



ANNUAL **REPORT** **2025**

Table of CONTENTS

01	Message From Chairman	04
	Message From CEO	06
02	About CHIEF BANK	08
	Vision, Mission, Goal	09
	Milestones	10
	Financial Highlights	12
	Branch Networks	13
03	Corporate Governance	
	Boards of Directors	14
	Executive Management	17
	Corporate Governance Structure Chart	23
	Board Meeting	23
	Annual General Meeting	24
04	Corporate Social Responsibility	26
05	Audited Financial Statements	27



Message From The CHAIRMAN

“

CHIEF BANK delivered strong performance through disciplined execution and strategic clarity. As of December 2025, total assets reached USD 402 million, a 43% year-on-year increase, with loans and advances at USD 277 million and customer deposits at USD 295 million. These results reflect the strength of our capital, the rigour of our risk management, and the enduring trust of our customers and partners.

”

The year 2025 unfolded amid heightened global uncertainty, shaped by persistent geopolitical tensions and growing economic fragmentation. The continued escalation of the Russia-Ukraine conflict, alongside ongoing instability in the Middle East, including the Israel-Palestine situation, and evolving policy shifts in the United States, contributed to a more complex and fragile global environment. These pressures were further exacerbated by vulnerabilities in critical energy supply routes, particularly the Strait of Hormuz, which in turn affected energy prices, global shipping, and overall trade flows.

Against this challenging global backdrop, Cambodia's economy showed notable resilience. Growth moderated to around 4.8%-4.9%, reflecting softer external demand and the gradual normalisation of key sectors. Nonetheless, the country maintained stable momentum, supported by sustained foreign investment in manufacturing and the continued strength of the agricultural sector, underscoring the durability of its economic fundamentals.

In this context, Cambodia's banking sector remained a pillar of stability and growth, strengthened by prudent regulation, ongoing reforms, and accelerating digital transformation. Its role in supporting economic activity and expanding financial inclusion has become increasingly vital.

Amid these conditions, CHIEF BANK delivered strong performance through disciplined execution and strategic clarity. As of December 2025, total assets reached USD 402 million, a 43% year-on-year increase, with loans and advances at USD 277 million and customer deposits at USD 295 million. These results reflect the strength of our capital, the rigour of our risk management, and the enduring trust of our customers and partners. Beyond financial growth, we continued to advance our strategic priorities, strengthening digital capabilities, enhancing the customer experience, and building a resilient, forward-looking institution aligned with Cambodia's development.

In a year of complexity, CHIEF BANK has demonstrated that resilience, guided by vision and discipline, can be turned into opportunity. As we look ahead, we remain committed to expanding our branch network,

establishing new headquarters, and strengthening our position as a preferred banking partner through innovative, customer-centric solutions.

We will continue to uphold the highest standards of integrity while contributing to a robust, inclusive, and forward-looking financial system.

On behalf of the Board, I express my sincere appreciation to our shareholders for their continued trust and support, and to the Board of Directors for their guidance and collaboration throughout the year.

I also thank our Executive Committee and all employees for their dedication, professionalism, and commitment to excellence. Your contributions and ongoing efforts to enhance our products and services have delivered sustainable results and remain a valuable asset to CHIEF BANK.

I also express my gratitude to the National Bank of Cambodia, under the leadership of H.E. Dr. Chea Serey, Governor, and to its management, for their continued guidance and support.

Finally, I thank our customers, shareholders, regulators, and employees for their continued trust. Together, we will build a stronger institution and a more resilient future.

Yours Sincerely,

Mr. Yueming Chen

Chairman of the Board of Directors
Chief (Cambodia) Commercial Bank Plc.

Message From The CEO

“

CHIEF BANK delivered strong performance through disciplined execution and strategic clarity. As of December 2025, total assets reached USD 402 million, a 43% year-on-year increase, with loans and advances at USD 277 million and customer deposits at USD 295 million. These results reflect the strength of our capital, the rigour of our risk management, and the enduring trust of our customers and partners.

”

2025 marked the beginning of a new chapter for CHIEF BANK, defined by transformation, shared success, and strong forward momentum for our customers and the communities we proudly serve.

Despite challenges stemming from an evolving geopolitical landscape, rising economic fragmentation, and shifting policy environments, Cambodia's economic outlook for 2025 reflects cautious optimism, tempered by external headwinds. Growth is projected at around 4.8% to 4.9% by international institutions such as the IMF and ADB, indicating a moderation from the strong rebound in 2024.

This deceleration is largely attributed to softer external demand, global trade uncertainties, and the gradual normalization of tourism and domestic consumption. Nevertheless, key pillars of the economy particularly

manufacturing, supported by continued foreign investment, and agriculture are expected to sustain momentum. Meanwhile, inflation is projected to remain relatively contained at around 2%–2.5%, contributing to overall macroeconomic stability.

“At CHIEF BANK, we embraced this dynamic environment with confidence and purpose. I am pleased to share that, as of December 2025, CHIEF BANK delivered strong financial performance and achieved significant balance sheet growth. Total assets rose to USD 402 million, a remarkable 43% increase on 2024.” This growth is a testament to the strength of our business model, the dedication of our team, and the growing confidence of our customers and partners.

Our core lending business continued its upward trajectory, with loans and advances up 33% to USD 277 million. This growth underscores our unwavering commitment to supporting individuals, businesses, and entrepreneurs—empowering them to grow and contribute to the broader economy. At the same time, customer deposits grew by 56% to USD 295 million, reflecting deepened customer trust and a significantly strengthened funding base.

Total equity reached USD 86 million, reflecting steady capital strengthening and reinforcing our solid financial foundation. This positions us well to sustain growth, navigate uncertainties, and seize new opportunities in the years ahead.

While our performance highlights strong underlying growth, net profit after tax recorded a modest 5% decline to USD 2.5 million. This reflects our deliberate and strategic investments in business expansion, technology, and operational capabilities, as well as the impact of rising costs in a challenging operating environment. We view these investments as essential to building a more resilient, efficient, and future-ready institution.

Beyond financial performance, 2025 has been a year of continued transformation. We have strengthened our digital presence, enhanced the customer experience, and reinforced our risk management and governance frameworks. These efforts ensure that CHIEF BANK remains well-positioned to adapt to evolving market dynamics while delivering consistent value to our stakeholders.

Looking ahead, we remain optimistic about Cambodia's long-term economic prospects and confident in our strategic direction. We will continue to focus on sustainable growth, customer-centric innovation, and operational excellence, supported by the expansion of our branch network. Our commitment is clear: to serve as a trusted financial partner, support economic development, and contribute meaningfully to the communities we serve.

On behalf of the Board of Directors and management, I would like to express my heartfelt appreciation to our valued customers, esteemed shareholders and partners, the National Bank of Cambodia, and all relevant institutions for their continued trust and support. I also express my sincere gratitude to our shareholders and the Board of Directors for their strategic guidance and unwavering encouragement, which have empowered our leadership team and staff to contribute with dedication and responsibility.

Lastly, my deepest thanks go to our committed employees, whose professionalism, collaboration, and hard work have been vital to delivering exceptional results and driving sustainable business growth. Together, we will continue to build a stronger, more resilient CHIEF BANK for the future.

Yours sincerely,



Dr. LIM Aun
Chief Executive Officer

About CHIEF BANK



The banking and financial sector is widely recognized as a key driver in promoting and sustaining national economic growth. It plays a critical role in ensuring financial stability, encouraging investment, generating employment, and fostering sustainable economic development.

In Cambodia, the banking sector is considered a fundamental pillar of the economic system, serving an essential function in providing financing, delivering financial services, and supporting businesses, small and medium-sized enterprises (SMEs), and individuals across all segments of society.

Within this context, Chief Bank was established to actively contribute to the delivery of reliable, flexible, and responsive financial services tailored to the

needs of both individual and business customers, with a particular focus on SMEs.

Chief Bank was granted a Specialized Bank license on 5 December 2013 and subsequently obtained a full Commercial Bank license from the National Bank of Cambodia on 6 June 2018.

Over nearly a decade of presence in Cambodia, the Bank has played a vital role as a financial intermediary by mobilizing public deposits and extending credit facilities to individuals and enterprises for investment purposes. It has also facilitated payment transactions and contributed to the advancement of economic and commercial activities.

Vision, Mission, Goal



Vision

We are committed to fulfilling our customers' needs and empowering them to achieve financial success.



Mission

- To become a leading bank offering a comprehensive range of services supported by an extensive branch network
- To be the bank of choice by delivering an exceptional and engaging customer experience
- To operate as a highly efficient and innovative foreign bank, ensuring reliability and excellence in service delivery
- To uphold strong corporate governance and full compliance with applicable laws and regulations

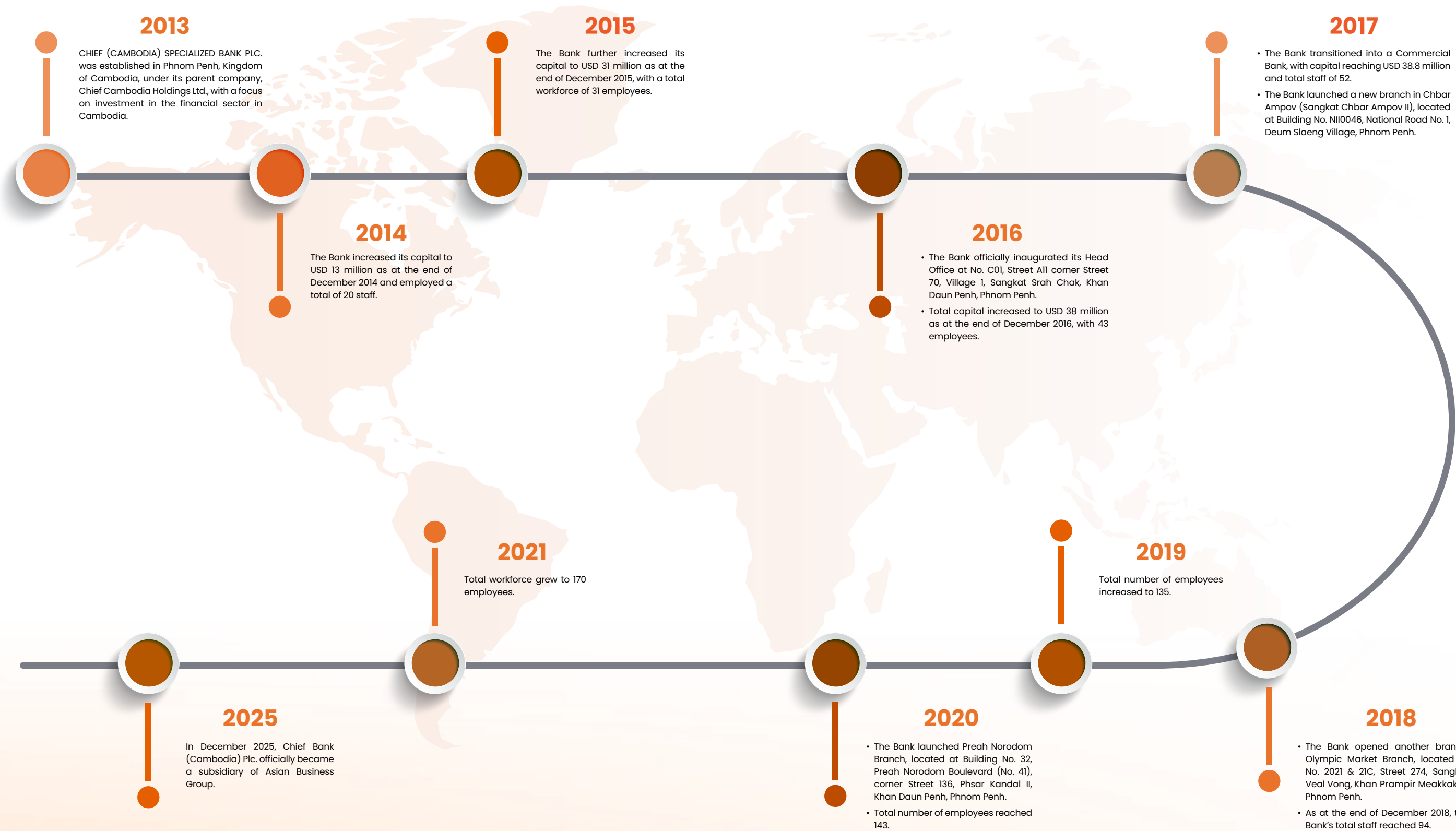
CHIEF Value



Our Goal

Our goal is to build broader, closer, and long-term relationships with our customers. We are committed to supporting them at every stage of their journey to achieve business prosperity, while delivering sustainable, long-term value to our shareholders.

Milestones



Financial Highlights



Total Assets

\$402

Million

(Vs 2024: ↑ +43%)



Loans and Advances

\$277

Million

(Vs 2024: ↑ +33%)



Customer Deposits

\$295

Million

(Vs 2024: ↑ +56%)



Total Equity

\$86

Million

(Vs 2024: ↑ +3%)



Net Profit After Tax

\$2.5

Million

(Vs 2024: ↓ -5%)

Branch Networks



Head Office

Preah Monivong Blvd Corner Street No 322,
Phum 2, Sangkat Boeng Keng Kang Ti Muoy,
Khan Boeng Keng Kang, Phnom Penh



Khan Doun Penh Branch

C-01, St. R11 Corner St.70, Phum 1, Sangkat
Sras Chork, Khan Daun Penh, Phnom Penh



Khan Chbar Ampov Branch

Building NH110046, National Road N°1, Deum
Slaeng Village, Sangkat Chbar Ampov Ti Pir,
Khan Chbar Ampov, Phnom Penh



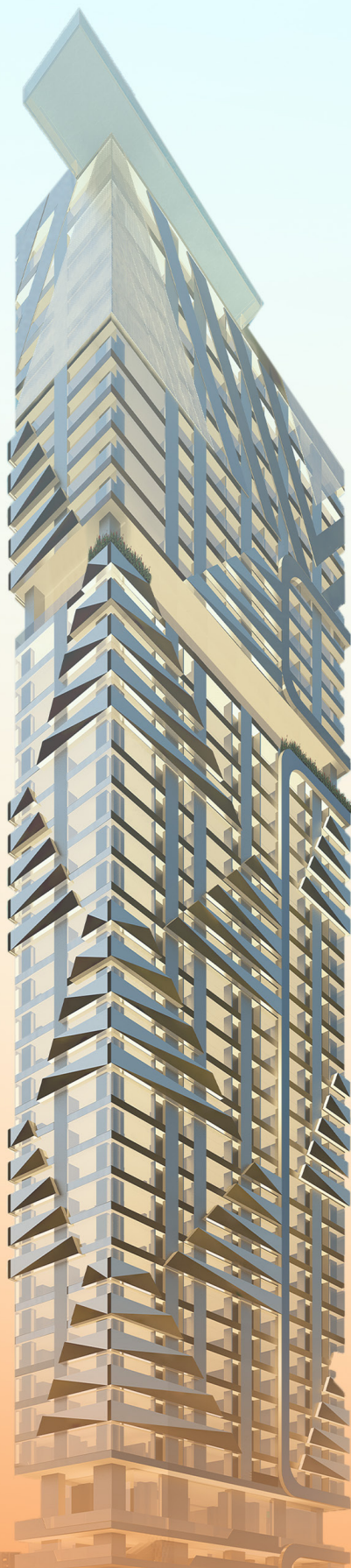
Khan Prampir Meakkakra Branch

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



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



Boards Of Directors



Mr. Chen Yueming

Chairman

Founder & Chairman, Asian Business Group

Mr. Chen Yueming is the Chairman of Asian Business Group (ABG), a diversified investment group with interests across financial services, banking, real estate, and strategic investments in the region.

With extensive experience in business leadership and corporate management, Mr. Chen plays a key role in guiding the Group's long-term vision and strategic growth. Under his leadership, ABG has expanded its portfolio through various subsidiaries and strategic partnerships, including investments in financial institutions such as Chief Bank (Cambodia) Commercial Bank Plc., as well as other business ventures that contribute to economic development and financial innovation in the region.

Mr. Chen is recognized for his strong entrepreneurial mindset and commitment to sustainable business development. He has been instrumental in shaping ABG's strategy of building a diversified and resilient business ecosystem that supports regional economic growth while maintaining high standards of corporate governance.

Ms. Yang Boli

Director

*Member of Credit Committee
Member of IT Committee
Member of Nomination and Remuneration Committee
Member of Risk and Compliance Management Committee
Member of Board of Director*

Ms. Yang Boli serves as a member of Board of Director and her responsibilities span governance, risk oversight, and strategic planning, contributing to the Group's long-term growth and resilience.

She holds the Chartered Financial Analyst (CFA) designation and a Bachelor's degree in Business Administration from Xi'an University of Finance and Economics. Ms. Yang brings extensive experience in financial services and investment management. Her prior roles include Business Department Manager at Shaanxi Zhongding Financing Guarantee, Executive Director at Shaanxi Hengtong Juli Private Equity Fund, and Investment Manager at Xi'an Qujiang Cultural Financial Holdings.

At CHIEF BANK, Ms. Yang leverages her expertise to strengthen the Group's diversified portfolio and support sustainable business development.

Boards Of Directors



Ms. Tian Yanhua

Director

*Member of Credit Committee
Member of IT Committee
Member of the Board of Director*

Ms. Tian Yanhua serves as a member of Board of Director and brings extensive expertise in financial planning, risk management, and corporate banking. She has held senior positions across leading financial institutions and investment firms, contributing to the Group's strong governance and strategic growth.

She holds a Bachelor's degree in Law and is a certified AFP Financial Planner. Her prior experience includes serving as Finance Director at Shaanxi Zhongding Financing Guarantee, Risk Control Director at Huize Yuntian Private Fund Management, Corporate Client Manager at Bank of Beijing, and Investment and Wealth Management Manager at Zhongrong International Trust.

At CHIEF BANK, Ms. Tian applies her deep knowledge of finance and risk control to strengthen the Group's investment strategies and support sustainable business development.

Ms. Xin Wenjing

Independent Director

*Chairman of Audit Committee
Member of IT Committee
Member of the Board of Director*

Ms. Xin Wenjing serves as a member of Board of Director and contributes her expertise in trust management, corporate lending, and small-loan financing. She holds a Bachelor's degree in Economics from Xi'an University of Finance and Economics.

Her career includes senior roles such as Vice President at Xi'an Digital China Network Small Loan, Trust Manager at Changan International Trust, and Account Manager at the Agriculture Bank of China.

At CHIEF BANK, she applies her strong background in financial services to support the Group's diversified investment strategy and sustainable growth.

Boards Of Directors



Mr. Wang Wenbo

Independent Director

*Chairman of Risk & Compliance Committee
Chairman of Nomination & Remuneration Committee*

Mr. Wang Wenbo is a member of the Board of Directors and brings extensive experience in banking and financial management. He holds a Master of Business Administration from Northwest University and is recognized as a Senior Economist.

He dedicated 44 years to the Agriculture Bank of China (Xi'an Branch), where he developed deep expertise in corporate banking, financial operations, and strategic leadership.

At CHIEF BANK, Mr. Wang leverages his industry knowledge to strengthen governance and guide the Group's long-term vision.

Executive Management



Executive Management



Dr. Lim Aun
CEO

Dr. Lim Aun is a distinguished banking executive with over 25 years of leadership experience in Cambodia's financial sector. He has been serving as Chief Executive Officer of Chief Bank since October 2025, where he leads the bank's strategic growth, operational excellence, and digital transformation initiatives.

Before joining Chief Bank, Dr. Lim Aun held several key leadership positions, including Chief Executive Officer of SME Bank of Cambodia Plc. and Chief Executive Officer of Sathapana Bank, one of Cambodia's largest and successful commercial banks.

Earlier in his career, he served as Deputy General Manager at Vattanac Bank and Senior Auditor at KPMG, where he also completed an international secondment at KPMG Malaysia.

Dr. Lim Aun holds a Doctorate in Management from the European International University (Paris) and is recognized for his leadership in driving institutional transformation through effective governance, innovation, and people development. He is committed to promoting sustainable banking practices and advancing financial inclusion to support Cambodia's long-term economic growth.



Mr. Neav Sokun
DCEO

Mr. Neav Sokun has over 23 years of experience in the banking and financial industry. Throughout his career, he has steadily progressed from frontline roles to senior management positions, gaining practical knowledge and leadership experience across various banking functions.

He has played a key role in driving business expansion strategies across retail, SME, and commercial banking segments, while strengthening branch network performance, channel optimization, credit governance, and customer experience frameworks. His focus remains on delivering sustainable growth, enhancing operational efficiency, and reinforcing long-term institutional performance.

Mr. Sokun currently serves as Deputy Chief Executive Officer of Chief Bank, overseeing Retail Banking, Commercial & Corporate Banking, and Credit Management. Prior to joining Chief Bank, he held middle and senior management roles at leading financial institutions in Cambodia, including Sathapana Bank, Canadia Bank, SME Bank of Cambodia, and Hatha Bank.

He holds an MBA from Norton University and a Bachelor's in TEFL from Build Bright University, and has completed numerous local and international professional development programs in banking and financial management.

Executive Management



Mr. Him Vibol
CFO

Mr. Him Vibol is a seasoned banking executive with more than 22 years of experience in auditing, accounting, finance, and treasury, including nearly 15 years of leadership at the Chief Finance Officer level in the banking sector.

He currently serves as Chief Finance Officer of Chief Bank Plc, where he leads the bank's financial management framework, including accounting, treasury, financial planning and analysis, and administration. Before joining Chief Bank, Vibol served as Executive Vice President and Chief Finance Officer of Hattha Bank, where he chaired the Asset-Liability Committee and was a member of the Executive Committee and Risk Management Committee. During his tenure, he led financial strategy, treasury management, funding arrangements, and regulatory compliance, while strengthening financial reporting systems, budgeting processes, and financial performance monitoring frameworks.

Earlier in his career, he held senior finance roles at KREDIT Microfinance Institution, including Chief Finance Officer, Finance Manager and Finance Officer. He began his professional career as an Internal Auditor, building strong expertise in internal control, audit processes, and financial governance.



Ms. Chheng Sokun
CRO

Ms. Chheng Sokun currently serves as Chief Risk Management Officer of Chief Bank and brings over 20 years of extensive experience in the banking and microfinance sectors. She has held executive and senior leadership roles for more than a decade, specializing in enterprise risk management, regulatory compliance, and credit risk governance. Prior to joining Chief Bank, Ms. Sokun held several senior positions within Cambodia's financial industry.

She used to be a Risk Manager at ACLEDA Bank before joining Hattha Kaksekar Limited Microfinance as Head of Risk and Compliance. Following the institution's transition to Hattha Bank, she was promoted to Chief Risk Officer, where she played a key role in strengthening the bank's risk governance framework. She subsequently joined Asian Business Group as Chief Risk Officer at the executive level. In addition to her professional responsibilities, Ms. Sokun contributes to the development of future finance professionals as a lecturer in Risk Management at the Cambodia University of Technology and Science. She has completed numerous professional development programs in key areas of banking and financial risk management, including risk identification in banking and microfinance, Anti-Money Laundering and Combating the Financing of Terrorism (AML/CFT), Business Continuity Planning (BCP) and Disaster Risk Reduction Management (DRRM), International Financial Reporting Standards (IFRS), credit risk assessment, credit scoring models, risk measurement and mitigation, Expected Credit Loss (ECL) and loan impairment assessment, trade finance, financial leasing, and banking marketing.

Executive Management



Mr. Chan Kimlong
CCBO

Mr. Chan Kimlong is a highly accomplished and results-driven banking executive with over 14 years of extensive experience in business and corporate banking, personal financial services, and general insurance.

He has a proven track record of driving strategic growth, developing innovative retail and SME banking products, and leading high-performing teams to deliver strong financial results. Currently serving as Chief Corporate Banking Officer, he is responsible for leading corporate banking strategy, driving business expansion, strengthening client relationships, and delivering sustainable revenue growth across the corporate segment. Throughout his career, he has demonstrated strong leadership in building and transforming teams, optimizing operational efficiency, and executing impactful business strategies across transaction banking, SME, and retail segments.

Known for his expertise in P&L management, stakeholder engagement, and customer-centric innovation, Kimlong has consistently contributed to organizational success and has been recognized with multiple prestigious awards, including CEO Star Awards and Best Team achievements. He holds a Bachelor's degree in Banking and Finance and is fluent in both Khmer and English, reflecting his strong communication skills and professional versatility.



Mr. Mam Chandara
COO

Mr. Mam Chandara is a distinguished banking and finance professional with over 25 years of extensive experience in commercial banking, auditing, and financial management, including tenure at PricewaterhouseCoopers (PwC). He presently holds the position of Chief Operating Officer (COO) at CHIEF BANK, where he supervises comprehensive banking operations, risk management, compliance, and strategic initiatives in accordance with regulatory standards.

He is a Chartered Banker (UK) through practical experience and has additionally pursued the ACCA (Association of Chartered Certified Accountants) qualification, thereby solidifying his robust foundation in accounting, auditing, and financial management. Over his career, he has occupied senior leadership roles spanning operations, internal audit, finance, risk management, and IT governance, demonstrating a proven track record of enhancing internal controls, increasing operational efficiency, and facilitating business transformation.

Beyond his executive responsibilities, Mr. Chandara serves as a lecturer for bachelor's and master's degree programs. He holds multiple academic credentials, including a dual MBA in Risk Management in Banking and Insurance, an MBA from the University of Nantes, and an MBA from Norton University in Business Management, and has undertaken extensive professional development in banking, auditing, compliance, IT Audit, and governance.

Executive Management



Mr. Koy Chamroeunvichea
CCO

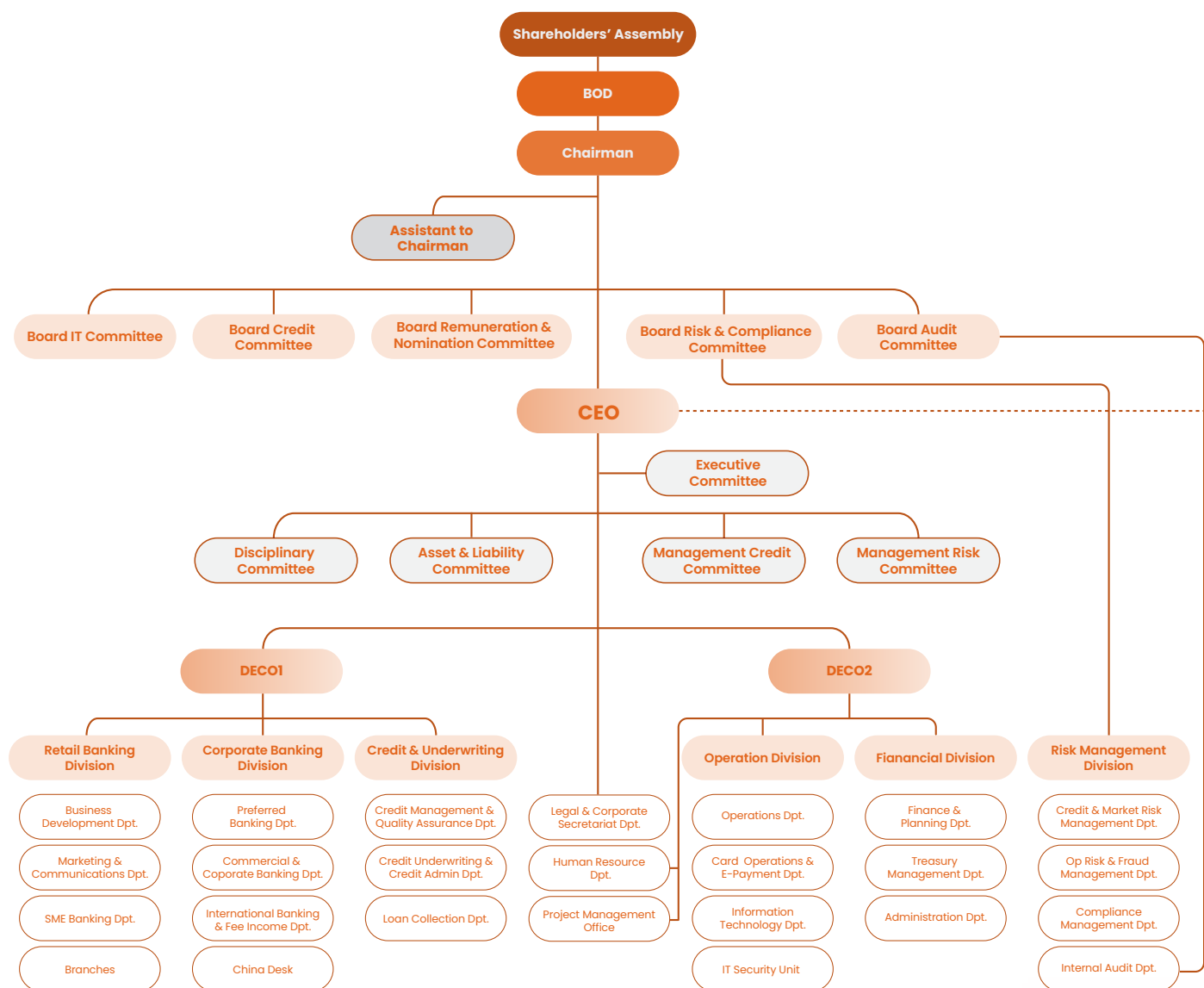
Mr. KOY Chamroeunvichea is an accomplished banking professional with over 19 years of experience in credit risk management, credit operations, and banking leadership. He currently serves as Chief Credit Officer at Chief Bank (since March 2026), where he oversees the bank's credit strategy, end-to-end credit lifecycle, ongoing credit control and portfolio quality management to support sustainable business growth.

He was Chief Credit Officer at Sathapana Bank, where he enhanced credit policies, led process improvements and automation, and headed a merger project that improved data integrity and earned a Data Quality Award. He began his career at Vattanac Bank, spending over eight years in roles including Branch Manager and credit leadership, building strong expertise in retail and corporate banking while driving branch performance.

In addition to his professional achievements, he has actively participated in various local and international training and development programs, including programs in Indonesia, the Philippines, Italy, and Thailand, focusing on banking leadership, financial inclusion, agricultural finance, and real estate valuation. These exposures have strengthened his global perspective and enhanced his ability to adapt best practices to the local banking environment.

Mr. Chamroeunvichea holds a Bachelor's Degree in Management and a Master of Business Administration from Norton University, Cambodia.

Corporate Governance Structure Chart



Board Meeting

The Board of Directors (the "Board") comprises five members, including two Executive Directors. The Board's primary responsibility is to establish the Bank's strategic objectives and oversee its overall management and operations.

In 2025, the Board held regular meetings to review and approve a range of significant matters. These included monitoring the Bank's operational performance, overseeing branch network expansion, discussing and addressing key challenges, approving the 2026 annual business plan, and endorsing revisions and updates to key policies.



Annual General Meeting

New Chapter, Shared Success

16 January 2026

Asian Business Group (ABG) and its subsidiary Chief Bank convened its 2026 Annual General Meeting under the theme “New Chapter, Shared Success” at Shangri-La Phnom Penh. The meeting was presided over by Oknha Hout Ieng Tong, the Advisor and Chief Bank’s CEO, Dr. Lim Aun, together with subsidiary’s Chief Executive Officers and management teams from across the ABG, with approximately 200 participants.



The purpose of the meeting was to review ABG’s progress and achievements in 2025, and to communicate the business plan and strategic direction for 2026, as approved by the Board of Directors.

In addition, the meeting served as a platform to align and guide employees toward the effective and efficient execution of the 2026 business plan.

Annual General Meeting

ABG Gala Appreciation Night

16 January 2026



Asian Business Group (ABG) and its subsidiary Chief Bank held its annual gala dinner under the theme “ABG Gala Appreciation Night” at Shangri-La Phnom Penh. The event was graced by Oknha Hout Ieng Tong, the Advisor and Chief Bank’s CEO, Dr. Lim Aun, together with the CEOs of its subsidiaries, the management team, and approximately 250 staff from all levels.

ABG places strong emphasis on employee welfare and professional growth by recognizing achievements and rewarding outstanding employees of the year for their dedication, responsibility, and professionalism.

The “ABG Gala Appreciation Night” featured a vibrant program, including the announcement of the ABG Star Employee Excellence Awards, Talent Performances, a Mega Lucky Draw, and a Dinner & Dance celebration.



Corporate Social Responsibility



The “Run For Children, For Our Future” Charity Run Successfully Concludes, Raising KHR 106 Million for the Kantha Bopha Foundation

31 May 2026

CHIEF BANK proudly supported the “Run For Children, For Our Future” charity event, jointly organized by the Ministry of Information and ASEAN Top Media. The event gathered approximately 1,700 participants from 11 nationalities and was held at Eco Park, Borey Peng Huoth Boeung Snor, Phnom Penh.



CHIEF BANK remains committed to collaborating with partners to promote social well-being through charitable contributions and meaningful community engagement, supporting sustainable development and shared prosperity for society.

Donate Blood, Save Lives

06 March 2026

Staff of CHIEF BANK participated in the “Donate Blood, Save Lives” campaign organized by the Cambodia Microfinance Association, the Association of Banks in Cambodia, and the National Blood Transfusion Center at the Institute of Banking Studies.

The campaign aimed to support the supply of safe blood for the community and raise awareness about the importance of voluntary blood donation.



CHIEF (CAMBODIA) COMMERCIAL BANK PLC.

Report of the Board of Directors and Audited financial statements in accordance with Cambodian International Financial Reporting Standards as at 31 December 2025 and for the year then ended

Table of CONTENTS

Report of the Board of Directors	28
Independent auditor’s report	32
Statement of financial position	35
Statement of comprehensive income	36
Statement of changes in equity	37
Statement of cash flows	38
Notes to the financial statements	39-109

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 then ended 31 December 2025.

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 Asian Business Group Co., Ltd, a company incorporated and registered in the Kingdom of Cambodia under registration number 1000426502.

The Bank’s registered office is situated at Chief Tower, Ground floor and 22nd Floor, Preah Monivong Blvd Corner Street No 322, Phum 2, Sangkat Boeng Keng Kang Ti Muoy, Khan Borng Keng Kang, 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 2025 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.

Chief (Cambodia) Commercial Bank Plc.

REPORT OF THE BOARD OF DIRECTORS (continued)

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

Before the financial statements of the Bank were prepared, the Directors took reasonable steps to ascertain that actions had been taken in relation to writing off or in recognizing provisions for expected credit losses, and satisfied themselves that all known bad loans and advances to customers and other financial assets carried at amortized cost had been written off and that 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 for the allowance for expected credit losses on loans and advances to customers and other financial assets carried at amortized cost in the financial statements of the Bank inadequate, in any material respect.

ASSETS

Before the financial statements of the Bank were prepared, the Directors took reasonable steps to ensure that any assets, other than loans and advances to customers and other financial assets carried at amortized cost, which were unlikely to be realized in the ordinary course of business at their value as shown in the accounting records of the Bank, have been written down to an amount which they are expected to be realized or that reasonable allowance for expected credit losses had been provided.

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

CONTINGENT AND OTHER LIABILITIES

At the date of this report, there is:

- 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; and
- 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 liability or other liability of the Bank has become enforceable, or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the Directors, will or may have a material effect on the ability of the Bank to meet its obligations when they become due.

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 respect.

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

Name	Position
Mr. Chen Yueming	Chairman, (appointed on 7 October 2025)
Ms. Yang Boli	Director, (appointed on 7 October 2025)
Ms. Tian Yanhua	Director, (appointed on 7 October 2025)
Mr. Wang Wenbo	Independent Director, (appointed on 7 October 2025)
Ms. Xin Wenjing	Independent Director, (appointed on 7 October 2025)
Mr. Ye Haiya	Chairman, (resigned on 7 October 2025)
Mr. Lam Wai Chuen	Director, (resigned on 7 October 2025)
Ms. Ng Siu Mui	Director, (resigned on 7 October 2025)
Mr. Chau Chung Kai Peter	Director, (resigned on 7 October 2025)
Mr. Chan Kwok Cheung	Independent Director, (resigned on 7 October 2025)
Mr. Cheung Ka Wai	Independent Director, (resigned on 7 October 2025)

DIRECTORS' INTERESTS

Mr. Chen Yueming and Ms. Yang Boli are shareholders of the Asian Business Group Co., Ltd, a company incorporated in the Kingdom of Cambodia 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 the Directors of the Bank to acquire benefits by means of the acquisition of shares in or debentures of the Bank or any other corporate body.

The Directors have not received or become entitled to receive any benefit by reason of a contract made by the Bank or a related corporation with the Director or with a firm of which the Director

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

BOARD OF DIRECTORS' 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 2025, and of its financial performance and its cash flows for the year then ended in accordance with Cambodian International Financial Reporting Standards ("CIFRSs"). The Board of Directors oversees preparation of these financial statements by management who is required to:

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

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

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

APPROVAL OF THE FINANCIAL STATEMENTS

We hereby approve the accompanying financial statements which give a true and fair view of the financial position of the Bank as at 31 December 2025, and of its financial performance and its cash flows for the year then ended in accordance with CIFRSs.

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

Mr. Chen Yueming
Chairman

Phnom Penh, Kingdom of Cambodia
30 March 2026

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 2025, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Bank as at 31 December 2025, and of its financial performance and its cash flows for the year then ended in accordance with Cambodian International Financial Reporting Standards ("CIFRSs").

Basis for Opinion

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

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

The other information 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 with CIFRSs, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Responsibilities of Management and Those Charged with Governance for the Financial Statements (continued)

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.

Auditors’ Responsibilities for the Audit of the Financial Statements (continued)

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



Emmanuel A. Guelas

Emmanuel A. Guelas
Partner

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

Phnom Penh, Kingdom of Cambodia
30 March 2026

STATEMENT OF FINANCIAL POSITION

as at 31 December 2025

	Notes	31 December 2025		31 December 2024	
		US\$	KHR'000	US\$	KHR'000
		(Note 2.5)		(Note 2.5)	
ASSETS					
Cash on hand	3	3,631,828	14,574,526	3,176,266	12,784,471
Balances with the NBC	4	79,126,572	317,534,933	54,745,878	220,352,159
Balances with other banks and financial institutions	5	26,446,275	106,128,902	3,000,424	12,076,707
Loans and advances	6	276,622,316	1,110,085,354	207,376,578	834,690,726
Property and equipment	7	2,708,178	10,867,918	2,240,219	9,016,881
Right-of-use assets	8	4,701,884	18,868,660	2,676,266	10,771,971
Intangible assets	9	727,014	2,917,507	531,877	2,140,805
Other assets	10	8,214,055	32,963,003	8,162,072	32,852,341
TOTAL ASSETS		402,178,122	1,613,940,803	281,909,580	1,134,686,061
LIABILITIES AND EQUITY					
LIABILITIES					
Deposits from financial institutions and customers	12	294,861,902	1,183,280,813	188,525,501	758,815,142
Subordinated debts	13	14,815,079	59,452,912	6,272,689	25,247,573
Lease liabilities	14	4,896,700	19,650,457	2,789,286	11,226,876
Deferred tax liabilities	11.3	1,353,726	5,432,502	636,413	2,561,562
Other liabilities	15	188,565	756,711	170,846	687,657
TOTAL LIABILITIES		316,115,972	1,268,573,395	198,394,735	798,538,810
EQUITY					
Share capital	16.1	75,000,000	300,000,000	75,000,000	300,000,000
Regulatory reserves	16.2	22,015,402	89,327,418	15,844,790	64,577,093
Accumulated losses		(10,953,252)	(44,382,701)	(7,329,945)	(29,849,619)
Cumulative translation differences		-	422,691	-	1,419,777
TOTAL EQUITY		86,062,150	345,367,408	83,514,845	336,147,251
TOTAL LIABILITIES AND EQUITY		402,178,122	1,613,940,803	281,909,580	1,134,686,061

The accompanying notes 1 to 30 form an integral part of these financial statements.

STATEMENT OF COMPREHENSIVE INCOME

for the year ended 31 December 2025

	Notes	2025		2024	
		US\$	KHR'000	US\$	KHR'000
		(Note 2.5)		(Note 2.5)	
Interest income	17	24,914,053	99,930,267	22,762,834	92,667,497
Interest expense	18	(13,282,848)	(53,277,503)	(11,358,363)	(46,239,896)
Net interest income		11,631,205	46,652,764	11,404,471	46,427,601
Fee and commission income	19	32,439	130,113	12,152	49,471
Fee and commission expense	19	(14,846)	(59,547)	(8,014)	(32,625)
Net fee and commission income	19	17,593	70,566	4,138	16,846
Other income	20	99,523	399,187	362,949	1,477,565
Provision for expected credit losses	21	(947,636)	(3,800,968)	(880,510)	(3,584,556)
Net other operating income		10,800,685	43,321,549	10,891,048	44,337,456
Personnel expenses	22	(3,020,004)	(12,113,236)	(2,691,356)	(10,956,510)
Depreciation and amortization	23	(1,524,493)	(6,114,741)	(1,534,864)	(6,248,431)
Other operating expenses	24	(2,991,570)	(11,999,187)	(3,247,306)	(13,219,783)
Profit before income tax		3,264,618	13,094,385	3,417,522	13,912,732
Income tax expense	11.1	(717,313)	(2,877,142)	(741,106)	(3,017,043)
Net profit for the year		2,547,305	10,217,243	2,676,416	10,895,689
Other comprehensive income					
Currency translation differences		-	(997,086)	-	(4,973,420)
Total comprehensive income for the year		2,547,305	9,220,157	2,676,416	5,922,269

STATEMENT OF CHANGES IN EQUITY

for the year ended 31 December 2025

	Share capital		Regulatory reserves		(Accumulated losses)		Cumulative translation differences	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 2025	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
Total comprehensive income for the year	-	-	-	-	2,547,305	10,217,243	(997,086)	2,547,305	9,220,157
Transfer to regulatory reserves (Note 16.2)	-	-	6,170,612	24,750,325	(6,170,612)	(24,750,325)	-	-	-
As at 31 December 2025	75,000,000	300,000,000	22,015,402	89,327,418	(10,953,252)	(44,382,701)	422,691	86,062,150	345,367,408
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)	-	-	-
As 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

STATEMENT OF CASH FLOWS

for the year ended 31 December 2025

		2025		2024	
	Note	US\$	KHR'000 (Note 5)	US\$	KHR'000 (Note 5)
Cash flows from operating activities					
Profit before income tax		3,264,618	13,094,385	3,417,522	13,912,732
Adjustments for:					
Depreciation and amortization	23	1,524,493	6,114,741	1,534,864	6,248,431
Unrealized exchange (gains) losses		(51,573)	(206,859)	(320,630)	(1,305,285)
Provision for expected credit losses	21	947,636	3,800,968	880,510	3,584,556
Loss on write-off of property and equipment	7	32,460	130,198	-	-
		5,717,634	22,933,433	5,512,266	22,440,435
Changes in:					
Deposits from financial institutions and customers		106,336,401	426,515,304	28,579,900	116,348,773
Loans and advances		(70,056,677)	(280,997,331)	(27,855,714)	(113,400,612)
Balance with other banks and financial institutions		(7,034,934)	(28,217,120)	(2,027,087)	(8,252,271)
Balance with the NBC		(8,762,266)	(35,145,449)	(1,566,408)	(6,376,847)
Other liabilities		(39,891)	(160,003)	87,939	358,000
Other assets		228,314	915,767	(24,424)	(99,430)
Net cash generated from operations		26,388,581	105,844,601	2,706,472	11,018,048
Income tax paid	11.2	(228,724)	(917,412)	(196,585)	(800,298)
Net cash provided by operating activities					
Cash flows from investing activities		26,159,857	104,927,189	2,509,887	10,217,750
Cash flows from investing activities					
Acquisitions of: Property and equipment	7	(1,129,976)	(4,532,334)	(466,966)	(1,901,019)
Intangible assets	9	(436,751)	(1,751,808)	(85,911)	(349,744)
Net cash used in investing activities		(1,566,727)	(6,284,142)	(552,877)	(2,250,763)
Cash flows from financing activities					
Proceeds from subordinated debts	13	10,000,000	40,110,000	5,000,000	20,355,000
Repayment of principal of subordinated debts	13	(1,400,000)	(5,615,400)	-	-
Payments of principal portion of lease liabilities	14	(571,526)	(2,292,391)	(482,451)	(1,964,058)
Net cash (used in) provided by financing activities		8,028,474	32,202,209	4,517,549	18,390,942
Net increase in cash and cash equivalents		32,621,604	130,845,256	6,474,559	26,357,929
Cash and cash equivalents at 1 January		39,050,053	157,176,464	32,575,494	133,070,893
Currency translation differences		-	(403,361)	-	(2,252,358)
Cash and cash equivalents at 31 December	3	71,671,657	287,618,359	39,050,053	157,176,464
Additional information on operational cash flows from interest					
Interest received		14,629,240	58,677,882	19,172,159	78,049,859
Interest paid		(11,137,756)	(44,673,537)	(10,301,618)	(41,937,888)

The accompanying notes 1 to 30 form an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

as at 31 December 2025 and for the year then ended

1. 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 Asian Business Group Co., Ltd, a company incorporated and registered in the Kingdom of Cambodia under registration number 1000426502.

Share capital

The total share capital of the Bank as at 31 December 2025 is U\$ 75,000,000 or KHR 300 billion (2024: 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. Chen Yueming	Chairman, (appointed on 7 October 2025)
Ms. Yang Boli	Director, (appointed on 7 October 2025)
Ms. Tian Yanhua	Director, (appointed on 7 October 2025)
Mr. Wang Wenbo	Independent Director, (appointed on 7 October 2025)
Ms. Xin Wenjing	Independent Director, (appointed on 7 October 2025)
Mr. Ye Haiya	Chairman, (resigned on 7 October 2025)
Mr. Lam Wai Chuen	Director, (resigned on 7 October 2025)
Ms. Ng Siu Mui	Director, (resigned on 7 October 2025)
Mr. Chau Chung Kai Peter	Director, (resigned on 7 October 2025)
Mr. Chan Kwok Cheung	Independent Director, (resigned on 7 October 2025)
Mr. Cheung Ka Wai	Independent Director, (resigned on 7 October 2025)

Location

The Bank’s registered office is situated at Chief Tower, Ground floor and 22nd Floor, Preah Monivong Blvd Corner Street No 322, Phum 2, Sangkat Boeng Keng Kang Ti Muoy, Khan Borng Keng Kang, Phnom Penh, Kingdom of Cambodia.

Employees

As at 31 December 2025, the Bank had 208 employees (31 December 2024: 175 employees).

NOTES TO THE FINANCIAL STATEMENTS

as at 31 December 2025 and for the year then ended

Approval of the financial statements

The financial statements were authorized for issue by the Board of Directors on 30 March 2026.

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 Statement of compliance

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 30 March 2026.

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 US\$ 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.

NOTES TO THE FINANCIAL STATEMENTS

as at 31 December 2025 and for the year then ended

2. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

2.5 Translation of US\$ into KHR (continued)

The Bank uses the following exchange rates:

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

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.

2.6 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.

NOTES TO THE FINANCIAL STATEMENTS

as at 31 December 2025 and for the year then ended

2.6.1 FINANCIAL ASSETS AND FINANCIAL LIABILITIES (CONTINUED)

(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.

(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:

NOTES TO THE FINANCIAL STATEMENTS

as at 31 December 2025 and for the year then ended

2.6.1 FINANCIAL ASSETS AND FINANCIAL LIABILITIES (CONTINUED)

(ii) Classification (continued)

Business model assessment (continued)

- 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.

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).

NOTES TO THE FINANCIAL STATEMENTS

as at 31 December 2025 and for the year then ended

2.6.1 FINANCIAL ASSETS AND FINANCIAL LIABILITIES (CONTINUED)

(ii) Classification (continued)

Business model assessment (continued)

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.

(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.

NOTES TO THE FINANCIAL STATEMENTS

as at 31 December 2025 and for the year then ended

2.6.1 FINANCIAL ASSETS AND FINANCIAL LIABILITIES (CONTINUED)

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

Financial assets (continued)

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.

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.

NOTES TO THE FINANCIAL STATEMENTS

as at 31 December 2025 and for the year then ended

2.6.1 FINANCIAL ASSETS AND FINANCIAL LIABILITIES (CONTINUED)

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

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
- the 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 or 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.

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

NOTES TO THE FINANCIAL STATEMENTS

as at 31 December 2025 and for the year then ended

2.6.1 FINANCIAL ASSETS AND FINANCIAL LIABILITIES (CONTINUED)

(vi) Fair value measurement (continued)

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

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.
- 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

NOTES TO THE FINANCIAL STATEMENTS

as at 31 December 2025 and for the year then ended

2.6.1 FINANCIAL ASSETS AND FINANCIAL LIABILITIES (CONTINUED)

(vii) Impairment (continued)

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.

NOTES TO THE FINANCIAL STATEMENTS

as at 31 December 2025 and for the year then ended

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.

2.6.4 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
Furniture and fixtures	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.

NOTES TO THE FINANCIAL STATEMENTS

as at 31 December 2025 and for the year then ended

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.

2.6.7 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.

NOTES TO THE FINANCIAL STATEMENTS

as at 31 December 2025 and for the year then ended

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.

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

NOTES TO THE FINANCIAL STATEMENTS

as at 31 December 2025 and for the year then ended

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.

2.6.9 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:

NOTES TO THE FINANCIAL STATEMENTS

as at 31 December 2025 and for the year then ended

- 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:

Classifications	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.

NOTES TO THE FINANCIAL STATEMENTS

as at 31 December 2025 and for the year then ended

2.6 MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.6.13 REGULATORY RESERVES (CONTINUED)

On 5 February 2025, the NBC issued a letter No. B30-025-170 Sor Chor Nor on calculation of regulatory provision. The NBC requires all banks and financial institutions to calculate regulatory provision using facilities' gross carrying amount which include accrued interest receivables ("AIR") based on applicable accounting standards multiplying its respective rates determined by regulations. This new implementation shall start from the audited financial statements for the year 2024.

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 ECLs.

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.

NOTES TO THE FINANCIAL STATEMENTS

as at 31 December 2025 and for the year then ended

2.6 MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.6.14 INTEREST (CONTINUED)

Calculation of interest income and expense (continued)

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.

2.6.17 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

NOTES TO THE FINANCIAL STATEMENTS

as at 31 December 2025 and for the year then ended

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.

- 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 ECLs and selection and approval of models used to measure ECLs.

NOTES TO THE FINANCIAL STATEMENTS

as at 31 December 2025 and for the year then ended

2.7 SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES (CONTINUED)

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 ECLs 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 2025:

- Amendments to CIAS 21, Lack of exchangeability

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

2.9 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 2026

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

Effective beginning on or after 1 January 2027

- CIFRS 18, Presentation and Disclosure in Financial Statements
- CIFRS 19, Subsidiaries without Public Accountability: Disclosures
- Amendments to CIAS 21, Translation to a Hyperinflationary Presentation Currency

Effective date deferred indefinitely

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

3. CASH ON HAND

Cash on hand comprises:

	2025		2024	
	US\$	KHR'000	US\$	KHR'000
		(Note 2.5)		(Note 2.5)
Cash on hand	2,935,552	11,780,370	2,443,809	9,836,332
Cash in ATM	696,276	2,794,156	732,457	2,948,139
	3,631,828	14,574,526	3,176,266	12,784,471

NOTES TO THE FINANCIAL STATEMENTS

as at 31 December 2025 and for the year then ended

	2025		2024	
	US\$	KHR'000	US\$	KHR'000
	(Note 2.5)		(Note 2.5)	
US\$	3,066,279	12,304,978	2,634,694	10,604,644
KHR	565,549	2,269,548	541,572	2,179,827
	3,631,828	14,574,526	3,176,266	12,784,471

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

	2025		2024	
	US\$	KHR'000	US\$	KHR'000
	(Note 2.5)		(Note 2.5)	
Cash on hand	3,631,828	14,574,526	3,176,266	12,784,471
Balances with the NBC (Note 4)	51,473,337	206,562,501	35,854,909	144,316,009
Balances with other banks and financial institutions (Note 5)	16,566,492	66,481,332	18,878	75,984
	71,671,657	287,618,359	39,050,053	157,176,464

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:

	2025		2024	
	US\$	KHR'000	US\$	KHR'000
	(Note 2.5)		(Note 2.5)	
Current accounts				
US\$	43,848,730	175,964,953	31,025,675	124,878,342
KHR	7,624,607	30,597,548	4,829,234	19,437,667
Statutory deposits				
Reserve requirement	15,934,249	63,944,141	10,580,975	42,588,424
Capital guarantee	7,500,000	30,097,500	7,500,000	30,187,500
NCDs in US\$ with original maturity of 3 months or less	4,218,986	16,930,791	809,994	3,260,226
	79,126,572	317,534,933	54,745,878	220,352,159

NOTES TO THE FINANCIAL STATEMENTS

as at 31 December 2025 and for the year then ended

4. BALANCES WITH THE NBC (CONTINUED)

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%

The NBC has subsequently issued several notification letters allowing banks to maintain reserve requirements for customer deposits and borrowings in foreign currencies at rate of 7.00% until 31 December 2026.

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 earns annual interest rate at 1.06% and 1.03% per annum for first and second semester, respectively (2024: 1.29% and 1.31% 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 2025, the Bank had not utilized the overdraft on settlement clearing facility yet. NCDs earn annual interest at rates ranging from 0.10% to 1.33% (2024: 1.00% to 1.33%) per annum.

Interest income from balances with the NBC during the year amounted to US\$ 86,695 or KHR'000 347,734 (2024: US\$ 111,974 or KHR'000 455,846) (see Note 17).

5. BALANCES WITH OTHER BANKS AND FINANCIAL INSTITUTIONS

Balances with other banks and financial institutions comprise of:

	2025		2024	
	US\$	KHR'000	US\$	KHR'000
	(Note 2.5)		(Note 2.5)	
Current and savings accounts	12,543,009	50,335,095	18,878	75,984
Term deposits, with original maturities:				
3 months or less	4,023,483	16,146,237	-	-
More than 3 months	10,079,589	40,449,391	3,044,655	12,254,737
Gross balances	26,646,081	106,930,723	3,063,533	12,330,721
Less: Allowance for ECLs	(199,806)	(801,821)	(63,109)	(254,014)
Net balances	26,446,275	106,128,902	3,000,424	12,076,707

Movements in allowance for ECLs are as follows:

NOTES TO THE FINANCIAL STATEMENTS

as at 31 December 2025 and for the year then ended

5. BALANCES WITH OTHER BANKS AND FINANCIAL INSTITUTIONS (CONTINUED)

	2025		2024	
	US\$	KHR'000	US\$	KHR'000
	(Note 2.5)		(Note 2.5)	
Balance as at 1 January	63,109	254,014	21,648	88,432
Provision for ECLs (Note 21)	136,697	548,292	41,461	168,788
Currency translation differences	-	(485)	-	(3,206)
Balance as at 31 December	199,806	801,821	63,109	254,014

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

	2025	2024
Current accounts	0.00%	0.00%
Savings accounts	0.25% - 1.30%	0.00% - 3.25%
Term deposits	3.5 - 4.10%	6.25%

Interest income from balances with other banks and financial institutions during the year amounted to US\$ 1,388,081 or KHR'000 5,567,593 (2024: US\$ 1,287,932 or KHR'000 5,243,171) (see Note 17).

6. LOANS AND ADVANCES

Loans and advances are as follows:

	2025		2024	
	US\$	KHR'000	US\$	KHR'000
	(Note 2.5)		(Note 2.5)	
Corporate				
Fixed Loans	9,599,200	38,521,590	9,798,157	39,437,582
Individual				
Fixed loans	243,294,365	976,340,287	185,139,421	745,186,170
Housing loans	8,207,960	32,938,543	9,338,543	37,587,636
Overdrafts	4,446,989	17,845,767	1,273,890	5,127,407
Revolving credits	509,000	2,042,617	222,000	893,550
Vehicle loans	21,865	87,744	50,801	204,473
	266,079,379	1,067,776,548	205,822,812	828,436,818
Unamortized loan processing fees	(1,102,821)	(4,425,621)	(1,215,823)	(4,893,688)
Accrued interest receivable	15,864,043	63,662,405	5,625,034	22,640,762
Gross loans and advances	280,840,601	1,127,013,332	210,232,023	846,183,892
Less: Allowance for ECLs	(4,218,285)	(16,927,978)	(2,855,445)	(11,493,166)
Loans and advances - net	276,622,316	1,110,085,354	207,376,578	834,690,726

NOTES TO THE FINANCIAL STATEMENTS

as at 31 December 2025 and for the year then ended

6. LOANS AND ADVANCES (CONTINUED)

Further analysis of loans and advances are as follows:

(i) Movements in allowance for ECLs on loans and advances during the year were as follows:

	2025		2024	
	US\$	KHR'000	US\$	KHR'000
	(Note 2.5)		(Note 2.5)	
At 1 January	2,855,445	11,493,166	2,016,396	8,236,978
Provision for ECLs (Note 21)	810,939	3,252,676	839,049	3,415,768
Unwinding of discount	551,901	2,213,675	-	-
Currency translation differences	-	(31,539)	-	(159,580)
At 31 December	4,218,285	16,927,978	2,855,445	11,493,166

(ii) Analysis of movements of the loans and advances and allowance for ECLs by stage

Refer to Note 27.1

(ii) on credit quality analysis of movement of the allowance for ECLs for loans and advances.

(iii) Staging of the loan portfolio, including interest receivable

	2025		2024	
	US\$	KHR'000	US\$	KHR'000
	(Note 2.5)		(Note 2.5)	
Stage 1	152,504,574	612,000,855	141,968,017	571,421,268
Stage 2	97,559,679	391,506,992	51,229,410	206,198,375
Stage 3	30,776,348	123,505,485	17,034,596	68,564,249
Total	280,840,601	1,127,013,332	210,232,023	846,183,892

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

	2025	2024
Fixed loans	5.90% - 18.00%	5.90% - 18.00%
Housing loans	7.00% - 15.00%	7.00% - 15.00%
Overdrafts	8.00% - 14.50%	9.75% - 14.50%
Revolving credits	9.00% - 9.50%	9.00% - 9.50%
Vehicle loans	12.50% - 16.00%	12.50% - 16.00%

Interest income from loans and advances during the year amounted to US\$ 23,439,277 or KHR'000 94,014,940 (2024: US\$ 21,362,928 or KHR'000 86,968,480) (see Note 17).

NOTES TO THE FINANCIAL STATEMENTS

as at 31 December 2025 and for the year then ended

6. LOANS AND ADVANCES (CONTINUED)

(v) Analysis of loans and advances at carrying amount by sector

Refer to Note 27.1 (iv) on concentration of credit risk of loans and advances 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	Motor	Computer	Equipment	Furniture	Construction	Total
	US\$	US\$	US\$	US\$	US\$	US\$	US\$	US\$
Cost								
As at 1 January 2025	880,000	1,870,278	567,185	2,440,214	707,060	86,196	229,235	6,780,168
Additions	-	86,247	63,500	100,847	139,900	29,568	709,914	1,129,976
Write-off	-	(267,365)	-	(25,336)	(6,313)	(420)	-	(299,434)
Transfers	-	144,320	-	84,915	-	-	(229,235)	-
As at 31 December 2025	880,000	1,833,480	630,685	2,600,640	840,647	115,344	709,914	7,610,710
Less: Accumulated depreciation								
As at 1 January 2025	245,873	1,650,503	401,933	1,591,343	575,501	74,796	-	4,539,949
Depreciation for the year (Note 23)	43,970	98,008	52,315	349,786	75,845	9,633	-	629,557
Write-off	-	(234,905)	-	(25,336)	(6,313)	(420)	-	(266,974)
As at 31 December 2025	289,843	1,513,606	454,248	1,915,793	645,033	84,009	-	4,902,532
Carrying amount as at 31 December 2025	590,157	319,874	176,437	684,847	195,614	31,335	709,914	2,708,178
KHR'000 (Note 2.5)	2,368,300	1,283,654	708,042	2,748,291	784,999	125,747	2,848,885	10,867,918

NOTES TO THE FINANCIAL STATEMENTS

as at 31 December 2025 and for the year then ended

7. PROPERTY AND EQUIPMENT (CONTINUED)

	Buildings	Leasehold	Motor	Computer	Equipment	Furniture	Construction	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

As at 31 December 2025, the cost fully depreciated property and equipment still in use amounted to US\$ 3,863,991 or KHR'000 15,506,196 (2024: US\$ 2,708,769 or KHR'000 10,902,795). During the year 2025, there is a write-off of property and equipment amounting to US\$ 299,434 or KHR'000 1,201,030 and a loss from write-off amounting to US\$ 32,460 or KHR'000 130,262 (2024: Nil).

NOTES TO THE FINANCIAL STATEMENTS

as at 31 December 2025 and for the year then ended

8. RIGHT-OF-USE ASSETS

	2025		2024	
	US\$	KHR'000	US\$	KHR'000
		(Note 2.5)		(Note 2.5)
Buildings Cost				
As at 1 January	4,773,013	19,211,377	2,851,747	11,649,386
Additions	2,678,940	10,745,228	1,615,225	6,575,581
Remeasurement	-	-	306,041	1,245,893
Expirations	(648,252)	(2,600,139)	-	-
Currency translation differences	-	(53,214)	-	(259,483)
As at 31 December	6,803,701	27,303,252	4,773,013	19,211,377
Less: Accumulated depreciation				
As at 1 January	2,096,747	8,439,406	1,609,141	6,573,340
Depreciation for the year (Note 23)	653,322	2,620,475	487,606	1,985,044
Expirations	(648,252)	(2,600,139)	-	-
Currency translation differences	-	(25,150)	-	(118,978)
As at 31 December	2,101,817	8,434,592	2,096,747	8,439,406
Carrying amount as at 31 December	4,701,884	18,868,660	2,676,266	10,771,971

9. INTANGIBLE ASSETS

	Software and licenses	Software in progress	Total
Cost	US\$	US\$	US\$
As at 1 January 2025	1,629,601	80,961	1,710,562
Additions	110,590	326,161	436,751
As at 31 December 2025	1,740,191	407,122	2,147,313
Less: Accumulated amortization			
As at 1 January 2025	1,178,685	–	1,178,685
Amortization for the year (Note 23)	241,614	–	241,614
As at 31 December 2025	1,420,299	–	1,420,299
Carrying amount as at 31 December 2025	319,892	407,122	727,014
KHR'000 (Note 2.5)	1,283,727	1,633,780	2,917,507

NOTES TO THE FINANCIAL STATEMENTS

as at 31 December 2025 and for the year then ended

9. INTANGIBLE ASSETS (CONTINUED)

	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 2025	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

10. OTHER ASSETS

	2025		2024	
	US\$	KHR'000	US\$	KHR'000
	(Note 2.5)		(Note 2.5)	
Deposits for real estate acquisition (*)	7,103,855	28,507,770	6,743,055	27,140,797
Income tax credit (Note 11.2)	599,084	2,404,124	370,360	1,490,699
Prepayments	228,963	918,829	708,659	2,852,352
Office supplies	148,685	596,673	154,144	620,430
Deposits	88,217	354,015	121,867	490,515
Other receivables	45,251	181,592	63,987	257,548
	8,214,055	32,963,003	8,162,072	32,852,341

(*) 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 12 December 2025, the Bank received the certificate of proper accounting records from the GDT for the tax years 2025 and 2026, exempting the Bank from paying minimum tax.

NOTES TO THE FINANCIAL STATEMENTS

as at 31 December 2025 and for the year then ended

11. INCOME TAX (CONTINUED)

11.1. Income tax expense (continued)

	2025		2024	
	US\$	KHR'000	US\$	KHR'000
	(Note 2.5)		(Note 2.5)	
Current	-	-	-	-
Deferred	717,313	2,877,142	741,106	3,017,043
Income tax expense	717,313	2,877,142	741,106	3,017,043

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:

	2025		2024	
	US\$	KHR'000	US\$	KHR'000
	(Note 2.5)		(Note 2.5)	
Profit before income tax	3,264,618	13,094,385	3,417,522	13,912,732
Income tax using statutory tax rate at 20%	652,924	2,618,879	683,504	2,782,546
Non-deductible expense	64,389	258,263	57,602	234,497
Income tax expense	717,313	2,877,142	741,106	3,017,043

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

11.2. Income tax credit

	2025		2024	
	US\$	KHR'000	US\$	KHR'000
	(Note 2.5)		(Note 2.5)	
As at 1 January	370,360	1,490,699	173,775	709,871
Prepayments during the year	228,724	917,412	196,585	800,298
Currency translation differences	-	(3,987)	-	(19,470)
As at 31 December (Note 10)	599,084	2,404,124	370,360	1,490,699

NOTES TO THE FINANCIAL STATEMENTS

as at 31 December 2025 and for the year then ended

11. INCOME TAX (CONTINUED)

11.3. Deferred tax liabilities – net

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

	Expected credit loss allowance	Property and Equipment and Intangible assets	Right-of-use assets	Lease liabilities	Unearned interest income	Unrealized exchange loss	Unamortized processing fee	Tax losses carried forward	Total
	US\$	US\$	US\$	US\$	US\$	US\$	US\$	US\$	US\$
As at 1 January 2025	(2,240,295)	164,805	(535,253)	557,857	(343,845)	-	243,165	1,517,153	(636,413)
Recognized in profit or loss	(179,181)	29,382	(405,124)	421,483	(543,695)	-	(22,601)	(17,577)	(717,313)
As at 31 December 2025	(2,419,476)	194,187	(940,377)	979,340	(887,540)	-	220,564	1,499,576	(1,353,726)
KHR'000 (Note 2.5)	(9,709,357)	779,272	(3,773,733)	3,930,091	(3,561,698)	-	885,125	6,017,798	(5,432,502)
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 2024	(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)

Tax losses carried forward

Detail of the unused tax losses as at 31 December 2025 are as follow:

Originating year	Can be utilized up to	Tax loss	Utilized	Forfeited	Unutilized as at 31 December 2025
		US\$	US\$	US\$	US\$
2023	2028	3,015,396	87,884	-	2,927,512
2024	2029	4,570,370	-	-	4,570,370
Total		7,585,766	87,884	-	7,497,882
KHR'000 (Note 2.5)		30,532,708	352,678	-	30,089,000

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

NOTES TO THE FINANCIAL STATEMENTS

as at 31 December 2025 and for the year then ended

- 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:

	2025		2024	
	US\$	KHR'000	US\$	KHR'000
	(Note 2.5)		(Note 2.5)	
Current accounts	13,396,880	53,761,679	3,760,394	15,135,586
Savings accounts	4,914,655	19,722,511	9,100,969	36,631,400
Installment deposits	294,041	1,179,987	185,664	747,298
Term deposits	276,256,326	1,108,616,636	175,478,474	706,300,858
	294,861,902	1,183,280,813	188,525,501	758,815,142

Deposits from financial institutions and customers are analysed as follows:

(i) By maturity:

	2025		2024	
	US\$	KHR'000	US\$	KHR'000
	(Note 2.5)		(Note 2.5)	
Within 1 month	33,366,004	133,897,774	32,331,511	130,134,332
> 1 to 3 months	26,000,276	104,339,108	10,387,470	41,809,567
> 3 to 12 months	150,692,854	604,730,423	94,479,516	380,280,052
> 1 to 5 years	81,396,808	326,645,391	44,441,071	178,875,311
Over 5 years	3,405,960	13,668,117	6,885,933	27,715,880
	294,861,902	1,183,280,813	188,525,501	758,815,142

(ii) By relationship:

	2025		2024	
	US\$	KHR'000	US\$	KHR'000
	(Note 2.5)		(Note 2.5)	
Related parties (Note 25.1)	180,831	725,675	328,801	1,323,424
Others	294,681,071	1,182,555,138	188,196,700	757,491,718
	294,861,902	1,183,280,813	188,525,501	758,815,142

NOTES TO THE FINANCIAL STATEMENTS

as at 31 December 2025 and for the year then ended

(iii) By customer type:

	2025		2024	
	US\$	KHR'000	US\$	KHR'000
	(Note 2.5)		(Note 2.5)	
Financial institutions	59,075,981	237,071,912	36,119,356	145,380,408
Customers:				
Individual	182,891,829	733,944,910	107,110,115	431,118,213
Corporate	52,894,092	212,263,991	45,296,030	182,316,521
	294,861,902	1,183,280,813	188,525,501	758,815,142

(iv) By interest per annum:

	2025	2024
Current accounts	0.00% to 2.5%	0.00% - 0.75%
Savings accounts	1.00% to 4.00%	0.75% - 4.25%
Installment deposits	5.00% to 7.00%	5.75% - 7.00%
Term deposits	1.50% to 8.00%	1.85% - 9.00%

Interest expense from deposits from financial institutions and customers during the year amounted to US\$ 12,594,992 or KHR'000 50,518,513 (2024: US\$ 11,146,025 or KHR'000 45,375,468) (see Note 18).

13. SUBORDINATED DEBTS

The subordinated debts has the following terms:

Lender	Annual Interest rate	Start date	Maturity
Chief Financial (Group)	5.00%	22 December 2020	21 December 2027
Cambodia Limited	5.00%	25 July 2024	15 December 2029
	13.00%	29 November 2024	15 December 2029
Mr. Chen Yueming	6.25%	7 November 2025	15 December 2030

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.

NOTES TO THE FINANCIAL STATEMENTS

as at 31 December 2025 and for the year then ended

Gross carrying amount of the subordinated debts comprise of:

	2025		2024	
	US\$	KHR'000	US\$	KHR'000
	(Note 2.5)		(Note 2.5)	
Principal	14,800,000	59,392,400	6,200,000	24,955,000
Accrued interest	15,079	60,512	72,689	292,573
	14,815,079	59,452,912	6,272,689	25,247,573

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

	2025		2024	
	US\$	KHR'000	US\$	KHR'000
	(Note 2.5)		(Note 2.5)	
At 1 January	6,272,689	25,247,573	1,253,862	5,122,026
Addition	10,000,000	40,110,000	5,000,000	20,355,000
Interest expense (Note 18)	505,178	2,026,269	141,912	577,724
Interest paid	(562,788)	(2,257,343)	(123,085)	(501,079)
Principal paid	(1,400,000)	(5,615,400)	-	-
Currency translation differences	-	(58,187)	-	(306,098)
At 31 December	14,815,079	59,452,912	6,272,689	25,247,573

On 24 November 2025, the Bank issued additional subordinated debt amounting to US\$ 10,000,000 following NBC approval on 28 January 2026.

NOTES TO THE FINANCIAL STATEMENTS

as at 31 December 2025 and for the year then ended

14. LEASE LIABILITIES

	2025		2024	
	US\$	KHR'000	US\$	KHR'000
	(Note 2.5)		(Note 2.5)	
Maturity analysis: Contractual undiscounted cash flows				
Less than one year	905,478	3,633,683	646,204	2,600,971
More than one to five years	2,577,800	10,344,711	1,674,478	6,739,774
More than five years	2,703,110	10,847,581	1,062,000	4,274,550
Total undiscounted lease liabilities	6,186,388	24,825,975	3,382,682	13,615,295
Less: Unwinding interest	(1,289,688)	(5,175,518)	(593,396)	(2,388,419)
Total present value of lease liabilities	4,896,700	19,650,457	2,789,286	11,226,876
Present value of lease liabilities:				
Current	658,809	2,643,801	489,422	1,969,924
Non-current	4,237,891	17,006,656	2,299,864	9,256,952
	4,896,700	19,650,457	2,789,286	11,226,876

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

	2025		2024	
	US\$	KHR'000	US\$	KHR'000
	(Note 2.5)		(Note 2.5)	
As at 1 January	2,789,286	11,226,876	1,350,471	5,516,674
Addition	2,678,940	10,745,228	1,615,225	6,575,581
Remeasurement	-	-	306,041	1,245,893
Interest expense (Note 18)	182,678	732,721	70,426	286,704
Payments of principal portion	(571,526)	(2,292,391)	(482,451)	(1,964,058)
Payments of interest portion	(182,678)	(732,721)	(70,426)	(286,704)
Currency translation differences	-	(29,256)	-	(147,214)
As at 31 December	4,896,700	19,650,457	2,789,286	11,226,876

NOTES TO THE FINANCIAL STATEMENTS

as at 31 December 2025 and for the year then ended

14. LEASE LIABILITIES (CONTINUED)

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

	2025		2024	
	US\$	KHR'000	US\$	KHR'000
	(Note 2.5)		(Note 2.5)	
Depreciation on right-of-use assets (Note 8)	653,322	2,620,475	487,606	1,985,044
Interest expense on lease liabilities	182,678	732,721	70,426	286,704
Expenses relating to short-term leases and leases of low-value assets (Note 24)	156,312	626,967	157,706	642,021
	992,312	3,980,163	715,738	2,913,769

15. OTHER LIABILITIES

	2025		2024	
	US\$	KHR'000	US\$	KHR'000
	(Note 2.5)		(Note 2.5)	
Other tax payables	73,518	295,028	47,279	190,298
Withholding taxes payable	62,781	251,940	47,446	190,970
Accrued bonuses and salaries	3,360	13,484	2,070	8,332
Others (*)	48,906	196,259	74,051	298,057
	188,565	756,711	170,846	687,657

(*) Others include accrued audit fee amounting to US\$ 18,085 or KHR'000 72,575 (2024: US\$ 13,871 or KHR'000 55,831).

NOTES TO THE FINANCIAL STATEMENTS

as at 31 December 2025 and for the year then ended

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.

Shareholder	2025			Shareholder	2024			
	Number of shares	%	Amount		-	Number of shares	%	Amount US\$
Asian Business Group Co., Ltd	75,000,000	100	75,000,000	Chief Financial Group (Cambodia) Limited	75,000,000	100	75,000,000	

Pursuant to the approval from the Ministry of Commerce on 13 November 2025, the Bank's Memorandum and Articles of Association was amended to reflect the change in shareholder from Chief Financial Group (Cambodia) Limited to Asian Business Group Co., Ltd., who wholly owns the Bank. The ownership transfer did not affect the Bank's total share capital, and no shares were issued or cancelled in connection with this change.

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 2025, the Bank transferred from retained earnings to regulatory reserves of US\$ 6,170,612 or KHR'000 24,750,325 (2024: US\$ 10,633,912 or KHR'000 43,290,656).

	Balances with other banks and financial institutions	Loans and advances	Off-balance sheet items	Total
31 December 2025				
Allowance per NBC	265,336	26,154,121	14,035	26,433,493
Allowance per CIFRS 9	199,806	4,217,885	400	4,418,091
Regulatory reserves (A)	65,530	21,936,236	13,635	22,015,402
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 (B)	(32,983)	15,877,586	186	15,844,790
Transfer from retained earnings to regulatory reserves (A - B)				6,170,612
KHR'000 (Note 2.5)				24,750,325

NOTES TO THE FINANCIAL STATEMENTS

as at 31 December 2025 and for the year then ended

17. INTEREST INCOME

Interest income arises from:

	2025		2024	
	US\$	KHR'000	US\$	KHR'000
	(Note 2.5)		(Note 2.5)	
Loans and advances (Note 6)	23,439,277	94,014,940	21,362,928	86,968,480
Balances with other banks and financial institutions (Note 5)	1,388,081	5,567,593	1,287,932	5,243,171
Balances with the NBC (Note 4)	86,695	347,734	111,974	455,846
	24,914,053	99,930,267	22,762,834	92,667,497

18. INTEREST EXPENSE

Interest expense arises from:

	2025		2024	
	US\$	KHR'000	US\$	KHR'000
	(Note 2.5)		(Note 2.5)	
Deposits from financial institutions and customers (Note 12)	12,594,992	50,518,513	11,146,025	45,375,468
Subordinated debts (Note 13)	505,178	2,026,269	141,912	577,724
Lease liabilities (Note 14)	182,678	732,721	70,426	286,704
	13,282,848	53,277,503	11,358,363	46,239,896

19. NET FEE AND COMMISSION INCOME

Details of net fees and commission income are as follows:

	2025		2024	
	US\$	KHR'000	US\$	KHR'000
	(Note 2.5)		(Note 2.5)	
Fee and commission income:				
Service charges and fees	32,439	130,113	12,152	49,471
Fee and commission expense:				
Bank charges	14,846	59,547	8,014	32,625
Net fee and commission income	17,593	70,566	4,138	16,846

NOTES TO THE FINANCIAL STATEMENTS

as at 31 December 2025 and for the year then ended

20. OTHER INCOME

Other income arises from:

	2025		2024	
	US\$	KHR'000	US\$	KHR'000
	(Note 2.5)		(Note 2.5)	
Net foreign exchange gain	69,778	279,880	357,058	1,453,583
Others	29,745	119,307	5,891	23,982
	99,523	399,187	362,949	1,477,565

21. PROVISION FOR EXPECTED CREDIT LOSSES

Provision for ECLs comprises of the following:

	2025		2024	
	US\$	KHR'000	US\$	KHR'000
	(Note 2.5)		(Note 2.5)	
Loans and advances (Note 6)	810,939	3,252,676	839,049	3,415,768
Balances with other banks and financial institutions (Note 5)	136,697	548,292	41,461	168,788
	947,636	3,800,968	880,510	3,584,556

22. PERSONNEL EXPENSES

Personnel expenses comprise of:

	2025		2024	
	US\$	KHR'000	US\$	KHR'000
	(Note 2.5)		(Note 2.5)	
Salaries and bonuses	2,737,993	10,982,090	2,460,740	10,017,673
Seniority payments	121,575	487,637	109,777	446,902
Others	160,436	643,509	120,839	491,935
	3,020,004	12,113,236	2,691,356	10,956,510

NOTES TO THE FINANCIAL STATEMENTS

as at 31 December 2025 and for the year then ended

23. DEPRECIATION AND AMORTIZATION

Depreciation and amortization comprise of:

	2025		2024	
	US\$	KHR'000	US\$	KHR'000
	(Note 2.5)		(Note 2.5)	
Property and equipment (Note 7)	629,557	2,525,153	753,941	3,069,294
Right-of-use assets (Note 8)	653,322	2,620,475	487,606	1,985,044
Intangible assets (Note 9)	241,614	969,113	293,317	1,194,093
	1,524,493	6,114,741	1,534,864	6,248,431

24. OTHER OPERATING EXPENSES

Other operating expenses comprise of:

	2025		2024	
	US\$	KHR'000	US\$	KHR'000
	(Note 2.5)		(Note 2.5)	
License fee, patent and other taxes	958,274	3,843,637	1,097,685	4,468,676
Professional fees (*)	680,683	2,730,220	1,107,160	4,507,248
Marketing and advertising	445,048	1,785,088	239,426	974,703
Utilities entertainment	169,118	678,332	151,300	615,942
Leases of low-value assets (Note 14)	156,312	626,967	157,706	642,021
Communication	137,046	549,692	128,927	524,862
Business meal and entertainment	133,791	536,636	118,844	483,814
Charitable donation	96,458	386,893	68,212	277,691
Office supplies and non-capitalized purchases	59,254	237,668	48,100	195,815
Repairs and maintenance	44,539	178,646	40,652	165,494
Security	7,042	28,245	5,894	23,994
Others (**)	104,005	417,163	83,400	339,523
	2,991,570	11,999,187	3,247,306	13,219,783

(*) Professional fees include audit service fees amounting to US\$ 76,582 or KHR'000 307,170 for the year ended 31 December 2025 (2024: US\$74,327 or KHR'000 302,585).

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

NOTES TO THE FINANCIAL STATEMENTS

as at 31 December 2025 and for the year then ended

25. RELATED PARTY TRANSATIONS AND BALANCES

Significant transactions and balances with related parties are as follows:

Related party	Relationship
Asian Business Group Co., Ltd	Shareholder and ultimate holding 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.

25.1. Balances with related parties

Related party	Nature of balances	2025		2024	
		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
Asian Business Group Co., Ltd	Deposits (Note 12.ii)	501	2,011	-	-
Director	Subordinated debts (Note 13)	10,000,000	40,130,000	-	-
Key management	Deposits (Note 12.ii)	180,330	723,664	328,801	1,323,424
	Loans and advances (Note 27.1)	41,689	167,298	154,842	623,239

25.2. Transactions with related parties

Related party	Nature of transactions	2025		2024	
		US\$	KHR'000	US\$	KHR'000
		(Note 2.5)		(Note 2.5)	
Chief Financial Group (Cambodia) Limited (*)	License fee	36,000	146,556	72,000	293,112
	Interest paid (Note 13)	-	-	123,085	501,079
	Interest expense on subordinated debt (Note 13)	-	-	141,912	577,724
	Expense paid by/on behalf of the Bank	26	104	9,452	38,479
Chief Securities Limited (*)	Management fee	173,892	707,914	314,400	1,279,922
	Expense paid by/on behalf of the Bank	3,972	15,932	-	-
Director	Proceeds from subordinated debt	10,000,000	40,110,000	-	-
Key management	Interest income from loan	-	-	24,597	100,134
	Compensation	-	-	196,304	799,152
	Rental expense	161,700	658,281	120,000	488,520
	Interest Expense on deposit	36,000	146,556	11,882	48,372

NOTES TO THE FINANCIAL STATEMENTS

as at 31 December 2025 and for the year then ended

(*) The amount excluded the period that Chief Finance Group (Cambodia) Limited and Chief Securities Limited were no longer a related party due to the change in its shareholder to a third party effective from July 2025.

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:

	2025		2024	
	US\$	KHR'000	US\$	KHR'000
	(Note 2.5)		(Note 2.5)	
Unused overdraft	1,363,451	5,471,529	26,048	104,843
Performance bond	40,000	160,520	-	-
	1,403,451	5,632,049	26,048	104,843

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 for tax liabilities based on its interpretation of tax legislation. However, the relevant authorities may have different interpretations and the effects could be significant.

26. COMMITMENTS AND CONTINGENCIES

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.

NOTES TO THE FINANCIAL STATEMENTS

as at 31 December 2025 and for the year then ended

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:

	2025		2024	
	US\$	KHR'000	US\$	KHR'000
	(Note 2.5)		(Note 2.5)	
Financial assets				
Balances with the NBC (*)	55,692,323	223,493,292	36,664,903	147,576,235
Balances with other banks and financial institutions	26,446,275	106,128,902	3,000,424	12,076,707
Loans and advances	276,622,316	1,110,085,354	207,376,578	834,690,726
Other assets (**)	133,468	535,607	185,854	748,063
Total financial assets	358,894,382	1,440,243,155	247,227,759	995,091,731
Financial liabilities				
Deposits from financial institutions and customers	294,861,902	1,183,280,813	188,525,501	758,815,142
Subordinated debts	14,815,079	59,452,912	6,272,689	25,247,573
Lease liabilities	4,896,700	19,650,457	2,789,286	11,226,876
Other liabilities (***)	52,266	209,743	76,121	306,387
Total financial liabilities	314,625,947	1,262,593,925	197,663,597	795,595,978
Net financial assets	44,268,435	177,649,230	49,564,162	199,495,753

- (*) Exclude capital guarantee and reserve requirement.
- (**) Exclude prepayment, office supplies, deposits for real estate acquisition and income tax credit.
- (***) Exclude taxes payables.

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.

NOTES TO THE FINANCIAL STATEMENTS

as at 31 December 2025 and for the year then ended

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 ECLs including monitoring of credit risk, incorporation of forward-looking information and the method used to measure ECLs.
- Ensuring that the Bank has policies and procedures in place to appropriately maintain and validate models used to assess and measure ECLs.
- 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 ECLs. 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.

NOTES TO THE FINANCIAL STATEMENTS

as at 31 December 2025 and for the year then ended

27. FINANCIAL RISK MANAGEMENT (CONTINUED)

27.1. Credit risk (continued)

(ii) Credit quality analysis (continued)

	2025			
	Stage 1	Stage 2	Stage 3	Total
	US\$	US\$	US\$	US\$
Balances with other banks and financial institutions:				
Normal	26,646,081	-	-	26,646,081
Less: Allowance for ECLs	(199,806)	-	-	(199,806)
Carrying amounts-net	26,446,275	-	-	26,446,275
KHR’000 (Note 2.5)	106,128,902	-	-	106,128,902
Loans and advances:				
Normal	152,504,574	30,923,862	-	183,428,436
Special mention	-	66,635,817	446,310	67,082,127
Sub-standard	-	-	4,221,199	4,221,199
Doubtful	-	-	9,487,836	9,487,836
Loss	-	-	16,621,003	16,621,003
	152,504,574	97,559,679	30,776,348	280,840,601
Less: Allowance for ECLs	(231,937)	(38,300)	(3,948,048)	(4,218,285)
Carrying amounts-net	152,272,637	97,521,379	26,828,300	276,622,316
KHR’000 (Note 2.5)	611,070,092	391,353,294	107,661,968	1,110,085,354

NOTES TO THE FINANCIAL STATEMENTS

as at 31 December 2025 and for the year then ended

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 ECLs	(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 ECLs	(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

NOTES TO THE FINANCIAL STATEMENTS

as at 31 December 2025 and for the year then ended

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 ECLs during the year for loans and advances carried at amortized cost:

	2025			
	Stage 1	Stage 2	Stage 3	Total
	US\$	US\$	US\$	US\$
As at 1 January	108,532	11,839	2,735,074	2,855,445
Change in the ECLs				
Transfer to stage 1	114	(114)	-	-
Transfer to stage 2	(7,634)	7,634	-	-
Transfer to stage 3	(1,566)	(682)	2,248	-
New financial assets originated	77,516	3,390	4,833	85,739
Net remeasurement of allowance for ECLs and other movements	54,975	16,233	653,992	725,200
Unwinding of discount	-	-	551,901	551,901
As at 31 December	231,937	38,300	3,948,048	4,218,285
KHR'000 (Note 2.5)	930,763	153,698	15,843,517	16,927,978

	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 ECLs				
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 allowance for ECLs 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

NOTES TO THE FINANCIAL STATEMENTS

as at 31 December 2025 and for the year then ended

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:

2025				
	Stage 1	Stage 2	Stage 3	Total
	US\$	US\$	US\$	US\$
As at 1 January	141,968,017	51,229,410	17,034,596	210,232,023
Change in gross carrying amounts				
Transfer to stage 1	468,748	(468,748)	-	-
Transfer to stage 2	(41,336,748)	41,336,748	-	-
Transfer to stage 3	(8,010,566)	(3,054,997)	11,065,563	-
New financial assets originated	86,686,178	14,339,342	18,554	101,044,074
Net movements	(27,271,055)	(5,822,076)	2,657,635	(30,435,496)
As at 31 December	152,504,574	97,559,679	30,776,348	280,840,601
KHR'000 (Note 2.5)	612,000,855	391,506,992	123,505,485	1,127,013,332

2024				
	Stage 1	Stage 2	Stage 3	Total
	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

NOTES TO THE FINANCIAL STATEMENTS

as at 31 December 2025 and for the year then ended

27. FINANCIAL RISK MANAGEMENT (CONTINUED)

27.1. Credit risk (continued)

(iii) Amounts arising from ECLs

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

The Bank recognize loss allowances for ECLs 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 ECLs 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.

NOTES TO THE FINANCIAL STATEMENTS

as at 31 December 2025 and for the year then ended

27. FINANCIAL RISK MANAGEMENT (CONTINUED)

27.1. Credit risk (continued)

(iii) Amounts arising from ECLs (continued)

(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).

NOTES TO THE FINANCIAL STATEMENTS

as at 31 December 2025 and for the year then ended

27. FINANCIAL RISK MANAGEMENT (CONTINUED)

27.1. Credit risk (continued)

(iii) Amounts arising from ECLs (continued)

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

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 ECLs.

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

NOTES TO THE FINANCIAL STATEMENTS

as at 31 December 2025 and for the year then ended

27. FINANCIAL RISK MANAGEMENT (CONTINUED)

27.1. Credit risk (continued)

(iii) Amounts arising from ECLs (continued)

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

Credit risk grades (continued)

an analysis of historical data, has estimated relationships between macro-economic variables and credit risk and credit losses.

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 ECLs

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 ECLs 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.

- 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.

NOTES TO THE FINANCIAL STATEMENTS

as at 31 December 2025 and for the year then ended

27. FINANCIAL RISK MANAGEMENT (CONTINUED)

27.1. Credit risk (continued)

(iii) Amounts arising from ECLs (continued)

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

Credit risk grades (continued)

- 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.

(b) Allowance for ECLs

This table summarizes the allowance for ECLs as of year-end by class of exposure/assets.

	2025		2024	
	US\$	KHR'000	US\$	KHR'000
	(Note 2.5)		(Note 2.5)	
Allowance for ECLs on:				
Loans and advances	4,218,285	16,927,978	2,855,445	11,493,166
Balance with other banks and financial institutions	199,806	801,821	63,109	254,014
	4,418,091	17,729,799	2,918,554	11,747,180

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.

	2025		2024	
	Gross carrying amount	Allowance for ECLs	Gross carrying amount	Allowance for ECLs
	US\$	US\$	US\$	US\$
Loans and advances more than one year (A)				
0 – 29 days	167,822,644	343,479	154,335,886	131,902
30 – 89 days	21,971,635	83,019	476,112	21,586
90 – 179 days	3,622,751	286,481	61,957	28,164
180 – 359 days	7,924,453	641,043	3,258,545	350,145
More than 359 days	15,150,188	2,678,177	13,280,046	2,289,012
	216,491,671	4,032,199	171,412,546	2,820,809
KHR'000 (Note 2.5)	868,781,076	16,181,215	689,935,498	11,353,756

NOTES TO THE FINANCIAL STATEMENTS

as at 31 December 2025 and for the year then ended

	2025		2024	
	Gross carrying amount	Allowance for ECLs	Gross carrying amount	Allowance for ECLs
	US\$	US\$	US\$	US\$
Loans and advances less than one year (B)				
0 – 14 days	62,599,028	33,971	38,670,268	9,179
15 – 30 days	428,165	29,978	-	-
31 – 60 days	1,133,759	79,452	3,352	1,525
61 – 90 days	362	175	-	-
More than 90 days	187,616	42,510	145,857	23,932
	64,348,930	186,086	38,819,477	34,636
KHR'000 (Note 2.5)	258,232,256	746,763	156,248,394	139,410
Total A + B	280,840,601	4,218,285	210,232,023	2,855,445
KHR'000 (Note 2.5)	1,127,013,332	16,927,978	846,183,892	11,493,166

(iv) Concentration of credit risk

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

	Balances with the NBC (*)	Balances with other banks and financial institutions	Loans and advances	Other assets (**)	Total
	US\$	US\$	US\$	US\$	US\$
As at 31 December 2025					
Real estate	-	-	81,970,792	-	81,970,792
Financial institutions	55,692,323	26,446,275	577,112	-	82,715,710
Personal lending	-	-	42,158,077	-	42,158,077
Retail trade	-	-	18,416,242	-	18,416,242
Rental and operational leasing activities	-	-	35,014,101	-	35,014,101
Hotels and restaurants	-	-	30,750,271	-	30,750,271
Information Media and Telecommunications	-	-	29,949,661	-	29,949,661
Wholesale trade	-	-	16,589,802	-	16,589,802
Agriculture	-	-	8,934,258	-	8,934,258
Construction	-	-	6,670,515	-	6,670,515
Transport and storage	-	-	430,668	-	430,668
Others	-	-	5,160,817	133,468	5,294,285
Total	55,692,323	26,446,275	276,622,316	133,468	358,894,382
KHR'000 (Note 2.5)	223,493,292	106,128,902	1,110,085,354	535,607	1,440,243,155

NOTES TO THE FINANCIAL STATEMENTS

as at 31 December 2025 and for the year then ended

27. FINANCIAL RISK MANAGEMENT (CONTINUED)

27.1. Credit risk (continued)

(iv) Concentration of credit risk (continued)

- (*) Exclude capital guarantee and reserve requirement.
- (**) Exclude prepayment, office supplies, deposits for real estate acquisition and income tax credit.

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

	Balances with the NBC (*)	Balances with other banks and financial institutions	Loans and advances	Other assets (**)	Total
	US\$	US\$	US\$	US\$	US\$
As at 31 December 2024					
Real estate	-	-	85,646,497	-	85,646,497
Financial institutions	36,664,903	3,000,424	-	-	39,665,327
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	36,664,903	3,000,424	207,376,578	185,854	247,227,759
KHR'000 (Note 2.5)	147,576,235	12,076,707	834,690,726	748,063	995,091,731

- (*) Exclude capital guarantee and reserve requirement.
- (**) Exclude prepayment, office supplies, deposits for real estate acquisition and income tax credit.

NOTES TO THE FINANCIAL STATEMENTS

as at 31 December 2025 and for the year then ended

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:

	2025		2024	
	US\$	KHR'000	US\$	KHR'000
		(Note 2.5)		(Note 2.5)
By residency status:				
Residents	280,840,601	1,127,013,332	210,232,023	846,183,892
Non-residents	-	-	-	-
	280,840,601	1,127,013,332	210,232,023	846,183,892
By relationship:				
External customers	278,036,563	1,115,760,727	206,187,722	829,905,581
Staffs	2,762,349	11,085,307	3,889,459	15,655,072
Key management (Note 25.1)	41,689	167,298	154,842	623,239
	280,840,601	1,127,013,33	210,232,023	846,183,892
By collateral security:				
Secured	230,251,025	923,997,363	203,148,426	817,672,416
Unsecured	50,589,576	203,015,969	7,083,597	28,511,476
	280,840,601	1,127,013,332	210,232,023	846,183,892
By exposure:				
Large exposures (*)	79,451,696	318,839,656	-	-
Non-large exposures	201,388,905	808,173,676	210,232,023	846,183,892
	280,840,601	1,127,013,332	210,232,023	846,183,892
By restructuring status:				
Restructured loan (**)	107,178,147	430,105,905	77,521,262	312,023,081
Normal	173,662,454	696,907,427	132,710,761	534,160,811
	280,840,601	1,127,013,332	210,232,023	846,183,892
By maturity:				
Within 1 month	5,259,549	21,106,570	12,814,348	51,577,751
> 1 to 3 months	7,654,059	30,715,739	34,533,280	138,996,452
> 3 to 12 months	58,904,350	236,383,157	56,694,873	228,196,864
> 1 to 5 years	19,847,118	79,646,485	86,635,510	348,707,927
Over 5 years	189,175,525	759,161,381	19,554,012	78,704,898
	280,840,601	1,127,013,332	210,232,023	846,183,892

NOTES TO THE FINANCIAL STATEMENTS

as at 31 December 2025 and for the year then ended

27. FINANCIAL RISK MANAGEMENT (CONTINUED)

27.1. Credit risk (continued)

(iv) Concentration of credit risk (continued)

- (*) 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 2.6.13.

(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.

As at 31 December 2025, the large exposure amounted to US\$ 79,451,696 or KHR’000 318,839,656 (2024: Nil) (see Note 27.1 iv). As at 31 December 2025, the total large exposure exceeding 20% amounted to US\$ 60,245,440 or KHR’000 241,764,950 (2024: Nil).

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). Moreover, in January 2026, the Bank issued subordinated debts amounting to US\$ 10 million (see Note 13).

NOTES TO THE FINANCIAL STATEMENTS

as at 31 December 2025 and for the year then ended

27. FINANCIAL RISK MANAGEMENT (CONTINUED)

27.1. Credit risk (continued)

(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.

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.

NOTES TO THE FINANCIAL STATEMENTS

as at 31 December 2025 and for the year then ended

27. FINANCIAL RISK MANAGEMENT (CONTINUED)

27.1. Credit risk (continued)

(vii) Impairment (continued)

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.

(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.

NOTES TO THE FINANCIAL STATEMENTS

as at 31 December 2025 and for the year then ended

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 2025					
On balance sheet items					
Balances with NBC (*)	55,692,323	223,493,292	0%	0%	100%
Balances with other banks and financial a institutions	26,446,275	106,128,902	0%	0%	100%
Loans and advances	276,622,316	1,110,085,354	72.15%	0%	27.85%
Other assets (**)	133,468	535,607	0%	0%	100%
	358,894,382	1,440,243,155			
Off-Balance sheet items					
Commitments	1,403,451	5,632,049	0%	0%	100%

(*) Exclude capital guarantee and reserve requirement.
(**) Exclude the prepayment, office supplies, and prepayment of tax on income.

	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					
Balances with NBC (*)	36,664,903	147,576,235	0.00%	0.00%	100.00%
Balances with other banks and financial institutions	3,000,424	12,076,707	0.00%	0.00%	100.00%
Loans and advances	207,376,578	834,690,726	97.45%	0.00%	2.55%
Other assets (**)	185,854	748,063	0.00%	0.00%	100.00%
	247,227,759	995,091,731			
Off-Balance sheet items					
Commitments	26,048	104,843	0.00%	0.00%	100.00%

(*) Exclude capital guarantee and reserve requirement.
(**) Excluded the prepayment, office supplies and prepayment of tax on income.

NOTES TO THE FINANCIAL STATEMENTS

as at 31 December 2025 and for the year then ended

27. FINANCIAL RISK MANAGEMENT (CONTINUED)

27.1. Credit risk (continued)

(ix) Repossessed collateral

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

Reposessed properties have to be sold within one year as required by the NBC. Reposessed 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).

NOTES TO THE FINANCIAL STATEMENTS

as at 31 December 2025 and for the year then ended

27. FINANCIAL RISK MANAGEMENT (CONTINUED)

27.2 Liquidity risk (continued)

(i) Liquidity risk management (continued)

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.

(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 2025	US\$	US\$	US\$	US\$	US\$	US\$	US\$	US\$
Financial assets								
Cash on hand	3,631,828	3,631,828	-	-	-	-	-	3,631,828
Balances with the NBC (*)	55,692,323	55,692,323	-	4,218,986	-	-	-	51,473,337
Balances with other banks and financial institutions	26,446,275	26,646,081	-	-	14,103,072	-	-	12,543,009
Loans and advances	276,622,316	385,271,963	2,141,240	8,248,020	69,455,924	128,063,851	177,362,928	-
Other assets (**)	133,468	133,468	-	-	-	-	-	133,468
Total financial assets	362,526,210	471,375,663	2,141,240	12,467,006	83,558,996	128,063,851	177,362,928	67,781,642
Financial liabilities								
Deposits from financial institutions and customers	294,861,902	305,591,011	15,427,250	26,562,429	154,566,479	85,136,059	5,587,259	18,311,535
Subordinated debts	14,815,079	15,742,536	33,973	64,658	3,696,548	11,947,357	-	-
Lease liabilities	4,896,700	6,186,388	77,739	152,739	675,000	2,577,800	2,703,110	-
Other liabilities (***)	52,266	52,266	-	-	-	-	-	52,266
Total financial liabilities	314,625,947	327,572,201	15,538,962	26,779,826	158,938,027	99,661,216	8,290,369	18,363,801
Total maturity gap	47,900,263	143,803,462	(13,397,722)	(14,312,820)	(75,379,031)	28,402,635	169,072,559	49,417,841
KHR'000 (Note 2.5)	192,223,755	577,083,293	(53,765,058)	(57,437,347)	(302,496,051)	113,979,774	678,488,179	198,313,796

NOTES TO THE FINANCIAL STATEMENTS

as at 31 December 2025 and for the year then ended

27. FINANCIAL RISK MANAGEMENT (CONTINUED)

27.2 Liquidity risk (continued)

(ii) Maturity analysis for financial liabilities and financial assets (continued)

- (*) Exclude capital guarantee and reserve requirement.
- (**) Exclude prepayment, office supplies, deposits for real estate acquisition and income tax credit.
- (***) Exclude taxes payables.

	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

- (*) Exclude capital guarantee and reserve requirement.
- (**) Exclude prepayment, office supplies, deposits for real estate acquisition and income tax credit.
- (***) Exclude taxes payables.

NOTES TO THE FINANCIAL STATEMENTS

as at 31 December 2025 and for the year then ended

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.

	2025	2024
	US\$	US\$
Cash on hand	3,631,828	3,176,266
Balances with the NBC (*)	55,692,323	36,664,903
Balances with other banks and financial institutions	26,446,275	3,000,424
Total liquidity reserves	85,770,426	42,841,593
KHR'000 (Note 2.5)	344,196,720	172,437,412

(*) Exclude capital guarantee and reserve requirement.

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.

NOTES TO THE FINANCIAL STATEMENTS

as at 31 December 2025 and for the year then ended

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
31 December 2025							
Financial assets							
Cash on hand	3,631,828	-	-	-	-	-	3,631,828
Balances with the NBC (*)	55,692,323	-	4,218,986	-	-	-	51,473,337
Balances with other banks and financial institutions	26,446,275	-	-	13,903,266	-	-	12,543,009
Loans and advances	276,622,316	5,126,707	6,323,466	57,788,194	19,605,868	187,778,081	-
Other assets (**)	133,468	-	-	-	-	-	133,468
Total financial assets	362,526,210	5,126,707	10,542,452	71,691,460	19,605,868	187,778,081	67,781,642
Financial liabilities							
Deposits from financial institutions and customers	294,861,902	15,054,469	26,000,276	150,692,854	81,396,808	3,405,960	18,311,535
Subordinated debts	14,815,079	15,079	-	3,400,000	11,400,000	-	-
Lease liabilities	4,896,700	55,836	109,683	493,290	1,897,204	2,340,687	-
Other liabilities (***)	52,266	-	-	-	-	-	52,266
Total financial liabilities	314,625,947	15,125,384	26,109,959	154,586,144	94,694,012	5,746,647	18,363,801
Total interest sensitivity gap	47,900,263	(9,998,677)	(15,567,507)	(82,894,684)	(75,088,144)	182,031,434	49,417,841
KHR'000 (Note 2.5)	192,223,755	(40,124,691)	(62,472,406)	(332,656,367)	(301,328,722)	730,492,145	198,313,796

(*) Exclude capital guarantee and reserve requirement.

(**) Exclude prepayment, office supplies, deposits for real estate acquisition and income tax credit.

(***) Exclude taxes payables.

NOTES TO THE FINANCIAL STATEMENTS

as at 31 December 2025 and for the year then ended

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
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	19,470,149	10,387,470	94,479,516	44,441,069	6,885,934	12,861,363
Subordinated debts	6,272,689	472,689		1,400,000	4,400,000	-	-
Lease liabilities	2,789,286	33,594	85,638	389,851	1,349,976	930,227	-
Other liabilities (***)	76,121	-	-	-	-	-	76,121
Total financial liabilities	197,663,597	19,976,432	10,473,108	96,269,367	50,191,045	7,816,161	12,937,484
Total interest sensitivity gap	52,740,428	(7,164,513)	24,812,504	(36,902,233)	34,309,051	11,387,196	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

(*) Exclude capital guarantee and reserve requirement.
(**) Exclude prepayment, office supplies, deposits for real estate acquisition and income tax credit.
(***) Exclude taxes payables.

NOTES TO THE FINANCIAL STATEMENTS

as at 31 December 2025 and for the year then ended

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 2025			
Financial assets			
Cash on hand	565,549	3,066,279	3,631,828
Balances with the NBC (*)	8,223,280	47,469,043	55,692,323
Balances with other banks and financial institutions	9,147,352	17,298,923	26,446,275
Loans and advances	28,517,376	248,104,940	276,622,316
Other assets (**)	375	133,093	133,468
	46,453,932	316,072,278	362,526,210
Financial liabilities			
Deposits from financial institutions and customers	22,376,475	272,485,427	294,861,902
Subordinated debts	-	14,815,079	14,815,079
Lease liabilities	-	4,896,700	4,896,700
Other liabilities (***)	22,737	29,529	52,266
	22,399,212	292,226,735	314,625,947
Net asset position	24,054,720	23,845,543	47,900,263
KHR'000 (Note 2.5)	96,531,591	95,692,164	192,223,755

(*) Exclude capital guarantee and reserve requirement.
(**) Exclude prepayment, office supplies, deposits for real estate acquisition and income tax credit.
(***) Exclude taxes payables.

NOTES TO THE FINANCIAL STATEMENTS

as at 31 December 2025 and for the year then ended

27. FINANCIAL RISK MANAGEMENT (CONTINUED)

27.3 Market risk (continued)

(i) Market risk management (continued)

a) Interest rate 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 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

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:

	2025		2024	
	– 1% Depreciation	+ 1% Appreciation	– 1% Depreciation	+ 1% Appreciation
	US\$	US\$	US\$	US\$
Khmer Riel	242,977	(238,166)	155,739	(152,655)
KHR'000 (Note 2.5)	975,068	(955,759)	626,850	(614,435)

NOTES TO THE FINANCIAL STATEMENTS

as at 31 December 2025 and for the year then ended

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.

NOTES TO THE FINANCIAL STATEMENTS

as at 31 December 2025 and for the year then ended

27. FINANCIAL RISK MANAGEMENT (CONTINUED)

27.5 Capital riskk (continued)

Capital risk management (continued)

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.

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.

NOTES TO THE FINANCIAL STATEMENTS

as at 31 December 2025 and for the year then ended

27. FINANCIAL RISK MANAGEMENT (CONTINUED)

27.5 Capital riskk (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 2025			31 December 2024		
	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	3,631,828	-	3,631,828	3,176,266	-	3,176,266
Balances with the NBC	55,692,323	23,434,249	79,126,572	36,664,903	18,080,975	54,745,878
Balances with other banks and financial institutions	26,646,081	-	26,646,081	3,063,533	-	3,063,533
Loans and advances	71,894,844	210,048,578	281,943,422	36,373,653	175,074,193	211,447,846
Other assets	133,468	-	133,468	185,854	-	185,854
	157,998,544	233,482,827	391,481,371	79,464,209	193,155,168	272,619,377
Non-financial assets						
Other assets	8,080,587	-	8,080,587	7,976,218	-	7,976,218
Property and equipment	-	7,610,710	7,610,710	-	6,780,168	6,780,168
Right-of-use assets	-	6,803,701	6,803,701	-	4,773,013	4,773,013
Intangible assets	-	2,147,313	2,147,313	-	1,710,562	1,710,562
	8,080,587	16,561,724	24,642,311	7,976,218	13,263,743	21,239,961
Unamortized loan processing fees			(1,102,821)			(1,215,823)
Allowance for ECLs			(4,418,091)			(2,918,554)
Accumulated depreciation and amortization			(8,424,648)			(7,815,381)
Total assets	166,079,131	250,044,551	402,178,122	87,440,427	206,418,911	281,909,580
KHR'000 (Note 2.5)	666,475,553	1,003,428,783	1,613,940,803	351,947,719	830,836,117	1,134,686,061

NOTES TO THE FINANCIAL STATEMENTS

as at 31 December 2025 and for the year then ended

28. MATURITY PROFILE OF ASSETS AND LIABILITIES (CONTINUED)

	31 December 2025			31 December 2024		
	Within one year	Beyond one year	Total	Within one year	Beyond one year	Total
	US\$	US\$	US\$	US\$	US\$	US\$
Financial liabilities						
Deposits from financial institutions and customers	59,366,280	235,495,622	294,861,902	137,198,499	51,327,002	188,525,501
Subordinated debts	-	14,815,079	14,815,079	-	6,272,689	6,272,689
Other liabilities	52,266	-	52,266	76,121	-	76,121
Lease liabilities	658,809	4,237,891	4,896,700	2,017,467	771,819	2,789,286
	60,077,355	254,548,592	314,625,947	139,292,087	58,371,510	197,663,597
Non-financial liabilities						
Other liabilities	136,299	-	136,299	94,725	-	94,725
Deferred tax liabilities	-	1,353,726	1,353,726	-	636,413	636,413
	136,299	1,353,72	1,490,025	94,725	636,413	731,138
Total liabilities	60,213,654	255,902,318	316,115,972	139,386,812	59,007,923	198,394,735
KHR'000 (Note 2.5)	241,637,394	1,026,936,002	1,268,573,395	561,031,918	237,506,890	798,538,810

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.

NOTES TO THE FINANCIAL STATEMENTS

as at 31 December 2025 and for the year then ended

29. FAIR VALUES OF FINANCIAL ASSETS AND LIABILITIES

ii) Loans and advances and Subordinated debts

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.

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.

	2025		2024	
	Gross carrying amount	Fair value Level 3 (Note 2.5)	Gross carrying amount	Fair value Level 3 (Note 2.5)
Loans and advances	280,840,601	284,535,252	210,232,023	207,323,167
Subordinated debts	14,815,079	14,926,597	6,272,689	6,193,336
	295,655,680	299,461,849	216,504,712	213,516,503
KHR'000 (Note 2.5)	1,186,466,244	1,201,740,402	871,431,466	859,403,925

30. 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 2025 that had significant impact on the statement of financial position of the Bank as at 31 December 2025, and its financial performance for the year then ended.



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