



**CHIP MONG
BANK**



ANNUAL REPORT 2024

CHIP MONG COMMERCIAL BANK PLC.
AS PART OF CHIP MONG'S SUCCESSFUL FOOTPRINT SINCE 1982



CONTENTS

CONTENTS

01

About Chip Mong Commercial Bank Plc.

- 1.1 Vision, Mission, Core Values
- 1.2 Chairman's Message
- 1.3 President's Message

02

Cambodia Banking Sector Overview

03

Achievements in 2024

- 3.1 Financial Highlights
- 3.2 Continuous Improvement

04

Products and Services

05

Organization

- 5.1 Organizational Chart
- 5.2 Board of Directors
- 5.3 Executive Management
- 5.4 Human Resources Development

06

Corporate Social Responsibility

07

Corporate Governance

- 7.1 Risk Management
- 7.2 Compliance
- 7.3 Internal Audit

08

Audited Financial Statements

- 8.1 Directors' report
- 8.2 Independent Auditor's Report
- 8.3 Statement of Financial Position
- 8.4 Statement of Profit or Loss and Other Comprehensive Income
- 8.5 Statement of Changes in Equity
- 8.6 Statement of Cash Flows
- 8.7 Notes to the Financial Statements



CHAPTER 1

About Chip Mong Commercial Bank Plc.

- 1.1 Vision, Mission, Core Values
- 1.2 Chairman's Message
- 1.3 President's Message

01

About Chip Mong Commercial Bank Plc.

As part of Chip Mong's successful footprint since

1982

Chip Mong Commercial Bank Plc. is a local bank established with a strong commitment to bring the most innovative and personalized financial solutions that are perfectly designed to suit the needs of customers in Cambodia. Established in 2019, Chip Mong Bank aims to be the most trusted bank in Cambodia with innovative solutions through technology advancement, fast services, and close to our retail and business customers across the nation.

Despite established in the market for just a little over 6 years, Chip Mong Bank has encountered a strong and steady growth building up a total asset of **1.4 billion USD** in 2024, while our deposit reached up to **1.17 billion USD** and our gross loan portfolio now stands at **722 million USD** and as a result, Chip Mong Bank earned a total profit of **24 million USD** in 2024.



This impressive growth is not only reflected in the numbers, but also in the recognition we've earned on the global stage. Chip Mong Bank has been honoured with 7 international awards in 2024, demonstrating our commitment to excellence and innovation in the banking sector:

- Best Customer Service Bank Cambodia 2024 as recognized by World Economic Magazine
- Fastest Growing Digital Banking Brand, Cambodia at the Global Brand Awards 2024 by Global Brands Magazine
- The Most Innovative SME Bank in Cambodia 2024 as recognized by International Finance
- Leadership in Consumer Credit Card Issuance from Visa
- Leadership in Consumer Debit Card Issuance from Visa
- Leadership in Active CAIDs Growth from Visa
- Leadership in Total Merchant Sales Volume Growth from Visa





VISION



MISSION



CORE VALUES

As part of Chip Mong's **SUCCESSFUL FOOTPRINTS SINCE 1982**, at Chip Mong Bank we aim to be the **MOST TRUSTED BANK** in the country with innovative solutions through **TECHNOLOGY ADVANCEMENT, FAST SERVICES, and CLOSE TO OUR** retail and business customers.

1. Offering a **ONE-STOP** service and customized solutions.
2. Delivering **FAST AND EXCELLENT** services and systems.
3. Partnering for **MUTUALLY PROFITABLE** and sustainable business.
4. Expanding the business into **THE LARGEST ECO-SYSTEM**.
5. Embracing employees **GROWTH AND DEVELOPMENT**.
6. Adhering to long-term, compliant, and **SOUND RISK MANAGEMENT** practices.

1. Commitment to **EXCELLENCE** and **DISCIPLINE**
2. **MAKING A DIFFERENCE** through our **ECO-SYSTEM**
3. **COLLABORATION** and **INTEGRITY**
4. Being **RESILIENT** and **AGILE**



Dear Shareholders, Clients, and Partners,

As Chairman of the Board, I am honored to present this message as part of Chip Mong Bank's 2024 Annual Report. First, I would like to extend my heartfelt congratulations on the remarkable achievements of 2024, a year that tested our resilience and determination in the face of unprecedented challenges. I wish to express my gratitude to the management team and dedicated staff members whose high commitment has been instrumental in propelling Chip Mong Bank towards success.

This year of 2024 has reinforced the importance of strong governance, steady leadership, and strategic foresight in building a bank that can navigate uncertainty while pursuing long-term opportunity. The board members remain committed to guiding the bank's strategy, managing risks responsibly, and protecting the interests of our shareholders and stakeholders. Over the past year, we have worked closely with management to provide support and oversight as the bank adapted to market changes and advanced its digital and operational improvements.

We have consistently pursued clear and adaptable strategies tailored to market dynamics and customer needs. Our leaders and colleagues across all levels have demonstrated strong commitment, proactive and positive mindset, turning challenges into opportunities, and rallying towards common objectives.

The Board is proud of the progress and growth the bank achieved this year, especially in the face of a slow and uncertain economy. Despite these challenges, we remained financially strong, improved customer service, and moved forward with important strategic goals including launching several new products into the market. We expanded our digital capabilities, strengthened our operations, and our human resources also stayed committed to responsible and ethical banking. These results reflect the strength of our leadership, the dedication of our people, and the trust of our clients and shareholders. As we continue to grow, we remain focused on innovation, integrity, and long-term value for all our stakeholders.

As we anticipate the year 2025, we foresee positive economic growth, promising prospects for both our business and our nation. Nevertheless, we remain vigilant and committed to continuous improvement for our competitiveness in the market. We persistently pursue success by expanding our brand reach, striving for further product enhancement and development, and cultivating trust among customers. Central to our efforts is the deliberate enhancement of customer satisfaction through strong relationships and commitments of our bank to the customers; while at the same time, offering a beneficial loan and deposit products that are suited to their business and their personal finance.

Lauk Neak Oknha Khun LEANG

CHAIRMAN OF
CHIP MONG COMMERCIAL BANK PLC.

“Your Trusted Financial Partner”

Chip Mong Bank strives to be the country’s most trusted bank, placing the utmost importance on customer satisfaction. We prioritize understanding our customers’ needs and delivering tailored financial solutions to address their challenges. Our focus is on enhancing customer trust and fostering strong relationships. This is facilitated by our efforts to expand branches strategically, provide swift services, and innovate with flexible financial solutions driven by advanced technology. Through partnerships with public, private, and international entities, we offer global banking experience and diverse payment options. Investing in cutting-edge technology ensures our digital systems meet world-class standards.

While banks may share similar resources, systems, and policies, their outcomes vary due to factors like human resources, leadership, and strong organizational culture. At Chip Mong Bank, we recruit and develop talented individuals who possess the qualities of capability, energy, integrity, and experience, empowering us to progress rapidly towards our goals.

“Chip Mong DNA: A Legacy of Success”

Just within our 6 years of operations, we have accomplished many excellent achievements because Chip Mong Bank has Chip Mong as a parent company, with strong capital and deep roots in the Cambodian market for more than 40 years. We also have shareholders wealth of expertise and experience across various industries to develop this Cambodian-invested bank to become a leading local bank and be able to stand on the market for hundreds of years and more.

As the co-founder of Chip Mong, I can guarantee our steadfast commitment to strategic growth and continual achievement. Each year, we are dedicated to surpassing previous milestones and realizing new levels of success.

Finally, I extend my profound gratitude to our loyal customers, shareholders, and employees who have placed their trust in Chip Mong Bank since our inception. It is our sincere hope to nurture and strengthen our relationships further, working collaboratively towards achieving significant milestones for the advancement of the financial sector in Cambodia.

Sincerely Yours,

Lauk Neak Oknha LEANG Khun

Chairman of Chip Mong Commercial Bank Plc.

NEAK OKNHA

Meng LEANGPRESIDENT OF
CHIP MONG COMMERCIAL BANK PLC.

On behalf of Chip Mong Commercial Bank Plc., I am honored to present the key milestones we achieved in 2024— a year marked by significant transformation across both global and Cambodian markets. Amidst this evolving landscape, Chip Mong Bank demonstrated strategic growth, resilience, and an unwavering commitment to our valued customers and trusted business partners.

At Chip Mong Bank, we have solidified our foundation by strategically investing in our people, processes, technology, and product offerings which as a result we encountered such a strong and steady growth building up a total asset of 1.4 billion USD in 2024, while our deposit reached up to 1.17 billion USD and our gross loan portfolio now stands at 722 million USD and as a result, Chip Mong Bank earned a total profit of 24 million USD in 2024.

This year, Chip Mong Bank successfully launched a new version of the “Chip Mong Bank App.” The updated app features a fresh, attractive design that is easy to use, along with enhanced security systems. Customers can now perform financial transactions faster and more efficiently than before. Moreover, Chip Mong Bank continued to develop and introduced new technologies to meet customer needs, making everyday financial life easier and more reliable.

As a local bank dedicated to improving the lives of our people, we have been increasing our focus in 2024 on enhancing key services, including Merchant Account, SMEs Loan, and Term Deposit Account. Our goal in strengthening these services is clear: to deliver greater benefits to our customers—offering competitive annual interest rates and accessible lending program to support the expansion of Cambodian businesses nationwide with simple, fast, and convenient terms.

In addition, Chip Mong Bank has continued to enhance its digital infrastructure to deliver a more seamless, secure, and accessible banking experience—anytime, anywhere. One of our focal points would be the Chip Mong Bank App, which offers useful features, especially for Cambodian business owners, such as secure money transfers to local banks that are Bakong's members for free of charge and in huge amounts. This innovation reflects our commitment to driving financial inclusion and supporting the growth of local enterprises through technology.

While we focus on business goals, we do not forget about social responsibility. In 2024, Chip Mong Bank continued to demonstrate its commitment to Cambodia's development through impactful CSR initiatives. We promoted the national tourism sector by sponsoring the Asian Kickboxing Championships 2024, which Cambodia was a host country for the first time, as well as organizing the historic Gumball 3000. Chip Mong Bank also strongly supported and committed to providing financial literacy to the community and promoting wider use of the riel by sponsoring the ASEAN Savings Day 2024 and Riel Day. These efforts reflect our focus on creating long-term social value along with sustainable business growth.



Equally important to us is the growth and development of our people. In 2024, Chip Mong Bank made significant strides in talent development, performance management, and fostering a culture of continuous learning, crucial for our success in a competitive environment. We implemented a comprehensive talent management strategy that effectively attracted, developed, and retained top talent, aligning individual goals with our organizational objectives to enhance employee engagement and productivity. At the same time, Chip Mong Bank has created significant job opportunities by recruiting talent from across the country, with a special focus on recent graduates and those without prior experience. Our leadership team is deeply committed to nurturing young professionals by providing hands-on training and practical skills in the financial sector. This investment equips them with a strong foundation to support their families and become valuable resources to the nation's future.

Looking to the future, Chip Mong Bank remains committed to providing excellent services to customers. To ensure that all customers receive more convenient and profitable financial services, Chip Mong Bank has announced Master Agent to be recruited in all cities, provinces, and regions nationwide, while not having direct branches in all provinces. This approach helps customers who want to use Chip Mong Bank's services more conveniently and save time. At the same time, we also focus on consumer loans to meet the needs of more customers with the aim of helping them achieve their dreams of buying a house, a car, or solving other important needs at reasonable interest rates. In particular, Chip Mong Bank takes customer benefits as its core by providing high interest rates on savings accounts, ensuring the safety of maintaining customers' funds for a long time.

In conclusion, I would like to extend my deepest gratitude to our customers and stakeholders for your continued trust, confidence, and support. Your engagement has been invaluable. I am especially thankful to our dedicated team, whose relentless efforts have been fundamental in navigating the challenges of economic fluctuations, natural adversities, and ongoing global uncertainties. Looking ahead to 2025, we are committed to advancing our banking services by integrating the latest technological and security enhancements to ensure the finest banking experience for our customers. Once again, we will continue to focus on quality, building trust with customers and the public, and maintaining the values that have made Chip Mong Bank a bank with a well-respected reputation in the banking sector and in Cambodia.

Sincerely Yours,

Neak Oknha LEANG Meng

President of Chip Mong Commercial Bank Plc.



CHAPTER 2

Cambodia Banking

Sector Overview

02

8.2% ▲
INCREASE FROM 2023

84.6
2024

77.4
2023

ASSETS
in USD Billions

3.3% ▲
INCREASE FROM 2023

54.3
2024

LOANS
in USD Billions

51.8
2023

16.3% ▲
INCREASE FROM 2023

57
2024

DEPOSITS
in USD Billions

45.7
2023

9.1% ▲
INCREASE FROM 2023

2.4
2024

**LOANS
ACCOUNTS**
in Millions

2.2
2023

39.5% ▲
INCREASE FROM 2023

23.3
2024

**DEPOSITS
ACCOUNTS**
in Millions

16.7
2023



KEY POINTS

The banking system is expected to grow steadily with the economic recovery, driven by a rise in private sector lending that supports investment and consumption. Advancements in electronic payments will boost domestic spending and international trade, aligning with digital economy goals. However, risks remain, including declining credit quality, lower profitability, and pressure from the slow real estate and construction sectors.

- Amid global economic uncertainty, the National Bank of Cambodia (NBC) has intensified its risk monitoring and supervision to ensure the stability and soundness of the banking system. It continues to promote the consolidation of financial institutions to enhance resilience and has engaged stakeholders to develop targeted prudential measures for risk management and crisis prevention. As the economy and financial sector become more interconnected, collaborative efforts are essential to strengthen risk management and effectively address potential crises.
- To strengthen the banking system's resilience and support the government's informal economy strategy, the NBC has encouraged financial institutions to offer accounts and payment services to MSMEs and self-employed individuals. Additionally, it has launched the Financial Transparency Corridor (FTC) to enhance digital infrastructure and cross-border collaboration. The FTC facilitates trade and financial services for MSMEs by connecting Cambodian institutions with those in partner countries, allowing better market access and improved financing assessments through shared information.
- NBC continues to ensure financial stability by allowing loan restructuring for customers facing temporary financial hardship and by regularly strengthening its supervisory framework. It supports government efforts to ease burdens on businesses and individuals, using risk-based supervision and prudent regulations to enhance liquidity and capital resilience. Financial inclusion has advanced significantly, with millions of new deposit, credit, and e-wallet accounts, and widespread adoption of KHQR. Additionally, NBC is developing a deposit protection system to further build public confidence in the banking sector.
- At the end of 2024 there were 59 commercial banks, 9 specialized banks, and 89 microfinance institutions.
- Total assets increased 8.2% to 84.6 billions USD.
- Loan to customers increased by 3.3% to 54.3 billions USD and reached 2.4 million accounts. Loans to main industries is portioned such as retail 16.9%, mortgage 12.5%, real estate 11.6%, personal loan 10.1%, construction 9.7%, whole sale 8.8%, agricultural forestry and fisheries 8.9%, manufacturing 4.3%, hotel and restaurant 4%, and others 13.2%.
- Outstanding deposits increased by 16.3% to 57 billions USD, and consists 23.3 million accounts.
- Non-performing loan (NPL) rates in the banking and microfinance sectors were 7.9% and 9%, respectively.
- In 2025, the banking system is expected to grow steadily alongside the economic recovery, with private sector lending projected to rise by 6%, supporting investment and spending. Modernization of electronic payments will further boost domestic and cross-border economic activity. However, the sector faces risks such as weaker credit quality, lower profitability, and pressure from the slow growth of construction and real estate.

Source: NBC Annual Report 2024





CHAPTER 3

Achievements in 2024

- 3.1 Financial Highlights
- 3.2 Continuous Improvement

03

3¹ FINANCIAL HIGHLIGHTS

	2023	2024
Balance Sheet (US\$ million)		
Total Deposits	1,035.93	1,168.12
Total Gross Loans	711.66	706.50
Equity	186.23	210.40
Total Asset	1,257.98	1,399.40
Revenue and Profit (US\$ million)		
Net Interest Income	51.98	52.21
Net Profit	29.95	24.18
Key Performance Indicator (%)		
Return on Asset	2.38%	1.73%
Return on Equity	16.08%	11.49%
Liquidity Coverage Ratio	121.72%	118.07%
Solvency Ratio	22.23%	20.68%
General Information		
Branches	15	15
Agent	23	23
ATM	42	45
Merchant	7,500	9,607

3² CONTINUOUS IMPROVEMENT

Chip Mong Bank's Digital Platform

With its commitment to continuous digital platform improvement, CMCB offers functions and user-friendly features that are customizable to each clients' needs. CMCB is committed to improving user experience through customer feedback and innovation to facilitate faster and easier transaction processing and a greater network through which to process payments. In 2024, CMCB updated mobile banking application to a new version that brings more technological and customer experience.

Integration of International and Local Payment Gateways

CMCB remains expanding its payment and payment acceptance network through partnerships with the local and international payment schemes. This includes but is not limited to CSS, FAST, Bakong, KHQR, VISA, Mastercard, SWIFT and RIA. CMCB intends to provide innovative and relevant payment options for its individual and business customers through building strong strategic partnerships with local and international e-commerce and utility payment providers.

Network Expansion:

Over the past six years, CMCB has been able to create higher levels of convenience and attend to the financial needs of its customers by expanding its network to 15 branches with 12 located in Phnom Penh and 3 in the provinces of Siem Reap, Battambang, and Kampong Cham. A total of 45 onsite and offsite ATMs and CRMs are available for customers' use. In addition, CMCB's merchant network has expanded to nearly 10,000 in different business types such as food and beverage, health and beauty, grocery and retail, fashion, and many more. CMCB Agents serve as another platform for bringing financial transactions closer to customers. They offer services including cash-in, cash-out, phone top-up, salary withdrawal, utility payment, and many other bill payments, as well as loan payments.

Awards:

CMCB has earned the "Leadership in Consumer Credit Card Issuance", "Leadership in Consumer Debit Card Issuance", "Leadership in Active Cards Growth" and "Leadership in Total Merchant Sales Volume Growth" by Visa. Also, CMCB has been awarded the "Best Customer Service Bank Cambodia 2024." by World Economic Magazine, "Fastest Growing Digital Banking Brand, Cambodia" by Global Brands Magazine, and "The Most Innovative SME Bank in Cambodia 2024" by International Finance.



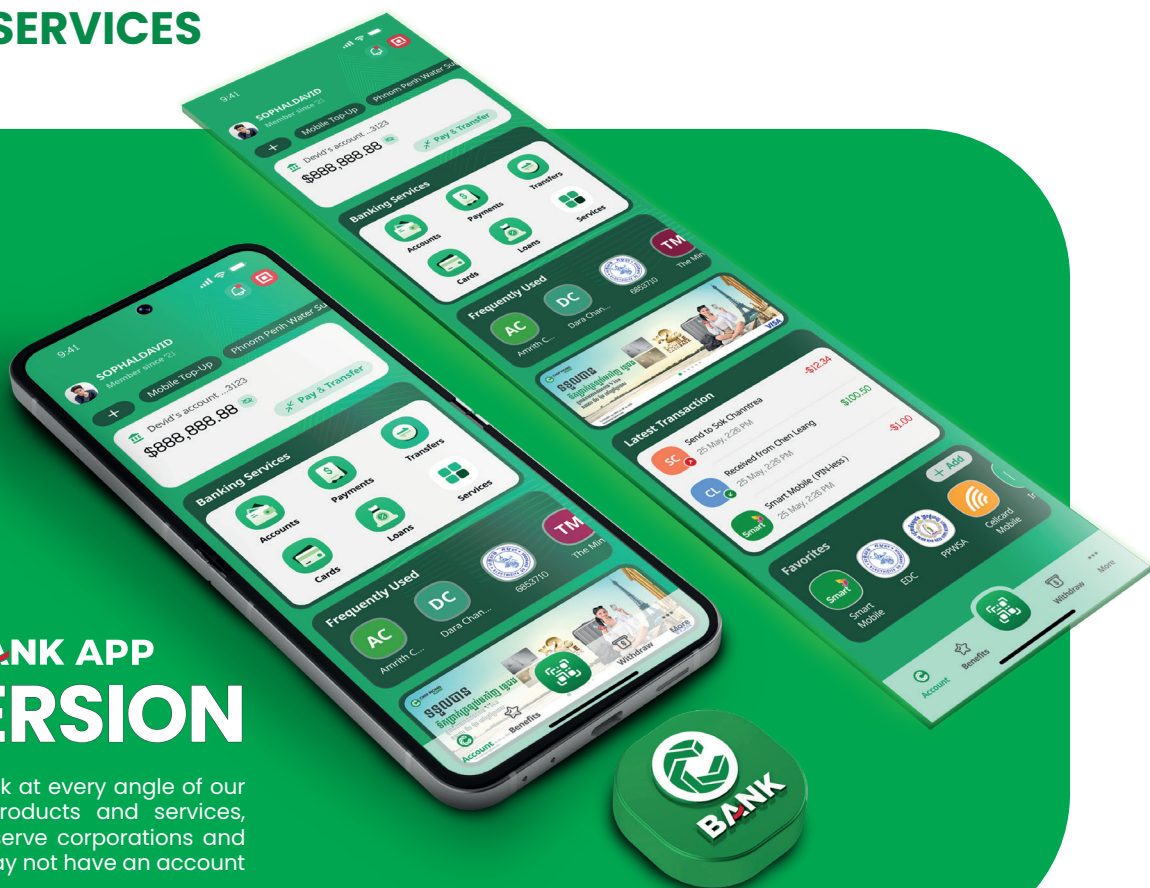
CHAPTER 4

Products and Services

04



PRODUCTS AND SERVICES



CHIP MONG BANK APP NEW VERSION

At Chip Mong Bank, we look at every angle of our customers' needs. Our products and services, therefore, are tailored to serve corporations and individuals, who may or may not have an account with us.

Digital and Internet Banking Services

Chip Mong Bank App offers daily financial solutions as follows:



CHIP MONG QR

Receive money from local banks quickly and for free!



Announcement

Notification about the latest updates, special programs and benefits!



Transfers



Transfer To Own Accounts



Cardless Withdrawal



Transfer To Any Chip Mong Accounts



International Transfer



Local Transfer



Open Account



Premier Account



Term Deposit



Chumnounh Account



Goal Savings



Payments



Mobile Top-up



Internet & TV



Utilities



Charity & Donation



Public Service



Education



Chip Mong Businesses



Insurance



Financial Service



Request New Card



Locator



Favorites



Withdraw



With Chip Mong QR



QR Scan



With KHQR

Card & Merchant Payment Products

I. Visa Debit Card



Visa Classic Debit Card

Chip Mong Bank Visa Classic Card is a type of debit card that offers a new, convenient, and greater payment experience with high security.



Visa Platinum Debit Card

Chip Mong Bank Visa Platinum Card is a type of debit card designed to show the privilege with large payment size and special benefits worthy of luxury living.

II. Visa Credit Card



Visa Gold Credit Card

Chip Mong Bank Visa Gold Credit Card provides you the excellent customer service along with attractive benefits and privileges including cashback reward, airport lounge access, discount, and other endless special offers.



Visa Platinum Credit Card

Chip Mong Bank Visa Platinum Credit Card offers extensive experience with exceptional credit limit, highly secured, premium benefits, and a wealth of privileges, which you can enjoy no matter wherever you are in the world.

III. Merchant Payment

Chip Mong Bank provides a variety of secured and practical cashless payment options allowing merchants to accept payment from credit cards, debit cards, and other digital payment methods.

Chip Mong POS Terminal

Chip Mong Bank POS Terminal enables merchants to increase more business and sales opportunities by accepting payment from KHQR, and international card schemes which includes Visa and Mastercard.



Chip Mong Bank KHQR

KHQR Code is the standardization of QR code initiated by National Bank of Cambodia to deliver a seamless digital payment experience for both customers and merchants. With Chip Mong KHQR, you can accept payment from Chip Mong Bank App, Bakong App and other KHQR member's app. Transactions are made instantly and conveniently.



Internet Banking

A great solution for corporate clients that is tailored to the needs of each partner. Chip Mong Bank offers a wide range of flexible and rich options for amount approval. This service offers the following functions:

- Bundle payment
- Bill payment
- Use of cheque
- Bank statement review
- Transfer between company's accounts
- Transfer to other accounts
- Local transfer

Retail Banking

At Chip Mong Bank, we consult with your business to explore the right loan options as needed and provide the most viable solution for your business.

- **Home loan:**
Enables you to purchase your dream home with ease.
- **Personal loan:**
Not only finances your emergency cash needs, but also helps you fulfil your dreams.
- **SME Loan:**
Fulfills the financial needs for small and medium-sized enterprises looking to expand or diversifying their business.
- **Chum Nuonh Account:**
Simplifies banking for your daily business' needs with interest earning check account.
- **Premier Account:**
Maximize your everyday banking and savings for your future needs.
- **Goals Saving Account:**
Add funds to your account every month with a high interest rate and interest will be capitalized to your principal semi-annually.

Chip Mong Banking Agents

- Cash in
- Cash out
- Payroll service
- Mobile top up
- Pay bills

Business Banking

Increase the Growth of Your Business

At Chip Mong Bank, we consult with your business to explore the right loan options as needed and provide the most viable solutions.

- **Term loan:**
Access to your business' financial needs for your business' expansion.
- **Revolving Term Loan:**
Provides a flexible financing tool for repayments and re-borrowing to meet your working capital need.
- **Overdraft:**
Solves short-term and unexpected financial shortfalls for your business.
- **Quick loan with term deposit account:**
Access to cash for immediate use without having to close your deposit account.
- **Business account:**
Designed to simplify everyday banking and make your financial management easier.
- **Term deposit account:**
Accelerates savings with your chosen maturity options.
- **Payday account:**
Provide your employees with high security and many benefits.
- **Preferred account:**
Provides you with an exclusive banking experience with special privileges.

Business Financing Services

- ESCROW account
- Bank Guarantee

Service Channels

Chip Mong Bank delivers its service through an array of channels which make it easy for customers to find and use them whenever and wherever needed.

- Chip Mong Bank App (Mobile Banking)
- Internet Banking (for business)
- ATM Network
- Chip Mong Bank Agent
- Branch Network
- Call Center



CHAPTER 5

Organization

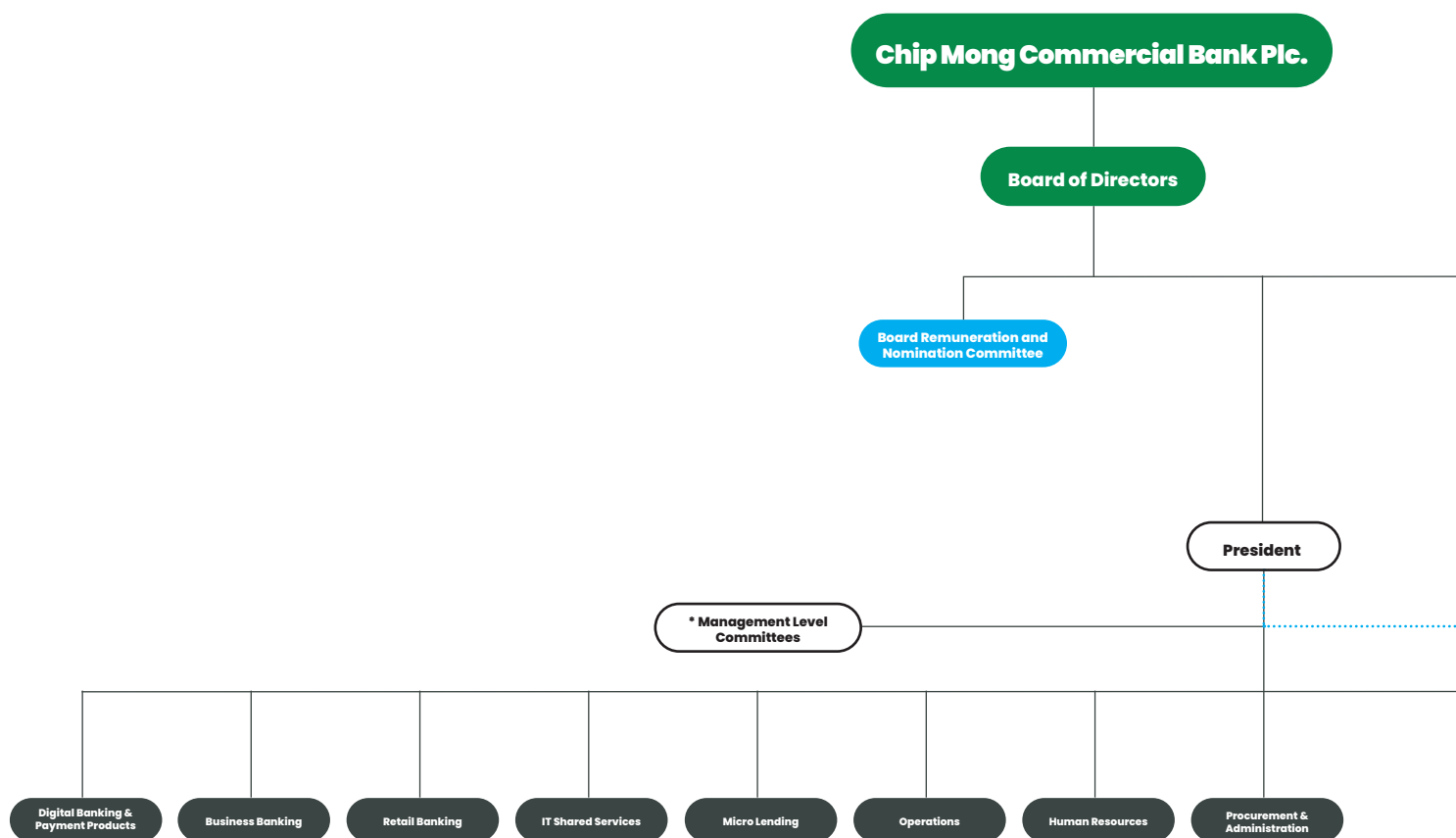
- 5.1 Organizational Chart
- 5.2 Board of Directors
- 5.3 Executive Management
- 5.4 Human Resources Development

05

ORGANIZATION

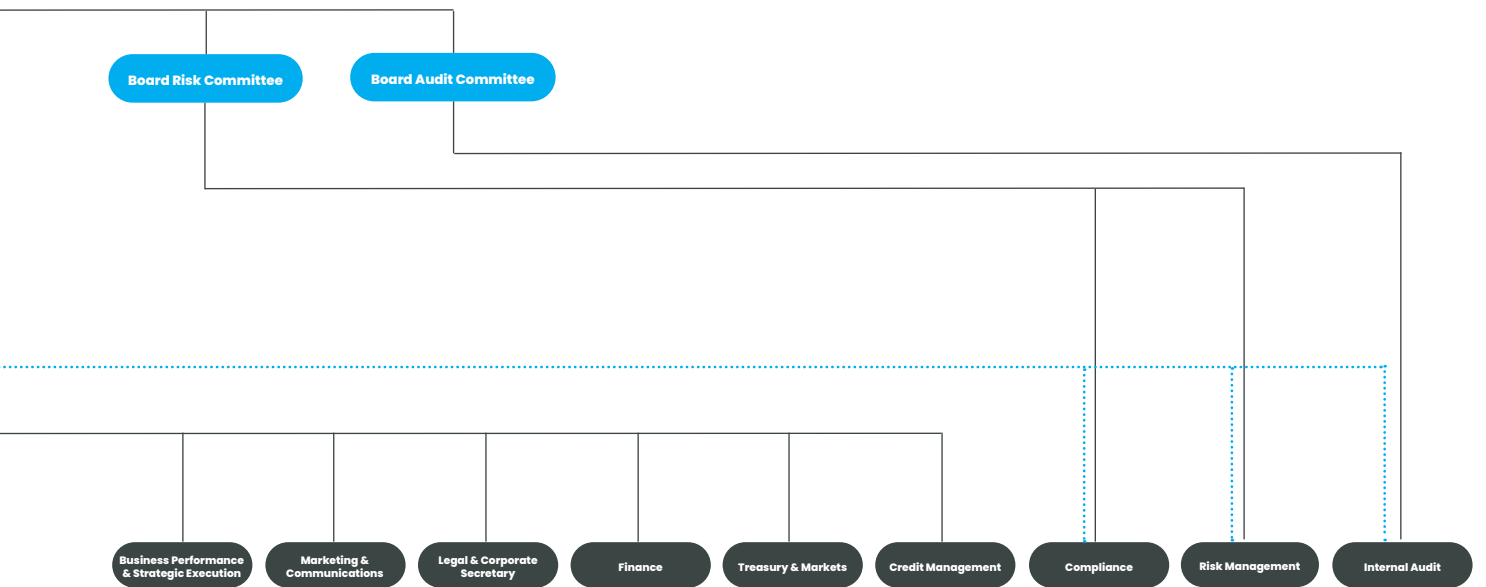


ORGANIZATION
ORGANIZATION
ORGANIZATION



* Management Level Committees are as follows:

- Executive Committee
- Risk Management Committee
- Credit Committee
- ALCO Committee
- Human Resources Committee
- IT Strategy Committee
- IT Steering Committee





Lauk Neak Oknha Khun LEANG
Chairman

Lauk Neak Oknha Leang Khun is the co-founder and chairman of the board of directors of Chip Mong, a large conglomerate that is holding many businesses in Cambodia. His ability to build strong, strategic relationships has positioned him as a trusted connector and influential figure in business circles. In addition, in April 2024, Lauk Neak Oknha Leang Khun was awarded with the high honorary title “Lauk Neak Oknha” by His Majesty King Norodom Sihamoni in recognition of his active participation in humanitarian and charitable activities with the Royal Government of Cambodia.

Lauk Neak Oknha has been appointed as the Chairman of The Board of Directors in 2025.



Neak Oknha Leang Huong LEANG
Board of Director

Neak Oknha Leang Huong was appointed as Board Director of Chip Mong Bank in 2019. Since 2016, he has held the position of the President of Chip Mong Land Co., Ltd. (“CMLD”). Prior to becoming the President of CMLD, he was a Senior Executive Vice President of CMG. He provides independent advice and counsel to the Chief Executive Officer (“CEO”) and keeps abreast of the activities of management and the company. In late 2022, he was appointed as Cluster President to lead the Group IT Function, Chip Mong Land, Grand Royal Golf & Resorts, and Granferte Phnom Penh.

His role extends to overseeing and arranging the Board of Directors’ discussions, ensuring the Board reaches consensus decisions and making strategic recommendations to Board Committees and their Chairs. He also collaborates closely with all Committee Chairs to guarantee the effective operation of each committee and maintains provision of regular updates to the Board on committee actions.

Neak Oknha Leang Huong obtained an Associate’s Degree in Business from Thames Business School in Singapore in 1999.



Neak Oknha Pov LEANG
Board of Director

Neak Oknha Leang Pov was appointed as Board Director of Chip Mong Bank in 2019. As well to being as the Director of Chip Mong Bank, he is also the Cluster President and to undertake chairman role for Chip Mong’s joint ventures and investment projects, including Crown Khmer Beverage Cans Limited, Chip Mong Insee Cement Corporation, Hyatt Regency Phnom Penh, Fairfield by Marriott Phnom Penh, Steel Mill, and new investment projects. Prior to serving as the Cluster President, he also joined KHB in 2011 as Senior Vice President.

He is actively working with all Committee Chairs to ensure effective functioning and update them on actions taken. He keeps abreast of all activities of the company and its management team. Furthermore, he helps ensure that action items established by Board Committees are tracked as appropriate. He is also in charge of facilitating full and candid Board discussions to ensure that the Board can achieve consensus decisions.

In 2019, he went to Harvard Business School in Boston, USA, for his Executive Program called Advance Management Program (AMP). He obtained a Certified Brew Master from Berlin, Germany in 2010 and holding a Bachelor’s Degree in Business Management from Fisher College, Boston, USA in 2003.



Mdm. Sokchheng LY

Board of Director

Mdm. Ly Sokchheng was appointed as Board of Director at Chip Mong Bank in 2023. Currently, she is also serving as the President of Chip Mong Retail Co., Ltd. ("CMRT"). Her career began in 2014 in the Marketing and Sales Department at Khmer Beverages Co., Ltd. By early 2019, she had advanced to her final position there as Senior Vice President of Marketing and Sales, before transitioning to her current role at Chip Mong Retail Co., Ltd. ("CMRT").

With many years of experience, she possesses excellent management, leadership, analytical, problem solving, decision-making, communication, and interpersonal abilities, all of which foster business progression towards success.

Mdm. Ly Sokchheng earned her Bachelor of Science in Business Administration with a double major in Marketing and Finance from Northeastern University in Boston, USA, in 2013. Her academic background and professional trajectory underscore her capability to drive strategic growth and innovation within the financial services industry.



Mr. Sonal HENG

Board of Director

Mr. Heng Sonal was appointed as a Board Director of Chip Mong Bank in 2024. Currently, he also serves as the Technical Advisor for Chip Mong Group covering IT related and digital innovations matters.

He brings with him 10 years of professional experience, most of it gained in the IT sector in consultancy firms doing large digitalization projects for governments, group companies and enterprise systems. He has a keen eye to provide added values for businesses with the adoption of effective technology, bridging the technical to the human experience.

He earned his Bachelor of Science in Engineering with a minor in Design & Engineering from the National University of Singapore. He was a scholarship recipient of the ASEAN Scholarship and was based in Singapore for 16 years until his journey back to Cambodia.



Mr. Hak Khoun LIM

Independent Board Director

Mr. Lim Hak Khuon was appointed as Independent Board Director of Chip Mong Bank in 2020. Currently, he also serves as Chairman of Key Real Estate Co., Ltd., and Chairman of Prestige Education Co., Ltd.

He brings with him over 20 years of professional experience, most of it gained in the banking sector, where he has held various middle/senior management and executive positions.

He also holds a Business Degree from York University, Canada and is fluent in Khmer, Chinese (Mandarin, Cantonese and Teochew dialects), English, and French.



Mr. Khemara ROS

Independent Board Director

Mr. Ros Khemara was appointed as Independent Board Director of Chip Mong Bank in September 2023. Currently, he is an independent Senior Consultant, specialized in the Cambodian Financial Factor. He has worked with diverse stakeholders including ADB, IFC/WB, The Asia Foundation, Economic Institute of Cambodia, NGO Forum, and World Vision.

He has over 20 years of experience and in-depth practical knowledge in public and private sector development in Cambodia and across the region. He specializes in project/program design in the areas of the investment climate, access to finance, trade, and small & medium-size enterprise development.

Mr. Ros Khemara earned a Master of International Relations at Ritsumeikan University, Kyoto, Japan in 2005. Furthermore, he completed a Bachelor of Education (BEd.), received accreditation as a Teacher of English as a Foreign Language from the Institute of Foreign Languages (IFL), Phnom Penh, Cambodia in 2002 and has a Bachelor of Business Administration (BBA), Major in Management from the National Institute of Management, Phnom Penh, Cambodia in 2000.

NEAK OKNHA
Meng LEANG

PRESIDENT

**Mr. Samrach CHEY**

Director, Risk Management

**Mr. Virak PHAY**Head of Business Performance
& Strategic Execution**Mrs. Sopheak YEN**Head of
Compliance**Mrs. Vuthyda TAY**Head of
Human Resources**Mrs. Sokuntheary VONG**

Head of Operations

**Mr. Naroth LON**

Head of Finance

**Mr. Vuthy CHORK**Head of Procurement and
Administration**Mr. Sylyvann BOREI**Head of Marketing and
Communications

Neak Oknha Leang Meng is a local businessman who has been highly influential and wise in contributing to the development and diversification of the business sector in Cambodia for more than four decades. He is the co-founder and group president of Chip Mong Group Co., Ltd. ("CMG"), a large local multinational company with 14 businesses.

He is a visionary business leader dedicated to developing and implementing short, medium, and long-term strategies that ensure the success and sustainable growth of all companies under Chip Mong. He continually enhances the reputation of Chip Mong year after year, both domestically and internationally, by creating and seizing opportunities to expand business potential, fostering a strong culture, human resource development, increasing capabilities, agility, and integrity. His strategic acumen and dedication to society have significantly contributed to the development of the business sector and helped drive economic growth in Cambodia.



Mr. Chanpiseth CHHOUR

Acting Head
of IT Shared Services



Mr. Seyha KONG

Acting Head
of Business Banking



Mr. Sopheak SAY

Head of
Credit Management



Mrs. Keovthymich ENG

Head of Legal & Corporate
Secretary



Mrs. Kimhak KOU

Head of Internal Audit



In 2024, Chip Mong Commercial Bank organized a series of training programs aimed at enhancing the knowledge, skills, and behaviors of our staff in various areas such as branch operations, credit lending, sales management, and personal effectiveness.

KEY ACHIEVEMENTS IN STAFF LEARNING AND DEVELOPMENT:

Onboarding Programs: We successfully completed five intakes of our onboarding program, welcoming 91 new staff members. These programs are designed to help new employees integrate smoothly into our bank's culture and operations.



Development of Young Professionals: We focused on developing fresh graduates into skilled sales professionals. A total of 98 young bankers enrolled in our program, which trains them in relationship sales and credit lending.



Personal Effectiveness Training: We conducted two intakes of personal effectiveness training, targeting both supervisors and team members. These sessions aimed to improve individual productivity and teamwork.



Refresher Trainings: We coordinated 60 refresher training sessions covering various topics such as branch operations, credit lending skills, compliance, audit and risk management, and IT cybersecurity. These trainings ensure that our staff remains up-to-date with the latest practices and regulations.



Retail Banking Workshops: We organized five workshops for our sales teams to review their performance and discuss competitive market strategies. These workshops are crucial for aligning our sales efforts with market demands and enhancing our competitive edge.



Quarterly Risk Assessments: We conducted four quarterly assessments focusing on risk audit mindset and awareness among all bank staff. These assessments help in identifying potential risks and ensuring that our staff is well-prepared to manage them.



Weekly Market Visits: We facilitated weekly market visits where senior management shared strategic directions and leadership tips with branch managers and sales supervisors. These visits are designed to provide hands-on guidance and support to our frontline leaders.



Looking Ahead to 2025:

In 2025, we will continue to focus on developing young graduates into professional bankers for both frontline and back-office roles. This initiative is particularly important as we expand our business, especially in provincial branches. Additionally, we will provide dedicated in-field sales coaching to help these young bankers become effective and productive in their sales roles.



CHAPTER 6

Corporate **Social** Responsibility

06

Adoption of Cambodia's Sustainable Finance Principles:

As a member of the Association of Banks in Cambodia, Chip Mong Bank is proud to adopt the nine Cambodian Sustainable Finance Principles, as follows:



**Environmental
Protection**



**People
Protection**



**Culture
Protection**



**Financial
Literacy**



**Financial
Inclusion**



**Financial
Innovation**



**Environmental &
Social Standard**



**Environmental &
Social Footprint**



**Transparency &
Accountability**

These principles can inspire all member banks to implement the appropriate guidelines to protect the environment and society, as well as to promote innovation, E&S standards, transparency, and accountability.

CHIP MONG BANK INVESTS IN SUSTAINABILITY

Chip Mong Bank has always been committed to the protection of the environment, which is the essential driving force behind the bank's continuous investment in sustainability. These investments focus on two important goals: creating environmentally friendly products and services such as the revamped Chip Mong Bank App and the Internet Banking service, which reduce the need for travel and therefore carbon dioxide emissions; and offering option for taking printing receipt or not for every service such as ATMs and CRMs. Requesting a loan from Chip Mong Bank will trigger the Credit Operations Department to assess and evaluate all proposed activities in regards to their environmental or social impacts. Chip Mong Bank also applies environmental protection measures at its offices, which includes air-conditioning equipped with automatic shut-off systems and meeting rooms equipped with full digital concepts for staff to take notes on laptops instead of paper. Printing and copying is also minimized and, where possible, all other banking forms are completed digitally. Moreover, the staff room features water dispensers to encourage our team to use personal water bottles and reduce their reliance on single-use plastics. All water faucets are fitted with water saving notices. Additionally, all the bank's offices and branches take the environment seriously, with an environmental focus on sustainable landscaping and decor.

CORPORATE SOCIAL RESPONSIBILITY AND GIVING BACK TO SOCIETY:

Chip Mong Bank, a business unit of the Chip Mong Group established in 1982, has earned a reputation as one of the country's most reliable banks. This trust is built on a foundation of core values and a clear vision. Committed to social responsibility, the bank invests significantly in the healthcare sector and the well-being of Cambodians, providing support during challenging times, including assistance to families, children, and the elderly.



On March 30, 2024 Chip Mong Bank and FWD Cambodia organised a forum on “Career Navigation and Career Choices in the Banking and Finance Sector”. The forum provided students in Siem Reap provinces with the opportunity to learn more about job opportunities in the banking and insurance industry, especially through a panel discussion by speakers from both institutions, as well as the presence of the university professor.

On July 23, 2024 Chip Mong Bank was delighted to participate in the Bakong campaign alongside the National Bank of Cambodia, dedicated to helping you “Exchange your old or damaged banknotes” for free at Pho Puy Market, Battambang province.



On October 31, 2024 Chip Mong Bank participated as a Gold Sponsor to celebrate “Asean Savings Day” under the theme of “The Importance of Saving Money from Childhood” at the Independence Monument in Kampong Speu province.



SHAREHOLDERS OF CHIP MONG BANK

On March 31, 2024 Chip Mong Bank and FWD Cambodia "Run for Children" Which was held to promote the personal well-being as well as to raise funds for Angkor Hospital for Children had proceeded successfully at a beautiful land of Angkor Wat, Siem Reap with the participation from staff and management from both institutions and runners from the general public gathered around 700 people and raised a total of 17 Million Five Hundred and Twenty-Eight Thousand Five Hundred and Sixteen Riel to Angkor Hospital for Children.



On July 10, 2024, Her Excellency Dr. Pich Chanmony, President of the Association of Samdech Akka Moha Sena Padei Techo Hun Sen and Samdech Kittiprittbandit Scholarship Students (AMT) and Lok Neak Oknha Leang Khun, Co-founder and Chairman of the Board of Directors of Chip Mong presided over the signing ceremony of the MoU between the two institutions at the Hyatt Regency Hotel in Phnom Penh. On the occasion of this cooperation, Chip Mong has continued to support with an additional donation of USD 1,000,000 for 2024-2028 to AMT providing scholarships to needy students and supporting human resource development.

Chip Mong led the historic GUMBALL3000 event in Cambodia for three days and it had gone very smoothly and played a significant role in promoting tourism in Cambodia and bringing our country name to the international stage. Taking this opportunity, Chip Mong made a donation of \$450,000 to the Angkor Hospital for Children, contributed from the donors who participated in the GUMBALL3000 event.





CHAPTER 7

Corporate Governance

- 7.1 Risk Management
- 7.2 Compliance
- 7.3 Internal Audit

07



THREE LINES OF DEFENSE

CORPORATE GOVERNANCE

No.	Board Meeting	Year	Date	Status
1	Board Meeting 21	2024	25 th January 2024	Done
2	Board Meeting 22	2024	08 th May 2024	Done
3	Board Meeting 23	2024	26 th July 2024	Done
4	Board Meeting 24	2024	25 th October 2024	Done

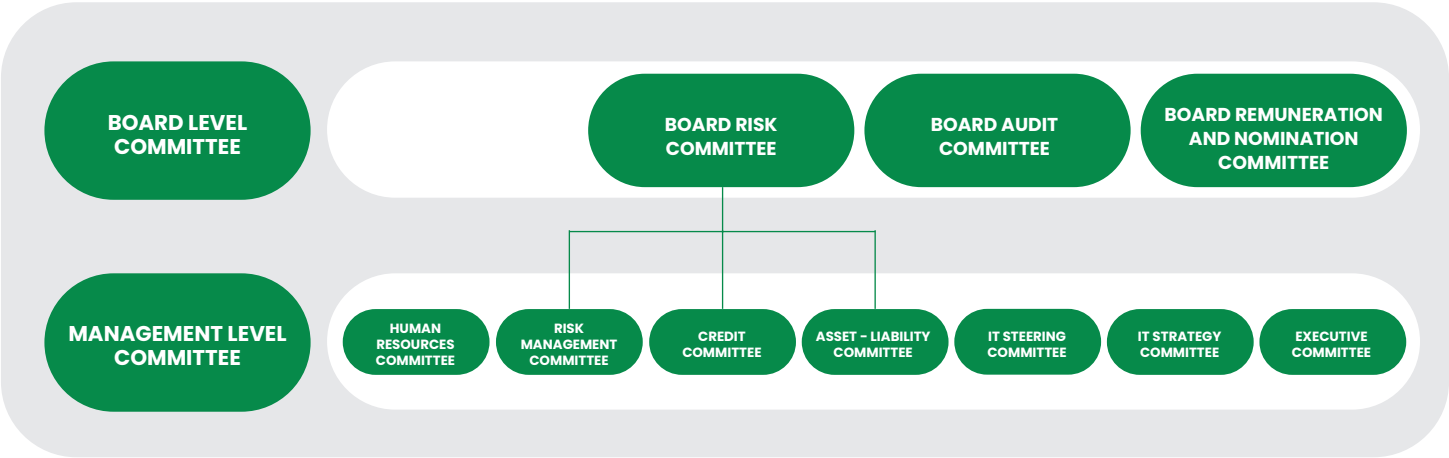
71 RISK MANAGEMENT

The bank’s Risk Management Framework (“RMF”) is in place to provide a coherent foundation by outlining an overarching methodology and guideline for governing the key risks that the bank faces including risk governing structure, lines of defense, key responsibilities of each committee, functions, and frameworks, as well as policies and procedures for proper and effective risk management.

Two levels of committees have been established:

- i) Board level committees and
- ii) Management level committees.

COMMITTEES STRUCTURE



Board level committees focus on broad strategies and policies, while management level committees focus on action plans and procedures.

The “three lines of defense” principle is adopted, and specialized committees have been set up for an effective management of different types of risk:

3rd Line of Defense	Internal Audit						
2nd Line of Defense	Risk Management and Compliance						
	Credit Committee	Asset-Liability Committee	IT Steering Committee	IT Strategy Committee	Human Resources Committee	Risk Management Committee	Executive Committee
	Credit Risk	Liquidity Risk, Funding Risk, Pricing Risk, Capital Management, Market Risk	Technology Risk Information Security		Personnel Related Risk HR Risk	Operational Risk, Credit Portfolio Risks and Other Non-Credit Risks	Business Risks Strategic Risks
1st Line of Defense	Retail Banking	Finance Treasury & Markets	IT Shared Services Digital Banking & Payment Products		Human Resources	President	
	Business Banking					Other Relevant Departments	

Three independent functions have been set up including Risk Management and Compliance for the permanent control review and Internal Audit for the periodic control review.

For each type of risk, the Board has set a risk appetite and tolerance level in the form of Key Risk Indicators, which provide early warning signals when risks move in a direction that may require mitigating actions/controls.

7²

COMPLIANCE

CMCB aims to comply with the letter and spirit of the regulatory standards and environment in which it operates to ensure healthy growth, as well as safe and sound practices. The Compliance department is led by the Head of Compliance who has been duly approved by the NBC and has a direct functional reporting line to the Chairman of the Board Risk Committee who approved the annual compliance plan. The Compliance department is governed by the Compliance Framework approved by the Board of Directors to implement compliance policies and AML-CFT policy. The Head of Compliance also acts as the coordinator with the NBC and the Cambodia Financial Intelligence Unit (CAFIU).

CMCB has dedicated more technology and human resources to compliance to ensure that the bank complies with relevant regulations. The bank continually maintains staff awareness of AML/CFT policy through training programs, including existing and new staff being embedded into an induction course. So far, 18 sessions were carried out during 2024. A compliance self-assessment checklist for each department was developed and enforced to ensure compliance risks will be timely monitored and promptly responded to. The compliance team has also participated in a working group in developing products and services to meet customers’ needs, as well as complying with the applicable regulations. These activities were undertaken to embrace compliance as a culture and to manage regulatory risk as well as reputational risk better.

7³

INTERNAL AUDIT

Internal audit department has conducted 61 audit projects at the Bank’s head office and branches for the year 2024. The Internal audit department is an independent function which reports directly to the Board Audit Committee. The department runs the internal audit work based on the approved annual audit plan and in compliance with the internal audit framework, as well as internal audit policy and procedures which are approved by the Board Audit Committee.



CHAPTER 8

Audited Financial Statements

- 8.1 Directors' report
- 8.2 Independent Auditor's Report
- 8.3 Statement of Financial Position
- 8.4 Statement of Profit or Loss and Other Comprehensive Income
- 8.5 Statement of Changes in Equity
- 8.6 Statement of Cash Flows
- 8.7 Notes to the Financial Statements

08



The Board of Directors (the Directors) hereby submits their report together with the audited financial statements of Chip Mong Commercial Bank Plc. (the Bank) for the year ended 31 December 2024.

THE BANK

Chip Mong Commercial Bank Plc. (the Bank) was incorporated in Cambodia on 15 June 2018 under the Registration No. 00034187 issued by the Ministry of Commerce. On 17 January 2019, the Bank obtained a permanent banking license No. B-47 from the National Bank of Cambodia (the NBC).

PRINCIPAL ACTIVITIES

The principal activities of the Bank are the provision of all aspect of banking business and related financial services in Cambodia.

FINANCIAL PERFORMANCE

The audited financial performance of the Bank for the year is set out in the statement of profit or loss and other comprehensive income on [page 44](#).

No dividends were declared or paid during the year ended 31 December 2024 (2023: nil).

STATUTORY CAPITAL

At the date of this report, there is no change to the statutory capital (2023: US\$135,000,000).

BAD AND DOUBTFUL FINANCIAL FACILITIES

Before the financial statements of the Bank were drawn up, the Directors took reasonable steps to ascertain that action had been taken in relation to the writing off of bad loans and advances or making of allowance for impairment losses, and satisfied themselves that all known bad loans and advances had been written off and that adequate loss allowance has been made for bad and doubtful loans and advances.

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

ASSETS

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

At the date of this report and to the best of their knowledge, 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 in any material respect.

CONTINGENT AND OTHER LIABILITIES

At the date of this report, there is:

- (a) no charge on the assets of the Bank which has arisen since the end of the financial year which secures the liabilities of any other person, and
- (b) no contingent liability in respect of the Bank that has arisen since the end of the financial year other than in the ordinary course of banking business.

No contingent or other liability of the Bank has become enforceable, or is likely to become enforceable within a period of twelve months after the end of the financial year which, in the opinion of the Directors, will or may have a material effect on the ability of the Bank to meet its obligations as and when they become 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 in any material respect.

ITEMS OF AN UNUSUAL NATURE

The results of the operations of the Bank for the financial year were not, in the opinion of the Directors, materially affected by any items, transactions or events of a material and unusual nature. There has not arisen in the interval between the end of the financial year and the date of this report any items, transactions or events of a material and unusual nature likely, in the opinion of the Directors, to substantially affect the results of the operations of the Bank for the year in which this report is made.

THE BOARD OF DIRECTORS

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

Lauk Neak Oknha Leang Khun	Chairman
Neak Oknha Leang Huong	Director
Neak Oknha Leang Pov	Director
Madam. Ly Sokchheng	Director
Mr. Heng Sonal	Director
Mr. Lim Hak Khoun	Independence Director
Mr. Ros Khemara	Independence Director

THE DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS

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

In preparing these financial statements, the Directors are required to:

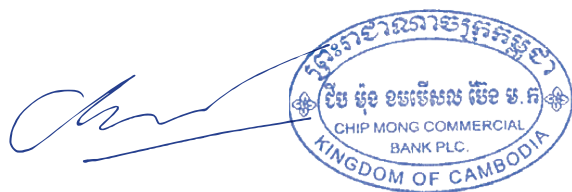
- (i) adopt appropriate accounting policies which are supported by reasonable and prudent judgments and estimates and then apply them consistently;
- (ii) comply with the disclosure requirements of CIFRS or, if there have been any departures in the interest of fair presentation, these have been appropriately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

APPROVAL OF THE FINANCIAL STATEMENTS

The accompanying financial statements, together with the notes thereto, which present fairly, in all material respects, the financial position of the Bank as at 31 December 2024 and the financial performance and cash flows of the Bank for the year then ended in accordance with CIFRS, were approved by the Board of Directors.

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



Neak Oknha Leang Meng

President

Phnom Penh, Kingdom of Cambodia
24 March 2025

To the shareholders of Chip Mong Commercial Bank Plc.

OUR OPINION

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

What we have audited

The Bank's financial statements comprise:

- the statement of financial position as at 31 December 2024;
- the statement of profit or loss and other comprehensive income for the year then ended;
- the statement of changes in equity for the year then ended;
- the statement of cash flows for the year then ended; and
- the notes to the financial statements, which include material accounting policy information and other explanatory information.

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 Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code) and the ethical requirements of the Kampuchea Institute of Certified Public Accountants and Auditors' Code of Ethics for Certified Public Accountants and Auditors (KICPAA Code) that are relevant to our audit of the financial statements in Cambodia. We have fulfilled our other ethical responsibilities in accordance with the IESBA Code and the ethical requirements of the KICPAA Code.

OTHER INFORMATION

Management is responsible for the other information. The other information obtained at the date of this auditor's report are the directors' report and the supplementary financial information required by the National Bank of Cambodia but do not include the financial statements and our auditor's report thereon.

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

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

If, based on the work we have performed on the other information obtained prior to the date of this 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.

RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE FINANCIAL STATEMENTS

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

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

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

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

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

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

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

For PricewaterhouseCoopers (Cambodia) Ltd.



By Lang Hy

Partner

Phnom Penh, Kingdom of Cambodia
28 March 2025



STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2024

		2024		2023	
	Notes	US\$	KHR'000	US\$	KHR'000
ASSETS					
Cash on hand	4	24,269,344	97,684,110	26,955,643	110,113,802
Deposits and placements with the central bank	5	152,730,237	614,739,204	147,462,301	602,383,500
Deposits and placements with other banks	6	391,083,185	1,574,109,820	261,447,442	1,068,012,801
Statutory deposits with the central bank	7	83,785,736	337,237,587	87,220,216	356,294,582
Loans and advances at amortised cost	8	706,495,434	2,843,644,122	711,655,018	2,907,110,749
Derivative financial instruments	9	-	-	105,895	432,581
Investment in debt security	10	25,900,757	104,250,547	5,275,000	21,548,375
Property and equipment	11	3,932,436	15,828,055	5,085,806	20,775,518
Intangible assets	12	3,533,197	14,221,118	4,112,201	16,798,341
Right-of-use assets	13	3,314,582	13,341,193	3,484,532	14,234,313
Deferred tax assets, net	14	1,170,605	4,711,685	1,610,649	6,579,501
Other assets	15	3,184,632	12,818,143	3,560,837	14,546,019
TOTAL ASSETS		1,399,400,145	5,632,585,584	1,257,975,540	5,138,830,082
LIABILITIES AND EQUITY					
LIABILITIES					
Deposits from other banks	16	168,333,799	677,543,541	192,628,246	786,886,385
Deposits from non-bank customers	17	999,785,443	4,024,136,408	843,306,304	3,444,906,252
Borrowings	18	11,408,986	45,921,169	16,049,235	65,561,125
Lease liabilities	13	3,743,469	15,067,463	4,005,306	16,361,675
Subordinated debt	19	-	-	8,113,333	33,142,965
Current income tax liabilities	20	4,674,042	18,813,019	6,192,253	25,295,354
Other liabilities	21	1,049,686	4,224,986	1,454,055	5,939,815
TOTAL LIABILITIES		1,188,995,425	4,785,706,586	1,071,748,732	4,378,093,571
EQUITY					
Share capital	22	135,000,000	543,375,000	135,000,000	551,475,000
Regulatory reserves	23	7,889,099	31,753,623	6,564,169	26,814,630
Retained earnings		67,515,621	276,368,234	44,662,639	183,333,746
Other reserves		-	(4,617,859)	-	(886,865)
TOTAL EQUITY		210,404,720	846,878,998	186,226,808	760,736,511
TOTAL LIABILITIES AND EQUITY		1,399,400,145	5,632,585,584	1,257,975,540	5,138,830,082

The accompanying notes on pages 48 to 103 form an integral part of these financial statements.



STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2024

	Notes	2024		2023	
		US\$	KHR'000	US\$	KHR'000
Interest income		84,601,262	344,411,738	81,079,358	333,236,161
Interest expense		(32,394,016)	(131,876,039)	(29,104,335)	(119,618,817)
Net interest income	24	52,207,246	212,535,699	51,975,023	213,617,344
Fee and commission income		1,704,423	6,938,706	3,367,475	13,840,322
Fee and commission expense		(1,024,248)	(4,169,714)	(789,098)	(3,243,193)
Net fee and commission income	25	680,175	2,768,992	2,578,377	10,597,129
Other income		110,244	448,803	71,072	292,106
Other gains - net	26	2,227,534	9,068,291	(120,837)	(496,640)
Impairment losses on financial instruments	30	(11,203,205)	(45,608,248)	(2,869,418)	(11,793,308)
Net other operating losses		(8,865,427)	(36,091,154)	(2,919,183)	(11,997,842)
EXPENSES					
Personnel expenses	27	(6,245,740)	(25,426,408)	(6,639,909)	(27,290,026)
Depreciation and amortisation charges	28	(3,655,488)	(14,881,492)	(3,726,784)	(15,317,082)
Other operating expenses	29	(3,936,462)	(16,025,337)	(3,792,526)	(15,587,282)
		(13,837,690)	(56,333,237)	(14,159,219)	(58,194,390)
Profit before income tax		30,184,304	122,880,300	37,474,998	154,022,241
Income tax expense	20	(6,006,392)	(24,452,022)	(7,523,745)	(30,922,592)
Profit for the year		24,177,912	98,428,278	29,951,253	123,099,649
Other comprehensive income:					
<i>Items that will not be classified to profit or loss</i>					
Currency translation differences		-	(3,730,994)	-	(1,324,831)
Total comprehensive income for the year		24,177,912	94,697,284	29,951,253	121,774,818
Profit attributable to:					
Owners of the Bank		24,177,912	98,428,278	29,951,253	123,099,649
Total comprehensive income attributable to:					
Owners of the Bank		24,177,912	94,697,284	29,951,253	121,774,818

The accompanying notes on pages 48 to 103 form an integral part of these financial statements.



STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2024

Attributable to owners of the Bank				
	Share capital		Regulatory reserves	
	US\$	KHR'000	US\$	KHR'000
Balance at 1 January 2023	135,000,000	555,795,000	3,054,628	12,575,903
Profit for the year	-	-	-	-
Other comprehensive income	-	-	-	-
Total comprehensive income for the year	-	-	-	-
Transactions with owners in their capacity as owners:				
Transfer to regulatory reserves (note 23)	-	-	3,509,541	14,343,494
Currency translation differences	-	(4,320,000)	-	(104,767)
Total transactions with owners	-	(4,320,000)	(3,509,541)	14,238,727
Balance at 31 December 2023	135,000,000	551,475,000	6,564,169	26,814,630
Balance at 1 January 2024	135,000,000	555,795,000	6,564,169	26,814,630
Profit for the year	-	-	-	-
Other comprehensive income	-	-	-	-
Total comprehensive income for the year	-	-	-	-
Transactions with owners in their capacity as owners:				
Transfer to regulatory reserves (note 23)	-	-	1,324,930	5,393,790
Currency translation differences	-	(8,100,000)	-	(454,797)
Total transactions with owners	-	(8,100,000)	1,324,930	4,938,993
Balance at 31 December 2024	135,000,000	543,375,000	7,889,099	31,753,623

The accompanying notes on pages 48 to 103 form an integral part of these financial statements.

Retained earnings		Other reserves		Total		
US\$	KHR'000	US\$	KHR'000	US\$	KHR'000	
18,220,927	74,577,591	-	437,966	156,275,555	643,386,460	
29,951,253	123,099,649	-	-	29,951,253	123,099,649	
-	-		(1,324,831)	-	(1,324,831)	
29,951,253	123,099,649	-	(1,324,831)	29,951,253	121,774,818	
(3,509,541)	(14,343,494)	-	-	-	-	
-	-	-	-	-	(4,424,767)	
(3,509,541)	(14,343,494)	-	-	-	(4,424,767)	
44,662,639	183,333,746	-	(886,865)	186,226,808	760,736,511	
44,662,639	183,333,746	-	(886,865)	186,226,808	760,736,511	
24,177,912	98,428,278	-	-	24,177,912	98,428,278	
-	-		(3,730,994)	-	(3,730,994)	
24,177,912	98,428,278	-	(3,730,994)	24,177,912	94,697,284	
(1,324,930)	(5,393,790)	-	-	-	-	
-	-	-	-	-	(8,554,797)	
(1,324,930)	(5,393,790)	-	-	-	(8,554,797)	
67,515,621	276,368,234	-	(4,617,859)	210,404,720	846,878,998	



STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2024

	Notes	2024		2023	
		US\$	KHR'000	US\$	KHR'000
Cash flows from operating activities					
Cash generated from operations	32	127,184,717	517,768,981	117,416,436	482,581,553
Interest received		82,245,122	334,819,892	77,721,135	319,433,865
Interest paid		(32,121,297)	(130,765,800)	(25,833,712)	(106,176,556)
Income tax paid	20	(7,084,559)	(28,841,240)	(6,263,374)	(25,742,467)
Net cash generated from operating activities		170,223,983	692,981,833	163,040,485	670,096,395
Cash flows from investing activities					
Purchases of property and equipment	11	(535,357)	(2,179,438)	(1,152,549)	(4,736,976)
Proceeds from disposal of property and equipment		-	-	(15,713)	(64,580)
Purchases of intangible assets	12	(290,561)	(1,182,874)	(283,823)	(1,166,513)
Statutory capital deposit		(635)	(2,585)	-	-
Investment in debt security	10	(20,000,000)	(81,420,000)	-	-
Deposits and placements with the central bank – maturity later than three months		15,832,732	64,455,052	1,176,301	4,834,597
Deposits and placements with other banks – maturity later than three months		85,872,314	349,586,190	(136,185,526)	(559,722,512)
Net cash generated/(used in) from investing activities		80,878,493	329,256,345	(136,461,310)	560,855,984
Cash flows from financing activities					
Proceeds from borrowings	18	-	-	1,853,356	7,617,293
Repayment of borrowings	18	(4,632,894)	(18,860,511)	(4,231,955)	(17,393,335)
Repayment of subordinated debt		(8,000,000)	(32,568,000)	(2,000,000)	(8,170,000)
Principal element of lease payments		(1,277,517)	(5,200,772)	(1,127,434)	(4,633,753)
Net cash used in financing activities		(13,910,411)	(56,629,283)	(5,506,033)	(22,579,795)
Net increase in cash and cash equivalents		237,192,065	965,608,895	21,073,142	86,660,616
Cash and cash equivalents at beginning of the year		210,386,283	859,427,966	189,313,141	779,402,202
Currency translation differences		-	(23,534,010)	-	(6,634,852)
Cash and cash equivalents at the end of year	31	447,578,348	1,801,502,851	210,386,283	859,427,966

The accompanying notes on pages 48 to 103 form an integral part of these financial statements.



NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

1. BACKGROUND INFORMATION

Chip Mong Commercial Bank Plc. (the Bank) was incorporated in Cambodia on 15 June 2018 under the Registration No. 00034187 issued by the Ministry of Commerce. On 17 January 2019, the Bank obtained a permanent banking license No. B-47 from the National Bank of Cambodia (the NBC).

The principal activities of the Bank are the provision of all aspect of banking business and related financial services in Cambodia.

The original registered office of the Bank was located at No. 137B, Mao Tse Tung Blvd, Sangkat Boeng Keng Kang 3, Khan Chamkarmon, Phnom Penh, Cambodia. Subsequently, the registered office of the Bank was changed to Building No. 174 (1st, 3rd & 4th floor), Czech Republic Boulevard corner Street No.164, Sangkat Veal Vong, Khan Prampir Makara, Phnom Penh, Kingdom of Cambodia. The amendment to the Memorandum and Articles of Association (M&AA) was endorsed by the Ministry of Commerce (MoC) on 15 December 2021.

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

2.1 BASIS OF PREPARATION

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

The financial statements have been prepared under the historical cost convention.

The Bank discloses the amount for each asset and liability that is expected to be recovered or settled no more than 12-month after the reporting period as current, and more than 12-month after the reporting period as non-current.

The preparation of financial statements in conformity with CIFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 3.

An English version of the financial statements have been prepared from the financial statements that are in the Khmer language. In the event of a conflict or a difference in interpretation between the two languages, the Khmer language financial statements shall prevail.

2.2 NEW STANDARDS AND INTERPRETATION

(i) New and amended standards adopted by the Bank

The Bank has applied the following standards and amendments for the first time for their annual reporting period commencing 1 January 2024:

- Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants – Amendments to CIAS 1;
- Lease Liability in a Sale and Leaseback – Amendments to CIFRS 16; and
- Supplier Finance Arrangement – Amendments to CIAS 7 and CIFRS 7

The amendments listed above did not have any impact on the amounts of recognised in prior periods and are not expected to significantly affect the current or future periods.

(ii) New standards and interpretations not yet adopted by the Bank

Certain new accounting standards and interpretations have been published that are not mandatory for 31 December 2024 reporting period and have not been early adopted by the Bank. These standards are not expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

2.3 FOREIGN CURRENCY TRANSLATION

(i) Functional and presentation currency

Items included in the financial statements of the Bank are measured using the currency of the primary economic environment in which the Bank operates (the functional currency). The functional currency is United States dollars (US\$) because of the significant influence of the US\$ on its operations. The financial statements are presented in US\$ which is the Bank's functional and presentation currency.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in currencies other than US\$ are recognised in profit or loss.

(iii) Presentation in Khmer Riel

In compliance with the Law on Accounting and Auditing, the financial statements shall be expressed in Khmer Riel (KHR). The statement of profit or loss and other comprehensive income and the statement of cash flows are translated into KHR using the average exchange rates for the year. Assets and liabilities for each statement of financial position presented and shareholders' capital are translated at the closing rates as at the reporting date. Resulting exchange differences arising from the translation of shareholders' capital and reserves are recognised directly in equity; all other resulting exchange differences are recognised in the other comprehensive income.

The Bank has used the official rates of exchange published by the National Bank of Cambodia, and as at the reporting date, the average rate was US\$ 1 to KHR 4,025 (2023: US\$ 1 to KHR 4,110) and the closing rate was US\$ 1 to KHR 4,071 (2023: US\$ 1 to KHR 4,085).

2.4 CASH AND CASH EQUIVALENTS

For the purpose of presentation in the statement of cash flows, cash and cash equivalents comprise cash on hand, unrestricted deposits and placements with the central bank and other banks, and other short-term highly liquid investments with original maturities of three months or less where the Bank has full ability to withdraw for general purpose whenever needed and subject to an insignificant risk of changes in value.

Deposits and placements with the central bank and other banks are carried at amortised cost in the statement of financial position. Bank overdrafts are shown within borrowings in current liabilities in the statement of financial position.

2.5 FINANCIAL ASSETS

(a) Classification

The Bank classifies its financial assets as measured at amortised cost and they are cash on hand, deposits and placements with the central bank and other banks, loans and advances at amortised cost, investment in debt security and other financial assets.

The classification depends on the Bank's model for managing financial assets and the contractual terms of the financial assets cash flows.

- The asset is held within a business model with the objective of collecting the contractual cash flows, and
- The contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding.

(b) Recognition and derecognition

Financial assets are recognised when the Bank becomes a party to the contractual provision of the instruments. Regular way purchases and sales of financial assets are recognised on trade date, being the date on which the Bank commits to purchase or sell the assets.

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Bank has transferred substantially all the risks and rewards of ownership. A gain or loss on derecognition of a financial asset measured at amortised cost is recognised in profit or loss when the financial asset is derecognised.

(c) Measurement

At initial recognition, the Bank measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss. Immediately after initial recognition, an expected credit loss allowance (ECL) is recognised for financial assets measured at amortised cost, which results in an accounting loss being recognised in profit or loss when an asset is newly originated.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Debt instruments

Subsequent measurement of debt instruments depends on the Bank's business model for managing the assets and the cash flow characteristics of the assets. The Bank classifies its debt instruments as financial assets measured at amortised cost.

Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows are solely payments of principal and interest (SPPI), are measured at amortised cost. The carrying amount of these assets is adjusted by any expected credit loss allowance recognised. Interest income from these financial assets is included in finance income using the effective interest rate method.

For staff housing loans at an interest rate below the market rate, such loans are initially recognised at the present value of the future cash payments discounted at a market rate of interest for a similar loan. Differences between the amount of cash paid and the present value of the future cash receipts are recognised as advanced employee benefits in other assets and amortised to employee benefit expense to profit or loss over loan period.

(d) Reclassification of financial assets

The Bank reclassifies financial assets when and only when their business model for managing those assets changes.

(e) Impairment

The Bank assesses on a forward-looking basis the expected credit losses (ECL) associated with its debt instrument assets carried at amortised cost and with the exposure arising from credit commitments (including overdrafts and revolving facilities) and financial guarantee contracts. The Bank recognises a loss allowance for such losses at each reporting date. The measurement of ECL reflects:

- An unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes; The time value of money; and
- Reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

The Bank applies a three-stage approach to measuring expected credit losses for the following categories:

Debt instruments measured at amortised cost; and

Credit commitments (including undrawn overdrafts and revolving facilities) and financial guarantee contracts

The three-stage approach is based on the change in credit risk since initial recognition:

(a) Stage 1: 12-months ECL

Stage 1 includes financial assets which have not had a significant increase in credit risk since initial recognition or which have low credit risk at reporting date. 12-months ECL is recognised and interest income is calculated on the gross carrying amount of the financial assets.

(b) Stage 2: Lifetime ECL – not credit impaired

Stage 2 includes financial assets which have had a significant increase in credit risk since initial recognition (unless they have low credit risk at the reporting date) but do not have objective evidence of impairment. Lifetime ECL is recognised and interest income is calculated on the gross carrying amount of the financial assets.

(c) Stage 3: Lifetime ECL – credit impaired

Stage 3 includes financial assets that have objective evidence of impairment at the reporting date. Lifetime ECL is recognised and interest income is calculated on the net carrying amount of the financial assets.

(f) Derivatives

Derivatives are initially recognised at fair value on the date a derivative contract is entered into, and they are subsequently remeasured to their fair value at the end of each reporting period. The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument and, if so, the nature of the item being hedged.

Derivative instruments do not qualify for hedge accounting in which changes in fair value are recognised immediately in profit or loss and are included in other gains/(losses) – net

2.6 FINANCIAL LIABILITIES

Financial liabilities are recognised when the Bank becomes a party to the contractual provision of the instruments. Financial liabilities of the Bank include deposits from banks, deposits from customers, borrowings, subordinated debts, lease liabilities and other financial liabilities.

Financial liabilities are initially recognised at fair value less transaction costs for all financial liabilities not carried at fair value through profit or loss.

Financial liabilities that are not classified as fair value through profit or loss are measured at amortised cost. The financial liabilities measured at amortised cost are deposits from banks, deposits from customers, borrowings, subordinated debts and other financial liabilities.

Financial liabilities are derecognised when they have been redeemed or otherwise extinguished.

2.7 CREDIT COMMITMENTS AND FINANCIAL GUARANTEE CONTRACTS

Credit commitments (including undrawn overdrafts and revolving facilities) provided by the Bank are measured at the amount of the loss allowance. The Bank has not provided any commitment to provide loans at a below-market interest rate, or that can be settled net in cash or by delivering or issuing another financial instrument.

For credit commitments (including undrawn overdraft and revolving facilities), the expected credit losses are recognised as provisions (presented within other liabilities). However, for contracts that include both a loan and an undrawn commitment and that the Bank cannot separately identify the expected credit losses on the undrawn commitment component from those on the loan component, the expected credit losses on the undrawn commitment are recognised together with the loss allowance for the loan. To the extent that the combined expected credit losses exceed the gross carrying amount of the loan, the expected credit losses are recognised as a provision.

Financial guarantee contracts are contracts that require the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due, in accordance with the terms of a debt instrument. Such financial guarantees are given to banks, financial institutions and other bodies on behalf of customers to secure loans, overdrafts and other banking facilities.

Financial guarantees are initially recognised in the financial statements at fair value on the date the guarantee was given. The guarantees are agreed on arm's length terms and the value of the premium agreed corresponds to the value of the guarantee obligation. No receivable for the future premiums is recognised. Financial guarantee contracts are subsequently measured at the higher of the amount determined in accordance with the expected credit loss model under CIFRS 9 'Financial Instruments' and the amount initially recognised less cumulative amount of income recognised in accordance with the principles of CIFRS 15 'Revenue from Contracts with Customers', where appropriate.

These estimates are determined based on experience of similar transactions and history of past losses, supplemented by the judgement of management. The fee income earned is recognised on a straight-line basis over the life of the guarantee. Any increase in the liability relating to guarantees is reported in profit or loss within operating expenses.

2.8 OFFSETTING FINANCIAL INSTRUMENTS

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

2.9 PROPERTY AND EQUIPMENT

Property and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is possible that future economic benefits associated with the item will flow to the Bank and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Construction work-in-progress is not depreciated. Depreciation on other property and equipment are depreciated using the straight-line method to allocate their cost to their residual value over their estimated useful lives, as follows:reliably. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Construction work-in-progress is not depreciated. Depreciation on other property and equipment are depreciated using the straight-line method to allocate their cost to their residual value over their estimated useful lives, as follows:

	Years
Leasehold improvements	Shorter of lease period and its economic life
Office equipment	2 - 10
Computer and IT equipment	3 - 5
Motor vehicles	5
Furniture and fixtures	5

Depreciation on work-in-progress commences when the assets are ready for their intended use. The assets' useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

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

2.10 INTANGIBLE ASSETS

Intangible assets, which comprise acquired computer software licences and related costs, are stated at cost less accumulated amortisation and impairment loss. Acquired computer software licences are capitalised based on the cost incurred to acquire the specific software and bring it into use. These costs are amortised over three years using the straight-line method, except for the license of the core banking system which has a useful life of ten years.

Work-in-progress is not amortised. Costs associated with maintaining intangible assets are recognised as an expense when incurred.

2.11 IMPAIRMENT OF NON-FINANCIAL ASSETS

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation or depreciation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. 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 fair value less costs of disposal and its value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

Any impairment loss is charged to profit or loss in the period in which it arises. Reversal of impairment losses is recognised in profit or loss to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, had no impairment loss been recognised.

2.12 LEASES

The Bank as a lessee

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

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

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

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

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

(i) Lease liabilities

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

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

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

To determine the incremental borrowing rate, the Bank where possible, uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received.

Lease payments are allocated between principal and interest expense. The interest expense was charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

(ii) Right-of-use assets

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

- the amount the initial measurement of lease liability
- any lease payments made at or before the commencement date less any lease incentives received
- any initial direct cost, and
- restoration cost, if any

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

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

(iii) Recognition exemptions

Payments associated with all short-term and low value leases are charged to profit or loss on a straight-line basis over the period of the lease. Short-term leases are leases with a lease term of 12 months or less.

2.13 INCOME TAX

The income tax expense is the tax payable on the current's period taxable income, based on the applicable income tax rate, adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax law enacted or substantively enacted at the reporting date in the country where the Bank operates and generates taxable income.

Deferred tax is provided in full, using the liability method, providing for temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax is determined using tax rates based on laws that have been enacted or substantively enacted by the reporting date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which temporary difference can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets and they relate to income taxes levied by the same tax authority on the same taxable entity.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

2.14 PROVISION

Provisions are recognised when the Bank has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated.

When there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

2.15 REGULATORY RESERVES

Banks and financial institutions are required to compute regulatory provisions, according to Prakas No. B7-017-344 dated 1 December 2017 and Circular No. B7-018-001 dated 16 February 2018 on credit risk classification and provisions on impairment, and Circular No. B7-021-2314 dated 28 December 2021 (implemented from 1 January 2022) on the classification and provisioning requirements for restructured loans, and Notification No. B30-025-170 dated 5 February 2025 on calculation of the total provision. If the accumulated regulatory provision is higher than the accumulated impairment based on CIFRS 9, the 'topping up' will be recorded as regulatory reserves presented under equity. The reserve is subsequently reversed (up to zero) should the accumulated regulatory provision equal or be lower than accumulated impairment based on CIFRS 9. The regulatory reserve is set aside as a buffer, is non-distributable, is not allowed to be included in the net worth calculation.

2.16 EMPLOYEE BENEFITS

(i) Short-term employee benefits

Short-term employee benefits are accrued in the year in which the associated services are rendered by the employees of the Bank.

(ii) Pension obligations

The Bank pays monthly contributions for the compulsory pension scheme to NSSF, a publicly administered social security scheme for pension in Cambodia. The Bank has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expenses when they are due.

(iii) Other employment benefits – seniority payments

In June 2018, the Cambodian government amended the Labour Law introducing the seniority pay scheme. Subsequently on 21 September 2018, Prakas No. 443 K.B/Br.K.Kh.L, was issued providing guidelines on the implementation of the law. In accordance with the law/Prakas, each entity is required to pay each employee with unspecified duration employment contract the following seniority scheme:

- Annual service – effective January 2019, 15 days of their average monthly salary and benefits each year payable every six months on 30 June and 31 December (7.5 days each payment).

The annual service pay is considered as short-term employee benefits. These are accrued in the year in which the associated services are rendered by the employees of the Bank.

2.17 INTEREST INCOME AND EXPENSE

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

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

Interest income is calculated by applying effective interest rate to the gross carrying amount of a financial asset except for:

- Purchased or originated credit-impaired financial assets (POCI), for which the original credit-adjusted effective interest rate is applied to the amortised cost of the financial assets.
- Financial assets that are not POCI but have subsequently become credit-impaired (or stage 3), for which interest revenue is calculated by applying the effective interest rate to their amortised cost (i.e. net of the expected credit loss provision).

2.18 FEE AND COMMISSION INCOME

Fees and commissions are recognised as income when all conditions precedent is fulfilled (performance obligations are satisfied and control is transferred over time or point in time).

Commitment fees for loans, advances and financing that are likely to be drawn down are deferred (together with related direct costs) and income which forms an integral part of the effective interest rate of a financial instrument is recognised as an adjustment to the effective interest rate on the financial instrument.

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The Bank makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, rarely equal the related actual results. To enhance the information content of the estimates, certain key variables that are anticipated to have material impact to the Bank's results and financial position are tested for sensitivity to changes in the underlying parameters. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year are outlined below:

(i) 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).

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

- Determining criteria for significant increase in credit risk;
- Choosing appropriate models and assumptions for the measurement of ECL;
- Establishing the number and relative weightings of forward-looking scenarios for each type of product/market and the associated ECL;
- Establishing groups of similar financial assets for the purposes of measuring ECL;
- For individual assessment management makes judgement on the future in respect of the estimation of amount and timing of cash flows from the net realisable value of the underlying collateral value

(ii) Lease terms

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

iii) Expected credit losses on deposits and placements with other banks

The Bank applies proxy to external credit rating agency's default rate and recovery rate to measure expected credit losses for deposits and placements with other banks. In doing so, the Bank assessed and applied a credit risk adjusting factor using the year-on-year changes to non-performing loans (NPL) ratios of the respective depositories to reflect the current industry credit risk movement.

FOR THE YEAR ENDED 31 DECEMBER 2024

4. CASH ON HAND

	2024		2023	
	US\$	KHR'000	US\$	KHR'000
Current				
US Dollars	20,837,139	83,869,484	23,241,105	94,939,914
Khmer Riel.	3,432,205	13,814,626	3,714,538	15,173,888
Total	24,269,344	97,684,110	26,955,643	110,113,802

5. DEPOSITS AND PLACEMENTS WITH THE CENTRAL BANK

	2024		2023	
	US\$	KHR'000	US\$	KHR'000
Current				
Current accounts	136,846,231	550,806,080	77,423,217	316,273,841
Settlement accounts	8,129,477	32,721,145	9,764,426	39,887,681
Negotiable certificate of deposits (*)	7,754,529	31,211,979	60,274,658	246,221,978
Total	152,730,237	614,739,204	147,462,301	602,383,500

Annual interest rates on deposits and placements with the central bank are as follows:

	2024	2023
Current accounts	0%	0%
Negotiable certificate of deposits(*)	1.03% - 1.33%	0.50%-1.33%

(*) The Bank has pledged negotiable certificate of deposits (NCD) totalling US\$7,745,342 (31 December 2023: US\$14,791,922) with the central bank as collateral for a settlement clearing facility. As at 31 December 2024, the bank has not used this facility (2023: nil).

6. DEPOSITS AND PLACEMENTS WITH OTHER BANKS

(a) By residency status

	2024		2023	
	US\$	KHR'000	US\$	KHR'000
Deposits and placements with local banks	384,027,951	1,545,712,503	260,505,804	1,064,166,209
Deposits and placements with overseas banks	12,525,966	50,417,013	3,625,531	14,810,295
	396,553,917	1,596,129,516	264,131,335	1,078,976,504
Less:				
Allowance for expected credit loss	(5,470,732)	(22,019,696)	(2,683,893)	(10,963,703)
	391,083,185	1,574,109,820	261,447,442	1,068,012,801

(b) By account types

	2024		2023	
	US\$	KHR'000	US\$	KHR'000
Fixed deposits	381,138,963	1,534,084,326	255,844,924	1,045,126,515
Demand deposits	15,414,954	62,045,190	8,286,411	33,849,989
	396,553,917	1,596,129,516	264,131,335	1,078,976,504
Less:				
Allowance for expected credit loss	(5,470,732)	(22,019,696)	(2,683,893)	(10,963,703)
	391,083,185	1,574,109,820	261,447,442	1,068,012,801

(c) By maturity

	2024		2023	
	US\$	KHR'000	US\$	KHR'000
Current	60,589,836	243,874,090	59,516,521	243,124,988
Non-current	335,964,081	1,352,255,426	204,614,814	835,851,516
	396,553,917	1,596,129,516	264,131,335	1,078,976,504
Less:				
Allowance for expected credit loss	(5,470,732)	(22,019,696)	(2,683,893)	(10,963,703)
	391,083,185	1,574,109,820	261,447,442	1,068,012,801

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

	2024	2023
Fixed deposits	4.00% - 7.30%	3.00% - 7.50%
Demand deposits	Nil	Nil

7. STATUTORY DEPOSITS WITH THE CENTRAL BANK

	2024		2023	
	US\$	KHR'000	US\$	KHR'000
Current				
Reserve requirement (i)	70,196,596	282,541,299	73,630,441	300,780,351
Non-current				
Capital guarantee deposit (ii)	13,589,140	54,696,288	13,589,775	55,514,231
	83,785,736	337,237,587	87,220,216	356,294,582

(i) Reserve requirement

Pursuant to the NBC's Prakas No. B7-023-005 on the maintenance of reserve requirement against banking and financial institutions' deposits and borrowings dated 9 January 2023, the institution shall maintain reserve requirement against deposits and borrowings in accordance with dates and rates as follows:

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

However, in the NBC Letter No. B7-023-2621 Chhor.Tor dated 23 November 2023, the reserve requirement against deposits and borrowings in foreign currencies was changed at the rate of 7% until 31 December 2024.

Pursuant to the NBC's Prakas No. B7-018-282 on the maintenance of reserve requirement against commercial banks' deposits and borrowings, reserve requirements for both KHR and other currencies bear no interest since 29 August 2018.

The reserve requirement with NBC amounted to US\$83,785,736 as at 31 December 2024 (31 December 2023: US\$73,630,441).

(ii) Capital guarantee deposit

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

Annual interest rates:

	2024	2023
Capital guarantee deposit	1.31%	1.33%
Reserve requirement	Nil	Nil

8. LOANS AND ADVANCES AT AMORTISED COST

	2024		2023	
	US\$	KHR'000	US\$	KHR'000
Commercial loans				
Long-term loans	277,102,271	1,115,336,641	297,921,309	1,217,008,547
Short-term loans	97,471,653	392,323,403	8,892,730	36,326,802
Overdrafts	13,711,374	55,188,281	24,418,872	99,751,092
Consumer loans				
Mortgage loans	319,883,419	1,287,530,761	371,348,999	1,516,960,661
Staff loans	2,113,127	8,505,336	2,255,714	9,214,592
Other consumer loans	11,251,279	45,286,398	13,858,861	56,613,448
Total gross loans	721,533,123	2,904,170,820	718,696,485	2,935,875,142
Less:				
Allowance for expected credit loss	(15,037,689)	(60,526,698)	(7,041,467)	(28,764,393)
	706,495,434	2,843,644,122	711,655,018	2,907,110,749

(a) Allowance for expected credit loss

Allowance for expected credit loss by stages are as follows:

	2024		2023	
	US\$	KHR'000	US\$	KHR'000
12-month ECL (Stage 1)	10,857,175	43,700,129	3,545,342	14,482,722
Lifetime ECL - not credit impaired (Stage 2)	615,934	2,479,134	750,571	3,066,083
Lifetime ECL - credit impaired (Stage 3)	3,564,580	14,347,435	2,745,554	11,215,588
	15,037,689	60,526,698	7,041,467	28,764,393

(b) By industry

	2024		2023	
	US\$	KHR'000	US\$	KHR'000
Mortgage	390,091,165	1,570,116,939	386,749,266	1,579,870,752
Wholesale and retails	201,276,562	810,138,162	221,731,707	905,774,023
Financial services	26,259,407	105,694,113	42,008,790	171,605,907
Manufacturing	50,923,171	204,965,763	39,397,483	160,938,718
Construction	32,792,296	131,988,991	6,798,085	27,770,178
Logistics	20,190,522	81,266,852	22,011,154	89,915,564
Total gross loans	721,533,123	2,904,170,820	718,696,485	2,935,875,142

(c) Analysis by loan classification

	2024		2023	
	US\$	KHR'000	US\$	KHR'000
Performing				
Gross amount	668,233,322	2,689,639,121	692,064,474	2,827,083,377
Exposure at default	668,233,322	2,689,639,121	692,064,474	2,827,083,377
Allowance for expected credit loss	(10,857,175)	(43,700,129)	(3,545,342)	(14,482,722)
Under-performing				
Gross amount	11,420,955	45,969,344	16,267,943	66,454,547
Exposure at default	11,420,955	45,969,344	16,267,943	66,454,547
Allowance for expected credit loss	(615,934)	(2,479,134)	(750,571)	(3,066,083)
Non-performing				
Gross amount	41,878,846	168,562,355	10,364,068	42,337,218
Exposure at default	41,878,846	168,562,355	10,364,068	42,337,218
Allowance for expected credit loss	(3,564,580)	(14,347,435)	(2,745,554)	(11,215,588)
Total				
Gross amount	721,533,123	2,904,170,820	718,696,485	2,935,875,142
Exposure at default	721,533,123	2,904,170,820	718,696,485	2,935,875,142
Allowance for expected credit loss	(15,037,689)	(60,526,698)	(7,041,467)	(28,764,393)

(d) By maturity

	2024		2023	
	US\$	KHR'000	US\$	KHR'000
Not later than one year	193,188,421	777,583,395	147,941,684	604,341,779
Later than one year and no later than three years	29,587,094	119,088,053	22,503,955	91,928,656
Later than three years and no later than five years	49,775,439	200,346,142	115,466,250	471,679,631
Later than five years	448,982,169	1,807,153,230	432,784,596	1,767,925,076
Total gross loans	721,533,123	2,904,170,820	718,696,485	2,935,875,142

(e) By exposure

	2024		2023	
	US\$	KHR'000	US\$	KHR'000
Large exposure	160,655,003	646,636,387	63,646,800	259,997,180
Non-large exposure	560,878,120	2,257,534,433	655,049,685	2,675,877,962
Total gross loans	721,533,123	2,904,170,820	718,696,485	2,935,875,142

Large exposure is defined by the central bank as overall credit exposure to any individual beneficiary which exceeds 10% of the Bank's net worth.

(f) By relationship

	2024		2023	
	US\$	KHR'000	US\$	KHR'000
Related parties	1,395,176	5,615,584	2,654,384	10,843,159
Non-related parties	720,137,947	2,898,555,236	716,042,101	2,925,031,983
Total gross loans	721,533,123	2,904,170,820	718,696,485	2,935,875,142

(g) By residency

	2024		2023	
	US\$	KHR'000	US\$	KHR'000
Residents	721,533,123	2,904,170,820	718,696,485	2,935,875,142

(h) By interest rate

	2024		2023	
	US\$	KHR'000	US\$	KHR'000
Commercial loans				
Long-term loans		6.84% - 8.94%		6.50% - 13.00%
Short-term loans		7.00% - 10.00%		7.00% - 11.50%
Overdrafts		8.53% - 12.99%		7.50% - 12.00%
Consumer loans				
Mortgage loans		8.32% - 9.73%		7.43% - 11.50%
Staff loans		3.50%		3.50%
Other consumer loans		10.50% - 20.00%		10.50% - 20.00%

9. DERIVATIVE FINANCIAL INSTRUMENTS

The Bank entered into a cross currency swap agreement with local commercial banks and other financial institutions.

The full fair value of the derivative financial instruments are classified as current assets because maturity of the instruments are within 12 months.

Valuation techniques used to determine fair values

If one or more of the significant inputs is not based on observable market data, the instrument is included in level three; this is the case for cross currency swaps in Khmer Riel.

The Bank performs valuation of fair value of the derivative financial instruments by comparing closing rate published by the National Bank of Cambodia (NBC) with the forward rate of each contract.

	2024		2023	
	Amount to be paid US\$	Amount to be collected KHR'000	Amount to be paid US\$	Amount to be collected KHR'000
Derivatives at fair value through profit or loss				
	Maturity 2024		Maturity 2023	
Cross currency swaps	-	-	5,000,000	20,837,580

The movement of derivatives financial instruments are as follows:

	2024		2023	
	US\$	KHR'000	US\$	KHR'000
At 1 January	105,895	432,581	1,335,113	5,496,660
Addition to unrealised gain during the year	-	-	99,754	409,989
Transfer to realised gain during the year	(105,895)	(431,099)	(1,328,972)	(5,462,075)
Currency translation differences	-	(1,482)	-	(11,993)
At 31 December	-	-	105,895	432,581

10. INVESTMENT IN DEBT SECURITY

On 4 January 2022, the Bank subscribed to a guaranteed bond for a total amount of US\$5,000,000 (five million United States Dollar) issued by Cambodia Airport Investment Co., Ltd. with a coupon rate of 5.50% per annum (net), with a maturity due on 3 January 2025.

On 6 February 2024, the Bank subscribed to another guaranteed bond for a total amount of US\$20,000,000 (twenty million United States Dollar) issued by Cambodia Airport Investment Co., Ltd. with a coupon rate of 6% per annum (net), with a maturity due on 5 February 2025.

The Bank is not allowed to redeem (early redemption) the guaranteed bond before the maturity date.

	2024		2023	
	US\$	KHR'000	US\$	KHR'000
Current	6,475,000	26,061,875	275,000	1,123,375
Non-current	19,881,967	80,024,917	5,000,000	20,425,000
	26,356,967	106,086,792		
Less:				
Allowance for expected credit loss	(456,210)	(1,836,245)	-	-
	25,900,757	104,250,547	5,275,000	21,548,375

The movements of investment in debt security is as follows:

	2024		2023	
	US\$	KHR'000	US\$	KHR'000
Principal amount				
At 1 January	5,000,000	20,425,000	5,000,000	20,585,000
Addition during the year	20,000,000	81,420,000	-	-
Currency translation differences	-	(1,220,000)	-	(160,000)
At 31 December	25,000,000	100,625,000	5,000,000	20,425,000

	2024		2023	
	US\$	KHR'000	US\$	KHR'000
<i>Interest receivables</i>				
At 1 January	275,000	1,123,375	272,740	1,122,871
Interest income	1,370,221	5,578,170	278,852	1,146,082
Interest collection	(288,254)	(1,173,482)	(276,592)	(1,136,793)
Currency translation differences	-	(66,271)	-	(8,785)
At 31 December	1,356,967	5,461,792	275,000	1,123,375
Less:				
Allowance for expected credit loss	(456,210)	(1,836,245)	-	-
	25,900,757	104,250,547	5,275,000	21,548,375

II. PROPERTY AND EQUIPMENT

Non-current	Leasehold improvements US\$	Office equipment US\$	Computer and IT equipment US\$	Motor vehicles US\$	Furniture and fixtures US\$	Work in progress US\$	Total US
For the year ended 31 December 2023							
Opening net book value	2,930,939	985,304	1,106,618	105,336	471,110	94,960	5,694,267
Additions	50,311	388,457	159,934	130,000	3,971	446,391	1,179,064
Transfers	239,174	178,926	96,580	-	16,000	(530,680)	-
Disposal/write-off	-	(2,351)	(411)	(7,917)	-	(5,034)	(15,713)
Depreciation charge	(562,208)	(531,589)	(488,254)	(84,440)	(105,321)	-	(1,771,812)
Closing net book value	2,658,216	1,018,747	874,467	142,979	385,760	5,637	5,085,806
As at 31 December 2023							
Cost	4,454,247	3,036,580	2,838,534	445,500	736,936	5,637	11,517,434
Accumulated depreciation	(1,796,031)	(2,017,833)	(1,964,067)	(302,521)	(351,176)	-	(6,431,628)
Net book value	2,658,216	1,018,747	874,467	142,979	385,760	5,637	5,085,806
In KHR'000 equivalents	10,858,812	4,161,581	3,572,198	584,069	1,575,830	23,028	20,775,518
For the year ended 31 December 2024							
Opening net book value	2,658,216	1,018,747	874,467	142,979	385,760	5,637	5,085,806
Additions	13,232	25,209	15,121	713	1,475	501,790	557,540
Transfers	134,468	-	310,200	-	-	(444,668)	-
Disposal/write-off	(109,735)	-	-	-	(825)	-	(110,560)
Depreciation charge	(618,090)	(444,134)	(363,512)	(64,221)	(110,393)	-	(1,600,350)
Closing net book value	2,078,091	599,822	836,276	79,471	276,017	62,759	3,932,436
As at 31 December 2024							
Cost	4,385,698	3,057,143	3,160,306	445,500	736,110	62,759	11,847,516
Accumulated depreciation	(2,307,607)	(2,457,321)	(2,324,030)	(366,029)	(460,093)	-	(7,915,080)
Net book value	2,078,091	599,822	836,276	79,471	276,017	62,759	3,932,436
In KHR'000 equivalents	8,364,316	2,414,284	3,366,011	319,871	1,110,968	252,605	15,828,055

Below table provide details of cash used for the purchases of property and equipment:

	2024		2023	
	US\$	KHR'000	US\$	KHR'000
Additions	557,540	2,269,745	1,179,064	4,845,953
Increase in account payables	(22,183)	(90,307)	(26,515)	(108,977)
	535,357	2,179,438	1,152,549	4,736,976

12. INTANGIBLE ASSETS

Non-current	Computer software US\$	Work in progress US\$	Total US\$
For the year ended 31 December 2023			
Opening net book value	4,516,695	154,676	4,671,371
Additions	105,450	178,373	283,823
Transfers	304,582	(304,582)	-
Amortisation charge	(842,993)	-	(842,993)
Closing net book value	4,083,734	28,467	4,112,201
As at 31 December 2023			
Cost	7,048,830	28,467	7,077,297
Accumulated amortisation	(2,965,096)	-	(2,965,096)
Closing net book value	4,083,734	28,467	4,112,201
In KHR'000 equivalents	16,682,053	116,288	16,798,341
For the year ended 31 December 2024			
Opening net book value	4,083,734	28,467	4,112,201
Additions	52,772	237,789	290,561
Transfers	220,550	(220,550)	-
Amortisation charge	(869,565)	-	(869,565)
Closing net book value	3,487,491	45,706	3,533,197
As at 31 December 2024			
Cost	7,313,468	45,706	7,359,174
Accumulated amortisation	(3,825,977)	-	(3,825,977)
Closing net book value	3,487,491	45,706	3,533,197
In KHR'000 equivalents	14,037,151	183,967	14,221,118

13. LEASES

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

The Bank leases various buildings for its head office and branch operation. Rental contracts are typically made for fixed periods of two years to ten years. The lease has varying terms, escalation clauses and renewal rights. On renewal, the terms of the leases are renegotiated.

(a) Amounts recognised in the statement of financial position

	2024		2023	
	US\$	KHR'000	US\$	KHR'000
Rights-of-use assets - non-current:				
Office space	3,300,044	13,282,678	3,420,661	13,973,400
ATM locations	14,538	58,515	63,871	260,913
	3,314,582	13,341,193	3,484,532	14,234,313
Lease liabilities:				
Current	1,018,880	4,100,992	1,020,327	4,168,037
Non-current	2,724,589	10,966,471	2,984,979	12,193,638
	3,743,469	15,067,463	4,005,306	16,361,675

Additions to the right-of-use assets during the year were US\$1,015,623 (2023: US\$324,068).

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

The statement of profit or loss shows the following amounts relating to leases:

	2024		2023	
	US\$	KHR'000	US\$	KHR'000
Depreciation – right-of-use assets (note 28)	1,185,573	4,826,468	1,111,979	4,570,234
Interest expense on lease liabilities (note 24)	287,408	1,170,038	323,094	1,327,916
Expenses related to short-term and low value leases (note 29)	416,621	1,696,064	426,823	1,754,243
	1,889,602	7,692,570	1,861,896	7,652,393

(c) Amounts recognised in the statement of cash flows

	2024		2023	
	US\$	KHR'000	US\$	KHR'000
Total cash outflows for leases	1,564,982	6,371,042	1,450,586	5,961,907

14. DEFERRED TAX ASSETS, NET

	2024		2023	
	US\$	KHR'000	US\$	KHR'000
Non-current				
Deferred tax assets	2,430,830	9,784,091	2,769,022	11,311,455
Deferred tax liabilities	(1,260,225)	(5,072,406)	(1,158,373)	(4,731,954)
Deferred tax assets, net	1,170,605	4,711,685	1,610,649	6,579,501

The movement of net deferred tax assets during the year are as follows:

	2024		2023	
	US\$	KHR'000	US\$	KHR'000
At 1 January	1,610,649	6,579,501	2,018,582	8,310,502
Charged/(credited) to profit or loss (note 20.b)	(440,044)	(1,791,419)	(407,933)	(1,676,605)
Currency translation differences	-	(76,397)	-	(54,396)
At 31 December	1,170,605	4,711,685	1,610,649	6,579,501

The movement of net deferred tax assets during the year are as follows:

(a) Movement of deferred tax assets

	Allowance for expected credit loss US\$	Leases liabilities US\$	Unamortised loan fee US\$	Unrealised exchanged gains/losses US\$	Total US\$
2023					
At 1 January 2023	1,381,925	-	1,201,643	-	2,583,568
Credited/(charged) to profit or loss	(407,168)	433,436	(201,543)	360,729	185,454
At 31 December 2023	974,757	433,436	1,000,100	360,729	2,769,022
In KHR'000 equivalent	3,981,882	1,770,586	4,085,409	1,473,578	11,311,455
2024					
At 1 January 2024	974,757	433,436	1,000,100	360,729	2,769,022
(Charged)/Credited to profit or loss	414,057	315,258	(236,160)	(831,347)	(338,192)
At 31 December 2024	1,388,814	748,694	763,940	(470,618)	2,430,830
In KHR'000 equivalent	5,589,976	3,013,493	3,074,859	(1,894,237)	9,784,091

(b) Movement of deferred tax liabilities

	Depreciation and amortisation US\$	Derivative financial instruments US\$	Right-of-use assets US\$	Total US\$
2023				
At 1 January 2023	(101,498)	(350,602)	(112,886)	(564,986)
Credited/(charged) to profit or loss	(381,148)	371,781	(584,020)	(593,387)
At 31 December 2023	(482,646)	21,179	(696,906)	(1,158,373)
In KHR'000 equivalent	(1,971,609)	86,516	(2,846,861)	(4,731,954)
2024				
At 1 January 2024	(482,646)	21,179	(696,906)	(1,158,373)
Credited/(charged) to profit or loss	(114,663)	(21,179)	33,990	(101,852)
At 31 December 2024	(597,309)	-	(662,916)	(1,260,225)
In KHR'000 equivalent	(2,404,169)	-	(2,668,237)	(5,072,406)

15. OTHER ASSETS

	2024		2023	
	US\$	KHR'000	US\$	KHR'000
Prepaid to E-wallets	1,642,159	6,609,690	2,044,830	8,353,131
Prepaid licence fees	723,749	2,913,090	637,534	2,604,326
Rental and other deposits	388,410	1,563,350	132,774	542,382
Prepaid employee benefits	100,790	405,680	647,479	2,644,952
Other prepaid expenses	329,524	1,326,333	98,220	401,228
	3,184,632	12,818,143	3,560,837	14,546,019

	2024		2023	
	US\$	KHR'000	US\$	KHR'000
Current	2,510,956	10,106,596	3,101,133	12,668,128
Non-current	673,676	2,711,547	459,704	1,877,891
	3,184,632	12,818,143	3,560,837	14,546,019

16. DEPOSITS FROM OTHER BANKS

	2024		2023	
	US\$	KHR'000	US\$	KHR'000
Fixed deposits	166,334,764	669,497,425	188,173,466	768,688,609
Demand deposits	1,999,035	8,046,116	4,454,780	18,197,776
	168,333,799	677,543,541	192,628,246	786,886,385

(a) By maturity

	2024		2023	
	US\$	KHR'000	US\$	KHR'000
Current	127,611,399	513,635,881	189,628,246	774,631,385
Non-current	40,722,400	163,907,660	3,000,000	12,255,000
	168,333,799	677,543,541	192,628,246	786,886,385

(b) By residency status

	2024		2023	
	US\$	KHR'000	US\$	KHR'000
Deposit from local banks	168,333,799	677,543,541	192,628,246	786,886,385

(c) By relationship

	2024		2023	
	US\$	KHR'000	US\$	KHR'000
Deposit from local banks	168,333,799	677,543,541	192,628,246	786,886,385

(d) By interest rates

	2024	2023
Fixed deposits	0.50% - 7.00%	0.50% - 6.00%
Demand deposits	0.00% - 1.00%	0.00% - 1.00%

17. DEPOSITS FROM NON-BANK CUSTOMERS

	2024		2023	
	US\$	KHR'000	US\$	KHR'000
Demand deposits	595,604,491	2,397,308,076	493,378,353	2,015,450,572
Fixed deposits	404,180,952	1,626,828,332	349,206,518	1,426,508,626
Margin deposits	-	-	721,433	2,947,054
	999,785,443	4,024,136,408	843,306,304	3,444,906,252

(a) By maturity

	2024		2023	
	US\$	KHR'000	US\$	KHR'000
Current	889,764,126	3,581,300,607	781,967,550	3,194,337,442
Non-current	110,021,317	442,835,801	61,338,754	250,568,810
	999,785,443	4,024,136,408	843,306,304	3,444,906,252

(b) By residency status

	2024		2023	
	US\$	KHR'000	US\$	KHR'000
Resident	999,785,443	4,024,136,408	843,306,304	3,444,906,252

(c) By relationship

	2024		2023	
	US\$	KHR'000	US\$	KHR'000
Related parties	20,562,043	82,762,223	27,124,510	110,803,622
Non-related parties	979,223,400	3,941,374,185	816,181,794	3,334,102,630
	999,785,443	4,024,136,408	843,306,304	3,444,906,252

(d) By interest rates

	2024	2023
Demand deposits	0.00% - 3.00%	0.50%-7.50%
Fixed deposits	2.25% - 7.50%	0.25%-3.00%
Margin deposits	Nil	Nil

18. BORROWINGS

	2024		2023	
	US\$	KHR'000	US\$	KHR'000
Current	3,519,984	14,167,936	69,001	281,869
Non-current	7,889,002	31,753,233	15,980,234	65,279,256
	11,408,986	45,921,169	16,049,235	65,561,125

On 31 March 2020, the Bank entered into an agreement of small and medium-sized enterprises co-financing scheme (SCFS) with Small and Medium Enterprise Bank of Cambodia Plc. (SME Bank) with the facility amounting to US\$50,000,000. The borrowing bears interest rate at 2% per annum and it is payable for a period of seven years with a monthly repayment for both interest and principal.

On 16 June 2022, the Bank entered into another agreement of tourism recovery co-financing scheme (TRCS) with SME Bank with the facility amounting to US\$75,000,000. The borrowing bears interest rate at 2.5% per annum.

	2024		2023	
	US\$	KHR'000	US\$	KHR'000
Principal amount	11,391,721	45,851,677	16,024,615	65,460,552
Interest payables	17,265	69,492	24,620	100,573
	11,408,986	45,921,169	16,049,235	65,561,125

Changes in liabilities arising from financing activities – borrowings

	2024		2023	
	US\$	KHR'000	US\$	KHR'000
Principal amount				
At 1 January	16,024,615	65,460,552	18,403,214	75,766,032
Additions	-	-	1,853,356	7,617,293
Payments	(4,632,894)	(18,860,511)	(4,231,955)	(17,393,335)
Currency translation differences	-	(748,364)	-	(529,438)
At 31 December	11,391,721	45,851,677	16,024,615	65,460,552

	2024		2023	
	US\$	KHR'000	US\$	KHR'000
Interest payables				
At 1 January	24,620	100,573	13,685	56,341
Interest expense charges	345,267	1,405,582	469,978	1,931,610
Interest payments	(352,622)	(1,435,524)	(459,043)	(1,886,667)
Currency translation differences	-	(1,139)	-	(711)
At 31 December	17,265	69,492	24,620	100,573

19. SUBORDINATED DEBT

On 3 August 2022, the Bank entered into a subordinated debt agreement with its shareholders amounting to US\$10,000,000 with interest rate 5% per annum and matured on 31 August 2027. The principal and interest will be paid annually, starting from 31 August from 2023 to maturity. The subordinated debts were approved by National Bank of Cambodia for the purpose of Tier 2 capital computation. The subordinated debt is fully repaid as at 31 December 2024.

	2024		2023	
	US\$	KHR'000	US\$	KHR'000
Current	-	-	2,113,333	8,632,965
Non-current	-	-	6,000,000	24,510,000
	-	-	8,113,333	33,142,965

20. INCOME TAXES

(a) Current income tax liabilities

The movement of the Bank's income tax liabilities are as follows:

	2024		2023	
	US\$	KHR'000	US\$	KHR'000
At 1 January	6,192,253	25,295,354	5,339,815	21,984,018
Income tax expense	5,644,069	22,977,005	7,115,812	29,245,987
Adjustment of current tax of prior period	(77,721)	(316,402)	-	-
Income tax paid	(7,084,559)	(28,841,240)	(6,263,374)	(25,742,467)
Currency translation differences	-	(301,698)	-	(192,184)
At 31 December	4,674,042	18,813,019	6,192,253	25,295,354

(b) Income tax expense

	2024		2023	
	US\$	KHR'000	US\$	KHR'000
Current income tax	5,644,069	22,977,005	7,115,812	29,245,987
Adjustment of current tax of prior period	(77,721)	(316,402)	-	-
Deferred tax (note 14)	440,044	1,791,419	407,933	1,676,605
Income tax expense	6,006,392	24,452,022	7,523,745	30,922,592

(c) Reconciliation of income tax expense and accounting profit

	2024		2023	
	US\$	KHR'000	US\$	KHR'000
Profit before income tax	30,184,304	122,880,300	37,474,998	154,022,241
Income tax at 20%	6,036,861	24,576,061	7,495,000	30,804,450
<i>Tax effects in respect of:</i>				
Expenses not deductible for tax purposes	47,252	192,363	28,745	118,142
Adjustment of current tax of prior period	(77,721)	(316,402)	-	-
Income tax expense	6,006,392	24,452,022	7,523,745	30,922,592

(d) Other matter

Taxes are calculated on the basis of current interpretation of the tax regulations enacted as at reporting date. The management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subjected to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

However, these regulations are subject to periodic variation and the ultimate determination of tax liabilities will be made following inspection by the tax authorities. Where the final tax outcome of these matters is different from the amounts initially recorded, such differences will impact the taxes liabilities and balances in the period in which the determination is made.

21. OTHER LIABILITIES

	2024		2023	
	US\$	KHR'000	US\$	KHR'000
Current:				
Accrued salaries and bonuses	409,052	1,646,434	342,071	1,397,360
Payables to suppliers	259,761	1,045,538	469,330	1,917,213
Expected credit losses on off-balance sheet items	104,460	420,452	145,644	594,956
Unearned commission income	100,000	402,498	100,000	408,498
Other payables	18,080	72,772	138,677	566,496
	891,353	3,587,694	1,195,722	4,884,523
Non-current:				
Unearned commission income	158,333	637,292	258,333	1,055,292
	158,333	637,292	258,333	1,055,292
	1,049,686	4,224,986	1,454,055	5,939,815

22. SHARE CAPITAL

On 21 December 2021, the Bank requested to NBC to increase the share capital from US\$105,000,000 to US\$115,000,000. This request was approved by the NBC on 12 January 2022, and the amendment to the Bank's Memorandum and Articles of Association (M&AA) was endorsed by the Ministry of Commerce (MoC) on 23 February 2022.

On 16 May 2022, the Bank submitted another request to the NBC to increase the share capital from US\$115,000,000 to US\$135,000,000, and the approval was obtained from NBC on 8 June 2022. The amendment to the M&AA was endorsed by MoC on 8 July 2022.

As at 31 December 2024, the registered capital of the Bank is 1.35 million shares (31 December 2023: 1.35 million shares) at a par value of US\$100 per share. All authorised shares are fully paid.

	2024			2023		
	% of ownership	Number of shares	Amount US\$	% of ownership	Number of shares	Amount US\$
Lok Chumteav Neak Oknha Pheap Heak	39%	526,500	52,650,000	39%	526,500	52,650,000
Neak Oknha Leang Khun	38%	513,000	51,300,000	38%	513,000	51,300,000
Neak Oknha Leang Meng	23%	310,500	31,050,000	23%	310,500	31,050,000
At 31 December	100%	1,350,000	135,000,000	100%	1,350,000	135,000,000

The movement of share capital is as below:

	2024		2023	
	US\$	KHR'000	US\$	KHR'000
At 1 January	135,000,000	551,475,000	135,000,000	555,795,000
Currency translation differences	-	(8,100,000)	-	(4,320,000)
At 31 December	135,000,000	543,375,000	135,000,000	551,475,000

23. REGULATORY RESERVES

Regulatory reserves represented the variance of expected credit loss (ECL) on financial instruments in accordance with CIFRS and regulatory provision in accordance with National Bank of Cambodia (NBC).

As at 31 December 2024, the Bank transferred from retained earnings to regulatory reserves of US\$975,438 (2023: transfer from retained earnings to regulatory reserves of US\$3,509,541).

As in note 2.15, the accumulated regulatory provision based on NBC's guidelines is higher than the accumulated impairment based on CIFRS 9, the 'topping up' is transferred from retained earnings to regulatory reserves presented under equity.

	2024		2023	
	US\$	KHR'000	US\$	KHR'000
Regulatory provision based on NBC's guidelines	28,958,190	76,213,467	16,435,172	66,542,726
Expected credit losses based on CIFRS 9	(21,069,091)	(44,459,844)	(9,871,003)	(39,728,096)
Regulatory reserves transferred from retained earnings	7,889,099	31,753,623	6,564,169	26,814,630

The movement on regulatory reserves are as follows:

	2024		2023	
	US\$	KHR'000	US\$	KHR'000
At 1 January	6,564,169	26,814,630	3,054,628	12,575,903
Additional transfer to regulatory reserves during the year	1,324,930	5,393,790	3,509,541	14,343,494
Currency translation differences	-	(454,797)	-	(104,767)
At 31 December	7,889,099	31,753,623	6,564,169	26,814,630

24. NET INTEREST INCOME

	2024		2023	
	US\$	KHR'000	US\$	KHR'000
Interest income from financial assets at amortised cost:				
Loans and advances to customers	64,898,202	264,200,580	71,261,417	292,884,424
Deposits and placements with the other banks	17,762,629	72,311,663	8,527,884	35,049,603
Investment in debt security	1,370,221	5,578,170	278,852	1,146,081
Deposits and placements with the central bank	570,210	2,321,325	1,011,205	4,156,053
	84,601,262	344,411,738	81,079,358	333,236,161
Interest expense on financial liabilities at amortised cost:				
Deposits from customers	24,272,836	98,814,715	20,891,400	85,863,654
Deposits from other financial institutions	7,217,228	29,381,335	6,951,066	28,568,881
Borrowings	345,267	1,405,582	469,978	1,931,610
Lease liabilities	287,408	1,170,038	323,094	1,327,916
Subordinated debt	271,277	1,104,369	468,797	1,926,756
	32,394,016	131,876,039	29,104,335	119,618,817
	52,207,246	212,535,699	51,975,023	213,617,344

25. NET FEE AND COMMISSION INCOME

	2024		2023	
	US\$	KHR'000	US\$	KHR'000
Fees from mobile application	383,603	1,561,648	1,144,932	4,705,671
Remittance fees	283,495	1,154,108	1,524,996	6,267,734
Realised gain from foreign currency exchange	282,999	1,152,089	24,512	100,744
Penalty on loans and advances	228,969	932,133	322,513	1,325,528
Fees income from bank guarantee	49,255	200,517	244,552	1,005,109
Other fees and commission income	476,102	1,938,211	105,970	435,536
	1,704,423	6,938,706	3,367,475	13,840,322
Fee and commission expense	(1,024,248)	(4,169,714)	(789,098)	(3,243,193)
	(1,024,248)	(4,169,714)	(789,098)	(3,243,193)
	680,175	2,768,992	2,578,377	10,597,129

26. OTHER (LOSSES)/GAIN-NET

	2024		2023	
	US\$	KHR'000	US\$	KHR'000
Unrealised net gains on foreign exchange	2,451,235	9,978,978	1,098,319	4,514,091
Realised loss on cross currency swap	(107,473)	(437,523)	(1,239,677)	(5,095,072)
(Losses)/gains on disposal	(116,228)	(473,164)	20,521	84,341
	2,227,534	9,068,291	(120,837)	(496,640)

27. PERSONNEL EXPENSES

	2024		2023	
	US\$	KHR'000	US\$	KHR'000
Salaries and wages	6,026,565	24,534,146	6,354,292	26,116,140
Pension fund expenses	63,875	260,035	65,831	270,565
Staff loan benefits	60,408	245,921	72,300	297,153
Training and work-related expenses	34,946	142,265	41,987	172,567
Other employee's benefits	59,946	244,041	105,499	433,601
	6,245,740	25,426,408	6,639,909	27,290,026

28. DEPRECIATION AND AMORTISATION CHARGES

	2024		2023	
	US\$	KHR'000	US\$	KHR'000
Depreciation – property and equipment (note 11)	1,600,350	6,515,025	1,771,812	7,282,147
Depreciation – right-of-use assets (note 13.b)	1,185,573	4,826,468	1,111,979	4,570,234
Amortisation – intangible assets (note 12)	869,565	3,539,999	842,993	3,464,701
	3,655,488	14,881,492	3,726,784	15,317,082

29. OTHER OPERATING EXPENSES

	2024		2023	
	US\$	KHR'000	US\$	KHR'000
IT consultation and support	1,029,119	4,189,543	969,381	3,984,156
Marketing expenses	526,915	2,145,071	581,377	2,389,459
Expenses related to short-term leases (note 13.b)	416,621	1,696,064	426,823	1,754,243
Licence fees	344,892	1,404,055	276,707	1,137,266
Travelling and entertainment	294,936	1,200,684	242,988	998,681
Professional fees (*)	293,702	1,195,661	183,717	755,077
Security expense	205,605	837,018	212,354	872,775
Communication	187,187	762,038	208,865	858,435
Utilities expenses	175,659	715,108	160,403	659,256
Other tax expenses	123,760	503,828	116,697	479,625
Repairs and maintenance	103,012	419,362	47,346	194,592
Office supplies	75,957	309,221	116,711	479,682
Insurance expense	52,376	213,223	38,184	156,936
Agent banking	3,597	14,643	10,327	42,444
Loan written off expenses	-	-	96,292	395,760
Other expenses	103,124	419,818	104,354	428,895
	3,936,462	16,025,337	3,792,526	15,587,282

(*) The following fees were paid or are payable to PricewaterhouseCoopers (Cambodia) Ltd.

	2024		2023	
	US\$	KHR'000	US\$	KHR'000
Statutory audit	60,000	244,260	57,000	232,485
Tax consultancy	-	-	-	-
Other services	-	-	-	-
	60,000	244,260	57,000	232,485

30. IMPAIRMENT LOSSES ON FINANCIAL INSTRUMENTS

	2024		2023	
	US\$	KHR'000	US\$	KHR'000
Loans and advances to customers	7,996,222	32,552,620	1,165,916	4,791,915
Deposits and placements with other banks	2,786,840	11,345,226	1,582,245	6,503,027
Investment in debt security	456,210	1,857,231	-	-
Commitments on unused portion of loans and advances to customers (including overdrafts)	(36,067)	(146,829)	121,257	498,366
	11,203,205	45,608,248	2,869,418	11,793,308

31. CASH AND CASH EQUIVALENTS

	2024		2023	
	US\$	KHR'000	US\$	KHR'000
Cash on hand	24,269,344	97,684,110	26,955,643	110,113,802
Deposits and placements with the central bank	144,984,895	583,564,202	123,914,119	506,189,176
Deposits and placements with other banks	278,324,109	1,120,254,539	59,516,521	243,124,988
	447,578,348	1,801,502,851	210,386,283	859,427,966

32. CASH FLOW FROM OPERATING ACTIVITIES

(a) Cash flow from operation

	2024		2023	
	US\$	KHR'000	US\$	KHR'000
Profit before income tax	30,184,304	122,880,300	37,474,998	154,022,241
Adjustments for:				
Depreciation and amortisation charges (note 28)	3,655,488	14,881,492	3,726,784	15,317,082
Impairment losses on financial instruments (note 30)	11,203,205	45,608,248	2,869,418	11,793,308
Net interest income	(52,207,246)	(212,535,699)	(51,975,023)	(213,617,344)
Losses from derivative financial instruments	-	-	1,229,218	5,052,086
Losses/(gains) from disposal of property and equipment	116,228	473,164	(15,713)	(64,580)
	(7,048,021)	(28,692,495)	(6,690,318)	(27,497,207)
Change in working capital:				
Reserve requirement deposits	3,433,845	13,979,183	(10,731,728)	(44,107,402)
Loans and advances to customers	(2,044,630)	(8,323,689)	52,458,537	215,604,587
Other assets	408,189	1,661,737	(106,510)	(437,756)
Deposits from financial institutions	(23,897,840)	(97,288,107)	55,529,126	228,224,708
Deposits from non-bank customers	156,763,406	638,183,826	28,456,042	116,954,333
Other liabilities	(430,232)	(1,751,474)	(1,498,713)	(6,159,710)
Cash generated from operations	127,184,717	517,768,981	117,416,436	482,581,553

(b) Non-cash financing activities

Non-cash investing activities on the purchase of property and equipment in note 11

(c) Net debt reconciliation

This section sets out an analysis of net debt and the movements in net debt for each of the year presented

Net Debt	2024		2023	
	US\$	KHR'000	US\$	KHR'000
Cash and cash equivalents	447,578,348	1,801,502,851	210,386,283	859,427,966
Borrowings	(11,408,986)	(45,921,169)	(16,049,235)	(65,561,125)
Lease liabilities	(3,743,469)	(15,067,463)	(4,005,306)	(16,361,675)
Subordinated debt	-	-	(8,113,333)	(33,142,965)
	432,425,893	1,740,514,219	182,218,409	744,362,201
Cash and liquid investments	447,578,348	1,801,502,851	210,386,283	859,427,966
Gross debt – fixed interest rates	(15,152,455)	(60,988,632)	(28,167,874)	(115,065,765)
Net debt	432,425,893	1,740,514,219	182,218,409	744,362,201

	Liabilities from financing activities				Other assets	
	Subordinated debts US\$	Borrowings US\$	Lease liabilities US\$	Sub-total US\$	Cash and cash equivalents US\$	Total US\$
Net debt as at 1 January 2023	(10,142,055)	(18,416,899)	(4,805,434)	(33,364,388)	189,313,141	155,948,753
Cash flows	2,000,000	2,378,599	1,127,434	5,506,033	21,073,142	26,579,175
New leases	-	-	(327,248)	(327,248)	-	(327,248)
Other changes (i)						
Interest expense	(468,797)	(469,978)	323,094	(615,681)	-	(615,681)
Interest payments (presented as operating cash flows)	497,519	459,043	(323,152)	633,410	-	633,410
Net debt as at 31 December 2023	(8,113,333)	(16,049,235)	(4,005,306)	(28,167,874)	210,386,283	182,218,409
In KHR'000 equivalent	(33,142,965)	(65,561,125)	(16,361,675)	(115,065,765)	859,427,966	744,362,201
Net debt as at 1 January 2024	(8,113,333)	(16,049,235)	(4,005,306)	(28,167,874)	210,386,283	182,218,409
Cash flows	8,000,000	4,632,894	1,277,517	13,910,411	237,192,065	251,102,476
New leases	-	-	(1,015,623)	(1,015,623)	-	(1,015,623)
Other changes (i)						
Interest expense	(271,277)	(345,267)	287,408	(329,136)	-	(329,136)
Interest payments (presented as operating cash flows)	384,610	352,622	(287,465)	449,767	-	449,767
Net debt as at 31 December 2024	-	(11,408,986)	(3,743,469)	(15,152,455)	447,578,348	432,425,893
In KHR'000 equivalent	-	(45,921,169)	(15,067,463)	(60,988,632)	1,801,502,851	1,740,514,219

(i) Other changes include non-cash movements, including accrued interest expense which will be presented as operating cash flows in the statement of cash flows when paid.

33. COMMITMENTS AND CONTINGENCIES

(a) Loan commitments, guarantees and other financial commitments

The Bank had the contractual amounts of the Bank's off-balance sheet financial instruments that commit it to extend credit to customers as follows:

	2024		2023	
	US\$	KHR'000	US\$	KHR'000
Instruments measured at amortised cost				
Unused portion of overdrafts	9,460,033	38,076,633	3,124,971	12,765,507
Performance guarantees	3,160,710	12,721,858	7,617,685	31,118,243
Unused portion of loans and advances to customers	14,444,968	58,140,996	432,983	1,768,736
	27,065,711	108,939,487	11,175,639	45,652,486
Less:				
Allowance for expected credit loss	(104,460)	(420,452)	(145,644)	(594,956)
	26,961,251	108,519,035	11,029,995	45,057,530
Instruments measured at FVPL				
Foreign currency related contracts	-	-	5,100,999	20,837,581
	-	-	5,100,999	20,837,581
Net exposure	26,961,251	108,519,035	16,130,994	65,895,111

(b) Operating lease commitments

The Bank recognised right-of-use assets and lease liabilities for lease contracts where the Bank is a lessee, except for short-term leases, see note 2.12 and note 13 for further information. The lease commitments of short-term leases are insignificant.

(c) Capital commitments

The Bank has no capital commitments in respect of construction and work-in-progress.

34. RELATED-PARTY DISCLOSURES

(a) Related parties and relationships

The Bank is owned by individual local shareholders and has related party relationships with its substantial shareholders, companies in common control and key management personnel.

Related party	Relationship
Entities under the same shareholders	Related companies
Key management personnel	Key management personnel of the Bank are all directors of the Bank who make critical decisions in relation to the strategic direction of the Bank and senior management staff (including their close family members).

(b) Loan and advances at amortised cost

	2024		2023	
	US\$	KHR'000	US\$	KHR'000
Key management personnel	628,020	2,527,781	1,012,952	4,137,909
Companies under the same shareholders	767,156	3,087,803	1,641,432	6,705,250
	1,395,176	5,615,584	2,654,384	10,843,159
Interest income	63,815	259,790	193,804	796,534

(c) Deposit and placements with related parties

	2024		2023	
	US\$	KHR'000	US\$	KHR'000
Shareholders	368,614	1,483,671	644,603	2,633,203
Key management personnel	1,186,789	4,776,826	1,064,103	4,346,860
Company under the same shareholders	19,006,640	76,501,726	25,415,804	103,823,559
	20,562,043	82,762,223	27,124,510	110,803,622
Interest expense on deposits	112,646	458,580	195,086	801,803

(d) Subordinated debts

	2024		2023	
	US\$	KHR'000	US\$	KHR'000
Shareholders	-	-	8,113,333	33,142,965
Interest expense	271,277	1,104,369	468,797	1,926,756

(e) Terms and conditions

Transactions with related parties were made on normal commercial terms and conditions and at market rate.

(f) Key management personnel compensation

	2024		2023	
	US\$	KHR'000	US\$	KHR'000
Short-term benefits	59,763	243,295	557,452	2,291,128
Other long-term benefits	876,998	3,570,260	726,001	2,983,864
	936,761	3,813,555	1,283,453	5,274,992

35. FINANCIAL RISK MANAGEMENT

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

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

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

	2024		2023	
	US\$	KHR'000	US\$	KHR'000
Financial assets				
Financial assets at amortised costs				
Cash on hand	24,269,344	97,684,110	26,955,643	110,113,802
Deposits and placements with the central bank	152,730,237	614,739,204	147,462,301	602,383,500
Deposits and placements with other banks	391,083,185	1,574,109,820	261,447,442	1,068,012,801
Loans and advances at amortised cost	706,495,434	2,843,644,122	711,655,018	2,907,110,749
Investment in debt security	25,900,757	104,250,547	5,275,000	21,548,375
Other financial assets	2,030,569	8,173,040	2,682,364	10,957,457
	1,302,509,526	5,242,600,843	1,155,477,768	4,720,126,684
Financial assets at FVPL				
Derivatives held for risk management	-	-	105,895	432,581
	-	-	105,895	432,581
Total financial assets	1,302,509,526	5,242,600,843	1,155,583,663	4,720,559,265
Financial liabilities				
Financial liabilities at amortised cost				
Deposits from banks	168,333,799	677,543,541	192,628,246	786,886,385
Deposits from non-bank customers	999,785,443	4,024,136,408	843,306,304	3,444,906,252
Borrowings	11,408,986	45,921,169	16,049,235	65,561,125
Subordinated debts	-	-	8,113,333	33,142,965
Lease liabilities	3,743,469	15,067,463	4,005,306	16,361,675
Other financial liabilities	18,080	72,772	14,598	59,633
Total financial liabilities	1,183,289,777	4,762,741,353	1,064,117,022	4,346,918,035
Net financial assets	119,219,749	479,859,490	91,466,641	373,641,230

35.1 Credit risk

Credit risk is the risk of suffering financial loss, should any of the Bank's customers or market counterparties fail to fulfil their contractual obligations to the Bank. Credit risk arises from deposits and placements with the central bank and other banks, loans and advances, investment in debt security, derivatives financial instrument, other financial assets, and credit commitments and financial guarantee contracts. Credit exposure arises principally in lending activities.

(a) Credit risk measurement

Credit risk is managed on a group basis.

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

Deposits and placements with the central bank and other banks are considered to be low credit risk. The credit ratings of these assets are monitored for credit deterioration. Measurement for impairment is limited to 12-month expected credit loss. **The Bank applies proxy to external credit rating agency's default rate and recovery rate to measure expected credit losses for deposits and placements with other banks. A credit risk factor is also considered in applying this proxy.** Other financial assets at amortised cost are monitored for its credit rating deterioration, and the measurement of impairment follows a three-stage approach in note 35.1 (c).

Central banks have no historical loss, and with strong capacity to meet obligations in near term, expected credit loss for deposits and placements with central banks are nil.

(b) Risk limit control and mitigation policies

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

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

- Mortgages over residential properties (land, building and other properties);
- Cash in the form of fixed deposits or margin deposits, if any.

(c) Impairment (expected credit loss) policies

The measurement of expected credit loss allowance under the CIFRS 9's three-stage approach is to recognise lifetime expected credit loss allowance for financial instruments for which there has been a significant increase in credit risk since initial origination or is credit-impaired as at the reporting date. The financial instrument which has not undergone any significant deterioration in credit risk shall be recognised with 12-month expected credit loss allowance.

- Stage 1 includes financial instruments that neither have a significant increase in credit risk since initial recognition nor credit impaired as at reporting date. For these assets, 12-month expected credit loss allowance are recognised.
- Stage 2 includes financial instruments that have had a significant increase in credit risk since initial recognition but do not have objective evidence of impairment. For these assets, lifetime expected credit loss allowance are recognised.
- Stage 3 includes financial instruments that have objective evidence of impairment at the reporting date. For these assets, lifetime expected credit loss allowance are recognised.
- Purchased or originated credit-impaired financial assets are those financial assets that are credit-impaired on initial recognition. Their expected credit loss allowance is always measured on a lifetime basis (Stage 3).

The key judgements and assumptions adopted by the Bank in addressing the requirements of the standard on the measurement of allowances are:

(i) Significant increase in credit risk (SICR)

The assessment of SICR shall be a multifactor and holistic analysis and based on a mixture of quantitative and/or qualitative information. To determine whether the risk of default of a loan/financing has increased significantly since initial recognition, the current risk of default at the reporting date is compared with the risk of default at initial recognition. A borrower is considered to have credit risk increased significantly since initial recognition if any of the following criteria is met:

- Past due 15 days for short-term facilities on its contractual payment; and
- Past due 30 days for long-term facilities on its contractual payment.

(ii) Definition of default and credit impaired

The Bank defines a financial instrument as in default which is also credit-impaired when it meets one of the following criteria:

- Where the principal or interest or both of any of the credit facilities is past due for more than 90 consecutive days or more and/or in actual default. In the case of revolving facilities (e.g. overdraft facilities), the facility shall be classified as impaired

where the outstanding amount has remained in excess of the approved limit for a period of more than 90 days or 3 months for the purpose of ascertaining the period in arrears.

- When an obligor/counterparty has multiple loans with the Bank and cross default obligation applies, an assessment of provision is required under which default of one debt obligation triggers default on another debt obligation (cross default). Where there is no right to set off clause is available, assessment of provision needs to be performed on individual loan level instead of consolidated obligor/counterparty level.
- Write-off/charged-off accounts.

(iii) Measuring (ECL - inputs, assumptions and estimation techniques)

The ECL is measured on either a 12-month or lifetime basis depending on whether a significant increase in credit risk has occurred since initial recognition or whether an asset is considered to be credit-impaired. The ECL is assessed and measured on a collective basis and individual basis.

For collective assessment, the ECL allowance is determined by projecting the PD, LGD and EAD for each future month and for the collective segment. The three components are multiplied together to calculate an ECL for each future year, which is then discounted back to the reporting date and summed. The discount rate used in the ECL calculation is the original effective interest rate or an approximation thereof.

For individual assessment, the ECL allowance is determined by comparing the outstanding exposure with the present value of cash flow which is expected to be received from the borrowers.

Probability of Default (PD)

The PD represents the likelihood that a borrower will be unable to meet its financial obligation either over the next 12 months (12-month PD) or over the remaining lifetime (lifetime PD) of the obligation.

The 12-month and lifetime PD represent the expected point-in-time probability of a default over the next 12 months and remaining lifetime of the financial instruments, respectively, based on conditions existing at the reporting date and future economic conditions that affect credit risk.

The PD is derived using historical default rates adjusted for forward-looking information and reflecting current portfolio composition and market data.

For portfolios without sufficient default data, the Bank used market default data. Market default data for the Bank refers to the default percentage of customers issued by Credit Bureau Cambodia.

Exposure at Default (EAD)

EAD is the total amount that the Bank is exposed to at the time the borrower defaults.

The 12-month and lifetime EADs are determined based on the expected payment profile, which varies by product type.

- For amortising products and bullet repayment loans, this is based on the contractual repayments owed by the borrower over a 12-month or remaining maturity.
- For revolving products, the exposure at default is the higher of outstanding balance or applicable limit multiplied with credit conversion factor.

Loss Given Default (LGD)

LGD represents the Bank's expectation of the extent of loss on a defaulted exposure. LGD varies by type of counterparty, type and seniority of claim and availability of collateral or other credit support. LGD is expressed as a percentage loss per unit of exposure at the time of default. LGD is the percentage of loss expected to be made if the default occurs over the remaining expected lifetime of the loan.

For portfolios without sufficient default data, Proxy LGD is used.

The assumptions underlying the ECL calculation are monitored and reviewed periodically. There have been no significant changes in estimation techniques or significant assumptions made during the reporting period.

(iv) Forward-looking information incorporated into the ECL models

The calculation of ECL incorporates forward-looking information. The Bank has performed statistical analysis based on historical experience and identified the key economic variables impacting credit risk and expected credit losses for each portfolio. The relationship of these economic variables on the PD, EAD and LGD has been determined by performing statistical regression analysis to understand the impact changes in these variables have had historically on default rates and on the components of PD and LGD. These economic variables and their associated impact on the PD, EAD and LGD vary by financial instrument. Expert judgement has also been applied in this process. Forecasts of these economic variables are sourced from external research house.

For the year ended 31 December 2024, the management has refreshed the latest macroeconomics variables available which were up to 31 December 2024. As a result, the management has adjusted the Bank's probability weighted percentage in the probability weighted forward looking Probability of Default (PD) to give a heavier weight to the worst case scenario and a lighter weight to the best case scenario using reasonable and supportable information.

The Bank applies three economic scenarios to reflect an unbiased probability-weighted range of possible future outcome in estimating ECL:

- Base case: This represents the 'most likely outcome' of future economic conditions which is aligned with information used by the Bank for other purposes such as budgeting and stress testing.
- Best and Worst case: This represents the 'upside' and 'downside' outcome of future economic conditions which are determined by a combination of statistical analysis and expert credit judgement.

The weightings assigned to each economic scenario as at 31 December 2024 and 31 December 2023 are as follows:

	Base	Best	Worst
As at 31 December 2024	%	%	%
Scenario probability weighting	68%	16%	16%

	Base	Best	Worst
As at 31 December 2023	%	%	%
Scenario probability weighting	68%	16%	16%

As with any economic forecasts, the projections and likelihoods of occurrence are subject to high degree of inherent uncertainty and therefore the actual outcomes may be significantly different to those projected. The Bank considers these forecasts to represent its best estimate of the possible outcomes and are appropriately representative of the range of possible scenarios. The scenario weightage, number of scenarios and their attributes are reassessed periodically.

Sensitivity analysis

The Bank has also identified the key economic variables and carried out a sensitivity assessment of ECL for loans, advances and financing in relation to the changes in these key economic variables whilst keeping other variables unchanged. The sensitivity factors used are derived based on expected standard deviation determined for each key economic variable to assess the impact on the ECL of the Bank.

The Bank has performed ECL sensitivity assessment on loans and advances based on the changes in key macroeconomic variables. The sensitivity factors used are assumptions based on parallel shifts in the key variables to project the impact on the ECL of the Bank.

The analysis for the year ended 31 December 2023 is based on the three year moving average of consumer price index from 2021 to 2023 in which it resulted in changes of 4.2% while the analysis for the year ended 31 December 2024 is based on the three year moving average of inflation GDP from 2022 to 2024 in which it resulted in changes of 19.15%.

The table below outlines the effect of ECL on the changes in key variables used while other variables remain constant:

Changes		2024		2023	
Inflation GDP	+/- 19.15%	US\$	KHR'000	US\$	KHR'000
Total decrease in ECL on the positive changes in key variables		136,069	553,935	626,091	2,573,235

		2024		2023	
		US\$	KHR'000	US\$	KHR'000
Total increase in ECL on the negative changes in key variables		184,634	751,644	475,558	1,954,543

(v) Grouping of exposure for ECL measured on collective basis

For expected credit loss provisions modelled on a collective basis, a grouping of exposures is performed on the basis of shared risk characteristics, such that risk exposures within a group are homogeneous.

In performing this grouping, there must be sufficient information for the group to be statistically credible. Where sufficient information is not available internally, the Bank has considered benchmarking internal/external supplementary data to use for modelling purposes.

The appropriateness of groupings is monitored and reviewed on a periodic basis by the Credit Risk.

(vi) Write off policy

Write-off is usually taken when relevant recovery actions have been exhausted or further recovery is not economically feasible or justifiable. When a loan or debt instrument is deemed uncollectible, it is written off against the related allowance for impairment. Such loans are either written off in full or partially after taking into consideration the realisable value of collateral (if any) and when in the judgement of the management, there is no prospect of recovery. All write-offs must be approved by the Board or its delegated authorities.

(vii) Modification of loans and advances

The Bank sometimes renegotiates or otherwise modifies the contractual cash flows of loans to customers. When this happens, the Bank assesses whether or not the new terms are substantially different to the original terms. The Bank does this by considering, among others, the following factors:

The above table represents a worst-case scenario of credit risk exposure to the Bank, since collateral held and/or other credit enhancement attached were not taken into account. For on-balance sheet assets, the exposures set out above are based on gross carrying amounts. As shown above, 63% (2023: 73%) of total maximum exposure is derived from loans and advances. Management is confident of its ability to continue to control and sustain minimal exposure on credit risk resulting from the Bank's loans and advances due to the followings:

- Almost all loans and advances are collateralised and loan to collateral value is 80%.
- The Bank has a proper credit evaluation process in place for granting of loans and advances to customers.
- 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, such as a profit share/equity-based return that substantially affects 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.
- Insertion of collateral, other security or credit enhancements that significantly affect the credit risk associated with the loan.

The risk of default of such loans after modification is assessed at the reporting date and compared with the risk under the original terms at initial recognition, when the modification is not substantial and so does not result in derecognition of the original loans. The Bank monitors the subsequent performance of modified assets.

(viii) Off-balance sheet exposures

Off-balance sheet exposures are exposures such as trade facilities and undrawn commitments. The Bank applied internal Cash Conversion Factor (CCF) to estimate the EAD of off-balance sheet items. For operational simplification, the Bank assumes CCF for the off-balance sheet exposures as follows:

- 40% CCF is assumed for unused portion of loans and advances to customers
- 50% CCF is assumed for unused portion of overdrafts; and
- 100% CCF is assumed for undrawn trust receipts and financial guarantees

(d) Maximum exposure to credit risk before collateral held or other credit enhancements

	2024		2023	
	US\$	KHR'000	US\$	KHR'000
Credit risk exposure relating to on-balance sheet assets:				
Deposits and placements with other banks	391,083,185	1,574,109,820	261,447,442	1,068,012,801
Loans and advances at amortised cost	706,495,434	2,843,644,122	711,655,018	2,907,110,749
Investment in debt security	25,900,757	104,250,547	5,275,000	21,548,375
Derivative financial instruments	-	-	105,895	432,581
Other financial assets	2,030,569	8,173,040	2,682,364	10,957,457
	1,125,509,945	4,530,177,529	981,165,719	4,008,061,963
Credit risk exposure relating to off-balance sheet items:				
Unused portion of overdrafts	9,460,033	38,076,633	3,124,971	12,765,507
Performance guarantees	3,160,710	12,721,858	7,617,685	31,118,243
Unused portion of loans and advances to customers	14,444,968	58,140,996	432,983	1,768,736
	27,065,711	108,939,487	11,175,639	45,652,486
Total maximum credit risk exposure that are subject to impairment	1,152,575,656	4,639,117,016	992,341,358	4,053,714,449
Allowance for impairment losses on loans and advances	(15,037,689)	(60,526,698)	(7,041,467)	(28,764,393)
Allowance for impairment losses on deposits and placements with other banks	(5,470,732)	(22,019,696)	(2,683,893)	(10,963,703)
Allowance for impairment losses on investment in debt security	(456,210)	(1,836,245)	-	-
Allowance for impairment losses on commitments	(104,460)	(420,452)	(145,644)	(594,956)
	(21,069,091)	(84,803,091)	(9,871,004)	(40,323,052)
Total net credit exposure	1,131,506,565	4,554,313,925	982,470,354	4,013,391,397

The above table represents a worst-case scenario of credit risk exposure to the Bank, since collateral held and/or other credit enhancement attached were not taken into account. For on-balance sheet assets, the exposures set out above are based on gross carrying amounts. As shown above, 63% (2023: 73%) of total maximum exposure is derived from loans and advances. Management is confident of its ability to continue to control and sustain minimal exposure on credit risk resulting from the Bank's loans and advances due to the followings:

- Almost all loans and advances are collateralised and loan to collateral value is 80%.
- The Bank has a proper credit evaluation process in place for granting of loans and advances to customers.

(e) Credit quality of financial assets

The Bank assesses credit quality of loans, advances and financing using internal rating techniques tailored to the various categories of products and counterparties. The Bank uses assumptions of days past due (DPD) as staging criteria.

Credit quality description is summarised as follows:

Credit quality	Description
Standard monitoring	<p>Obligors in this category exhibit strong capacity to meet financial commitments.</p> <p>The Bank monitors obligors in this category by delinquency status. Obligors included in standard monitoring are:</p> <ul style="list-style-type: none"> • those less than 15 days past due on its contractual payments for short-term facilities • those less than 30 days past due on its contractual payments for long-term facilities
Special monitoring	<p>Obligors in this category have a fairly acceptable capacity to meet financial commitments.</p> <p>The Bank monitors obligors in this category by delinquency status. Obligors included in special monitoring are:</p> <ul style="list-style-type: none"> • those that are from 15 days to 30 days past due on its contractual payments for short-term facilities • those that are from 30 days to 89 days past due on its contractual payments for long-term facilities
Default/Credit impaired	Obligors assessed to be impaired.

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

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

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

	2024		
	12-month ECL US\$	Lifetime ECL not Credit-Impaired US\$	Lifetime ECL Credit-Impaired US\$
Deposits and placements with other banks			
Investment grade	73,175	-	-
Non-investment grade	-	-	-
No rating	396,480,742	-	-
Gross carrying amount	396,553,917	-	-
Less: ECL	(5,470,732)	-	-
Net carrying amount	391,083,185	-	-
In KHR'000 equivalents	1,574,109,820	-	-

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

	2024		
	12-month ECL US\$	Lifetime ECL not Credit-Impaired US\$	Lifetime ECL Credit-Impaired US\$
Loans and advances at amortised cost			
Standard monitoring	668,233,322	-	-
Special monitoring	-	11,420,955	-
Default	-	-	41,878,846
Gross carrying amount	668,233,322	11,420,955	41,878,846
Less: ECL	(10,857,175)	(615,934)	(3,564,580)
Net carrying amount	657,376,147	10,805,021	38,314,266
In KHR'000 equivalents	2,645,938,992	43,490,210	154,214,920

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

	2024		
	12-month ECL US\$	Lifetime ECL not Credit-Impaired US\$	Lifetime ECL Credit-Impaired US\$
Off-balance sheet items			
Standard monitoring	27,065,711	-	-
Special monitoring	-	-	-
Default	-	-	-
Gross carrying amount	27,065,711	-	-
Less: ECL	(104,460)	-	-
Net carrying amount	26,961,251	-	-
In KHR'000 equivalents	108,519,035	-	-

	2023				
	Total US\$	12-month ECL US\$	Lifetime ECL not Credit-Impaired US\$	Lifetime ECL Credit-Impaired US\$	Total US\$
	73,175	74,619	-	-	74,619
	-	-	-	-	-
	396,480,742	264,056,716	-	-	264,056,716
	396,553,917	264,131,335	-	-	264,131,335
	(5,470,732)	(2,683,893)	-	-	(2,683,893)
	391,083,185	261,447,442	-	-	261,447,442
	1,574,109,820	1,068,012,801	-	-	1,068,012,801

	2023				
	Total US\$	12-month ECL US\$	Lifetime ECL not Credit-Impaired US\$	Lifetime ECL Credit-Impaired US\$	Total US\$
	668,233,322	692,064,474	-	-	692,064,474
	11,420,955	-	16,267,943	-	16,267,943
	41,878,846	-	-	10,364,068	10,364,068
	721,533,123	692,064,474	16,267,943	10,364,068	718,696,485
	(15,037,689)	(3,545,342)	(750,571)	(2,745,554)	(7,041,467)
	706,495,434	688,519,132	15,517,372	7,618,514	711,655,018
	2,843,644,122	2,812,600,654	63,388,465	31,121,630	2,907,110,749

	2023				
	Total US\$	12-month ECL US\$	Lifetime ECL not Credit-Impaired US\$	Lifetime ECL Credit-Impaired US\$	Total US\$
	27,065,711	11,175,639	-	-	11,175,639
	-	-	-	-	-
	-	-	-	-	-
	27,065,711	11,175,639	-	-	11,175,639
	(104,460)	(145,644)	-	-	(145,644)
	26,961,251	11,029,995	-	-	11,029,995
	108,519,035	45,057,530	-	-	45,057,530

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

	2024		
	12-month ECL US\$	Lifetime ECL not Credit-Impaired US\$	Lifetime ECL Credit-Impaired US\$
Investment in debt security			
Standard monitoring	26,356,967	-	-
Special monitoring	-	-	-
Default	-	-	-
Gross carrying amount	26,356,967	-	-
Less: ECL	(456,210)	-	-
Net carrying amount	25,900,757	-	-
In KHR'000 equivalents	104,250,547	-	-

(f) Loss allowance

(i) Expected credit loss reconciliation – loans and advances at amortised cost

	Stage 1	Stage 2	Stage 3	
	12-month ECL US\$	Lifetime ECL not Credit-Impaired US\$	Lifetime ECL Credit-Impaired US\$	Total US\$
Expected credit losses				
Loss allowance as at 1 January 2024	3,545,342	750,571	2,745,554	7,041,467
Changes due to financial instruments recognised as at 1 January:				
Transfer to stage 1	36,935	(36,935)	-	-
Transfer to stage 2	(16,596)	16,596	-	-
Transfer to stage 3	(49,217)	(262,463)	311,680	-
Net remeasurement of loss allowance	864,438	160,268	1,005,689	2,030,395
New financial assets originated or purchased	8,226,134	398,264	2,093,258	10,717,656
Financial assets derecognised during the period other than write off	(1,749,861)	(410,367)	(2,591,601)	(4,751,829)
	7,311,833	(134,637)	819,026	7,996,222
Loss allowance as at 31 December 2024	10,857,175	615,934	3,564,580	15,037,689
In KHR'000 equivalent	43,700,129	2,479,134	14,347,435	60,526,698

	Stage 1	Stage 2	Stage 3	
	12-month ECL US\$	Lifetime ECL not Credit-Impaired US\$	Lifetime ECL Credit-Impaired US\$	Total US\$
Gross carrying amount				
Gross carrying amount as at 1 January 2024	692,064,474	16,267,943	10,364,068	718,696,485
Changes due to financial instruments recognised as at 1 January:				
Transfer to stage 1	716,479	(716,479)	-	-
Transfer to stage 2	(3,971,946)	3,971,946	-	-
Transfer to stage 3	(13,537,659)	(5,287,680)	18,825,339	-
Net remeasurement of loss allowance	(63,925,252)	(176,527)	18,628,346	(45,473,433)
New financial assets originated or purchased	335,796,099	7,069,408	18,532,680	361,398,187
Financial assets derecognised during the period other than write off	(278,908,873)	(9,707,656)	(24,471,587)	(313,088,116)
	(23,831,152)	(4,846,988)	31,514,778	2,836,638
Gross carrying amount as at 31 December 2024	668,233,322	11,420,955	41,878,846	721,533,123
In KHR'000 equivalent	2,689,639,121	45,969,344	168,562,355	2,904,170,820

		2023			
	Total US\$	12-month ECL US\$	Lifetime ECL not Credit-Impaired US\$	Lifetime ECL Credit-Impaired US\$	Total US\$
	26,356,967	5,275,000	-	-	5,275,000
	-	-	-	-	-
	-	-	-	-	-
	26,356,967	5,275,000	-	-	5,275,000
	(456,210)	-	-	-	-
	25,900,757	25,900,757	-	-	25,900,757
	104,250,547	21,548,375	-	-	21,548,375

	Stage 1	Stage 2	Stage 3	
	12-month ECL US\$	Lifetime ECL not Credit-Impaired US\$	Lifetime ECL Credit-Impaired US\$	Total US\$
Expected credit losses				
Loss allowance as at 1 January 2023	5,687,430	34,170	57,658	5,779,258
Changes due to financial instruments recognised as at 1 January:				
Transfer to stage 1	-	-	-	-
Transfer to stage 2	(15,979)	15,979	-	-
Transfer to stage 3	(72,269)	(19,007)	91,276	-
Net remeasurement of loss allowance	(2,168,601)	196,251	944,544	(1,027,806)
New financial assets originated or purchased	1,434,443	534,383	1,801,164	3,769,990
Financial assets derecognised during the period other than write off	(1,319,682)	(11,205)	(52,796)	(1,383,683)
Write-offs	-	-	(96,292)	(96,292)
	(2,142,088)	716,401	2,687,896	1,262,209
Loss allowance as at 31 December 2023	3,545,342	750,571	2,745,554	7,041,467
In KHR'000 equivalent	14,482,722	3,066,083	11,215,588	28,764,393

	Stage 1	Stage 2	Stage 3	
	12-month ECL US\$	Lifetime ECL not Credit-Impaired US\$	Lifetime ECL Credit-Impaired US\$	Total US\$
Gross carrying amount				
Gross carrying amount as at 1 January 2023	768,557,525	1,029,368	1,057,140	770,644,033
Changes due to financial instruments recognised as at 1 January:				
Transfer to stage 1	-	-	-	-
Transfer to stage 2	4,249,839	(4,249,839)	-	-
Transfer to stage 3	8,739,790	466,023	(9,205,813)	-
Net remeasurement of loss allowance	(108,566,728)	7,470,613	500,867	(100,595,248)
New financial assets originated or purchased	220,200,090	12,034,891	19,145,861	251,380,842
Financial assets derecognised during the period other than write off	(201,116,042)	(483,113)	(1,037,695)	(202,636,850)
Write-offs	-	-	(96,292)	(96,292)
	(76,493,051)	15,238,575	9,306,928	(51,947,548)
Gross carrying amount as at 31 December 2023	692,064,474	16,267,943	10,364,068	718,696,485
In KHR'000 equivalent	2,827,083,376	66,454,547	42,337,218	2,935,875,141

(ii) Expected credit loss reconciliation – deposits and placements with other banks

	Stage 1	Stage 2	Stage 3	
	12-month ECL US\$	Lifetime ECL not Credit-Impaired US\$	Lifetime ECL Credit-Impaired US\$	Total US\$
Expected credit losses				
Loss allowance as at 1 January 2024	2,683,893	-	-	2,683,893
Changes due to exposure as at 1 January:				
Transfer to stage 1	-	-	-	-
Transfer to stage 2	-	-	-	-
Transfer to stage 3	-	-	-	-
New exposure	2,786,839	-	-	2,786,839
	2,786,839	-	-	2,786,839
Loss allowance as at 31 December 2024	5,470,732	-	-	5,470,732
In KHR'000 equivalent	22,019,696	-	-	22,019,696

	Stage 1	Stage 2	Stage 3	
	12-month ECL US\$	Lifetime ECL not Credit-Impaired US\$	Lifetime ECL Credit-Impaired US\$	Total US\$
Gross carrying amount				
Exposure amount as at 1 January 2024	264,131,335	-	-	264,131,335
Changes due to exposure as at 1 January:				
Transfer to stage 1	-	-	-	-
Transfer to stage 2	-	-	-	-
Transfer to stage 3	-	-	-	-
New exposure	132,422,582	-	-	132,422,582
	132,422,582	-	-	132,422,582
Gross carrying amount as at 31 December 2024	396,553,917	-	-	396,553,917
In KHR'000 equivalent	1,596,129,516	-	-	1,596,129,516

	Stage 1	Stage 2	Stage 3	
	12-month ECL US\$	Lifetime ECL not Credit-Impaired US\$	Lifetime ECL Credit-Impaired US\$	Total US\$
Expected credit losses				
Loss allowance as at 1 January 2023	1,101,648	-	-	1,101,648
Changes due to exposure as at 1 January:				
Transfer to stage 1	-	-	-	-
Transfer to stage 2	-	-	-	-
Transfer to stage 3	-	-	-	-
New exposure	1,582,245	-	-	1,582,245
	1,582,245	-	-	1,582,245
Loss allowance as at 31 December 2023	2,683,893	-	-	2,683,893
In KHR'000 equivalent	10,963,703	-	-	10,963,703

	Stage 1	Stage 2	Stage 3	
	12-month ECL US\$	Lifetime ECL not Credit-Impaired US\$	Lifetime ECL Credit-Impaired US\$	Total US\$
Gross carrying amount				
Exposure amount as at 1 January 2023	110,756,578	-	-	110,756,578
Changes due to exposure as at 1 January:				
Transfer to stage 1	-	-	-	-
Transfer to stage 2	-	-	-	-
Transfer to stage 3	-	-	-	-
New exposure	153,374,757	-	-	153,374,757
	153,374,757	-	-	153,374,757
Gross carrying amount as at 31 December 2023	264,131,335	-	-	264,131,335
In KHR'000 equivalent	1,078,976,504	-	-	1,078,976,504

(iii) Expected credit loss reconciliation – credit commitments and financial guarantee contracts

	Stage 1	Stage 2	Stage 3	
	12-month ECL US\$	Lifetime ECL not Credit-Impaired US\$	Lifetime ECL Credit-Impaired US\$	Total US\$
Expected credit losses				
Loss allowance as at 1 January 2024	45,169	-	100,475	145,644
Changes due to exposure as at 1 January:				
Transfer to stage 1	-	-	-	-
Transfer to stage 2	-	-	-	-
Transfer to stage 3	-	-	-	-
New exposure	56,126	-	(97,310)	(41,184)
	56,126	-	(97,310)	(41,184)
Loss allowance as at 31 December 2024	101,295	-	3,165	104,460
In KHR'000 equivalent	407,712	-	12,740	420,452

	Stage 1	Stage 2	Stage 3	
	12-month ECL US\$	Lifetime ECL not Credit-Impaired US\$	Lifetime ECL Credit-Impaired US\$	Total US\$
Exposure amount				
Exposure amount as at 1 January 2024	9,166,139	-	2,009,500	11,175,639
Changes due to exposure as at 1 January:				
Transfer to stage 1	-	-	-	-
Transfer to stage 2	-	-	-	-
Transfer to stage 3	-	-	-	-
New exposure	17,811,623	-	(1,921,551)	15,890,072
	17,811,623	-	(1,921,551)	15,890,072
Gross carrying amount as at 31 December 2024	26,977,762	-	87,949	27,065,711
In KHR'000 equivalent	108,585,492	-	353,995	108,939,487

	Stage 1	Stage 2	Stage 3	
	12-month ECL US\$	Lifetime ECL not Credit-Impaired US\$	Lifetime ECL Credit-Impaired US\$	Total US\$
Expected credit losses				
Loss allowance as at 1 January 2023	24,388	-	-	24,388
Changes due to exposure as at 1 January:				
Transfer to stage 1	-	-	-	-
Transfer to stage 2	-	-	-	-
Transfer to stage 3	(100,475)	-	100,475	-
New exposure	121,256	-	-	121,256
	20,781	-	100,475	121,256
Loss allowance as at 31 December 2023	45,169	-	100,475	145,644
In KHR'000 equivalent	184,515	-	410,441	594,956

	Stage 1	Stage 2	Stage 3	
	12-month ECL US\$	Lifetime ECL not Credit-Impaired US\$	Lifetime ECL Credit-Impaired US\$	Total US\$
Exposure amount				
Exposure amount as at 1 January 2023	22,560,998	-	-	22,560,998
Changes due to exposure as at 1 January:				
Transfer to stage 1	-	-	-	-
Transfer to stage 2	-	-	-	-
Transfer to stage 3	(2,009,500)	-	2,009,500	-
New exposure	(11,385,359)	-	-	(11,385,359)
	(13,394,859)	-	2,009,500	(11,385,359)
Gross carrying amount as at 31 December 2023	9,166,139	-	2,009,500	11,175,639
In KHR'000 equivalent	37,443,678	-	8,208,808	45,652,486

(iii) Expected credit loss reconciliation – investment in debt security

	Stage 1	Stage 2	Stage 3	
	12-month ECL US\$	Lifetime ECL not Credit-Impaired US\$	Lifetime ECL Credit-Impaired US\$	Total US\$
Expected credit losses				
Loss allowance as at 1 January 2024	-	-	-	-
Changes due to exposure as at 1 January:				
Transfer to stage 1	-	-	-	-
Transfer to stage 2	-	-	-	-
Transfer to stage 3	-	-	-	-
New exposure	456,210	-	-	456,210
	456,210	-	-	456,210
Loss allowance as at 31 December 2024	456,210	-	-	456,210
In KHR'000 equivalent	1,836,245	-	-	1,836,245

	Stage 1	Stage 2	Stage 3	
	12-month ECL US\$	Lifetime ECL not Credit-Impaired US\$	Lifetime ECL Credit-Impaired US\$	Total US\$
Exposure amount				
Exposure amount as at 1 January 2024	5,275,000	-	-	5,275,000
Changes due to exposure as at 1 January:				
Transfer to stage 1	-	-	-	-
Transfer to stage 2	-	-	-	-
Transfer to stage 3	-	-	-	-
New exposure	21,081,967	-	-	21,081,967
	21,081,967	-	-	21,081,967
Gross carrying amount as at 31 December 2024	26,356,967	-	-	26,356,967
In KHR'000 equivalent	108,585,492	-	353,995	108,939,487

g) Concentration of financial assets with credit risk exposure

(i) Geographical sector

The following table breaks down the Bank's main credit exposure at their gross carrying amount, as categorised by geographical region. For this table, the Bank has allocated exposure to countries based on the country of domicile of its counterparties.

	Cambodia US\$	Thailand US\$	Total US\$
At 31 December 2024			
Deposits and placements with other banks	396,480,742	73,175	396,553,917
Loans and advances at amortised cost	721,533,123	-	721,533,123
Investment in debt security	25,900,757	-	25,900,757
Other financial assets	2,030,569	-	2,030,569
Unused portion of overdrafts	9,460,033	-	9,460,033
Performance guarantees	3,160,710	-	3,160,710
Unused portion of loans and advances	14,444,968	-	14,444,968
Gross carrying amount	1,173,010,902	73,175	1,173,084,077
Less: Allowance for expected credit loss	(21,069,042)	(49)	(21,069,091)
Net carrying amount	1,151,941,860	73,126	1,152,014,986
In KHR'000 equivalents	4,636,565,987	294,332	4,636,860,319
At 31 December 2023			
Deposits and placements with other banks	264,056,716	74,619	264,131,335
Loans and advances at amortised cost	718,696,485	-	718,696,485
Investment in debt security	5,275,000	-	5,275,000
Derivatives held for risk management	105,895	-	105,895
Other financial assets	2,682,364	-	2,682,364
Unused portion of overdrafts	3,124,971	-	3,124,971
Performance guarantees	7,617,685	-	7,617,685
Unused portion of loans and advances	432,983	-	432,983
Gross carrying amount	1,001,992,099	74,619	1,002,066,718
Less: Allowance for expected credit loss	(9,870,246)	(758)	(9,871,004)
Net carrying amount	992,121,853	73,861	992,195,714
In KHR'000 equivalents	4,052,817,770	301,722	4,053,119,492

(ii) Industry sector

The following table breaks down the Bank's main credit exposure at their gross carrying amounts less impairment if any, as categorised by the industry sectors of its counterparties.

	2024					
	Deposits and placements with other banks US\$	Loans and advances to customers US\$	Other assets US\$	Investment in debt securities US\$	Commitments and contingencies US\$	Total US\$
Mortgage loans	-	390,091,165	-	-	-	390,091,165
Wholesale and retails	-	201,276,562	388,410	-	9,460,033	211,125,005
Financial services	396,553,917	26,259,407	1,642,159	-	-	424,455,483
Manufacturing	-	50,923,171	-	-	14,444,968	65,368,139
Construction	-	32,792,296	-	-	2,539,661	35,331,957
Logistics	-	20,190,522	-	-	150,000	20,340,522
Others	-	-	-	25,900,757	471,049	26,371,806
Gross carrying amount	396,553,917	721,533,123	2,030,569	25,900,757	27,065,711	1,173,084,077
Less:						
Allowance for expected credit loss	(5,470,732)	(15,037,689)	-	-	(104,460)	(20,612,881)
Net carrying amount	391,083,185	706,495,434	2,030,569	25,900,757	26,961,251	1,152,471,196
In KHR'000 equivalents	1,574,109,820	2,843,644,122	8,173,040	104,250,547	108,519,035	4,638,696,564

h) Repossessed collateral

Reposessed collaterals are sold as soon as practicable. The Bank does not utilise the reposessed collaterals for its business use.

The Bank did not obtain assets by taking possession of collateral held as security as at 31 December 2024 (31 December 2023: nil).

2023

Deposits and placements with other banks US\$	Loans and advances to customers US\$	Other assets US\$	Investment in debt securities US\$	Derivatives held for risk management US\$	Commitments and contingencies US\$	Total US\$
-	386,749,266	-	-	-	-	386,749,266
-	221,731,707	637,534	-	-	3,124,971	225,494,212
264,131,335	42,008,790	2,044,830	-	105,895	-	308,290,850
-	39,397,483	-	-	-	432,983	39,830,466
-	6,798,085	-	-	-	7,617,685	14,415,770
-	22,011,154	-	-	-	-	22,011,154
-	-	-	5,275,000	-	-	5,275,000
264,131,335	718,696,485	2,682,364	5,275,000	105,895	11,175,639	1,002,066,718
(2,683,893)	(7,041,467)	-	-	-	(145,644)	(9,871,004)
261,447,442	711,655,018	2,682,364	5,275,000	105,895	11,029,995	992,195,714
1,068,012,801	2,907,110,749	10,957,457	21,548,375	432,581	45,057,530	4,053,119,493

35.2 MARKET RISK

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

(i) Foreign exchange risk

The Bank operates in Cambodia and transacts in a few currencies, and is exposed to currency risks, mainly with respect to Khmer Riel.

Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the Bank's functional currency.

Management monitors foreign exchange risk against the Bank's functional currency. However, the Bank does not hedge its foreign exchange risk exposure arising from future commercial transactions and recognised assets and liabilities using forward contracts.

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

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

In US\$ equivalent				
	US\$	KHR	THB	Total
As at 31 December 2024				
Financial assets				
Cash on hand	20,837,139	3,432,205	-	24,269,344
Deposits and placements with the central bank	132,451,614	20,278,623	-	152,730,237
Deposits and placements with other banks	48,227,363	342,782,647	73,175	391,083,185
Loans and advances to customers	632,597,132	73,898,302	-	706,495,434
Derivative financial instruments	-	-	-	-
Investment in debt securities	25,900,757	-	-	25,900,757
Other assets	2,030,569	-	-	2,030,569
Total financial assets	862,044,574	440,391,777	73,175	1,302,509,526
Financial liabilities				
Deposits from other banks	167,937,496	396,303	-	168,333,799
Deposits from non-bank customers	660,674,046	339,111,397	-	999,785,443
Borrowings	11,132,055	276,931	-	11,408,986
Lease liabilities	3,743,469	-	-	3,743,469
Other liabilities	18,080	-	-	18,080
Total financial liabilities	843,505,146	339,784,631	-	1,183,289,777
Net on-balance sheet position	18,539,428	100,607,146	73,175	119,219,749
In KHR'000 equivalents	74,621,198	404,943,763	294,529	479,859,490
Off-balance sheet items				
Unused portion of overdrafts	9,460,033	-	-	9,460,033
Performance guarantees	3,017,391	143,319	-	3,160,710
Unused portion of loans and advances to customers	14,444,968	-	-	14,444,968
	26,922,392	143,319	-	27,065,711
In KHR'000 equivalents	108,362,628	576,859	-	108,939,487

In US\$ equivalent				
	US\$	KHR	THB	Total
As at 31 December 2023				
Financial assets				
Cash on hand	23,241,105	3,714,538	-	26,955,643
Deposits and placements with the central bank	73,356,020	74,106,281	-	147,462,301
Deposits and placements with other banks	59,284,380	202,088,443	74,619	261,447,442
Loans and advances to customers	623,746,477	87,908,541	-	711,655,018
Derivative financial instruments	-	105,895	-	105,895
Investment in debt securities	5,275,000	-	-	5,275,000
Other assets	2,682,364	-	-	2,682,364
Total financial assets	787,585,346	367,923,698	74,619	1,155,583,663
Financial liabilities				
Deposits from other banks	191,433,651	1,194,595	-	192,628,246
Deposits from non-bank customers	564,145,199	279,161,105	-	843,306,304
Borrowings	15,592,502	456,733	-	16,049,235
Subordinated debt	8,113,333	-	-	8,113,333
Lease liabilities	4,005,306	-	-	4,005,306
Other liabilities	14,598	-	-	14,598
Total financial liabilities	783,304,589	280,812,433	-	1,064,117,022
Net on-balance sheet position	4,280,757	87,111,265	74,619	91,466,641
In KHR'000 equivalents	17,486,892	355,849,517	304,819	373,641,228
Off-balance sheet items				
Unused portion of overdrafts	3,124,971	-	-	3,124,971
Performance guarantees	7,024,577	593,108	-	7,617,685
Unused portion of loans and advances to customers	432,983	-	-	432,983
	10,582,531	593,108	-	11,175,639
In KHR'000 equivalents	43,229,639	2,422,847	-	45,652,486

Sensitivity analysis

The Bank takes on exposure to the effects of fluctuations in the prevailing foreign currency exchange rates on their financial position and cash flows. The table below sets out the principal structure of foreign exchange exposures of the Bank:

	2024	2023
	KHR'000	KHR'000
Asset/(Liability)		
Khmer Riel (KHR)	100,607,146	87,111,265
Thai Baht (THB)	73,175	74,619
	100,680,321	87,185,884
In KHR'000 equivalent	405,238,292	356,154,336

As shown in the table above, the Bank is primarily exposed to changes in US\$/KHR exchange rates. The sensitivity of profit or loss to changes in exchange rates arises mainly from KHR denominated financial instruments.

The analysis below is based on the assumption that the KHR exchange rate has increased or decreased by 1% which is based on the 3-year moving average of the exchange rate from 2022 to 2024.

An analysis of the exposures to assess the impact of 1% change in the foreign currency exchange rates to the profit after tax are as follows:

	2024		2023	
	US\$	KHR'000	US\$	KHR'000
Decrease -1%				
Khmer Riel (KHR)	(1,456,316)	(5,861,672)	(671,863)	(2,744,560)
	(1,456,316)	(5,861,672)	(671,863)	(2,744,560)

	2024		2023	
	US\$	KHR'000	US\$	KHR'000
Decrease +1%				
Khmer Riel (KHR)	1,499,734	6,036,429	682,389	2,787,559
	1,499,734	6,036,429	682,389	2,787,559

(ii) Price risk

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

(iii) Interest rate risk

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Fair value interest rate risk is the risk that the value of a financial instrument will fluctuate because of changes in market interest rates. Interest margins may increase as a result of changes but may reduce losses in the event that unexpected movements arise.

The Bank's main interest rate risk arises from borrowings and subordinated debt which are at fixed rates. The Bank does not have fair value interest rate risk as the interest rates of financial instruments measured at amortised cost are similar to prevailing market rates.

The management of the Bank at this stage does not have a policy to set limits on the level of mismatch of interest rate repricing that may be undertaken; however, the management regularly monitors the mismatch. In addition, the management regularly analyses and foresees the expected changes in the interest rates and manages cash flow interest rate risk by assessing its impacts and developing actions to respond to the interest rate risk.

The table below summarises the Bank's exposure to interest rate risks. It includes the Bank's financial instruments at carrying amounts, categorised by the earlier of contractual repricing or maturity dates.

	Up to 1 month US\$	1 to 3 months US\$
As at 31 December 2024		
Financial assets		
Cash on hand	-	-
Deposits and placements with the central bank	-	7,754,529
Deposits and placements with other banks	86,193,330	183,286,158
Loans and advances at amortised cost	37,541,816	26,127,085
Investment in debt securities	5,275,000	-
Other financial assets	-	-
Total financial assets	129,010,146	217,167,772
Financial liabilities		
Deposits from banks	13,937,105	34,624,090
Deposits from customers	611,084,299	62,203,658
Borrowings	-	-
Lease liabilities	-	2,635
Other financial liabilities		
	625,021,404	96,830,383
Total interest rate repricing gap	(496,011,258)	120,337,389
In KHR'000 equivalents	(1,996,445,313)	484,357,991
Off-balance sheet items		
Unused portion of overdrafts	9,460,033	-
Performance guarantees	-	-
Unused portion of loans and advances to customers	14,444,968	-
	23,905,001	-
In KHR'000 equivalents	96,217,629	-

	3 to 12 months US\$	1 to 5 years US\$	Over 5 years US\$	Non-interest rate sensitive US\$	Total US\$
	-	-	-	24,269,344	24,269,344
	-	-	-	144,975,708	152,730,237
	106,333,137	-	-	15,270,560	391,083,185
	121,928,815	67,094,989	453,802,729	-	706,495,434
	-	20,625,757	-	-	25,900,757
	-	-	-	2,030,569	2,030,569
	228,261,952	87,720,746	453,802,729	186,546,181	1,302,509,526
	96,893,343	20,901,639	378,952	1,598,670	168,333,799
	212,268,844	106,325,706	2,528,544	5,374,392	999,785,443
	3,660	9,242,290	2,163,036	-	11,408,986
	240,675	1,370,449	2,129,710	-	3,743,469
				18,080	18,080
	309,406,522	137,840,084	7,200,242	6,991,142	1,183,289,777
	(81,144,570)	(50,119,338)	446,602,487	179,555,039	119,219,749
	(326,606,894)	(201,730,335)	1,797,575,010	722,709,032	479,859,491
	-	-	-	-	9,460,033
	-	-	-	3,160,710	3,160,710
	-	-	-	-	14,444,968
	-	-	-	3,160,710	27,065,711
	-	-	-	12,721,858	108,939,487

	Up to 1 month US\$	1 to 3 months US\$
As at 31 December 2023		
Financial assets		
Cash on hand	-	-
Deposits and placements with the central bank	36,719,706	12,395,922
Deposits and placements with other banks	67,539,718	90,043,830
Loans and advances at amortised cost	5,637,829	12,167,485
Investment in debt securities	-	-
Derivatives held for risk management	-	-
Other financial assets	-	-
Total financial assets	109,897,253	114,607,237
Financial liabilities		
Deposits from banks	28,310,588	33,000,000
Deposits from customers	499,810,257	45,811,161
Borrowings	4,296	-
Subordinated debts	-	-
Lease liabilities	13,522	-
Other financial liabilities	-	-
	528,138,663	78,811,161
Total interest rate repricing gap	(418,241,410)	35,796,076
In KHR'000 equivalents	(1,708,516,160)	146,226,970
Off-balance sheet items		
Unused portion of overdrafts	3,124,971	-
Performance guarantees	-	-
Unused portion of loans and advances to customers	432,983	-
	3,557,954	-
In KHR'000 equivalents	14,534,242	-

Sensitivity analysis

The interest rate sensitivity shows the impact on profit after tax and equity of financial assets and financial liabilities bearing floating interest rates and fixed rate financial assets and financial liabilities carried at fair value.

The Bank's interest-bearing financial assets and financial liabilities are contracted under the fixed interest rate. Therefore, the Bank has no exposure to the risk of changes in interest rate in the future.

	3 to 12 months US\$	1 to 5 years US\$	Over 5 years US\$	Non-interest rate sensitive US\$	Total US\$
	-	-	-	26,955,643	26,955,643
	11,119,951	-	-	87,226,722	147,462,301
	91,794,812	-	-	12,069,082	261,447,442
	101,810,021	149,542,544	437,785,533	4,711,606	711,655,018
	-	5,275,000	-	-	5,275,000
	105,895	-	-	-	105,895
	-	-	-	2,682,364	2,682,364
	204,830,679	154,817,544	437,785,533	133,645,417	1,155,583,663
	122,027,706	3,167,769	-	2,988,379	189,494,442
	215,193,189	62,799,865	4,181,000	18,644,636	846,440,108
	64,705	4,596,840	11,245,441	137,953	16,049,235
	-	8,113,333	-	-	8,113,333
	-	841,418	3,150,366	-	4,005,306
	-	-	-	14,598	14,598
	337,285,600	79,519,225	18,576,807	21,785,566	1,064,117,022
	(132,454,921)	75,298,319	419,208,726	111,859,851	91,466,641
	(541,078,352)	307,593,633	1,712,467,646	456,947,491	373,641,228
	-	-	-	-	3,124,971
	-	-	-	7,617,685	7,617,685
	-	-	-	-	432,983
	-	-	-	7,617,685	11,175,639
	-	-	-	31,118,244	45,652,486

35.3 Liquidity risk

Liquidity risk is the risk that the Bank is unable to meet its payment obligations associated with its financial liabilities when they fall due and to replace funds when they are withdrawn. The consequence of this may be the failure to meet obligations to repay depositors and fulfil commitments to lend.

(a) Liquidity risk management process

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

	Up to 1 month US\$	1 to 3 months US\$
As at 31 December 2024		
Financial assets		
Cash on hand	24,269,344	-
Deposits and placements with the central bank	147,533,662	9,535,910
Deposits and placements with other banks	100,777,198	90,479,028
Loans and advances to customers	39,435,144	48,593,808
Investment in debt security	5,275,000	1,200,000
Other assets	2,030,569	-
Total financial assets	319,320,917	149,808,746
Financial liabilities		
Deposits from other banks	44,950,795	57,388,562
Deposits from non-bank customers	595,631,215	42,892
Borrowings	294,487	588,765
Lease liabilities	104,605	313,815
Other financial liabilities	18,080	-
Total financial liabilities	640,999,182	58,334,034
Net financial (liabilities)/assets	(321,678,265)	91,474,712
In KHR'000 equivalents	(1,294,755,017)	368,185,716
Off-balance sheet items		
Unused portion of overdrafts	9,460,033	-
Performance guarantees	3,160,710	-
Unused portion of loans and advances to customers	14,444,968	-
	27,065,711	-
In KHR'000 equivalents	108,939,487	-

(b) Funding approach

The Bank's main sources of liquidities arise from shareholder's paid-up capital, borrowings, subordinated debts and deposits from banks and customers. The sources of liquidity are regularly reviewed daily through management's review of maturity of term deposits and key depositors.

(c) Non-derivative cash flows

The table below presents the cash flows payable by the Bank under non-derivative financial liabilities based on remaining contractual maturities at the balance sheet date. The amounts disclosed in the table are the contractual undiscounted cash flows, whereas the Bank manages the inherent liquidity risk based on expected undiscounted cash flows.

	3 to 12 months US\$	1 to 5 years US\$	Over 5 years US\$	Total US\$
	-	-	-	24,269,344
	-	-	-	157,069,572
	37,659,406	-	-	228,915,632
	126,447,822	289,325,672	433,996,513	937,798,959
	-	21,200,000	-	27,675,000
	-	-	-	2,030,569
	164,107,228	310,525,672	433,996,513	1,377,759,076
	154,063,222	22,632,400	2,058,599	281,093,578
	98,774	88,883	19,004	595,880,768
	2,636,731	10,568,995	321,120	14,410,098
	1,255,261	2,435,043	926,527	5,035,251
	-	-	-	18,080
	158,053,988	35,725,321	3,325,250	896,437,775
	6,053,240	274,800,351	430,671,263	481,321,301
	24,364,291	1,106,071,413	1,733,451,834	1,937,318,237
	-	-	-	9,460,033
	-	-	-	3,160,710
	-	-	-	14,444,968
	-	-	-	27,065,711
	-	-	-	108,939,487

	Up to 1 month US\$	1 to 3 months US\$
As at 31 December 2023		
Financial assets		
Cash on hand	26,955,643	-
Deposits and placements with the central bank	197,666,644	12,395,922
Deposits and placements with other banks	83,363,602	90,968,176
Loans and advances to customers	17,932,907	33,663,952
Investment in debt security	-	-
Derivative financial instrument	-	-
Other assets	2,682,364	-
Total financial assets	328,601,160	137,028,050
Financial liabilities		
Deposits from other banks	70,608,206	59,116,746
Deposits from non-bank customers	529,572,205	46,214,233
Borrowings	-	-
Subordinated debts	-	-
Lease liabilities	95,685	186,816
Other financial liabilities	14,598	-
Total financial liabilities	600,290,694	105,517,795
Net financial (liabilities)/assets	(271,689,534)	31,510,255
In KHR'000 equivalents	(1,109,851,746)	128,719,392
Off-balance sheet items		
Unused portion of overdrafts	3,124,971	-
Performance guarantees	7,617,685	-
Unused portion of loans and advances to customers	432,983	-
	11,175,639	-
In KHR'000 equivalents	45,652,485	-

35.4 Fair value of financial assets and liabilities

(a) Financial instruments measured at fair value

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

(b) Financial instruments not measured at fair value

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

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

i. Deposits and placements with the central bank and other banks

The carrying amounts of deposits and placements with the central bank and other banks approximate their fair values, since these accounts consist mostly of current, savings and short-term deposits.

	3 to 12 months US\$	1 to 5 years US\$	Over 5 years US\$	Total US\$
	-	-	-	26,955,643
	11,119,951	-	-	221,182,517
	107,186,095	-	-	281,517,873
	133,953,629	322,653,365	480,529,280	988,733,133
	275,000	5,275,000	-	5,550,000
	99,615	-	-	99,615
	-	-	-	2,682,364
	252,634,290	327,928,365	480,529,280	1,526,721,145
	62,746,851	945,272	-	193,417,075
	209,014,933	69,580,287	4,728,350	859,110,008
	93,621	4,710,173	11,245,441	16,049,235
	2,513,333	6,600,000	-	9,113,333
	805,251	1,914,027	1,003,528	4,005,307
	-	-	-	14,598
	275,173,989	83,749,759	16,977,319	1,081,709,556
	(22,539,699)	244,178,606	463,551,961	445,011,589
	(92,074,669)	997,469,605	1,893,609,761	1,817,872,343
	-	-	-	3,124,971
	-	-	-	7,617,685
	-	-	-	432,983
	-	-	-	11,175,639
	-	-	-	45,652,485

ii. Loans and advances to customers

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

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

iii. Deposits from banks and customers

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

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

iv. Other financial assets and other financial liabilities

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

v. Investment in debt security

The estimated fair value of debt securities is generally based on quoted and observable market prices at the date of statements of financial position. They are not actively traded. The estimated fair values of debt securities approximate their carrying values based on estimated future cash flows using prevailing market rates.

The Bank measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements:

vi. Borrowings and subordinated debts

Borrowings and subordinated debts are not quoted in the active market and their fair value approximates their carrying amount because the borrowing rates are similar to the prevailing market rates of the borrowing with similar term and maturities.

Level 1: The fair value of financial instruments traded in active markets (such as publicly traded derivatives and equity securities) is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the Bank is the current bid price. These instruments are included in level 1.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities.

35.5 Capital management

The Bank's objectives when managing capital, which is a broader concept than the 'equity' shown on the balance sheet, are:

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

The central bank requires all commercial banks to i) hold the minimum capital requirement, ii) maintain the Bank's net worth at least equal to the minimum capital and iii) comply with solvency and liquidity ratios.

The table below summarises the composition of regulatory capital:

	2024		2023	
	US\$	KHR'000	US\$	KHR'000
Tier 1 capital				
Share capital	135,000,000	543,375,000	135,000,000	551,475,000
Retained earnings	67,515,621	276,368,234	44,662,639	183,333,746
Less: Intangible assets	(3,533,197)	(14,221,118)	(4,112,201)	(16,798,341)
Less: Loans to related parties	(1,395,176)	(5,615,584)	(2,654,384)	(10,843,159)
	197,587,248	799,906,532	172,896,054	707,167,246
Tier 2 complementary capital				
General provision	11,183,182	45,012,308	16,435,172	66,542,726
Subordinated debts	-	-	8,000,000	32,680,000
	11,183,182	45,012,308	24,435,172	99,222,726
	208,770,430	844,918,840	197,331,226	806,389,972

CHIP MONG COMMERCIAL BANK PLC.

AS PART OF CHIP MONG'S SUCCESSFUL FOOTPRINT SINCE 1982



CONNECT WITH CHIP MONG BANK



CHIP MONG COMMERCIAL BANK PLC.

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