

ANNUAL REPORT 2025

FTB's Green Loans

**Focus on Environmental Protection,
Promoting Sustainable, Climate Support.**



“

FTB is a New and Leading
Partner in Providing Green Loans for
Long-Term Sustainability.”

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CORPORATE PROFILE

Status:

Commercial Bank

Ownership Structure:

State 10%, Private Enterprise & Individual 90%.

Commercial Registration:

- No. Co. 8835M/2006 dated 21 Jun 2006

Bank's Licenses:

- No. 16 dated 04 Jan 2001
- No. B 11 dated 05 Oct 2015
- No. C.B.11 dated 07 Dec 2023

Registered Capital:

- USD **38.50** million on 10 Jun 2011
- USD **75.00** million on 13 Jan 2017
- USD **79.50** Million on 07 Feb 2019

1979

Foreign Trade Bank of Cambodia Establishment

Operated as a department under National Bank of Cambodia.

2000

State-owned Commercial Bank

FTB has changed legal status to state-owned commercial bank.

2005

Privatization

Joint venture between state and private enterprises. Canadia Bank Plc., ING Holding and MEF.

2011

Canadia Bank Plc. Sold Final Share

Canadia Bank Plc. sold 15.22% share to individual shareholders.

2023

Reduced Share of ING Holding

ING Holding sold 1.65% to individual shareholder.

1999

Autonomous Business Operations

FTB was authorized to conduct autonomous business operations with equal status to other commercial bank.

2002

Shareholder Transferring

National Bank of Cambodia (NBC) has transferred 80% shares to Ministry of Economic and Finance (MEF). NBC held a remaining 20% shares.

2009

Reduced Share of Canadia Bank

Canadia Bank Plc. sold 30.78% share to individual shareholders.

2015

Reduced Share of ING Holding

ING Holding sold 33% to individual shareholder.

2025

Mrs. Chhay Kimbuoy Sold Share

24.65% shares sold to Mrs. Heng Dana.





SHAREHOLDERS



Total

Number of Shares

79,500

Amount in USD

79,500,000

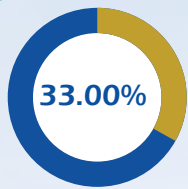
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2

3

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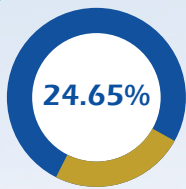
5



**Lok Oknha
MAK Kim Hong**

Number of Shares
26,235

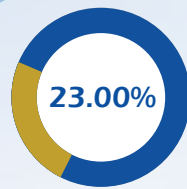
Amount in USD
26,235,000



Mrs. HENG Dana

Number of Shares
19,597

Amount in USD
19,597,000



Mrs. KIM Tiek

Number of Shares
18,285

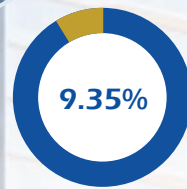
Amount in USD
18,285,000



**Ministry of Economy
& Finance**

Number of Shares
7,950

Amount in USD
7,950,000



**ING Holding
Co., Ltd**

Number of Shares
7,433

Amount in USD
7,433,000



ABOUT FOREIGN TRADE BANK OF CAMBODIA (FTB)

As the first commercial bank in Cambodia, a truly local bank trusted since 1979, FTB has played crucial roles in helping to promote, develop the local market and economy through relentlessly providing wide ranges of banking products and services to local customers.



1979

Establishment of Foreign Trade Bank of Cambodia, 46 years of sustainable growth



761

Total Employees



25

Total Branches



VISION

- To be the preferred commercial bank in Cambodia.



MISSION

- To provide innovative banking products and services.
- To deliver timely and convenient solutions which are responsive to our customers' needs in order to grow together.
- To operate in a socially and environmentally responsible manner.



CORE VALUES

- Foreign Trade Bank of Cambodia's values are the operating philosophies and principles that guide our staff's internal conduct and relationship with our customers, partners and other stakeholders. Our values are the guiding principles of our decision making.



Confidentiality

We conduct business professionally and protect our customer information.



Result Oriented

We focus on the outcome and deliver results and add value to our customers and stakeholders.



Team Work

We collaborate, respect, and work together to succeed.



Reliability

We concentrate on consistency in the quality of every task. We take ownership and responsibility of what we do.



Integrity

We display highest personal and ethical standard at all levels.

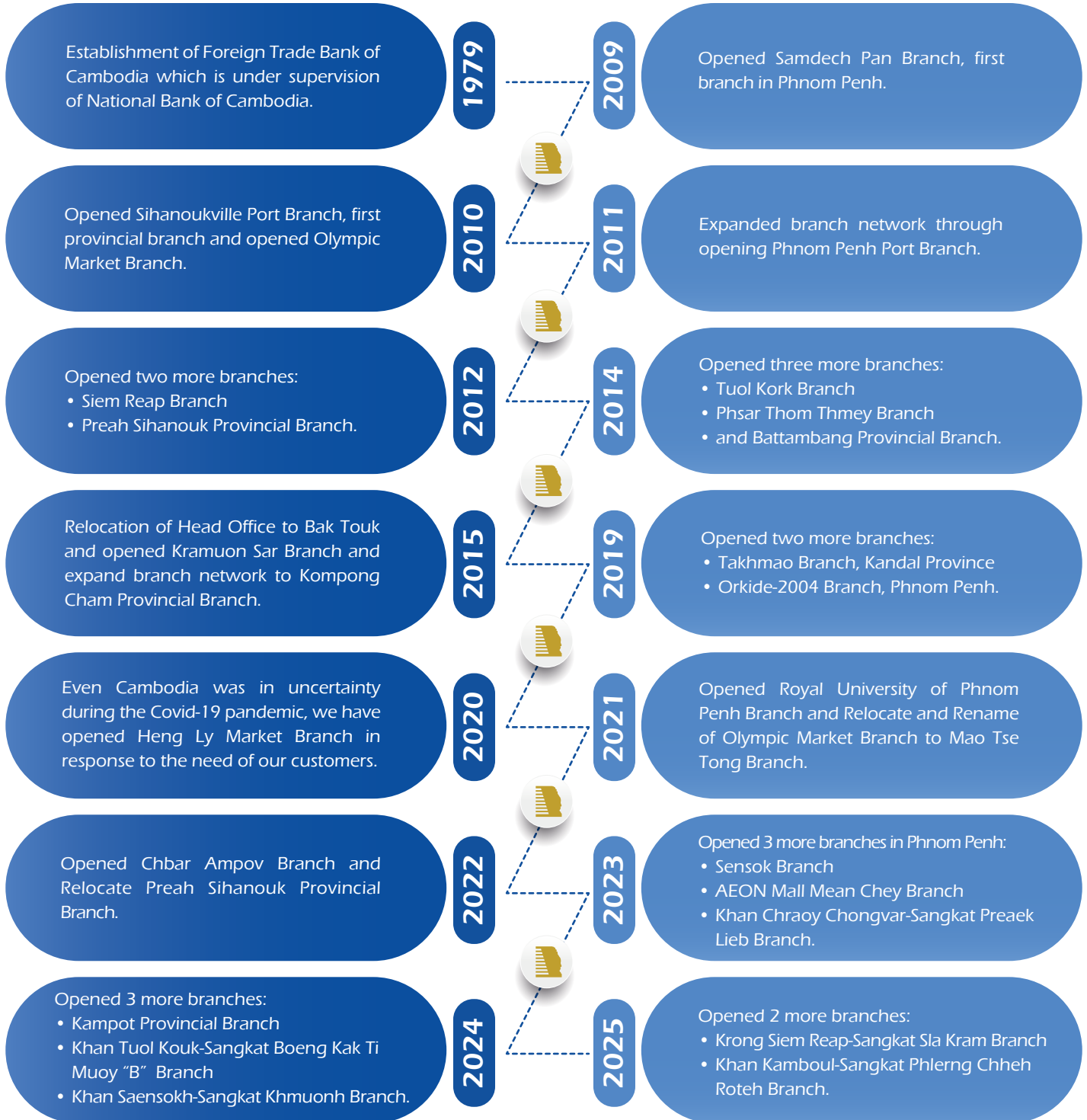


Trust

We are trustworthy and committed to quality, competence, truth and fair dealing.

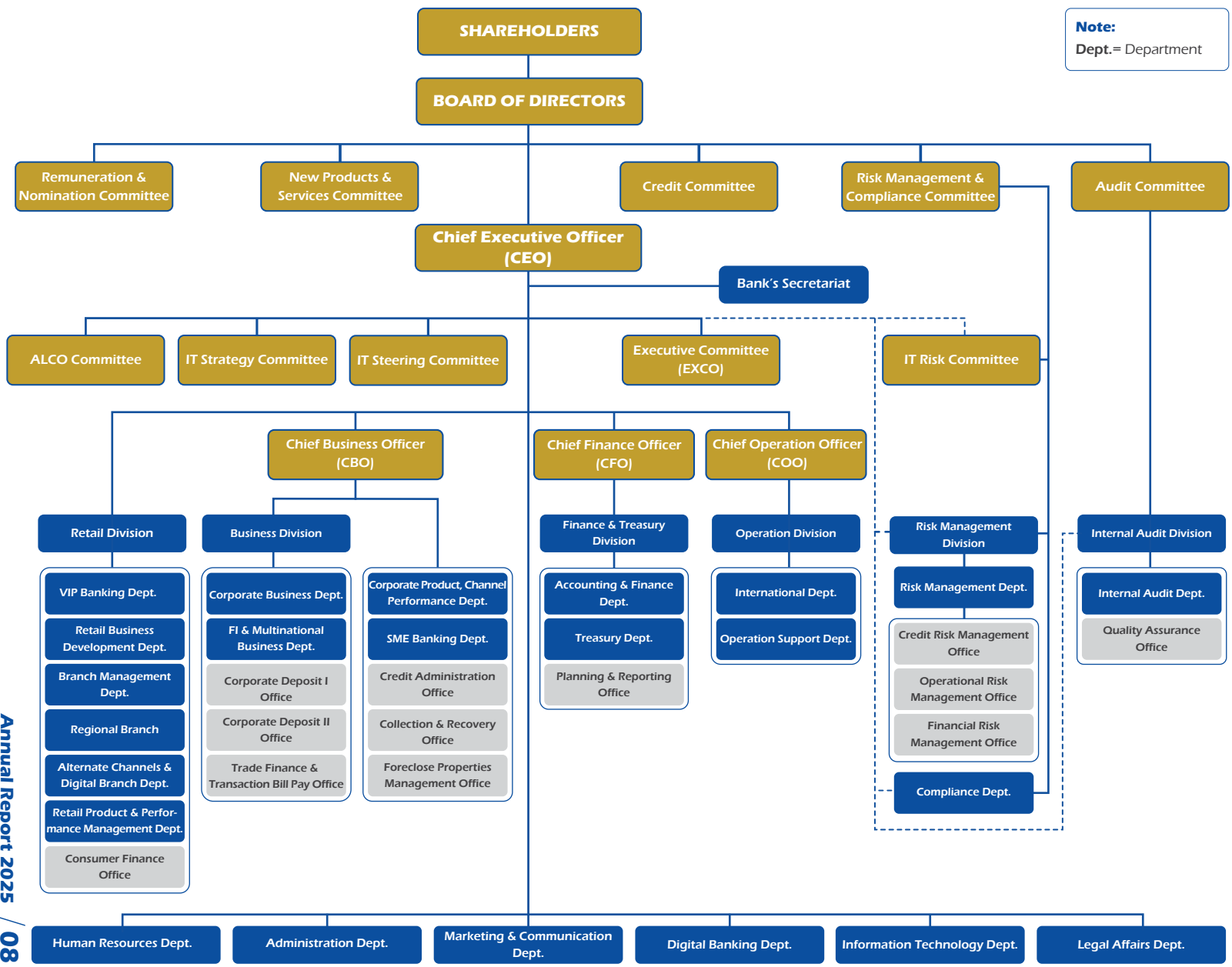


A BRIEF HISTORY OF FTB'S PROGRESS





ORGANIZATIONAL CHART



Note:
Dept.= Department

FINANCIAL HIGHLIGHTS

• Summary of the Balance Sheet (US Dollar)

	2025	2024
Total assets	2,468,889,758	2,281,474,014
Loans and advances to customers - net	1,297,958,171	1,316,366,053
Other assets	1,170,931,587	965,107,961
Total liabilities	2,216,525,079	2,037,337,262
Total deposits	2,114,727,898	1,933,609,303
Other liabilities	101,797,181	103,727,959
Total shareholders' equity	252,364,679	244,136,752
Share capital	79,500,000	79,500,000
Reserved and retained earnings	172,864,679	164,636,752

• Summary of the Income Statement (US Dollar)

	2025	2024
Interest income	125,839,648	132,872,631
Interest expense	(86,957,730)	(81,254,858)
Net interest income	38,881,918	51,617,773
Fee and commission income and other incomes	7,141,582	3,681,327
Other operating expenses	(27,104,115)	(24,383,634)
Impairment losses on financial instruments	(8,868,146)	(14,008,070)
Profit before income tax	10,051,239	16,907,396
Net profit for the year	8,227,927	11,748,597

• Key Ratios

	2025	2024
Return on capital	10.35%	14.78%
Return on assets	0.33%	0.51%
Return on shareholders' equity	3.26%	4.81%
Solvency ratio	17.83%	20.32%
Liquidity coverage ratio	366.03%	351.60%
Interest income to total assets	5.10%	5.82%
Total loans (gross) to total deposits	62.47%	70.15%
Non-performing loans ratio	5.39%	4.20%
Growth in interest income	-5.29%	6.75%
Growth in total deposits	9.37%	14.59%
Growth in total loans (gross)	-0.72%	1.51%
Growth in shareholders' equity	3.37%	5.06%
Growth in total assets	8.21%	12.84%

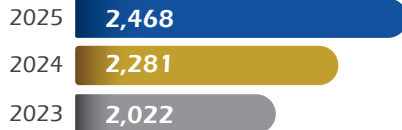
FINANCIAL HIGHLIGHT 2025

ASSET

IN MILLION USD

8.2% ▲

Increase from 2024

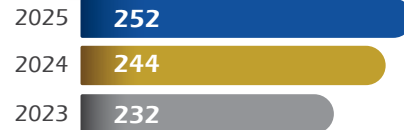


EQUITY

IN MILLION USD

3.4% ▲

Increase from 2024

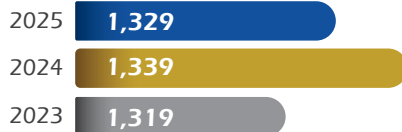


LOAN (GROSS)

IN MILLION USD

0.7% ▼

Decrease from 2024

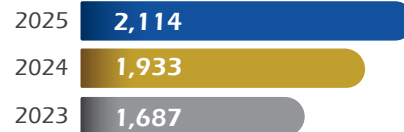


DEPOSIT

IN MILLION USD

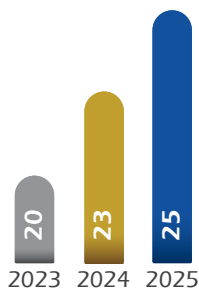
9.4% ▲

Increase from 2024



PHYSICAL EXPANSION 2025

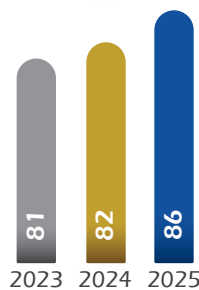
BRANCH



02

Increase from 2024

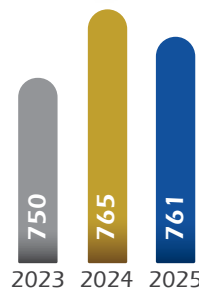
ATM



04

Increase from 2024

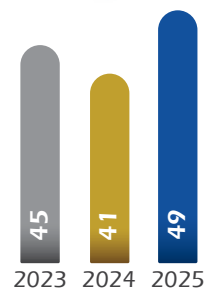
STAFF



04

Decrease from 2024

NUMBER OF CARDS IN THOUSAND



08

Increase from 2024



PRODUCTS AND SERVICES



Foreign Trade Bank of Cambodia's Products and Services

CSS
Cambodia Share Switch (CSS)

Bakong

VISA
Visa Payment

SWIFT

Interbank Payment

CORPORATE BANKING PRODUCTS AND SERVICES

FTB aims to provide better financial solutions to corporate businesses in Cambodia. We have dedicated and experienced relationship managers to support and satisfy customer expectations. Corporate Banking consists of 5 key areas such a Deposit, Loan, Trade Finance, Foreign Exchange and Transaction Banking.

Transaction Banking

- International Transfer
- Local Transfer
- Bill Payment
- Payroll Services
- Corporate Internet Banking



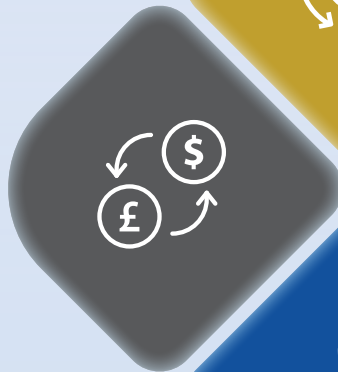
Trade Finance

- Bank Guarantee
- Letter of Credit
- Standby Letter of Credit
- Documentary Collection
- ESCROW



Foreign Exchange

- Foreign Exchange
- Currency Swap



Loan

- Term Loan
- Overdraft Facility
- Revolving Credit Facility
- Trade Finance Facilities

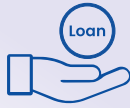


Corporate Deposit

- Corporate Savings Account
- Corporate Current Account
- Corporate Fixed Deposit



FTB RETAIL PRODUCTS AND SERVICES



Loan

- Housing Loan
- Auto Loan
- Personal Loan
- Unsecured Loan
- Overdraft Against FD



Deposit



Digital Banking

- Mobile Banking/ibanking
- ATM and POS Services
- KHQR scan to pay
- Online account opening



International Payment Services:

- International Remittances (SWIFT)
- Inward Remittance Via KOOKMIN Bank from South Korea
- QR Cross Border payment between Cambodia and Thailand)



VIP Banking



Payment Cards

- ATM Debit Card
- Visa Debit Card
- Prepaid Card
- Co-Branded CashCard
- Virtual CashCard



Domestic Payment Services:








- Tax Payments to GDT and GDCE
- Contribution Payment to NSSF
- Payment to Phnom Penh & Sihanoukville Autonomous Port
- Payment Getway to MLMULC
- Payment Getway to OWSU
- Utilities
- Tuition
- Internet
- Local Transfer:
 - NCS
 - Bakong

Other Services

- Safe Deposit Box
- Foreign Exchange
- Bancassurance (Manulife)
- EDC Auto Direct Debit



CORRESPONDENT BANKS

Country of Correspondent Bank	Correspondent Bank	SWIFT Code	Currency
 China	BANK OF CHINA SHANGHAI	Swift Code: BKCHCNBJ500 A/C NO. 433861149292	CNY
 United Kingdom	STANDARD CHARTERED BANK LONDON	Swift Code: SCBLGB2L A/C NO. 01702216601	GBP
 France	NATIXIS PARIS	Swift Code: NATXFRPP A/C NO. FR7630007999990612606800041USD	USD
	NATIXIS PARIS	Swift Code: NATXFRPP A/C NO. FR7630007999990612606800041EUR	EUR
 Republic of Korea	KOOKMIN BANK SEOUL	Swift Code: CZNBKRSE A/C NO. 8368USD010	USD
	KEB HANA BANK SEOUL	Swift Code: KOEXKRSE A/C NO. 0963THR051230019	USD
	WOORI BANK SEOUL	Swift Code: HVBKRRSE A/C NO. W1055001US	USD
 Germany	COMMERZBANK AG FRANKFURT	Swift Code: COBADEFF A/C NO. 400887779700EUR	EUR
	COMMERZBANK AG FRANKFURT	Swift Code: COBADEFF A/C NO. 400887779700CAD	CAD
	COMMERZBANK AG FRANKFURT	Swift Code: COBADEFF A/C NO. 400887779700NZD	NZD
	COMMERZBANK AG FRANKFURT	Swift Code: COBADEFF A/C NO. 400887779700CHF	CHF
 USA	STANDARD CHARTERED BANK NEW YORK	Swift Code: SCBLUS33 A/C NO. 3582062596001	USD
	THE BANK OF NEW YORK MELLON NEW YORK	Swift Code: IRVTUS3N A/C NO. 8901757020	USD
 Vietnam	BANK FOR INVESTMENT AND DEVELOPMENT OF VIETNAM HANOI	Swift Code: BIDVVNVX A/C NO. 9900000199	USD
	JOINT STOCK COMMERCIAL BANK FOR FOREIGN TRADE OF VIETNAM HANOI	Swift Code: BFTVVNVX A/C NO. 0681370007155	USD
 Singapore	STANDARD CHARTERED BANK SINGAPORE	Swift Code: SCBLSG22 A/C NO. 7700017752	USD
	OVERSEA-CHINESE BANKING CORPORATION LIMITED SINGAPORE	Swift Code: OCBCSGSG A/C NO. 503575243301	USD
	OVERSEA-CHINESE BANKING CORPORATION LIMITED SINGAPORE	Swift Code: OCBCSGSG A/C NO. 515587020001	SGD
	OVERSEA-CHINESE BANKING CORPORATION LIMITED SINGAPORE	Swift Code: OCBCSGSG A/C NO. 712043314201	AUD
	OVERSEA-CHINESE BANKING CORPORATION LIMITED SINGAPORE	Swift Code: OCBCSGSG A/C NO. 712043355201	JPY
	OVERSEA-CHINESE BANKING CORPORATION LIMITED SINGAPORE	Swift Code: OCBCSGSG A/C NO. 712043348201	HKD
 Thailand	BANGKOK BANK PUBLIC COMPANY LIMITED BANGKOK	Swift Code: BKKBTHBK A/C NO. 5552930080	USD
	KASIKORNBANK PUBLIC COMPANY LIMITED BANGKOK	Swift Code: KASITHBK A/C NO. 0999229735	USD
	SIAM COMMERCIAL BANK PUBLIC COMPANY LIMITED BANGKOK	Swift Code: SICOTHBK A/C NO. 1113002311	THB
	KASIKORNBANK PUBLIC COMPANY LIMITED BANGKOK	Swift Code: KASITHBK A/C NO. 1461782856	THB



CHAIRMAN'S MESSAGE



H.E. GUI Anvanith
Chairman

2025—was a year that reflected the resilience and strength of FTB, in light of the circumstances. As of December 31, 2025, our bank's total assets reached US\$2.47 billion, an increase of approximately 8% compared to 2024, a remarkable achievement reflecting the bank's robust business operations.

2025 was considered a year in which we navigated many challenges. These included the prolonged Russia Ukraine war, rising inflation, the imposition of export tariffs by the United States, and tensions

and Cambodia-Thailand border conflict. In this situation, FTB, as the first local bank in Cambodia, continued to join the Royal Government in mobilizing and donating funds, food supplies, and many essential materials to people and communities impacted the Cambodia-Thailand border conflict. However, regardless of the situation, FTB maintained a firm position, keeping the Non-Performing Loan (NPL) ratio at a relatively low level. This demonstrated the commitment of the Board of Directors and the Bank's management to lead with good

governance and responsible risk management.

FTB managed to maintain its employee number, adhering to a high level of care for employees at all levels, fostering a transparent work culture, and continuing to develop employee capabilities for future growth. Meanwhile, the “**FTB TOWER**” headquarters—a Grade A+ commercial building—is being completed, and banking operations are expected to commence by the end of the second quarter of 2026. It serves as a testament to the growth, strength, and sustainability of FTB and will indeed become a modern and leading commercial building in the Kingdom of Cambodia. I encourage the management and employees at all levels to continue their commitment to improving the delivery of quality financial services with trust to all our customers and business partners. We must make services easier, more modern, and more creative, utilizing new technology that aligns with rapidly changing market needs.

I would like to express my special gratitude to our esteemed shareholders and the members of the Board of Directors for their active participation in providing recommendations and all forms of cooperation in the past. I also thank the executive committee and employees at all levels who have worked diligently, paid attention to details, and strived to improve the quality of products and services, achieving continuous results.

I would like to express my deep respect and gratitude

to H.E. Dr. Chea Serey, Governor of the National Bank of Cambodia, as well as leaders at all levels of the National Bank of Cambodia, for their continued support and guidance to our bank.

Finally, I would like to express my most sincere thanks to all our valued customers for their loyalty and high level of trust in the Foreign Trade Bank of Cambodia.

Your sincerely,



H.E. GUI Anvanith

Chairman



CEO'S MESSAGE



Mr. DITH Sochal
Chief Executive Officer and Board
Member

The year 2025 has been another phase of our continuous journey of transformation, resilience, and progress. Against a backdrop of increasingly challenging international and domestic market conditions, rapid digital advancement, and shifting customer expectations, we remained firmly committed to delivering sustainable value and trusted financial services to our customers. With total assets increasing to US\$2.47 billion and total deposits growing to US\$2.1 billion, our performance in 2025 reflects the resilience of our operation, the trust of our customers, and the dedication of our employees.

The achievement of a solid growth in 2025 has recorded

across key business lines. That has strengthened our balance sheet and helped maintain disciplined risk management amid an unprecedented and more challenging credit operating environment. Our customers remain at the heart of everything we do. We have focused on simplifying processes, reducing turnaround times, and improving service quality across all touchpoints. Whether through our branches, digital channels, or relationship teams, we aim to deliver consistent, reliable, and proactive service. During the year, we opened two new branches (Khan Kambol, Phnom Penh and Krong Siem Reap) to serve our customers.

We also expanded support for small and medium-sized enterprises (SMEs), recognizing significant potential of that market segment. We continue to empower SME businesses to grow and succeed through tailored lending programs such as with PROPARCO to improve access to essential water and electricity services for Cambodian households in peri-urban and rural areas, with MAFF (Ministry of Agriculture, Forestry and Fisheries) and CGCC (Credit Guarantee Corporation of Cambodia) to support the modern agriculture community. We also collaborated with the General Secretariat of Digital Economy & Business Committee to facilitate all types of businesses in the informal economy in registering the registration of Cambodia's informal economy population through the Digital Platform for Informal Economy Development.

2025 marked a major step forward in our digital evolution. We undertook to upgrade our mobile

app, card management system, and online banking platforms, making them faster, more secure, and more intuitive. Customer adoption of digital channels continued to grow, reinforcing the importance of convenience, accessibility, and seamless user experiences. FTB Mobile App users grew almost 30% compared to 2024 while merchant network has also been expanded to support our corporate and SME client base. We believe that collaboration is essential in today's interconnected financial landscape. During the year, we strengthened partnerships with key ecosystem players. We collaborated with Visa Cambodia to the launch of the National Bank of Cambodia's "Bakong Tourists App" payment application. We entered into partnership agreement with UnionPay International to further enhance digital payment services.

Sustainability has been a core pillar of our growth strategy. We are committed to responsible banking practices, supporting environmentally and socially responsible initiatives, and maintaining the highest standards of governance and compliance. We continue to integrate ESG (Environmental, Social, and Governance) considerations into our business decisions, ensuring that our growth contributes positively to the communities we serve. We continued to provide trade finance solution to businesses through the partnership with the Asian Development Bank (ADB). As we are advancing our sustainability journey, we got chosen to be on the ADB's Climate Accelerator Program and was nominated by the

Ministry of Environment as the primary candidate for the accreditation as a Direct Access Entity (DAE) to Green Climate Fund (GCF).

As we move into 2026 and beyond, we are optimistic about the future. While certain challenges remain, we are confident in our ability and resilience to navigate them with discipline and focus. Our priorities will be on:

- Deepening digital and staff capabilities
- Expanding customer reach, satisfaction, and engagement
- Driving operational efficiency
- Strengthening risk management and resilience

We will continue to innovate, invest, and evolve to deliver long-term value for our stakeholders. I would like to express my sincere gratitude to our customers for their trust, our Board of Directors and shareholders for their continued support, and all of our employees for their unwavering dedication and commitment. Their collective efforts are the foundation of our progress and success. Together, we are building a more competitive and resilient bank for the future.

Your sincerely,



DITH Sochal

Chief Executive Officer and Board Member



CORPORATE GOVERNANCE

The Board of Directors and management of FTB are committed to fulfill the responsibilities toward our shareholders and are devoted to leadership in corporate governance. To ensure the focus on creating long term shareholder values, we have designed the corporate governance policies and practices to meet the applicable legal requirements, and continuously monitor all proposed new rules to modify our policies and practices to meet the additional requirements. An overview of our corporate governance structure is set out below.

BOARD OF DIRECTORS

FTB is led by the Board of Directors who are appointed by the shareholders to act on their behalf. The Board of Directors are responsible for the supervision and management of business, affairs and situation of the Bank on behalf of the shareholders in compliance with the Article of Association, the Law on Commercial Enterprise, and other relevant regulations.



H.E. GUI Anvanith
Chairman



Mrs. SOK Chan Sona
Independent Vice-
Chairwoman



Mr. DITH Sochal
Chief Executive Officer
and Board
Member



H.E. CHOU Vannak
Board Member



Oknha. LIM Bunsour
Board Member



Mr. LY Tayseng
Independent
Board Member

COMMITTEES UNDER BOARD LEVEL

CREDIT COMMITTEE

The Credit Committee is established to oversee, direct, and review the management of credit risk of the loan portfolio of FTB.

RISK MANAGEMENT AND COMPLIANCE COMMITTEE

The purpose of the Committee is to assist the Board in reviewing risk management principles, policy, strategies, processes and controls regarding business, market, operational, regulatory, and reputational risk, and to make recommendations where appropriate.

AUDIT COMMITTEE

The Audit Committee is responsible for ensuring the compliance with legal and regulatory requirements, an accessing the relevance of the accounting methods used to prepare the individual and consolidated accounts, if any. It reviews and assesses the quality of the internal control procedures, in particular whether the systems for measuring, monitoring and controlling risks are consistent, and recommends further actions where appropriate.

REMUNERATION AND NOMINATION COMMITTEE

The Remuneration and Nomination Committee is established by the Board of Directors to provide independent advices on matters pertaining to the nomination and remuneration of Board members, members of key executive committee, and the senior management team of the Bank as well as the remuneration schemes for the staff of the Bank. The committee also ensures that the remuneration policy is aligned with the Bank's long term strategy and its core values.

NEW PRODUCTS AND SERVICES COMMITTEE

The New Products and Services Committee is responsible for making decisions regarding new products, extensions of existing products, and prioritization of approved ideas for the product launch. The decisions should include considerations around branding, thought leadership/innovation, market demand and available resources. In addition, the Committee is responsible for ensuring that an effective and efficient governance process of the new product is in placed and functioning.

COMMITTEES UNDER EXECUTIVE LEVEL

EXECUTIVE COMMITTEE (EXCO)

The Executive Committee is established to ensure that the Bank's operations are in accordance with its strategies, policies and regulations. The Committee is empowered to administer and manage the Bank's business, and perform tasks assigned by the Board of Directors, with an aim to accomplish the Bank's vision and be in alignment with the Bank's missions, as well as to promote management practices that are in compliance with the Bank's core values.

ASSETS & LIABILITIES COMMITTEE (ALCO)

The ALCO Committee is established to provide the framework to strategically manage FTB's overall assets and liabilities for the long-term and short-term.

IT GOVERNANCE RISK MANAGEMENT COMMITTEE

The principal roles of the Committee are to ensure that the Bank has wide and versatile qualifications and experience on IT governance in order to promote financial service sustainability.

COMPLIANCE

The Compliance Department is to oversee and monitor the daily operation, and to promote the compliance function through its internal training, advising, and supporting employee to ensure that the Bank complies with Cambodia's laws and regulations. Its obligation is also to engage with relevant regulators such as National Bank of Cambodia (NBC), Cambodia Financial Intelligence Unit (CAFIU), and others to help ensuring that the regulator's requirement is implemented effectively and timely. This department reports directly to Risk Management and Compliance Committee, and present to the Board of Directors at Quarterly Meeting.



SIGNIFICANT ACHIEVEMENTS

In 2025, FTB delivered strong Trade Finance performance despite global geopolitical and economic challenges, achieving 106% of the annual budget. Import Letters of Credit increased by 145%, while Export Letters of Credit recorded solid growth, supporting key sectors such as agriculture and food production. **Inward Collections rose by 140%, and Bank Guarantees increased by 137%** compared to the previous year.

Building on our participation in the Asian Development Bank (ADB)'s Trade and Supply Chain Finance Program (TSCFP) since 2024, FTB received two prestigious recognitions:



- Leading Partner Bank in Cambodia



- Special Partnership Award – Issuing Bank
(in collaboration with Standard Chartered Bank)

"These awards highlight FTB's growing role in supporting regional trade flows and strengthening international partnerships."

FTB also advanced its commitment to leadership development and gender empowerment. Our participation in ADB's **"Women Leaders in Trade"** program enhanced leadership capabilities within our Trade Finance team, while our contribution to ADB's **"Women in Finance"** podcast supported the advancement of women leaders in Cambodia's SME sector.

Toward the end of the year, FTB expanded its collaboration with ADB by establishing a **Confirming Bank Agreement** under the TSCFP. This initiative strengthens support for exported clients by mitigating non payment and country risks, enabling FTB to act as a confirming bank for export Letters of Credit.

As a proudly local bank, FTB remains committed to supporting all industries and enabling more Cambodian businesses to access international markets—contributing to the sustained growth of the national economy.

SUSTAINABLE FINANCING

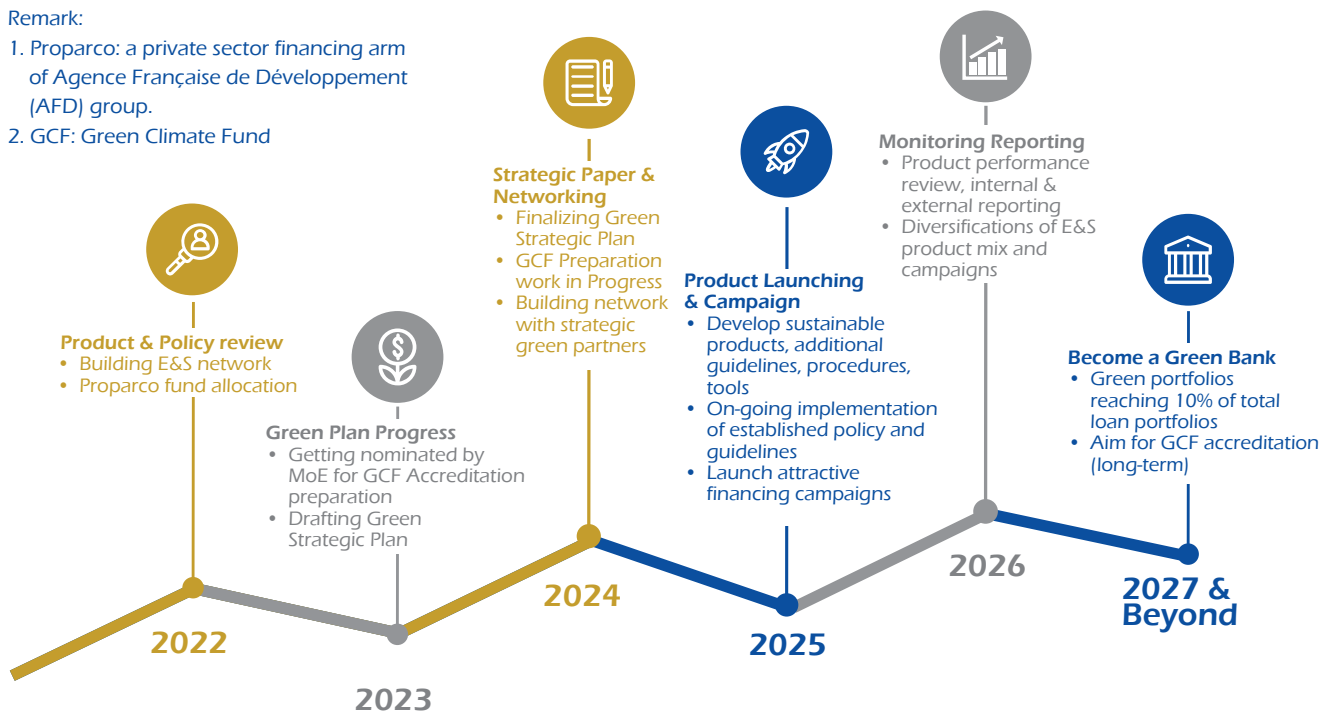
In 2025, FTB was nominated by the Ministry of Environment as the primary candidate for Green Climate Fund (GCF) accreditation, with support from the Global Green Growth Institute (GGGI) under its Readiness Technical Assistance Program, including policy reviews, gap identification, and framework enhancement. FTB has participated in the ADB Climate Bank Accelerator Program and has received supports from the Catalytic Climate Finance Facility (CC Facility) toward establishing of the FTB Green Credit Facility. These achievements set a strong foundation for accelerating Cambodia’s green economic transition and strengthening climate resilience for future generations.

By the beginning of 2025, FTB’s green financing portfolio had continued to expand across key sectors including solar PV farms, rooftop solar installations, green buildings, and electric vehicles (EVs). In 2025, FTB diversified its products and services to support both green and social financing initiatives—including an initial focus on expanded access for MSMEs and potential future solutions for women-led enterprises.

FTB will continue strengthening its institutional readiness and market offerings in 2026 to support Cambodia’s transition toward a low-carbon and climate-resilient economy. We set our goal to be among “the Leading Green Banks” in Cambodia by 2027 and aim for at least 15% of its loan portfolios to be in green sector, creating sustainability matter into workable projects. The bank has developed its green roadmap below:

Remark:

1. Proparco: a private sector financing arm of Agence Française de Développement (AFD) group.
2. GCF: Green Climate Fund



Throughout 2025 and into 2026, FTB continues to make significant progress in shaping its long term vision as a leading domestic bank in climate finance, expanding its green financing capabilities while progressing its transition toward low carbon operations. Through the ADB Climate Bank Accelerator Program, FTB looks to accelerate the development of climate finance products and conduct carbon footprint baseline, providing a clear foundation for targeted emissions reduction. In addition, FTB’s participation in the Catalytic Climate Finance Facility further strengthened FTB’s ability to mobilize capital for green lending, supported by sustainable finance framework, and gender responsive criteria. Both supporting programs will enable the bank to broaden a pipeline of sustainable lending opportunities in the identified and emerging sectors.



FTB Has Received Support from the Catalytic Climate Finance Facility (CC Facility) in Designing “the Green Credit Facility” to Boost Green Lending and Sustainable Development in Cambodia.



FTB continued to advance Green Climate Fund Accreditation with the supports from the Ministry of Environment and Global Green Growth Institute (GGGI), enhancing our governance, safeguards, and institutional readiness. Complementing this, GGGI’s support through low carbon building initiatives is helping FTB contribute to the broader transformation of Cambodia’s financial sector. These achievements reflect FTB’s long term commitment to drive climate aligned growth, accelerate access to green financing, support Cambodia’s journey toward a more resilient, and low carbon economy.



**Foreign Trade Bank of Cambodia
Nominated as Primary Candidate for Green
Climate Fund (GCF) Accreditation**



THE PROGRESS OF “FTB TOWER”

FTB TOWER is a premium “Grade A+” office building located in the heart of Phnom Penh’s central business district, proudly designed as a sustainable; high performance building and soon to be awarded “Green Mark Gold” certification. The tower is also equipped with state-of-the-art facilities and constructed using modern materials and advanced technologies. The building integrates automation, fire safety, energy efficiency, and environmental protection systems as well as mobile phone service throughout the building from the top levels down to four levels of underground parking, all in compliance with national and regional construction standards.

Rising prominently over the city skyline, FTB TOWER, offering a total floor area of 77,593 square meters across 28 floors, will become the new headquarters of Foreign Trade Bank of Cambodia (FTB), the first commercial bank in the Cambodia since 1979. With the construction now completed and scheduled to open in 2026, the tower has emerged as a symbol of FTB’s commitment to innovation, sustainability, and excellence in Cambodia’s financial sector.



BRANCH EXPANSION

Bank continues to expand its branch network to get closer to the customers; therefore, FTB has officially launched new branches in Phnom Penh and Siem Reap Province to serve all existing and new customers.



FTB HAS LAUNCHED

2

NEW BRANCHES



- **Khan Kamboul – Sangkat Pleung Chhehroteh Branch**
Building 57-59, National Road 3, Sangkat Pleng Chhehroteh, Khan Kambou, Phnom Penh.
- **Krong Siem Reap – Sangkat Slar Kram Branch**
Building 956, National Road 6, Sangkat Slar Kram, Krong Siem Reap, Siem Reap Province.

ATM NETWORK EXPANSION

The ATM continues to play an important role as a branch with limited functions, allowing customers to access their funds and perform various transactions in addition to cash withdrawals.

At the end of 2025, FTB had deployed a network of **86** ATMs, covering all branches as well as offsite locations such as:



FTB LAUNCHES NEW DIGITAL CHANNELS FOR BUSINESS CUSTOMERS

FTB has officially launched New Digital Channels for Business Customers called “FTB Business Mobile App and Corporate Internet Banking”. This dual launch marks a significant milestone in delivering innovative digital banking solutions to companies and enterprises who need to access daily online banking transactions.



✔ Convenient

🚀 Fast

🛡️ Secure

EDC-AUTO DIRECT DEBIT

FTB introduced the FTB EDC-Auto Direct Debit Bill Payment service to provide customers with a more convenient and efficient bill payment solution through FTB Mobile App and Internet Banking. Customers can activate this feature by entering their EDC invoice ID and linking their account, enabling automatic bill payments on a monthly basis.



THE LAUNCH OF BAKONG TOURISTS APP LINKED WITH VISA CARDS

FTB supported the launch of the National Bank of Cambodia's "Bakong Tourists App," which is linked to all types of Visa cards.

Through the Bakong Tourists App, international tourists can enjoy a seamless digital payment experience by downloading the application on their mobile devices, registering for an account, and linking VISA cards issued in their home countries. The integration provides an additional funding method, enabling tourists to make secure, convenient, and innovative digital payments via KHOR codes at approximately 4.5 million merchants nationwide during their stay in Cambodia.



PAYMENT GATEWAY TO SIHANOUKVILLE AUTONOMOUS PORT (PAS)

Foreign Trade Bank of Cambodia (FTB), in collaboration with the Sihanoukville Autonomous Port (PAS), has officially launched the payment transactions for the Sihanoukville Autonomous Port via PAS Mobile. Customers can simply select FTB's account to settle the payment easily.



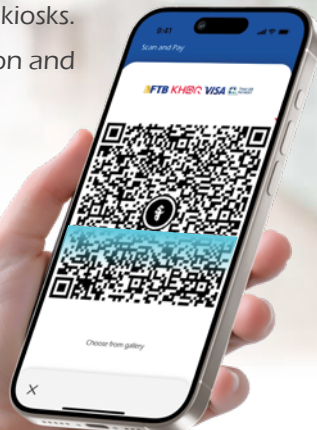
PAYMENT GATEWAY TO MINISTRY OF LAND MANAGEMENT, URBAN PLANNING AND CONSTRUCTION (MLMUPC)

FTB in collaboration with the Ministry of Land Management, Urban Planning and Construction (MLMUPC) and KESS Innovations PLC, supports FTB KHQR as a convenient payment option for services provided by MLMUPC. Customers are now able to pay for services provided by MLMUPC via:

1.

ONE WINDOW SERVICE KIOSK

Customers are now able to pay for all MLMUPC services via the One Window Service Unit kiosks. Simply select FTB KHQR as the payment option and scan the code using the FTB Mobile App.



2.

ONLINE PAYMENT

Customers are now able to pay for MLMUPC services via the MLMUPC website, which can be accessed by the following link: service.mlmutpc.gov.kh. Simply select FTB KHQR as the payment option and scan the code using the FTB Mobile App.



PAYMENT GATEWAY TO ONE WINDOW SERVICE UNIT (OWSU)

FTB in collaboration with One Window Service Unit (OWSU) and KESS Innovations PLC, now supports FTB KHQR as a convenient payment option for government services provided by OWSU. Customers can pay for government services provided by OWSU via:

1.

ONE WINDOW SERVICE KIOSK

Customers are now able to pay for government services via the One Window Service Unit kiosks. Simply select FTB KHQR as the payment option and scan code using FTB Mobile App.



2.

ONE WINDOW SERVICE KIOSK

Customers are now able to pay for government services via the One Window Service Unit website, which can be accessed by the following link: online.owso.gov.kh. Simply select FTB KHQR as the payment option and scan code using FTB Mobile App.



EMPLOYER OF CHOICE

In order to achieve the Bank's vision "to be the preferred commercial bank in Cambodia", FTB highly commits to provide an integrated work environment that allows employees to develop professional skills to support our long-term sustainable growth.

BENEFITS OFFERING

As a bank's policy, we continue to provide our employees with good and regular financial support and encourage our employees to pursue personal financial goals by providing mortgages and other essentials with low interest rates.

Occupational accident insurance and health care services are also provided to staff. In addition, the Bank also provides for employees when they retire from a job called a pension.

COMPETENT STAFF MANAGEMENT AND RETENTION

Our approach to staff development, engagement, and retention is concentrated on three key areas relating to talent development, remuneration, as well as ongoing training and development by sending staff to local and overseas training.

The Bank's continued success is built on the constant commitment and support of our employees, and FTB always considers employees as our most important assets.

DIVERSITY AND INCLUSION

Diversification has allowed the bank to access a wider range of talented and diverse employees. Providing equal opportunities for our employees is important to support diversity and inclusion agenda, and it enables us to realize the full potential of the Bank's collective staff capacity.

FTB embraces gender and cultural diversity, which we believe, are the key to a conducive work environment in which individual employees are respected and supported.

WELL-BEING WORKPLACE

As an employer of choice, it is important that we treat, take good care, and support our employees that enable them to lead healthy lives and work well, so they can be more productive and engaged.

We commit to provide an environment that supports employees and encourages all employees and those who work in our workplace to embrace safety and healthy lifestyle.





STRATEGIC PARTNERSHIP

AGREEMENT SIGNING CEREMONY ON POST-HARVEST FISHERIES GUARANTEE SCHEME BETWEEN FTB AND CGCC

On 21 March 2025, Credit Guarantee Corporation of Cambodia (CGCC) and FTB co-organized an agreement signing ceremony on “**Post-Harvest Fisheries Guarantee Scheme (PFGS)**” with honorable attendance from Management and team of CGCC, FTB, and representatives of United Nations Industrial Development Organization (UNIDO Cambodia), to announce the official expanded partnership in providing guaranteed loans by CGCC through FTB to post-harvest fishery businesses and relevant suppliers.



FTB AND THE GENERAL-SECRETARIAT OF THE DIGITAL ECONOMY AND BUSINESS COMMITTEE (GS-DEBC) SIGNED AN MOU TO SUPPORT THE REGISTRATION OF CAMBODIA’S INFORMAL ECONOMY POPULATION

On 16 July 2025, FTB and the General-Secretariat of the Digital Economy and Business Committee (GS-DEBC) signed an MoU to support the registration of Cambodia’s informal economy population through the Digital Platform for Informal Economy Development to encourages and facilitates the voluntary registration of individuals within the informal economy. This signing positions FTB as a key facilitator in supporting voluntary registration on the digital platform for informal economic development. Cambodian citizens can conveniently access this service at any FTB branch, where it is provided responsibly, professionally, and at no cost.



FTB, CGCC, CWA, AND WATER.ORG FORGE STRATEGIC PARTNERSHIP TO ENHANCE ACCESS TO FORMAL FINANCING TO SUPPORT CLEAN WATER SECTOR IN CAMBODIA

On 30 October 2025 at CGCC Head Office, a Signing Ceremony was held for the Portfolio Guarantee Agreement on Utilities Development Guarantee Scheme (UDGS) for Private Water Operators between CGCC and Foreign Trade Bank of Cambodia, and Memorandum of Understanding between CGCC and Cambodian Water Supply Association (CWA), as well as an MoU between CGCC and Water.org.



FTB AND ADB SIGNED AN MOU OF CONFIRMING BANK

In September 2025, Foreign Trade Bank of Cambodia (FTB) and the Asian Development Bank (ADB) signed a Memorandum of Understanding as a Confirming Bank, aiming to strengthen cooperation and unlock new opportunities in trade finance.



FTB AND UNIONPAY INTERNATIONAL SIGNED MOU TO BOOST PAYMENT

FTB, the first commercial bank in Cambodia, and UnionPay International (UPI), one of the world's leading global payment networks, officially signed a Memorandum of Understanding to strengthen digital payment infrastructure in Cambodia. The partnership aims to deliver convenient, secure, and efficient digital payment solutions, with a particular focus on supporting the tourism sector and enhancing the payment experience for international visitors to Cambodia.



FTB AND FORTE INSURANCE LAUNCH BANCASSURANCE PARTNERSHIP

On 31 October 2025, Forte Insurance (Cambodia) Plc. and the Foreign Trade Bank of Cambodia (FTB) officially announced a Bancassurance Partnership to offer general insurance services to our customers and public through FTB's branch network. This milestone collaboration brings together the combined strengths, experience, and trust of both leading institutions. Customers and public will benefit from wide range of general insurance service -including coverage for transportation, property, and more- offered by Forte Insurance (Cambodia), the nation's largest and oldest domestic insurer.



FTB, CGCC, AND MAFF PARTNERSHIP TO DEVELOP MODERN FARMING COMMUNITY

On 10 July 2025—Foreign Trade Bank of Cambodia (FTB), the Ministry of Agriculture, Forestry and Fisheries (MAFF), and the Credit Guarantee Corporation of Cambodia (CGCC) have signed a Memorandum of Understanding (MoU) aimed at advancing business efficiency, promoting sustainable agricultural practices, and enhancing access to credit and guarantees for the development of modern farming communities.






SUSTAINABILITY STATEMENT

FTB manages Environmental and Social Risks associated with the provision of financial services to its customers and with impacts from its day-to-day operations. We recognize that the Bank's major E&S exposures are within its lending and investment activities; however, our goal to lead by example will be demonstrated by communities in which we operate. We expect that integrating these consideration in our business will enable us to achieve our strategic objectives, developmental goal of the Cambodian government and respond to the needs of the Cambodian people while ensuring a sustainable return on investment for our shareholders.

ESMS - ENVIRONMENTAL AND SOCIAL MANAGEMENT SYSTEM



Environmental and Social Risk Management policies and procedure in place

ESRM Coordinator Function under Risks management

Integration of ESRM in credit process is undergoing

ESRM Accountability and Transparency Report on annual report

ADOPTION OF CAMBODIAN SUSTAINABLE FINANCE PRINCIPLES

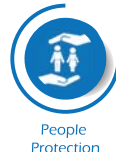
FTB has signed the voluntary of the nine Cambodian Sustainable Finance Principle introduced by the Association of Banks in Cambodia (ABC). FTB has also contributed to leadership of ABC Sustainable Finance Committee since 2019 until now. The Bank also participated in the signing ceremony of the Memorandum of Understanding on "Promoting Sustainable Finance with the Business Sector in Cambodia" on 27th August 2020.



Environment Protection

ENVIRONMENT PROTECTION

We will assess and manage environmental risks relating to climate change, pollution, waste management, and the protection of our critical natural resources.



People Protection

PEOPLE PROTECTION

We will assess and manage risks that could potentially negatively impact our people in particular local communities, workers, and indigenous/minority populations.



Culture Protection

CULTURE PROTECTION

We will assess and manage risks that could potentially negatively impact aspects of our cultural heritage including our language, culture, traditional and monuments.



Financial Literacy

FINANCIAL LITERACY

We will increase the financial awareness and literacy of the Cambodian people and improve our approach to customer/ client protection.



Financial Inclusion

FINANCIAL INCLUSION

We will finance innovations that create efficiencies and improvements of existing, traditional sector and business activities as well for developing new green economy activities.



Financial Innovation

FINANCIAL INNOVATION

We will expand our reach to those who previously has no or limited access to the formal banking sector, as well as provide more innovative solutions to improve banking access and service levels.



Environment & Social Standards

ENVIRONMENTAL & SOCIAL STANDARDS

We will seek to build capacity across the Bank to deliver on our commitments and raise awareness amongst our customers and communities about sustainable, inclusive finance.



Environment & Social Footprints

ENVIRONMENTAL & SOCIAL FOOTPRINTS

We will manage our own environmental and social (E&S) footprints and request similar standards to our suppliers.



Transparency Accountability

TRANSPARENCY & ACCOUNTABILITY

We will report our individual and sector progress against these commitments annually, to hold ourselves accountable and to share the story and outcomes of our journey and the value we believe that can be created for Cambodia.

RESOURCE EFFICIENCY

FTB has commitments to improve resource efficiency through various sustainable ways including saving and reducing the usage of utility, paper, toilet paper, and plastic.

CARBON EMISSION

FTB commits to avoid financing of activities that contribute significantly to the emission of greenhouse gases.

E&S FOOTPRINT REPORT



SUPPLIERS AND CONTRACTORS

We integrate E&S value in dealing with vendors and supplier/contractors by including in our procurement process the impact assessment criteria into the selection and pre-qualification process including health & safety concerns, waste management, environmental certificate (if required), information on human right abuses, workforce, and adverse media on past performance.



AWARDS AND RECOGNITIONS 2025



FTB takes pride in earning prestigious recognition from many esteemed institutions, reaffirming our commitment to excellence and trust.

2025





CORPORATE SOCIAL RESPONSIBILITY

FTB proudly champions Corporate Social Responsibility (CSR) through impactful initiatives and strong collaborations with leading institutions. In 2025, the bank delivered diverse CSR programs that advanced Cambodia’s sustainable development and created meaningful benefits for communities nationwide—reflecting FTB’s mission to drive positive change.

1. HUMANITARIAN WORK AND EMERGENCY RESPONSE

1.1. CANCELLATION OF LOANS FOR FALLEN AND WOUNDED SOLDIERS IN BORDER CONFLICTS

In the spirit of solidarity and humanitarianism, and in response to the appeal of the Royal Government and the National Bank of Cambodia, FTB decided to fully cancel the loans of fallen soldiers, co-borrowers, disabled soldiers, and wounded soldiers affected by the Cambodia-Thailand border armed conflict.

1.2. PEACE AND SOVEREIGNTY FUND

- Support through State Institutions and Associations

The bank donated a total of 40 million Riels in two phases to relevant institutions, including the Association of Banks in Cambodia (30 million Riels), the National Social Security Fund (4 million Riels), and the Trust Regulator (6 million Riels).

- Support for the Artillery Command

FTB proudly contributed 100 million Riels to the Artillery Command, reinforcing operations that safeguard Cambodia’s territorial integrity and national security.



- **Peace Border Donation Distribution Project**

The bank directly distributed materials to frontline forces and citizens in affected provinces in 2 phases (August and December) covering six frontline provinces (Preah Vihear, Oddar Meanchey, Banteay Meanchey, Battambang, Pursat, and Siem Reap).

Phase 1 (August 2025)

Proudly, the management and staff of FTB demonstrated a strong spirit of solidarity by raising internal funds amounting to 21,754,400 Riels.



Phase 2 (December 2025)

The bank continued its donation distribution campaign by allocating a direct budget package of 54,000,000 Riels and funds received from the enthusiastic participation and contributions of management, staff, customers, and the general public, totaling more than 35,000,000 Riels.



- **Support for Kantha Bopha Hospital**

Internal funds raised from management and staff under the "10,000 Riels, 10,000 People" campaign, combined with additional contributions from the bank, totaling 20 million Riels.



- **Support for the Cambodian Red Cross**

A donation of 60 million Riels was made for the 162nd Anniversary of World Red Cross and Red Crescent Day on May 8, 2025, under the theme **"Together Volunteering for a Healthy and Climate-Resilient Community,"**



- **Support for World First Aid Day 2025**

Sponsoring the World First Aid Day 2025 program under the theme **"Run for Health, Peace, and Climate Change."**



2. SUPPORT FOR EDUCATION AND YOUTH DEVELOPMENT

2.1. 100% SCHOLARSHIP PROGRAM



Providing full scholarships in collaboration with CamEd Business School to contribute to the development of highly talented human resources.

2.2. SUPPORT FOR THE WELL-BEING OF DISABLED CHILDREN

The bank donated funds and study materials, and also organized a free recreational trip to Angkor Wildlife & Aquarium for disabled children. This activity was carried out to promote equal rights to education and bring smiles to children.



2.3. ORIENTATION AND EMPLOYMENT

Supporting the Techno Pre-Incubation program to promote youth innovation and actively participating in major national career fairs (National Career & Productivity Fair) as well as leading university career fairs.



“ National Career & Productivity Fair ”



“ Techno Pre-Incubation ”

3. PROMOTION OF SPORTS AND ENVIRONMENT

3.1. SPORTS AND WELL-BEING

Participating as a sponsor and sending staff to join international marathon events (Phnom Penh, Angkor Empire Siem Reap, and Sihanoukville) and the Ministry of Information's Run for Charity program.



“ 13th Phnom Penh International Half Marathon ”



“ Run for Charity organized by the Ministry of Information ”



“ 10th Angkor Empire Marathon ”



“ 10th Sihanoukville International Half Marathon ”

3.2. ENVIRONMENT

Provided large waste segregation bins in collaboration with the Global Green Growth Institute (GGGI) and the Ministry of Environment to be installed at schools in Tboung Khmum Province, under the "Blue Skies and Net Zero 2050 Campaign" in Cambodia.



4. PRESERVATION OF CULTURE AND RELIGION

4.1. NATIONAL CULTURE AND TRADITIONS

Participating in and supporting the Royal University of Phnom Penh (RUPP) Sangkran, the Phnom Penh International University (PPIU) Sangkran, and the 2nd National Writers' Day program.



" Royal University Phnom Penh (RUPP) Sangkran "



" Phnom Penh International University (PPIU) Sangkran "



" 2nd National Writers' Day program "

4.2. RELIGION

Organizing the Kan Ben Festival project by bringing offerings and financial contributions to Pana Pagoda in Takeo Province.



5. Events and Other Activities

5.1. PROMOTION OF FINANCIAL INCLUSION AND THE RIEL

- FTB participated as a Gold Sponsor in the program "Celebrating Riel Day: the 45th Anniversary of the Re-circulation of the Riel."



- Concurrently, the bank actively participated in the nationwide campaign of the National Bank of Cambodia (NBC) aimed at promoting the use of the national currency, enhancing payments through the KHQR system, and widely disseminating financial literacy to Cambodian citizens.



5.2. SUPPORT FOR COMMERCE AND ECONOMY

The bank participated as a sponsor and actively supported major national forums and exhibitions to promote community economic growth, including:

- **Construction Industry Expo – Cambodia's Productivity 2025**

FTB participated as a Gold Sponsor with the objective of contributing to the development and showcasing the potential of products and services in Cambodia's construction sector.



- **Cambodia Agriculture Forum and Exhibition 2025 (CAFE25)**

The bank sponsored USD 15,000 as a Gold Sponsor. More specifically, it brought farmers from Kampong Thom and Kandal provinces to participate directly, connecting them with modern agricultural technology, new markets, and financial solutions to help expand their businesses.



- **The 9th River Festival**

FTB participated as a Silver Sponsor to support the "9th River Festival 2025" under the theme "Value of the River: Connecting Culture and Ecotourism." This participation aimed to contribute the promotion of Cambodia's tourism potential, attracting internal tourism movements, as well as helping to uplift local products and the community economy.



- **NEXTGEN Enterprise Program (Cohort 3)**

Provided sponsorship for the program organized by Khmer Enterprise to support the capacity building of local entrepreneurs and drive business growth in Cambodia.



YEARLY EVENT

WOMEN'S EMPOWERMENT AND SOCIAL EQUALITY

FTB always promotes rights, equality, and the empowerment of women in society by providing equal opportunities for women to realize their full potential, inspire confidence and drive innovative, sustainable, and prosperous transformation within our community.



FTB celebrates International Women's Day each year by presenting a "Khmer Silk" souvenir to all female employees. This initiative reflects the bank's commitment to honoring women's dedication and achievements, while inspiring confidence and excellence in the workplace.

អបអរសាទរ
ទិវាអន្តរជាតិ

ស្ត្រី

AUDITED FINANCIAL STATEMENTS

2025





REPORT OF THE BOARD OF DIRECTORS

DIRECTORS' REPORT

The Board of Directors (the directors) hereby submit their report and the audited financial statements of Foreign Trade Bank of Cambodia (the Bank) for the year ended 31 December 2025.

PRINCIPAL ACTIVITIES

The Bank is principally engaged in a broad range of commercial banking activities in Cambodia.

RESULTS OF OPERATION AND DIVIDEND

The results of financial performance for the year ended 31 December 2025 are set out in the statement of profit or loss and other comprehensive income on page 57.

There were no dividends declared or paid during the year.

SHARE CAPITAL

There were no changes in the share capital of the Bank during the year.

BAD AND DOUBTFUL LOANS AND ADVANCES

Before the financial statements of the Bank were drawn up, the directors took reasonable steps to ascertain that action had been taken in relation to the writing off of bad loans and advances or making of allowance for impairment losses, and satisfied themselves that all known bad loans and advances had been written off and that adequate loss allowance has been made for bad and doubtful loans and advances.

At the date of this report and based on the best of knowledge, the directors are not aware of any circumstances which would render the amount written off for bad loans and advances or the amount of the allowance for impairment losses in the financial statements of the Bank inadequate to any material extent.

ASSETS

Before the financial statements of the Bank were prepared, the directors took reasonable steps to ensure that any assets which were unlikely to be realised in the ordinary course of business, 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 realise.

At the date of this report and based on the best of knowledge, 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.

CONTINGENT AND OTHER LIABILITIES

At the date of this report, there is:

- (a) 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, or
- (b) 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 banking business.

No contingent or other liability of the Bank has become enforceable, or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the directors, will or may substantially affect the ability of the Bank to meet its obligations as and when they fall due.

CHANGE OF CIRCUMSTANCES

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

ITEMS OF UNUSUAL NATURE

The financial performance of the Bank for the financial year was not, in the opinion of the directors, substantially affected by any item, transaction or event of a material and unusual nature. There has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the directors, to affect substantially the financial performance of the Bank for the current financial year in which this report is made.

THE BOARD OF DIRECTORS

The members of the directors holding office during the year and as at the date of this report are:

H.E Gui Anvantih	Chairman (Non-Independent and Non-Executive)
Mrs. Sok Chansona	Vice-Chairwoman (Independent Director)
Mr. Dith Sochal	Member (Executive Director)
Okna Lim Bunsour	Member (Non-Executive Director)
H.E Chou Vannak	Member (Non-Executive Director)
Mr. Ly Tayseng	Member (Independent Director)

DIRECTORS' RESPONSIBILITY IN RESPECT OF THE FINANCIAL STATEMENTS

The directors are responsible for ascertaining that the financial statements present fairly, in all material respects, the financial position of the Bank as at 31 December 2025 and of its financial performance and its cash flows for the year then ended in accordance with the Cambodian International Financial Reporting Standards (CIFRS).

In preparing these financial statements, the directors are required to:

- i) adopt appropriate accounting policies which are supported by reasonable and prudent judgments and estimates and then apply them consistently;
- ii) comply with the disclosure requirements of CIFRS or, if there have been any departures in the interest of fair presentation, these have been appropriately disclosed, explained and quantified in the financial statements;
- iii) maintain adequate accounting records and an effective system of internal controls;
- iv) prepare the financial statements on the 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 its operations and performance and ascertain that such have been properly reflected in the financial statements.

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

APPROVAL OF THE FINANCIAL STATEMENTS

The accompanying financial statements, together with the notes thereto, which present fairly, in all material respects, the financial position of the Bank as at 31 December 2025 and the financial performance and cash flows of the Bank for the year then ended in accordance with the CIFRS, were approved by the Board of Directors.

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



Mr. Dith Sochal

Executive Director and Chief Executive Officer

Mr. Ok Seiha

Chief Finance Officer

Phnom Penh, Kingdom of Cambodia

31 March 2026



INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS OF FOREIGN TRADE BANK OF CAMBODIA

OUR OPINION

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

What we have audited

The Bank's financial statements comprise:

- the statement of financial position as at 31 December 2025;
- the statement of profit or loss and other comprehensive income for the year then ended;
- the statement of changes in equity for the year then ended;
- the statement of cash flows for the year then ended; and
- the notes to the financial statements, which include material accounting policy information and other explanatory information.

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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

INDEPENDENCE

We are independent of the Bank in accordance with the ethical requirements of the Code of Ethics for Certified Public Accountants and Auditors of Cambodia (CPAA Code), together with the independence rules of the National Bank of Cambodia (NBC) that are relevant to audits of the financial statements of public interest entities in Cambodia. We have also fulfilled our other ethical responsibilities in accordance with the ethical requirements of the CPAA Code and the NBC.

BASIS FOR OPINION (Cont.)

OTHER INFORMATION

The directors are responsible for the other information. The other information obtained at the date of this auditor's report are the directors' report and the supplementary financial information and other disclosures required by the National Bank of Cambodia but do not include the financial statements and our auditor's report thereon.

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 identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

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

RESPONSIBILITIES OF DIRECTORS AND THOSE CHARGED WITH GOVERNANCE FOR THE FINANCIAL STATEMENTS

The directors are responsible for the preparation and fair presentation of the financial statements in accordance with CIFRS, and for such internal control as the directors determine 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, the directors are responsible for assessing the Bank's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either 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

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS (Cont.)

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 directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Bank's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our 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.

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

For PricewaterhouseCoopers (Cambodia) Ltd.



By Lang Hy

Partner

Phnom Penh, Kingdom of Cambodia

31 March 2026



STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2025

	NOTES	2025		2024	
		US\$	KHR'000	US\$	KHR'000
Assets					
Cash on hand	4	34,961,543	140,300,672	42,251,013	170,060,327
Deposits and placements with the central bank	5	485,712,281	1,949,163,384	416,848,606	1,677,815,639
Deposits and placements with other banks	6	442,806,602	1,776,982,894	371,340,745	1,494,646,499
Loans and advances at amortised cost	7	1,297,958,171	5,208,706,140	1,316,366,053	5,298,373,363
Investment securities	8	32,242,633	129,389,686	30,663,681	123,421,316
Foreclosed properties	9	121,101,159	485,978,951	57,143,402	230,002,193
Property and equipment	10	29,524,380	118,481,337	28,147,510	113,293,728
Intangible assets	11	3,927,260	15,760,094	2,839,035	11,427,116
Right-of-use assets	12(a)	13,144,346	52,748,260	12,296,063	49,491,654
Other assets	13	7,511,383	30,143,180	3,577,906	14,401,071
Total assets		<u>2,468,889,758</u>	<u>9,907,654,598</u>	<u>2,281,474,014</u>	<u>9,182,932,906</u>
Liabilities and equity					
Liabilities					
Deposits from banks and financial institutions	14	76,822,234	308,287,625	104,408,644	420,244,792
Deposits from customers	15	2,037,905,664	8,178,115,430	1,829,200,659	7,362,532,652
Current income tax liabilities	32(a)	739,993	2,969,592	2,054,506	8,269,387
Deferred tax liabilities	18	3,180,498	12,763,338	3,158,744	12,713,945
Borrowings	16	16,786,517	67,364,293	17,810,706	71,688,092
Lease liabilities	12(a)	14,657,924	58,822,249	13,444,991	54,116,089
Provision for employee benefits	19	260,988	1,047,345	308,122	1,240,191
Provision for off-balance commitment		819,041	3,286,812	848,217	3,414,073
Other liabilities	20	2,058,670	8,261,441	2,809,123	11,306,719
Subordinated debts	17	63,293,550	253,997,016	63,293,550	254,756,539
Total liabilities		<u>2,216,525,079</u>	<u>8,894,915,141</u>	<u>2,037,337,262</u>	<u>8,200,282,479</u>
Equity					
Share capital	21	79,500,000	318,000,000	79,500,000	318,000,000
Reserves	22	100,834,031	410,512,423	103,341,781	420,571,008
Retained earnings		72,030,648	292,486,570	61,294,971	249,425,769
Currency translation difference		-	(8,259,536)	-	(5,346,350)
Total equity		<u>252,364,679</u>	<u>1,012,739,457</u>	<u>244,136,752</u>	<u>982,650,427</u>
Total liabilities and equity		<u>2,468,889,758</u>	<u>9,907,654,598</u>	<u>2,281,474,014</u>	<u>9,182,932,906</u>

The notes form an integral part of these financial statements.



STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

AS AT 31 DECEMBER 2025

	NOTES	2025		2024	
		US\$	KHR'000	US\$	KHR'000
Interest income	23	125,839,648	504,742,828	132,872,631	540,924,481
Interest expense	24	(86,957,730)	(348,787,455)	(81,254,858)	(330,788,527)
Net interest income		<u>38,881,918</u>	<u>155,955,373</u>	<u>51,617,773</u>	<u>210,135,954</u>
Fee and commission income	25	5,901,446	23,670,700	3,014,320	12,271,297
Fee and commission expense	25	(1,099,205)	(4,408,911)	(1,218,218)	(4,959,365)
Net fee and commission income	25	<u>4,802,241</u>	<u>19,261,789</u>	<u>1,796,102</u>	<u>7,311,932</u>
Impairment losses on financial instruments	26	(8,868,146)	(35,570,134)	(14,008,070)	(57,026,853)
Other gains - net	28	1,789,477	7,177,592	1,440,476	5,864,178
Other operating income	27	549,864	2,205,505	444,749	1,810,573
Total operating losses		<u>(6,528,805)</u>	<u>(26,187,037)</u>	<u>(12,122,845)</u>	<u>(49,352,102)</u>
Personnel expenses	29	(14,718,359)	(59,035,338)	(14,040,018)	(57,156,913)
Depreciation and amortisation charges	30	(5,364,664)	(21,517,667)	(4,548,388)	(18,516,488)
Other operating expenses	31	(7,021,092)	(28,161,600)	(5,795,228)	(23,592,373)
Profit before income tax		<u>10,051,239</u>	<u>40,315,520</u>	<u>16,907,396</u>	<u>68,830,010</u>
Income tax expenses	32(b)	(1,823,312)	(7,313,304)	(5,158,799)	(21,001,471)
Profit for the year		<u>8,227,927</u>	<u>33,002,216</u>	<u>11,748,597</u>	<u>47,828,539</u>
Other comprehensive income: Items that will not be reclassified to profit or loss					
Currency translation differences		-	(2,913,186)	-	(14,483,725)
Other comprehensive income for the year, net of tax		-	(2,913,186)	-	(14,483,725)
Total comprehensive income for the year		<u>8,227,927</u>	<u>30,089,030</u>	<u>11,748,597</u>	<u>33,344,814</u>
Profit attributable to:					
Owners of the Bank		<u>8,227,927</u>	<u>33,002,216</u>	<u>11,748,597</u>	<u>47,828,539</u>
Total comprehensive income attributable to:					
Owners of the Bank		<u>8,227,927</u>	<u>30,089,030</u>	<u>11,748,597</u>	<u>33,344,814</u>

The notes form an integral part of these financial statements.



STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2025

	Attributable to owners of the Bank													
	Share capital		Regulatory reserves		Non-distributable reserves		General reserves		Retained earnings		Currency translation difference		Total	
	US\$	KHR'000	US\$	KHR'000	US\$	KHR'000	US\$	KHR'000	US\$	KHR'000	US\$	KHR'000	US\$	KHR'000
Balance as at 1 January 2024	79,500,000	318,000,000	24,041,577	97,950,897	70,600,486	287,202,777	195,590	797,029	58,050,502	236,217,535	-	9,137,375	232,388,155	949,305,613
Profit for the year	-	-	-	-	-	-	-	-	11,748,597	47,828,539	-	-	11,748,597	47,828,539
Other comprehensive income – currency translation differences	-	-	-	-	-	-	-	-	-	-	-	(14,483,725)	-	(14,483,725)
Total comprehensive income for the year	-	-	-	-	-	-	-	-	11,748,597	47,828,539	-	(14,483,725)	11,748,597	33,344,814
Transactions with owners in their capacity as owners:														
Transfer to regulatory reserves	-	-	8,504,128	34,620,305	-	-	-	-	(8,504,128)	(34,620,305)	-	-	-	-
Total transactions with owners	-	-	8,504,128	34,620,305	-	-	-	-	(8,504,128)	(34,620,305)	-	-	-	-
Balance as at 31 December 2024	79,500,000	318,000,000	32,545,705	132,571,202	70,600,486	287,202,777	195,590	797,029	61,294,971	249,425,769	-	(5,346,350)	244,136,752	982,650,427
Balance as at 1 January 2025	79,500,000	318,000,000	32,545,705	132,571,202	70,600,486	287,202,777	195,590	797,029	61,294,971	249,425,769	-	(5,346,350)	244,136,752	982,650,427
Profit for the year	-	-	-	-	-	-	-	-	8,227,927	33,002,216	-	-	8,227,927	33,002,216
Other comprehensive income – currency translation differences	-	-	-	-	-	-	-	-	-	-	-	(2,913,186)	-	(2,913,186)
Total comprehensive income for the year	-	-	-	-	-	-	-	-	8,227,927	33,002,216	-	(2,913,186)	8,227,927	30,089,030
Transactions with owners in their capacity as owners:														
Transfer to regulatory reserves	-	-	(2,507,750)	(10,058,585)	-	-	-	-	2,507,750	10,058,585	-	-	-	-
Total transactions with owners	-	-	(2,507,750)	(10,058,585)	-	-	-	-	2,507,750	10,058,585	-	-	-	-
Balance as at 31 December 2025	79,500,000	318,000,000	30,037,955	122,512,617	70,600,486	287,202,777	195,590	797,029	72,030,648	292,486,570	-	(8,259,536)	252,364,679	1,012,739,457

The notes form an integral part of these financial statements.



STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2025

	NOTES	2025		2024	
		US\$	KHR'000	US\$	KHR'000
Cash flows from operating activities					
Profit before income tax		10,051,239	40,315,520	16,907,396	68,830,010
Adjustments for:					
Provision for employee benefit obligations		(47,134)	(189,054)	(43,809)	(178,346)
Depreciation and amortisation charges	30	5,364,664	21,517,667	4,548,388	18,516,488
Impairment losses on financial instruments	26	9,295,938	37,286,007	14,093,478	57,374,549
Net losses on disposal of property and equipment		(3,635)	(14,580)	2,041	8,309
Gains on the disposal of foreclosed properties		(938,753)	(3,765,338)	(186,129)	(757,731)
Interest income	23	(125,839,648)	(504,742,828)	(132,872,631)	(540,924,481)
Interest expenses	24	86,957,730	348,787,455	81,254,858	330,788,527
Changes in working capital:					
Loans and advances to customers		15,414,088	61,825,907	(13,743,083)	(55,948,091)
Other assets		(69,405,037)	(278,383,602)	(25,338,007)	(103,151,026)
Deposit from other banks		(29,778,200)	(119,440,360)	(21,452,388)	(87,332,672)
Deposit from customers		208,736,714	837,242,960	266,439,411	1,084,674,842
Accruals and other liabilities		(750,453)	(3,010,067)	(1,830,994)	(7,453,977)
Cash generated from operating activities		109,057,513	437,429,687	187,778,531	764,446,401
Interest received		118,177,877	474,011,465	128,364,653	522,572,502
Interest paid		(84,804,712)	(340,151,700)	(80,941,298)	(329,512,024)
Income tax paid		(3,116,071)	(12,498,561)	(3,471,091)	(14,130,811)
Net cash generated from operating activities		139,314,607	558,790,891	231,730,795	943,376,068
Cash flows from investing activities					
Purchases of property and equipment	10	(3,010,463)	(12,074,967)	(3,612,484)	(14,706,422)
Purchases of intangible assets	11	(1,792,482)	(7,189,645)	(1,962,462)	(7,989,183)
Proceeds from sales of foreclosed property		2,068,719	8,297,632	303,148	1,234,116
Proceeds from sales of property and equipment		(475,864)	(1,908,692)	351,052	1,429,133
Deposits and placements with central banks – maturity more than three months		(9,526,074)	(38,209,083)	(16,770,856)	(68,274,155)
Deposits and placements with other banks – maturity more than three months		(310,220,289)	(1,244,293,579)	(21,812,301)	(88,797,877)
Net cash used in financing activities		(322,956,453)	(1,295,378,334)	(43,503,903)	(177,104,388)

STATEMENT OF CASH FLOWS

(Cont.)

FOR THE YEAR ENDED 31 DECEMBER 2025

	NOTES	2025		2024	
		US\$	KHR'000	US\$	KHR'000
Cash flows from financing activities					
Repayments of borrowings	16	(1,017,125)	(4,079,688)	(28,469,129)	(115,897,824)
Proceeds from borrowings	16	-	-	2,467,621	10,045,685
Proceeds from subordinated debts	17	-	-	25,500,000	103,810,500
Principal element of lease payments		(1,798,828)	(7,215,099)	(1,660,712)	(6,760,759)
Net cash used in financing activities		(2,815,953)	(11,294,787)	(2,162,220)	(8,802,398)
Net (decrease)/increase in cash and cash equivalents					
		(186,457,799)	(747,882,230)	186,064,672	757,469,282
Cash and cash equivalents at beginning of year		642,068,074	2,584,323,997	456,003,402	1,862,773,898
Currency translation differences		-	(8,077,733)	-	(35,919,183)
Cash and cash equivalents at end of year	33	455,610,275	1,828,364,034	642,068,074	2,584,323,997

The notes form an integral part of these financial statements.



NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

1. GENERAL

The Bank was originally established following sub-decree No. 1213 dated 10 October 1979 under the former regime of the State of Cambodia. In 2000, the Bank was separated from the direct management of the National Bank of Cambodia (“NBC” or “the Central Bank”). The Bank is recognised as a public limited company by the Ministry of Commerce (MOC) under the registration number Co.8835 M/2006 dated 21 June 2006.

The Bank holds a commercial banking license from NBC that was renewed for an indefinite period on 21 December 2006.

The principal activities of the Bank consist of the provision of comprehensive banking and related financial services in Cambodia.

The registered office of the Bank is located at Building No.33C-D Czech Republic Blvd., Sangkat Veal Vong, Khan Prampir Meakkakra, Phnom Penh, the Kingdom of Cambodia.

The financial statements were authorized for issue by the Board of Directors on 31 March 2026.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES

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

2.1. BASIS OF PREPARATION

The financial statements are prepared in accordance with Cambodian International Financial Reporting Standards (CIFRS) which are based on all standards published by the IASB including other interpretations and amendments that may occur in any circumstances to each standard.

The financial statements have been prepared under the historical cost convention, except for equity instruments which are financial assets measured at fair value.

The Bank discloses the amount for each asset and liability that is expected to be recovered or settled no more than 12-month after the reporting period as current, and more than 12-month after the reporting period as non-current.

The preparation of financial statements in conformity with CIFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 3.

NOTES TO THE FINANCIAL STATEMENTS (Cont.)

FOR THE YEAR ENDED 31 DECEMBER 2025

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (Cont.)

2.1. BASIS OF PREPARATION (Cont.)

An English version of the financial statements have been prepared from the statutory financial statements that are in the Khmer language. In the event of a conflict or a difference in interpretation between the two languages, the Khmer language statutory financial statements shall prevail.

2.2. NEW STANDARDS AND INTERPRETATION

a) New and amended standards adopted by the Bank

The Bank has applied the following standards and amendments for the first time for their annual reporting period commencing 1 January 2025:

- Lack of exchangeability – Amendments to CIAS 21

The amendments listed above did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

b) New standards and interpretations not yet adopted by the Bank

Certain new accounting standards and interpretations have been published that are not mandatory for 31 December 2025 reporting period and have not been early adopted by the Bank.

- Amendments to the Classification and Measurement of Financial Instruments – Amendments to CIFRS 9 and CIFRS 7
- CIFRS 19, Subsidiaries without Public Accountability: Disclosures

The standards and amendments above are not expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions:

- Presentation and Disclosure in Financial Statements – CIFRS 18

CIFRS 18 will replace CIAS 1 Presentation of financial statements, introducing new requirements that will help to achieve comparability of the financial performance of similar entities and provide more relevant information and transparency to users. Even though CIFRS 18 will not impact the recognition or measurement of items in the financial statements, its impacts on presentation and disclosure are expected to be pervasive, in particular those related to the statement of financial performance and providing management-defined performance measures within the financial statements.

Management is currently assessing the detailed implications of applying the new standard on the Bank's financial statements.

NOTES TO THE FINANCIAL STATEMENTS (Cont.)

FOR THE YEAR ENDED 31 DECEMBER 2025

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (Cont.)

2.2. NEW STANDARDS AND INTERPRETATION (Cont.)

b) New standards and interpretations not yet adopted by the Bank (Cont.)

The Bank will apply the new standard from its mandatory effective date of 1 January 2027. Retrospective application is required, and so the comparative information for the financial year ending 31 December 2026 will be restated in accordance with CIFRS 18.

2.3. FOREIGN CURRENCY TRANSLATION

a) Functional and presentation currency

Items included in the financial statements of the Bank are measured using the currency of the primary economic environment in which the Bank operates (the functional currency). The functional The financial statements are presented in US\$ which is the Bank's functional and presentation currency.

b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of transactions. Foreign exchange gains and losses resulting from the settlement of such transactions, and from the translation of monetary assets and liabilities denominated in currencies other than US\$ at year end exchange rates, are recognised in profit or loss.

Foreign exchange gains and losses that relate to borrowings are presented in the statement of profit or loss, within interest expense. All other foreign exchange gains and losses are presented in the profit or loss on a net basis.

c) Presentation in Khmer Riel

In compliance with the Law on Accounting and Auditing, the financial statements shall be expressed in Khmer Riel (KHR). The statement of profit or loss and other comprehensive income and the statement of cash flows are translated into KHR using the average exchange rates for the year. Assets and liabilities for each statement of financial position presented are translated at the closing rates as at the reporting date. Shareholders' capital and reserves are translated at the rate at the date of transaction. All resulting exchange differences are recognised in the other comprehensive income.

The Bank has used the official rate of exchange published by the National Bank of Cambodia. As at the reporting date, the yearly average rate was US\$ 1 to KHR 4,011 (2024: US\$ 1 to KHR 4,071) and the closing rate was US\$ 1 to KHR 4,013 (2024: US\$ 1 to KHR 4,025).

NOTES TO THE FINANCIAL STATEMENTS (Cont.)

FOR THE YEAR ENDED 31 DECEMBER 2025

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (Cont.)

2.4. CASH AND CASH EQUIVALENTS

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, unrestricted deposits and placements with the central bank, deposits and placements with other banks, and other short-term highly liquid investments with original maturities of three months or less where the Bank has full ability to withdraw for general purpose whenever needed and subject to an insignificant risk of changes in value.

2.5. FINANCIAL ASSETS

a) Classification

The Bank classifies its financial assets in the following measurement categories:

- those to be measured at amortised cost including cash on hand, deposits and placements with the central bank and other banks, loans and advances at amortised cost, and other assets; and
- those to be measured subsequently at fair value through other comprehensive income (OCI).

The classification depends on the Bank's model for managing financial assets and the contractual terms of the financial assets cash flows.

For assets measured at fair value, gains or losses will either be recorded in profit or loss or OCI. For investment in equity instruments that are held for trading, this will depend on whether the Bank has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income (FVOCI).

(i) Financial assets at fair value through OCI comprise of:

- Equity securities which are not held for trading, and for which the Bank has made an irrevocable election at initial recognition to recognise changes in fair value through other comprehensive income rather than profit or loss.

(ii) The Bank classifies their financial assets at amortised cost only if both of the following criteria are met:

- The asset is held within a business model with the objective of collecting the contractual cash flows, and
- The contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding.

NOTES TO THE FINANCIAL STATEMENTS (Cont.)

FOR THE YEAR ENDED 31 DECEMBER 2025

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (Cont.)

2.5. FINANCIAL ASSETS (Cont.)

b) Recognition and derecognition

Financial assets are recognised when the Bank becomes a party to the contractual provision of the instruments. Regular way purchases and sales of financial assets are recognised on trade date, being the date on which the Bank commits to purchase or sell the assets.

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Bank has transferred substantially all the risks and rewards of ownership. A gain or loss on derecognition of a financial asset measured at amortised cost is recognised in profit or loss when the financial asset is derecognised.

c) Measurement

At initial recognition, the Bank measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVPL), transaction costs that are directly attributable to the acquisition of the financial asset. Immediately after initial recognition, an expected credit loss allowance (ECL) is recognised for financial assets measured at amortised cost, which results in an accounting loss being recognised in profit or loss when an asset is newly originated.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Debt instruments

Subsequent measurement of debt instruments depends on the Bank's business model for managing the assets and the cash flow characteristics of the assets. The Bank classifies its debt instruments into the following measurement category:

- **Amortised cost:** Assets that are held for collection of contractual cash flows, where those cash flows represent solely payments of principal and interest (SPPI), are measured at amortised cost. The carrying amount of these assets is adjusted by any expected credit loss allowance recognised. Interest income from these financial assets is included in finance income using the effective interest rate method.

For loans to employees with interest rate below market rate, such loans are initially recognised at the present value of the future cash payments discounted at a market rate of interest for similar loans. Differences between the amount of cash paid and the present value of the future cash received are

NOTES TO THE FINANCIAL STATEMENTS (Cont.)

FOR THE YEAR ENDED 31 DECEMBER 2025

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (Cont.)

2.5. FINANCIAL ASSETS (Cont.)

c) Measurement (Cont.)

accounted as employee remuneration. Those amounts are recognised as advanced employee benefits and amortised to employee benefit expense to profit or loss over loan period.

Equity instruments

The Bank subsequently measures all equity investments at fair value. Where the Bank's management has elected to present fair value gains or losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss allowing the derecognition of the investment. Dividends from such investments continue to be recognised in profit or loss as other income when the Bank's right to receive payments is established. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

d) Reclassification of financial assets

The Bank reclassifies financial assets when and only when their business model for managing those assets changes.

e) Impairment

The Bank assesses on a forward-looking basis ECL associated with its debt instrument assets carried at amortised cost, FVOCI, the exposure arising from credit commitments (including overdraft and undisbursed portion of loans and advances), and financial guarantee contracts. The Bank recognises a loss allowance for such losses at each reporting date. The measurement of ECL reflects:

- An unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- The time value of money; and
- Reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

The Bank applies a three-stage approach to measuring ECL for the following categories:

- Debt instruments measured at amortised cost; and
- Credit commitments and financial guarantee contract

NOTES TO THE FINANCIAL STATEMENTS (Cont.)

FOR THE YEAR ENDED 31 DECEMBER 2025

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (Cont.)

2.5. FINANCIAL ASSETS (Cont.)

e) Impairment (Cont.)

The three-stage approach is based on the change in credit risk since initial recognition:

(i) Stage 1: 12-month ECL

Stage 1 includes financial assets which have not had a significant increase in credit risk since initial recognition or which have low credit risk at reporting date. 12-month ECL is recognised and interest income is calculated on the gross carrying amount of the financial assets.

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

Stage 2 includes financial assets which have had a significant increase in credit risk since initial recognition (unless they have low credit risk at the reporting date) but do not have objective evidence of impairment. Lifetime ECL is recognised and interest income is calculated on the gross carrying amount of the financial assets.

(iii) Stage 3: Lifetime ECL – credit impaired

Stage 3 includes financial assets that have objective evidence of impairment at the reporting date. Lifetime ECL is recognised and interest income is calculated on the net carrying amount of the financial assets.

f) Modification of loans and advances

The Bank sometimes renegotiates or otherwise modifies the contractual cash flows of loans to customers. When this happens, the Bank assesses whether or not the new terms are substantially different to the original terms. The Bank does this by considering, among others, the following factors:

- If the borrower is in financial difficulty, whether the modification merely reduces the contractual cash flows to amounts the borrower is expected to be able to pay.
- Whether any substantial new terms are introduced, such as a profit share/equity-based return that substantially affects the risk profile of the loan.
- Significant extension of the loan term when the borrower is not in financial difficulty.
- Significant change in the interest rate.
- Change in the currency the loan is denominated in.

NOTES TO THE FINANCIAL STATEMENTS (Cont.)

FOR THE YEAR ENDED 31 DECEMBER 2025

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (Cont.)

2.5. FINANCIAL ASSETS (Cont.)

f) Modification of loans and advances (Cont.)

- Insertion of collateral, other security or credit enhancements that significantly affect the credit risk associated with the loan.

If the terms are substantially different, the Bank derecognises the original financial asset and recognises a new asset at fair value and recalculates a new effective interest rate for the asset. The date of renegotiation is consequently considered to be the date of initial recognition for impairment calculation purposes, including for the purpose of determining whether a significant increase in credit risk has occurred. However, the Bank also assesses whether the new financial asset recognised is deemed to be credit-impaired at initial recognition, especially in circumstances where the renegotiation was driven by the debtor being unable to make the originally agreed payments. Differences in the carrying amount are also recognised in profit or loss as a gain or loss on derecognition.

If the terms are not substantially different, the renegotiation or modification does not result in derecognition, and the Bank recalculates the gross carrying amount based on the revised cash flows of the financial asset and recognises a modification gain or loss in profit or loss. The new gross carrying amount is recalculated by discounting the modified cash flows at the original effective interest rate (or credit-adjusted effective interest rate for the purchased or originated credit-impaired financial assets).

2.6. FINANCIAL LIABILITIES

Financial liabilities are recognised when the Bank becomes a party to the contractual provision of the instruments. Financial liabilities of the Bank include deposits from banks and financial institutions, deposits from customers, subordinated debts, borrowings, lease liabilities, and other financial liabilities.

Financial liabilities are initially recognised at fair value less transaction costs for all financial liabilities not carried at fair value through profit or loss.

Financial liabilities that are not classified as fair value through profit or loss are measured at amortised cost. The financial liabilities measured at amortised cost are deposits from banks and financial institutions, deposits from customers, subordinated debts, borrowings, lease liabilities and other liabilities.

Financial liabilities are derecognised when they have been redeemed or otherwise extinguished.

NOTES TO THE FINANCIAL STATEMENTS (Cont.)

FOR THE YEAR ENDED 31 DECEMBER 2025

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (Cont.)

2.7. CREDIT COMMITMENTS AND FINANCIAL GUARANTEE CONTRACTS

Credit commitments provided by the Bank are measured as the amount of the loss allowance. The Bank has not provided any commitment to provide loans at a below-market interest rate, or that can be settled net in cash or by delivering or issuing another financial instrument.

Financial guarantee contracts are contracts that require the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due, in accordance with the terms of a debt instrument. Such financial guarantees are given to banks, financial institutions and other bodies on behalf of customers to secure loans, overdrafts and other banking facilities.

Financial guarantees are initially recognised in the financial statements at fair value on the date the guarantee was given. The guarantees are agreed on arm's length terms and the value of the premium agreed corresponds to the value of the guarantee obligation. No receivable for the future premiums is recognised. Financial guarantee contracts are subsequently measured at the higher of the amount determined in accordance with the ECL model under CIFRS 9 'Financial Instruments' and the amount initially recognised less cumulative amount of income recognised in accordance with the principles of CIFRS 15 'Revenue from Contracts with Customers', where appropriate.

These estimates are determined based on experience of similar transactions and history of past losses, supplemented by the judgement of management. The fee income earned is recognised on a straight-line basis over the life of the guarantee.

Any increase in the liability relating to guarantees is reported in profit or loss within operating expenses.

For credit commitments and financial contracts, the ECL are recognised as provisions (presented with other liabilities). However, for contracts that include both a loan and an undrawn commitment and that the Bank cannot separately identify the ECL on the undrawn commitment component from those on the loan component, the ECL on the undrawn commitment are recognised together with the loss allowance for the loan. To the extent that the combined ECL exceeds the gross carrying amount of the loan, the ECL is recognised as a provision.

2.8. OFFSETTING FINANCIAL INSTRUMENTS

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

NOTES TO THE FINANCIAL STATEMENTS (Cont.)

FOR THE YEAR ENDED 31 DECEMBER 2025

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (Cont.)

2.9 . FORECLOSED PROPERTIES

Foreclosed properties consisting of immovable properties are stated at the lower of its carrying amount and fair value less costs to sell. Foreclosed properties are not depreciated while it is classified as held for sale. A gain or loss is recognised in the profit or loss at the date of derecognition.

2.10. PROPERTY AND EQUIPMENT

Property and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is possible that future economic benefits associated with the item will flow to the Bank and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the profit or loss during the financial period in which they are incurred.

Land and work-in-progress is not depreciated. Depreciation on other property and equipment are depreciated using the straight-line method to allocate their cost to their residual value over their estimated useful lives, as follows:

	Years
Buildings	20 Years
Leasehold improvement	Shorter of lease period and its economic lives of 5 years
Computer equipment	3 - 5 Years
Furniture and office equipment	3 - 5 Years
Motor vehicles	5 Years

Depreciation on construction work-in-progress commences when the assets are ready for their intended use. The assets' useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing the proceeds within the carrying amount and are recognised in profit or loss.

2.11. INTANGIBLE ASSETS

Intangible assets, which comprise acquired computer software licence and related costs, are stated at

NOTES TO THE FINANCIAL STATEMENTS (Cont.)

FOR THE YEAR ENDED 31 DECEMBER 2025

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (Cont.)

2.11. INTANGIBLE ASSETS (Cont.)

cost less accumulated amortisation and impairment loss. Acquired computer software licences are capitalised on the basis of costs incurred to acquire the specific software licence and bring them into use. These costs are amortised over their estimated useful lives of five years using the straight-line method.

Costs associated with maintaining computer software are recognised as expenses when incurred.

2.12. IMPAIRMENT OF NON-FINANCIAL ASSETS

Intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other non-financial assets that are subject to amortisation or depreciation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and its value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

Any impairment loss is charged to profit or loss in the period in which it arises. Reversal of impairment losses is recognised in profit or loss to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, had no impairment loss been recognised.

2.13. LEASES

The Bank as a lessee

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

Contracts may contain both lease and non-lease components. The Bank allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices.

NOTES TO THE FINANCIAL STATEMENTS (Cont.)

FOR THE YEAR ENDED 31 DECEMBER 2025

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (Cont.)

2.13. LEASES (Cont.)

Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants other than the security interests in the lease assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes.

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use.

Assets and liabilities arising from a lease are initially measured on a present value basis.

a) Lease liabilities

Lease liabilities include the net present value of the lease payments from fixed payments (including in-substance fixed payments), less any lease incentives receivable.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Bank, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

To determine the incremental borrowing rate, the Bank where possible, uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received.

Lease payments are allocated between principal and interest expense. The interest expense was charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

b) Right-of-use assets

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability;
- any lease payments made at or before the commencement date less any lease incentives received;
- any initial direct cost;
- restoration cost, if any

NOTES TO THE FINANCIAL STATEMENTS (Cont.)

FOR THE YEAR ENDED 31 DECEMBER 2025

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (Cont.)

2.13. LEASES (Cont.)

b) Right-of-use assets (Cont.)

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Bank is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

Subsequently the right-of-use asset is measured at cost less depreciation and any accumulated impairment losses.

c) Recognition exemptions

Payments associated with all short-term leases and low value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less.

2.14. INCOME TAX

The income tax expense is the tax payable on the current's period taxable income, based on the applicable income tax rate, adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax law enacted or substantively enacted at the reporting date in the country where the Bank operates and generates taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and considers whether it is probable that a taxation authority will accept an uncertain tax treatment. The Bank measures its tax balances either based on the most likely amount or the expected value, depending on which method provides a better prediction of the resolution of the uncertainty.

Deferred tax is provided in full, using the liability method, providing for temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax is determined using tax rates based on laws that have been enacted or substantively enacted by the reporting date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which temporary difference can be utilised. 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

NOTES TO THE FINANCIAL STATEMENTS (Cont.)

FOR THE YEAR ENDED 31 DECEMBER 2025

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (Cont.)

2.14. INCOME TAX (Cont.)

benefit will be realised.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets and they relate to income taxes levied by the same tax authority on the same taxable entity.

Current and deferred tax are recognised in profit or loss, except to the extent that they relate to items recognised in other comprehensive income or directly in equity. In this case, the taxes are also recognised in other comprehensive income or directly in equity, respectively.

2.15. PROVISION

Provisions are recognised when the Bank has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated.

When there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as an interest expense.

2.16. RESERVES

a) Regulatory reserve

Banks and financial institutions are required to compute regulatory provisions, according to Prakas No. B7-017-344 dated 1 December 2017 and Circular No. B7-018-001 dated 16 February 2018 on credit risk classification and provisions on impairment, and Circular No. B7-021-2314 dated 28 December 2021 (implemented from 1 January 2022) on the classification and provisioning requirements for restructured loans, and Notification No. B30-025-170 dated 5 February 2025 on calculation of the total provision. If the accumulated regulatory provision is higher than the accumulated impairment based on CIFRS 9, the 'topping up' will be recorded as regulatory reserves presented under equity.

NOTES TO THE FINANCIAL STATEMENTS (Cont.)

FOR THE YEAR ENDED 31 DECEMBER 2025

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (Cont.)

2.16. RESERVES

a) Regulatory reserve (Cont.)

The reserve is subsequently reversed (up to zero) should the accumulated regulatory provision equal or be lower than accumulated impairment based on CIFRS 9. The regulatory reserve is set aside as a buffer, is non-distributable, is not allowed to be included in the net worth calculation.

The regulatory provision is calculated by applying the prescribed credit grading rates issued by the NBC to the gross carrying amount per CIFRS. These rates are as follows: Normal at 1%, Special Mention at 3%, Sub-standard at 20%, Doubtful at 50%, and Loss at 100%.

b) Non-distributable reserve

The non-distributable reserve is maintained following the approval on 2 July 2021 and 25 March 2020 from the central bank on the request to transfer from retained earnings in accordance with the central bank's Prakas No. B7-018-068 Prokor dated 22 February 2018 on the determination of capital buffers of banks and financial institutions. Any movement requires approval from the Board of Directors and the central bank.

c) General reserve

The general reserves are set up for any overall financial risk. The Board of Directors exercises its discretion for the use and maintenance of the general reserves. The transfer from retained earnings to general reserves is subject to the approval of Board of Directors of the Bank. Allocations to the general reserve are no longer allowed under the Bank's Memorandum and Articles of Association dated 23 May 2006 and the amendment on 30 May 2007.

2.17. EMPLOYEE BENEFITS

a) Short-term employee benefits

Short-term employee benefits are accrued in the year in which the associated services are rendered by the employees of the Bank.

b) Pension obligations

The Bank pays monthly contributions for the compulsory pension scheme to National Social Security Fund (NSSF), a publicly administered social security scheme for pension in Cambodia. The Bank has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expenses when they are due.

NOTES TO THE FINANCIAL STATEMENTS (Cont.)

FOR THE YEAR ENDED 31 DECEMBER 2025

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (Cont.)

2.17. EMPLOYEE BENEFITS (Cont.)

c) Other employee benefits - seniority payments

In June 2018, the Cambodian government amended the Labour Law introducing the seniority pay scheme. Subsequently on 21 September 2018, Prakas No. 443 K.B/Br.K.Kh.L, was issued providing guidelines on the implementation of the law. In accordance with the law/Prakas, each entity is required to pay each employee with unspecified duration employment contract the following seniority scheme:

- Annual service - effective January 2019, 15 days of their average monthly salary and benefits each year payable every six month on 30 June and 31 December (7.5 days each payment).
- Past years of seniority service - employees are entitled to 15 days of their salary per year of service since the commencement of employment up to 31 December 2018 and still continue working with the Bank. The past seniority payment depends on each staff's past services and shall not exceed six months of average gross salaries. On 22 March 2019, the Ministry of Labour and Vocational Training issued guideline number 042/19 K.B/S.N.N.Kh.L, to delay the payment of the past years of seniority service which will be payable three days each in June and in December.

The annual service pay is considered as short-term employee benefits. These are accrued in the year in which the associated services are rendered by the employees of the Bank.

The past years of seniority service is classified as long-term employee benefits, other than those payable within the next 12 months. Past seniority liability is recognised at the present value of defined obligations to better estimate the ultimate cost to the Bank that employees have earned in return for their service in the current and prior period. That obligation arises as employees render the services that the Bank expected to pay in the future reporting periods. The present value of the past seniority payment is determined by discounting the estimated future payments by references to the high-quality corporate bond of the currency that the liability is denominated.

2.18. INTEREST INCOME AND EXPENSE

Interest income and expense from financial instruments at amortised cost are recognised within interest income and interest expense respectively in the statement of profit or loss using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial asset or a financial liability and of allocating the interest income or interest expense over the relevant period.

NOTES TO THE FINANCIAL STATEMENTS (Cont.)

FOR THE YEAR ENDED 31 DECEMBER 2025

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (Cont.)

2.18. INTEREST INCOME AND EXPENSE (Cont.)

The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts throughout the expected life of the financial instruments or, when appropriate, a shorter period to the gross carrying amount of the financial asset or financial liability. When calculating the effective interest rate, the Bank takes into account all contractual terms of the financial instrument and includes any fees or incremental costs that are directly attributable to the instrument and are an integral part of the effective interest rate, but not future credit losses.

Interest income is calculated by applying effective interest rate to the gross carrying amount of a financial asset except for:

- Purchased or originated credit-impaired financial assets (POCI), for which the original credit-adjusted effective interest rate is applied to the amortised cost of the financial assets.
- Financial assets that are not POCI but have subsequently become credit-impaired (or stage 3), for which interest revenue is calculated by applying the effective interest rate to their amortised cost (i.e. net of the expected credit loss provision).

2.19. FEE AND COMMISSION INCOME

Fees and commissions are recognised as income when all conditions precedent are fulfilled (performance obligations are satisfied and control is transferred over time or point in time).

Commitment fees for loans, advances, and financing that are likely to be drawn down are deferred (together with related direct costs) and income which forms an integral part of the effective interest rate of a financial instrument is recognised as an adjustment to the effective interest rate on the financial instrument.

3. CRITICAL ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGEMENTS

The Bank makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, rarely equal the related actual results. To enhance the information content of the estimates, certain key variables that are anticipated to have material impact to the Bank's results and financial position are tested for sensitivity to changes in the underlying parameters. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year are outlined below:

NOTES TO THE FINANCIAL STATEMENTS (Cont.)

FOR THE YEAR ENDED 31 DECEMBER 2025

3. CRITICAL ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGEMENTS (Cont.)

a) Expected credit loss allowance on financial assets at amortised cost

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

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

- Determining criteria for significant increase in credit risk;
- Choosing appropriate models and assumptions for the measurement of ECL;
- Establishing the number and relative weightings of forward-looking scenarios for each type of product/market and the associated ECL;
- Establishing groups of similar financial assets for the purposes of measuring ECL;
- For individual assessment management makes judgement on the future in respect of the estimation of amount and timing of cash flows from the net realisable value of the underlying collateral value.

The management has continuously refreshed the macroeconomic variables annually to reflect the recent economic condition in its forward-looking model for the allowances for expected losses for loans and advances to customers. When determining whether the risk of default has increased significantly since initial recognition, both quantitative and qualitative information is considered, including expert credit assessment, forward looking information and analysis based on the Bank's historical loss experience.

4. CASH ON HAND

	2025		2024	
	US\$	KHR'000	US\$	KHR'000
Current:				
US Dollars	25,721,767	103,221,451	32,367,438	130,278,938
Khmer Riel	9,164,826	36,778,447	9,883,575	39,781,389
Other	74,950	300,774	-	-
	<u>34,961,543</u>	<u>140,300,672</u>	<u>42,251,013</u>	<u>170,060,327</u>

NOTES TO THE FINANCIAL STATEMENTS (Cont.)

FOR THE YEAR ENDED 31 DECEMBER 2025

5. DEPOSITS AND PLACEMENTS WITH THE CENTRAL BANK

	2025		2024	
	US\$	KHR'000	US\$	KHR'000
Current:				
Current accounts	289,633,575	1,162,299,536	259,351,451	1,043,889,590
Settlement accounts	5,624,821	22,572,407	4,574,672	18,413,055
Negotiable certificate of deposits (i)	50,103,261	201,064,387	22,097,933	88,944,180
	<u>345,361,657</u>	<u>1,385,936,330</u>	<u>286,024,056</u>	<u>1,151,246,825</u>
Statutory deposits				
Reserve requirement (ii)	132,359,345	531,158,051	122,822,050	494,358,751
Capital guarantee deposit (iii)	7,991,279	32,069,003	8,002,500	32,210,063
	<u>140,350,624</u>	<u>563,227,054</u>	<u>130,824,550</u>	<u>526,568,814</u>
	<u>485,712,281</u>	<u>1,949,163,384</u>	<u>416,848,606</u>	<u>1,677,815,639</u>

(i) The Bank has pledged Negotiable Certificates of Deposit (NCD) amounting to US\$9,000,000 (2024: US\$14,859,689) with the central bank as collateral for settlement clearing facility. As at 31 December 2025, the Bank had yet utilised the overdraft.

(ii) The reserve requirement represents the minimum reserve which is calculated at 7% (2024: 7%) of both customers' deposits and borrowings in both Khmer Riel and other currencies. The reserve requirement on customers' deposits and borrowings bears no interest.

(iii) Pursuant to Prakas No. B7-01-136 on bank capital guarantees, dated 15 October 2001, issued by the central bank, the Bank is required to maintain 10% of its registered capital as a statutory deposit with the central bank. The deposit, which is not available for use in the Bank's day-to-day operations, is refundable should the Bank voluntarily cease its operations in Cambodia.

Annual interest rate of deposits and placements with the central bank is as follows:

	2025	2024
Current accounts	Nil	Nil
Settlement accounts	Nil	Nil
Negotiable certificate of deposits	0.89% - 1.05%	0.20% - 1.40%
Reserve requirement	Nil	Nil
Capital guarantee deposit	1.03% - 1.06%	1.29% - 1.31%

NOTES TO THE FINANCIAL STATEMENTS (Cont.)

FOR THE YEAR ENDED 31 DECEMBER 2025

6. DEPOSITS AND PLACEMENTS WITH OTHER BANKS

a) By residency status

	2025		2024	
	US\$	KHR'000	US\$	KHR'000
Deposits and placements with local banks	282,219,485	1,132,546,793	137,896,489	555,033,368
Deposits and placements with overseas banks	161,168,819	646,770,471	233,865,700	941,309,443
	443,388,304	1,779,317,264	371,762,189	1,496,342,811
Less: allowance for expected credit loss (Note 36.1(e))	(581,702)	(2,334,370)	(421,444)	(1,696,312)
	442,806,602	1,776,982,894	371,340,745	1,494,646,499

b) By account types

	2025		2024	
	US\$	KHR'000	US\$	KHR'000
Deposits and placements with local banks:				
Current accounts	45,474	182,487	65,471	263,521
Fixed deposits	282,174,012	1,132,364,310	137,831,018	554,769,847
	282,219,486	1,132,546,797	137,896,489	555,033,368
Deposits and placements with overseas banks:				
Current accounts	76,240,978	305,955,045	118,591,244	477,329,757
Fixed deposits	84,927,840	340,815,422	115,274,456	463,979,686
	161,168,818	646,770,467	233,865,700	941,309,443
Less: allowance for expected credit loss (Note 36.1(e))	(581,702)	(2,334,370)	(421,444)	(1,696,312)
	442,806,602	1,776,982,894	371,340,745	1,494,646,499

c) By maturity

	2025		2024	
	US\$	KHR'000	US\$	KHR'000
Current	442,806,602	1,776,982,894	371,340,745	1,494,646,499
Non-current	-	-	-	-
	442,806,602	1,776,982,894	371,340,745	1,494,646,499

NOTES TO THE FINANCIAL STATEMENTS (Cont.)

FOR THE YEAR ENDED 31 DECEMBER 2025

6. DEPOSITS AND PLACEMENTS WITH OTHER BANKS (Cont.)

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

	2025	2024
Saving accounts		Nil
Current accounts	0.50% - 1.30%	0.50% - 1.30%
Fixed deposits	2.5% - 5.3%	4.00% - 5.00%

7. LOANS AND ADVANCES AT AMORTISED COST

	2025		2024	
	US\$	KHR'000	US\$	KHR'000
Commercial loans:				
Term loans	450,777,593	1,808,970,481	336,407,259	1,354,039,217
Overdrafts	109,816,457	440,693,442	89,490,744	360,200,245
	<u>560,594,050</u>	<u>2,249,663,923</u>	<u>425,898,003</u>	<u>1,714,239,462</u>
Consumer loans:				
Term loans	662,812,470	2,659,866,442	734,589,130	2,956,721,248
Overdrafts	106,075,438	425,680,732	178,576,222	718,769,294
	<u>768,887,908</u>	<u>3,085,547,174</u>	<u>913,165,352</u>	<u>3,675,490,542</u>
Total gross loans	<u>1,329,481,958</u>	<u>5,335,211,097</u>	<u>1,339,063,355</u>	<u>5,389,730,004</u>
Less: Allowance for expected credit loss (Note 36.1(f)(i))	<u>(31,523,787)</u>	<u>(126,504,957)</u>	<u>(22,697,302)</u>	<u>(91,356,641)</u>
Total net loans	<u>1,297,958,171</u>	<u>5,208,706,140</u>	<u>1,316,366,053</u>	<u>5,298,373,363</u>

a) Allowance for expected credit losses

Allowance for expected credit losses using three-stage approach are as follows:

	2025		2024	
	US\$	KHR'000	US\$	KHR'000
12-month ECL (Stage 1)	7,323,252	29,388,210	8,096,938	32,590,175
Lifetime ECL-not credit impaired (Stage 2)	3,533,182	14,178,659	3,935,460	15,840,227
Lifetime ECL-credit impaired (Stage 3)	20,667,353	82,938,088	10,664,904	42,926,239
	<u>31,523,787</u>	<u>126,504,957</u>	<u>22,697,302</u>	<u>91,356,641</u>

NOTES TO THE FINANCIAL STATEMENTS (Cont.)

FOR THE YEAR ENDED 31 DECEMBER 2025

7. LOANS AND ADVANCES AT AMORTISED COST (Cont.)

b) Analysis by industry sector

	2025		2024	
	US\$	KHR'000	US\$	KHR'000
Owner-occupied housing	178,146,320	714,901,182	242,823,101	977,362,982
Financial institutions	56,327,958	226,044,095	55,807,449	224,624,982
Construction	261,262,664	1,048,447,071	246,006,688	990,176,919
Agriculture	65,497,444	262,841,243	67,046,650	269,862,766
Household	180,700,760	725,152,150	187,422,623	754,376,058
Manufacturing	54,598,006	219,101,798	61,336,404	246,879,026
Real estate	121,080,422	485,895,733	131,498,204	529,280,271
Retail trade	7,537,986	30,249,938	7,849,178	31,592,941
Wholesale trade	90,063,824	361,426,126	151,577,379	610,098,950
Others	314,266,574	1,261,151,761	187,695,679	755,475,109
Total gross loans and advances	1,329,481,958	5,335,211,097	1,339,063,355	5,389,730,004

c) Analysis by loan classification

	2025		2024	
	US\$	KHR'000	US\$	KHR'000
Performing				
Gross amount	1,205,323,569	4,836,963,482	1,212,844,425	4,881,698,811
Exposure at default	1,205,323,569	4,836,963,482	1,212,844,425	4,881,698,811
Allowance for expected credit loss	(7,323,252)	(29,388,210)	(8,096,938)	(32,590,175)
Under-performing				
Gross amount	41,137,264	165,083,840	61,818,443	248,819,233
Exposure at default	41,137,264	165,083,840	61,818,443	248,819,233
Allowance for expected credit loss	(3,533,182)	(14,178,659)	(3,935,460)	(15,840,227)
Non-performing				
Gross amount	83,021,125	333,163,775	64,400,487	259,211,960
Exposure at default	83,021,125	333,163,775	64,400,487	259,211,960
Allowance for expected credit loss	(20,667,353)	(82,938,088)	(10,664,904)	(42,926,239)
Total				
Gross amount	1,329,481,958	5,335,211,097	1,339,063,355	5,389,730,004
Exposure at default	1,329,481,958	5,335,211,097	1,339,063,355	5,389,730,004
Allowance for expected credit loss	(31,523,787)	(126,504,957)	(22,697,302)	(91,356,641)

NOTES TO THE FINANCIAL STATEMENTS (Cont.)

FOR THE YEAR ENDED 31 DECEMBER 2025

7. LOANS AND ADVANCES AT AMORTISED COST (Cont.)

d) Analysis by exposure

	2025		2024	
	US\$	KHR'000	US\$	KHR'000
Large exposure	533,902,110	2,142,549,167	417,077,600	1,678,737,340
Non-large exposure	795,579,848	3,192,661,930	921,985,755	3,710,992,664
Total gross loans and advances	1,329,481,958	5,335,211,097	1,339,063,355	5,389,730,004

Large exposure is defined by the central bank as overall credit exposure to any individual beneficiary which exceeds 10% of the Bank's net worth.

e) Analysis by relationship

	2025		2024	
	US\$	KHR'000	US\$	KHR'000
Related parties	178,499	716,316	191,560	771,029
Non-related parties	1,329,303,459	5,334,494,781	1,338,871,795	5,388,958,975
Total gross loans and advances	1,329,481,958	5,335,211,097	1,339,063,355	5,389,730,004

f) Analysis by residency

	2025		2024	
	US\$	KHR'000	US\$	KHR'000
Residents	1,329,481,958	5,335,211,097	1,339,063,355	5,389,730,004
Non-residents	-	-	-	-
Total gross loans and advances	1,329,481,958	5,335,211,097	1,339,063,355	5,389,730,004

NOTES TO THE FINANCIAL STATEMENTS (Cont.)

FOR THE YEAR ENDED 31 DECEMBER 2025

7. LOANS AND ADVANCES AT AMORTISED COST (Cont.)

g) Analysis by maturity

	2025		2024	
	US\$	KHR'000	US\$	KHR'000
Not later than 1 year	397,167,401	1,593,832,780	468,950,368	1,887,525,231
Later than 1 year and no later than 3 years	277,262,118	1,112,652,880	338,717,082	1,363,336,255
Later than 3 years and no later than 5 years	306,964,064	1,231,846,789	191,711,683	771,639,524
Later than 5 years	348,088,375	1,396,878,648	339,684,222	1,367,228,994
Total gross loans and advances	1,329,481,958	5,335,211,097	1,339,063,355	5,389,730,004

h) Interest rates

These loans and advances to customers earned annual interest rates as below:

	2025	2024
Commercial loans	6.00% - 18.00%	6.00% - 18.00%
Overdrafts	5.75% - 13.00%	6.00% - 13%

8. INVESTMENT SECURITIES

	2025		2024	
	US\$	KHR'000	US\$	KHR'000
Unlisted corporate bond				
Cambodia Airport Investment Co., Ltd. Bond	30,739,583	123,357,946	30,663,681	123,421,316
Ministry of Economy and Finance of Cambodia	1,503,050	6,031,740	-	-
Total debt investment at amortised cost	32,242,633	129,389,686	30,663,681	123,421,316
Current	500,810	2,009,750	10,663,681	42,921,316
Non-current	31,741,823	127,379,936	20,000,000	80,500,000
	32,242,633	129,389,686	30,663,681	123,421,316

The investment securities are unsecured and bears an interest rate ranging from 5.5% to 6.25%, respectively.

NOTES TO THE FINANCIAL STATEMENTS (Cont.)

FOR THE YEAR ENDED 31 DECEMBER 2025

9. FORECLOSED PROPERTIES

Foreclosed properties consist of immovable properties, such as lands and buildings, acquired through foreclosure of collaterals from default on loans and advances from customers which have been repossessed by the Bank as part of settlement of debts.

The gross movements of the foreclosed properties during the year are as follows:

	2025		2024	
	US\$	KHR'000	US\$	KHR'000
At 1 January	57,143,402	230,002,193	31,783,945	129,837,415
Additions (*)	66,010,895	264,901,722	25,476,476	102,542,816
Transfers to property and equipment	(923,172)	(3,704,689)	-	-
Disposals	(1,129,966)	(4,534,554)	(117,019)	(471,001)
Exchange difference on translation	-	(685,721)	-	(1,907,037)
	<u>121,101,159</u>	<u>485,978,951</u>	<u>57,143,402</u>	<u>230,002,193</u>

(*) During the year, the Bank foreclosed properties pledged as a collateral by a borrower to settle outstanding loan balance and related fees. The arrangement was approved by the Bank's Credit Committee and through debt settle agreement with the borrower.

Valuation process (technique/inputs) used to determine fair value

The level 3 fair value of foreclosed properties has been derived using sales comparison approach for land and cost approach for buildings.

	2025		2024	
	US\$	KHR'000	US\$	KHR'000
Fair value	<u>175,523,181</u>	<u>704,374,525</u>	<u>111,581,005</u>	<u>449,113,545</u>

The foreclosed properties were valued by a valuation company accredited by the Securities and Exchange Regulator of Cambodia, and the management believes that there is no significant change on valuation from the reporting date.

NOTES TO THE FINANCIAL STATEMENTS

(Cont.)

FOR THE YEAR ENDED 31 DECEMBER 2025

10. PROPERTY AND EQUIPMENT

Non-current	Land US\$	Booths (*) US\$	Buildings US\$	Leasehold improvement US\$	Computer equipment US\$	Furniture and office equipment US\$	Motor vehicles US\$	Work in progress US\$	Total US\$
As at 1 January 2024									
Cost	18,816,114	1,527,000	3,043,063	2,763,021	5,524,121	7,338,078	1,772,798	763,829	41,548,024
Accumulated depreciation	-	-	(1,394,591)	(1,240,905)	(4,037,254)	(6,229,591)	(1,450,313)	-	(14,352,654)
Net book value	18,816,114	1,527,000	1,648,472	1,522,116	1,486,867	1,108,487	322,485	763,829	27,195,370
For the year ended 31 December 2024									
Opening net book value	18,816,114	1,527,000	1,648,472	1,522,116	1,486,867	1,108,487	322,485	763,829	27,195,370
Additions	386,890	-	8,770	-	1,068,569	697,051	55,500	1,397,969	3,614,749
Transfers	-	-	-	616,812	-	486,996	-	(1,103,808)	-
Disposals	(293,009)	-	(13,279)	(26,334)	(57)	(1,767)	-	(18,899)	(353,345)
Depreciation charge	-	-	(166,282)	(373,069)	(1,030,816)	(586,285)	(150,530)	-	(2,306,982)
Closing net book value	18,909,995	1,527,000	1,477,681	1,739,525	1,522,283	1,704,482	227,453	1,039,091	28,147,510
As at 31 December 2024									
Cost									
Accumulated depreciation	18,909,995	1,527,000	3,035,594	3,252,733	6,092,559	7,412,430	1,722,798	1,039,091	42,992,200
	-	-	(1,557,913)	(1,513,208)	(4,570,276)	(5,707,948)	(1,495,345)	-	(14,844,690)
Net book value	18,909,995	1,527,000	1,477,681	1,739,525	1,522,283	1,704,482	227,453	1,039,091	28,147,510
In KHR'000 equivalent	76,112,730	6,146,175	5,947,666	7,001,588	6,127,189	6,860,542	915,498	4,182,340	113,293,728

(*) Booths represented the ownership of number of land space at a market.

NOTES TO THE FINANCIAL STATEMENTS

(Cont.)

FOR THE YEAR ENDED 31 DECEMBER 2025

10. PROPERTY AND EQUIPMENT (Cont.)

Non-current	Land US\$	Booths (*) US\$	Buildings US\$	Leasehold improvement US\$	Computer equipment US\$	Furniture and office equipment US\$	Motor vehicles US\$	Work in progress US\$	Total US\$
As at 1 January 2025									
Cost	18,909,995	1,527,000	3,035,593	3,252,733	6,092,559	7,412,430	1,722,798	1,039,091	42,992,199
Accumulated depreciation	-	-	(1,557,912)	(1,513,208)	(4,570,276)	(5,707,948)	(1,495,345)	-	(14,844,689)
Net book value	18,909,995	1,527,000	1,477,681	1,739,525	1,522,283	1,704,482	227,453	1,039,091	28,147,510
Opening net book value	18,909,995	1,527,000	1,477,681	1,739,525	1,522,283	1,704,482	227,453	1,039,091	28,147,510
Additions	-	-	22,398	-	1,520,798	129,777	159,550	1,177,940	3,010,463
Transfers	-	-	-	316,193	-	420,200	-	(736,393)	-
Transfers from foreclosed properties	923,172	-	-	-	-	-	-	-	923,172
Adjustments to operating expenses	-	-	-	-	-	-	-	(59,836)	(59,836)
Depreciation charge	-	-	(164,090)	(422,172)	(1,127,952)	(669,598)	(113,117)	-	(2,496,929)
Closing net book value	19,833,167	1,527,000	1,335,989	1,633,546	1,915,129	1,584,861	273,886	1,420,802	29,524,380
As at 31 December 2025									
Cost	19,833,167	1,527,000	3,044,121	3,375,031	7,403,640	7,619,709	1,882,348	1,420,802	46,105,817
Accumulated depreciation	-	-	(1,708,132)	(1,741,485)	(5,488,511)	(6,034,848)	(1,608,462)	-	(16,581,437)
Net book value	19,833,167	1,527,000	1,335,989	1,633,546	1,915,129	1,584,861	273,886	1,420,802	29,524,380
In KHR'000 equivalent	79,590,499	6,127,851	5,361,324	6,555,420	7,685,413	6,360,048	1,099,105	5,701,677	118,481,337

(*) Booths represented the ownership of number of land space at a market.

NOTES TO THE FINANCIAL STATEMENTS (Cont.)

FOR THE YEAR ENDED 31 DECEMBER 2025

11. INTANGIBLE ASSETS

Non-current	Software US\$	Work in progress US\$	Total US\$
As at 1 January 2024			
Cost	4,777,533	259,579	5,037,112
Accumulated amortisation	(3,890,734)	-	(3,890,734)
Net book value	886,799	259,579	1,146,378
For the year ended 31 December 2024			
Opening net book value	886,799	259,579	1,146,378
Additions	120,770	1,841,692	1,962,462
Transfers	940,001	(940,001)	-
Amortisation charge	(269,805)	-	(269,805)
Closing net book value	1,677,765	1,161,270	2,839,035
As at 31 December 2024			
Cost	5,195,509	1,161,270	6,356,779
Accumulated amortisation	(3,517,744)	-	(3,517,744)
Net book value	1,677,765	1,161,270	2,839,035
In KHR'000 equivalents	6,753,004	4,674,112	11,427,116
For the year ended 31 December 2025			
Opening net book value	1,677,765	1,161,270	2,839,035
Additions	696,142	1,096,340	1,792,482
Transfers	836,505	(836,505)	-
Amortisation charge	(704,257)	-	(704,257)
Closing net book value	2,506,155	1,421,105	3,927,260
As at 31 December 2025			
Cost	6,728,156	1,421,105	8,149,261
Accumulated amortisation	(4,222,001)	-	(4,222,001)
Net book value	2,506,155	1,421,105	3,927,260
In KHR'000 equivalents	10,057,200	5,702,894	15,760,094

NOTES TO THE FINANCIAL STATEMENTS (Cont.)

FOR THE YEAR ENDED 31 DECEMBER 2025

12. LEASES

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

The Bank leases various buildings for its head office and branch operations, and ATM spaces. The leases have varying terms, escalation clauses and renewal rights.

Right of use asset and lease liabilities

a) Amounts recognised in the statement of financial position

	2025		2024	
	US\$	KHR'000	US\$	KHR'000
Right-of-use assets – non-current:				
Buildings	13,144,346	52,748,260	12,296,063	49,491,654
	13,144,346	52,748,260	12,296,063	49,491,654
Lease liabilities:				
Current	1,805,046	7,243,650	1,738,063	6,995,704
Non-current	12,852,878	51,578,599	11,706,928	47,120,385
	14,657,924	58,822,249	13,444,991	54,116,089

Additions to the right-of-use assets during the year were US\$305,531 (2024: US\$4,375,112).

b) Amounts recognised in the statement of profit or loss

The statement of profit or loss shows the following amounts relating to leases:

	2025		2024	
	US\$	KHR'000	US\$	KHR'000
Depreciation charge of right-of-use assets (Note 30)	2,163,478	8,677,710	1,971,332	8,025,293
Interest expense on lease liabilities (Note 24)	799,114	3,205,246	767,627	3,125,010
Expense relating to short-term leases (included in other operating expenses) (Note 31)	370,403	1,485,686	340,253	1,385,170
	3,332,995	13,368,642	3,079,212	12,535,473

Total cash outflow for lease for 2025 was US\$2,968,345 (2024: US\$2,768,592).

NOTES TO THE FINANCIAL STATEMENTS (Cont.)

FOR THE YEAR ENDED 31 DECEMBER 2025

13. OTHER ASSETS

	2025		2024	
	US\$	KHR'000	US\$	KHR'000
Penalty receivables from loans	5,549,375	22,269,642	-	-
Prepayments and deposits	3,008,297	12,072,296	3,365,604	13,546,556
Investment in Credit Bureau of Cambodia (CBC)	25,000	100,325	25,000	100,625
Others	35,339	141,815	187,302	753,890
Less: Allowance for expected credit losses (Note 36.1(e))	(1,106,628)	(4,440,898)	-	-
	<u>7,511,383</u>	<u>30,143,180</u>	<u>3,577,906</u>	<u>14,401,071</u>

	2025		2024	
	US\$	KHR'000	US\$	KHR'000
Current	5,945,821	23,860,580	2,012,344	8,099,685
Non-current	1,565,562	6,282,600	1,565,562	6,301,386
	<u>7,511,383</u>	<u>30,143,180</u>	<u>3,577,906</u>	<u>14,401,071</u>

14. DEPOSITS FROM BANKS AND FINANCIAL INSTITUTIONS

	2025		2024	
	US\$	KHR'000	US\$	KHR'000
Current				
Current accounts	2,627,915	10,545,822	2,307,080	9,285,997
Savings deposits	260,740	1,046,350	195,474	786,783
Fixed deposits	73,933,579	296,695,453	101,906,090	410,172,012
	<u>76,822,234</u>	<u>308,287,625</u>	<u>104,408,644</u>	<u>420,244,792</u>

Further analyses of deposits from other banks are as follows:

NOTES TO THE FINANCIAL STATEMENTS (Cont.)

FOR THE YEAR ENDED 31 DECEMBER 2025

14. DEPOSITS FROM BANKS AND FINANCIAL INSTITUTIONS (Cont.)

a) Interest rates

Deposits from other banks bear interest as follows

	2025		2024	
Current accounts		0% - 0.5%		0% - 0.5%
Savings deposits		0% - 1.5%		0% - 1.5%
Fixed deposits		2.75% - 6%		2.75% - 6%

b) Maturity analysis

	2025		2024	
	US\$	KHR'000	US\$	KHR'000
Current	76,822,234	308,287,625	104,408,644	420,244,792
Non-current	-	-	-	-
	<u>76,822,234</u>	<u>308,287,625</u>	<u>104,408,644</u>	<u>420,244,792</u>

c) By residency status

	2025		2024	
	US\$	KHR'000	US\$	KHR'000
Resident	-	-	-	-
Non-resident	76,822,234	308,287,625	104,408,644	420,244,792
	<u>76,822,234</u>	<u>308,287,625</u>	<u>104,408,644</u>	<u>420,244,792</u>

d) By relationship

	2025		2024	
	US\$	KHR'000	US\$	KHR'000
Related parties	-	-	-	-
Non-related parties	76,822,234	308,287,625	104,408,644	420,244,792
	<u>76,822,234</u>	<u>308,287,625</u>	<u>104,408,644</u>	<u>420,244,792</u>

NOTES TO THE FINANCIAL STATEMENTS (Cont.)

FOR THE YEAR ENDED 31 DECEMBER 2025

15. DEPOSITS FROM CUSTOMERS

	2025		2024	
	US\$	KHR'000	US\$	KHR'000
Fixed deposits	1,400,219,474	5,619,080,749	1,209,480,755	4,868,160,039
Savings accounts	293,415,992	1,177,478,376	342,403,844	1,378,175,472
Current accounts	339,626,085	1,362,919,479	275,874,177	1,110,393,562
Margin deposits	4,631,529	18,586,326	1,177,158	4,738,061
Others	12,584	50,500	264,725	1,065,518
	<u>2,037,905,664</u>	<u>8,178,115,430</u>	<u>1,829,200,659</u>	<u>7,362,532,652</u>

The fixed deposits and margin deposits amounting to US\$200,724,642 (2024: US\$205,501,943) cash pledged as collateral against unused portion of credit facilities as disclosed in note 34(a).

	2025		2024	
	US\$	KHR'000	US\$	KHR'000
Current	1,687,432,359	6,771,666,057	1,400,515,940	5,637,076,659
Non-current	350,473,305	1,406,449,373	428,684,719	1,725,455,993
	<u>2,037,905,664</u>	<u>8,178,115,430</u>	<u>1,829,200,659</u>	<u>7,362,532,652</u>

Further analyses of deposits from other banks are as follows:

a) Interest rates

Deposits from customers bear interest as follows:

	2025	2024
Current accounts	0% - 1.50%	0% - 1.50%
Savings deposits	0% - 7.26%	0% - 7.26%
Fixed deposits	0% - 8.00%	0% - 8.00%

NOTES TO THE FINANCIAL STATEMENTS (Cont.)

FOR THE YEAR ENDED 31 DECEMBER 2025

15. DEPOSITS FROM CUSTOMERS (Cont.)

b) By residency status

	2025		2024	
	US\$	KHR'000	US\$	KHR'000
Resident	2,026,265,949	8,131,405,253	1,815,053,710	7,305,591,182
Non-resident	11,639,715	46,710,177	14,146,949	56,941,470
	<u>2,037,905,664</u>	<u>8,178,115,430</u>	<u>1,829,200,659</u>	<u>7,362,532,652</u>

c) By relationship

	2025		2024	
	US\$	KHR'000	US\$	KHR'000
Related parties	104,534	419,495	53,310	214,572
Non-related parties	2,037,801,130	8,177,695,935	1,829,147,349	7,362,318,080
	<u>2,037,905,664</u>	<u>8,178,115,430</u>	<u>1,829,200,659</u>	<u>7,362,532,652</u>

16. BORROWINGS

	2025		2024	
	US\$	KHR'000	US\$	KHR'000
Agence Francaise de Development (AFD) and Proparco (i)	15,170,942	60,880,990	15,176,792	61,086,588
Small and Medium Enterprise (SME) Bank of Cambodia Plc. (ii)	1,615,575	6,483,303	2,633,914	10,601,504
	<u>16,786,517</u>	<u>67,364,293</u>	<u>17,810,706</u>	<u>71,688,092</u>

(i) On 7 December 2022, the Bank entered into another borrowing agreement with Proparco for a total facility of US\$ 15,000,000 and the facility was fully disbursed during the year. These borrowings are unsecured. These borrowings' payment terms are made in semi-annually instalment basis and will mature on 15 April 2033.

(ii) This represents the borrowings from SME Bank of Cambodia Plc., which are unsecured, and payments are made on a monthly instalment basis. These borrowings mature on 31 July 2025 to 05 December 2029.

NOTES TO THE FINANCIAL STATEMENTS (Cont.)

FOR THE YEAR ENDED 31 DECEMBER 2025

16. BORROWINGS (Cont.)

	2025		2024	
	US\$	KHR'000	US\$	KHR'000
Principal amount	16,613,663	66,670,630	17,630,788	70,963,922
Interest payable	172,854	693,663	179,918	724,170
	<u>16,786,517</u>	<u>67,364,293</u>	<u>17,810,706</u>	<u>71,688,092</u>

Changes in liabilities arising from financing activities – borrowings

	2025		2024	
	US\$	KHR'000	US\$	KHR'000
At 1 January	17,810,706	71,688,092	44,651,605	182,401,806
Additions	-	-	2,467,621	10,045,685
Repayments	(1,017,125)	(4,079,688)	(28,469,129)	(115,897,824)
Interest charge during the year	1,057,476	4,241,536	1,954,831	7,958,117
Interest payments	(1,064,540)	(4,269,870)	(2,794,222)	(11,375,278)
Currency translation differences	-	(215,777)	-	(1,444,414)
At 31 December	<u>16,786,517</u>	<u>67,364,293</u>	<u>17,810,706</u>	<u>71,688,092</u>

Further analyses of borrowings are as follows:

a) By currency and interest rate range

	2025		2024	
	US\$	KHR'000	US\$	KHR'000
US\$	16,464,874	66,073,540	17,262,532	69,481,692
KHR	321,643	1,290,753	548,174	2,206,400
	<u>16,786,517</u>	<u>67,364,293</u>	<u>17,810,706</u>	<u>71,688,092</u>

NOTES TO THE FINANCIAL STATEMENTS (Cont.)

FOR THE YEAR ENDED 31 DECEMBER 2025

16. BORROWINGS (Cont.)

a) By currency and interest rate range (Cont.)

Ranges of interest rates (per annum) on borrowings are as follows:

	2025	2024
US\$	2% – 6.15%	2% – 6.15%
KHR	2% – 3%	2% – 3%
Variable rate	Higher of a six- month SOFR plus marginal rate or a reference rate.	Higher of a six- month SOFR plus marginal rate or a reference rate.

b) By maturity

	2025		2024	
	US\$	KHR'000	US\$	KHR'000
Current	8,260,425	33,149,086	8,422,616	33,901,030
Non-current	8,526,092	34,215,207	9,388,090	37,787,062
	16,786,517	67,364,293	17,810,706	71,688,092

17. SUBORDINATED DEBTS

	2025		2024	
	US\$	KHR'000	US\$	KHR'000
Principal amount	63,293,550	253,997,016	63,293,550	254,756,539
Interest payable	-	-	-	-
	63,293,550	253,997,016	63,293,550	254,756,539

Changes in liabilities arising from financing activities – subordinated debts

	2025		2024	
	US\$	KHR'000	US\$	KHR'000
At 1 January	63,293,550	254,756,539	37,793,550	154,386,652
Additions	-	-	25,500,000	103,810,500
Interest charge during the year	6,968,505	27,950,674	5,430,429	22,107,276
Interest payments	(6,968,505)	(27,950,674)	(5,430,429)	(22,107,276)
Currency translation differences	-	(759,523)	-	(3,440,613)
At 31 December	63,293,550	253,997,016	63,293,550	254,756,539

NOTES TO THE FINANCIAL STATEMENTS (Cont.)

FOR THE YEAR ENDED 31 DECEMBER 2025

17. SUBORDINATED DEBTS (Cont.)

a) By currency and interest rate range

	2025		2024	
	US\$	KHR'000	US\$	KHR'000
US\$	63,293,550	253,997,016	63,293,550	254,756,539
	<u>63,293,550</u>	<u>253,997,016</u>	<u>63,293,550</u>	<u>254,756,539</u>

Ranges of interest rates (per annum) on borrowings are as follows:

	2025	2024
US\$	10% - 12%	10% - 12%
KHR	Nil	Nil

c) By maturity

	2025		2024	
	US\$	KHR'000	US\$	KHR'000
Current	-	-	-	-
Non-current	63,293,550	253,997,016	63,293,550	254,756,539
	<u>63,293,550</u>	<u>253,997,016</u>	<u>63,293,550</u>	<u>254,756,539</u>

These subordinated debts are unsecured with monthly interest repayment, and will mature in 2029 and 2032, respectively. Also, these subordinated debts were qualified as Tier II for the net worth computation purpose and approved by the central bank.

18. DEFERRED TAX LIABILITIES

	2025		2024	
	US\$	KHR'000	US\$	KHR'000
Non-current				
Deferred tax assets	3,253,481	13,056,220	3,018,001	12,147,453
Deferred tax liabilities	(6,433,979)	(25,819,558)	(6,176,745)	(24,861,398)
Net deferred tax liabilities	<u>(3,180,498)</u>	<u>(12,763,338)</u>	<u>(3,158,744)</u>	<u>(12,713,945)</u>

NOTES TO THE FINANCIAL STATEMENTS (Cont.)

FOR THE YEAR ENDED 31 DECEMBER 2025

18. DEFERRED TAX LIABILITIES (Cont.)

Movement of net deferred tax liabilities:

	2025		2024	
	US\$	KHR'000	US\$	KHR'000
As at 1 January	(3,158,744)	(12,713,945)	(1,160,621)	(4,741,137)
Credited to profit or loss (Note 32)	(21,754)	(87,255)	(1,998,123)	(8,134,359)
Currency translation difference	-	37,862	-	161,551
As at 31 December	(3,180,498)	(12,763,338)	(3,158,744)	(12,713,945)

The movement of net deferred tax liabilities during the year as follows:

i) Deferred tax assets

	Lease liabilities US\$	Unamortised loan fees US\$	Accelerated depreciation US\$	Employee benefits obligation US\$	Total US\$
As at 1 January 2024	2,146,118	307,296	286,554	70,386	2,810,354
(Charged)/credited to profit or loss	542,880	(307,296)	(19,175)	(8,762)	207,647
As at 31 December 2024	2,688,998	-	267,379	61,624	3,018,001
In KHR'000 equivalent	10,823,216	-	1,076,200	248,037	12,147,453
As at 1 January 2025	2,688,998	-	267,379	61,624	3,018,001
(Charged)/credited to profit or loss	242,587	-	4,091	(11,198)	235,480
As at 31 December 2025	2,931,585	-	271,470	50,426	3,253,481
In KHR'000 equivalent	11,764,451	-	1,089,409	202,360	13,056,220

NOTES TO THE FINANCIAL STATEMENTS (Cont.)

FOR THE YEAR ENDED 31 DECEMBER 2025

18. DEFERRED TAX LIABILITIES (Cont.)

ii) Deferred tax liabilities

	Lease liabilities US\$	Unamortised loan fees US\$	Accelerated depreciation US\$	Employee benefits obligation US\$	Total US\$
As at 1 January 2024	(1,978,457)	(1,968,914)	-	(23,604)	(3,970,975)
Charged to profit or loss	(480,756)	(985,276)	(707,950)	(31,788)	(2,205,770)
As at 31 December 2024	(2,459,213)	(2,954,190)	(707,950)	(55,392)	(6,176,745)
In KHR'000 equivalent	(9,898,332)	(11,890,615)	(2,849,499)	(222,952)	(24,861,398)
As at 1 January 2025	(2,459,213)	(2,954,190)	(707,950)	(55,392)	(6,176,745)
(Charged)/Credited to profit or loss	(169,655)	498,040	(612,361)	26,742	(257,234)
As at 31 December 2025	(2,628,868)	(2,456,150)	(1,320,311)	(28,650)	(6,433,979)
In KHR'000 equivalent	(10,549,647)	(9,856,530)	(5,298,408)	(114,973)	(25,819,558)

19. PROVISION FOR EMPLOYEE BENEFITS

	2025		2024	
	US\$	KHR'000	US\$	KHR'000
Pension obligations (i)	8,860	35,555	32,960	132,664
Seniority payments (ii)	252,128	1,011,790	275,162	1,107,527
	260,988	1,047,345	308,122	1,240,191

(i) The movements of the pension obligations are as follows:

	2025		2024	
	US\$	KHR'000	US\$	KHR'000
At 1 January	32,960	132,664	32,497	132,750
Additions during the year:				
Staff contribution	53,356	214,118	52,021	209,385
Bank's contribution	53,356	214,118	52,021	209,385
Payments during the year	(130,812)	(524,949)	(103,579)	(416,905)
Currency translation difference	-	(396)	-	(1,951)
At 31 December	8,860	35,555	32,960	132,664

NOTES TO THE FINANCIAL STATEMENTS (Cont.)

FOR THE YEAR ENDED 31 DECEMBER 2025

19. PROVISION FOR EMPLOYEE BENEFITS (Cont.)

(ii) The movements of the seniority payments are as follows:

	2025		2024	
	US\$	KHR'000	US\$	KHR'000
At 1 January	275,162	1,107,527	319,434	1,304,888
Payments during the year	(23,034)	(92,435)	(44,272)	(178,195)
Currency translation difference	-	(3,302)	-	(19,166)
At 31 December	252,128	1,011,790	275,162	1,107,527

20. OTHER LIABILITIES

	2025		2024	
	US\$	KHR'000	US\$	KHR'000
Accrued expenses (*)	1,172,462	4,705,090	1,490,588	5,999,617
Fund transfers	468,380	1,879,608	408,069	1,642,478
Tax payables	320,950	1,287,972	75,689	304,648
Other liabilities	96,878	388,771	834,777	3,359,976
	2,058,670	8,261,441	2,809,123	11,306,719

(*) Accrued expenses pertain to accrued bonuses, utilities and other accruals to suppliers.

	2025		2024	
	US\$	KHR'000	US\$	KHR'000
Current	2,058,670	8,261,441	2,809,123	11,306,719
Non-current	-	-	-	-
	2,058,670	8,261,441	2,809,123	11,306,719

21. SHARE CAPITAL

The total authorised numbers of shares of the Bank as at 31 December 2025 was 79,500 shares (2024: 79,500 shares) with a par value of US\$1,000 per share (2024: US\$1,000 per share). All registered and authorized capital has been fully paid.

NOTES TO THE FINANCIAL STATEMENTS (Cont.)

FOR THE YEAR ENDED 31 DECEMBER 2025

21. SHARE CAPITAL (Cont.)

Shareholders	Number of shares	Percentage of interest	2025		2024	
			US\$	KHR'000	US\$	KHR'000
Oknha Mok Kimhong	26,235	33.00%	26,235,000	104,940,000	26,235,000	104,940,000
Mrs. Heng Dana	19,597	24.65%	19,597,000	78,388,000	-	-
Mrs. Chhay Kimbouy	19,597	24.65%	-	-	19,597,000	78,388,000
Mrs. Kim Tiek	18,285	23.00%	18,285,000	73,140,000	18,285,000	73,140,000
Ministry of Economy and Finance	7,950	10.00%	7,950,000	31,800,000	7,950,000	31,800,000
ING Holdings Co., Ltd.	7,433	9.35%	7,433,000	29,732,000	7,433,000	29,732,000
			<u>79,500,000</u>	<u>318,000,000</u>	<u>79,500,000</u>	<u>318,000,000</u>

22. RESERVES

	2025		2024	
	US\$	KHR'000	US\$	KHR'000
Non-distributable reserves (i)	70,600,486	287,202,777	70,600,486	287,202,777
Regulatory reserves (ii)	30,037,955	122,512,617	32,545,705	132,571,202
General reserves (iii)	195,590	797,029	195,590	797,029
	<u>100,834,031</u>	<u>410,512,423</u>	<u>103,341,781</u>	<u>420,571,008</u>

(i) Non-distributable reserves

The non-distributable reserve of US\$ 70,600,486 or KHR 287.20 billion was transferred from retained earnings to reserves following approval from the NBC on 5 July 2021 as requested by the Bank to comply with the NBC's Prakas No. B7-10-182 dated 15 October 2010 on Net worth and Prakas No. B7-00-46 dated 16 February 2000 on Solvency ratio. Any movement requires approval from the Board of Directors and the NBC.

(ii) Regulatory reserves

As stated in Note 2.16, the accumulated regulatory provision based on NBC's guidelines is higher than the accumulated impairment losses based on CIFRS 9, the 'topping up' is transferred from retained earnings to regulatory reserves presented under equity.

NOTES TO THE FINANCIAL STATEMENTS (Cont.)

FOR THE YEAR ENDED 31 DECEMBER 2025

22. RESERVES (Cont.)

(ii) Regulatory reserves (Cont.)

	2025		2024	
	US\$	KHR'000	US\$	KHR'000
Regulatory provision based on NBC's guidelines	64,069,115	257,109,358	56,512,668	227,463,489
Allowance for expected credit losses based on CIFRS 9	(34,031,160)	(136,567,045)	(23,966,963)	(96,467,026)
Currency translation differences	-	1,970,304	-	1,574,739
	<u>30,037,955</u>	<u>122,512,617</u>	<u>32,545,705</u>	<u>132,571,202</u>

The movements on regulatory reserves are as follows:

	2025		2024	
	US\$	KHR'000	US\$	KHR'000
At the beginning of the year	32,545,705	132,571,202	24,041,577	97,950,897
Transfer (from)/to regulatory reserves during the year	(2,507,750)	(10,058,585)	8,504,128	34,620,305
At the end of the year	<u>30,037,955</u>	<u>122,512,617</u>	<u>32,545,705</u>	<u>132,571,202</u>

(iii) General reserves

The general reserves were previously allocated from profit after tax with an amount equal to 6% of net profit after tax. The use of the general reserves is at the discretion of the Board of Directors. The general reserves are set up for any overall financial risk. The Board of Directors exercises its discretion for the use and maintenance of the general reserves. The transfer from retained earnings to general reserves is subject to the approval of Board of Directors. Allocations to the general reserves are no longer allowed under the Bank's Memorandum and Articles of Association dated 23 May 2006 and the amendment on 30 May 2007. There was no transaction related to general reserves during the year.

The reserves for banking risks were initially established based on a resolution by the Board of Directors dated 19 June 2000. This account represents a general-purpose reserve established to cover the risks for banking operations in Cambodia, in particular the general risks on loan delinquency, losses not covered by the provision for bad and doubtful loans and advances to customers and currency risk. There was no transaction related to reserves for banking risks during the year.

NOTES TO THE FINANCIAL STATEMENTS (Cont.)

FOR THE YEAR ENDED 31 DECEMBER 2025

23. INTEREST INCOME

	2025		2024	
	US\$	KHR'000	US\$	KHR'000
Interest income from financial assets at amortised cost:				
Loans and advances	105,580,508	423,483,417	115,773,235	471,312,840
Deposits and placements with other banks	17,946,069	71,981,683	14,819,978	60,332,130
Investment securities	1,888,444	7,574,549	1,664,375	6,775,671
Deposits and placements with the central bank	424,627	1,703,179	615,043	2,503,840
	<u>125,839,648</u>	<u>504,742,828</u>	<u>132,872,631</u>	<u>540,924,481</u>

24. INTEREST EXPENSE

	2025		2024	
	US\$	KHR'000	US\$	KHR'000
Interest expense on financial liabilities at amortised cost:				
Deposits from customers	75,172,251	301,515,899	68,451,686	278,666,814
Deposits from banks and other financial institutions	2,960,384	11,874,100	4,650,285	18,931,310
Subordinated debts	6,968,505	27,950,674	5,430,429	22,107,276
Borrowings	1,057,476	4,241,536	1,954,831	7,958,117
Lease liabilities (Note 12)	799,114	3,205,246	767,627	3,125,010
	<u>86,957,730</u>	<u>348,787,455</u>	<u>81,254,858</u>	<u>330,788,527</u>

NOTES TO THE FINANCIAL STATEMENTS (Cont.)

FOR THE YEAR ENDED 31 DECEMBER 2025

25. NET FEE AND COMMISSION INCOME

	2025		2024	
	US\$	KHR'000	US\$	KHR'000
Fee and commission income:				
Remittance fees	877,576	3,519,957	840,548	3,421,870
Loan servicing fees	3,177,930	12,746,677	689,193	2,805,705
Commission from issuing letters of credit and guarantee	717,500	2,877,893	658,051	2,678,926
Visa fees	295,873	1,186,747	223,032	907,963
Commission fees	626,762	2,513,942	383,710	1,562,083
Others	205,805	825,484	219,786	894,750
Total fee and commission income	5,901,446	23,670,700	3,014,320	12,271,297
Fee and commission expense:				
Commission fees	(617,999)	(2,478,794)	(869,190)	(3,538,472)
Expenses for ATM/credit card	(326,589)	(1,309,948)	(238,663)	(971,597)
Settlement services	(154,617)	(620,169)	(110,365)	(449,296)
Total fee and commission expense	(1,099,205)	(4,408,911)	(1,218,218)	(4,959,365)
Net fee and commission income	4,802,241	19,261,789	1,796,102	7,311,932

26. IMPAIRMENT LOSSES ON FINANCIAL INSTRUMENTS

	2025		2024	
	US\$	KHR'000	US\$	KHR'000
Expected credit losses:				
Loans and advances to customers	9,164,855	36,760,233	13,229,413	53,856,940
Deposits and placements with other banks	160,259	642,800	395,416	1,609,739
Off-balance sheet financial commitments	(29,176)	(117,026)	468,649	1,907,870
	9,295,938	37,286,007	14,093,478	57,374,549
Recovery of loans previously written off	(427,792)	(1,715,873)	(85,408)	(347,696)
	8,868,146	35,570,134	14,008,070	57,026,853

NOTES TO THE FINANCIAL STATEMENTS (Cont.)

FOR THE YEAR ENDED 31 DECEMBER 2025

27. OTHER OPERATING INCOME

	2025		2024	
	US\$	KHR'000	US\$	KHR'000
Rental income	298,400	1,196,882	276,650	1,126,242
Others income	251,464	1,008,623	168,099	684,331
	<u>549,864</u>	<u>2,205,505</u>	<u>444,749</u>	<u>1,810,573</u>

28. OTHER GAINS – NET

	2025		2024	
	US\$	KHR'000	US\$	KHR'000
Net gains on foreign exchange	872,223	3,498,486	1,210,630	4,928,475
Gains on disposal of foreclosed property	938,753	3,765,338	186,129	757,731
Loss on foreclosed property disposal	(25,134)	(100,812)	-	-
Gains on disposal of property and equipment	3,635	14,580	43,717	177,972
	<u>1,789,477</u>	<u>7,177,592</u>	<u>1,440,476</u>	<u>5,864,178</u>

29. PERSONNEL EXPENSES

	2025		2024	
	US\$	KHR'000	US\$	KHR'000
Salaries and wages	12,255,195	49,155,587	11,386,390	46,353,994
Bonuses and incentives	319,995	1,283,500	478,044	1,946,117
Board directors' fee	143,913	577,235	219,102	891,964
Contributions to provident funds	53,356	214,011	52,021	211,777
Other benefits	1,945,900	7,805,005	1,904,461	7,753,061
	<u>14,718,359</u>	<u>59,035,338</u>	<u>14,040,018</u>	<u>57,156,913</u>

NOTES TO THE FINANCIAL STATEMENTS (Cont.)

FOR THE YEAR ENDED 31 DECEMBER 2025

30. DEPRECIATION AND AMORTISATION CHARGES

	2025		2024	
	US\$	KHR'000	US\$	KHR'000
Depreciation charges of property and equipment (Note 10)	2,496,929	10,015,182	2,307,251	9,392,819
Depreciation charges of right-of-use assets (Note 12)	2,163,478	8,677,710	1,971,332	8,025,293
Amortisation charges of intangible assets (Note 11)	704,257	2,824,775	269,805	1,098,376
	<u>5,364,664</u>	<u>21,517,667</u>	<u>4,548,388</u>	<u>18,516,488</u>

31. OTHER OPERATING EXPENSES

	2025		2024	
	US\$	KHR'000	US\$	KHR'000
Repairs and maintenances	1,940,814	7,784,605	1,763,022	7,177,263
Professional fees (*)	673,058	2,699,636	466,739	1,900,094
Marketing	401,031	1,608,535	360,460	1,467,433
Utilities	393,009	1,576,359	386,420	1,573,116
License fees	384,250	1,541,227	346,380	1,410,113
Expense relating to short-term leases (Note 12(b))	370,403	1,485,686	340,253	1,385,170
Tax expenses	342,852	1,375,179	273,922	1,115,136
Security	263,592	1,057,268	241,920	984,856
Communication	249,224	999,637	235,712	959,584
Office supplies	201,112	806,660	276,892	1,127,227
Travelling	197,346	791,555	211,619	861,501
Insurance	121,489	487,292	115,971	472,118
Conferences	9,775	39,208	29,520	120,176
Others	1,473,137	5,908,753	746,398	3,038,586
	<u>7,021,092</u>	<u>28,161,600</u>	<u>5,795,228</u>	<u>23,592,373</u>

NOTES TO THE FINANCIAL STATEMENTS (Cont.)

FOR THE YEAR ENDED 31 DECEMBER 2025

31. OTHER OPERATING EXPENSES (Cont.)

(*) The following fee was paid or is payable to PricewaterhouseCoopers (Cambodia) Ltd:

	2025		2024	
	US\$	KHR'000	US\$	KHR'000
Statutory audit	62,000	249,550	67,000	273,695
Tax services	-	-	-	-
Other services	-	-	-	-
	<u>62,000</u>	<u>249,550</u>	<u>67,000</u>	<u>273,695</u>

32. INCOME TAX EXPENSES

a) Current income tax liabilities

The movement of the Bank's income tax liabilities are as follows:

	2025		2024	
	US\$	KHR'000	US\$	KHR'000
At 1 January	2,054,506	8,269,387	2,364,921	9,660,702
Current income tax expense	1,801,558	7,226,049	3,160,676	12,867,112
Income tax paid	(3,116,071)	(12,498,561)	(3,471,091)	(14,130,811)
Currency translation differences	-	(27,283)	-	(127,616)
At 31 December	<u>739,993</u>	<u>2,969,592</u>	<u>2,054,506</u>	<u>8,269,387</u>

b) Income tax expense

	2025		2024	
	US\$	KHR'000	US\$	KHR'000
Current income tax	1,801,558	7,226,049	3,160,676	12,867,112
Deferred income tax (Note 18)	21,754	87,255	1,998,123	8,134,359
	<u>1,823,312</u>	<u>7,313,304</u>	<u>5,158,799</u>	<u>21,001,471</u>

NOTES TO THE FINANCIAL STATEMENTS (Cont.)

FOR THE YEAR ENDED 31 DECEMBER 2025

32. INCOME TAX EXPENSES (Cont.)

c) Reconciliation between income tax expenses and accounting profit

	2025		2024	
	US\$	KHR'000	US\$	KHR'000
Profit before income tax	10,051,239	40,315,520	16,907,396	68,830,009
Tax calculated at 20%	2,010,248	8,063,105	3,381,479	13,766,001
Tax effect of reconciling items:				
Expenses not deductible for tax purposes	319,199	1,280,307	1,777,320	7,235,470
Deferred tax previously recognised used to reduce current tax	(506,135)	(2,030,108)	-	-
Income tax expenses	<u>1,823,312</u>	<u>7,313,304</u>	<u>5,158,799</u>	<u>21,001,471</u>

Under the Cambodian tax regulations, the Bank is subject to 20% Income Tax.

d) Other matter

Taxes are calculated on the basis of current interpretation of the tax regulations enacted as at reporting date. The management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subjected to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

However, these regulations are subject to periodic variation and the ultimate determination of tax liabilities will be made following inspection by the tax authorities. Where the final tax outcome of these matters is different from the amounts initially recorded, such differences will impact the taxes liabilities and balances in the period in which the determination is made.

NOTES TO THE FINANCIAL STATEMENTS (Cont.)

FOR THE YEAR ENDED 31 DECEMBER 2025

33. CASH FLOW INFORMATION

a) Cash and cash equivalents

	2025		2024	
	US\$	KHR'000	US\$	KHR'000
Cash on hand (Note 4)	34,961,543	140,300,672	42,251,013	170,060,327
Deposits and placements with other banks:				
Current accounts	76,286,451	306,137,528	118,975,970	478,878,279
Term deposits (maturity of three months or less)	49,103,885	197,053,891	216,914,968	873,082,746
Deposits and placements with the central bank:				
Current accounts (Note 5)	289,633,575	1,162,299,536	259,351,451	1,043,889,590
Settlement accounts (Note 5)	5,624,821	22,572,407	4,574,672	18,413,055
	<u>455,610,275</u>	<u>1,828,364,034</u>	<u>642,068,074</u>	<u>2,584,323,997</u>

b) Net debt reconciliation

This section sets out an analysis of net debt and the movements in net debt for each of the year presented.

	2025		2024	
	US\$	KHR'000	US\$	KHR'000
Cash and cash equivalents	455,610,275	1,828,364,034	642,068,074	2,584,323,997
Subordinated debts	(63,293,550)	(253,997,016)	(63,293,550)	(254,756,539)
Borrowings	(16,786,517)	(67,364,293)	(17,810,706)	(71,688,092)
Lease liabilities	(14,657,924)	(58,822,249)	(13,444,991)	(54,116,089)
Net debt	<u>360,872,284</u>	<u>1,448,180,476</u>	<u>547,518,827</u>	<u>2,203,763,277</u>
Cash and liquid investments	455,610,275	1,828,364,034	642,068,074	2,584,323,997
Gross debt – variable interest rates	(7,607,569)	(30,529,175)	(7,618,257)	(30,663,484)
Gross debt – fixed interest rates	(87,130,422)	(349,654,383)	(86,930,990)	(349,897,236)
Net debt	<u>360,872,284</u>	<u>1,448,180,476</u>	<u>547,518,827</u>	<u>2,203,763,277</u>

NOTES TO THE FINANCIAL STATEMENTS (Cont.)

FOR THE YEAR ENDED 31 DECEMBER 2025

33. CASH FLOW INFORMATION (Cont.)

b) Net debt reconciliation (Cont.)

	Liabilities from financing activities			Other assets	
	Borrowings US\$	Subordinated debts US\$	Lease US\$	Cash and cash equivalent US\$	Total US\$
Net debt as at 1 January 2024	(44,651,605)	(37,793,550)	(10,730,591)	456,003,402	362,827,656
Cash flows	26,001,508	(25,500,000)	1,660,712	186,064,672	188,226,892
New leases	-	-	(4,375,112)	-	(4,375,112)
Other changes (i)	839,391	-	-	-	839,391
Net debt as at 31 December 2024	<u>(17,810,706)</u>	<u>(63,293,550)</u>	<u>(13,444,991)</u>	<u>642,068,074</u>	<u>547,518,827</u>
In KH'000 equivalent	<u>(71,688,092)</u>	<u>(254,756,539)</u>	<u>(54,116,089)</u>	<u>2,584,323,997</u>	<u>2,203,763,277</u>
Net debt as at 1 January 2025	(17,810,706)	(63,293,550)	(13,444,991)	642,068,074	547,518,827
Cash flows	1,017,125	-	1,798,828	(186,457,799)	(183,641,846)
New leases	-	-	(3,011,761)	-	(3,011,761)
Other changes (i)	7,064	-	-	-	7,064
Net debt as at 31 December 2025	<u>(16,786,517)</u>	<u>(63,293,550)</u>	<u>(14,657,924)</u>	<u>455,610,275</u>	<u>360,872,284</u>
In KH'000 equivalent	<u>(67,364,293)</u>	<u>(253,997,016)</u>	<u>(58,822,249)</u>	<u>1,828,364,034</u>	<u>1,448,180,476</u>

(i) Other changes include non-cash movements, including accrued interest expense which will be presented as operating cash flows in the statement of cash flows when paid.

NOTES TO THE FINANCIAL STATEMENTS (Cont.)

FOR THE YEAR ENDED 31 DECEMBER 2025

34. CONTINGENT LIABILITIES AND COMMITMENTS

a) Credit commitments and financial guarantee contracts

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

	2025		2024	
	US\$	KHR'000	US\$	KHR'000
Credit commitments:				
Unused portion of credit facilities	185,117,583	742,876,861	184,917,370	744,292,414
Financial guarantee contracts:				
Letter of credits	15,085,586	60,538,457	7,967,892	32,070,765
Bank guarantees	65,578,834	263,167,861	49,963,117	201,101,546
	80,664,420	323,706,318	57,931,009	233,172,311
Total exposure	265,782,003	1,066,583,179	242,848,379	977,464,725

	2025		2024	
	US\$	KHR'000	US\$	KHR'000
Credit commitments and financial guarantee contracts	265,782,003	1,066,583,179	242,848,379	977,464,725
Allowance for expected credit loss	(819,041)	(3,286,812)	(848,217)	(3,414,074)
Net exposure	264,962,962	1,063,296,365	242,000,162	974,050,651

b) Capital commitments

	2025		2024	
	US\$	KHR'000	US\$	KHR'000
Property and equipment:				
No later than 1 year	377,416	1,514,571	179,924	724,194
Later than 1 year but less than 5 years	439,309	1,762,948	882,981	3,553,999
	816,725	3,277,519	1,062,905	4,278,193
Intangible asset:				
No later than 1 year	48,771	195,718	545,647	2,196,229
	48,771	195,718	545,647	2,196,229
	865,496	3,473,237	1,608,552	6,474,422

NOTES TO THE FINANCIAL STATEMENTS (Cont.)

FOR THE YEAR ENDED 31 DECEMBER 2025

34. CONTINGENT LIABILITIES AND COMMITMENTS (Cont.)

c) Lease commitments

The Bank recognised right-of-use assets and lease liabilities for lease contracts where the Bank is a lessee, except for short-term leases (see Note 2.13 (c) and Note 12 for further information). The lease commitments of short-term leases are within one year only and the balance is immaterial.

35. RELATED PARTY TRANSACTIONS AND BALANCES

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

a) Related parties and relationship

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

Relationship	Related party
Shareholders	Oknha Mak Kimhong
Shareholders	Mrs. Kim Tiek
Shareholders	Mrs. Chhay Kimbuoy
Shareholders	ING Holdings Cambodia Ltd.
Shareholders	Ministry of Economy and Finance
Key management personnel	All directors of the Bank who make critical decisions in relation to the strategic direction of the Bank (including their close family members)

b) Loans and advances to key management personnel

	2025		2024	
	US\$	KHR'000	US\$	KHR'000
Loans and advances to key management personnel - net	178,499	716,316	191,560	771,029
Interest income	11,424	45,845	12,096	49,243

Loans and advances to key management personnel are net of allowance for expected credit loss of US\$360 (2024: US\$1,979), unsecured, and having interest rate of 4% per annum (2024: 4% per annum).

NOTES TO THE FINANCIAL STATEMENTS (Cont.)

FOR THE YEAR ENDED 31 DECEMBER 2025

35. RELATED PARTY TRANSACTIONS AND BALANCES (Cont.)

c) Deposits from related parties

	2025		2024	
	US\$	KHR'000	US\$	KHR'000
Shareholders	5,510	22,110	2,602	10,473
Directors and key management	99,024	397,383	50,708	204,100
	104,534	419,493	53,310	214,573
Interest expenses	254	1,018	190	774

Annual interest to rates during the year are as follows:

	2025	2024
Shareholders	Nil	Nil
Directors and key management	0.5% - 1%	0.5% - 1%

d) Subordinated debt

	2025		2024	
	US\$	KHR'000	US\$	KHR'000
Shareholders	37,793,550	151,665,516	37,793,550	152,119,039
Interest expenses	4,383,088	17,580,566	4,395,151	17,892,661

	2025		2024	
	US\$	KHR'000	US\$	KHR'000
Subordinated debt from shareholders				
At 1 January	37,793,550	152,119,039	37,793,550	154,386,652
Interest charged	4,383,088	17,580,566	4,395,151	17,892,661
Interest payments	(4,383,088)	(17,580,566)	(4,395,151)	(17,892,661)
Currency translation differences	-	(453,523)	-	(2,267,613)
At 31 December	37,793,550	151,665,516	37,793,550	152,119,039

NOTES TO THE FINANCIAL STATEMENTS (Cont.)

FOR THE YEAR ENDED 31 DECEMBER 2025

35. RELATED PARTY TRANSACTIONS AND BALANCES (Cont.)

e) Key management compensation

	2025		2023	
	US\$	KHR'000	US\$	KHR'000
Directors' fees	243,822	977,971	253,824	1,033,318
Key management compensation – salaries and other benefits	2,073,210	8,315,645	1,999,797	8,141,174
	<u>2,317,032</u>	<u>9,293,616</u>	<u>2,253,621</u>	<u>9,174,492</u>

f) Terms and conditions

Transactions with related parties were made on normal commercial terms and conditions and at market rate.

36. FINANCIAL RISK MANAGEMENT

The Bank embraces risk management as an integral part of the Bank's business, operations, and decision-making process. In ensuring that the Bank achieves optimum returns whilst operating within a sound business environment, the risk management teams are involved at the early stage of the risk-taking process by providing independent inputs, including relevant valuations, credit evaluations, new product assessments and quantification of capital requirements. These inputs enable the business units to assess the risk-vs-reward of their propositions, thus enabling risk to be priced appropriately in relation to the return.

Generally, the objectives of the Bank's risk management activities are to:

- identify the various risk exposures and capital requirements;
- ensure risk-taking activities are consistent with risk policies and the aggregated risk position are within the risk appetite as approved by the Board; and
- create shareholders' value through a sound risk management framework.

The Bank holds the following financial assets and financial liabilities:

NOTES TO THE FINANCIAL STATEMENTS (Cont.)

FOR THE YEAR ENDED 31 DECEMBER 2025

36. FINANCIAL RISK MANAGEMENT (Cont.)

	2025		2024	
	US\$	KHR'000	US\$	KHR'000
Financial assets				
Financial assets at amortised costs:				
Cash on hand	34,961,543	140,300,672	42,251,013	170,060,327
Deposits and placements with the central bank	345,361,657	1,385,936,330	286,024,056	1,151,246,825
Deposits and placements with other banks	443,388,304	1,779,317,264	371,762,189	1,496,342,811
Loans and advances at amortised cost	1,329,481,958	5,335,211,097	1,339,063,355	5,389,730,004
Investment securities	32,242,633	129,389,686	30,663,681	123,421,316
Other financial assets	7,320,395	29,376,745	2,330,706	9,381,092
Total financial assets	2,192,756,490	8,799,531,794	2,072,095,000	8,340,182,375
Financial liabilities				
Financial liabilities at amortised cost:				
Deposits from banks and financial institutions	76,822,234	308,287,625	104,408,644	420,244,792
Deposits from customers	2,037,905,664	8,178,115,430	1,829,200,659	7,362,532,652
Borrowings	16,786,517	67,364,293	17,810,706	71,688,092
Lease liabilities	14,657,924	58,822,249	13,444,991	54,116,089
Subordinated debts	63,293,550	253,997,016	63,293,550	254,756,539
Other financial liabilities	1,652,395	6,631,061	1,525,103	6,138,540
Total financial liabilities	2,211,118,284	8,873,217,674	2,029,683,653	8,169,476,704

36.1. CREDIT RISK

Credit risk is the risk of suffering financial loss, should any of the Bank's customers or market counterparties fail to fulfil their contractual obligations to the Bank. Credit risk arises from deposits and placements with the central bank and other banks, loans and advances, other financial assets, and credit commitments and financial guarantee contracts. Credit exposure arises principally in lending activities.

a) Credit risk measurement

Credit risk is managed on a group basis.

For loans and advances and credit commitments, the estimation of credit exposure for risk management purposes requires the use of models, as the exposure varies with changes in market conditions, expected cash flows and the passage of time. The assessment of credit risk of a portfolio of assets entails further estimations as to the likelihood of default occurring, of the associated loss ratios and of default

NOTES TO THE FINANCIAL STATEMENTS (Cont.)

FOR THE YEAR ENDED 31 DECEMBER 2025

36. FINANCIAL RISK MANAGEMENT (Cont.)

36.1. CREDIT RISK (Cont.)

a) Credit risk measurement (Cont.)

correlations between counterparties. The Bank measures credit risk using Probability of Default (PD), Exposure at Default (EAD), and Loss Given Default (LGD) for the purposes of measuring ECL under CIFRS 9.

Deposits and placements with the central bank have no historical loss, and with strong capacity to meet obligations in near term, expected credit loss for deposits and placements with central bank is nil. Deposits and placements with other banks are considered to be low credit risk. The credit ratings of these assets are monitored for credit deterioration. Measurement for impairment is limited to 12-month expected credit loss. Other financial assets at amortised cost are monitored for its credit rating deterioration, and the measurement of impairment follows a three-stage approach in Note 36.1(c).

b) Risk limit control and mitigation policies

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

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 collaterals for loans and advances to customers, which is common practice. The Bank implements guidelines on the acceptability of specific classes of collaterals or credit risk mitigation. The principal collateral types to secure for loans and advances to customers are:

- Mortgages over residential properties (land, building and other properties);
- Cash in the form of term deposits, if any; or
- Commercial buildings and lands.

c) Impairment (expected credit loss) policies

The measurement of expected credit loss allowance under the CIFRS 9 three-stage approach is to recognise lifetime expected credit loss allowance for financial instruments for which there has been a significant increase in credit risk since initial origination or is credit-impaired as at the reporting date. The financial instrument which has not undergone any significant deterioration in credit risk shall be recognised with 12-month expected credit loss allowance.

NOTES TO THE FINANCIAL STATEMENTS (Cont.)

FOR THE YEAR ENDED 31 DECEMBER 2025

36. FINANCIAL RISK MANAGEMENT (Cont.)

36.1. CREDIT RISK (Cont.)

c) Impairment (expected credit loss) policies (Cont.)

Under the three-stage approach, the financial instrument is allocated into three stages based on the relative movement in the credit risk.

- Stage 1 includes financial instruments that neither have a significant increase in credit risk since initial recognition nor credit-impaired as at reporting date. For these assets, 12-month expected credit loss allowance are recognised.
- Stage 2 includes financial instruments that have had a significant increase in credit risk since initial recognition but do not have objective evidence of impairment. For these assets, lifetime expected credit loss allowance are recognised.
- Stage 3 includes financial instruments that have objective evidence of impairment at the reporting date. For these assets, lifetime expected credit loss allowance are recognised.
- Purchased or originated credit-impaired financial assets are those financial assets that are credit-impaired on initial recognition. Their expected credit loss allowance is always measured on a lifetime basis (Stage 3).

The key judgements and assumptions adopted by the Bank in addressing the requirements of the standard on the measurement of allowances are:

i. Significant increase in credit risk (SICR)

The assessment of SICR shall be a multifactor and holistic analysis and based on a mixture of quantitative and/or qualitative information. To determine whether the risk of default of a loan/financing has increased significantly since initial recognition, the current risk of default at the reporting date is compared with the risk of default at initial recognition.

- Customer has day past due 30 days or more for long-term facilities and 15 days or more for short-term facilities on its contractual payments as at reporting date

ii. Definition of default and credit impaired

The Bank defines a financial instrument as in default which is also credit-impaired when it meets one of the following criteria:

NOTES TO THE FINANCIAL STATEMENTS (Cont.)

FOR THE YEAR ENDED 31 DECEMBER 2025

36. FINANCIAL RISK MANAGEMENT (Cont.)

36.1. CREDIT RISK (Cont.)

c) Impairment (expected credit loss) policies (Cont.)

- The principal or interest or both of the loan is past due for 90 days for long term and more than 30 days for short term.
- The loan is forced impaired due to various reasons, such as bankruptcy, legal action initiated by the Bank for recovery, significant financial difficulty, etc. In the event where a loan is not in default or past due but force impaired, the loan shall be classified as impaired upon approval by the Credit Committee.
- Restructuring and rescheduling of a loan facility involves any modification made to the original repayment terms and conditions of the loan facility following an increase in the credit risk of an obligor/counterparty.
- When an obligor/counterparty has multiple loans with the Bank and cross default obligation applies, an assessment of provision is required under which default of one debt obligation triggers default on another debt obligation (cross default). Where there is no right to set off clause is available, assessment of provision needs to be performed on individual loan level instead of consolidated obligor/counterparty level.

iii. Measuring (ECL - inputs, assumptions and estimation techniques)

The ECL is measured on either a 12-month or lifetime basis depending on whether a significant increase in credit risk has occurred since initial recognition or whether an asset is considered to be credit-impaired. The ECL is assessed and measured on a collective basis.

For collective assessment, the ECL is determined by projecting the PD, LGD and EAD for each future month and for the collective segment. The three components are multiplied together to calculate an ECL for each future year, which is then discounted back to the reporting date and summed. The discount rate used in the ECL calculation is the original effective interest rate or an approximation thereof.

For individual assessment, the ECL allowance is determined by comparing the outstanding exposure with the present value of cash flow which is expected to be received from the borrowers.

NOTES TO THE FINANCIAL STATEMENTS (Cont.)

FOR THE YEAR ENDED 31 DECEMBER 2025

36. FINANCIAL RISK MANAGEMENT (Cont.)

36.1. CREDIT RISK (Cont.)

c) Impairment (expected credit loss) policies (Cont.)

iii. Measuring (ECL - inputs, assumptions and estimation techniques) (Cont.)

Probability of Default

The PD represents the likelihood that a borrower will be unable to meet its financial obligation either over the next 12 months (12-month PD) or over the remaining lifetime (Lifetime PD) of the obligation.

The 12-month PD model is to estimate the yearly default likelihood of the portfolio that can be used to generate lifetime PD curves to cover the assumed lifetime of each account within the portfolio.

The lifetime PD is developed by applying a maturity profile to the current 12-month PD. The maturity profile looks at how defaults develop on a portfolio from the point of initial recognition through the lifetime of the loans. The maturity profile is based on historical observed data and is assumed to be the same across all assets within a portfolio. This is supported by historical analysis.

Exposure at Default

EAD is the total amount that the Bank is exposed to at the time the borrower defaults.

The 12-month and lifetime EADs are determined based on the expected payment profile, which varies by product type.

- For amortising products and bullet repayment loans, this is based on the contractual repayments owed by the borrower over a 12-month or remaining maturity.
- For revolving products, the exposure at default is predicted by taking credit limit time with utilisation at default where credit limit is maximum amount a customer can borrow and utilisation at default is the proportion of the credit limit that is used by the customer at the point of default.

Loss Given Default

LGD represents the Bank's expectation of the extent of loss on a defaulted exposure. LGD varies by type of counterparty, type and seniority of claim and availability of collateral or other credit support. LGD is expressed as a percentage loss per unit of exposure at the time of default. LGD is the percentage of loss expected to be made if the default occurs over the remaining expected lifetime of the loan. LGD floors have been considered for secured loans where there are events of over-collateralised.

NOTES TO THE FINANCIAL STATEMENTS (Cont.)

FOR THE YEAR ENDED 31 DECEMBER 2025

36. FINANCIAL RISK MANAGEMENT (Cont.)

36.1. CREDIT RISK (Cont.)

c) Impairment (expected credit loss) policies (Cont.)

iii. Measuring (ECL - inputs, assumptions and estimation techniques) (Con.)

Loss Given Default (Cont.)

The assumptions underlying the ECL calculation are monitored and reviewed periodically. There have been no significant changes in estimation techniques or significant assumptions made during the reporting period.

iv. Forward-looking information incorporated into the ECL models

The calculation of ECL incorporates forward-looking information. The Bank has performed historical analysis and identified the key economic variables impacting credit risk and expected credit losses for each portfolio.

These economic variables and their associated impact on the PD vary by financial instrument. Expert judgement has also been applied in this process. The historical and forecasts of these economic variables (the base economic scenario) are sourced from external research houses. The impact of these economic variables on the PD has been determined by performing statistical regression analysis to understand the impact changes in these variables have had historically on default rates, while LGD is based on the bank's assessment of haircut of collaterals and EAD is based on the expected payment profiles.

In addition to the based economic scenario, the Bank considers other possible scenarios along with scenario weightings. The number of other scenarios used is set based on the analysis of each segment to ensure non-linearities are captured. The number of scenarios and their attributes are reassessed at each reporting date. As at 31 December 2025 and 31 December 2024, the Bank concluded that three scenarios appropriately captured non-linearities. The scenario weightings are determined by a combination of statistical analysis and expert credit judgement, taking account of the range of possible outcomes each chosen scenario is representative of.

As with any economic forecasts, the projects and likelihoods of occurrence are subject to a high degree of inherent uncertainty and therefore the actual outcomes may be significantly different to those projected. The Bank considers these forecasts to represent its best estimate of the possible outcomes and has analysed the non-linearities and asymmetries within the Bank's different portfolios to establish that the chosen scenarios are appropriately representative of the range of possible scenarios.

36. FINANCIAL RISK MANAGEMENT (Cont.)

36.1. CREDIT RISK (Cont.)

c) Impairment (expected credit loss) policies (Cont.)

iv. Forward-looking information incorporated into the ECL models (Cont.)

As at 31 December 2025 and 31 December 2024, the Bank formulates three economic scenarios to reflect future economic prospects: baseline, upside, and downside scenarios. The upside and downside scenarios are computed by adjusting the baseline macroeconomic variables (MEVs) by a certain percentage. A probability weighted outcome (PWO) is then applied over these scenarios.

Sensitivity analysis

The most significant assumptions affecting the ECL allowance is the change in weightings determined for each of the economic scenarios.

The Bank is to periodically monitor and assess if the statistical regression analysis is reflective of the future new development.

v. Grouping of exposure for ECL measured on collective basis

For expected credit loss provisions modelled on a collective basis, a grouping of exposures is performed on the basis of shared risk characteristics, such that risk exposures within a group are homogeneous.

In performing this grouping, there must be sufficient information for the group to be statistically credible. Where sufficient information is not available internally, the Bank has considered benchmarking internal/external supplementary data to use for modelling purposes.

The appropriateness of groupings is monitored and reviewed on a periodic basis by the Credit Risk.

vi. Write-off policy

Write-off is usually taken when relevant recovery actions have been exhausted or further recovery is not economically feasible or justifiable. When a loan or debt instrument is deemed uncollectible, it is written off against the related allowance for impairment. Such loans are either written off in full or partially after taking into consideration the realisable value of collateral (if any) and when in the judgement of the management, there is no prospect of recovery. All write-offs must be approved by the Board or its delegated authorities.

NOTES TO THE FINANCIAL STATEMENTS (Cont.)

FOR THE YEAR ENDED 31 DECEMBER 2025

36. FINANCIAL RISK MANAGEMENT (Cont.)

36.1. CREDIT RISK (Cont.)

c) Impairment (expected credit loss) policies (Cont.)

vii. Modification of loans

The Bank sometimes modifies the terms of loans provided to customers due to commercial renegotiations, or for distressed loans, with a view to maximising recovery.

Such restructuring activities include extended payment term arrangements, payment holidays and payment forgiveness. Restructuring policies and practices are based on indicators or criteria which, in the judgement of management, indicate that payment will most likely continue. These policies are kept under continuous review. Restructuring is most commonly applied to term loans.

The risk of default of such loans after modification is assessed at the reporting date and compared with the risk under the original terms at initial recognition, when the modification is not substantial and so does not result in derecognition of the original loans (Note 2.5 (f)). The Bank monitors the subsequent performance of modified assets. The Bank may determine that the credit risk has significantly improved after restructuring, so that the assets are moved from Stage 3 or Stage 2 (Lifetime ECL) to Stage 1 (12-month ECL). This is only the case for assets which have performed in accordance with the new terms for six consecutive months or more.

viii. Off-balance sheet exposures

Off-balance sheet exposures are exposures such as trade finance facilities and undrawn portions of credit facilities. The Bank applied Credit Conversion Factor (CCF) to estimate the EAD of off-balance sheet items. CCF varies by each type of exposures.

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

The maximum exposure to credit risk for financial assets recognised in the statements of financial position is their carrying amounts. For contingent liabilities, the maximum exposure to credit risk is the maximum amount that the Bank would have to pay if the obligations of the instruments issued are called upon. For credit commitments, the maximum exposure to credit risk is the full amount of the undrawn credit facilities granted to customers. The table below shows the maximum exposure to credit risk for the Bank on financial instruments subject to impairment:

NOTES TO THE FINANCIAL STATEMENTS (Cont.)

FOR THE YEAR ENDED 31 DECEMBER 2025

36. FINANCIAL RISK MANAGEMENT (Cont.)

36.1. CREDIT RISK (Cont.)

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

	2025		2024	
	US\$	KHR'000	US\$	KHR'000
Credit risk exposure related to on-balance sheet assets:				
Deposits and placements with other banks	443,388,304	1,779,317,264	371,762,189	1,496,342,811
Loans and advances at amortised cost	1,329,481,958	5,335,211,097	1,339,063,355	5,389,730,004
Investment in securities	32,242,633	129,389,686	30,663,681	123,421,316
Other financial assets	7,320,395	29,376,745	2,330,706	9,381,092
Credit risk exposure related to off-balance sheet items:				
Unused portion of credit facilities	185,117,583	742,876,861	184,917,370	744,292,414
Letters of guarantees	65,578,834	263,167,861	49,963,117	201,101,546
Letter of credit	15,085,586	60,538,457	7,967,892	32,070,765
Total gross credit exposure	2,078,215,293	8,339,877,971	1,986,668,310	7,996,339,948
Allowance for expected credit losses (ECL)	(34,031,158)	(136,567,037)	(23,966,963)	(96,467,026)
Total net credit exposure	2,044,184,135	8,203,310,934	1,962,701,347	7,899,872,922

The above table represents a worst-case scenario of credit risk exposure to the Bank, since collateral held and/or other credit enhancement attached were not taken into account. For on-balance sheet assets, the exposures set out above are based on net carrying amounts. As shown above, 74% for the Bank (2024: 77%) of total maximum exposure is derived from loans and advances. Management is confident of its ability to continue to control and sustain minimal exposure on credit risk resulting from the Bank's loans and advances due to the following:

- Almost all loans and advances are collateralised and loan to collateral value ranges from 60% to 80%.
- The Bank has a proper credit evaluation process in place for granting of loans and advances to customers.
- Deposits and placements with other banks are held with local banks and management has done proper risk assessment and believe there will be no material loss from these local banks.

NOTES TO THE FINANCIAL STATEMENTS (Cont.)

FOR THE YEAR ENDED 31 DECEMBER 2025

36. FINANCIAL RISK MANAGEMENT (Cont.)

36.1. CREDIT RISK (Cont.)

e) Credit quality of financial assets

The Bank assesses credit quality of loans, advances and financing using internal rating techniques tailored to the various categories of products and counterparties. These techniques have been developed internally and combine statistical analysis with credit officers' judgement.

Credit quality description is summarised as follows:

Credit Quality	Description
Standard monitoring	Obligors in this category exhibit strong capacity to meet financial commitment. The Bank monitors obligors in this category by delinquency status. Obligors that are less than 30 days past due on its contractual payments for both short-term and long-term facilities are in standard monitoring.
Special monitoring	Obligors in this category have a fairly acceptable capacity to meet financial commitments. The Bank monitors obligors in this category by delinquency status. Obligors that are 30 days past due on its contractual payments are included in special monitoring.
Default/Credit impaired	Obligors are assessed to be impaired.

The credit quality of financial instruments other than loans, advances and financing are determined based on the ratings of counterparties as defined equivalent ratings of other international rating agencies as defined below:

Credit Quality	Description
Sovereign	Refer to financial assets issued by the central bank/government or guarantee by the central bank/government.
Investment grade	Refers to the credit quality of the financial asset that the issuer is able to meet payment obligation and exposure bondholder to low credit risk of default.
Non-investment grade	Refers to low credit quality of the financial asset that is highly exposed to default risk.
Un-graded	Refers to financial assets which are currently not assigned with ratings due to unavailability of ratings models.
Credit impaired	Refers to the asset that is being impaired.

NOTES TO THE FINANCIAL STATEMENTS

(Cont.)

FOR THE YEAR ENDED 31 DECEMBER 2025

36. FINANCIAL RISK MANAGEMENT (Cont.)

36.1. CREDIT RISK (Cont.)

e) Credit quality of financial assets (Cont.)

The following table shows an analysis of the credit exposure by stages, together with the ECL allowance provision:

	2025				2024			
	Stage 1 12-month ECL US\$	Stage 2 Lifetime ECL not credit- Impaired US\$	Stage 3 Lifetime ECL credit- Impaired US\$	Total US\$	Stage 1 12-month ECL US\$	Stage 2 Lifetime ECL not credit- Impaired US\$	Stage 3 Lifetime ECL credit- Impaired US\$	Total US\$
Deposits and placements with other banks								
Investment grade	408,667,044	-	-	408,667,044	352,361,553	-	-	352,361,553
Non-investment grade	34,721,260	-	-	34,721,260	9,368,221	-	-	9,368,221
Un-graded	-	-	-	-	10,032,415	-	-	10,032,415
Gross carrying amount	443,388,304	-	-	443,388,304	371,762,189	-	-	371,762,189
Less: Allowance for expected credit losses	(581,702)	-	-	(581,702)	(421,444)	-	-	(421,444)
Net carrying amount	442,806,602	-	-	442,806,602	371,340,745	-	-	371,340,745
In KHR'000 equivalent	1,776,982,894	-	-	1,776,982,894	1,494,646,499	-	-	1,494,646,499

NOTES TO THE FINANCIAL STATEMENTS

(Cont.)

FOR THE YEAR ENDED 31 DECEMBER 2025

36. FINANCIAL RISK MANAGEMENT (Cont.)

36.1. CREDIT RISK (Cont.)

e) Credit quality of financial assets (Cont.)

	2025				2024			
	Stage 1 12-month ECL US\$	Stage 2 Lifetime ECL not credit- Impaired US\$	Stage 3 Lifetime ECL credit- Impaired US\$	Total US\$	Stage 1 12-month ECL US\$	Stage 2 Lifetime ECL not credit- Impaired US\$	Stage 3 Lifetime ECL credit- Impaired US\$	Total US\$
Loans and advances at amortised cost								
Standard monitoring	1,205,323,569	-	-	1,205,323,569	1,212,844,425	-	-	1,212,844,425
Special monitoring	-	41,137,264	-	41,137,264	-	61,818,443	-	61,818,443
Default	-	-	83,021,125	83,021,125	-	-	64,400,487	64,400,487
Gross carrying amount	1,205,323,569	41,137,264	83,021,125	1,329,481,958	1,212,844,425	61,818,443	64,400,487	1,339,063,355
Less: Allowance for expected credit loss	(7,323,252)	(3,533,182)	(20,667,353)	(31,523,787)	(8,096,938)	(3,935,460)	(10,664,904)	(22,697,302)
Net carrying amount	1,198,000,317	37,604,082	62,353,772	1,297,958,171	1,204,747,487	57,882,983	53,735,583	1,316,366,053
In KHR'000 equivalent	4,807,575,272	150,905,181	250,225,687	5,208,706,140	4,849,108,635	232,979,007	216,285,722	5,298,373,364

NOTES TO THE FINANCIAL STATEMENTS

(Cont.)

FOR THE YEAR ENDED 31 DECEMBER 2025

36. FINANCIAL RISK MANAGEMENT (Cont.)

36.1. CREDIT RISK (Cont.)

e) Credit quality of financial assets (Cont.)

	2025				2024			
	Stage 1 12-month ECL US\$	Stage 2 Lifetime ECL not credit- Impaired US\$	Stage 3 Lifetime ECL credit- Impaired US\$	Total US\$	Stage 1 12-month ECL US\$	Stage 2 Lifetime ECL not credit- Impaired US\$	Stage 3 Lifetime ECL credit- Impaired US\$	Total US\$
Investment securities at amortised costs								
Un-graded	32,242,633	-	-	32,242,633	30,663,681	-	-	30,663,681
Gross carrying amount	32,242,633	-	-	32,242,633	30,663,681	-	-	30,663,681
Less: allowance for expected credit loss	-	-	-	-	-	-	-	-
Net carrying amount	32,242,633	-	-	32,242,633	30,663,681	-	-	30,663,681
In KHR'000 equivalent	129,389,686	-	-	129,389,686	123,421,316	-	-	123,421,316
Other financial assets at amortised costs								
Un-graded	1,771,020	-	5,549,375	7,320,395	2,330,706	-	-	2,330,706
Gross carrying amount	1,771,020	-	5,549,375	7,320,395	2,330,706	-	-	2,330,706
Less: allowance for expected credit loss	-	-	(1,106,628)	(1,106,628)	-	-	-	-
Net carrying amount	1,771,020	-	4,442,747	6,213,767	2,330,706	-	-	2,330,706
In KHR'000 equivalent	7,107,103	-	17,828,744	24,935,847	9,381,092	-	-	9,381,092

NOTES TO THE FINANCIAL STATEMENTS

(Cont.)

FOR THE YEAR ENDED 31 DECEMBER 2025

36. FINANCIAL RISK MANAGEMENT (Cont.)

36.1. CREDIT RISK (Cont.)

e) Credit quality of financial assets (Cont.)

	2025				2024			
	Stage 1 12-month ECL US\$	Stage 2 Lifetime ECL not credit- Impaired US\$	Stage 3 Lifetime ECL credit- Impaired US\$	Total US\$	Stage 1 12-month ECL US\$	Stage 2 Lifetime ECL not credit- Impaired US\$	Stage 3 Lifetime ECL credit- Impaired US\$	Total US\$
Credit commitments and financial guarantee contracts								
Standard monitoring	260,782,003	-	-	260,782,003	237,828,573	-	-	237,828,573
Special monitoring	-	5,000,000	-	5,000,000	-	5,015,893	-	5,015,893
Default	-	-	-	-	-	-	3,913	3,913
Gross carrying amount	260,782,003	5,000,000	-	265,782,003	237,828,573	5,015,893	3,913	242,848,379
Less: Allowance for expected credit loss	(620,666)	(198,375)	-	(819,041)	(722,400)	(125,757)	(60)	(848,217)
Net carrying amount	260,161,337	4,801,625	-	264,962,962	237,106,173	4,890,136	3,853	242,000,162
In KHR'000 equivalent	1,044,027,445	19,268,921	-	1,063,296,366	954,352,346	19,682,797	15,508	974,050,651

NOTES TO THE FINANCIAL STATEMENTS

(Cont.)

FOR THE YEAR ENDED 31 DECEMBER 2025

36. FINANCIAL RISK MANAGEMENT (Cont.)

36.1. CREDIT RISK (Cont.)

f) Loss allowance

(i) Expected credit loss reconciliation – loans and advances

	2025				2024			
	Stage 1 12-month ECL US\$	Stage 2 Lifetime ECL not credit- Impaired US\$	Stage 3 Lifetime ECL credit- Impaired US\$	Total US\$	Stage 1 12-month ECL US\$	Stage 2 Lifetime ECL not credit- Impaired US\$	Stage 3 Lifetime ECL credit- Impaired US\$	Total US\$
Expected credit losses								
Loss allowance as at 1 January	8,096,938	3,935,460	10,664,904	22,697,302	3,111,353	1,429,305	3,249,692	7,790,350
Changes due to exposure:								
Transfer to stage 1	1,525,950	(1,047,873)	(478,077)	-	1,285,310	(1,233,110)	(52,200)	-
Transfer to stage 2	(47,775)	314,549	(266,774)	-	(323,268)	328,018	(4,750)	-
Transfer to stage 3	(384,072)	(441,379)	825,451	-	(45,060)	(52,610)	97,670	-
New financial assets originated	3,502,570	-	3,063,984	6,566,554	3,154,918	629,984	2,689,754	6,474,656
Net remeasurement of loss allowance (*)	(1,949,956)	646,832	9,210,892	7,907,768	4,172,828	3,589,614	4,019,473	11,781,915
Unwinding of discount	-	-	768,258	768,258	-	-	1,677,540	1,677,540
Financial assets derecognised during the year other than write off	(3,420,403)	125,593	(3,121,285)	(6,416,095)	(3,259,143)	(755,741)	(1,012,275)	(5,027,159)
Loss allowance as at 31 December	<u>7,323,252</u>	<u>3,533,182</u>	<u>20,667,353</u>	<u>31,523,787</u>	<u>8,096,938</u>	<u>3,935,460</u>	<u>10,664,904</u>	<u>22,697,302</u>
In KHR'000 equivalent	<u>29,388,210</u>	<u>14,178,659</u>	<u>82,938,088</u>	<u>126,504,957</u>	<u>32,590,175</u>	<u>15,840,227</u>	<u>42,926,239</u>	<u>91,356,641</u>

NOTES TO THE FINANCIAL STATEMENTS

(Cont.)

FOR THE YEAR ENDED 31 DECEMBER 2025

36. FINANCIAL RISK MANAGEMENT (Cont.)

36.1. CREDIT RISK (Cont.)

f) Loss allowance (Cont.)

(i) Expected credit loss reconciliation – loans and advances (Cont.)

	2025				2024			
	Stage 1 12-month ECL US\$	Stage 2 Lifetime ECL not credit- impaired US\$	Stage 3 Lifetime ECL credit- impaired US\$	Total US\$	Stage 1 12-month ECL US\$	Stage 2 Lifetime ECL not credit- impaired US\$	Stage 3 Lifetime ECL credit- impaired US\$	Total US\$
Gross carrying amount								
Gross carrying amount as at 1 January	1,212,844,425	61,818,443	64,400,487	1,339,063,355	1,262,086,074	29,214,573	27,848,483	1,319,149,130
Changes due to financial instruments recognised:								
Transfer to stage 1	22,583,378	(18,088,542)	(4,494,836)	-	24,038,724	(23,702,618)	(336,106)	-
Transfer to stage 2	(6,229,752)	10,688,039	(4,458,287)	-	(52,195,076)	52,242,311	(47,235)	-
Transfer to stage 3	(25,502,686)	(7,142,506)	32,645,192	-	(22,431,687)	(2,156,278)	24,587,965	-
New financial assets originated	527,132,885	298,930	6,453,639	533,885,454	436,509,220	13,415,526	17,911,517	467,836,263
Financial assets derecognised during the year other than write off	(525,504,681)	(6,437,100)	(11,525,070)	(543,466,851)	(435,162,830)	(7,195,071)	(5,564,137)	(447,922,038)
Gross carrying amount as at 31 December	<u>1,205,323,569</u>	<u>41,137,264</u>	<u>83,021,125</u>	<u>1,329,481,958</u>	<u>1,212,844,425</u>	<u>61,818,443</u>	<u>64,400,487</u>	<u>1,339,063,355</u>
In KHR'000 equivalent	<u>4,836,963,482</u>	<u>165,083,840</u>	<u>333,163,775</u>	<u>5,335,211,097</u>	<u>4,881,698,811</u>	<u>248,819,233</u>	<u>259,211,960</u>	<u>5,389,730,004</u>

(*) Impact of the measurement of ECL due to changes in PD and LGD during the year arising from regular refreshing of inputs to models.

NOTES TO THE FINANCIAL STATEMENTS

(Cont.)

FOR THE YEAR ENDED 31 DECEMBER 2025

36. FINANCIAL RISK MANAGEMENT (Cont.)

36.1. CREDIT RISK (Cont.)

f) Loss allowance (Cont.)

(ii) Expected credit loss reconciliation – credit commitments and financial guarantee contracts

	2025				2024			
	Stage 1 12-month ECL US\$	Stage 2 Lifetime ECL not credit- Impaired US\$	Stage 3 Lifetime ECL credit- Impaired US\$	Total US\$	Stage 1 12-month ECL US\$	Stage 2 Lifetime ECL not credit- Impaired US\$	Stage 3 Lifetime ECL credit- Impaired US\$	Total US\$
Expected credit losses								
Loss allowance as at 1 January	722,400	125,757	60	848,217	379,568	-	-	379,568
Changes due to exposure:								
Transfer to stage 1	68	(68)	-	-	-	-	-	-
Transfer to stage 2	-	48	(48)	-	(75)	75	-	-
Transfer to stage 3	(9)	-	9	-	(1,661)	-	1,661	-
Net remeasurement of								
loss allowance	(79,644)	72,802	(21)	(6,863)	277,269	125,682	(1,654)	401,297
New exposure	360,428	-	-	360,428	401,751	-	53	401,804
Exposure derecognised or expired	(382,577)	(164)	(0)	(382,741)	(334,452)	-	-	(334,452)
Loss allowance as at 31 December	620,666	198,375	-	819,041	722,400	125,757	60	848,217
In KHR'000 equivalent	2,490,733	796,079	-	3,286,812	2,907,660	506,172	242	3,414,074

NOTES TO THE FINANCIAL STATEMENTS

(Cont.)

FOR THE YEAR ENDED 31 DECEMBER 2024

36. FINANCIAL RISK MANAGEMENT (Cont.)

36.1. CREDIT RISK (Cont.)

f) Loss allowance (Cont.)

(ii) Expected credit loss reconciliation – credit commitments and financial guarantee contracts (Cont.)

	2025				2024			
	Stage 1 12-month ECL US\$	Stage 2 Lifetime ECL not credit- Impaired US\$	Stage 3 Lifetime ECL credit- Impaired US\$	Total US\$	Stage 1 12-month ECL US\$	Stage 2 Lifetime ECL not credit- Impaired US\$	Stage 3 Lifetime ECL credit- Impaired US\$	Total US\$
Exposure								
Exposure amount as at 1 January	237,828,573	-5,015,893	3,913	242,848,379	178,167,482	-	4,450	178,171,932
Changes due to financial instruments recognised:								
Transfer to stage 1	2,693	(2,693)	-	-	-	-	-	-
Transfer to stage 2	-	3,169	(3,169)	-	(22,427)	22,427	-	-
Transfer to stage 3	(2,310)	-	2,310	-	(1,015,034)	-	1,015,034	-
New exposure	120,744,093	125,524	-	120,869,617	119,999,303	5,000,841	744	125,000,888
Exposure derecognised or expired	(97,791,046)	(141,893)	(3,054)	(97,935,993)	(59,300,751)	(7,375)	(1,016,315)	(60,324,441)
Gross carrying amount as at 31 December	<u>260,782,003</u>	<u>5,000,000</u>	<u>-</u>	<u>265,782,003</u>	<u>237,828,573</u>	<u>5,015,893</u>	<u>3,913</u>	<u>242,848,379</u>
In KHR'000 equivalent	<u>1,046,518,179</u>	<u>20,065,000</u>	<u>-</u>	<u>1,066,583,179</u>	<u>957,260,006</u>	<u>20,188,969</u>	<u>15,750</u>	<u>977,464,725</u>

NOTES TO THE FINANCIAL STATEMENTS (Cont.)

FOR THE YEAR ENDED 31 DECEMBER 2025

36. FINANCIAL RISK MANAGEMENT (Cont.)

36.1. CREDIT RISK (Cont.)

g) Concentration of financial assets with credit risk exposure

i) Geographical sector

The following table breaks down the Bank's main credit exposure at their carrying amount, as categorised by geographical region as at 31 December 2025 and 31 December 2024. For this table, the Bank has allocated exposure to countries based on the country of domicile of its counterparties.

	Cambodia US\$	USA US\$	Others US\$	Total US\$
31 December 2025				
Deposits and placements with other banks	282,219,485	1,075,385	160,093,434	443,388,304
Loans and advances at amortised cost	1,329,481,958	-	-	1,329,481,958
Other financial assets	7,320,395	-	-	7,320,395
Credit commitments	185,117,583	-	-	185,117,583
Financial guarantee contracts	80,664,420	-	-	80,664,420
Total credit exposure	1,884,803,841	1,075,385	160,093,434	2,045,972,660
In KHR'000 equivalent	7,563,717,814	4,315,520	642,454,951	8,210,488,285
31 December 2024				
Deposits and placements with other banks	137,896,489	10,088,119	223,777,581	371,762,189
Loans and advances at amortised cost	1,339,063,355	-	-	1,339,063,355
Other financial assets	2,330,706	-	-	2,330,706
Credit commitments	184,917,370	-	-	184,917,370
Financial guarantee contracts	57,931,009	-	-	57,931,009
Total credit exposure	1,722,138,929	10,088,119	223,777,581	1,956,004,629
In KHR'000 equivalent	6,931,609,189	40,604,679	900,704,764	7,872,918,632

NOTES TO THE FINANCIAL STATEMENTS (Cont.)

FOR THE YEAR ENDED 31 DECEMBER 2025

36. FINANCIAL RISK MANAGEMENT (Cont.)

36.1. CREDIT RISK (Cont.)

g) Concentration of financial assets with credit risk exposure (Cont.)

(ii) Industry sector

The following table breaks down the Bank's main credit exposure at their gross carrying amounts less impairment if any, as categorised by the industry sectors of its counterparties.

	Deposits an placements with other banks US\$	Loans and advances US\$	Investment securities US\$	Other financial assets US\$	Off-balance sheet items US\$	Total US\$
31 December 2025						
Owner-occupied housing	-	178,146,320	-	-	-	178,146,320
Financial institutions	443,388,304	56,327,958	-	-	723,634	500,439,896
Construction	-	261,262,664	-	-	6,626,208	267,888,872
Agriculture	-	65,497,444	-	-	6,562,487	72,059,931
Household	-	180,700,760	-	-	126,613,937	307,314,697
Manufacturing	-	54,598,006	-	-	3,589,515	58,187,521
Real estate	-	121,080,422	-	-	5,000,000	126,080,422
Retail trade	-	7,537,986	-	-	1,869,590	9,407,576
Wholesale trade	-	90,063,824	-	-	9,665,927	99,729,751
Others	-	314,266,574	32,242,633	7,320,395	105,130,705	458,960,307
Total credit exposure	443,388,304	1,329,481,958	32,242,633	7,320,395	265,782,003	2,078,215,293
In KHR'000 equivalent	1,779,317,264	5,335,211,097	129,389,686	29,376,745	1,066,583,178	8,339,877,970

NOTES TO THE FINANCIAL STATEMENTS (Cont.)

FOR THE YEAR ENDED 31 DECEMBER 2025

36. FINANCIAL RISK MANAGEMENT (Cont.)

36.1. CREDIT RISK (Cont.)

g) Concentration of financial assets with credit risk exposure (Cont.)

(ii) Industry sector (Cont.)

	Deposits an placements with other banks US\$	Loans and advances US\$	Investment securities US\$	Other financial assets US\$	Off-balance sheet items US\$	Total US\$
31 December 2024						
Owner-occupied housing	-	242,823,101	-	-	-	242,823,101
Financial institutions	371,762,189	55,807,449	-	-	62,750	427,632,388
Construction	-	246,006,688	-	-	12,690,173	258,696,861
Agriculture	-	67,046,650	-	-	8,654,430	75,701,080
Household	-	187,422,623	-	-	114,391,017	301,813,640
Manufacturing	-	61,336,404	-	-	4,021,156	65,357,560
Real estate	-	131,498,204	-	-	5,387,516	136,885,720
Retail trade	-	7,849,178	-	-	391,674	8,240,852
Wholesale trade	-	151,577,379	-	-	22,183,555	173,760,934
Others	-	187,695,679	30,663,681	2,330,706	75,066,108	295,756,174
Total credit exposure	<u>371,762,189</u>	<u>1,339,063,355</u>	<u>30,663,681</u>	<u>2,330,706</u>	<u>242,848,379</u>	<u>1,986,668,310</u>
In KHR'000 equivalent	<u>1,496,342,811</u>	<u>5,389,730,004</u>	<u>123,421,316</u>	<u>9,381,092</u>	<u>977,464,725</u>	<u>7,996,339,948</u>

h) Repossessed collateral

Reposessed collaterals are sold as soon as practicable. The Bank does not utilise the reposessed collaterals for its business use.

The Bank has obtained assets by taking possession of collateral held as security as at 31 December 2025 amounting to US\$66,010,895 (2024: US\$25,476,476).

NOTES TO THE FINANCIAL STATEMENTS (Cont.)

FOR THE YEAR ENDED 31 DECEMBER 2025

36. FINANCIAL RISK MANAGEMENT (Cont.)

36.2. MARKET RISK

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

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

a) Foreign exchange risk

Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the Bank's functional currency.

The Bank operates in Cambodia and transacts in many currencies, and is exposed to various currency risks, primarily with respect to Khmer Riel.

The management monitors their foreign exchange risk against functional currencies. However, the Bank does not hedge its foreign exchange risk exposure arising from future commercial transactions and recognised assets and liabilities using forward contracts.

The Bank's policy is to maintain foreign currency exposure within acceptable limits and within existing regulatory guidelines.

The table below summarises the Bank's exposure to foreign currency exchange rate risk. Included in the table are Bank's financial instruments at their carrying amounts by currency in US\$ equivalent.

NOTES TO THE FINANCIAL STATEMENTS (Cont.)

FOR THE YEAR ENDED 31 DECEMBER 2025

36. FINANCIAL RISK MANAGEMENT (Cont.)

36.2. MARKET RISK (Cont.)

a) Foreign exchange risk (Cont.)

	2025		2024	
	US\$	KHR'000	US\$	KHR'000
As at 31 December 2025				
Financial assets				
Cash on hand	25,721,767	9,164,826	74,950	34,961,543
Deposits and placements with the central bank	272,637,857	72,723,799	-	345,361,656
Deposits and placements with other banks	407,873,644	35,136,548	378,112	443,388,304
Loans and advances at amortised cost	1,179,524,959	149,956,999	-	1,329,481,958
Investment securities	31,741,823	500,810	-	32,242,633
Other financial assets	6,589,110	731,285	-	7,320,395
Total financial assets	1,924,089,160	268,214,267	453,062	2,192,756,489
Financial liabilities				
Deposits from banks and financial institutions	70,474,555	6,347,439	240	76,822,234
Deposits from customers	1,791,768,959	246,051,419	85,286	2,037,905,664
Borrowings	16,464,874	321,643	-	16,786,517
Lease liabilities	14,635,484	22,440	-	14,657,924
Other financial liabilities	1,612,847	39,548	-	1,652,395
Subordinated debts	63,293,550	-	-	63,293,550
Total financial liabilities	1,958,250,269	252,782,489	85,526	2,211,118,284
Net position	(34,161,109)	15,431,778	367,536	(18,361,795)
In KHR'000 equivalent	(137,088,530)	61,927,725	1,474,922	(73,685,883)
Off-balance sheet				
Credit commitments	175,511,980	9,605,603	-	185,117,583
Financial guarantee contracts	77,508,501	623,248	2,532,671	80,664,420
	253,020,481	10,228,851	2,532,671	265,782,003
In KHR'000 equivalent	1,015,371,190	41,048,379	10,163,609	1,066,583,178

NOTES TO THE FINANCIAL STATEMENTS (Cont.)

FOR THE YEAR ENDED 31 DECEMBER 2025

36. FINANCIAL RISK MANAGEMENT (Cont.)

36.2. MARKET RISK (Cont.)

a) Foreign exchange risk (Cont.)

	In US\$ equivalent			
	US\$	KHR'000	US\$	KHR'000
As at 31 December 2024				
Financial assets				
Cash on hand	32,367,438	9,883,575	-	42,251,013
Deposits and placements with the central bank	227,597,820	58,426,236	-	286,024,056
Deposits and placements with other banks	371,249,465	2,928	509,796	371,762,189
Loans and advances at amortised cost	1,181,170,686	157,892,669	-	1,339,063,355
Investment securities	30,663,681	-	-	30,663,681
Other financial assets	2,275,998	54,708	-	2,330,706
Total financial assets	1,845,325,088	226,260,116	509,796	2,072,095,000
Financial liabilities				
Deposits from banks and financial institutions	94,813,617	9,594,804	223	104,408,644
Deposits from customers	1,615,322,790	213,859,531	18,338	1,829,200,659
Borrowings	17,262,532	548,174	-	17,810,706
Lease liabilities	13,414,565	30,426	-	13,444,991
Other financial liabilities	1,503,372	21,731	-	1,525,103
Subordinated debt	63,293,550	-	-	63,293,550
Total financial liabilities	1,805,610,426	224,054,666	18,561	2,029,683,653
Net position	39,714,662	2,205,450	491,235	42,411,347
In KHR'000 equivalent	159,851,515	8,876,936	1,977,221	170,705,672
Off-balance sheet				
Credit commitments	173,396,386	11,520,984	-	184,917,370
Credit commitments	56,831,254	265,173	834,582	57,931,009
Financial guarantee contracts	230,227,640	11,786,157	834,582	242,848,379
In KHR'000 equivalent	926,666,251	47,439,282	3,359,193	977,464,725

Sensitivity analysis

As shown in the table above, the Bank is primarily exposed to changes in US\$/KHR exchange rates. The sensitivity of profit or loss to changes in the exchange rates arises mainly from US-dollar denominated financial instruments.

NOTES TO THE FINANCIAL STATEMENTS (Cont.)

FOR THE YEAR ENDED 31 DECEMBER 2025

36. FINANCIAL RISK MANAGEMENT (Cont.)

36.2. MARKET RISK (Cont.)

a) Foreign exchange risk (Cont.)

Sensitivity analysis (Cont.)

	Impact on post tax profit		Impact on other component of equity	
	US\$	KHR'000	US\$	
2025				
US\$/KHR exchange rate - increase by 1%	(152,301)	(611,184)	-	-
US\$/KHR exchange rate - decrease by 1%	155,367	623,488	-	-
2024				
US\$/KHR exchange rate - increase by 1%	(21,701)	(87,347)	-	-
US\$/KHR exchange rate - decrease by 1%	22,139	89,109	-	-

The analysis is based on the assumption that the KHR exchange rate has increased or decreased by 1% which is based on the 5-year moving average of the exchange rate from 2021 to 2025.

b) Price risk

The Bank's exposure to equity securities price risk arises from investment held by the Bank and classified as FVOCI. The investment amount is insignificant, so the Bank did not have any policy to manage its price risk arising from investments in equity securities.

c) Interest rate risk

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Fair value interest rate risk is the risk that the value of a financial instrument will fluctuate because of changes in market interest rates. Interest margins may increase as a result of changes but may reduce losses in the event that unexpected movements arise.

The Bank's main interest rate risk arises from long-term borrowings with variable rates, which expose the group to cash flow interest rate risk. For fixed-rate financial instruments, the Bank does not have fair value interest rate risk as the interest rates of financial instruments measured at amortised cost are similar to prevailing market rates. The management of the Bank at this stage does not have a policy to set limits on the level of mismatch of interest rate repricing that may be undertaken; however, the management regularly monitors the mismatch.

The table below summarises the Bank's exposure to interest rate risks. It includes the Bank's financial instruments at carrying amounts, categorised by the earlier of contractual repricing or maturity dates.

NOTES TO THE FINANCIAL STATEMENTS

(Cont.)

FOR THE YEAR ENDED 31 DECEMBER 2025

36. FINANCIAL RISK MANAGEMENT (Cont.)

36.2. MARKET RISK (Cont.)

c) Interest rate risk (Cont.)

	Up to 1 month US\$	1 to 3 months US\$	3 to 12 months US\$	1 to 5 years US\$	Over 5 years US\$	Non-interest bearing US\$	Total US\$
As at 31 December 2025							
Financial assets							
Cash on hand	-	-	-	-	-	34,961,543	34,961,543
Deposits and placements with the central bank	-	-	-	-	-	345,361,657	345,361,657
Deposits and placements with other banks	6,000,600	43,103,285	317,997,968	-	-	76,286,451	443,388,304
Loan and advances at amortised cost	71,085,091	122,930,452	203,151,857	584,226,183	348,088,375	-	1,329,481,958
Investment securities	-	-	500,810	30,739,583	1,002,240	-	32,242,633
Other financial assets	-	-	-	-	-	7,320,395	7,320,395
Total financial assets	77,085,691	166,033,737	521,650,635	614,965,766	349,090,615	463,930,046	2,192,756,490
Financial liabilities							
Deposits from banks and financial institutions	5,017,808	53,620,867	15,294,904	-	-	2,888,655	76,822,234
Deposits from customers	65,087,203	175,177,871	809,616,164	333,446,575	16,891,661	637,686,190	2,037,905,664
Borrowings	59,681	118,842	8,081,902	962,719	7,563,373	-	16,786,517
Lease liabilities	173,981	527,054	1,611,799	5,822,064	6,523,026	-	14,657,924
Other financial liabilities	-	-	-	-	-	1,652,395	1,652,395
Subordinated debts	-	-	-	52,684,550	10,609,000	-	63,293,550
Total financial liabilities	70,338,673	229,444,634	834,604,769	392,915,908	41,587,060	642,227,240	2,211,118,284
Total interest repricing gap	6,747,018	(63,410,897)	(312,954,134)	222,049,858	307,503,555	(178,297,194)	(18,361,794)
In KHR'000 equivalent	27,075,783	(254,467,930)	(1,255,884,940)	891,086,080	1,234,011,766	(715,506,640)	(73,685,881)

NOTES TO THE FINANCIAL STATEMENTS

(Cont.)

FOR THE YEAR ENDED 31 DECEMBER 2025

36. FINANCIAL RISK MANAGEMENT (Cont.)

36.2. MARKET RISK (Cont.)

c) Interest rate risk (Cont.)

	Up to 1 month US\$	1 to 3 months US\$	3 to 12 months US\$	1 to 5 years US\$	Over 5 years US\$	Non-interest bearing US\$	Total US\$
Off-balance sheet							
Credit commitments	28,696,105	20,649,975	124,423,676	11,347,827	-	-	185,117,583
Financial guarantee contracts	2,792,077	1,330,872	29,712,490	46,828,981	-	-	80,664,420
Total off-balance sheet interest repricing gap	<u>31,488,182</u>	<u>21,980,847</u>	<u>154,136,166</u>	<u>58,176,808</u>	<u>-</u>	<u>-</u>	<u>265,782,003</u>
In KHR'000 equivalent	<u>126,362,074</u>	<u>88,209,139</u>	<u>618,548,434</u>	<u>233,463,531</u>	<u>-</u>	<u>-</u>	<u>1,066,583,178</u>

NOTES TO THE FINANCIAL STATEMENTS

(Cont.)

FOR THE YEAR ENDED 31 DECEMBER 2025

36. FINANCIAL RISK MANAGEMENT (Cont.)

36.2. MARKET RISK (Cont.)

c) Interest rate risk (Cont.)

	Up to 1 month US\$	1 to 3 months US\$	3 to 12 months US\$	1 to 5 years US\$	Over 5 years US\$	Non-interest bearing US\$	Total US\$
As at 31 December 2024							
Financial assets							
Cash on hand	-	-	-	-	-	42,251,013	42,251,013
Deposits and placements with the central bank	-	-	-	-	-	286,024,056	286,024,056
Deposits and placements with other banks	150,613,423	66,301,545	36,190,506	-	-	118,656,715	371,762,189
Loan and advances at amortised cost	74,313,068	84,950,614	309,686,687	530,428,765	339,684,221	-	1,339,063,355
Investment securities	10,543,889	-	-	20,119,792	-	-	30,663,681
Other financial assets	-	-	-	-	-	2,330,706	2,330,706
Total financial assets	235,470,380	151,252,159	345,877,193	550,548,557	339,684,221	449,262,490	2,072,095,000
Financial liabilities							
Deposits from banks and financial institutions	21,413,761	64,694,575	15,797,754	-	-	2,502,554	104,408,644
Deposits from customers	175,606,001	447,326,734	530,801,847	55,948,608	116,120	619,401,349	1,829,200,659
Borrowings	71,295	141,050	8,210,271	1,818,008	7,570,082	-	17,810,706
Lease liabilities	145,719	427,088	1,772,110	5,484,039	5,616,035	-	13,444,991
Other financial liabilities	-	-	-	-	-	1,525,103	1,525,103
Subordinated debts	-	-	-	52,684,550	10,609,000	-	63,293,550
Total financial liabilities	197,236,776	512,589,447	556,581,982	115,935,205	23,911,237	623,429,006	2,029,683,653
Total interest repricing gap	38,233,604	(361,337,288)	(210,704,789)	434,613,352	315,772,984	(174,166,516)	42,411,347
In KHR'000 equivalent	153,890,256	(1,454,382,584)	(848,086,776)	1,749,318,742	1,270,986,261	(701,020,227)	170,705,672

NOTES TO THE FINANCIAL STATEMENTS

(Cont.)

FOR THE YEAR ENDED 31 DECEMBER 2025

36. FINANCIAL RISK MANAGEMENT (Cont.)

36.2. MARKET RISK (Cont.)

c) Interest rate risk (Cont.)

	Up to 1 month US\$	1 to 3 months US\$	3 to 12 months US\$	1 to 5 years US\$	Over 5 years US\$	Non-interest bearing US\$	Total US\$
Off-balance sheet							
Credit commitments	49,313,576	25,468,742	89,642,674	20,492,378	-	-	184,917,370
Financial guarantee contracts	718,511	608,165	44,394,788	12,209,545	-	-	57,931,009
Total off-balance sheet interest repricing gap	<u>50,032,087</u>	<u>26,076,907</u>	<u>134,037,462</u>	<u>32,701,923</u>	<u>-</u>	<u>-</u>	<u>242,848,379</u>
In KHR'000 equivalent	<u>201,379,150</u>	<u>104,959,551</u>	<u>539,500,785</u>	<u>131,625,240</u>	<u>-</u>	<u>-</u>	<u>977,464,726</u>

NOTES TO THE FINANCIAL STATEMENTS (Cont.)

FOR THE YEAR ENDED 31 DECEMBER 2025

36. FINANCIAL RISK MANAGEMENT (Cont.)

36.2. MARKET RISK (Cont.)

c) Interest rate risk (Cont.)

Sensitivity analysis

The interest rate sensitivity shows the impact on profit after tax and equity of financial assets and financial liabilities bearing floating interest rates and fixed rate financial assets and financial liabilities carried at fair value.

For interest-bearing financial assets and financial liabilities which are contracted under fixed interest rate, the Bank has no exposure to the risk of changes in interest rate in the future. For variable interest-bearing financial liabilities, the profit or loss is sensitive to higher/lower interest expenses as a result of changes in interest rates.

	Impact on post- tax profit		Impact on other components of equity	
	US\$	KHR'000	US\$	KHR'000
2025				
Interest rates – increase by 100 basis points	(61,507)	(246,705)	-	-
Interest rates – decrease by 100 basis points	58,757	235,674	-	-
2024				
Interest rates – increase by 100 basis points	(61,507)	(251,256)	-	-
Interest rates – decrease by 100 basis points	58,757	240,022	-	-

36.3. 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.

a) Liquidity risk management process

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

NOTES TO THE FINANCIAL STATEMENTS (Cont.)

FOR THE YEAR ENDED 31 DECEMBER 2025

36. FINANCIAL RISK MANAGEMENT (Cont.)

36.3. LIQUIDITY RISK (Cont.)

b) Funding approach

The Bank's main sources of liquidities arise from shareholder's paid-up capital, borrowing and customers' deposits. The sources of liquidity are regularly reviewed daily through management's review of maturity of term deposits and key depositors.

c) Non-derivative cash flows

The table below presents the cash flows payable by the Bank under non-derivative financial liabilities based on remaining contractual maturities at the reporting date. The amounts disclosed in the table are the contractual undiscounted cash flows, whereas the Bank manages the inherent liquidity risk based on expected undiscounted cash flows.

	Up to 1 month US\$	1 to 3 months US\$	3 to 12 months US\$	1 to 5 years US\$	Over 5 years US\$	Total US\$
31 December 2025						
Financial liabilities						
Deposits from banks and financial institutions	7,914,135	53,825,013	15,601,644	-	-	77,340,792
Deposits from customers	1,309,860,406	154,915,884	536,120,547	107,941,772	7,184,348	2,116,022,957
Borrowings	58,516	120,215	1,462,920	13,094,338	6,340,555	21,076,544
Lease liabilities	253,563	760,543	2,478,222	8,911,891	7,763,159	20,167,378
Other financial liabilities	1,652,395	-	-	-	-	1,652,395
Subordinated debts	581,146	1,162,293	5,230,316	72,267,482	12,762,038	92,003,275
Total financial liabilities by remaining contractual maturities	1,320,320,161	210,783,948	560,893,649	202,215,483	34,050,100	2,328,263,341
In KHR'000 equivalent	5,298,444,806	845,875,983	2,250,866,213	811,490,733	136,643,052	9,343,320,787
Off-balance sheet						
Credit commitments	28,696,105	20,649,975	124,423,676	11,347,827	-	185,117,583
Financial guarantee contracts	2,792,076	1,330,872	29,712,490	46,828,982	-	80,664,420
Liquidity - off-balance sheet	31,488,181	21,980,847	154,136,166	58,176,809	-	265,782,003
In KHR'000 equivalent	126,362,070	88,209,139	618,548,434	233,463,535	-	1,066,583,178

NOTES TO THE FINANCIAL STATEMENTS (Cont.)

FOR THE YEAR ENDED 31 DECEMBER 2025

36. FINANCIAL RISK MANAGEMENT (Cont.)

36.3. LIQUIDITY RISK (Cont.)

c) Non-derivative cash flows (Cont.)

	Up to 1 month US\$	1 to 3 months US\$	3 to 12 months US\$	1 to 5 years US\$	Over 5 years US\$	Total US\$
31 December 2024						
Financial liabilities						
Deposits from banks and financial institutions	23,956,620	65,050,725	16,127,609	-	-	105,134,954
Deposits from customers	1,308,361,840	101,711,749	424,325,374	78,407,171	8,388,317	1,921,194,451
Borrowings	73,872	151,922	1,677,932	12,446,095	9,231,468	23,581,289
Lease liabilities	213,131	625,008	2,498,380	7,900,738	6,842,918	18,080,175
Other financial liabilities	1,525,103	-	-	-	-	1,525,103
Subordinated debts	581,146	1,162,293	5,230,316	78,164,718	13,838,556	98,977,029
Total financial liabilities by remaining contractual maturities	1,334,711,712	168,701,697	449,859,611	176,918,722	38,301,259	2,168,493,001
In KHR'000 equivalent	5,372,214,641	679,024,330	1,810,684,934	712,097,856	154,162,567	8,728,184,328
Off-balance sheet						
Credit commitments	49,313,576	25,468,742	89,642,674	20,492,378	-	184,917,370
Financial guarantee contracts	718,511	608,165	44,394,788	12,209,545	-	57,931,009
Liquidity - off-balance sheet	50,032,087	26,076,907	134,037,462	32,701,923	-	242,848,379
In KHR'000 equivalent	201,379,150	104,959,551	539,500,785	131,625,239	-	977,464,725

36.4. FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES

Financial instruments comprise financial assets and financial liabilities. 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. The information presented herein represents the estimates of fair values as at the statements of financial position date.

NOTES TO THE FINANCIAL STATEMENTS (Cont.)

FOR THE YEAR ENDED 31 DECEMBER 2025

36. FINANCIAL RISK MANAGEMENT (Cont.)

36.4. FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES (Cont.)

a) Financial instruments measured at fair value

i) Determination of fair value and fair value hierarchy

The following table presents the Bank's financial assets measured and recognised at fair value at 31 December 2025 and 31 December 2024 on a recurring basis:

	Level 1 US\$	Level 2 US\$	Level 3 US\$	Total US\$
31 December 2025				
Financial assets				
Financial assets at fair value through other comprehensive income				
Equity securities	-	-	25,000	25,000
Total financial assets	-	-	25,000	25,000
In KHR'000 equivalent	-	-	100,325	100,325
31 December 2024				
Financial assets				
Financial assets at fair value through other comprehensive income				
Equity securities	-	-	25,000	25,000
Total credit exposure	-	-	25,000	25,000
In KHR'000 equivalent	-	-	100,625	100,625

The Bank measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements:

Level 1: The fair value of financial instruments traded in active markets (such as publicly traded derivatives and equity securities) is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the Bank is the current bid price. These instruments are included in level 1.

FOR THE YEAR ENDED 31 DECEMBER 2025

36. FINANCIAL RISK MANAGEMENT (Cont.)

36.4. FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES (Cont.)

a) Financial instruments measured at fair value (Cont.)

i) Determination of fair value and fair value hierarchy (Cont.)

Level 2: The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities.

ii) Valuation techniques

The Bank's financial asset at FVOCI is investment in unlisted equity securities where the fair values have been determined based on present values and the discount rate used were adjusted for counterparty or own credit risk.

b) Financial instruments not measured at fair value

As at the balance sheet date, the fair values of financial instruments of the Bank approximate their carrying amounts.

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

i. Deposits and placements with the central bank and other banks

The carrying amounts of deposits and placements with the central bank and other banks approximate their fair values, since these accounts consist mostly of current, savings and short-term deposits.

ii. Loans and advances to customers

For fixed rate loans with a remaining period to maturity of less than one year, the carrying amounts are generally reasonable estimates of their fair values.

For fixed rate loans with remaining period to maturity of one year and above, fair values are estimated by discounting the estimated future cash flows using a current lending rate as the prevailing market rates of loans with similar credit risks and maturities have been assessed as insignificantly different to the contractual lending rates. As a result, the fair value of non-current loans and advances to customers might approximate their carrying value as reporting date.

NOTES TO THE FINANCIAL STATEMENTS (Cont.)

FOR THE YEAR ENDED 31 DECEMBER 2025

36. FINANCIAL RISK MANAGEMENT (Cont.)

36.4. FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES (Cont.)

b) Financial instruments not measured at fair value (Cont.)

iii. Deposits from banks, financial institutions and customers

The fair value of deposits from banks, financial institutions and 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 banks, financial institutions, and customers with remaining maturities of more than one year are expected to approximate their carrying amount due to the Bank offering a similar interest rate of the instrument with similar maturities and terms.

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

iv. Investment securities

The estimated fair value of investment securities is generally based on quoted and observable market prices at the date of statement of financial position. They are not presently traded. The estimated fair values of debt securities are approximate their carrying values based on estimated future cash flows using prevailing market rates.

v. Other financial assets and other financial liabilities

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

vi. Borrowings and subordinated debts

Borrowings and subordinated debts are not quoted in the active market and their fair value approximates their carrying amount because the rates are similar to the prevailing market rates of borrowings with similar terms and maturities.

36.5 CAPITAL MANAGEMENT

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

- To comply with the capital requirement set by the central bank;

NOTES TO THE FINANCIAL STATEMENTS (Cont.)

FOR THE YEAR ENDED 31 DECEMBER 2025

36. FINANCIAL RISK MANAGEMENT (Cont.)

36.5 CAPITAL MANAGEMENT (Cont.)

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

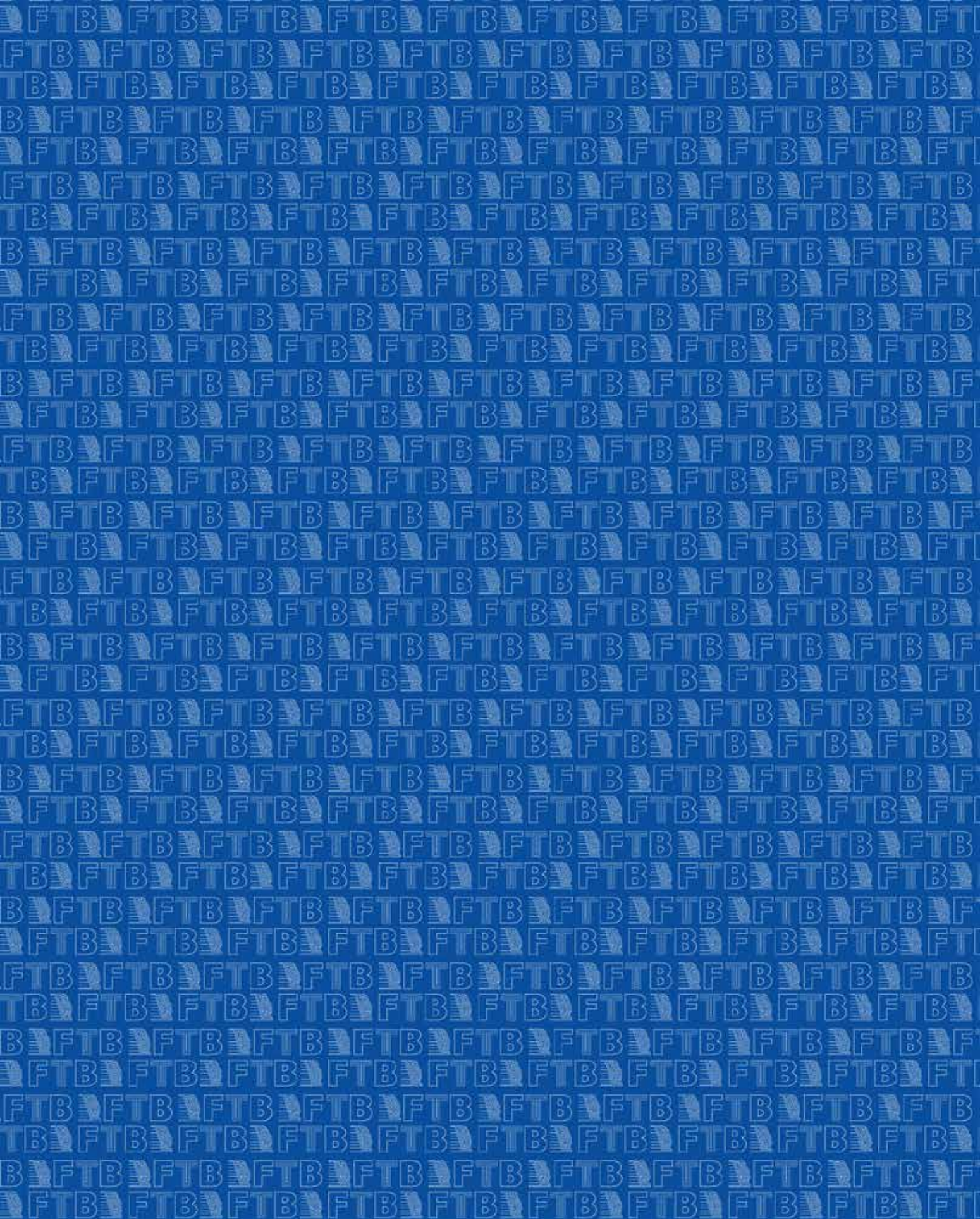
The central bank requires all commercial banks to i) hold minimum capital requirement, ii) maintain the Bank's net worth at least equal to minimum capital and iii) comply with solvency, liquidity and other prudential ratios.

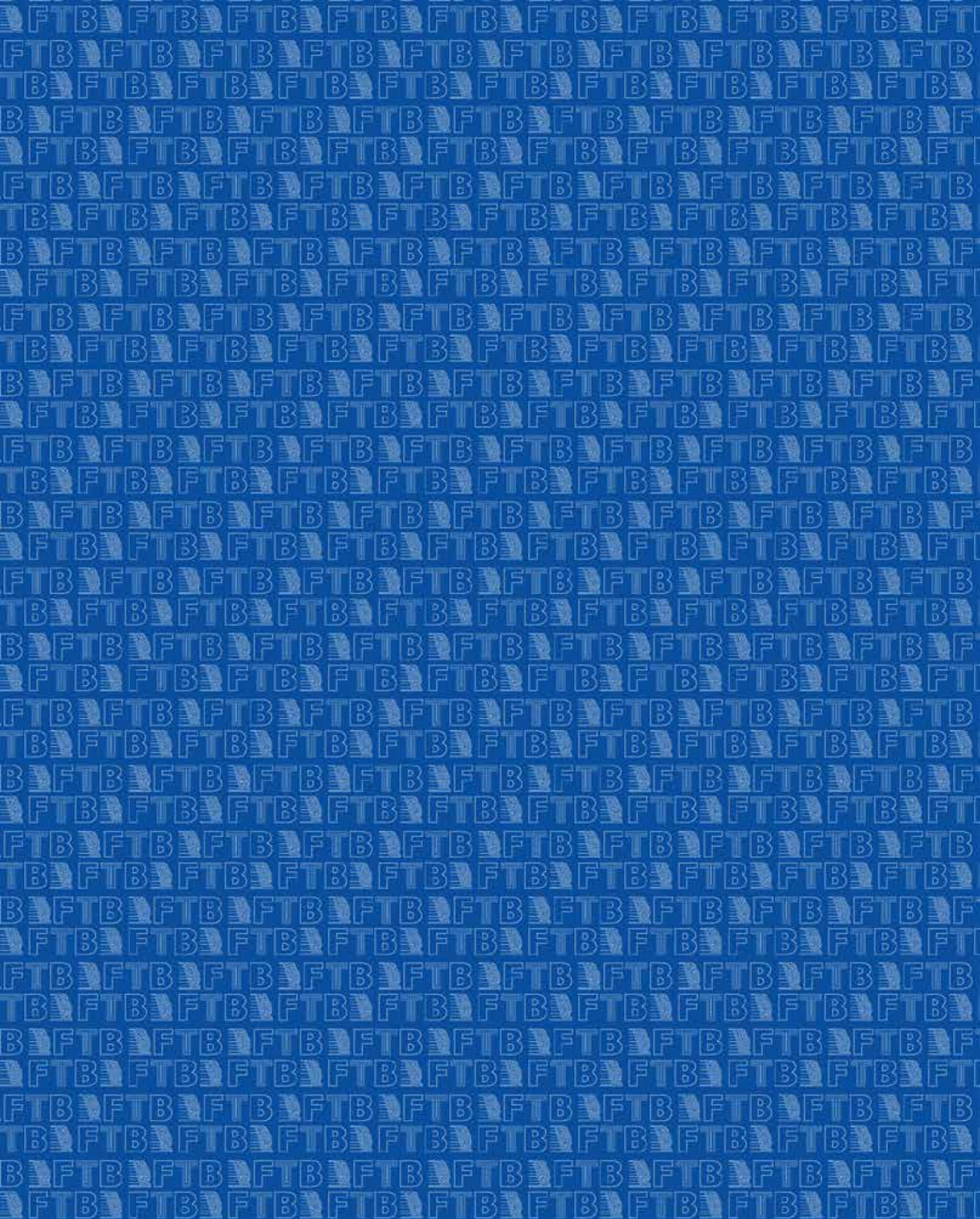
The table below summarised and applied the previous regulatory framework based on Net Worth:

	2025		2024	
	US\$	KHR'000	US\$	KHR'000
Tier 1 capital				
Share capital	79,500,000	318,000,000	79,500,000	318,000,000
Non-distributable reserve	70,600,486	287,202,777	70,600,486	287,202,777
General reserve	195,590	797,029	195,590	797,029
Retained earnings	72,030,648	292,486,570	61,294,971	249,425,769
Less: Intangible assets	(3,927,260)	(15,760,094)	(2,839,035)	(11,427,116)
Less: Loans to related parties	(178,499)	(716,315)	(191,560)	(771,029)
	<u>218,220,965</u>	<u>882,009,967</u>	<u>208,560,452</u>	<u>843,227,430</u>
Tier 2 complementary capital				
General provision	16,510,046	66,254,815	23,776,564	95,700,670
Subordinated debts	52,756,640	211,712,396	63,293,550	254,756,539
Less: Equity participation in banking or financial institutions	(25,000)	(100,325)	(25,000)	(100,625)
	<u>69,241,686</u>	<u>277,866,886</u>	<u>87,045,114</u>	<u>350,356,584</u>
Total Capital Tier I + Tier II	<u>287,462,651</u>	<u>1,159,876,853</u>	<u>295,605,566</u>	<u>1,193,584,014</u>

On 31 December 2024, the central bank has issued Prakas No. B70-24-745 Prokor on Capital Adequacy Ratios in Banks and Financial Institutions which required the Bank to apply this new capital adequacy framework starting from 2025 financial year onward.

However, the Bank has obtained an approval from the central bank on 28 November 2025 to delay the implementation of this new capital adequacy framework and starting to apply from January 2026 onward.







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