

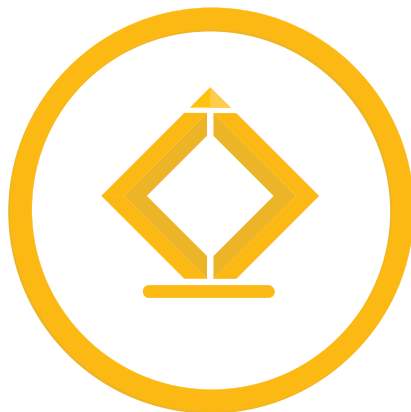


ធនាគារកាណីស្ទ អាល់ហ្វា ប.ក  
ALPHA COMMERCIAL BANK PLC.  
澳 法 商 业 银 行

ANNUAL  
**REPORT**  
2024







ធនាគារណែនីដូ អាល់ហ្វា ប.ក  
ALPHA COMMERCIAL BANK PLC.  
澳 法 商 业 银 行

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## MESSAGE FROM CHAIRMAN



### Dear Customer and Stakeholders,

Being the chairman of the Board of Alpha Commercial Bank PLC., I am honored to present the Annual Report 2024 of Alpha Commercial Bank, which reflects years of strategic growth, resilience and unwavering commitment. Change for excellence with great pride and high customer trust.

Despite the uncertainty caused by the global economic crisis, Alpha Commercial Bank PLC. has shown remarkable resilience and performance beyond expectations, as well as building greater confidence in customers and our valued shareholders. Our prudent risk management, along with our strategic investment in technology, has strengthened our position as a strong bank in the Cambodian market.

Throughout the year, we constantly seek innovation by embracing digital transformation to enhance the new customer experience. Alpha Commercial Bank PLC.'s relentless pursuit of excellence not only strengthens its position in the market, but also strengthens the bank's reputation as a reliable partner for business and community.

Further, in 2024 we can achieve a positive increase in profits compared to the profits in 2023, which clearly indicates the constant support of customers.

In future, we remain committed to providing sustainable growth, promoting financial integration and creating long-term value for all stakeholders. Our journey forward is characterized by optimism, innovation and unwavering commitment to serve the needs of all our clients with professionalism and attention.

Once again, representing the Board of Alpha Commercial Bank, I would like to thank our customers, shareholders and employees for their support and especially thank the Royal Government of Cambodia, National Bank of Cambodia, all ministries and institutions that have provided supports and assistances to our bank until achieving excellent results in 2024. We are committed to continuing to promote the financial landscape with resilience, agility and relentless pursuit of excellence.

Thank you for your trust and confidence in Alpha Commercial Bank PLC.

Thank You.

**Neak Oknha Ly Kunthai**  
Chairman

## VISION, MISSION, AND VALUE



### Our Vision

The Bank's vision is to become a high-quality international bank.

### Our Mission

We are freshly and professionalism. We aim to provide a good service with high technological banking to our customers.

### Our Value

The Bank's value is Bonus Point for Life.

## OUR KEY FIGURES

	UM	2022	2023	2024
<b>Financial Position</b>				
Total assets	US\$	158,710,827	205,288,831	279,467,644
Of which, Loans to customers, net	US\$	21,592,566	27,795,985	74,889,622
Total liabilities	US\$	56,915,606	98,769,112	166,320,877
Of which, Deposits from customers	US\$	55,336,168	96,701,692	142,697,022
Total equity	US\$	101,795,221	106,519,719	113,146,767
Of which, share capital	US\$	100,000,000	100,000,000	100,000,000
<b>Financial performance</b>				
Interest income	US\$	5,269,909	9,455,811	12,819,813
Net interest income	US\$	5,121,395	9,264,966	12,366,652
Profit before tax	US\$	2,242,520	6,000,674	8,375,060
Income tax expense	US\$	(491,790)	(1,276,176)	(1,748,012)
Profit after tax	US\$	1,750,730	4,724,498	6,627,048
<b>Key ratios</b>				
<b>Profitability</b>				
Return on assets *	%	1.10%	2.30%	2.37%
Return on equity *	%	1.72%	4.44%	5.86%
Net interest income margine	%	97.18%	97.98%	96.47%
Net profit margin	%	33.22%	49.96%	51.69%
<b>Assets quality</b>				
NPL Ratio (Stage3 Loan / Gross Loan)	%	-	10.73%	4.28%
Loan's ECL rate (ECL / Gross Loan)	%	0.24%	0.77%	0.50%
<b>Capital management and liquidity</b>				
Net worth	US\$	101,494,862	105,773,254	106,877,465
Solvency ratio	%	80.45%	72.75%	49.67%
Liquidity coverage ratio	%	140.48%	149.97%	116.69%
Loans to deposits ratio	%	39.52%	29.32%	52.46%
Gearing Ratio (Debt / Equity)	%	55.91%	92.72%	147.00%

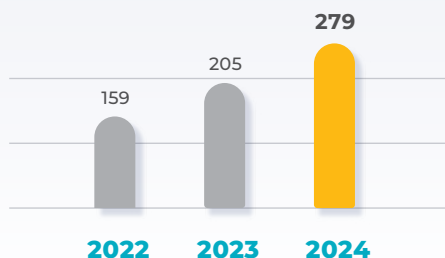
UM: Unit of measurement.

\* Total assets and equity represent the year-end balance.

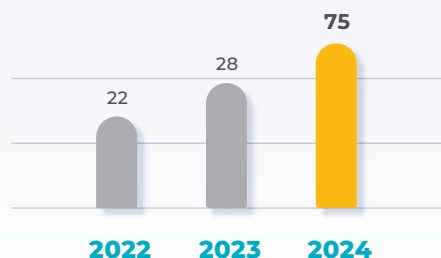


## ALL FIGURES ARE EXPRESSED IN MILLION USD

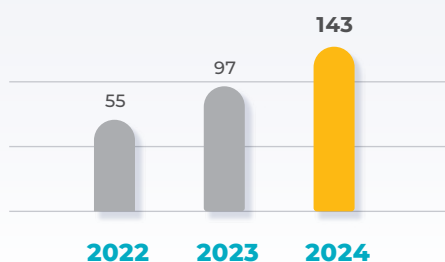
### TOTAL ASSETS



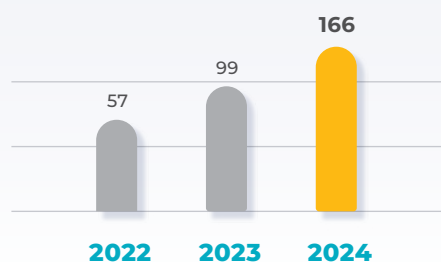
### LOANS TO CUSTOMER, NET



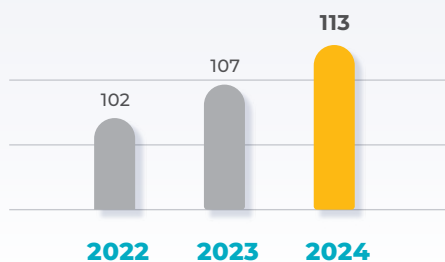
### DEPOSITS FROM CUSTOMER



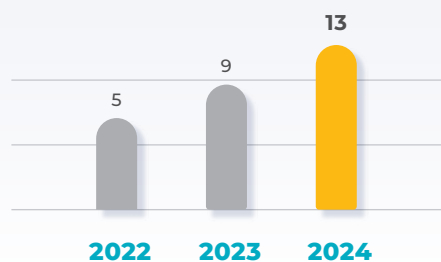
### TOTAL LIABILITIES



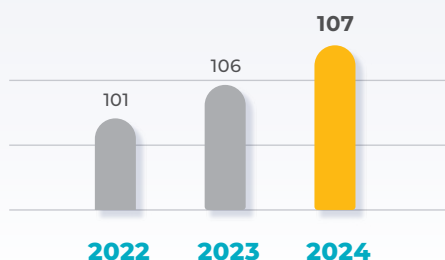
### EQUITY



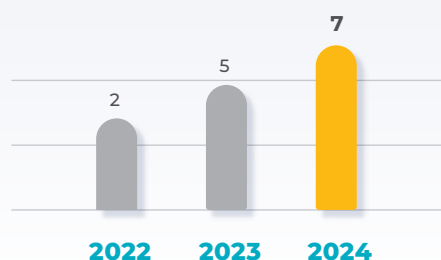
### INTEREST INCOME



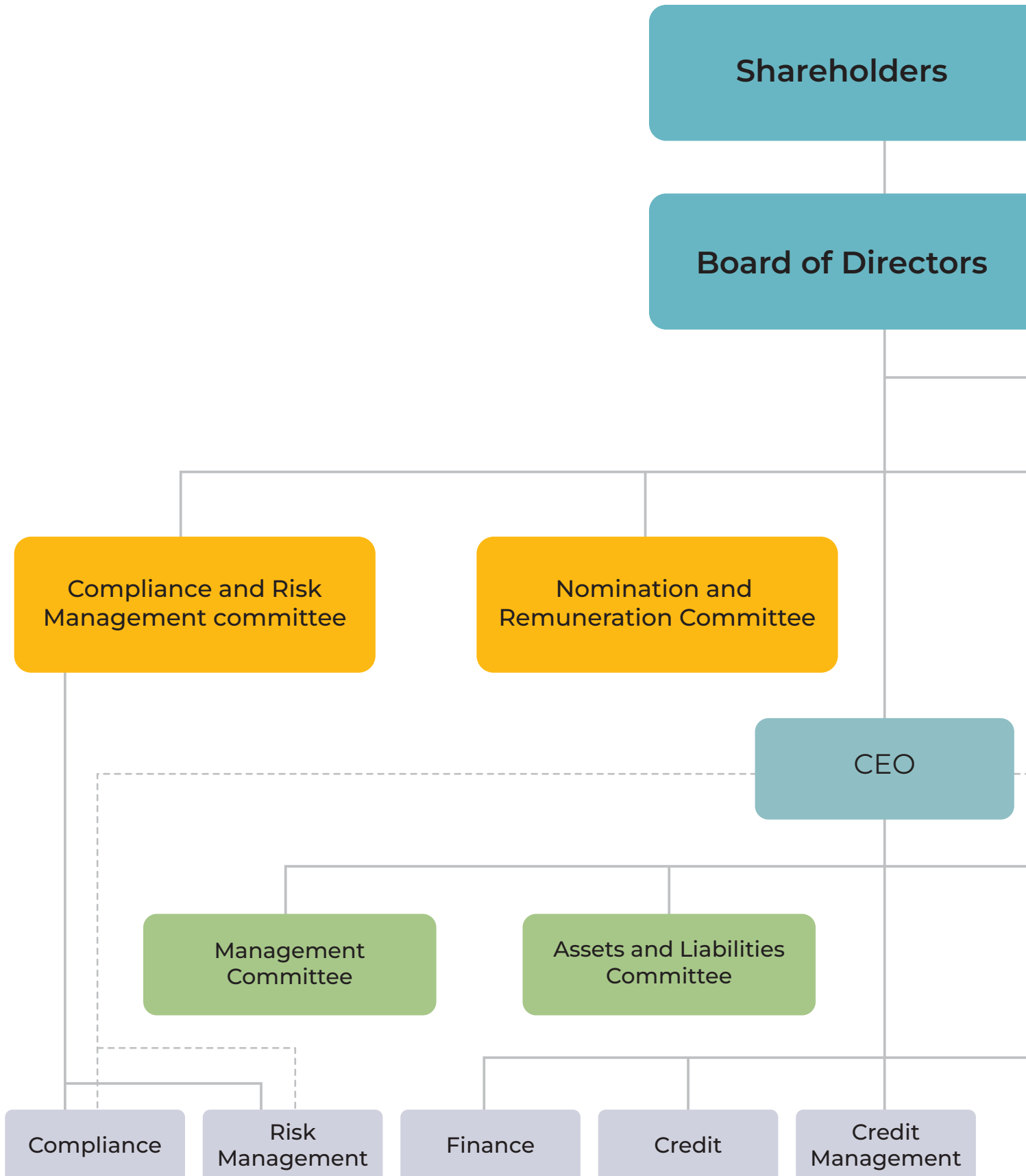
### NET WORTH

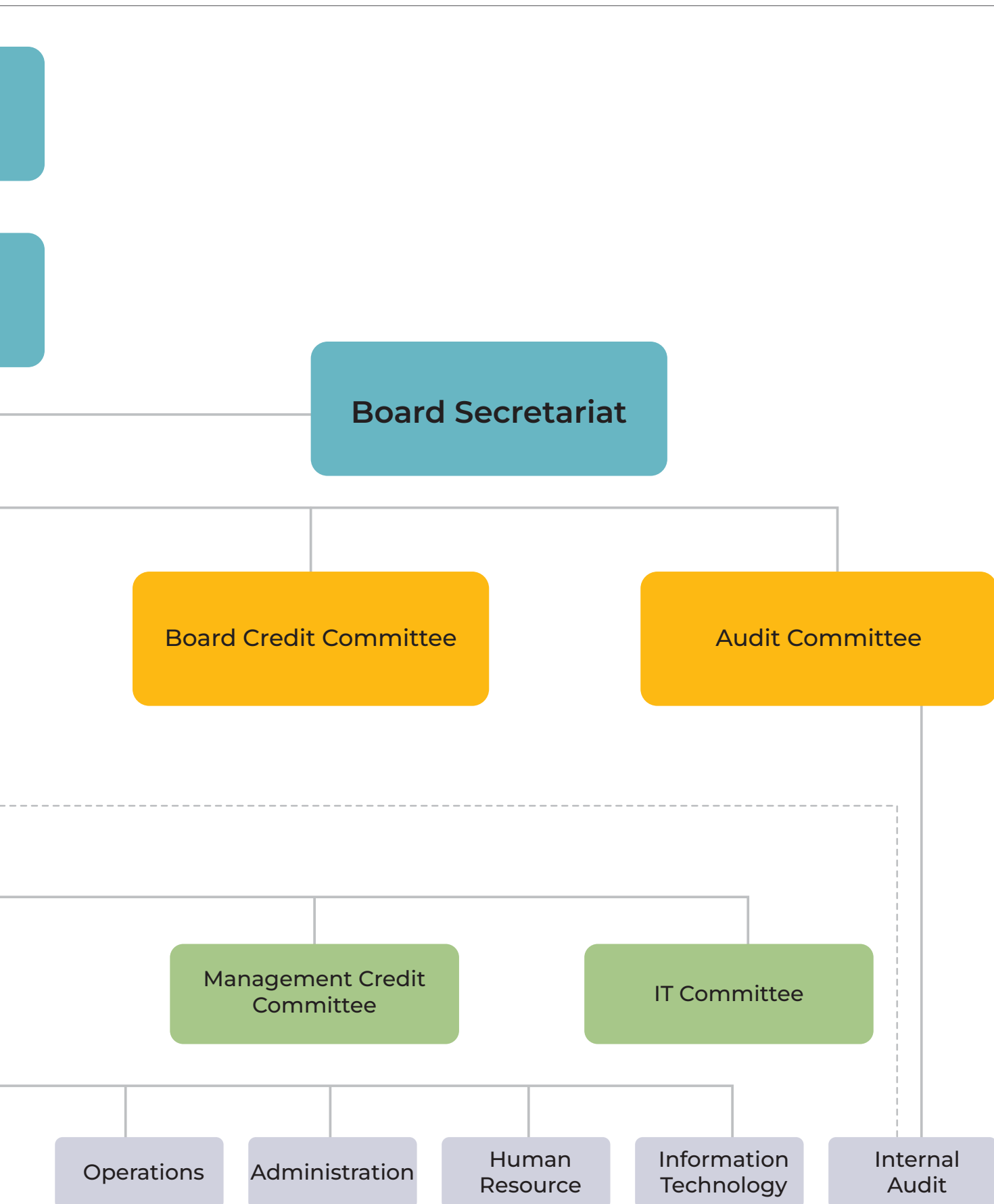


### NET PROFIT

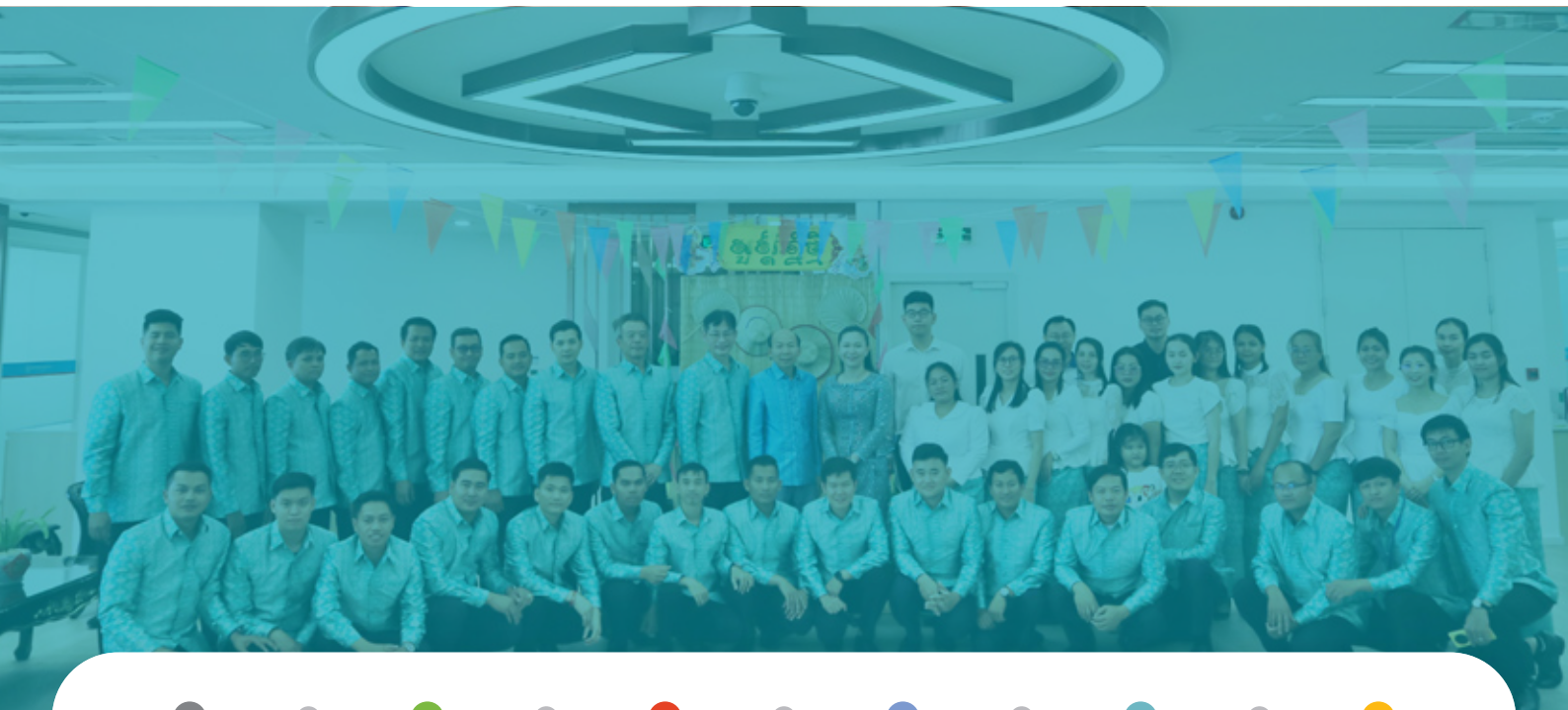


## ORGANISATIONAL CHART





## OUR HISTORY



**2019**

Alpha Bank was established.

**2020**

Received banking operations license from the NBC.

**2021**

launched opening ceremony.

**2022**

Received certificate of tax compliance – Gold.

**2023**

Launched ATM and Mobile App Phase 1.

**2024**

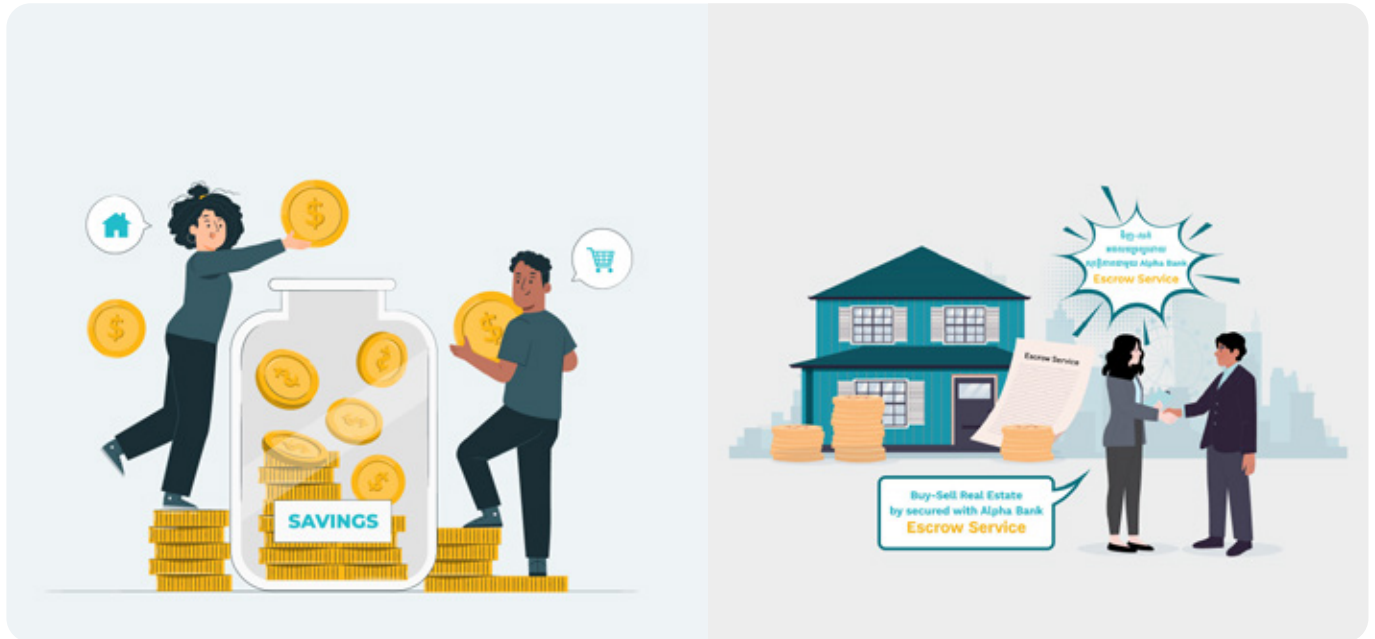
Alpha bank became direct member NCS and Bakong member

## AWARD AND RECOGNITION

Certificate of Tax compliance No. 15030 dated 19 April 2024 issued by the General Department of Taxation:  
Gold Award for 2 years from 2024 to 2025

<p>ក្រសួងសេដ្ឋកិច្ចនិងហិរញ្ញវត្ថុ MINISTRY OF ECONOMY AND FINANCE អគ្គនាយកដ្ឋានពន្ធដារ GENERAL DEPARTMENT OF TAXATION</p> <p>TCG24041724249 លេខ: ១៥០៣០ អន</p>		<p>ព្រះរាជាណាចក្រកម្ពុជា KINGDOM OF CAMBODIA ជាតិ សាសនា ព្រះមហាក្សត្រ NATION RELIGION KING</p> <p>រាជធានីភ្នំពេញ ថ្ងៃទី ១៩ ខែ មេសា ឆ្នាំ ២០២៤ Phnom Penh, 19 April 2024</p>
<p><b>អគ្គនាយកដ្ឋានពន្ធដារ</b> GENERAL DEPARTMENT OF TAXATION</p> <p><b>វិញ្ញាបនបត្រ</b> <b>អនុលោមភាពការពើពន្ធ</b> (ប្រកាសលេខ ១៥៣៦ សហវ.ប្រក ចុះថ្ងៃទី២៣ ខែធ្នូ ឆ្នាំ២០១៦)</p>		
<p>អគ្គនាយកដ្ឋានពន្ធដារបញ្ជាក់ថា :</p> <p>ឈ្មោះក្រុមហ៊ុន : <b>ធនាគារពាណិជ្ជ អេស៊ី ម.ក</b></p> <p>លេខអត្តសញ្ញាណកម្មសារពើពន្ធ : <b>L001-901905578</b></p> <p>ស្ថិតក្រោមការគ្រប់គ្រង : <b>នាយកដ្ឋានគ្រប់គ្រងអ្នកជាប់ពន្ធ</b> កាលបរិច្ឆេទធ្វើបច្ចុប្បន្នភាព : <b>១៩ សីហា ២០១៩</b></p> <p>សកម្មភាពអាជីវកម្ម : <b>ធនាគារពាណិជ្ជ</b></p> <p>អាសយដ្ឋាន : <b>អគារជីហ្គេតផេយ ជាន់ ថ្នល់ដី និងទី៣៣ ផ្លូវ សហភ័ព្ធស្សី (១១០) សង្កាត់ ផ្សារដេប៉ូឌី ៣ ខណ្ឌ ទួលគោក រាជធានី ភ្នំពេញ</b></p> <p>ទទួលបានកម្រិតអនុលោមភាពការពើពន្ធប្រភេទ : <b>មាស</b></p> <p>មានសុពលភាពរយៈពេល <b>២</b> ឆ្នាំ សម្រាប់ឆ្នាំជាប់ពន្ធ <b>២០២៤</b> ដល់ <b>ឆ្នាំ២០២៥</b>។</p>		
<p><b>CERTIFICATE OF TAX COMPLIANCE</b> (Prakas No 1536 MEF/PK dated 23rd December 2016)</p> <p>GENERAL DEPARTMENT OF TAXATION certifies that :</p> <p>Company's name : <b>ALPHA COMMERCIAL BANK PLC.</b></p> <p>Tax Identification Number (TIN) : <b>L001-901905578</b></p> <p>Under : <b>Department of large Taxpayers</b> Date of Information Update : <b>19 Aug 2019</b></p> <p>Business activity(ies) : <b>Commercial bank</b></p> <p>Tax Compliance Type awarded : <b>GOLD</b></p> <p>Validity period of <b>2 years</b> for the tax year of <b>2024 and 2025.</b></p>		
<p>ឧបសគ្គ៖</p> <ul style="list-style-type: none"><li>- នាយកដ្ឋានពន្ធដារ និងកិច្ចការពន្ធ</li><li>- នាយកដ្ឋានគ្រប់គ្រងអ្នកជាប់ពន្ធ</li><li>- នាយកដ្ឋានបង្កើនការគ្រប់គ្រង</li><li>- ឯកសារ-តារាងប្រតិបត្តិ</li></ul> 	<p><b>រដ្ឋមន្ត្រីប្រតិភូអនុលោមភាពការពើពន្ធ</b> <b>ប្រតិភូរាជរដ្ឋាភិបាល</b> <b>អគ្គនាយកដ្ឋានពន្ធដារ</b> Minister Attached to the Prime Minister Delegate of the Royal Government In charge as Director General of General Department of Taxation</p>  <p><b>គង់ វិបុល</b></p>	

## DEPOSIT PRODUCTS AND OTHER SERVICES



### Savings Account

Open savings account at Alpha Commercial Bank Plc. is your best choice of short to long-term needs, it is safe, secure and readily available when you need it.

### Fixed Deposit Account

Save your future by deposit your money with Fixed Deposit at Alpha Commercial bank Plc. that offers you the competitive Interest. You can save and earn money at the same time. We offer a higher interest rate with flexible tenure which gives you a fixed rate of interest until maturity.

### Current Account

You can carry out your money anywhere and anytime with safety and convenient way by applying Cheque Account at Alpha Commercial Bank Plc and using a cheque as your facility to meet your daily financial needs with a flexible way to manage your money.

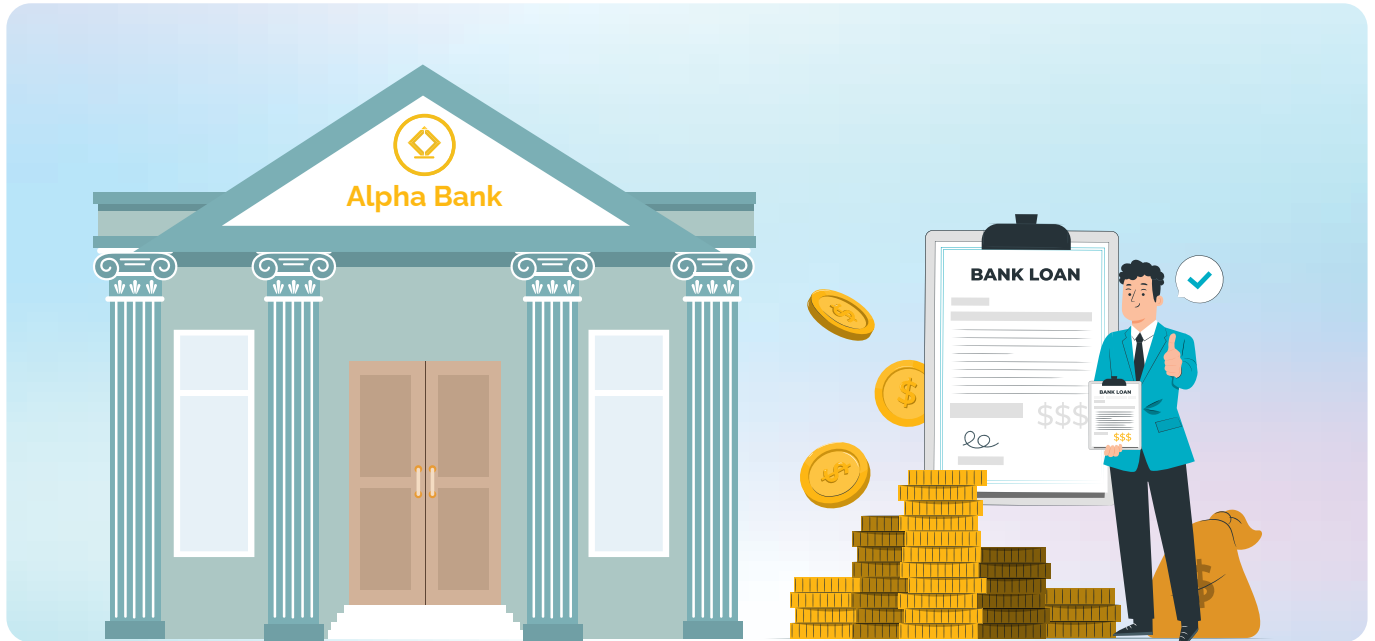
### Escrow services

Escrow Service offers a financial arrangement where Escrow Agent (Alpha Commercial Bank Plc.) holds and regulates the payment of funds required for the two parties involved in the transaction. Escrow Service helps make transactions more secure by keeping the payment in an escrow account and the payments are only released when all of the terms of the agreement are met, as overseen by the Escrow Agent (Alpha Commercial Bank).

### Payroll Service

Payroll services provide the convenience to employers, to ensure your businesses streamline processing, ensure legal and tax compliance, enhance employee satisfaction through timely payments, and minimize operational risks.

# LOAN PRODUCTS



## Term Loan

Term loans can be used for capital investment or for the purchase of assets such as real estate, buildings, machinery, and other capital expenditures. It is also employed for certain working capital needs.

Term Loan will be use for the purpose support and the loan will be classifies as follows:

- ✓ Working Capital Loan
- ✓ Project Loan
- ✓ Real Estate Loan
- ✓ Construction Loan
- ✓ SME Loan

## Short Term Revolving Loan (STRL)

STRLT is a secure revolving term loan used for your daily business operations and working capital requirements. The loan could be drawn down in different tranches and operate on a revolving basis.

## Overdraft Facility (OD)

Overdraft is a type of credit that allows customers to withdraw money from their Alpha Commercial Bank savings/ current account for short-term use in order to facilitate the day-to-day operations and working capital needs of your business.

## Home Loan

Home Loan is used for the purchase of a house for the borrower's residence. The house can be fully completed or under construction by property developers approved by the Bank. Its repayment term is like Term Loan.



## OUR BONUS POINTS FOR LIFE



Celebration for Khmer New Year 2024

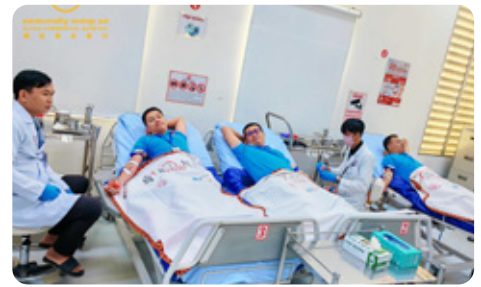


Celebration for Chinese New Year 2024



Wonderful annual staff retreat activities Year 2024 at Prince Island, Sihanoukville Province.





Alpha Bank participated in a voluntary blood donation drive at the National Blood Center on Friday, May 3, 2024, under the theme "Give Blood, Give Love".



Alpha Bank in 2024 joined Cambodian Banking Association cycling event held at Sambor Prei Kuk Temple in Kampong Thom Province under the theme: Cycling to promote the sustainability of the banking sector and the promotion of the Khmer riel.



Alpha Bank teams joined Banker Annual Dinner in 2024.

## BOARD OF DIRECTORS

1. Neak Oknha Ly Kunthai	Cambodian	Chairman
2. Mr. Lin Wen Cheng	Taiwanese	Vice chairman
3. Mr. Chen Chih Che	Taiwanese	Independent director
4. Mrs. Chhim Sopheap	Cambodian	Independent director

## MANAGEMENT TEAM

1. Mr. Cheng Kuang Min	Taiwanese	Chief Executive Officer
2. Mr. You Sokleng	Cambodian	Head of Finance
3. Mr. Chang Yi Chi	Taiwanese	Head of Credit
4. Mr. Heng Bunnang	Cambodian	Head of Credit Management
5. Mr. Chea Pichponlork	Cambodian	Acting Deputy Head of Operations
6. Mrs. Chheang Sophy	Cambodian	Deputy Head of Administrative
7. Mrs. Pheng Raksmeay	Cambodian	Head of Human Resource
8. Mr. Chrek Sineth	Cambodian	Head of Information Technology
9. Mr. Chem Samthearith	Cambodian	Head of Compliance
10. Mr. Yath Sovann	Cambodian	Head of Internal Audit
11. Mr. Chan Sovanmeanith	Cambodian	Risk Management Manager

# INTERNAL CONTROL REPORT

---

## INTRODUCTION

Pursuant to Prakas No. B-7-010-172 on Internal Control of Bank and Financial Institutions issued by the National Bank of Cambodia on 28 September 2010, the Bank has established, organized an effective internal control system.

## RISK MANAGEMENT

Risk management is at center of operating structure of the Bank, and it is everyone's responsibility. The Bank has set up that supervises overall risk management which exercise independently from the day-to-day business of the Bank. In-Charge of Risk Management is responsible for risk management function of the Bank and to provides an oversight of the management of risk inherent in the Bank's activities by identity current and emerging risks, develop risk assessment and measurement system, develop risk tolerance limits, establish policies, procedures and other control mechanism to manage risks, monitor positions against approved risk tolerance limits and report results of risk monitoring to risk management and compliance committee and the Board on a regularly basis.

## COMPLIANCE MANAGEMENT

Compliance management is aiming for managing all type of compliance risks to ensure the soundness of internal control system. Compliance function is to ensure policies and procedures are implemented in the Bank to manage compliance risk, provide regulatory compliance advisory and consultation to senior management, responsible for AML/CFT matter and provide training to all staff. Head of Compliance is designed as Compliance Officer and reports to risk management and compliance committee and the Board on a regularly basis.

## INTERNAL AUDIT

Internal Audit provides the professional and independent review on operation of the Bank by adding values through improving efficiency and effectiveness of internal control system, risk management, and compliance with applicable law and regulation. Internal Audit reviews all operations of the Bank based on internal audit plan, risk-based approach, and internal audit procedure to identify gaps in the business processes and provide recommendation for improvement. Head of Internal Audit reports to audit committee and the Board on a regularly basis.

## BUSINESS UNIT

All Business units are risk owners and responsible for internal control application to comply with internal policies and procedures and applicable law and regulation. The Bank has disseminated and provided training to deliver awareness of related policies and procedures to staff to facilitate the implementation. All policies and procedures are reviewed and approved by level of authority. For confidential and sensitive documents are to be kept in the safe place and made available to parties involved, where necessary.

# REPORT OF THE BOARD OF DIRECTORS

The Board of Directors ("the Board") has pleasure in submitting its report together with the audited financial statements of Alpha Commercial Bank PLC. ("the Bank") for the year ended 31 December 2024.

## PRINCIPAL ACTIVITIES

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

## FINANCIAL RESULTS

The results of financial performance for the year ended 31 December 2024 are set out in the statement of profit or loss and other comprehensive income on page 24.

## DIVIDENDS

No dividends were declared or paid during the year.

## SHARE CAPITAL

As at 31 December 2024, the registered, issued and paid up share capital of the Bank was 100,000 shares at a par value of US\$1,000 per share. The shareholding structure was changed during the financial year. Refer to **Note 20 to the financial statements** for details.

## RESERVES AND PROVISIONS

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

## EXPECTED CREDIT LOSS ALLOWANCE ON FINANCIAL ASSETS

Before the financial statements were prepared, the Board took reasonable steps to ascertain that action had been taken in relation to write off of financial assets that have no reasonable expectations of recovering the contractual cash flows in their entirety or a portion thereof and making of allowance for expected credit losses on financial assets, and satisfied themselves that all known financial assets that have no reasonable expectations of recovering the contractual cash flows were written off and that adequate allowance for expected credit losses on financial assets have been made.

At the date of this report and to the best of knowledge, the Board is not aware of any circumstances which would render the amount of the allowance for expected credit losses on financial assets in the financial statements of the Bank inadequate to any material extent.

## ASSETS

Before the financial statements of the Bank were prepared, the Board took reasonable steps to ascertain that management took appropriate actions so that any assets, which were unlikely to be realised in the ordinary course of business at their values as shown in the accounting records of the Bank had been written down to amounts which they might be expected to realise.

At the date of this report, the Board is not aware of any circumstances, which would render the values attributable to the assets in the financial statements of the Bank misleading.



## VALUATION METHODS

At the date of this report, the Board is not aware of any circumstances which have arisen which render adherence to the existing method of valuation of assets and liabilities in the financial statements of the Bank misleading or inappropriate.

## CONTINGENT AND OTHER LIABILITIES

At the date of this report, the Board is not aware of:

- (a) any charge on the assets of the Bank which has arisen since the end of the year which secures the liabilities of any other person; and
- (b) any contingent liability in respect of the Bank that has arisen since the end of the year other than in the ordinary course of its business operations.

At the date of this report, the Board is not aware that any contingent or other liability of the Bank has become enforceable, or is likely to become enforceable within the period of twelve months after the end of the periods which, in the opinion of the Board, will or may substantially affect the ability of the Bank to meet its obligations as and when they fall due.

## CHANGE OF CIRCUMSTANCES

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

## ITEMS OF AN UNUSUAL NATURE

The results of the operations of the Bank for the reporting year, in the opinion of the Board, were not substantially affected by any item, transaction or event of a material and unusual nature.

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

## EVENTS AFTER THE REPORTING DATE

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

## THE BOARD'S RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS

The Board is responsible for ascertaining that the financial statements as set out on page 23 to 72 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 preparing of these financial statements, the Board is required to:

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

Management is responsible for ensuring that the above requirements have been fulfilled and is also responsible for safeguarding the assets of the Bank and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Board confirms that the Bank has complied with the above requirements in preparing the financial statements.

## APPROVAL OF THE FINANCIAL STATEMENTS

I, on behalf of the Board, hereby approve the accompanying financial statements which in our opinion, 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 CIFRSs.

*Signed in accordance with the resolution of the Board:*




.....  
Neak Oknha Ly Kunthai  
Chairman

Phnom Penh, Kingdom of Cambodia  
27 March 2025

## REPORT OF THE INDEPENDENT AUDITORS



### KPMG CAMBODIA LTD.

Address: 35th Floor, GIA Tower, Sopheap Mongkul Street, Diamond Island, Sangkat Tonle Bassac, Khan Chomkarmon, Phnom Penh, Kingdom of Cambodia  
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### To the shareholders of Alpha Commercial Bank Plc.

#### OPINION

We have audited the financial statements of Alpha Commercial Bank PLC. (“the Bank”), which comprise the statement of financial position as at 31 December 2024, the statement of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and notes to the financial statements, comprising material accounting policies and other explanatory information as set out on pages 23 to 72 (hereafter referred to as the “financial statements”).

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 its financial performance and its cash flows for the year then ended in accordance with Cambodian International Financial Reporting Standards (“CIFRSs”).

#### BASIS FOR OPINION

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

#### OTHER INFORMATION

Management is responsible for the other information. The other information comprises the Report of the Board of Directors on pages 17 to 19, and the annual report, which is expected to be made available to us after the date of auditors’ report. 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 the financial statements in accordance with CIFRSs, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

## AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

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

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

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

## For KPMG Cambodia Ltd



Yin Lundy  
Director

The image shows a blue ink signature of Yin Lundy over a circular blue stamp. The stamp contains the text "KPMG CAMBODIA LTD." in the center, with Khmer text "ក្រុមហ៊ុន គី.អិ.អិ.អិ. កម្ពុជា" at the top and "ស្ថាប័នក្រៅរដ្ឋបាល" at the bottom.

Phnom Penh, Kingdom of Cambodia

27 March 2025

## STATEMENT OF FINANCIAL POSITION

		31 December 2024		31 December 2023	
	Notes	US\$	KHR'm (Note 3.3)	US\$	KHR'm (Note 3.3)
<b>ASSETS</b>					
Cash on hand	8	3,444,704	13,865	4,141,288	16,917
Deposits with the NBC	9	29,607,598	119,171	28,954,354	118,279
Deposits with other banks	10	135,667,708	546,063	112,431,199	459,281
Statutory deposits with the NBC	11	21,378,261	86,048	18,400,734	75,167
Loans to customers	12	74,889,622	301,431	27,795,985	113,547
Investment securities	13	10,395,241	41,841	10,393,250	42,456
Property and equipment	14	794,882	3,199	935,358	3,821
Right-of-use assets	15	1,624,435	6,538	534,414	2,183
Intangible assets	16	1,258,076	5,064	1,258,726	5,142
Other assets		407,117	1,639	293,489	1,199
Deferred tax assets, net	27.3	-	-	150,034	613
<b>Total assets</b>		<b>279,467,644</b>	<b>1,124,859</b>	<b>205,288,831</b>	<b>838,605</b>
<b>Liabilities and equity</b>					
<b>Liabilities</b>					
Deposits from customers	17.1	142,697,022	574,356	96,701,692	395,026
Deposits from other banks	17.2	20,137,551	81,054	-	-
Other liabilities		346,146	1,393	303,837	1,242
Current income tax liabilities	27.2	1,034,692	4,165	1,168,655	4,774
Lease liabilities	18	1,665,743	6,705	589,958	2,410
Provision for off-balance sheet items	19	2,388	10	4,970	20
Deferred tax liabilities, net	27.3	437,335	1,760	-	-
<b>Total liabilities</b>		<b>166,320,877</b>	<b>669,443</b>	<b>98,769,112</b>	<b>403,472</b>
<b>Equity</b>					
Share capital	20	100,000,000	400,000	100,000,000	400,000
Retained earnings		8,734,134	35,789	5,905,942	24,259
Regulatory reserves	21.1	4,175,633	17,001	613,777	2,501
General reserves	21.2	237,000	948	-	-
Currency translation reserves		-	1,678	-	8,373
<b>Total equity</b>		<b>113,146,767</b>	<b>455,416</b>	<b>106,519,719</b>	<b>435,133</b>
<b>Total liabilities and equity</b>		<b>279,467,644</b>	<b>1,124,859</b>	<b>205,288,831</b>	<b>838,605</b>

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

## STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Notes	2024		2023	
		US\$	KHR'm (Note 3.3)	US\$	KHR'm (Note 3.3)
Interest income	22	12,819,813	52,189	9,455,811	38,863
Interest expense	23	(453,161)	(1,845)	(190,845)	(784)
<b>Net interest income</b>		<b>12,366,652</b>	<b>50,344</b>	<b>9,264,966</b>	<b>38,079</b>
Fee and commission income		40,791	166	65,353	269
Fee and commission expense		(163)	(1)	(49)	-
<b>Net fee and commission income</b>		<b>40,628</b>	<b>165</b>	<b>65,304</b>	<b>269</b>
Other income		62	-	12	-
Unrealised exchange gain		179,196	730	72,144	297
Impairment losses on financial instruments	24	(299,908)	(1,221)	(263,686)	(1,084)
Personnel expenses	25	(2,000,433)	(8,144)	(1,656,790)	(6,809)
Depreciation and amortisation		(761,663)	(3,100)	(640,254)	(2,631)
Other operating expenses	26	(1,149,474)	(4,680)	(841,022)	(3,457)
<b>Profit before income tax</b>		<b>8,375,060</b>	<b>34,094</b>	<b>6,000,674</b>	<b>24,664</b>
<b>Income tax expense</b>	27.1	<b>(1,748,012)</b>	<b>(7,116)</b>	<b>(1,276,176)</b>	<b>(5,245)</b>
<b>Net profit for the year</b>		<b>6,627,048</b>	<b>26,978</b>	<b>4,724,498</b>	<b>19,419</b>
<b>Other comprehensive income:</b>					
Currency translation differences		-	(6,695)	-	(3,377)
<b>Total comprehensive income for the year</b>		<b>6,627,048</b>	<b>20,283</b>	<b>4,724,498</b>	<b>16,042</b>
<b>Profit attributable to:</b>					
Owners of the Bank		6,627,048	26,978	4,724,498	19,419
<b>Total comprehensive income attributable to:</b>					
Owners of the Bank		6,627,048	20,283	4,724,498	16,042

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

## STATEMENT OF CHANGES IN EQUITY

	Share capital		Retained earnings		Regulatory reserves		General reserves		Currency translation reserves		Total	
	US\$	KHR'm (Noted 3.3)	US\$	KHR'm (Noted 3.3)	US\$	KHR'm (Noted 3.3)	US\$	KHR'm (Noted 3.3)	US\$	KHR'm (Noted 3.3)	US\$	KHR'm (Noted 3.3)
<b>At 1 January 2024</b>	100,000,000	400,000	5,905,942	24,259	613,777	2,501	-	-	-	8,373	106,519,719	435,133
<b>Total comprehensive income</b>												
Net profit for the year	-	-	6,627,048	26,978	-	-	-	-	-	-	6,627,048	26,978
Other comprehensive income: - currency translation differences	-	-	-	-	-	-	-	-	-	(6,695)	-	(6,695)
	-	-	6,627,048	26,978	-	-	-	-	-	(6,695)	6,627,048	20,283
<b>Transactions recognised directly in equity</b>												
Transfer between retained earnings and regulatory reserves	-	-	(3,561,856)	(14,500)	3,561,856	14,500	-	-	-	-	-	-
Transfer between retained earnings and general reserve	-	-	(237,000)	(948)	-	-	237,000	948	-	-	-	-
<b>At 31 December 2024</b>	100,000,000	400,000	8,734,134	35,789	4,175,633	17,001	237,000	948	-	1,678	113,146,767	455,416
<b>At 1 January 2023</b>	100,000,000	400,000	1,188,343	4,868	606,878	2,473	-	-	-	11,750	101,795,221	419,091
<b>Total comprehensive income</b>												
Net profit for the year	-	-	4,724,498	19,419	-	-	-	-	-	-	4,724,498	19,419
Other comprehensive income - currency translation differences	-	-	-	-	-	-	-	-	-	(3,377)	-	(3,377)
	-	-	4,724,498	19,419	-	-	-	-	-	(3,377)	4,724,498	16,042
<b>Transactions recognised directly in equity</b>												
Transfer between regulatory reserves and retained earnings	-	-	(6,899)	(28)	6,899	28	-	-	-	-	-	-
<b>At 31 December 2023</b>	100,000,000	400,000	5,905,942	24,259	613,777	2,501	-	-	-	8,373	106,519,719	435,133

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

## STATEMENT OF CASH FLOWS

2024			2023	
Notes	US\$	KHR'm (Note 3.3)	US\$	KHR'm (Note 3.3)
Cash flows from operating activities				
Profit before income tax	8,375,060	34,094	6,000,674	24,664
Adjustments for:				
Depreciation and amortisation	761,663	3,100	640,254	2,631
Written-off of property and equipment	-	-	32	-
Impairment losses on financial instruments	299,908	1,221	263,686	1,084
Interest income22	(12,819,813)	(52,189)	(9,455,811)	(38,863)
Interest expense23	453,161	1,845	190,845	784
	(2,930,021)	(11,929)	(2,360,320)	(9,700)
Changes in:				
Deposits with the NBC	(6,892,857)	(28,061)	-	-
Reserve requirement deposits with the NBC	(2,977,527)	(12,122)	(4,201,560)	(17,268)
Loans to customers	(46,663,750)	(189,968)	(6,417,190)	(26,375)
Other assets	(113,628)	(463)	(170,035)	(699)
Deposits from customers	45,946,790	187,049	41,354,995	169,969
Deposits from other banks	20,067,759	81,696	-	-
Other liabilities	42,309	172	139,772	574
Cash generated from operations	6,479,075	26,374	28,345,662	116,501
Interest received	11,317,509	46,074	8,520,027	35,017
Interest paid	(334,829)	(1,363)	(180,316)	(741)
Income tax paid27.2	(1,294,606)	(5,270)	(621,046)	(2,552)
Net cash generated from operating activities	16,167,149	65,815	36,064,327	148,225
Cash flows from investing activities				
Balances with other banks - original maturity more than three months	(29,000,000)	(118,059)	(6,500,000)	(26,715)
Acquisition of property and equipment	(163,343)	(665)	(463,648)	(1,906)
Acquisition of intangible assets	(153,720)	(626)	(618,237)	(2,541)
Net cash used in investing activities	(29,317,063)	(119,350)	(7,581,885)	(31,162)
Cash flows from financing activities				
Principal payment of lease liabilities	(317,710)	(1,293)	(301,931)	(1,241)
Net cash used in financing activities	(317,710)	(1,293)	(301,931)	(1,241)
Net (decrease)/increase in cash and cash equivalents	(13,467,624)	(54,828)	28,180,511	115,822
Cash and cash equivalents at 1 January	43,638,283	178,263	15,457,772	63,640
Currency translation differences	-	(1,998)	-	(1,199)
Cash and cash equivalents at 31 December30	30,170,659	121,437	43,638,283	178,263

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

# NOTES TO THE FINANCIAL STATEMENTS

## 1. CORPORATE INFORMATION

Alpha Commercial Bank PLC. ("the Bank") was incorporated in Cambodia under the Registration No. 00043962 dated on 24 June 2019 issued by the Ministry of Commerce. The Bank subsequently received a banking license No. C.B.52 dated 7 December 2023 (original license No. B-52 dated 23 March 2020) issued by the National Bank of Cambodia ("the NBC").

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

The registered office of the Bank is located at the Gateway Building, Ground and 33rd Floor, Russian Federation Blvd (St. 110), Sangkat Phsar Depou Ti3, Khan Toul Kork, Phnom Penh, Cambodia.

## 2. BASIS OF ACCOUNTING

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

The financial statements were authorised for issue by the Board of Directors on 27 March 2025.

The financial statements are prepared on a going concern basis, as management is satisfied that the Bank has adequate resources to continue as a going concern for the foreseeable future. In making this assessment, management has considered a wide range of information including projections of profitability, regulatory capital requirements and funding needs. The assessment also includes consideration of reasonably possible downside economic scenarios and their potential impacts on the profitability, capital and liquidity of the Bank.

Details of the Bank's accounting policies, including changes thereto, are included in Note 4, 5 and 6.

## 3. FOREIGN CURRENCY TRANSLATION

### 3.1. Functional and presentation currency

The national currency of Cambodia is the Khmer Riel ("KHR"). However, as the Bank transacts and maintains its accounting record primarily in United States Dollars ("US\$"), management have determined the US\$ to be the Bank's functional and presentation currency as it reflects the economic substance of the underlying events and circumstances of the Bank.

The financial statements are presented in US\$, which is the Bank's functional currency.

### 3.2. Foreign currency transactions

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

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

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

Foreign currency differences arising on translation are generally recognised in profit or loss.

### 3.3. Presentation in Khmer Riel

The financial statements are expressed in United States Dollars ("US\$") which is the Bank's functional currency. The translation of US\$ amounts into Khmer Riel ("KHR") meets the presentation requirements pursuant to Law on Accounting and Auditing and has been done in compliance with CIAS21 – *the Effects of Changes in Foreign Exchange Rate*.

Assets and liabilities are translated at the closing rate as at the reporting date and share capital and other equity accounts are translated at the historical rate. The statement of profit or loss and other comprehensive income and cash flows are translated into KHR at the average rate for the year, which has been deemed to approximate the exchange rate on the date of transactions as exchange rates did not fluctuate significantly during the year. Exchange differences arising from the translation are recognised as "Currency Translation Differences" in other comprehensive income.

The Bank uses the following exchange rates:

		Closing Rate	Average rate
Year 2024	US\$ 1 =	KHR 4,025	KHR 4,071
Year 2023	US\$ 1 =	KHR 4,085	KHR 4,110

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

All amounts have been rounded to the nearest dollars ("US\$") or million riels ("KHR'm"), unless otherwise indicated.

## 4. CHANGES IN MATERIAL ACCOUNTING POLICIES

The Bank does not have changes in material accounting policies in the current annual reporting period.

## 5. ACCOUNTING STANDARDS ISSUED BUT NOT YET EFFECTIVE

A number of new accounting standard and amendments to accounting standard are effective for annual periods beginning on or after 1 January 2024 and earlier application is permitted. However, the Bank has not early adopted any of the new or amended standards in preparing these financial statements.

Effective date	New accounting standards or amendment
1 January 2025	Lack of exchangeabilities (Amendment to CIAS 21)
1 January 2026	Classification and measurement of financial instruments (Amendments to CIFRS 9 and CIFRS 7)
	Annual Improvement to CIFRS Accounting Standard – Volume 11
1 January 2027	CIFRS 18 Presentation and Disclosure in Financial Statements
	CIFRS 19 Subsidiaries without Public Accountability: Disclosure



## 6. MATERIAL ACCOUNTING POLICIES

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

### 6.1. Financial instruments

#### 6.1.1. Recognition and initial measurement

The Bank initially recognises loans to customers on the date on which they originated. All other financial instruments are recognised when the Bank becomes a party to the contractual provisions of the instrument.

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

#### 6.1.2. Classification of financial assets

The Bank classifies financial assets, on initial recognition, as measured at Amortised Cost ("AmrtC"), Fair Value through Other Comprehensive Income ("FVOCI") or Fair Value through Profit or Loss ("FVTPL") on the basis of both:

- ✓ The Bank's business model for managing the financial assets and
- ✓ The contractual cash flow characteristics of the financial asset.

The measurement classification is summarised as follows:

Business model	Contractual cash flow characteristics	Measurement classification
Held-to-collect: Financial asset is held to collect contractual cash flows.	Cash flows are solely payments of principal and interest ("SPPI")	AmrtC
Both held-to-collect and sales: Financial asset is held to collect contractual cash flows and selling financial assets.		FVOCI
Other business model: Other than above.	Not SPPI	FVTPL

The financial assets are not reclassified subsequent to their initial recognition, except in the period when the Bank changed its business model for managing financial asset.

#### 6.1.3. Classification of financial liabilities

The Bank classifies its financial liabilities, on initial recognition, as measured at amortised cost, except for derivatives held for risk management which are measured at FVTPL.

The Bank does not reclassify any financial liability.

#### 6.1.4. Business model assessment

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

- ✓ The stated policies and objectives for the portfolio and the operation of those policies in practice. In particular, whether management's strategy focuses on earning contractual interest revenue, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of the liabilities that are funding those assets or realising cash flows through the sale of the assets;
- ✓ How the performance of the portfolio is evaluated and reported to the Bank's management;
- ✓ The risks that affect the performance of the business model (and the financial assets held within that business model) and its strategy for how those risks are managed;

- ✓ How managers of the business are compensated (e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected); and
- ✓ The frequency, volume and timing of sales in prior periods, the reasons for such sales and its expectations about future sales activity. However, information about sales activity is not considered in isolation, but as part of an overall assessment of how the Bank's stated objective for managing the financial assets is achieved and how cash flows are realised.

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

### 6.1.5. SPPI Assessment

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

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

In making the assessment, the Bank considers:

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

### Non-recourse loans

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

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

### 6.1.6. Derecognition

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

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

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

### 6.1.7. Offsetting

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

### 6.1.8. 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 measure date in the principal or, in its absence, the most advantageous market to which the Bank has access at that date. The fair value of a liability reflects its non-performance risk.

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

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

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

### 6.1.9. Impairment

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

- ✓ Financial assets that are debt instruments; and
- ✓ Loan commitments issued.

### Determining whether credit risk has increased significantly

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

The Bank considers the significant increase in credit risk base on day past due ("DPD"). Days past due are determined by counting the number of days since the earliest elapsed due date in respect of which full payment has not been received. Due dates are determined without considering any grace period that might be available to the borrower. Refer to Note 31.1.b, for the details.

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

## Definition of default

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

- ✓ The borrower is unlikely to pay its credit obligations to the Bank in full, without recourse by the Bank to actions such as realising security (if any is held); or
- ✓ The Bank considers that a significant increase in credit risk occurs no later than when an asset is more than or equal to 30 days past due for long-term facilities or more than or equal to 15 days past due for short-term facilities.
- ✓ Asset is considered as credit impaired when as asset is more than or equal to 90 days past due for long-term facilities or more than or equal to 31 days for short-term facilities.

## Measurement of ECL

ECL are a probability-weighted estimate of credit losses. They are measured as follows:

- ✓ Financial assets that are not credit-impaired at the reporting date: as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the Bank in accordance with the contract and the cash flows that the Bank expects to receive);
- ✓ Financial assets that are credit-impaired at the reporting date: as the difference between the gross carrying amount and the present value of estimated future cash flows; and
- ✓ Trade facilities and undrawn loan commitments: as the present value of the difference between the contractual cash flows that are due to the Bank if the commitment is drawn down and the cash flows that the Bank expects to receive.

## Inputs, assumptions and techniques used for estimating impairment

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

- ✓ Probability of default ("PD");
- ✓ Loss given default ("LGD"); and
- ✓ Exposure at default ("EAD").

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

The 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.

LGD is the magnitude of the likely loss if there is a default. The Bank estimates LGD parameters by benchmarking the value using BASEL internal ratings-based framework ("IRBF") parameter set between 5% and 50% based on types of credit exposure.

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 trade facilities and undrawn loan 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. The Bank applied Credit Conversion Factor ("CCF") to estimate the EAD of these off-balance sheet items.

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

## Restructured financial assets

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

- ✓ If the expected restructuring will not result in derecognition of the existing asset, then the expected cash flows arising from the modified financial asset are included in calculating the cash shortfalls from the existing asset.
- ✓ If the expected restructuring will result in derecognition of the existing asset, then the expected fair value of the new asset is treated as the final cash flow from the existing financial asset at the time of its derecognition. This amount is included in calculating the cash shortfalls from the existing financial asset that are discounted from the expected date of derecognition to the reporting date using the original effective interest rate of the existing financial asset.

## 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.

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

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

A loan that has been renegotiated due to a deterioration in the borrower's condition is usually considered to be credit-impaired unless there is evidence that the risk of not receiving contractual cash flows has reduced significantly and there are no other indicators of impairment.

### 6.1.10. Presentation of allowance for ECL in the statement of financial position

Loss allowances for ECL are presented in the statement of financial position as follows:

- ✓ Financial assets measured at amortised cost: as a deduction from the gross carrying amount of the assets;
- ✓ Loan commitments: generally, as a provision.

### 6.1.11. Write-off

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

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

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.

## 6.2. Cash and cash equivalents

Cash and cash equivalents includes cash on hand, the non-restricted deposits with NBC and with other banks with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

## 6.3. Property and equipment

Property and equipment are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Subsequent expenditures relating to an item of property and equipment that has already been recognised are added to the carrying amount of the asset when it is probable that future economic benefits in excess of the originally assessed standard of performance of the existing asset will flow to the Bank. All other subsequent expenditures are recognised as expenses in the year in which they are incurred.

Depreciation is calculated using the straight-line method to allocate the cost of assets less their residual values over the estimated useful lives.

Construction in progress is not depreciated. The estimated useful lives are as follows:

No.	Class	Depreciation method	Useful life	Annual depreciation rate
1	Office renovation	Straight line	5 years	20%
2	IT and office equipment			
3	Furniture and fixture			
4	Vehicles			

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, if there is an indication of a significant change since the last reporting date.

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

Gains and losses on disposal of property, plant and equipment are determined by comparing the proceeds with the carrying amount and are included in profit or loss.

## 6.4. Lease – the Bank as a lessee

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

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

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

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

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

### 6.4.1. Lease liabilities

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

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

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

To determine the incremental borrowing rate, the Bank uses its recent borrowing rate as a starting point, making specific adjustments to the lease such as term, country, currency and security. Lease payments are allocated between principal and interest expense. The interest expense is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

#### 6.4.2. Right-of-use assets

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

- ✓ The amount of the initial measurement of lease liability
- ✓ Any lease payments made at or before the commencement date less any lease incentives received
- ✓ Any initial direct costs, and
- ✓ Restoration cost if any.

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

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

#### 6.4.3. Recognition exemptions

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

### 6.5. Intangible assets

Intangible assets, which comprise acquired computer software licences and related cost, are stated at cost less accumulated amortisation and impairment loss. Acquired computer software is capitalised on the basis of the costs incurred to acquire the specific software and bring it to use.

Amortisation is calculated using the straight-line method to allocate the costs over their estimated useful lives of 10 years from which the asset is ready for use.

Work in progress are not amortised.

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

### 6.6. Impairment of non-financial assets

An impairment loss is recognised if the carrying amount of an asset or its related cash-generating unit ("CGU") exceed its estimated recoverable amount.

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

For the purpose of impairment testing, assets that cannot be tested individually are grouped together with the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs.



Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the CGUs, and then to reduce the carrying amounts of the other assets in the CGUs on a pro-rata basis.

Impairment losses recognised in prior years are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

## 6.7. Interest income and expense

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

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

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.

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.

## 6.8. Provisions

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

## 6.9. Income tax

Income tax expense comprises current and deferred tax. It is recognised in profit and loss except items recognised directly in equity or 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 has accounted for them under *CIAS 37 Provisions, Contingent Liabilities and Contingent Assets* and has recognised the related expenses in "other expenses" in other comprehensive income or directly in equity, respectively.

### Current tax

Current tax comprises the expected tax payable or receivable on the taxable income for the period using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous period.

### Deferred tax

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

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

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

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

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

### 6.10. Short-term employee benefits

Short-term employee benefit are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Bank has 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.

### 6.11. Share capital

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

### 6.12. Regulatory reserve

Banks and financial institutions are required to compute regulatory provisions, according to the NBC's:

- ✓ Prakas No. B7-017-344 dated 1 December 2017 on Credit Risk Grading and Impairment Provisioning;
- ✓ Circular No. B7-018-001 dated 16 February 2018 on Implementation of Prakas on Credit Grading and Impairment Provision
- ✓ Circular No. B7-021-002 dated 27 December 2021 on the classification and provisioning requirements for restructured loans; and
- ✓ Circular No. B7-024-001 dated 29 August 2024 on Credit Restructuring

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 accumulated impairment based on CIFRS 9. The regulatory reserve is set aside as a buffer, is non-distributable, and is not allowed to be included in the net worth calculation.

## 7. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The Bank makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next period are addressed below.

### 7.1. Judgements

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

- ✓ **Note 6.1.2:** Classification of financial asset: assessment of the business model within which the assets are held and assessment of whether the contractual terms of the financial asset are SPPI on the principal amount outstanding.
- ✓ **Note 6.1.9:** significant increase in credit risk: establishing the criteria for determining whether credit risk on the financial asset has increased significantly since initial recognition, determining methodology for incorporating forward-looking information into measurement of ECL and selection and approval model used to measure ECL.

## 7.2. Assumption and estimation uncertainties

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

- ✓ **Note 6.1.9:** Impairment of financial instruments: determining input into the ECL measurement model, including key assumption used in estimating recoverable cash flows, and incorporation of forward-looking information.
- ✓ **Note 6.1.8:** Determination of the fair value of financial instruments with significant unobservable inputs.
- ✓ **Note 27.4:** Recognition and measurement of contingencies: key assumptions about the likelihood and magnitude of outflow of resource.

## 8. CASH ON HAND

	31 December 2024		31 December 2023	
	US\$	KHR'm (Note 3.3)	US\$	KHR'm (Note 3.3)
<b>a. By currency</b>				
US Dollar	3,183,939	12,815	3,899,716	15,930
Khmer Riel	260,765	1,050	241,572	987
	<b>3,444,704</b>	<b>13,865</b>	<b>4,141,288</b>	<b>16,917</b>
<b>b. By nature</b>				
Bank notes	3,437,897	13,838	4,141,288	16,917
Items in clearing process	6,807	27	-	-
	<b>3,444,704</b>	<b>13,865</b>	<b>4,141,288</b>	<b>16,917</b>

## 9. DEPOSITS WITH THE NBC

	31 December 2024		31 December 2023	
	US\$	KHR'm (Note 3.3)	US\$	KHR'm (Note 3.3)
Current accounts	16,896,381	68,008	28,954,354	118,279
Settlement accounts	5,798,095	23,337	-	-
Negotiable certificate of deposits ("NCD")	6,892,857	27,744	-	-
<b>Total principal amount</b>	<b>29,587,333</b>	<b>119,089</b>	<b>28,954,354</b>	<b>118,279</b>
Accrued interest receivables	20,265	82	-	-
<b>Gross amount</b>	<b>29,607,598</b>	<b>119,171</b>	<b>28,954,354</b>	<b>118,279</b>

The current accounts and settlement accounts are non-interest-bearing accounts.

Out of the NCD of US\$6,892,857, the Bank has pledged the NCD amounting to US\$ 449,379 (31 December 2023: Nil) with the National Bank of Cambodia ("NBC") as collateral for settlement clearing facility. As at 31 December 2024, the Bank had not yet utilised the overdrafts on settlement clearing facility. The NCDs earn interest at rates from 1.00% to 1.40% per annum (31 December 2023: Nil)

No impairment loss allowance is provided against the balance with the NBC as the Bank determines that the credit risk on these facilities is minimal.

## 10. DEPOSITS WITH OTHER BANKS

	31 December 2024		31 December 2023	
	US\$	KHR'm (Note 3.3)	US\$	KHR'm (Note 3.3)
<b>Local bank</b>				
Current accounts	2,568,884	10,340	6,527,331	26,664
Savings accounts	1,462,595	5,887	56,926	233
Term deposits	128,500,000	517,213	103,458,384	422,627
<b>Total principal amount</b>	<b>132,531,479</b>	<b>533,440</b>	<b>110,042,641</b>	<b>449,524</b>
Accrued interest receivables	3,956,445	15,924	3,070,151	12,541
<b>Gross amount</b>	<b>136,487,924</b>	<b>549,364</b>	<b>113,112,792</b>	<b>462,065</b>
Less: ECL allowance	(820,216)	(3,301)	(681,593)	(2,784)
<b>Net amount</b>	<b>135,667,708</b>	<b>546,063</b>	<b>112,431,199</b>	<b>459,281</b>

The movements of the ECL allowance during the year were as follows:

	2024		2023	
	US\$	KHR'm (Note 3.3)	US\$	KHR'm (Note 3.3)
At 1 January	681,593	2,784	588,132	2,421
Recognised in profit or loss (Note 24)	138,623	564	93,461	384
Currency translation differences	-	(47)	-	(21)
<b>At 31 December</b>	<b>820,216</b>	<b>3,301</b>	<b>681,593</b>	<b>2,784</b>

The total gross amounts above are analysed as follows:

	31 December 2024		31 December 2023	
	US\$	KHR'm (Note 3.3)	US\$	KHR'm (Note 3.3)
<b>a. By currency</b>				
US Dollar	135,001,926	543,383	109,775,465	448,432
Khmer Riel	1,485,998	5,981	3,337,327	13,633
	<b>136,487,924</b>	<b>549,364</b>	<b>113,112,792</b>	<b>462,065</b>
<b>b. By maturity</b>				
Within 1 month	9,397,866	37,826	8,729,737	35,661
> 1 to 3 months	36,800,393	148,122	19,892,313	81,260
> 3 to 6 months	27,765,037	111,754	26,640,542	108,827
> 6 to 12 months	62,524,628	251,662	57,850,200	236,317
	<b>136,487,924</b>	<b>549,364</b>	<b>113,112,792</b>	<b>462,065</b>

	31 December 2024	31 December 2023
<b>c. By interest rate (per annum)</b>		
Current accounts	0.00% to 2.50%	0.00% to 3.00%
Savings accounts	0.00% to 3.05%	0.00% to 1.50%
Term deposits	5.00% to 8.88%	4.00% to 7.90%

## 11. STATUTORY DEPOSITS WITH THE NBC

	31 December 2024		31 December 2023	
	US\$	KHR'm (Note 3.3)	US\$	KHR'm (Note 3.3)
Reserve requirement (a)	11,378,261	45,798	8,400,734	34,317
Capital guarantee (b)	10,000,000	40,250	10,000,000	40,850
	<b>21,378,261</b>	<b>86,048</b>	<b>18,400,734</b>	<b>75,167</b>

### (a) Reserve requirement

On 9 January 2023, the NBC repealed Prakas No. B7-020-230 on the Maintenance of Reserve Requirements against Banks and Financial Institutions' Deposits and Borrowings and issued new Prakas No. B7-023-005, which requires Banking and Financial Institutions to maintain reserve requirement against deposits and borrowings at daily average balance with the NBC as follows:

✓ **For local currency (Khmer Riel):**

- Reserve requirement shall be maintained at 7%.

✓ **For foreign currencies (other than Khmer Riel):**

- From 1 January 2023 to 31 December 2023, reserve requirement shall be maintained at 9%.
- From 1 January 2024 onwards, reserve requirement shall be maintained at 12.5%.

However, the NBC subsequently issued the following letters allowing Banking and Financial Institutions to maintain reserve requirement in foreign currency at 7%:

✓ Letter No. B7-023-2621 dated 23 November 2023, effective until 31 December 2024

✓ Letter No. B7-024-1718 dated 21 August 2024, effective until 31 December 2025

The reserve requirement on customers' deposits and non-resident banks borrowings bears no interest.

### (b) Capital guarantee

In accordance with NBC's Prakas No. B7-01-136 dated 15 October 2001 on "Bank's capital guarantee", the Bank is required to deposit 10% of the Bank's registered share capital with the NBC. 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.

This deposit earned an interest rate at 1.31% (2023: 1.29%) per annum.

## 12. LOANS TO CUSTOMERS

	31 December 2024		31 December 2023	
	US\$	KHR'm (Note 3.3)	US\$	KHR'm (Note 3.3)
Term loans	75,291,326	303,048	28,232,784	115,331
Accrued interest receivables	566,361	2,279	121,537	497
Deferred loan processing fee	(326,403)	(1,314)	(176,824)	(722)
Fair value adjustment	(262,702)	(1,057)	(166,904)	(682)
<b>Gross amount</b>	<b>75,268,582</b>	<b>302,956</b>	<b>28,010,593</b>	<b>114,424</b>
Less: ECL allowance	(378,960)	(1,525)	(214,608)	(877)
<b>Net amount</b>	<b>74,889,622</b>	<b>301,431</b>	<b>27,795,985</b>	<b>113,547</b>

The movement of ECL allowance on Loans to customers during the year were as follows:

	2024		2023	
	US\$	KHR'm (Note 3.3)	US\$	KHR'm (Note 3.3)
At 1 January	214,608	877	51,396	212
Recognised in profit or loss (Note 24)	164,352	669	163,212	671
Currency translation differences	-	(21)	-	(6)
<b>At 31 December</b>	<b>378,960</b>	<b>1,525</b>	<b>214,608</b>	<b>877</b>

The amounts of gross loans above are analysed as follows:

	31 December 2024		31 December 2023	
	US\$	KHR'm (Note 3.3)	US\$	KHR'm (Note 3.3)
<b>a. By currency</b>				
US Dollar	64,259,904	258,646	24,476,539	99,987
Khmer Riel	11,008,678	44,310	3,534,054	14,437
	<b>75,268,582</b>	<b>302,956</b>	<b>28,010,593</b>	<b>114,424</b>
<b>b. By maturity</b>				
Within 1 month	1,026,899	4,133	233,197	953
> 1 to 3 months	593,755	2,390	233,738	955
> 3 to 6 months	7,035,532	28,318	414,552	1,693
> 6 to 12 months	6,044,897	24,331	1,315,205	5,373
> 1 to 5 years	37,361,304	150,379	13,174,157	53,816
> 5 years	23,206,195	93,405	12,639,744	51,634
	<b>75,268,582</b>	<b>302,956</b>	<b>28,010,593</b>	<b>114,424</b>

	31 December 2024		31 December 2023	
	US\$	KHR'm (Note 3.3)	US\$	KHR'm (Note 3.3)
<b>c. By residency status</b>				
Resident	75,268,582	302,956	28,010,593	114,424
	<b>75,268,582</b>	<b>302,956</b>	<b>28,010,593</b>	<b>114,424</b>
<b>d. By relationship</b>				
Related parties	6,809,522	27,408	314,070	1,283
Non-related parties	68,459,060	275,548	27,696,523	113,141
	<b>75,268,582</b>	<b>302,956</b>	<b>28,010,593</b>	<b>114,424</b>
<b>e. By exposure</b>				
Large exposures (*)	20,014,949	80,560	-	-
Non large exposures	55,253,633	222,396	28,010,593	114,424
	<b>75,268,582</b>	<b>302,956</b>	<b>28,010,593</b>	<b>114,424</b>
<b>f. By security</b>				
Secured	75,268,582	302,956	28,010,593	114,424
	<b>75,268,582</b>	<b>302,956</b>	<b>28,010,593</b>	<b>114,424</b>
<b>g. By performance</b>				
Standard	70,168,671	282,429	25,004,408	102,144
Special mention	1,878,018	7,559	3,006,185	12,280
Substandard	-	-	-	-
Doubtful	-	-	-	-
Loss	3,221,893	12,968	-	-
	<b>75,268,582</b>	<b>302,956</b>	<b>28,010,593</b>	<b>114,424</b>
<b>h. By industry</b>				
Real estate	37,577,440	151,249	10,119,059	41,336
Hotel and restaurant	15,937,051	64,147	4,991,370	20,390
Manufacturing	8,808,479	35,454	716,074	2,925
Construction	5,131,702	20,655	4,798,873	19,603
Retail trade	2,531,215	10,188	4,056,142	16,569
Wholesale trade	1,878,018	7,559	1,876,169	7,664
Financial institution	991,250	3,990	-	-
Other	2,413,427	9,714	1,452,906	5,937
	<b>75,268,582</b>	<b>302,956</b>	<b>28,010,593</b>	<b>114,424</b>
<b>i. By interest rate (per annum)</b>				
Term loan	3.00% to 11.00%		3.00% to 11.00%	

(\*) 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.



### 13. INVESTMENT SECURITIES

	31 December 2024		31 December 2023	
	US\$	KHR'm (Note 3.3)	US\$	KHR'm (Note 3.3)
Investment in corporate bond	10,000,000	40,250	10,000,000	40,850
Accrued interest receivables	525,890	2,117	524,384	2,142
Gross amounts	10,525,890	42,367	10,524,384	42,992
Less: ECL allowance	(130,649)	(526)	(131,134)	(536)
<b>Net amounts</b>	<b>10,395,241</b>	<b>41,841</b>	<b>10,393,250</b>	<b>42,456</b>

On 14 January 2022, the Bank entered into a US\$10,000,000 Techo International Airport Guarantee Bond Agreement (formerly known as “New Phnom Penh International Airport Guarantee Bond Agreement”) with Cambodia Airport Investment Co., Ltd. (the bond issuer) and Overseas Cambodian Investment Corporation Ltd (the bond guarantor).

The bond has a term of 3 years with maturity on 17 January 2025 and bears interest rate 5.50% per annum.

On 30 December 2024, the Bank signed an agreement to extend the bond for another 3 years with the new maturity date on 16 January 2028, and the revised interest rate at 6.25% per annum. The principal amount of US\$10,000,000 is to rolled over, effective from 17 January 2025.

The movement of ECL allowance on investment in corporate bond during the year were as follows:

	2024		2023	
	US\$	KHR'm (Note 3.3)	US\$	KHR'm (Note 3.3)
At 1 January	131,134	536	128,503	529
Recognised in profit or loss (Note 24)	(485)	(2)	2,631	11
Currency translation differences	-	(8)	-	(4)
<b>At 31 December</b>	<b>130,649</b>	<b>526</b>	<b>131,134</b>	<b>536</b>

## 14. PROPERTY AND EQUIPMENT

	Office Renovation	Office equipment	IT equipment	Furniture and fixture	Vehicle	Total	
Year 2024	US\$	US\$	US\$	US\$	US\$	US\$	KHR'm (Note 3.3)
<b>Cost</b>							
At 1 January	33,933	110,884	1,034,639	68,656	228,000	1,476,112	6,030
Addition	5,478	5,341	19,032	8,492	125,000	163,343	665
Currency translation differences	-	-	-	-	-	-	(96)
<b>At 31 December</b>	<b>39,411</b>	<b>116,225</b>	<b>1,053,671</b>	<b>77,148</b>	<b>353,000</b>	<b>1,639,455</b>	<b>6,599</b>
<b>Less: Accumulated depreciation</b>							
At 1 January	7,794	55,994	244,264	38,902	193,800	540,754	2,209
Depreciation for the year	7,152	22,227	207,618	13,872	52,950	303,819	1,237
Currency translation differences	-	-	-	-	-	-	(46)
<b>At 31 December</b>	<b>14,946</b>	<b>78,221</b>	<b>451,882</b>	<b>52,774</b>	<b>246,750</b>	<b>844,573</b>	<b>3,400</b>
<b>Carrying amount</b>							
At 1 January	26,139	54,890	790,375	29,754	34,200	935,358	3,821
<b>At 31 December</b>	<b>24,465</b>	<b>38,004</b>	<b>601,789</b>	<b>24,374</b>	<b>106,250</b>	<b>794,882</b>	<b>3,199</b>

	Office Renovation	Office equipment	IT equipment	Furniture and fixture	Vehicle	Construction in progress	Total	
Year 2023	US\$	US\$	US\$	US\$	US\$	US\$	US\$	KHR'm (Note 3.3)
<b>Cost</b>								
At 1 January	26,612	109,924	377,552	68,656	228,000	201,850	1,012,594	4,169
Addition	3,361	1,090	9,295	-	-	449,902	463,648	1,906
Transfer	3,960	-	647,792	-	-	(651,752)	-	-
Write off	-	(130)	-	-	-	-	(130)	(1)
Currency translation differences	-	-	-	-	-	-	-	(44)
<b>At 31 December</b>	<b>33,933</b>	<b>110,884</b>	<b>1,034,639</b>	<b>68,656</b>	<b>228,000</b>	<b>-</b>	<b>1,476,112</b>	<b>6,030</b>
<b>Less: Accumulated depreciation</b>								
At 1 January	1,673	34,082	102,726	25,171	148,200	-	311,852	1,284
Depreciation for the year	6,121	22,010	141,538	13,731	45,600	-	229,000	941
Write off	-	(98)	-	-	-	-	(98)	-
Currency translation differences	-	-	-	-	-	-	-	(16)
<b>At 31 December</b>	<b>7,794</b>	<b>55,994</b>	<b>244,264</b>	<b>38,902</b>	<b>193,800</b>	<b>-</b>	<b>540,754</b>	<b>2,209</b>
<b>Carrying amount</b>								
At 1 January	24,939	75,842	274,826	43,485	79,800	201,850	700,742	2,885
<b>At 31 December</b>	<b>26,139</b>	<b>54,890</b>	<b>790,375</b>	<b>29,754</b>	<b>34,200</b>	<b>-</b>	<b>935,358</b>	<b>3,821</b>

## 15. RIGHT-OF-USE ASSETS

	2024		2023	
	US\$	KHR'm (Note 3.3)	US\$	KHR'm (Note 3.3)
<b>Office space</b>				
<b>Cost</b>				
At 1 January	1,323,312	5,406	1,323,312	5,448
Lease modification	1,393,495	5,673	-	-
Currency translation differences	-	(144)	-	(42)
<b>At 31 December</b>	<b>2,716,807</b>	<b>10,935</b>	<b>1,323,312</b>	<b>5,406</b>
<b>Less: Accumulated depreciation</b>				
At 1 January	788,898	3,223	483,518	1,991
Depreciation for the year	303,474	1,235	305,380	1,255
Currency translation differences	-	(61)	-	(23)
<b>At 31 December</b>	<b>1,092,372</b>	<b>4,397</b>	<b>788,898</b>	<b>3,223</b>
<b>Carrying amount</b>				
<b>At 31 December</b>	<b>1,624,435</b>	<b>6,538</b>	<b>534,414</b>	<b>2,183</b>

## 16. INTANGIBLE ASSETS

	Computer software	Work in progress	Total	
Year 2024	US\$	US\$	US\$	KHR'm (Note 3.3)
<b>Cost</b>				
At 1 January	1,403,690	-	1,403,690	5,734
Addition	-	153,720	153,720	626
Currency translation differences	-	-	-	(91)
<b>At 31 December</b>	<b>1,403,690</b>	<b>153,720</b>	<b>1,557,410</b>	<b>6,269</b>
<b>Less: Accumulated amortisation</b>				
At 1 January	144,964	-	144,964	592
Amortisation for the year	154,370	-	154,370	628
Currency translation differences	-	-	-	(15)
<b>At 31 December</b>	<b>299,334</b>	<b>-</b>	<b>299,334</b>	<b>1,205</b>
<b>Carrying amount</b>				
At 1 January	1,258,726	-	1,258,726	5,142
<b>At 31 December</b>	<b>1,104,356</b>	<b>153,720</b>	<b>1,258,076</b>	<b>5,064</b>

	Computer software	Work in progress	Total	
Year 2023	US\$	US\$	US\$	KHR'm (Note 3.3)
<b>Cost</b>				
At 1 January	560,261	225,192	785,453	3,234
Addition	-	618,237	618,237	2,541
Transfer	843,429	(843,429)	-	-
Currency translation differences	-	-	-	(41)
<b>At 31 December</b>	<b>1,403,690</b>	<b>-</b>	<b>1,403,690</b>	<b>5,734</b>
<b>Less: Accumulated amortisation</b>				
At 1 January	39,090	-	39,090	161
Amortisation for the year	105,874	-	105,874	435
Currency translation differences	-	-	-	(4)
<b>At 31 December</b>	<b>144,964</b>	<b>-</b>	<b>144,964</b>	<b>592</b>
<b>Carrying amount</b>				
At 1 January	521,171	225,192	746,363	3,073
<b>At 31 December</b>	<b>1,258,726</b>	<b>-</b>	<b>1,258,726</b>	<b>5,142</b>

## 17. DEPOSITS FROM CUSTOMERS AND OTHER BANKS

### 17.1. Deposits from customers

	31 December 2024		31 December 2023	
	US\$	KHR'm (Note 3.3)	US\$	KHR'm (Note 3.3)
Current accounts	1,810,760	7,288	397,628	1,624
Savings accounts	137,713,948	554,300	95,836,886	391,494
Fixed deposits	3,088,797	12,432	447,426	1,828
Other accounts	15,225	61	-	-
Total principal	142,628,730	574,081	96,681,940	394,946
Accrued interest payables	68,292	275	19,752	80
	<b>142,697,022</b>	<b>574,356</b>	<b>96,701,692</b>	<b>395,026</b>

The total gross amounts of deposits from customers are analysed as follows:

	31 December 2024		31 December 2023	
	US\$	KHR'm (Note 3.3)	US\$	KHR'm (Note 3.3)
<b>a. By currency</b>				
US Dollar	142,030,160	571,671	96,677,136	394,926
Khmer Riel	666,862	2,685	24,556	100
	<b>142,697,022</b>	<b>574,356</b>	<b>96,701,692</b>	<b>395,026</b>
<b>b. By maturity</b>				
Within 1 month	139,556,929	561,718	96,245,565	393,163
> 1 to 3 months	396,814	1,597	223,123	911
> 3 to 6 months	168,732	679	-	-
> 6 to 12 months	2,470,104	9,942	233,004	952
> 1 to 5 years	104,443	420	-	-
> 5 years	-	-	-	-
	<b>142,697,022</b>	<b>574,356</b>	<b>96,701,692</b>	<b>395,026</b>
<b>c. By residency status</b>				
Resident	58,815,075	236,731	55,988,321	228,712
Non-resident	83,881,947	337,625	40,713,371	166,314
	<b>142,697,022</b>	<b>574,356</b>	<b>96,701,692</b>	<b>395,026</b>
<b>d. By relationship</b>				
Related parties (Note 29.2)	71,796,282	288,981	33,135,754	135,360
Non-related parties	70,900,740	285,375	63,565,938	259,666
	<b>142,697,022</b>	<b>574,356</b>	<b>96,701,692</b>	<b>395,026</b>

	31 December 2024	31 December 2023
<b>e. By interest rate (per annum)</b>		
Current accounts	0.00%	0.00%
Savings accounts	0.10% to 0.20%	0.10% to 0.20%
Fixed deposits	0.75% to 4.50%	0.75% to 4.50%
Other accounts	0.00%	0.00%

## 17.2. Deposits from other banks

	31 December 2024		31 December 2023	
	US\$	KHR'm (Note 3.3)	US\$	KHR'm (Note 3.3)
Current accounts	86,393	348	-	-
Fixed deposits	19,981,366	80,425	-	-
Total principal	20,067,759	80,773	-	-
Accrued interest payables	69,792	281	-	-
	<b>20,137,551</b>	<b>81,054</b>	<b>-</b>	<b>-</b>

The total gross amounts of deposits from other banks are analysed as follows:

	31 December 2024		31 December 2023	
	US\$	KHR'm (Note 3.3)	US\$	KHR'm (Note 3.3)
<b>a. By currency</b>				
US Dollar	17,134,155	68,965	-	-
Khmer Riel	3,003,396	12,089	-	-
	<b>20,137,551</b>	<b>81,054</b>	<b>-</b>	<b>-</b>
<b>b. By maturity</b>				
Within 1 month	156,185	629	-	-
> 1 to 3 months	-	-	-	-
> 3 to 6 months	-	-	-	-
> 6 to 12 months	3,996,273	16,085	-	-
> 1 to 5 years	15,985,093	64,340	-	-
> 5 years	-	-	-	-
	<b>20,137,551</b>	<b>81,054</b>	<b>-</b>	<b>-</b>

	31 December 2024		31 December 2023	
	US\$	KHR'm (Note 3.3)	US\$	KHR'm (Note 3.3)
<b>c. By residency status</b>				
Resident	20,137,551	81,054	-	-
Non-resident	-	-	-	-
	<b>20,137,551</b>	<b>81,054</b>	-	-
<b>d. By relationship</b>				
Related parties (Note 29.2)	399	2	-	-
Non-related parties	20,137,152	81,052	-	-
	<b>20,137,551</b>	<b>81,054</b>	-	-
<b>e. By interest rate (per annum)</b>				
Current accounts	0.00%		0.00%	
Fixed deposits	0.10% to 4.50%		0.00%	

## 18. LEASE LIABILITIES

	31 December 2024			31 December 2023		
	Contractual cash flow	Finance charge	Carrying amount	Contractual cash flow	Finance charge	Carrying amount
	US\$	US\$	US\$	US\$	US\$	US\$
<b>Matured in</b>						
Year 1	360,000	(122,332)	237,668	360,000	(32,996)	327,004
Year 2	360,000	(102,595)	257,405	270,000	(7,046)	262,954
Year 3	360,000	(81,219)	278,781	-	-	-
Year 4	360,000	(58,069)	301,931	-	-	-
Year 5	360,000	(32,996)	327,004	-	-	-
After year 5	270,000	(7,046)	262,954	-	-	-
	<b>2,070,000</b>	<b>(404,257)</b>	<b>1,665,743</b>	<b>630,000</b>	<b>(40,042)</b>	<b>589,958</b>
<b>In KHR'm equivalent (Note 3.3)</b>	<b>8,332</b>	<b>(1,627)</b>	<b>6,705</b>	<b>2,574</b>	<b>(164)</b>	<b>2,410</b>

	2024		2023	
	US\$	KHR'm (Note 3.3)	US\$	KHR'm (Note 3.3)
<b>Movements of lease liabilities:</b>				
At 1 January	589,958	2,410	891,889	3,672
Lease modification	1,393,495	5,673	-	-
Interest expense	42,290	172	58,069	239
Interest paid	(42,290)	(172)	(58,069)	(239)
Principal portion of lease payments	(317,710)	(1,293)	(301,931)	(1,241)
Currency translation differences	-	(85)	-	(21)
<b>At 31 December</b>	<b>1,665,743</b>	<b>6,705</b>	<b>589,958</b>	<b>2,410</b>



	2024		2023	
	US\$	KHR'm (Note 3.3)	US\$	KHR'm (Note 3.3)
<b>Amounts recognised in profit or loss:</b>				
Interest expense on lease liabilities	42,290	172	58,069	239
Leases of short-term and low-value assets	9,770	40	9,449	39
	<b>52,060</b>	<b>212</b>	<b>67,518</b>	<b>278</b>
<b>Amounts recognised in statement of cash flows</b>				
Total lease payments	360,000	1,480	360,000	1,480
Lease of short-term or low value assets	9,770	40	9,449	39
	<b>369,770</b>	<b>1,520</b>	<b>369,449</b>	<b>1,519</b>

## 19. PROVISION FOR OFF-BALANCE SHEET ITEMS

The movement of ECL allowance on off-balance sheet items (see Note 28.1) during the year were as follows:

	2024		2023	
	US\$	KHR'm (Note 3.3)	US\$	KHR'm (Note 3.3)
At 1 January	4,970	20	588	2
Recognised in profit or loss (Note 24)	(2,582)	(10)	4,382	18
<b>At 31 December</b>	<b>2,388</b>	<b>10</b>	<b>4,970</b>	<b>20</b>

## 20. SHARE CAPITAL

On 27 February 2024, the Bank received approval from the NBC to transfer 16% of shares from Neak Oknha Ly Kunthai to Mr. Chen Cheng Ku at par value and the Articles of Association of the Bank had been updated to reflect this change and was endorsed by the Ministry of Commerce ("MOC") on 28 March 2024 and General Department of Taxation ("GDT") on 5 April 2024.

The par value of the share is US\$1,000 per share. All the registered and issued shares of 100,000 have been fully paid up. The registered capital in US\$ was translated into KHR using the historical exchange rate of US\$1 equal to KHR4,000.

The details of shareholding structure are as follows:

31 December 2024				
	Ownership %	No. of Shares	Amount US\$	Amount KHR'm (Note 3.3)
1. Neak Oknha Ly Kunthai	35%	35,000	35,000,000	140,000
2. Mr. Chen Cheng Ku	23%	23,000	23,000,000	92,000
3. Mr. Chen Ching Feng	7%	7,000	7,000,000	28,000
4. Mr. Huang Jui Cheng	7%	7,000	7,000,000	28,000
5. Mr. Wei Chien Hua	7%	7,000	7,000,000	28,000
6. Mr. Hsiao Ching Yang	7%	7,000	7,000,000	28,000
7. Mr. Hsieh Chin Mu	7%	7,000	7,000,000	28,000
8. Mr. Chien Kun Cheng	7%	7,000	7,000,000	28,000
	<b>100%</b>	<b>100,000</b>	<b>100,000,000</b>	<b>400,000</b>

31 December 2023				
	Ownership %	No. of Shares	Amount US\$	Amount KHR'm (Note 3.3)
1. Neak Oknha Ly Kunthai	51%	51,000	51,000,000	204,000
2. Mr. Chen Cheng Ku	7%	7,000	7,000,000	28,000
3. Mr. Chen Ching Feng	7%	7,000	7,000,000	28,000
4. Mr. Huang Jui Cheng	7%	7,000	7,000,000	28,000
5. Mr. Wei Chien Hua	7%	7,000	7,000,000	28,000
6. Mr. Hsiao Ching Yang	7%	7,000	7,000,000	28,000
7. Mr. Hsieh Chin Mu	7%	7,000	7,000,000	28,000
8. Mr. Chien Kun Cheng	7%	7,000	7,000,000	28,000
	<b>100%</b>	<b>100,000</b>	<b>100,000,000</b>	<b>400,000</b>

## 21. RESERVES

### 21.1. Regulatory reserves

Regulatory reserves represented the variance between impairment loss on financial instruments in accordance with CIFRSs and the regulatory provision in accordance with the requirement of the National Bank of Cambodia.

As at 31 December 2024, the Bank transferred from retained earnings to regulatory reserves as follows:

	Deposits with other banks	Loans to customers	Investment securities	Off-balance sheet item	Total
	US\$	US\$	US\$	US\$	US\$
<b>At 31 December 2024</b>					
Allowance per NBC	1,364,879	4,001,366	105,259	10,952	5,482,456
Less: Allowances per CIFRS 9	820,216	378,960	130,649	2,388	1,332,213
<b>Regulatory reserve (A)</b>	<b>544,663</b>	<b>3,622,406</b>	<b>-</b>	<b>8,564</b>	<b>4,175,633</b>
<b>At 31 December 2023</b>					
Allowance per NBC	1,131,128	344,057	105,244	39,763	1,620,192
Less: Allowances per CIFRS 9	681,593	214,608	131,134	4,970	1,032,305
<b>Regulatory reserve (B)</b>	<b>449,535</b>	<b>129,449</b>	<b>-</b>	<b>34,793</b>	<b>613,777</b>
<b>Transfer from retained earnings to regulatory reserves (A - B)</b>					<b>3,561,856</b>
<b>In KHR'm equivalent (Note 3.3)</b>					<b>14,500</b>

### 21.2. General reserves

In accordance with the Bank's Articles of Association, the Bank allocates 5% of the annual net profit after deducting prior years' loss into the general reserve account. This allocation will cease when the cumulative balance reaches 20% of the injected capital.

The movements of general reserves during the year were as follows:

	2024		2023	
	US\$	KHR'm (Note 3.3)	US\$	KHR'm (Note 3.3)
At 1 January	-	-	-	-
Transfer from retained earnings	237,000	948	-	-
<b>At 31 December</b>	<b>237,000</b>	<b>948</b>	<b>-</b>	<b>-</b>

## 22. INTEREST INCOME

	2024		2023	
	US\$	KHR'm (Note 3.3)	US\$	KHR'm (Note 3.3)
Loans to customers	3,425,517	13,945	2,187,658	8,991
Deposits with the NBC	150,259	612	126,058	518
Deposits with other banks	8,692,530	35,387	6,592,095	27,093
Investment securities	551,507	2,245	550,000	2,261
	<b>12,819,813</b>	<b>52,189</b>	<b>9,455,811</b>	<b>38,863</b>

## 23. INTEREST EXPENSE

	2024		2023	
	US\$	KHR'm (Note 3.3)	US\$	KHR'm (Note 3.3)
Deposits from customers	266,669	1,086	132,776	545
Deposits from other banks	144,202	587	-	-
Lease liabilities	42,290	172	58,069	239
	<b>453,161</b>	<b>1,845</b>	<b>190,845</b>	<b>784</b>

## 24. IMPAIRMENT LOSSES ON FINANCIAL INSTRUMENTS

	2024		2023	
	US\$	KHR'm (Note 3.3)	US\$	KHR'm (Note 3.3)
Deposits with other banks (Note 10)	138,623	564	93,461	384
Loans to customers (Note 12)	164,352	669	163,212	671
Off-balance sheet items	(2,582)	(10)	4,382	18
Investment securities (Note 13)	(485)	(2)	2,631	11
	<b>299,908</b>	<b>1,221</b>	<b>263,686</b>	<b>1,084</b>

## 25. PERSONNEL EXPENSES

	2024		2023	
	US\$	KHR'm (Note 3.3)	US\$	KHR'm (Note 3.3)
Salaries and wages	1,252,219	5,098	995,165	4,090
Board's fees (Note 29.3)	379,500	1,545	360,000	1,480
Bonus and incentive expenses	200,251	815	152,460	626
Seniority payment	79,642	324	60,511	249
Allowances	43,501	177	21,098	87
Training	3,705	15	837	3
Others	41,615	170	66,719	274
	<b>2,000,433</b>	<b>8,144</b>	<b>1,656,790</b>	<b>6,809</b>

## 26. OTHER OPERATING EXPENSES

	2024		2023	
	US\$	KHR'm (Note 3.3)	US\$	KHR'm (Note 3.3)
Repairs and maintenance expense	243,601	992	52,668	216
Other tax expense	197,337	803	174,714	718
Rental and utilities expense	138,435	564	186,931	768
Professional fee (*)	129,751	528	94,062	387
Marketing expense	93,120	379	81,479	335
Registration expense	93,010	379	1,230	5
License fees	76,531	312	65,842	271
Communication expense	50,249	205	40,218	165
Travel and entertainment expense	42,448	173	41,833	172
Office supplies expense	23,784	97	26,722	110
Other expense	61,208	248	75,323	310
	<b>1,149,474</b>	<b>4,680</b>	<b>841,022</b>	<b>3,457</b>

(\*) The professional fee includes audit fees payable to the auditor amounting to US\$41,800 inclusive of VAT for fiscal year ended 31 December 2024 (2023: US\$38,500 inclusive of VAT).

## 27. INCOME TAX

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 income or the minimum tax at 1% of annual turnover, whichever is higher.

### 27.1. Income tax expense

	2024		2023	
	US\$	KHR'm (Note 3.3)	US\$	KHR'm (Note 3.3)
Current income tax	1,149,265	4,679	1,254,082	5,154
Under-provisioning for prior years	11,378	46	12,723	52
	1,160,643	4,725	1,266,805	5,206
Deferred tax	587,369	2,391	9,371	39
	<b>1,748,012</b>	<b>7,116</b>	<b>1,276,176</b>	<b>5,245</b>

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

		2024			2023	
	%	US\$	KHR'm (Note 3.3)	%	US\$	KHR'm (Note 3.3)
Profit before income tax		8,375,060	34,094		6,000,674	24,664
Income tax at statutory tax rate	20	1,675,012	6,819	20	1,200,135	4,933
Non-deductible expense	1	61,622	251	1	63,318	260
Under-provisioning for prior years	-	11,378	46	-	12,723	52
<b>Income tax expense</b>	<b>21</b>	<b>1,748,012</b>	<b>7,116</b>	<b>21</b>	<b>1,276,176</b>	<b>5,245</b>

### 27.2. Current income tax liabilities

The movements of current income tax liabilities during the year were as follows:

	2024		2023	
	US\$	KHR'm (Note 3.3)	US\$	KHR'm (Note 3.3)
At 1 January	1,168,655	4,774	522,896	2,153
Current income tax expense	1,149,265	4,679	1,254,082	5,154
Under-provisioning for prior years	11,378	46	12,723	52
Income tax paid	(1,294,606)	(5,270)	(621,046)	(2,552)
Currency translation differences	-	(64)	-	(33)
<b>At 31 December</b>	<b>1,034,692</b>	<b>4,165</b>	<b>1,168,655</b>	<b>4,774</b>

### 27.3. Deferred tax liabilities/asset, net

The movements of net deferred tax liabilities/assets during the year were as follows:

	2024		2023	
	US\$	KHR'm (Note 3.3)	US\$	KHR'm (Note 3.3)
At 1 January	150,034	613	159,405	656
Recognised in profit or loss	(587,369)	(2,391)	(9,371)	(39)
Currency translation differences	-	18	-	(4)
<b>At 31 December</b>	<b>(437,335)</b>	<b>(1,760)</b>	<b>150,034</b>	<b>613</b>

The deferred tax assets and liabilities are attributable to the followings:

	31 December 2024		31 December 2023	
	US\$	KHR'm (Note 3.3)	US\$	KHR'm (Note 3.3)
<b>Deferred tax assets</b>				
Lease liabilities	333,149	1,341	117,992	482
Unearned revenue	65,281	263	35,365	144
Impairment losses	-	-	206,461	843
	<b>398,430</b>	<b>1,604</b>	<b>359,818</b>	<b>1,469</b>
<b>Deferred tax liabilities</b>				
Impairment losses	(381,072)	(1,534)	-	-
Right-of-use assets	(324,887)	(1,308)	(106,884)	(436)
Depreciation and amortisation	(79,538)	(320)	(88,471)	(361)
Unrealised exchange gain/loss	(50,268)	(202)	(14,429)	(59)
	<b>(835,765)</b>	<b>(3,364)</b>	<b>(209,784)</b>	<b>(856)</b>
	<b>(437,335)</b>	<b>(1,760)</b>	<b>150,034</b>	<b>613</b>

### 27.4. Tax contingency

The Bank assesses its tax obligations based on applicable tax laws and regulations as of the reporting date. Given the evolving nature of tax legislation, certain tax treatments may necessitate judgment and interpretation. Management exercises judgment in establishing the Bank's tax positions and continually monitors regulatory developments. While the Bank commits to comply with current tax requirements, interpretations of tax regulations may vary. Any adjustments resulting from regulatory reviews, once conducted and finalised, will be reflected into the financial statements as appropriate.



## 28. COMMITMENTS

### 28.1. Credit commitments

	31 December 2024		31 December 2023	
	US\$	KHR'm (Note 3.3)	US\$	KHR'm (Note 3.3)
Undrawn loan commitment	1,095,217	4,408	3,976,285	16,243
Less: ECL allowance (Note 19)	(2,388)	(10)	(4,970)	(20)
<b>Net amounts</b>	<b>1,092,829</b>	<b>4,398</b>	<b>3,971,315</b>	<b>16,223</b>

### 28.2. Lease commitments

The lease commitment from the short-term leases and leases of low-value assets, which are exempted from lease liability recognition, is not material so the lease commitments are not disclosed.

### 28.3. Capital commitments

	31 December 2024		31 December 2023	
	US\$	KHR'm (Note 3.3)	US\$	KHR'm (Note 3.3)
Purchasing intangible assets	224,516	904	248,270	1,014

## 29. RELATED PARTY BALANCES AND TRANSACTIONS

The Bank is owned by a number of individual shareholders (Note 20).

### 29.1. List of related parties

<b>Individual</b>	Shareholders, board of directors and key management personnel (including their close family members)
<b>Related companies</b>	All entities under the same common control from shareholders and board of directors.
<b>Key management personnel</b>	The key managements are those persons having the authority and responsibility for planning, directing and controlling the activities of the Bank either directly or indirectly. The key management personnel of the Bank include all Directors of the Bank, Chief Executive Officer, and Deputy Chief Executive Officer of the Bank and designated level in each department (including their close family members).

## 29.2. Balances with related parties

	Related companies	Shareholders and directors	Key management personnel	Total	
	US\$	US\$	US\$	US\$	KHR'm (Note 3.3)
<b>31 December 2024</b>					
Loans to customers (*)	6,383,145	-	441,566	6,824,711	27,469
Prepaid expense	13,270	-	-	13,270	54
Security deposit	-	30,000	-	30,000	121
Deposits from customers and other banks (*) (Note 17)	20,195,291	51,594,064	7,326	71,796,681	288,983
Lease liabilities (Note 18)	-	1,665,743	-	1,665,743	6,705
Other liabilities	167,811	-	-	167,811	675
<b>31 December 2023</b>					
Loans to customers (*)	-	-	410,282	410,282	1,676
Prepaid expense	30,736	-	-	30,736	127
Security deposit	-	30,000	-	30,000	123
Deposits from customers and other banks (*) (Note 17)	19,584,374	13,545,917	5,463	33,135,754	135,360
Lease liabilities (Note 18)	-	589,958	-	589,958	2,410
Other liabilities	111,874	-	-	111,874	457

(\*) The loans and deposits to related parties are disclosed at principal with accrued interest amounts.

### 29.3. Transactions with related parties

	Related companies	Shareholders and directors	Key management personnel	Total	
	US\$	US\$	US\$	US\$	KHR'm (Note 3.3)
<b>Year 2024</b>					
Interest income	331,799	-	26,767	358,566	1,460
Interest expense	19,952	135,346	19	155,317	632
Remuneration	-	379,500	716,685	1,096,185	4,462
Capital expenditure	13,970	-	-	13,970	57
Insurance expenses	24,563	-	-	24,563	99
Other expense	151,338	-	-	151,338	616
Lease payment	-	360,000	-	360,000	1,465
<b>Year 2023</b>					
Interest income	-	-	21,016	21,016	87
Interest expense	16,478	84,109	7	100,594	414
Remuneration	-	360,000	562,687	922,687	3,792
Capital expenditure	7,321	-	-	7,321	30
Insurance expenses	24,334	-	-	24,334	100
Other expense	176,407	-	-	176,407	725
Lease payment	-	360,000	-	360,000	1,480

## 30. CASH AND CASH EQUIVALENTS

For the purpose of the statement of cash flows, cash and cash equivalents comprise:

	31 December 2024		31 December 2023	
	US\$	KHR'm (Note 3.3)	US\$	KHR'm (Note 3.3)
Cash on hand	3,444,704	13,865	4,141,288	16,917
Deposits with the NBC	22,694,476	91,345	28,954,354	118,279
Deposits with other banks (*)	4,031,479	16,227	10,542,641	43,067
	<b>30,170,659</b>	<b>121,437</b>	<b>43,638,283</b>	<b>178,263</b>

(\*) Included in the deposits with other banks there is no term deposit with other banks, with original term up to 3 months (31 December 2023: US\$3,958,384).

### 31. FINANCIAL RISK MANAGEMENT

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

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

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

The Bank holds the following financial assets and financial liabilities, which measured at amortised cost:

	31 December 2024		31 December 2023	
	US\$	KHR'm (Note 3.3)	US\$	KHR'm (Note 3.3)
<b>Financial assets</b>				
Cash on hand	3,444,704	13,865	4,141,288	16,917
Deposits with the NBC	29,607,598	119,171	28,954,354	118,279
Deposits with other banks	135,667,708	546,063	112,431,199	459,281
Statutory deposits with the NBC	21,378,261	86,048	18,400,734	75,167
Loans to customers	74,889,622	301,431	27,795,985	113,547
Investment securities	10,395,241	41,841	10,393,250	42,456
Other assets	31,400	126	31,400	128
	<b>275,414,534</b>	<b>1,108,545</b>	<b>202,148,210</b>	<b>825,775</b>
<b>Financial liabilities</b>				
Customer deposits	142,697,022	574,356	96,701,692	395,026
Deposits from other banks	20,137,551	81,054	-	-
Other liabilities	312,643	1,258	274,885	1,124
Lease liabilities	1,665,743	6,705	589,958	2,410
Provision for off-balance sheet items	2,388	10	4,970	20
	<b>164,815,347</b>	<b>663,383</b>	<b>97,571,505</b>	<b>398,580</b>

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

- **Credit risk**
- **Market risk**
- **Liquidity risk**

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

### Functional and governance structure

The Bank's Board has overall responsibility for the establishment and oversight of the Bank's risk management framework. The Board has established the Compliance and Risk Management Committee, which is responsible for developing and monitoring the Bank's risk management policies.

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. The 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 develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Bank's Audit Committee oversees how management monitors compliance with the Bank's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Bank. The Bank's Audit Committee is assisted in its oversight role by Internal Audit. Internal Audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Bank's Audit Committee.

### 31.1. Credit risk

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

#### Measurement

For loans to customers and credit commitments, the estimation of credit exposure for risk management purposes requires the use of models, as the exposure varies with changes in market conditions, expected cash flows and the passage of time. The assessment of credit risk of a portfolio of assets entails further estimations as to the likelihood of default occurring, of the associated loss ratios and of default correlations between counterparties. The Bank measures credit risk using Probability of Default (PD), Exposure at Default (EAD) and Loss Given Default (LGD) for the purposes of measuring ECL under CIFRS 9.

Deposits with the National Bank of Cambodia and other banks are considered to be low credit risk. The credit ratings of these assets are monitored for credit deterioration. Measurement for impairment is limited to 12-month expected credit loss. Other financial assets at amortised cost are monitored for its credit rating deterioration, and the measurement of impairment follows three-stage approach.

The lending activities are guided by the Bank's credit policy to ensure that the overall objectives in the area of lending are achieved, i.e., that the loan portfolio is strong and healthy, and credit risks are well diversified. The credit policy documents the lending policy, collateral policy, and credit approval processes, including the Bank's own internal credit risk rating system, and procedures implemented to ensure compliance with the NBC Guidelines.

The Bank has established the Credit Policy which is designed to govern the Bank's risk undertaking activities.

Extension of credit is governed by credit programs that set out the plan for a particular product or portfolio, including the target market, terms and conditions, documentation and procedures under which a credit product will be offered and measured.

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

## Risk limit control and mitigation

The Bank employs a range of policies and practices to mitigate credit risk. The most traditional of these is the taking of security in the form of collateral for loans to customers, which is common practice. The Bank implements guidelines on the acceptability of specific classes of collateral. The principal collateral types to secure for loans to customers are:

- ✓ Hypothec/mortgages over residential and business properties (land, buildings and other properties); and
- ✓ Cash in the form of fixed and margin deposits.

### (a) Concentration of risk

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

	31 December 2024						31 December 2023				
	Maximum credit exposure		Subject to collateral / credit enhancement				Maximum credit exposure		Subject to collateral / credit enhancement		
			Full	Partial	None				Full	Partial	None
	US\$	KHR'm (Note 3.3)	%	%	%		US\$	KHR'm (Note 3.3)	%	%	%
<b>On-balance sheet item</b>											
Deposits with the NBC	29,607,598	119,171	-	-	100%		28,954,354	118,279	-	-	100%
Deposits with other banks	135,667,708	546,063	-	-	100%		112,431,199	459,281	-	-	100%
Statutory deposits with the NBC	21,378,261	86,048	-	-	100%		18,400,734	75,167	-	-	100%
Loans to customers	74,889,622	301,431	100%	-	-		27,795,985	113,547	100%	-	-
Investment securities	10,395,241	41,841	-	-	100%		10,393,250	42,456	-	-	100%
Other assets	31,400	126	-	-	100%		31,400	128	-	-	100%
<b>Off-balance sheet item</b>											
Undrawn loan commitment	1,095,217	4,408	100%	-	-		3,976,285	16,243	100%	-	-
	<b>273,065,047</b>	<b>1,099,088</b>	<b>28%</b>	<b>-</b>	<b>72%</b>		<b>201,983,207</b>	<b>825,101</b>	<b>15%</b>	<b>-</b>	<b>85%</b>

The above table represents a worst-case scenario of credit risk exposure to the Bank, since collateral held and/or other credit enhancement attached were not taken into account. The exposures set out above are based on net carrying amounts.

Deposits with other banks are held with local banks and management has done proper risk assessment and believe there will be no material loss from these local banks.

## (b) Credit quality of financial asset

Pursuant to the NBC guideline Prakas B7-017-344, the Bank defines each credit grading according to its credit quality of loans to customers as follows:

<b>Normal</b>	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 weaknesses in repayment capability, business, cash flow and financial position of the counterparty.
<b>Special mention</b>	<p>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 Bank.</p> <p>Weaknesses include but are not limited to a declining trend in the business operations of the counterparty or in its financial position, and adverse economic and market conditions that all might affect its profitability and its future repayment capacity, or deteriorating conditions on the collateral. This class has clearly its own rational and should not be used as a compromise between Normal and Substandard.</p>
<b>Substandard</b>	A facility ranked in this class exhibits noticeable weaknesses and is not adequately protected by the current business or financial position and repayment capacity of the counterparty. In essence, the primary source of repayment is not sufficient to service the debt, not taking into account the income from secondary sources such as the realisation of the collateral.
<b>Doubtful</b>	A facility classified in this category exhibits more severe weaknesses than one classified Substandard such that its full collection on the basis of existing facts, conditions or collateral value is highly questionable or improbable. The prospect of loss is high, even if the exact amount remains undetermined for now.
<b>Loss</b>	A facility is classified as Loss when it is not collectable, and little or nothing can be done to recover the outstanding amount from the counterparty.

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

<b>Sovereign</b>	Refers to financial assets issued by the NBC /government or guarantee by the NBC/government.
<b>Investment grade</b>	Refers to the credit quality of the financial assets that the issuer is able to meet payment obligation and exposure bondholder to low credit risk of default.
<b>Non-investment grade</b>	Refers to low credit quality of the financial assets that are highly exposed to default risk.
<b>No rating</b>	Refers to financial assets which are currently not assigned with ratings due to unavailability of ratings models.
<b>Credit impaired</b>	Refers to the financial assets that are being impaired.



## Recognition of ECL

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

Three-stage approach	Stage 1 Performing	Stage 2 Under performing	Stage 3 Nonperforming
Recognition of ECL	12-month ECL	Lifetime ECL	
Criterion	No significant increase in credit risk	Significant increased credit risk	Credit impaired assets
Basic calculation of profit revenue	On gross carrying amount		On net carrying amount

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

Below is a table showing a summary of credit risk status and period for ECL calculation by stages:

Stage	Credit risk status	Grade	DPD		Default indicator
			Short term facility (1 year or less)	Long term facility (More than 1 year)	
1	No significant increase in credit risk	Normal	$0 \leq \text{DPD} \leq 14$	$0 \leq \text{DPD} \leq 29$	Performing
2	Significant increased credit risk	Special mention	$15 \leq \text{DPD} \leq 30$	$30 \leq \text{DPD} \leq 89$	Underperforming
3	Credit impaired assets	Substandard	$31 \leq \text{DPD} \leq 60$	$90 \leq \text{DPD} \leq 179$	Nonperforming
		Doubtful	$61 \leq \text{DPD} \leq 90$	$180 \leq \text{DPD} \leq 359$	
		Loss	$\text{DPD} \geq 91$	$\text{DPD} \geq 360$	

The Bank will use the day past due (“DPD”) information and the NBC’s classification for staging criteria. Also, the Bank will incorporate credit scoring or more forward-looking elements in the future when information is more readily available. Upon the implementation of credit scoring system, if the risk level drops by two or more notches as compared to the risk level at origination, the accounts have to be classified under stage 2.

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

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

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

	31 December 2024				31 December 2023			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
	US\$	US\$	US\$	US\$	US\$	US\$	US\$	US\$
<b>Deposits with other banks:</b>								
Sovereign	-	-	-	-	-	-	-	-
Investment grade	-	-	-	-	-	-	-	-
Non-investment grade	23,837	-	-	23,837	66,411	-	-	66,411
No rating	136,464,087	-	-	136,464,087	113,046,381	-	-	113,046,381
Credit impaired	-	-	-	-	-	-	-	-
Gross carrying amount	136,487,924	-	-	136,487,924	113,112,792	-	-	113,112,792
Loss allowance (ECL)	(820,216)	-	-	(820,216)	(681,593)	-	-	(681,593)
<b>Net carrying amount</b>	<b>135,667,708</b>	<b>-</b>	<b>-</b>	<b>135,667,708</b>	<b>112,431,199</b>	<b>-</b>	<b>-</b>	<b>112,431,199</b>
<b>In KHR'm equivalent (Note 3.3)</b>	<b>546,063</b>	<b>-</b>	<b>-</b>	<b>546,063</b>	<b>459,281</b>	<b>-</b>	<b>-</b>	<b>459,281</b>
<b>Loans to customers:</b>								
Normal	70,168,671	-	-	70,168,671	25,004,408	-	-	25,004,408
Special mention	-	1,878,018	-	1,878,018	-	-	3,006,185	3,006,185
Substandard	-	-	-	-	-	-	-	-
Doubtful	-	-	-	-	-	-	-	-
Loss	-	-	3,221,893	3,221,893	-	-	-	-
Gross carrying amount	70,168,671	1,878,018	3,221,893	75,268,582	25,004,408	-	3,006,185	28,010,593
Loss allowance (ECL)	(170,090)	(46,991)	(161,879)	(378,960)	(63,322)	-	(151,286)	(214,608)
<b>Net carrying amount</b>	<b>69,998,581</b>	<b>1,831,027</b>	<b>3,060,014</b>	<b>74,889,622</b>	<b>24,941,086</b>	<b>-</b>	<b>2,854,899</b>	<b>27,795,985</b>
<b>In KHR'm equivalent (Note 3.3)</b>	<b>281,744</b>	<b>7,370</b>	<b>12,317</b>	<b>301,431</b>	<b>101,884</b>	<b>-</b>	<b>11,662</b>	<b>113,547</b>
<b>Investment securities:</b>								
Sovereign	-	-	-	-	-	-	-	-
Investment grade	-	-	-	-	-	-	-	-
Non-investment grade	-	-	-	-	-	-	-	-
No rating	10,525,890	-	-	10,525,890	10,524,384	-	-	10,524,384
Credit impaired	-	-	-	-	-	-	-	-
Gross carrying amount	10,525,890	-	-	10,525,890	10,524,384	-	-	10,524,384
Loss allowance (ECL)	(130,649)	-	-	(130,649)	(131,134)	-	-	(131,134)
<b>Net carrying amount</b>	<b>10,395,241</b>	<b>-</b>	<b>-</b>	<b>10,395,241</b>	<b>10,393,250</b>	<b>-</b>	<b>-</b>	<b>10,393,250</b>
<b>In KHR'm equivalent (Note 3.3)</b>	<b>41,841</b>	<b>-</b>	<b>-</b>	<b>41,841</b>	<b>42,456</b>	<b>-</b>	<b>-</b>	<b>42,456</b>
<b>Off-balance sheet items:</b>								
Normal	1,095,217	-	-	1,095,217	3,976,285	-	-	3,976,285
Special mention	-	-	-	-	-	-	-	-
Substandard	-	-	-	-	-	-	-	-
Doubtful	-	-	-	-	-	-	-	-
Loss	-	-	-	-	-	-	-	-
Gross carrying amount	1,095,217	-	-	1,095,217	3,976,285	-	-	3,976,285
Loss allowance (ECL)	(2,388)	-	-	(2,388)	(4,970)	-	-	(4,970)
<b>Net carrying amount</b>	<b>1,092,829</b>	<b>-</b>	<b>-</b>	<b>1,092,829</b>	<b>3,971,315</b>	<b>-</b>	<b>-</b>	<b>3,971,315</b>
<b>In KHR'm equivalent (Note 3.3)</b>	<b>4,398</b>	<b>-</b>	<b>-</b>	<b>4,398</b>	<b>16,223</b>	<b>-</b>	<b>-</b>	<b>16,223</b>

### (c) Amounts arising from ECL

The following table shows reconciliation from the opening to the closing balance of the loss allowance of:

	2024				2023			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
	US\$	US\$	US\$	US\$	US\$	US\$	US\$	US\$
<b>Deposits with other banks:</b>								
At 1 January	681,593	-	-	681,593	588,132	-	-	588,132
Derecognition during the year	(675,800)	-	-	(675,800)	(583,709)	-	-	(583,709)
Remeasurement of loss allowance	(3,542)	-	-	(3,542)	1,320	-	-	1,320
New financial assets originated	817,965	-	-	817,965	675,850	-	-	675,850
<b>At 31 December</b>	<b>820,216</b>	<b>-</b>	<b>-</b>	<b>820,216</b>	<b>681,593</b>	<b>-</b>	<b>-</b>	<b>681,593</b>
<b>In KHR'm equivalent (Note 3.3)</b>	<b>3,301</b>	<b>-</b>	<b>-</b>	<b>3,301</b>	<b>2,784</b>	<b>-</b>	<b>-</b>	<b>2,784</b>
<b>Loans to customers:</b>								
At 1 January	63,322	-	151,286	214,608	51,396	-	-	51,396
Derecognition during the year	(26,248)	-	-	(26,248)	(20,337)	-	-	(20,337)
Transfer between stage	-	-	-	-	(5,882)	-	5,882	-
Remeasurement of loss allowance	4,697	-	10,593	15,290	(268)	-	145,404	145,136
New financial assets originated	128,319	46,991	-	175,310	38,413	-	-	38,413
<b>At 31 December</b>	<b>170,090</b>	<b>46,991</b>	<b>161,879</b>	<b>378,960</b>	<b>63,322</b>	<b>-</b>	<b>151,286</b>	<b>214,608</b>
<b>In KHR'm equivalent (Note 3.3)</b>	<b>684</b>	<b>189</b>	<b>652</b>	<b>1,525</b>	<b>259</b>	<b>-</b>	<b>618</b>	<b>877</b>
<b>Investment securities:</b>								
At 1 January	131,134	-	-	131,134	128,503	-	-	128,503
Remeasurement of loss allowance	(485)	-	-	(485)	2,631	-	-	2,631
<b>At 31 December</b>	<b>130,649</b>	<b>-</b>	<b>-</b>	<b>130,649</b>	<b>131,134</b>	<b>-</b>	<b>-</b>	<b>131,134</b>
<b>In KHR'm equivalent (Note 3.3)</b>	<b>526</b>	<b>-</b>	<b>-</b>	<b>526</b>	<b>536</b>	<b>-</b>	<b>-</b>	<b>536</b>
<b>Off balance sheet items:</b>								
At 1 January	4,970	-	-	4,970	588	-	-	588
Remeasurement of loss allowance	(4,970)	-	-	(4,970)	(588)	-	-	(588)
New financial assets originated	2,388	-	-	2,388	4,970	-	-	4,970
<b>At 31 December</b>	<b>2,388</b>	<b>-</b>	<b>-</b>	<b>2,388</b>	<b>4,970</b>	<b>-</b>	<b>-</b>	<b>4,970</b>
<b>In KHR'm equivalent (Note 3.3)</b>	<b>10</b>	<b>-</b>	<b>-</b>	<b>10</b>	<b>20</b>	<b>-</b>	<b>-</b>	<b>20</b>

### 31.2. Market risk

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

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

#### (a) Price risk

The Bank is not exposed to a securities price risk because it does not have any investment held and classified on the statement of financial position at fair value.

**(b) Interest rate risk**

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

The table below summarises the Bank's exposure to interest rate risk including the Bank's interest rate gap position. The table indicates the periods in which the financial instruments reprice or mature. For amortising loans, regular payments are presented in the table below within the time buckets or periods in which they are scheduled to occur. The instruments are matured and the interest rates are fixed and so they are subject to low interest rate risk.

	Within 1 month	>1 to 3 months	>3 to 6 months	>6 to 12 months	>1 to 5 years	More than 5 years	Non-interest bearing	Total
	US\$	US\$	US\$	US\$	US\$	US\$	US\$	US\$
<b>31 December 2024</b>								
<b>Financial assets</b>								
Cash on hand	-	-	-	-	-	-	3,444,704	3,444,704
Deposits with the NBC	-	-	100,356	6,812,766	-	-	22,694,476	29,607,598
Deposits with other banks	9,321,209	36,706,339	27,634,194	61,937,538	-	-	68,428	135,667,708
Statutory deposits with the NBC	-	-	-	-	-	10,000,000	11,378,261	21,378,261
Loans to customers	1,002,261	589,425	6,994,721	6,029,391	37,208,808	23,065,016	-	74,889,622
Investment securities	519,363	-	-	-	9,875,878	-	-	10,395,241
Other assets	-	-	-	-	-	-	31,400	31,400
	<b>10,842,833</b>	<b>37,295,764</b>	<b>34,729,271</b>	<b>74,779,695</b>	<b>47,084,686</b>	<b>33,065,016</b>	<b>37,617,269</b>	<b>275,414,534</b>
<b>Financial liabilities</b>								
Deposits from customers	137,746,169	396,814	168,732	2,470,104	104,443	-	1,810,760	142,697,022
Deposits from other banks	69,792	-	-	3,996,273	15,985,093	-	86,393	20,137,551
Other liabilities	-	-	-	-	-	-	312,643	312,643
Lease liabilities	19,089	38,562	58,813	121,204	1,165,121	262,954	-	1,665,743
Provision for off-balance sheet items	2,388	-	-	-	-	-	-	2,388
	<b>137,837,438</b>	<b>435,376</b>	<b>227,545</b>	<b>6,587,581</b>	<b>17,254,657</b>	<b>262,954</b>	<b>2,209,796</b>	<b>164,815,347</b>
<b>Interest maturity gap (US\$)</b>	<b>(126,994,605)</b>	<b>36,860,388</b>	<b>34,501,726</b>	<b>68,192,114</b>	<b>29,830,029</b>	<b>32,802,062</b>	<b>35,407,473</b>	<b>110,599,187</b>
<b>In KHR'm equivalent (Note 3.3)</b>	<b>(511,153)</b>	<b>148,363</b>	<b>138,869</b>	<b>274,473</b>	<b>120,066</b>	<b>132,028</b>	<b>142,515</b>	<b>445,161</b>
<b>31 December 2023</b>								
<b>Financial assets</b>								
Cash on hand	-	-	-	-	-	-	4,141,288	4,141,288
Deposits with the NBC	-	-	-	-	-	-	28,954,354	28,954,354
Deposits with other banks	8,628,607	19,842,078	26,516,009	57,351,061	-	-	93,444	112,431,199
Statutory deposits with the NBC	-	-	-	-	-	10,000,000	8,400,734	18,400,734
Loans to customers	231,382	233,134	412,297	1,304,488	13,071,099	12,543,585	-	27,795,985
Investment securities	517,850	-	-	-	9,875,400	-	-	10,393,250
Other assets	-	-	-	-	-	-	31,400	31,400
	<b>9,377,839</b>	<b>20,075,212</b>	<b>26,928,306</b>	<b>58,655,549</b>	<b>22,946,499</b>	<b>22,543,585</b>	<b>41,621,220</b>	<b>202,148,210</b>
<b>Financial liabilities</b>								
Deposits from customers	95,847,936	223,123	-	233,005	-	-	397,628	96,701,692
Other liabilities	-	-	-	-	-	-	274,885	274,885
Lease liabilities	26,264	53,057	80,920	166,763	262,954	-	-	589,958
Provision for off-balance sheet items	4,970	-	-	-	-	-	-	4,970
	<b>95,879,170</b>	<b>276,180</b>	<b>80,920</b>	<b>399,768</b>	<b>262,954</b>	<b>-</b>	<b>672,513</b>	<b>97,571,505</b>
<b>Interest maturity gap (US\$)</b>	<b>(86,501,331)</b>	<b>19,799,032</b>	<b>26,847,386</b>	<b>58,255,781</b>	<b>22,683,545</b>	<b>22,543,585</b>	<b>40,948,707</b>	<b>104,576,705</b>
<b>In KHR'm equivalent (Note 3.3)</b>	<b>(353,358)</b>	<b>80,879</b>	<b>109,672</b>	<b>237,975</b>	<b>92,662</b>	<b>92,091</b>	<b>167,274</b>	<b>427,195</b>

The Bank did not have variable rate instruments. Therefore, no cash flow sensitivity analysis was prepared or presented.

**(c) Foreign exchange risk**

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

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

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

	US\$ equivalents as at 31 December 2024			US\$ equivalents as at 31 December 2023		
	USD	KHR	Total	USD	KHR	Total
<b>Financial assets</b>						
Cash on hand	3,183,939	260,765	3,444,704	3,899,716	241,572	4,141,288
Deposits with the NBC	21,362,794	8,244,804	29,607,598	27,548,577	1,405,777	28,954,354
Deposits with other banks	134,183,011	1,484,697	135,667,708	109,098,486	3,332,713	112,431,199
Statutory deposits with the NBC	21,100,000	278,261	21,378,261	18,200,000	200,734	18,400,734
Loans to customers	63,917,109	10,972,513	74,889,622	24,270,830	3,525,155	27,795,985
Investment securities	10,395,241	-	10,395,241	10,393,250	-	10,393,250
Other assets	31,400	-	31,400	31,400	-	31,400
	<b>254,173,494</b>	<b>21,241,040</b>	<b>275,414,534</b>	<b>193,442,259</b>	<b>8,705,951</b>	<b>202,148,210</b>
<b>Financial liabilities</b>						
Deposits from customers	142,030,161	666,861	142,697,022	96,677,136	24,556	96,701,692
Deposits from other banks	17,134,155	3,003,396	20,137,551	-	-	-
Other liabilities	312,643	-	312,643	274,885	-	274,885
Lease liabilities	1,665,743	-	1,665,743	589,958	-	589,958
Provision for off-balance sheet items	2,388	-	2,388	4,970	-	4,970
	<b>161,145,090</b>	<b>3,670,257</b>	<b>164,815,347</b>	<b>97,546,949</b>	<b>24,556</b>	<b>97,571,505</b>
<b>Net position gap (US\$)</b>	<b>93,028,404</b>	<b>17,570,783</b>	<b>110,599,187</b>	<b>95,895,310</b>	<b>8,681,395</b>	<b>104,576,705</b>
<b>In KHR'm equivalent (Note 3.3)</b>	<b>374,440</b>	<b>70,722</b>	<b>445,162</b>	<b>391,732</b>	<b>35,463</b>	<b>427,195</b>

**Sensitivity analysis**

The table below indicates the currencies to which the Bank had significant exposure at the end of the reported periods on its net position gap. The analysis calculates the effect of a reasonably possible movement of the currency rate on the profit or loss and other component of equity. As the Bank does not adapt currency hedge as of current reporting date, there would be no impact on the change in fair value of currency swaps and forward foreign exchange contracts used as cash flow hedges; thus impact on other component of equity is nil.

A negative amount in the table reflects a potential net reduction in the Bank's profit, while a positive amount reflects a net potential increase.

	2024		2023	
	Increase by 1%	Decrease by 1%	Increase by 1%	Decrease by 1%
<b>For KHR Currency: Possible outcome in US\$</b>				
Impact on net profit after tax	(138,398)	141,014	(69,110)	70,314

### 31.3. Liquidity risk

Liquidity risk is the risk of the Bank being unable to meet its payment obligations associated with its financial liabilities when they fall due and to replace funds when they are withdrawn. The Bank is not exposed to significant risk in respect of liquidity as the Bank does not incur significant financial liability and there is still cash surplus maintained in the banks. Financial liabilities are mainly deposits from customers, accruals and other payables which are short-term in nature.

The Bank evaluates its ability to meet its obligations on an ongoing basis. The Bank maintains prudent liquidity risk management, i.e. sufficient cash and cash equivalents to meet working capital requirements and to meet capital expenditure requirements.

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 what is shown in the table. For example, deposits from customers are not all expected to be withdrawn immediately. Analysis of the assets and liabilities of the Bank by relevant maturity based on the remaining year at the reporting date to the contractual or estimated maturity dates is as follow:

	Carrying amount	Gross nominal inflow/ (outflow)	Within 1 month	>1 to 3 months	>3 to 6 months	>6 to 12 months	>1 to 5 years	> 5 years
	US\$	US\$	US\$	US\$	US\$	US\$	US\$	US\$
<b>31 December 2024</b>								
<b>Financial assets</b>								
Cash on hand	3,444,704	3,444,704	3,444,704	-	-	-	-	-
Deposits with the NBC	29,607,598	29,670,894	22,694,476	-	100,686	6,875,732	-	-
Deposits with other Banks	135,667,708	140,745,479	9,382,479	37,216,500	28,675,750	65,470,750	-	-
Loans to customers	74,889,622	98,705,594	1,486,621	1,489,946	8,325,477	8,429,193	50,349,695	28,624,661
Investment securities	10,395,241	12,425,000	550,000	-	-	-	11,875,000	-
Other assets	31,400	31,400	-	-	-	-	31,400	-
	<b>254,036,273</b>	<b>285,023,071</b>	<b>37,558,280</b>	<b>38,706,446</b>	<b>37,101,913</b>	<b>80,775,675</b>	<b>62,256,095</b>	<b>28,624,661</b>
<b>Financial liabilities</b>								
Deposits from customers	142,697,022	142,766,117	139,539,933	400,898	171,380	2,546,465	107,441	-
Deposits from other banks	20,137,551	22,690,312	161,323	149,860	224,790	4,430,868	17,723,471	-
Other liabilities	312,643	312,643	312,643	-	-	-	-	-
Lease liabilities	1,665,743	2,070,000	30,000	60,000	90,000	180,000	1,440,000	270,000
	<b>164,812,959</b>	<b>167,839,072</b>	<b>140,043,899</b>	<b>610,758</b>	<b>486,170</b>	<b>7,157,333</b>	<b>19,270,912</b>	<b>270,000</b>
<b>Liquidity gap (US\$)</b>	<b>89,223,314</b>	<b>117,183,999</b>	<b>(102,485,619)</b>	<b>38,095,688</b>	<b>36,615,743</b>	<b>73,618,342</b>	<b>42,985,183</b>	<b>28,354,661</b>
<b>In KHR'm equivalent (Note 3.3)</b>	<b>359,124</b>	<b>471,666</b>	<b>(412,505)</b>	<b>153,335</b>	<b>147,378</b>	<b>296,314</b>	<b>173,015</b>	<b>114,128</b>

	Carrying amount	Gross nominal inflow/ (outflow)	Within 1 month	>1 to 3 months	>3 to 6 months	>6 to 12 months	>1 to 5 years	> 5 years
	US\$	US\$	US\$	US\$	US\$	US\$	US\$	US\$
<b>31 December 2023</b>								
<b>Financial assets</b>								
Cash on hand	4,141,288	4,141,288	4,141,288	-	-	-	-	-
Deposits with the NBC	28,954,354	28,954,354	28,954,354	-	-	-	-	-
Deposits with other Banks	112,431,199	117,481,475	8,734,258	20,127,967	27,404,000	61,215,250	-	-
Loans to customers	27,795,985	39,153,198	320,570	605,340	965,856	2,413,586	19,372,869	15,474,977
Investment securities	10,393,250	11,100,000	550,000	-	-	-	10,550,000	-
Other assets	31,400	31,400	-	-	-	-	31,400	-
	<b>183,747,476</b>	<b>200,861,715</b>	<b>42,700,470</b>	<b>20,733,307</b>	<b>28,369,856</b>	<b>63,628,836</b>	<b>29,954,269</b>	<b>15,474,977</b>
<b>Financial liabilities</b>								
Deposits from customers	96,701,692	96,712,603	96,245,565	225,489	-	241,549	-	-
Other liabilities	274,885	274,885	274,885	-	-	-	-	-
Lease liabilities	589,958	630,000	30,000	60,000	90,000	180,000	270,000	-
	<b>97,566,535</b>	<b>97,617,488</b>	<b>96,550,450</b>	<b>285,489</b>	<b>90,000</b>	<b>421,549</b>	<b>270,000</b>	<b>-</b>
<b>Liquidity gap (US\$)</b>	<b>86,180,941</b>	<b>103,244,227</b>	<b>(53,849,980)</b>	<b>20,447,818</b>	<b>28,279,856</b>	<b>63,207,287</b>	<b>29,684,269</b>	<b>15,474,977</b>
<b>In KHR'm equivalent (Note 3.3)</b>	<b>352,049</b>	<b>421,752</b>	<b>(219,977)</b>	<b>83,529</b>	<b>115,523</b>	<b>258,202</b>	<b>121,260</b>	<b>63,215</b>

## 31.4. Fair value of financial assets and liabilities

### (a) Financial instruments measured at fair value

The Bank did not have financial instruments measured at fair value.

### (b) Financial instruments not measured at fair value

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

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

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

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

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

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

### Deposits with the NBC and other banks

The carrying amounts of deposits with National Bank of Cambodia and other banks approximate their fair values, since these accounts consist mostly of current, savings and short-term deposits.

### Loans to customers

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

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

### Deposits from banks and non-bank customers

The fair value of deposits from banks and non-bank customers with maturities of less than one year approximate their carrying amount due to the relatively short maturity of these instruments. The fair value of deposits from banks and non-bank customers with remaining maturities of more than one year are expected to approximate their carrying amount due to the Bank offered similar interest rate of the instrument with similar maturities and terms.

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

### Other financial assets and other financial liabilities

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

## 32. CAPITAL MANAGEMENT

### 32.1. Regulatory capital

The Bank's objectives when managing capital, which is a broader concept than the 'equity' on the face of the balance sheet, 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 NBC requires all licensed commercial banks to (i) fulfil the minimum capital requirements, and (ii) comply with solvency, liquidity and other requirements.

On 22 February 2018, the NBC issued a Prakas No. B7-018-068 on Capital Buffer in Banking and Financial Institutions. According to Article 22 of this Prakas, the institution shall comply with the provisions related to the capital conservation buffer at least 50% of the conservation buffer by 1 January 2019 and fully comply by 1 January 2020.



The implementation of building the capital conservation buffer ratio is as follows:

NBC's announcement Reference No.	Issue date	Requirement for capital conservation buffer ratio	Effective until
Press No. B13-020-002	17 March 2020	1.25%	Further notice
Letter No. B7-023-2621	23 November 2023	1.25%	31 December 2024
Letter No. B7-024-1718	21 August 2024	1.25%	31 December 2025

The implementation of countercyclical capital buffer is as follows:

NBC's announcement Reference No.	Issue date	Requirement for capital conservation buffer ratio	Effective until
Circular No. B7-018-001	7 March 2018	0%	Further notice

The below table summarises the composition of the regulatory capital:

	31 December 2024	31 December 2023
	US\$	US\$
<b>Tier 1 capital</b>		
Share capital	100,000,000	100,000,000
Add: Audited net profit for the last financial year	6,627,048	4,724,498
Add: Retained earnings/(Less: accumulated losses)	5,905,942	1,188,343
Less: Intangible assets	(1,258,076)	(1,258,726)
Less: Loans to related parties - gross	(6,824,711)	(410,282)
<b>Total Tier 1 capital</b>	<b>104,450,203</b>	<b>104,243,833</b>
<b>Tier 2 complementary capital</b>		
General provision (*)	2,427,262	1,529,421
<b>Total Tier 2 capital</b>	<b>2,427,262</b>	<b>1,529,421</b>
<b>Total regulatory capital</b>	<b>106,877,465</b>	<b>105,773,254</b>
<b>In KHR'm equivalent (Note 3.3)</b>	<b>430,182</b>	<b>432,084</b>

(\*) As at 31 December 2024, impairment provision of accrual interest receivables from loan classified under loan loss included in general provision. This provision is allowed to be added back in accordance with the NBC letter No. B30-025-170 dated 5 February 2025. This requirement is applicable from 31 December 2024 and will remain effective until 30 June 2025.

## 32.2. Capital allocation

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



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