CAB BANK

ធនាគារ កម្ពុជា អាស៊ី

CAMBODIA ASIA BANK

柬埔寨亚洲银行

ANNUAL REPORT 2025



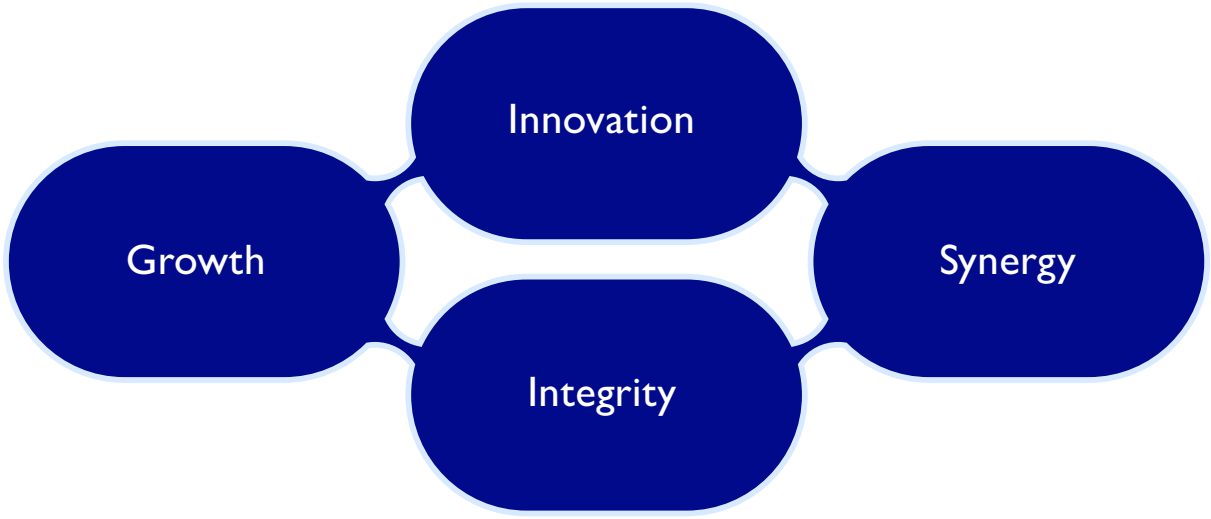
Our Vision

CAB envisions be an established bank and contributes to the nation's building and securing the future of the people of Cambodia by providing commercial banking facilities at competitive rates and mobilizing savings to fund the economic growth of Cambodia.

Our Mission

CAB will remain a strong and stable commercial bank. Through a professional, friendly, courteous and knowledgeable staff, we will provide products and services needed by the market in a profitable and people-oriented manner. We will aggressively pursue and provide services for business and consumer market segments within our entire trade area.

Core Values



Financial Highlights

As of the years ended December 31	2025	2024	2023	2022
OPERATING RESULTS (Thousand USD)				
Net interest income	2,530	2,640	3,706	3,325
Non-interest income - net	3,190	3,168	4,884	4,101
Total operating income - net	5,721	5,808	8,591	7,427
Total operating expenses	-7,368	-8,134	-6,407	-6,673
Operating profit/(loss) before expected credit loss and tax	-1,647	-2,325	2,183	753
Expected credit loss / impairment loss on loans	-990	95	-626	-128
Net profit/ (loss) after tax	-2,637	-2,482	1,367	719

FINANCIAL POSITION STATEMENT (Thousand USD)

Loans Gross	78,546	81,823	83,785	78,763
Allowance for expected credit loss	3,187	2,295	2,691	2,065
Total assets	240,500	258,045	221,432	209,494
Deposits	149,931	164,462	128,515	117,682
Total liabilities	157,516	172,423	133,328	122,757
Total equities	82,984	85,621	88,104	86,736

KEY PERFORMANCE INDICATORS

Return on Assets (ROA)	-1.10%	-0.96%	0.62%	0.34%
Return on Equity (ROE)	-3.18%	-2.90%	1.55%	0.83%

Message from the Chairman

As I reflect on 2025, I do so with deep pride and unwavering confidence in the journey ahead for CAB.

This past year was defined by a challenging global economic environment, marked by uncertainty, shifting market dynamics, and rapidly evolving customer expectations. In this context, CAB's ability to maintain stability while continuing to invest in our future is a true reflection of our institutional resilience and strategic discipline. While our financial performance remained consistent with 2024, I believe firmly that in times like these, stability is itself a form of strength.

2025 was equally a year of meaningful progress. We deepened customer relationships, expanded our reach, and advanced our digital capabilities significantly, enhancing our mobile banking platform to deliver faster, smoother experiences, while reinforcing our cybersecurity infrastructure to safeguard every customer who places their trust in us.

Looking ahead, CAB's future is guided by two core strategic pillars:

1. Customer - Centric Innovation

We will continue investing in advanced technology, data analytics, and artificial intelligence to better understand and serve our customers' evolving needs, delivering personalized, seamless, and secure banking experiences across all touchpoints.

2. Sustainable Growth

CAB is committed to be responsible banking. We will expand access to business financing solutions that empower entrepreneurs and enterprises of all sizes to grow, create jobs, and contribute to Cambodia's broader economic development

Sincerly,



Va Dalot
Chairman of Board of Directors

Message from the Chief Executive Officer

2025 sharpened our focus and strengthened our foundations. A challenging global economic environment, marked by uncertainty, shifting market dynamics, and rapidly evolving customer expectations, called not for retreat, but for discipline. CAB responded with clarity of purpose: managing risks carefully, supporting our customers steadfastly, and positioning the institution for sustainable growth in the years ahead. Challenging years do not define us; how we navigate them does.

Steadiness in a Demanding Year

In 2025, we made deliberate and meaningful progress in areas that will define our competitiveness for years to come:

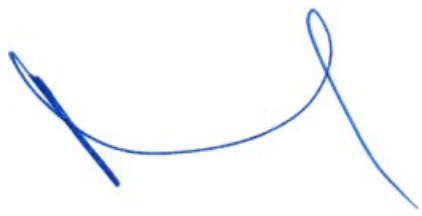
- **Financial Discipline:** We preserved the health of our balance sheet through rigorous risk management and proactive portfolio oversight. Maintaining asset quality in a difficult credit environment was a priority and one we met with care and consistency.
- **Digital Progress:** We continued to invest in our digital banking infrastructure, enhancing the functionality and reliability of our platforms. These investments lay the groundwork for improved customer experience and greater operational efficiency as conditions improve.
- **Customer Commitment:** We stood by our customers, individuals, families, and businesses through a period of economic uncertainty. Flexible support measures and proactive engagement reflected our belief that banking relationships are built not only in good times, but in difficult ones.

Looking Ahead with Confidence

As we look to 2026, I see clear reasons for optimism. Cambodia's economic fundamentals remain sound, and the appetite for growth — among businesses, consumers, and investors alike has not diminished. CAB enters the new year with a stronger foundation, a more focused strategy, and a team that has demonstrated real resilience. We are well-placed to resume a growth trajectory and to deliver the results our stakeholders expect and deserve.

I want to express my deepest gratitude to our customers for their continued trust, our shareholders for their patient confidence, our partners for their steadfast collaboration, and above all, our people for their dedication throughout a demanding year. It is your collective commitment that keeps this institution strong. We move forward together with clear eyes, steady hands, and genuine confidence in what Cambodia Asia Bank will achieve.

Sincerely,



Wong Tow Fock
Chief Executive Officer

Cambodia Asia Bank

Business Operations and Performance

1 Overview of Operating Environment

Corporate Profile

Cambodia Asia Bank (CAB) is a leading financial institution in Cambodia, committed to driving economic growth and empowering communities through innovative banking solutions. With a strong foundation built on integrity and customer focus, CAB continues to expand its reach and enhance its services to meet the evolving needs of the Cambodian market.

CAB offers a comprehensive suite of retail banking products and services, including savings accounts, current accounts, fixed deposits, personal loans, and credit cards. We are committed to providing personalized financial solutions to help individuals achieve their financial goals.

CAB is a dedicated partner to small and medium-sized enterprises (SMEs), providing tailored financial solutions to support their growth and expansion. Our banking services include business loans, housing loan, loan ToanChet, and trade finance. We understand the unique challenges faced by SMEs in Cambodia and are committed to providing the financial resources and expertise they need to succeed.

CAB is committed to providing convenient and accessible banking services through our innovative digital platform. Our mobile banking solutions allow customers to manage their accounts, make payments, and transfer funds securely and easily from and to anywhere in the world.

2 Business Operations

Cambodia Asia Bank (CAB) is a leading commercial bank in Cambodia, with a robust network of branches, outlets, and ATMs spread across the country. The bank's strategic location in Cambodia, provides it with a unique competitive advantage, enabling it to serve a diverse range of customers, from small and medium-sized enterprises (SMEs) to large corporations, as well as individual customers.

CAB's decision to establish its business operations in Cambodia reflects its recognition of these advantages and its commitment to serving the banking needs of the Cambodian people and businesses. The bank's branches are located in major cities and provincial towns, ensuring that its customers can access its services, regardless of their location.

Cambodia Asia Bank's business operations in Cambodia enabling it to serve a diverse range of customers and benefit from Cambodia's growing economy. The bank's extensive network of branches, outlets, and ATMs across the country, its partnerships with other banks and financial institutions in the region, and its commitment to supporting the growth of SMEs and large corporations operating in Cambodia make it a key player in the country's banking sector. As Cambodia continues to develop and integrate into the regional economy, Cambodia Asia Bank is well-positioned to support this growth and contribute to the country's economic success.

CAB BANK STRATEGY

CAB Bank Strategy is to be a virtual intelligent bank in everyday banking need of our customers.

Sustainable & Innovative Development

Sustainability

Strategic Partnerships

- Schools
- FinTech
- FMCG
- Overseas Bank – BPI
- Insurance
- CGCC

Business Growth

- Market Segments
- Grow with Existing and New Customers (SMEs)
- Unlocking potentials of 3 Key Channels

Enablement

- Data Analytics
- Mobile Banking
- Risk and Compliance

Growth Strategy

Improve Value-Based Productivity

Transformation Journeys

Key Capabilities

- Modern World Class Technology Capability
- Proactive Risk & Compliance Management
- Cyber Security
- Performing Talent and Agile Organization
- Partnership & Digital Channel
- Payment & Settlement

1. Funding

In 2025, CAB maintained a strong liquidity position throughout the year. We also complied fully with NBC's reserve requirements in both Khmer Riel and foreign currencies. The Bank continued to strengthen its funding base through a diversified and stable mix of customer deposits and strategic institutional borrowings. Our funding strategy remains focused on maintaining resilience and flexibility in a dynamic financial environment, while ensuring compliance with the prudential standards set by the National Bank of Cambodia (NBC).

2. Loan

CAB Bank introduced a special financing program to support individuals and businesses requiring emergency funding to sustain operations and preserve employment. The program enabled customers to adapt to changing market conditions, adopt new business practices and technologies, and maintain business continuity during challenging periods.

3. Customer Centricity

Customer Segments and Services

CAB Bank continues to strengthen its business model, Customer Centricity strategy which the bank mainly focuses on delivering tailor-made services to meet our client segmentation's banking needs that we know best through our market research team. In 2025, we thus focused on providing assistance, either directly or indirectly, to all groups of our customers reeling from the viral transmission so that they could sustain their lives and businesses amidst uncertainty. Moreover, we provided attentive and inclusive services that responded to the demands of customers as a trusted financial partner and the main operating bank of customers.

Our Products and Services

In 2025, CAB Bank continued to strengthen and diversify its product and services, reaffirming its commitment to serving individuals, families, and businesses across Cambodia. Our offerings include digital banking, deposit products, lending solutions, payment services, and business banking solutions, each designed to deliver greater convenience, accessibility, and value to customers.

CAB Bank Mobile App

Our digital banking platform, offering customers a comprehensive range of financial services anytime, anywhere. Through the app, customers can:

- Transfer funds between their own accounts, to other CAB account, and via local and international remittances;
- Open savings and fixed deposit accounts;
- Top up mobile phones and pay electricity bill;
- Make transactions through QR code and Bakong payment channels.

Designed with convenience and security in mind, CAB Mobile App continues to serve as the primary touchpoint through which customers manage their daily banking needs.



Super Saver Account: The CAB Super Saver Account is a disciplined savings product built on a simple yet powerful principle: consistent commitment matters more than the size of each deposit. Customers earn our highest available interest rate by maintaining a regular monthly saving habit through automatic monthly transfer from a source account. The Super Saver rewards the behavior of saving, not merely the balance, making it an ideal solution for customers who wish to build wealth steadily over time.

Senior Citizen Fixed Deposit: The CAB Senior Citizen Fixed Deposit is a special deposit scheme designed exclusively for individuals aged over 60. This product reflects our deep commitment to inclusive banking and the financial security of every generation. It offers flexible tenure options and provides a higher interest rate than regular fixed deposits, enabling senior customers to enjoy secure savings with better returns. This product reflects CAB's commitment to inclusive banking and to supporting the financial well being of every generation.

Tuition Fee Deposit Account: The Tuition Fee Deposit Account is a purpose-built savings solution designed to help parents and guardians manage their children's education expenses. Operating as a flexible savings deposit, parents or guardians can make deposits into the account to pay their children's school fees at CAB's partner schools.

IWISH Deposit Account: The IWISH Deposit Account is a recurring deposit product designed to help customers achieve their financial goals and fulfill their wishes while keeping their money safe and secure. With flexible deposit options and competitive interest rates, it has never been easier to take control of their finances and work toward a brighter future.

Child Future Deposit Account: Love comes with responsibilities, and Cambodia Asia Bank understands how deeply parents care about their children's future. The Child Future Deposit Account is a recurring deposit product thoughtfully designed to help parents build a fund to support their child's education or other significant and unforeseen expenses in the future. Our special offer provides the highest interest rate along with a range of competitive benefits for both parents and children.

CAB Card: With our VISA Debit Card and UnionPay Credit Card, customers can enjoy cash withdrawals at any ATM and make payments via POS terminals in Cambodia and around the world wherever the VISA and UnionPay logos are displayed.

Savings Account: is a secure deposit product designed to help individuals and businesses grow their funds while maintaining easy access to money. The product also provides competitive interest rates, flexible deposit options, and digital banking convenience.

Savings Account Plus: is a flexible savings deposit designed to reward customers based on their daily account balance. Interest is calculated daily and applied according to tiered balance levels, ensuring fair, transparent, and performance based returns.

Current Account: is a demand deposit product offered by CAB, designed to provide customers with unrestricted access to funds for day-to-day financial transactions. The account supports both individual and corporate clients who require high liquidity and frequent transaction capability.

Fixed Deposit Account: is a secure, time-bound deposit product offered by CAB, where funds are placed for a specified tenure at a predetermined interest rate. It provides customers—both individuals and corporate entities—with a reliable investment option that ensures guaranteed returns, supports financial planning, and offers flexibility in tenure selection.

Loan Products

CAB Bank's lending portfolio is designed to provide timely, accessible, and appropriately structured financing to both individuals and businesses. Each loan product is tailored to the specific financial profile and purpose of its target customer segment, offering competitive pricing, flexible repayment structures, and dedicated relationship support throughout the loan lifecycle.

1. **Business and Personal Loan:** CAB offers flexible financing solutions to support both business growth and personal financial needs. Businesses can access funding for working capital, equipment purchases, expansion, and other growth opportunities, while individuals may obtain financing for home improvements, education, medical expenses, major purchases, and other personal needs. With competitive interest rates, convenient repayment terms, and a streamlined application process, CAB provides tailored loan solutions designed to help customers achieve their financial goals.

2. **Speedy Loan:** This facility allows customers to access funds by using their fixed deposit as collateral without with drawing it before maturity or losing accrued interest. The pledged deposit continues to earn interest throughout the loan period, while customers benefit from preferential lending rates. It is an ideal solution for meeting short-term liquidity needs while preserving long-term savings.

3. **Toan Chet Loan:** The Toan Chet Loan is a business and personal financing solution designed specifically for business owners and salaried individuals. It offers preferential interest rates, repayment terms of up to 24 months, and a simplified application process. This product provides a convenient and affordable financing option that support businesses' urgent capital needs and promotes financial well-being.

4. **Overdraft (OD) Facility:** The CAB Overdraft Facility provides businesses and individuals with flexible access to short-term funding through their current accounts. Customers can draw funds as needed within an approved limit and pay interest only on the amount utilized. This facility is ideal for managing cash-flow fluctuations, meeting working capital needs, and covering temporary funding gaps efficiently and conveniently.

5. **Housing Loan:** CAB's Housing Loan is a long term financing solution designed to help individuals and families achieve their dream of homeownership. It offers flexible repayment options, competitive interest rates, and a straightforward application process, making it easier for customers to own their desired home with confidence

Corporate Business

Aspiring to be the Bank of Choice for corporate clients, CAB Bank is committed to delivering financial solutions that extend beyond conventional banking services — empowering businesses to enhance their competitiveness, streamline operations, and achieve sustainable growth. In 2024, we continued to deepen our corporate banking proposition through targeted product development, infrastructure investment, and relationship-led service delivery.

CAB Bank prioritized the offering of products and services that comprehensively meet the needs of customers in terms of their business operations, suppliers, owners and employees. We aimed to enhance their competitive capability and business management efficiency while also maintaining our status as their main banker. Meanwhile, we continued aiding pandemic-stricken clients in accordance with the National Bank of Cambodia's guidelines and other assistance measures initiated by CAB Bank to help them maintain their liquidity.

Service Channels

In 2025, CAB Bank continued to enhance its service channels to provide customers and business partners with seamless, convenient, and reliable banking experiences anytime and anywhere. By strengthening partnerships and improving our digital and branch-based services, we increased efficiency, expanded customer access, and delivered high-quality services in a cost-effective manner.

Electronic Network

CAB Bank's electronic network provides customers with reliable, round-the-clock access to banking services through a growing suite of digital and self-service channels. We continued to invest in platform performance and service breadth in 2025, keeping pace with Cambodia's rapidly evolving digital banking landscape.

CAB Bank ATMs: CAB Bank's ATM network is strategically deployed across high-traffic locations to ensure broad coverage and reliable cash access nationwide. In 2025, we maintained a sharp focus on machine uptime and site optimization, ensuring customers can access our services with confidence at every touchpoint.

CAB Call Center: Available 24 hours a day, seven days a week, our Call Center delivers responsive customer support in Khmer, English, and Chinese. Customers can reach us via telephone, Facebook, Instagram, and Telegram — ensuring that expert assistance is always within reach, through whichever channel they prefer.

CAB Mobile Banking: serves as a key digital service channel, providing customers with secure, convenient, and round-the-clock access to banking services anytime and anywhere. In 2025, the Bank continued to strengthen the platform's performance, reliability, and user experience to support the growing adoption of digital banking and cashless transactions in Cambodia.

Branches and Financial Service Network

Branch Network	Number of Location
Branch	**8**
Outlet	**9**

Note:

Outlet services include foreign currency exchange, Western Union money transfers, and POS terminals for VISA / MasterCard cash withdrawals.

Operations of Cambodia Asia Bank

Human Resource Management

At Cambodia Asia Bank, our people are our greatest asset. In 2025, we reinforced this belief by investing in a structured and comprehensive internal training calendar designed to equip staff at every level with the knowledge, skills, and confidence needed to serve our customers with excellence and integrity. Training was treated as compulsory and as a foundation for building a capable, compliant, and customer-focused institution.

CAB Bank implemented the People Strategy, in alignment with our CAB Bank Strategy. Key initiatives were as follows:

- **Ensure Suitable Great Leaders and Culture:** We have established qualifications for purposeful and practical leadership in line with CAB Bank's expected behavioral guidelines which comprise self-awareness, result orientation, team building and integration. This is to ensure that actions will be taken with self-awareness, accounting for teamwork, customers and the organization throughout the work process. CAB Bank organized activities to promote leadership development on a continual basis, starting with the recruitment process. New interview selection and probation criteria have been established in conformity with the organization's expected behavioral guidelines regarding leadership values. We also held an executive seminar on purposeful and practical leadership for C-suit executives and other executives at higher positions wherein the participants learned from experiences of exemplary world-class leadership which could be further applied to their work in alignment with our expected behavioral guidelines.

- **Enable Growth Strategy:** CAB Bank conducted organizational restructuring and selected personnel to support CAB Bank's business development. We focused on the enhancement of employee skills, experience and abilities to cope with changes, and accounted for various opinions, especially of those engaged with business expansion within the region, data and analytics, and strategy formulation. Moreover, employees' capabilities have been enhanced to be aligned with an agile way of work amidst rapid technological changes. The performance evaluation has also been revised to accommodate this new work format. CAB Bank has established guidelines for an agile way of work which comprise four steps, accounting for employee engagement and the Code of Conduct to ensure a systematic and fair work environment.

  They are of the followings:

  1) Agile mindset/Skill set: Employees have been encouraged to work with flexibility, dare to be creative and innovative, and stay ahead of changes.

  2) Common Way of Work: Focus has been on practical teamwork which is aligned with new work.

  3) Agile Way of Work: Our employees have been urged to embrace an agile way of work in order to maximize flexibility and speed of cross-departmental work. We also organized the Staff Award activities to recognize out performing employees and boost morale among colleagues.

  4) Community of Practices: We have encouraged employees who have no experience in an agile way of work to learn from practices and from others, thus creating a community of practices where colleagues come together to share best practices with each other. To elevate the capabilities of employees engaged with the regional business, CAB Bank developed the Employee Value Proposition CAB Bank (Best Place to Work, Learn and Lead) program to support our drive in penetrating the regional market in alignment with our strategy of becoming the regional leader. Moreover, we highlighted the Free Trade Business World of Borderless Growth concept to communicate to the new generation about borderless growth opportunities, as we aspire to be an organization that serves as the foundation of the Cambodian society and the ASEAN Economic Community region, alike.

Risk Management

Risk Management is an integral part of our organizational culture. We have established a risk management policy and risk appetite, and risk management has been taken into account when formulating our strategies and business undertakings to support business growth. This is to ensure sustainable profitability and maximize stakeholders' returns. CAB Bank's risk management strategy has been established in line with international guidelines and principles and applied throughout the Bank. We engage in a consolidated risk management framework that emphasizes the management of risks, e.g., credit, market, liquidity, operational and strategic risks. CAB Bank's risk management structure clearly determines the duties and responsibilities of relevant units, including an independent risk management unit, while risk-adjusted measurement has been applied to each business unit.

CAB Bank's risk, capital and liquidity management is under the supervision of the Board of Directors, which is responsible for ensuring the appropriate level of capital and liquidity to accommodate our present and future business operation. Meanwhile, CAB Bank ensures that policies, processes and systems for controlling, monitoring and reporting risks, capital and liquidity are in place whereas segregation of duties and reporting lines are clearly defined in conformity with the good internal control principle. We also emphasize thorough, accurate and regular disclosures on risk, capital and liquidity are in place whereas segregation of duties and reporting lines are clearly defined in conformity with the good internal control principle. We also emphasize thorough, accurate and regular disclosures on risk, capital and liquidity management to the public.

Key Developments to Strengthen Risk Management

CAB Bank places great emphasis on effective and timely risk management. Risk management policies, tools and processes are developed and reviewed regularly a regular basis to address emerging risk trends in line with market volatility and to ensure alignment with evolving regulatory requirements, including domestic and international economic policies. The following section outlines the key initiatives undertaken during the reporting period.

(a) Enhance impairment process and provision including Stress Testing as per internal and NBC requirements: Credit risk model, asset classification, provisions, economic factors, business case scenarios and economic indicators have factored into our standards. Along with this, we have complied with the regulatory requirements and provided a financial forecast to the top management of the bank's financial health and cost management mechanisms to minimize negative impacts that may hit our business operations and investment plans over the next two years.

(b) Continuous upgrade of information security management to meet global standards: CAB Bank has continued to invest in the enhancement of its Information Security Management System to meet evolving global standards. Upgrades during the period encompassed security infrastructure, access controls, and monitoring capabilities, ensuring the Bank maintains a robust defence defense posture against emerging cybersecurity threats and remains in alignment with internationally recognisedrecognized information security frameworks.

(c) Strengthening of customers of data protection and privacy: A working group has taken steps to ensure preparedness in compliance with data protection and privacy. The actions include policy revision, and process and technology updates covering control measures and relevant infrastructure to support consent management and customers' exercising rights. Moreover, we have continually communicated to employees and corporate partners to ensure that they recognize the importance of compliance with the data protection and privacy while the progress reports have been reviewed and presented to CAB Bank's management teams on a regular basis.

(d) Establishment of End-to-End Product Management Framework: CAB Bank has introduced a comprehensive End-to-End Product Management Framework designed to ensure that all key products and services are developed, launched, and monitored in a consistent and controlled manner. The framework ensures that product offerings remain aligned with customer needs, are subject to appropriate risk controls, and are maintained within acceptable risk tolerance levels throughout their lifecycle.

(e) **Establish operational risk guidelines and control:** to be more integrated and efficient by each department which is overseen by each head of the department who is a member of the Management Committee. The enhancement is to ensure that the Bank can provide various products and services to align with customers' needs and prepare for business growth in the digital world more efficiently, while key risks and compliance issues are defined and managed securely and appropriately.

(f) **Enhancement of Business Partner and Third-Party Risk Management** which covers risk assessment, selection, process, contract preparation, risk monitoring and termination of service with business partners and third parties to ensure enhanced security for customers' transactions and increased efficiency in fraud detection in various forms for broader coverage.

(g) **Put in place market conduct management** accounting for customers' demand, financial status and understanding to ensure that customers receive fair service and treatment with complete and accurate information about products and services for a positive customer experience.

Risk Management

The bank's Risk Management Department is responsible for identifying, assessing, and mitigating various risks that a bank might face. Risk Management Department aims to protect the bank and its processes by proactively addressing potential threats.

The Risk Management Department at CAB is responsible for developing, implementing, and monitoring the bank's risk management program. This includes ensuring that the bank refers to the potential loss that many occur due to uncertainty of the happening of some events. The department also provides guidance and training to staff on risk management matters and collaborates with other departments to ensure that risks are effectively managed.

In the past year, the Risk Management Department has made significant strides in enhancing the bank's risk management program. Risk Management provides risk oversight actions for the major risk categories in bank's activities and/or some of the key achievements include:

- **Credit Risk Management:** Credit risk refers to risk that a borrower or counterparty will not honor the contractual obligations in accordance with agreed terms in the contract. Also, credit risk can be defined as the risk of losses due to the borrower's default or deterioration of credit standing, resulting in losses to CAB Bank. CAB Bank thus places significance on credit risk management compatible with international standards and regulatory requirements, implementation of a prudent credit risk management framework and appropriate to the nature, complexity, and size of their business activities. environmental impacts and climate change that may be caused by CAB Bank business operations, to ensure sustainable growth and reasonable returns to stakeholders.

  In 2025, CAB Bank focused on customer service and credit risk management for every customer segment to ensure that risk levels are under an acceptable risk appetite. Meanwhile, digital disruption prompted CAB Bank to focus more on stringent customer screening criteria while prioritizing sustainable assistance measures – particularly for small and micro-businesses as well as retail customers – while also seeking to acquire customers with stronger financial status and sound debt servicing ability. Moreover, CAB Bank has a policy to integrate public health-related risk – which may affect customers' business operations through physical risk and transition risk, - as one of the factors for the credit underwriting process and use it as one of the components in assessing impacts on the Bank's credit portfolio.

- **Market Risk Management:** Market risk refers to the risk of loss that could result from both on- and off-balance sheet positions that arise from adverse movements in market prices. These changes affect CAB Bank's present and future income, capital, the value of financial assets and liabilities as well as off-balance sheet items. CAB Bank engages in a consolidated risk management framework through the development of essential infrastructures and processes for timely and appropriate management of the market risk of financial products. In addition, we have established a product management process for both existing and new products based on the business plan, covering transaction objectives and processes, market risk-related factors, risk analysis and potential impacts as well as risk assessment and control guidelines.

- **Liquidity Risk Management:** Liquidity risk is defined as the risk that, in a given economic and financial context and market situation, a bank not be able to fulfill its obligations or to unwind or offset positions. Typically, it is the of risk of loss arising from a situation where (1) there will not be enough cash and/or cash equivalents to meet the needs of depositors, borrowers and contingency liabilities, (2) the sale of illiquid assets would yield less than their fair value, and (3) illiquid assets would not be sold at the desired time due to a lack of buyers.

  CAB Bank has conducted liquidity risk assessment and analysis on a regular basis to ensure sufficient liquidity for our business operations through liquidity gap analyses, covering both normal and crisis situations, under three scenarios, i.e., liquidity crises that are either bank-specific, market-wide, or a combination of both circumstances. CAB Bank has also developed tools to assess and analyse liquidity risks that meet international standards including Liquidity Coverage Ratio (LCR) and Net Stable Funding Ratio (NSFR). Moreover, the Bank has developed tools for liquidity risk assessment and analysis on a continual basis in line with international standards. This allows us to devise an effective plan for overall liquidity management along with review and revision of liquidity risk management processes and adjustment of our funding structure in response to changing market conditions and liquidity in the banking system. We determine appropriate strategies to maintain a suitable level of foreign currency liquid assets, be consistent with growth in deposits and guard against any heightened liquidity risk stemming from volatility in the global economy and fast-changing financial markets, taking into account business growth potential.

  Closely monitored factors that could affect our liquidity and interest rate risks include:

  (a) Key policy rate trend of the National Bank of Cambodia and major central banks.
  (b) Direct and indirect foreign capital movements triggered by internal and external risks.
  (c) Intensified competition among financial institutions in savings and investment products that may affect overall liquidity in the banking system.
  (d) Increasing demand for loans which could generate pressure on liquidity in the system.

- **Operational Risk Management:** Operational risk refers to the risk of loss resulting from inadequate or failed internal process, people, and systems or from external events. CAB Bank has thus placed importance on operational risk management through the development of policies and operational risk frameworks to enhance our operational risk management as a unified standard, prompting enhancements that allow us to assess risk and proactively seek preventive measures.

  CAB Bank has put in place a Bank-wide public health-related risk consideration process, namely the identification, assessment and mitigation of climate-related impacts on CAB Bank, to ensure business continuity and the protection of the lives and property of our customers, employees and other stakeholders. The risk consideration process has been undertaken as part of the overall risk management procedure every year or more than once a year to keep abreast of the latest trends, ensuring that we can cope with climate-related risks in a timely manner.

- **Strategic Risk Management:** Strategic risk refers to risks that arise from the formulation and implementation of strategic and business plans that are unsuited to and inconsistent with internal factors and the external environment, which may affect earnings, capital fund or CAB Bank's stability. CAB Bank thus places emphasis on the integration of strategy formulation and implementation process. The process begins with systematic data collection and analysis for use in the review and determination of appropriate Bank-wide strategies, which are then translated into those for business and support units, objectives and key results. It also involves efficient resource allocation, or Bank-wide communication of strategic plans, the establishment of clear operational plans and monitoring processes, as well as identification of problems and solutions.

- **Meanwhile,** the Bank has been exposed to the operational risk incurred from compliance with government policies, including new rules and regulations and standards concerning the supervision of financial institutions, in order to extend assistance to pandemic-hit businesses and retail customers amid volatilities in global capital flows, caused by divergent recoveries across many countries, especially economies.

Digital First Strategy

Information Technology Management

Since 2021, CAB Bank embarked on a significant technological transformation by investing in a new core banking system powered by Oracle Flexcube and introducing advanced financial channel technologies. These initiatives were undertaken in response to the global transition toward digital currencies and the emergence of next-generation financial infrastructure. Aligned with the Bank's strategic direction, this transformation reflects our ongoing commitment to innovation, operational efficiency, and service excellence. The implementation was carried out under international standards, supported by a robust cybersecurity framework and streamlined work processes to ensure long-term sustainability. In parallel, strong management oversight was put in place to address the short-, medium-, and long-term impacts of the transition. These efforts are central to CAB Bank's strategic goal of maintaining its competitive edge and establishing itself as a trusted regional leader in financial technology.

As part of the development of new products and services, the Bank adopted cutting-edge technologies to meet the changing behaviors of customers and the demands of modern financial ecosystems. Key innovations introduced during the year include the Card Management System (CMS), Visa, UPI, Master Card, Core Banking System (CBS), Digital Banking, NBC Bakong, KHQR Merchant, CSS, NCS, and FAST. These advancements position CAB Bank at the forefront of digital banking, enabling more agile, secure, and customer-centric financial services.

Management of Impacts on Stakeholders with Value Chain

CAB Bank has disclosed data on management and value creation through our capitals. Key issues that influence the assessment of impacts on CAB Bank's ability to create value over the short, medium and long-term are identified. Analyses will shed light on financially material topics in order to manage existing capital in alignment with the operational framework and the policy of sustainable development and CAB Bank Strategy to ensure that CAB Bank can achieve the highest performance efficiency in alignment with our vision and business directions.

Management Discussion and Analysis
Executive Summary of Management Discussion and Analysis

We continued to bolster our capabilities and innovation in our service through the development of digital technology, both financial and non-financial, to be in step with changing consumer behaviour while also offering new business opportunities business context accounting for proactive integrated risk management, as well as a risk-aware culture Bank-wide, so as to secure our status as a leading financial institution that is always prepared for potential economic volatility, under both normal and stressful situations.

The 2025 operating performance of CAB Bank thus met our business targets as expected in line with the economic conditions. Our operations have gained wide acceptance and recognition in the home country and by tourists from all over the world through our presence at international transit hubs, key tourism locations, entertainment centers and social platforms. All the above endeavours and performance of CAB Bank have thus far been undertaken with prudence and in step with the ever-changing customers' needs, together with an awareness of the economic uncertainty that was gradually reviving by the new normal. These efforts will allow us to devise plans to cope with any potential impacts upon our business while also giving our customers support in an efficient and timely manner.

CORPORATE GOVERNANCE

CAB Bank recognizes the importance of corporate governance and always develops good governance within the bank. The duties and responsibilities of the board of directors (BoDs) are often reviewed and constituted in order to ensure effective governance in the bank's operation, and the core duties for shareholders, clients, employees and other related parties. CAB Bank has independent directors. BoDs has full opportunity and authorization to practice proper deliberation.

BOARD OF DIRECTORS

Each BoDs member is nominated by the shareholders to act as their agents.
The composition of BoDs is the followings:

Mr. Va Dalot	Chairman
Mr. Wong Tow Fock	Director and Chief Executive Officer
Mr. Top Ratheanin	Director
Mr. Chan Peng Leong	Director
Mr. Rouer Jerome	Independent Director

The BoDs' performances are subject to review every year. At the end of each mandate; furthermore, membership will be renewed and approved based on each member's performance.
The duties and responsibilities of BoDs include:

- Promoting the gradual development of banking business for shareholders in an honest manner;
- Balancing the interests of all related parties, including shareholders, depositors, borrowers, employees, investment partners and so on to avoid conflict of interest;
- Determining and approving attractive policies, protect deposits and clients, as well as protect the benefit of the other related parties;
- Ensuring thorough management and strict inspection by studying, determining, inspecting and managing possible risks;
- Constituting and approving the business plan, budget package, risk management policy, internal inspection policy, major investments and the acceptable risk level;
- Approving the appointment of an external auditor;
- Convening a meeting with senior management and internal auditor;
- Examining and making decisions about the governance of the bank; and
- Constituting other necessary duties required by the laws and provisions.

The BoDs meeting is held at least twice a year. In addition to that, the chairman of BoDs may call for meetings in case needed. Each director has independence in making a decision and definitively avoids gaining benefits (including bribes) from any third parties. The BoDs has four supporting committees: Risk Management, Audit, Nomination and Remuneration and Asset and Liabilities Management which are established to act on behalf of them in overseeing the banking operation. These committees are responsible for monitoring and controlling the risks (credit risk, market risk, liquidity risk, and operational risk) within the bank.

Risk Management Committee

Risk Management Committee consists of five members. Risk Management Committee shall carry out the following duties: Examining the risk management activities that the bank may encounter such as financial, credit, liquidity, operational, reputation and legal risk and so on;

- Examining regularly the policies and risk management procedures set out and implemented by the senior management;
- Examining qualifications and biographical detail of senior risk officials and ensuring that the employees of the risk department are sufficiently qualified to perform the tasks;
- Being responsible for the evaluation of local risks in the bank's common development strategy.

Audit Committee

Audit Committee is led by three independent directors. Audit Committee shall carry out the following duties:

- Report to the full Board its findings within the scope of its duties and responsibilities;
- Recommend to the full Board the external auditors and audit fee, and define scope of audit and audit plan;

- Appraise internal audit and control procedures and their suitability in an ever-changing risk environment (esp. the increasing use of 'paperless' transactions), review outputs and recommend changes;
- Request, receive and review both at regular meetings and at any other time as may be required any reports and recommendations of the Internal Audit Department to be accessible to the Head of Internal Audit at any time and on any matter he/she considers might affect the financial integrity and good governance of the bank;
- Consult with external auditors regarding adequacy of internal controls; review any Management Letters or 'Long Form Reports';
- Review annual and quarterly financial statements;
- Review examination reports from regulatory authorities;
- Review reports and recommendations from external auditors and ensure that corrective action is taken by management;
- Review budget for technical integrity and make recommendations before budget presentation to full Board;
- Appoint and dismiss the Head of Internal Audit;
- Evaluate quality of audit personnel and ensure that they have appropriate experience and training;
- Initiate internal and external studies, examinations, reviews, surveys or projects directly related to the above duties and responsibilities provided that any expenditure incurred is within approved budget or has been specifically approved by the Board.

Nomination and Remuneration Committee

Nomination and Remuneration Committee is also led by five members. Nomination and Remuneration Committee shall carry out the following duties:

- Determine remuneration for the bank's board of directors, executive director, senior management and employees;
- Evaluating the experience, knowledge and expertise of the member of the board of directors and senior management and determining the responsibilities of the board of directors' members to be appointed to perform any position;
- Evaluating the tasks implementation of all the committees and submitting a report to the board of directors;
- Making a remuneration plan and strategy and providing various interests to employees and ensuring the retention of highly qualified employees.

MANAGEMENT COMMITTEES

Two management committees: Operation and Credit are established to support Chief Executive Officer (CEO) in directing and controlling the bank's operations and implementing other works assigned by the CEO and report to the CEO.

Operation Committee

Operation Committee comprises of four members. Operation Committee is responsible for:

- Ensuring compliance with the provisions pertaining to the bank operations;
- Ensuring that the bank has annual business and budget plans;
- Examining the implementation of business activities regularly in compliance with the determined business and budget plans; and
- Reviewing all the matters related to the bank's operations.

Credit Committee

Credit Committee comprises of five members. Credit Committee is responsible for:

- Approving and granting of loans to the clients;
- Performing critical analysis in granting loans to prospective borrowers in order to determine a client's repayment capacity that would reduce credit risk;
- Reviewing loans and developing clear strategies and actions to collect non-performing loans.

Internal Control

CAB has continuously developed several lines of defence within the bank to ensure all activities, processes, systems, policies, and procedures are in place without internal control failing, assets are safeguarded from inappropriate use or loss, and fraud and liabilities are identified and managed.

The bank has proper and sufficient policies and procedures related to bank operation for implementation. Also, it has clear segregation between oversight and implementation functions.

BoDs often has a meeting with the bank's management, compliance officer and internal auditors to ensure that all approved policies and procedures are thoroughly implemented and risks are identified and managed. Audit Committee is also responsible for assisting BoDs with the oversight responsibilities for the integrity of the bank financial reports and the effectiveness of internal control. Besides this, Internal Audit Department periodically reviews whether management is setting and applying appropriate internal control procedures, including control over MIS, and is implementing recommendations on internal control of internal and external auditors and the National Bank of Cambodia. All bank's records and processes are maintained properly to enable a flow of timely, relevant and reliable information from within and outside the bank.

CAB also has a compliant function to ensure compliance with internal policies and applicable laws and regulations with respect to the conduct of business.

Risk Management

CAB has clearly noted that better risk management helps the bank to align risk appetite and strategy, minimize operational losses and improve risk response decisions. Then, the bank has continuously developed a sound and acceptable risk management framework and system. It integrates the responsibilities of the BoDs which is the top body of the bank. CAB also established Risk Management Committee and executive level committees such as Credit Committee and Operation Committee for credit risk, market risk, liquidity risk, and operational risk.

Credit Risk Management

CAB has created a credit policy and procedures to reduce the risk in providing credit to the public and also to comply with the Prakas of the National Bank of Cambodia. These policies and procedures set the standard for credit management, and they will be updated every year in accordance with the present economic condition of the Bank.

Market Risk Management

This risk is related to the interest rate and foreign exchange rate (FX) risks, which the bank discussed in ALCO meetings to monitor the interest rate and FX rates. The most important things are the rate-sensitive assets and rate-sensitive liabilities. Since CAB is one of the leading financial institutions in FX and money transfer, the bank has established the most effective policies and procedures for handling, monitoring, and controlling the exchange rate risk.

Liquidity Risk Management

The Operation Committee members manage and monitor the liquidity and aim to comply with the National Bank of Cambodia guidelines and maintain the trust and confidence of the bank's clients. The bank also has a liquidity contingency plan in place to counter market collapse in the banking system and any other occurrences that would affect the daily operation of the bank.

Operational Risk Management

CAB has established an operation manual for the employees and also implements an internal control system that aims to identify the risk associated with the daily operations as well as system risk within the bank.

Code of Conduct

To maintain and enhance our professional ethics, both management and employees are required to perform their work diligently, genuinely and transparently, and most importantly to put the enthusiasm of the bank as a priority. CAB's codes of ethics are as follows, which our management and employees have acknowledged and followed:

- Treat customers fairly, honestly and impartially, and they are not allowed to get any gifts, commissions, or any valuable stuff from customers because gifts or entertainment can be a threat to an independent mind
- Staff must not engage in any business activity that conflicts with the interest of the bank.
- Staff should not misuse their position in the bank for personal benefits.
- Confidentiality, staff should not use confidential information about a client for personal gain.

Compliance

The bank's Compliance Department plays a critical role in ensuring that CAB operates in compliance with all relevant laws, regulations, and industry standards.

The Compliance Department at CAB is responsible for developing, implementing, and monitoring the bank's compliance program. This includes ensuring that the bank complies with all applicable laws, regulations, and industry standards related to anti-money laundering (AML), counter-terrorism financing (CTF), sanctions, and other relevant areas. The department also provides guidance and training to staff on compliance-related matters and collaborates with other departments to ensure that compliance risks are effectively managed.

In the past year, the Compliance Department has made significant strides in enhancing the bank's compliance program. Some of the key achievements include:

- **Strengthening the bank's AML/CTF framework:** The department has reviewed and updated the bank's AML/CTF policies and procedures to ensure that they are in line with the latest regulatory requirements and industry best practices.

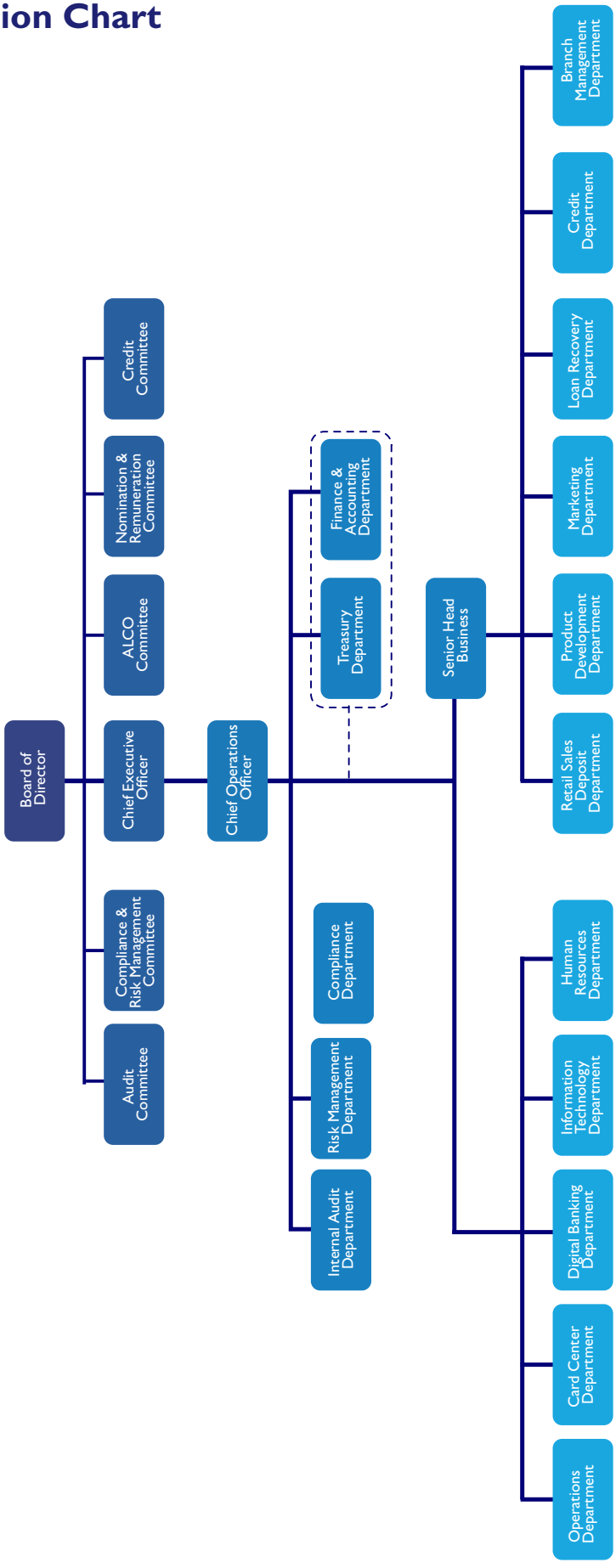
- **Implementing a sanctions compliance program:** The department has developed and implemented a comprehensivze sanctions compliance program to ensure that the bank complies with all relevant sanction regulations.

- **Providing training and awareness programs:** The department has conducted various training and awareness programs for staff on compliance-related matters, including AML/CTF, sanctions, and data privacy.

- **Collaborating with other departments:** The department has worked closely with other departments, such as the Risk Management and Internal Audit departments, to ensure that compliance risks are effectively managed.

- **Engaging with regulators:** The department has maintained a strong relationship with regulators and has actively engaged with them on compliance-related matters.

Organization Chart



Employee Development and Capacity Building

Across the year, Cambodia Asia Bank rolled out a wide-ranging internal training programme spanning more than twenty distinct topics, covering critical areas including compliance, risk management, credit operations, sales effectiveness, IT security, human resources policy, and branch operations. Training sessions were carefully designed to be relevant and practical, targeting the right staff groups whether branch teams, loan officers, tellers, supervisors, or all staff ensuring that learning was both purposeful and efficient.

Regulatory Compliance Training: All branches and outlets participated in training on data integrity, fraud risk awareness, and suspicious transaction reporting (STR), reinforcing our zero-tolerance stance on financial misconduct. Staff also received dedicated training on Anti-Money Laundering (AML), Counter Financing of Terrorism (CFT), Combating the Proliferation Financing (CPF), and whistleblowing procedures — ensuring our teams remain vigilant and well-prepared in an evolving regulatory environment.

Risk Management Fundamentals: An introduction to risk management was delivered to branch and outlet staff, including loan officers, supervisors, and deputy branch managers, supported by ongoing know-your-customer (KYC) training covering Customer Due Diligence (CDD), Enhanced Customer Due Diligence (ECDD), and Ultimate Beneficial Ownership (UBO) requirements.

Legal & Credit Knowledge: Loan recovery and sales staff were trained on contract law, hypothec agreements, and court case processes — building a stronger foundation for responsible lending and effective loan management. Sessions on credit policy and the credit operations manual further ensured that our loan teams operate with clarity, consistency, and sound judgment.

Sales Skills & Product Knowledge: Sales staff across both loan and deposit functions attended training on selling skills, customer relations, and the different types of customers our bank serves. Workshops on corporate banking and deposit policy refreshers ensured that frontline staff could engage clients with depth, accuracy, and professionalism.

Problem Solving & Motivation: Recognising that technical skills alone are not enough, Cambodia Asia Bank invested in the personal and professional growth of sales staff through training in problem-solving approaches and motivational mindset — helping our team remain resilient, proactive, and solutions-oriented in a competitive banking environment.

Operations, IT & HR Systems

Branch Operations Readiness: Operations staff, including tellers, customer service representatives, and deputy branch managers, participated in refresher sessions on terms and conditions, account opening procedures, and updated internal policies and memos — maintaining operational accuracy and service quality across all touchpoints.

IT Security & Digital Awareness: All staff completed IT security training to strengthen awareness of cybersecurity risks and promote safe digital practices throughout the organization — an essential safeguard as Cambodia Asia Bank continues to grow its digital banking capabilities.

HR Systems & Policy Refreshers: Human Resources conducted multiple staff-wide refresher sessions on HR policy and procedures, the check in system, payroll-related matters including personal data update and salary tax rebate application, and shift arrangement processes for teller supervisors and deputy branch managers. These sessions ensured staff remained informed and compliant with internal administrative requirements.

Genuine Currency Training: Treasury conducted training for all tellers on the identification of genuine banknotes, equipping frontline cash-handling staff with the skills to detect and prevent counterfeit currency — protecting both our customers and the integrity of our operations.

Through this broad and structured approach to staff development, Cambodia Asia Bank demonstrated in 2025 that investing in people is investing in the bank's future. Each training initiative — whether targeting compliance awareness, credit knowledge, sales capability, or operational readiness — reflects our commitment to building an institution where every employee is empowered to perform with skill, confidence, and purpose.

Corporate Social Responsibility

At Cambodia Asia Bank, corporate social responsibility is not a program. It is a principle. Guided by our core values of integrity, community, and shared progress, we remain deeply committed to the well-being of the people we serve and the society we are part of. Throughout 2025, our teams engaged in a wide range of initiatives spanning healthcare, education, financial inclusion, cultural support, and humanitarian relief that each one a reflection of our unwavering belief that a bank's purpose extends far beyond its balance sheet.



7 March 2025

Blood Donation under initiative of Association of Bank in Cambodia and the Cambodia Microfinance Association

Cambodia Asia Bank joined a blood donation event co-organized by Association of Bank in Cambodia and Cambodia Microfinance Association, uniting staff members from across the financial sector in a collective act of goodwill. This collaborative effort demonstrated that when institutions work together toward a shared humanitarian purpose, the impact is amplified many times over. Our participation reflects our belief that corporate social responsibility is most powerful when it bridges organizational boundaries for the greater good of society.

24 March 2025

Supporting Community Sports: Volleyball League 2025 Sponsorship

Cambodia Asia Bank was proud to sponsor the One-Day Volleyball League 2025, an event organized by the Filipino community in Cambodia. This vibrant sporting occasion brought together players and spectators from diverse backgrounds, celebrating teamwork, friendship, and community spirit. Our sponsorship reflects our belief that strong communities are built not only through financial progress but also through shared experiences and cultural exchange.





9 April 2025

Financial Literacy Outreach at NUBB University, Battambang

As part of our ongoing commitment to empowering the next generation, Cambodia Asia Bank set up a dedicated booth at the National University of Battambang (NUBB) in Battambang province. Our team engaged directly with students, offering account opening services and sharing knowledge on essential financial topics. Through open conversations and one-on-one interactions, students had the opportunity to ask questions and gain practical insights into personal finance, a meaningful step toward building a financially aware community.

25 April 2025

Campus Engagement at Build Bright University, Battambang

Continuing our campus outreach initiative, Cambodia Asia Bank extended its presence to Build Bright University in Battambang province. Students were welcomed at our booth, where they could open accounts conveniently on-site while also engaging in informative discussions about banking services and financial management. Our team took the time to answer questions and explain key financial concepts, reinforcing our dedication to building financial confidence among Cambodia's youth.





10 May 2025

Partnering with De Montfort University for Career Fair

Cambodia Asia Bank joined the Career Fair organized by De Montfort University; an event designed to connect graduating students with meaningful employment opportunities. By participating in this fair, we reaffirmed our role not only as a financial institution but also as an active contributor to Cambodia's workforce development.
Our representatives engaged with young talents, sharing information about career pathways within the banking sector and the opportunities available at Cambodia Asia Bank.

17 June 2025

NBC Banknote Exchange Campaign at Norea Pagoda, Battambang

Cambodia Asia Bank was honoured to participate in a campaign organized by the National Bank of Cambodia (NBC), held at Norea Pagoda in Battambang province. The initiative provided members of the public with the convenient opportunity to exchange old or damaged Riel bank notes at no cost, with the exchanged value credited directly into their Cambodia Asia Bank accounts. This collaboration with the NBC underscores our shared commitment to financial inclusion and accessible banking services for all Cambodians.





28 July 2025

Staff Blood Donation Drive at the National Blood Transfusion Centre

Driven by a sense of compassion and civic duty, Cambodia Asia Bank organized a blood donation activity for its staff at the National Blood Transfusion Centre. Employees volunteered their time and gave generously in support of patients in need across the country.
This initiative reflects the values instilled throughout our organization that giving back to society goes beyond financial contributions and extends to personal acts of care and solidarity.

1 August 2025

Debt Relief for Fallen Soldiers and Their Families

With the deepest respect for national unity and the enduring bonds that bind all Cambodians together, Cambodia Asia Bank formally announced the cancellation of all outstanding loan obligations owed by soldiers who made the ultimate sacrifice during the Cambodia–Thailand border conflict. This decision was made as a heartfelt tribute to those who served their nation with honour. We stand in solidarity with their families during this time of grief and remain committed to supporting the communities that uphold Cambodia's sovereignty and peace.





1 November 2025

Silver Sponsorship of the 2025 Career Fair

As a Silver Sponsor of the 2025 Career Fair, Cambodia Asia Bank reinforced its dedication to nurturing talent and expanding opportunities for Cambodia's workforce. The event served as a vital platform connecting job seekers with prospective employers, and our presence allowed us to introduce attendees to the wide range of career opportunities within the banking industry. We believe that investing in people is one of the most impactful contributions a financial institution can make to long-term national development.

AUDITED FINANCIALSTATEMENTS

CONTENTS

DIRECTORS' REPORT

FINANCIAL STATEMENTS

- STATEMENT OF FINANCIAL POSITION
- STATEMENT OF COMPREHENSIVE INCOME
- STATEMENT OF CHANGES IN EQUITY
- STATEMENT OF CASH FLOWS
- NOTES TO THE FINANCIAL STATEMENTS

INDEPENDENT AUDITOR'S REPORT

DIRECTORS' REPORT

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

PRINCIPAL ACTIVITIES

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

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

FINANCIAL RESULTS

Loss for the year	2025	
	USD	KHR'000
	2,637,336	10,578,355

DIVIDENDS

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

SHARE CAPITAL

The details of share capital and shareholding structure are disclosed in Note 16 to the financial statements.

RESERVES AND PROVISIONS

Transfers to or from reserves or provisions during the year are disclosed in Note 17 to the financial statements.

BAD AND DOUBTFUL DEBTS

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

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

ASSETS

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

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

VALUATION METHODS

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

CONTINGENT AND OTHER LIABILITIES

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

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

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

CHANGE OF CIRCUMSTANCES

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

ITEMS OF MATERIAL AND UNUSUAL NATURE

In the opinion of the directors,

(i) the results of the operations of the Bank for the year were not substantially affected by any item, transaction or event of material and unusual nature; and

(ii) no item, transaction or event of material and unusual nature had arisen in the interval between the end of the year and the date of this report which is likely to affect substantially the results of the operations of the Bank for the year in which this report is made.

ISSUANCE OF SHARES AND DEBENTURES

During the year, no new shares or debentures were issued by the Bank.

DIRECTORS

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

Mr. Va Dalot	Chairperson
Mr. Wong Tow Fock	Director and Chief Executive Officer
Mr. Top Ratheanin	Director
Mr. Chan Peng Leong	Director
Mr. Rouer Jerome	Independent Director

DIRECTORS' BENEFITS

Since the end of the previous year, no directors of the Bank have received or become entitled to receive any benefit by reason of a contract made by the Bank or a related corporation with the directors or with a firm of which the director is a member, or with a Bank in which the director has a substantial financial interest, except for any benefit which may be deemed to have arisen by virtue of those transactions as disclosed in Note 25 to the financial statements.

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

HOLDING COMPANIES

The directors regard Selvione Limited, a company incorporated in British Virgin Islands, and Quantum Symbol Sdn Bhd, a company incorporated in Malaysia, as the ultimate holding and immediate holding companies, respectively.

SUBSIDIARY

The details of the Bank's subsidiary is disclosed in Note 9 to the financial statements. There is no audit of the account of the subsidiary as it becomes dormant.

SIGNIFICANT EVENT SUBSEQUENT TO THE END OF THE YEAR

The details of the significant event subsequent to the end of the year are disclosed in Note 30 to the financial statements.

DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS

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

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

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

APPROVAL OF THE FINANCIAL STATEMENTS

In the opinion of the directors, the accompanying financial position of the Bank as at 31 December 2025, and the related statements of comprehensive income, changes in equity and cash flows for the year then ended, and the notes to the financial statements are presented fairly, in all material respects, in accordance with CIFRSs.

Signed on behalf of the Board of Directors,





Wong Tow Fock
Director and Chief Executive Officer

Top Ratheanin
Director

Phnom Penh, Kingdom of Cambodia

Date: 30 MAR 2026

	Notes	2025 USD	2025 KHR'000	2024 USD (As reclassified - Note 31)	2024 KHR'000
ASSETS					
Cash on hand	5	59,372,297	238,261,028	64,272,873	258,698,314
Balance with financial institutions	6	61,263,740	245,851,389	75,545,735	304,071,583
Balance with National Bank of Cambodia ("NBC")	7	10,752,018	43,147,848	9,011,057	36,269,504
Loans to customers - net	8	77,224,571	309,902,203	80,732,706	324,949,142
Investments	9	4,557,090	18,287,602	1,524,714	6,136,974
Other assets	10	2,625,275	10,535,229	3,991,510	16,065,828
Statutory deposits	11	21,297,413	85,466,518	19,648,772	79,086,307
Intangible assets	12	1,949,011	7,821,381	1,968,636	7,923,760
Property and equipment	13	597,515	2,397,828	723,152	2,910,687
Right-of-use assets		860,950	3,454,992	626,106	2,520,077
TOTAL ASSETS		**240,499,880**	**965,126,018**	**258,045,261**	**1,038,632,176**
LIABILITIES AND EQUITY					
LIABILITIES					
Deposits from customers and financial institutions	14	155,633,362	624,556,682	170,147,965	684,845,559
Other liabilities		609,492	2,445,892	1,242,986	5,003,019
Lease liabilities		900,586	3,614,052	660,534	2,658,649
Deferred tax liabilities - net	15(b)	372,374	1,494,337	372,374	1,498,805
TOTAL LIABILITIES		**157,515,814**	**632,110,963**	**172,423,859**	**694,006,032**
EQUITY					
Share capital	16	75,000,000	299,625,000	75,000,000	299,625,000
Regulatory reserves	17	5,635,412	22,614,908	4,593,088	18,487,179
Retained earnings		2,348,654	9,754,567	6,028,314	24,513,684
Exchange differences		-	1,020,580	-	2,000,281
TOTAL EQUITY		82,984,066	333,015,055	85,621,402	344,626,144
TOTAL LIABILITIES AND EQUITY		**240,499,880**	**965,126,018**	**258,045,261**	**1,038,632,176**

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

	Notes	2025 USD	2025 KHR'000	2024 USD	2024 KHR'000
Interest income	18	11,794,786	47,308,887	10,844,629	44,148,485
Interest expense	19	(9,264,435)	(37,159,649)	(8,204,424)	(33,400,210)
Net interest income		**2,530,351**	**10,149,238**	**2,640,205**	**10,748,275**
Non-interest income - net	20	3,190,289	12,796,249	3,168,278	12,898,060
Total operating income		**5,720,640**	**22,945,487**	**5,808,483**	**23,646,335**
Personnel expenses	21	(3,700,054)	(14,840,917)	(3,802,954)	(15,481,826)
Other operating expenses	22	(2,637,699)	(10,579,811)	(3,388,424)	(13,794,274)
Depreciation and amortisation	23	(866,381)	(3,475,054)	(796,117)	(3,240,992)
Minimum tax expense	15(a)	(163,812)	(657,050)	(146,802)	(590,878)
Operating loss before impairment losses		**(1,647,306)**	**(6,607,345)**	**(2,325,814)**	**(9,461,635)**
Impairment (loss)/reversal on financial instruments	24	(990,030)	(3,971,010)	95,545	388,964
Loss before tax		**(2,637,336)**	**(10,578,355)**	**(2,230,269)**	**(9,072,671)**
Income tax expense	15(a)	-	-	(252,478)	(1,027,838)
Loss for the year		**(2,637,336)**	**(10,578,355)**	**(2,482,747)**	**(10,107,263)**
Other comprehensive loss					
Exchange differences		-	(979,701)	-	(4,888,782)
Total comprehensive loss for the year		**(2,637,336)**	**(11,558,056)**	**(2,482,747)**	**(14,996,045)**

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

	Note	Share capital		Regulatory reserves		Retained earnings		Exchange differences	Total	
		USD	KHR'000	USD	KHR'000	USD	KHR'000	KHR'000	USD	KHR'000
At 1 January 2024		**75,000,000**	**299,625,000**	**2,160,910**	**8,869,042**	**10,943,239**	**44,522,344**	**6,889,063**	**88,104,149**	**359,905,449**
Comprehensive loss										
Loss for the year		-	-	-	-	(2,482,747)	(10,107,263)	-	(2,482,747)	(10,107,263)
Other comprehensive loss		-	-	-	-	-	-	(4,888,782)	-	(4,888,782)
Total comprehensive loss for the year		-	-	-	-	**(2,482,747)**	**(10,107,263)**	**(4,888,782)**	**(2,482,747)**	**(14,996,045)**
Transactions recognised directly in equity										
Transfers from retained earnings to regulatory reserves	17	**-**	**-**	2,432,178	9,901,397	(2,432,178)	(9,901,397)	**-**	**-**	-
Exchange differences		**-**	**-**	-	(283,260)	-	**-**	**-**	**-**	(283,260)
At 31 December 2024		**75,000,000**	**299,625,000**	**4,593,088**	**6,028,314**	**24,513,684**	**2,000,281**	**85,621,402**	**85,621,402**	**344,626,144**
At 1 January 2025		**75,000,000**	**299,625,000**	**4,593,088**	**18,487,179**	**6,028,314**	**24,513,684**	**2,000,281**	**85,621,402**	**344,626,144**
Comprehensive loss										
Loss for the year		**-**	**-**	**-**	**-**	(2,637,336)	(10,578,355)	-	(2,637,336)	(10,578,355)
Other comprehensive loss		**-**	**-**	**-**	**-**	-	-	(979,701)	-	(979,701)
Total comprehensive loss for the year		**-**	**-**	**-**	**-**	**(2,637,336)**	**(10,578,355)**	**(979,701)**	**(2,637,336)**	**(11,558,056)**
Transactions recognised directly in equity										
Transfers from retained earnings to regulatory reserves	17	-	-	1,042,324	4,180,762	(1,042,324)	(4,180,762)	-	-	-
Exchange differences		-	-	-	(53,033)	-	-	-	-	(53,033)
At 31 December 2025		**75,000,000**	**299,625,000**	**5,635,412**	**22,614,908**	**2,348,654**	**9,754,567**	**1,020,580**	**82,984,066**	**333,015,055**

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

	Notes	2025 USD	2025 KHR'000	2024 USD (As reclassified - Note 31)	2024 KHR'000
Cash flows from operating activities					
Loss before tax		(2,637,336)	(10,578,355)	(2,230,269)	(9,072,671)
Adjustments for:					
Depreciation and amortisation	23	866,381	3,475,054	796,117	3,240,992
Impairment losses/(reversal) on financial instruments	24	990,030	3,971,010	(95,545)	(388,964)
Write-off of property and equipment		123	493	63,797	259,718
Interest income	18	(11,794,786)	(47,308,887)	(10,844,629)	(44,148,485)
Interest expense	19	9,264,435	37,159,649	8,204,424	33,400,210
Operating loss before changes in working capital		**(3,311,153)**	**(13,281,036)**	**(4,106,105)**	**(16,709,200)**
Changes in working capital:					
Loans to customers - net		3,276,928	13,143,758	1,962,196	7,988,100
Other assets		1,366,235	5,479,969	(185,155)	(753,766)
Statutory deposits		(1,698,034)	(6,810,814)	(1,048,706)	(4,269,282)
Deposits from customers and financial institutions		(14,531,342)	(58,285,213)	35,947,041	146,340,404
Other liabilities		(633,493)	(2,540,940)	113,358	461,480
Cash (used in)/generated from operation		**(15,530,859)**	**(62,294,276)**	**32,682,629**	**133,057,736**
Interest income received		11,143,974	44,698,480	9,933,094	40,437,626
Interest expense paid		(9,189,483)	(36,859,016)	(5,475,055)	(22,288,949)
Net cash flows (used in)/generated from operating activities		**(13,576,368)**	**(54,454,812)**	**37,140,668**	**151,206,413**
Cash flows from investing activities					
Placement of fixed deposits		(8,022,115)	(32,176,703)	(11,050,609)	(44,987,029)
Purchase of intangible assets	12	(206,260)	(827,309)	(320,015)	(1,302,781)
Purchase of property and equipment	13	(132,185)	(530,194)	(134,140)	(546,084)
Purchase of debt securities		(2,990,282)	(11,994,021)	-	-
Net cash flows used in investing activities		**(11,350,842)**	**(45,528,227)**	**(11,504,764)**	**(46,835,894)**
Cash flows from financing activity					
Payment of lease liabilities, represents net cash flows used in financing activity		**(435,802)**	**(1,748,002)**	**(411,945)**	**(1,677,028)**
Net (decrease)/increase in cash and cash equivalents		(25,363,012)	(101,731,041)	25,223,959	102,693,491
Cash and cash equivalents at the beginning of the year		112,281,287	451,932,180	87,057,328	355,629,183
Exchange differences		-	(1,398,102)	-	(6,390,494)
Cash and cash equivalents at end of year	26	**86,918,275**	**348,803,037**	**112,281,287**	**451,932,180**

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

1. CORPORATE INFORMATION

Cambodia Asia Bank Limited (the "Bank") was incorporated in the Kingdom of Cambodia on 7 May 1996 with registration number 00029165 issued by Ministry of Commerce ("MOC") and commenced operations after obtaining the license from NBC.

The registered and head office of the Bank is currently located at No. 75C 036, Preah Sihanouk Boulevard, Sangkat Veal Vong, Khan 7 Makara, Phnom Penh, Kingdom of Cambodia. Currently, the Bank has eight branches; three branches are located in Phnom Penh and one branch each in Siem Reap, Sihanoukville, Battambang, Kampot and Kampong Cham provinces.

The principal activities of the Bank comprise of operations of core banking business and the provision of related financial services in Cambodia. There have been no significant changes in the nature of these activities during the year.

2. BASIS OF PREPARATION

2.1 Statement of compliance

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

The financial statements of the Bank have been prepared as a separate financial statements. The Bank has also prepared a separate set of consolidated financial statements which include the financial information of its subsidiary.

2.2 Basis of measurement

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

The financial statements of the Bank have been prepared as a separate financial statements. The Bank has also prepared a separate set of consolidated financial statements which include the financial information of its subsidiary

2.3 Adoption of new CIFRSs and amendments/improvement to CIFRSs

(a) Amendments/Improvements to standards adopted during the year
The following amendments/improvements were adopted by the Bank but did not have significant impact on the current period or any prior period and it is not likely to affect the future periods.

- Lack of Exchangeability – Amendments to CIAS 21

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

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

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

2.4 Functional and presentation currency

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

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

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

3 MATERIAL ACCOUNTING POLICY INFORMATIO

3.1 Financial instruments

(a) Initial measurement

Financial assets and financial liabilities

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

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

(b) Classification

Financial assets

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

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

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

Business model assessment

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

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

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

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

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

In making the assessment, the Bank considers:

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

Non-recourse loans

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

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

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

Reclassifications

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

Financial liabilities

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

(c) Derecognition

Financial assets

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

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

Financial liabilities

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

(d) Modifications of financial instruments

Financial assets

If the terms of a financial asset are modified, then the Bank evaluates whether the cash flows of the modified asset are substantially different. The Bank consider, among others:

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

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

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

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

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

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

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

Financial liabilities

The Bank derecognises a financial liability when its terms are modified, and the cash flows of the modified liability are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value.

The difference between the carrying amount of the financial liability derecognised and consideration paid is recognised in profit and loss. Consideration paid includes non-financial assets transferred, if any, and the assumption of liabilities, including the new modified financial liability.

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

(e) Offsetting

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

(f) Fair value measurement

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

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

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

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

If an asset or a liability measured at fair value has a bid price and an ask price, then the Bank measures assets and long positions at a bid price and liabilities and short positions at an ask price.

Portfolios of financial assets and financial liabilities that are exposed to market risk and credit risk that are managed by the Bank on the basis of the net exposure to either market or credit risk are measured on the basis of a price that would be received to sell a net long position (or paid to transfer a net short position) for the particular risk exposure. Portfolio-level adjustments – e.g. bid-ask adjustment or credit risk adjustments that reflect the measurement on the basis of the net exposure – are allocated to the individual assets and liabilities on the basis of the relative risk adjustment of each of the individual instruments in the portfolio.

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

(g) Impairment

Financial assets

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

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

No impairment loss is recognised on equity investments.

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

. debt investment securities that are determined to have low credit risk at the reporting date; and

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

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

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

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

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

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

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

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

Determining whether credit risk has increased significantly

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

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

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

Definition of default

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

- the borrower is unlikely to pay its credit obligations to the Bank in full, without recourse by the Bank to actions such as realising security (if any is held); or
- the borrower is more than or equal to 90 days past due for long-term facilities or more than or equal to 31 days past due for short-term facilities on any material obligation to the Bank; or
- it is becoming probable that the borrower will restructure the asset as a result of bankruptcy due to the borrower's inability to pay its credit obligations.

Measurement of ECL

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

Inputs, assumptions and techniques used for estimating impairment

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

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

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

PD provides an estimate of the likelihood that a customer will be unable to meet its debt obligation or default over a particular time horizon. Financial assets under the general approach requires staging for both 12-month PD and lifetime PD estimation according to historical data using the migration approach or external credit rating approach.

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

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

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

Restructured financial assets

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

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

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

Credit-impaired financial assets

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

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

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

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

Presentation of allowance for ECL in the statement of financial position

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

Write-off

Financial assets

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

Recoveries of amounts previously written off are included in 'impairment losses on financial instruments' in the statement of comprehensive income.

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

3.2 Cash and cash equivalents

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

3.3 Other assets

Other assets are carried at cost less impairment if any.

3.4 Statutory deposits

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

3.5 Intangible assets

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

Intangible assets are amortised over their estimated useful live of 10 years using the straight-line method.

Costs associated with the development or maintenance of computer software are recognised as expenses in profit or loss when incurred.

3.6 Property and equipment

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

Work in-progress included in property and equipment are not depreciated as these assets are not available for use.

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

	Useful lives
Leasehold improvement	20 years
Automated teller machines	8 years
Motor vehicles	5 years
Office equipment and furniture and fittings	4 years
Computer and IT equipment	4 years

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

3.7 Impairment of non-financial assets

Assets that are subject to depreciation or amortisation are assessed at each reporting date to determine whether there is any indication that the assets are impaired. Where there is any indication that an asset might be impaired, the carrying value of the asset (or cash-generating unit "CGU" to which the asset has been allocated) is tested for impairment. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's (or CGU's) fair value less costs to sell and its value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (CGUs). Non-financial assets suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

3.8 Regulatory reserves

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

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

a. In the case whereby the regulatory provision is lower than provision calculated in accordance with CIFRS, the Bank records the provision calculated in accordance with CIFRS;

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

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

3.9 Net interest income

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

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

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

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

3.10 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.

3.11 Other credit related commitments

In the normal course of business, the Bank enters into other credit related commitments including loan commitments, letters of credit and guarantees. The accounting policy and regulatory provision followed the NBC's Prakas No. B7-017-344 and Circular No. B7-018-001 in Note 3.8 above.

4. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

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

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

4.1 Measurement of income tax

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

The income tax expense of the Bank is disclosed in Note 15 to the financial statements.

4.2 Expected credit loss allowance on financial assets at amortised cost

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

4 SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS (CONTINUED)

4.2 Expected credit loss allowance on financial assets at amortised cost (Continued)

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

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

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

5. CASH ON HAND

	2025		2024	
	USD	KHR'000	USD	KHR'000
US Dollar	58,712,340	235,612,620	63,341,482	254,949,465
Khmer Riel	538,949	2,162,802	703,640	2,832,151
Others	121,008	485,606	227,751	916,698
Total	**59,372,297**	**238,261,028**	**64,272,873**	**258,698,314**

6. BALANCE WITH FINANCIAL INSTITUTIONS

	2025		2024	
In Cambodia:	USD	KHR'000	USD	KHR'000
Term deposits	55,495,576	222,703,746	57,473,461	231,330,681
Current accounts	1,469,933	5,898,841	6,879,407	27,689,613
Savings accounts	371,098	1,489,216	526,019	2,117,226
Subtotal	**57,336,607**	**230,091,803**	**64,878,887**	**261,137,520**
Outside Cambodia:				
Current accounts	2,953,225	11,851,292	9,592,092	38,608,170
Gross balance with financial institutions	60,289,832	241,943,095	74,470,979	299,745,690
Add: Accrued interest receivables	1,062,542	4,263,981	1,076,652	4,333,524
Balance with financial institutions at amortised cost	61,352,374	246,207,076	75,547,631	304,079,214
Less: Allowance for impairment loss	(88,634)	(355,687)	(1,896)	(7,631)
Net balance	**61,263,740**	**245,851,389**	**75,545,735**	**304,071,583**

6. BALANCE WITH FINANCIAL INSTITUTIONS (CONTINUED)

The movements in the allowance for impairment loss are as follows:

In Cambodia:	12-month ECL (Stage 1) USD	KHR'000
At 1 January 2024	(2,130)	(8,702)
Net remeasurement of allowances (Note 24)	234	953
Exchange differences	-	118
At 31 December 2024/1 January 2025	**(1,896)**	**(7,631)**
Net remeasurement of allowances (Note 24)	(86,738)	(347,906)
Exchange differences	-	(150)
At 31 December 2025	**(88,634)**	**(355,687)**

The gross balance with financial institutions are analysed as follows:

	2025		2024	
a. By maturity:	**USD**	**KHR'000**	**USD**	**KHR'000**
Within 1 month	4,794,256	19,239,349	16,997,518	68,415,010
More than 1 to 3 months	12,000,000	48,156,000	22,000,000	88,550,000
More than 3 to 12 months	43,495,576	174,547,746	35,473,461	142,780,680
	60,289,832	**241,943,095**	**74,470,979**	**299,745,690**
b. By currency:				
US Dollar	59,866,832	240,245,597	70,587,581	284,115,014
Khmer Riel	207,696	833,484	3,533,001	14,220,329
Others	215,304	864,014	350,397	1,410,347
	60,289,832	**241,943,095**	**74,470,979**	**299,745,690**
c. By interest rate (per annum):				
Savings accounts	0% to 1%	0% to 1%		
Term deposits	1.5% to 6.75%	1.5% to 7.5%		

7. BALANCE WITH NATIONAL BANK OF CAMBODIA ("NBC")

	2025		2024	
	USD	**KHR'000**	**USD**	**KHR'000**
Current accounts	10,201,884	40,940,160	8,636,362	34,761,357
Negotiable certificate of deposits ("NCD")	549,838	2,206,500	374,534	1,507,499
Accrued interest receivables	296	1,188	161	648
	10,752,018	43,147,848	9,011,057	36,269,504

During the year, the Bank has pledged NCD sum of USD549,838 (2024: USD374,534) with NBC as a collateral for Liquidity Providing Collateralised Operation ("LPCO"). NCD are maturing in 3 months and earn interest at rates ranging from 0.30% - 1.00% (2024: 1.05% - 1.33%) per annum.

8. LOANS TO CUSTOMERS – NET (CONTINUED)

	2025		2024	
	USD	KHR'000	USD	KHR'000
Stage 1	67,687,838	271,631,294	75,852,564	305,306,570
Stage 2	2,616,272	10,499,100	1,131,760	4,555,334
Stage 3	8,242,155	33,075,768	4,838,869	19,476,448
Gross loans to customers	78,546,265	315,206,162	81,823,193	329,338,352
Add: Accrued interest receivables	1,865,020	7,484,325	1,204,720	4,848,998
Loans at amortised cost	80,411,285	322,690,487	83,027,913	334,187,350
Less: Allowance for impairment loss	(3,186,714)	(12,788,284)	(2,295,207)	(9,238,208)
Net loans to customers	**77,224,571**	**315,206,162**	**80,732,706**	**324,949,142**

Reconciliation of the accrued interest receivable was as follows:

	2025		2024	
	USD	KHR'000	USD	KHR'000
At 1 January	1,204,720	4,848,998	580,494	2,371,318
Add: Interest income (Note 18)	7,781,990	31,213,562	7,894,328	32,137,809
Less: Interest received	(7,121,690)	(28,565,099)	(7,270,102)	(29,596,585)
Exchange differences	-	(13,136)	-	(63,544)
At 31 December	**1,865,020**	**7,484,325**	**1,204,720**	**4,848,998**

The movement of allowance for impairment losses on loans to customers was as follows:

	2025		2024	
	USD	KHR'000	USD	KHR'000
At 1 January	2,295,207	9,238,208	2,691,392	10,978,692
Allowance/(reversal)				
during the year (Note 24)	891,507	3,575,835	(396,185)	(1,612,869)
Exchange differences	-	(25,759)	-	(127,615)
At 31 December	**3,186,714**	**12,788,284**	**2,295,207**	**9,238,208**

8. LOANS TO CUSTOMERS – NET (CONTINUED)

The gross loans to customers are analysed as follows:

a. By relationships:

	2025		2024	
	USD	KHR'000	USD	KHR'000
External customers	77,938,778	312,768,316	80,979,320	325,941,763
Staff loans	607,487	2,437,846	843,873	3,396,589
	78,546,265	**315,206,162**	**81,823,193**	**329,338,352**

b. By maturity:

1 to 3 months	11,259,467	45,184,241	24,111,662	97,049,440
3 to 6 months	1,071,373	4,299,420	375,840	1,512,756
6 to 12 months	5,996,127	24,062,458	10,997,028	44,263,038
1 to 3 years	29,039,583	116,535,847	19,410,090	78,125,612
3 to 5 years	2,220,614	8,911,324	2,218,248	8,928,448
Over 5 years	28,959,101	116,212,872	24,710,325	99,459,058
	78,546,265	**315,206,162**	**81,823,193**	**329,338,352**

c. By performance:

Performing	67,283,484	270,008,621	75,056,601	302,102,819
Under-performing	2,657,747	10,665,539	1,244,565	5,009,374
Non-performing	8,605,034	34,532,002	5,522,027	22,226,159
	78,546,265	**315,206,162**	**81,823,193**	**329,338,352**

d. By secured loans	USD	Percentage (%)	USD	Percentage (%)
Secured	77,306,515	98.42	80,732,395	98.67
Unsecured	1,239,750	1.58	1,090,798	1.33
	78,546,265	**100**	**81,823,193**	**100**

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

For additional analysis of gross loans to customers, refer to Note 27 (b).

9. Investment

	2025		2024	
	USD	KHR'000	USD	KHR'000
Debt securities (Government bonds)	2,990,282	12,000,000		
Subsidiary	1,800,000	7,223,400	1,800,000	7,245,000
Investment in equity	25,588	102,685	25,588	102,992
	4,815,870	**19,326,085**	**1,825,588**	**7,347,992**

9. INVESTMENTS

The movement of allowance for impairment losses on investment was as follows:

	2025		2024	
	USD	KHR'000	USD	KHR'000
At 1 January	300,874	1,211,018	-	-
Allowance during the year (Note 24)	11,785	47,269	300,874	1,224,858
Exchange differences	-	(3,588)	-	(13,840)
At 31 December	**312,659**	**1,254,699**	**300,874**	**1,211,018**

As at 31 December 2025, the Bank holds an investment in government debt securities issued by NBC. The investment consists of fixed-rate government bonds with a face value of KHR12,000,000,000 (equivalents to USD2,990,282), bearing interest at 3.50% per annum, payable semi-annually. The bonds mature on 27 June 2028.

Investment in subsidiary represents 100% of share capital investment in CAB Securities Limited, whose principal activities are related to securities underwriting, dealing and brokerage business. CAB Securities Limited is licensed by the Security and Exchange Regulator of Cambodia ("SERC"). In 2024, the Bank made the strategic decision to cease the operations of CAB Securities Limited. As a result, the Bank has initiated the necessary procedures to wind down the subsidiary, including regulatory notifications, settlement of outstanding obligations, and fulfilment of legal and financial requirements. As of the date of this report, the subsidiary has obtained approval from SERC to cease the operations but still pending approval from General Department of Taxation ("GDT") and MOC.

Investment in equity represents 1% of share capital investment in Credit Bureau (Cambodia) Co., Ltd. to establish the Private Credit Bureau in Cambodia. The Bank designated such investment in unquoted equity shares at fair value through other comprehensive income.

10. OTHER ASSETS

	2025		2024	
	USD	KHR'000	USD	KHR'000
Credit card receivables	804,733	3,229,394	1,941,064	7,812,782
Advance payments	672,397	2,698,329	1,040,307	4,187,236
Prepayments	529,488	2,124,835	451,285	1,816,422
Rental deposits	364,370	1,462,217	392,870	1,581,302
Western Union inbound	153,222	614,880	49,980	201,170
Other receivables	101,065	405,574	116,004	466,916
	2,625,275	**10,535,229**	**3,991,510**	**16,065,828**

11. STATUTORY DEPOSITS

	2025		2024	
	USD	KHR'000	USD	KHR'000
Reserve requirements - USD	13,540,000	54,336,020	12,000,000	48,300,000
Capital guarantee deposit	7,500,000	30,097,500	7,500,000	30,187,500
Reserve requirements - KHR	257,413	1,032,998	99,379	400,000
Accrued interest receivables	-	-	49,393	198,807
	21,297,413	**85,466,518**	**19,648,772**	**79,086,307**

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

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

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

Capital guarantee deposit is required under NBC's Prakas No. B7-01-136 dated 15 October 2001 for the Bank to maintain a statutory deposit of 10% of its capital. This deposit is not available for use in the Bank's day-to-day operations and is refundable should the Bank voluntarily cease its operations in Cambodia. Capital guarantee deposit earned interest at rates of 1.03% - 1.06% per annum.

12. INTANGIBLE ASSETS

	Software license USD	Work in-progress USD	Total USD	Total KHR'000
2025				
Cost				
At 1 January 2025	1,541,595	908,993	2,450,588	9,863,617
Additions	1,237	205,023	206,260	827,309
Transfers	843,518	(843,518)	-	-
Exchange differences	-	-	-	(28,995)
At 31 December 2025	**2,386,350**	**270,498**	**2,656,848**	**10,661,931**
Accumulated amortisation				
At 1 January 2025	481,952	-	481,952	1,939,857
Amortisation charge (Note 23)	225,885	-	225,885	906,024
Exchange differences	-	-	-	(5,331)
At 31 December 2025	**707,837**	-	**707,837**	**2,840,550**
Carrying amount				
At 31 December 2025	**1,678,513**	**270,498**	**1,949,011**	**7,821,381**

	Software license USD	Work in-progress USD	Total USD	Total KHR'000
2024				**(As reclassified - Note 31)**
Cost				
At 1 January 2024	1,532,207	598,366	2,130,573	8,703,391
Additions	9,388	310,627	320,015	1,302,781
Exchange differences	-	-	-	(142,555)
At 31 December 2024	**1,541,595**	**908,993**	**2,450,588**	**9,863,617**
Accumulated amortisation				
At 1 January 2024	333,843	-	333,843	1,363,749
Amortisation charge (Note 23)	148,109	-	148,109	602,951
Exchange differences	-	-	-	(26,843)
At 31 December 2024	**481,952**	-	**481,952**	**1,939,857**
Carrying amount				
At 31 December 2024	**1,059,643**	**908,993**	**1,968,636**	**7,923,760**

13. PROPERTY AND EQUIPMENT

	Computer and IT equipment USD	Office equipment and furniture and fittings USD	Automated teller machines USD	Motor vehicles USD	Leasehold improvements USD	Work in-progress USD	USD	KHR'000
2025								
Cost								
At 1 January 2025	733,947	314,363	673,984	275,400	257,644	49,121	2,304,459	9,275,447
Additions	1,942	27,026	-	-	-	103,217	132,185	530,194
Transfers	76,725	-	29,920	-	1,829	(108,474)	-	-
Write-off	(45,602)	(23,037)	-	-	-	-	(68,639)	(275,311)
Exchange differences	-	-	-	-	-	-	-	(27,526)
At 31 December 2025	**767,012**	**318,352**	**703,904**	**275,400**	**259,473**	**43,864**	**2,368,005**	**9,502,804**
Accumulated depreciation								
At 1 January 2025	568,630	271,889	548,536	164,070	28,182	-	1,581,307	6,364,760
Depreciation (Note 23)	137,304	28,355	51,926	27,230	12,884	-	257,699	1,033,631
Write-off	(45,595)	(22,921)	-	-	-	-	(68,516)	(274,818)
Exchange differences	-	-	-	-	-	-	-	(18,597)
At 31 December 2025	**660,339**	**277,323**	**600,462**	**191,300**	**41,066**	-	**1,770,490**	**7,104,976**
Carrying amount								
At 31 December 2025	**106,673**	**41,029**	**103,442**	**84,100**	**218,407**	**43,864**	**597,515**	**2,397,828**

13. PROPERTY AND EQUIPMENT

	Computer and IT equipment USD	Office equipment and furniture and fittings USD	Automated teller machines USD	Motor vehicles USD	Leasehold improvements USD	Work in-progress USD	Total USD	KHR'000 (As reclassified - Note 31)
2024								
Cost								
At 1 January 2024	713,386	310,570	673,984	189,250	329,347	36,560	2,253,097	9,203,901
Additions	24,698	10,731	-	86,150	-	12,561	134,140	546,084
Write-off	(4,137)	(6,938)	-	-	(71,703)	-	(82,778)	(336,989)
Exchange differences	-	-	-	-	-	-	-	(137,549)
At 31 December 2024	**733,947**	**314,363**	**673,984**	**275,400**	**257,644**	**49,121**	**2,304,459**	**9,275,447**
Accumulated depreciation								
At 1 January 2024	434,835	248,990	480,989	133,093	20,663	-	1,318,570	5,386,358
Depreciation (Note 23)	137,872	29,751	67,547	30,977	15,571	-	281,718	1,146,874
Write-off	(4,077)	(6,852)	-	-	(8,052)	-	(18,981)	(77,272)
Exchange differences	-	-	-	-	-	-	-	(91,200)
At 31 December 2024	**568,630**	**271,889**	**548,536**	**164,070**	**28,182**	-	**1,581,307**	**6,364,760**
Carrying amount								
At 31 December 2024	**165,317**	**42,474**	**125,448**	**111,330**	**229,462**	**49,121**	**723,152**	**2,910,687**

14. DEPOSITS FROM CUSTOMERS AND FINANCIAL INSTITUTIONS

Customers:

	2025		2024	
	USD	KHR'000	USD	KHR'000
Current accounts	26,316,800	105,609,318	25,988,621	104,604,200
Savings accounts	10,741,755	43,106,663	8,495,442	34,194,154
Fixed term deposits	102,689,037	412,091,105	107,053,449	430,890,132
Subtotal	139,747,592	560,807,086	141,537,512	569,688,486
Financial institutions and corporations:				
Current accounts	183,244	735,358	293,291	1,180,496
Saving accounts	-	-	9	36
Fixed term deposits	10,000,000	40,130,000	22,631,366	91,091,248
Subtotal	10,183,244	40,865,358	22,924,666	92,271,780
Gross deposits from customers and financial institutions	149,930,836	601,672,444	164,462,178	661,960,266
Add: Accrued interest payables	5,702,526	22,884,238	5,685,787	22,885,293
Net deposits from customers and financial institutions	**155,633,362**	**624,556,682**	**170,147,965**	**684,845,559**

Reconciliation of the accrued interest payables was as follows:

	2025		2024	
	USD	KHR'000	USD	KHR'000
At 1 January	5,685,787	22,885,293	3,005,663	12,278,133
Add: Interest expenses (Note 19)	9,206,222	36,926,156	8,155,179	33,199,734
Less: Interest paid	(9,189,483)	(36,859,016)	(5,475,055)	(22,288,949)
Exchange differences	-	(68,195)	-	(303,625)
At 31 December	**5,702,526**	**22,884,238**	**5,685,787**	**22,885,293**

The gross deposits from customers and financial institutions are analysed as follows:

The gross deposits from customers and financial institutions are analysed as follows:

	2025		2024	
	USD	KHR'000	USD	KHR'000
a. By maturity:	46,107,000	185,027,391	46,433,209	186,893,666
Within 1 month	14,985,589	60,137,169	8,861,585	35,667,880
1 to 3 months	47,521,919	190,705,461	55,600,910	223,793,663
3 to 12 months	18,884,849	75,784,899	29,234,982	117,670,802
1 to 2 years	22,431,479	90,017,524	24,331,492	97,934,255
More than 2 years	**149,930,836**	**601,672,444**	**164,462,178**	**661,960,266**
b. By currency:				
US Dollar	146,330,093	587,222,663	158,654,553	638,584,576
Khmer Riel	3,600,743	14,449,781	5,807,625	23,375,690
	149,930,836	**601,672,444**	**164,462,178**	**661,960,266**

	2025		2024	
	USD	KHR'000	USD	KHR'000
c. By relationship:				
Related parties	1,240,651	4,978,732	1,252,448	5,041,101
Non-related parties	148,690,185	596,693,712	163,209,730	656,919,165
	149,930,836	**601,672,444**	**164,462,178**	**661,960,266**
d. By residency status:				
Residents	148,540,610	596,093,468	164,209,276	660,942,336
Non-residents	1,390,226	5,578,976	252,902	1,017,930
	149,930,836	**601,672,444**	**164,462,178**	**661,960,266**

15. INCOME TAX

(a) Income/Minimum tax expense

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

	2025		2024	
	USD	KHR'000	USD	KHR'000
Minimum tax expense	163,812	657,050	146,802	590,878
Deferred tax	-	-	252,478	1,027,838
Income tax expense	-	-	252,478	1,027,838

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

	2025		2024	
	USD	KHR'000	USD	KHR'000
Loss before tax	(2,637,336)	(10,578,355)	(2,230,269)	(9,072,671)
Calculated at tax rate of 20%	(527,467)	(2,115,670)	(446,054)	(1,815,886)
Effect from temporary and permanent differences	(90,131)	(361,516)	(50,827)	(206,917)
Unrecognised deferred tax from tax loss during the year	617,598	2,477,186	496,881	2,022,803
Under provision of deferred tax	-	-	252,478	1,027,838
Income tax expense	-	-	**252,478**	**1,027,838**

(b) Deferred tax liabilities – net

	2025		2024	
	USD	KHR'000	USD	KHR'000
Deferred tax assets	192,282	771,628	192,282	773,935
Deferred tax liabilities	(564,656)	(2,265,965)	(564,656)	(2,272,740)
Deferred tax liabilities - net	**(372,374)**	**(1,494,337)**	**(372,374)**	**(1,498,805)**

Deferred tax was attributable to the following:

Deferred tax liabilities:

Allowance for impairment losses	(422,814)	(1,696,753)	(422,814)	(1,701,825)
Right-of-use assets	(125,221)	(502,512)	(125,221)	(504,015)
Depreciation and amortisation	(16,621)	(66,700)	(16,621)	(66,900)
	(564,656)	**(2,265,965)**	**(564,656)**	**(2,272,740)**

Deferred tax assets:

Lease liabilities	132,107	530,145	132,107	531,731
Impairment on investment	60,175	241,483	60,175	242,204
	192,282	771,628	192,282	773,935
Deferred tax liabilities - net	**(372,374)**	**(1,494,337)**	**(372,374)**	**(1,498,805)**

The movements of net deferred tax liabilities were as follows:

	2025		2024	
	USD	KHR'000	USD	KHR'000
At 1 January	(372,374)	(1,498,805)	(119,896)	(489,775)
Recognised in profit or loss	-	-	(252,478)	(1,027,838)
Exchange differences	-	4,468	-	18,808
At 31 December	**(372,374)**	**(1,494,337)**	**(372,374)**	**(1,498,805)**

The Bank did not recognise the movements of the deferred tax during the year as the Bank considered the amount to be immaterial to the financial statements.

16. SHARE CAPITAL

	2025 and 2024	
Ordinary shares, issued and fully paid	**USD**	**KHR'000**
At 1 January/31 December	**75,000,000**	**299,625,000**

Details of shareholding structure are as follows:

	Registered and issued ordinary shares with a par value of USD100 per share 2025 and 2024		
Shareholders	Number of Shares	Amount USD	%
Selvione Limited	450,000	45,000,000	60
Quantum Symbol Sdn Bhd	300,000	30,000,000	40
	750,000	**75,000,000**	**100**

17. REGULATORY RESERVES

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

	2025		2024	
	USD	**KHR'000**	**USD**	**KHR'000**
At 1 January	4,593,088	18,487,179	2,160,910	8,869,042
Transfers from retained earnings	1,042,324	4,180,762	2,432,178	9,901,397
Exchange differences	-	(53,033)	-	(283,260)
At 31 December	**5,635,412**	**22,614,908**	**4,593,088**	**18,487,179**

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

	2025		2024	
	USD	**KHR'000**	**USD**	**KHR'000**
Impairment on credit facilities required by NBC	8,910,875	35,759,341	6,890,191	27,733,019
Impairment loss on financial instruments under CIFRSs	(3,275,463)	(13,144,433)	(2,297,103)	(9,245,840)
At 31 December	5,635,412	22,614,908	4,593,088	18,487,179
At 1 January	4,593,088	18,487,179	2,160,910	8,869,042
Transfers from retained earnings	**1,042,324**	**4,180,762**	**2,432,178**	**9,901,397**

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

18. INTEREST INCOME

	2025		2024	
	USD	KHR'000	USD	KHR'000
Loans to customers (Note 8)	7,781,990	31,213,562	7,894,328	32,137,809
Balance with financial institutions	3,869,082	15,518,888	2,843,220	11,574,749
Balance with NBC	89,840	360,348	107,081	435,927
Debt securities (Government bonds)	53,874	216,089	-	-
	11,794,786	**47,308,887**	**10,844,629**	**44,148,485**

19. INTEREST EXPENSE

	2025		2024	
	USD	KHR'000	USD	KHR'000
Deposits from customers and financial institutions (Note 14)	9,206,222	36,926,156	8,155,179	33,199,734
Lease liabilities	58,213	233,493	49,245	200,476
	9,264,435	**37,159,649**	**8,204,424**	**33,400,210**

20. NON-INTEREST INCOME – NET

	2025		2024	
Non-interest income	USD	KHR'000	USD	KHR'000
Fee and commission income	1,724,978	6,918,887	1,944,842	7,917,453
Gains on foreign exchange	1,470,086	5,896,515	1,849,880	7,530,862
Recovery on loans previously written off	1,007,992	4,043,056	-	-
Dividends income	49,173	197,233	48,179	196,137
Other income	408,040	1,636,648	651,962	2,654,136
	4,660,269	**18,692,339**	**4,494,863**	**18,298,588**
Non-interest expenses				
Fee and commission expenses	(1,001,188)	(4,015,765)	(915,024)	(3,725,063)
Other expenses	(468,792)	(1,880,325)	(411,561)	(1,675,465)
Non-interest income - net	(1,469,980)	(5,896,090)	(1,326,585)	(5,400,528)
	3,190,289	**12,796,249**	**3,168,278**	**12,898,060**

Fee and commission income during the year includes the income from the New Airport Siem Reap Outlet amounted to USD255,876 (2024: USD304,785).

21. PERSONNEL EXPENSES

	2025		2024	
	USD	KHR'000	USD	KHR'000
Salary and wages	3,192,849	12,806,517	3,286,755	13,380,380
Other employee benefits	507,205	2,034,400	516,199	2,101,446
	3,700,054	**14,840,917**	**3,802,954**	**15,481,826**

22. OTHER OPERATING EXPENSES

	2025		2024	
	USD	KHR'000	USD	KHR'000
Royalty fees	498,502	1,999,492	1,022,381	4,162,113
License and patent fees	401,648	1,611,010	405,242	1,649,740
Repair and maintenance	381,946	1,531,985	383,000	1,559,193
Rental expenses	308,881	1,238,922	392,699	1,598,678
Promotion and marketing	224,053	898,677	248,165	1,010,280
Office supplies	133,212	534,313	150,167	611,330
Utilities expenses	132,940	533,222	136,025	553,758
Communication expenses	85,915	344,605	91,401	372,093
Directors' fees	52,895	212,162	53,470	217,676
Other employee expenses	41,359	165,891	59,378	241,728
Motor vehicle operating expenses	34,230	137,297	40,593	165,254
Professional and legal fees	33,417	134,036	36,715	149,467
Taxation and penalty expenses	22,867	91,720	104,200	424,198
Other expenses	285,834	1,146,479	264,988	1,078,766
Total	**2,637,699**	**10,579,811**	**3,388,424**	**13,794,274**

23. DEPRECIATION AND AMORTISATION

	2025		2024	
	USD	KHR'000	USD	KHR'000
Depreciation of right-of-use assets	382,797	1,535,399	366,290	1,491,167
Depreciation of property and equipment (Note 13)	257,699	1,033,631	281,718	1,146,874
Amortisation of intangible assets (Note 12)	225,885	906,024	148,109	602,951
	866,381	3,475,054	796,117	3,240,992

24. IMPAIRMENT LOSS/(REVERSAL) ON FINANCIAL INSTRUMENTS

	2025		2024	
	USD	KHR'000	USD	KHR'000
Loss allowance/(reversal) for ECL				
Loans to customers (Note 8)	891,507	3,575,835	(396,185)	(1,612,869)
Investments (Note 9)	11,785	47,269	300,874	1,224,858
Balance with financial institutions (Note 6)	86,738	347,906	(234)	(953)
	990,030	**3,971,010**	**(95,545)**	**(388,964)**

25. RELATED PARTY

(a) Related party balances

	2025		2024	
	USD	KHR'000	USD	KHR'000
Subsidiary - CAB Securities Limited:				
Current account and term deposits	1,240,651	4,978,732	1,252,448	5,041,101

(b) Significant related party transactions

In addition to related party disclosures mentioned elsewhere in the financial statements, set out below are other significant related party transactions.

	2025		2024	
	USD	KHR'000	USD	KHR'000
Subsidiary - CAB Securities Limited:				
Rental income	-	-	7,500	30,533
Interest expenses	**38,020**	**152,497**	**97,226**	**395,807**

(c) Key management personnel remuneration

	2025		2024	
	USD	KHR'000	USD	KHR'000
Salaries and wages and other benefits	**356,790**	**1,431,085**	**418,939**	**1,705,502**

Key management personnel of the Bank refer to the directors of the Bank and certain senior management whereby the authority and responsibility for planning, directing and controlling the activities of the Bank, directing or indirectly lies.

26. CASH FLOWS INFORMATION

The cash and cash equivalents comprise the following:

	2025		2024	
	USD	KHR'000	USD	KHR'000
Cash on hand (Note 5)	59,372,297	238,261,028	64,272,873	258,698,314
Balance with financial institutions (Note 6)	60,289,832	241,943,095	74,470,979	299,745,690
Balance with NBC (Note 7)	10,751,722	43,146,660	9,010,896	36,268,856
	130,413,851	**523,350,783**	**147,754,748**	**594,712,860**
Less: Deposits with maturity of more than 3 months	(43,495,576)	(174,547,746)	(35,473,461)	(142,780,680)
At 31 December	**86,918,275**	**348,803,037**	**112,281,287**	**451,932,180**

27. FINANCIAL RISK MANAGEMENT RISK

(a) Introduction and overview

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

- credit risk
- market risk; and
- liquidity risk

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

(b) Credit risk

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

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

(i) Credit risk measurement

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

(ii) Risk limit control and mitigation policies

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

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

(iii) Concentration of risk

The directors created the Bank's Credit Committee for the ozversight of credit risk. A separate Credit Department, reporting to the Bank's Credit Committee, is responsible for managing the Bank's credit risk, including the following.

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

Type of credit exposure

	Carrying amount		Fully subject to collateral/credit enhancement	Partially subject to collateral/ credit enhancement	Unsecured and not subject to collateral/ credit enhancement
	Maximum credit exposure	Maximum credit exposure			
	USD	KHR'000	%	%	%
At 31 December 2025					
On balance sheet items					
Cash on hand	59,372,297	238,261,028	-	-	100
Balance with financial institutions	61,352,374	246,207,076	-	-	100
Balance with NBC	10,752,018	43,147,848	-	-	100
Loans to customers	80,411,285	322,690,487	98.42	-	1.58
Investments	25,588	102,685	-	-	100
Other assets	1,059,020	4,249,848	-	-	100
Statutory deposits	21,297,413	85,466,518	-	-	100
Total	234,269,995	940,125,490			
Off-Balance sheet items					
Commitments	3,622,588	14,537,446	100	-	-
At 31 December 2024					
On balance sheet items					
Cash on hand	64,272,873	258,698,314	-	-	100
Balance with financial institutions	75,547,631	304,079,214	-	-	100
Balance with NBC	9,011,057	36,269,504	-	-	100
Loans to customers	83,027,913	334,187,350	98.67	-	1.33
Investments	25,588	102,992	-	-	100
Other assets	2,107,048	8,480,868	-	-	100
Statutory deposits	19,648,772	79,086,307	-	-	100
Total	253,640,882	1,020,904,549			
Off-Balance sheet items					
Commitments	**4,019,856**	**16,179,920**	**100**	-	-

Concentration risk by industrial sectors

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

	Cash on hand	Balance with financial institutions	Balance with NBC	Statutory deposits	Loans to customers	Investments	Other assets	Total
	USD	USD	USD	USD	USD	USD	USD	USD
31 December 2025								
Retail trade	-	-	-	-	34,324,132	-	-	34,324,132
Wholesale Trade	-	-	-	-	8,556,006	-	-	8,556,006
Construction	-	-	-	-	11,303,244	-	-	11,303,244
Personal lending	-	-	-	-	7,817,709	-	-	7,817,709
Mortgage	-	-	-	-	3,677,917	-	-	3,677,917
Rental and operational leasing activities	-	-	-	-	2,497,979	-	-	2,497,979
Real estate	-	-	-	-	1,235,319	-	-	1,235,319
Restaurant	-	-	-	-	2,213,936	-	-	2,213,936
Transportation	-	-	-	-	2,175,889	-	-	2,175,889
Hotel	-	-	-	-	1,554,871	-	-	1,554,871
Human health and social work activities	-	-	-	-	65,422	-	-	65,422
Agriculture	-	-	-	-	1,396,914	-	-	1,396,914
Machinery Loan	-	-	-	-	2,541,357	-	-	2,541,357
Other Non-Financial Services	-	-	-	-	1,050,590	-	-	1,050,590
Banking	-	61,352,374	10,752,018	21,297,413	-	-	-	93,401,805
Other Categories	59,372,297	-	-	-	-	25,588	1,059,020	60,456,905
Total (USD)	59,372,297	61,352,374	10,752,018	21,297,413	80,411,285	25,588	1,059,020	234,269,995
Total (KHR'000)	238,261,028	246,207,076	43,147,848	85,466,518	322,690,487	102,685	4,249,848	940,125,490

	Cash on hand	Balance with financial institutions	Balance with NBC	Statutory deposits	Loans to customers	Investments	Other assets	Total
		USD	USD	USD	USD	USD	USD	USD
31 December 2024								
Retail trade	-	-	-	-	35,248,942	-	-	35,248,942
Wholesale Trade	-	-	-	-	15,346,215	-	-	15,346,215
Construction	-	-	-	-	11,762,273	-	-	11,762,273
Personal lending	-	-	-	-	7,255,258	-	-	7,255,258
Mortgage	-	-	-	-	3,113,993	-	-	3,113,993
Rental and operational leasing activities					1,626,162			1,626,162
Real estate	-	-	-	-	2,369,992	-	-	2,369,992
Restaurant	-	-	-	-	1,572,557	-	-	1,572,557
Transportation	-	-	-	-	2,037,349	-	-	2,037,349
Hotel	-	-	-	-	1,274,789	-	-	1,274,789
Human health and social work activities	-	-	-	-	71,175	-	-	71,175
Agriculture					162,702			162,702
Machinery Loan	-	-	-	-	656,945	-	-	656,945
Other Non-Financial Services	-	-	-	-	529,561	-	-	529,561
Banking	-	75,547,631	9,011,057	19,648,772	-	-	-	104,207,460
Other Categories	64,272,873	-	-	-	-	25,588	2,107,048	66,405,509
Total (USD)	64,272,873	75,547,631	9,011,057	19,648,772	83,027,913	25,588	2,107,048	253,640,882
Total (KHR'000)	**258,698,314**	**304,079,214**	**36,269,504**	**79,086,307**	**334,187,350**	**102,992**	**8,480,868**	**1,020,904,549**

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

	2025		2024	
	USD	KHR'000	USD	KHR'000
By currency:				
US Dollar	71,280,172	286,047,330	74,824,774	301,169,716
Khmer Riel	9,131,113	36,643,157	8,203,139	33,017,634
	80,411,285	**322,690,487**	**83,027,913**	**334,187,350**
By residency status:				
Residents	**80,411,285**	**322,690,487**	**83,027,913**	**334,187,350**
By exposure:				
Non-large exposures	**80,411,285**	**322,690,487**	**83,027,913**	**334,187,350**
By concession:				
Non-restructured	72,731,747	291,872,501	74,855,670	301,294,072
Restructure	7,679,538	30,817,986	8,172,243	32,893,278
	80,411,285	**322,690,487**	**83,027,913**	**334,187,350**

Currency

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

Exposure

A "large exposure" is defined under NBC's Prakas as the overall gross exposure of the aggregate balance of loans and advances with one single beneficiary, which exceeds 10% of the Bank's net worth. The exposure is the higher of the outstanding loans or commitments and the authorised loans or commitments.

(iv) Collateral

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

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

Cash and cash equivalents, balance with financial institutions, balance with NBC, investments and other assets

Collateral is generally not sought for these assets.

Loans to customers, contingent liabilities and commitments

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

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

	Secured- Property USD	Unsecured credit exposure USD	Total USD
At 31 December 2025			
Loan to customers	79,171,320	1,239,965	80,411,285
Commitments	3,238,626	383,962	3,622,588
	82,409,946	**1,623,927**	**84,033,873**
At 31 December 2024			
Loan to customers	81,936,762	1,091,151	83,027,913
Commitments	3,425,499	594,357	4,019,856
	85,362,261	**1,685,508**	**87,047,769**

	Secured- Property KHR'000	Unsecured credit exposure KHR'000	Total KHR'000
At 31 December 2025			
Loan to customers	317,714,507	4,975,980	322,690,487
Commitments	12,996,606	1,540,840	14,537,446
	330,711,113	**6,516,820**	**337,227,933**
At 31 December 2024			
Loan to customers	329,795,467	4,391,883	334,187,350
Commitments	13,787,633	2,392,287	16,179,920
	343,583,100	**6,784,170**	**350,367,270**

(v) Credit quality of gross loans to customers

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

Normal

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

Special Mention

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

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

Substandard

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

Factors leading to a substandard classification include:

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

Doubtful

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

Loss

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

Recognition of ECL

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

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

The Bank will measure 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. At each reporting date, the Bank will assess credit risk of each account as compared to the risk level at origination date.

Long-term facilities (more than one year)

Stages	Credit Risk Status	Grades	DPD	Default Indicator	Allowance
1	No significant increase in credit risk	Normal	0 ≤ DPD < 30	Performing	1%
2	Credit risk increased significantly	Special Mention	30 ≤ DPD < 90	Underperformin	3%
3	Credit impaired assets	Substandard	90 ≤ DPD < 180	Substandard	20%
		Doubtful	180 ≤ DPD < 360		50%
		Loss	DPD ≥ 360		100%

Short-term facilities (one year or less)

Stages	Credit Risk Status	Grades	DPD	Default Indicator	Allowance
1	No significant increase in credit risk	Normal	0 ≤ DPD ≤ 14	Performing	1%
2	Credit risk increased significantly	Special Mention	15 ≤ DPD ≤ 30	Underperformin	3%
3	Credit impaired assets	Substandard	31 ≤ DPD ≤ 60	Substandard	20%
		Doubtful	61 ≤ DPD ≤ 90		50%
		Loss	DPD ≥ 91		100%

The Bank will use the day past due (DPD) information and NBC's classification for staging criteria. Also, the Bank will incorporate credit watch and control list or more forward-looking elements in the future when information is more readily available. Upon the implementation of internal credit rating 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.

As a result of the adoption of CIFRS 9, the Bank recognises impairment loss for the placement with other banks based on the credit rating of the corresponding banks.

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

	31 December 2025			
	Stage 1 USD	**Stage 2 USD**	**Stage 3 USD**	**Total USD**
Loans to customers at amortised cost				
Normal	67,481,255	-	-	67,481,255
Special Mention	-	2,723,227	-	2,723,227
Substandard	-	-	2,156,674	2,156,674
Doubtful	-	-	2,054,260	2,054,260
Loss	-	-	5,995,869	5,995,869
Total	67,481,255	2,723,227	10,206,803	80,411,285
Less: loss allowance	(1,167,733)	(255,348)	(1,763,633)	(3,186,714)
Carrying amount (USD)	**66,313,522**	**2,467,879**	**8,443,170**	**77,224,571**
Carrying amount (KHR'000)	**266,116,164**	**9,903,598**	**309,902,203**	**309,902,203**

	31 December 2024			
	Stage 1 USD	Stage 2 USD	Stage 3 USD	Total USD
Loans to customers at amortised cost				
Normal	75,250,635	-	-	75,250,635
Special Mention	-	1,280,540	-	1,280,540
Substandard	-	-	1,269,402	1,269,402
Doubtful	-	-	274,850	274,850
Loss	-	-	4,952,486	4,952,486
Total	**75,250,635**	**1,280,540**	**6,496,738**	**83,027,913**
Less: loss allowance	(1,397,346)	(55,105)	(842,756)	(2,295,207)
Carrying amount (USD)	**73,853,289**	**1,225,435**	**5,653,982**	**80,732,706**
Carrying amount (KHR'000)	**297,259,487**	**4,932,375**	**22,757,277**	**324,949,142**

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 NBC and selected private-sector and academic forecasters.

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

Loss allowance

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

	31 December 2025			
	Stage 1 USD	Stage 2 USD	Stage 3 USD	Total USD
Loans to customers at amortised cost				
At 1 January	1,397,346	55,105	842,756	2,295,207
New financial assets originated or purchased	(229,613)	200,243	920,877	891,507
At 31 December (USD)	1,167,733	255,348	1,763,633	3,186,714
At 31 December (KHR'000)	**4,686,113**	**1,024,712**	**7,077,459**	**12,788,284**

	31 December 2024			
	Stage 1 USD	Stage 2 USD	Stage 3 USD	Total USD
Loans to customers at amortised cost				
At 1 January	1,066,811	274,422	1,350,159	2,691,392
New financial assets originated or purchased	330,535	(219,317)	(507,403)	(396,185)
At 31 December (USD)	1,397,346	55,105	842,756	2,295,207
At 31 December (KHR'000)	**5,624,318**	**221,798**	**3,392,093**	**9,238,208**

(c) Market risk

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

(i) Interest rate risk

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

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

	Up to 1 month	> 1-3 months	> 3-12 months	> 1 to 5 years	Over 5 years	Non-interest bearing	Total	Interest rate
	USD	USD	USD	USD	USD	USD	USD	%
31 December 2025								
Financial assets								
Cash on hand	-	-	-	-	-	59,372,297	59,372,297	-
Balance with financial institutions	9,817,435	16,177,353	30,934,428			4,423,158	61,352,374	1.5 - 6.75
Balance with NBC	-	549,838	-	-	-	10,202,180	10,752,018	0.3 - 1
Loans to customers	4,275,430	7,590,022	7,247,639	31,523,225	29,774,969	-	80,411,285	5 - 18
Investments	-	-	-	-	-	25,588	25,588	-
Other assets	-	-	-	-	-	1,059,020	1,059,020	-
Statutory deposits	-	-	-	-	7,500,000	13,797,413	21,297,413	1.03 - 1.06
	14,092,865	24,317,213	38,182,067	31,523,225	37,274,969	88,879,656	234,269,995	
Financial liabilities								
Deposits from customers and financial institutions	20,282,680	16,447,313	49,314,568	43,088,757	-	26,500,044	155,633,362	1 - 6.75
Other liabilities	-	-	-	-	-	466,213	466,213	-
Lease liabilities	278,205	68,022	112,165	322,293	119,901	-	900,586	6 - 7
	20,560,885	16,515,335	49,426,733	43,411,050	119,901	26,966,257	157,000,161	
	(6,468,020)	7,801,878	(11,244,666)	(11,887,825)	37,155,068	61,913,399	77,269,834	
KHR'000 equivalents	**(25,956,164)**	**31,308,936**	**(45,124,843)**	**(47,705,842)**	**149,103,289**	**248,458,470**	**310,083,843**	

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

	Up to 1 month	> 1-3 months	> 3-12 months	> 1 to 5 years	Over 5 years	Non-interest bearing	Total	Interest rate
	USD	USD	USD	USD	USD	USD	USD	%
31 December 2024								
Financial assets								
Cash on hand	-	-	-	-	-	64,272,873	64,272,873	-
Balance with financial institutions	562,229	20,226,727	38,287,176	-	-	16,471,499	75,547,631	1.5 - 7.5
Balance with NBC	-	374,534	-	-	-	8,636,523	9,011,057	1.05 - 1.33
Loans to customers	16,081,327	8,487,748	11,395,747	21,900,274	25,162,817	-	83,027,913	5 - 16.25
Investments	-	-	-	-	-	25,588	25,588	-
Other assets	-	-	-	-	-	2,107,048	2,107,048	-
Statutory deposits	-	-	-	-	7,500,000	12,148,772	19,648,772	0.08 - 1.33
	16,643,556	29,089,009	49,682,923	21,900,274	32,662,817	103,662,303	253,640,882	
Financial liabilities								
Deposits from customers and financial institutions	20,480,624	9,353,917	58,197,559	55,833,953	-	26,281,912	170,147,965	1 - 8
Other liabilities	-	-	-	-	-	1,137,791	1,137,791	-
Lease liabilities	2,488	67,444	23,259	437,537	129,806	-	660,534	6 - 8
	20,483,112	9,421,361	58,220,818	56,271,490	129,806	27,419,703	171,946,290	
Interest sensitivity gap	(3,839,556)	19,667,648	(8,537,895)	(34,371,216)	32,533,011	76,242,600	81,694,592	
KHR'000 equivalents	**(15,454,213)**	**79,162,283**	**(34,365,027)**	**(138,344,145)**	**130,945,371**	**306,876,465**	**328,820,733**	

Sensitivity analysis

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

	Profit or loss +1% Increased	-1% Decreased	Equity +1% Increased	-1% Decreased
	USD	USD	USD	USD
31 December 2025				
Interest-bearing financial instruments	153,564	(153,564)	153,564	(153,564)
KHR'000 equivalents	**616,252**	**(616,252)**	**616,252**	**(616,252)**

31 December 2024	Profit or loss +1% Increased USD	1% Decreased USD	Equity +1% Increased USD	-1% Decreased USD
Interest-bearing financial instruments	54,520	(54,520)	54,520	(54,520)
KHR'000 equivalents	219,443	(219,443)	219,443	(219,443)

(ii) Foreign currency exchange risk

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

Concentration of currency risk

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

	Denomination USD equivalents			
31 December 2025	**KHR**	**USD**	**Others**	**Total**
Financial assets				
Cash on hand	538,949	58,712,340	121,008	59,372,297
Balance with financial institutions	207,696	60,929,374	215,304	61,352,374
Balance with NBC	401,698	10,350,320	-	10,752,018
Loans to customers	9,131,113	71,280,172	-	80,411,285
Other assets	135,142	923,878	-	1,059,020
Statutory deposits	257,413	21,040,000	-	21,297,413
	10,672,011	**223,236,084**	**336,312**	**234,244,407**
Financial liabilities				
Deposits from customers and financial institutions	3,742,674	151,890,688	-	155,633,362
Net asset position	6,929,337	71,345,396	336,312	78,611,045
KHR'000 equivalents	**27,807,429**	**286,309,074**	**1,349,620**	**315,466,124**

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

	Denomination USD equivalents			
31 December 2024	**KHR**	**USD**	**Others**	**Total**
Financial assets				
Cash on hand	703,640	63,341,482	227,751	64,272,873
Balance with financial institutions	3,648,498	71,548,736	350,397	75,547,631
Balance with NBC	1,271,307	7,739,750	-	9,011,057
Loans to customers	8,203,139	74,824,774	-	83,027,913
Other assets	161,048	1,946,000	-	2,107,048
Statutory deposits	99,379	19,549,393	-	19,648,772
	14,087,011	**238,950,135**	**578,148**	**253,615,294**
Financial liabilities				
Deposits from customers and financial institutions	5,950,070	164,197,895	-	170,147,965
Net asset position	8,136,941	74,752,240	578,148	83,467,329
KHR'000 equivalents	**32,751,188**	**300,877,766**	**2,327,046**	**335,955,999**

Sensitivity analysis

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

	2025		2024	
	-1% Depreciation USD	+1% Appreciation USD	-1% Depreciation USD	+1% Appreciation USD
KHR	(69,293)	69,293	(81,369)	81,369
Others	(3,363)	3,363	(5,781)	5,781
	(72,656)	72,656	(87,150)	87,150
KHR'000 equivalents	**(291,569)**	**291,569**	**(350,779)**	**350,779**

(d) Liquidity risk

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

Management of liquidity risk

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

The table below summarises the Bank's 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.

	Up to 1 month	> 1-3 months	> 3-12 months	> 1 to 5 years	Over 5 years	No maturity	Total
	USD	USD	USD	USD	USD	USD	USD
31 December 2025							
Financial liabilities							
Deposits from customers and financial institutions	20,282,680	16,447,313	49,314,568	43,088,757		26,500,044	155,633,362
Other liabilities	-	-	-	466,213		-	466,213
Lease liabilities	278,205	68,022	112,165	322,293	119,901	-	900,586
	20,560,885	16,515,335	49,426,733	43,877,263	119,901	26,500,044	157,000,161
KHR'000 equivalents					481,162		
	82,510,833	**66,276,040**	**198,349,480**	**176,079,456**	**481,162**	**106,344,676**	**630,041,647**

	Up to 1 month	> 1-3 months	> 3-12 months	> 1 to 5 years	Over 5 years	No maturity	Total
	USD	USD	USD	USD	USD	USD	USD
31 December 2024							
Financial liabilities							
Deposits from customers and financial institutions	20,480,624	9,353,917	58,197,559	55,833,953	-	26,281,912	170,147,965
Other liabilities	-	-	-	1,137,791	-	-	1,137,791
Lease liabilities	2,488	67,444	23,259	567,343	-	-	660,534
	20,483,112	9,421,361	58,220,818	57,539,087	-	26,281,912	171,946,290
KHR'000 equivalents	**82,444,527**	**37,920,978**	**234,338,792**	**231,594,824**	-	**105,784,696**	**692,083,817**

(e) Capital management

Regulatory capital

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

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

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

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

Capital allocation

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

28. FAIR VALUES OF FINANCIAL INSTRUMENTS

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

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

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

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

Balance with financial institutions

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

Loans to customers

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

Fair value hierarchy

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

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

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

29. TAXATION CONTIGENCIES

The taxation system in Cambodia is characterised by numerous taxes and frequently changing legislation, which is often unclear and subject to interpretation. Often, different interpretations exist among numerous taxation authorities and jurisdiction. Taxes are subject to review and investigation by a number of authorities who are enabled by law to impose severe fines, penalties and interest charges. Management believes that tax liabilities have been adequately provided based on its interpretation of tax legislations. However, the relevant authorities may have different interpretations and effects could be significant.

On 24 May 2023, General Department of Taxation ("GDT") has issued tax notification letter for limited tax audit in respect of the period from 1 January 2022 to 31 December 2023. As of date of the report, there has been no official response from the GDT yet and management has considered that the potential tax liabilities resulting from the tax assessment is remote and will not give rise to any significant loss to the Bank in the future.

30. SIGNIFICANT SUBSEQUENT EVENTS

On 20 February 2026, NBC issued Prakas No. B39-026-118 Pro Kor, withdrawing the banking licence of a local bank and placing it under liquidation.

The Bank held deposits with the affected institution as at the reporting date. In light of the significant uncertainty arising from the liquidation process, management has assessed the recoverability of these deposits and recognised an expected credit loss allowance of 3% of the outstanding balance.

The ultimate recovery of these deposits is subject to material uncertainty, including the availability of liquidation proceeds and the priority of claims. There is a risk that additional losses may be incurred. As at the date of authorisation of these financial statements, the extent and timing of any recovery cannot be reliably determined.

Management will continue to monitor developments and reassess the expected credit loss allowance as further information becomes available.

31. COMPARATIVE FIGURES

Certain amounts in the comparative financial statements and note disclosures have been reclassified to conform with the current year's presentation of the accounts. Management believes that these reclassifications would better reflect the nature of the transactions.

Summary of the changes arising from the reclassifications are shown below:

Statement of financial position

	As previously stated USD	Effects of reclassifications USD	As reclassified USD
2024			
ASSETS			
Intangible assets	1,059,643	908,993	1,968,636
Property and equipment	1,632,145	(908,993)	723,152

Statement of cash flows

	As previously stated USD	Effects of reclassifications USD	As reclassified USD
2024			
Cash flows from investing activities			
Purchase of intangible assets	(9,388)	(310,627)	(320,015)
Purchase of property and equipment	(444,767)	310,627	(134,140)

32. AUTHORISATION OF FINANCIAL STATEMENTS

The financial statements of the Bank for the year ended 31 December 2025 were authorised for issue by the directors dated 30 March 2026

.Our ref: GA/0036/0326/C054-0053/KMT

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF CAMBODIA ASIA BANK LIMITED

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Cambodia Asia Bank Limited (the "Bank"), which comprise the statement of financial position as at 31 December 2025, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information, as set out on pages 5 to 56.

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

Basis for Opinion

We conducted our audit in accordance with Cambodian International Standards on Auditing ("CISAs"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

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

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

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

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

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

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

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

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

Responsibilities of the Directors for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

- evaluate the overall presentation, structure and content of the financial statements of the Bank, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

For **Baker Tilly (Cambodia) Co., Ltd.**



Oknha Tan Khee Meng
Partner

Phnom Penh, Kingdom of Cambodia

CAMBODIA ASIA BANK
Head Office: N° 75C.036, Preah Sihanouk Street, Sangkat Veal Vong,
Khan Prampir Meakkakra, Phnom Penh.

(+855)23 980 000 www.cab.com.kh