ធនាគារ ឈីហ្វ
CHIEF BANK

របាយការណ៍ប្រចាំឆ្នាំ

ANNUAL REPORT

2024


3.7%
ក្នុង 1 ឆ្នាំ
CHILD ACCOUNT
DEPOSIT ACCOUNT
Transfers
Accounts
Payments
Notifications
CHIEF MOBILE
KHQR
Transfer to Bakong Wallet
Transfer to Local Bank
Wing
លេខកូដទូទាត់ប្រាក់
Chief Bank KHR
9933
Chief Bank USD
9934
“Chief Easy!
Take it Easy !”
097 9 900 878/089 900 878/010 900 878
Download Here
App Store
Google play
CHIEF EASY
ATM SERVICE

TABLE OF CONTENTS

CHAIRMAN'S MESSAGE

"'The Chief Way', our unique corporate philosophy, is a way to build the mutual trust and partnership with our customers, a way to the prosperity and a way that our business is conducted ethically and sincerely."

Mr. YE Haiya
Chairman

Chairman's Report

In 2024 Cambodia's economy has continued to recover, albeit at a modest pace. The IMF project real GDP will grow from 5.5 percent in 2024 to 5.8 percent in 2025 and inflation to pick up from 0.5 percent in 2024 to 2 percent in 2025 and remain contained. IMF also pointed out that recovery of the economy remains uneven. Real GDP growth is driven mainly by external demand, with a strong rebound in garment exports and high growth in agricultural exports. Tourism has experienced a structural shift in its composition, resulting in a lagged recovery in tourism receipts. Growth in non-tradable sectors remains weak. After a sustained credit expansion that lifted the credit-to-GDP ratio from 24 percent in 2010 to 135 percent in 2023, credit growth has come to a near halt. The construction and real estate sectors are undergoing a correction, with rising non-performing loans and emerging signs of private-sector debt overhang.

Tough as it is, Chief Bank stands strongly with the customers and partners, we have strived to improve our financial performance compared with last year in a struggling time. Thanks to the trust of our loyalty customers and the contribution of our staff.

In the mean time we provide sufficient professional and up-to-date training course for our staff to take the lead of the industry at anytime. Currently our team comprises the local elite employee and assistance from the parent company in Hong Kong. The Chief Cambodia Bank is a part of a corporate culture based on the principles of integrity, prudence and transparency.

I suggest you to visit our website, download our apps and come to our branch, you will find a tailor-made exclusive service for you.

Welcome to Chief Cambodia Bank!

Mr. YE Haiya
Chairman
Chief Group

MESSAGE FROM CHIEF EXECUTIVE OFFICER

"Chief (Cambodia) Commercial Bank Plc is young but dynamic, utilizing a business model which is customized and best suited to needs of clients in Cambodia."

Dr. Soeung Morarith
Chief Executive Officer

Message from the Chief Executive Officer (CEO)

A warm welcome to Chief Bank Plc!

Chief Bank Plc is stepping into 2025 with a renewed commitment to trust, ethics, and strong customer relationships as the key drivers for its continued success. We believe that these principles, central to its operations, and guide the bank through a dynamic financial landscape and enable further growth.

The bank's core values, and business approach will continue to strengthen the financial institution in the years ahead. Trust and ethics are the pillars that have carried us through every phase of growth, and they will be the foundations for our success in 2025. We have a strong team, an innovative approach, and a business model that is perfectly suited to meet the needs of our customers, now and in the future. The bank's commitment to ethical practices is reflected in its strategic approach to business. Chief Bank Plc is dedicated to placing integrity and long-term business strategies ahead of short-term profits. We focus on building strong, sustainable relationships with our clients, and our ethical approach to business ensures that we continue to serve our customers effectively.

Chief Bank Plc began its banking operations in Cambodia since 2013. Fast forward to 2025, the bank's total assets has grown significantly, with a steady increase in its workforce and customer base. Chief Bank Plc has experienced substantial growth since its establishment, with the registered capital of USD 10 million, evolving from a specialized bank into one of the full-fledged commercial banks by 2018. This progression is marked by a significant increase in total deposits, surpassing $188 million, and total assets exceeding $278 million as of December 2024. Chief Bank Plc is effectively meeting its operational plans for 2024, and the financial years to come, driven by digital advancement, regulatory excellence, and strategic branding initiatives. We attribute the bank's success to its corporate philosophy, "The Chief Way," which prioritizes mutual trust and partnerships with customers. Our focus is on building long-term relationships based on trust, our approach is rooted in professionalism and integrity, and we believe this is key to shared prosperity for both the bank and our clients.

In April 2025, Chief Bank Plc will continue its expansion with the opening of the new flagship development, our head quarter at Chief Tower, in the heart of Phnom Penh's BKK1 district. This new HQ building is set to be a key part of the bank's strategic growth. Located in a prime commercial area, Chief Bank's HQ at Chief Tower will provide increased accessibility for both customers and partners while enhancing the bank's presence in one of the city's most prominent business districts. We highlighted the significance of this new development, saying, our new HQ is not just a symbol of our growth, but a testament to our commitment to innovation, trust and service excellence.

The bank's ongoing focus on customer needs is evident in its range of services complementing its physical presence, including its flagship digital micro-lending platform, "Chief Easy", and partnerships with digital payment platforms like NBC's Bakong payment system, CSS, KHQR etc. Chief Easy app allows customers to apply for loans of up to $5,000, with no collateral required, accessible via their smartphones and receive a response within 24 hours on working days. This initiative supports financial inclusion by providing very convenient access to credit. An upgraded Chief Mobile 3.0 banking application designed to enhance users' experience, offering a more intuitive interface for digital banking services.

Chief Bank Cambodia plans to continue expanding its branch network further in high-potential areas within Phnom Penh and major provincial towns. This strategy, combined with on-going digital transformation efforts, positions the bank to meet the evolving needs of its customers and reinforce its commitment to financial inclusion in Kingdom of Cambodia.

Chief Bank Plc's resilience and steady growth are also due to its strong risk management policies. We emphasized that the bank has always prioritized risk control and integrity, ensuring that every decision aligns with its long-term vision and with its mission to be a trusted financial partner in Kingdom of Cambodia, and in ASEAN. We focus on managing risk carefully and in a way that supports sustainable growth for our customers and our business. This approach has helped us maintain stability in a rapidly evolving financial sector.

As Chief Bank moves into 2025, the institution's continued focus on trust, ethics, and disruptive innovation--enhancing digital banking solutions, expanding financial inclusion, and strengthening our partnerships to drive economic progress, positions well for further growth. With the support of its loyal customers, dedicated staff, and strong regulatory backing from the National Bank of Cambodia, we are confident that the bank will not only meet but exceed its goals in the year ahead. We are entering 2025 with a clear vision: to continue being a trusted financial partner for our customers, uphold the highest ethical standards, and contribute to Cambodia's financial and economic growth.

With the opening of HQ at Chief Tower in April 2025 and its ongoing commitment to ethical business practices, Chief Bank Plc is set for continued success in a competitive and ever-changing financial sector. The bank remains focused on building long-term relationships and fostering trust, the essential elements for sustainable growth and prosperity in Cambodia.

Last but certainly not least, on behalf of top management of Chief Bank Plc, I would like to sincerely express my sincere thanks to our clients for selecting Chief Bank Plc to be their long-term business partners. With this, I would also like to thank our dedicated colleagues for their professionalism, ethics, and tremendous efforts to maintain our operational resilience, our respectful founder Mr Chau, our new chairman, Board members, INED, the leadership teams, all officials of the Royal Government of Cambodia, particularly the National Bank of Cambodia (NBC), GDT, and other related authorities at all levels, as well as the bank's business partners and valued customers, for their respective on-going unwavering supports given to me in fulfilling my position as CEO. I am proud of what we have achieved together in 2024, and I look forward to the opportunities that 2025 will bring.

Together, we are confident that we are delivering a better, innovative bank, a bank of first choice, a bank that our employees, customers, stakeholders can genuinely trust, and shape a brighter financial future for Cambodia.

We look forward to welcoming and best serving you.

Sincerely yours,

Dr. Morarith SOEUNG
Chief Executive Officer
Chief (Cambodia) Commercial Bank Plc.

BOARD OF DIRECTORS

Mr. YE Haiya

Chairman

Member of the Risk Management Committee
Member of the Audit Committee
Member of the Nomination and Remuneration Committee
Member of the Board of Director

Mr. Ye Haiya was appointed as the Chairman of Board of Directors on 15 July 2024. Mr. Ye has been keeping enriched by gaining coveted experiences; being exposed to the global capital markets and financial industry, in Chief Group of Hong Kong.

Mr. Ye has been being the Director and Responsible Officer, Head of private investment and directors with the Group, namely Director of Investment Sales Division, Director of Chief Securities Limited and etc.

Till present Chief Group is one of the largest securities brokers in Hong Kong in terms of the number of branches and one of the leading companies in the industry for the diversified financial products and service.

Mr. Ye has strong commercial banking experience, leading innovative product development and sound banking operations during his stewardship towards the remarkable development of Chief Bank. The faith of integrity and sincerity is the vital spirit that Mr. Ye has pursued for all these years when he operates the Bank. He also engages actively in charitable activities and leads the Bank to demonstrate a strong commitment to Corporate and Social Governance (ESG).

Ms. NG Siu Mui, Fion

Director

Member of the Risk Management Committee
Member of the Internal Audit Committee
Member of the Human Resource Nomination and Remuneration Committee
Member of the Board of Director

Education

- Master of Business Administration, The University of Hong Kong, Hong Kong.
- Professional Diploma in Corporate Governance and Directorship, Hong Kong.

Working Experience

- General Manager, Chief Group Ltd. Hong Kong (current).
- Director and Responsible Officer, Chief Securities Ltd. Hong Kong (current).
- Director and Responsible Officer, Chief Commodities Ltd. Hong Kong (current).
- Director, Chief Great China Assets Management Ltd. Hong Kong (current).
- Director, Chief Financial Services Ltd. Hong Kong (current).

Mr. LAM Wai Chuen, Patrick

Director

Member of the Risk Management Committee
Member of the Internal Audit Committee
Member of the Human Resource Nomination and Remuneration Committee
Member of the Board of Director

Education

- Certified Public Accountant, HKICPA, Hong Kong.
- Fellow Member, ACCA.

Working Experience

- Financial Controller, Chief Group Ltd (current).
- Audit Manager, Chan And Chan Certified Public Accountants.

Mr. CHAU Chung Kai Peter

Director

Invitee, Risk Management Committee
Invitee, Internal Audit Committee
Invitee, Human Resource Nomination and Remuneration Committee
Member of the Board of Directors

Working Experience

- Senior banking executive at Chong Hing Bank (1959–1962)
- Senior banking executive at Bangkok Bank (1962–1970)
- Founder and Chairman of Chief Group (1979–present)
- Led Chief Group to become one of the largest securities brokers in Hong Kong in terms of branches and a leader in diversified financial products and services

Mr. CHAN Kwok Cheung

Independent Non-Executive Director
Chairman, Internal Audit Committee
Member of the Board of Director
Education

- Fellow Member, HKICPA, Hong Kong.
- Fellow Member, ACCA.

Working Experience

- Director, Kreston CAC CPA Limited *(current).*

Mr. CHEUNG Ka Wai

Independent Non-Executive Director
Chairman of the Risk Management Committee
Chairman of the Human Resource Nomination and Remuneration Committee
Member of the Board of Director

Education

- LL.B (Hons) (HKU) 1991
- P.C.LL. (HKU) 1992
- LL.M. (HKU) 1994

Working Experience

- Senior Partner of Messrs. Kelvin Cheung & Co.

CHIEF EXECUTIVE OFFICER

Dr. Soeung Morarith

Chief Executive Officer (CEO)

Education

- DBA (Finance), National University of Management, Phnom Penh.
- Soeung, M. (2019), E-commerce Development and Internet Banking Adoption in Cambodia (with Soeng, R. and Cuyvers, L.), in Chen, L. and Kimura, F. (eds.): Developing the Digital Economy in ASEAN, Routledge, England, UK.
- Soeung, M (2012), "An Assessment of SERVQUAL's Applicability in Cambodia's Banking Sector," Centre for ASEAN Studies, University of Antwerp, Belgium.
- MBA (Management), National University of Management, Phnom Penh.
- BBA (Accounting), National Institute of Management, Phnom Penh.
- Professional Certificate in Bank Governance, Saïd Business School, University of Oxford, Oxford City, UK, 2024.
- Chartered Banker: Chartered Bank Institute, London, UK, 2022.
- Certificate of Achievement: Innovating in the Digital World, London Business School, London, UK, 2021.
- Certificate of Management Excellence (CME), Harvard Business School, Boston, USA, 2019.
- Professional Certificate in Strategy: Building and Sustaining Competitive Advantage, Harvard Business School, Boston, USA, 2019.
- Professional Certificate in Disruptive Innovation, Harvard Business School, Boston, USA, 2018.
- Professional Certificate in Authentic Leader Development, Harvard Business School, Boston, USA, 2017.

Working Experience

- Chief Executive Officer (CEO), Chief (Cambodia) Commercial Bank Plc.
- General Manager, Chief (Cambodia) Specialized Bank Plc.
- Representative of Specialized Banks, serving on the Executive Council of the Association of Banks in Cambodia (ABC), March 2017 – March 2018.
- Senior Manager, Kookmin (Cambodia) Bank Plc.
- Head of Credit, Kookmin (Cambodia) Bank Plc.
- Credit Manager (Head Office), Angkor Capital Bank Plc.
- Credit Officer (Senior), Cambodian Public Bank.
- Loan Officer, Canadia Bank Plc.
- Junior Credit Officer, Acleda Bank Plc.
- Lecturer in Accounting, Finance and Management, Universities (Current)

ORGANIZATIONAL CHART

Board of Directors

Mr. YE Haiya

Chairman of the Board of Director

Ms. NG Siu Mui

Director

Member of the Risk Management Committee
Member of the Internal Audit Committee
Member of the Human Resource Nomination and Remuneration Committee
Member of the Board of Director

Mr. LAM Wai Chuen

Director

Member of the Risk Management Committee
Member of the Internal Audit Committee
Member of the Human Resource Nomination and Remuneration Committee
Member of the Board of Director

Mr. CHAU Chung Kai Peter

Director

Invitee, Risk Management Committee
Invitee, Internal Audit Committee
Invitee, Human Resource Nomination and Remuneration Committee
Member of the Board of Director

Mr. CHAN Kwok Cheung

Independent Non-Executive Director

Chairman, Internal Audit Committee
Member of the Board of Director

Mr. CHEUNG Ka Wai

Independent Non-Executive Director

Chairman of the Risk Management Committee
Chairman of the Human Resource Nomination and Remuneration Committee
Member of the Board of Director

ORGANIZATIONAL CHART

Executive Management

Dr. Soeung Morarith
Chief Executive Officer

Mr. Shum Kwong Po
Deputy General Manager

Mr. Mam Chandara
Senior Manager

Mr. Ty Sochetra
Senior Manager

Mr. Van Tola
Head of HR

Mr. Muniswamy Kishore Kumar
Head of IT

Mr. Van Seiha
Head of Operations and Credit Control/Review

Mr. Ngov Bunthan
Head of Credit

Mrs. Sim Sarem
Head of Relationship

Mr. Sok Raksmey
Senior Accounting Manager

Ms. Tauch Soksofia
Internal Audit Manager

Mr. Kheng Vichar
Head of Risk

Mr. Sok Samnang
Head of Branch Management

Mr. Chhit Vannrachanaroth
Head of Branch Management

Mr. Han Chanchumnor
Compliance Manager

Mr. Lim Tonic
Admin and Digital Marketing Manager

Mr. Chroeung Vannoeun
Branch Manager

Mrs. Ngim Theary
Branch Manager

CORPORATE INFORMATION

Bank Name	Chief (Cambodia) Commercial Bank Plc.
Date of Establishment	5th December 2013
Registration No	00005793
Head Office	Phnom Penh City Center, No. C-01, St. R11 Corner St.70, Phum 1, Sangkat Sras Chork Khan Daun Penh, Phnom Penh, Kingdom of Cambodia

As of December 31, 2018	
Paid-Up Capital	US$75 Million
Number of Employees	175

	Name	No of Shares Held (Shares)	Percentage of Total OutStanding Shares (%)
Principal Shareholders	Chief Financial Group (Cambodia) Limited		100%

Auditor	Ernst & Young (Cambodia) Ltd.

PRODUCTS AND SERVICES

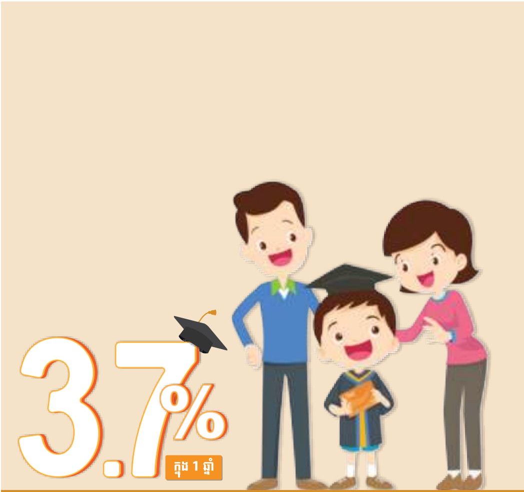
To satisfy clients' growing needs, Chief (Cambodia) Commercial Bank Plc has actively been working on further refinements of our existing products and delivering the comprehensive Commercial banking products, with attractive and innovative features which are best suited for the personal banking, farming, small businesses and corporate banking customers and deposits various with beautiful interest rate and so on. We have delivered our differentiated network, affluent businesses, kept optimizing returns– profits in the current competitive market and kept investing in what we expect to be transformational digital initiatives that are now live such as our first digital micro-lending app in Cambodia, comprehensive mobile banking app, putting Bakong service online so on and are on the right track to win business across our footprint.

Current Prestigs

Savings Prestigs

DEPOSIT ACOUUNT

Fixed Deposit Account



Child account

Saving Account

Current Account

Installment Account

PERSONAL LOANS AND ADVANCES

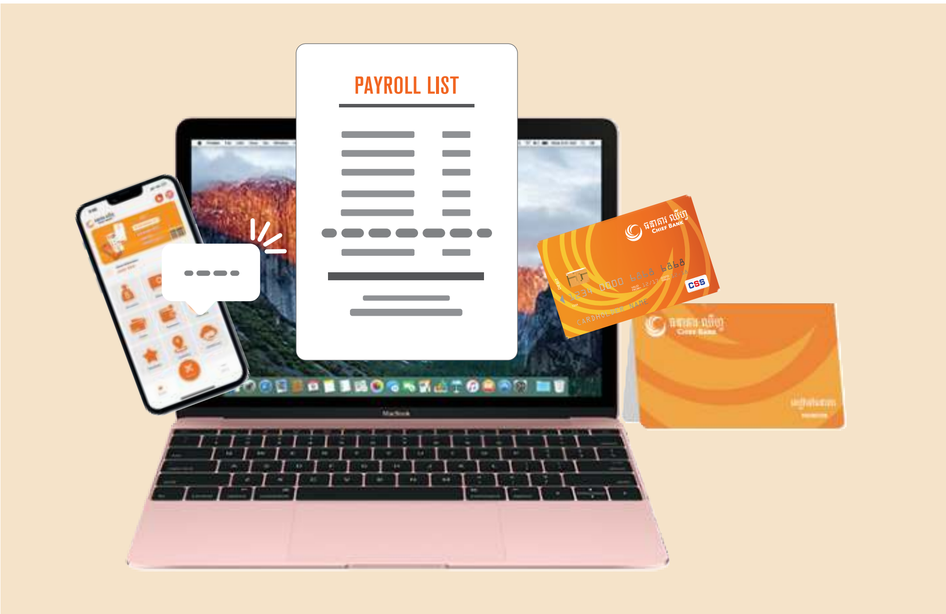
BUSINESS LOAN

Large
Business Loan

Micro and Small
Business Loan

Medium
Business Loan

CASH MANAGEMENT



PAYROLL ACCOUNT

សេវាបើកប្រាក់បៀវត្ស
ឥតគិតថ្លៃសម្រាប់ ១២ខែដំបូង
និងលើការចរចា

កាតឥណទាន
និងសៀវភៅគណនីសន្សំ
ដោយឥតគិតថ្លៃ

TRADE SERVICES

AND REMITTANCES

- SHIPPING GUARANTEE
- BANK GUARANTEE
- IMPORT DOCUMENTARY COLLECTIONS
- EXPORT SERVICES
- NEGOTIATION OF LETTERS OF CREDIT
- EXPORT DOCUMENTARY COLLECTIONS
- PRODUCTS AND PRICING
- REMITTANCES

FUND TRANSFER

ATM SERVICES

MOBILE BANKING


CHIEF EASY
$5000.00
"Chief Easy! Take it Easy!"
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ធនាគារ ឈីហ្វ
CHIEF BANK

INTRODUCTION OF CHIEF GROUP

Mr. Chau Chung KaiPeter is the Chairman ofChief Group, which was established in 1979 in Hong Kong. Over the decades, Chief Group has evolved into a comprehensive financial institution with diversified products and services. We are one of the leaders in Hong Kong's brokerage industry, proudly holding the biggest branch service network.

OUR MISSION

We are committed to serving our customers with integrity and quality performance. This is embodied in the corporate philosophy, "The Chief Way", a unique wealth enriching management approach."The Chief Way" guides our business ideology of trust and client and partnership sincerity. We seek to prosper together with our clients and partners.

OUR PHILOSOPHY

Having rooted firm foundation in Hong Kong, we expand our horizons in Asia-Pacific region. Located at the heart of Indo-China, fast-developing Cambodia is the first hub of our service network in Southeast Asia. We offer expertise to our clients and share achievements with our local staff of Cambodia.

As service excellence always our primary quest, we have given top priority to keep enhancing service through staff training, technology integration and product diversification. We aspire to be the paragon in finance industry.

INTRODUCTION OF CHIEF (CAMBODIA) COMMERCIAL BANK PLC.

Given the Bank's change from being a specialized bank to a full-pledged commercial bank in June 2018, the business concept and model of the bank has been transformed as our objective is to fast-track expansion plans with minimal capital expenditure, thus maximizing social impact delivery.

A digital banking agenda is one of the high priorities for Chief Bank; we are accelerating the scaling up of the bank's product and service distributions through digital channels. These digital channels include websites, digital apps, e-wallets and electronic marketplaces. While the bank is investing heavily in digital transformation, we are thinking differently, with our new product development to provide greater convenience to our customers and ensure competitive advantage.

One of our flagship developments is our digital micro-lending app namely **Chief Easy,** which is currently being launched and has gained popularity and more consumers' data. Customers can assess their eligibility for a loan through the digital banking system and be able to apply for a loan from the bank digitally. As part of our ethical drive to help the Kingdom's unbanked and underbanked, this offers the best terms and conditions in Cambodia. For example, there is no lock-in period or penalties for early settlement allowing greater financial freedom.

We consider our customers to be long-term partners and pride ourselves on being flexible, able to provide more options and alternatives. Chief has collaborated with Wing with a digital partnership across the country to give customers greater convenience when repaying their loans.

Chief Bank is also part of the **National Bank of Cambodia's Bakong** payment system, which also offers alternative options for transactions such as deposits and withdrawals, as well as sending and receiving money via e-wallets.

We have been actively working to further refine our existing products and services and roll out new products and services to satisfy our clients' growing needs.

OUR VISION

We are committed to fulfilling customers' needs and help them succeed financially.

OUR MISSION

- Become a full-fledged and most respected bank, having the largest branch networks.
- Be the "Bank of First Choice" by offering enjoyable experiences.
- Be the most innovative and efficient foreign bank with a view to guaranteeing and enhancing service excellence.
- Ensure good corporate governance and compliance in everything we perform.

OUR GOAL

Our goal is to build broader, deeper and more enduring relationships with our customers, assisting customers at every step on their journeys to wealth, and to deliver long-term value for our shareholders.

OUR PHILOSOPHY

- Maintain highest degree of corporate integrity and professionalism
- Be one step ahead of others via product innovation and creativity
- Engage and serve customers pro-actively and whole-heartedly
- Assume proactive corporate social responsibilities

CORPORATE CULTURE

By building good team spirit among our staff, we encourage staff cultivating passion and vision towards their work. They are the key factors to their success in goal achievement and development of strong bonds to their jobs. On the other hand, we also emphasize on high level of professional ethics. Integrity, prudence and transparency are the core principles of our corporate cultures.

Technical sharing and training sessions are organized for all staff members of Chief (Cambodia) Commercial Bank Plc on a regular basis. They are conducted to enhance the quality and efficiency of our service. Our staff team are keen to keep stepping forward with times.

CUSTOMER SATISFACTION

“We aim to provide superior service quality and enhance customer satisfaction.”

Customer Satisfaction

We aim to provide superior service quality and enhance customer satisfaction. Superior service quality can further build up customer loyalty, bringing opportunities for cross-selling and words-of-mouth recommendations as well. Goodwill of an enterprise is originated from sustaining high-level satisfaction from customers.

Chief (Cambodia) Commercial Bank Plc emphasizes on business integrity and we work hard with our clients , our employees and our society for a better future ahead. Through professional and ethical service, we build mutual trust and long-term partnership with our customers.

We have dedicated professionals allotted for each and every customers to handle the commercial banking transactions at Chief. Whatever information provided by the Chief (Cambodia) Commercial Bank Plc was up to the mark and all customers’ doubts were clarified. Another best part about Chief (Cambodia) Commercial Bank Plc is our constant follow up to our customers’ requests for their needs and wants. Also, we regularly seek customer feedback to understand product and service development opportunities and to alert us to potential improvements. We have various approaches to gather information from customers by phone calls, customer satisfaction surveys and clients’ written comments. We look into comments one by one and take appropriate action needed to resolve different situations.

STRATEGY GOALS

Chief (Cambodia) Commercial Bank Plc is committed to fulfilling customers' needs, helping them succeed financially and being the most innovative, conservative and efficient foreign bank which is locally incorporated in Cambodia. The Bank renders full supports for Cambodia's four pillars of economic growth, including: (1) garment exports; (2) tourism; (3) agriculture; and (4) real estates.

A- Marketing Strategy

The first priority of Chief (Cambodia) Commercial Bank Plc's strategy is to satisfy its existing borrowers by providing the refined products with competitive pricing, adapted to the evolution of their needs, witnessed by growing customer bases and the daily increase of our quality loan portfolio (zero NPL up to now).

The second priority is to promote new clients throughout popular media in order to increase more new clients into existing current cycles by expanding more branches to potential locations within Phnom Penh, while being committed to providing reliable, innovative, customer-friendly financial services, using cutting-edge technology and focusing continuously improvement whilst developing our staff and acquiring necessary expertise to take comparative advantages from our competitors.

Subsequently, we are planning to expand into new expected potential provinces of Sihanouk ville, Siem Reap, Kampong Cham, Kampong Speu and Battambang. Within ten years, we hope to expand further, with branch operations in Kandal, Pursat, Prey Veng and Takeo. It is also our intention to set up a representative office (and subsequently a branch) in Hong Kong when appropriate to better support the Bank's international business.

B- Target Market Identified

Chief (Cambodia) Commercial Bank Plc foresees a positive economic and social environment to expand its activities in the next three years. The bank has developed a formal capital management framework with a clearly defined objectives for maintaining an appropriate level of capital adequacy. This ensures sufficient leeway for future business expansion.

The Bank has identified locations as the most potential to be expanded from 2017 where the financial supply is lower and demand is higher.

C- Market Size and Trends

Growth of market demand of Chief (Cambodia) Commercial Bank Plc keeps increasing, evidenced by the daily increases in quality loan portfolio of the bank since establishment up to now. Growth in market and developing economies was projected to increase, supported by stronger domestic demand, as well as a recovery in external demand fuelled by faster growth in economies.

Cambodia's banking sector in light of high domestic investment demand, the sector and other financial institutions such as microfinance have been handsomely profitable, attracting new entry and leading to a rapid expansion of the sector. This is reflected in the substantial increase in assets, credits, deposits, demands for bank loans and other bank services. This success in the sector is undoubtedly attributed to the significant improvements in the Kingdom's financial and banking system that has continued to develop and improve steadily over time. This helps build stronger investors' trust and public confidence in the banking and related sectors, resulting in the higher demands for financial and other banking services and related services. Given the trend now evident in those cycles such as credit, deposit etc, growth of market demand of the Bank services remains sound.

The Bank has planned to build up good relationship with many companies, ranging from self-employed business to medium business in order to entrust them on the Bank services. By planning so, the Bank expects a number of businesses would have approached to access for banking services in the expansion of their business. This means that the market size and trend of the bank will be enlarged from time to time.

D- Competitive Analysis

Chief (Cambodia) Commercial Bank Plc has a professional team consisting of various local expertise in the fields of banking, accounting, credit management, operation, marketing and human resources, plus top management with regional background of Asia-Pacific, such as Hong Kong, Mainland China, Cambodia etc. This empowers us to provide quality service to meet the most localized needs of people in Cambodia yet with broader horizons in the Bank's future development.

Chief (Cambodia) Commercial Bank Plc. intends to develop a full-service commercial bank with the following business areas:

- Farming and Small Business
- Corporate Banking
- Personal Banking
- Treasury

Chief (Cambodia) Commercial Bank Plc. will work closely with the National Bank of Cambodia and both the locally incorporated commercial banks and the foreign bank branches to maintain a significant role in Cambodia banking sector. We will also work closely to support the legally existing organizations/companies which are involved in rural credit activities.

The Board of Directors and Management team of Chief (Cambodia) Commercial Bank Plc. are sophisticated professional with passions. The management team is extremely familiar with Commercial Banks, Specialized Banks, Rural Specialized Banks, Credit Cooperatives, micro-finance companies and has affirmed understanding of the unique characteristics of each financial services business model as well as the demands and requirements of the respective customer groups.

Chief (Cambodia) Commercial Bank Plc. operates within a robust credit approval, monitoring system and risk management system to ensure the financial strength and stability of the Bank's operations. The Bank adopts a five category loan monitoring system, with risk-based interest rate pricing to ensure proper risk management.

BUSINESS EXPANSION

In view of great favorable business climate, such as the favorable business, economic growth, stable political environment and great potential and so on, Chief Bank will open branches in the following years in Phnom Penh, in order to strengthen the local business of Chief (Cambodia) Commercial Bank Plc and to reap the benefits from the expansion of Cambodian economy and growing demand for banking services.

BRANCH NETWORK

There are tremendous business potentials for opening branches in Phnom Penh, expected to enlarge market shares and reap the banking business potentials from our new expansion plan such as at Samdach Hun Sen Blvd (60-meter) so on, where demands would be undoubtedly high. To this end, we need to build Chief's brand name awareness, and to gain reliable network establishment in order to substantiate Chief Bank's development and differentiate from competitors.

Head Office

No.C-01, St.R11 Corner St.70, Phum 1, Sangkat Srah Chak, Khan Daun Penh, Phnom Penh.

Tel : 855-23-900 878
Fax : 855-23-900 858
Email : info@chiefbank.com.kh
Website : www.chiefbank.com.kh

Chbar Ampov Branch

Building NH II 0046, National Road No.1, Deum Slaeng Village, Sangkat Chbar Ampov Ti Pir, Khan Chbar Ampov, Phnom Penh.

Tel : 855-23-230 488
Fax : 855-23-230 477

Phsar Olympic Branch

N°20, 21 &21C, Street 274, Sangkat Veal Vong, Khan Prampir Meakakra, Phnom Penh.

Tel : 855-23-212 878
Fax : 855-23-212 879

Preah Norodom Branch

N° 32, Preah Norodom Blvd (Street N° 41) corner Street N° 136, Phum 10, Sangkat Phsar Kandal Ti Pir, Khan Doun Penh, Phnom Penh.

Tel : 855-23-900 879
Fax : 855-23-900 859

AEON Mall Mean Chey Branch

AEON Mean Chey Branch, Unit N° F033,1st Floor, Samdech Hun Sen Blvd, Phum Preaek Ta Long III, Sangkat Chak Angrae Kraom, Khan Mean Chey, Phnom Penh.

Tel : 855-23-900 879

Headquarter (HQ) of Chief Bank will be soon re-located to Chief Tower, where is well-situated along Preah Monivong Blvd (St.93) corner St.322, Sangkat Boeung Keng Kang I, Khan Chamkar Mon, Phnom Penh, Cambodia.

Our new HO will be one of the commercial, busy and strategic areas.

REPORT OF THE BOARD OF DIRECTORS AND AUDITED FINANCIAL STATEMENTS

FOR THE YEARS ENDED 31 DECEMBER 2024 AND 31 DECEMBER 2023

CORPORATE INFORMATION

Bank	Chief (Cambodia) Commercial Bank Plc.	
Registration No	00005793	
Registered Office	Phnom Penh City Center, No. C-01, St. R11 Corner St.70 Phum 1, Sangkat Sras Chork Khan Daun Penh, Phnom Penh Kingdom of Cambodia	
Shareholder	Chief Financial Group (Cambodia) Limited	
Board of Directors	Mr. Ye Haiya	Chairman
	Mr. Lam Wai Chuen	Director
	Ms. Ng Siu Mui	Director
	Mr. Chau Chung Kai Peter	Director
	Mr. Chan Kwok Cheung	Independent Director
	Mr. Cheung Ka Wai	Independent Director
Management team	Oknha Dr. Soeung Morarith	Chief Executive Officer
	Mr. Shum Kwong Po	Deputy General Manager
Auditor	Ernst & Young (Cambodia) Ltd.	

REPORT OF THE BOARD OF DIRECTORS

The Board of Directors hereby submit their report together with the financial statements of Chief (Cambodia) Commercial Bank Plc. (“the Bank”) for the year ended 31 December 2024.

THE BANK

Chief (Cambodia) Commercial Bank Plc. (the “Bank”) is incorporated and registered in the Kingdom of Cambodia. The Bank registered with the Ministry of Commerce (“MoC”) as a Public Limited Company under the Registration No. 00005793 (former Co. 2255 E/2013), dated 12 May 2017.
On 5 December 2013, the Bank received its specialized bank license from the National Bank of Cambodia (“NBC”).

On 7 June 2018, the Bank obtained its commercial bank license from the NBC to operate as a commercial bank. On 27 June 2018, the Bank obtained the approval from the MoC on the changes in the Bank’s name from Chief (Cambodia) Specialized Bank Plc. to Chief (Cambodia) Commercial Bank Plc. The Bank is wholly owned by Chief Financial Group (Cambodia) Limited, a company incorporated in British Virgin Islands. The ultimate holding company of the Bank is Chief Cambodia Holdings Ltd., a company incorporated in British Virgin Islands.

The Bank’s registered office is located at Phnom Penh City Centre No. C-01, St. R11 Corner St. 70, Phum 1, Sangkat Sras Chork, Khan Daun Penh, Phnom Penh, Kingdom of Cambodia

PRINCIPAL ACTIVITIES

The principal activities of the Bank are the provision of commercial banking and related financial services in the Kingdom of Cambodia.

There were no significant changes to these principal activities during the financial year.

FINANCIAL RESULTS

The financial results of the Bank for the year ended 31 December 2024 are presented in the statement of comprehensive income.

DIVIDENDS

There were no dividends declared or paid and the directors do not recommend any dividend to be paid for the financial year.

SHARE CAPITAL

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

RESERVES AND PROVISIONS

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

EXPECTED CREDIT LOSSES ON LOANS AND ADVANCES AND OTHER FINANCIAL ASSETS CARRIED AT AMORTIZED COST

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

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

ASSETS

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

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

VALUATION METHODS

At the date of this report, the directors are not aware of any circumstances which have arisen which render adherence to the existing method of valuation of assets and liabilities in the financial statements of the Bank misleading or inappropriate, 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 period other than in the ordinary course of 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 have a material effect on 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 is not aware of any circumstances, not otherwise dealt with in this report or the financial statements of the Bank, which would render any amount stated in the financial statements misleading, in any material respects.

ITEMS OF UNUSUAL NATURE

The financial performance of the Bank for the financial year were not, in the opinion of the Board of Directors, materially affected by any items, transactions or events 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 Board of Directors, to affect substantially the results of the operations of the Bank for the current period in which this report is made.

EVENTS SINCE THE REPORTING DATE

At the date of this report, there have been no other significant events occurring after the reporting date which would require adjustments or disclosures other than those disclosed in the financial statements.

THE BOARD OF DIRECTORS

The member of the Board of Directors who served during the year and at the date of this report are:

Mr. Ye Haiya	Chairman (appointed on 15 July 2024, previously director)
Mr. Lam Wai Chuen	Director
Ms. Ng Siu Mui	Director
Mr. Chau Chung Kai Peter	Director (previously Chairman up to 15 July 2024)
Mr. Chan Kwok Cheung	Independent Director
Mr. Cheung Ka Wai	Independent Director

DIRECTORS' INTERESTS

Mr. Chau Chung Kai Peter is a shareholder of the Chief Cambodia Holdings Ltd., a company incorporated in British Virgin Islands which is the ultimate holding company of the Bank. None of the other directors held or dealt directly in the shares of the Bank during the financial year.

DIRECTORS' BENEFITS

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

During the financial year, no director of the Bank has received or become entitled to receive any benefit (other than a benefit included in the aggregate amount of emoluments received or due and receivable by the directors as disclosed in the financial statements) by reason of a contract made by the Bank or a related corporation with a firm of which the director is a member, or with a company in which the director has a substantial financial interest other than as disclosed in the financial statements.

BOARD OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS

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

i) adopt appropriate accounting policies which are supported by reasonable and prudent judgments and estimates and then apply them consistently;
ii) comply with CIFRSs or, if there have been any departures in the interest of fair presentation, these have been appropriately disclosed, explained and quantified in the financial statements;
iii) maintain adequate accounting records and an effective system of internal controls;
iv) prepare the financial statements on a going concern basis unless it is inappropriate to assume that the Bank will continue operations in the foreseeable future; and
v) effectively control and direct the Bank in all material decisions affecting the operations and performance and ascertain that these have been properly reflected in the financial statements.

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

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

APPROVAL OF THE FINANCIAL STATEMENTS

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

Signed on behalf of the Board of Directors in accordance with a resolution of Board of Directors,

Mr. YE Haiya
Chairman

Phnom Penh, Kingdom of Cambodia
31 March 2025

INDEPENDENT AUDITOR'S REPORT

To Chief (Cambodia) Commercial Bank Plc.

OPINION

We have audited the financial statements of Chief (Cambodia) Commercial Bank Plc. ("the Bank"), which comprise the statement of financial position as at 31 December 2024, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information.

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

BASIS FOR OPINION

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

OTHER MATTER

The financial statements of the Bank for the year ended 31 December 2023, were audited by another auditor who expressed an unmodified opinion on those statements on 21 March 2024.

INFORMATION OTHER THAN THE FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON

The other information obtained at the date of the auditor's report is the Report of the Board of Directors. Management is responsible for the other information.

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

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

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

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

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

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

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

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

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

Emmanuel A. Guelas
Partner
Ernst & Young (Cambodia) Ltd.
Certified Public Accountants
Registered Auditors

Phnom Penh, Kingdom of Cambodia
31 March 2025

STATEMENT OF FINANCIAL POSITION

as at 31 December 2024

	Note	31 December 2024 US$	31 December 2024 KHR'000 (Note 2.5)	31 December 2023 US$ (As reclassified – Note 30)	31 December 2023 KHR'000 (Note 2.5) (As reclassified – Note 30)
ASSETS					
Cash on hand	3	3,176,266	12,784,471	2,921,549	11,934,528
Balances with the NBC	4	54,745,878	220,352,159	46,945,221	191,771,228
Balances with other banks and financial institutions	5	3,000,424	12,076,707	1,029,206	4,204,307
Loans and advances	6	207,376,578	834,690,726	180,359,913	736,770,244
Property and equipment	7	2,240,219	9,016,881	2,527,194	10,323,587
Right-of-use assets	8	2,676,266	10,771,971	1,242,606	5,076,046
Intangible assets	9	531,877	2,140,805	739,283	3,019,971
Deferred tax assets	11.3	-	-	104,693	427,671
Other assets	10	8,162,072	32,852,341	7,640,457	31,211,266
TOTAL ASSETS		**281,909,580**	**1,134,686,061**	**243,510,122**	**994,738,848**
LIABILITIES AND EQUITY					
Liabilities					
Deposits from financial institutions and customers	12	188,525,501	758,815,142	159,945,601	653,377,780
Subordinated debts	13	6,272,689	25,247,573	1,253,862	5,122,026
Lease liabilities	14	2,789,286	11,226,876	1,350,471	5,516,674
Income tax payable		-	-	20,025	81,802
Deferred tax liabilities	11.3	636,413	2,561,562	-	-
Other liabilities	15	170,846	687,657	101,734	415,584
TOTAL LIABILITIES		**198,394,735**	**798,538,810**	**162,671,693**	**664,513,866**
EQUITY					
Share capital	16.1	75,000,000	300,000,000	75,000,000	300,000,000
Regulatory reserves	16.2	15,844,790	64,577,093	5,210,878	21,286,437
Retained earnings		(7,329,945)	(29,849,619)	627,551	2,545,348
Currency translation reserves		-	1,419,777	-	6,393,197
TOTAL EQUITY		**83,514,845**	**336,147,251**	**80,838,429**	**330,224,982**
TOTAL LIABILITIES AND EQUITY		**281,909,580**	**1,134,686,061**	**243,510,122**	**994,738,848**

The accompanying notes 1 to 31 form an integral part of these financial statements.

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the year ended 31 December 2024

		2024		2023	
	Note	US$	KHR'000	US$	KHR'000
			(Note 2.5)		(Note 2.5)
				(As reclassified – Note 30)	
Interest income	17	22,762,834	92,667,497	18,249,647	75,006,049
Interest expense	18	(11,358,363)	(46,239,896)	(9,090,465)	(37,361,811)
Net interest income		**11,404,471**	**46,427,601**	**9,159,182**	**37,644,238**
Fee and commission income	19	12,152	49,471	8,245	33,887
Fee and commission expense	19	(8,014)	(32,625)	(33,550)	(137,891)
Net fee and commission income (expense)	19	**4,138**	**16,846**	**(25,305)**	**(104,004)**
Other income	20	362,949	1,477,565	57,588	236,687
Provision for expected credit losses	21	(880,510)	(3,584,556)	(1,916,131)	(7,875,298)
Net other operating income		**10,891,048**	**44,337,456**	**7,275,334**	**29,901,623**
Personnel expenses	22	(2,691,356)	(10,956,510)	(2,676,780)	(11,001,566)
Depreciation and amortization	23	(1,534,864)	(6,248,431)	(1,480,512)	(6,084,904)
Other operating expenses	24	(3,247,306)	(13,219,783)	(2,640,476)	(10,852,356)
Profit before income tax		**3,417,522**	**13,912,732**	**477,566**	**1,962,797**
Income tax expense	11.1	(741,106)	(3,017,043)	(156,149)	(641,772)
Net profit for the year		**2,676,416**	**10,895,689**	**321,417**	**1,321,025**
Other comprehensive income					
Exchange differences on translation		-	(4,973,420)	-	(2,584,581)
Total comprehensive income for the year		**2,676,416**	**5,922,269**	**321,417**	**(1,263,556)**

The accompanying notes 1 to 31 form an integral part of these financial statements.

STATEMENT OF CHANGES IN EQUITY

for the year ended 31 December 2024

	Share capital		*Regulatory reserves*		*(Accumulated losses) Retained earnings*		*Cumulative exchange differences on translation*	*Total*	
	US$	KHR'000	US$	KHR'000	US$	KHR'000	KHR'000	US$	KHR'000
		(Note 2.5)		(Note 2.5)		(Note 2.5)	(Note 2.5)		(Note 2.5)
As at 1 January 2024	75,000,000	300,000,000	5,210,878	21,286,437	627,551	2,545,348	6,393,197	80,838,429	330,224,982
Total comprehensive income for the year	-	-	-	-	2,676,416	10,895,689	(4,973,420)	2,676,416	5,922,269
Transfer to regulatory reserves (Note 16.2)	-	-	10,633,912	43,290,656	(10,633,912)	(43,290,656)	-	-	-
At 31 December 2024	**75,000,000**	**300,000,000**	**15,844,790**	**64,577,093**	**(7,329,945)**	**(29,849,619)**	**1,419,777**	**83,514,845**	**336,147,251**
At 1 January 2023	75,000,000	300,000,000	1,766,367	7,272,133	3,750,645	15,238,627	8,977,778	80,517,012	331,488,538
Total comprehensive income for the year	-	-	-	-	321,417	1,321,025	(2,584,581)	321,417	(1,263,556)
Transfer to regulatory reserves (Note 16.2)	-	-	3,444,511	14,014,304	(3,444,511)	(14,014,304)	-	-	-
As at 31 December 2023	**75,000,000**	**300,000,000**	**5,210,878**	**21,286,437**	**627,551**	**2,545,348**	**6,393,197**	**80,838,429**	**330,224,982**

The accompanying notes 1 to 31 form an integral part of these financial statements.

STATEMENT OF CASH FLOWS

for the year ended 31 December 2024

	Note	2024 US$	2024 KHR'000 (Note 2.5)	2023 US$ (As reclassified – Note 30)	2023 KHR'000 (Note 2.5) (As reclassified – Note 30)
Cash flows from operating activities					
Profit before income tax		3,417,522	13,912,732	477,566	1,962,797
Adjustments for:					
Depreciation and amortization	23	1,534,864	6,248,431	1,480,512	6,084,904
Unrealized exchange (gains) losses		(320,630)	(1,305,285)	49,662	204,111
Provision for expected credit losses	21	880,510	3,584,556	1,916,131	7,875,298
		5,512,266	**22,440,435**	**3,923,871**	**16,127,110**
Changes in:					
Deposits from financial institutions and customers		28,579,900	116,348,773	23,429,033	96,293,326
Loans and advances		(27,855,714)	(113,400,612)	(17,311,185)	(71,148,970)
Balance with other banks and financial institutions		(2,027,087)	(8,252,271)	(1,017,569)	(4,182,209)
Balance with the NBC		(1,566,408)	(6,376,847)	(1,742,720)	(7,162,579)
Other liabilities		87,939	358,000	41,283	169,673
Other assets		(24,424)	(99,430)	(173,927)	(714,840)
Net cash generated from operations		**2,706,472**	**11,018,048**	**7,148,786**	**29,381,511**
Income tax paid		(196,585)	(800,298)	(569,761)	(2,341,718)
Net cash provided by operating activities		**2,509,887**	**10,217,750**	**6,579,025**	**27,039,793**
Cash flows from investing activities					
Acquisitions of: Property and equipment	7	(466,966)	(1,901,019)	(787,187)	(3,235,339)
Intangible assets	9	(85,911)	(349,744)	(166,745)	(685,322)
Net cash used in investing activities		(552,877)	(2,250,763)	(953,932)	(3,920,661)
Cash flows from financing activities					
Proceeds from subordinated debts	13	5,000,000	20,355,000	-	-
Payments of principal portion of lease liabilities	14	(482,451)	(1,964,058)	(452,296)	(1,858,937)
Net cash provided by (used in) financing activities		**4,517,549**	**18,390,942**	**(452,296)**	**(1,858,937)**
Net increase in cash and cash equivalents		**6,474,559**	**26,357,929**	**5,172,797**	**21,260,195**
Cash and cash equivalents at 1 January		**32,575,494**	**133,070,893**	**27,402,697**	**112,816,903**
Exchange differences on translation		-	(2,252,358)	-	(1,006,205)
Cash and cash equivalents at 31 December	3	**39,050,053**	**157,176,464**	**32,575,494**	**133,070,893**
Additional information on operational cash flows from interest					
Interest received		19,172,159	78,049,859	16,923,353	69,554,983
Interest paid		(10,301,618)	(41,937,888)	(8,993,223)	(36,962,147)

The accompanying notes 1 to 31 form an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

as at 31 December 2024 and for the year then ended

1. CORPORATE INFORMATION

Establishment and operations

Chief (Cambodia) Commercial Bank Plc. (the "Bank") is incorporated and registered in the Kingdom of Cambodia. The Bank registered with the Ministry of Commerce ("MoC") as a Public Limited Company under the Registration No. 00005793 (former Co. 2255 E/2013), dated 12 May 2017. On 5 December 2013, the Bank received its specialized bank license from the National Bank of Cambodia ("NBC").

On 7 June 2018, the Bank obtained its commercial bank license from the NBC to operate as a commercial bank. On 27 June 2018, the Bank obtained the approval from the MoC on the changes in the Bank's name from Chief (Cambodia) Specialized Bank Plc. to Chief (Cambodia) Commercial Bank Plc. The Bank is wholly owned by Chief Financial Group (Cambodia) Limited, a company incorporated in British Virgin Islands. The ultimate holding company of the Bank is Chief Cambodia Holdings Ltd., a company incorporated in British Virgin Islands.

The Bank's principal activities are provision of commercial banking and related financial services in the Kingdom of Cambodia.

SHARE CAPITAL

The total share capital of the Bank as at 31 December 2024 is U$ 75,000,000 or KHR 300 billion (2023: US$ 75,000,000 or KHR 300 billion).

BOARD OF DIRECTORS

The members of the Board of Directors during the year and at the date of the financial statements are:

Mr. Ye Haiya	Chairman
Mr. Lam Wai Chuen	Director
Ms. Ng Siu Mui	Director
Mr. Chau Chung Kai Peter	Director
Mr. Chan Kwok Cheung	Independent Director
Mr. Cheung Ka Wai	Independent Director

LOCATION

The Bank's registered office is located at Phnom Penh City Centre No. C-01, St. R11 Corner St. 70, Phum 1, Sangkat Sras Chork, Khan Daun Penh, Phnom Penh, Kingdom of Cambodia.

EMPLOYEES

As at 31 December 2024, the Bank had 175 employees (31 December 2023: 180 employees).

APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements were authorized for issue by the Board of Directors on
31 March 2025.

2. MATERIAL ACCOUNTING POLICY INFORMATION

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

2.1. FISCAL YEAR

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

2.2. FISCAL YEAR

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

These financial statements were authorized for issue by the Board of Directors on 31 March 2025.

2.3. BASIS OF AGGREGATION

The Bank's financial statements comprise the financial statements of the head office and its branches. All interbranch balances and transactions have been eliminated.

2.4. FUNCTIONAL AND PRESENTATION CURRENCY

The Bank transacts its business and maintains its accounting records in two currencies, Khmer Riel ("KHR") and United States Dollars ("US$"). Management has determined the US$ to be the Bank's functional and presentation currency as it reflects the economic substance of the underlying events and circumstances of the Bank.

These financial statements are presented in US$, which is the Bank's functional currency. All amounts have been rounded to the nearest dollar, except when otherwise indicated.

2.5. TRANSLATION OF US$ INTO KHR

The financial statements are expressed in United States Dollar which is the Bank's functional currency. The translations of US$ amounts into KHR meets the presentation requirements pursuant to Law on Accounting and Auditing and has been done in compliance with
CIAS 21, The Effects of Changes in Foreign Exchange Rates.

Assets and liabilities are translated at the closing rate as at the reporting date. Share capital and other equity accounts are translated at the historical rate. The statements of profit or loss and other comprehensive income and cash flows are translated into KHR using the average rate for the year, which has been deemed to approximate the exchange rate at the date of transaction as exchange rates have not fluctuated significantly during the period. Exchange differences arising from the translation are recognized as "Exchange differences on translation" in the other comprehensive income.

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

These convenience translations should not be construed as representations that the United States Dollars amounts have been, could have been, or could in the future be, converted into Khmer Riels at this or any other rate of exchange.

2. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

2.6. MATERIAL ACCOUNTING POLICIES

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

The Bank has consistently applied the following accounting policies to all periods presented in these financial statements, unless otherwise indicated.

The Bank also adopted Disclosure of Accounting Policies (Amendments to CIAS 1 and CIFRS Practice Statement 2) from 1 January 2023. Although the amendments did not result in any changes to the accounting policies themselves, they impacted the accounting policy information disclosed in the financial statements.

The amendments require the disclosure of 'material', rather than 'significant', accounting policies. The amendments also provide guidance on the application of materiality to disclosure of accounting policies, assisting entities to provide useful, entity-specific accounting policy information that users need to understand other information in the financial statements.

BASIS OF MEASUREMENT

The financial statements have been prepared on a historical cost.

FOREIGN CURRENCY TRANSACTIONS

Transactions in foreign currencies are translated into the functional currency of at the spot exchange rates at the date of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the spot exchange rate at the reporting date. The foreign currency gain or loss on monetary items is the difference between the amortized cost in the functional currency at the beginning of the year, adjusted for effective interest and payments during the year, and the amortized cost in the foreign currency translated at the spot exchange rate at the end of the period.

Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the spot exchange rate at the date on which the fair value is determined. Non-monetary items that are measured based on historical cost in a foreign currency are translated using the spot exchange rate at the date of the transaction.

2.6.1 FINANCIAL ASSETS AND FINANCIAL LIABILITIES

(i) Recognition and initial measurement

The Bank initially recognizes Loans and advances, deposits with other banks, debt securities issued and subordinated debt on the date on which they are originated. All other financial instruments (including regular-way purchases and sales of financial assets) are recognized on the trade date, which is the date on which the Bank becomes a party to the contractual provisions of the instrument.

A financial asset or financial liability is measured initially at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue. The fair value of a financial instrument at initial recognition is generally its transaction price.

2. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

2.6. MATERIAL ACCOUNTING POLICIES (continued)

2.6.1 FINANCIAL ASSETS AND FINANCIAL LIABILITIES (continued)

(ii) Classification

Financial assets

On initial recognition, a financial asset is classified as measured at: amortized cost, FVOCI or FVTPL.

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

- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are SPPI.

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

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

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

All other financial assets are classified as measured at FVTPL.

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

Business model assessment

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

- the stated policies and objectives for the portfolio and the operation of those policies in practice. In particular, whether management's strategy focuses on earning contractual interest revenue, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of the liabilities that are funding those assets or realizing cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Bank's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and its strategy for how those risks are managed;
- how managers of the business are compensated (e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected); and
- the frequency, volume and timing of sales in prior periods, the reasons for such sales and its expectations about future sales activity. However, information about sales activity is not considered in isolation, but as part of an overall assessment of how the Bank's stated objective for managing the financial assets is achieved and how cash flows are realized.

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

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

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

2. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

2.6. MATERIAL ACCOUNTING POLICIES (continued)

2.6.1 FINANCIAL ASSETS AND FINANCIAL LIABILITIES (continued)

(ii) Classification (continued)

Business model assessment (continued)

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

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

In making the assessment, the Bank considers:

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

Non-recourse loans

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

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

Reclassifications

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

Financial assets

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

On derecognition of a financial asset, the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset derecognized) and the sum of (i) the consideration received (including any new asset obtained less any new liability assumed) and (ii) any cumulative gain or loss that had been recognized in OCI is recognized in profit and loss.

2. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

2.6. MATERIAL ACCOUNTING POLICIES (continued)

2.6.1 FINANCIAL ASSETS AND FINANCIAL LIABILITIES (continued)

(iii) Derecognition

Financial liabilities

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

(iv) Modifications of financial assets and financial liabilities

Financial assets

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

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

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

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

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

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

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

Financial liabilities

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

2. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

2.6. MATERIAL ACCOUNTING POLICIES (continued)

2.6.1 FINANCIAL ASSETS AND FINANCIAL LIABILITIES (continued)

(iv) Modifications of financial assets and financial liabilities (continued

Financial liabilities (continued)

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

Interest rate benchmark reform

If the basis of determining the contractual cash flows of a financial asset or financial liability measured at amortized cost changes as a result of interest rate benchmark reform, then the Bank updates the effective interest rate of the financial asset or financial liability to reflect the change that is required by the reform. A change in the basis for determining the contractual cash flows is required by interest rate benchmark reform if the following conditions are met:

- the change is necessary as a direct consequence of the reform; and
- he new basis for determining the contractual cash flows is economically equivalent to the previous basis – i.e. the basis immediately before the change.

If changes are made to a financial asset or financial liability in addition to changes to the basis for determining the contractual cash flows required by interest rate benchmark reform, then the Bank first updates the effective interest rate of the financial asset of financial liability to reflect the change that is required by interest rate benchmark reform. After that, the Bank applies the policies on accounting for modifications set out above to the additional charges.

The main risks to which the Company is exposed as a result of IBOR reform are operational. For example, the renegotiation of borrowing contracts through bilateral negotiation with lenders, updating of contractual terms, updating of systems that use IBOR curves and revision of operational controls related to the reform. Financial risk is predominantly limited to interest rate risk.

(v) Offsetting

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

(vi) Fair value measurement

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

The fair value of a liability reflects its non-performance risk.

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

2. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

2.6. MATERIAL ACCOUNTING POLICIES (continued)

2.6.1 FINANCIAL ASSETS AND FINANCIAL LIABILITIES (continued)

(vi) Fair value measurement (continued)

If there is no quoted price in an active market, then the Bank uses valuation techniques that maximize the use of relevant observable inputs and minimise the use of unobservable inputs. The chosen valuation technique incorporates all of the factors that market participants would take into account in pricing a transaction.

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

Portfolios of financial assets and financial liabilities that are exposed to market risk and credit risk that are managed by the Bank on the basis of the net exposure to either market or credit risk are measured on the basis of a price that would be received to sell a net long position (or paid to transfer a net short position) for the particular risk exposure. Portfolio-level adjustments – e.g. bid-ask adjustment or credit risk adjustments that reflect the measurement on the basis of the net exposure – are allocated to the individual assets and liabilities on the basis of the relative risk adjustment of each of the individual instruments in the portfolio.
The fair value of a financial liability with a demand feature (e.g. a demand deposit) is not less than the amount payable on demand, discounted from the first date on which the amount could be required to be paid.

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

(vii) Impairment

If there is no quoted price in an active market, then the Bank uses valuation techniques that maximize the use of relevant observable inputs and minimise the use of unobservable inputs. The chosen valuation technique ***incorporates all of the factors that market participants would take into account in pricing a transaction.***
Presentation of allowance for expected credit losses ("ECLs") in the statement of financial position
Loss allowances for ECLs are presented in the statement of financial position for financial assets measured at amortized cost: as a deduction from the gross carrying amount of the assets.
Loss allowances for ECLs are presented in the statement of financial position as follows:

- financial assets measured at amortized cost: as a deduction from the gross carrying amount of the assets; and
- loan commitments: generally, as a provision.

For more details of impairment, refer to Note 27.1 (iii) and 27.1(vii).
If the terms of a financial asset are renegotiated or modified or an existing financial asset is replaced with a new one due to financial difficulties of the borrower, then an assessment is made of whether the financial asset should be derecognized and ECLs are measured as follows.

- If the expected restructuring will not result in derecognition of the existing asset, then the expected cash flows arising from the modified financial asset are included in calculating the cash shortfalls from the existing asset.

2. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

2.6. MATERIAL ACCOUNTING POLICIES (continued)

2.6.1 FINANCIAL ASSETS AND FINANCIAL LIABILITIES (continued)

(vii) Impairment (continued)

- If the expected restructuring will result in derecognition of the existing asset, then the expected fair value of the new asset is treated as the final cash flow from the existing financial asset at the time of its derecognition. This amount is included in calculating the cash shortfalls from the existing financial asset that are discounted from the expected date of derecognition to the reporting date using the original effective interest rate of the existing financial asset.

Credit-impaired financial assets

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

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

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

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

Write-off

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

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

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

2.6.2 CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist cash on hand, unrestricted balances held with the NBC and other banks and financial institutions; and highly liquid financial assets with original maturities of three months or less from the date of acquisition that are subject to an insignificant risk of changes in their fair value, and are used by the Bank in the management of its short-term commitments.

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

2.6.3 LOANS AND ADVANCES

Loans and advances captions in the statement of financial position represent loans measured at amortized cost; they are initially measured at fair value plus incremental direct transaction costs, and subsequently at their amortized cost using the effective interest method.

2. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

2.6. MATERIAL ACCOUNTING POLICIES (continued)

2.6.4 OTHER ASSETS

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

2.6.5 PROPERTY AND EQUIPMENT

(i) Recognition and measurement

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

Where an item of property and equipment comprises major components having different useful lives, the components are accounted for as separate items of property and equipment.

(ii) Subsequent expenditure

Subsequent is capitalized only when it is probable that future economic benefits, in excess of the originally assessed standard of performance of the existing asset, will flow to the Bank. Ongoing repairs and maintenance are expensed as incurred.

(iii) Depreciation

Depreciation is calculated using the cost of items of property and equipment less their estimated residual values using the straight-line method over their estimated useful lives, and is generally recognized in profit or loss.

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

	Useful life
Buildings	20 years
Leasehold improvement	5 years
Motor vehicles	5 years
Computer equipment	5 years
Equipment	5 years

Construction in progress is not depreciated until such time as the relevant assets are completed and put into operational use.

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

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

2.6.6 INTANGIBLE ASSETS

Intangible assets consist of software and licenses and are stated at cost less accumulated amortization and accumulated impairment losses, if any.

Subsequent expenditure on software and licenses is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is expensed as incurred.

Software and licenses are amortized on a straight-line basis in profit or loss over its estimated useful life, from the date on which it is available for use. The estimated useful life of software and licenses for the current and comparative periods is 5 years.

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

2. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

2.6. MATERIAL ACCOUNTING POLICIES (continued)

2.6.7 LEASES

At inception of a contract, the Bank assesses whether a 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 period of time in exchange for consideration.

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

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

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

Leases in which the Bank is a lessee

An arrangement conveyed the right to use the asset if one of the following was met:

- the purchaser had the ability or right to operate the asset while obtaining or controlling more than an insignificant amount of the output;
- the purchaser had the ability or right to control physical access to the asset while obtaining or controlling more than an insignificant amount of the output; or
- facts and circumstances indicated that it was remote that other parties would take more than an insignificant amount of the output, and the price per unit was neither fixed per unit of output nor equal to the current market price per unit of output.

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

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

The estimated useful lives for the current period of the head office and branches buildings are from 5 - 10 years.

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

2. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

2.6. MATERIAL ACCOUNTING POLICIES (continued)

2.6.7 LEASES (continued)

Leases in which the Bank is a lessee (continued)

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

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

The lease liability is measured at amortized cost using the effective interest method. It is remeasured when there is a change in the lease term, a change in the assessment of the option to purchase the underlying asset, a change in future lease payments arising from a change in an index or rate, or if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee.
When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit and loss if the carrying amount of the right-of-use asset has been reduced to zero.

Short-term leases and leases of low-value assets

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

The carrying amounts of the Bank's non-financial assets (other than deferred tax assets) are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For intangible assets that have indefinite useful lives or that are not yet available for use, the recoverable amount is estimated each year at the same time. An impairment loss is recognized if the carrying amount of an asset or its related cash-generating unit (CGU) exceeds its estimated recoverable amount.

2.6.8 IMPAIRMENT OF NON-FINANCIAL ASSETS

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs.
Impairment losses are recognized in profit and loss. Impairment losses recognized in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the CGU (group of CGUs), and then to reduce the carrying amounts of the other assets in the CGU (group of CGUs) on a pro rata basis.
Impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

2. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

2.6. MATERIAL ACCOUNTING POLICIES (continued)

2.6.9 DEPOSITS FROM FINANCIAL INSTITUTIONS AND CUSTOMERS

Deposits from financial institutions and customers are initially measured at fair value minus incremental direct transaction costs, and subsequently measured at their amortized cost using the effective interest method.

2.6.10 SUBORDINATED DEBTS

Subordinated debts are initially measured at fair value minus incremental direct transactions, and subsequently measured at amortized cost using effective interest method.

2.6.11 PROVISIONS

Provisions are recognized if, as a result of a past event, the Bank has a legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

2.6.12 SHARE CAPITAL

Share capital is classified as equity. Incremental costs directly attributable to the issue of new share are shown in equity as a deduction, net of tax, from the proceeds.

2.6.13 REGULATORY RESERVES

Regulatory reserves are set up for the variance of provision between loan impairment in accordance with CIFRS and regulatory provision in accordance with National Bank of- Cambodia's Prakas No. B7-017-344 dated 1 December 2017 and Circular No. B7-018-001 Sor Ror Chor Nor dated 16 February 2018 on credit risk classification and provision on impairment for bank and financial institutions. In accordance with Article 73, the entity is shall compare the provision calculated in accordance with Article 49 to 71 and the provision calculated in accordance with Article 72, and the record:

(i) In case that the regulatory provision calculated in accordance with Article 72 is lower than provision calculated in accordance with Article 49 to 71, the entity records the provision calculated in accordance with CIFRS; and
(ii) In case that the regulatory provision calculated in accordance with Article 72 is higher than provision calculated in accordance with Article 49 to 71, the entity records the provision calculated in accordance with CIFRS and transfer the difference from retained earnings or accumulated loss account into regulatory reserve in shareholders' equity of the statement of financial position.

The regulatory reserve is not an item to be included in the calculated of the Bank's net worth.
On 16 February 2018, NBC issued Circular No. B7-018-001 clarifying on Implementation of Prakas on Credit Risk Grading and Impairment Provisioning. According to the Circular, the Bank is required to calculate the allowance for impaired facilities in accordance with regulatory provision of which facilities are classified into five classes with provision rates as follows:

2. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

2.6. MATERIAL ACCOUNTING POLICIES (continued)

2.6.13 REGULATORY RESERVES (continued)

Classifications	Number of days past due	Provision
General allowance		
Short-term facilities (one year or less):		
Normal	0-14 days	1%
Long-term facilities (more than one year):		
Normal	0-29 days	1%

Classifications	Number of days past due	Provision
Specific allowance		
Short-term facilities (one year or less):		
Special mention	15-30 days	3%
Sub-standard	31-60 days	20%
Doubtful	61-90 days	50%
Loss	91 days & above	100%
Long-term facilities (more than one year):		
Special mention	30-89 days	3%
Sub-standard	90-179 days	20%
Doubtful	180-359 days	50%
Loss	360 days & above	100%

For facility with repayment as quarterly, semi-annually or longer, such facility shall be classified as substandard if their repayments are past due from five working days.

Regulatory provision on restructured loan

On 28 December 2021, the NBC issued a new Circular, No. B7-021-2314 CL on Classification and Provisioning Requirement on Restructure Loans, which aims at phasing out the forbearance period for the existing restructured loans and phasing the classification and provisioning arrangements complying with the current regulation, Prakas No.B7-017-344 dated 1 December 2017 on Credit Risk Grading and Impairment Provisioning. In this regard, all restructured loans by 31 December 2021 shall be classified and provisioned based on the requirements under this circular. For loans that were still in the assessment period, they shall be kept at the same classification as before the restructured terms of contract.

2.6.14 INTEREST

Effective interest rate ("EIR")

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

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

When calculating the EIR for financial instruments, the Bank estimates future cash flows considering all contractual terms of the financial instrument, but not the ECL.

2. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

2.6. MATERIAL ACCOUNTING POLICIES (continued)

2.6.14 INTEREST

Effective interest rate ("EIR") (continued)

The calculation of the EIR includes all fees paid or received between parties to the contract that are an integral part of the EIR, and transactions costs. Transaction costs include incremental costs that are directly attributable to the acquisition or issue of a financial asset or financial liability.

Amortized cost and gross carrying amount

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

The "gross carrying amount of a financial asset" is the amortized cost of a financial asset before adjusting for any expected credit loss allowance.

Calculation of interest income and expense

The EIR of a financial asset or financial liability is calculated on initial recognition of a financial asset or a financial liability. In calculating interest income and expense, the EIR is applied to the gross carrying amount of the asset before adjusting for any expected credit loss allowance or to the amortized cost of the liability. The EIR is revised as a result of periodic re-estimation of cash flows of floating rate instruments to reflect movements in market rates of interest.

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

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

Presentation

Interest income calculated using the effective interest method presented in profit or loss includes interest on financial assets measured at amortized cost.

Interest expense calculated using effective interest method presented in profit or loss includes interest on financial liabilities measured at amortized cost.

2.6.15 FEE AND COMMISSION

Fee and commission income and expense include fees other than those that are an integral to the EIR on a financial asset or financial liability.

Fee and commission income, including referral fees, remittance fees, service charges and fees on deposit accounts, other fees and commissions on loans, and other fee income are recognized as the related services are performed.

Fee and commission expenses relate mainly to transaction and service fees, and are accounted as the services received.

2.6.16 EMPLOYEE BENEFITS

Short-term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognized for the amount expected to be paid if the Bank has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

2. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

2.6. MATERIAL ACCOUNTING POLICIES (continued)

2.6.17 INCOME TAX

Income tax

Income tax expense comprises current and deferred tax. It is recognized in profit or loss except to the extent that it relates to items recognized directly in equity or in OCI.

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

Deferred tax

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

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

Unrecognized deferred tax assets are reassessed at each reporting date and recognized to the extent that it has become probable that future taxable profits will be available against which they can be used.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

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

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

2.6.18 CONTINGENT LIABILITIES

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

2.6.19 CONTINGENT ASSETS

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

2.7. SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of the Bank's accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognized prospectively.

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognized in the financial statements is included in the following notes.

2. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

2.7. SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES (continued)

- Note 2.6.1 (ii): classification of financial assets: assessment of the business model within which the assets are held and assessment of whether the contractual terms of the financial asset are SPPI on the principal amount outstanding.
- Note 2.6.1 (vii): establishing the criteria for determining whether credit risk on the financial assets have increased significantly since initial recognition, determining methodology for incorporating forward-looking information into measurement of ECL and selection and approval of models used to measure ECL.

Information about assumptions and estimation uncertainties at the reporting date that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year are included in the following notes:

- Note 2.6.1 (vii): impairment of financial instruments: determination of inputs into the ECL measurement model, including key assumptions used in estimating recoverable cash flows and incorporation of forward-looking information.
- Note 2.6.1 (vi): determination of the fair value of financial instruments with significant unobservable inputs.

2.8. NEW AND AMENDED STANDARDS

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

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

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

2.9. STANDARDS AND AMENDMENTS TO CIFRSS ISSUED BUT NOT YET EFFECTIVE

The new and amended standards that are issued, but not yet effective or early adopted by the Bank, up to the date of issuance of the financial statements of the Bank are disclosed below:
Amended standards that are not expected to have material impact on the Bank:
Effective beginning on or after 1 January 2025

- Amendments to CIAS 21, Lack of exchangeability

Effective beginning on or after 1 January 2026

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

Effective beginning on or after 1 January 2027

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

Effective date deferred indefinitely

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

3. CASH ON HAND

	2024		2023	
	US$	KHR'000	US$	KHR'000
		(Note 2.5)		(Note 2.5)
Cash on hand	2,443,809	9,836,332	2,166,649	8,850,761
Cash in ATM	732,457	2,948,139	754,900	3,083,767
	3,176,266	**12,784,471**	**2,921,549**	**11,934,528**

	2024		2023	
	US$	KHR'000	US$	KHR'000
		(Note 2.5)		(Note 2.5)
US Dollars	2,634,694	10,604,644	2,269,092	9,269,241
Khmer Riel	541,572	2,179,827	652,457	2,665,287
	3,176,266	**12,784,471**	**2,921,549**	**11,934,528**

For purposes of preparing the statement of cash flows, cash and cash equivalents comprise the following:

	2024		2023	
	US$	KHR'000	US$	KHR'000
		(Note 2.5)		(Note 2.5)
Cash on hand	3,176,266	12,784,471	2,921,549	11,934,528
Balances with the NBC (Note 4)	35,854,909	144,316,009	29,620,660	121,000,396
Balances with other banks and financial institutions (Note 5)	18,878	75,984	33,285	135,969
	39,050,053	**157,176,464**	**32,575,494**	**133,070,893**

Cash and cash equivalents comprise cash on hand and balances with the NBC (current account only) and other banks and financial institutions with an original maturity of three months or less. The carrying amount of these assets is approximately equal to their fair value.

4. BALANCES WITH THE NBC

Balances with the NBC comprise:

	2024		2023	
	US$	KHR'000	US$	KHR'000
		(Note 2.5)		(Note 2.5)
Current accounts				
US$	31,025,675	124,878,342	26,594,955	108,640,391
KHR	4,829,234	19,437,667	3,025,705	12,360,005
Statutory deposits				
Reserve requirement	10,580,975	42,588,424	8,613,390	35,185,698
Capital guarantee	7,500,000	30,187,500	7,500,466	30,639,404
NCDs in US$ with original maturity of:				
3 months or less	809,994	3,260,226	1,111,182	4,539,179
More than 3 months	-	-	99,523	406,551
	54,745,878	**220,352,159**	**46,945,221**	**191,771,228**

Reserve requirement

Under NBC Prakas No. B7-023.005 dated 9 January 2023, commercial banks are required to maintain reserve requirement against deposits and borrowings at a daily average balance with NBC in accordance with the dates and rates as follows:

- From 1 January 2023 to 31 December 2023, reserve requirement in foreign currencies (i.e. currencies other than KHR) shall be at the rate of 9.00%
- From 1 January 2024 onward, reserve requirement in foreign currencies (i.e. currencies other than KHR) shall be at the rate of 12.50%

On 23 November 2023, the NBC responded a letter to the Association of Banks in Cambodia allowing commercial banks to maintain reserve requirement in foreign currencies at 7.00% until 31 December 2024.

The reserve requirement in foreign currencies will remain at rate of 7.00% until 31 December 2025 based on the NBC's announcement dated 21 August 2024.
The reserve requirement on customers' deposits and borrowings bear no interest.

Capital guarantee

Under the NBC's Prakas No. B7-01-136 dated 15 October 2001, banks are required to maintain a statutory deposit at 10.00% of registered capital with the NBC. This deposit is not available for use in the Bank's day-to-day operations but is refundable when the Bank voluntarily cease its operations in Cambodia. The capital guarantee deposit earn annual interest rate at 1.29% and 1.31% per annum for first and second semester, respectively (2023: 1.19% and 1.33% per annum)

NCDs

The Bank has pledged NCDs with the NBC as collateral against the overdraft facilities with the NBC in connection with the Fast and Secure Transfer "Fast". As at 31 December 2024, the Bank had not utilized the overdraft on settlement clearing facility yet. NCDs earn annual interest at rates at 1.00% - 1.33% (2023: 1.00%) per annum.

Interest income from balances with the NBC during the year amounted to US$ 111,974 or KHR'000 455,846 (2023: US$ 99,346 or KHR'000 408,312).

5. BALANCES WITH OTHER BANKS AND FINANCIAL INSTITUTIONS

Balances with other banks and financial institutions comprise of:

	2024		2023	
	US$	KHR'000	US$	KHR'000
		(Note 2.5)		(Note 2.5)
Current and savings accounts	18,878	75,984	33,285	135,969
Term deposits with original maturity of more than 3 months	3,044,655	12,254,737	1,017,569	4,156,770
Gross balances	**3,063,533**	**12,330,721**	**1,050,854**	**4,292,739**
Allowance for ECL	(63,109)	(254,014)	(21,648)	(88,432)
Net balances	**3,000,424**	**12,076,707**	**1,029,206**	**4,204,307**

Movements in allowance for ECL are as follows:

	2024		2023	
	US$	KHR'000	US$	KHR'000
		(Note 2.5)		(Note 2.5)
Balance as at 1 January	21,648	88,432	1,272	5,237
Provision for ECL (Note 21)	41,461	168,788	20,376	83,745
Exchange differences on translation	-	(3,206)	-	(550)
Balance as at 31 December	**63,109**	**254,014**	**21,648**	**88,432**

Annual interest rates applicable to balances with other banks and financial institutions at the year end were as follows:

	2024	2023
Current accounts	0.00%	0.00% - 0.50%
Savings accounts	0.00% - 3.25%	0.00% - 2.50%
Term deposits	6.25%	2.50% - 6.75%

Interest income from balances with other banks and financial institutions during the year amounted to US$ 1,287,932 or KHR'000 5,243,171 (2023: US$ 926,556 or KHR'000 3,808,145) (see Note 17).

6. LOANS AND ADVANCES

Loans and advances are as follows:

	2024		2023	
	US$	KHR'000	US$	KHR'000
		(Note 2.5)		(Note 2.5)
Corporate				
Fixed Loans	9,798,157	39,437,582	2,749,521	11,231,793
Individual				
Fixed loans	185,139,421	745,186,170	162,110,989	662,223,390
Housing loans	9,338,543	37,587,636	11,344,257	46,341,290
Overdrafts	1,273,890	5,127,407	4,812,388	19,658,605
Revolving credits	222,000	893,550	425,000	1,736,125
Vehicle loans	50,801	204,473	255,224	1,042,590
	205,822,812	**828,436,818**	**181,697,379**	**742,233,793**
Unamortized loan processing fees	(1,215,823)	(4,893,688)	(1,379,079)	(5,633,538)
Accrued interest receivable	5,625,034	22,640,762	2,058,009	8,406,967
Gross loans and advances	**210,232,023**	**846,183,892**	**182,376,309**	**745,007,222**
Less: Allowance for ECL	(2,855,445)	(11,493,166)	(2,016,396)	(8,236,978)
Loans and advances - net	**207,376,578**	**834,690,726**	**180,359,913**	**736,770,244**

Further analysis of loans and advances are as follows:
(i) Movements in allowance for ECL on loans and advances during the year were as follows:

	2024		2023	
	US$	KHR'000	US$	KHR'000
		(Note 5)		(Note 5)
At 1 January	2,016,396	8,236,978	120,641	496,679
Provision for ECL (Note 21)	839,049	3,415,768	1,895,755	7,791,553
Exchange differences on translation	-	(159,580)	-	(51,254)
At 31 December	**2,855,445**	**11,493,166**	**2,016,396**	**8,236,978**

(ii) Analysis of movements of the loan and advance and allowance for ECL by stage
Refer to Note 27.1 (ii) on credit quality analysis of movement of the allowance for ECL for loans advance.
(iii) Staging of the loan portfolio, including interest receivable
For additional analysis of loans and advances, refer to Note 30A.

6. LOANS AND ADVANCES (continued)

(iii) Staging of the loan portfolio, including interest receivable
For additional analysis of loans and advances, refer to Note 30A.

	2024		2023	
	US$	KHR'000	US$	KHR'000
		(Note 2.5)		(Note 2.5)
Stage 1	141,968,017	571,421,268	155,657,935	635,862,664
Stage 2	51,229,410	206,198,375	7,142,711	29,177,974
Stage 3	17,034,596	68,564,249	19,575,663	79,966,584
Total	**210,232,023**	**846,183,892**	**182,376,309**	**745,007,222**

(iv) Analysis of loan portfolios by annual interest rates range as follows:

	2024	2023
Fixed loans	5.90% - 18.00%	5.90% - 18.00%
Housing loans	7.00% - 15.00%	7.00% - 15.00%
Overdrafts	9.75% - 14.50%	9.50% - 14.50%
Revolving credits	9.00% - 9.50%	8.25% - 9.50%
Vehicle loans	12.50% - 16.00%	8.75% - 16.00%

Interest income from loans and advances during the year amounted to US$ 21,362,928 or KHR'000 86,968,480 (2023: US$ 17,223,745 or KHR'000 70,789,592) (see Note 17).

(v) Analysis of loan and advances at carrying amount by sector
Refer to Note 27.1 (iv) on concentration of credit risk of loan and advance by sector.

(vi) Analysis of loan portfolio by residency, relationship, large-exposures, and restructuring status for gross loans and advances

Refer to Note 27.1 (iv) on concentration of credit risk by residency and relationship and large-exposures and restructuring status for gross loans and advances.

(vii) Analysis of loan and advances by maturity
Refer to Note 27.2 (ii) on liquidity risk on maturity analysis.

7. PROPERTY AND EQUIPMENT

	Buildings	Leasehold improve-ment	Motor Vehicles	Computer equipment	Equipment	Furniture and fixtures	Construction in progress	Total
	US$	US$	US$	US$	US$	US$	US$	US$
Cost								
As at 1 January 2024	880,000	1,830,758	417,185	2,368,343	706,520	86,196	24,200	6,313,202
Additions	-	39,520	150,000	47,671	540	-	229,235	466,966
Transfers	-	-	-	24,200	-	-	(24,200)	-
As at 31 December 2024	**880,000**	**1,870,278**	**567,185**	**2,440,214**	**707,060**	**86,196**	**229,235**	**6,780,168**
Less: Accumulated depreciation								
As at 1 January 2024	201,783	1,477,365	346,471	1,227,002	470,990	62,397	-	3,786,008
Depreciation for the year (Note 23)	44,090	173,138	55,462	364,341	104,511	12,399	-	753,941
As at 31 December 2024	**245,873**	**1,650,503**	**401,933**	**1,591,343**	**575,501**	**74,796**	**-**	**4,539,949**
Carrying amount as at 31 December 2024	**634,127**	**219,775**	**165,252**	**848,871**	**131,559**	**11,400**	**229,235**	**2,240,219**
KHR'000 *(Note 2.5)*	**2,552,361**	**884,594**	**665,139**	**3,416,706**	**529,525**	**45,885**	**922,671**	**9,016,881**

	Buildings	Leasehold improve-ment	Motor Vehicles	Computer equipment	Equipment	Furniture and fixtures	Construction in progress	Total
	US$	US$	US$	US$	US$	US$	US$	US$
Cost								
As at 1 January 2023, as reclassified (Note 30)	880,000	1,651,648	417,185	1,881,485	617,751	77,946	-	5,526,015
Additions	-	179,110	-	486,858	88,769	8,250	24,200	787,187
As at 31 December 2023, as reclassified (Note 30)	**880,000**	**1,830,758**	**417,185**	**2,368,343**	**706,520**	**86,196**	**24,200**	**6,313,202**
Less: Accumulated depreciation								
As at 1 January 2023	157,813	1,282,153	301,160	899,450	341,903	45,537	-	3,028,016
Depreciation for the year (Note 23)	43,970	195,212	45,311	327,552	129,087	16,860	-	757,992
As at 31 December 2023	**201,783**	**1,477,365**	**346,471**	**1,227,002**	**470,990**	**62,397**	**-**	**3,786,008**
Carrying amount as at 31 December, as reclassified (Note 30)	**678,217**	**353,393**	**70,714**	**1,141,341**	**235,530**	**23,799**	**24,200**	**2,527,194**
KHR'000 *(Note 2.5)*	**2,770,516**	**1,443,610**	**288,867**	**4,662,378**	**962,140**	**97,219**	**98,857**	**10,323,587**

As at 31 December 2024, the cost fully depreciated property and equipment still in use amounted to US$ 2,708,769 or KHR'000 10,902,795
(2023: US$ 1,524,292 or KHR'000 6,226,733).

8. RIGHT-OF-USE ASSETS

	2024		2023	
	US$	KHR'000	US$	KHR'000
		(Note 2.5)		(Note 2.5)
Buildings				
Cost				
As at 1 January	2,851,747	11,649,386	2,987,375	12,299,023
Additions	1,615,225	6,575,581	-	-
Remeasurement	306,041	1,245,893	317,613	1,305,389
Expirations	-	-	(453,241)	(1,862,821)
Exchange differences on translation	-	(259,483)	-	(92,205)
As at 31 December	**4,773,013**	**19,211,377**	**2,851,747**	**11,649,386**
Less: Accumulated depreciation				
As at 1 January	1,609,141	6,573,340	1,614,498	6,646,888
Depreciation for the year (Note 23)	487,606	1,985,044	447,884	1,840,803
Expirations	-	-	(453,241)	(1,862,821)
Exchange differences on translation	-	(118,978)	-	(51,530)
As at 31 December	**2,096,747**	**8,439,406**	**1,609,141**	**6,573,340**
Carrying amount as at 31 December	**2,676,266**	**10,771,971**	**1,242,606**	**5,076,046**

9. INTANGIBLE ASSETS

	Software and licenses	Software in progress	Total
	US$	US$	US$
Cost			
As at 1 January 2024	1,624,651	-	1,624,651
Additions	4,950	80,961	85,911
As at 31 December 2024	**1,629,601**	**80,961**	**1,710,562**
Less: Accumulated amortization			
As at 1 January 2024	885,368	-	885,368
Amortization for the year (Note 23)	293,317	-	293,317
As at 31 December 2024	1,178,685	-	1,178,685
Carrying amount as at 31 December 2024	450,916	80,961	531,877
KHR'000 (Note 2.5)	1,814,937	325,868	2,140,805

9. INTANGIBLE ASSETS (continued)

	Software and licenses	Software in progress	Total
	US$	US$	US$
Cost			
As at 1 January 2023	1,412,139	45,767	1,457,906
Additions	166,745	-	166,745
Transfer	45,767	(45,767)	-
Aa at 31 December 2023	**1,624,651**	**-**	**1,624,651**
Less: Accumulated amortization			
As at 1 January 2023	610,732	-	610,732
Amortization for the year (Note 23)	274,636	-	274,636
As at 31 December 2023	**885,368**	**-**	**885,368**
Carrying amount as at 31 December 2023	**739,283**	**-**	**739,283**
KHR'000 (Note 2.5)	**3,019,971**	**-**	**3,019,971**

10. OTHER ASSETS

	2024		2023	
	US$	KHR'000	US$	KHR'000
		(Note 2.5)		(Note 2.5)
			(As reclassified – Note 30)	
Deposits for real estate acquisition (*)	6,743,055	27,140,797	6,743,055	27,545,380
Prepayments	708,659	2,852,352	390,897	1,596,813
Income tax credit (Note 11.2)	370,360	1,490,699	173,775	709,871
Deposits	121,867	490,515	215,016	878,341
Office supplies	154,144	620,430	91,132	372,274
Other receivables	63,987	257,548	26,582	108,587
	8,162,072	**32,852,341**	**7,640,457**	**31,211,266**

(*) Deposits for real estate acquisition pertains to pre-selling units acquired awaiting delivery. The Bank intends to use this as its future head office.

11. INCOME TAX

11.1. INCOME TAX EXPENSE

In accordance with Cambodian Law on Taxation, the Bank has an obligation to pay corporate income tax of either the tax on income at the rate of 20.00% of taxable income or the minimum tax at 1.00% of annual turnover, whichever is higher.

On 15 January 2025, the Bank received the certificate of proper accounting records from the GDT for the tax years 2023 and 2024, exempting the Bank from paying minimum tax.

11. INCOME TAX (continued)

11.1. INCOME TAX EXPENSE (continued)

	2024		2023	
	US$	KHR'000	US$	KHR'000
		(Note 2.5)		(Note 2.5)
Adjustment in respect of current income tax of prior years	-	-	(78,879)	(324,193)
Deferred tax	741,106	3,017,043	235,028	965,965
Income tax expense	**741,106**	**3,017,043**	**156,149**	**641,772**

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

	2024		2023	
	US$	KHR'000	US$	KHR'000
		(Note 2.5)		(Note 2.5)
Profit before income tax	3,417,522	13,912,732	477,566	1,962,797
Income tax using statutory tax rate at 20%	683,504	2,782,546	95,513	392,559
Non-deductible expense	57,602	234,497	139,515	573,406
Adjustment in respect of current income tax of prior years	-	-	(78,879)	(324,193)
Income tax expense	741,106	3,017,043	156,149	641,772

The calculation of taxable income is subject to the final review and approval of the tax authorities.

11.2. INCOME TAX CREDIT

	2024		2023	
	US$	KHR'000	US$	KHR'000
		(Note 2.5)		(Note 2.5)
As at 1 January	173,775	709,871	-	-
Prepayments during the year (*)	196,585	800,298	173,775	714,215
Exchange differences on translation	-	(19,470)	-	(4,344)
As at 31 December *(Note 10)*	**370,360**	**1,490,699**	**173,775**	**709,871**

(*) Income tax paid in 2023 amounting to US$ 569,761 or KHR'000 2,341,718 includes settlement of income tax payable of US$ 395,986 or KHR'000 1,627,503.

11. INCOME TAX (continued)

11.3. DEFERRED TAX (LIABILITIES) ASSETS

The movements of deferred tax (liabilities) assets during the year are attributable to:

	Expected credit loss allowance	Accelerated depreciation and amortisation	Right-of-use assets	Lease liabilities	Unearned Interest income	Unrealized exchange loss	Unamortized processing fee	Current tax loss carried forward	Total
	US$	US$	US$	US$	US$	US$	US$	US$	US$
As at 1 January 2024	(635,781)	78,792	(248,521)	270,094	(197,280)	21,254	275,816	540,319	104,693
Recognized in profit or loss	(1,604,514)	86,013	(286,732)	287,763	(146,565)	(21,254)	(32,651)	976,834	(741,106)
As at 31 December 2023	**(2,240,295)**	**164,805**	**(535,253)**	**557,857**	**(343,845)**	**-**	**243,165**	**1,517,153**	**(636,413)**
KHR'000 (Note 2.5)	**(9,017,187)**	**663,340**	**(2,154,393)**	**2,245,374**	**(1,383,976)**	**-**	**978,738**	**6,106,542**	**(2,561,562)**
At 31 December 2023	(7,863)	37,338	(274,575)	297,031	-	25,861	261,929	-	339,721
Recognized in profit or loss	(627,918)	41,454	26,054	(26,937)	(197,280)	(4,607)	13,887	540,319	(235,028)
As at 31 December 2023	**(635,781)**	**78,792**	**(248,521)**	**270,094**	**(197,280)**	**21,254**	**275,816**	**540,319**	**104,693**
KHR'000 (Note 2.5)	**(2,597,165)**	**321,865**	**(1,015,208)**	**1,103,334**	**(805,889)**	**86,823**	**1,126,708**	**2,207,203**	**427,671**

Tax loss carried forward

Detail of the unused tax losses as at 31 December 2024 are as follow:

Original year	Can be utilized up to	Tax loss amount	Utilized	Forfeited	Unutilized as at 31 December 2024
		US$	KHR'000	US$	KHR'000
2023	2028	3,015,396	-	-	3,015,396
2024	2029	4,570,370	-	-	4,702,370
Total		**7,585,766**	**-**	**-**	**7,585,766**
In KHR'000 (Note 2.5)		**30,532,708**	**-**	**-**	**30,532,708**

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

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

Tax loss is subject to assessment by GDT and may not be utilized due to the criteria mentioned above.

12. DEPOSITS FROM FINANCIAL INSTITUTIONS AND CUSTOMERS

Deposits from financial institutions and customers comprise of:

	2024		2023	
	US$	KHR'000	US$	KHR'000
		(Note 2.5)		(Note 2.5)
Current accounts	3,760,394	15,135,586	3,345,961	13,668,250
Savings accounts	9,100,969	36,631,400	6,371,454	26,027,390
Installment deposits	185,664	747,298	195,973	800,550
Term deposits	175,478,474	706,300,858	150,032,213	612,881,590
	188,525,501	**758,815,142**	**159,945,601**	**653,377,780**

Deposits from financial institutions and customers are analysed as follows:

(i) By maturity:

	2024		2023	
	US$	KHR'000	US$	KHR'000
		(Note 2.5)		(Note 2.5)
Within 1 month	32,331,511	130,134,332	15,063,531	61,534,524
> 1 to 3 months	10,387,470	41,809,567	13,657,427	55,790,589
> 3 to 12 months	94,479,516	380,280,052	99,620,614	406,950,208
> 1 to 5 years	44,441,071	178,875,311	23,736,290	96,962,745
Over 5 years	6,885,933	27,715,880	7,867,739	32,139,714
	188,525,501	**758,815,142**	**159,945,601**	**653,377,780**

(ii) By relationship:

	2024		2023	
	US$	KHR'000	US$	KHR'000
		(Note 2.5)		(Note 2.5)
Related parties (Note 25.1)	328,801	1,323,424	187,193	764,683
Others	188,196,700	757,491,718	159,758,408	652,613,097
	188,525,501	**758,815,142**	**159,945,601**	**653,377,780**

12. DEPOSITS FROM FINANCIAL INSTITUTIONS AND CUSTOMERS (continued)

(iii) By customer type:

	2024		2023	
	US$	KHR'000	US$	KHR'000
		(Note 2.5)		(Note 2.5)
Financial institutions	36,119,356	145,380,408	38,063,218	155,488,246
Customers:				
Individual	107,110,115	431,118,213	87,336,781	356,770,750
Corporate	45,296,030	182,316,521	34,545,602	141,118,784
	152,406,145	613,434,734	121,882,383	497,889,534
	188,525,501	**758,815,142**	**159,945,601**	**653,377,780**

(iv) By interest per annum:

	2024	2023
Current accounts	0.00% - 0.75%	0.00% - 0.75%
Savings accounts	0.75% - 4.25%	0.75% - 4.25%
Installment deposits	5.75% - 7.00%	5.50% - 7.00%
Term deposits	1.85% - 9.00%	1.50% - 9.00%

Interest expense from deposits from financial institutions and customers during the year amounted to US$ 11,146,025 or KHR'000 45,375,468 (2023: US$ 8,955,728 or KHR'000 36,808,042) (see Note 18).

13. SUBORDINATED DEBTS

The subordinated debts has the following terms:

Lender	Relationship	Annual Interest rate	Start date	Maturity
		5.00%	22 December 2020	21 December 2025
Chief Financial (Group)		5.00%	25 July 2024	15 December 2029
Cambodia Limited	Shareholder	13.00%	29 November 2024	15 December 2029

On 24 December 2020, the Bank obtained an approval from the NBC allowing the subordinated debt to be included in Tier II capital for the purpose of Net Worth calculation.

On 14 August 2024 and 3 December 2024, the Bank obtained approvals from the NBC allowing the subordinated debts to be included in Tier II capital for the purpose of Net Worth calculation.

13. SUBORDINATED DEBTS (continued)

Gross carrying amount of the subordinated debts comprise of:

	2024		2023	
	US$	KHR'000	US$	KHR'000
		(Note 2.5)		(Note 2.5)
Principal	6,200,000	24,955,000	1,200,000	4,902,000
Accrual interest	72,689	292,573	53,862	220,026
	6,272,689	**25,247,573**	**1,253,862**	**5,122,026**

The movements of subordinated debts during the year were as follows:

	2024		2023	
	US$	KHR'000	US$	KHR'000
		(Note 2.5)		(Note 2.5)
At 1 January	1,253,862	5,122,026	1,202,262	4,949,713
Addition	5,000,000	20,355,000	-	-
Interest expense (Note 18)	141,912	577,724	60,000	246,600
Interest paid	(123,085)	(501,079)	(8,400)	(34,524)
Exchange differences on translation	-	(306,098)	-	(39,763)
At 31 December	**6,272,689**	**25,247,573**	**1,253,862**	**5,122,026**

14. LEASE LIABILITIES

	2024		2023	
	US$	KHR'000	US$	KHR'000
		(Note 2.5)		(Note 2.5)
Maturity analysis:				
Contractual undiscounted cash flows				
Less than one year	646,204	2,600,971	552,876	2,258,498
More than five years	1,674,478	6,739,774	916,682	3,744,646
	1,062,000	4,274,550	-	-
Total undiscounted lease liabilities	**3,382,682**	**13,615,295**	**1,469,558**	**6,003,144**
Less: Unwinding interest	(593,396)	(2,388,419)	(119,087)	(486,470)
Total present value of lease liabilities	**2,789,286**	**11,226,876**	**1,350,471**	**5,516,674**
Present value of lease liabilities:				
Current	**2,017,467**	**8,120,305**	**492,416**	**2,011,519**
Non-current	**771,819**	**3,106,571**	**858,055**	**3,505,155**
	2,789,286	**11,226,876**	**1,350,471**	**5,516,674**

14. LEASE LIABILITIES (continued)

The movements of lease liabilities during the year are as follows:

	2024		2023	
	US$	KHR'000	US$	KHR'000
		(Note 2.5)		(Note 2.5)
As at 1 January	1,350,471	5,516,674	1,485,154	6,114,379
Addition	1,615,225	6,575,581	-	-
Remeasurement	306,041	1,245,893	317,613	1,305,389
Interest expense (Note 18)	70,426	286,704	74,737	307,169
Payments of principal portion	(482,451)	(1,964,058)	(452,296)	(1,858,937)
Payments of interest portion	(70,426)	(286,704)	(74,737)	(307,169)
Exchange differences on translation	-	(433,918)	-	(44,157)
As at 31 December	**2,789,286**	**11,226,876**	**1,350,471**	**5,516,674**

Amounts recognized in profit or loss related to leases are as follows:

	2024		2023	
	US$	KHR'000	US$	KHR'000
		(Note 2.5)		(Note 2.5)
Depreciation on right-of-use assets (Note 8)	487,606	1,985,044	447,884	1,840,803
Interest on lease liabilities	70,426	286,704	74,737	307,169
Expenses relating to short-term leases and leases of low-value assets (Note 24)	157,706	642,021	170,230	699,645
	715,738	**2,913,769**	**692,851**	**2,847,617**

15. OTHER LIABILITIES

	2024		2023	
	US$	KHR'000	US$	KHR'000
		(Note 2.5)		(Note 2.5)
Accrued bonuses and salaries	2,070	8,332	2,034	8,309
Withholding tax payables	47,446	190,970	35,066	143,245
Other tax payables	47,279	190,298	42,620	174,103
Others (*)	74,051	298,057	22,014	89,927
	170,846	**687,657**	**101,734**	**415,584**

16. SHARE CAPITAL AND REGULATORY RESERVES

16.1. Share capital

The Bank's registered, authorized, issued and outstanding share capital is US$ 75,000,000 (equivalent to KHR 300 billion) with par value of US$ 1 per share.

	2024			2023		
Shareholder	Number of shares	%	Amount US$	Number of shares	%	Amount US$
Chief Financial Group (Cambodia) Limited	75,000,000	100	75,000,000	75,000,000	100	75,000,000

There were no changes in the shareholder and the shareholding structure of the Bank during the financial year.

16.2. Regulatory reserves

Regulatory reserves represented the variance between the expected credit loss on financial instruments in accordance with CIFRS 9 and the regulatory provision in accordance with the National Bank of Cambodia.

As at 31 December 2024, the Bank transferred from retained earnings to regulatory reserves of US$ 10,622,912 or KHR'000 43,290,656 (2023: US$ 3,444,511 or KHR'000 14,014,304).

	Balances with other banks and financial institutions	Loans and advances	Off-balance sheet items	Total
	US$	US$	US$	US$
31 December 2024				
Allowance per NBC	30,126	18,732,957	260	18,763,344
Allowance per CIFRS 9	63,109	2,855,371	74	2,918,554
Regulatory reserves (A)	**(32,983)**	**15,877,586**	**186**	**15,844,790**
31 December 2023				
Allowance per NBC	10,248	7,237,780	894	7,248,902
Allowance per CIFRS 9	21,648	2,016,094	302	2,038,044
Regulatory reserves (B)	**(11,400)**	**5,221,686**	**592**	**5,210,878**
Transfer from retained earnings to regulatory reserves (A - B)				**10,633,912**
In KHR'000 (Note 2.5)				**43,290,656**

17. INTEREST INCOME

Interest income arises from:

	2024		2023	
	US$	KHR'000	US$	KHR'000
		(Note 2.5)		(Note 2.5)
			(As reclassified – Note 30)	
Loans and advances (Note 6)	21,362,928	86,968,480	17,223,745	70,789,592
Balances with other banks and financial institutions (Note 5)	1,287,932	5,243,171	926,556	3,808,145
Balances with the NBC (Note 4)	111,974	455,846	99,346	408,312
	22,762,834	**92,667,497**	**18,249,647**	**75,006,049**

18 . INTEREST EXPENSE

Interest expense arises from:

	2024		2023	
	US$	KHR'000	US$	KHR'000
		(Note 2.5)		(Note 2.5)
Deposits from financial institutions and customers (Note 12)	11,146,025	45,375,468	8,955,728	36,808,042
Subordinated debts (Note 13)	141,912	577,724	60,000	246,600
Lease liabilities (Note 14)	70,426	286,704	74,737	307,169
	11,358,363	**46,239,896**	**9,090,465**	**37,361,811**

19 .NET FEE AND COMMISSION INCOME (EXPENSE)

Details of net fees and commission income (expense) are as follows:

	2024		2023	
	US$	KHR'000	US$	KHR'000
		(Note 2.5)		(Note 2.5)
Fee and commission income:	12,152	49,471	8,245	33,887
Service charges and fees				
Fee and commission expense:				
Bank charges	8,014	32,625	33,550	137,891
Net fee and commission income (expense)	**4,138**	**16,846**	**(25,305)**	**(104,004)**

20. OTHER INCOME

Other income arises from:

	2024		2023	
	US$	KHR'000	US$	KHR'000
		(Note 2.5)		(Note 2.5)
			(As reclassified – Note 30)	
Net foreign exchange gain	357,058	1,453,583	55,019	226,128
Others	5,891	23,982	2,569	10,559
	362,949	**1,477,565**	**57,588**	**236,687**

21. PROVISION FOR EXPECTED CREDIT LOSSES

Provision for ECL comprise of the following:

	2024		2023	
	US$	KHR'000	US$	KHR'000
		(Note 2.5)		(Note 2.5)
Loans and advances (Note 6)	839,049	3,415,768	1,895,755	7,791,553
Balances with other banks and financial institutions (Note 5)	41,461	168,788	20,376	83,745
	880,510	**3,584,556**	**1,916,131**	**7,875,298**

22. PERSONNEL EXPENSES

Personnel expenses comprise of:

	2024		2023	
	US$	KHR'000	US$	KHR'000
		(Note 2.5)		(Note 2.5)
Salaries and bonuses	2,460,740	10,017,673	2,446,926	10,056,866
Seniority payments	109,777	446,902	110,276	453,234
Others	120,839	491,935	119,578	491,466
	2,691,356	**10,956,510**	**2,676,780**	**11,001,566**

23. DEPRECIATION AND AMORTIZATION

Depreciation and amortization comprise of:

	2024		2023	
	US$	KHR'000	US$	KHR'000
		(Note 2.5)		(Note 2.5)
Property and equipment (Note 7)	753,941	3,069,294	757,992	3,115,347
Right-of-use assets (Note 8)	487,606	1,985,044	447,884	1,840,803
Intangible assets (Note 9)	293,317	1,194,093	274,636	1,128,754
	1,534,864	**6,248,431**	**1,480,512**	**6,084,904**

24. OTHER OPERATING EXPENSES

Other operating expenses comprise of:

	2024		2023	
	US$	KHR'000	US$	KHR'000
		(Note2.5)		(Note 2.5)
Professional fees (*)	1,107,160	4,507,248	572,732	2,353,929
License fee, patent and other taxes	1,097,685	4,468,676	813,100	3,341,841
Marketing and advertising	239,426	974,703	189,435	778,577
Leases of low-value assets (Note 14)	157,706	642,021	170,230	699,645
Utilities entertainment	151,300	615,942	143,455	589,600
Communication	128,927	524,862	125,591	516,179
Business meal and entertainment	118,844	483,814	170,283	699,863
Charitable donation	68,212	277,691	219,056	900,320
Office supplies and non-capitalized purchases	48,100	195,815	64,608	265,539
Repairs and maintenance	40,652	165,494	40,370	165,921
Security	5,894	23,994	8,370	34,401
Others (**)	83,400	339,523	123,246	506,541
	3,247,306	**13,219,783**	**2,640,476**	**10,852,356**

(*) Professional fees include audit service fees amounting to US$ 74,327 or KHR'000 302,585 for the year ended 31 December 2024.

(**) Others mainly include traveling, accommodation, insurance, and other miscellaneous expenses.

25. OTHER OPERATING EXPENSES

25.1 Balances with related parties

Significant transactions and balances with related parties are as follows:

Related party	Relationship
Chief Financial Group (Cambodia) Limited	Ultimate Holding Company
Chief Securities Limited	Related Company
Key management personnel	The key managements are those persons having the authority and responsibility for planning, directing and controlling the activities of the Bank either directly or indirectly. The key management personnel of the Bank include all Directors of the Bank and members of senior management of the Bank.

25. OTHER OPERATING EXPENSES (continued)

25.1 Balances with related parties

Significant transactions and balances with related parties are as follows:

A. Balances with related parties

Related party	Nature of transactions/ balances	2024		2023	
		US$	KHR'000	US$	KHR'000
			(Note 2.5)		(Note 2.5)
Chief Financial Group (Cambodia) Limited	**Subordinated debts (Note 13)**	6,272,689	25,247,573	1,253,862	5,122,026
Key management	Deposits (Note 12.ii)	328,801	1,323,424	187,193	764,683
	Loans and advances (Note 27.1)	154,842	623,239	448,324	1,831,403

25.2 Transactions with related parties

Related party	Nature of transactions/balances	2024		2023	
		US$	KHR'000	US$	KHR'000
			(Note 2.5)		(Note 2.5)
Chief Financial Group (Cambodia) Limited	License fee	72,000	293112	72,000	295,920
	Interest paid (Note 13)	123,085	501,079	8,400	34,524
	Interest expense on subordinated debt (Note 13)	141,912	577,724	60,000	246,600
	Expense paid by/on behalf of the Bank	9,452	38,479	34,417	141,454
Chief Securities Limited	Management fee	314,400	1,279,922	255,936	1,051,897
	Expense paid by/on behalf of the Bank	-	-	48,182	198,028
Key management	Interest income from loan	24,597	100,134	38,536	158,383
	Compensation	196,304	799,152	342,001	1,405,624
	Rental expense	120,000	488,520	120,000	493,200
	Interest Expense on deposit	11,882	48,372	8,340	34,277

26. COMMITMENTS AND CONTINGENCIES

26.1 Operation

In the normal course of business, the Bank makes various commitments and incurs certain contingencies with legal recourse to its customers. No material losses are anticipated from these transactions as management believe the below instruments on which credit risk has not increase significantly, which consist of:
(*) The amount excluded the period that Chief Real Estate Development (Cambodia) Limited was no longer a related party due to the change in its shareholder to a third party effective from October 2023.

	2024		2023	
	US$	KHR'000	US$	KHR'000
		(Note 2.5)		(Note 2.5)
Unused overdraft	**26,048**	**104,843**	**87,352**	**356,833**

26.2 Tax contingencies

Taxes are subject to review and investigation by a number of authorities, who are enabled by law to impose severe fines, penalties and interest charges. The application of tax laws and regulations to many types of transactions are susceptible to varying interpretations.

These facts may create tax risks in Cambodia substantially more significant than in other countries. Management believes that it has adequately provided or tax liabilities based on its interpretation of tax legislation. However, the relevant authorities may have different interpretations and the effects could be significant.

27. FINANCIAL RISK MANAGEMENT

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

- credit risk;
- market risk;
- liquidity risk; and
- capital management

Taking risk is core to the financial business, and the operational risks are an inevitable consequence of being in business. The Bank does not use derivative financial instruments such as foreign exchange contract and interest rate swaps to manage its risk exposures.

27. FINANCIAL RISK MANAGEMENT (continued)

Categories of financial instruments

The Bank holds the following financial assets and liabilities, which measured at amortized cost, at the end of the reporting periods

	2024		2023	
	US$	KHR'000	US$	KHR'000
		(Note 2.5)		(Note 2.5)
Financial assets				
Cash on hand	3,176,266	12,784,471	2,921,549	11,934,528
Balances with the NBC (*)	36,664,903	147,576,235	30,831,365	125,946,126
Balances with other banks and financial institutions	3,000,424	12,076,707	1,029,206	4,204,307
Loans and advances	207,376,578	834,690,726	180,359,913	736,770,244
Other assets (**)	185,854	748,063	241,598	986,928
Total financial assets	**250,404,025**	**1,007,876,202**	**215,383,631**	**879,842,133**
Financial liabilities				
Deposits from financial institutions and customers	188,525,501	758,815,142	159,945,601	653,377,780
Subordinated debts	6,272,689	25,247,573	1,253,862	5,122,026
Lease liabilities	2,789,286	11,226,876	1,350,471	5,516,674
Other liabilities (***)	76,121	306,387	24,048	98,236
Total financial liabilities	**197,663,597**	**795,595,978**	**162,573,982**	**664,114,716**
Net financial assets	**52,740,428**	**212,280,224**	**52,809,649**	**215,727,417**

(*) Balances with the NBC do not include statutory deposits.
(**) Other assets do not include prepayment, office supplies, deposits for real estate acquisition and income tax credit.
(***) Other liabilities do not include taxes payables which are not considered financial liabilities.

27.1. Credit risk

"Credit risk" is the risk of suffering financial loss, should any of the Bank's customers, clients or market counterparties fail to fulfil their contractual obligations to the Bank. Credit risk arises from deposits and placements with NBC and other bank, loans and advances, other financial assets at amortized cost, and credit commitments. For risk management reporting purposes, the Bank considers and consolidates all element of credit risk exposure – e.g. individual obligor default risk, country and sector risk. Credit risk is the potential loss of revenue and principle losses arising mainly from loans and advances and loan commitments as a result of default by the borrowers or counterparties through its lending activities.

27. FINANCIAL RISK MANAGEMENT (continued)

27.1. Credit risk (continued)

(i) Credit risk management

The Bank's credit committee is responsible for managing the Bank's credit risk by:

- Ensuring that the Bank has appropriate credit risk practices, including an effective system of internal control, to consistently determine adequate allowances in accordance with the Bank's stated policies and procedures, CIFRSs and relevant supervisory guidance.
- Identifying, assessing and measuring credit risk across the Bank, from an individual instrument to a portfolio level.
- Creating credit policies to protect the Bank against the identified risks including the requirements to obtain collateral from borrowers, to perform robust ongoing credit assessment of borrowers and to continually monitor exposures against internal risk limits.
- Limiting concentrations of exposure by type of asset, counterparties, industry, credit rating, geographic location etc.
- Establishing a robust control framework regarding the authorization structure for the approval and renewal of credit facilities.
- Developing and maintaining the Bank's risk grading to categorise exposures according to the degree of risk of default. Risk grades are subject to regular reviews.
- Developing and maintaining the Bank's processes for measuring ECL including monitoring of credit risk, incorporation of forward-looking information and the method used to measure ECL.
- Ensuring that the Bank has policies and procedures in place to appropriately maintain and validate models used to assess and measure ECL.
- Establishing a sound credit risk accounting assessment and measurement process that provides it with a strong basis for common systems, tools and data to assess credit risk and to account for ECL. Providing advice, guidance and specialist skills to business units to promote best practice throughout the Bank in the management of credit risk.
- The internal audit function performs regular audits making sure that the established controls and procedures are adequately designed and implemented.

(ii) Credit quality analysis

The following table sets out information about the credit quality of financial assets measured at amortized cost. It also set out information about the overdue status of Loans and advances in Stage 1, 2 and 3. Unless specifically indicated, for financial assets, the amounts in the table represent gross carrying amounts. The Bank assesses cash on hand and balance with the NBC and other assets have no risk of suffering financial loss and not included in credit quality analysis.

27. FINANCIAL RISK MANAGEMENT (continued)
27.1. Credit risk (continued)

(ii) Credit quality analysis (continued)

	2024			
	Stage 1	Stage 2	Stage 3	Total
	US$	US$	US$	US$
Balances with other banks and financial institutions:				
Normal	3,063,533	-	-	3,063,533
Less: allowance for ECL	(63,109)	-	-	(63,109)
Carrying amounts-net	**3,000,424**	**-**	**-**	**3,000,424**
KHR'000 (Note 2.5)	**12,076,707**	**-**	**-**	**12,076,707**
Loans and advances:				
Normal	141,968,017	47,205,248	-	189,173,265
Special mention	-	4,024,162	-	4,024,162
Sub-standard	-	-	73,736	73,736
Doubtful	-	-	510,213	510,213
Loss	-	-	16,450,647	16,450,647
	141,968,017	51,229,410	17,034,596	210,232,023
Less: allowance for ECL	(108,532)	(11,839)	(2,735,074)	(2,855,445)
Carrying amounts-net	**141,859,485**	**51,217,571**	**14,299,522**	**207,376,578**
KHR'000 *(Note 2.5)*	**570,984,427**	**206,150,723**	**57,555,576**	**834,690,726**

	2023			
	Stage 1	Stage 2	Stage 3	Total
	US$	US$	US$	US$
Balances with other banks and financial institutions:				
Normal	1,050,854	-	-	1,050,854
Less: allowance for ECL	(21,648)	-	-	(21,648)
Carrying amounts-net	**1,029,206**	**-**	**-**	**1,029,206**
KHR'000 (Note 2.5)	**4,204,307**	**-**	**-**	**4,204,307**
Loans and advances:				
Normal	155,657,935	-	-	155,657,935
Special mention	-	7,142,711	-	7,142,711
Sub-standard	-	-	14,695,385	14,695,385
Doubtful	-	-	4,035,552	4,035,552
Loss	-	-	844,726	844,726
	155,657,935	7,142,711	19,575,663	182,376,309
Less: allowance for ECL	(265,774)	(79,707)	(1,670,915)	(2,016,396)
Carrying amounts-net	**155,392,161**	**7,063,004**	**17,904,748**	**180,359,913**
KHR'000 *(Note 2.5)*	**634,776,978**	**28,852,371**	**73,140,895**	**736,770,244**

27. FINANCIAL RISK MANAGEMENT (continued)

27.1. Credit risk (continued)

(ii) Credit quality analysis (continued)

The tables below analyse the movement of the allowance for ECL during the year for loans and advances carried at amortized cost:

	2024			
	Stage 1	Stage 2	Stage 3	Total
	US$	US$	US$	US$
As at 1 January	265,774	79,707	1,670,915	2,016,396
Change in the expected credit loss				
- Transfer to stage 1	4,644	(4,644)	-	-
- Transfer to stage 2	(100,887)	100,887	-	-
- Transfer to stage 3	(10,843)	(362,218)	373,061	-
New financial assets originated	77,516	3,390	4,833	85,739
Net remeasurement of ECL allowance and other movements	(127,672)	194,717	686,265	753,310
As at 31 December	108,532	11,839	2,735,074	2,855,445
KHR'000 (Note 2.5)	436,841	47,652	11,008,673	11,493,166

	2023			
	Stage 1	Stage 2	Stage 3	Total
	US$	US$	US$	US$
As at 1 January	84,904	5,365	30,372	120,641
Change in the expected credit loss				
- Transfer to stage 2	(31,328)	31,328	-	-
- Transfer to stage 3	(958,936)	-	958,936	-
New financial assets originated	258,900	45,179	484,456	788,535
Net remeasurement of allowance for ECL and other movements	912,234	(2,165)	197,151	1,107,220
As at 31 December	**265,774**	**79,707**	**1,670,915**	**2,016,396**
KHR'000 (Note 2.5)	1,085,687	325,603	6,825,688	8,236,978

27. FINANCIAL RISK MANAGEMENT (continued)

27.1. Credit risk (continued)

(ii) Credit quality analysis (continued)

The tables below analyse the movement of Loans and advances carried at amortized cost:

	2024			
	Stage 1	Stage 2	Stage 3	
	US$	US$	US$	US$
As at 1 January	155,657,935	7,142,711	19,575,663	182,376,309
Change in gross carrying amounts				
Transfer to stage 1	447,070	(447,070)	-	-
Transfer to stage 2	(35,006,769)	35,006,769	-	-
Transfer to stage 3	(3,103,219)	(362,218)	3,465,437	-
New financial assets originated	86,686,303	14,339,423	18,556	101,044,282
Net movements	(62,713,303)	(4,450,205)	(6,025,060)	(73,188,568)
As at 31 December	141,968,017	51,229,410	17,034,596	210,232,023
KHR'000 (Note 2.5)	571,421,268	206,198,375	68,564,249	846,183,892

	2023			
	Stage 1	Stage 2	Stage 3	Total
	US$	US$	US$	US$
As at 1 January	160,992,533	3,364,252	708,339	165,065,124
Change in gross carrying amounts				
Transfer to stage 2	(2,911,082)	2,911,082	-	-
Transfer to stage 3	(12,894,316)	-	12,894,316	-
New financial assets originated	97,646,421	4,070,509	5,681,604	107,398,534
Net movements	(87,175,621)	(3,203,132)	291,404	(90,087,349)
As at 31 December	155,657,935	7,142,711	19,575,663	182,376,309
KHR'000 (Note 2.5)	635,862,664	29,177,974	79,966,584	745,007,222

27. FINANCIAL RISK MANAGEMENT (continued)

27.1. Credit risk (continued)

(iii) Amounts arising from ECL

(a) Inputs, assumptions and techniques used for estimating impairment

The Bank recognize loss allowances for ECL on the following financial instruments that are not measured at FVTPL:

- balances with other banks and financial institutions; and
- loans and advances.

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

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

The Bank does not apply the low credit risk exemption to any other financial instruments.

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

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

Credit-impaired financial assets

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

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

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

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

27. FINANCIAL RISK MANAGEMENT (continued)
27.1. Credit risk (continued)

(iii) Amounts arising from ECL

(a) Inputs, assumptions and techniques used for estimating impairment (continued)
Credit-impaired financial assets (continued)

Credit-impaired Loans and advances are graded as substandard, doubtful and loss in the Bank's internal credit risk grading system.

Credit risk grades

The Bank allocates each exposure to a credit risk grade based on the prudential definition of NBC which applies the number of days past due as the grading criteria. The grades are:

1. Normal
2. Special mention
3. Sub-standard
4. Doubtful
5. Loss

Exposures are subject to ongoing monitoring, which may result in an exposure being moved to a different credit risk grade. The monitoring typically involves the use of following data:

- Past repayment history;
- Financial conditions of counterparty;
- Business prospective and cash projection;
- Ability and willingness to pay;
- Economic environment; and
- Quality of documentation.

i) Significant increase in credit risk

The Bank considers the significant increase in credit risk into two stages as below:

Significant increases in credit risk in Stage 2

The change in levels of credit risk over the expected life of a financial instrument is assessed by comparing credit risk at each reporting date with the associated instrument's credit risk at initial recognition. The Bank use 30 DPD as a backstop and applies the rebuttable assumption that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 30 DPD.
Moreover, The Bank have also considered qualitative factors including:

- 30 DPD as backstop for long-term loans and 15 DPD for short-term loans (counting from 30 DPD upward for long-term and from 15 DPD for short-term loans);
- Use of quantitative indicators (change in PD at reporting date from the origination date);
- Change in cumulative residual unbiased PD;
- Change in unbiased 12-month PD comparing origination unbiased 12-month PD expected at the reporting date with the current 12-month PD at reporting use of qualitative indicators defined; or
- Restructured loans with special mentioned classification (loans which are restructured and classified as special mention will be changed from Stage 1 to Stage 2).

27. FINANCIAL RISK MANAGEMENT (continued)

27.1. Credit risk (continued)

(iii) Amounts arising from ECL

(a) Inputs, assumptions and techniques used for estimating impairment (continued)

Credit-impaired financial assets (continued)

Credit risk grades (continued)

i) Significant increase in credit risk (continued)

Significant increases in credit risk in Stage 3

A financial instrument that has been credit-impaired since origination or purchase is automatically classified as a Stage 3 financial instrument. Evidence that a financial asset is credit-impaired includes observable data related to the following events:

- Significant financial difficulty of the issuer or the borrower;
- A breach of contract, such as a default or past due event;
- It is becoming probable that the borrower will enter bankruptcy or other financial reorganization;
- The disappearance of an active market for the financial asset because of financial difficulties for example debtor's business status, debtor during litigation process, frequency of entering debt restructuring etc.;
- Fraudulent debtors;
- Partially NPL sales or partially write off;
- Deceased; and
- Trouble debt restructuring (DTR) unsuccessful.

The Bank also applies 90 DPD as a backstop in moving a facility from Stage 2 to Stage 3 and consider a facility as credit-impaired. Moreover, loans which are restructured and classified as substandard, doubtful or loss will be changed from Stage 2 to Stage 3.
changed from Stage 2 to Stage 3.

ii) Definition of default

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

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

(iii) Incorporation of forward-looking information

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

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

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

27. FINANCIAL RISK MANAGEMENT (continued)
27.1. Credit risk (continued)

(iii) Amounts arising from ECL

(a) Inputs, assumptions and techniques used for estimating impairment (continued)

Credit-impaired financial assets (continued)

Credit risk grades (continued)

(iv) Modified financial assets

The Bank renegotiates Loans and advances in financial difficulties (referred to as restructure activities) to maximize collection opportunities and minimise the risk of default. Under the Bank's restructure policy, loan is granted on a selective basis if the debtor is currently in default on its debt or if there is a high risk of default, there is evidence that the debtor made all reasonable efforts to pay under the original contractual terms and the debtor is expected to be able to meet the revised terms. The revised terms usually include extending the maturity, changing the timing of interest payments and amending the terms of loan covenants.

For financial assets modified as part of the Bank's restructure policy, the estimate of PD reflects whether the modification has improved or restored the Bank's ability to collect interest and principal and the Bank's previous experience. As part of this process, the Bank evaluate the borrower's payment performance against the modified contractual terms and considers various behavioural indicators.

Generally, restructure is a qualitative indicator of a significant increase in credit risk and an expectation of restructure may constitute evidence that an exposure is credit-impaired. A customer needs to demonstrate consistently good payment behaviour over a period of time before the exposure is no longer considered to be credit-impaired/in default or the PD is considered to have decreased such that the loss allowance reverts to being measured at an amount equal to Stage 1.

(v) Measurement of ECL

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

- Financial assets that are not credit-impaired at the reporting date: as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the Bank in accordance with the contract and the cash flows that the Bank expect to receive);
- Financial assets that are credit-impaired at the reporting date: as the difference between the gross carrying amount and the present value of estimated future cash flows.

The Bank calculate the ECL by taking the gross carrying amount of financial assets multiplying by the consolidated probability of default (PD) ratio of each stage with risk adjustment factors.

- Expected credit loss, ECL is the present value of all cash shortfalls over the remaining life, discounted at the EIR. For each year throughout the financial instrument's life, a forward- looking PD, LGD and EAD are estimated. The estimates are multiplied with each other to estimate the losses for each of the years. Then the estimates are discounted back to the reporting date using the EIR as the discount rate.
- The Bank used the SME retail and mortgage loan as modelled portfolio to leverage on because they shared several characteristics in common. They all are term loans with predetermined maturity date and stipulated repayment schedule of both principal and interest.

27. FINANCIAL RISK MANAGEMENT (continued)

27.1. Credit risk (continued)

(iii) Amounts arising from ECL

(b) Allowance for ECL

This table summarizes the Allowance for ECL as of year end by class of exposure/assets.

	2024		2023	
	US$	KHR'000	US$	KHR'000
		(Note 2.5)		(Note 2.5)
Allowance for ECL on:				
Loans and advances	2,855,445	11,493,166	2,016,396	8,236,978
Balance with other banks and financial institutions	63,109	254,014	21,648	88,432
	2,918,554	**11,747,180**	**2,038,044**	**8,325,410**

Under the Bank's monitoring procedures, a significant increase in credit risk is identified before the exposure has defaulted, and at the latest when the exposure becomes 30 days past due. This is the case mainly for loans and advances. The table below provides an analysis of the gross carrying amount of loans and advances by past due status.

	2024		2023	
	Gross carrying amount	ECL allowance	Gross carrying amount	ECL allowance
	US$	US$	US$	US$
Loans and advances more than one year (A)				
0 – 29 days	154,335,886	131,902	122,631,242	392,295
30 – 89 days	476,112	21,586	7,106,328	76,258
90 – 179 days	61,957	28,164	14,695,385	1,096,631
180 – 359 days	3,258,545	350,145	4,035,246	286,170
More than 359 days	13,280,046	2,289,012	747,584	52,469
	171,412,546	**2,820,809**	**149,215,785**	**1,903,823**
In KHR'000 equivalents (Note 5)	**689,935,498**	**11,353,756**	**609,546,482**	**7,777,117**

27. FINANCIAL RISK MANAGEMENT (continued)

27.1. Credit risk (continued)

(iii) Amounts arising from ECL (continued)

(b) Allowance for ECL (continued)

	2024		2023	
	Gross carrying amount	ECL allowance	Gross carrying amount	ECL allowance
	US$	US$	US$	US$
Loans and advances less than one year (B)				
0 – 14 days	38,670,268	9,179	33,026,693	104,202
15 – 30 days	-	-	36,383	249
31 – 60 days	3,352	1,525	-	-
61 – 90 days	-	-	306	31
More than 90 days	145,857	23,932	97,142	8,091
	38,819,477	34,636	33,160,524	112,573
KHR'000 (Note 2.5)	156,248,394	139,410	135,460,740	459,861
Total A + B	210,232,023	2,855,445	182,376,309	2,016,396
KHR'000 (Note 2.5)	846,183,892	11,493,166	745,007,222	8,236,978

(iv) Concentration of credit risk

The Bank monitors concentrations of credit risk, at carrying amount of financial assets, by sectors as follows:

	Cash on hand	Balances with the NBC	Balances with other banks and financial institutions	Loans and advances	Other assets	Total
	US$	US$	US$	US$	US$	US$
As at 31 December 2024						
Real estate	-	-	-	85,646,497	-	85,646,497
Financial institutions	3,176,266	36,664,903	3,000,424	-	-	42,841,593
Personal lending	-	-	-	30,800,085	-	30,800,085
Retail trade	-	-	-	22,620,606	-	22,620,606
Rental and operational leasing activities	-	-	-	16,296,860	-	16,296,860
Hotels and restaurants	-	-	-	13,059,423	-	13,059,423
Wholesale trade	-	-	-	11,603,746	-	11,603,746
Agriculture	-	-	-	5,134,205	-	5,134,205
Construction	-	-	-	2,551,060	-	2,551,060
Transport and storage	-	-	-	508,318	-	508,318
Others	-	-	-	19,155,778	185,854	19,341,632
Total	3,176,266	36,664,903	3,000,424	207,376,578	185,854	250,404,025
KHR'000 (Note 2.5)	12,784,471	147,576,235	12,076,707	834,690,726	748,063	1,007,876,202

27. FINANCIAL RISK MANAGEMENT (continued)

27.1. Credit risk (continued)

(iv) Concentration of credit risk (continued)

The Bank monitors concentrations of credit risk, at carrying amount of financial assets, by sectors as follows: (continued)

	Cash on hand	Balances with the NBC	Balances with other banks and financial institutions	Loans and advances	Other assets	Total
	US$	US$	US$	US$	US$	US$
As at 31 December 2023						
Real estate	-	-	-	80,835,993	-	80,835,993
Financial institutions	2,921,549	30,831,365	1,029,206	-	-	34,782,120
Personal lending	-	-	-	24,499,902	-	24,499,902
Retail trade	-	-	-	10,034,652	-	10,034,652
Rental and operational leasing activities	-	-	-	1,686,113	-	1,686,113
Hotels and restaurants	-	-	-	10,445,707	-	10,445,707
Wholesale trade	-	-	-	9,867,060	-	9,867,060
Agriculture	-	-	-	5,328,942	-	5,328,942
Construction	-	-	-	1,130,092	-	1,130,092
Transport and storage	-	-	-	538,557	-	538,557
Others	-	-	-	35,992,895	241,598	36,234,493
Total	**2,921,549**	**30,831,365**	**1,029,206**	**180,359,913**	**241,598**	**215,383,631**
KHR'000 (Note 2.5)	**11,934,528**	**125,946,126**	**4,204,307**	**736,770,244**	**986,928**	**879,842,133**

27. FINANCIAL RISK MANAGEMENT (continued)

27.1. Credit risk (continued)

(iv) Concentration of credit risk (continued)

Concentration risk by residency and relationship and large-exposures and restructuring status for gross loans and advances:

	2024		2023	
	US$	KHR'000	US$	KHR'000
		(Note 2.5)		(Note 2.5)
By residency status:				
Residents	210,232,023	846,183,892	182,376,309	745,007,222
Non-residents	-	-	-	-
	210,232,023	**846,183,892**	**182,376,309**	**745,007,222**
By relationship:				
External customers	206,187,722	829,905,579	177,461,232	740,962,921
Staffs	3,889,459	15,655,074	4,466,753	2,212,898
Key management (Note 25.1)	154,842	623,239	448,324	1,831,403
	210,232,023	**846,183,892**	**182,376,309**	**745,007,222**
By exposure:				
Large exposures (*)	-	-	-	-
Non-large exposures	210,232,023	846,183,892	182,376,309	745,007,222
	210,232,023	**846,183,892**	**182,376,309**	**745,007,222**
By restructuring status:				
Restructured loan (**)	77,521,262	312,023,081	8,674,724	35,436,246
Normal	132,710,761	534,160,811	173,701,585	709,570,976
	210,232,023	**846,183,892**	**182,376,309**	**745,007,222**
By maturity:				
Within 1 month	12,814,348	51,577,751	3,761,921	15,367,448
> 1 to 3 months	34,533,280	138,996,452	306,499	1,252,047
> 3 to 12 months	56,694,873	228,196,864	49,087,269	200,521,494
> 1 to 5 years	86,635,510	348,707,927	10,458,022	42,721,020
Over 5 years	19,554,012	78,704,898	118,762,598	485,145,213
	210,232,023	**846,183,892**	**182,376,309**	**745,007,222**

(*) A "large exposure" is defined under the NBC's Prakas as the overall gross exposure of the aggregate balance of loans and advances with one single beneficiary, which exceeds 10.00% of the Bank's net worth. The exposure is the higher of the outstanding loans or commitments and the authorized loans or commitments.

(**) A "restructured loan" is a loan that original contractual terms have been modified to provide for concessions for the borrowers for reasons related to real temporary financial difficulties. For the regulatory provision on restructured loan refer to Note 2.6.12.

27. FINANCIAL RISK MANAGEMENT (continued)

27.1. Credit risk (continued)

(v) Credit risk measurement

The Bank has established the Core Credit Risk Policy which is designed to govern the Bank's risk undertaking activities. Extension of credit is governed by credit programs which set out the plan for a particular product or portfolio, including the target market, terms and conditions, documentation and procedures under which a credit product will be offered and measured.

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

(vi) Risk limit control and mitigation policies

The Bank operates and provides loans to individuals or enterprises within the Kingdom of Cambodia. The Bank manages limits and controls concentration of credit risk whenever they are identified. Large exposure is defined by the NBC as overall credit exposure to any individual beneficiary which exceeds 10.00% of the Bank's net worth. The Bank is required, under the conditions of Prakas No. B7-06-226 of the NBC, to maintain at all times a maximum ratio of 20.00% between the Bank's overall credit exposure to any individual beneficiary and the Bank's net worth. The aggregation of large credit exposure must not exceed 300.00% of the Bank's net worth.

The Bank employs a range of policies and practices to mitigate credit risk. The most tradition of these is the taking of security in the form of collateral for Loans and advances, which is common practice. The Bank implements guidelines on the acceptability of specific classes of collateral or credit risk mitigation. The principal collateral types to secure for Loans and advances is mortgage over residential properties (land, buildings and other properties).

(vii) Impairment

The Bank's impairment methodology for assets carried at amortized costs comprises:

- Specific impairment losses for individually significant or specifically identified exposures
- Collective impairment of individually not significant exposures

Specific impairment losses for individually significant or specifically identified exposures

For financial assets carried at amortized cost (such as amounts due from banks and Loans and advances), the Bank first assesses whether objective evidence of impairment exists for financial assets that are individually significant or are already under specific work out by management.

It is the Bank's policy to regularly monitor its loan portfolio. Impairment indicators include: internal rating of the borrower indicating default or near-default, the borrower requesting emergency funding from the Bank; the borrower having past due liabilities to public creditors or employees; a material decrease in the underlying collateral value where the sale of the financed asset is required to repay the loan; a material decrease in the borrower's turnover or the loss of a major customer; a material decrease in estimated future cash flows; any material facility at the debtor level falling beyond 90 past due; a covenant breach not waived by the Bank; the debtor (or any legal entity within the debtor's group) filing for bankruptcy application/protection and/or debtor's listed debt or equity suspended at the primary exchange because of rumours or facts about financial difficulties.

27. FINANCIAL RISK MANAGEMENT (continued)

27.1. Credit risk (continued)

(vii) Impairment (continued)

Specific impairment losses for individually significant or specifically identified exposures (continued)

If there is objective evidence that an impairment loss has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not yet been incurred). The carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognized in credit loss expense in the profit or loss. Interest income continues to be accrued on the reduced carrying amount and is accrued using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss. The interest income is recorded as part of interest and similar income.

Loans together with the associated allowances are written off when there is no realistic prospect of future recovery and all collateral has been realized or has been transferred to the Bank. If, in a subsequent year, the amount of the estimated impairment loss increases or decreases because of an event occurring after the impairment was recognized, the previously recognized impairment loss is increased or reduced (but only up to the extent of the carrying amount had the impairment not been recognized) by adjusting the allowance account. If a future write–off is later recovered, the recovery is credited to the "credit loss expense".

The present value of the estimated future cash flows is discounted by the financial asset's original EIR. The calculation of the present value of the estimated future cash flows of a collateralised financial asset reflects the cash flows that may result from foreclosure, less costs for obtaining and selling the collateral, whether or not foreclosure is probable.

Collective impairment model – Individually not significant exposures

These portfolios are reclassified into different segmentations with similar credit risk characteristics, using the source of income as key criteria and using the simple average of Probability of Default (PD) and Loss Given Default (LGD) for the latest period since October 2013 (date of incorporation). Generally, the impairment trigger used within these portfolios is when they reach a pre-defined delinquency level (e.g., the borrower falls 90 days past due with its contractual payments (capital or interest)).

Future cash flows on a group of financial assets that are collectively evaluated for impairment are estimated on the basis of historical loss experience for assets with credit risk characteristics similar to those in the group. Historical loss experience is adjusted on the basis of current observable data to reflect the effects of current conditions on which the historical loss experience is based and to remove the effects of conditions in the historical period that do not currently exist.

Estimates of changes in future cash flows reflect and are directionally consistent with changes in related observable data from period to period (such as changes in unemployment rates, personal indebtedness, collateral values including property prices for mortgages, commodity prices, payment status or other factors that are indicative of incurred losses in the group and their magnitude). The methodology and assumptions used for estimating future cash flows are reviewed regularly to reduce any differences between loss estimates and actual loss experience.

27. FINANCIAL RISK MANAGEMENT (continued)

27.1. Credit risk (continued)

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

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

	Maximum credit exposure	Maximum credit exposure	Fully subject to collateral/credit enhancement	Partially subject to collateral/ credit enhancement	Unsecured and not subject to collateral/ credit enhancement
	US$	KHR'000	%	%	%
		(Note 2.5)			
31 December 2024					
On balance sheet items					
Cash on hand	3,176,266	12,784,471	0.00%	0.00%	100.00%
Balances with other banks and financial institutions	36,664,903	147,576,235	0.00%	0.00%	100.00%
Balances with NBC (*)	3,000,424	12,076,707	0.00%	0.00%	100.00%
Loans and advances	207,376,578	834,690,726	96.63%	0.00%	3.37%
Other assets (**)	185,854	748,063	0.00%	0.00%	100.00%
	250,404,025	**1,007,876,202**			
Off-Balance sheet items					
Commitments	26,048	104,843	0.00%	0.00%	100.00%

Balances with the NBC do not include capital guarantee and reserve requirement.

(**) Other assets only consist of security deposits refundable in cash, and other receivables which excluded the prepayment, office supplies, and prepayment of tax on income.

27. FINANCIAL RISK MANAGEMENT (continued)

27.1. Credit risk (continued)

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

	Maximum credit exposure	Maximum credit exposure	Fully subject to collateral/credit enhancement	Partially subject to collateral/ credit enhancement	Unsecured and not subject to collateral/ credit enhancement
	US$	KHR'000	%	%	%
		(Note 2.5)			
31 December 2023					
On balance sheet items					
Cash on hand	2,921,549	11,934,528	0.00%	0.00%	100.00%
Balances with other banks and financial institutions	30,831,365	125,946,126	0.00%	0.00%	100.00%
Balances with NBC (*)	1,029,206	4,204,307	0.00%	0.00%	100.00%
Loans and advances	180,359,913	736,770,244	97.45%	0.00%	2.55%
Other assets (**)	241,598	986,928	0.00%	0.00%	100.00%
	215,383,631	**879,842,133**			
Off-Balance sheet items					
Commitments	87,352	356,833	100.00%	0.00%	100.00%

(*) Balances with the NBC do not include capital guarantee and reserve requirement.
(**) Other assets only consist of security deposits refundable in cash, and other receivables which excluded the prepayment, office supplies and prepayment of tax on income.

27. FINANCIAL RISK MANAGEMENT (continued)

27.1. Credit risk (continued)

(ix) Repossessed collateral

During the year, the Bank did not obtain assets by taking possession of collateral held as security.

Repossessed properties have to be sold within one year as required by the NBC. Repossessed property is classified in the statement of financial position as foreclosed properties, if any.

27.2. Liquidity risk

Liquidity risk refer to risk which the institution cannot meet the obligation or cannot settle debt obligation or settle position in the specific economic and financial situation and market situation. Liquidity risk arises from mismatches in the timing and amounts of cash flows, which is inherent to the Bank's operations and investments.

(i) Liquidity risk management

The Bank established a comprehensive policy and control framework for managing liquidity risk. The Bank's Asset and Liability Management Committee (ALCO) is responsible for managing the Bank's liquidity risk via a combination of policy formation, review and governance, analysis, stress testing, limit setting and monitoring. In order to effectively manage liquidity risk the Bank:

- maintains a portfolio of highly liquid assets, diversified by currency and maturity;
- ensures that there is diversity in its funding base consisting of customer deposits (both retail and corporate) and wholesale market deposits and maintaining contingency facilities;
- monitors the behavioural characteristics of financial assets and liabilities;
- monitors liquidity reports analysing the expected maturity profile of assets and liabilities;
- establishes early warning indicators of potential liquidity stress events and ensures that there are assets available to be used as collateral if needed;
- performs regular stress tests of the Bank's liquidity position against various exposures and global, country-specific and Bank-specific events; and
- maintains a contingency funding plan designed to provide a framework where a liquidity stress could be effectively managed.

The Bank Treasury function executes the Bank's liquidity and funding strategy in co-operation with other business units of the Bank. The Bank's liquidity and funding strategy is determined in accordance with relevant local regulatory requirements. The Bank's foreign operations determine a local liquidity strategy which needs to be in line with both local regulatory framework and the Bank's central policy.

There are daily controls in place to define and monitor compliance with the Bank's liquidity risk appetite. The principal metric used is the result of the Bank's liquidity stress testing, supplemented by the results of key regulatory ratios including the Liquidity Coverage Ratio (which measures the ratio of high quality liquid assets to outflows in an extreme 30 days stress scenario) and the Net Stable Funding Ratio (which seeks to promote a sustainable maturity structure of funding balances).

Regular liquidity stress testing is conducted under a variety of scenarios covering both normal and more severe market conditions. The scenarios are developed taking into account both Bank-specific events (e.g. a rating downgrade) and market-related events (e.g. prolonged market illiquidity, reduced fungibility of currencies, natural disasters or other catastrophes). Moreover, stress scenarios may be based on past events (historical scenario) observed within the own institution, or more commonly, on crisis situations witnessed by other institutions of similar size, business model and regional footprint. Often, the Bank also combines crisis elements from various historical situations to develop a hypothetical but plausible crisis scenario that might be more relevant to their current business model and exposure profile.

27. FINANCIAL RISK MANAGEMENT (continued)

27.2. Liquidity risk (continued)

(ii) Maturity analysis for financial liabilities and financial assets

The table below summarizes the Bank's exposure to liquidity risk. The table indicates the periods in which the financial instruments reprice or mature, whichever is earlier.

	Carrying amount	Gross nominal Inflow/ (outflow)	Up to 1 month	> 1 – 3 months	> 3 – 12 months	> 1 – 5 years	Over 5 years	No maturity
31 December 2024	US$	US$	US$	US$	US$	US$	US$	US$
Financial assets								
Cash on hand	3,176,266	3,176,266	-	-	-	-	-	3,176,266
Balances with the NBC	36,664,903	36,664,903	-	809,994	-	-	-	35,854,909
Balances with other banks and financial institutions	3,000,424	3,063,533	-	-	3,044,655	-	-	18,878
Loans and advances	207,376,578	339,284,835	2,179,499	10,768,816	41,976,296	127,790,021	156,570,203	-
Other assets	185,854	185,854	-	-	-	-	-	185,854
Total financial assets	**250,404,025**	**382,375,391**	**2,179,499**	**11,578,810**	**45,020,951**	**127,790,021**	**156,570,203**	**39,235,907**
Financial liabilities								
Deposits from financial institutions and customers	188,525,501	206,213,155	19,776,512	10,779,004	100,545,333	51,104,080	11,146,863	12,861,363
Subordinated debts	6,272,689	7,188,118	41,541	79,062	1,764,103	5,303,412	-	-
Lease liabilities	2,789,286	3,382,682	46,073	110,146	489,985	1,674,478	1,062,000	-
Other liabilities	76,121	76,121	-	-	-	-	-	76,121
Total financial liabilities	**197,663,597**	**216,860,076**	**19,864,126**	**10,968,212**	**102,799,421**	**58,081,970**	**12,208,863**	**12,937,484**
Total maturity gap	**52,740,428**	**165,515,315**	**(17,684,627)**	**610,598**	**(57,778,470)**	**69,708,051**	**144,361,340**	**26,298,423**
KHR'000 (Note 2.5)	**212,280,223**	**666,199,143**	**(71,180,624)**	**2,457,657**	**(232,558,342)**	**280,574,905**	**581,054,394**	**105,851,153**

27. FINANCIAL RISK MANAGEMENT (continued)

27.2. Liquidity risk (continued)

(ii) Maturity analysis for financial liabilities and financial assets

The table below summarizes the Bank's exposure to liquidity risk. The table indicates the periods in which the financial instruments reprice or mature, whichever is earlier.

	Carrying amount	Gross nominal Inflow/ (outflow)	Up to 1 month	> 1 – 3 months	> 3 – 12 months	> 1 – 5 years	Over 5 years	No maturity
31 December 2023	US$	US$	US$	US$	US$	US$	US$	US$
Financial assets								
Cash on hand	2,921,549	2,921,549	-	-	-	-	-	2,921,549
Balances with the NBC	30,831,365	30,831,365	29,620,660	-	1,210,705	-	-	-
Balances with other banks and financial institutions	1,029,206	1,050,854	32,599	-	1,018,255	-	-	-
Loans and advances	180,359,913	264,839,621	2,593,537	7,576,242	66,230,061	96,803,429	91,636,352	-
Other assets	241,598	241,598	-	-	-	-	-	241,598
Total financial assets	**215,383,631**	**299,884,987**	**32,246,796**	**7,576,242**	**68,459,021**	**96,803,429**	**91,636,352**	**3,163,147**
Financial liabilities								
Deposits from financial institutions and customers	159,945,601	174,897,277	5,476,411	14,016,816	105,845,822	27,371,082	12,469,731	9,717,415
Subordinated debts	1,253,862	1,317,386	5,095	9,836	444,208	858,247	-	-
Lease liabilities	1,350,471	1,469,558	46,073	92,146	414,657	916,682	-	-
Other liabilities	24,048	24,048	-	-	-	-	-	24,048
Total financial liabilities	**162,573,982**	**177,708,269**	**5,527,579**	**14,118,798**	**106,704,687**	**29,146,011**	**12,469,731**	**9,741,463**
Total maturity gap	**52,809,649**	**122,176,718**	**26,719,217**	**(6,542,556)**	**(38,245,666)**	**67,657,418**	**79,166,621**	**(6,578,316)**
KHR'000 (Note 2.5)	**215,727,416**	**499,091,893**	**109,148,001**	**(26,726,341)**	**(156,233,546)**	**276,380,553**	**323,395,647**	**(26,872,421)**

27. FINANCIAL RISK MANAGEMENT (continued)

27.2. Liquidity risk (continued)

(iii) Liquidity reserves

The following table sets out the components of the Bank's liquidity reserves.

	31 December 2024	31 December 2023
	US$	US$
Cash on hand	3,176,266	2,921,549
Balances with the NBC (*)	36,664,903	30,831,365
Balances with other banks and financial institutions	3,000,424	1,029,206
Total liquidity reserves	42,841,593	34,782,120
KHR'000 (Note 2.5)	172,437,412	142,084,960

(*) The balance with the NBC statutory deposits is not include in liquidity reserves.

27.3. Market risk

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

(i) Market risk management

Overall authority for market risk is vested in Risk Management Committee (RMC) at Board level and Assets and Liabilities Management Committee (ALCO) at management level. RMC sets up limits for each type of risk in aggregate and for portfolios (all portfolios are non-trading). The Risk and Compliance Department is responsible for the development of detailed risk management policies (subject to review by RMC and approval by Board of Directors). Treasury function implement and manage the day-to-day market risk in the daily operation.

a) Interest rate risk

The principal risk to which non-trading portfolios are exposed is the risk of loss from fluctuations in the future cash flows or fair values of financial instruments or economic value of equity of the Bank because of a change in market interest rates. Interest rate risk is managed principally through monitoring interest rate gaps and by having pre-approved limits for repricing bands. ALCO is the monitoring body for compliance with these limits and is assisted by Treasury Department in its day- to-day monitoring activities. These day-to-day activities include monitoring changes in the Bank's interest rate exposures, which include the impact of the Bank's outstanding or forecast debt obligations.

RMC and ALCO is responsible for setting the overall hedging strategy of the Bank. Treasury is responsible for implementing that strategy by putting in place the individual hedge arrangements.

The following is a summary of the Bank's interest rate gap position. The interest rate repricing gap table analyses the full-term structure of interest rate mismatches within the Bank's statement of financial position at its carrying amount based on either (i) the next repricing date or (ii) the maturity date if floating rate.

27. FINANCIAL RISK MANAGEMENT (continued)
27.3. Market risk (continued)

(i) Market risk management

a) Interest rate risk (continued)

	Carrying amount	Up to 1 month	> 1 - 3 months	> 3 - 12 months	> 1 - 5 years	Over 5 years	Non-interest bearing
		US$	US$	US$	US$	US$	US$
31 December 2024							
Financial assets							
Cash on hand	3,176,266	-	-	-	-	-	3,176,266
Balances with the NBC	36,664,903	-	809,994	-	-	-	35,854,909
Balances with other banks and financial institutions	3,000,424	-	-	2,981,546	-	-	18,878
Loans and advances	207,376,578	12,811,919	34,475,618	56,385,588	84,500,096	19,203,357	-
Other assets	185,854	-	-	-	-	-	185,854
Total financial assets	250,404,025	12,811,919	35,285,612	59,367,134	84,500,096	19,203,357	39,235,907
Financial liabilities							
Deposits from financial institutions and customers	188,525,501	19,776,512	10,779,004	100,545,333	51,104,080	11,146,863	12,861,363
Subordinated debts	6,272,689	41,541	79,062	1,764,103	5,303,412	-	-
Lease liabilities	2,789,286	46,073	110,146	489,985	1,674,478	1,062,000	-
Other liabilities	76,121	-	-	-	-	-	76,121
Total financial liabilities	**197,663,597**	**19,864,126**	**10,968,212**	**102,799,421**	**58,081,970**	**12,208,863**	**12,937,484**
Total interest sensitivity gap	**52,740,428**	**(7,052,207)**	**24,317,400**	**(43,432,287)**	**26,418,126**	**6,994,494**	**26,298,423**
KHR'000 (Note 2.5)	**212,280,223**	**(28,385,133)**	**97,877,535**	**(174,814,955)**	**106,332,957**	**28,152,838**	**105,851,153**

27. FINANCIAL RISK MANAGEMENT (continued)

27.3. Market risk (continued)

(i) Market risk management (continued)

a) Interest rate risk (continued)

	Carrying amount	Up to 1 month	> 1 - 3 months	> 3 - 12 months	> 1 - 5 years	Over 5 years	Non-interest bearing
		US$	US$	US$	US$	US$	US$
31 December 2023							
Financial assets							
Cash on hand	2,921,549	-	-	-	-	-	2,921,549
Balances with the NBC	30,831,365	-	-	1,210,705	-	-	29,620,660
Balances with other banks and financial institutions	1,029,206	-	-	996,607	-	-	32,599
Loans and advances	180,359,913	5,368,456	298,256	48,696,665	9,994,784	116,001,752	-
Other assets	241,598	-	-	-	-	-	241,598
Total financial assets	**215,383,631**	**5,368,456**	**298,256**	**50,903,977**	**9,994,784**	**116,001,752**	**32,816,406**
Financial liabilities							
Deposits from financial institutions and customers	159,945,601	5,346,116	13,657,427	99,620,614	23,736,290	7,867,739	9,717,415
Subordinated debts	1,253,862	-	-	-	1,253,862	-	-
Lease liabilities	1,350,471	40,051	80,605	371,760	858,055	-	-
Other liabilities	24,048	-	-	-	-	-	24,048
Total financial liabilities	**162,573,982**	**5,386,167**	**13,738,032**	**99,992,374**	**25,848,207**	**7,867,739**	**9,741,463**
Total interest sensitivity gap	**52,809,649**	**(17,711)**	**(13,439,776)**	**(49,088,397)**	**(15,853,423)**	**108,134,013**	**23,074,943**
KHR'000 *(Note 2.5)*	**215,727,416**	**(72,349)**	**(54,901,485)**	**(200,526,102)**	**(64,761,233)**	**441,727,443**	**94,261,142**

27. FINANCIAL RISK MANAGEMENT (continued)
27.3. Market risk (continued)

(i) Market risk management (continued)
b) Foreign exchange risk

The Bank operates in the Kingdom of Cambodia and transacts in many currencies, and is exposed to various currency risks, primarily with respect to Khmer Riel, United Stated Dollar and Hong Kong Dollar.
Foreign exchange risk arises from future commercial transactions and recognized assets and liabilities denominated in a currency that is not the Bank's functional currency.

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

	Denomination US$ equivalents		
	KHR	US$	Total
31 December 2024			
Financial assets			
Cash on hand	541,572	2,634,694	3,176,266
Balances with the NBC	4,878,958	31,785,945	36,664,903
Balances with other banks and financial institutions	988,827	2,011,597	3,000,424
Loans and advances	23,132,566	184,244,012	207,376,578
Other assets	962	184,892	185,854
	29,542,885	**220,861,140**	**250,404,025**
Financial liabilities			
Deposits from financial institutions and customers	14,115,530	174,409,971	188,525,501
Subordinated debts	-	6,272,689	6,272,689
Lease liabilities	-	2,789,286	2,789,286
Other liabilities	9,214	66,907	76,121
	14,124,744	**183,538,853**	**197,663,597**
Net asset position	**15,418,141**	**37,322,287**	**52,740,428**
KHR'000 (Note 2.5)	**62,058,018**	**150,222,205**	**212,280,223**

27. FINANCIAL RISK MANAGEMENT (continued)

27.3. Market risk (continued)

(i) Market risk management (continued)

b) Foreign exchange risk (continued)

Concentration of currency risk (continued)

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

	Denomination US$ equivalents		
	KHR	US$	Total
31 December 2023			
Financial assets			
Cash on hand	652,457	2,269,092	2,921,549
Balances with the NBC	3,074,871	27,756,494	30,831,365
Balances with other banks and financial institutions	5,220	1,023,986	1,029,206
Loans and advances	21,135,889	159,224,024	180,359,913
Other assets	1,047	240,551	241,598
	24,869,484	**190,514,147**	**215,383,631**
Financial liabilities			
Deposits from financial institutions and customers	7,071,869	152,873,732	159,945,601
Subordinated debts	-	1,253,862	1,253,862
Lease liabilities	-	1,350,471	1,350,471
Other liabilities	8,256	15,792	24,048
	7,080,125	155,493,857	162,573,982
Net asset position	**17,789,359**	**35,020,290**	**52,809,649**
KHR'000 *(Note 2.5)*	**72,669,532**	**143,057,885**	**215,727,417**

Sensitivity analysis

Considering that other risk variables remain constant, the foreign currency revaluation sensitivity for the Bank as at reporting date is summarized as follows:

	2024		**2023**	
	- 1% Depreciation	+ 1% Appreciation	- 1% Depreciation	+ 1% Appreciation
	US$	US$	US$	US$
Khmer Riel	155,739	(152,655)	179,690	(176,132)
KHR'000 *(Note 2.5)*	**626,850**	**(614,435)**	**734,034**	**(719,499)**

27. FINANCIAL RISK MANAGEMENT (continued)

27.4 Operational risk management

'Operational risk' is the risk of direct or indirect loss arising from a wide variety of causes associated with the Bank's processes, personnel, technology and infrastructure, and from external factors other than credit, market and liquidity risks – e.g. those arising from legal and regulatory requirements and generally accepted standards of corporate behaviour. Operational risks arise from all of the Bank's operations.

The Bank's objective is to manage operational risk so as to balance the avoidance of financial losses and damage to the Bank's reputation with overall cost effectiveness and innovation. In all cases, Bank's policy requires compliance with all applicable legal and regulatory requirements.

Risk and Compliance Department is responsible for the development and implementation of controls to address operational risk. This responsibility is supported by the development of overall Bank standards for the management of operational risk in the following areas:

- requirements for appropriate segregation of duties, including the independent authorization of transactions;
- requirements for the reconciliation and monitoring of transactions;
- compliance with regulatory and other legal requirements;
- documentation of controls and procedures;
- requirements for the periodic assessment of operational risks faced, and the adequacy of controls and procedures to address the risks identified;
- requirements for the reporting of operational losses and proposed remedial action;
- development of contingency plans;
- training and professional development;
- information technology and cyber risks; and
- risk mitigation, including insurance where this is cost-effective.

27.5 Capital risk

Capital risk is the risk that the Bank has insufficient capital resources to meet the minimum regulatory requirements to support its credit rating and to support its growth and strategic options.

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

The Bank's lead regulator, the NBC, sets and monitors capital requirements for the Bank as a whole.

Capital risk management

Capital risk is measured and monitored using limits set calculated in accordance with NBC's requirements.

On 22 February 2018, the NBC issued a Prakas on Capital Buffer in Banking and Financial Institutions. According to Article 22 of this Prakas, the institution shall comply with the provisions related to the capital conservation buffer at least 50.00% of the conservation buffer by 1 January 2019 and fully comply by 1 January 2020.

On 7 March 2018, the NBC issued a circular on the implementation of Prakas on Capital Buffer in Banking and Financial Institutions, which determines the countercyclical capital buffer at a level of 0.00% until a new announcement is released.

27. FINANCIAL RISK MANAGEMENT (continued)

27.5 Capital risk (continued)

Capital risk management (continued)

On 25 June 2020, the NBC further issued an additional circular on the implementation of Prakas on Capital Buffer in Banking and Financial Institutions to introduce the additional implementation information of the Prakas. There are no updates to revoke the determination of the countercyclical capital buffer at level of 0.00% up to date of this report.

(i) Regulatory capital

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

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

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

The below table summarizes the composition of the regulatory capital:

	2024		2023	
	US$	KHR'000	US$	KHR'000
		(Note 2.5)		(Note 2.5)
Tier 1 capital				
Share capital	75,000,000	300,000,000	75,000,000	300,000,000
Retained earnings	(10,006,361)	(40,275,603)	306,134	1,250,557
Audited net profit for the financial year	2,676,416	10,895,689	321,417	1,321,025
Less: intangible assets	(531,877)	(2,140,805)	(739,283)	(3,019,971)
Less: loans to related parties	(154,842)	(623,239)	(448,324)	(1,831,403)
	66,983,336	**267,856,042**	**74,439,944**	**297,720,208**
Tier 2 complementary capital				
General provision	4,612,668	18,565,989	1,572,520	6,423,744
Subordinated debts approved by the National Bank of Cambodia	6,200,000	24,955,000	1,200,000	4,902,000
	10,812,668	**43,520,989**	**2,772,520**	**11,325,744**

27. FINANCIAL RISK MANAGEMENT (continued)

27.5 Capital risk (continued)

(ii) Capital allocation

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

28. MATURITY PROFILE OF ASSETS AND LIABILITIES

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

	31 December 2024			31 December 2023		
	Within one year	Beyond one year	Total	Within one year	Beyond one year	Total
	US$	US$	US$	US$	US$	US$
Financial assets						
Cash on hand	3,176,266	-	3,176,266	2,921,549	-	2,921,549
Balances with the NBC	36,664,903	18,080,975	54,745,878	30,831,365	16,113,856	46,945,221
Balances with other banks and financial institutions	3,063,533	-	3,063,533	1,050,854	-	1,050,854
Loans and advances	36,373,653	175,074,193	211,447,846	51,906,865	131,848,523	183,755,388
Other assets	185,854	-	185,854	241,598	-	241,598
	79,464,209	**193,155,168**	**272,619,377**	**86,952,231**	**147,962,379**	**234,914,610**
Non-financial assets						
Other assets	7,976,218	-	7,976,218	7,398,859	-	7,398,859
Property and equipment	-	6,780,168	6,780,168	-	6,313,202	6,313,202
Right-of-use assets	-	4,773,013	4,773,013	-	2,851,747	2,851,747
Intangible assets	-	1,710,562	1,710,562	-	1,624,651	1,624,651
Deferred tax assets	-	-	-	-	104,693	104,693
	7,976,218	**13,263,743**	**21,239,961**	**7,398,859**	**10,894,293**	**18,293,152**
Unamortized loan processing fees	-	-	(1,215,823)	-	-	(1,379,079)
Allowance for ECL	-	-	(2,918,554)	-	-	(2,038,044)
Accumulated depreciation and amortization	-	-	(7,815,381)	-	-	(6,280,517)
Total assets	**87,440,427**	**206,418,911**	**281,909,580**	**94,351,090**	**158,856,672**	**243,510,122**
KHR'000 *(Note 2.5)*	**351,947,719**	**830,836,117**	**1,134,686,061**	**385,424,203**	**648,929,505**	**994,738,848**

28. MATURITY PROFILE OF ASSETS AND LIABILITIES (continued)

	31 December 2024			31 December 2023		
	Within one year	Beyond one year	Total	Within one year	Beyond one year	Total
	US$	US$	US$	US$	US$	US$
Financial assets						
Deposits from financial institutions and customers	137,198,499	51,327,002	188,525,501	128,341,572	31,604,029	159,945,601
Subordinated debts	-	6,272,689	6,272,689	-	1,253,862	1,253,862
Other liabilities	76,121	-	76,121	24,048	-	24,048
Lease liabilities	2,017,467	771,819	2,789,286	492,416	858,055	1,350,471
	139,292,087	**58,371,510**	**197,663,597**	**128,858,036**	**33,715,946**	**162,573,982**
Non-financial liabilities						
Other liabilities	94,725	-	94,725	77,686	-	77,686
Income tax payable	-	-	-	20,025	-	20,025
Deferred tax liabilities	-	636,413	636,413	-	-	-
	94,725	**636,413**	**731,138**	**97,711**	**-**	**97,711**
Total liabilities	**139,386,812**	**59,007,923**	**198,394,735**	**128,955,747**	**33,715,946**	**162,671,693**
KHR'000 (Note 2.5)	**561,031,918**	**237,506,890**	**798,538,810**	**526,784,226**	**137,729,639**	**664,513,866**

29. FAIR VALUES OF FINANCIAL ASSETS AND LIABILITIES

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

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

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

The fair value of the Bank's financial instruments such as cash, balance with the NBC, balance with other banks and financial institutions, other assets, and other liabilities are not materially sensitive to shifts in market profit rate because of the short term to maturity of these instruments. As such, the carrying value of these financial assets and liabilities at financial position date approximate their fair values.

(i). Balances with other banks and financial institutions

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

(ii). Loans and advances

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

(iii). Deposits from financial institutions and customers

The fair values of deposits payable on demand (current and savings accounts), or deposits with remaining maturity of less than one year are estimated to approximate their carrying amounts. The fair values of deposits with remaining maturity of more than one year are estimated based on discounted cash flows using prevailing market rates for similar deposits from banks and customers.

(iv). Subordinated debts

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

29. FAIR VALUES OF FINANCIAL ASSETS AND LIABILITIES (continued)

Fair value hierarchy

CIFRS 13 specifies a hierarchy of valuation techniques based on whether the inputs to those valuation techniques are observable or unobservable. Observable inputs reflect market data obtained from independent sources and unobservable inputs reflect the Bank's market assumptions. The fair value hierarchy is as follows:

- Level 1 – Quoted price (unadjusted) in active markets for the identical assets or liabilities. This level includes listed equity securities and debt instruments.
- Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).
- Level 3 – Inputs for asset or liability that are not based on observable market data (unobservable inputs). This level includes equity instruments and debt instruments with significant unobservable components.

The table below summarizes the fair value of financial assets which are not carried at fair value in the statements of financial position at the reporting date analyzed by various levels within the fair value hierarchy.

	2024		2023	
	Gross carrying amount	Fair value Level 3	Gross carrying amount	Fair value Level 3
	US$	US$	US$	US$
Loans and advances	210,232,023	210,238,298	182,376,309	182,388,401
KHR'000 *(Note 2.5)*	**846,183,893**	**846,209,149**	**745,007,222**	**745,056,618**

30. RECLASSIFICATION OF CORRESPONDING FIGURES

Below accounts in the financial statements as at 31 December 2023 and for the year then ended have been reclassified to conform with the current year's presentation:

	As previously presented		Reclassification		As reclassified	
	US$	KHR'000	US$	KHR'000	US$	KHR'000
		(Note 2.5)		(Note 2.5)		(Note 2.5)
Statement of financial position						
Property and equipment	9,270,249	37,868,967	(6,743,055)	(27,545,380)	2,527,194	10,323,587
Other assets	897,402	3,665,886	6,743,055	27,545,380	7,640,457	31,211,266
Statement of comprehensive income						
Interest Income	18,072,989	74,279,985	176,658	726,064	18,249,647	75,006,049
Other Income	**234,246**	**962,751**	**(176,658)**	**(726,064)**	**57,588**	**236,687**
Statement of cash flows						
Net profit for the year	321,417	1,321,025	(321,417)	(1,321,024)	-	-
Profit before income tax	-	-	477,566	1,962,796	477,566	1,962,797
Adjustments for:Net interest income	(8,982,524)	(36,918,174)	8,982,524	36,918,174	-	-
Income tax expense	156,149	641,772	(156,149)	(641,772)	-	-
Unrealized exchange losses	-	-	49,662	204,111	49,662	204,111
Changes in:						
Deposits from financial institutions and customers	23,383,391	96,105,737	45,642	187,589	23,429,033	96,293,326
Loans and advances	(15,987,774)	(65,709,752)	(1,323,411)	(5,439,219)	(17,311,185)	(71,148,970)
Balance with other banks and financial institutions	-	-	(1,017,569)	(4,182,209)	(1,017,569)	(4,182,209)
Other liabilities	(10,317)	(42,407)	51,600	212,076	41,283	169,673
Other assets	(205,613)	(845,065)	31,686	130,229	(173,927)	(714,840)
Interest received	16,923,353	69,554,983	(16,923,353)	(69,554,983)	-	-
Interest paid	(8,993,223)	(36,962,147)	8,993,223	36,962,147	-	-
Acquisition of property and equipment	(879,614)	(3,615,214)	92,427	379,875	(787,187)	(3,235,339)
Cash and cash equivalents at 31 December	33,593,063	137,227,661	(1,017,569)	(4,156,771)	32,575,494	133,070,893

31. SUBSEQUENT EVENTS

Other than as disclosed elsewhere in these financial statements, at the date of this report, there were no other events which occurred subsequent to 31 December 2024 that had significant impact on the statement of financial position of the Bank as at 31 December 2024, and its financial performance for the year then ended.

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