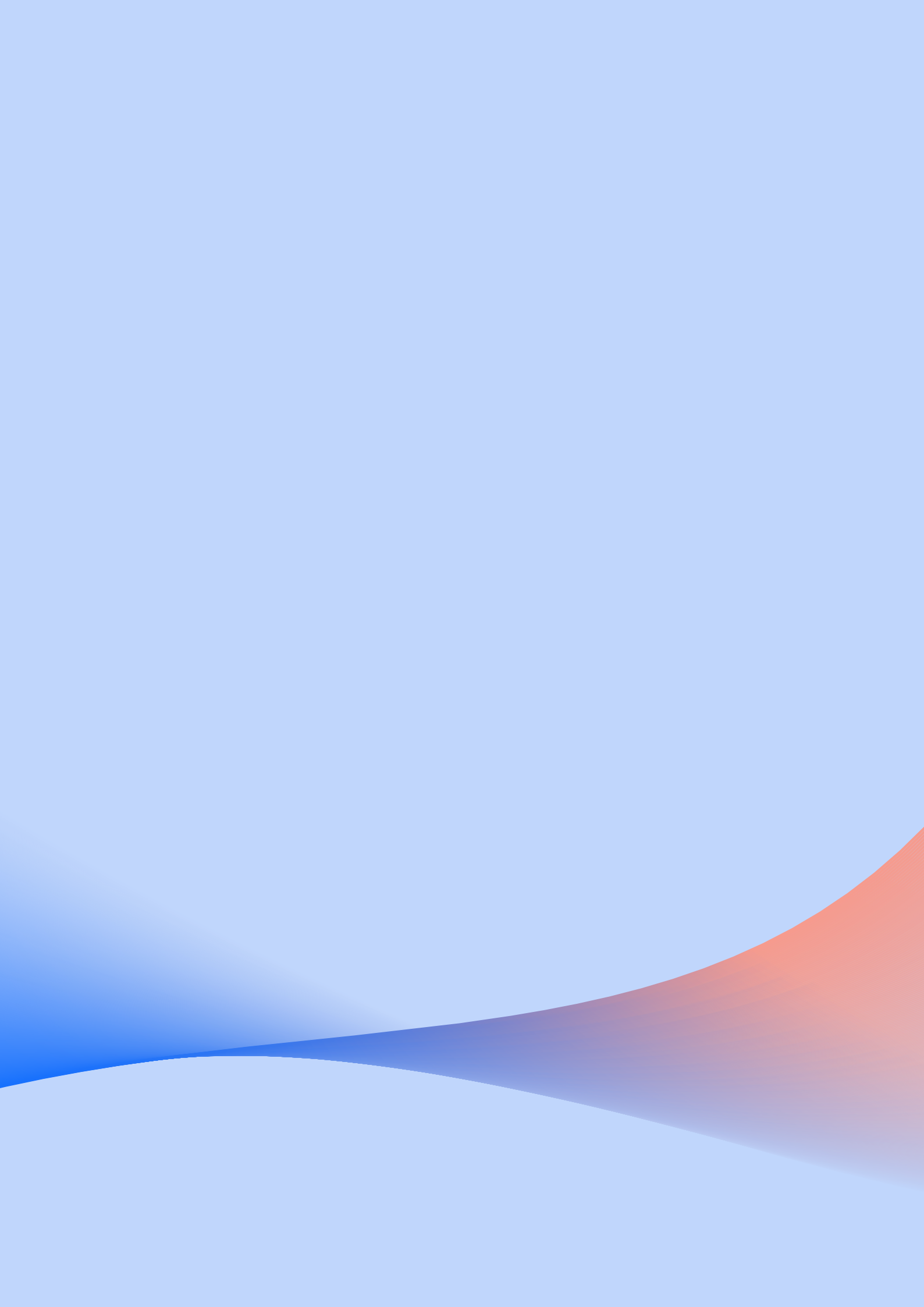




# ANNUAL REPORT 2024







# TABLE OF CONTENTS

---

## OVERVIEW

06

Message from the Chairman	08
Message from the CEO	10
Corporate Profile	12
Mission, Vision, Core Value	14

---

## ORGANIZATION

16

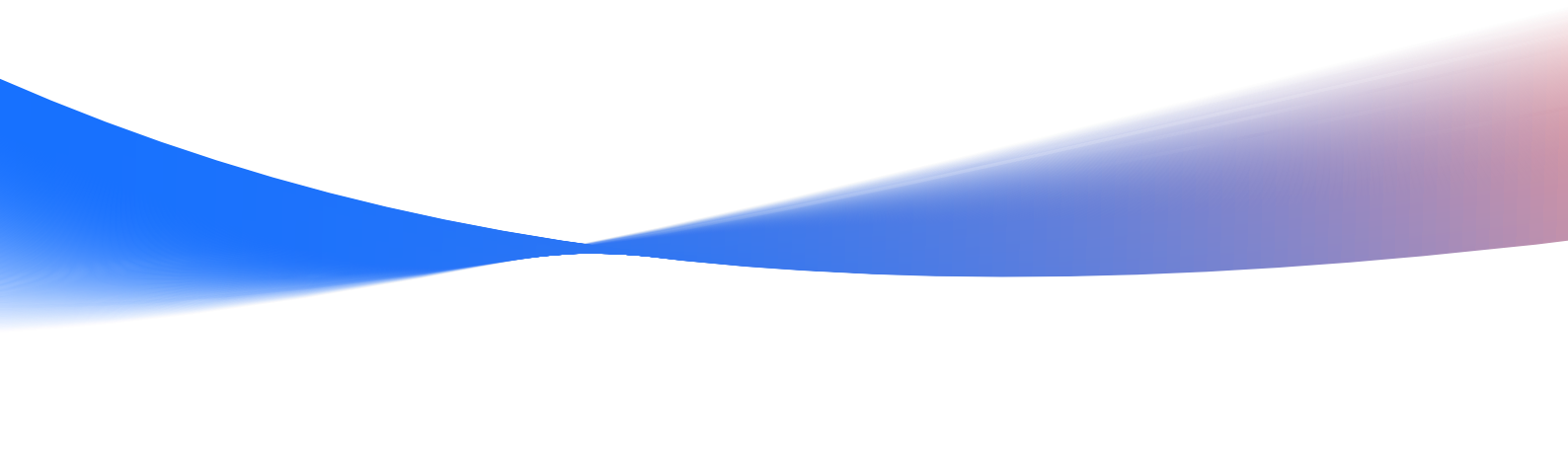
Organizational Structure	18
Board of Directors	20
Executive Management	23
Human Capital Management	30

---

## GROWTH AND ACHIEVEMENT

32

Financial Highlights	34
Business Highlights	35
Public Relations	42





---

## CORPORATE GOVERNANCE

44

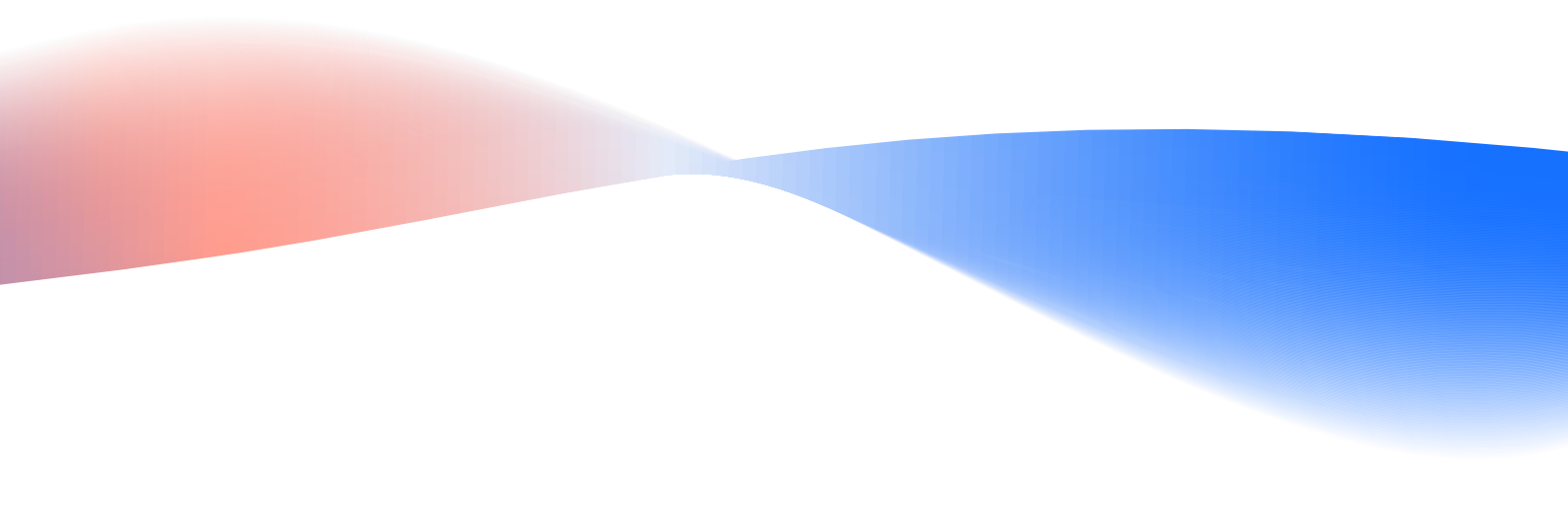
Board Of Directors (BOD)	46
Board Audit Committee (BAC)	47
Board Risk and Compliance Committee (BRCC)	47
Other Committees	48
Checks and Balances	49

---

## FINANCIAL STATEMENTS

50

Corporate Information	52
Report of the Board of Directors	53
Report of the Independent Auditors	57
Statement of financial position	59
Statement of profit or loss and other comprehensive income	60
Statement of changes in equity	61
Statement of Cash Flows	62
Notes to the financial statements	64



# 01

## OVERVIEW

Message from the Chairman	08
Message from the CEO	10
Corporate Profile	12
Mission, Vision, Core Value	14









# MESSAGE FROM THE CHAIRMAN

Dear Valued Stakeholders,

The year 2024 was marked by cautious optimism as the global economy navigated persistent challenges, including elevated interest rates and geopolitical uncertainties.

Despite these headwinds, BIC Bank remained steadfast in its commitment to operational excellence, maintaining near-zero non-performing loans (NPLs) through our disciplined low-risk tolerance approach. This strategy has once again proven effective, enabling us to deliver robust results while supporting Cambodia's economic progress.

”





Globally, inflationary pressures persisted, driven by lingering supply chain disruptions and fluctuating commodity prices due to ongoing tensions in the Middle East and the Russia-Ukraine conflict. Central banks maintained tight monetary policies, yet Cambodia's economy demonstrated resilience, achieving an estimated growth of 5.6%, as projected by the Asian Development Bank. This growth was fueled by a strong rebound in tourism, which reached 90% of pre-pandemic levels, and steady manufacturing activity, despite challenges in real estate, construction, and garment sectors due to high debt and softened demand from the EU and US.

The National Bank of Cambodia reported a stable KHR exchange rate against the USD, with inflation moderating to 1.8%, largely due to stabilized oil prices. The country's fiscal deficit narrowed to 2.2% of GDP, reflecting improved tax collection and prudent expenditure management. Cambodia continued its efforts to promote the use of the Khmer Riel to bolster foreign reserves and enhance monetary policy independence, safeguarding against global economic shocks.

In the 12 months ended 31 December 2024 BIC Bank achieved a net profit of USD 3.95 million, an increase of USD 2.84 million from 2023. Our gross profit before tax stood at USD 4.93 million, with operating revenues at USD 19.68 million. Total assets dropped slightly to USD 436.38 million from USD 521.60 million in 2023 driven by a loan portfolio of USD 163.22 million and customer and bank deposits of USD 297.57 million.

A cornerstone of our success in 2024 was the continued execution of our Digital Growth Strategy, which has transformed the way we serve our customers. By leveraging innovative digital banking solutions, we have enhanced accessibility and convenience for clients across Cambodia and the region, reinforcing our position as a trusted financial partner.

BIC Bank remains dedicated to contributing to Cambodia's economic development by fostering economic activity, creating jobs, banking the unbanked, and empowering SMEs and individuals to meet their financial aspirations. Our Board of Directors have played a pivotal role in ensuring that our strategies align with best practices in banking, risk management, finance, and corporate governance.

Looking ahead to 2025, we are optimistic about Cambodia's projected economic growth of 6%, driven by sustained tourism recovery, stronger manufacturing, and increasing foreign investment. BIC Bank is well-positioned to capitalize on these opportunities while continuing to prioritize financial inclusion and digital innovation.

On behalf of the Board, I extend my heartfelt gratitude to our customers, shareholders, stakeholders, and dedicated team for their unwavering support and commitment. Together, we will continue to build a brighter, more inclusive financial future for Cambodia.

Sincerely,



---

**YIM LEAK**

Chairman of the Board of Directors

# MESSAGE FROM THE CEO

To Our Esteemed Shareholders, Investors, and  
Valued Customers,

I am pleased to share with you the achievements and  
key milestones that BIC Bank reached in 2024.

---

The global economy continued its gradual  
recovery in 2024 amid ongoing inflationary  
pressures, tightening monetary policies  
in major developed economies, and  
escalating geopolitical tensions. Despite  
these challenges, Cambodia's banking  
sector remained stable and progressive,  
playing a vital role in ensuring financial  
sustainability and supporting economic  
and social development.

---

”





In this context, BIC Bank demonstrated resilience and strength. For the year ending 31 December 2024, we recorded a net profit of USD 3.95 million – an increase of USD 2.84 million compared to 2023. Our gross profit before tax reached USD 4.93 million, and operating revenues stood at USD 19.68 million. Total assets amounted to USD 436.38 million, supported by a loan portfolio of USD 163.22 million and deposits totaling USD 297.57 million. We maintained near-zero non-performing loans (NPLs), reflecting our disciplined, low-risk tolerance approach.

These results highlight BIC Bank's unwavering commitment to service excellence, operational efficiency, and corporate responsibility. Amid rapid geopolitical shifts and economic uncertainties, we remain focused on delivering secure, convenient, and modern digital banking solutions. BIC Bank currently operates five branches – four in Phnom Penh and one in Preah Sihanouk Province – reaffirming our commitment to customer engagement. Looking ahead, we plan to expand further with the establishment of a new headquarters. Our growth strategy is aligned with national development goals, supporting Cambodia's economic diversification and export growth.

Our stability is underpinned by robust risk management and a strong focus on IT innovation. Our newly launched mobile app enhances customer access to financial services, and through strategic partnerships, we continue to improve financial inclusion and streamline public services. Notably, our receipt of four consecutive Gold Tax Certificates from the General Department of Taxation demonstrates our strong commitment to tax compliance and good governance.

BIC Bank also takes pride in its Corporate Social Responsibility efforts, with active contributions to financial education, cybersecurity awareness, healthcare, and environmental sustainability. We believe in making a positive impact that extends beyond financial services, working towards a better future for all.

Moreover, BIC Bank plays an active role in enhancing monetary policy effectiveness, financial stability, and economic sovereignty. We are dedicated to increasing the use of the Cambodian riel (KHR) and reducing reliance on the US dollar – supporting the National Bank of Cambodia's vision for greater financial independence. Our expanding digital services underscore our growth trajectory and continued momentum. As always, customer-centricity remains at the heart of everything we do.

In closing, we extend our sincere gratitude to the Royal Government of Cambodia, the National Bank of Cambodia, and all relevant institutions and regulators for their continued support. We also thank our shareholders, Board of Directors, management team, and dedicated staff for their relentless efforts. Most importantly, we are deeply grateful to our customers and partners for their trust and collaboration. Together, we are building a prosperous, resilient, and digitally empowered financial future for Cambodia.

With Highest Respect,



---

**HONG SOKLENG**  
Chief Executive Officer

# CORPORATE PROFILE

## Bank's Head Office and Main Branch



No. 462, Monivong Boulevard,  
Sangkat Tonle Bassac, Khan  
Chamkarmon, Phnom Penh,  
Cambodia



**B.I.C (Cambodia) Bank Plc. (“the Bank”) is a commercial bank incorporated and registered in the Kingdom of Cambodia.**

The Bank was incorporated on 14 November 2017 under the Cambodian Law on Commercial Enterprises and licensed under the regulation of the National Bank of Cambodia (“NBC”). The Bank obtained the NBC license on 18 July 2018 and commenced operations on 8 August 2018.

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

The bank was originally established by Asia Investment and Financial Services Sole Co., Ltd of Lao PDR, Paradise Investment Co., Ltd of Kingdom of Cambodia and Prime Street Advisory Co., Ltd of Kingdom of Thailand. On 29 September 2020, the National Bank of Cambodia granted the approval to transfer all shares held by Paradise Investment Co., Ltd (Cambodia) and Prime Street Advisory Co., Ltd (Thailand) to Mr. Yim Leak, further strengthening the shareholders’ commission of BIC Bank’s vision and mission.

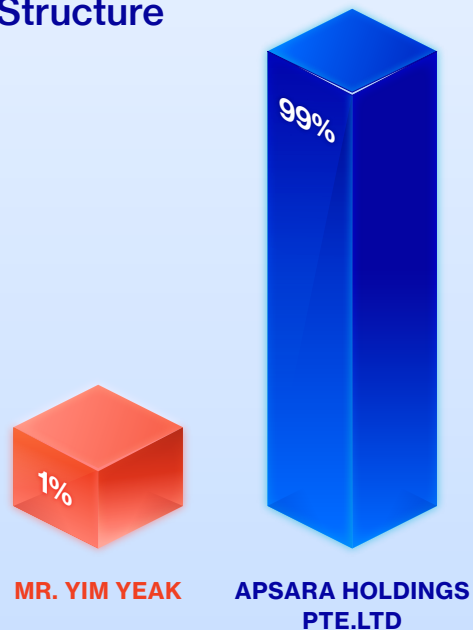




As of 26 May 2023, the 60% of all shares in BIC Bank held by Asia Investment and Financial Services Sole Co., Ltd. of Lao PDR (AIFS) and 39% of all shares in BIC Bank held by Mr. YIM Leak, have been transferred to Apsara Holdings Pte. Ltd. (APSARA), a Singapore incorporated holding company represented by Mr. YIM Leak, which thus now owns 99% of all shares in BIC Bank, with the remaining 1% of BIC Bank shares also held by Mr. YIM Leak.

This share transfer marks a milestone for the bank in that it was done to consolidate and restructure the bank's shareholding, a reflection of the bank's growth in size as well as in international ambition and expansion, providing it with an array of options for its future market growth, regional and international exposure, as well as strategic interests.

## Shareholder Structure



# M

## MISSION

---



To become the best local financial partner, we must be smarter and quicker to produce more benefits to our customers, by providing innovative and practical solutions to meet their needs. We are committed to maximize the benefits for our customers and stakeholders. We will constantly improve our business services, by continuously investing in our people, innovative ideas and technology. Our partnership with our customers will be built on mutual respect, openness, honesty and awareness of their needs.

# V

## VISION

---



To be the preferred bank by offering the best personalized service to our customers and offering innovative products and solutions that are technologically advanced and meet our customers' needs and expectations.



# CORE VALUE



## Employee Perspective

Our people are our greatest asset. As such, we place great importance in developing them. A dynamic human capital development process will drive our competitive edge.



## Customer Perspective

- To meet our customers' banking and financial needs.
- To provide our customers best services and secure banking.



## Shareholder Perspective

To create a superior shareholder value and sustainable returns on assets.



## Community Perspective

To support the Government's policies and objectives, and to contribute to the betterment of the community, and ultimately, the country.



# 02

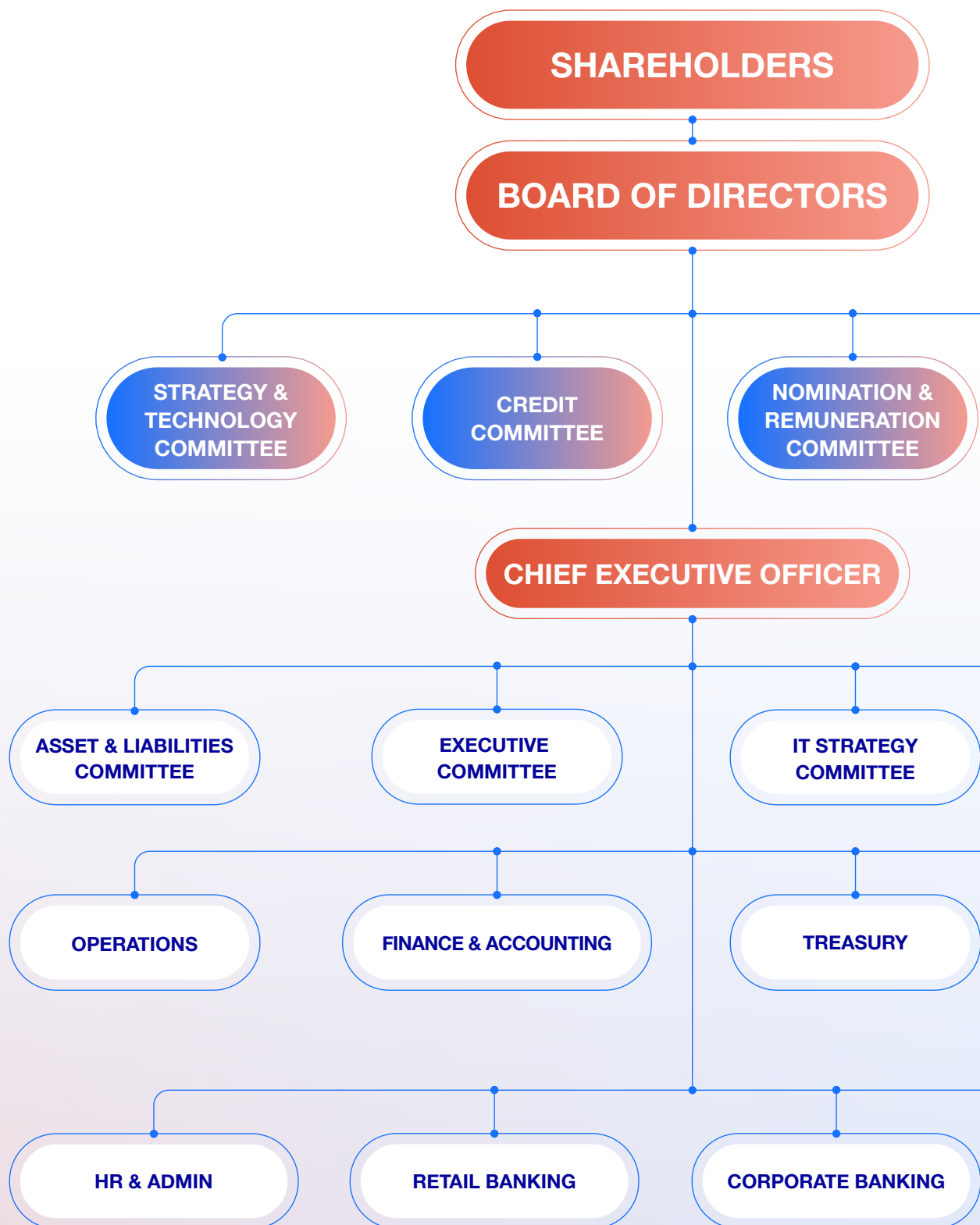
## ORGANIZATION

Organizational Structure	18
Board of Directors	20
Executive Management	23
Human Capital Management	30

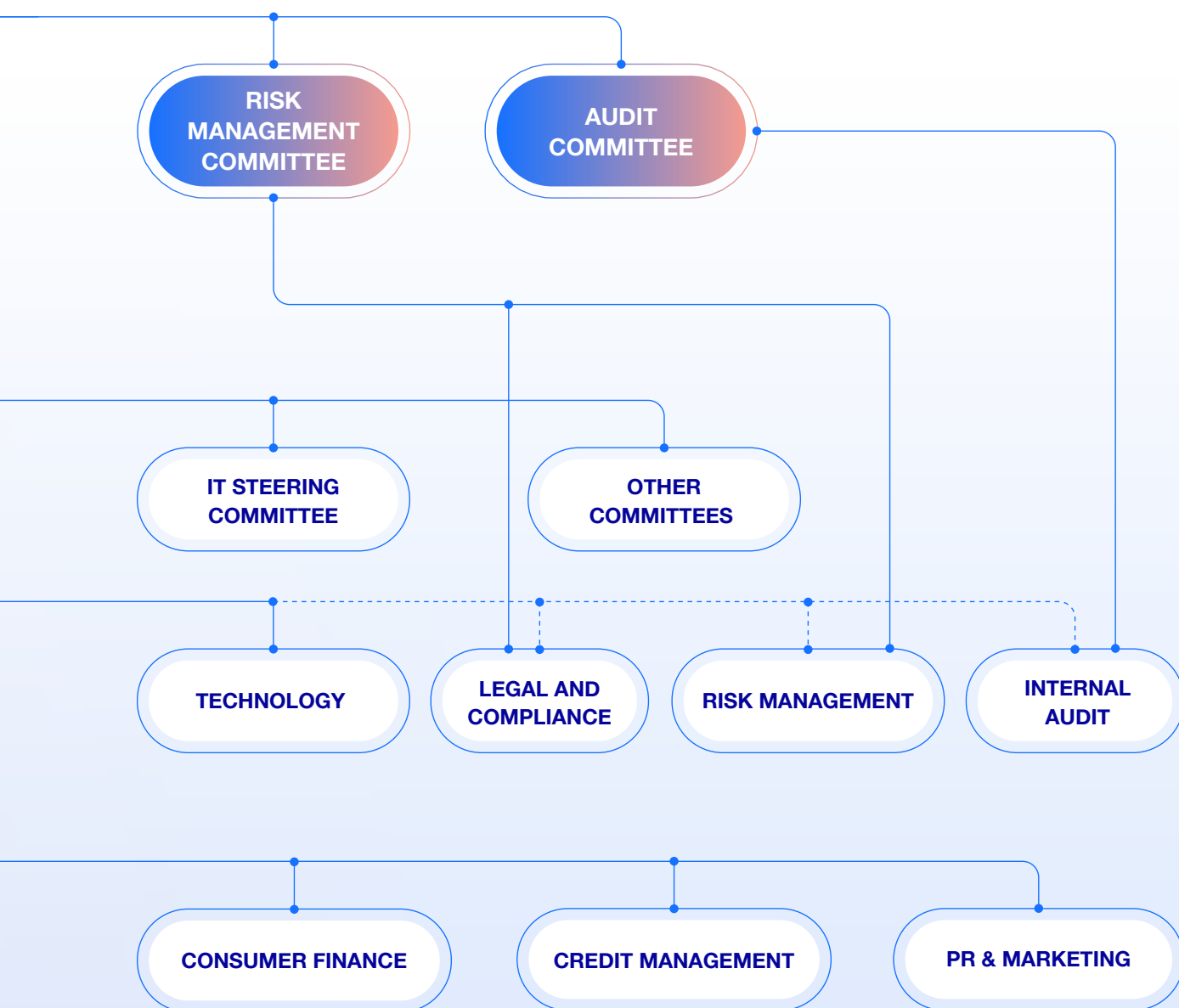




# ORGANIZATIONAL STRUCTURE







# BOARD OF DIRECTORS



**MR. YIM LEAK**  
Chairman

MR. YIM LEAK is present on the board of a number of companies, namely Chairman of BIC Bank (since 2020, serving on the board prior to that) and BIC Trust, both public companies, as well as Chairman of One Central Tower and U. Property Management, private companies active in the property sector, amongst several others in both chair and board director positions.

Having steadfastly served his country and motherland during his early adult years, MR. YIM LEAK began to shape a grand vision for Cambodia and its rapid ascent in the global economic and business stage. This vision is one that is held close to heart and shared by his family, manifesting itself not only in his contributions to developing Cambodia's banking and finance sector, but also in the visionary Beong Snor project, a landmark, community-driven, neighbourhood lifestyle multi-use property development.

# BOARD OF DIRECTORS



**MR. HONG SOKLENG**  
Director/Chief Executive Officer

MR. HONG SOKLENG has been appointed as Chief Executive Officer of BIC Bank and leads the Bank's overall growth and expansion strategy in Cambodia and regionally, with responsibility for core strategic priorities,

corporate banking, international partnerships, and business digitization. From a strategic perspective and with an eye for putting BIC Bank's customers first, MR. SOKLENG leads and orchestrates transformational initiatives that MR. SOKLENG, in corporate banking, builds confidence and trust in BIC Bank's growing regional and international partnership base, and places the bank at the forefront of business digitization and creating a lean, efficient, and performance driven organization primed for sustainable and stable growth for years to come.

MR. SOKLENG has more than twenty-six years of strategy, business development, and financial services experience, of which more than sixteen years serving in senior and executive roles in sector, having worked previously as Senior Vice President, Head of Business Banking and Head of Corporate and SME Banking. Throughout his career he has been instrumental in accelerating the growth of corporate and SME deposits, increasing the value of loan portfolios, and shaping relationships with leading and respected companies.

MR. SOKLENG holds a doctor's degree in global leadership and management from European International University in Paris, and bachelor's degree in administration and management from Norton University.



**MR. YEA SAROEUN**  
Director/Deputy Chief Executive Officer

MR. YEA SAROEUN, equipped with a Bachelor's Degree in Business Administration, possesses extensive experience in business management across various sectors in Cambodia.

Notably, he served as Deputy Chief Executive Officer at B.I.C Group Co., Ltd., where he oversaw diverse investments, particularly in the financial sector. Prior to this role, he offered strategic guidance as an Advisor to the Chairman at B.I.C Development Co., Ltd., focusing on real estate ventures.

His latest endeavor led him to B.I.C (Cambodia) Bank Plc. as Director, where he continues to leverage his expertise for strategic growth in the banking industry. MR. SAROEUN's career reflects a steadfast commitment to excellence and a knack for driving success in Cambodia's dynamic business landscape.



# BOARD OF DIRECTORS



**MR. JOHN EDWARD MC COSH**  
Independent Director

MR. JOHN EDWARD MC COSH has worked in the US, Europe, Africa and Asia in various management and operations roles. MR. JOHN is currently VP of Development for BIC Group, before which he was CEO of Sapparat Group and prior with Four Seasons Hotels and Resorts opening new properties, leading teams and developing operating procedures, and service and product standards.

MR. JOHN completed an MBA from HEC Paris and University of Witwatersrand and undergraduate degree from Ecole Hôtelière de Lausanne.



**MR. PHE VUTHY**  
Independent Director

MR. PHE VUTHY is a legal professional with a dual Master's Degree in International Business Law from the Royal University of Law and Economics in Phnom Penh, Cambodia, and the Paris-Panthéon-Assas University in France. With a rich background in both legal and investment advisory sectors, MR. VUTHY has amassed extensive experience over the years.

His most recent role was as the senior legal counsel for a prominent real estate development and investment firm in Cambodia. Prior to this, he served as a legal and investment advisor to various companies, including one specializing in financial and information technology services.

MR. VUTHY further extended his expertise by joining B.I.C (Cambodia) Bank Plc. as an Independent Director in March 2023. His diverse professional background and academic qualifications equip him with a comprehensive understanding of legal intricacies and investment strategies, making him a valuable asset in the corporate realm.

# EXECUTIVE MANAGEMENT



# EXECUTIVE MANAGEMENT



**MR. HONG SOKLENG**  
Director/Chief Executive Officer

MR. HONG SOKLENG has been appointed as Chief Executive Officer of BIC Bank and leads the Bank's overall growth and expansion strategy in Cambodia and regionally, with responsibility for core strategic priorities,

corporate banking, international partnerships, and business digitization. From a strategic perspective and with an eye for putting BIC Bank's customers first, MR. SOKLENG leads and orchestrates transformational initiatives that MR. SOKLENG, in corporate banking, builds confidence and trust in BIC Bank's growing regional and international partnership base, and places the bank at the forefront of business digitization and creating a lean, efficient, and performance driven organization primed for sustainable and stable growth for years to come.

MR. SOKLENG has more than twenty-six years of strategy, business development, and financial services experience, of which more than sixteen years serving in senior and executive roles in sector, having worked previously as Senior Vice President, Head of Business Banking; and Head of Corporate and SME Banking. Throughout his career he has been instrumental in accelerating the growth of corporate and SME deposits, increasing the value of loan portfolios, and shaping relationships with leading and respected companies.

MR. SOKLENG holds a doctor's degree in global leadership and management from European International University in Paris, and bachelor's degree in administration and management from Norton University.



**MR. YEA SAROEUN**  
Director/Deputy Chief Executive Officer

MR. YEA SAROEUN, equipped with a Bachelor's Degree in Business Administration, possesses extensive experience in business management across various sectors in Cambodia.

Notably, he served as Deputy Chief Executive Officer at B.I.C Group Co., Ltd., where he oversaw diverse investments, particularly in the financial sector. Prior to this role, he offered strategic guidance as an Advisor to the Chairman at B.I.C Development Co., Ltd., focusing on real estate ventures.

His latest endeavor led him to B.I.C (Cambodia) Bank Plc. as Director, where he continues to leverage his expertise for strategic growth in the banking industry. MR. SAROEUN's career reflects a steadfast commitment to excellence and a knack for driving success in Cambodia's dynamic business landscape.



# EXECUTIVE MANAGEMENT



**MS. EAN LEAKHENA**  
Chief Operating Officer

MS. EAN LEAKHENA currently serves as Chief Operating Officer at B.I.C (Cambodia) Bank Plc. in charge of central operations, branch operations, lending operations, central control, card center, and digital services since June 2023. Before BIC Bank, she served in various roles with an international bank, a corporate bank, and a big local bank in Cambodia with extensive leadership and experiences in finance and banking, including operations, lending, project management, retail business, and corporate.

MS. LEAKHENA has more than 23 years of working experience. She started her career as an accountant at a local bank in 2002 and finance at a medical company in 2004. She continued to pursue her banking experiences in retail business and lending operations in 2007 at an international bank for over seven years. In addition, she joined one of the largest local banks in Cambodia in late 2014. She held various senior positions as Head of Business Analytics, Head of Corporate Strategy, Head of Project Management, and Head of Centralized Operations.



**MR. SAM HAUNG**  
Director of Human Resources

MR. SAM HAUNG joined B.I.C (Cambodia) Bank Plc. in August 2023 as a Director of Human Resources. He leads the team to support the bank business through talent acquisition, talent and organization development, performance management, compensation and benefits, and team engagement.

MR. SAM graduated with a Master of Business Administration in Management and a Master of Arts in English in 2008. MR. SAM has grown and played various roles in Teaching English as a Foreign Language (TEFL) and Human Resources Management in the past 20 years.

# EXECUTIVE MANAGEMENT



**MR. VO DUY ANH DUNG (ANDY)**

Director of Retail Banking

MR. VO DUY ANH DUNG, with a Master of Business and Commerce from the University of Sydney, has over 15 years of banking experience. He has excelled in top retail banks in Vietnam and Taiwan, growing customer bases and leading cost-saving digital transformations. MR. VO DUY ANH DUNG specializes in financial analysis, strategic planning, and risk management. Active in professional management and community financial literacy programs, he is dedicated to innovation and growth in global banking.

MR. VO DUY ANH DUNG worked with VPBank and OCB, two of Vietnam's largest retail banks, and served as the Head of Business Center, and Head of Partnership Center, where he led strategic initiatives to enhance business operations and customer services, fostering key alliances and driving business growth through innovative partnerships. MR. VO DUY ANH DUNG spent four years with Bank Sinopac Vietnam, a Taiwanese bank, as Head of Retail Banking, where he successfully expanded the retail banking division and implemented effective customer retention strategies in Vietnam.



**MS. LUY CHANDAWIN**

Head of Affluent and International  
Relationship Management

MS. LUY CHANDAWIN has over 20 years of professional working experiences in operations, customer service, sales and marketing across various international private companies and financial institutions. Her extensive banking career spans leadership roles in deposit, lending, and payments for both retail and commercial segment at well-known banks in the Asia-Pacific and European regions. She has served as Head of Retail Deposit & Lending and Head of Commercial Deposit & Payments, driving businesses growth and strategic development.

She joined BIC (Cambodia) Bank Plc. in 1 November 2023 as Head of Affluent and International Relationship Management under the Corporate Banking Division. In this role, she is responsible for leading the sales team in managing corporate and premium client deposits, as well as overseeing relationship management strategies.

She holds a Bachelor's Degree in Business Administration-Accounting from the National University of Management and Professional Degree in English Communication from the Institute of Foreign Languages (IFL).

# EXECUTIVE MANAGEMENT



**MR. BAN MARA**  
Head of Finance

MR. BAN MARA is a distinguished finance professional with over 14 years of experience in the banking sector. He joined BIC Bank in September 2018 as a Finance Manager and quickly advanced to Senior Manager, Finance and Treasury, in January 2020. By July 2023, he was promoted to Head of Finance and Treasury.

MR. MARA excels in financial reporting, taxation, fund management, budgeting, and business planning. He has successfully managed major projects, including CIFRS Conversion and Core Banking System implementation, contributing significantly to BIC Bank's financial stability and growth.

He holds Master's Degree in Finance and Bachelor's Degree in Finance & Banking from National University of Management. He is currently pursuing his ACCA program at CamED Business School, Phnom Penh, Cambodia.



**MR. KIM LY**  
Head of Credit

MR. KIM LY currently holds the position of Head of Credit since 15th May 2023 at B.I.C (Cambodia) Bank Plc. and leads the Credit Department in overall control of credit risk.

Having been working in the Banking industry for more than 17 years of which more than 9 years in managerial role, MR. KIM LY has been developing magnificent experiences and set of skills in various roles in the banking sector such as corporate lending, credit management, trade financing, and project financing management.

Before joining B.I.C (Cambodia) Bank Plc., He has been working with one of the top 3 banks in Cambodia as Head of Corporate Relationships, Acting Head of Trade Finance, and Head of Project Management Financing respectively.

MR. KIM LY graduated with an MBA degree in Economic and General Management from the Royal University of Law and Economics and a Diploma in Cambodian Business Law from CamEd Business School.



# EXECUTIVE MANAGEMENT



**MR. IM SOTHEA**  
Head of Internal Audit

MR. IM SOTHEA joined BIC Bank in March 2024 as Head of Internal Audit. He responds to establishing and monitoring Internal Audit Plans, Audit Policies/ Procedures, and the Bank's Overall Management to ensure that "internal control" is in place and properly implemented by staff and management.

Before joining BIC Bank, MR. SOTHEA was an Internal Audit Unit Manager and a Head of Internal Audit at 4 local/international commercial banks for more than 16 years. He has solid banking experience, especially in internal auditing such as developing internal audit policy and procedure, conducting risk assessment, investigating fraud/misconduct/wrongdoing to strengthen internal control systems, and assuring governance in financial institutions.

MR. SOTHEA holds a Master's degree in Auditing and a Bachelor's degree in Accounting, from local institutions. Moreover, he holds many professional certificates from both local and international professional institutions/ associations (Cambodia, Malaysia, and Thailand).



**MS. HOUT LIDA**  
Head of Treasury

MS. HOUT LIDA has joined BIC (Cambodia) Bank Plc. in July 2024 as Head of Treasury, responsible for day-to-day treasury functions, including liquidity management, funding plan, investment activities, foreign exchange management, and financial institutions relationship management. Prior joining BIC (Cambodia) Bank Plc., she served as Head of Treasury and Capital Market Center in one of the leading foreign subsidiary banks.

MS. LIDA has more than 17 years of experience in banking sector. After 7 years working in branch's customer services and branch's operations management with two banks; one of the largest local bank and a well-known regional bank, she had an opportunity to hold treasury role in a regional bank and continued pursuing her success to be Head of Treasury in one of the largest local bank.

MS. LIDA holds a Bachelor Degree of Business Administration in accounting from Norton University.

# EXECUTIVE MANAGEMENT



**MR. TRAN HUU TAI**  
Head of Marketing

MR. TRAN HUU TAI currently serves as Head of Marketing at BIC Bank. In this role, he is responsible for driving marketing strategy to build brand, promote bank products and services, and drive digital acquisition.

Prior to joining BIC Bank, MR. TAI held various marketing leadership positions for more than 10 years. He has solid marketing experience in developing and implementing digital marketing strategies, driving brand awareness, lead generation, and optimizing marketing campaigns. His previous roles include Marketing Manager at VinaCapital (Vietnam) and Digital Marketing Manager (Assistant Vice President) at Citi Vietnam.

MR. TAI holds a Master of Science in International Marketing Management from the University of Buckingham and a Bachelor's degree in Economics from University of Economics and Law, National University of Vietnam.



**MR. NGUYEN DANG TUAN**  
Acting Head of Information Technology

MR. NGUYEN DANG TUAN has 15 years of experience in Software product development, specializing in Banking, e-Commerce using cutting edge Cloud and Digital technology. He started his career working on start-up projects then scale them to services provider level with the size of millions of customers. He also has years of international experience working in Korean, Japanese, Thai & Cambodian companies.

MR. NGUYEN DANG TUAN holds a Master degree in Information technology and an Engineer degree in Computer science from Hanoi University of Science and Technology.

# HUMAN CAPITAL MANAGEMENT

The processes an organization utilizes for hiring, managing, developing, and optimizing employees to raise their value to the bank are collectively known as “Human Capital Management,” or HCM. When Human Capital Management is done well, it leads to “Hiring the Right Talent.” The HCM plays an important role as the custodian and driver of the tools and processes in human resources.

---

## Code of Ethics

The Code of Ethics refers to the basic concepts and fundamental principles of decent human conduct. The Code of Business Conduct and Ethics is documented to set out the rules and standards for how we all together work to develop BIC Bank and deliver services to our customers, how we protect the values of the bank and the interests of our shareholders, and how we treat our employees.

## Talent Acquisition

Talent Acquisition is a strategic, proactive approach to identifying, attracting, and acquiring skilled individuals to fulfil an organization's long-term workforce needs, going beyond traditional recruitment to build a strong talent pipeline. At BIC Bank, talent acquisition is not just about filling immediate vacancies; it's about anticipating future needs and building a pool of internal and external qualified candidates ready for the upcoming vacancies. We promote a transparent recruitment and selection culture through **Attitude, Skills and Knowledge (ASK)** approaches and internal capacity development culture keeping employees engaged and motivated with the Bank.

## Talent Development



Our talent development is continuing the strategic process of nurturing and enhancing employee skills, abilities, and potential to align with organizational goals and foster career growth, ultimately leading to improved performance and engagement. At BIC Bank, we have organized and achieved key critical and useful training topics, both hard skills and soft skills, and even internal and external training for all employee levels, with an **average of 32 training hours per employee** in 2024.

To stay up to date on new laws and regulations, our BIC's employees were given the chance to attend the number of workshops, meetings, and briefing sessions with National Bank of Cambodia (NBC), regulators, partners, and coworkers in addition to acquiring training.



# HUMAN CAPITAL MANAGEMENT



## Talent Engagement

In 2024, one of our key priorities is talent engagement to create a welcoming and supportive work environment where employees feel valued, motivated, and aligned with the organization's goals, ultimately fostering commitment and retention. The bank encouraged and hosted many engagement activities and events, including **Morning Talk**, **Town Hall**, **Annual Conference**, **Annual Staff Party**, and especially conducted the **Annual Employee Satisfaction Survey (ESS)** engage and collect feedback from all employees.

Furthermore, we participated the 12th Phnom Penh International Half Marathon and 29th Angkor Wat International Half Marathon to raise health awareness through exercise and keep an engaging team, and push the limits of the individual. We are standing with the theme “**One Bank, One Goal**”.

## Staff Reward and Recognition Awards (SRA)

To acknowledge, recognize, motivate, and express appreciation for our employees who deliver outstanding contributions and achievements, both front and back office, the Bank had initiated and hosted the Staff Reward and Recognition Awards (SRA) titled **BIC Star of the Quarter and Annual Program**. SRA serves as an alternative to the conventional performance pay programs with the aim of recognizing noteworthy contributions to the organization in addition to the performance evaluation process and other Banks's perks.

# 03

## GROWTH AND ACHIEVEMENT

Financial Highlights	34
Business Highlights	35
Public Relations	42







# FINANCIAL HIGHLIGHTS

	FY 2024	FY 2023
<b>OPERATING RESULTS(US\$'000)</b>		
Operating Revenue	19,684	15,460
Profit / (Loss) before taxation	4,934	1,240
Net profit / (Loss) for the year	3,952	1,113
<b>KEY BALANCE SHEET DATA(US\$'000)</b>		
Total Assets	436,382	521,601
Loan and Advance to Customer	161,332	169,279
Total Liabilities	304,964	444,135
Deposit from banks and customers	297,572	435,115
Statutory share capital	125,000	75,000
Shareholder's equity	131,419	77,466
<b>FINANCIAL RATIOS(%)</b>		
Return on assets (ROA)	0.91%	0.21%
Return on equity (ROE)	3.01%	1.44%
Liquidity ratio	230%	256%
Loan to deposit ratio	55%	67%
Non-performing loans to total loans	1.11%	1.02%
<b>CAPITAL MANAGEMENT</b>		
Net worth (US\$'000)	127,266	75,766
Solvency ratio (%)	62%	32%

# BUSINESS HIGHLIGHTS

## Corporate Banking

In 2024, the Corporate Banking Department made significant strides in enhancing our product offerings, digital capabilities, and service excellence to better serve our valued corporate clients. Key achievements include:



# 01

### Corporate Digital Banking Advancement

We successfully developed and enhanced our corporate digital banking platform, delivering safer and more secure access to financial services tailored to the needs of modern businesses.

# 02

### International Recognition

We were honored with prestigious awards from Mastercard for our outstanding performance in cross-border volume and credit volume, reinforcing our strong position in the global transaction ecosystem.



# BUSINESS HIGHLIGHTS

## Corporate Banking (continued)



# 03

### Expanded Trade Finance Solutions

We launched a comprehensive suite of trade finance products, including Letters of Credit (LC) and Bank Guarantees (BG), to support our clients' growing international trade and financing needs.

# 04

### Customer-Centric Process Improvements

- ◆ Simplified over-the-counter (OTC) cash deposit and withdrawal procedures to reduce customer effort and improve transaction efficiency.
- ◆ Enhanced card activation channels, providing customers with more convenient access and a seamless digital experience.
- ◆ Fee Structure Optimization: We revised our local fund transfer fee policy—both inbound and outbound—to deliver cost savings and better value to our clients.



These accomplishments reflect our ongoing commitment to innovation, customer satisfaction, and operational excellence as we continue to grow with our clients in an evolving financial landscape.



# BUSINESS HIGHLIGHTS

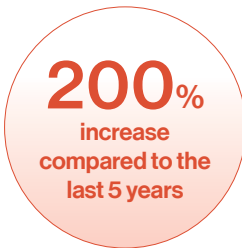
## Retail Banking

While 2024 presented numerous economic headwinds, BIC Bank's Retail Banking Department achieved remarkable milestones, making a significant contribution to the overall growth of the bank. The following highlights are our key accomplishments:

### Robust Growth in Retail Customer Portfolio –Scale and Quality

01

- ♦ Retail customer database represents a 200% increase compared to the last 5 years, exceeding the annual target by 150%. The proportion of secured loans and customers with stable income has increased, leading to improved risk control.
- ♦ The Non-Performing Loan (NPL) ratio was maintained below 1%, driven by stringent credit screening and control programs.



### Breakthrough Growth in Retail CASA and Customer Deposits

02

- ♦ Retail CASA contributed exceeding 40% to the whole deposit portfolios, significantly contributing to the reduction of the bank's overall cost of funds by various campaign activities.
- ♦ Retail Fixed Deposit contributed the largest proportion in total deposit with 60% contribution. From this, 80% of depositors tend to place their money with tenor 12 months proved highly bank's reputation and sustainability to the local community.



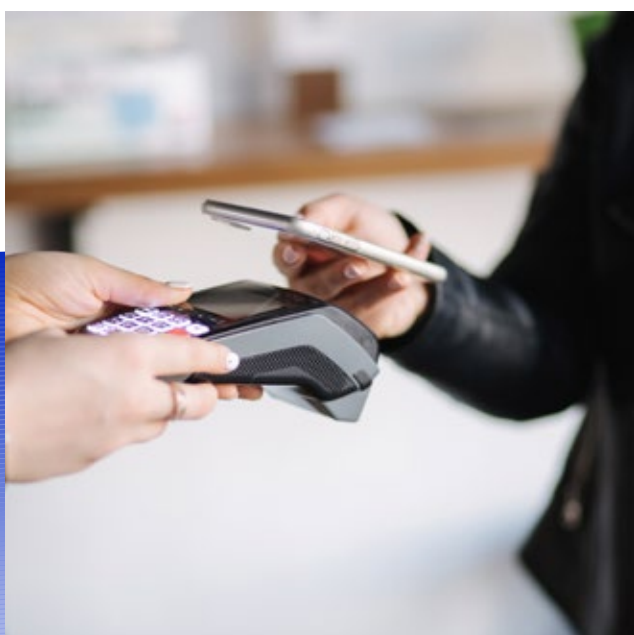
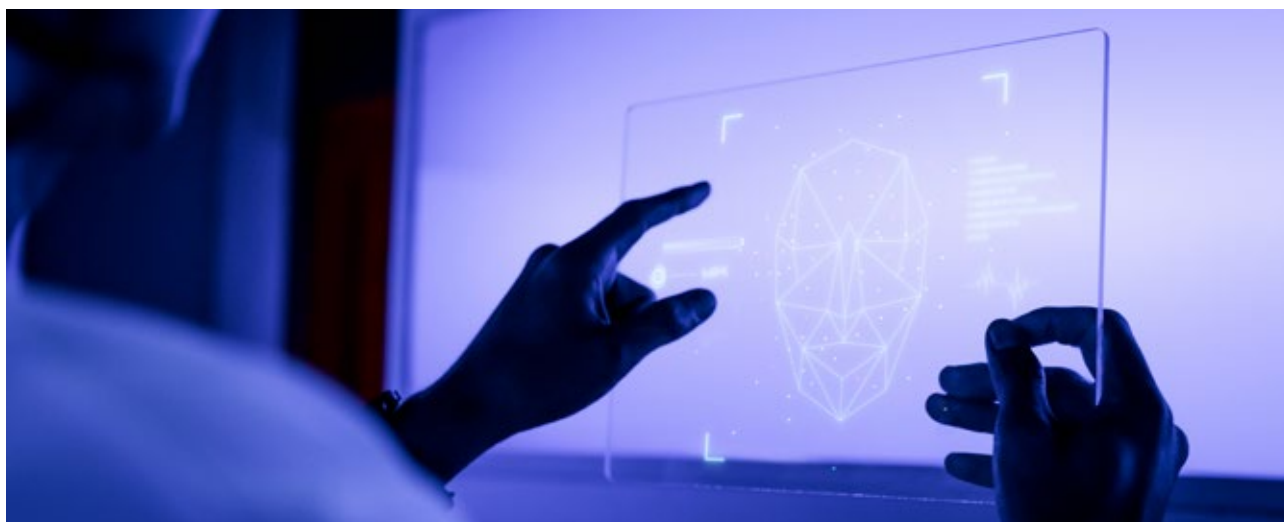
# BUSINESS HIGHLIGHTS

## Retail Banking (continued)

### Product and Service Innovation

03

- ♦ Utilizing digital accounts with multi-utility services. The successful implementation of the **e-KYC digital account** opening feature in just 3 minutes has enhanced customer experience and expanded our new customer acquisition.
- ♦ The successful launch of the “**Flexible Consumer Deposit**” product empowers customers to proactively manage their cash flow and enjoy enormous benefits without worry and tenor and fix term commitment.
- ♦ The successful launch of the “**BIC Payroll Account**” program attracted a lot more customers and companies located in satellited areas that enable BIC Bank payroll number grew more than 3 times as 2023 payroll accounts



# BUSINESS HIGHLIGHTS

## Retail Banking (continued)

In conclusion, The Retail Banking Department has significantly exceeded its business targets while establishing a solid foundation for digital transformation and sustainable growth in 2025. In the coming year, our focus will remain on:

- 01** Enhancing the omni-channel sales model
- 02** Achieving sustainable CASA growth
- 03** Accelerating digital financial solutions and artificial intelligence to personalize customer experiences.

We sincerely thank the Board of Directors for their close guidance and unwavering support.



# BUSINESS HIGHLIGHTS

## Information technology

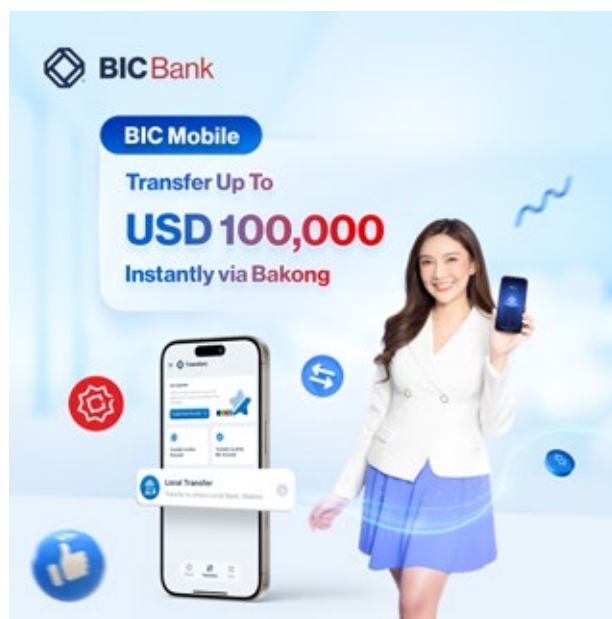
01

### Launches CIFTF - Bakong Large Value Go-live on 12th September 2024

We're excited to announce that BIC Bank has successfully implemented **Bakong Large Value** payments on the **BIC Mobile**. This means you can now send and receive payments of **over \$50,000 or 200 million KHR** directly through your BIC Mobile app.

Strengthen the security of mobile applications by adding OTP verification for all financial transactions to ensure your funds remain safe and secure at all times.

This new feature provides a faster, safer, and more convenient way to perform large value transactions. Say goodbye to the hassle of cash handling!



02

### Successfully a member of CAMDX 23rd September 2024

We're excited to announce that BIC Bank has become a member of **Cambodia Data eXchange Platform**. We will use this **e-KYC solution**, CamDigiKey, in the form of Open KYC APIs for Verification which is available on CamDX.

This partnership will allow us to streamline our verification processes and enhance our customer onboarding experience. By leveraging CamDigiKey, we can ensure secure and efficient **identity verification** for our clients.

With CamDigiKey, we can verify customer identities **quickly and accurately**, reducing the risk of fraud and enhancing regulatory compliance. This integration will also help us to scale our operations effectively as we continue to grow our customer base.



# BUSINESS HIGHLIGHTS

## Information technology (continued)

03

### BIC Mobile v3 – Transfer and Payment with Biometrics (FaceID or Fingerprint)

Biometric Transaction with Set Amount was successfully deployed to production environment as of April 1, 2024. This feature aims to offer convenience and user-friendliness. Increase customer confidence, trust, and adoption of BIC Mobile, leading to higher engagement and retention.



04

### End Detection & Respond (EDR) & Data Leakage Prevention System (DLP)

Endpoint Detection and Response (EDR) system is a cybersecurity solution focused on detecting, investigating, and responding to suspicious activities and threats on endpoints, such as computers and servers. EDR systems provide visibility into endpoint activity and use a combination of data collection, real-time monitoring, and automated analysis to identify and respond to security incidents. EDR systems are crucial for organizations to detect and respond to advanced threats that bypass traditional security measures, ensuring a robust defense against cyberattacks.





# PUBLIC RELATIONS

## Corporate Social Responsibility

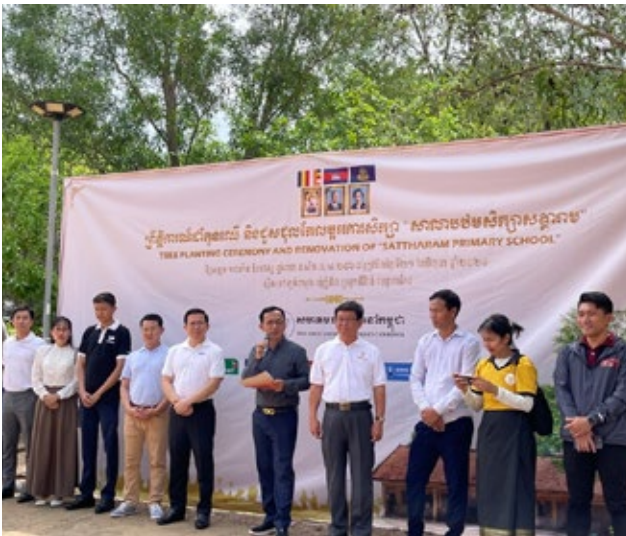
At BIC Bank, we are committed to responsible banking that contributes to the well-being of individuals, communities, and the environment. In 2024, we actively supported a diverse range of Corporate Social Responsibility initiatives with a focus on financial literacy, cybersecurity, health and wellness, and environmental sustainability.

As part of our efforts to raise awareness of digital threats, BIC Bank, in collaboration with the Association of Banks in Cambodia, proudly hosted Cybersecurity Day on 17 May 2024—an industry-wide initiative to strengthen trust, promote good practices, and enhance knowledge on cybersecurity across the banking sector. In promoting health and community spirit, our management and staff joined the 12th Phnom Penh International Half Marathon on 15 June 2024 and the

29th Angkor Wat International Half Marathon on 1 December 2024 in Siem Reap.

In the area of financial education, we contributed to the Phase III Project led by the National Bank of Cambodia and the Ministry of Education, Youth and Sport, embedding financial literacy into the national curriculum.

Demonstrating our commitment to environmental and community development, BIC Bank also participated in a tree-planting ceremony and the unveiling of the renovated Saththaram Primary School in Takeo Province on 21 June 2024, alongside ABC members, local students, and residents. These initiatives reflect our unwavering dedication to creating lasting value for society while advancing sustainable development.





# PUBLIC RELATIONS

## Awards and Recognitions

In 2025, BIC Bank earned continued recognition for its steadfast commitment to transparency, regulatory compliance, and service excellence. We were proud to receive the prestigious “Gold” Tax Compliance Certificate from the General Tax Department for the fourth consecutive year (2023–2026), reaffirming our dedication to upholding the highest standards of accountability and good governance within the banking

sector. In addition, BIC Bank was honored with two esteemed awards from Mastercard, reflecting our sustained growth and focus on delivering innovative, customer-centric financial solutions. These recognitions also underscore the strength of our strategic partnership with Mastercard, which plays a vital role in enhancing our digital capabilities and expanding the value we bring to our clients.



# 04

## CORPORATE GOVERNANCE

Board Of Directors (BOD)	46
Board Audit Committee (BAC)	47
Board Risk and Compliance Committee (BRCC)	47
Other Committees	48
Checks and Balances	49







# CORPORATE GOVERNANCE

## Board Of Directors (BOD)

The Board of Directors of BIC BANK is appointed by the shareholders. The Board may review the structure, size, and composition of the Board and its sub-committees from time to time and make recommendations to the shareholders for any changes deemed necessary in accordance with the Royal Government of Cambodia's existing laws and regulations. The Board is responsible for overseeing the overall management and affairs of the Bank for the proper conduct of the Bank. The Board's responsibilities include but is not limited to:

- ♦ Approval of strategies policies and business plans
- ♦ Approval of annual budgets, annual reports, financial statements and investment plans
- ♦ Review and approve CEO's proposals on organizational structure, internal regulations, staff policies, vendor contracts
- ♦ Propose amendment of Memorandum and Articles of Association
- ♦ Approval of the annual operating budget of the Bank and ensure operations are conducted prudently, in line with Cambodian laws/regulations and policies of the Bank
- ♦ Overseeing management and affairs of the Bank to ensure competent and prudent management, compliance with statutory and regulatory obligations, the effectiveness of policies, systems, and controls, adequate monitoring and assessment of risks, regular review of performance, and ensuring corrective action is taken when applicable
- ♦ Approval of any extension of the Bank's activities into new businesses within the geographic area of Cambodia
- ♦ Approval of any decision to cease any or all material part of the Bank's business
- ♦ Approval of proposals for the allocation of capital and other resources within the Bank
- ♦ Approval of any significant changes to accounting policies or practices
- ♦ Maintaining a sound system of internal controls and risk management. The Chairperson is appointed by the shareholders and in his/her absence, the Deputy Chairperson will automatically become the Acting Chairperson and shall perform duties the same as those of the Chairperson. Board members must consist of at least five members, two of whom must be independent directors. Board meetings must convene once each quarter but the Chairperson can call for ad-hoc meetings as requested by any Board member. At least fifty percent of the Board must be present for a quorum.

# CORPORATE GOVERNANCE

## Board Audit Committee (BAC)

The Audit Committee is established to review, on behalf of the Board, the internal financial controls of the Bank to identify, assess, manage, and monitor financial risks and to review the internal control systems of the Bank. Members shall comprise at least three directors appointed by the Board for a term of 3 years subject to annual renewal in accordance with their terms of appointment as Board of Directors. One member shall be the independent director, who is also the Chairperson. Only committee members have the right to attend meetings but other senior management such as the Chief Executive Officer, Chief Risk Officer, Head of Internal Audit, Head of Compliance, Chief Financial Officer and external auditors may attend part or all of the meetings by invitation of the Chairperson.

## Board Risk and Compliance Committee (BRCC)

The Risk and Compliance Committee is established to advise the Board on the Bank's current and future risk appetite, oversee the implementation of the risk management framework, and report the state of risk culture in the Bank. In particular, its responsibilities encompass whistle-blowing and fraud detection. It shall review the effectiveness of current systems of monitoring compliance, procedures for detecting fraud, systems, and controls for the prevention of bribery, and adequacy and effectiveness of anti-money laundering systems and controls. It shall also ensure that whistle-blowing reports are dealt with through independent investigation and appropriate follow-up action is taken.

Members shall comprise at least three directors appointed by the Board for a term of 3 years subject to annual renewal in accordance with their terms of appointment as Board of Directors. One of the members, appointed by the Board, and an independent director shall be the Chairperson. The members of the committee must collectively have sufficient experience and qualification to fulfill their duties and be honorable persons of character and above board.

# CORPORATE GOVERNANCE

## Other Committees

---

### Executive Committee (EXCO)

Executive Committee (EXCO) is responsible for managing and overseeing all aspects and functions in line with role profile and terms of reference respectively other than those reserved for the respective Board Committees. In particular, the EXCO has responsibilities including but not limited to ensuring alignment with the Board, developing Business Strategy, reviewing and taking appropriate actions on the Bank's Financial Reports, Asset and Liability Management, Capital Allocations, and Risk Management.

### Asset and Liability Committee (ALCO)

Asset and Liability Committee (ALCO) is responsible for providing important management information systems and oversight for evaluating on and off-balance sheet risk for the Bank. Its objective is to ensure liquidity whilst managing the Bank's spread between interest income and interest expense. Its duties include areas of treasury risk management, interest rate risk and hedging activities, treasury credit risk and funding.

### Credit Committee (CC)

Credit Committee (CC) is responsible for overseeing the lending and credit strategies of the Bank, including reviewing internal credit policies and establishing portfolio limits.

### Procurement Committee

Procurement Committee is responsible for ensuring transparency and fairness in the procurement exercise. The mandate is not based on the lowest price but fitness for purpose, fair market price, return on investment, whole-of-life costs, timely delivery, post-delivery support, environmental sustainability, social responsibility, evidence of previous performance or experience, effective warranty, and conformity to law.

---

## SENIOR MANAGEMENT

Business and Operational Units are the first line of defense to ensure internal control systems run smoothly.

## INDEPENDENT RISK AND COMPLIANCE MANAGEMENT

As an independent entity, they monitor, check on compliance, and report all risks in the Bank on an ongoing basis.

## INTERNAL AUDIT DEPARTMENT

Internal Auditors will independently and periodically test and audit the efficacy and robustness of the integrated risk management framework and processes of the business and support units, ensuring roles and responsibilities and duly performed. They also undertake regular reviews of the Bank's operation and internal control system and provide a check and balance on the effectiveness of the Bank's system of internal controls and compliance with relevant regulatory requirements by the Bank.

The results of audits bring forward-looking recommendations and suggestions for improvement to management for necessary remedial actions to be taken. Internal Audit reports to the Board of Directors via Audit committee.



# CORPORATE GOVERNANCE

## Checks and Balances

BIC BANK has a segregation of duties to ensure independent decisions and reviews and for a proper system of internal control. Each unit maintains different responsibilities and cannot influence each other to avoid concentration of power, reduce mistakes, and prevent improper behavior.





# 05

## FINANCIAL STATEMENTS

For The Year Ended 31 December 2024  
And Report Of The Independent Auditors

Corporate Information	52
Report of the Board of Directors	53
Report of the Independent Auditors	57
Statement of Financial Position	59
Statement of Profit or Loss and Other Comprehensive Income	60
Statement of Changes in Equity	61
Statement of Cash Flows	62
Notes to the Financial Statements	64





# CORPORATE INFORMATION

<b>BANK</b>	B.I.C (Cambodia) Bank Plc.	
<b>REGISTRATION NO.</b>	00029200	
<b>REGISTERED OFFICE</b>	No. 462, Ground and First Floor, Preah Monivong Blvd. (Street 93), Phum 13, Sangkat Tonle Basac, Khan Chamkarmorn, Phnom Penh, Kingdom of Cambodia	
<b>SHAREHOLDERS</b>	<b>Apsara Holdings Pte. Ltd.</b> <b>Mr. Yim Leak</b>	
<b>BOARD OF DIRECTORS</b>	<b>Mr. Yim Leak</b> Chairman <b>Mr. Hong Sokleng</b> Director <i>(Appointed on 5 June 2024)</i> <b>Mr. Yea Saroeun</b> Director <b>Mr. Phe Vuthy</b> Independent director <b>Mr. John Edward Mc Cosh</b> Independent director <b>Mrs. Adel Leilanie Gaba Legarta</b> Director <i>(Resigned on 31 January 2024)</i>	
<b>MANAGEMENT TEAM</b>	<b>Mr. Hong Sokleng</b> Chief Executive Officer <b>Mr. Yea Saroeun</b> Deputy Chief Executive Officer <b>Mrs. Ean Leakhena</b> Chief Operating Officer <b>Mr. Sam Haung</b> Director of Human Resource <b>Mr. Vo Duy Anh Dung</b> Director of Retail Banking <b>Ms. Luy Chandawin</b> Head of Affluent and International Relationship Management  <b>Mr. Ban Mara</b> Head of Finance <b>Mr. Kim Ly</b> Head of Credit <b>Mr. Im Sothea</b> Head of Internal Audit <b>Ms. Hout Lida</b> Head of Treasury <b>Mr. Tran Huu Tai</b> Head of Marketing <b>Mr. Nguyen Dang Tuan</b> Acting Head of Information Technology	
<b>PRINCIPAL BANKERS</b>	National Bank of Cambodia ACLEDA Bank Plc. Canadia Bank Plc. Bank for Investment and Development of Cambodia Plc. KB Prasac Bank Plc. BIC Bank Lao Ltd Kasikorn Bank Public Company Limited Krung Thai Bank Wing Bank (Cambodia) Plc.	
<b>AUDITORS</b>	Fii&Associates Co., Ltd.	

# REPORT OF THE BOARD OF DIRECTORS

The Board of Directors (the “Board” or “Directors”) hereby submit their report together with the audited financial statements of B.I.C (Cambodia) Bank Plc. (“the Bank”) for the year ended 31 December 2024 (the “financial year” or “year”).

## Principal activities

The principal activities of the Bank comprise the operations of its core 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 since the previous financial year.

## Financial results

The financial results of the Bank were as follows:

	2024		2023	
	US\$	KHR'000	US\$	KHR'000
	(Note 2.4)		(Note 2.4)	
Profit before income tax	4,933,821	20,085,585	1,240,242	5,097,395
Income tax expense	(981,437)	(3,995,430)	(127,564)	(524,288)
<b>Net profit for the year</b>	<b>3,952,384</b>	<b>16,090,155</b>	<b>1,112,678</b>	<b>4,573,107</b>

## Dividends

No dividend was declared or paid, and the Directors do not recommend any dividend to be paid during the financial year.

## Share capital

On 21 February 2024, the shareholders signed a shareholder resolution to increase the capital by US\$50,000,000. On 2 August 2024, the NBC granted approval for the aforementioned changes. On 9 October 2024, the Ministry of Commerce approved the revised Memorandum and Articles of Association (“MAA”) regarding the above changes. Refer to Note 17 for the detailed share capital and shareholding structure.

## Reserves and provisions

There were no material transfers to or from reserves and provisions during the financial year other than amounts disclosed in the financial statements.

## Bad and doubtful debts

Before the financial statements of the Bank were prepared, the Directors took reasonable steps to ascertain that action had been taken in relation to the writing off of bad debts and the making of allowances for doubtful debts, and satisfied themselves that there were no known bad debts and that no allowance needed for doubtful debts.

At the date of this report, the Directors are not aware of any circumstances which would render it necessary to write off bad debts or to make allowances for doubtful debts in the financial statements of the Bank, that would be inadequate to any material extent.



# REPORT OF THE BOARD OF DIRECTORS

(continued)

## Current assets

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

At the date of this report, the Directors are not aware of any circumstances that have arisen which would render the value attributed to the current 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 that have arisen which would render adherence to the existing methods of valuation of assets and liabilities in the financial statements of the Bank misleading or inappropriate.

## Contingent liabilities

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

- (i) Any charge on the assets of the Bank which has arisen since the end of the financial year which secures the liabilities of any other person, or
- (ii) Any contingent liability in respect of the Bank that has arisen since the end of the financial year other than in the ordinary course of its business operations.

No contingent or other liability of the Bank has become enforceable, or is likely to become enforceable, within the period of 12 months after the end of the financial year which, in the opinion of the Directors, will or may substantially affect the ability of the Bank to meet its obligations when they fall due.

## Changes of circumstances

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

## Items of an unusual nature

The results of the operations of the Bank for the financial year were not, in the opinion of the Directors, materially affected by any items, transactions or events of material and unusual nature.

There has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of material and unusual nature likely, in the opinion of the Directors, to affect substantially the results of the operations of the Bank for the current year in which this report is made.

## Events since the reporting date

At the date of this report, except as disclosed in the financial statements, there have been no significant events occurring after the reporting date which would require adjustments or disclosures to be made in the financial statements.

# REPORT OF THE BOARD OF DIRECTORS

(continued)

## The Board of Directors

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

Mr. Yim Leak	Chairman	
Mr. Hong Sokleng	Director	(Appointed on 5 June 2024)
Mr. Yea Saroeun	Director	
Mr. John Edward Mc Cosh	Independent director	
Mr. Phe Vuthy	Independent director	
Mrs. Adel Leilanie Gaba Legarta	Director	(Resigned on 31 January 2024)

## Directors' interests

The following Director held office at the end of the financial year and has a direct interest in the shares of the Bank:

Mr. Yim Leak	Chairman	1%
--------------	----------	----

The Director who held office at the end of the financial year and has an interest in the shares of the parent company are as follows:

Mr. Yim Leak	Chairman	100%
--------------	----------	------

## Directors' benefits

During and at the end of the financial year, no arrangement subsisted to which the Bank was a party with the object of enabling the Directors of the Bank to acquire benefits by means of the acquisition of shares in or debentures of the Bank or any other body corporate.

Since the end of the previous financial year, no Directors of the Bank have received or become entitled to receive a benefit (other than benefits included in the aggregate amounts of emoluments received or due and receivable by the Directors) by reason of a contract made by the Bank with the Directors or firm of which the Director is a member, or a company in which the Directors has a substantial financial interest, other than as disclosed in the financial statements.

# REPORT OF THE BOARD OF DIRECTORS

(continued)

## Statements of Directors' responsibility in respect of financial statements

The Board of Directors are responsible for ascertaining that the financial statements present fairly, in all material respects, the financial position of the Bank as at 31 December 2024 and its financial performance and its cash flows for the year then ended, in accordance with Cambodian International Financial Reporting Standards ("CIFRS"). In preparing those financial statements, the Board of Directors are required to:

- (i) adopt appropriate accounting policies which are supported by reasonable and prudent judgments and estimates and then apply them consistently;
- (ii) comply with CIFRS or, if there have been any departures in the interest of true and fair presentation, ensure that these have been appropriately disclosed, explained and quantified in the financial statements;
- (iii) oversee the Bank's financial reporting process and maintain adequate accounting records and an effective system of internal controls;
- (iv) assess the Bank's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Bank or to cease operations, or has no realistic alternative but to do so; and
- (v) effectively control and direct the Bank in all material decisions affecting its operations and performance and ascertain that such decisions have been properly reflected in the financial statements.

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

## Approval of the financial statements

The Board of Directors hereby approve the accompanying financial statements as set out on pages 59 to 114 which present fairly, in all material respects, the financial position of B.I.C (Cambodia) Bank Plc. as at 31 December 2024, and its financial performance and its cash flows for the year then ended, in accordance with CIFRS.

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

Mr. **Hong Sokleng**  
Chief Executive Officer

*Phnom Penh, Kingdom of Cambodia*  
28 March 2025

# REPORT OF THE INDEPENDENT AUDITORS

## To the shareholders B.I.C (Cambodia) Bank Plc.

### Opinion

We have audited the financial statements of B.I.C (Cambodia) Bank Plc. ("the Bank"), which comprise the statement of financial position as at 31 December 2024, and the statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising material accounting policies and other explanatory information as set out on pages 59 to 114.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Bank as at 31 December 2024, and of its financial performance and its cash flows for the year then ended in accordance with Cambodian International Financial Reporting Standards ("CIFRS").

### Basis for Opinion

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

### Other Information

Management is responsible for the other information. The other information obtained at the date of this auditors' report comprises the information included in the Report of the Board of Directors as set out on pages 53 to 56, and the annual report, which is expected to be made available to us after that date.

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

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

### Responsibilities of Management and Those Charged with Governance for the Financial Statements

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

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

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



# REPORT OF THE INDEPENDENT AUDITORS

(continued)

## Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an 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 skepticism throughout the audit. We also:

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

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

For **Fii&Associates Co., Ltd.**

**Seng Chanthan**  
Audit Partner

*Phnom Penh, Kingdom of Cambodia*  
28 March 2025

# STATEMENT OF FINANCIAL POSITION

as at 31 December 2024

	Note	2024		2023	
		US\$	KHR'000	US\$	KHR'000
		(Note 2.4)		(Note 2.4)	
ASSETS					
Cash and bank balances	5	208,017,514	837,270,494	259,585,139	1,060,405,293
Placements with other banks	6	-	-	19,731,058	80,601,372
Statutory deposits	7	32,803,857	132,035,524	36,871,218	150,618,926
Loans and advances to customers	8	161,332,486	649,363,256	169,278,808	691,503,931
Other assets	9	25,939,683	104,407,224	24,918,593	101,792,452
Amounts due from related parties	26.1	220,562	887,762	429,674	1,755,218
Intangible assets	10	236,240	950,866	653,758	2,670,601
Property and equipment	11	2,068,984	8,327,661	2,165,952	8,847,914
Right-of-use of assets	12.1	5,158,209	20,761,791	7,378,794	30,142,373
Deferred tax assets – net	16.2	604,933	2,434,855	588,067	2,402,254
Total asset		436,382,468	1,756,439,433	521,601,061	2,130,740,334
LIABILITIES AND EQUITY					
Liabilities					
Deposits from other banks	13	5,044,355	20,303,529	9,646,329	39,405,254
Deposits from customers	14	292,527,368	1,177,422,656	425,468,836	1,738,040,195
Lease liabilities	12.2	5,845,140	23,526,689	7,947,533	32,465,672
Other liabilities	15	725,527	2,920,245	590,582	2,412,527
Current income tax liability	16.3	821,569	3,306,815	481,656	1,967,565
Total liabilities		304,963,959	1,227,479,934	444,134,936	1,814,291,213
Equity					
Share capital	17	125,000,000	500,000,000	75,000,000	300,000,000
Regulatory reserves	18	1,618,930	6,579,521	1,510,200	6,136,881
Retained earnings		4,799,579	19,597,203	955,925	3,949,688
Currency translation differences		-	2,782,775	-	6,362,552
Total equity		131,418,509	528,959,499	77,466,125	316,449,121
Total liabilities and equity		436,382,468	1,756,439,433	521,601,061	2,130,740,334

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

# STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the year ended 31 December 2024

	Note	2024		2023	
		US\$	KHR'000	US\$	KHR'000
		(Note 2.4)		(Note 2.4)	
Interest income	19	16,059,916	65,379,918	13,209,220	54,289,894
Interest expense	20	(4,625,451)	(18,830,211)	(6,293,037)	(25,864,382)
<b>Net interest income</b>		<b>11,434,465</b>	<b>46,549,707</b>	<b>6,916,183</b>	<b>28,425,512</b>
Fees and commission income	21	2,650,102	10,788,565	925,996	3,805,844
Other income		974,011	3,965,199	1,325,189	5,446,527
<b>Total operating income</b>		<b>15,058,578</b>	<b>61,303,471</b>	<b>9,167,368</b>	<b>37,677,883</b>
Personnel expenses	22	(4,136,813)	(16,840,966)	(3,274,008)	(13,456,173)
Depreciation and amortisation	23	(2,499,338)	(10,174,805)	(2,370,519)	(9,742,833)
Other operating expenses	24	(3,900,713)	(15,879,803)	(2,764,635)	(11,362,650)
Reversal of impairment losses on financial instruments	8	412,107	1,677,688	482,036	1,981,168
<b>Profit before income tax</b>		<b>4,933,821</b>	<b>20,085,585</b>	<b>1,240,242</b>	<b>5,097,395</b>
Income tax expense	16.4	(981,437)	(3,995,430)	(127,564)	(524,288)
<b>Net profit for the year</b>		<b>3,952,384</b>	<b>16,090,155</b>	<b>1,112,678</b>	<b>4,573,107</b>
<b>OTHER COMPREHENSIVE LOSS</b>					
Currency translation difference		-	(3,579,777)	-	(2,471,127)
<b>Total comprehensive income for the year</b>		<b>3,952,384</b>	<b>12,510,378</b>	<b>1,112,678</b>	<b>2,101,980</b>

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

# STATEMENT OF CHANGES IN EQUITY

for the year ended 31 December 2024

	Share capital		Regulatory reserves		Retained earnings		Currency translation differences		Total	
	US\$	KHR'000	US\$	KHR'000	US\$	KHR'000	US\$	KHR'000	US\$	KHR'000
		(Note 2.4)		(Note 2.4)		(Note 2.4)		(Note 2.4)		(Note 2.4)
At 1 January 2023	75,000,000	300,000,000	1,807,374	7,358,266	(453,927)	(1,844,804)	-	8,833,679	76,353,447	314,347,141
<b>COMPREHENSIVE INCOME FOR THE YEAR</b>										
Net profit for the year	-	-	-	-	1,112,678	4,573,107	-	-	1,112,678	4,573,107
Transfer	-	-	(297,174)	(1,221,385)	297,174	1,221,385	-	-	-	-
<b>Other comprehensive loss</b>										
Currency translation differences	-	-	-	-	-	-	-	(2,471,127)	-	(2,471,127)
<b>Total comprehensive (loss)/income for the year</b>	-	-	(297,174)	(1,221,385)	1,409,852	5,794,492	-	(2,471,127)	1,112,678	2,101,980
At 31 December 2023	75,000,000	300,000,000	1,510,200	6,136,881	955,925	3,949,688	-	6,362,552	77,466,125	316,449,121
At 1 January 2024	75,000,000	300,000,000	1,510,200	6,136,881	955,925	3,949,688	-	6,362,552	77,466,125	316,449,121
Capital injection	50,000,000	200,000,000	-	-	-	-	-	-	50,000,000	200,000,000
<b>COMPREHENSIVE INCOME FOR THE YEAR</b>										
Net profit for the year	-	-	-	-	3,952,384	16,090,155	-	-	3,952,384	16,090,155
Transfer	-	-	108,730	442,640	(108,730)	(442,640)	-	-	-	-
<b>Other comprehensive loss</b>										
Currency translation differences	-	-	-	-	-	-	-	(3,579,777)	-	(3,579,777)
<b>Total comprehensive income/(loss) for the year</b>	-	-	108,730	442,640	3,843,654	15,647,515	-	(3,579,777)	3,952,384	12,510,378
At 31 December 2024	125,000,000	500,000,000	1,618,930	6,579,521	4,799,579	19,597,203	-	2,782,775	131,418,509	528,959,499

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



# STATEMENT OF CASH FLOWS

for the year ended 31 December 2024

	2024		2023	
	US\$	KHR'000	US\$	KHR'000
		(Note 2.4)		(Note 2.4)
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Net profit for the year	3,952,384	16,090,155	1,112,678	4,573,107
<b>Adjustments for:</b>				
Income tax expense	981,437	3,995,430	127,564	524,288
Interest income	(16,059,916)	(65,379,918)	(13,209,220)	(54,289,894)
Interest expense	4,625,451	18,830,211	6,293,037	25,864,382
Reversal of impairment losses on financial instruments	(412,107)	(1,677,688)	(482,036)	(1,981,168)
Depreciation and amortisation	2,499,338	10,174,805	2,370,519	9,742,833
	<b>(4,413,413)</b>	<b>(17,967,005)</b>	<b>(3,787,458)</b>	<b>(15,566,452)</b>
<b>Changes in:</b>				
Placements with other banks	20,000,000	81,420,000	(20,003,270)	(82,213,440)
Loans and advances to customers	8,052,883	32,783,287	(52,130,426)	(214,256,051)
Statutory deposits - reserve requirements	9,067,361	36,913,227	(13,000,146)	(53,430,600)
Other assets	(811,978)	(3,305,562)	(2,429,948)	(9,987,086)
Deposits from other banks	(4,500,000)	(18,319,500)	(3,000,000)	(12,330,000)
Deposits from customers	(133,831,796)	(544,829,242)	189,083,726	777,134,114
Other liabilities	134,945	549,361	203,609	836,833
<b>Cash (used in)/generated from operations</b>	<b>(106,301,998)</b>	<b>(432,755,434)</b>	<b>94,936,087</b>	<b>390,187,318</b>
Interest received	16,059,138	65,376,751	13,665,850	56,166,644
Interest paid	(3,480,021)	(14,167,165)	(7,175,090)	(29,489,620)
Income tax paid	(658,390)	(2,680,306)	(175,205)	(720,093)
<b>Net cash (used in)/generated from operating activities</b>	<b>(94,381,271)</b>	<b>(384,226,154)</b>	<b>101,251,642</b>	<b>416,144,249</b>

# STATEMENT OF CASH FLOWS

for the year ended 31 December 2024 (continued)

	2024		2023	
	US\$	KHR'000	US\$	KHR'000
		(Note 2.4)		(Note 2.4)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Purchases of property and equipment, and intangible assets	(1,045,962)	(4,258,111)	(1,011,967)	(4,159,184)
Statutory deposits - capital guarantee	(5,000,000)	(20,355,000)	-	-
Acquisitions of other investments	-	-	35,502,167	145,913,906
<b>Net cash (used in)/generated from investing activities</b>	<b>(6,045,962)</b>	<b>(24,613,111)</b>	<b>34,490,200</b>	<b>141,754,722</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
Capital injection	50,000,000	203,550,000	-	-
Payments of lease liabilities	(1,147,017)	(4,669,506)	(536,060)	(2,203,206)
<b>Net cash generated from/(used in) financing activities</b>	<b>48,852,983</b>	<b>198,880,494</b>	<b>(536,060)</b>	<b>(2,203,206)</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(51,574,250)</b>	<b>(209,958,771)</b>	<b>135,205,782</b>	<b>555,695,765</b>
Cash and cash equivalents at 1 January	259,699,343	1,060,871,816	124,493,561	512,539,991
Currency translation differences	-	(13,209,546)	-	(7,363,940)
<b>Cash and cash equivalents at 31 December (Note 5)</b>	<b>208,125,093</b>	<b>837,703,499</b>	<b>259,699,343</b>	<b>1,060,871,816</b>

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

# NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2024

## 1. Reporting entity

B.I.C (Cambodia) Bank Plc. (the “Bank”) is a public limited company incorporated in the Kingdom of Cambodia on 14 November 2017, under the registration number 00029200 issued by the Ministry of Commerce and commenced operations after obtaining the licence from the National Bank of Cambodia (“NBC”) on 18 July 2018.

The principal activities of the Bank comprise the operations of its core banking business and the provision of related financial services in the Kingdom of Cambodia.

The registered office and head office of the Bank are located at No. 462, Ground and First Floor, Preah Monivong Blvd., (Street 93), Phum 13, Sangkat Tonle Basak, Khan Chamkarmorn, Phnom Penh, Kingdom of Cambodia.

At 31 December 2024, the Bank had 201 employees (2023: 162 employees).

## 2. Basis of preparation

### 2.1. Statement of compliance

The financial statements have been prepared in accordance with Cambodian International Financial Reporting Standards (“CIFRSs”). CIFRSs are equivalent to International Financial Reporting Standards (“IFRSs”) as issued by the International Accounting Standards Boards (“IASB”) because IFRSs have been adopted by the National Accounting Council, now known as the Accounting and Auditing Regulator, without modification as CIFRSs.

Details of the Bank’s material accounting policies are included in Note 28.

These financial statements were approved by the Board of Directors and authorised for issue on 28 March 2025.

### 2.2. Fiscal year and reporting period

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

### 2.3. Basis of measurement

The financial statements have been prepared on the historical cost basis.

### 2.4. Functional and presentation currency

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

The financial statements are presented in US\$. The translations of US\$ amounts into KHR are included solely for meeting the presentation requirements pursuant to the Law on Accounting and Auditing.

Assets and liabilities are translated at the closing rate as at the reporting date and the share capital is translated at the historical rate. The statements of profit or loss and other comprehensive income and cash flows are translated into KHR using the average rate for the year. Exchange differences arising from the translation are recognised as “Currency translation difference” in the other comprehensive income. The cumulative currency translation differences are recognised as a separate component of equity. All values in KHR are rounded to the nearest thousand (“KHR’000”), except if otherwise indicated.

The Bank uses the following exchange rates:

Reporting date	Closing rate	Average rate
31 December 2024	US\$1 = KHR4,025	KHR4,071
31 December 2023	US\$1 = KHR4,085	KHR4,110

These convenience translations should not be construed as representations that the US\$ amounts have been, could have been, or could in the future be, converted into KHR at this or any other rate of exchange.

### 2.5. Use of estimates and judgments

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimates are revised and in any future periods affected.

# NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2024 (continued)

## 3. Critical accounting estimates and judgements

Estimates, assumptions and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The estimates, assumptions and judgements that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

### 3.1. Income and other taxes

Taxes are calculated on the basis of the current interpretation of the tax regulations. However, these regulations are subject to periodic variation and different interpretations following inspection by the tax authorities. These may result in increased tax liabilities and other retroactive tax claims. It is difficult to predict the timing and severity of these occurrences or their potential effect.

### 3.2. Property and equipment and intangible assets

Accounting for property and equipment and intangible assets involves the use of estimates for determining the expected useful lives of these assets. The determination of the useful lives of the assets is based on management's judgement.

### 3.3. Impairment of financial instruments

As described in Note 27 (a), the credit risk of customers is regularly assessed with a focus on the customer's current ability to pay, historical payment records and taking into account information specific to the customer as well as pertaining to the country and economic environment in which the customer operates. Credit losses also reflect forward looking data. If the financial condition of customers were to deteriorate or improve, or expectations about future economic performance are different to the Bank's estimates, additional allowances or reversals may be required in future periods.

### 3.4. Leases

Management makes judgements whether the Bank is reasonably certain to exercise extension options and the lease period.

### 3.5. Measurement of fair values

A number of the Bank's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- ♦ **Level 1:** quoted prices (unadjusted) in active markets for identical assets or liabilities.
- ♦ **Level 2:** inputs other than quoted prices included in 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 the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability might be categorised in different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

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

Information about the assumptions made in measuring fair values is included in Note 27(d) financial instruments.

## 4. Adoption of new and revised accounting standards

### 4.1. New and revised accounting standards effective during the year

The Bank adopted all accounting standards and interpretations as at 31 December 2024. The new and revised accounting standards and interpretations assessed to be applicable to the Bank's financial statements are as follows:

- ♦ Non-current Liabilities with Covenants – Amendments to CIAS 1 and Classification of Liabilities as Current or Non-current – Amendments to CIAS 1.
- ♦ Lease Liability in a Sale-and-Leaseback (Amendments to CIFRS 16, Leases)
- ♦ Supplier Finance Arrangements (Amendment to CIAS 7, Statement of Cash Flows and CIFRS 7, Financial Instruments: Disclosures)



# NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2024 (continued)

## 4. Adoption of new and revised accounting standards (continued)

### 4.2. New and revised accounting standards which are not yet effective

At the date of authorisation of these financial statements, the following new and revised accounting standards that have been issued but are not yet effective were assessed to have a significant impact on the financial statements of the Bank:

- ♦ Lack of exchangeability (Amendment to CIAS 21, the Effects of Changes in Foreign Exchange Rates)

- ♦ Amendments to the Classification and Measurement of Financial Instruments (Amendments to CIFRS 9, Financial Instruments and IFRS 7, Financial Instruments: Disclosures).
- ♦ CIFRS 18 Presentation and Disclosure in Financial Statements
- ♦ CIFRS 19 Subsidiaries without Public Accountability Disclosures

## 5. Cash and bank balances/Cash and cash equivalents

	2024		2023	
	US\$	KHR'000	US\$	KHR'000
		(Note 2.4)		(Note 2.4)
Cash on hand	5,916,867	23,815,390	12,846,657	52,478,594
Cash with other banks	202,208,226	813,888,109	246,852,686	1,008,393,222
<b>Cash and cash equivalents presented on the statement of cash flows</b>	<b>208,125,093</b>	<b>837,703,499</b>	<b>259,699,343</b>	<b>1,060,871,816</b>
Less: allowance for impairment losses	(107,579)	(433,005)	(114,204)	(466,523)
	<b>208,017,514</b>	<b>837,270,494</b>	<b>259,585,139</b>	<b>1,060,405,293</b>

Cash with other banks and placements with banks with original maturities less than 3 months earned interest ranging from 1% to 1.33% per annum during 2024 (2023: 1.5% to 6%). Interest income earned during the year amounted to US\$16,986 (2023: US\$1,473,916).

The movement of allowance for impairment losses were as follows:

	2024		2023	
	US\$	KHR'000	US\$	KHR'000
		(Note 2.4)		(Note 2.4)
At 1 January	114,204	466,523	349,637	1,439,456
Reversals of impairment loss for the year	(6,625)	(26,970)	(235,433)	(967,630)
Currency translation difference	-	(6,548)	-	(5,303)
<b>At 31 December</b>	<b>107,579</b>	<b>433,005</b>	<b>114,204</b>	<b>466,523</b>

# NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2024 (continued)

## 6. Placements with other banks

	2024		2023	
	US\$	KHR'000	US\$	KHR'000
		(Note 2.4)		(Note 2.4)
Term deposit	-	-	20,034,520	81,841,014
Less: allowance for impairment loss	-	-	(303,462)	(1,239,642)
	-	-	<b>19,731,058</b>	<b>80,601,372</b>

This represents placements with other banks with an original maturity of more than 3 months and less than a year, which earned interest up to 7% per annum in 2023. Interest income earned during 2023 amounted to US\$725,047. Placements with other banks was fully drawn down during the year.

The movement of allowance for impairment losses were as follows:

	2024		2023	
	US\$	KHR'000	US\$	KHR'000
		(Note 2.4)		(Note 2.4)
At 1 January	303,462	1,239,642	-	-
(Reversal)/Allowance of impairment loss for the year	(303,462)	(1,235,394)	303,462	1,247,229
Currency translation difference	-	(4,248)	-	(7,587)
<b>At 31 December</b>	<b>-</b>	<b>-</b>	<b>303,462</b>	<b>1,239,642</b>

## 7. Statutory deposits

	2024		2023	
	US\$	KHR'000	US\$	KHR'000
		(Note 2.4)		(Note 2.4)
Capital guarantee deposit (i)	12,500,000	50,312,500	7,500,000	30,637,500
Reserve requirements on customers' deposits (ii)	20,303,857	81,723,024	29,371,218	119,981,426
	<b>32,803,857</b>	<b>132,035,524</b>	<b>36,871,218</b>	<b>150,618,926</b>

# NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2024 (continued)

## 7. Statutory deposits (continued)

- (i) Under NBC's Prakas No. B7-01-136 dated 15 October 2001, the Bank is required to maintain a statutory deposit of 10% of its capital. This deposit is not available for use in the Bank's day-to-day operations and is refundable should the Bank voluntarily cease its operations in Cambodia. Capital guarantee deposit earned interest at rates of 1.29% to 1.31% in 2024 (2023: 0.08% to 1.19%) per annum, amounting to US\$122,559 (2023: US\$94,543).
- (ii) The reserve requirements represent the minimum reserve which is calculated at 8% for KHR and 12.50% for other currencies of the total amount of deposits from customers, non-residential banks and financial institution deposits, and non-residential borrowings. Pursuant to the NBC's Prakas No. B7-018-282 on the maintenance of reserve requirements against commercial banks' deposits and borrowings, reserve requirements both in KHR and in other currencies earned no interest.

On 17 March 2020, the NBC announced the reduction of the reserve requirements to 7% for both local and foreign currency deposits and borrowings in order to help mitigate the impact of the COVID-19 pandemic on Cambodia's economy.

On 9 January 2023, the NBC issued a new Prakas No. B7-023-005 requiring banks and financial institutions to maintain reserve requirements with the NBC in the form of a compulsory deposit at 9% and 12.5% for foreign currencies of deposits and borrowings, effective from 1 January 2023 to 31 December 2023, and from 1 January 2024 onward, respectively. The reserve requirements for the local currency ("KHR") is still maintained at 7%. However, on 23 November 2023, the NBC approved to maintain the reserve requirements rate at 7% for foreign currency deposits and borrowings until 31 December 2024, and this was further extended through approval from the NBC on 21 August 2024 until 31 December 2025.

## 8. Loans and advances to customers

	2024		2023	
	US\$	KHR'000	US\$	KHR'000
		(Note 2.4)		(Note 2.4)
<b>COMMERCIAL LOANS</b>				
Overdrafts	1,122,821	4,519,355	5,933,166	24,236,983
Short-term loans	-	-	12,997,472	53,094,673
Long-term loans	13,019,902	52,405,106	16,959,101	69,277,928
<b>CONSUMER LOANS</b>				
Credit card	164,936	663,867	342,291	1,398,259
Overdrafts	4,462,548	17,961,756	20,496,732	83,729,150
Short-term loans	38,532,245	155,092,286	29,371,910	119,984,252
Long-term loans	105,918,144	426,320,529	85,137,509	347,786,724
<b>Total loans - gross</b>	<b>163,220,596</b>	<b>656,962,899</b>	<b>171,238,181</b>	<b>699,507,969</b>
Less: impairment loss allowance	(1,888,110)	(7,599,643)	(1,959,373)	(8,004,038)
<b>Loans and advances to customers - net</b>	<b>161,332,486</b>	<b>649,363,256</b>	<b>169,278,808</b>	<b>691,503,931</b>

# NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2024 (continued)

## 8. Loans and advances to customers (continued)

Impairment loss allowance recognised in profit or loss are summarised as follows:

	2024		2023	
	US\$	KHR'000	US\$	KHR'000
		(Note 2.4)		(Note 2.4)
Reversal of net impairment loss on loans and advances	(71,263)	(290,112)	(380,796)	(1,565,072)
Reversal of net impairment loss on cash with other banks (Note 5)	(6,625)	(26,970)	(235,433)	(967,630)
(Reversal)/Additional of net impairment loss on placements with other banks (Note 6)	(303,462)	(1,235,394)	303,462	1,247,229
(Reversal)/Additional of net impairment loss on off-balance sheet commitments (Note 25.1)	(30,757)	(125,212)	29,886	122,832
Reversal of net impairment loss on other investments	-	-	(199,155)	(818,527)
	<b>(412,107)</b>	<b>(1,677,688)</b>	<b>(482,036)</b>	<b>(1,981,168)</b>

The movement in the allowance for impairment losses were as follows:

	2024		2023	
	US\$	KHR'000	US\$	KHR'000
		(Note 2.4)		(Note 2.4)
At 1 January	1,959,373	8,004,038	2,340,169	9,634,475
Reversal of allowance for the year	(71,263)	(290,112)	(380,796)	(1,565,072)
Currency translation difference	-	(114,283)	-	(65,365)
<b>At 31 December</b>	<b>1,888,110</b>	<b>7,599,643</b>	<b>1,959,373</b>	<b>8,004,038</b>



# NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2024 (continued)

## 8. Loans and advances to customers (continued)

Gross loans are further analysed as follows:

### (a) By industry

	2024		2023	
	US\$	KHR'000	US\$	KHR'000
	(Note 2.4)		(Note 2.4)	
Real estates and mortgages	83,632,809	336,622,056	87,064,453	355,658,291
Personal lending	26,379	106,175	14,773	60,348
Building and constructions	38,841,237	156,335,979	40,716,607	166,327,340
Services	7,580,779	30,512,635	4,656,939	19,023,596
Agriculture, forestry and Fishing	-	-	3,971,667	16,224,260
Financial institutions	1,122,821	4,519,355	1,112,471	4,544,444
Others	32,016,571	128,866,699	33,701,271	137,669,690
	<b>163,220,596</b>	<b>656,962,899</b>	<b>171,238,181</b>	<b>699,507,969</b>

### (b) By loan classifications

	2024		2023	
	US\$	KHR'000	US\$	KHR'000
	(Note 2.4)		(Note 2.4)	
<b>PERFORMING</b>				
Gross amounts	161,204,452	648,847,919	169,256,499	691,412,798
Allowance for expected credit loss	(546,860)	(2,201,112)	(576,244)	(2,353,957)
<b>UNDER-PERFORMING</b>				
Gross amounts	-	-	-	-
Allowance for expected credit loss	-	-	-	-
<b>NON-PERFORMING</b>				
Gross amounts	2,016,144	8,114,980	1,981,682	8,095,172
Allowance for expected credit loss	(1,341,250)	(5,398,531)	(1,383,129)	(5,650,082)
<b>TOTAL</b>				
<b>Gross amount</b>	<b>163,220,596</b>	<b>656,962,899</b>	<b>171,238,181</b>	<b>699,507,969</b>
<b>Allowance for expected credit loss</b>	<b>(1,888,110)</b>	<b>(7,599,643)</b>	<b>(1,959,373)</b>	<b>(8,004,038)</b>

# NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2024 (continued)

## 8. Loans and advances to customers (continued)

### (c) By maturity

	2024		2023	
	US\$	KHR'000	US\$	KHR'000
	(Note 2.4)		(Note 2.4)	
Within 1 month	17,514,703	70,496,680	28,536,888	116,573,187
>1 to 3 months	-	-	6,107,142	24,947,675
>3 to 6 months	26,789,535	107,827,878	34,735,896	141,896,135
>6 to 12 months	89,122,052	358,716,259	13,648,609	55,754,568
1 to 3 years	29,152,364	117,338,265	82,964,156	338,908,577
3 to 5 years	178,319	717,734	570,046	2,328,638
Over 5 years	463,623	1,866,083	4,675,444	19,099,189
	<b>163,220,596</b>	<b>656,962,899</b>	<b>171,238,181</b>	<b>699,507,969</b>

### (d) By exposure

	2024		2023	
	US\$	KHR'000	US\$	KHR'000
	(Note 2.4)		(Note 2.4)	
Large exposure	40,368,536	162,483,357	132,043,155	539,396,288
Non-large exposure	122,852,060	494,479,542	39,195,026	160,111,681
	<b>163,220,596</b>	<b>656,962,899</b>	<b>171,238,181</b>	<b>699,507,969</b>

### (e) By relationship

	2024		2023	
	US\$	KHR'000	US\$	KHR'000
	(Note 2.4)		(Note 2.4)	
Non-related parties	162,940,571	655,835,798	170,758,900	697,550,106
Staff loans	280,025	1,127,101	479,281	1,957,863
	<b>163,220,596</b>	<b>656,962,899</b>	<b>171,238,181</b>	<b>699,507,969</b>

# NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2024 (continued)

## 8. Loans and advances to customers (continued)

### (f) By residency

	2024		2023	
	US\$	KHR'000	US\$	KHR'000
	(Note 2.4)		(Note 2.4)	
Residents	163,139,408	656,636,117	155,896,175	636,835,875
Non-residents	81,188	326,782	15,342,006	62,672,094
	<b>163,220,596</b>	<b>656,962,899</b>	<b>171,238,181</b>	<b>699,507,969</b>

### (g) By securities

	2024		2023	
	US\$	KHR'000	US\$	KHR'000
	(Note 2.4)		(Note 2.4)	
Secured loan	40,838,382	164,374,488	76,482,486	312,430,955
Unsecured loan	122,382,214	492,588,411	94,755,695	387,077,014
	<b>163,220,596</b>	<b>656,962,899</b>	<b>171,238,181</b>	<b>699,507,969</b>

### (h) By interest annual rates

	2024	2023
<b>COMMERCIAL LOANS:</b>		
Financial institution	8.00%	8.00%
Short term loan	Not applicable	8.20%
Overdrafts	5.75% to 10.50%	8.00% to 10%
Long - term loan	8.00%	8.00% to 10.50%
<b>CONSUMER LOANS:</b>		
Real estate mortgage loan	6.00% to 11.00%	6.00% to 11.00%
Credit card	6.00% to 20.00%	6.00% to 20.00%
Consumers loan (others)	5.75% to 10.95%	6.00% to 10.50%

# NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2024 (continued)

## 9. Other assets

	2024		2023	
	US\$	KHR'000	US\$	KHR'000
		(Note 2.4)		(Note 2.4)
Advance prepayment to shareholder (*)	20,000,000	80,500,000	20,000,000	81,700,000
Guarantee deposits (**)	4,024,176	16,197,308	3,080,193	12,582,588
Prepaid expenses	1,857,973	7,478,341	1,741,263	7,113,059
Inventories	57,534	231,575	60,238	246,072
Others	-	-	36,899	150,733
	<b>25,939,683</b>	<b>104,407,224</b>	<b>24,918,593</b>	<b>101,792,452</b>

(\*) This represents a prepayment to a shareholder for the purchase of land in Sihanoukville Province. As at the date of the issuance of the financial statements, the acquisition process has yet completed. The amounts will be reversed to property and equipment once the acquisition is completed.

(\*\*) These represent secured escrow accounts with Mastercard, required to be maintained by the Bank.



# NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2024 (continued)

## 10. Intangible assets

Software	2024		2023	
	US\$	KHR'000	US\$	KHR'000
				(Note 2.4)
<b>COST</b>				
At 1 January	3,157,588	12,898,747	3,042,791	12,527,171
Additions	193,915	789,428	45,615	187,478
Transfers from property and equipment (Note 11)	-	-	69,182	284,338
Currency translation difference	-	(198,375)	-	(100,240)
<b>At 31 December</b>	<b>3,351,503</b>	<b>13,489,800</b>	<b>3,157,588</b>	<b>12,898,747</b>
<b>LESS: ACCUMULATED AMORTISATION</b>				
At 1 January	2,503,830	10,228,146	1,866,960	7,686,275
Amortisation for the year	611,433	2,489,144	636,870	2,617,536
Currency translation difference	-	(178,356)	-	(75,665)
<b>At 31 December</b>	<b>3,115,263</b>	<b>12,538,934</b>	<b>2,503,830</b>	<b>10,228,146</b>
<b>CARRYING AMOUNTS</b>				
<b>At 31 December</b>	<b>236,240</b>	<b>950,866</b>	<b>653,758</b>	<b>2,670,601</b>

# NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2024 (continued)

## 11. Property and equipment

	Leasehold improvements	Furniture and fixture	Office equipment	Computer and IT equipment	Motor vehicles	Construction in progress	Total	
	US\$	US\$	US\$	US\$	US\$	US\$	US\$	KHR'000
<b>COST</b>								(Note 2.4)
At 1 January 2024	2,037,340	58,321	827,176	2,403,429	529,710	62,258	5,918,234	24,175,986
Additions	1,632	3,867	1,673	100,583	-	744,292	852,047	3,468,683
Currency translation difference	-	-	-	-	-	-	-	(394,288)
<b>At 31 December 2024</b>	<b>2,038,972</b>	<b>62,188</b>	<b>828,849</b>	<b>2,504,012</b>	<b>529,710</b>	<b>806,550</b>	<b>6,770,281</b>	<b>27,250,381</b>
<b>LESS: ACCUMULATED DEPRECIATION</b>								
At 1 January 2024	1,179,992	31,344	535,194	1,916,148	89,604	-	3,752,282	15,328,072
Depreciation for the year	323,271	10,754	119,456	399,594	95,940	-	949,015	3,863,440
Currency translation difference	-	-	-	-	-	-	-	(268,792)
<b>At 31 December 2024</b>	<b>1,503,263</b>	<b>42,098</b>	<b>654,650</b>	<b>2,315,742</b>	<b>185,544</b>	<b>-</b>	<b>4,701,297</b>	<b>18,922,720</b>
<b>CARRYING AMOUNTS</b>								
<b>At 31 December 2024</b>	<b>535,709</b>	<b>20,090</b>	<b>174,199</b>	<b>188,270</b>	<b>344,166</b>	<b>806,550</b>	<b>2,068,984</b>	<b>8,327,661</b>

# NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2024 (continued)

## 11. Property and equipment (continued)

	Leasehold improvements	Furniture and fixture	Office equipment	Computer and IT equipment	Motor vehicles	Construction in progress	Total	
	US\$	US\$	US\$	US\$	US\$	US\$	US\$	KHR'000
							(Note 2.4)	
COST								
At 1 January 2023	1,709,882	42,290	746,624	2,252,023	53,150	220,450	5,024,419	20,685,533
Additions	-	16,031	48,410	134,953	476,560	297,262	973,216	3,999,918
Disposals	-	-	-	(3,355)	-	-	(3,355)	(13,789)
Transfers	327,458	-	32,142	19,808	-	(379,408)	-	-
Transfer to intangible assets	-	-	-	-	-	(69,183)	(69,183)	(284,342)
Reversals	-	-	-	-	-	(6,863)	(6,863)	(28,207)
Currency translation difference	-	-	-	-	-	-	-	(183,127)
At 31 December 2023	2,037,340	58,321	827,176	2,403,429	529,710	62,258	5,918,234	24,175,986
LESS: ACCUMULATED DEPRECIATION								
At 1 January 2023	834,682	21,651	387,153	1,320,223	45,110	-	2,608,819	10,740,508
Depreciation for the year	345,310	9,693	148,041	599,280	44,494	-	1,146,818	4,713,422
Disposals	-	-	-	(3,355)	-	-	(3,355)	(13,789)
Currency translation difference	-	-	-	-	-	-	-	(112,069)
At 31 December 2023	1,179,992	31,344	535,194	1,916,148	89,604	-	3,752,282	15,328,072
CARRYING AMOUNTS								
At 31 December 2023	857,348	26,977	291,982	487,281	440,106	62,258	2,165,952	8,847,914

# NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2024 (continued)

## 12. Right-of-use assets/lease liabilities

### 12.1. Right-of-use assets

The Bank entered into lease contracts for the office premises used for its operations.

Set out below are the carrying amounts of right-of-use assets recognised and the movements during the year:

	2024		2023	
	US\$	KHR'000	US\$	KHR'000
		(Note 2.4)		(Note 2.4)
<b>COST</b>				
At 1 January	9,042,277	36,937,702	4,205,239	17,312,969
Recognition of right-of-use assets	24,786	100,904	4,837,038	19,880,226
Written off	(1,497,079)	(6,094,609)	-	-
Currency translation difference	-	(474,811)	-	(255,493)
<b>At 31 December</b>	<b>7,569,984</b>	<b>30,469,186</b>	<b>9,042,277</b>	<b>36,937,702</b>
<b>LESS: ACCUMULATED DEPRECIATION</b>				
At 1 January	1,663,483	6,795,329	1,076,652	4,432,576
Depreciation for the year	938,890	3,822,221	586,831	2,411,875
Written off	(190,598)	(775,924)	-	-
Currency translation difference	-	(134,231)	-	(49,122)
<b>At 31 December</b>	<b>2,411,775</b>	<b>9,707,395</b>	<b>1,663,483</b>	<b>6,795,329</b>
<b>CARRYING AMOUNTS</b>				
<b>At 31 December</b>	<b>5,158,209</b>	<b>20,761,791</b>	<b>7,378,794</b>	<b>30,142,373</b>

### 12.2. Lease liabilities

(i) Amounts recognised in the statement of financial position:

	2024		2023	
	US\$	KHR'000	US\$	KHR'000
		(Note 2.4)		(Note 2.4)
Current	632,027	2,543,909	598,166	2,443,508
Non-current	5,213,113	20,982,780	7,349,367	30,022,164
	<b>5,845,140</b>	<b>23,526,689</b>	<b>7,947,533</b>	<b>32,465,672</b>



# NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2024 (continued)

## 12. Right-of-use assets/lease liabilities (continued)

### 12.2. Lease liabilities (continued)

(ii) Amounts recognised in the statement of profit or loss

	2024		2023	
	US\$	KHR'000	US\$	KHR'000
		(Note 2.4)		(Note 2.4)
Depreciation of ROU	938,890	3,822,221	586,831	2,411,875
Interest expense	338,789	1,379,210	280,980	1,154,826
Expense relating to short term leases (included in other operating expenses)	56,448	229,800	46,719	192,013
	<b>1,334,127</b>	<b>5,431,231</b>	<b>914,530</b>	<b>3,758,714</b>

(iii) Amounts recognised in the statement of cash flows:

	2024		2023	
	US\$	KHR'000	US\$	KHR'000
		(Note 2.4)		(Note 2.4)
Cash payments for the principal portion of the lease liabilities	770,425	3,136,400	347,203	1,427,004
Cash payments for the interest portion of the lease liabilities	376,592	1,533,106	188,857	776,202
	<b>1,147,017</b>	<b>4,669,506</b>	<b>536,060</b>	<b>2,203,206</b>

## 13. Deposits from other banks

	2024		2023	
	US\$	KHR'000	US\$	KHR'000
		(Note 2.4)		(Note 2.4)
Fixed deposits	5,044,355	20,303,529	9,646,329	39,405,254

# NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2024 (continued)

## 14. Deposits from other banks (continued)

Deposits from other banks are analysed as follows:

### (a) By maturity

	2024		2023	
	US\$	KHR'000	US\$	KHR'000
	(Note 2.4)		(Note 2.4)	
> 1 to 3 months	-	-	9,646,329	39,405,254
> 6 to 12 months	5,044,355	20,303,529	-	-
	<b>5,044,355</b>	<b>20,303,529</b>	<b>9,646,329</b>	<b>39,405,254</b>

### (b) By relationship

	2024		2023	
	US\$	KHR'000	US\$	KHR'000
	(Note 2.4)		(Note 2.4)	
Non-related parties	5,044,355	20,303,529	9,646,329	39,405,254

### (c) By residency status

	2024		2023	
	US\$	KHR'000	US\$	KHR'000
	(Note 2.4)		(Note 2.4)	
Residents	5,044,355	20,303,529	9,646,329	39,405,254

### (d) By interest rate (per annum)

	2024		2023	
Fixed deposits	5.00%-5.50%		2.00%-9.00%	

# NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2024 (continued)

## 15. Deposits from customers

	2024		2023	
	US\$	KHR'000	US\$	KHR'000
	(Note 2.4)		(Note 2.4)	
Savings accounts	24,255,409	97,628,021	74,792,767	305,528,453
Fixed deposits	79,524,339	320,085,464	56,491,683	230,768,525
Demand deposits	188,747,620	759,709,171	294,184,386	1,201,743,217
	<b>292,527,368</b>	<b>1,177,422,656</b>	<b>425,468,836</b>	<b>1,738,040,195</b>

Deposits from customers are analysed as follows:

### (a) By maturity

	2024		2023	
	US\$	KHR'000	US\$	KHR'000
	(Note 2.4)		(Note 2.4)	
Within 1 month	218,530,136	879,583,797	370,405,623	1,513,106,970
> 1 to 3 months	10,397,081	41,848,251	12,544,848	51,245,704
> 3 to 6 months	34,756,585	139,895,255	26,391,051	107,807,443
> 6 to 12 months	25,017,839	100,696,802	15,843,299	64,719,876
More than 12 months	3,825,727	15,398,551	284,015	1,160,202
	<b>292,527,368</b>	<b>1,177,422,656</b>	<b>425,468,836</b>	<b>1,738,040,195</b>

### (b) By residency status

	2024		2023	
	US\$	KHR'000	US\$	KHR'000
	(Note 2.4)		(Note 2.4)	
Residents	196,728,032	791,830,329	367,859,018	1,502,704,089
Non-residents	95,799,336	385,592,327	57,609,818	235,336,106
	<b>292,527,368</b>	<b>1,177,422,656</b>	<b>425,468,836</b>	<b>1,738,040,195</b>

# NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2024 (continued)

## 14. Deposits from customers (continued)

### (c) By relationship

	2024		2023	
	US\$	KHR'000	US\$	KHR'000
	(Note 2.4)		(Note 2.4)	
Non-related parties	168,847,141	679,609,743	201,592,830	823,506,711
Related parties	123,680,227	497,812,913	223,876,006	914,533,484
	<b>292,527,368</b>	<b>1,177,422,656</b>	<b>425,468,836</b>	<b>1,738,040,195</b>

### (d) By annual interest rates

	2024		2023	
Saving accounts	0.50%		0.50%	
Fixed deposits	2.00%-7.00%		2.00%-9.00%	
Demand deposits	Up to 1.00%		Up to 1.00%	

## 15. Other liabilities

	2024		2023	
	US\$	KHR'000	US\$	KHR'000
	(Note 2.4)		(Note 2.4)	
Accruals and other payables	431,129	1,735,294	349,045	1,425,849
Impairment loss allowance on off-balance sheet items	9,789	39,401	40,546	165,630
Other tax payables	284,609	1,145,550	200,991	821,048
	<b>725,527</b>	<b>2,920,245</b>	<b>590,582</b>	<b>2,412,527</b>



# NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2024 (continued)

## 16. Income tax

### 16.1. Applicable tax rates

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

In accordance with Prakas No. 638 dated 4 July 2017, an entity is eligible to be exempted from payment of minimum tax only if it meets the criteria as stipulated in the Prakas. The General Department of Taxation has issued certificate of tax compliance type "Gold" for the years 2023 and 2024 to the Bank on 12 October 2023. On 18 December 2024 the General Department of Taxation has issued certificate of tax compliance type "Gold" for the years 2025 and 2026.

### 16.2. Deferred tax assets – net

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred taxes relate to the same tax authority.

The following amounts, determined after appropriate offsetting, are shown in the statement of financial position:

	2024		2023	
	US\$	KHR'000	US\$	KHR'000
		(Note 2.4)		(Note 2.4)
Deferred tax assets	1,699,290	6,839,643	2,101,297	8,583,798
Deferred tax liabilities	(1,094,357)	(4,404,788)	(1,513,230)	(6,181,544)
	<b>604,933</b>	<b>2,434,855</b>	<b>588,067</b>	<b>2,402,254</b>

(i) Deferred tax assets, net were attributable to the following:

	2024		2023	
	US\$	KHR'000	US\$	KHR'000
		(Note 2.4)		(Note 2.4)
Lease liabilities	1,169,028	4,705,338	1,589,507	6,493,136
Depreciation and amortisation	432,523	1,740,905	300,219	1,226,395
Unearned income	46,781	188,294	78,910	322,347
Provision for employee benefits	29,442	118,504	22,841	93,305
Allowance for impairment losses	21,516	86,602	109,820	448,615
Right-of-use assets	(1,031,642)	(4,152,359)	(1,475,630)	(6,027,949)
Unrealised exchange gains	(62,715)	(252,429)	(37,600)	(153,595)
	<b>604,933</b>	<b>2,434,855</b>	<b>588,067</b>	<b>2,402,254</b>

# NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2024 (continued)

## 16. Income tax (continued)

### 16.2. Deferred tax assets – net (continued)

(ii) Movements of deferred tax assets, net during the year were as follows:

	2024		2023	
	US\$	KHR'000	US\$	KHR'000
		(Note 2.4)		(Note 2.4)
At 1 January	588,067	2,402,254	97,526	401,516
Recognised in profit or loss	16,866	68,661	490,541	2,016,125
Currency translation difference	-	(36,060)	-	(15,387)
<b>At 31 December</b>	<b>604,933</b>	<b>2,434,855</b>	<b>588,067</b>	<b>2,402,254</b>

### 16.3. Current income tax liability

	2024		2023	
	US\$	KHR'000	US\$	KHR'000
		(Note 2.4)		(Note 2.4)
At 1 January	481,656	1,967,565	38,756	159,559
Recognised in profit or loss	998,303	4,064,091	618,105	2,540,413
Income tax paid	(658,390)	(2,680,306)	(175,205)	(720,093)
Currency translation difference	-	(44,535)	-	(12,314)
<b>At 31 December</b>	<b>821,569</b>	<b>3,306,815</b>	<b>481,656</b>	<b>1,967,565</b>

### 16.4. Income tax expense

	2024		2023	
	US\$	KHR'000	US\$	KHR'000
		(Note 2.4)		(Note 2.4)
Current income tax	998,303	4,064,091	618,105	2,540,413
Deferred tax	(16,866)	(68,661)	(490,541)	(2,016,125)
	<b>981,437</b>	<b>3,995,430</b>	<b>127,564</b>	<b>524,288</b>

# NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2024 (continued)

## 16. Income tax (continued)

### 16.4. Income tax expense (continued)

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

	2024		2023	
	US\$	KHR'000	US\$	KHR'000
		(Note 2.4)		(Note 2.4)
<b>Profit before income tax</b>	<b>4,933,821</b>	<b>20,085,585</b>	<b>1,240,242</b>	<b>5,097,395</b>
Income tax using income tax rate at 20%	986,764	4,017,116	248,048	1,019,477
<b>Tax effects in respect of</b>				
Non-deductible expenses	50,020	203,631	34,861	143,279
Under record deferred tax from prior year	(47,599)	(193,776)	(180,177)	(740,527)
Others	(7,748)	(31,541)	24,832	102,059
<b>Income tax expense</b>	<b>981,437</b>	<b>3,995,430</b>	<b>127,564</b>	<b>524,288</b>

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

## 17. Share capital

	2024		2023	
	US\$	KHR'000	US\$	KHR'000
		(Note 2.4)		(Note 2.4)
<b>REGISTERED</b>				
Ordinary shares of US\$1 each	125,000,000	500,000,000	75,000,000	300,000,000
<b>ISSUED AND PAID-UP</b>				
Ordinary shares of US\$1 each	125,000,000	500,000,000	75,000,000	300,000,000

# NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2024 (continued)

## 17. Share capital (continued)

The shareholding structure and shareholders are as follows:

	2024			2023		
	% of Ownership	Number of shares	Amount US\$	% of Ownership	Number of shares	Amount US\$
Apsara Holdings Pte. Ltd.	99%	123,750,000	123,750,000	99%	74,250,000	74,250,000
Mr. Yim Leak	1%	1,250,000	1,250,000	1%	750,000	750,000
	<b>100%</b>	<b>125,000,000</b>	<b>125,000,000</b>	<b>100%</b>	<b>75,000,000</b>	<b>75,000,000</b>

21 February 2024, the shareholders have signed a shareholder resolution to increase the capital by US\$50,000,000.

On 2 August 2024, the NBC granted approval for the aforementioned changes. On 9 October 2024, the Ministry of Commerce has approved on the revised Memorandum and Articles of Association ("MAA") regarding the above changes.

## 18. Regulatory reserves

The movements in regulatory reserves are as follows:

	2024		2023	
	US\$	KHR'000	US\$	KHR'000
		(Note 2.4)		(Note 2.4)
At 1 January	1,510,200	6,136,881	1,807,374	7,358,266
Transfers from/(to) retained earnings	108,730	442,640	(297,174)	(1,221,385)
<b>At 31 December</b>	<b>1,618,930</b>	<b>6,579,521</b>	<b>1,510,200</b>	<b>6,136,881</b>

## 19. Interest income

	2024		2023	
	US\$	KHR'000	US\$	KHR'000
		(Note 2.4)		(Note 2.4)
Loans and advances to customers	14,312,958	58,268,052	9,426,544	38,743,096
Placements with other banks	1,624,399	6,612,928	2,248,272	9,240,398
Statutory deposits	122,559	498,938	94,544	388,575
Other investments	-	-	1,439,860	5,917,825
	<b>16,059,916</b>	<b>65,379,918</b>	<b>13,209,220</b>	<b>54,289,894</b>



# NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2024 (continued)

## 20. Interest expense

	2024		2023	
	US\$	KHR'000	US\$	KHR'000
	(Note 2.4)		(Note 2.4)	
Fixed and demand deposits	4,032,232	16,415,216	5,767,875	23,705,966
Saving deposits	254,430	1,035,785	244,182	1,003,588
Lease liabilities	338,789	1,379,210	280,980	1,154,828
	<b>4,625,451</b>	<b>18,830,211</b>	<b>6,293,037</b>	<b>25,864,382</b>

## 21. Fees and commission income

	2024		2023	
	US\$	KHR'000	US\$	KHR'000
	(Note 2.4)		(Note 2.4)	
Inward and outward remittance	2,359,624	9,606,029	577,172	2,372,177
Other fees	290,478	1,182,536	348,824	1,433,667
	<b>2,650,102</b>	<b>10,788,565</b>	<b>925,996</b>	<b>3,805,844</b>

## 22. Personnel expenses

	2024		2023	
	US\$	KHR'000	US\$	KHR'000
	(Note 2.4)		(Note 2.4)	
Salary and wages	3,830,013	15,591,983	3,245,831	13,340,365
Bonuses	282,093	1,148,401	-	-
Fringe benefits	2,427	9,880	6,502	26,723
Other benefits	22,280	90,702	21,675	89,085
	<b>4,136,813</b>	<b>16,840,966</b>	<b>3,274,008</b>	<b>13,456,173</b>

# NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2024 (continued)

## 23. Depreciation and amortisation

	2024		2023	
	US\$	KHR'000	US\$	KHR'000
		(Note 2.4)		(Note 2.4)
Depreciation (Note 11)	949,015	3,863,440	1,146,818	4,713,422
Amortisation (Note 10)	611,433	2,489,144	636,870	2,617,536
Depreciation of right-of-use assets (Note 12)	938,890	3,822,221	586,831	2,411,875
	<b>2,499,338</b>	<b>10,174,805</b>	<b>2,370,519</b>	<b>9,742,833</b>

## 24. Other operating expenses

	2024		2023	
	US\$	KHR'000	US\$	KHR'000
		(Note 2.4)		(Note 2.4)
Repairs and maintenance	1,174,002	4,779,362	719,782	2,958,304
Public relations, marketing and advertising	837,539	3,409,621	356,493	1,465,186
License fees	426,047	1,734,437	428,019	1,759,158
Other tax expense	332,942	1,355,407	229,174	941,905
Legal and professional fees	170,007	692,098	175,241	720,241
Communications	108,262	440,735	54,281	223,095
Utilities	107,020	435,678	96,387	396,151
Foreign exchange gain/(loss)-net	90,052	366,602	204,104	838,867
Security	84,542	344,170	63,245	259,937
Insurance	76,640	312,001	45,645	187,601
Office rental	56,448	229,800	46,719	192,015
Credit investigation fees	50,416	205,244	47,844	196,639
Accommodation	46,308	188,520	18,987	78,037
Travelling and entertainment	45,072	183,488	33,373	137,163
Fines and penalty	27,765	113,031	-	-
Stamps and postage	25,589	104,173	13,846	56,907
Audit remuneration	22,160	90,213	24,869	102,212
Office supplies	18,610	75,761	46,699	191,933
Dues and membership	14,215	57,869	7,028	28,885
Miscellaneous	187,077	761,593	152,899	628,414
	<b>3,900,713</b>	<b>15,879,803</b>	<b>2,764,635</b>	<b>11,362,650</b>

# NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2024 (continued)

## 25. Commitments and contingencies

### 25.1. Contingent liabilities and commitments

In the normal course of business, the Bank makes various commitments and incurs certain contingencies with legal recourse to its customers. No material losses are anticipated from these transactions, which consist of:

	2024		2023	
	US\$	KHR'000	US\$	KHR'000
		(Note 2.4)		(Note 2.4)
<b>Unused portion of credit facilities</b>	<b>7,083,454</b>	<b>28,510,902</b>	<b>13,398,601</b>	<b>54,733,285</b>

The movements of impairment losses allowance for off-balance sheet are analysed as follows:

	2024		2023	
	US\$	KHR'000	US\$	KHR'000
		(Note 2.4)		(Note 2.4)
At 1 January	40,546	165,630	10,660	43,887
(Reversal)/Addition for the year	(30,757)	(125,212)	29,886	122,832
Currency translation difference	-	(1,017)	-	(1,089)
<b>At 31 December</b>	<b>9,789</b>	<b>39,401</b>	<b>40,546</b>	<b>165,630</b>

### 25.2. Taxation contingencies

On 12 September 2023, the GDT issued a notice of tax reassessment ("NTR") for the desk tax audit for the period from 1 July 2023 to 31 July 2023. On 17 October 2023, management submitted a protest letter to the GDT to reassess the penalty amounts.

On 15 December 2023, the GDT issued a NTR response to the Bank's protest letter with the revised imposed tax amounts of US\$370,931 (equivalent to KHR1,524,527,203). On 19 January 2024, management submitted a second protest letter to the GDT to reassess the penalty amounts.

At the date of this report, there has not been any official response from the tax reassessment letter as mentioned above, and management have assessed that all the tax assessments are remote and less likely to give rise to any significant loss to the Bank in the future.

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

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

# NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2024 (continued)

## 26. Balances and transactions with related parties

### 26.1. Balances with related parties

Related party	Relationship	Account balance	2024		2023	
			US\$	KHR'000	US\$	KHR'000
			(Note 2.4)		(Note 2.4)	
Related party	Shareholder and affiliate	Deposits from customers	95,799,336	385,592,327	57,609,819	235,336,110
Related party	Affiliate	Amount due from related party	220,562	887,762	429,674	1,755,218
Mr. Yim Leak	Shareholder	Prepayment to shareholder	20,000,000	80,500,000	20,000,000	81,700,000

### 26.2. Transactions with related parties

The total remuneration of directors and other members of key management in 2024 (including salaries and benefits) was US\$1,357,250 (2023: US\$883,792).

## 27. Financial risk management

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

- ♦ Credit risk;
- ♦ Market risk
- ♦ Liquidity risk; and
- ♦ Operational 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.

### RISK MANAGEMENT FRAMEWORK

The Bank's Board of Directors has overall responsibility for the establishment and oversight of the Bank's risk management framework.

The Bank's risk management policies are established to identify and analyse the risks faced by the Bank, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems

are reviewed regularly to reflect changes in market conditions and the Bank's activities. The Bank, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

#### (a) Credit risk

Credit risk is the risk of financial loss to the Bank if a counterparty to financial instruments fails to perform as contracted. It is the Bank's policy to monitor the financial standing of these counterparties on an ongoing basis to ensure that the Bank is exposed to minimal credit risk.

The Bank's primarily exposure to credit risk arises through its loans and advances to customers and other banks, and investment debt securities. The Bank seeks to maintain strict control over its outstanding receivables to minimize credit risk. Overdue balances are reviewed regularly by management.

The carrying amount of financial assets represents the maximum credit exposure.

Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis.

# NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2024 (continued)

## 27. Financial risk management (continued)

### (a) Credit risk (continued)

#### MANAGEMENT OF CREDIT RISK

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

- ♦ Formulating credit policies in consultation with business units, covering collateral requirements, credit assessment, risk grading and reporting, documentary and legal procedures, and compliance with regulatory and statutory requirements.
- ♦ Establishing the authorisation structure for the approval and renewal of credit facilities. Authorisation limits are allocated to business unit Credit Officers. Larger facilities require approval by Bank Credit, the Head of Bank Credit, the Bank Credit Committee or the Board of Directors, as appropriate.
- ♦ Reviewing and assessing credit risk: Bank assesses all credit exposures in excess of designated limits, before facilities are committed to customers by the business unit concerned. Renewals and reviews of facilities are subject to the same review process.
- ♦ Limiting concentrations of exposure to counterparties, geographies and industries (for loans and advances, financial guarantees and similar exposures), and by issuer, credit rating band, market liquidity and country (for investment securities).
- ♦ Developing and maintaining the Bank's risk gradings to categorise exposures according to the degree of risk of default. The current risk grading framework consists of 5 grades reflecting varying degrees of risk of default. The responsibility for setting risk grades lies with the final approving executive or committee, as appropriate. Risk grades are subject to regular reviews by Bank Risk.
- ♦ Developing and maintaining the Bank's processes for measuring ECL: this includes processes for:
  - Initial approval, regular validation and back testing of the models used; and
  - Determining and monitoring any significant increase in credit risk; and the incorporation of forward-looking information.

- ♦ Reviewing compliance of business units with agreed exposure limits, including those for selected industries, country risk and product types. Regular reports on the credit quality of local portfolios are provided to Bank Credit, which may require appropriate corrective action to be taken. These include reports containing estimates of ECL allowances.
- ♦ Providing advice, guidance and specialist skills to business units to promote best practice throughout the Bank in the management of credit risk.

Each business unit is required to implement Bank credit policies and procedures, with credit approval authorities delegated from the Bank Credit Committee. Each business unit has a Head of Credit who reports on all credit related matters to local management and the Bank Credit Committee. Each business unit is responsible for the quality and performance of its credit portfolio and for monitoring and controlling all credit risks in its portfolios, including those subjects to central approval.

Regular audits of business units and Bank Credit processes are undertaken by Internal Audit.

#### CONCENTRATION OF RISK

The following table presents the Bank's maximum exposure to credit risk for on-balance sheet and off-balance sheet financial instruments, without taking account of any collateral held or other credit enhancements. For on-balance sheet assets, the exposure to credit risk equals their carrying amount. For contingent liabilities, the maximum exposure to credit risk is the maximum amount that the Bank would have to pay if the obligations of the instruments issued are called upon. For credit commitments, the maximum exposure to credit risk is the full amount of the undrawn credit facilities granted to customers.



# NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2024 (continued)

## 27. Financial risk management (continued)

### (a) Credit risk (continued)

#### CONCENTRATION OF RISK (CONTINUED)

Type of credit exposure

	Maximum credit exposure		Fully subject to collateral/credit enhancement	Partially subject to collateral/credit enhancement	Unsecured and not subject to collateral/credit enhancement
	US\$	KHR'000	%	%	%
<b>2024</b>	(Note 2.4)				
<b>On statement of financial position items</b>					
Cash and bank balances – gross	208,125,093	837,703,499	-	-	100%
Statutory deposits	32,803,857	132,035,524	-	-	100%
Loans and advances to customers – gross	163,220,596	656,962,899	25%	-	75%
Guarantee deposit	4,024,176	16,197,308	-	-	100%
<b>Total</b>	<b>408,173,722</b>	<b>1,642,899,230</b>	<b>10%</b>	<b>-</b>	<b>90%</b>
<b>Off-statement of financial position items</b>					
Contingent liabilities	7,083,454	28,510,902	61%	-	39%
<b>Total</b>	<b>7,083,454</b>	<b>28,510,902</b>	<b>61%</b>	<b>-</b>	<b>39%</b>

# NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2024 (continued)

## 27. Financial risk management (continued)

### (a) Credit risk (continued)

#### CONCENTRATION OF RISK (CONTINUED)

Type of credit exposure (continued)

	Maximum credit exposure		Fully subject to collateral/credit enhancement	Partially subject to collateral/credit enhancement	Unsecured and not subject to collateral/credit enhancement
	US\$	KHR'000	%	%	%
<b>2023</b>	(Note 2.4)				
<b>On statement of financial position items</b>					
Cash and bank balances – gross	259,699,343	1,060,871,816	-	-	100%
Placements with other banks-gross	20,034,520	81,841,014	-	-	100%
Statutory deposits	36,871,218	150,618,926	-	-	100%
Loans and advances to customers – gross	171,238,181	699,507,969	45%	-	55%
Guarantee deposit	3,080,193	12,582,588	-	-	100%
<b>Total</b>	<b>490,923,455</b>	<b>2,005,422,313</b>	<b>16%</b>	<b>-</b>	<b>84%</b>
<b>Off-statement of financial position items</b>					
Contingent liabilities	13,398,601	54,733,285	45%	-	55%
<b>Total</b>	<b>13,398,601</b>	<b>54,733,285</b>	<b>45%</b>	<b>-</b>	<b>55%</b>

# NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2024 (continued)

## 27. Financial risk management (continued)

### (a) Credit risk (continued)

#### CONCENTRATION OF RISK (CONTINUED)

Concentration risk by industrial sectors

	Cash and bank balances	Placements with other banks- gross	Loans and advances to customers- gross	Other investment- gross	Statutory deposits	Guarantee deposit	Total	
	US\$	US\$	US\$	US\$	US\$	US\$	US\$	KHR'000
								(Note 2.4)
<b>2024</b>								
Information media and telecommunications	-	-	-	-	-	-	-	-
Real estates	-	-	83,456,581	-	-	-	83,456,581	340,920,133
Construction	-	-	38,841,237	-	-	-	38,841,237	158,666,453
Financial institutions	208,125,093	-	1,122,821	-	-	-	209,247,914	854,777,729
Staff loans	-	-	186,120	-	-	-	186,120	760,300
Others	-	-	39,613,837	-	32,803,857	4,024,176	76,441,870	312,265,040
<b>Total</b>	<b>208,125,093</b>	<b>-</b>	<b>163,220,596</b>	<b>-</b>	<b>32,803,857</b>	<b>4,024,176</b>	<b>408,173,722</b>	<b>1,667,389,655</b>
<b>2023</b>								
Information media and telecommunications	-	-	13,107,414	-	-	-	13,107,414	53,543,786
Real estate	-	-	65,552,876	-	-	-	65,552,876	267,783,498
Construction	-	-	2,143,604	-	-	-	2,143,604	8,756,622
Financial institutions	259,699,343	20,034,520	-	-	-	-	279,733,863	1,142,712,830
Staff loans	-	-	504,740	-	-	-	504,740	2,061,863
Others	-	-	89,929,547	-	36,871,218	3,080,193	129,880,958	530,563,714
<b>Total</b>	<b>259,699,343</b>	<b>20,034,520</b>	<b>171,238,181</b>	<b>-</b>	<b>36,871,218</b>	<b>3,080,193</b>	<b>490,923,455</b>	<b>2,005,422,313</b>

# NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2024 (continued)

## 27. Financial risk management (continued)

### (a) Credit risk (continued)

#### CONCENTRATION OF RISK (CONTINUED)

Concentration risk by residency and relationship, large-exposures for gross loans and advances to customers and concession

	2024		2023	
	US\$	KHR'000	US\$	KHR'000
	(Note 2.4)		(Note 2.4)	
<b>BY RESIDENCY STATUS</b>				
Residents	163,139,408	656,636,117	155,896,175	636,835,875
Non-residents	81,188	326,782	15,342,006	62,672,094
	<b>163,220,596</b>	<b>656,962,899</b>	<b>171,238,181</b>	<b>699,507,969</b>
<b>BY RELATIONSHIP</b>				
External customers	162,940,571	655,835,798	170,758,900	697,550,106
Staff loans	280,025	1,127,101	479,281	1,957,863
	<b>163,220,596</b>	<b>656,962,899</b>	<b>171,238,181</b>	<b>699,507,969</b>
<b>BY EXPOSURES</b>				
Large exposures (*)	40,368,536	162,483,357	132,043,155	539,396,288
Non-large exposures	122,852,060	494,479,542	39,195,026	160,111,681
	<b>163,220,596</b>	<b>656,962,899</b>	<b>171,238,181</b>	<b>699,507,969</b>
<b>BY CONCESSION</b>				
Restructured (**)	14,592,107	58,733,231	14,592,107	59,608,757
Non-restructured	148,628,489	598,229,668	156,646,074	639,899,212
	<b>163,220,596</b>	<b>656,962,899</b>	<b>171,238,181</b>	<b>699,507,969</b>

(\*) 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.

(\*\*) A "restructured loan" is a loan for which original contractual terms have been modified to provide concessions to borrowers due to genuine temporary financial difficulties.

#### 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.

# NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2024 (continued)

## 27. Financial risk management (continued)

### (a) Credit risk (continued)

#### CONCENTRATION OF RISK (CONTINUED)

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

Cash, placements with other banks and other investment

Collateral is generally not sought for these assets.

Loans and advances to customers, contingent liabilities and commitments

Certain loans and advances to customers, 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 summaries the Bank's security coverage of its financial assets:

	Collateral/credit enhancement				Unsecured credit exposure	Total	
	Properties	Floating assets	Fixed deposits	Others			
	US\$	US\$	US\$	US\$	US\$	US\$	KHR'000
<b>2024</b>							(Note 2.4)
Loan and advances to customers – gross	40,838,382	-	-	-	122,382,214	163,220,596	656,962,899
Contingent liabilities	-	-	-	-	-	-	-
Commitments	4,342,124	-	-	-	2,741,330	7,083,454	28,510,902
	<b>45,180,506</b>	-	-	-	<b>125,123,544</b>	<b>170,304,050</b>	<b>685,473,801</b>
<b>2023</b>							
Loan and advances to customers – gross	76,482,486	-	-	-	94,755,695	171,238,181	699,507,969
Contingent liabilities	-	-	-	-	-	-	-
Commitments	5,989,022	-	-	-	7,409,579	13,398,601	54,733,285
	<b>82,471,508</b>	-	-	-	<b>102,165,274</b>	<b>184,636,782</b>	<b>754,241,254</b>



# NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2024 (continued)

## 27. Financial risk management (continued)

### (a) Credit risk (continued)

#### EXPECTED CREDIT LOSS (“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	Under-performing	Non-performing
Recognition of ECL	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 ECL	On gross carrying amount	On gross carrying amount	On net carrying amount

The Bank measures ECL using a general approach. The general approach consists of segregating the customers into three different stages according to the staging criteria by assessing the related credit risks. A 12-month ECL calculated for Stage 1, while lifetime ECL will be calculated for Stage 2 and Stage 3. At each reporting date, the Bank will assess credit risk for each account in comparison to the risk level at the origination dates.

Long-term facilities (more than one year):

Stage	Credit Risk Status	Grades	DPD	Default Indicator
1	No significant increase in credit risk	Normal	$0 \leq \text{DPD} < 30$	Performing
2	Credit risk increased significantly	Special Mention	$30 \leq \text{DPD} < 90$	Underperforming
3	Credit impaired assets	Substandard	$90 \leq \text{DPD} < 180$	Nonperforming
		Doubtful	$180 \leq \text{DPD} < 360$	
		Loss	$\text{DPD} \geq 360$	

Short-term facilities (one year or less):

Stage	Credit Risk Status	Grades	DPD	Default Indicator
1	No significant increase in credit risk	Normal	$0 \leq \text{DPD} < 14$	Performing
2	Credit risk increased significantly	Special Mention	$15 \leq \text{DPD} < 30$	Underperforming
3	Credit impaired assets	Substandard	$31 \leq \text{DPD} < 60$	Nonperforming
		Doubtful	$61 \leq \text{DPD} < 90$	
		Loss	$\text{DPD} \geq 91$	

# NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2024 (continued)

## 27. Financial risk management (continued)

### (a) Credit risk (continued)

#### EXPECTED CREDIT LOSS (“ECL”) (CONTINUED)

Pursuant to the NBC guideline Prakas B7-017-344, it has defined each credit grading according to its credit quality. The Bank use the days past due (“DPD”) information and the NBC’s classification for staging criteria.

As for financial assets that are short term in nature, a simplified approach will be adopted where no staging criteria is required. In this case, the financial asset will be classified as Performing (Stage 1) or Non-performing (Stage 3).

The table below summarises the credit quality of the Bank’s gross loans and advances to customers according to the above classifications.

	2024				
	Stage 1	Stage 2	Stage 3	Total	
	US\$	US\$	US\$	US\$	KHR’000
					(Note 2.4)
<b>LOANS AND ADVANCES TO CUSTOMERS AT AMORTISED COST</b>					
Normal	161,204,452	-	-	161,204,452	648,847,919
Special mentioned	-	-	-	-	-
Sub-standard	-	-	-	-	-
Doubtful	-	-	-	-	-
Loss	-	-	2,016,144	2,016,144	8,114,980
	<b>161,204,452</b>	<b>-</b>	<b>2,016,144</b>	<b>163,220,596</b>	<b>656,962,899</b>
Impairment allowance	(546,860)	-	(1,341,250)	(1,888,110)	(7,599,643)
<b>Carrying amounts</b>	<b>160,657,592</b>	<b>-</b>	<b>674,894</b>	<b>161,332,486</b>	<b>649,363,256</b>

# NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2024 (continued)

## 27. Financial risk management (continued)

### (a) Credit risk (continued)

#### EXPECTED CREDIT LOSS (“ECL”) (CONTINUED)

	2023				
	Stage 1	Stage 2	Stage 3	Total	
	US\$	US\$	US\$	US\$	KHR'000
					(Note 2.4)
<b>LOANS AND ADVANCES TO CUSTOMERS AT AMORTISED COST</b>					
Normal	169,256,499	-	-	169,256,499	691,412,798
Special mentioned	-	-	-	-	-
Sub-standard	-	-	-	-	-
Doubtful	-	-	-	-	-
Loss	-	-	1,981,682	1,981,682	8,095,171
	<b>169,256,499</b>	<b>-</b>	<b>1,981,682</b>	<b>171,238,181</b>	<b>699,507,969</b>
Impairment allowance	(576,244)	-	(1,383,129)	(1,959,373)	(8,004,038)
<b>Carrying amount</b>	<b>168,680,255</b>	<b>-</b>	<b>598,553</b>	<b>169,278,808</b>	<b>691,503,931</b>

#### 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 World Bank and the International Monetary Fund, and selected private-sector and academic forecasters.

The Bank has identified and documented the 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.

In the absence of historical data with some loans and advances still in the restructuring stage due to the impact of COVID-19, the Bank has determined that the economic outlook for the upcoming years is highly affected by the pandemic and therefore sets forth new set of economic (and loss) scenarios and applies management overlay where necessary, consistent with prior year.

The Bank has revised its economic forecasts used as an input into ECL as at 31 December 2023.

For the purpose of ECL computation, to reflect the current climate, the Bank has taken into account the stressed economic scenarios during the COVID-19 pandemic by revisiting its probability weighting outcome (PWO) to generate the upper, neutral and lower bound of ECL. The Bank's Management has applied scenario probability weights across the three scenarios to determine the expected ECL as at 31 December 2024.

# NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2024 (continued)

## 27. Financial risk management (continued)

### (a) Credit risk (continued)

#### EXPECTED CREDIT LOSS (“ECL”) (CONTINUED)

Impairment loss allowance

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

	2024				
	Stage 1	Stage 2	Stage 3	Total	
	US\$	US\$	US\$	US\$	KHR'000
					(Note 2.4)
<b>LOANS AND ADVANCES TO CUSTOMERS AT AMORTISED COST</b>					
At 1 January	576,244	-	1,383,129	1,959,373	8,004,038
New financial assets originated	(29,384)	-	(41,879)	(71,263)	(290,112)
Currency translation difference	-	-	-	-	(114,283)
<b>At 31 December</b>	<b>546,860</b>	<b>-</b>	<b>1,341,250</b>	<b>1,888,110</b>	<b>7,599,643</b>

	2023				
	Stage 1	Stage 2	Stage 3	Total	
	US\$	US\$	US\$	US\$	KHR'000
					(Note 2.4)
<b>LOANS AND ADVANCES TO CUSTOMERS AT AMORTISED COST</b>					
At 1 January	1,312,794	-	1,027,375	2,340,169	9,634,475
New financial assets originated	(736,550)	-	355,754	(380,796)	(1,565,072)
Currency translation difference	-	-	-	-	(65,365)
<b>At 31 December</b>	<b>576,244</b>	<b>-</b>	<b>1,383,129</b>	<b>1,959,373</b>	<b>8,004,038</b>

# NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2024 (continued)

## 27. Financial risk management (continued)

### (b) Market risk

Market risk is the risk that changes in market prices – for example, 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.

#### Interest rate risk

Interest rate risk refers to the volatility in net interest income as a result of changes in the level of interest rates 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 the 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 interest-bearing financial instruments reprice or mature, whichever is earlier.

2024	Up to 1 month	> 1-3 months	> 3-6 months	> 6-12 months	> 1 to 5 years	Over 5 years	Non-interest bearing	Total		Interest rate
	US\$	US\$	US\$	US\$	US\$	US\$	US\$	US\$	KHR'000	%
								(Note 2.4)		
FINANCIAL ASSETS										
Cash and bank balances – gross	-	-	-	-	-	-	208,125,093	208,125,093	837,703,499	1% to 1.33%
Statutory deposits	-	-	-	-	-	12,500,000	20,303,857	32,803,857	132,035,524	Nil
Deposits and placements with other bank – gross	-	-	-	-	-	-	-	-	-	Nil
Loans and advances to customers - gross	17,514,703	-	26,789,535	89,122,052	29,330,683	463,623	-	163,220,596	656,962,899	5.75% to 20%
Guarantee deposit	-	-	-	-	-	-	4,024,176	4,024,176	16,197,308	Nil
	17,514,703	-	26,789,535	89,122,052	29,330,683	12,963,623	232,453,126	408,173,722	1,642,899,230	
FINANCIAL LIABILITIES										
Deposits from customers	29,782,516	10,397,081	34,756,585	25,017,839	3,825,727	-	188,747,620	292,527,368	1,177,422,656	0.5% to 7%
Deposits from banks	-	-	-	5,044,355	-	-	-	5,044,355	20,303,529	5%-5.5%
Lease liabilities	-	-	-	632,027	5,213,113	-	-	5,845,140	23,526,689	6%
Other liabilities (*)	-	-	-	-	-	-	440,918	440,918	1,774,695	Nil
	29,782,516	10,397,081	34,756,585	30,694,221	9,038,840	-	189,188,538	303,857,781	1,223,027,569	
Interest sensitivity gap										
	(12,267,813)	(10,397,081)	(7,967,050)	58,427,831	20,291,843	12,963,623	43,264,588	104,315,941	419,871,661	

(\*) Excludes payables to tax authority and prepayments.



# NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2024 (continued)

## 27. Financial risk management (continued)

### (b) Market risk (continued)

#### Interest rate risk (continued)

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

2023	Up to 1 month	> 1-3 months	> 3-6 months	> 6-12 months	> 1 to 5 years	Over 5 years	Non-interest bearing	Total		Interest rate
	US\$	US\$	US\$	US\$	US\$	US\$	US\$	US\$	KHR'000	%
								(Note 2.4)		
<b>FINANCIAL ASSETS</b>										
Cash and bank balances – gross	-	-	-	-	-	-	259,699,343	259,699,343	1,060,871,816	1.5% - 6%
Statutory deposits	-	-	-	-	-	7,500,000	29,371,218	36,871,218	150,618,926	0% - 0.04%
Deposits and placements with other bank – gross	-	-	-	20,034,520	-	-	-	20,034,520	81,841,014	7%
Loans and advances to customers - gross	28,536,888	6,107,142	34,735,896	13,648,609	83,534,202	4,675,444	-	171,238,181	699,507,969	6% - 20%
Guarantee deposit	-	-	-	-	-	-	3,080,193	3,080,193	12,582,588	Nil
	<b>28,536,888</b>	<b>6,107,142</b>	<b>34,735,896</b>	<b>33,683,129</b>	<b>83,534,202</b>	<b>12,175,444</b>	<b>292,150,754</b>	<b>490,923,455</b>	<b>2,005,422,313</b>	
<b>FINANCIAL LIABILITIES</b>										
Deposits from customers	76,221,237	12,544,848	26,391,051	15,843,299	284,015	-	294,184,386	425,468,836	1,738,040,195	0.5% - 9%
Deposits from banks	-	9,646,329	-	-	-	-	-	9,646,329	39,405,254	0.5% - 9%
Lease liabilities	-	-	-	598,166	7,349,367	-	-	7,947,533	32,465,672	6%
Other liabilities (*)	-	-	-	-	-	-	389,591	389,591	1,591,479	Nil
	<b>76,221,237</b>	<b>22,191,177</b>	<b>26,391,051</b>	<b>16,441,465</b>	<b>7,633,382</b>	<b>-</b>	<b>294,573,977</b>	<b>443,452,289</b>	<b>1,811,502,600</b>	
<b>Interest sensitivity gap</b>	<b>(47,684,349)</b>	<b>(16,084,035)</b>	<b>8,344,845</b>	<b>17,241,664</b>	<b>75,900,820</b>	<b>12,175,444</b>	<b>(2,423,223)</b>	<b>47,471,166</b>	<b>193,919,713</b>	

(\*) Excludes payables to tax authority and prepayments.

# NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2024 (continued)

## 27. Financial risk management (continued)

### (b) Market risk (continued)

#### 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:

2024	Denomination US\$ equivalents			Total	
	KHR	US\$	Others	US\$	KHR'000
					(Note 2.4)
<b>FINANCIAL ASSETS</b>					
Cash and bank balances - gross	3,338,943	204,725,845	60,305	208,125,093	837,703,499
Deposits and placements with other bank – gross	-	-	-	-	-
Statutory deposits	38,857	32,765,000	-	32,803,857	132,035,524
Loans and advances to customers - gross	20,319,497	142,901,099	-	163,220,596	656,962,899
Guarantee deposit	-	4,024,176	-	4,024,176	16,197,308
<b>Total financial assets</b>	<b>23,697,297</b>	<b>384,416,120</b>	<b>60,305</b>	<b>408,173,722</b>	<b>1,642,899,230</b>
<b>FINANCIAL LIABILITIES</b>					
Deposits from customers	886,525	291,640,843	-	292,527,368	1,177,422,656
Deposits from banks	-	5,044,355	-	5,044,355	20,303,529
Lease liabilities	-	5,845,140	-	5,845,140	23,526,689
Other liabilities (*)	-	440,918	-	440,918	1,774,695
<b>Total financial liabilities</b>	<b>886,525</b>	<b>302,971,256</b>	<b>-</b>	<b>303,857,781</b>	<b>1,223,027,569</b>
<b>Net asset position</b>	<b>22,810,772</b>	<b>81,444,864</b>	<b>60,305</b>	<b>104,315,941</b>	<b>419,871,661</b>

(\*) Excludes payables to tax authority and prepayments.

# NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2024 (continued)

## 27. Financial risk management (continued)

### (b) Market risk (continued)

#### Concentration of currency risk (continued)

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

2023	Denomination US\$ equivalents					
	KHR	US\$	Others	Total	US\$	KHR'000
						(Note 2.4)
<b>FINANCIAL ASSETS</b>						
Cash and bank balances - gross	2,065,270	257,570,698	63,375	259,699,343	1,060,871,816	
Deposits and placements with other bank – gross	-	20,034,520	-	20,034,520	81,841,014	
Statutory deposits	6,218	36,865,000	-	36,871,218	150,618,926	
Loans and advances to customers - gross	17,125,983	154,112,198	-	171,238,181	699,507,969	
Guarantee deposit	-	3,080,193	-	3,080,193	12,582,588	
<b>Total financial assets</b>	<b>19,197,471</b>	<b>471,662,609</b>	<b>63,375</b>	<b>490,923,455</b>	<b>2,005,422,313</b>	
<b>FINANCIAL LIABILITIES</b>						
Deposits from customers	59,053	425,409,783	-	425,468,836	1,738,040,195	
Deposits from banks	-	9,646,329	-	9,646,329	39,405,254	
Lease liabilities	-	7,947,533	-	7,947,533	32,465,672	
Other liabilities (*)	-	389,591	-	389,591	1,591,479	
<b>Total financial liabilities</b>	<b>59,053</b>	<b>443,393,236</b>	<b>-</b>	<b>443,452,289</b>	<b>1,811,502,600</b>	
<b>Net asset position</b>	<b>19,138,418</b>	<b>28,269,373</b>	<b>63,375</b>	<b>47,471,166</b>	<b>193,919,713</b>	

(\*) Excludes payables to tax authority and prepayments.

# NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2024 (continued)

## 27. Financial risk management (continued)

### (b) Market risk (continued)

#### Sensitivity analysis

Considering that other risk variables remain constant, the foreign currency revaluation sensitivity for the Bank as at the reporting date is summarised as follows (only exposures in currencies that accounts for more than 5 percent of the net open positions are shown in its specific currency in the table below. For other currencies, these exposures are grouped as 'Others'):

	2024		2023	
	- 1% Depreciation	+ 1% Appreciation	- 1% Depreciation	+ 1% Appreciation
	US\$	US\$	US\$	US\$
KHR	(228,108)	228,108	(191,384)	191,384
Others	(603)	603	(634)	634
	<b>(228,711)</b>	<b>228,711</b>	<b>(192,018)</b>	<b>192,018</b>
<b>KHR'000 equivalents (Note 2.4)</b>	<b>(920,562)</b>	<b>920,562</b>	<b>(784,394)</b>	<b>784,394</b>

### (c) 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 Liquidity 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 assets and liabilities based on remaining contractual maturities. The expected cash flows of these assets and liabilities could vary significantly from those shown in the table. For example, deposits from customers are not all expected to be withdrawn immediately.

# NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2024 (continued)

## 27. Financial risk management (continued)

### (c) Liquidity risk (continued)

2024	Up to 1 month	> 1-3 months	> 3-6 months	> 6-12 months	> 1 to 5 years	Over 5 years	No fixed maturity date	Total	
	US\$	US\$	US\$	US\$	US\$	US\$	US\$	US\$	KHR'000
<b>FINANCIAL LIABILITIES</b>								(Note 2.4)	
Deposits from customers	29,782,516	10,397,081	34,756,585	25,017,839	3,825,727	-	188,747,620	292,527,368	1,177,422,656
Deposits from banks	-	-	-	5,044,355	-	-	-	5,044,355	20,303,529
Lease liabilities – undiscounted	-	-	-	632,027	5,213,113	-	-	5,845,140	23,526,689
Other liabilities (*)	-	-	-	-	-	-	440,918	440,918	1,774,695
<b>Total financial liabilities</b>	<b>29,782,516</b>	<b>10,397,081</b>	<b>34,756,585</b>	<b>30,694,221</b>	<b>9,038,840</b>	<b>-</b>	<b>189,188,538</b>	<b>303,857,781</b>	<b>1,223,027,569</b>
<b>FINANCIAL ASSETS</b>									
Cash and bank balances – gross	-	-	-	-	-	-	208,125,093	208,125,093	837,703,499
Statutory deposits	-	-	-	-	-	12,500,000	20,303,857	32,803,857	132,035,524
Deposits and placements with other bank – gross	-	-	-	-	-	-	-	-	-
Loans and advances to customers - gross	17,514,703	-	26,789,535	89,122,052	29,330,683	463,623	-	163,220,596	656,962,899
Guarantee deposit	-	-	-	-	-	-	4,024,176	4,024,176	16,197,308
<b>Total financial assets</b>	<b>17,514,703</b>	<b>-</b>	<b>26,789,535</b>	<b>89,122,052</b>	<b>29,330,683</b>	<b>12,963,623</b>	<b>232,453,126</b>	<b>408,173,722</b>	<b>1,642,899,230</b>
<b>Maturity analysis gap</b>	<b>(12,267,813)</b>	<b>(10,397,081)</b>	<b>(7,967,050)</b>	<b>58,427,831</b>	<b>20,291,843</b>	<b>12,963,623</b>	<b>43,264,588</b>	<b>104,315,941</b>	<b>419,871,661</b>

(\*) Excludes payables to tax authority and prepayments.



# NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2024 (continued)

## 27. Financial risk management (continued)

### (c) Liquidity risk (continued)

2023	Up to 1 month	> 1-3 months	> 3-6 months	> 6-12 months	> 1 to 5 years	Over 5 years	No fixed maturity date	Total	
	US\$	US\$	US\$	US\$	US\$	US\$	US\$	US\$	KHR'000
<b>FINANCIAL LIABILITIES</b>								(Note 2.4)	
Deposits from customers	76,221,237	12,544,848	26,391,051	15,843,299	284,015	-	294,184,386	425,468,836	1,738,040,195
Deposits from banks	-	9,646,329	-	-	-	-	-	9,646,329	39,405,254
Lease liabilities – undiscounted	-	-	-	598,166	7,349,367	-	-	7,947,533	32,465,672
Other liabilities (*)	-	-	-	-	-	-	389,591	389,591	1,591,479
<b>Total financial liabilities</b>	<b>76,221,237</b>	<b>22,191,177</b>	<b>26,391,051</b>	<b>16,441,465</b>	<b>7,633,382</b>	<b>-</b>	<b>294,573,977</b>	<b>443,452,289</b>	<b>1,811,502,600</b>
<b>FINANCIAL ASSETS</b>									
Cash and bank balances – gross	-	-	-	-	-	-	259,699,343	259,699,343	1,060,871,816
Statutory deposits	-	-	-	-	-	7,500,000	29,371,218	36,871,218	150,618,926
Deposits and placements with other bank – gross	-	-	-	20,034,520	-	-	-	20,034,520	81,841,014
Loans and advances to customers - gross	28,536,888	6,107,142	34,735,896	13,648,609	83,534,202	4,675,444	-	171,238,181	699,507,969
Guarantee deposit	-	-	-	-	-	-	3,080,193	3,080,193	12,582,588
<b>Total financial assets</b>	<b>28,536,888</b>	<b>6,107,142</b>	<b>34,735,896</b>	<b>33,683,129</b>	<b>83,534,202</b>	<b>12,175,444</b>	<b>292,150,754</b>	<b>490,923,455</b>	<b>2,005,422,313</b>
<b>Maturity analysis gap</b>	<b>(47,684,349)</b>	<b>(16,084,035)</b>	<b>8,344,845</b>	<b>17,241,664</b>	<b>75,900,820</b>	<b>12,175,444</b>	<b>(2,423,223)</b>	<b>47,471,166</b>	<b>193,919,713</b>

(\*) Excludes payables to tax authority and prepayments.

# NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2024 (continued)

## 27. Financial risk management (continued)

### (d) Fair values of financial assets and liabilities

The fair value of the Bank's financial instruments such as cash and short-term funds, balances with banks, deposits and placements with other banks, deposits from customers and banks, other assets, other liabilities and short-term borrowings is not materially sensitive to shifts in market interest rate because of the limited term to maturity of these instruments. As such, the carrying values of these financial assets and liabilities at the financial position date approximate their fair values.

### (e) Operational risk

Operational risk is the risk of direct or indirect loss arising from inadequate or failed internal processes, personnel, technology and infrastructure, and from external factors other than credit, market and liquidity risks such as those arising from legal and regulatory requirements and generally accepted standards of corporate behaviour.

The Bank's operational risk management entails the establishment of clear organisational structures, roles and control policies. Various internal control policies and measures have been implemented including the establishment of signing authorities, defining system parameter controls, streamlining procedures and documentation and compliance with regulatory and other legal requirements.

### (f) 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 the future development of the business. The impact of the level of capital on shareholders' returns is also recognised and the Bank recognises 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.

#### CAPITAL ALLOCATION

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

## 28. Material accounting policies

### 28.1. Foreign currency transactions

Transactions in currencies other than US\$ are translated into US\$ at the exchange rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in currencies other than US\$ at the reporting date are translated into US\$ at the exchange rates prevailing at that date. Exchange differences arising on translation are recognised in profit or loss. Non-monetary items that are measured based on historical cost in a foreign currency are not translated.

### 28.2. Financial instruments

#### (i) RECOGNITION AND DERECOGNITION

Financial instruments, comprising financial assets and financial liabilities, are recognised in the statement of financial position when the Bank becomes a party to the contractual provisions of the instrument.

The Bank derecognises a financial asset when the contractual rights to the cash flows from the 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 where it neither transfers nor retains substantially all of the risks and rewards of ownership and loses control. When control is retained, the Bank continues to recognise the financial asset to the extent of its continuing involvement.

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

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

# NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2024 (continued)

## 28. Material accounting policies (continued)

### 28.2. Financial instruments (continued)

#### (ii) CLASSIFICATION AND MEASUREMENT

All financial assets and liabilities are initially recognised at fair value, which is usually the transaction price including, where appropriate, transaction costs.

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

Financial assets are held at amortised cost when they arise from contracts which give rise to contractual cash flows which are held in a business model which mainly holds the assets to collect contractual cash flows.

#### Financial assets measured at amortised cost (AC):

These are measured at amortised cost using the effective interest method and are subject to impairment losses (see below).

#### Financial liabilities at amortised cost:

Financial liabilities are measured at amortised cost using the effective interest method.

#### Financial assets - Business model assessment

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

#### Financial assets - Assessment 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 a 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 this assessment, the Bank considers:

- ♦ contingent events that would change the amount or

timing of cash flows;

- ♦ terms that may adjust the contractual coupon rate, including variable rate features;
- ♦ prepayment and extension features; and
- ♦ terms that limit the Bank's claim to cash flows from specified assets (e.g., non-recourse features).

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract.

#### 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.

#### (iii) MODIFICATIONS OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES

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

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

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 the consideration paid is recognised in profit and loss. The 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 by re-computing the effective interest rate on the instrument.

# NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2024 (continued)

## 28. Material accounting policies (continued)

### 28.2. Financial instruments (continued)

#### (iv) 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 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.

#### (v) IMPAIRMENT

The Bank recognises loss allowances for expected credit loss ("ECLs") on financial assets measured at amortised cost.

The Bank measures loss allowances at an amount equal to lifetime ECLs, except for cash and cash equivalents for which credit risk (i.e., the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition, which is measured at 12-month ECLs.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument.

12-month ECLs are the portion of ECL that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

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

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.

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 financial asset is more than 30 days past due for short-term loans and 90 days past due for long-term loans.

#### Measurement of ECLs

The Bank measure ECL using the general approach. The general approach consists of segregating customers into three different stages according to the staging criteria by assessing the credit risk. A 12-month ECL will be computed for stage 1, while lifetime ECL will be computed for stage 2 and stage 3. At each reporting date, the Bank will assess credit risk of each account in comparison to the risk level at the origination dates.

As for financial assets that are short term in nature, simplified approach will be adopted where no staging criteria is required. In this case, it will be either performing (stage 1) or non-performing.

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured 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).

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.

ECLs are discounted at the effective interest rate of the financial assets.

# NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2024 (continued)

## 28. Material accounting policies (continued)

### 28.2. Financial instruments (continued)

#### (v) IMPAIRMENT (CONTINUED)

##### 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.

A statistical model has been employed to analyse data collected and generate estimate of remaining lifetime PD of exposure and how these are expected to change as result of passage of time.

The Bank uses the days past due ("DPD") information and the NBC's classification for staging criteria. Pursuant to the NBC guideline Prakas B7-017-344, it has 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.
- **Sub-standard:** 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 realization of the collateral.
- **Doubtful:** a facility classified in this category exhibits more severe weaknesses than one classified Sub-standard 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.

LGD is the magnitude of the likely loss if there is a default. The Bank estimates LGD parameters based on the history of recovery rates of claims against defaulted counterparties. The LGD models consider the structure, collateral, seniority of the claim, counterparty industry and recovery costs of any collateral that is integral to the financial asset. For loans secured by retail property, LTV ratios are a key parameter in determining LGD. LGD estimates are recalibrated for different economic scenarios and, for real estate lending, to reflect possible changes in property prices. They are calculated on a discounted cash flow basis using the effective interest rate as the discounting factor.

EAD represents the expected exposure in the event of a default. The Bank derives the EAD from the current exposure to the counterparty and potential changes to the current amount allowed under the contract and arising from amortisation. The EAD of a financial asset is its gross carrying amount at the time of default. For lending commitments, the EADs are potential future amounts that may be drawn under the contract, which are estimated based on historical observations and forward-looking forecasts. For some financial assets, EAD is determined by modelling the range of possible exposure outcomes at various points in time using scenario and statistical techniques.

##### Credit-impaired financial assets

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

Objective evidence that financial assets are impaired includes:

- default or delinquency by a debtor;
- restructuring of an amount due to the Bank on terms that the Bank would not consider otherwise;
- indications that a debtor or issuer will enter bankruptcy;
- adverse changes in the payment status of borrowers or issuers;
- the disappearance of an active market for a security; or
- observable data indicating that there is measurable decrease in expected cash flows from a group of financial assets.



# NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2024 (continued)

## 28. Material accounting policies (continued)

### 28.2. Financial instruments (continued)

#### (v) IMPAIRMENT (CONTINUED)

##### 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.

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 financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

##### Write-off

The gross carrying amount of a financial asset is written off when the Bank has no reasonable expectation of recovering a financial asset in its entirety or a portion thereof. For individual customers, the Bank has a policy of writing off the gross carrying amount based on historical experience of

recoveries of similar assets. For corporate customers, the Bank individually makes an assessment with respect to the timing and amount of the write-off based on whether there is a reasonable expectation of recovery. The Bank expects no significant recovery from the amount written off. However, 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.

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

#### (vi) AMORTISED COST AND GROSS CARRYING AMOUNT

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

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

### 28.3. Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits with banks and other highly liquid investments with original maturities of three months or less and that are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value.

### 28.4. Placements with banks and the NBC

Placements with banks are stated at amortised cost using the effective interest method less ECL.

### 28.5. Loans and advances

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

### 28.6. Share capital - ordinary shares

Incremental costs directly attributable to the issue of ordinary shares, net of any tax effects, are recognised as a deduction from equity.

# NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2024 (continued)

## 28. Material accounting policies (continued)

### 28.7. Regulatory reserves

Banks and financial institutions are required to compute regulatory provisions, according to Prakas No. B7-017-344 dated 1 December 2017 and Circular No. B7-018-001 dated 16 February 2018 on credit risk classification and provisions for impairment. If the accumulated regulatory provision is higher than the accumulated impairment based on CIFRS 9, the 'topping up' will be recorded as regulatory reserves presented under equity. The reserve is subsequently reversed (up to zero) should the accumulated regulatory provision equal or be lower than the accumulated impairment based on CIFRS 9. The regulatory reserve is set aside as a buffer, which is non-distributable and is not allowed to be included in the net worth calculation.

On 5 February 2025, the NBC issued a notification No. B30-025-170 requiring all banks and financial institutions to calculate regulatory provisions using the figures from CIFRSs, which also includes accrued interest receivables. Allowance for accrued interest receivables transferred to regulatory reserves if any, shall be added to Tier 2 in the net worth calculation. The new requirement for the Tier 2 is effective for the year ended 31 December 2024 to 30 June 2025.

### 28.8. Property and equipment

#### (i) RECOGNITION AND MEASUREMENT

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

When parts of an item of property and equipment have different useful lives, they are accounted for as separate items (major components) of property and equipment.

Gains or losses on disposal of an item of property and equipment are determined by comparing the proceeds from disposal with the carrying amount of property and equipment and are recognised net within other income in profit or loss.

#### (ii) SUBSEQUENT COSTS

The costs of replacing a part of an item of property and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Bank and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of the day-to-day servicing of property and equipment are recognised in profit or loss as incurred.

#### (iii) DEPRECIATION

Depreciation is calculated to write down the cost of the assets to their residual values on a straight-line basis over their estimated useful lives. The principal depreciation periods are as follows:

Leasehold improvements	Shorter of economic life or contractual term
Furniture and fixture	60 months
Equipment	60 months
Computer and IT equipment	36 months
Motor vehicles	60 months

If there is an indication that there has been a significant change in depreciation rate, useful life or residual value of an asset, the depreciation of that asset is revised prospectively to reflect the new expectations.

### 28.9. Intangible assets

Intangible assets consisting of website and software are stated at cost less accumulated amortisation and accumulated impairment losses, if any.

It is amortised on a straight-line on their cost to their residual values over their estimated useful lives for 36 months. If there is an indication that there has been a significant change in amortisation rate, useful life or residual value of the asset, the amortisation is revised prospectively to reflect the new expectations.

### 28.10. Impairment of non-financial assets

At each reporting date, the Bank reviews the carrying amounts of its non-financial assets to determine whether there is any indication of impairment. If such indication exists, then the asset's recoverable amount is estimated.

For the impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

# NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2024 (continued)

## 28. Material accounting policies (continued)

### 28.10. Impairment of non-financial assets (continued)

Impairment losses are recognised in profit or loss. Impairment losses are allocated to reduce the carrying amounts of the other assets in the CGU on a pro rate basis.

### 28.11. Borrowings and deposits from customers

Borrowings and deposits from customers are initially measured at fair value minus incremental direct transaction costs, and subsequently measured at amortised cost using effective interest method.

Borrowings are classified as current liabilities unless the Bank has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date

### 28.12. Provisions

Provisions are recognised in the statement of financial position when the Bank has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Provisions are measured at the present value of the expenditure expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as finance cost.

### 28.13. Employee benefits

#### (i) SHORT-TERM EMPLOYEE BENEFITS

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

#### (ii) OTHER LONG-TERM EMPLOYEE BENEFITS

The Bank's net obligation in respect of long-term employee benefits is the amount of the benefit that employees have earned in return for their service in the current and prior periods. That benefit is discounted to determine its present value. Remeasurements are recognised in profit or loss in the period in which they arise.

### 28.14. Interest income and expense

Interest income or expense is recognised using the effective interest method. The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:

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

The calculation of the effective interest rate includes transaction costs and fees and points paid or received that are an integral part of the effective interest rate. Transaction costs include incremental costs that are directly attributable to the acquisition or issue of a financial asset or financial liability.

The effective interest rate of a financial asset or financial liability is calculated on initial recognition of a financial asset or a financial liability. In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability. The effective interest rate is revised as a result of periodic re-estimation of cash flows of floating rate instruments to reflect movements in market rates of interest.

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

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

### 28.15. Fee and commission

Fee and commission income and expense that are integral to the effective interest rate on a financial asset or financial liability are included in the effective interest rate.

Other fee and commission income—including account servicing fees—is recognised as the related services are performed.

### 28.16. Leases

The Bank assesses whether a contract is or contains a lease, at inception of a contract. The Bank recognises a right-of-use asset and a corresponding lease liability with respect to all lease agreements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. For these leases, the Bank recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

# NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2024 (continued)

## 28. Material accounting policies (continued)

### 28.16. Leases (continued)

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Bank uses its incremental borrowing rate.

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.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Whenever the Bank incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under CIAS 37. The costs are included in the related right-of-use asset, unless those costs are incurred to produce inventories.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Bank expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The estimated useful lives for the current period are as follows:

- ♦ Building and office branches: 10 years and 5 years respectively

The right-of-use assets are presented as a separate line in the statement of financial position.

### 28.17. Income tax

Income tax expense comprises current and deferred tax. Current tax and deferred tax are recognised in profit or loss except to the extent that it relates items recognised in other comprehensive income.

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

Current tax is the expected tax payable on the taxable income for the year using tax rates enacted or substantially enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the financial statements and their corresponding tax bases (known as temporary differences). Deferred tax liabilities are recognised for all temporary differences that are expected to increase taxable profit in the future. Deferred tax assets are recognised for all temporary differences that are expected to reduce taxable profit in the future, and any unused tax losses or unused tax credits. Deferred tax assets are measured at the highest amount that, on the basis of current or estimated future taxable profit, is more likely than not to be recovered.

The net carrying amount of deferred tax assets is reviewed at each reporting date and is adjusted to reflect the current assessment of future taxable profits. Any adjustments are recognised in profit or loss, except that an adjustment attributable to an item of income or expense recognised in other comprehensive income shall also be recognised in other comprehensive income.

Deferred tax is calculated at the tax rates that are expected to apply to the taxable profit (tax loss) of the periods in which it expects the deferred tax asset to be realised or the deferred tax liability to be settled, on the basis of tax rates that have been enacted or substantively enacted by the end of the reporting period.

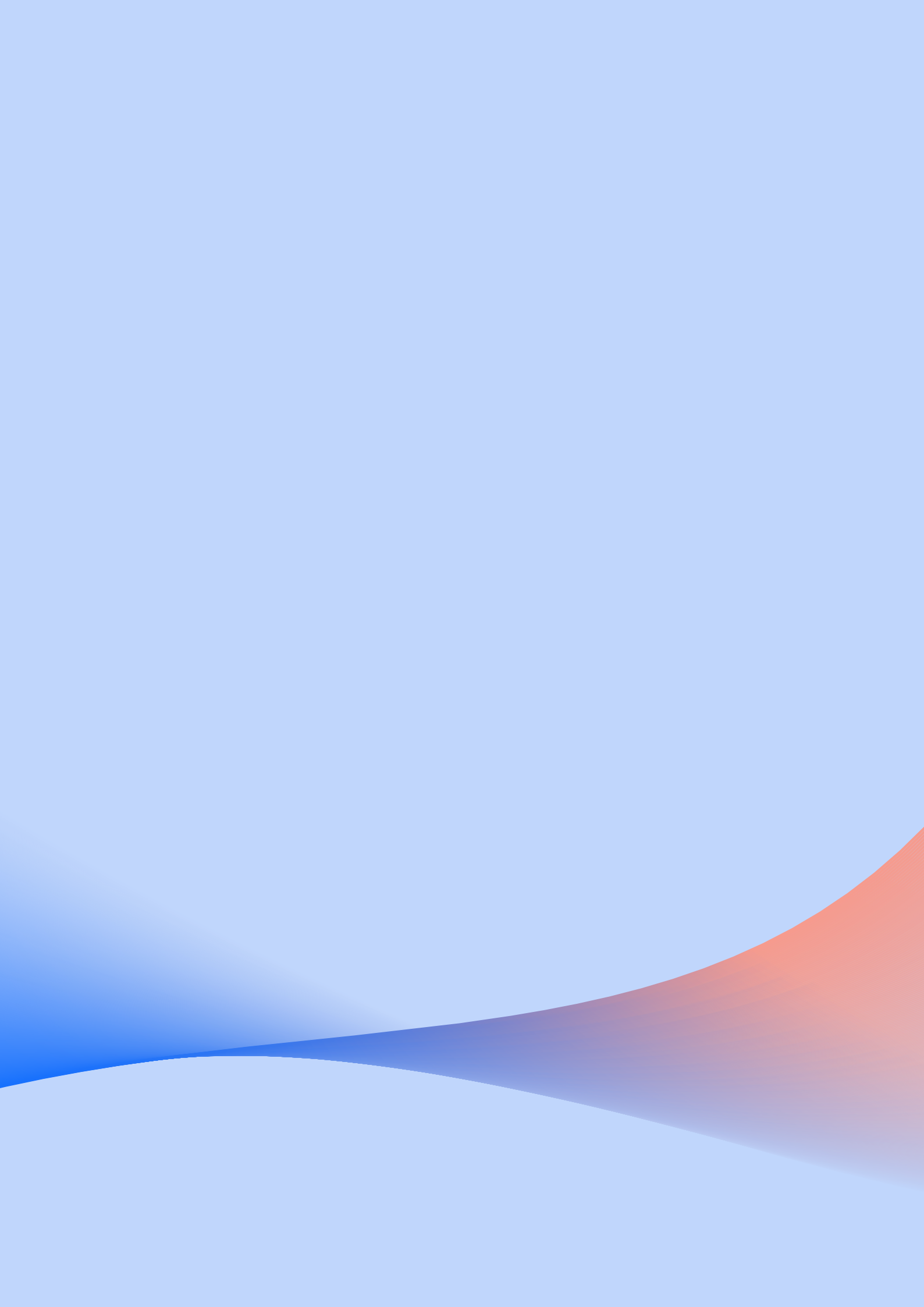
### 28.18. Related parties

Enterprises and individual that directly, or indirectly through one or more intermediaries, control, or are controlled by, or are under common control with, the Bank, including the holding companies, subsidiaries and fellow subsidiaries, are related parties of the Bank. Associates and individuals owning, directly or indirectly, an interest in the voting power of the Bank that gives them significant influence over the enterprise, key management personnel, including Directors and officers of the Bank and close members of the family of these individuals and companies associated with these individuals, also constitute related parties.












## ANNUAL REPORT 2024

### **B.I.C (Cambodia) Bank Plc.**

 No. 462, Preah Monivong Blvd (93),  
Sangkat Tonle Bassak, Khan Chomkarmon,  
Phnom Penh, Cambodia

 023 901 338

 [www.bicbank.com.kh](http://www.bicbank.com.kh)

