

BUILDING VALUE BEYOND BANKING



ANNUAL REPORT 2025



ORIENTAL BANK PLC.

Building No. 101, Preah Norodom Blvd. Corner Samdach Pan Ave. (214), Sangkat Boeng Reang
Khan Doun Penh, Phnom Penh, Kingdom of Cambodia.




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TABLE OF CONTENT

OVERVIEW

- 1. Corporate Profile, Mission and Vision **1**
- 2. Branch Network.....**3**
- 3. Code of Ethics.....**5**
- 4. Organization Chart.....**7**
- 5. Chairman Statement.....**9**

HIGHLIGHT & ACHIEVEMENTS 2025

- 6. Event Highlight.....**12**

BOARD OF DIRECTOR

- 7. Board of Directors.....**14**

CORPORATE GOVERNANCE

- 8. Board Committees.....**15**
- 9. Management Team.....**17**
- 10. Internal Control Statement.....**19**
- 11. Risk Management & Governance.....**20**
- 12. Corporate Governance.....**22**

BUSINESS OPERATION

- 13. Customer perspective.....**26**
- 14. Technology.....**27**
- 15. Product.....**28**
- 16. Human Capital.....**29**
- 17. Economy and the Banking Industry.....**30**

FINANCIAL HIGHLIGHTS

- 18. Financial Highlights.....**32**

FINANCIAL STATEMENTS 2025

- 19. Directors' Report.....**33**
- 20. Independent Auditors' Report.....**37**
- 21. Statement of Financial Position.....**40**
- 22. Statement of Comprehensive Income...**41**
- 23. Statement of Changes in Equity.....**42**
- 24. Statement of Cash Flows.....**43**
- 25. Notes to the Financial Statements.....**45**

CORPORATE PROFILE



ABOUT US

Oriental Bank PLC was established in early 2022 by a group of visionary entrepreneurs with diverse expertise across banking, finance, retail, and manufacturing. The Bank is founded and led by **Datuk Phan Ying Tong**, a seasoned banking professional with extensive experience across the regional financial services industry. His deep understanding of banking operations, strategic leadership, and regional market dynamics has been instrumental in shaping Oriental Bank’s vision, culture, and long-term strategy.

United by a shared ambition to propel Cambodia’s financial sector into the digital era, the founding team recognized the accelerating pace of digitalization and the transformative role of fintech in reshaping financial services. Under the leadership of Datuk Phan Ying Tong, Oriental Bank combines international best practices with deep local insight, positioning the Bank to respond proactively to market evolution and capture emerging opportunities.

Since its inception, Oriental Bank has positioned itself at the forefront of Cambodia’s financial transformation. By prioritizing technology, innovation, and a digital-first operating model, the Bank is committed to enhancing customer experience, expanding access to financial services, and supporting sustainable economic growth. Guided by a vision of responsible banking and digital progress, Oriental Bank continues to play a meaningful role in building a resilient, inclusive, and digitally enabled economy.

MORE THAN JUST A BANK

Oriental Bank PLC delivers a comprehensive range of retail and commercial banking solutions designed for the realities of modern finance. Our offerings include **Current and Savings Accounts, Debit and Credit Cards, Bakong KHQR payments, Merchant Acquiring (POS) services, Fixed Deposits, Foreign Exchange**, and a broad spectrum of lending solutions—covering **Business, Property, Personal, and Digital Loans**, complemented by specialized **Trade Finance services**.

As part of our continued digital innovation, Oriental Bank has introduced **international outbound remittance services** integrated directly into our **mobile app and internet banking platforms**. This service enables customers to **send funds internationally** with speed, convenience, and confidence. The solution is powered by **Visa Direct**, one of the world’s most secure and trusted payment networks, ensuring high standards of security, reliability, and transaction integrity.

Rather than relying on traditional physical banking infrastructure, Oriental Bank has invested in **state-of-the-art modern delivery channels**. Our **highly innovative mobile and internet banking platforms**, equipped with intuitive interfaces and advanced features, allow customers to access and manage their finances seamlessly—anytime, anywhere.

Aligned with our strategic focus on digital transformation, Oriental Bank has reimagined the customer journey through advanced authorization frameworks, secure mobile approvals, real-time transaction monitoring, and robust digital governance. These capabilities ensure our services are efficient, scalable, transparent, and future-ready.

At Oriental Bank, we listen first. Our customer-centric philosophy is grounded in understanding individual needs and delivering **tailor-made, digitally enabled financial solutions** that support both business ambitions and lifestyle aspirations. Each branch features an **Exclusive Banking Centre**, where dedicated Relationship Managers provide high-touch, personalized service—enhanced by the speed and convenience of digital banking.

Through continuous investment in technology, innovation, and people, Oriental Bank delivers more than financial products—we provide **“a banking experience like no other”**: intelligent, secure, accessible, and resilient, supporting Cambodia’s financial transformation and long-term sustainable growth.

OUR VISION

To be the most trusted financial partner, empowering communities through innovative digital solutions, promoting financial inclusion, and driving sustainable economic growth.



OUR MISSION

To empower individuals and businesses with innovative financial solutions, fostering relationships and promoting financial literacy for sustainable community growth.

BRANCH NETWORK



HEAD OFFICE

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BRANCHES IN PHNOM PENH



LOCAL BRANCH OF ORIENTAL BANK PLC. (KHAN SAENSOKH - SANGKAT PHNOM PENH THMEI)

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CODE OF ETHICS

At Oriental Bank, ethical conduct is a cornerstone of our institutional culture and a fundamental driver of sustainable value creation. We are firmly committed to upholding the highest standards of integrity, transparency, professionalism, accountability, and discipline in all aspects of our operations.

In support of this commitment, the Bank has developed and implemented a comprehensive Code of Conduct, which operationalizes the principles outlined in this Code of Ethics. The Code of Conduct provides detailed standards of behavior and discipline governing employee actions, workplace expectations, and professional responsibilities. It reinforces our ethical foundation by translating core values into clear rules and guidelines covering areas such as attendance, workplace behavior, confidentiality, conflicts of interest, use of Bank resources, personal financial conduct, and disciplinary measures.

Together, the Code of Ethics and the Code of Conduct form an integrated framework that guides decision-making, strengthens organizational culture, and ensures consistency in behavior across all levels of the Bank. These frameworks support our commitment to responsible banking, strong corporate governance, regulatory compliance, and long-term stakeholder trust.

This Code applies to all members of the Board of Directors, senior management, and employees of Oriental Bank. It provides a clear ethical foundation for all professional interactions and decision-making processes. Compliance with this Code is mandatory and is essential to preserving the Bank's reputation, credibility, and regulatory standing.

INTEGRITY AND HONESTY

Oriental Bank conducts its business with uncompromising integrity, honesty, fairness, and transparency. All decisions and actions are expected to reflect the highest ethical standards and professional judgment. The Bank maintains a zero-tolerance approach toward fraudulent, deceptive, or unethical conduct. Conflicts of interest—whether actual, potential, or perceived—must be promptly identified, avoided where possible, and appropriately disclosed and managed in accordance with established policies to preserve objectivity and stakeholder confidence.

CUSTOMER COMMITMENT

We place the highest priority on serving the needs and best interests of our customers with professionalism, care, and integrity. All communication relating to our products and services are delivered accurately, clearly, and transparently to support informed decision-making and to foster long-term trust and confidence.

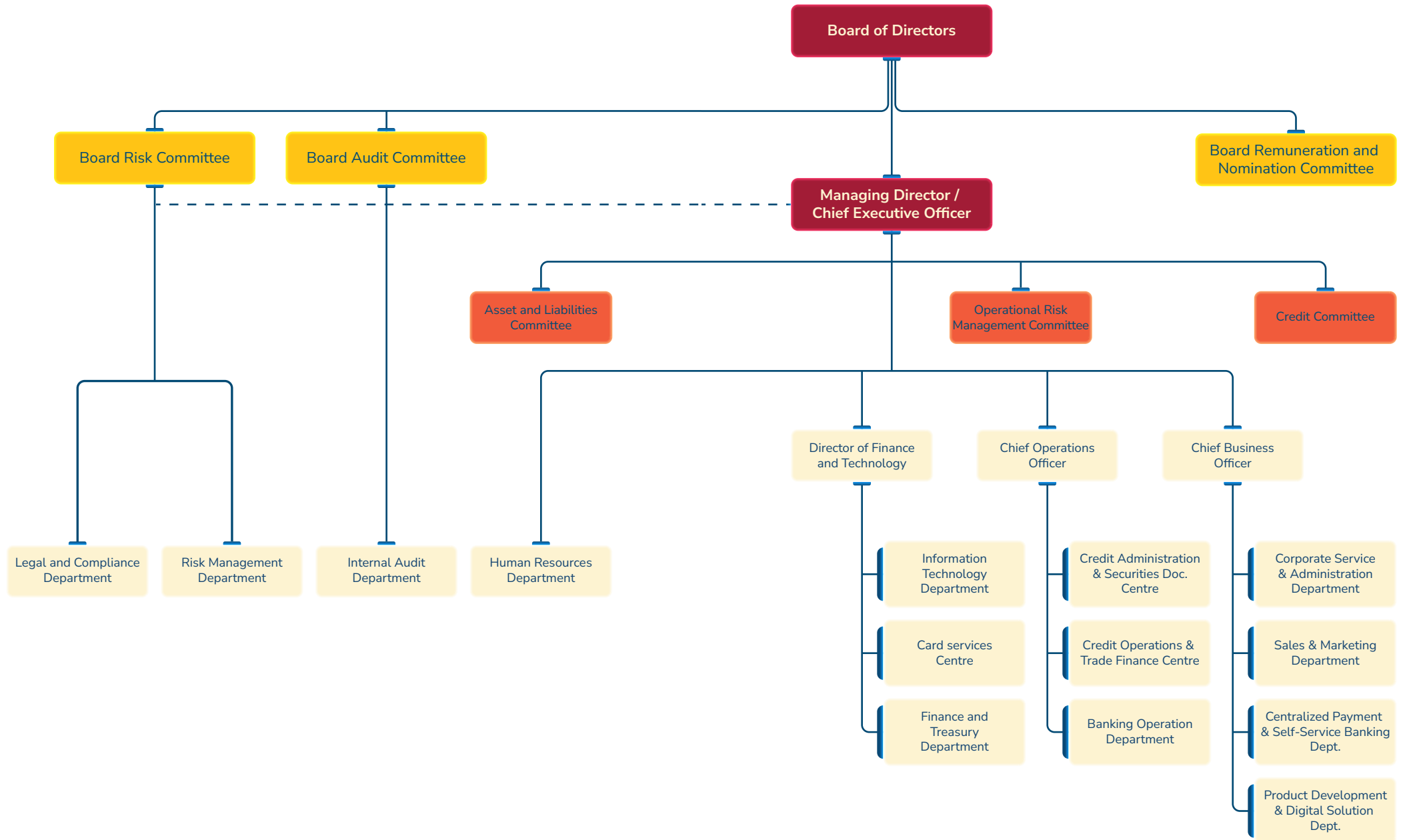
CORPORATE GOVERNANCE

Oriental Bank maintains a robust and continuously evolving corporate governance framework that promotes ethical leadership, sound decision-making, and accountability across all levels of the organization. We comply fully with all applicable laws, regulations, regulatory guidelines, and industry standards governing the banking sector. The Bank adopts a proactive and disciplined approach to risk management, including the identification, assessment, monitoring, and mitigation of risks, to ensure regulatory compliance, protect stakeholders, and safeguard the Bank's financial soundness, operational resilience, and reputation.

WHISTLEBLOWER PROTECTION

The Bank is committed to fostering an open, transparent, and accountable culture in which employees and stakeholders are encouraged to report suspected misconduct, unethical behavior, or violations of this Code in good faith. Oriental Bank strictly prohibits retaliation against any individual who raises concerns responsibly. All reports are treated with the highest level of confidentiality and are investigated promptly and fairly in accordance with the Bank's whistleblower protection policies and procedures.

ORGANIZATION CHART



CHAIRMAN STATEMENT



Datuk Phan Ying Tong
Chairman

It is my privilege to present the Annual Report of Oriental Bank PLC for the financial year ended 31 December 2025. The year was marked by steady progress, strategic discipline, and our continued commitment to strengthening governance, accelerating innovation, and promoting sustainable banking practices in Cambodia.

Despite ongoing global uncertainties, Cambodia's economy continued its gradual recovery in 2025, supported by resilient domestic demand, tourism recovery, and stable growth in trade and manufacturing activities. Within this operating environment, the Cambodian banking sector remained stable and well-capitalized. Oriental Bank maintained a prudent and forward-looking approach, enabling the Bank to strengthen its foundation while positioning itself for sustainable long-term growth.

From the outset, Oriental Bank has embraced a clear Digital-First strategy anchored on resilient infrastructure, secure technology architecture, and customer-centric innovation. The Board and Management maintain strong confidence in the Bank's technological capabilities, cybersecurity framework, and digital ecosystem, which have been carefully developed to support operational resilience, customer confidence, and future scalability in an increasingly digital banking landscape.

Over the years, the Bank has made strategic investments in modern core banking infrastructure and digital capabilities, enabling the successful rollout of Mobile Banking, Internet Banking, ATM services, payment solutions, card services, and other digital banking channels. More importantly, our transformation journey is not merely about automation, but about fundamentally redefining how banking services are delivered through a more integrated, secure, efficient, and customer-centric operating environment.

As part of this transformation, the Bank continued to enhance its Corporate Internet Banking platform through bulk transaction processing capabilities integrated with Bakong, enabling customers to perform payroll processing, supplier payments, and large-scale disbursements efficiently through a single secure platform. At the same time, our enhanced multi-level digital authorization framework allows customers to securely approve transactions anytime and anywhere, significantly improving convenience, governance standards, and operational efficiency.

Complementing these capabilities, our Corporate Mobile Banking platform enables senior executives and business owners to securely authorize transactions remotely, further enhancing responsiveness and operational agility.

We also strengthened our international payment and remittance capabilities through the impending implementation of Visa Direct, which will enable near real-time international money transfers across major global corridors. This strategic initiative is expected to significantly enhance cross-border payment efficiency, accessibility, and convenience for our customers while reinforcing the Bank's position as a digitally progressive financial institution connected to the global payment ecosystem.

On the retail banking front, following the successful launch of our virtual card platform in 2024, the Bank expanded its offerings with the introduction of physical debit and credit cards together with ATM services and co-badge card solutions. The response from customers has been exceptionally encouraging and exceeded the Bank's expectations, reflecting growing confidence in Oriental Bank's digital banking ecosystem and payment solutions.

Equipped with enhanced security features and modern card management capabilities, customers are empowered with real-time controls including instant card blocking and unblocking, spending limit management, and live transaction monitoring directly through our digital banking platforms. Cardholders also enjoy a range of lifestyle privileges including cashback rewards, merchant discounts, and airport lounge access, further enhancing the overall banking experience.

In line with our commitment to innovation and financial inclusion, the Bank also introduced selected digital banking solutions targeted at younger customers to promote early financial literacy and responsible money management within a secure and supervised environment.

Additional customer-centric innovations introduced during the year include enhanced privacy and security features within our digital banking platforms, including customer-controlled visibility settings for fixed deposit accounts and the migration of customer notifications from conventional SMS to secure in-app notifications, further strengthening protection against external threats and enhancing digital security.

In parallel with our digital expansion, the Bank remains deeply committed to maintaining the highest standards of cybersecurity, compliance oversight, operational resilience, and prudent risk management. Significant investments have been made to strengthen cybersecurity defenses, fraud prevention mechanisms, data protection controls, and operational monitoring capabilities to ensure customers can continue banking with confidence and peace of mind.

Looking ahead, the Bank intends to progressively scale up its digital lending capabilities as part of its broader digital banking strategy. By leveraging technology, data analytics, and streamlined digital processes, the Bank aims to enhance financing accessibility, improve turnaround time, and deliver more efficient lending solutions tailored to evolving customer needs. This initiative is expected to further strengthen the Bank's competitiveness while supporting greater financial inclusion and business growth opportunities.

Financially, the Bank delivered strong balance sheet expansion in 2025, with total assets increasing by 28.4% to US\$149.3 million, supported by disciplined growth in core banking activities and effective liquidity deployment. Loans and advances grew by 25.5% to US\$83.3 million, reflecting sustained credit demand and prudent lending practices, while customer deposits rose significantly by 43.6% to US\$61.6 million, underscoring continued customer confidence and a resilient funding base.

Shareholders' equity strengthened to US\$80.5 million, further reinforcing the Bank's capital position and long-term resilience. Net interest income increased modestly to US\$4.43 million. While operating expenses

were higher during the year due to strategic investments in digital transformation, technology infrastructure, and operational enhancement initiatives, these investments are expected to strengthen the Bank's long-term competitiveness and scalability.

Notwithstanding these investments, the Bank maintained a strong liquidity position, with a liquidity coverage ratio of 179% and a robust capital adequacy ratio of 75%, both substantially above regulatory requirements, demonstrating sound financial stability, prudent risk management, and the Bank's strong capacity to support future growth.

Looking ahead, the Bank will continue to advance digital transformation, product innovation, and operational excellence while upholding strong governance, disciplined risk management, and a customer-centric approach. With a resilient foundation, strong shareholder support, and a clear strategic direction, we remain confident in the Bank's ability to achieve sustainable growth and create long-term value for all stakeholders.

On behalf of the Board, I extend our sincere appreciation to our customers for their continued trust, to our shareholders for their confidence and unwavering support, and to our regulators, business partners, and employees for their invaluable collaboration and dedication.



Datuk Phan Ying Tong
Chairman of the Board of Directors
Oriental Bank PLC

SIGNIFICANT EVENT 2025



ANNUAL STAFF RETREAT – KEP PROVINCE

On March 29, 2025, Oriental Bank held its annual staff retreat in Kep Province, bringing together the Management Team, Heads of Department, Branch Managers, Acting Branch Managers, Senior Managers, Managers and Assistant Managers. The retreat focused on aligning strategic priorities, sharing key business objectives, and fostering cross-functional collaboration. It also strengthened teamwork and reinforced the Bank's "One Family" culture, supporting continued growth and organizational cohesion.



SOCIAL CONTRIBUTION: SUPPLIES FOR DISPLACED VILLAGERS

On August 27, 2025, in Battambang, the management and staff of Oriental Bank expressed their solidarity with displaced villagers and those in need by providing essential supplies. The items were handed over by our Managing Director & CEO, Datuk Phan Ying Tong, to Brigadier General Hem Vuthy on behalf of the displaced villagers and soldiers in Battambang Province. The collective effort reflects our commitment to alleviating the hardships faced by the affected communities during these challenging times.



COURTESY VISIT: INSIGHTS FROM DEPUTY PRIME MINISTER SAY SAMAL

On September 11, 2025, we had the honor of meeting His Excellency Say Samal, the Deputy Prime Minister and Minister of Land Management, Urban Planning, and Construction. We are grateful for his insightful discussions and valuable perspectives on local and regional economic developments, as well as the strategic direction of the bank.



WELCOMING TAIWANESE INVESTORS FOR SUSTAINABLE INVESTMENT IN CAMBODIA

On October 7, 2025, we hosted a delegation of Taiwanese investors with a focus on environmentally sustainable biomass projects. We were honored to meet H.E. Eang Sophalleth, Minister of Environment, who encouraged and supported these investors in pursuing their ventures in Cambodia, highlighting the country's strong commitment to facilitating a seamless investment process. With Cambodia's favorable conditions for sustainable biomass initiatives, we are optimistic about the significant environmental and economic benefits with these projects. Together, we remain committed to advancing a greener and more sustainable future.



COLLABORATION WITH THE MINISTRY OF TOURISM TO BOOST CAMBODIA'S TOURISM

On October 8, 2025, Oriental Bank Plc. reaffirmed its commitment to collaborating with the Ministry of Tourism to further enhance Cambodia's tourism potential. H.E. Mr. Huot Hak, Minister of Tourism, commended the bank's contributions in providing payment solutions for local and international tourists. He also acknowledged the bank's innovative initiatives aimed at promoting tourism development and expanding investment opportunities within the sector.



ORIENTAL BANK EARNS "GOLD" TAX COMPLIANCE CERTIFICATE

Oriental Bank Plc. received the "Gold" Certificate of Tax Compliance from the General Department of Taxation, recognizing its strong commitment to compliance and contribution to Cambodia's economic development. The bank remains committed to upholding high standards of governance, transparency, and regulatory compliance.



ORIENTAL BANK LAUNCHES MASTERCARD CREDIT AND CSS DEBIT CARDS

On 12 December 2025, Oriental Bank Plc. launched its Mastercard Credit Card and CSS co-badged Debit Card, reinforcing its position as a forward-looking digital first bank in Cambodia

Powered by the Oriental Mobile App, the cards feature advanced digital controls, enabling customers to manage spending limits, track transactions in real time, and enjoy seamless, secure access to banking services anytime, anywhere. Additional privileges include cashback rewards, airport lounge access, exclusive discounts, and 24/7 customer support.



ORIENTAL BANK FOUNDER CONTRIBUTES TO AFFECTED COMMUNITIES AMID BORDER CONFLICTS

On December 31 2025, Datuk Phan Ying Tong, Founder and Chairman of Oriental Bank, reaffirmed his long-standing commitment to Cambodia after more than 20 years in the country. Since its 2021 licensing with support from the Royal Government and the National Bank, Oriental Bank has operated as a digital-first commercial bank with a selective branch network. In response to recent border conflicts that caused casualties and displacement, Datuk Phan donated KHR 23,000,000 to aid affected communities. The donation, channeled through H.E. Ouch Borith, 1st Deputy President of the Senate, underscores the bank's values of compassion, solidarity, and gratitude, and expresses hopes for peace and stability.

BOARD OF DIRECTORS

From Left to Right

MS. DY SOPHEAK PAGNA
Director

DATUK PHAN YING TONG
Chairman

MS. RONG RATHAVATEY
Director

MS. LOI JIN CHOO
Independent Director

MS. SOK VANSEKA
Independent Director

MR. HENG ZE MIN DARREN
Director

MS. HENG PHUOY EANG
Director



BOARD COMMITTEES

The Board has set up the following Board Committees as required by the Prakas on Governance in Banks and Financial Institutions:

- Board Audit Committee
- Board Remuneration and Nomination Committee
- Board Risk Committee

BOARD AUDIT COMMITTEE AND BOARD REMUNERATION AND NOMINATION COMMITTEE



NAME	COMMITTEE POSITION
Ms. Loi Jin Choo <i>(Center)</i>	Chair
Datuk Phan Ying Tong <i>(Left)</i>	Member
Ms. Sok Vaseka <i>(Right)</i>	Member

BOARD AUDIT COMMITTEE

The Board Audit Committee is responsible for providing oversight of the Bank's governance, risk management, and internal control framework. It reviews and provides guidance on the adequacy of the Bank's values and ethical standards, governance structure, risk management framework, internal controls, financial reporting, and assurance processes, including internal and external audit. It also recommends measures to improve and strengthen these frameworks and practices.

BOARD REMUNERATION AND NOMINATION COMMITTEE

The key responsibilities of the Board Remuneration and Nomination Committee include overseeing and recommending the Bank's compensation and benefits framework for board members, senior management, and staff, ensuring alignment with performance, market standards, and strategic objectives. The Committee is also tasked with evaluating and recommending suitable candidates for the Board of Directors and senior management positions, ensuring the leadership team has the appropriate skills and experience.

BOARD RISK COMMITTEE

The Committee assists the Board in discharging its oversight responsibilities related to the Bank's risk appetite, risk management strategy, risk management framework, and regulatory compliance. The Committee ensures robust risk infrastructures and controls are in place across credit, market, liquidity, operational, technology, cybersecurity, and compliance risks, including AML/CFT/PF. Key responsibilities include advising the Board on risk appetite and strategy, overseeing risk policy implementation, reviewing capital and liquidity adequacy.



NAME	COMMITTEE POSITION
Ms. Sok Vaseka <i>(Center)</i>	Chair
Datuk Phan Ying Tong <i>(Right)</i>	Member
Ms. Loi Jin Choo <i>(Left)</i>	Member

MANAGEMENT TEAM



Datuk Phan Ying Tong

Managing Director/Chief Executive Officer

Datuk Phan Ying Tong is the Founder and Managing Director/Chief Executive Officer of Oriental Bank PLC. A distinguished figure in the financial services industry, Datuk Phan Ying Tong possesses a career spanning over four decades, marked by profound regional expertise and a proven track record across the Indochina landscape.

His executive career is defined by tenures in high-level leadership, where he has spearheaded strategic management, cross-border operations, and large-scale organizational development. Currently, he directs the overarching strategic trajectory of Oriental Bank PLC, with a rigorous focus on corporate governance, business expansion, and the long-term creation of stakeholder value.

Datuk Phan Ying Tong holds a Master of Business Administration from the University of London.



Ms. Kim Sotheavatey

Chief Business Officer

Ms. Kim Sotheavatey serves as the Chief Business Officer of Oriental Bank PLC. A banking professional, she possesses a comprehensive background in banking operations and business development, having held key managerial positions across a diverse range of functions, including product innovation, branch operations, strategic communications, and business support.

In her current capacity, she is responsible for driving the execution of the Bank's business strategy and optimizing sales performance. She leads the development of both retail and corporate banking initiatives, playing a pivotal role in achieving the Bank's strategic growth objectives.

Ms. Kim Sotheavatey holds a Bachelor of Information Technology from Norton University, Phnom Penh.



Mr. Yap Kah Yip

Chief Operations Officer

Mr. Yap Kah Yip serves as the Chief Operations Officer of Oriental Bank PLC. He holds a Bachelor of Commerce (Honours) degree from the University of Manitoba, Canada, with a specialization in Finance and Actuarial Mathematics.

With extensive experience in banking operations and credit functions across regional markets, Mr. Yap Kah Yip has developed expertise in credit operations, product development, and branch business support.

Since joining Oriental Bank in 2021, he has been responsible for overseeing credit operations and operational processes. His leadership has been instrumental in enhancing operational efficiency, strengthening risk management, and elevating service delivery standards.



Mr. Sem Monyoudom

Director of Finance and Technology

Mr. Sem Monyoudom is the Director of Finance and Technology at Oriental Bank PLC. He brings extensive experience in audit, financial management, and technology-driven financial functions across both professional services and the banking sector.

Prior to joining Oriental Bank, Mr. Sem Monyoudom worked in external audit and within financial institutions, gaining expertise in financial reporting, internal controls, data analysis, and system enhancement initiatives.

He holds a Bachelor's Degree in Professional Communication from the Institute of Foreign Languages and is a qualified member of the Association of Chartered Certified Accountants (ACCA).

In his current role, he oversees the Bank's finance, treasury, and technology functions, ensuring the integrity of financial reporting and driving system development to support operational excellence.

INTERNAL CONTROL

Commitment to Control Integrity

The Board of Directors bears ultimate responsibility for ensuring a robust system of internal control across the Bank. The bank's internal control framework is designed to promote effective and efficient business operations, reliable financial reporting, and full compliance with applicable laws, regulations, and internal policies.

The internal control system provides reasonable, though not absolute, assurance against material misstatements, financial loss, or fraud. The Board continuously reviews and reinforces this system to adapt to emerging risks and evolving regulatory requirements.

Continuous Oversight and Monitoring

Recognizing that internal control is not a static activity, the Bank treats it as an ongoing, coordinated process. It evolves with technological advances, operational complexity, and shifts in the external environment. Regular reviews by the Board ensure timely identification, assessment, and mitigation of significant risks, maintaining the effectiveness of the control environment across the Bank.

Based on these comprehensive evaluations, the Board is assured that the internal control system remains robust, adaptable, and well-equipped to manage the complexities of our operations. The Board remains committed to the continuous improvement of the Bank's control environment, recognizing it as a strategic asset that builds trust, drives growth, and generates long-term value for stakeholders.

Roles of Management and Internal Audit

Management plays a central role in executing the Board's policies on risk management and internal control. They are responsible for identifying and evaluating risks, designing control measures, and embedding controls into daily operations. This includes implementing key control activities such as segregation of duties, approvals, reconciliations, and operational checks.

The Internal Audit Department serves as an independent and objective assurance function, reporting regularly to the Board of Audit Committee, which assists the Board of Directors in overseeing the effectiveness of the Bank's internal control system, risk management framework, and governance processes.

Internal Audit Department evaluates the design and operational effectiveness of the Bank's internal controls through periodic audits across various departments and functions. It provides independent assurance to the Board by highlighting control weaknesses and deficiencies, reporting key audit observations, and recommending enhancements to strengthen the Bank's internal control framework and risk management effectiveness.

RISK MANAGEMENT

Risk Management Framework

Oriental Bank's Risk Management Framework operates under the Three Lines of Defense (3LoD) operating model of accountability and as such enables robust risk mitigation by establishing three levels of control. The operating structure ensures that there are clearly defined operational roles and responsibilities throughout Oriental Bank. It sets out Oriental Bank's requirements for the segregation of duties to ensure adequate independence of risk management staff.

1. First Line of Defense

The First Line of Defense consists of each operational front line and Business Unit at Oriental Bank. They are responsible for managing daily risks and compliance issues, as well as implementing corrective actions to address any process and control deficiencies.

2. Second Line of Defense

The Second Line of Defense is carried out by the Risk Management and Legal & Compliance Departments. They oversee governance and provide support to business and functional units on risk and compliance matters for Oriental Bank Executives and the Board.

3. Third Line of Defense

The Third Line of Defense is conducted by the Internal Audit Department. They offer independent assurance to the Board that the risk and compliance management functions operate effectively as designed.

Credit Risk

Credit risk is most simply defined as the potential that a bank's borrower or counterparty will fail to meet its obligations in accordance with agreed terms.

The Bank has a Key Risk Indicator (KRI) and Credit Risk Appetite, Policies & Frameworks as a pro-active credit risk management tool that identified deteriorating credits at early stages, thereby minimising any potential credit loss.

Credit Exposures are actively monitored, reviewed regularly and reported monthly to Senior Management, and quarterly to the Board Risk Committee (BRC).

Operational Risk

Operational risk refers to the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events. This definition includes legal risk but excludes strategic and reputation risk.

Operational Risk is embedded as an important element in the assessment of risks within the Bank's products, services, processes and systems.

The Bank shall implement the operational risk management tools and methodology in order to effectively identify, assess, monitor, control and report the operational risks.

Operational Risk Management ("ORM") is a mechanism used in identifying the operational risks in the Oriental Bank business and day-to-day operations, understanding the causes, assessing the risk of loss and taking the appropriate actions to minimize the impact of such loss.

Market Risk

Market risk refers to the risk of losses in on and off-balance sheet positions arising from movements in market prices.

Interest rate risk is the risk of suffering deterioration in financial position (economic value loss) or financial losses due to impact of changes in interest rates over time on its banking book exposures arising from activities such as deposit taking, lending or financing and investment.

Foreign exchange risk refer to adverse impact arising from movement in exchange rate on foreign currency positions originating from the Net Open Positions (NOP) of currencies denominated other than the base currency, USD.

The Bank monitor its foreign currency exposure and interest rate risk regularly and communicated to ALCO for deliberation and actions. The Bank has also maintained a minimum foreign currency exposure ratio in accordance with guidelines issued by the NBC.

Liquidity Risk

Liquidity risk is the risk of inability to maintain sufficient liquid assets to meet its financial commitment and obligations when they fall due or securing the funding requirement at excessive cost.

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

CORPORATE GOVERNANCE

Operational Risk Management Committee

1. Role & Responsibilities

- To review and advise on the Operational Risk Management Procedure, and Key Risk Indicators proposed by the Risk Management Department to facilitate such recommendations to BRC and BoD for approval.
- Maintain an appropriate work culture which is conducive to facilitate effective and transparent operational risk management matters.
- To promote, coordinative and drive initiatives to enhance the operational risk management program and system.
- To facilitate discussion on issues which expose the Bank to significant operational risk
- To oversee and perform regular reviews of the Bank's operational risk management, and internal control processes as well as technology systems, infrastructure, information security and cybersecurity risks that govern the operations of the Bank by monitoring that they are operating effectively and controls are in place.
- To conduct annual review of the Bank's operational risk management Procedure and Key Risk Indicators (KRIs) as well as technology strategic plan, associated road map and proposed expenditure to ensure that it continues to be sound and that the Bank is operating with due regards to the risk appetite set by BRC and BoD.

2. Member Composition

Position	
Managing Director/Chief Executive Officer	Advisor
Chief Operations Officer (COO)	Chair
Chief Business Officer (CBO)	Vice-Chair
Director of Finance & Technology	Member
Head of Risk Management	Member
Head of Legal & Compliance	Member
Head of Product Development & Digital Solution	Member
Head of Information Technology	Member
Head of Finance & Treasury	Member
Head of Human Resource	Member
Head of Centralized Payments & Self-Service Banking	Member
Head of Banking Operations	Member
Head of Credit Administration & Securities Documentation	Member
Head of Corporate Services & Administration	Member
Head of Credit Operation & Trade Finance	Member
Head of Card Services Centre	Member
Risk Management Department	Secretariat

Asset and Liabilities Committee (ALCO)

1. Role & Responsibilities

1.1 Financial Risk Management:

The Committee shall be responsible for the balance sheet planning of the Bank within the risk parameter set by the Board and its regulatory limits. It will strategically manage the following market risk:

- Liquidity risk
- Interest rate risk including deposits and loans
- Foreign exchange risk
- Deposit analysis/Concentration Deposit portfolio risk
- Managing of investment limit and equity risk if any

1.2 Assets and Liabilities Management

The Committee shall be responsible for the balance sheet planning of the Bank within the risk parameter set by the Board and its regulatory limits. It will strategically manage the following market risk:

- The Committee shall review and manage changes to the Bank's balance sheet, including structural changes and achievement of strategic objectives in relation to growth.
- To recommend type of products and treasury instruments with an appropriate duration, interest rate to manage the overall balance sheet structure.

1.3 Liquidity

- The Committee shall review changes in the profile of liquidity and compliance with all liquidity set out in the Bank's market risk approved policy.
- Consider the scenario models as part of liquidity stress testing and identify additional scenarios based on practice and review of monthly stress tests.

1.4 Product Pricing

- The Committee shall review and approve changes to lending ratios and deposit pricing following a base rate change or for any other reasons.

1.5 Funding

- The Committee shall review sources of funding, identify and assess the impact of new sources of funding, and review all funding limits for compliance with the market risk policy.
- To review balance between funding and lending plans, ensuring the lending plans are compatible with the funding plan especially, core deposits, including secured and unsecured borrowings.
- To review overall cash flow position and consider the impact of other inflows and outflows that can be affected overall liquidity such as short-term deposits with other banks, deposits from other banks, NCD, and any other cash balance.
- Ongoing capital and liquidity management and planning, including capital adequacy, and annual capital and budget plans

1.6 Net Interest Margin

- The Committee shall review interest margin plans including forecast position, and the variance from the plan's net interest margin, any required action as appropriate including reviewing adverse and positive movement in pricing.

1.7 Interest rate risk

- The Committee shall review/consider and agree to the Bank's interest rate view and change based on changes to the economic outlook and interest rate environment.
- To monitor compliance with limits as per the market risk policy.
- To analyse the impact of changes in interest rate on the economic value of a Bank's assets, liabilities, and off-balance sheet position based on assessment of the present value of its expected net cash flows and discounted to reflect the market rates.

1.8 Investment

- The Committee shall review significant financial risk exposures the Bank generally faces in its investment portfolio, and monitoring of the performance, quality maturity profile, and any action taken by the management.

1.9 Other Matters:

- The Committee shall work closely with HR department and decide upon appropriate requirements of training and development of ALCO members, Senior Management as well as Treasury personnel to ensure the requisite skills are available to monitor and control risk.
- To consider business assurance reviews, feedback from external auditors and other regulators.
- To determine appropriate fund transfer

2. Member Composition

Position	
Managing Director/Chief Executive Officer	Chair
Chief Operations Officer	Member
Chief Business Officer	Member
Director of Finance & Technology	Member / Secretary
Head of Legal and Compliance	Member
Head of Risk Management	Member
Manager of Credit Operations & Trade Finance	Member
Manager of Finance & Treasury	Member

Credit Committee (CC)

1. Role & Responsibilities

The CRC shall identify, assess, monitor and manage proper risks associated with credit and take appropriate action to meet the risk management objectives as stated in the Bank's Credit Policy. The duties as well as roles & responsibilities of the CRC shall include but not limited to:

- To approve Credit Facilities based on BoD's delegated authorities.
- To monitor credit risk to be in line with the Bank's risk appetite and lending direction.
- To review and comment on the Credit Policy and recommend any changes thereon.
- To oversight of credit facilities and exposures to related parties.
- To oversight of credit facilities and exposure to Single Beneficiary.

2. Member Composition

Position	
Managing Director/Chief Executive Officer	Chair
Chief Operations Officer	Member
Chief Business Officer	Member
Director of Finance and Technology	Member / Secretary

CUSTOMER PERSPECTIVE

The Bank operates in an environment defined by rapid technological advancement and evolving customer expectations. Moving beyond traditional transactional relationships, we place customer centricity at the core of our decision-making by delivering greater convenience, accessibility, and security. This ongoing transformation enhances customer satisfaction while strengthening loyalty, long-term relationships, and sustainable profitability. We recognize the importance of aligning our strategies with a consistently customer-focused approach.

By leveraging customer insights, we gain a deeper understanding of our clients' needs and expectations. Through multiple channels—including surveys, feedback mechanisms, direct engagement, and social media—we collect real-time data that reflects the continuously changing preferences of our customers.

Actively listening to our customers enables us to identify emerging trends and areas for improvement across our products and services. These insights are essential for allocating resources effectively and continuously enhancing the overall customer experience.

A customer-centric strategy creates a virtuous cycle: satisfied customers are more likely to remain loyal to a Bank that actively listens, responds, and adapts to their needs. Loyalty is measured not only by the length of the relationship but also by the quality of each interaction. By prioritizing customer satisfaction, we build trust and credibility that extend beyond individual transactions.

By tailoring our products and delivering responsive, effective services, we create a differentiated value proposition that sets our Bank apart from competitors. Whether through personalized financial solutions, innovative digital offerings, or attentive customer support, incorporating customer feedback allows us to deliver meaningful and relevant experiences.

Ultimately, the voice of the customer guides our investment and strategic decisions—strengthening loyalty, ensuring long-term growth, and driving profitability. As technology continues to reshape the industry, the Bank remains committed to delivering exceptional customer experiences, reinforcing our promise of being **"More Than Just a Bank."**

TECHNOLOGY

Building on the strong digital foundations established in prior years, the Bank continued to accelerate its digital-first strategy in 2025 through the introduction of new products, enhanced customer experiences, and scalable technology capabilities. The Oriental Mobile App and Internet Banking platform remained at the centre of this strategy, enabling customers to access a broader, more seamless, secure, and convenient range of banking services anytime and anywhere. The Bank's ongoing investment in modern technology infrastructure reflects its commitment to delivering resilient, customer-centric banking solutions that are designed not only for current operational demands but also for long-term growth and innovation.

The year commenced with the successful launch of the Mastercard Virtual Card in January 2025, followed by the introduction of the Mastercard CSS Debit Co-badged Card and Mastercard Credit Card, marking the Bank's first step into physical card issuance. These milestones represented significant advancements in the Bank's digital banking ecosystem and required extensive technical integration with Mastercard's global payment network, the National Bank of Cambodia's Cambodian Shared Switch (CSS), and the Bank's internal digital platforms. Security and scalability were embedded into the architecture from inception, allowing the Bank to efficiently expand future card programmes, payment capabilities, and third-party integrations without major system redesigns.

On the infrastructure front, the Bank continued to strengthen its operational resilience and enterprise technology capabilities. The Disaster Recovery Site established in 2024 was further operationalised and rigorously validated in 2025 through comprehensive recovery and continuity testing exercises to ensure readiness under various operational scenarios. **The Bank remains fully confident in the reliability, availability, recoverability, and resilience of its systems and technology infrastructure, ensuring uninterrupted banking services even as transaction volumes, customer adoption, and product complexity continue to grow.** Concurrently, the Bank enhanced its core banking infrastructure with system upgrades aimed at increasing processing capacity, improving platform stability, and enabling the efficient onboarding of new digital products and business lines.

Cybersecurity remained a top strategic priority throughout 2025 as the Bank continued to reinforce its technology risk management framework and digital defence capabilities. Layered security controls were maintained across all digital platforms, covering network security, access governance, endpoint protection, real-time monitoring, and fraud prevention measures. Regular vulnerability assessments and penetration testing exercises were conducted to proactively identify and mitigate potential risks before exploitation. The Bank also strengthened its incident response and threat management capabilities to ensure cyber threats are rapidly detected, escalated, contained, and resolved in a timely and controlled manner.

In parallel, the Bank continued to invest in cybersecurity awareness and staff training programmes to strengthen organisational vigilance against phishing attempts, social engineering tactics, and emerging cyber threats, which remain among the most common risks faced by the banking industry globally. These efforts are aligned with the National Bank of Cambodia's Technology and Cyber Risk Management Guidelines (TCRMG 2026), reinforcing the Bank's commitment to maintaining high standards of technology governance, operational resilience, and customer protection.

As the Bank continues its growth journey, technology will remain a key strategic enabler supporting innovation, operational excellence, and customer engagement. The platforms, integrations, and security capabilities established over the past year provide a strong and scalable foundation for future developments, including further enhancement of the Oriental Mobile experience, deeper integration of corporate banking services, and the continued expansion of secure digital banking services for customers across Cambodia.

PRODUCT HIGHLIGHT

In 2025, Oriental Bank continued to strengthen its product and service offerings, reaffirming its commitment to delivering innovative, secure, and customer-centric financial solutions. Guided by its vision of being **"More Than Just A Bank,"** the Bank advanced its digital capabilities, enhanced service accessibility, and delivered greater value to both retail and corporate customers.

A key highlight of the year was the successful rollout of **Virtual Mastercard services** through the Bank's mobile banking application, enabling secure and instant digital card issuance. This was complemented by the launch of **Physical Mastercard Credit Cards and CSS co-badge Debit Cards**, further reinforcing the Bank's position as a progressive, digital-first financial institution in Cambodia.

Through the Oriental Mobile App, customers are provided with enhanced digital control over their cards, including the ability to manage spending limits, monitor transactions in real time, and access secure banking services anytime and anywhere. Cardholders also benefit from a range of value-added features, including cashback rewards, airport lounge access, exclusive merchant privileges, and 24/7 customer support.

In support of financial inclusion and education, the Bank introduced **mobile banking access for minors with parental control features**. This functionality enables parents or guardians to supervise and guide financial activities, promote responsible spending habits, and foster early financial literacy among younger users.

For corporate customers, the Bank enhanced its Internet Banking platform with the introduction of **Bulk Transfer to Other Banks**, enabling businesses to execute multiple payments across different banks through a single file upload. This feature improves operational efficiency, enhances accuracy, and supports effective treasury management.

In addition, Oriental Bank expanded its offerings with **digital lending solutions**, providing customers with more convenient access to financing through digital channels. These solutions are designed to deliver faster processing while maintaining prudent risk management and full compliance with regulatory requirements.

Looking ahead, the Bank will further strengthen its digital ecosystem with the planned introduction of **International Transfer services leveraging the Visa Direct Program**, targeted for early 2026. This initiative is expected to enable faster and more efficient cross-border transactions, enhancing customer convenience and supporting greater financial connectivity.

The Bank is also expanding its capabilities in the cards ecosystem through **BIN Sponsorship services for both issuing and acquiring**. On the issuing side, the Bank enables financial institutions to launch card products efficiently by leveraging its licensed BIN, without the need for significant upfront investment or complex infrastructure.

On the acquiring side, supported by a Mastercard acquiring license, the Bank plans to extend acquiring BIN sponsorship services to financial institutions, enabling the acceptance of card and KHQR payments across online and point-of-sale channels. These services are supported by licensed third-party processors to ensure secure integration, operational efficiency, and scalability.

To ensure transparency and accessibility, all new and enhanced products and services are communicated through the Bank's official website and digital platforms, including Facebook, Instagram, Telegram, and WeChat Official Account. This omnichannel approach enables customers to access timely and accurate information through their preferred channels.

All product and service enhancements introduced in 2025 were implemented with a strong focus on **security, system reliability, and customer data protection**, ensuring the delivery of safe, stable, and trusted digital banking services.

HUMAN CAPITAL

Human capital is central to Oriental Bank's long-term success and organizational resilience. Our employees represent a critical source of value creation, enabling the Bank to deliver strategic outcomes, sustain competitiveness, and uphold service excellence. We recognize that the ability to attract, retain, and develop high-performing and principled talent is essential to achieving sustainable growth. Accordingly, we foster a diverse and inclusive workforce and remain committed to building organizational capability that aligns closely with our business strategy and evolving customer needs.

Our human capital framework is designed to support operational continuity, performance optimization, and future-readiness. Oriental Bank places strong emphasis on process re-engineering, service quality enhancement, strategic workforce planning, and structured talent deployment. This lifecycle-based approach begins with a robust recruitment and selection process and is reinforced through well-defined talent development and career progression pathways. Continuous learning is embedded across the organization through multi-channel training platforms that ensure employees remain current with regulatory, technological, and professional developments. As at the end of fiscal year 2025, Oriental Bank's workforce comprised 126 employees.

Investment in learning and development remains a strategic priority. Our comprehensive training architecture spans technical skill development, leadership capability building, and soft skills enhancement to drive individual effectiveness and organizational performance. Learning interventions are delivered through a blended model that integrates internal and external training programs, on-the-job learning, structured induction, peer learning, and experiential exposure. In line with modern learning best practices, we have transitioned from traditional classroom-based instruction to experiential and activity-based learning methodologies, fostering greater engagement, accountability, and practical application of skills. Employees also benefit from internal knowledge-sharing initiatives, digital learning platforms, and ongoing competency-building programs.

Employee well-being, health, and safety are fundamental components of our people strategy. Throughout the year, we maintained a strong focus on occupational health and safety through the implementation of rigorous policies, preventive controls, and comprehensive training programs. This proactive and disciplined approach resulted in zero work-related incidents during the year, reaffirming our commitment to providing a safe, supportive, and productive working environment.

In addition to professional development and workplace safety, Oriental Bank has further strengthened its employee retention strategy through the introduction of targeted financial welfare initiatives, namely the Staff Housing Loan Scheme and the Staff Payroll Advance Scheme. These programs are designed to enhance employee financial security, strengthen engagement, and promote long-term retention.

The Staff Housing Loan Scheme provides eligible employees with access to affordable housing finance, supporting their personal aspirations of home ownership and improving overall quality of life. By facilitating long-term financial stability, the scheme fosters stronger employee commitment and contributes to workforce continuity.

Complementing this, the Staff Payroll Advance Scheme offers short-term financial assistance to employees in times of need. This facility is intended to provide timely and flexible support, enabling employees to manage unforeseen personal financial obligations without undue stress. Together, these initiatives reflect the Bank's commitment to employee care and financial well-being as an integral part of its human capital strategy.

At Oriental Bank, we recognize that our people are the cornerstone of our performance and reputation. We remain firmly committed to their continuous development, well-being, financial security, and safety as we strengthen our organizational capabilities and deliver consistent, high-quality banking services to our customers.

BANKING INDUSTRY



In 2025, Cambodia's banking sector demonstrated continued resilience amid a challenging environment. The National Bank of Cambodia (NBC) reported outstanding loans growing 4.1% year-on-year to \$63 billion, while deposits surged 14.7% to \$65.7 billion, underscoring sustained public confidence. Total banking system assets reached \$98.7 billion, a 9.7% increase year-on-year. However, asset quality remained under pressure, with the non-performing loan (NPL) ratio rising to 8.9% from 7.4% in 2024, reflecting the lingering overhang from pandemic-era restructured loans and continued weakness in the real estate and construction sectors. Profitability remained strained as banks contended with elevated funding costs, rising loan loss provisions, and compressed margins.

Digital innovation continued to drive the sector forward. The Bakong payment system recorded over 608 million transactions in 2024, up 334% from the prior year, with a total value of approximately \$457 billion USD, and this momentum carried into 2025. The NBC signed an agreement with TenPay Global at the Singapore Fintech Festival 2025 to explore connectivity between Bakong and China's Weixin Pay network, advancing cross-border payment integration. The NBC also issued the updated Technology and Cyber Risk Management Guidelines (TCRMG 2026), setting enhanced requirements for governance, cyber resilience, data sovereignty, and cloud adoption across all banking and financial institutions. In an increasingly competitive landscape, banks that fail to embrace technological innovation risk losing relevance, as customers and businesses alike gravitate toward institutions that offer faster, more seamless, and more accessible financial services.

U.S. trade policy was a defining external factor in 2025. The U.S. administration's April announcement of a 49% reciprocal tariff on Cambodian goods created significant uncertainty; however, following high-level diplomatic engagement, the tariff was reduced to 19% effective August 2025. Cambodia committed to zero-tariff access on over 11,000 U.S. tariff lines in return. The IMF projected GDP growth of 4.8% for 2025, down from 6.0% in 2024, citing trade disruptions, the real estate correction, and subdued domestic demand. Foreign exchange reserves remained comfortable at approximately 7.5 months of import coverage as of mid-2025. A further positive development was Cambodia approval of a pilot visa exemption for Chinese nationals for a four-month window in mid-2026, allowing VISA-free multi-entry stays of up to 14 days. With Chinese tourist arrivals already up nearly 42% in 2025 to over 1.2 million visitors, the initiative is expected to provide a meaningful boost to tourism-related spending across hospitality, transportation, and local businesses.

The period saw decisive regulatory enforcement action by the NBC, with the licences of a payment service provider and two commercial banks revoked following the identification of links to entities sanctioned for large-scale cyber fraud and money laundering, reinforcing Cambodia's responsiveness to international pressure to strengthen its anti-money laundering and counter-financing of terrorism framework. Amid this heightened regulatory environment, Oriental Bank remains firmly committed to upholding the highest

standards of governance and compliance in accordance with NBC regulations, ensuring the integrity and stability of its operations and the trust of its customers and counterparties.

Looking ahead to 2026, financial institutions must focus on:

- Integrating digital and AI-driven innovations to remain competitive and operationally resilient.
- Embedding climate-related and ESG risk frameworks aligned with global and regional regulatory expectations.
- Strengthening provisioning and NPL resolution while diversifying revenue beyond net interest income.
- Adapting to heightened regulatory demands, including TCRMG 2026.
- Deploying artificial intelligence responsibly, balancing efficiency gains with ethical and regulatory considerations.

Collaboration between traditional banks and fintech companies continued to accelerate in 2025, with institutions partnering to enhance digital offerings, improve efficiency, and broaden financial inclusion. The NBC's blockchain regulatory framework and FinTech Development Roadmap have supported a structured environment for innovation. Consumer protection also advanced, with the NBC-UN microfinance consultation introducing reforms such as restrictions on communal land title collateral and the establishment of a Financial Consumer Centre for distressed borrowers.

Sustained growth will require structural reforms to diversify Cambodia's export base, develop higher-value services, and attract broader foreign investment. The 19% U.S. tariff resolution improved Cambodia's trade positioning, but institutional gaps in business insolvency, market competition, and dispute resolution remain. Addressing these through stronger regulatory enforcement will be critical to fostering the stable business environment needed to underpin long-term trade, investment, and credit growth.

FINANCIAL HIGHLIGHTS

Year Ended 2025	Year Ended 2024
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BALANCE SHEET (US\$'000)

Asset	149,287	116,217
Loan	83,292	66,395
Deposit	65,624	45,072
Equity	80,548	68,034

P&L ACCOUNT (US\$'000)

Net Interest Income	4,426	4,146
Net Losses	2,485	1,491
Operating Expenses	6,061	5,414
Intangible Asset	3,495	3,519

RATIOS (US\$'000)

Liquidity Coverage Ratio	179%	911%
CAR/Solvency Ratio	75%	74%
KHR Lending	11%	11%

GENERAL INFORMATION

Staff	126	124
Branch	3	3
Deposit Account	8,826	7,932
Loan Account	1,573	180



AUDITED FINANCIAL STATEMENTS

DIRECTORS' REPORT	33
INDEPENDENT AUDITOR'S REPORT	37
FINANCIAL STATEMENTS	
Statement of Financial Position	40
Statement of Comprehensive Income	41
Statement of Changes in Equity	42
Statement of Cash Flows	43
Notes to the Financial Statements	45

DIRECTORS' REPORT

The directors hereby submit their report together with the audited financial statements of Oriental Bank Plc. (the "Bank") for the year ended 31 December 2025.

PRINCIPAL ACTIVITIES

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

There have been no significant changes in the nature of these principal activities during the year.

FINANCIAL RESULTS

	2025	
	USD	KHR'000
Loss for the year	(2,485,645)	(9,969,921)

DIVIDENDS

No dividend has been declared and the directors did not recommend the payment of any dividend in respect of the year ended 31 December 2025.

SHARE CAPITAL

The details of share capital and shareholding structure is disclosed in Note 17 to the financial statements.

RESERVES AND PROVISIONS

Transfers to or from reserves or provisions during the year are disclosed in Note 19 to the financial statements.

BAD AND DOUBTFUL LOANS AND ADVANCES

Before the financial statements of the Bank were prepared, the directors took reasonable steps to ascertain that actions had been taken in relation to the writing off of any doubtful loans and advances and the estimating of allowance for doubtful loans and advances, and satisfied themselves that all known bad loans and advances had been written off and adequate allowance had been made for doubtful loans and advances.

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

ASSETS

Before the financial statements of the Bank were prepared, the directors took reasonable steps to ensure that any assets which were unlikely to be realised in the ordinary course of business including their values as shown in the accounting records of the Bank had been written down to an amount which they might be expected so to realise.

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

VALUATION METHODS

At the date of this report, the directors are not aware of any circumstances which had arisen which would render adherence to the existing method of valuation of assets or liabilities of the Bank misleading or inappropriate.

CONTINGENT AND OTHER LIABILITIES

At the date of this report, there does not exist:

- (i) any charge on the assets of the Bank that had arisen since the end of the year to secure the liabilities of any other person; and
- (ii) any contingent liabilities in respect of the Bank that had arisen since the end of the year other than in the ordinary course of Banking business.

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

CHANGE OF CIRCUMSTANCES

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

ITEMS OF MATERIAL AND UNUSUAL NATURE

In the opinion of the directors,

- (i) the results of the operations of the Bank for the year were not substantially affected by any item, transaction or event of material and unusual nature; and
- (ii) no item, transaction or event of material and unusual nature had arisen in the interval between the end of the year and the date of this report which is likely to affect substantially the results of the operations of the Bank for the year in which this report is made.

ISSUANCE OF SHARES AND DEBENTURES

The Bank received USD15,000,000 from shareholders during the year in connection with a proposed issuance of new shares, as disclosed in Note 18 to the financial statements. There were no debentures issued during the year.

DIRECTORS

The names of the directors of the Bank who served during the year and up to the date of this report are as follows:

Name	Position
Datuk Phan Ying Tong	Chairman
Ms. Dy Sopheak Pagna	Director
Mr. Heng Ze Min Darren	Director
Ms. Heng Phouy Eang	Director
Ms. Rong Rathavatey	Director
Ms. Sok Vansaka	Independent Director
Ms. Loi Jin Choo	Independent Director

DIRECTORS' BENEFITS

Since the end of the previous year, 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 directors or with a firm of which the director is a member, or with a Bank in which the director has a substantial financial interest, except for any benefit which may be deemed to have arisen by virtue of those transactions as disclosed in Note 28 to the financial statements.

Neither during nor at the end of the year, was the Bank a party to any arrangements where the object is to enable the directors to acquire benefits by means of the acquisition of shares in, or debentures of the Bank or any other body corporate.

SIGNIFICANT EVENT SUBSEQUENT TO THE END OF THE YEAR

Other than as disclosed in Note 18 to the financial statements, there have been no significant events subsequent to the end of the year which require adjustments of or disclosure in the financial statements or notes thereto.

DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS

The directors of the Bank are responsible for ascertaining that the financial statements of the Bank give a true and fair view of the financial position of the Bank as at 31 December 2025, and its financial performance and its cash flows for the year then ended. In preparing these financial statements, the directors of the Bank are required to:

- (i) adopt appropriate accounting policies in accordance with Cambodian International Financial Reporting Standards ("CIFRSs"), which are supported by reasonable and prudent judgments and estimates, and then apply them consistently;
- (ii) comply with the disclosure requirements of CIFRSs or, if there have been any departures from such standards, in the interest of fair presentation, ensure that this has been appropriately disclosed, explained and quantified in the financial statements;

- (iii) maintain adequate accounting records that enable the Bank to prepare its financial statements under CIFRSs and an effective system of internal controls;
- (iv) prepare the financial statements on a going-concern basis, unless it is inappropriate to assume that the Bank will continue operations in the foreseeable future; and
- (v) effectively control and direct the Bank and be involved in all material decisions affecting its operations, performance, and ascertain that such matters have been properly reflected in the financial statements.

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

APPROVAL OF THE FINANCIAL STATEMENTS

In the opinion of the directors, the accompanying statement of financial position of Oriental Bank Plc. (the "Bank") as at 31 December 2025, and the related statements of comprehensive income, changes in equity and cash flows for the year then ended, and the notes to the financial statements are presented fairly, in all material respects, in accordance with Cambodian International Financial Reporting Standards.

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



Datuk Phan Ying Tong
Chairman

Phnom Penh, Kingdom of Cambodia

Date: 24 MAR 2026

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF ORIENTAL BANK PLC.

Baker Tilly (Cambodia) Co, Ltd.
Certified Public Accountants

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Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Oriental 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, as set out on pages 45 to 93.

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

Independence

We are independent of the Bank in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) ("IESBA Code"), as applicable to audit of financial statements of public interest entities and the ethical requirements that are relevant to our audit of the financial statements in Cambodia, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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

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

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

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

When we read the annual report, if we conclude that there is a misstatement therein, we are required to communicate the matter to the directors and respond to that matter in accordance with the requirement of CISA 720 (revised).

Responsibilities of the Directors for the Financial Statements

The directors of the Bank are responsible for the preparation of financial statements so as to give a true and fair view in accordance with CIFRSs. The directors are also responsible for such internal controls as the directors determine are necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- identify and assess the risks of material misstatement of the financial statements of the Bank, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Bank's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

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

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

For Baker Tilly (Cambodia) Co., Ltd.



Peou Dara
Partner

Phnom Penh, Kingdom of Cambodia

Date: 24 MAR 2026

STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2025

	Notes	2025		2024	
		USD	KHR'000	USD	KHR'000
ASSETS					
Cash on hand	5	2,641,698	10,601,134	2,162,366	8,703,523
Deposits and placement with National Bank of Cambodia ("NBC")	6	21,152,902	84,886,596	15,715,912	63,256,546
Deposits and placement with other banks	7	19,177,464	76,959,163	9,446,006	38,020,174
Loans and advances, net	8	83,292,878	334,254,319	66,394,963	267,239,726
Other assets	9	1,550,446	6,221,940	1,141,163	4,593,181
Statutory deposits	10	12,129,399	48,675,278	10,860,000	43,711,500
Property and equipment	11	3,596,183	14,431,482	4,589,694	18,473,518
Intangible assets	12	3,495,436	14,027,185	3,519,118	14,164,450
Right-of-use assets	13	2,251,527	9,035,378	2,388,229	9,612,622
TOTAL ASSETS		149,287,933	599,092,475	116,217,451	467,775,240
LIABILITIES AND EQUITY					
LIABILITIES					
Deposits from customers	14	61,630,898	247,324,794	42,908,731	172,707,642
Deposits from banks and other financial institutions	15	3,993,638	16,026,469	2,163,286	8,707,226
Lease liabilities	13	2,724,507	10,933,447	2,801,456	11,275,860
Other liabilities	16	390,334	1,566,410	309,777	1,246,852
TOTAL LIABILITIES		68,739,377	275,851,120	48,183,250	193,937,580
EQUITY					
Share capital	17	75,000,000	300,000,000	75,000,000	300,000,000
Share subscription received	18	15,000,000	60,000,000	-	-
Regulatory reserves	19	1,656,886	6,649,084	377,347	1,518,822
Accumulated losses		(11,108,330)	(45,048,322)	(7,343,146)	(29,946,170)
Exchange differences		-	1,640,593	-	2,265,008
TOTAL EQUITY		80,548,556	323,241,355	68,034,201	273,837,660
TOTAL LIABILITIES AND EQUITY		149,287,933	599,092,475	116,217,451	467,775,240

The accompanying notes form an integral part of the financial statements.

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2025

Notes	2025		2024	
	USD	KHR'000	USD	KHR'000
Operating income				
Interest income	6,690,592	26,835,965	6,146,454	25,022,214
Interest expenses	(2,264,161)	(9,081,550)	(2,000,914)	(8,145,721)
Net interest income	4,426,431	17,754,415	4,145,540	16,876,493
Fees and commission income	375,617	1,506,600	219,018	891,622
Fees and commission expenses	(14,946)	(59,948)	(19,991)	(81,383)
Other income	40,710	163,288	128,664	523,791
Operating income	4,827,812	19,364,355	4,473,231	18,210,523
Personnel expenses	(2,029,708)	(8,141,159)	(2,150,149)	(8,753,257)
Depreciation and amortisation	(1,919,525)	(7,699,215)	(1,450,529)	(5,905,104)
Other operating expenses	(2,112,623)	(8,473,731)	(1,813,246)	(7,381,724)
Operating loss before impairment losses	(1,234,044)	(4,949,750)	(940,693)	(3,829,562)
Impairment losses on financial instruments	(1,184,108)	(4,749,457)	(487,465)	(1,984,470)
Loss before tax	(2,418,152)	(9,699,207)	(1,428,158)	(5,814,032)
Income tax expense	(67,493)	(270,714)	(62,597)	(254,832)
Loss for the year	(2,485,645)	(9,969,921)	(1,490,755)	(6,068,864)
Other comprehensive loss				
Exchange differences	-	(624,415)	-	(4,109,713)
Total comprehensive loss for the year	(2,485,645)	(10,594,336)	(1,490,755)	(10,178,577)

The accompanying notes form an integral part of the financial statements.

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2025

Notes	Share capital		Share subscription received		Regulatory reserves		Accumulated losses		Exchange differences		Total	
	USD	KHR'000	USD	KHR'000	USD	KHR'000	USD	KHR'000	USD	KHR'000	USD	KHR'000
As at 1 January 2025	75,000,000	300,000,000	-	-	377,347	1,518,822	(7,343,146)	(29,946,170)	2,265,008	68,034,201	273,837,660	
Total comprehensive loss	-	-	-	-	-	-	(2,485,645)	(9,969,921)	-	(2,485,645)	(9,969,921)	
Loss for the year	-	-	-	-	-	-	-	-	(624,415)	(624,415)	-	(6,244,119)
Other comprehensive loss	-	-	-	-	-	-	-	-	-	-	-	-
Total comprehensive loss for the year	-	-	-	-	-	-	(2,485,645)	(9,969,921)	(624,415)	(624,415)	(10,594,336)	
Transactions with the owners of the Bank												
Transfers from accumulated losses to regulatory reserve	19	-	-	-	1,279,539	5,132,231	(1,279,539)	(5,132,231)	-	-	-	-
Share subscription received	18	-	15,000,000	60,000,000	-	-	-	-	-	-	15,000,000	60,000,000
Exchange differences		-	-	-	-	(1,969)	-	-	-	-	-	(1,969)
As at 31 December 2025		75,000,000	300,000,000	15,000,000	1,656,886	6,645,084	(11,108,330)	(45,046,322)	1,640,593	80,548,556	323,241,355	
As at 1 January 2024		75,000,000	300,000,000	-	501,211	2,016,281	(5,976,255)	(24,381,556)	6,374,721	69,524,956	284,009,446	
Total comprehensive loss		-	-	-	-	-	(1,490,755)	(6,068,864)	-	(1,490,755)	(6,068,864)	
Loss for the year		-	-	-	-	-	-	-	(4,109,713)	(4,109,713)	-	(4,109,713)
Other comprehensive loss		-	-	-	-	-	-	-	-	-	-	-
Total comprehensive loss for the year		-	-	-	-	-	(1,490,755)	(6,068,864)	(4,109,713)	(4,109,713)	(10,178,577)	
Transactions with the owners of the Bank												
Transfers from regulatory reserve to accumulated losses	19	-	-	-	(123,864)	(504,250)	123,864	504,250	-	-	-	-
Exchange differences		-	-	-	-	6,791	-	-	-	-	6,791	-
As at 31 December 2024		75,000,000	300,000,000	-	377,347	1,518,822	(7,343,146)	(29,946,170)	2,265,008	68,034,201	273,837,660	

The accompanying notes form an integral part of the financial statements.

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2025

	Notes	2025		2024	
		USD	KHR'000	USD	KHR'000
Cash flows from operating activities					
Loss before tax		(2,418,152)	(9,699,207)	(1,428,158)	(5,814,032)
Adjustments for:					
Depreciation and amortisation	25	1,919,525	7,699,215	1,450,529	5,905,104
Impairment losses on financial instruments	23	1,184,108	4,749,457	487,465	1,984,470
Property and equipment transfer to expenses	11	-	-	19,004	77,365
Intangible assets transfer to expenses	12	18,204	73,016	70,048	285,165
Net interest income	20	(4,426,431)	(17,754,415)	(4,145,540)	(16,876,493)
Operating loss before changes in working capital		(3,722,746)	(14,931,934)	(3,546,652)	(14,438,421)
Net changes in:					
Loans and advances		(17,444,639)	(69,970,447)	(3,250,152)	(13,231,369)
Statutory deposits		(1,269,399)	(5,091,559)	133,023	541,537
Deposits from customers		18,498,488	74,197,435	6,334,862	25,789,223
Deposits from banks and other financial institutions		1,827,412	7,329,750	1,823,655	7,424,100
Other assets		(385,651)	(1,546,846)	136,801	556,917
Other liabilities		32,039	128,508	(195,494)	(795,856)
Cash (used in)/generated from operating activities		(2,464,496)	(9,885,093)	1,436,043	5,846,131
Interest received		6,074,794	24,378,148	6,070,352	24,433,167
Interest paid		(1,854,447)	(7,441,896)	(1,659,972)	(6,681,387)
Income tax paid		(67,493)	(270,714)	(62,597)	(254,832)
Net cash generated from operating activities		1,688,358	6,780,445	5,783,826	23,343,079
Cash flows from investing activities					
Placement of fixed deposits with banks		(8,988,283)	(36,052,003)	(1,001,208)	(4,075,918)
Proceed from fixed deposit with banks		1,001,208	4,015,845	-	-
Acquisitions of property and equipment	11	(24,272)	(97,355)	(196,084)	(798,258)
Acquisitions of intangible assets	12	(532,322)	(2,135,144)	(729,792)	(2,970,983)
Net cash used in investing activities		(8,543,669)	(34,268,657)	(1,927,084)	(7,845,159)

STATEMENT OF CASH FLOWS

		2025		2024	
		USD	KHR'000	USD	KHR'000
Cash flows from financing activities					
Repayment of lease liabilities	13(ii)	(483,984)	(1,941,260)	(456,385)	(1,857,943)
Proceed from share subscription received	18	15,000,000	60,000,000	-	-
Net cash generated from/(used in) financing activities		14,516,016	58,058,740	(456,385)	(1,857,943)
Net increase in cash and cash equivalents		7,660,705	30,570,528	3,400,357	13,639,977
Cash and cash equivalents, at beginning of the year		26,323,076	105,950,381	22,922,719	93,639,307
Exchange differences		-	(143,996)	-	(1,328,903)
Cash and cash equivalents, at end of the year	29	33,983,781	136,376,913	26,323,076	105,950,381

The accompanying notes form an integral part of the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

1. CORPORATE INFORMATION

Oriental Bank Plc. (the "Bank") was incorporated in the Kingdom of Cambodia and registered with the Ministry of Commerce ("MOC") on 19 March 2021 to operate as a commercial bank with its head office located in Phnom Penh. The registered office of the Bank is located at No.299 (Unit 1F-07), Street Preah Ang Duong (corner of street 108), Sangkat Wat Phnom, Khan Daun Penh, Phnom Penh, Kingdom of Cambodia.

On 13 December 2021, the Bank changed its registered office to No. 101, corner of Preah Norodom Boulevard (Street No. 41) & Samdech Pan Avenue (Street No. 214), Sangkat Boeng Reang, Khan Daun Penh, Phnom Penh.

The amendment of its Article of Incorporation to reflect this change with the MOC was completed on 23 May 2022. On 21 January 2022, the National Bank of Cambodia ("NBC") issued to the Bank its banking license to operate as a commercial bank.

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

There have been no significant changes in the nature of these principal activities during the year.

2. BASIS OF PREPARATION

2.1 Statement of compliance

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

2.2 Basis of measurement

The financial statements of the Bank have been prepared on the historical cost basis, except as otherwise disclosed in Note 3 to the financial statements.

2.3 Adoption of new CIFRSs and amendments/improvement to CIFRSs

(a) Amendments/Improvements to standards adopted during the year

The following amendments/improvements were adopted by the Bank but did not have significant impact on the current period or any prior period and it is not likely to affect the future periods.

- Lack of Exchangeability – Amendments to CIAS 21

(b) Standards and amendments/improvements that have been issued but not yet effective

Effective for financial periods beginning on or after

Effective for financial periods beginning on or after		
New Standards		
CIFRS 18	Presentation and Disclosure in Financial Statements	1 January 2027
Amendments/Improvements		
CIFRS 7 and CIFRS 9	Amendments to the Classification and Measurement of Financial Instruments	1 January 2026

The Bank has not early adopted these new and amended standards. The Bank is currently assessing the potential impact that these standards will have on its financial statements. Given the scope of CIFRS 18, it is expected to have a significant impact on the presentation and disclosure within the statement of profit or loss in future periods.

2.4 Functional and presentation currency

The national currency of Cambodia is the Khmer Riel ("KHR"). However, as the Bank transacts its businesses and maintains its accounting records primarily in United States Dollar ("USD"), the directors have determined the USD to be the Bank's currency for measurement and presentation purposes as it reflects the economic substance of the underlying events and circumstances of the Bank.

The translations of USD amounts into KHR presented in the financial statements are included solely to comply with the Law on Accounting and Auditing and have been using the prescribed official annual closing and average exchange rate of USD1 to 4,013 and USD1 to 4,011 respectively, for the year ended 31 December 2025 (2024: 4,025 and 4,071) as announced by the NBC.

These translations should not be construed as representations that the USD amounts represent, or have been or could be, converted into KHR at that or any other rate.

3. MATERIAL ACCOUNTING POLICY INFORMATION

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

3.1 Financial instruments

(a) Initial measurement

Financial assets and financial liabilities

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

At initial recognition, the Bank measures financial assets and financial liabilities at fair value plus transaction costs that are directly attributable to the acquisition or issue of financial instruments are added to or deducted from the fair value of the financial instruments, as appropriate, on initial recognition.

(b) Classification

Financial assets

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

A debt instrument is measured at FVOCI only if it meets both of the following conditions and is not designated as at fair value through profit or loss ("FVPL"):

- 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 solely payments of principal and interest ("SPPI").

Business model assessment

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

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

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.

In making the assessment, the Bank considers:

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

Non-recourse loans

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

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

Reclassifications

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

(b) Classification

Financial liabilities

The Bank classifies its financial liabilities, other than financial guarantees and loan commitments, either at amortised cost or FVPL. As the reporting date, the Bank does not have financial liabilities classified as FVPL.

(c) Derecognition

Financial assets

The Bank derecognises 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 derecognised) and the consideration received (including any new asset obtained less any new liability assumed) and any cumulative gain or loss that had been recognised in other comprehensive income is recognised in profit and loss.

Financial liabilities

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

(d) Modifications of financial instruments

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. The Bank consider, among others:

- if the borrower is in financial difficulty, whether the modification merely reduces the contractual cash flows to amounts the borrower is expected to be able to pay;
- whether any substantial new terms are introduced that will affect the risk profile of the loan;
- significant extension of the loan term when the borrower is not in financial difficulty;
- significant change in the interest rate;
- change in the currency the loan is denominated in; and/or,

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

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 derecognised (see (c)) and a new financial asset is recognised 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 and 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 maximise 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 amortised cost 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 recognises the resulting adjustment as a modification gain or loss in profit and 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 amortised 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 derecognises 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 recognised at fair value. The difference between the carrying amount of the financial liability derecognised and consideration paid is recognised 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 amortised 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 recognised 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 recognised as an adjustment to the carrying amount of the liability and amortised over the remaining term of the modified financial liability.

(e) 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 realise the asset and settle the liability simultaneously.

(f) Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal 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 maximise the use of relevant observable inputs and minimise the use of unobservable inputs. The chosen valuation technique incorporates all of the factors that market participants would take into account in pricing a transaction.

The best evidence of the fair value of a financial instrument on initial recognition is normally the transaction price – i.e. the fair value of the consideration given or received. If the Bank determines that the fair value on initial recognition differs from the transaction price and the fair value is evidenced neither by a quoted price in an active market for an identical asset or liability nor based on a valuation technique for which any unobservable inputs are judged to be insignificant in relation to the measurement, then the financial instrument is initially measured at fair value, adjusted to defer the difference between the fair value on initial recognition and the transaction price. Subsequently, that difference is recognised 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 recognises transfers between levels of the fair value hierarchy as of the end of the reporting period during which the change has occurred.

(g) Impairment

Financial assets

The Bank recognises loss allowances for Expected Credit Loss ("ECL") on the following financial instruments that are not measured at FVPL:

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

No impairment loss is recognised on equity investments.

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 (other than lease receivables) on which credit risk has not increased significantly since their initial recognition.

Loss allowance for loans and advance are 12-month ECL will be computed for stage 1, while lifetime ECL will be computed for stage 2 and stage 3.

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

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

At each reporting date, the Bank assesses whether the credit risk of a financial instrument has increased significantly since initial recognition. When credit risk has increased significantly since initial recognition, loss allowance is measured at an amount equal to lifetime ECLs.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Bank considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Bank's historical experience and informed credit assessment and includes forward-looking information.

If credit risk has not increased significantly since initial recognition or if the credit quality of the financial instruments improves such that there is no longer a significant increase in credit risk since initial recognition, loss allowance is measured at an amount equal to 12-month ECLs.

The maximum period considered when estimating ECLs is the maximum contractual period over which the Bank is exposed to credit risk.

Determining whether credit risk has increased significantly

The Bank assesses whether credit risk has increased significantly since initial recognition at each reporting date. Determining whether an increase in credit risk is significant depends on the characteristics of the financial instrument and the borrower, and the geographical region.

The Bank considers that a significant increase in credit risk occurs no later than when an asset is more than 30 days past due. Days past due are determined by counting the number of days since the earliest elapsed due date in respect of which full payment has not been received. Due dates are determined without considering any grace period that might be available to the borrower.

If there is evidence that there is no longer a significant increase in credit risk relative to initial recognition, then the loss allowance on an instrument returns to being measured as 12-month ECL.

Definition of default

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

- the borrower is unlikely to pay its credit obligations to the Bank in full, without recourse by the Bank to actions such as realising security (if any is held); or

- the borrower is more than or equal to 90 days past due for long-term facilities or more than or equal to 31 days past due for short-term facilities on any material 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.

Measurement of ECL

ECL are 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 entity in accordance with the contract and the cash flows that the Bank expects to receive);
- financial assets that are credit-impaired at the reporting date: as the difference between the gross carrying amount and the present value of estimated future cash flows; and
- undrawn loan commitments: as the present value of the difference between the contractual cash flows that are due to the Bank if the commitment is drawn down and the cash flows that the Bank expects to receive.

Inputs, assumptions and techniques used for estimating impairment

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

- probability of default ("PD");
- loss given default ("LGD"); and
- exposure at default ("EAD").

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

Since the Bank is newly established and has only a few loans at the period of modelling, there is not sufficient historical data to conduct the internal PD, LGD analysis. Therefore, the Bank has relied on external data as a starting point to conduct the PD, LGD proxy based approach.

EAD represents the estimate of the CIFRS 9 book value at the time of default, taking into consideration financial instruments' existing cash flow profiles, as well as expected additional drawings from credit lines up to the date of default. EAD is one of the key components of the credit risk parameters based ECL model. In the context of lifetime ECL calculation, an EAD parameter for each period during the residual lifetime of a financial instrument is required. EAD modelling is cash flow modelling whereby a behavioural approach to exposure modelling is required when no reimbursement scheme exists. When a contractual maturity does not exist, lifetime modelling is also required to obtain a loan's expected lifetime.

As described above, and subject to using a maximum of a 12-month PD for Stage 1 financial assets, the Bank measures ECL considering the risk of default over the maximum contractual period (including any borrower's extension options) over which it is exposed to credit risk, even if, for credit risk management purposes, the Bank considers a longer period. The maximum contractual period extends to the date at which the Bank has the right to require repayment of an advance or terminate a loan commitment or guarantee.

Restructured financial assets

If the terms of a financial asset are renegotiated or modified or an existing financial asset is replaced with a new one due to financial difficulties of the borrower, then an assessment is made of whether the financial asset should be derecognised and ECL 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 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.

On 28 December 2021, the NBC issued Circular No. B7.021.2314 on the Classification and Provisioning Requirements on Restructured Loans. On 18 January 2022, a workshop between all banks and financial institutions (“BFIs”) under the Association of Banks in Cambodia and the NBC was held to assist BFIs in their application of the Circular and to discuss other related practical issues. Following this workshop, the NBC informed BFIs through letter No. B7.022.167 dated 20 January 2022, the deferment of monthly report submission to 10 February 2022, and the change in financial data to be used for reporting purposes to January 2022, among others. On August 29, 2024, the National Bank of Cambodia (NBC) issued Circular No. B7.024.001 on Loan Restructuring, allowing banking and financial institutions to restructure loans for customer up to two times by retaining the same classification and do not require additional provisioning.

Credit-impaired financial assets

At each reporting date, the Bank assesses whether financial assets carried at amortised cost and debt financial asset 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 reorganisation; 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.

Presentation of allowance for ECL in the statement of financial position

Loss allowances for ECL are presented in the statement of financial position for financial assets measured at amortised cost: as a deduction from the gross carrying amount of the assets.

Write-off

Financial assets

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 statement of profit and loss and other comprehensive income.

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.

3.2 Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents comprise cash on hand, deposit and placement with financial institutions and deposit and placement with NBC, that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value, and having been within three months of maturity at acquisition.

3.3 Share capital

Ordinary shares are equity instruments. An equity instrument is a contract that evidences a residual interest in the assets of the Bank after deducting all of its liabilities. Ordinary shares are recorded at all proceeds received, net of directly attributable incremental transaction costs. Dividends on ordinary shares are recognised in equity in the period in which they are declared.

3.4 Regulatory reserves

Regulatory reserves are set up for the variance of allowance between loan impairment in accordance with CIFRS and regulatory allowance in accordance with NBC’s Prakas No. B7-017-344 dated 1 December 2017 and Circular No. B7-018-001 dated 16 February 2018 on credit risk classification and allowance on impairment for Banks and financial institutions.

In accordance with the Prakas, the Bank shall compare the provision calculated in accordance with above requirements and the Bank’s record which is under CIFRS.

- In the case whereby the regulatory provision is lower than provision calculated in accordance with CIFRS, the Bank records the provision calculated in accordance with CIFRS; and
- In the case whereby the regulatory provision is higher than provision calculated in accordance with CIFRS, the Bank records the provision calculated in accordance with CIFRS and transfer the differences from retained earnings or accumulated losses to the regulatory reserve in the shareholders’ equity under the statement of the financial position.

The regulatory reserves are not an item to be included in the calculation of the Bank net worth.

3.5 Statutory deposit

Statutory deposit is stated at cost. Statutory deposits represent mandatory reserve deposits and cash maintained with the NBC in compliance with the Law on Banking and Financial Institutions (“LBFI”) and are not available to finance the Bank’s day to day operations and hence are not considered as part of cash and cash equivalents for the purpose of cash flow statement.

3.6 Property and equipment

All items of property and equipment are initially recognised at cost and subsequently carried at cost less accumulated depreciation and any impairment in value. The cost of property and equipment initially recognised includes its purchase price and any cost that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Assets under construction included in property, plant and equipment are not depreciated as these assets are not available for use.

Property and equipment are depreciated on straight-line basis by allocating their depreciable amounts over the remaining useful life, at the following:

	Useful lives
Leasehold improvement	Shorter of 15 years or lease term
Office and furniture equipment	5 years
Computer equipment	3 years
Motor vehicles	5 years
IT equipment	5 years

The residual values, estimated useful lives and depreciation method of property and equipment are reviewed, and adjusted as appropriate, at each reporting period. The effects of any revision are recognised in profit or loss when the changes arise.

3.7 Intangible assets

Intangible assets that are acquired by the Bank are stated in the statement of financial position at cost less accumulated amortisation (where the estimated useful life is finite) and impairment losses.

Amortisation of intangible assets with finite useful lives is charged to profit or loss on a straight-line basis over the assets' estimated useful lives from the date they are available for use. Intangible assets are amortised by allocating their amortisable amounts over their useful lives. Useful life of computer software are five years except for license of core banking system which has useful lives of ten years.

Work in progress represents the IT software and system under construction and it is stated at cost. Work in progress is not depreciated until such time when the asset is available for use.

Both the period and method of amortisation are reviewed annually.

3.8 Impairment of non-financial assets

Assets that are subject to depreciation or amortisation are assessed at each reporting date to determine whether there is any indication that the assets are impaired. Where there is any indication that an asset might be impaired, the carrying value of the asset (or cash-generating unit "CGU" to which the asset has been allocated) is tested for impairment.

An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's (or CGU's) fair value less costs to sell and its value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (CGUs). Non-financial assets suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

3.9 Provision

Provisions are recognised in the statement of financial position when the Bank has a legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

3.10 Revenue recognition

The Bank recognises revenue from the following major sources:

- Net interest income
- Fee and commission
- Other income

Revenue is measured based on the consideration to which the Bank expects to be entitled in a contract with a customer and excludes amounts collected on behalf of third parties. The Bank recognises revenue when it transfers control of a product or provides service to a customer.

Net interest income

Interest income and expenses relating to financial instruments measured at amortised cost are recognised in the profit and loss account using the effective interest rate method ("EIR"). The EIR is the rate that ensures the discounted value of estimated future cash flows through the expected life of the financial asset. The EIR measurement should take into accounts, if significant, all fees and commissions received or paid that are an integral part of the EIR of the contract and transaction costs.

Interest income is calculated by applying the effective interest rate to the gross carrying amount of non-credit impaired financial assets (i.e. at the amortised cost of the financial asset before adjusting for any expected credit loss provision), except for:

- purchased or originated credit-impaired financial assets ('POCI'), for which the original credit-adjusted EIR is applied to the amortized cost of the financial assets.
- financial assets that are not 'POCI' but have subsequently become credit impaired (or 'stage 3'), for which interest income is calculated by applying the EIR to their amortised cost (i.e. the gross carrying amount less the expected credit loss provision).

Interest expenses are recognised by applying the effective interest rate to the gross carrying amount of financial liabilities.

Fees and commission income

Fees and commission income are income other than those that are an integral part of EIR (see above). The fees included in this part of the Bank's statement of profit or loss include a diverse range of services it provides to its customers such as fees charged for servicing a loan.

Fee and commission with regard to services are accounted for as the services are rendered.

Other income

Other income is income generated outside the normal course of business and is recognised when it is probable that the economic benefits will flow to the Bank and it can be measured reliably.

3.11 Lease

The Bank as a lessee

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.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term.

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

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

- fixed lease payments (including in-substance fixed payments), less any lease incentives receivable;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- the amount expected to be payable by the lessee under residual value guarantees;
- the exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is presented as a separate line in the statement of financial position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

Short-term lease and lease of low-value assets

The Bank has elected not to recognise right-of-use assets and lease liabilities for lease of low-value asset and short-term leases. The Bank recognise the lease payment associated with these leases as an expense on a straight-line basis over the lease term.

4. SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of financial statements in conformity to CIFRSs requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of the revenue and expenses during the reporting period. It also requires directors to exercise their judgement in the process of applying the Bank's accounting policies. Although these estimates and judgement are based on the directors' best knowledge of current events and actions, actual results may differ.

Significant areas of estimation, uncertainty and critical judgements in applying accounting policies that have significant effect in determining the amount recognised in the year include the following:

4.1 Measurement of income tax

Significant judgement is required in determining the Bank's estimation for current and deferred taxes because the ultimate tax liability for the Bank as a whole is uncertain. When the final outcome of the tax payable is determined with the tax authorities, the amounts might be different from the initial estimates of the tax payables. Such differences may impact the current and deferred taxes in the period when such determination is made. The Bank will make adjustments for current or deferred taxes in respect of prior years in the current period on those differences arise.

The income tax expense of the Bank is disclosed in Note 27 to the financial statements.

4.2 Expected credit loss allowance on financial assets at amortised cost

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

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

- determining criteria for significant increase in credit risk;
- choosing appropriate models and assumptions for the measurement of ECL
- establishing the number and relative weightings of forward-looking scenarios for each type of product/market and the associated ECL;
- establishing groups of similar financial assets for the purposes of measuring ECL.

The impact of provisioning on the Bank's loans to customers is disclosed in Note 8.

5. CASH ON HAND

	2025		2024	
	USD	KHR'000	USD	KHR'000
US Dollar	2,239,001	8,985,111	1,827,015	7,353,735
Khmer Riel	402,697	1,616,023	335,351	1,349,788
	2,641,698	10,601,134	2,162,366	8,703,523

6. DEPOSITS AND PLACEMENT WITH NATIONAL BANK OF-CAMBODIA ("NBC")

	2025		2024	
	USD	KHR'000	USD	KHR'000
Current accounts	18,003,018	72,246,111	13,216,576	53,196,718
Settlement accounts	2,049,327	8,223,949	1,888,079	7,599,518
Negotiable Certificate of Deposit ("NCD")	1,100,557	4,416,536	611,257	2,460,310
	21,152,902	84,886,596	15,715,912	63,256,546

Interest rate of deposit and placements with the NBC are as follows:

	2025	2024
	Current accounts	Nil
Settlement	Nil	Nil
Negotiable Certificate of Deposit ("NCD")	0.24% - 0.96%	0.20% - 1.16%

During the year, the Bank has pledged NCD sum of USD1,100,000 (accrued interest income amount USD557) with the NBC as a collateral for Overdraft Facility required for direct cheque clearing operation with NBC. NCD are maturing in 3 months and earn interest at rates ranging from 0.24% - 0.96% (2024: from 0.20% - 1.16%) per annum.

7. DEPOSITS AND PLACEMENT WITH OTHER BANKS

	2025		2024	
	USD	KHR'000	USD	KHR'000
In Cambodia:				
Term deposits	17,072,264	68,510,995	9,053,685	36,441,081
Current accounts	1,253,762	5,031,347	192,823	776,113
	18,326,026	73,542,342	9,246,508	37,217,194
Outside Cambodia:				
Current accounts	921,744	3,698,959	221,037	889,674
Deposits and placement with other banks	19,247,770	77,241,301	9,467,545	38,106,868
Less: Allowance for impairment losses	(70,306)	(282,138)	(21,539)	(86,694)
	19,177,464	76,959,163	9,446,006	38,020,174

The deposit and placement with other banks are analysed as follows:

	2025		2024	
	USD	KHR'000	USD	KHR'000
(a) By maturity:				
Within 1 month	4,185,284	16,795,545	6,452,921	25,973,007
More than 1 to 3 months	9,038,322	36,270,786	2,007,288	8,079,334
More than 3 to 12 months	6,024,164	24,174,970	1,007,336	4,054,527
	19,247,770	77,241,301	9,467,545	38,106,868
(b) By currency:				
US Dollar	18,878,354	75,758,834	9,451,625	38,042,790
Khmer Riel	243,067	975,428	15,920	64,078
CNY	118,362	474,987	-	-
MYR	7,987	32,052	-	-
	19,247,770	77,241,301	9,467,545	38,106,868
(c) By interest rate				

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

	2025	2024
Current account	0.50%	Nil
Term deposits	2.00% - 3.75%	3.25% - 6.0%

8. LOANS AND ADVANCES, NET

	2025		2024	
	USD	KHR'000	USD	KHR'000
Stage 1	81,208,037	325,887,852	63,712,271	256,441,890
Stage 2	5,011	20,109	2,736,745	11,015,399
Stage 3	4,016,738	16,119,170	747,265	3,007,742
Loans and advances at amortised cost	85,229,786	342,027,131	67,196,281	270,465,031
Less: Allowance for impairments loss	(1,936,908)	(7,772,812)	(801,318)	(3,225,305)
Net loans and advances	83,292,878	334,254,319	66,394,963	267,239,726

The movement of allowance for impairment losses on loans and advances were as follows:

	2025		2024	
	USD	KHR'000	USD	KHR'000
At 1 January	801,318	3,225,305	317,220	1,295,844
Allowance during the year (Note 23)	1,135,590	4,554,851	484,098	1,970,763
Exchange differences	-	(7,344)	-	(41,302)
At 31 December	1,936,908	7,772,812	801,318	3,225,305

The gross loans and advances are analysed as follows:

	2025		2024	
	USD	KHR'000	USD	KHR'000
a. By relationships:				
External customers	84,726,388	340,006,995	66,608,306	268,098,432
Staff loans	277,170	1,112,283	446,255	1,796,176
Related parties	226,228	907,853	141,720	570,423
	85,229,786	342,027,131	67,196,281	270,465,031
b. By maturity:				
1 to 3 months	8,115,176	32,566,201	5,340,193	21,494,276
More than 3 to 6 months	7,119,558	28,570,786	5,111,507	20,573,816
More than 6 to 12 months	14,323,333	57,479,535	10,352,833	41,670,153
More than 1 to 3 years	12,692,184	50,933,734	11,175,069	44,979,653
More than 3 to 5 years	12,491,778	50,129,505	10,458,945	42,097,254
Over 5 years	30,487,757	122,347,370	24,757,734	99,649,879
	85,229,786	342,027,131	67,196,281	270,465,031

c. By performance:

Performing	81,208,037	325,887,852	63,712,271	256,441,890
Under-performing	5,011	20,109	2,736,745	11,015,399
Non-performing	4,016,738	16,119,170	747,265	3,007,742
	85,229,786	342,027,131	67,196,281	270,465,031
	USD	Percentage (%)	USD	Percentage (%)

d. By secured loans

Secured	84,718,076	99.40	67,181,346	99.98
Unsecured	511,710	0.60	14,935	0.02
	85,229,786	100	67,196,281	100

Secured loans are collateralised by real properties such as land and building with hard or soft title deed. Soft title deed is not issued by cadastral department.

For additional analysis of loans and advances, refer to Note 31 (b).

9. OTHER ASSETS

	2025		2024	
	USD	KHR'000	USD	KHR'000
Prepayments	812,632	3,261,092	742,346	2,987,943
Deposits	324,427	1,301,926	250,008	1,006,282
Prefund account	315,032	1,264,223	108,076	435,006
Advances	55,753	223,737	1,998	8,042
Others	42,602	170,962	38,735	155,908
	1,550,446	6,221,940	1,141,163	4,593,181

10. STATUTORY DEPOSITS

	2025		2024	
	USD	KHR'000	USD	KHR'000
Reserve requirement (i)	4,629,399	18,577,778	3,360,000	13,524,000
Capital guarantee deposits (ii)	7,500,000	30,097,500	7,500,000	30,187,500
	12,129,399	48,675,278	10,860,000	43,711,500

(i) Reserve requirement

Reserve requirements are required under NBC's Prakas No. B7-023-005 dated 9 January 2023 for banks and financial institutions to maintain the reserve requirements, in accordance with dates and rates as follows:

- from 1 January 2023 to 31 December 2023, the reserve requirements in foreign currencies shall be at the rate of 9%.
- from 1 January 2024 onwards, the reserve requirements in foreign currencies shall be at the rate of 12.5%.
- the financial institution shall maintain the reserve requirements in local currency (KHR) at the rate of 7%.

However, in the NBC Letter No. B7-023-2621 dated 23 November 2023, the reserve requirements against deposits in foreign currencies was kept at the rate of 7% until 31 December 2024. Subsequently, NBC has issued another letter no. B7-024-1718 dated 21 August 2024, allowing the bank and financial institutions to maintain the reserve requirement rate at 7% until 31 December 2025.

(ii) Capital guarantee

Pursuant to Prakas No. B7-01-136 on Bank's Capital Guarantee dated 15 October 2001 issued by the NBC, banks are required to maintain 10% of its paid-up capital as a statutory deposit with the NBC. The deposit, which is not available for use in the Bank's day-to-day operations, is refundable should the Bank voluntarily cease its operations in Cambodia.

(iii) Annual interest rate

	2025	2024
Reserve requirement	Nil	Nil
Capital guarantee deposits	1.03% - 1.06%	1.29% - 1.31%

11. PROPERTY AND EQUIPMENT

	Leasehold improvement		Office and furniture equipment		Computer equipment		Motor vehicles		IT equipment		Construction-in-progress		Total	
	USD	KHR	USD	KHR	USD	KHR	USD	KHR	USD	KHR	USD	KHR	USD	KHR
At 1 January 2025	2,566,822		920,617		184,798		552,915		2,122,339		63,311		6,432,802	25,692,028
Additions	-		-		842		-		23,430		-		24,272	97,355
Transfers	-		63,311		-		-		-		(63,311)		-	-
Exchange differences	-		-		-		-		-		-		-	(71,145)
At 31 December 2025	2,566,822		983,928		185,640		552,915		2,145,769		-		6,457,074	25,912,238
Accumulated depreciation														
At 1 January 2025	(571,470)		(390,397)		(161,393)		(362,590)		(357,258)		-		(1,843,108)	(7,418,510)
Depreciation	(271,340)		(191,736)		(19,266)		(110,563)		(424,658)		-		(1,017,763)	(4,082,328)
Exchange differences	-		-		-		-		-		-		-	20,082
At 31 December 2025	(842,810)		(582,133)		(180,659)		(473,173)		(782,116)		-		(2,860,891)	(11,480,756)
Carrying amount as at 31 December 2025	1,746,012		401,795		4,981		79,742		1,363,653		-		3,596,183	14,431,482
At 1 January 2024	2,566,582		848,468		178,955		552,915		824,342		1,474,209		6,457,071	26,419,619
Additions	240		26,015		5,843		-		163,986		-		196,084	798,258
Transfers	-		46,134		-		-		1,134,011		(1,180,145)		-	-
Reclass to intangible assets	-		-		-		-		-		(211,749)		(211,749)	(862,030)
Adjustment	-		-		-		-		-		(19,004)		(19,004)	(77,365)
Exchange differences	-		-		-		-		-		-		-	(386,454)
At 31 December 2024	2,566,822		920,617		184,798		552,915		2,122,339		63,311		6,432,802	25,692,028

11. PROPERTY AND EQUIPMENT (Continued)

	Leasehold improvement		Office and furniture equipment		Computer equipment		Motor vehicles		IT equipment		Construction-in-progress		Total	
	USD	KHR	USD	KHR	USD	KHR	USD	KHR	USD	KHR	USD	KHR	USD	KHR
Accumulated depreciation														
At 1 January 2024	(299,852)		(216,687)		(111,056)		(252,006)		(170,071)		-		(1,046,672)	(4,287,910)
Depreciation	(271,618)		(173,710)		(50,337)		(110,564)		(187,187)		-		(793,436)	(3,230,079)
Exchange differences	-		-		-		-		-		-		-	98,479
At 31 December 2024	(571,470)		(390,397)		(161,393)		(362,590)		(357,258)		-		(1,843,108)	(7,418,510)
Carrying amount as at 31 December 2024	2,017,352		530,220		23,405		190,325		1,765,081		63,311		4,569,694	18,473,518

12. INTANGIBLE ASSETS

	Computer software	Work-in-progress	Total	
	USD	USD	USD	KHR'000
At 1 January 2025	4,031,686	68,804	4,100,490	16,504,472
Additions	513,402	18,920	532,322	2,135,144
Transfers	69,520	(69,520)	-	-
Adjustment	-	(18,204)	(18,204)	(73,016)
Exchange differences	-	-	-	(48,178)
At 31 December 2025	4,614,608	-	4,614,608	18,518,422
Accumulated depreciation				
At 1 January 2025	(581,372)	-	(581,372)	(2,340,022)
Amortisation	(537,800)	-	(537,800)	(2,157,116)
Exchange differences	-	-	-	5,901
At 31 December 2025	(1,119,172)	-	(1,119,172)	(4,491,237)
Carrying amount as at 31 December 2025	3,495,436	-	3,495,436	14,027,185
At 1 January 2024	2,734,911	494,086	3,228,997	13,190,453
Additions	693,988	35,804	729,792	2,970,983
Transfers	391,038	(391,038)	-	-
Reclass from property and equipment	211,749	-	211,749	862,030
Adjustment	-	(70,048)	(70,048)	(285,165)
Exchange differences	-	-	-	(233,829)
At 31 December 2024	4,031,686	68,804	4,100,490	16,504,472
Accumulated depreciation				
At 1 January 2024	(279,412)	-	(279,412)	(1,141,398)
Amortisation	(301,960)	-	(301,960)	(1,229,279)
Exchange differences	-	-	-	30,655
At 31 December 2024	(581,372)	-	(581,372)	(2,340,022)
Carrying amount as at 31 December 2024	3,450,314	68,804	3,519,118	14,164,450

13. RIGHTS-OF-USE ASSETS AND LEASE LIABILITIES

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

The Bank leases three office spaces for its head office and two branches. Rental contracts are typically made for a fixed period ranging from 3 to 12 years.

The table below describes the nature of the Bank's lease of right-of-use assets recognised in the statement of financial position as at 31 December 2025.

Right-of-use assets	Right of use-assets leased	Range of remaining term	Leases with extension option	Leases with variable payments link to an index	Leases with termination option
Office buildings	3 years	3 - 12 years	3 years	Nil	3 years

(i) Right-of-use assets

	2025		2024	
	USD	KHR'000	USD	KHR'000
Cost				
At 1 January	3,560,022	14,329,089	3,560,022	14,542,690
Addition	227,240	911,460	-	-
Derecognition of expiry lease	(202,569)	(812,504)	-	-
Exchange differences	-	(42,672)	-	(213,601)
At 31 December	3,584,693	14,385,373	3,560,022	14,329,089
Accumulated depreciation				
At 1 January	(1,171,793)	(4,716,467)	(816,660)	(3,336,056)
Depreciation	(363,942)	(1,459,771)	(355,133)	(1,445,746)
Derecognition of expiry lease	202,569	812,504	-	-
Exchange differences	-	13,739	-	65,335
At 31 December	(1,333,166)	(5,349,995)	(1,171,793)	(4,716,467)
Carrying amounts as at 31 December	2,251,527	9,035,378	2,388,229	9,612,622

(i) Lease liabilities

	2025		2024	
	USD	KHR'000	USD	KHR'000
At 1 January	2,801,456	11,275,860	3,060,264	12,501,178
Additions	223,940	898,225	-	-
Interest expense on lease liabilities	183,095	734,394	197,577	804,336
Payments	(483,984)	(1,941,260)	(456,385)	(1,857,943)
Exchange differences	-	(33,772)	-	(171,711)
At 31 December	2,724,507	10,933,447	2,801,456	11,275,860

Maturity analysis – contractual undiscounted cash flows

	2025		2024	
	USD	KHR'000	USD	KHR'000
Less than one year	483,984	1,942,228	453,365	1,824,794
More than one to five years	1,912,769	7,675,942	1,720,800	6,926,220
More than five years	1,025,100	4,113,726	1,489,319	5,994,510
Total undiscounted lease liabilities	3,421,853	13,731,896	3,663,484	14,745,524
Less: interest expense	(697,346)	(2,798,449)	(862,028)	(3,469,664)
Total present value of lease liabilities	2,724,507	10,933,447	2,801,456	11,275,860

Present value of lease liabilities

	2025		2024	
	USD	KHR'000	USD	KHR'000
Current	313,756	1,259,103	274,936	1,106,617
Non-current	2,410,751	9,674,344	2,526,520	10,169,243
	2,724,507	10,933,447	2,801,456	11,275,860

Amounts recognised in profit or loss are as follows:

	2025		2024	
	USD	KHR'000	USD	KHR'000
Depreciation rights-of-use asset	363,942	1,459,771	355,133	1,445,746
Expense relating to leases of low-value assets and short-term leases	4,597	18,439	4,659	18,967
Interest on lease liabilities (Note 20)	183,095	734,394	197,577	804,336
Interest income on refundable deposit	(8,354)	(33,508)	(8,031)	(32,693)
	543,280	2,179,096	549,338	2,236,356

14. DEPOSITS FROM CUSTOMERS

	2025		2024	
	USD	KHR'000	USD	KHR'000
Current accounts	14,845,842	59,576,364	7,447,247	29,975,169
Saving accounts	6,872,710	27,580,185	6,013,840	24,205,706
Fixed deposits	39,912,346	160,168,245	29,447,644	118,526,767
	61,630,898	247,324,794	42,908,731	172,707,642

The deposits from customers are analysed as follows:

	2025		2024	
	USD	KHR'000	USD	KHR'000
(a) By maturity:				
Within 1 month	5,956,314	23,902,688	2,692,218	10,836,177
More than 1 to 3 months	19,022,272	76,336,378	5,384,434	21,672,347
More than 3 to 12 months	23,311,224	93,547,942	5,384,434	21,672,347
More than 1 to 2 years	6,850,888	27,492,614	21,257,677	85,562,150
More than 2 years	6,490,200	26,045,172	8,189,968	32,964,621
	61,630,898	247,324,794	42,908,731	172,707,642
(b) By residency status:				
Resident	57,167,408	229,412,808	39,350,512	158,385,811
Non-resident	4,463,490	17,911,986	3,558,219	14,321,831
	61,630,898	247,324,794	42,908,731	172,707,642
(c) By relationship:				
Related parties	12,324,422	49,457,905	14,147,371	56,943,168
Non-related parties	49,306,476	197,866,889	28,761,360	115,764,474
	61,630,898	247,324,794	42,908,731	172,707,642
(d) By currency:				
US Dollar	54,512,953	218,760,481	41,633,396	167,574,418
Khmer Riel	7,010,237	28,132,081	1,274,191	5,128,619
Chinese Yuan	107,708	432,232	1,144	4,605
	61,630,898	247,324,794	42,908,731	172,707,642

(e) By interest rate:

Current accounts	0.00% - 3.00%	0.00% - 4.00%	0.00% - 4.00%	0.00% - 4.00%
Saving accounts	0.25% - 2.00%	0.25% - 2.00%	0.25% - 3.00%	0.25% - 4.00%
Fixed deposits	1.00% - 5.50%	2.00% - 6.50%	2.50% - 5.50%	3.50% - 6.50%

15. DEPOSITS FROM BANKS AND OTHER FINANCIAL INSTITUTIONS

	2025		2024	
	USD	KHR'000	USD	KHR'000
Current accounts	1,221,183	4,900,607	196,536	791,057
Fixed deposits	2,772,455	11,125,862	1,966,750	7,916,169
	3,993,638	16,026,469	2,163,286	8,707,226

The deposit from banks and other financial institutions are analysed as follows:

	2025		2024	
	USD	KHR'000	USD	KHR'000
a) By maturity:				
Within 1 month	1,036,545	4,159,655	39,308	158,215
More than 1 to 3 months	748,394	3,003,305	78,614	316,421
More than 3 to 12 months	2,208,699	8,863,509	78,614	316,421
More than 1 to 2 years	-	-	565,885	2,277,687
More than 2 years	-	-	1,400,865	5,638,482
	3,993,638	16,026,469	2,163,286	8,707,226

b) By residency status:

Resident	3,993,638	16,026,469	2,163,286	8,707,226
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c) By relationship:

Non-related parties	3,993,638	16,026,469	2,163,286	8,707,226
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d) By currency:

US Dollar	2,616,791	10,501,182	2,058,823	8,286,762
Khmer Riel	1,376,847	5,525,287	104,463	420,464
	3,993,638	16,026,469	2,163,286	8,707,226

e) By interest rate:

Current accounts	Nil	Nil	Nil	Nil
Fixed deposits	5.00%	Nil	5.00%	Nil

16. OTHER LIABILITIES

	2025		2024	
	USD	KHR'000	USD	KHR'000
Account payables	181,919	730,041	90,050	362,451
Accrued bonus	61,800	248,003	68,000	273,700
Taxes payables	54,131	217,228	45,494	183,113
Contract liability on undisbursed loans	16,411	65,857	3,000	12,075
Other sundry liabilities	-	-	53,900	216,948
Others	76,073	305,281	49,333	198,565
	390,334	1,566,410	309,777	1,246,852

17. SHARE CAPITAL

Details of share capital based on the Memorandum and Articles of Association of the Company are as follows:

	2025		2024	
	No. of shares	USD	No. of shares	USD
Ordinary share at par value of USD0.75 (KHR3,000) each, registered, issued and fully paid	100,000,000	75,000,000	100,000,000	75,000,000
At 1 January/31 December				
Equivalent to KHR'000		300,000,000		300,000,000

18. SHARE SUBSCRIPTION RECEIVED

	2025		2024	
	USD	KHR'000	USD	KHR'000
Share subscription received	15,000,000	60,000,000	-	-

During the year, the Bank received a cash injection of USD 15,000,000 from its shareholders for the issuance of 18,750,000 new shares at an issue price of USD 0.80 per share. This issue price consists of the original par value of USD 0.75 and a share premium of USD 0.05 per share.

On 31 December 2025, the National Bank of Cambodia ("NBC") granted approval for the capital increase of USD 14,062,500 (representing the par value portion). Subsequently, the Bank has obtained approval from the Ministry of Commerce ("MOC") for the capital increase on 29 January 2026. The Bank has submitted request to NBC to recognise the associated share premium on 13 January 2026.

19. REGULATORY RESERVES

Regulatory reserves represent the variance of provision between impairment in accordance with CIFRSs and regulatory provision in accordance with the National Bank of Cambodia.

	2025		2024	
	USD	KHR'000	USD	KHR'000
At 1 January	377,347	1,518,822	501,211	2,016,281
Transferred from/(to) retained earning	1,279,539	5,132,231	(123,864)	(504,250)
Exchange differences	-	(1,969)	-	6,791
At 31 December	1,656,886	6,649,084	377,347	1,518,822

The transfer from retained earnings to reserve pertains to impairment provision during the year when the provision under NBC's requirement is higher than CIFRSs.

	2025		2024	
	USD	KHR'000	USD	KHR'000
Impairment on credit facilities required by the NBC	3,664,100	14,704,034	1,200,205	4,830,825
Impairment losses on financial instruments under CIFRS (Note 7 & 8)	(2,007,214)	(8,054,950)	(822,858)	(3,312,003)
Exchange differences	-	-	-	-
At 31 December	1,656,886	6,649,084	377,347	1,518,822

According to Article 73 of Prakas No. B7-017-344 Prokor on Credit Risk Grading and Impairment Provisioning, if the regulatory provision calculated in accordance with the Prakas is higher than the calculation in accordance with CIFRSs, the Institution shall record the provision calculated in accordance with CIFRSs and transfer the difference from retained earnings or accumulated loss account into regulatory reserve in shareholder's equity in the statement of financial position.

20. INTEREST INCOME, NET

	2025		2024	
	USD	KHR'000	USD	KHR'000
Loans and advances	6,241,657	25,035,287	5,723,342	23,299,726
Deposits and placements with other banks	354,371	1,421,382	294,848	1,200,326
Deposit and placements with the NBC	86,210	345,788	120,233	489,469
Interest income from refundable deposit	8,354	33,508	8,031	32,693
	6,690,592	26,835,965	6,146,454	25,022,214

Fixed deposits	1,745,192	6,999,965	1,485,361	6,046,904
Current accounts	254,795	1,021,983	244,645	995,950
Saving accounts	81,079	325,208	73,331	298,531
Lease liabilities (Note 13)	183,095	734,394	197,577	804,336
	2,264,161	9,081,550	2,000,914	8,145,721
Net interest income	4,426,431	17,754,415	4,145,540	16,876,493

21. FEE AND COMMISSION INCOME, NET

	2025		2024	
	USD	KHR'000	USD	KHR'000
Fee and commission income				
Early loan redemption fees	140,551	563,750	45,500	185,231
Loan renewal fees	43,627	174,988	82,459	335,691
Loan commitment fees	38,609	154,861	38,384	156,261
Remittance fees	37,576	150,717	5,732	23,335
Administration fees	31,921	128,035	3,040	12,376
Fee income from guarantee	14,963	60,017	4,575	18,625
Service charge	11,818	47,402	4,864	19,801
Debit and credit cards	11,340	45,485	-	-
Others	45,212	181,345	34,464	140,302
	375,617	1,506,600	219,018	891,622
Fee and commission expense	(14,946)	(59,948)	(19,991)	(81,383)
Net fee and commission income	360,671	1,446,652	199,027	810,239

22. OTHER INCOME

	2025		2024	
	USD	KHR'000	USD	KHR'000
Unrealised foreign exchange gain	40,710	163,288	128,664	523,791

23. IMPAIRMENT LOSSES ON FINANCIAL INSTRUMENTS

	2025		2024	
	USD	KHR'000	USD	KHR'000
Loss allowance for ECL				
Loans and advances	1,135,590	4,554,851	484,098	1,970,763
Deposits and placements with other banks	48,518	194,606	3,367	13,707
	1,184,108	4,749,457	487,465	1,984,470

24. PERSONNEL EXPENSES

	2025		2024	
	USD	KHR'000	USD	KHR'000
Salaries	1,820,511	7,302,070	1,946,192	7,922,948
Seniority indemnity	100,107	401,529	102,343	416,638
Bonus	32,063	128,605	23,882	97,224
Other staff benefits	77,027	308,955	77,732	316,447
	2,029,708	8,141,159	2,150,149	8,753,257

25. DEPRECIATION AND AMORTISATION

	2025		2024	
	USD	KHR'000	USD	KHR'000
Depreciation of property and equipment (Note 11)	1,017,783	4,082,328	793,436	3,230,079
Amortisation of intangible assets (Note 12)	537,800	2,157,116	301,960	1,229,279
Depreciation of right-of-use assets (Note 13)	363,942	1,459,771	355,133	1,445,746
	1,919,525	7,699,215	1,450,529	5,905,104

26. OTHER OPERATING EXPENSES

	2025		2024	
	USD	KHR'000	USD	KHR'000
Subscription and license fees	1,311,996	5,262,416	1,090,492	4,439,393
Utilities	101,728	408,031	104,667	426,099
Security expenses	87,984	352,904	89,998	366,382
Director fees	81,000	324,891	84,000	341,964
Other taxes	68,321	274,036	54,425	221,564

Repairs and maintenance	49,756	199,571	48,252	196,434
Communication	47,089	188,874	31,106	126,633
Audit fees	23,100	92,654	22,000	89,562
Office supplies	22,502	90,256	27,045	110,100
Credit investigation fees	21,690	86,999	15,303	62,299
Professional fees	8,118	32,561	7,039	28,656
Marketing and advertising	6,579	26,388	44,757	182,206
Others	282,760	1,134,150	194,162	790,432
	2,112,623	8,473,731	1,813,246	7,381,724

27. INCOME TAX EXPENSE

(a) Income/Minimum tax expense

In accordance with the Cambodian Law on Taxation, the Bank has an obligation to pay corporate income tax of either the profit tax at the rate of 20% of taxable profits or the minimum tax at 1% of gross revenues, whichever is higher.

	2025		2024	
	USD	KHR'000	USD	KHR'000
Minimum tax expense	67,493	270,714	62,597	254,832
Current income tax	-	-	-	-
Income tax expense	-	-	-	-

(b) Income tax expense

The reconciliation of income tax computed at the statutory tax rate to the Bank's income tax expense is as follows:

	2025		2024	
	USD	KHR'000	USD	KHR'000
Loss before tax	(2,418,152)	(9,699,207)	(1,428,158)	(5,814,032)
Calculated at tax rate of 20%	(483,630)	(1,939,841)	(285,632)	(1,162,806)
Effects of non-deductible expenses	15,692	62,941	12,447	50,671
Effects of unrecognised deferred tax	467,938	1,876,900	273,185	1,112,135
Income tax expense	-	-	-	-

(c) Unrecognised deferred tax asset

Tax loss carry forward

Tax losses incurred in any tax year can be carried forward and available for offset against the next five years' taxable income.

In accordance with the Prakas on Tol, in order for the tax losses to be carried forward for a period of five consecutive years and utilised against taxable income in subsequent years, the following conditions should be met:

- The loss must be recorded in the Tol return and submitted to the GDT on time;
- Continuity of the business activity of the Bank; and
- No unilateral tax reassessment on the tax losses is made by the GDT during the tax year

Deferred tax assets in respect of the tax losses are not recognised in the financial statements because it is not probable when future taxable profits will be available against which the Bank can use the benefits therefrom.

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

Originating period	Can be utilised up to	Estimated tax loss amount		Unutilised up to 31 December 2025	
		USD	USD	USD	KHR'000
2025	2030	3,121,633	-	3,121,633	12,527,111
2024	2029	1,801,109	-	1,801,109	7,249,466
2023	2028	869,761	-	869,761	3,552,972
2022	2027	2,374,502	-	2,374,502	9,775,825
2021	2026	1,755,241	-	1,755,241	7,150,852

Estimated deferred tax assets not recognised

	2025		2024	
	USD	KHR'000	USD	KHR'000
As at 1 January	1,389,749	5,593,737	1,058,332	4,258,377
Movement of deferred tax assets not recognised	506,297	2,030,757	331,417	1,349,200
Exchange differences	-	(15,661)	-	(13,840)
At 31 December	1,896,046	7,608,833	1,389,749	5,593,737

Estimated unrecognised deferred tax assets arising from temporary differences are summarised as follows:

	2025		2024	
	USD	KHR'000	USD	KHR'000
Property and equipment and intangible asset	(120,351)	(482,969)	(192,301)	(774,012)
Lease liabilities	544,901	2,186,688	560,291	2,255,171
Right-of-use-assets	(450,305)	(1,807,074)	(477,646)	(1,922,525)
Unearned income	52,117	209,146	43,658	175,723
Provisions for loan loss	(114,765)	(460,552)	95,624	384,885
Estimated unabsorbed business losses	1,984,449	7,963,594	1,360,123	5,474,495
Deferred tax assets – net	1,896,046	7,608,833	1,389,749	5,593,737

Deferred tax assets are not recognised in the financial statements due to the uncertainty of its recoverability.

28. RELATED PARTIES' TRANSACTIONS AND BALANCES

The following balances are outstanding with related parties:

	2025		2024	
	USD	KHR'000	USD	KHR'000
Deposits from related parties				
Key managements	14,085	56,523	8,114	32,659
Shareholders:				
Current accounts	955,432	3,834,149	808,167	3,252,872
Savings accounts	1,730,183	6,943,224	1,206,184	4,854,891
Fixed deposits	9,624,722	38,624,009	12,088,097	48,654,590
	12,324,422	49,457,905	14,110,562	56,795,012

During the year, the following transactions with related parties is recorded:

	2025		2024	
	USD	KHR'000	USD	KHR'000
Fee and remuneration expenses to related parties				
Key managements:				
Salaries and other benefits	689,011	2,763,622	841,203	3,424,536
Director fees	81,000	324,891	84,000	341,964

Key management personnel are defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Bank either directly or indirectly. Key management includes all the directors of the Bank and certain members of senior management of the Bank.

29. CASH AND CASH EQUIVALENT

	2025		2024	
	USD	KHR'000	USD	KHR'000
Cash on hand	2,641,698	10,601,134	2,162,366	8,703,523
Deposits and placement with National Bank of Cambodia	21,152,902	84,886,596	15,715,912	63,256,546
Deposits and placement with other banks	19,177,464	76,959,163	9,446,006	38,020,174
	42,972,064	172,446,893	27,324,284	109,980,243
Less: placement with maturity more than 3 months	(8,988,283)	(36,069,980)	(1,001,208)	(4,029,862)
At 31 December	33,983,781	136,376,913	26,323,076	105,950,381

30. CONTINGENT LIABILITIES AND COMMITMENTS

(a) Credit commitments and guarantees

	2025		2024	
	USD	KHR'000	USD	KHR'000
Unused portion of overdraft and credit card	6,853,612	27,503,545	3,513,913	14,143,500
Bank guarantees	1,232,991	4,947,993	300,000	1,207,500
	8,086,603	32,451,538	3,813,913	15,351,000

(b) Capital commitment

	2025		2024	
	USD	KHR'000	USD	KHR'000
Intangible assets	663,308	2,661,855	630,208	2,536,587

31. FINANCIAL RISK MANAGEMENT

(a) Introduction and overview

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

- credit risk;
- market risk; and
- liquidity risk

This note presents information about the Bank's exposure to each of the above risks, the Bank's objectives, policies and processes for measuring and managing risk, and the Bank's management of capital.

(b) Credit risk

The Bank takes on exposure to credit risk, which is the risk that counterparties will cause a financial loss to the Bank by failing to discharge an obligation. Credit risk is the most important risk for the Bank's business. Credit exposure arises principally in lending activities that lead to loans and advances and balances with other banks. There is also credit risk in off-balance sheet financial instruments, such as loan commitments. The credit risk management is carried out by the Bank's credit committee.

The lending activities are guided by the Bank's credit policy to ensure that the overall objectives in the area of lending are achieved; i.e., that the loan portfolio is strong and healthy and credit risks are well diversified and controlled. The credit policy documents the lending policy, collateral policy, and credit approval processes and procedures implemented to ensure compliance with NBC guidelines. Customers with more than one account are subject to stringent and careful review and assessment. The Bank closely monitors concentration of credit risk by industries. Additional criteria for loan disbursement are also imposed for some specific risk areas.

(i) Credit risk measurement

The Bank assesses the probability of default of counterparties by focusing on borrowers' forecasted profit and cash flow. The credit committee is responsible for approving loans and advances.

(ii) Risk limit control and mitigation policies

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

The Bank deploys a range of policies and practices to mitigate credit risk. The most traditional of these is the taking of security in the form of collateral in exchange for loans and advances. The Bank also assess the individual cash flow to ensure the repayment capacity.

(iii) Concentration of risk

The Board of Directors created the Bank Credit Committee for the oversight of credit risk. A separate Credit Department, reporting to the Bank Credit Committee, is responsible for managing the Bank's credit risk.

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 credit commitments, the maximum exposure to credit risk is the full amount of the undrawn credit facilities granted to customers.

Type of credit exposure

	Carrying amount		Fully subject to collateral/credit enhancement	Unsecured and not subject to collateral/credit enhancement
	Maximum credit exposure	Maximum credit exposure		
	USD	KHR'000	%	%
At 31 December 2025				
On balance sheet items				
Deposits and placements with NBC	21,152,902	84,886,596	-	100.00
Deposits and placement with other banks	19,177,464	76,959,163	-	100.00
Loans and advances	83,292,878	334,254,319	99.40	0.60
Other assets	639,459	2,566,149	-	-
Total	124,262,703	498,666,227		
Off-Balance sheet items				
Unused portion of overdraft and credit card	6,853,612	27,503,545	77.01	22.99
Bank guarantees	1,232,991	4,947,993	86.50	13.50
	8,086,603	32,451,538		
At 31 December 2024				
On balance sheet items				
Deposits and placements with NBC	15,715,912	63,256,546	-	100.00
Deposits and placement with other banks	9,446,006	38,020,174	-	100.00
Loans and advances	66,394,963	267,239,726	99.98	0.02
Other assets	358,084	1,441,288	-	100.00
Total	91,914,965	369,957,734		
Off-Balance sheet items				
Unused portion of overdraft	3,513,913	14,143,500	100.00	-
Bank guarantees	300,000	1,207,500	100.00	-
	3,813,913	15,351,000		

Concentration risk by industrial sectors

The concentration risk by industrial sectors is analysed based on the gross amounts of the financial assets.

	Deposit and placement with other banks	Loans and advances	Other assets	Total
	USD	USD	USD	USD
31 December 2025				
Construction	-	26,561,346	-	26,561,346
Real estate	-	11,629,309	-	11,629,309
Retail Trade	-	11,487,008	-	11,487,008
Agriculture forestry and fishing	-	9,410,631	-	9,410,631
Personal lending	-	4,539,552	-	4,539,552
Housing	-	4,437,084	-	4,437,084
Manufacturing	-	3,569,707	-	3,569,707
Wholesale Trade	-	3,104,025	-	3,104,025
Rental and operational leasing activities	-	2,651,733	-	2,651,733
Other Financial Institutions	-	2,262,118	-	2,262,118
Accommodation and food service activities	-	1,201,961	-	1,201,961
Mining and quarrying	-	529,296	-	529,296
Banking	19,247,770	-	-	19,247,770
Others	-	3,846,016	639,459	4,485,475
Total (USD)	19,247,770	85,229,786	639,459	105,117,015
Total (KHR'000)	77,241,301	342,027,131	2,566,149	421,834,581
31 December 2024				
Construction	-	13,770,261	-	13,770,261
Real estate	-	11,341,472	-	11,341,472
Retail Trade	-	9,648,013	-	9,648,013
Agriculture forestry and fishing	-	5,354,998	-	5,354,998
Transport and storage	-	5,223,881	-	5,223,881
Personal lending	-	4,823,763	-	4,823,763
Housing	-	4,575,199	-	4,575,199
Manufacturing	-	3,722,159	-	3,722,159
Wholesale Trade	-	3,270,019	-	3,270,019
Rental and operational leasing activities	-	2,306,102	-	2,306,102
Other Financial Institutions	-	1,393,948	-	1,393,948
Accommodation and food service activities	-	811,282	-	811,282
Mining and quarrying	-	592,346	-	592,346

Concentration risk by industrial sectors (Continued)

	Deposit and placement with other banks	Loans and advances	Other assets	Total
	USD	USD	USD	USD
Banking	9,467,545	-	-	9,467,545
Others	-	362,838	358,084	720,922
Total (USD)	9,467,545	67,196,281	358,084	77,021,910
Total (KHR'000)	38,106,868	270,465,031	1,441,288	310,013,188

Concentration risk by currency, residency, large-exposures and concession for loans and advances:

	2025		2024	
	USD	KHR'000	USD	KHR'000
By currency:				
US Dollar	75,621,820	303,470,363	60,356,486	242,934,856
Khmer Riel	9,607,966	38,556,768	6,839,795	27,530,175
	85,229,786	342,027,131	67,196,281	270,465,031
By residency status:				
Residents	85,229,786	342,027,131	67,196,281	270,465,031
By exposure:				
Large Exposures	15,628,236	62,716,111	-	-
Non-large exposures	69,601,550	279,311,020	67,196,281	270,465,031
	85,229,786	342,027,131	67,196,281	270,465,031
By concession:				
Non-restructured	80,307,553	322,274,210	62,321,146	250,842,613
Restructure	4,922,233	19,752,921	4,875,135	19,622,418
	85,229,786	342,027,131	67,196,281	270,465,031

Currency

On 1 December 2016, the NBC issued a Prakas No. B7-016-334 on Provision of Credit in National Currency of Banking and Financial Institutions, required all institutions to maintain loans in national currency (KHR) at least 10% of the total loan portfolio.

Exposure

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% of the Bank's net worth. The exposure is the higher of the outstanding loans or commitments and the authorised loans or commitments.

(iv) Collateral

Whilst the Bank's maximum exposure to credit risk is the carrying amount of the assets or, in the case of off-balance sheet instruments, the amount guaranteed, committed, accepted or endorsed, the likely exposure may be lower due to offsetting collateral, credit guarantees and other actions taken to mitigate the Bank's exposure.

The description of collateral for each class of financial asset is set out below.

Cash on hand, deposits and placements with other banks, deposits and placements with National Bank of Cambodia and other assets.

Collateral is generally not sought for these assets.

Loans and advances, contingent liabilities and commitments

Certain loans and advances, contingent liabilities and commitments are typically collateralised to a substantial extent. In particular, residential mortgage exposures are generally fully secured by residential properties.

The table below summarises the Bank's security coverage of its financial assets:

	Secured - Property	Unsecured credit exposure	Total
	USD	USD	USD
At 31 December 2025			
Loans and advances, gross	84,718,076	511,710	85,229,786
Unused portion of overdraft and credit card	5,278,248	1,575,364	6,853,612
Bank Guarantees	1,066,496	166,495	1,232,991
	89,996,324	2,087,074	92,083,398
At 31 December 2024			
Loans and advances, gross	67,181,346	14,935	67,196,281
Unused portion of overdraft	3,513,913	-	3,513,913
Bank Guarantees	300,000	-	300,000
	70,695,259	14,935	70,710,194
	Secured - Property	Unsecured credit exposure	Total
	KHR'000	KHR'000	KHR'000
At 31 December 2025			
Loans and advances, gross	339,973,639	2,053,492	342,027,131
Unused portion of overdraft and credit card	21,181,609	6,321,936	27,503,545
Bank Guarantees	4,279,849	668,144	4,947,993
	365,435,097	9,043,572	374,478,669
At 31 December 2024			
Loans and advances, gross	270,404,918	60,113	270,465,031
Unused portion of overdraft	14,143,500	-	14,143,500
Bank Guarantees	1,207,500	-	1,207,500
	285,755,918	60,113	285,816,031

(v) Credit quality of gross loans and advances

NBC guideline Prakas B7-017-344 defined each credit grading according to its credit quality as follows:

Normal:

Outstanding facility is repaid on timely manner and is not in doubt for the future repayment. Repayment is steadily made according with the contractual terms and the facility does not exhibit any potential weakness in repayment capability, business, cash flow and financial position of the counterparty.

Special Mention:

A facility in this class is currently protected and may not be past due but it exhibits potential weaknesses that may adversely affect repayment of the counterparty at the future date, if not corrected in a timely manner, and close attention by the Institution.

Weaknesses include but are not limited to a declining trend in the business operations of the counterparty or in its financial position, and adverse economic and market conditions that all might affect its profitability and its future repayment capacity, or deteriorating conditions on the collateral. This class has clearly its own rational and should not be used as a compromise between Normal and Substandard.

Substandard

A facility ranked in this class exhibits noticeable weakness and is not adequately protected by the current business or financial position and repayment capacity of the counterparty. In essence, the primary source of repayment is not sufficient to service the debt, not taking into account the income from secondary sources such as the realisation of the collateral.

Factors leading to a substandard classification include:

- Inability of the counterparty to meet the contractual repayments' terms,
- Unfavourable economic and market conditions that would adversely affect the business and profitability of the counterparty in the future,
- Weakened financial condition and/or inability of the counterparty to generate enough cash flow to service the payments,
- Difficulties experienced by the counterparty in repaying other facilities granted by the Institution or by other institutions when the information is available, and
- Breach of financial covenants by the counterparty.

Doubtful

A facility classified in this category exhibits more severe weaknesses than one classified Substandard such that its full collection on the basis of existing facts, conditions or collateral value is highly questionable or improbable. The prospect of loss is high, even if the exact amount remains undetermined for now.

Loss

A facility is classified Loss when it is not collectable, and little or nothing can be done to recover the outstanding amount from the counterparty.

Recognition of ECL

The Bank applies a three-stage approach based on the change in credit quality since initial recognition:

3-Stage approach	Stage 1	Stage 2	Stage 3
	Performing	Underperforming	Nonperforming
Recognition of expected credit losses	12 months expected credit losses	Lifetime expected credit losses	Lifetime expected credit losses
Criterion	No significant increase in credit risk	Credit risk increased significantly	Credit impaired assets
Basic of calculation of profit revenue	On gross carrying amount	On gross carrying amount	On net carrying amount

The table below summarises the credit quality of the Bank's gross financing according to the above classifications.

	31 December 2025			
	Stage 1	Stage 2	Stage 3	Total
	USD	USD	USD	USD
Loans and advances at amortised cost				
Normal	81,208,036	-	-	81,208,036
Special Mention	-	5,011	-	5,011
Substandard	-	-	2,151	2,151
Doubtful	-	-	2,867,956	2,867,956
Loss	-	-	1,146,632	1,146,632
Total	81,208,036	5,011	4,016,739	85,229,786
Less: allowance for impairment loss	(942,333)	(202)	(994,373)	(1,936,908)
Carrying amount (USD)	80,265,703	4,809	3,022,366	83,292,878
Carrying amount (KHR'000)	322,106,266	19,299	12,128,755	334,254,319

	31 December 2024			
	Stage 1	Stage 2	Stage 3	Total
	USD	USD	USD	USD
Loans and advances at amortised cost				
Normal	63,712,271	-	-	63,712,271
Special Mention	-	2,736,745	-	2,736,745
Substandard	-	-	504,666	504,666
Doubtful	-	-	-	-
Loss	-	-	242,599	242,599
Total	63,712,271	2,736,745	747,265	67,196,281
Less: allowance for impairment loss	(520,714)	(120,139)	(160,465)	(801,318)
Carrying amount (USD)	63,191,557	2,616,606	586,800	66,394,963
Carrying amount (KHR'000)	254,346,017	10,531,839	2,361,870	267,239,726

Incorporation of forward-looking information

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

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

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

Loss allowance

The following tables show reconciliation from the opening to the closing balance of the loss allowance by class of financial instrument.

	31 December 2025			
	Stage 1	Stage 2	Stage 3	Total
	USD	USD	USD	USD
Loans and advances at amortised cost				
At 1 January	520,714	120,139	160,465	801,318
New financial assets originated or purchased	421,619	(119,937)	833,908	1,135,590
At 31 December (USD)	942,333	202	994,373	1,936,908
At 31 December (KHR'000)	3,781,582	811	3,990,419	7,772,812

	31 December 2024			
	Stage 1	Stage 2	Stage 3	Total
	USD	USD	USD	USD
Loans and advances at amortised cost				
At 1 January	214,416	60,342	42,462	317,220
New financial assets originated or purchased	306,298	59,797	118,003	484,098
At 31 December (USD)	520,714	120,139	160,465	801,318
At 31 December (KHR'000)	2,095,874	483,559	645,872	3,225,305

(c) Market risk

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

(i) Interest rate risk

Interest rate risk refers to the volatility in net interest income as a result of changes in the levels of interest rate and shifts in the composition of the assets and liabilities. Interest rate risk is managed through close monitoring of returns on investment, market pricing and cost of funds. The potential reduction in net interest income from an unfavourable interest rate movement is regularly monitored against the risk tolerance limits set.

The table below summarises the Bank’s exposure to interest rate risk. The table indicates the periods in which the financial instruments reprice or mature, whichever is earlier.

	Up to 1 month		> 1-3 months		> 3-12 months		> 1 to 5 years		Over 5 years		Non-interest bearing		Total		Interest rate		
	USD	USD	USD	USD	USD	USD	USD	USD	USD	USD	USD	USD	USD	USD	%	%	
31 December 2025																	
Financial assets																	
Cash on hand	-	-	-	-	-	-	-	-	-	-	2,641,698	-	2,641,698	-	-	-	-
Deposits and placement with National Bank of Cambodia	1,100,557	-	-	-	-	-	-	-	-	-	20,052,345	-	21,152,902	-	-	0.24 - 0.96	-
Deposits and placement with other banks	2,009,778	9,038,322	6,024,164	-	-	-	-	-	-	-	2,175,506	-	19,247,770	-	-	0.5 - 3.75	-
Loans and advances	3,357,316	4,757,861	21,442,890	25,188,962	30,487,757	-	-	-	-	-	639,459	-	85,229,786	-	-	4.5 - 18	-
Other assets	-	-	-	-	-	-	-	-	-	-	639,459	-	639,459	-	-	-	-
Statutory deposits	-	-	-	-	-	-	7,500,000	-	-	-	4,629,399	-	12,129,399	-	-	1.09 - 1.06	-
	6,467,651	13,796,183	27,467,054	25,188,962	37,987,757	25,188,962	37,987,757	30,138,407	141,041,014	-	-	-	-	-	-	-	-
Financial liabilities																	
Deposits from customers	5,566,315	19,022,272	23,311,224	13,341,087	-	-	-	-	-	-	-	-	61,630,698	-	-	0 - 6.5	-
Deposits from banks and other financial institutions	1,086,546	748,394	2,208,698	-	-	-	-	-	-	-	-	-	3,993,638	-	-	0 - 5	-
Lease liabilities	25,381	5,1173	237,201	1,462,143	948,609	-	-	-	-	-	-	-	2,724,507	-	-	7	-
Other liabilities	-	-	-	-	-	-	-	-	-	-	319,792	-	319,792	-	-	-	-
	7,018,242	19,821,839	25,757,123	14,803,230	948,609	14,803,230	948,609	319,792	68,668,835	-	-	-	-	-	-	-	-
Interest sensitivity gap	(550,591)	(6,025,656)	1,709,931	10,380,732	37,039,148	29,818,615	72,372,179	119,662,102	290,429,554	-	-	-	-	-	-	-	-
KHR'000 equivalents																	
	(2,209,522)	(24,160,988)	6,861,953	41,657,878	148,688,101	119,662,102	290,429,554	-	-	-	-	-	-	-	-	-	-

	Up to 1 month	> 1-3 months	> 3-12 months	> 1 to 5 years	Over 5 years	Non-interest bearing	Total	Interest rate
31 December 2024								
Financial assets								
Cash on hand	-	-	-	-	-	2,162,366	2,162,366	-
Deposits and placement with National Bank of Cambodia	611,257	-	-	-	-	15,715,912	15,715,912	0.2 - 1.16
Deposits and placement with other banks	6,639,062	2,007,288	1,007,336	-	-	413,859	9,467,545	3.5 - 6
Loans and advances	1,922,245	3,417,949	15,464,340	21,634,014	24,757,733	-	67,196,281	4.5 - 15
Other assets	-	-	-	-	-	358,084	358,084	-
Statutory deposits	-	-	-	-	7,500,000	33,860,000	10,860,000	1.29 - 1.31
	8,572,564	5,425,237	16,471,676	21,634,014	32,257,733	21,398,964	105,760,188	
Financial liabilities								
Deposits from customers	2,692,218	5,384,434	5,384,434	29,447,645	-	-	42,908,731	0.25 - 5.5
Deposits from banks and other financial institutions	39,308	78,614	78,614	1,956,750	-	-	2,163,286	2 - 4.75
Lease liabilities	24,720	49,861	200,355	1,190,132	1,336,389	-	2,801,457	7
Other liabilities	-	-	-	-	-	261,283	261,283	-
	2,756,246	5,512,909	5,563,403	32,604,527	1,336,389	261,283	48,134,757	
Interest sensitivity gap	5,816,318	(87,672)	10,808,273	(10,970,513)	30,921,344	21,137,681	57,625,431	
KHR000 equivalents	23,410,680	(952,880)	43,503,299	(44,156,315)	124,468,410	85,079,166	231,942,360	

Sensitivity analysis

A change of 1% in interest rates at the reporting date would have increased/(decreased) in equity and profit or loss by the amounts shown below. The analysis assumes that all interest-bearing, in particular foreign currency rates, remain constant.

	Profit or loss		Equity	
	+1% Increased	-1% Decreased	+1% Increased	-1% Decreased
31 December 2025	USD	USD	USD	USD
Interest-bearing financial instruments	425,536	(425,536)	425,536	(425,536)
KHR'000 equivalents	1,707,676	(1,707,676)	1,707,676	(1,707,676)

	Profit or loss		Equity	
	+1% Increased	-1% Decreased	+1% Increased	-1% Decreased
31 December 2024	USD	USD	USD	USD
Interest-bearing financial instruments	364,878	(364,878)	364,878	(364,878)
KHR'000 equivalents	1,468,634	(1,468,634)	1,468,634	(1,468,634)

(ii) Foreign currency exchange risk

Foreign currency exchange risk is the risk that the value of financial instruments will fluctuate due to changes in foreign exchange rates.

Concentration of currency risk

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

	Denomination USD equivalents			
	USD	KHR	Others	Total
31 December 2025				
Financial assets				
Cash on hand	2,239,001	402,697	-	2,641,698
Deposits and placement with NBC	18,208,405	2,944,497	-	21,152,902
Deposits and placement with other banks	18,878,354	243,067	126,349	19,247,770
Loans and advances, gross	75,621,820	9,607,966	-	85,229,786
Other assets	639,459	-	-	639,459
Statutory deposits	11,560,000	569,399	-	12,129,399
	127,147,039	13,767,626	126,349	141,041,014

31 December 2025 Financial liabilities	Denomination USD equivalents			
	USD	KHR	Others	Total
Deposits from customers	54,512,953	7,010,237	107,708	61,630,898
Deposits from banks and other financial institutions	2,616,791	1,376,847	-	3,993,638
Lease liabilities	2,724,507	-	-	2,724,507
Other liabilities	319,792	-	-	319,792
	60,174,043	8,387,084	107,708	68,668,835
Net asset position	66,972,996	5,380,542	18,641	72,372,179
KHR'000 equivalents	268,762,633	21,592,115	74,806	290,429,554

31 December 2024 Financial assets	Denomination USD equivalents			
	USD	KHR	Others	Total
Cash on hand	1,827,015	335,351	-	2,162,366
Deposits and placement with the National Bank of Cambodia	13,750,500	1,965,412	-	15,715,912
Deposits and placement with other banks	9,451,625	15,920	-	9,467,545
Loans and advances, gross	60,356,486	6,839,795	-	67,196,281
Other assets	358,084	-	-	358,084
Statutory deposits	10,660,000	200,000	-	10,860,000
	96,403,710	9,356,478	-	105,760,188
Financial liabilities				
Deposits from customers	41,633,396	1,274,191	1,144	42,908,731
Deposits from banks and other financial institutions	2,058,823	104,463	-	2,163,286
Lease liabilities	2,801,456	-	-	2,801,456
Other liabilities	261,283	-	-	261,283
	46,754,958	1,378,654	1,144	48,134,756
Net asset position	49,648,752	7,977,824	(1,144)	57,625,432
KHR'000 equivalents	199,836,227	32,110,742	(4,605)	231,942,364

Sensitivity analysis

Considering that other risk variables remain constant, the foreign currency revaluation sensitivity for the Bank as at reporting date is summarised and shown in its specific currency in the table below:

	2025		2024	
	-1% Depreciation	+1% Appreciation	-1% Depreciation	+1% Appreciation
	USD	USD	USD	USD
KHR	(53,805)	53,805	(79,778)	79,778
Others	(186)	186	11	(11)
	(53,991)	53,991	(79,767)	79,767
KHR'000 equivalents	(216,666)	216,666	(321,062)	321,062

(d) Liquidity risk

Liquidity risk is the risk that the Bank will encounter difficulty in meeting obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. Liquidity risk arises from mismatches in the timing and amounts of cash flows, which is inherent to the Bank's operations and investments.

Management of liquidity risk

The Bank manages its liquidity through its Asset Liability Management Committee which is responsible for establishing the liquidity policy as well as monitoring liquidity on an ongoing basis. A Minimum Liquid Asset requirement has been established to ensure that the ratio of liquid assets to qualifying liabilities is subject to a minimum threshold at all times.

The table below summarises the Bank's liabilities based on remaining contractual maturities. The expected cash flows of these liabilities could vary significantly from what is shown in the table.

	Up to 1 month	> 1-3 months	> 3-12 months	> 1 to 5 years	Over 5 years	No maturity	Total
	USD	USD	USD	USD	USD	USD	USD
31 December 2025							
Financial liabilities							
Deposits from customers	6,025,904	19,510,607	23,919,046	15,709,199	-	-	65,164,756
Deposits from banks and other financial institutions	1,041,735	760,269	2,261,667	-	-	-	4,063,671
Lease liabilities	40,332	80,664	362,988	1,912,769	1,025,100	-	3,421,853
Other liabilities	-	-	-	-	-	319,792	319,792
KHR'000 equivalents	7,107,971	20,351,540	26,543,701	17,621,968	1,025,100	319,792	72,970,072
	28,524,288	81,670,730	106,519,872	70,716,958	4,113,726	1,283,325	292,828,899
31 December 2024							
Financial liabilities							
Deposits from customers	2,692,217	5,384,434	5,384,434	32,407,596	-	-	45,868,681
Deposits from banks and other financial institutions	39,307	78,614	78,614	2,160,875	-	-	2,357,410
Lease liabilities	40,332	80,664	332,369	1,720,800	1,489,320	-	3,663,484
Other liabilities	-	-	-	-	-	261,283	261,283
	2,771,856	5,543,712	5,795,416	36,289,271	1,489,320	261,283	52,150,858
KHR'000 equivalents	11,156,720	22,313,441	23,326,549	146,064,314	5,994,513	1,051,664	209,907,201

(e) Capital management**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 recognised and the Bank recognised 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 regulated capital is calculated in accordance with the guidance issued by the NBC which may be different in some material respects compared to generally accepted principles applied by financial institutions in other jurisdiction. The regulated capital information is therefore not intended for users who are not informed about the guidance issued by the NBC.

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.

32. FAIR VALUES OF FINANCIAL INSTRUMENTS

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. These include investment in property and equipment.

The fair value of the Bank's financial instruments such as cash on hand, deposits and placements with other banks, deposits and placements with National Bank of Cambodia, other assets, and other liabilities are not materially sensitive to shifts in market profit rate because of the limited 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.

Deposits and placements with financial institutions

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

Loans and advances

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

Fair value hierarchy

CIFRS 7 specifies a hierarchy of valuation techniques based on whether the inputs to those valuation techniques are observable or unobservable. Observable inputs reflect market data obtained from independent sources and unobservable inputs reflect the Bank's market assumptions. The fair value hierarchy is as follows:

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

The Bank's financial assets and liabilities are not measured at fair value. As verifiable market prices are not available, market prices are not available for a significant proportion of the Bank's financial assets and liabilities, the fair values, therefore, have been based on management assumptions according to the profile of the asset and liability base. In the opinion of the management, the carrying amounts of the financial assets and liabilities included in the balance sheet are a reasonable estimation of their fair values.

33. TAXATION CONTINGENCIES

The taxation system in Cambodia is characterised by numerous taxes and frequently changing legislation, which is often unclear and subject to interpretation. Often different interpretation exists among numerous taxation authorities and jurisdiction. 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. Management believes that tax liabilities have been adequately provided based on its interpretation of tax legislations. However, the relevant authorities may have differing interpretations and effects could be significant.

34. SIGNIFICANT EVENTS SUBSEQUENT TO THE END OF THE-YEAR

Other than as disclosed in Note 18 to the financial statements, there have been no significant events subsequent to the end of the year which require adjustments of or disclosure in the financial statements or notes thereto.

35. AUTHORISATION OF FINANCIAL STATEMENTS

The financial statements of the Bank for the year ended 31 December 2025 were authorised for issue by the directors dated 24 March 2026.