foundation), Chairman of the World Federation of Korean Associations of Commerce, Honorary Advisor to the Japan-Korea Friendship Association, and Chairman of the Han Chang Woo Nagako Foundation. Since June 2023, he is also the Representative Director & Chairman of the Board of Taiheiyo Club, Inc., a subsidiary of MARUHAN Corporation, operating the 18 Golf courses in Japan, where the world-class Golf championships are regularly held. He obtained his Bachelor of Political Economics degree from Hosei University in 1953.

**Dr. HAN CHANG-WOO**  
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 and MARUHAN Japan Bank Lao as Vice Chairman since July 2023, and Sathapana Limited in Myanmar as its Managing Director.

In June 2023 he was appointed as Director of Taiheiyo Club, Inc., a subsidiary of MARUHAN Corporation, operating the 18 Golf courses in Japan. He obtained his Bachelor of Law degree from Doshisha University in 1997.

**Mr. HAN KEN**  
VICE CHAIRMAN  
OF THE BOARD





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, he 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.

In 2025, he was appointed as a Senior Corporate Officer of MARUHAN Corporation.



Mr. HIROHISA MATSUYAMA  
DIRECTOR

Mr. Hirohisa Matsuyama started his career at MUFG Bank in Kyoto in 1988. For 30 years at MUFG Bank, he has accumulated various experiences such as derivatives sales, Japanese corporate RM, credit planning, corporate planning, credit supervision, etc. His career at MUFG Bank includes 13.5 years of overseas assignments in Singapore, where he held several positions including General Manager of International Credit Division (Singapore) which oversaw non-Japanese credits in Asia & Oceania region.

In 2018, he transitioned to BOT Lease Co., Ltd., MUFG affiliated company as Executive Officer and has managed credit planning/supervision for Japanese/non-Japanese corporate finance & leasing, ship/aircraft finance, property finance, etc. over 7 years.

In 2025, he joined MARUHAN Corporation as Corporate Officer, responsible for overseeing credit planning & risk management in the overseas subsidiaries with his expertise.

He obtained his Bachelor of Economics Degree from Hitotsubashi University in 1988.



H.E. SHINOHARA KATSUHIRO  
INDEPENDENT DIRECTOR

H.E. SHINOHARA Katsuhiro 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 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. Currently, he is the Chief Representative of CIESF's (the NGO, Cambodia International Education Support Foundation of Japan) Cambodian Office in Phnom Penh.

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. Then, he was a Director of Technical Banking School of the NBC for over 6 years 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 and Anti-Money Laundering (AML), 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. KIM VADA  
INDEPENDENT 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 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 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.



Mr. JOHN GERARD WILLIAMS  
INDEPENDENT DIRECTOR

# EXECUTIVE MANAGEMENT



Mr. HENK G. MULDER  
CHIEF EXECUTIVE OFFICER

Mr. Henk G. Mulder is the Chief Executive Officer of Sathapana Bank. An accomplished leader with over 40 years of experience in retail and investment banking, he possesses deep expertise in strategic change management, credit risk, and treasury. Mr. Mulder has a proven track record of rapidly scaling businesses, having managed multibillion-dollar operations across diverse markets, including the Netherlands, India, Brazil, Indonesia, Colombia, Romania, Saudi Arabia, Zambia, and Cambodia.



Mr. YOSHIHARU MORIMOTO  
DEPUTY CHIEF EXECUTIVE OFFICER

Mr. Yoshiharu Morimoto is the Deputy Executive Officer at Sathapana Bank, bringing over 30 years of commercial banking experience across Southeast Asia. At Sathapana Bank, he oversees Finance and Internal controls.

Mr. Seang Serey, previously the Chief Administrative Officer, now serves as the Chief Asset Management Officer. With over 25 years of professional experience across financial institutions and multinational FMCG companies, he leads Credit Control and Retail Loan Collection to ensure alignment with the Bank's business strategy.



**Mr. SEANG SEREY**  
CHIEF ASSET MANAGEMENT OFFICER

Mr. Hong Lundy is the Chief Internal Audit Officer at Sathapana Bank, bringing extensive experience from both the banking industry and one of Cambodia's 'Big Four' accounting firms. At Sathapana Bank, he reports directly to the Audit Committee of the Board and oversees internal audit activities that cover bank wide operations and controls from internal audit perspective.



**Mr. HONG LUNDY**  
CHIEF INTERNAL AUDIT OFFICER

Mr. Nak Pechkorsa is the Chief Technology and Information Officer, bringing over 20 years of experience in technology across multinational companies and financial institutions. At Sathapana Bank, he oversees and drives technological innovation and digital transformation to align with the Bank's overarching digital strategy.



**Mr. NAK PECHKORSA**  
CHIEF TECHNOLOGY AND  
INFORMATION OFFICER



Mrs. CHHIM SAM OL

CHIEF LEGAL AND  
SECRETARIAT OFFICER

Mrs. Chhim Sam Ol is the Chief Legal and Secretariat Officer at Sathapana Bank. She has over 15 years of experience providing high-quality legal advice to domestic and multinational clients. In her current role, she leads the Legal Department and Secretariat Office, oversees the implementation of the regulatory compliance plan, and manages correspondence with shareholders and the Board of Directors.



Mr. CHHENG YANITH

CHIEF SALES AND DISTRIBUTION OFFICER

Mr. Chheng Yanith is the Chief Sales and Distribution Officer with over 20 years of experience in the MFI and banking sector. He brings deep expertise in retail banking, digital transformation, portfolio and risk management, and business strategy across local and international markets, along with proven experience in start-up execution, business growth, and crisis management.



Mr. THAV PHAT SOPHEARIN

CHIEF COMMERCIAL BANKING OFFICER

Mr. Thav Phat Sophearin is the Chief Commercial Banking Officer at Sathapana Bank. He has over 15 years of experience in the banking industry, with a diverse background spanning Commercial, Corporate, and Financial Institutions, as well as Trade and Supply Chain. In his current role, he drives Sathapana Bank's Business and Transaction Banking Division forward with exceptional service.

Mr. Ly Salin is the Chief Human Resources Officer at Sathapana Bank, bringing over 15 years of experience in the insurance and banking industries. He leads HR strategy, organizational alignment, and talent development, while driving impactful HR transformations that align people's strategies with the bank's core business objectives.



Mr. LY SALIN

CHIEF HUMAN RESOURCES OFFICER

Mr. Suy Sokleang is the Chief Operating Officer at Sathapana Bank. He has over 20 years of professional experience in commercial banking. As COO, he leads the bank's core operational infrastructure—including branches, ATMs, cards, digital platforms, and customer care—driving operational excellence and sustainable growth.



Mr. SUY SOKLEANG

CHIEF OPERATING OFFICER

Mr. Min Sopheak is the Chief Financial Officer at Sathapana Bank. He has over 18 years of experience in the banking sector, having worked with both local and regional commercial banks across Cambodia and Laos. In his current role, he leads financial strategy, enhances operational efficiency, and supports digital transformation initiatives.



Mr. MIN SOPHEAK

CHIEF FINANCIAL OFFICER



Mrs. LIM POVVANRY  
CHIEF MARKETING OFFICER

Mrs. Lim Povvanry is the Chief Marketing Officer of Sathapana Bank, bringing over 17 years of marketing experience across banking and FMCG sectors. She leads the bank's marketing vision, brand strategy, and customer engagement to drive sustainable growth and market leadership.



Mr. ROSYIED RAHMAN  
CHIEF RISK OFFICER

Mr. Rosyied Rahman is the Chief Risk Officer at Sathapana Bank. He has over 14 years of experience across the Malaysian and Cambodian banking sectors. At Sathapana Bank, he leads the Risk Management Division, elevating risk culture and implementing end-to-end assessments. This balances business growth with operational resilience, ensuring Sathapana Bank's continued healthy and sustainable expansion.



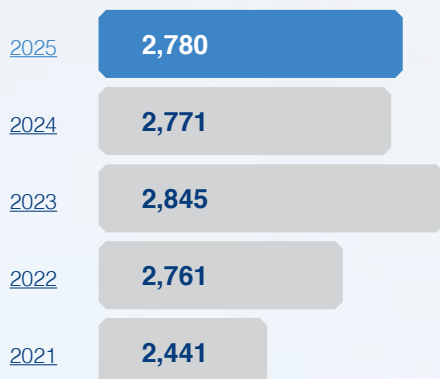
Mr. THENG VIRAKYUTH  
CHIEF PRODUCT AND STRATEGY OFFICER

Mr. Theng Virakyuth is the Chief Product and Strategy Officer at Sathapana Bank. He has over a decade of experience in banking and financial institutions across the ASEAN region. At Sathapana Bank, he leads product strategy, transformation, and business development to drive sustainable growth for the Bank.

# KEY FINANCIAL HIGHLIGHTS

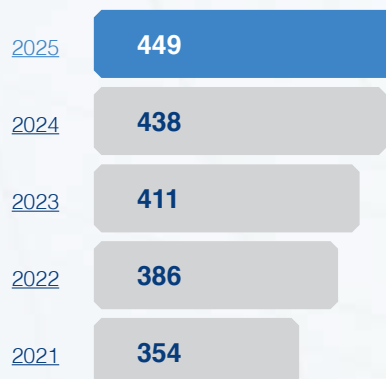
## TOTAL ASSETS

in US\$ Millions



## SHAREHOLDER'S EQUITY

in US\$ Millions



## LOAN (GROSS)

in US\$ Millions



## TOTAL DEPOSITS

in US\$ Millions



## NPAT

in US\$ Millions



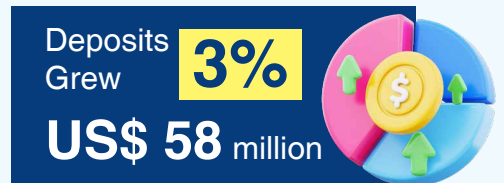
## TOTAL CUSTOMERS (DEPOSIT AND LOAN)

in Persons'000



# DEPOSIT BUSINESS HIGHLIGHTS

In 2025, Sathapana Bank reinforced its position as a trusted financial partner, with total deposits growing to US\$ 1,974 million—a US\$ 58 million (3%) increase. This steady climb reflects unwavering public confidence in the Bank's stability and digital-first solutions.



**This growth was propelled by a relentless focus on the Cambodian economy and digital development:**

## Digital Leadership

Rapid adoption of the seamless mobile banking platform, offering secure, 24/7 financial access.

## Customer-Centric Innovation

Tailored retail products designed to empower users with greater financial flexibility.

## Financial Inclusion

Expanded reach for MSMEs, ensuring accessible banking for all Cambodians.

## Ecosystem Integration

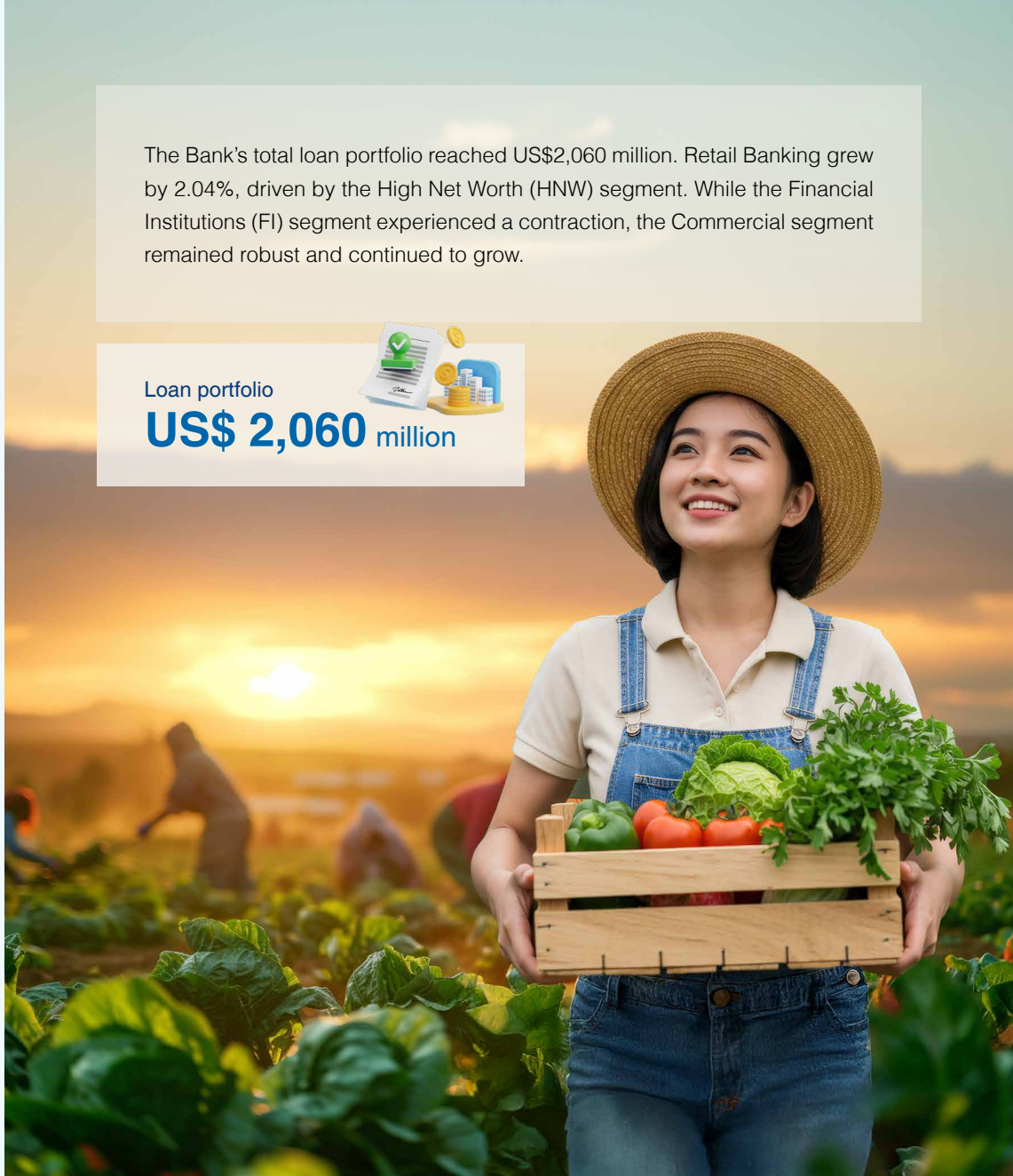
Deepened collaboration with the National Bank of Cambodia (NBC) on Bakong and various Ministry payment services to streamline tax and utility payments, making them effortless for users.



# LOAN BUSINESS HIGHLIGHTS

The Bank's total loan portfolio reached US\$2,060 million. Retail Banking grew by 2.04%, driven by the High Net Worth (HNW) segment. While the Financial Institutions (FI) segment experienced a contraction, the Commercial segment remained robust and continued to grow.

Loan portfolio  
**US\$ 2,060 million**



## Strategic Initiatives & Partnerships

To strengthen market position, the Bank successfully executed several key initiatives:

### ◆ Agricultural Support

Partnered with the ADB, the Ministry of Agriculture, Forestry and Fisheries, and Ministry of Economy and Finance on the ACSEP project, providing specialized 7% p.a. financing for the agriculture sector.

### ◆ External Refinancing Program

Designed to ease customer installment burdens and unlock investment capital, the program reached an outstanding balance of US\$197.73 million across 4,403 accounts by December 2025.

# DIGITAL BANKING

## Sathapana Mobile

Sathapana Mobile surged in 2025, reaching 463,000 users and processing 14 million transactions totaling US\$4 billion. A major revamp introduced a sleek interface, personalized premier features, and robust FacePass security, earning it the "Most Innovative Mobile Banking Application in Cambodia 2025" award.

### Key 2025 Achievements:

#### Growth

33% rise in active users, signaling a shift to high-frequency digital banking.

#### Global Reach

Launched landmark cross-border QR payments between Cambodia (KHQR) and Japan (JPQR).



#### All-in-One Hub

Seamlessly integrates instant transfers, bill payments, and loan applications into a secure, smartphone-centric ecosystem.





## Merchant App

The Merchant App streamlines small business operations through cashless solutions like KHQR and e-invoicing. By year-end 2025, the platform saw a 55% surge in merchants to 115,000 and a 45% rise in active users, processing over 4.8 million QR payments totaling KHR 1 trillion (US\$292 million).

NUMBER OF  
MERCHANTS



77K  
2024

55%  
Increase from 2024

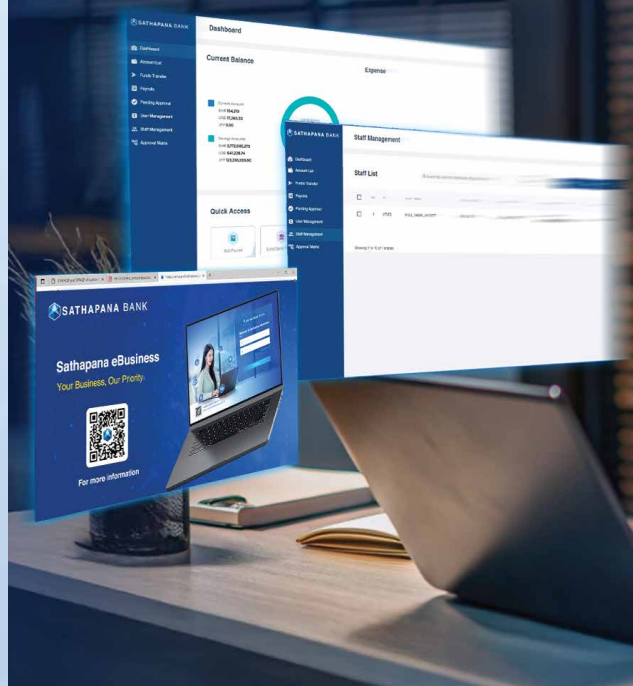


115K  
2025



## Corporate Growth

The Sathapana Corporate platform offers businesses a secure, all-in-one digital solution for fund transfers, payroll, and payments. With competitive fees and exclusive benefits, it enhances efficiency through real-time Bakong transfers, flexible approvals, and instant reporting.



# SATHAPANA CARDS

As of December 2025, Sathapana Bank's card base reached 201,267, driven by surging payment volumes and strategic partnerships with Visa and Mastercard. These collaborations enhance the customer experience by delivering greater value and global convenience.

Designed for security and ease of use, our cards enable seamless payments and cash access at over 2 million ATMs worldwide. While our debit cards provide reliable daily access to funds, our credit portfolio helps customers build financial foundations for business or home goals. For High-Net-Worth clients, premium cards offer elite privileges, including global airport lounge access and up to US\$ 1 million in travel insurance.



## VISA DIRECT TRANSFER

In collaboration with Visa, Sathapana Bank offers real-time, cost-effective fund transfers to Visa cardholders across Cambodia, the Philippines, Malaysia, Singapore, Thailand, Indonesia, Brunei, and Vietnam.



### MASTERCARD SEND (FUND RECEIVING)

Mastercard Send enables Sathapana Bank customers to receive secure, real-time domestic and international fund transfers directly into their linked bank accounts or cards.

### TRANSACTION NOTIFICATION

Sathapana Mobile provides real-time transaction, update, and billing notifications, giving customers full control to monitor credit limits, statements, and history securely.

## 2026 FOCUS

Heading into 2026, we focus on driving innovation through strategic partnerships and enhanced card security. By elevating our products and user experience, we remain dedicated to providing the seamless, confident banking our customers deserve.

# EMPLOYEE DEVELOPMENT

At Sathapana Bank, we are dedicated to fostering the professional growth of our workforce, which comprises 3,464 employees. Our commitment is to equip our people with the skills, mindset, and values necessary for sustainable growth and high performance. In 2025, our strategic focus centered on enhancing onboarding, preparing future leaders, and strengthening organizational capabilities through both in-house initiatives and strategic partnerships.



# SATHAPANA ANAKOT – INNOVATION LAB

A space for every employee, young innovator, and tech talent to collaborate, imagine, and connect to develop creative ideas and innovation.



## LUCE RESTAURANT

Staff well-being is key to our success; that is why Sathapana Bank built the internal cafeteria, LUCE Restaurant, to provide delicious and healthy food to our team.

# 2025

## KEY ACHIEVEMENTS



- **Scholarships**  
Funded 4-year degrees for five disadvantaged students.
- **Leadership Pipeline**  
Launched MT Program and Talent Council for succession.
- **Onboarding**  
Standardized monthly Induction Programs for consistent engagement.
- **Skill Development**  
Delivered workshops in time management and communication.
- **Compliance & Risk Culture**  
Conducted cross-departmental refresher training.
- **Strategic Partnerships**  
Collaborated with IBF on 2026 certification tracks.
- **Executive Growth**  
Organized a regional experiential learning trip for senior leaders.

# RISK MANAGEMENT

## CORPORATE GOVERNANCE & 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.

#### First Line of Defense

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

#### Second 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.

#### Third 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 strategy 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 Conflict of Interest policy in place. All employees, including Board members, are required to declare their conflicts of interest to the Bank. We manage conflicts by ensuring fair evaluation of employee performance. 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 faces 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) plays a critical role in enhancing the Bank's processes, efficiency, security, governance, productivity, and cost-effectiveness through innovative solutions. The IT Strategy Committee is responsible for overseeing IT projects and governance, ensuring alignment with the overall business strategy and the adequacy of technology investment.

Information Security brings together people, processes, and technology while adopting local regulations, the Technology Risk Management Guideline, and global standards such as PCI-DSS, PCI-PIN Security, and the SWIFT Customer Security Program. The Bank has also strengthened network security by using firewalls, DDoS defenses, segmented networks, and advanced end-point protection like anti-virus and EDR.

To safeguard applications and databases, monthly vulnerability checks and weekly updates are performed. Employees regularly participate in Information Security Awareness Programs that cover privacy issues, risks of information leakage, and security duties through e-learning platforms, newsletters, and simulated cyber-attacks.

### 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 2025

Strong Compliance Culture	Ensured all employees conducted their tasks ethically and complied with Bank policies and procedures. A compulsory training agenda was successfully implemented and tracked.
Fraud Detection Unit	Expanded detection methodologies, including loan application reviews, vendor surveys, staff hearing participation, fraud survey, fraud declaration and improved fraud investigation processes.
Project Risk Assessment	The purpose of risk assessment is to ensure all risks are identified with adequate controls in place to successfully launch new products and services.
Risk and Control Self-Assessment	Conducted the RCSA to ensure all risk types were identified with sufficient controls. The framework introduced in 2024 was further matured to ensure control owner accountability.
Credit Insight Analysis	Performed deep-dive analyses into credit portfolio risk management, providing proactive recommendations to improve loan collection and quality.
Risk Management Newsletters	The Newsletter was issued monthly and shared with staff to provide lessons learned and improve operational risk management.
Disaster Recovery Plan	The Disaster Recovery Plan was exercised for critical systems and met the Recovery Time Objective successfully.
Liquidity Stress Test	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.
Capital Adequacy Framework	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 operations.
Risk Appetite Policy	Established a comprehensive risk appetite policy and monitored each appetite monthly to report to the Board Risk Management Committee.
Bank Wide Risk Committee	The meeting was conducted regularly on a quarterly basis to discuss the key risks. The relevant risk owners were also invited to this meeting.

# ENVIRONMENTAL & 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 2025.



## Mission

Our mission is to achieve sustainable development in Cambodia and meet the Cambodian Sustainable Finance Principles (CSFP) developed 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 energy consumption and paper usage.
- Integrated ESG factors into our business processes.
- Provided financial inclusion and literacy to the community.
- Adhered to the Code of Conduct and 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.

# PRINCIPLES IN ACTIONS

## Protecting the Environment, People, and Cultural Heritage



We have a credit policy for managing E&S 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 reach 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.

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 GROWTH			
Descriptions	2023	2024	2025
Loan to Female Borrower %	47%	46%	45%
Loan to Urban %	30%	33%	34%
Loan to Rural %	70%	67%	66%

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	2023	2024	2025
Total Depositor	605	514	580
Female Depositor	299	254	293

## Client Protection



Client protection is one of our core values and serves as the foundation of all our operations. We are committed to ensuring that every client receives fair treatment, transparent information, and access to secure financial products. Our policies are carefully designed to safeguard clients' rights and to foster strong, trust-based relationships between the Bank and its customers. We place great importance on ethical business practices, privacy protection, and financial literacy initiatives that empower our clients to make informed decisions. Through continuous staff training and adherence to industry best practices, we strive to provide a safe, responsible, and supportive environment for all those we serve.

We are proud to announce that Sathapana Bank Plc. received Gold Certification from M-CRIL on March 15, 2025. After a rigorous review and assessment, the Bank achieved a compliance score of 96.6% across all indicators.

M-CRIL is an esteemed institution renowned for its strict standards in microfinance evaluations and ratings. This certification reaffirms our strong commitment to excellence in transparency, client protection, and responsible financial performance. With this recognition, our clients can be confident that they are banking with a trustworthy institution dedicated to their financial wellbeing.



## Employment and Training



We provide equal employment opportunities, focusing on fairness, transparency, and non-conflicts 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.

EMPLOYMENT			
Descriptions	2023	2024	2025
Female Employee	39%	39%	36%
Male Employee	61%	61%	64%
Total Employee	4,608	4,239	3,464
Trainee	1.2%	1.1%	1.7%

STAFF TRAINING			
Descriptions	2023	2024	2025
Refresher Program	3,699	3,907	3,380
Induction Program	1,195	587	902

## 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.

ENERGY, WATER AND TISSUE CONSUMPTION			
Descriptions	2023	2024	2025
Energy Kwh/FTE	1,540	1,469	2,942
Gasoline L/FTE	57	62	73
Water m3/FTE	26	27	54
Paper Kg/FTE	5	3	3

# CORPORATE SOCIAL RESPONSIBILITY

## Relief Donation for Border Conflict

Sathapana Bank donated essential aid, including food, medicine, and other vital supplies, to displaced families in Oddar Meanchey, Preah Vihear, Siem Reap, and Battambang provinces.

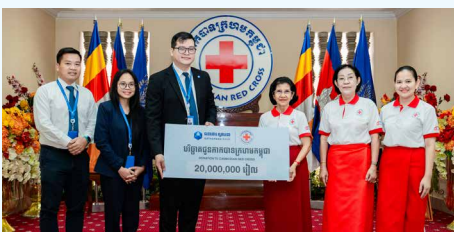


## Fully funded scholarship program

Sathapana Bank granted fully funded, four-year scholarships to five talented students from disadvantaged backgrounds, helping them pursue undergraduate studies without financial barriers as we firmly believe that youth are the pillars of the nation's development.

## Musica Felice Charity Concert

Sathapana Bank donated US\$500 to support Musica Felice Charity Concert. The concert proceeds were donated to charitable causes in Cambodia, providing opportunities to young and talented musicians.



## Cambodian Red Cross

The Bank donated 20 million KHR to the Cambodian Red Cross in support of humanitarian initiatives that improve the lives of people across Cambodian communities.

### Blood Donation

Sathapana Bank—in partnership with CBRE Cambodia Property Management, Sathapana Tower, and the National Blood Transfusion Center—organized a blood donation event to save lives, raise awareness regarding the importance of blood donation, and encourage individuals to contribute to this noble cause.



### Computer Donation to Angkor High School

Sathapana Bank donated 50 computers and study materials to Angkor High School. This initiative supports community education and promotes digital and financial literacy for students.



### Sponsorship of Youth to Business Sandbox

Sathapana Bank sponsored the Youth to Business Sandbox—an event aimed at promoting entrepreneurship and innovation, especially among youth.



# A PRESTIGIOUS AWARD

FOR **DIGITAL BANKING INNOVATION**

SATHAPANA MOBILE

Most Innovative Mobile Banking App  
Cambodia 2025





Visa Leadership Award



The Outstanding Participating Financial Institution Award from CGCC



PCI DSS (Payment Card Industry Data Security Standard) Certification



Appreciation: Cybersecurity Day Sponsorship The Association of Banks in Cambodia



# AUDITED FINANCIAL STATEMENTS

# REPORT OF THE BOARD OF DIRECTORS

## 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 2025 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 enterprises 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, Phum 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.

## EMPLOYEES

As at 31 December 2025, the Bank had 3,464 employees (2024: 4,239 employees).

## FINANCIAL RESULT

The financial performance of the Bank for the year ended 31 December 2025 is set out in the statement of comprehensive income.

## PAID-UP CAPITAL

The paid-up capital of the Bank as at 31 December 2025 is US\$ 295,000,000 (2024: US\$ 290,000,000).

## 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 prepared, 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 to customers 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 for the allowance 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, other than loans to customers and other financial assets carried at amortized cost, 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 or that reasonable allowance for expected credit losses had been provided.

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 2025 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:

Dr. Han Chang-Woo	Chairman (non-executive)
Mr. Han Ken	Vice-chairman (non-executive)
H.E. Shinohara Katsuhiro	Independent and non-executive director
H.E. Kim Vada	Independent and non-executive director
Mr. Williams John Gerard	Independent and non-executive director
Mr. Hosoi Takehito	Non-Executive Director (Resigned on 24 March 2025)
Mr. Hiramatsu Naoya	Non-Executive Director
Mr. Kawahara Yoshiki	Non-Executive Director (Resigned on 24 January 2025)
Mr. Matsuyama Hirohisa	Non-Executive Director (Appointed on 18 August 2025)

## 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 2025, and of its financial performance and its 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,

On behalf of the Board of Directors:

The image shows a blue ink signature of Mr. Yoshiharu Morimoto. To the right of the signature is a circular official seal of Sathapana Bank PLC. The seal contains the text 'ព្រះរាជាណាចក្រកម្ពុជា' at the top, 'ឧត្តម យ៉ាម៉ាតា ម៉ិរីម៉ូតូ' in the middle, and 'SATHAPANA BANK PLC.' at the bottom.

Mr. Yoshiharu Morimoto  
Deputy Chief Executive Officer

- 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) assess the Bank's ability to continue as 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 which give a true and fair view of the financial position of the Bank as at 31 December 2025, and of its financial performance and its cash flows for the year then ended in accordance with CIFRSs.

The image shows a blue ink signature of Mr. Min Sopheak.

Mr. Min Sopheak  
Chief Financial Officer

Phnom Penh, Kingdom of Cambodia  
27 March 2026

# 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 2025, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting 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 2025, and of 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 Prakas issued by the Ministry of Economy and Finance of Cambodia on Code of Ethics for Professional Accountants and Auditors as applicable to audits of financial statements of public interest entities, together with the ethical requirements that are relevant to our audit of the financial statements of public interest entities in Cambodia. We have also 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.

## 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. G.*

Emmanuel A. Guelas  
Partner

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

Phnom Penh, Kingdom of Cambodia  
27 March 2026

# STATEMENT OF FINANCIAL POSITION

as at 31 December 2025

	Notes	31 December 2025		31 December 2024	
		US\$	KHR'000 (Note 2.4)	US\$	KHR'000 (Note 2.4)
<b>Assets</b>					
Cash on hand	3	87,466,471	351,002,948	147,680,886	594,415,566
Balances with the National Bank of Cambodia	4	486,306,750	1,951,548,989	417,220,778	1,679,313,632
Balances with other banks	5	44,137,141	177,122,347	81,902,686	329,658,311
Loans to customers	6	2,043,008,254	8,198,592,123	2,009,458,354	8,088,069,875
Other investments	7	10,077,968	40,442,887	10,048,201	40,444,010
Other assets	8	21,380,543	85,800,118	22,984,871	92,514,105
Assets held-for-sale	9	16,308,119	65,444,482	-	-
Property and equipment	10	15,515,971	62,265,592	21,212,926	85,382,027
Right-of-use assets	11	28,155,416	112,987,684	32,784,645	131,958,196
Software costs	12	9,772,276	39,216,144	10,634,124	42,802,349
Goodwill	13	17,380,030	69,746,060	17,380,030	69,954,621
<b>Total assets</b>		<b>2,779,508,939</b>	<b>11,154,169,374</b>	<b>2,771,307,501</b>	<b>11,154,512,692</b>
<b>LIABILITIES AND EQUITY</b>					
<b>LIABILITIES</b>					
Deposits from customers and other financial institutions	14	1,973,612,443	7,920,106,734	1,916,042,640	7,712,071,626
Borrowings	15	184,844,431	741,780,702	183,699,443	739,390,258
Subordinated debts	16	94,783,803	380,367,401	105,550,000	424,838,750
Other liabilities	17	41,628,401	167,054,774	60,128,928	242,018,935
Employee benefits	18	1,135,176	4,555,461	30,669,208	123,443,562
Deferred tax liabilities	19(b)	1,055,218	4,234,590	670,751	2,699,773
Lease liabilities	20	33,614,667	134,895,659	36,936,124	148,667,899
<b>Total liabilities</b>		<b>2,330,674,139</b>	<b>9,352,995,321</b>	<b>2,333,697,094</b>	<b>9,393,130,803</b>
<b>Equity</b>					
Share capital	21(a)	295,000,000	1,180,000,000	290,000,000	1,160,000,000
Retained earnings		5,867,516	29,677,463	21,464,985	92,238,911
Regulatory reserve	21(b)	147,967,284	602,043,536	126,145,422	514,516,048
Currency translation reserves		-	(10,546,946)	-	(5,373,070)
<b>Total equity</b>		<b>448,834,800</b>	<b>1,801,174,053</b>	<b>437,610,407</b>	<b>1,761,381,889</b>
<b>Total liabilities and equity</b>		<b>2,779,508,939</b>	<b>11,154,169,374</b>	<b>2,771,307,501</b>	<b>11,154,512,692</b>

The accompanying notes on pages 12 to 87 form an integral part of these financial statements.

## STATEMENT OF COMPREHENSIVE INCOME

for the year then ended 31 December 2025

	Note	For the year ended 31 December 2025		For the year ended 31 December 2024	
		US\$	KHR'000 (Note 2.4)	US\$	KHR'000 (Note 2.4)
<b>Operating income</b>					
Interest income	22	224,506,666	900,496,237	236,407,687	962,415,694
Interest expense	23	(117,750,558)	(472,297,488)	(142,927,435)	(581,857,588)
<b>Net interest income</b>		<b>106,756,108</b>	<b>428,198,749</b>	<b>93,480,252</b>	<b>380,558,106</b>
Other income	24	8,159,171	32,726,435	9,622,926	39,174,932
Net fees and commissions	25	10,688,425	42,871,273	11,002,348	44,790,559
<b>Operating income</b>		<b>125,603,704</b>	<b>503,796,457</b>	<b>114,105,526</b>	<b>464,523,597</b>
General and administrative expenses	26	(79,571,594)	(319,161,664)	(87,595,592)	(356,601,655)
Provisions for expected credit losses	27	(39,201,005)	(157,235,231)	(8,021,232)	(32,654,435)
<b>Income before income tax</b>		<b>6,831,105</b>	<b>27,399,562</b>	<b>18,488,702</b>	<b>75,267,507</b>
Income tax expense	19	(606,712)	(2,433,522)	(1,974,149)	(8,036,761)
<b>Net income for the year</b>		<b>6,224,393</b>	<b>24,966,040</b>	<b>16,514,553</b>	<b>67,230,746</b>
<b>Other comprehensive income:</b>					
Currency translation difference		-	(5,173,876)	-	(25,175,421)
<b>Total comprehensive income</b>		<b>6,224,393</b>	<b>19,792,164</b>	<b>16,514,553</b>	<b>42,055,325</b>

The accompanying notes on pages 12 to 87 form an integral part of these financial statements.

## STATEMENT OF CHANGES IN EQUITY

for the year then ended 31 December 2025

	Share capital		Retained earnings		Regulatory reserve		Currency translation reserves		Total	
	US\$	KHR'000 (Note 21)	US\$	KHR'000 (Notes 2.4)	US\$	KHR'000 (Notes 2.4 and 21)	KHR'000 (Notes 2.4)	US\$	KHR'000 (Notes 2.4)	
Balance as at 1 January 2025	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	
Total comprehensive income	-	-	6,224,393	24,966,040	-	-	(5,173,876)	6,224,393	19,792,164	
Additional capital contribution	5,000,000	20,000,000	-	-	-	-	-	5,000,000	20,000,000	
Transfer to regulatory reserve	-	-	(21,821,862)	(87,527,488)	21,821,862	87,527,488	-	-	-	
<b>Balance as at 31 December 2025</b>	<b>295,000,000</b>	<b>1,180,000,000</b>	<b>5,867,516</b>	<b>29,677,463</b>	<b>147,967,284</b>	<b>602,043,536</b>	<b>(10,546,946)</b>	<b>448,834,800</b>	<b>1,801,174,053</b>	
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	-	-	-	
<b>Balance as at 31 December 2024</b>	<b>290,000,000</b>	<b>1,160,000,000</b>	<b>21,464,985</b>	<b>92,238,911</b>	<b>126,145,422</b>	<b>514,516,048</b>	<b>(5,373,070)</b>	<b>437,610,407</b>	<b>1,761,381,889</b>	

The accompanying notes on pages 12 to 87 form an integral part of these financial statements.

## STATEMENT OF CASH FLOWS

for the year then ended 31 December 2025

	Note	For the year ended 31 December 2025		For the year ended 31 December 2024	
		US\$	KHR'000 (Note 2.4)	US\$	KHR'000 (Note 2.4)
<b>Net cash (used in) provided by operating activities</b>	<b>28</b>	<b>(76,151,824)</b>	<b>(301,908,784)</b>	<b>223,620,611</b>	<b>910,359,509</b>
<b>Investing activities</b>					
Acquisitions of:					
Property and equipment	10	(1,663,114)	(6,670,750)	(2,913,681)	(11,861,595)
Software costs	12	(578,663)	(2,321,017)	(1,692,046)	(6,888,319)
Right-of-use asset		(296,579)	(1,189,578)	(27,313)	(111,191)
Other investments		-	-	(9,937,888)	(40,457,142)
Disposals of property and equipment		21,464	86,092	23,740	96,646
<b>Net cash used in investing activities</b>		<b>(2,516,892)</b>	<b>(10,095,253)</b>	<b>(14,547,188)</b>	<b>(59,221,601)</b>
<b>Financing activities</b>					
Proceeds from:					
Borrowings	15	72,043,330	288,965,797	1,017,680	4,142,975
Subordinated debts	16	19,191,265	76,976,164	3,300,000	13,434,300
Capital contribution	21(a)	5,000,000	20,000,000	10,000,000	40,000,000
Repayments of:					
Borrowings	15	(70,898,342)	(284,373,250)	(117,718,513)	(479,232,066)
Subordinated debts	16	(29,957,462)	(120,159,380)	(22,950,000)	(93,429,450)
Lease liabilities	20	(5,886,039)	(23,608,902)	(6,060,921)	(24,674,009)
<b>Net cash used in financing activities</b>		<b>(10,507,248)</b>	<b>(42,199,571)</b>	<b>(132,411,754)</b>	<b>(539,758,250)</b>
Net (decrease) increase in cash and cash equivalents		(89,175,964)	(354,203,608)	76,661,669	311,379,658
Cash and cash equivalents at beginning of year		452,405,188	1,820,930,883	375,743,519	1,534,912,275
Currency translation difference		-	(9,088,400)	-	(25,361,050)
<b>Cash and cash equivalents at end of year</b>	<b>3</b>	<b>363,229,224</b>	<b>1,457,638,875</b>	<b>452,405,188</b>	<b>1,820,930,883</b>

The accompanying notes on pages 12 to 87 form an integral part of these financial statements.

# NOTES TO THE FINANCIAL STATEMENTS

as at 31 December 2025 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, Phum 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 2025, the Bank had 3,464 employees (2024: 4,239 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 2025 is US\$ 295,000,000 (2024: US\$ 290,000,000).

### The Board of Directors

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

Dr. Han Chang-Woo	Chairman (non-executive)
Mr. Han Ken	Vice-chairman (non-executive)
H.E. Shinohara Katsuhiko	Independent and non-executive director
H.E. Kim Vada	Independent and non-executive director
Mr. Williams John Gerard	Independent and non-executive director
Mr. Hosoi Takehito	Non-Executive Director (Resigned on 24 March 2025)
Mr. Hiramatsu Naoya	Non-Executive Director
Mr. Kawahara Yoshiki	Non-Executive Director (Resigned on 24 January 2025)
Mr. Matsuyama Hirohisa	Non-Executive Director (Appointed on 18 August 2025)

## 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 32.

### 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:

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

\* 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 the following as constituting an event of default:

- 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 credit-impaired occurs when an asset is more than 90 days past due for long-term loans and more than 30 days past due for short-term loans;
- when the account undergoes debt restructuring or rescheduling;
- 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 more than 90 days for long-term loan or 30 days for short-term loan are 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:

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

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 Assets held-for-sale

The Bank classifies assets as held-for-sale if their carrying amounts will be recovered principally through a

sale transaction rather than through continuing use. Non-current assets classified as held-for-sale are measured at the lower of their carrying amount and fair value less costs to sell. Costs to sell are the incremental costs directly attributable to the disposal of an asset (disposal group), excluding finance cost and income tax expense.

The criteria for held-for-sale classification is regarded as met only when the sale is highly probable, and the asset or disposal group is available for immediate sale in its present condition. Actions required to complete the sale should indicate that it is unlikely that significant changes to the sale will be made or that the decision to sell will be withdrawn. Management must be committed to the plan to sell the asset and the sale expected to be completed within one year from the date of the classification.

Property and equipment and intangible assets are not depreciated or amortized once classified as held-for-sale.

#### 2.5.10 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:

	<b>Number of years</b>
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.

*2.5.11 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.

*2.5.12 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.

#### *2.5.13 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 seniority indemnity payment and unpaid annual leave.

*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.

*Annual leave*

The Bank provides annual leave benefits to its active employees. Employees may carry forward up to 6 days of unused annual leave and must use the carried-forward days within 6 months in the following year; otherwise, the balance will be forfeited.

<b>Year of service</b>	<b>Annual leave days</b>
1 to 3 years	18 days per year
4 to 6 years	19 days per year
7 to 9 years	20 days per year
10 years and above	21 days per year

*2.5.14 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.

*2.5.15 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.

*2.5.16 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.

#### *2.5.17 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.

#### *2.5.18 Dividend income*

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

#### *2.5.19 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.

### 2.5.20 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.

### 2.5.21 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.

### 2.5.22 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.

#### 2.5.23 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.

#### 2.5.24 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.

#### 2.5.25 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.

#### 2.5.26 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.

#### *Assets held-for-sale*

On 18 December 2025, the Bank entered into a Nominee Service Agreement with Maruhan Investment (Cambodia) Co., Ltd to fully settle the outstanding overdraft facility with the Bank. The Bank considered these assets to meet the criteria to be classified as held-for-sale at that date for the following reasons:

- Assets were available for immediate sale and could be sold to buyer in its current condition.
- The actions to complete the sale were initiated and expected to be completed within one year from the date of initial classification.

#### *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 2025:

- Amendments to CIAS 21, Lack of exchangeability

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 2026

- Amendments to CIFRS 9 and CIFRS 7, Classification and Measurement of Financial Instruments
- Amendments to CIFRS 9 and CIFRS 7, Contracts referencing nature-dependent electricity (previously Power Purchase Agreements)
- 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
- Amendments to CIAS 21, Translation to a hyperinflationary presentation currency

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

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

as at 31 December 2025 and for the year then ended

### 3. CASH ON HAND

Cash on hand is broken down as follows:

	31 December 2025		31 December 2024	
	US\$	KHR'000 (Note 2.4)	US\$	KHR'000 (Note 2.4)
United States dollar	53,498,752	214,690,492	91,092,602	366,647,723
Cambodian riel	33,787,643	135,589,811	56,268,850	226,482,121
Japanese yen	52,120	209,158	53,827	216,654
Thai baht	43,217	173,430	188,938	760,475
Euro	37,708	151,322	32,687	131,565
British pound sterling	18,123	72,728	16,855	67,841
Australian dollar	17,861	71,676	16,563	66,666
Chinese yuan	10,095	40,511	9,664	38,898
Singaporean dollar	952	3,820	900	3,623
	<b>87,466,471</b>	<b>351,002,948</b>	<b>147,680,886</b>	<b>594,415,566</b>

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

	31 December 2025		31 December 2024	
	US\$	KHR'000 (Note 2.4)	US\$	KHR'000 (Note 2.4)
Cash on hand	87,466,471	351,002,948	147,680,886	594,415,566
Balances with NBC				
Current accounts (Note 4)	194,621,555	781,016,300	204,465,023	822,971,718
Short-term deposits (Note 4)	51,897,489	208,264,623	30,018,388	120,824,012
Balances with other banks				
Current accounts (Note 5)	29,190,008	117,139,502	37,061,882	149,174,075
Savings accounts (Note 5)	53,701	215,502	83,146	334,663
Short-term deposits (Note 5)	-	-	33,095,863	133,210,849
	<b>363,229,224</b>	<b>1,457,638,875</b>	<b>452,405,188</b>	<b>1,820,930,883</b>

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

as at 31 December 2025 and for the year then ended

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

Balances with the NBC comprise:

	31 December 2025		31 December 2024	
	US\$	KHR'000 (Note 2.4)	US\$	KHR'000 (Note 2.4)
Current accounts	194,621,555	781,016,300	204,465,023	822,971,718
Short-term deposits with original term (i)				
3 months or less	51,897,489	208,264,623	30,018,388	120,824,012
More than 3 months to 12 months	70,098,615	281,305,744	16,053,832	64,616,673
Capital guarantee (ii)	29,651,114	118,989,920	29,190,988	117,493,727
Reserve requirement (iii)	140,037,977	561,972,402	137,492,547	553,407,502
	<b>486,306,750</b>	<b>1,951,548,989</b>	<b>417,220,778</b>	<b>1,679,313,632</b>

#### (i) Short-term deposits

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

Currency	2025	2024
	in US\$	in US\$
Term		
3 months	0.17% to 0.25%	1.00%
6 months	0.62% to 1.00%	1.15% to 1.16%
12 months	1.05%	-

#### (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 1.06% and 1.03% per annum for first and second semester, respectively (2024: 1.29% and 1.31% 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 7.00% of customer deposits and borrowings in KHR and other currencies.

On 9 January 2023, the NBC issued Prakas No. B7-023-005 to announce the change in the reserve requirement rates as follows:

- Effective from 1 January 2023 to 31 December 2023, reserve requirements maintained in foreign currencies shall be calculated at 9.00% of total deposits and borrowings; and
- Effective from 1 January 2024, reserve requirements maintained in foreign currencies shall be calculated at 12.50% 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 7.00% 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 7.00% until 31 December 2025.

During the year, interest income from balance with the NBC amounted to US\$ 1,022,007 or KHR'000 4,099,270 (2024: US\$ 1,081,018 or KHR'000 4,400,824) (see Note 22).

## 5. BALANCES WITH OTHER BANKS

Balances with other banks are held as follows:

	31 December 2025		31 December 2024	
	US\$	KHR'000 (Note 2.4)	US\$	KHR'000 (Note 2.4)
Current accounts	29,190,008	117,139,502	37,061,882	149,174,075
Savings accounts	53,701	215,502	83,146	334,663
Short-term deposits with original term				
less than 3 months	-	-	33,095,863	133,210,849
3 - 12 months	15,194,247	60,974,514	12,067,991	48,573,663
Gross balances with other banks	<b>44,437,956</b>	<b>178,329,518</b>	<b>82,308,882</b>	<b>331,293,250</b>
Allowance for ECL	(300,815)	(1,207,171)	(406,196)	(1,634,939)
<b>Net balances with other banks</b>	<b>44,137,141</b>	<b>177,122,347</b>	<b>81,902,686</b>	<b>329,658,311</b>

Interest rates

	2025	2024
Short-term deposits	4.00% to 5.00%	4.00% to 6.50%
Current accounts	0.25% to 0.75%	0.25%
Savings accounts	0.50% to 1.50%	0.50% to 2.00%

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

as at 31 December 2025 and for the year then ended

### 5. BALANCES WITH OTHER BANKS (continued)

During the year, interest income from balances with other banks amounted to US\$ 1,777,372 or KHR'000 7,129,039 (2024: US\$ 2,678,037 or KHR'000 10,902,289) (see Note 22).

The movements in allowance for ECL are as follows:

	31 December 2025		31 December 2024	
	US\$	KHR'000 (Note 2.4)	US\$	KHR'000 (Note 2.4)
Balance as at 1 January	406,196	1,634,939	555,801	2,270,447
Reversals of ECL (Note 27)	(105,381)	(422,683)	(149,605)	(609,042)
Currency translation difference	-	(5,085)	-	(26,466)
<b>Balance as at 31 December</b>	<b>300,815</b>	<b>1,207,171</b>	<b>406,196</b>	<b>1,634,939</b>

### 6. LOANS TO CUSTOMERS

Details of loans to customers are as follows:

	31 December 2025		31 December 2024	
	US\$	KHR'000 (Note 2.4)	US\$	KHR'000 (Note 2.4)
Retail business	822,584,897	3,301,033,192	813,200,690	3,273,132,777
Personal	389,107,198	1,561,487,186	370,430,027	1,490,980,859
Commercial business	385,416,793	1,546,677,590	335,425,231	1,350,086,555
Housing	236,118,742	947,544,512	237,115,828	954,391,208
Agriculture	180,564,269	724,604,411	188,665,220	759,377,511
Overdraft	23,143,727	92,875,776	52,626,449	211,821,457
Staff loans	18,977,123	76,155,195	25,831,769	103,972,870
Credit card	3,985,464	15,993,666	4,191,128	16,869,290
<b>Gross loans to customers</b>	<b>2,059,898,213</b>	<b>8,266,371,528</b>	<b>2,027,486,342</b>	<b>8,160,632,527</b>
Interest receivable	39,912,872	160,170,355	30,640,117	123,326,471
	<b>2,099,811,085</b>	<b>8,426,541,883</b>	<b>2,058,126,459</b>	<b>8,283,958,998</b>
Allowance for ECL	(49,144,490)	(197,216,838)	(38,960,310)	(156,815,248)
Unamortized loan processing fees	(7,658,341)	(30,732,922)	(9,707,795)	(39,073,875)
<b>Loans to customers – Net</b>	<b>2,043,008,254</b>	<b>8,198,592,123</b>	<b>2,009,458,354</b>	<b>8,088,069,875</b>

(i) Movements in allowance for ECL

	2025				
	Stage 1	Stage 2	Stage 3	Total	
	US\$	US\$	US\$	US\$	KHR'000 (Note 2.4)
<b>Balance as at 1 January</b>	<b>4,630,781</b>	<b>4,222,320</b>	<b>30,107,209</b>	<b>38,960,310</b>	<b>156,815,248</b>
Newly-originated assets	141,256	12,002,505	856,889	13,000,650	52,145,607
Payments and assets derecognized	2,231,970	(9,955,186)	34,087,110	26,363,894	105,745,579
Impact on ECL of exposures transferred between stages	-	(81,757)	224,822	143,065	573,834
Transfers to Stage 1	1,417,657	(1,405,759)	(11,898)	-	-
Transfers to Stage 2	(86,097)	844,805	(758,708)	-	-
Transfers to Stage 3	(2,989,680)	(181,204)	3,170,884	-	-
<b>Amount recognized in profit or loss during the year</b>	<b>715,106</b>	<b>1,223,404</b>	<b>37,569,099</b>	<b>39,507,609</b>	<b>158,465,020</b>
Loans written off	-	-	(29,323,429)	(29,323,429)	(117,616,274)
Currency translation difference	-	-	-	-	(447,156)
<b>Balance as at 31 December</b>	<b>5,345,887</b>	<b>5,445,724</b>	<b>38,352,879</b>	<b>49,144,490</b>	<b>197,216,838</b>

	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>2,959,258</b>	<b>8,067,358</b>	<b>32,842,215</b>
Loans written off	-	-	(9,810,328)	(9,810,328)	(39,937,845)
Currency translation difference	-	-	-	-	(2,362,021)
<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>

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

as at 31 December 2025 and for the year then ended

### 6. LOANS TO CUSTOMERS (continued)

(ii) By industry

	31 December 2025		31 December 2024	
	US\$	KHR'000 (Note 2.4)	US\$	KHR'000 (Note 2.4)
Trade – wholesale and retail	605,587,381	2,430,222,160	568,799,010	2,289,416,015
Personal lending	412,712,123	1,656,213,750	396,747,080	1,596,906,997
Services	330,254,230	1,325,310,225	321,434,518	1,293,773,935
Construction and real estate	288,862,570	1,159,205,493	294,908,011	1,187,004,744
Mortgage	242,633,110	973,686,670	245,080,264	986,448,063
Agriculture	191,685,619	769,234,389	197,950,415	796,750,420
Financial institutions	27,916,982	112,030,849	32,944,819	132,602,896
Others	159,070	638,347	262,342	1,055,928
	<b>2,099,811,085</b>	<b>8,426,541,883</b>	<b>2,058,126,459</b>	<b>8,283,958,998</b>

(iii) By maturity

Refer to Note 32 on the maturity profile of assets and liabilities.

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

	31 December 2025		31 December 2024	
	US\$	KHR'000 (Note 2.4)	US\$	KHR'000 (Note 2.4)
<b>Residency:</b>				
Residents	2,099,811,085	8,426,541,883	2,058,126,459	8,283,958,998
Non-residents	-	-	-	-
	<b>2,099,811,085</b>	<b>8,426,541,883</b>	<b>2,058,126,459</b>	<b>8,283,958,998</b>
<b>Relationship:</b>				
Related parties	4,175,260	16,755,318	27,723,633	111,587,623
Non-related parties	2,095,635,825	8,409,786,565	2,030,402,826	8,172,371,375
	<b>2,099,811,085</b>	<b>8,426,541,883</b>	<b>2,058,126,459</b>	<b>8,283,958,998</b>
<b>Exposure:</b>				
Large	-	-	-	-
Non-large	2,099,811,085	8,426,541,883	2,058,126,459	8,283,958,998
	<b>2,099,811,085</b>	<b>8,426,541,883</b>	<b>2,058,126,459</b>	<b>8,283,958,998</b>

Annual interest rates are as follows:	2025	2024
	External customers	3.75% to 19.20%
Staff loans	5.50% to 7.50%	5.50% to 7.50%

During the year, interest income on loans to customers amounted to US\$ 221,283,302 or KHR'000 887,567,324 (2024: US\$ 232,422,946 or KHR'000 946,193,813) (see Note 22).

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

	31 December 2025		31 December 2024	
	US\$	KHR'000 (Note 2.4)	US\$	KHR'000 (Note 2.4)
Stage 1	1,410,801,964	5,661,548,282	1,501,676,230	6,044,246,826
Stage 2	434,743,626	1,744,626,171	379,733,876	1,528,428,851
Stage 3	254,265,495	1,020,367,430	176,716,353	711,283,321
	<b>2,099,811,085</b>	<b>8,426,541,883</b>	<b>2,058,126,459</b>	<b>8,283,958,998</b>

## 7. OTHER INVESTMENTS

	31 December 2025		31 December 2024	
	US\$	KHR'000 (Note 2.4)	US\$	KHR'000 (Note 2.4)
Investment securities at amortized cost (*)	9,967,605	40,000,000	9,937,888	40,000,000
Unlisted equity securities at FVTPL (**)	93,750	376,219	93,750	377,344
	<b>10,061,355</b>	<b>40,376,219</b>	<b>10,031,638</b>	<b>40,377,344</b>
Interest receivable	16,613	66,668	16,563	66,666
	<b>10,077,968</b>	<b>40,442,887</b>	<b>10,048,201</b>	<b>40,444,010</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.

Movement in Investment in securities at amortized cost:

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

as at 31 December 2025 and for the year then ended

### 7. OTHER INVESTMENTS (continued)

Movement in Investment in securities at amortized cost:

	31 December 2025		31 December 2024	
	US\$	KHR'000 (Note 2.4)	US\$	KHR'000 (Note 2.4)
As at 1 January	9,937,888	40,000,000	-	-
Addition	-	-	9,937,888	40,000,000
Unrealized gains on exchange rate	29,717	-	-	-
<b>As at 31 December</b>	<b>9,967,605</b>	<b>40,000,000</b>	<b>9,937,888</b>	<b>40,000,000</b>

During the year, interest income from this investment amounted to US\$ 423,985 or KHR'000 1,700,604 (2024: US\$ 225,686 or KHR'000 918,768) (see Note 22).

(\*\*) 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.

Dividend income (Note 23)

	31 December 2025		31 December 2024	
	US\$	KHR'000 (Note 2.4)	US\$	KHR'000 (Note 2.4)
<b>Investment in CBC</b>	<b>123,392</b>	<b>494,925</b>	<b>120,478</b>	<b>490,466</b>

## 8. OTHER ASSETS

	31 December 2025		31 December 2024	
	US\$	KHR'000 (Note 2.4)	US\$	KHR'000 (Note 2.4)
Prepayments	7,347,018	29,483,583	9,319,458	37,510,818
Income tax credit (Note 19)	6,427,567	25,793,826	5,093,125	20,499,828
Advanced employee benefits	2,737,281	10,984,709	3,652,848	14,702,713
Refundable deposits	2,538,721	10,187,887	2,358,720	9,493,848
Advance payments or deposits	1,709,662	6,860,874	1,808,421	7,278,895
Accounts receivable	385,240	1,545,968	558,877	2,249,480
Others	235,054	943,271	193,422	778,523
	<b>21,380,543</b>	<b>85,800,118</b>	<b>22,984,871</b>	<b>92,514,105</b>

## 9. ASSETS HELD-FOR-SALE

On 18 December 2025, the Bank entered into a Nominee Service Agreement with Maruhan Investment (Cambodia) Co., Ltd. to fully settle the outstanding overdraft facility with the Bank. Assets held-for-sale comprise immovable assets, such as land and buildings. These properties are held by a trustee acting on behalf of the Bank and were obtained in accordance with applicable laws and regulations.

The movements during the year are as follows:

	31 December 2025	
	US\$	KHR'000 (Note 2.4)
Balance as at 1 January	-	-
Additions	16,308,119	65,411,865
Exchange differences	-	32,617
<b>Balance as at 31 December</b>	<b>16,308,119</b>	<b>65,444,482</b>

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

as at 31 December 2025 and for the year then ended

### 10. PROPERTY AND EQUIPMENT

	Office furniture and equipment	Computers	Motor vehicles	Leasehold improvements	Work in progress	Total	
	US\$	US\$	US\$	US\$	US\$	US\$	KHR'000 (Notes 2.4)
<b>Cost</b>							
As at 1 January 2025	21,233,396	31,407,352	4,230,058	5,772,062	55,876	62,698,744	252,362,445
Acquisitions	326,512	139,072	-	69,947	1,127,583	1,663,114	6,670,750
Transfers	435,874	633,960	-	113,182	(1,183,016)	-	-
Disposals	(42,725)	(45,464)	(97,465)	-	-	(185,654)	(744,658)
Write-offs	(182,346)	-	-	-	-	(182,346)	(731,390)
Currency translation difference	-	-	-	-	-	-	(749,794)
<b>As at 31 December 2025</b>	<b>21,770,711</b>	<b>32,134,920</b>	<b>4,132,593</b>	<b>5,955,191</b>	<b>443</b>	<b>63,993,858</b>	<b>256,807,353</b>
<b>Accumulated depreciation</b>							
As at 1 January 2025	13,053,647	21,009,598	4,175,505	3,247,068	-	41,485,818	166,980,418
Depreciation (Note 26)	2,800,704	3,569,879	41,040	887,900	-	7,299,523	29,278,387
Disposals	(42,725)	(45,347)	(97,465)	-	-	(185,537)	(744,189)
Write-offs	(121,917)	-	-	-	-	(121,917)	(489,009)
Currency translation difference	-	-	-	-	-	-	(483,846)
<b>As at 31 December 2025</b>	<b>15,689,709</b>	<b>24,534,130</b>	<b>4,119,080</b>	<b>4,134,968</b>	<b>-</b>	<b>48,477,887</b>	<b>194,541,761</b>
<b>Carrying amount as at 31 December 2025</b>	<b>6,081,002</b>	<b>7,600,790</b>	<b>13,513</b>	<b>1,820,223</b>	<b>443</b>	<b>15,515,971</b>	<b>62,265,592</b>

10. PROPERTY AND EQUIPMENT (continued)

	Office furniture and equipment	Computers	Motor vehicles	Leasehold improvements	Work in progress	Total
	US\$	US\$	US\$	US\$	US\$	KHR'000 (Notes 2.4)
<b>Cost</b>						
As at 1 January 2024	19,412,548	29,017,258	4,366,623	4,786,177	2,914,900	247,132,312
Acquisitions	999,303	1,479,084	-	379,418	55,876	11,861,595
Transfers	982,323	1,152,614	-	671,665	(2,806,602)	-
Reclassification to software cost (Note 11)	-	-	-	-	(105,681)	(430,227)
Disposals	(146,245)	(213,788)	(136,565)	(65,198)	-	(2,287,072)
Write-offs	(14,533)	(27,816)	-	-	(2,617)	(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>252,362,445</b>
<b>Accumulated depreciation</b>						
As at 1 January 2024	10,258,535	17,601,809	4,160,566	2,478,721	-	140,930,993
Depreciation (Note 26)	2,954,279	3,648,402	151,504	833,545	-	30,889,649
Disposals	(144,634)	(212,797)	(136,565)	(65,198)	-	(2,276,479)
Write-offs	(14,533)	(27,816)	-	-	-	(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>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>85,382,027</b>

As at 31 December 2025, the fully depreciated property and equipment with total historical cost of US\$ 27,043,515 or KHR'000 108,525,626 (2024: US\$ 20,128,638 or KHR'000 81,017,768) are still in active use.

During the year, the Bank has disposed property and equipment with total carrying amount of US\$ 117 or KHR'000 470 and recognized gain of US\$ 21,347 or KHR'000 85,623 in profit or loss, accordingly (2024: total carrying amount of US\$ 2,602 or KHR'000 10,593; gain of US\$ 21,138 or KHR'000 86,053). Moreover, the Bank has written off property and equipment with total carrying amount of US\$ 60,429 or KHR'000 242,381 and recognized a loss of the same amount in profit or loss (2024: US\$ 2,617 or KHR'000 10,654). The gain or loss on the disposal and write-off of property equipment are presented within general and administrative expenses as 'others' (see Note 26).

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

as at 31 December 2025 and for the year then ended

### 11. 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 2025</b>	62,341,327	1,194,511	63,535,838	255,731,748
Additions	4,051,659	30,441	4,082,100	16,373,303
Expirations	(4,585,573)	(960,120)	(5,545,693)	(22,243,775)
Remeasurement	(1,220,939)	-	(1,220,939)	(4,897,186)
Currency translation difference	-	-	-	(767,799)
<b>As at 31 December 2025</b>	<b>60,586,474</b>	<b>264,832</b>	<b>60,851,306</b>	<b>244,196,291</b>
<b>Accumulated depreciation</b>				
As at 1 January 2025	30,087,537	663,656	30,751,193	123,773,552
Depreciation (Note 26)	6,993,135	421,019	7,414,154	29,738,172
Expirations	(4,585,573)	(883,884)	(5,469,457)	(21,937,992)
Currency translation difference	-	-	-	(365,125)
<b>As at 31 December 2025</b>	<b>32,495,099</b>	<b>200,791</b>	<b>32,695,890</b>	<b>131,208,607</b>
<b>Net carrying amount as at 31 December 2025</b>	<b>28,091,375</b>	<b>64,041</b>	<b>28,155,416</b>	<b>112,987,684</b>

	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 26)	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>

## 12. SOFTWARE COSTS

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

	31 December 2025		31 December 2024	
	US\$	KHR'000 (Note 2.4)	US\$	KHR'000 (Note 2.4)
<b>Cost</b>				
As at 1 January	18,277,826	73,568,250	16,486,699	67,348,165
Acquisitions	578,663	2,321,017	1,692,046	6,888,319
Reclassification from (to) property and equipment (Note 9)	-	-	105,681	430,227
Write-offs	(4,292)	(17,215)	(6,600)	(26,869)
Currency translation difference	-	(218,185)	-	(1,071,592)
<b>As at 31 December</b>	<b>18,852,197</b>	<b>75,653,867</b>	<b>18,277,826</b>	<b>73,568,250</b>
<b>Accumulated amortization</b>				
As at 1 January	7,643,702	30,765,901	6,455,736	26,371,681
Amortization (Note 26)	1,436,219	5,760,674	1,187,966	4,836,210
Currency translation difference	-	(88,852)	-	(441,990)
<b>As at 31 December</b>	<b>9,079,921</b>	<b>36,437,723</b>	<b>7,643,702</b>	<b>30,765,901</b>
<b>Net carrying amount as at 31 December</b>	<b>9,772,276</b>	<b>39,216,144</b>	<b>10,634,124</b>	<b>42,802,349</b>

## 13. 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 (2024: Nil).

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

as at 31 December 2025 and for the year then ended

### 14. 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 2025		31 December 2024	
	US\$	KHR'000 (Note 2.4)	US\$	KHR'000 (Note 2.4)
<b>Current accounts:</b>				
Individuals	42,974,836	172,458,017	37,739,159	151,900,115
Corporate	173,681,315	696,983,117	58,796,663	236,656,569
Government	9,723,049	39,018,596	28,728,448	115,632,003
Other financial institutions	110,965,210	445,303,388	141,775,949	570,648,195
<b>Savings deposits:</b>				
Individuals	314,765,431	1,263,153,675	202,826,721	816,377,552
Corporate	33,170,915	133,114,882	34,566,627	139,130,674
Other financial institutions	13,414,587	53,832,738	14,105,066	56,772,891
<b>Term deposits:</b>				
Individuals	1,005,120,687	4,033,549,317	1,106,055,235	4,451,872,321
Corporate	150,887,268	605,510,606	165,309,055	665,368,946
Other financial institutions	118,909,145	477,182,398	126,139,717	507,712,360
	<b>1,973,612,443</b>	<b>7,920,106,734</b>	<b>1,916,042,640</b>	<b>7,712,071,626</b>

(b) By residency status

	31 December 2025		31 December 2024	
	US\$	KHR'000 (Note 2.4)	US\$	KHR'000 (Note 2.4)
Residents	1,903,776,836	7,639,856,443	1,844,084,125	7,422,438,603
Non-residents	69,835,607	280,250,291	71,958,515	289,633,023
	<b>1,973,612,443</b>	<b>7,920,106,734</b>	<b>1,916,042,640</b>	<b>7,712,071,626</b>

## (c) By currency

	31 December 2025		31 December 2024	
	US\$	KHR'000 (Note 2.4)	US\$	KHR'000 (Note 2.4)
United States dollar	1,692,455,924	6,791,825,623	1,632,959,603	6,572,662,403
Cambodian riel	262,592,731	1,053,784,630	263,474,843	1,060,486,243
Japanese yen	18,553,658	74,455,830	19,563,524	78,743,184
Thai baht	9,644	38,701	44,239	178,062
Euro	473	1,898	419	1,686
Australian dollar	13	52	12	48
	<b>1,973,612,443</b>	<b>7,920,106,734</b>	<b>1,916,042,640</b>	<b>7,712,071,626</b>

## (d) By relationship

	31 December 2025		31 December 2024	
	US\$	KHR'000 (Note 2.4)	US\$	KHR'000 (Note 2.4)
Related parties	48,491,548	194,596,582	48,039,793	193,360,167
Non-related parties	1,925,120,895	7,725,510,152	1,868,002,847	7,518,711,459
	<b>1,973,612,443</b>	<b>7,920,106,734</b>	<b>1,916,042,640</b>	<b>7,712,071,626</b>

## (e) By maturity

	31 December 2025		31 December 2024	
	US\$	KHR'000 (Note 2.4)	US\$	KHR'000 (Note 2.4)
Within 1 month	698,695,343	2,803,864,411	518,538,633	2,087,117,998
Between 1 to 3 months	124,278,870	498,731,105	14,648,933	58,961,955
More than 3 months	1,150,638,230	4,617,511,218	1,382,855,074	5,565,991,673
	<b>1,973,612,443</b>	<b>7,920,106,734</b>	<b>1,916,042,640</b>	<b>7,712,071,626</b>

## (f) By annual interest rates

	2025	2024
<b>Banks and financial institution</b>		
Term deposits	2.25% - 9.50%	3.25% - 9.50%
<b>Individuals</b>		
Savings deposits	0.25% - 5.50%	0.25% - 6.00%
Current plus	0.50% - 3.50%	0.75% - 3.50%
Term deposits	2.50% - 9.00%	2.75% - 9.00%
<b>Corporate</b>		
Savings deposits	0.25% - 2.00%	0.25% - 3.50%
Current plus	0.50% - 3.50%	0.50% - 2.00%
Term deposits	2.75% - 8.50%	2.00% - 8.50%

During the year, interest expense on deposits from customers and other financial institutions amounted to US\$ 87,550,962 or KHR'000 351,166,909 (2024: US\$ 108,278,041 or KHR'000 440,799,905) (see Note 23).

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

as at 31 December 2025 and for the year then ended

### 15. BORROWINGS

	31 December 2025		31 December 2024	
	US\$	KHR'000 (Note 2.4)	US\$	KHR'000 (Note 2.4)
MIZUHO Bank Ltd.	120,000,000	481,560,000	93,333,336	375,666,677
Societe De Promotion Et De Participation Pour La Cooperation Economique S.A ("PROPARCO")	23,809,526	95,547,628	44,761,906	180,166,672
Ministry of Economy and Finance (Fund from Asian Development Bank)	16,061,010	64,452,833	4,017,680	16,171,162
Aozora Bank Ltd.	10,000,000	40,130,000	20,000,000	80,500,000
BlueOrchard Microfinance Ltd.	10,000,000	40,130,000	15,000,000	60,375,000
SME Bank of Cambodia	4,973,895	19,960,241	6,586,521	26,510,747
	<b>184,844,431</b>	<b>741,780,702</b>	<b>183,699,443</b>	<b>739,390,258</b>

Movements in the borrowings are as follows:

	31 December 2025		31 December 2024	
	US\$	KHR'000 (Note 2.4)	US\$	KHR'000 (Note 2.4)
As at 1 January	183,699,443	739,390,258	300,400,276	1,227,135,127
Drawdowns	72,043,330	288,965,797	1,017,680	4,142,975
Repayments	(70,898,342)	(284,373,250)	(117,718,513)	(479,232,066)
Currency translation difference	-	(2,202,103)	-	(12,655,778)
	<b>184,844,431</b>	<b>741,780,702</b>	<b>183,699,443</b>	<b>739,390,258</b>

Further analyses of unsecured borrowings are set out below.

#### (a) By currency

	31 December 2025		31 December 2024	
	US\$	KHR'000 (Note 2.4)	US\$	KHR'000 (Note 2.4)
United States dollar	184,819,404	741,680,268	183,667,485	739,261,627
Cambodian riel	25,027	100,434	31,958	128,631
	<b>184,844,431</b>	<b>741,780,702</b>	<b>183,699,443</b>	<b>739,390,258</b>

(b) By maturity

	31 December 2025		31 December 2024	
	US\$	KHR'000 (Note 2.4)	US\$	KHR'000 (Note 2.4)
Within 1 month	16,061,010	64,452,833	4,151,825	16,711,096
Between 1 to 3 months	-	-	21,932,758	88,279,351
Between 3 to 12 months	27,216,318	109,219,084	48,831,514	196,546,844
More than 1 and up to 5 years	141,500,129	567,840,018	108,783,346	437,852,967
More than 5 years	66,974	268,767	-	-
	<b>184,844,431</b>	<b>741,780,702</b>	<b>183,699,443</b>	<b>739,390,258</b>

(c) By interest rate range

	2025	2024
United States dollar	1.30% to 7.67%	1.40% to 7.67%
Cambodian riel	3.00%	3.00%

During the year, interest expense on borrowings amounted to US\$ 12,525,185 or KHR'000 50,238,517 (2024: US\$ 13,834,481 or KHR'000 56,320,172) (see Note 23).

The Bank's borrowings are subject to covenants including meeting specific financial ratios. During the year, certain financial ratios were not met on certain borrowings totaling US\$ 26,061,010 or KHR'000 104,582,833 (2024: US\$ 63,779,586 or KHR'000 256,712,834). As at 31 December 2025, the Bank obtained waivers from the lenders except for borrowings totaling US\$ 16,061,010 or KHR'000 64,452,833 (2024: US\$ 4,017,680 or KHR'000 16,171,162).

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

as at 31 December 2025 and for the year then ended

### 16. SUBORDINATED DEBTS

	31 December 2025		31 December 2024	
	US\$	KHR'000 (Note 2.4)	US\$	KHR'000 (Note 2.4)
<b>Related party</b>				
Maruhan Investment Asia Pte. Ltd.	800,000	3,210,400	1,200,000	4,830,000
<b>Non-related parties</b>				
Samurai Asset Finance Co., LTD.	15,000,000	60,195,000	3,300,000	13,282,500
FMO	16,000,000	64,208,000	20,000,000	80,500,000
BlueOrchard Microfinance Ltd.	13,400,000	53,774,200	20,600,000	82,915,000
Oesterreichische Entwicklungsbank AG ("OeEB")	12,000,000	48,156,000	15,000,000	60,375,000
MB Bank (Cambodia) Plc	7,483,803	30,032,501	-	-
Symbiotics SA	7,300,000	29,294,900	10,850,000	43,671,250
Norfund	6,000,000	24,078,000	9,000,000	36,225,000
Finnish Fund for Industrial Cooperation Ltd.	5,000,000	20,065,000	8,000,000	32,200,000
OP FinnFund Global Impact Fund I LP	6,000,000	24,078,000	8,000,000	32,200,000
EMF Microfinance Fund AGMVK	3,000,000	12,039,000	4,000,000	16,100,000
NMI Fund IV KS	1,600,000	6,420,800	3,200,000	12,880,000
The Investment Fund for Developing Countries	1,200,000	4,815,600	2,400,000	9,660,000
	<b>94,783,803</b>	<b>380,367,401</b>	<b>105,550,000</b>	<b>424,838,750</b>

Movements in the subordinated debts are as follows:

	31 December 2025		31 December 2024	
	US\$	KHR'000 (Note 2.4)	US\$	KHR'000 (Note 2.4)
As at 1 January	105,550,000	424,838,750	125,200,000	511,442,000
Drawdowns	19,191,265	76,976,164	3,300,000	13,434,300
Repayments	(29,957,462)	(120,159,380)	(22,950,000)	(93,429,450)
Currency translation difference	-	(1,288,133)	-	(6,608,100)
	<b>94,783,803</b>	<b>380,367,401</b>	<b>105,550,000</b>	<b>424,838,750</b>

(a) By currency

	31 December 2025		31 December 2024	
	US\$	KHR'000 (Note 2.4)	US\$	KHR'000 (Note 2.4)
United States dollar	89,800,000	360,367,400	105,550,000	424,838,750
Khmer Riels	4,983,803	20,000,001	-	-
	<b>94,783,803</b>	<b>380,367,401</b>	<b>105,550,000</b>	<b>424,838,750</b>

(b) By maturity

	31 December 2025		31 December 2024	
	US\$	KHR'000 (Note 2.4)	US\$	KHR'000 (Note 2.4)
Within 1 month	4,600,000	18,459,800	-	-
Between 3 to 12 months	5,600,000	22,472,800	29,950,000	120,548,750
More than 1 and up to 5 years	62,100,000	249,207,300	75,600,000	304,290,000
More than 5 years	22,483,803	90,227,501	-	-
	<b>94,783,803</b>	<b>380,367,401</b>	<b>105,550,000</b>	<b>424,838,750</b>

(c) By interest rate range

	2025	2024
United States dollar	10.23% - 12.31%	10.23% - 12.31%
Cambodian riel	9.00%	-

During the year, interest expense on subordinated debts amounted to US\$ 11,364,423 or KHR'000 45,582,701 (2024: US\$ 13,040,984 or KHR'000 53,089,846) (see Note 23).

The Bank's subordinated debts are subject to covenants including meeting specific financial ratios. During the year, certain financial ratios were not met on certain subordinated debts totaling US\$ 66,300,000 or KHR'000 266,061,900 (2024: US\$ 102,250,000 or KHR'000 411,556,250). As at 31 December 2025, the Bank obtained waivers from the lenders except for subordinated debts totaling US\$ 4,600,000 or KHR'000 18,459,800 (2024: Nil).

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

as at 31 December 2025 and for the year then ended

### 17. OTHER LIABILITIES

	31 December 2025		31 December 2024	
	US\$	KHR'000 (Note 2.4)	US\$	KHR'000 (Note 2.4)
Interest payable	34,832,483	139,782,754	50,198,132	202,047,481
Other taxes payable	2,539,999	10,193,016	381,040	1,533,686
Personnel and other related costs	1,513,957	6,075,509	3,148,044	12,670,877
Accounts payable	1,995,632	8,008,471	2,491,105	10,026,698
Accrued expenses*	485,208	1,947,140	3,410,805	13,728,490
Unearned income	238,837	958,453	276,294	1,112,083
Provision for ECL on credit commitments and financial guarantee contracts (Note 28)	22,285	89,430	223,508	899,620
	<b>41,628,401</b>	<b>167,054,773</b>	<b>60,128,928</b>	<b>242,018,935</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 66,215 (2024: 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.

### 18. EMPLOYEE BENEFITS

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

	31 December 2025		31 December 2024	
	US\$	KHR'000 (Note 2.4)	US\$	KHR'000 (Note 2.4)
Provident fund contributed by employees (i)	-	-	8,913,686	35,877,586
Provident fund contributed by the Bank (ii)	-	-	19,758,556	79,528,188
Seniority indemnity payment (iii)	482,253	1,935,281	162,131	652,577
Unpaid annual leave (iv)	652,923	2,620,180	1,834,835	7,385,211
	<b>1,135,176</b>	<b>4,555,461</b>	<b>30,669,208</b>	<b>123,443,562</b>

(i) Provident fund contributed by employees

	2025		2024	
	US\$	KHR'000 (Note 2.4)	US\$	KHR'000 (Note 2.4)
As at 1 January	8,913,686	35,877,586	8,058,595	32,919,361
Employees contribution during the year	1,247,678	5,004,436	1,389,366	5,656,109
Interest expense	362,178	1,452,696	470,819	1,916,704
Payments during the year	(10,523,542)	(42,209,927)	(1,005,094)	(4,091,738)
Currency translation difference	-	(124,791)	-	(522,850)
<b>As at 31 December</b>	<b>-</b>	<b>-</b>	<b>8,913,686</b>	<b>35,877,586</b>

(ii) Provident fund contributed by the Bank

	2025		2024	
	US\$	KHR'000 (Note 2.4)	US\$	KHR'000 (Note 2.4)
As at 1 January	19,758,556	79,528,188	19,470,329	79,536,294
Current service cost	2,139,489	8,581,490	3,047,090	12,404,703
Interest expense	763,063	3,060,646	1,231,339	5,012,781
Gain on settlement	(1,028,978)	(4,127,231)	-	-
Benefits paid directly by the Bank	(21,632,130)	(86,766,473)	(3,990,202)	(16,244,112)
Currency translation difference	-	(276,620)	-	(1,181,478)
<b>As at 31 December</b>	<b>-</b>	<b>-</b>	<b>19,758,556</b>	<b>79,528,188</b>

(iii) Seniority indemnity payment

	2025		2024	
	US\$	KHR'000 (Note 2.4)	US\$	KHR'000 (Note 2.4)
As at 1 January	162,131	652,577	199,492	814,925
Interest expense	8,917	35,766	10,533	42,880
Remeasurement	399,319	1,601,669	-	-
Payments during the year	(88,114)	(353,425)	(47,894)	(194,976)
Currency translation difference	-	(1,306)	-	(10,252)
<b>As at 31 December</b>	<b>482,253</b>	<b>1,935,281</b>	<b>162,131</b>	<b>652,577</b>

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

as at 31 December 2025 and for the year then ended

### 18. EMPLOYEE BENEFITS (continued)

(iv) Unpaid annual leave

	2025		2024	
	US\$	KHR'000 (Note 2.4)	US\$	KHR'000 (Note 2.4)
As at 1 January	1,834,835	7,385,211	1,765,781	7,213,215
Current service cost	(577,842)	(2,317,724)	453,411	1,845,836
Interest expense	-	-	118,078	480,696
Benefits paid directly by the Bank	(604,070)	(2,422,925)	(502,435)	(2,045,413)
Currency translation difference	-	(24,382)	-	(109,123)
<b>As at 31 December</b>	<b>652,923</b>	<b>2,620,180</b>	<b>1,834,835</b>	<b>7,385,211</b>

Amounts recognized in profit or loss are as follows:

	31 December 2025		31 December 2024	
	US\$	KHR'000 (Note 2.4)	US\$	KHR'000 (Note 2.4)
Current service cost	931,988	6,263,766	3,500,501	14,250,539
Interest expense	771,980	3,096,412	1,359,950	5,536,357
	<b>1,703,968</b>	<b>9,360,178</b>	<b>4,860,451</b>	<b>19,786,896</b>

The following is a summary of the defined benefit obligations in US\$, with different discount rates, salary growth rates and turnover rates assumptions as of 31 December 2024:

Assumptions	2024		
	Provident fund	Seniority indemnity pay	Unpaid annual leave
	US\$	US\$	US\$
Discount rate			
Baseline assumption - 6% per annum	19,758,556	162,131	1,834,835
+ 0.5%	19,314,181	157,659	1,806,284
- 0.5%	20,226,848	166,779	1,864,625
Salary growth			
Baseline assumption - 6% per annum	19,758,556	162,131	1,834,835
+ 0.5%	19,850,983	162,131	1,811,446
- 0.5%	19,669,213	162,131	1,812,223
Turnover rate			
Baseline assumption - 15% - 30% depending on seniority	19,758,556	162,131	1,834,835
+ 0.5%	19,750,746	196,390	1,845,166
<b>- 0.5%</b>	<b>19,766,532</b>	<b>168,088</b>	<b>1,824,108</b>

During the year, the Bank elected to discontinue its provident program, following approval by the Board of Directors on 19 December 2025, with the discontinuation effective from 1 January 2026. On 22 December 2025, the Bank fully settled its obligations under the plan amounting to US\$ 32,155,672 or KHR'000 128,976,400. As a result of this settlement, the Bank recognized a settlement gain of US\$ 1,028,978 or KHR'000 4,127,231 in the statement of comprehensive income. Following this transaction, the Bank no longer has any remaining liabilities or obligations related to this plan.

## 19. INCOME TAX

Major components of income tax expense are as follows:

	For the year ended 31 December 2025		For the year ended 31 December 2024	
	US\$	KHR'000 (Note 2.4)	US\$	KHR'000 (Note 2.4)
Adjustments in respect of current income tax of prior years	222,245	891,425	-	-
Deferred tax	384,467	1,542,097	1,974,149	8,036,761
	<b>606,712</b>	<b>2,433,522</b>	<b>1,974,149</b>	<b>8,036,761</b>

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

as at 31 December 2025 and for the year then ended

### 19. INCOME TAX (continued)

#### (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.

On 4 April 2025, the Bank was re-awarded with Proper Accounting Record which was qualified on the exemption from payment of minimum tax up to 2026 until another reassessment by the GDT.

	2025		2024	
	US\$	KHR'000 (Note 2.4)	US\$	KHR'000 (Note 2.4)
<b>Accounting profit before income tax</b>	<b>6,831,105</b>	<b>27,399,562</b>	<b>18,488,702</b>	<b>75,267,507</b>
Income tax using statutory rate of 20%	1,366,221	5,479,912	3,697,740	15,053,501
Non-deductible expenses	(981,754)	(3,937,815)	(1,723,591)	(7,016,740)
Adjustments in respect of current income tax of prior years	222,245	891,425	-	-
<b>Income tax expenses</b>	<b>606,712</b>	<b>2,433,522</b>	<b>1,974,149</b>	<b>8,036,761</b>

(b) Deferred tax liabilities – net

Deferred tax liabilities – net is attributable to:

	31 December 2025		31 December 2024	
	US\$	KHR'000 (Note 2.4)	US\$	KHR'000 (Note 2.4)
<b>Deferred tax assets</b>				
Unused tax losses	17,726,698	71,137,239	11,827,155	47,604,299
Lease liabilities	6,722,933	26,979,130	7,387,225	29,733,581
Employee benefits	227,035	911,091	4,351,104	17,513,194
Unamortized loan processing fees	1,579,436	6,338,277	1,996,818	8,037,192
Allowance for off-balance sheet instruments and cash at other banks	60,163	241,434	81,239	326,987
	<b>26,316,265</b>	<b>105,607,171</b>	<b>25,643,541</b>	<b>103,215,253</b>
<b>Deferred tax liabilities</b>				
Allowance for ECL	(20,825,881)	(83,574,260)	(17,999,220)	(72,446,861)
Right-of-use assets	(5,631,083)	(22,597,536)	(6,556,929)	(26,391,639)
Depreciation on property and equipment	(914,519)	(3,669,965)	(1,758,143)	(7,076,526)
	<b>(27,371,483)</b>	<b>(109,841,761)</b>	<b>(26,314,292)</b>	<b>(105,915,026)</b>
<b>Deferred tax liabilities – net</b>	<b>(1,055,218)</b>	<b>(4,234,590)</b>	<b>(670,751)</b>	<b>(2,699,773)</b>

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

	2025		2024	
	US\$	KHR'000 (Note 2.4)	US\$	KHR'000 (Note 2.4)
As at 1 January	(670,751)	(2,699,773)	1,303,398	5,324,381
Charged to profit or loss	(384,467)	(1,542,097)	(1,974,149)	(8,036,761)
Currency translation difference	-	7,280	-	12,607
<b>As at 31 December</b>	<b>(1,055,218)</b>	<b>(4,234,590)</b>	<b>(670,751)</b>	<b>(2,699,773)</b>

(c) Tax losses carried forward

In accordance with the Prakas No. 098 on Tol, 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 Bank 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	17,041,814	-	-	17,041,814
2024	2029	42,253,624	-	-	42,253,624
2025	2030	29,435,943	-	-	29,435,943
		<b>88,633,491</b>	<b>-</b>	<b>-</b>	<b>88,633,491</b>

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

as at 31 December 2025 and for the year then ended

### 19. INCOME TAX (continued)

(d) Income tax credit

Since the Bank is exempt from minimum tax and in a tax loss position as at 31 December 2025 and 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:

	2025		2024	
	US\$	KHR'000 (Note 2.4)	US\$	KHR'000 (Note 2.4)
As at 1 January	5,093,125	20,499,828	2,502,619	10,223,198
Addition	2,301,305	9,230,534	2,590,506	10,545,950
Utilized	(966,863)	(3,878,087)	-	-
Currency translation difference	-	(58,449)	-	(269,320)
<b>As at 31 December</b>	<b>6,427,567</b>	<b>25,793,826</b>	<b>5,093,125</b>	<b>20,499,828</b>

### 20. LEASE LIABILITIES

	2025		2024	
	US\$	KHR'000 (Note 2.4)	US\$	KHR'000 (Note 2.4)
As at 1 January	36,936,124	148,667,899	42,311,196	172,841,236
Additions	3,785,521	15,183,725	1,903,553	7,749,364
Interest expense (Note 23)	3,207,102	12,863,686	3,653,537	14,873,549
Payments of principal portion	(5,886,039)	(23,608,902)	(6,060,921)	(24,674,009)
Payments of interest portion	(3,207,102)	(12,863,686)	(3,653,537)	(14,873,549)
Remeasurement	(1,220,939)	(4,897,186)	(1,217,704)	(4,957,273)
Currency translation difference	-	(449,877)	-	(2,291,419)
<b>As at 31 December</b>	<b>33,614,667</b>	<b>134,895,659</b>	<b>36,936,124</b>	<b>148,667,899</b>

## 20. LEASE LIABILITIES (continued)

	31 December 2025		31 December 2024	
	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	9,830,231	39,448,717	9,779,983	39,364,432
One to five years	28,678,499	115,086,816	33,113,250	133,280,831
More than five years	3,163,126	12,693,625	4,320,323	17,389,300
<b>Total undiscounted lease liabilities</b>	<b>41,671,856</b>	<b>167,229,158</b>	<b>47,213,556</b>	<b>190,034,563</b>
<b>Present value of lease liabilities</b>				
Current	7,022,688	28,182,047	6,622,765	26,656,629
Non-current	26,591,979	106,713,612	30,313,359	122,011,270
<b>Total present value of lease liabilities</b>	<b>33,614,667</b>	<b>134,895,659</b>	<b>36,936,124</b>	<b>148,667,899</b>

Amounts recognized in profit or loss are as follows:

	For the year ended 31 December 2025		For the year ended 31 December 2024	
	US\$	KHR'000 (Note 2.4)	US\$	KHR'000 (Note 2.4)
Interest on lease liabilities (Note 23)	3,207,102	12,863,686	3,653,537	14,873,549
Expenses relating to short-term leases	420,158	1,685,254	172,218	701,099
Expenses relating to leases of low-value assets	2,004	8,038	4,574	18,621
	<b>3,629,264</b>	<b>14,556,978</b>	<b>3,830,329</b>	<b>15,593,269</b>

## 21. SHARE CAPITAL AND REGULATORY RESERVE

### (a) Share capital

	31 December 2025		31 December 2024	
	No. of shares	Amount US\$	No. of shares	Amount US\$
Maruhan Investment Asia Pte. Ltd.	2,360,000	295,000,000	2,320,000	290,000,000
KHR'000 equivalent (Note 2.4)		1,180,000,000		1,160,000,000

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

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

as at 31 December 2025 and for the year then ended

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

The movements of share capital follows:

	2025		2024	
	US\$	KHR'000	US\$	KHR'000
As at 1 January	290,000,000	1,160,000,000	280,000,000	1,120,000,000
Additional capital contribution*	5,000,000	20,000,000	10,000,000	40,000,000
<b>As at 31 December</b>	<b>295,000,000</b>	<b>1,180,000,000</b>	<b>290,000,000</b>	<b>1,160,000,000</b>

\*The additional capital contribution for 2025 and 2024 were approved by the Board of Directors on 5 December 2025 and 10 March 2024, respectively. The NBC approved the additional capital contribution in 2025 and 2024 on 21 November 2025 21 May 2024, respectively.

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

The movements in regulatory reserve are as follows:

	2025		2024	
	US\$	KHR'000 (Note 2.4)	US\$	KHR'000 (Note 2.4)
Balance as at 1 January	126,145,422	514,516,048	64,262,437	262,590,416
Transferred from retained earnings	21,821,862	87,527,488	61,882,985	251,925,632
<b>Balance as at 31 December</b>	<b>147,967,284</b>	<b>602,043,536</b>	<b>126,145,422</b>	<b>514,516,048</b>

### 22. INTEREST INCOME

Interest income arises from:

	For the year ended 31 December 2025		For the year ended 31 December 2024	
	US\$	KHR'000 (Note 2.4)	US\$	KHR'000 (Note 2.4)
				(As restated – Note 34)
Loans to customers (Note 6)	221,283,302	887,567,324	232,422,946	946,193,813
Balances with other banks (Note 5)	1,777,372	7,129,039	2,678,037	10,902,289
Balances with the NBC (Note 4)	1,022,007	4,099,270	1,081,018	4,400,824
Investment securities at amortized cost (Note 7)	423,985	1,700,604	225,686	918,768
	<b>224,506,666</b>	<b>900,496,237</b>	<b>236,407,687</b>	<b>962,415,694</b>

## 23. INTEREST EXPENSE

Interest expense arises from:

	For the year ended 31 December 2025		For the year ended 31 December 2024	
	US\$	KHR'000 (Note 2.4)	US\$	KHR'000 (Note 2.4)
Deposits from customers and other financial institutions (Note 14)	87,550,962	351,166,909	108,278,041	440,799,905
Borrowings (Note 15)	12,525,185	50,238,517	13,834,481	56,320,172
Subordinated debts (Note 16)	11,364,423	45,582,701	13,040,984	53,089,846
Borrowing fees	1,743,350	6,992,576	2,491,457	10,142,722
Lease liabilities (Note 20)	3,207,102	12,863,686	3,653,537	14,873,549
Others	1,359,536	5,453,099	1,628,935	6,631,394
	<b>117,750,558</b>	<b>472,297,488</b>	<b>142,927,435</b>	<b>581,857,588</b>

## 24. OTHER INCOME

	For the year ended 31 December 2025		For the year ended 31 December 2024	
	US\$	KHR'000 (Note 2.4)	US\$	KHR'000 (Note 2.4)
Recovery from loans written off	5,875,975	23,568,536	8,047,074	32,759,639
Foreign exchange gain - net	1,150,706	4,615,482	983,905	4,005,477
Dividend income	123,392	494,925	120,478	490,466
Other income	1,009,098	4,047,492	471,469	1,919,350
	<b>8,159,171</b>	<b>32,726,435</b>	<b>9,622,926</b>	<b>39,174,932</b>

## 25. NET FEES AND COMMISSIONS

Details of net fees and commission are as follows:

	For the year ended 31 December 2025		For the year ended 31 December 2024	
	US\$	KHR'000 (Note 2.4)	US\$	KHR'000 (Note 2.4)
Fee income from loans	3,983,079	15,976,130	4,740,327	19,297,871
Card scheme fees	3,652,081	14,648,497	3,255,215	13,251,980
Fee income from Bancassurance	1,146,147	4,597,196	421,867	1,717,421
Remittance fees	978,687	3,925,514	1,243,551	5,062,496
Deposit fees	583,375	2,339,917	769,672	3,133,335
Partnership fees	104,151	417,750	263,211	1,071,532
Other fee and commission income	240,905	966,269	308,505	1,255,924
	<b>10,688,425</b>	<b>42,871,273</b>	<b>11,002,348</b>	<b>44,790,559</b>

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

as at 31 December 2025 and for the year then ended

### 26. GENERAL AND ADMINISTRATIVE EXPENSES

	For the year ended 31 December 2025		For the year ended 31 December 2024	
	US\$	KHR'000 (Note 2.4)	US\$	KHR'000 (Note 2.4)
Personnel and other related costs	39,766,283	159,502,561	44,780,437	182,301,159
Depreciation of right-of-use assets (Note 11)	7,414,154	29,738,172	7,749,434	31,547,945
Depreciation of property and equipment (Note 10)	7,299,523	29,278,387	7,587,730	30,889,649
Repairs and maintenance	6,169,928	24,747,581	6,472,147	26,348,110
Acquirer and Maintenance Expenses – Visa & Mastercard	3,484,146	13,974,910	3,406,212	13,866,689
Professional fees*	2,604,462	10,446,497	5,131,076	20,888,610
Motor vehicle repairs and maintenance	2,106,515	8,449,232	1,989,908	8,100,915
Amortization of software costs (Note 12)	1,436,219	5,760,674	1,187,966	4,836,210
Utilities	1,387,503	5,565,275	1,613,415	6,568,212
Bank charges	1,379,066	5,531,434	1,293,786	5,267,003
Securities	1,067,751	4,282,749	1,025,248	4,173,785
License fees	1,038,652	4,166,033	1,013,381	4,125,474
Communications	744,013	2,984,236	1,007,858	4,102,990
Marketing and advertising	727,102	2,916,406	590,100	2,402,297
Transportation	591,007	2,370,529	558,137	2,272,176
Stationeries and printing	514,511	2,063,704	727,242	2,960,602
Rentals	422,162	1,693,292	176,792	719,720
Others**	1,418,597	5,689,992	1,284,723	5,230,109
	<b>79,571,594</b>	<b>319,161,664</b>	<b>87,595,592</b>	<b>356,601,655</b>

\* Professional fees include audit service fees amounted to US\$ 90,750 or KHR'000 363,998 for the year-ended 31 December 2025 (2024: US\$ 90,750 or KHR'000 369,443).

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

## 27. PROVISIONS FOR EXPECTED CREDIT LOSSES

	For the year ended 31 December 2025		For the year ended 31 December 2024	
	US\$	KHR'000 (Note 2.4)	US\$	KHR'000 (Note 2.4)
Provision for ECL on loans to customers (Note 6)	39,507,609	158,465,019	8,067,359	32,842,218
(Reversals of) provision for ECL on credit commitments and financial guarantee contracts (Note 29)	(201,223)	(807,105)	103,478	421,259
Reversals of ECL on balances with other banks (Note 5)	(105,381)	(422,683)	(149,605)	(609,042)
	<b>39,201,005</b>	<b>157,235,231</b>	<b>8,021,232</b>	<b>32,654,435</b>

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

as at 31 December 2025 and for the year then ended

### 28. NET CASH FROM OPERATING ACTIVITIES

	Note	For the year ended 31 December 2025		For the year ended 31 December 2024	
		US\$	KHR'000 (Note 2.4)	US\$	KHR'000 (Note 2.4)
<b>Income before income tax</b>		<b>6,831,105</b>	<b>27,399,562</b>	<b>18,488,702</b>	<b>75,267,507</b>
Adjustments for:					
Provision for ECL	27	39,201,005	157,235,231	8,021,232	32,654,435
Depreciation and amortisation of:					
Property and equipment	10	7,299,523	29,278,387	7,587,730	30,889,649
Right-of-use assets	11	7,414,154	29,738,172	7,749,434	31,547,945
Software costs	12	1,436,219	5,760,674	1,187,966	4,836,210
Employee benefits expense	18	931,988	6,263,766	3,500,501	14,250,539
Gains on disposals of property and equipment	10	(21,347)	(85,623)	(21,138)	(86,053)
Loss on written-off of lease		76,236	305,783	125,592	511,285
Unrealized gains on exchange rate in government bond	7	(29,717)	-	-	-
Property and equipment written off	10	60,429	242,381	2,617	10,654
Intangible assets written off		4,292	17,215	6,600	26,869
		<b>63,203,887</b>	<b>256,155,548</b>	<b>46,649,236</b>	<b>189,909,040</b>
Changes in operating assets and liabilities:					
Balances with the NBC		(57,050,339)	(228,828,910)	(4,792,252)	(19,509,258)
Placements with other banks		(3,126,256)	(12,539,413)	3,287,900	13,385,041
Loans to customers		(89,365,628)	(358,445,534)	144,995,898	590,278,301
Other investments		(50)	(201)	(16,563)	(67,428)
Other assets		3,905,633	15,665,494	(745,618)	(3,035,411)
Deposits from customers and other financial institutions		57,569,803	230,912,480	45,873,262	186,750,050
Employee benefits		2,381,836	9,553,544	3,220,135	13,109,170
Other liabilities		(18,299,304)	(73,398,508)	(6,715,256)	(27,337,807)
<b>Net cash (used in) generated from operations</b>		<b>(40,780,418)</b>	<b>(160,925,500)</b>	<b>231,756,742</b>	<b>943,481,698</b>
Income tax paid		(2,523,550)	(9,230,534)	(2,590,506)	(10,545,950)
Employee benefits paid	18	(32,847,856)	(131,752,750)	(5,545,625)	(22,576,239)
<b>Net cash (used in) provided by operating activities</b>		<b>(76,151,824)</b>	<b>(301,908,784)</b>	<b>223,620,611</b>	<b>910,359,509</b>

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

Additional information on operational cash flows:

	For the year ended 31 December 2025		For the year ended 31 December 2024	
	US\$	KHR'000 (Note 2.4)	US\$	KHR'000 (Note 2.4)
Interest received	207,785,032	833,425,763	218,476,869	889,419,334
Interest paid	(136,306,958)	(546,727,209)	(145,222,533)	(596,864,611)
<b>Dividend received</b>	<b>123,392</b>	<b>494,925</b>	<b>120,478</b>	<b>490,466</b>

## 29. COMMITMENTS AND CONTINGENCIES

### Credit commitments

	31 December 2025		31 December 2024	
	US\$	KHR'000 (Note 2.4)	US\$	KHR'000 (Note 2.4)
<b>Assets</b>				
Unused portion of overdraft	48,132,719	193,156,601	81,436,551	327,782,118
<b>Liabilities</b>				
Undrawn portion of borrowings	20,202,673	81,073,327	87,160,630	350,821,536
Bank guarantees	3,290,016	13,202,834	3,881,259	15,622,067
Letters of credit	75,837	304,334	10,366	41,723

Movements of allowance for ECLs

	2025		2024	
	US\$	KHR'000 (Note 2.4)	US\$	KHR'000 (Note 2.4)
Balance as at 1 January	223,508	899,620	120,030	490,323
(Reversals of) Provision for ECL (Note 27)	(201,223)	(807,105)	103,478	421,259
Currency translation difference	-	(3,085)	-	(11,962)
<b>Balance as at 31 December</b>	<b>22,285</b>	<b>89,430</b>	<b>223,508</b>	<b>899,620</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.

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

as at 31 December 2025 and for the year then ended

### 30. 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 2025		31 December 2024	
	US\$	KHR'000 (Note 2.4)	US\$	KHR'000 (Note 2.4)
<b>Loans to customers</b>				
Maruhan (Cambodia) Corporation	2,505,903	10,056,189	3,221,116	12,964,992
Senior management	1,669,357	6,699,129	4,904,655	19,741,236
Maruhan Investment Cambodia Co., Ltd.	-	-	19,597,862	78,881,395
	<b>4,175,260</b>	<b>16,755,318</b>	<b>27,723,633</b>	<b>111,587,623</b>
<b>Security deposit</b>				
Maruhan Investment Cambodia Co., Ltd.	1,773,409	7,116,690	1,773,409	7,137,971
Maruhan (Cambodia) Corporation	1,448,167	5,811,494	1,448,167	5,828,872
	<b>3,221,576</b>	<b>12,928,184</b>	<b>3,221,576</b>	<b>12,966,843</b>
<b>Deposits from customers</b>				
Maruhan Corporation	21,112,924	84,726,164	21,067,705	84,797,513
Han Family	18,520,106	74,321,185	19,561,661	78,735,686
Senior management	2,949,003	11,834,350	1,185,811	4,772,887
Maruhan Investment Asia Pte. Ltd.	2,795,101	11,216,740	1,685,903	6,785,760
Maruhan (Cambodia) Corporation	1,557,356	6,249,670	1,128,261	4,541,251
Maruhan Japan Bank Lao Co., Ltd.	936,910	3,759,820	73,456	295,660
Maruhan Investment Cambodia Co., Ltd.	576,574	2,313,791	3,271,506	13,167,812
Station Ecosystem Pte.Ltd	29,935	120,129	54,063	217,604
Station Ecosystem (Cambodia) Co., Ltd	13,639	54,733	11,427	45,994
	<b>48,491,548</b>	<b>194,596,582</b>	<b>48,039,793</b>	<b>193,360,167</b>
<b>Subordinated debt</b>				
Maruhan Investment Asia Pte. Ltd.	800,000	3,210,400	1,200,000	4,830,000

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

#### Transactions with related parties

Related party	Nature of transaction	For the year ended 31 December 2025		For the year ended 31 December 2024	
		US\$	KHR'000 (Note 2.4)	US\$	KHR'000 (Note 2.4)
Maruhan Corporation	Interest expense	52,696	211,364	52,727	214,652
	Deposits received	45,219	181,373	45,227	184,119
Maruhan (Cambodia) Corporation	Interest expense	3,739	14,997	12,202	49,674
	Deposits paid	429,095	1,721,100	(1,113,824)	(4,534,378)
	Loan repaid	(714,286)	(2,865,001)	(723,562)	(2,945,621)
	Payments on behalf	92,259	370,051	92,259	375,586
	Rental expenses	1,812,674	7,270,635	1,811,634	7,375,162
Maruhan Investment Asia Pte. Ltd.	Interest expense	116,935	469,026	158,293	644,411
	Deposits received	1,109,197	4,448,989	115,702	471,023
	Subordinate debt repayment	400,000	1,604,400	400,000	1,628,400
Maruhan Investment Cambodia Co., Ltd.	Deposits paid	(2,694,932)	(10,809,372)	(4,814,356)	(19,599,243)
	Loans repaid	(19,597,862)	(78,607,024)	(375,714)	(1,529,532)
	Rental expenses	2,298,541	9,219,448	2,290,987	9,326,608
	Interest expense	11,025	44,221	110,600	450,253
	Payments on behalf	10,955	43,941	10,955	44,598
Maruhan Japan Bank Lao Co., Ltd.	Deposits received	863,454	3,463,314	43,919	178,794
Station Ecosystem (Cambodia) Co., Ltd	Deposits received (paid)	2,212	8,872	(195,903)	(797,521)
Station Ecosystem Pte. Ltd	Deposits (paid) received	(24,128)	(96,777)	52,704	214,558
	Loans repaid	-	-	(750,000)	(3,053,250)
Han Family	Deposits paid	(1,041,556)	(4,177,681)	(5,217,571)	(21,240,732)
Senior management	Deposits received (paid)	1,763,192	7,072,163	(516,230)	(2,101,572)
	Loans repaid	(3,932,753)	(15,774,272)	(618,944)	(2,519,721)
	Remuneration	2,117,800	8,494,496	2,036,341	8,289,944

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

as at 31 December 2025 and for the year then ended

### 31. 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:

	31 December 2025		31 December 2024	
	US\$	KHR'000 (Note 2.4)	US\$	KHR'000 (Note 2.4)
<b>Financial assets</b>				
Cash on hand	87,466,471	351,002,948	147,680,886	594,415,566
Balances with the NBC	486,306,750	1,951,548,989	417,220,778	1,679,313,632
Balances with other banks	44,137,141	177,122,347	81,902,686	329,658,311
Loans to customers	2,043,008,254	8,198,592,123	2,009,458,354	8,088,069,875
Other investments	10,077,968	40,442,887	10,048,201	40,444,010
Refundable deposits	2,538,721	10,187,887	2,358,720	9,493,848
Accounts receivable	385,240	1,545,968	558,877	2,249,480
<b>Total financial assets</b>	<b>2,673,920,545</b>	<b>10,730,443,149</b>	<b>2,669,228,502</b>	<b>10,743,644,722</b>
<b>Financial liabilities</b>				
Deposits from customers and other financial institutions	1,973,612,443	7,920,106,734	1,916,042,640	7,712,071,626
Borrowings	184,844,431	741,780,702	183,699,443	739,390,258
Subordinated debts	94,783,803	380,367,401	105,550,000	424,838,750
Other liabilities*	41,367,279	166,006,890	59,629,126	240,007,232
Lease liabilities	33,614,667	134,895,659	36,936,124	148,667,899
<b>Total financial liabilities</b>	<b>2,328,222,623</b>	<b>9,343,157,386</b>	<b>2,301,857,333</b>	<b>9,264,975,765</b>

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

## 31. FINANCIAL RISK MANAGEMENT (continued)

### 31.1 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.

### 31.2 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.

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

as at 31 December 2025 and for the year then ended

### 31. FINANCIAL RISK MANAGEMENT (continued)

#### 31.2 Credit risk (continued)

##### 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.

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 2025		31 December 2024	
	US\$	KHR'000 (Note 2.4)	US\$	KHR'000 (Note 2.4)
Balances with the NBC	486,306,750	1,951,548,989	417,220,778	1,679,313,632
Balances with other banks	44,437,956	178,329,518	82,308,882	331,293,250
Loans to customers	2,099,811,085	8,426,541,883	2,058,126,459	8,283,958,998
Other investments	10,077,968	40,442,887	10,048,201	40,444,010
Refundable deposits	2,538,721	10,187,887	2,358,720	9,493,848
Accounts receivable	385,240	1,545,968	558,877	2,249,480
	<b>2,643,557,720</b>	<b>10,608,597,132</b>	<b>2,570,621,917</b>	<b>10,346,753,218</b>

The credit exposure amounts arising from off-balance sheet items are disclosed in Note 29.

### 31. FINANCIAL RISK MANAGEMENT (continued)

#### 31.2 Credit risk (continued)

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.

	31 December 2025						
	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\$
<b>Financial intermediaries</b>	486,306,750	44,437,956	-	9,984,218	-	-	540,728,924
Trade – wholesale and retail	-	-	605,587,381	-	-	-	605,587,381
Personal lending	-	-	412,712,123	-	-	-	412,712,123
Services	-	-	330,254,230	-	-	-	330,254,230
Construction and real estate	-	-	288,862,570	-	-	-	288,862,570
Mortgage	-	-	242,633,110	-	-	-	242,633,110
Agriculture	-	-	191,685,619	-	-	-	191,685,619
Financial institutions	-	-	27,916,982	-	-	-	27,916,982
Others	-	-	159,070	93,750	2,538,721	385,240	3,176,781
	<b>486,306,750</b>	<b>44,437,956</b>	<b>2,099,811,085</b>	<b>10,077,968</b>	<b>2,538,721</b>	<b>385,240</b>	<b>2,643,557,720</b>
Allowance for ECL	-	(300,815)	(49,144,490)	-	-	-	(49,445,305)
Unamortized loan processing fees	-	-	(7,658,341)	-	-	-	(7,658,341)
	<b>486,306,750</b>	<b>44,137,141</b>	<b>2,043,008,254</b>	<b>10,077,968</b>	<b>2,538,721</b>	<b>385,240</b>	<b>2,586,454,074</b>
<b>KHR'000 equivalent</b>	<b>1,951,548,989</b>	<b>177,122,347</b>	<b>8,198,592,123</b>	<b>40,442,887</b>	<b>10,187,887</b>	<b>1,545,968</b>	<b>10,379,440,201</b>
(Note 2.4)							

### 31. FINANCIAL RISK MANAGEMENT (continued)

#### 31.2 Credit risk (continued)

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

	31 December 2024						
	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\$
<b>Financial intermediaries</b>	417,220,778	82,308,882	-	9,954,451	-	-	509,484,111
Trade – wholesale 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>	<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>
(Note 2.4)							

## 31.2 Credit risk (continued)

### Credit quality

	31 December 2025			
	Stage 1 US\$	Stage 2 US\$	Stage 3 US\$	Total US\$
Balances with the NBC	486,306,750	-	-	486,306,750
Balances with other banks	27,340,035	17,097,921	-	44,437,956
Loans to customers	1,410,801,964	434,743,626	254,265,495	2,099,811,085
Other investments	10,077,968	-	-	10,077,968
Refundable deposits	2,538,721	-	-	2,538,721
Accounts receivable	385,240	-	-	385,240
	<b>1,937,450,678</b>	<b>451,841,547</b>	<b>254,265,495</b>	<b>2,643,557,720</b>
Allowance for ECL	(5,646,702)	(5,445,724)	(38,352,879)	(49,445,305)
Unamortized loan processing fees	(7,376,565)	(87,899)	(193,877)	(7,658,341)
	<b>1,924,427,411</b>	<b>446,307,924</b>	<b>215,718,739</b>	<b>2,586,454,074</b>
<b>KHR'000 equivalent (Note 2.4)</b>	<b>7,722,727,200</b>	<b>1,791,033,699</b>	<b>865,679,300</b>	<b>10,379,440,199</b>

	31 December 2024			
	Stage 1 US\$	Stage 2 US\$	Stage 3 US\$	Total 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 (Note 2.4)</b>	<b>8,049,717,296</b>	<b>1,511,052,894</b>	<b>588,458,965</b>	<b>10,149,229,155</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.

## 31. FINANCIAL RISK MANAGEMENT (continued)

### 31.2 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.

## 31.2 Credit risk (continued)

### Credit quality (continued)

#### *Assets held-for-sale*

Assets held-for-sale are sold as soon as practicable. The Bank do not utilize the assets held-for-sale for its business use.

The Bank have obtained assets by taking possession of collaterals held as security as at 31 December 2025 amounting to US\$ 16,308,119 (2024: nil) (see Note 9).

## **31.3 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.

### 31. FINANCIAL RISK MANAGEMENT (continued)

#### 31.3 Market risk (continued) Interest rate risk (continued)

	Up to 1 month	1 - 3 months	3 - 12 months	1 - 5 years	Over 5 years	Non-interest sensitive	Total
	US\$	US\$	US\$	US\$	US\$	US\$	US\$
<b>31 December 2025</b>							
<b>Financial assets</b>							
Cash on hand	-	-	-	-	-	87,466,471	87,466,471
Balances with the NBC	54,666,189	35,922,751	31,407,164	-	-	364,310,646	486,306,750
Balances with other banks	1,523,005	10,000,000	-	5,000,000	-	27,914,951	44,437,956
Loans to customers	146,131,253	78,517,702	238,607,681	909,756,453	726,797,996	-	2,099,811,085
Other investments	-	-	5,000,415	4,983,803	-	93,750	10,077,968
Refundable deposits	86,225	86,225	333,895	1,902,115	130,261	-	2,538,721
Accounts receivable	-	-	-	-	-	385,240	385,240
<b>Total financial assets</b>	<b>202,406,672</b>	<b>124,526,678</b>	<b>275,349,155</b>	<b>921,642,371</b>	<b>726,928,257</b>	<b>480,171,058</b>	<b>2,731,024,191</b>
<b>Financial liabilities</b>							
Deposits from customers and other financial institutions	485,629,803	129,613,812	853,625,830	167,398,586	-	337,344,412	1,973,612,443
Borrowings	16,061,010	-	27,216,318	141,500,129	66,974	-	184,844,431
Subordinated debts	4,600,000	-	5,600,000	62,100,000	22,483,803	-	94,783,803
Other liabilities*	-	-	-	-	-	41,367,279	41,367,279
Lease liabilities	-	-	-	-	-	33,614,667	33,614,667
<b>Total financial liabilities</b>	<b>506,290,813</b>	<b>129,613,812</b>	<b>886,442,148</b>	<b>370,998,715</b>	<b>22,550,777</b>	<b>412,326,358</b>	<b>2,328,222,623</b>
<b>Net liquidity (gap) surplus</b>	<b>(303,884,141)</b>	<b>(5,087,134)</b>	<b>(611,092,993)</b>	<b>550,643,656</b>	<b>704,377,480</b>	<b>67,844,700</b>	<b>402,801,568</b>
<b>KHR'000 equivalent (Note 2.4)</b>	<b>(1,219,487,058)</b>	<b>(20,414,669)</b>	<b>(2,452,316,181)</b>	<b>2,209,732,992</b>	<b>2,826,666,827</b>	<b>272,260,781</b>	<b>1,616,442,692</b>

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

31.3 Market risk (continued)  
Interest rate risk (continued)

	Up to 1 month	1 - 3 months	3 - 12 months	1 - 5 years	Over 5 years	Non-interest sensitive	Total
	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	4,151,825	21,932,758	48,831,514	108,783,346	-	-	183,699,443
Subordinated debits	-	-	29,950,000	75,600,000	-	-	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>418,519,190</b>	<b>228,748,530</b>	<b>901,661,281</b>	<b>389,322,863</b>	-	<b>363,605,469</b>	<b>2,301,857,333</b>
<b>Net liquidity (gap) surplus</b>	<b>(253,304,669)</b>	<b>(93,386,037)</b>	<b>(637,657,698)</b>	<b>539,515,376</b>	<b>668,571,845</b>	<b>192,706,653</b>	<b>416,445,470</b>
<b>KHR'000 equivalent (Note 2.4)</b>	<b>(1,019,551,293)</b>	<b>(375,878,799)</b>	<b>(2,566,572,234)</b>	<b>2,171,549,388</b>	<b>2,691,001,676</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.

## 31. FINANCIAL RISK MANAGEMENT (continued)

### 31.4 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

### 31.5 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.

### 32. 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 2025			31 December 2024		
	Within one year	Beyond one Year	Total	Within one year	Beyond one Year	Total
	US\$	US\$	US\$	US\$	US\$	US\$
<b>Financial assets</b>						
Cash on hand	87,466,471	-	87,466,471	147,680,886	-	147,680,886
Balances with the NBC	402,159,864	84,146,886	486,306,750	331,782,823	85,437,955	417,220,778
Balances with other banks	44,437,956	-	44,437,956	82,308,882	-	82,308,882
Loans to customers	463,256,635	1,636,554,450	2,099,811,085	472,559,103	1,585,567,356	2,058,126,459
Other investments	5,000,415	5,077,553	10,077,968	-	10,048,201	10,048,201
Refundable deposits	506,347	2,032,374	2,538,721	470,445	1,888,275	2,358,720
Accounts receivable	-	385,240	385,240	-	558,877	558,877
	<b>1,002,827,688</b>	<b>1,728,196,503</b>	<b>2,731,024,191</b>	<b>1,034,802,139</b>	<b>1,683,500,664</b>	<b>2,718,302,803</b>
<b>Non-financial assets</b>						
Other assets	18,456,582	-	18,456,582	20,067,274	-	20,067,274
Assets held-for-sale	-	16,308,119	16,308,119	-	-	-
Property and equipment	-	63,993,858	63,993,858	-	62,698,744	62,698,744
Right-of-use assets	-	60,851,306	60,851,306	-	63,535,838	63,535,838
Software costs	-	18,852,197	18,852,197	-	18,277,826	18,277,826
Goodwill	-	17,380,030	17,380,030	-	17,380,030	17,380,030
	<b>18,456,582</b>	<b>177,385,510</b>	<b>195,842,092</b>	<b>20,067,274</b>	<b>161,892,438</b>	<b>181,959,712</b>
Allowance for ECL	-	-	(49,445,305)	-	-	(39,366,506)
Unamortized loan processing fees	-	-	(7,658,341)	-	-	(9,707,795)
Accumulated depreciation and amortization	-	-	(90,253,698)	-	-	(79,880,713)
<b>Total assets</b>	<b>1,021,284,270</b>	<b>1,905,582,013</b>	<b>2,779,508,939</b>	<b>1,054,869,413</b>	<b>1,845,393,102</b>	<b>2,771,307,501</b>
<b>KHR'000 equivalent (Note 2.4)</b>	<b>4,098,413,776</b>	<b>7,647,100,618</b>	<b>11,154,169,374</b>	<b>4,245,849,387</b>	<b>7,427,707,236</b>	<b>11,154,512,692</b>

32. MATURITY PROFILE OF ASSETS AND LIABILITIES (continued)

	31 December 2025			31 December 2024		
	Within one year	Beyond one Year	Total	Within one year	Beyond one Year	Total
	US\$	US\$	US\$	US\$	US\$	US\$
<b>Financial liabilities</b>						
Deposits from customers and other financial institutions	1,806,213,857	167,398,586	1,973,612,443	1,711,103,124	204,939,516	1,916,042,640
Borrowings	43,277,328	141,567,103	184,844,431	74,916,097	108,783,346	183,699,443
Subordinated debts	10,200,000	84,583,803	94,783,803	29,950,000	75,600,000	105,550,000
Other liabilities	36,549,937	4,817,342	41,367,279	53,127,257	6,501,869	59,629,126
Lease liabilities	7,022,688	26,591,979	33,614,667	6,622,765	30,313,359	36,936,124
	<b>1,903,263,810</b>	<b>424,958,813</b>	<b>2,328,222,623</b>	<b>1,875,719,243</b>	<b>426,138,090</b>	<b>2,301,857,333</b>
<b>Non-financial liabilities</b>						
Other liabilities	261,122	-	261,122	499,802	-	499,802
Employee benefits	-	1,135,176	1,135,176	-	30,669,208	30,669,208
Deferred Tax Liabilities	-	1,055,218	1,055,218	-	670,751	670,751
	<b>261,122</b>	<b>2,190,394</b>	<b>2,451,516</b>	<b>499,802</b>	<b>31,339,959</b>	<b>31,839,761</b>
<b>Total liabilities</b>	<b>1,903,524,932</b>	<b>427,149,207</b>	<b>2,330,674,139</b>	<b>1,876,219,045</b>	<b>457,478,049</b>	<b>2,333,697,094</b>
<b>KHR'000 equivalent (Note 2.4)</b>	<b>7,638,845,552</b>	<b>1,714,149,769</b>	<b>9,352,995,321</b>	<b>7,551,781,656</b>	<b>1,841,349,147</b>	<b>9,393,130,803</b>

### 33. 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.

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

	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 2025</b>							
<b>Financial assets</b>							
Cash on hand	87,466,471	-	-	-	-	-	87,466,471
Balances with the NBC	292,034,474	45,695,718	64,429,672	54,359,155	287,731	29,500,000	486,306,750
Balances with other banks	29,243,708	10,174,521	5,019,727	-	-	-	44,437,956
Loans to customers	200,933,283	113,044,405	387,781,137	1,398,181,019	967,232,090	-	3,067,171,934
Other investments	-	-	5,000,415	4,983,803	-	93,750	10,077,968
Refundable deposits	86,225	86,225	333,895	1,902,115	130,260	-	2,538,720
Accounts receivable	-	-	-	-	-	385,240	385,240
Other assets	11,209	32,213	383,915	112,135	-	-	539,472
<b>Total financial assets</b>	<b>609,775,370</b>	<b>169,033,082</b>	<b>462,948,761</b>	<b>1,459,538,227</b>	<b>967,650,081</b>	<b>29,978,990</b>	<b>3,698,924,511</b>

### 33. 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>Financial liabilities</b>							
Deposits from customers and other financial institutions	822,974,215	129,613,812	853,625,830	167,398,586	-	-	1,973,612,443
Borrowings	16,061,010	-	27,216,318	141,500,129	66,974	-	184,844,431
Subordinated debts	4,600,000	-	5,600,000	62,100,000	22,483,803	-	94,783,803
Other liabilities	10,849,230	15,253,154	57,967,680	48,344,556	4,368,822	-	136,783,442
Lease liabilities	833,845	1,666,629	7,329,756	28,510,926	3,330,700	-	41,671,856
Total financial liabilities	855,318,300	146,533,595	951,739,584	447,854,197	30,250,299	-	2,431,695,975
Net liquidity surplus (gap)	(245,542,930)	22,499,487	(488,790,823)	1,011,684,030	937,399,782	29,978,990	1,267,228,536
<b>KHR'000 equivalent (Note 2.4)</b>	<b>(985,363,778)</b>	<b>90,290,441</b>	<b>(1,961,517,573)</b>	<b>4,059,888,012</b>	<b>3,761,785,325</b>	<b>120,305,687</b>	<b>5,085,388,115</b>

### 33. 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 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	80,112	80,112	310,221	1,767,251	121,025	-	2,358,721
Accounts receivable	-	-	-	-	-	558,877	558,877
Other assets	3,521	55,342	37,056	836,689	-	-	932,608
<b>Total financial assets</b>	<b>630,266,991</b>	<b>176,385,521</b>	<b>457,398,284</b>	<b>1,451,042,309</b>	<b>908,570,568</b>	<b>29,558,877</b>	<b>3,653,222,550</b>
<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	4,151,825	21,932,758	48,831,514	108,783,346	-	-	183,699,443
Subordinated debts	-	-	29,950,000	75,600,000	-	-	105,550,000
Other liabilities	18,092,265	19,801,996	70,126,324	59,339,833	2,157,777	-	169,518,195
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>704,491,310</b>	<b>250,232,872</b>	<b>979,045,608</b>	<b>481,178,821</b>	<b>7,075,223</b>	<b>-</b>	<b>2,422,023,834</b>
<b>Net liquidity surplus (gap)</b>	<b>(74,224,319)</b>	<b>(73,847,351)</b>	<b>(521,647,324)</b>	<b>969,863,488</b>	<b>901,495,345</b>	<b>29,558,877</b>	<b>1,231,198,716</b>
<b>KHR'000 equivalent (Note 2.4)</b>	<b>(298,752,884)</b>	<b>(297,235,588)</b>	<b>(2,099,630,479)</b>	<b>3,903,700,539</b>	<b>3,628,518,764</b>	<b>118,974,480</b>	<b>4,955,574,832</b>

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

as at 31 December 2025 and for the year then ended

### 34. 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, assets held-for-sale, 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.

#### **Asset held-for-sale**

The fair value of asset held-for-sale approximates their carrying amount as these properties are measured at the lower of their carrying amount and fair value less costs to sell at the reporting date. Fair value is determined based on recent independent valuation reports, observable market prices for similar properties, and other relevant market data. Given current market conditions and the limited period between the date of foreclosure and expected disposal, management considers that the carrying amount reasonably reflects the fair value less costs to sell.

## 34. FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES

### 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 Bank'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.

### 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.

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

as at 31 December 2025 and for the year then ended

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

#### Fair value hierarchy (continued)

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.

	2025		2024	
	Carrying amount US\$	Fair value - Level 3 US\$	Carrying amount US\$	Fair value - Level 3 US\$
<b>Financial asset for which fair value is disclosed</b>				
Loans and advances to customers	2,043,008,254	1,141,976,046	2,009,458,354	2,060,266,640
Assets held-for-sale	16,308,119	16,640,938	-	-
	<b>2,059,316,373</b>	<b>1,158,616,984</b>	<b>2,009,458,354</b>	<b>2,060,266,640</b>
<b>KHR'000 equivalent</b> (Note 2.4)	<b>8,264,036,605</b>	<b>4,649,529,957</b>	<b>8,088,069,875</b>	<b>8,292,573,226</b>
<b>Financial liability for which fair value is disclosed</b>				
Borrowings	184,844,431	176,303,517	183,699,443	183,703,367
Subordinated debts	94,783,803	94,785,748	105,550,000	105,550,893
<b>Total</b>	<b>279,628,234</b>	<b>271,089,265</b>	<b>289,249,443</b>	<b>289,254,260</b>
<b>KHR'000 equivalent</b> (Note 2.4)	<b>1,122,148,103</b>	<b>1,087,881,220</b>	<b>1,164,229,008</b>	<b>1,164,248,396</b>

### 35. 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.

### 36. AUTHORIZATION OF FINANCIAL STATEMENTS

The financial statements as at 31 December 2025 and for the year then ended were approved for issue by the Board of Directors on 27 March 2026.





# SATHAPANA BANK

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