PhillipBank

Annual Report 2024

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01 OVERVIEW

BACKGROUND

Phillip Bank Plc is a member of PhillipCapital which is headquartered in Singapore, and established since 1975.

PhillipCapital operates in the financial hubs of 15 countries including Australia, Cambodia, China (as well as Hong Kong), Spain, India, Indonesia, Japan, Malaysia, Singapore, Thailand, Turkey, UK, UAE, USA and Vietnam.

It offers a full range of quality innovative products and services to retail and high-net-worth individuals, corporate and institutional customers. These include securities brokering, futures, foreign exchange, bonds, precious metals and commodities, unit trusts, contracts for difference, exchange traded funds, fund management, managed accounts, insurance planning, regular savings plan, investment research, equity financing and property consultancy.

The PhillipCapital network has grown into a global presence, an integrated Asian financial house with over 5,000 employees and more than one million clients worldwide and assets under custody/management exceeding US$ 65 billion, and shareholder's funds in excess of US$ 3 billion.

From its first foray into Cambodia in 2009 investing in First Finance Microfinance, PhillipCapital expanded its investment by also buying into KREDIT Microfinance in 2012, then purchasing Hwang DBS Bank in 2014 and changing its name to Phillip Bank. Our status as a significant financial solutions provider in Cambodia has been enhanced with the addition of Phillip Life Assurance (Cambodia) Plc, Phillip General Insurance (Cambodia) Plc, and Phillip Trustee (Cambodia) Co., Ltd.

Phillip Bank currently has more than 70 branches across Cambodia and is planning to expand its presence throughout the Kingdom of Cambodia.

CORPORATE VISION

- Delighting Customers
- Growing People
- Benefiting Communities

CORPORATE MISSION

To build convenient, integrated, innovative, and trusted financial solutions by leveraging technology platforms and engaging our staff, business partners, and customers to sustainably improve the economic well-being of families in rural and urban communities.

CHAIRMAN'S STATEMENT

MR. LIM HUA MIN

Chairman

Following years of steady post-pandemic recovery, Cambodia's financial system continued to show resilience, with total assets across the banking and financial sector rising to US$91.1 billion, a 7% increase, according to the National Bank of Cambodia's (NBC) report. According to the report, outstanding loans rose by 3% to US$59.9 billion, while customers' deposits increased by 16.3% to US$57 billion, by the end of 2024. The report also highlighted that Non-Performing Loans (NPLs) at banks and microfinance institutions were at the rates of 7.9% and 9%, respectively.

The year 2024 marked another step forward in Phillip Bank's journey of sustainable growth, innovation, and customer-centric banking. Phillip Bank remained committed to its mission of delivering reliable financial solutions and meaningful digital experiences to our customers across the country.

In 2024, the Bank achieved a total operating revenue of US$83.44 million, reflecting a 5.21% increase from US$79.31 million in 2023. However, due to a more cautious approach to credit risk in light of economic uncertainties, our profit before tax decreased to US$5.73 million, down from US$6.6 million in 2023. This was largely attributed to a significant increase in impairment losses, which rose to US$6.52 million from US$3.73 million in the previous year.

Throughout the year, we made significant progress in enhancing our product and service offerings. We launched new solutions in response to the evolving needs of both individuals and SME customers. Our Factoring and Trade Financing services gained further traction, enabling businesses to unlock working capital more efficiently.

CHAIRMAN'S STATEMENT

To support operational efficiency for corporate clients, we also rolled out a streamlined payroll solution that simplifies salary disbursement and ensures timely, secure access to funds for employees.

With Cash Collection Machines (CCMs) merchants can conveniently deposit cash directly into their bank accounts, improving convenience, and liquidity, and reducing risk. These innovations reflect our commitment to offering end-to-end financial solutions that empower businesses and entrepreneurs.

Internally, we strengthened our innovation roadmap, enhancing our mobile and online platforms, and negotiating strategic partnerships across sectors to broaden the scope of cashless payments for everyday services ranging from utilities to education and beyond. This was complemented by stronger collaboration within the Phillip Capital Cambodia ecosystem, where synergies with our Trustee and Insurance affiliates have enabled us to offer more holistic financial solutions.

Looking ahead to 2025, we remain committed to innovation-led growth and responsible banking. We plan to upgrade our international remittance service, supporting instant FX conversion, expanding corridor coverage, and lowering transaction costs through partnerships with global networks and Fintech leaders. Meanwhile, we will expand our Priority Banking offerings to attract and serve high-net-worth clients with exclusive access to tailored investment products and high-end services.

With outstanding shareholders' equity at US$ 162.45 million, we remain fully compliant with NBC's regulations and continue to operate with strong governance and financial discipline. Our vision for 2025 and beyond is to build a more connected, inclusive, and secure financial ecosystem—powered by innovation, guided by prudence, and inspired by customer trust.

On behalf of the Board of Directors, I would like to express my sincere appreciation to the National Bank of Cambodia for continued guidance and oversight. To our valued customers, thank you for your enduring confidence. And to our dedicated employees, whose resilience and dedication drive our success—you have our deepest gratitude.

Lim Hua Min
Chairman

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06 BUSINESS REVIEW

BUSINESS PRIORITIES

FINANCIAL PERSPECTIVE

For the year ended 31 December 2024, the Bank recorded a total operating revenue of US$83.44 million, representing a 5.21% increase from US$79.31 million in the previous year. This growth was mainly driven by a notable rise in interest income from loans and advances to customers, supported by moderate expansion of the Bank's loan portfolio. For the year ended 31 December 2024, the Bank reported a profit before income tax of US$5.73 million, compared to US$6.88 million in the previous year. The decline was primarily due to a notable increase in impairment losses, which rose to US$6.52 million from US$3.73 million in 2023, reflecting a more conservative stance on credit risk.

The Bank will continue to pursue its strategies on satisfying the financial needs of small and medium scale enterprises and micro borrowers; and continue offering consumer products such as personal, housing and car loans. The Bank will also focus on increasing its loan base as well as growing its depositor base, especially in the Retail, Micro and SME segments.

CUSTOMER CENTRICITY

The Bank offers a wide range of products and services for small and medium scale enterprises and micro borrowers to meet retail and corporate financial needs while safeguarding the wealth of its customers for future generations. The Bank believes in going the extra mile to meet with the customers at their convenience, customise solutions that best fit their needs, and offer a great customer experience.

We ensure that all transactions are successfully completed and help guide them through all their banking needs. This commitment is a key differentiator for the Bank and brings a whole new meaning to our standard of "Customer Experience and Customer Relationship Excellence" so that we live up to our vision of "Delighting Customers, Growing People and Benefiting Communities".

COMMUNITY PERSPECTIVE

The Bank also engages in and implements various CSR programmes to support communities. In past years, the Bank has sponsored many charity events. In 2024, Phillip Bank sponsored Cambodian team from E2STEM to participate the First Global Challenge in Singapore. The exposure to hands-on STEM learning is helping them to develop their competencies in problem-solving through the application of STEM. The Bank will continue to give back to Cambodian society through many other initiatives and projects in the upcoming years including supporting health & sport, community donation, and many others.

Phillip Bank is unique among banks in Cambodia as has its own local NGO which it supports to serve as the CSR arm of the Bank. This organisation, Koampia Phum Yoeung (KPY), which means "Caring for Our Village" in the Khmer language, was originally launched more than 10 years ago as a project of KREDIT Microfinance to help children, poor families and communities across Cambodia by providing training and consulting in financial literacy, agriculture, child rights, health and education.

BUSINESS PRIORITIES

INTERNAL PROCESS PERSPECTIVE

The Bank aims to position itself as a bank that Delights Customers, Grows People, and Benefits Communities while placing a high degree of importance on stringent risk management processes for the benefit of our clients and the community. The Bank has put in place policies and procedures following international banking standards and has invested substantially in technology and infrastructure security for our customers' added peace of mind.

HUMAN RESOURCE PERSPECTIVE

In 2024, the Learning and Development (L&D) department maintained its strategic focus on building a high-performing, service-oriented, and future-ready workforce. We prioritised leadership and soft skills development, enhancing customer service capabilities, responsible lending certification, and operational efficiency through targeted system training and structured onboarding. These initiatives ensured our staff were aligned with the Bank's values and equipped to support long-term growth.

Induction Training for New Staff

Our monthly Induction Training Programme ensured that all newly recruited employees were effectively onboarded. Each session covered key topics including corporate values, HR policies, service standards, compliance, and operational processes.

This structured and consistent approach not only supported employee engagement and retention, but also enabled faster contribution and cultural integration for new hires. Through interactive sessions, storytelling, and experience sharing, we created a welcoming learning environment that reflected the values and service expectations of the Bank.

Customer Service Skills Enhancement – Completion of WECARE Part 2 & 3

In 2024, we successfully completed Part 2 and Part 3 of the WECARE Customer Service Training Programme for counter staff and Branch Managers in all regions. These sessions built upon the foundational training delivered in 2023 and focused on advanced service skills such as:

- Handling difficult situations and customer complaints
- Personalising service for different customer segments
- Coaching frontline staff to uphold service standards

Role-play exercises, case discussions, and peer sharing made the sessions practical and impactful, ensuring consistent service excellence across the Bank's network.

Certified Responsible Lending Programme

The Bank continued its collaboration with the Institute of Banking and Finance (IBF) to reinforce ethical and responsible banking practices. In 2024, more frontline staff completed the Certified Responsible Lending Programme, deepening their understanding of customer protection, regulatory compliance, and sustainable credit practices.

We are proud to report that we have covered 99% of our lending staff since the programme's inception, making it a nearly universal certification initiative within the Bank. Additionally, we have successfully included all 70+ branches and ensured that all frontliners and sales staff were trained, reinforcing consistency in ethical lending across our entire network.

BUSINESS PRIORITIES

Loan Origination System (LOS) Training

To improve the efficiency and accuracy of our lending process, we delivered targeted training on the Loan Origination System (LOS) for lending staff across all branches. The training covered loan application flow, data entry, risk assessments, and documentation handling.

LOS training helped streamline operations, reduce errors, and enhance the overall experience for both employees and customers involved in lending activities.

Ongoing Strategic Support

We continued to provide employees with opportunities to grow beyond technical skills. Sponsorships were offered for English and Mandarin language courses, and selected staff joined international training programmes and study tours to gain exposure to global best practices in banking and leadership.

Looking Ahead

In 2024, our L&D initiatives strengthened employee capability, supported strategic growth, and elevated service delivery. By integrating leadership, systems, and service-focused training with ongoing support like LOS, Certification program, language learning and other outsourced trainings, we built a workforce that is not only skilled but adaptable and engaged.

In 2025, we will expand our focus to include digital capability building, agile thinking, technical skill, customer-centric innovation, and leadership to ensure we stay ahead in a rapidly transforming financial sector.

SIGNIFICANT BUSINESS PLANS FOR FINANCIAL YEAR 2025

In 2025, Phillip Bank will continue moving forward with its Three-Pillar strategy, focusing on strengthening relationships with existing customers and expanding to serve new customer groups. This includes improving our everyday banking services, growing savings accounts, and offering more ways to earn through services like money transfers, insurance, and loans. We aim to reach more people-including young professionals, farmers, university students, communities, and customers in fast-growing areas like green energy and healthcare. As we grow our customer base and loan portfolio, we are also working hard to improve our Non-Performing Loan (NPL) ratio and manage our cost of fund to ensure sustainable, responsible growth. For high-net-worth customers, we will expand our wealth management services by offering personalised financial advice, exclusive investment products, and tailored solutions, in partnership with our group companies in Singapore.

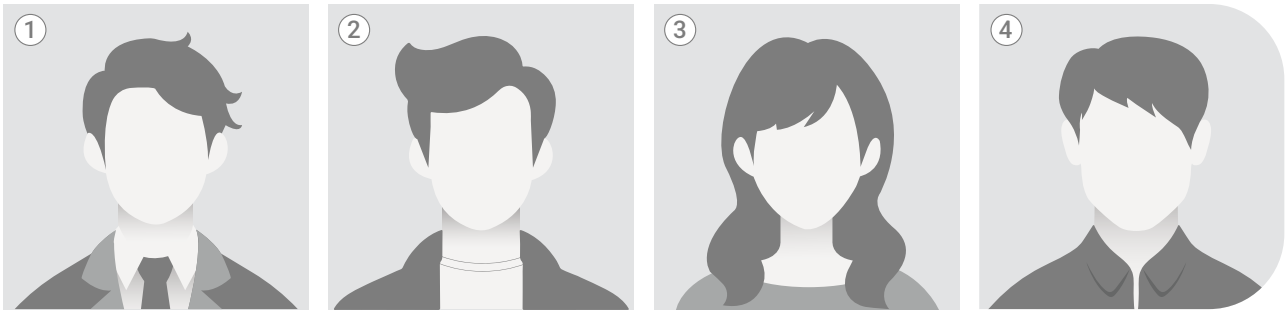
To deliver a more convenient and modern experience, we will enhance our digital platforms. In 2025, we will launch PhillipBusiness, a user-friendly online banking platform with new features. We're also improving international remittance services by working with global payment partners, so customers can enjoy faster, more affordable, and multi-currency transfers through the PhillipMobile app. As part of our broader effort to enhance fee-based income, we are also revisiting the Standard Operating Procedures (SOPs) for trade finance products to strengthen efficiency and ensure alignment with evolving business needs.

BUSINESS PRIORITIES

These upgrades reflect our commitment to combining innovation with a local understanding—backed by the expertise of our group companies.

To support this growth, Phillip Bank will continue investing in its people. We are building a strong, customer-focused team by improving training, encouraging teamwork, and creating a workplace where staff feel valued and supported. By doing so, we aim to raise service standards, keep our best talent, and build a united culture that helps both our customers and the bank succeed.

THE CUSTOMER'S VOICE



Customer 1 (Mr. Chhor)

Running a business comes with endless challenges, and securing the right financial support is often the hardest. Phillip Bank's financing solutions gave me the capital I needed to grow my business, and their advisors provided insights that helped me make the right decisions. Today, my business is growing, and I owe a big part of my success thanks to the belief Phillip Bank had in me.

Customer 2 (Mr. Dao)

In difficult times, you realise which institution truly cares. When I faced financial hardship, Phillip Bank didn't just offer services—they offered solutions. Their team took the time to understand my situation and provided financial support that helped us expand our business to the next level. Phillip Bank does not just serve customers-they build relationships based on trust, care, and understanding.

Customer 3 (Ms. Sok)

Trust is the most valuable currency in banking, and Phillip Bank has earned mine. Over the years, Phillip Bank has provided me with financial security, expert advice, and innovative solutions that help me effectively manage my fund.

Customer 4 (Mr. Hem)

When I applied for the first loan with Phillip Bank, I was worried about the process. Nevertheless, Phillip Bank staff made everything easy by explaining every step in detail. Their transparency and support gave me the confidence to take this important financial step.

CORPORATE SOCIAL RESPONSIBILITY

Phillip Bank believes Corporate Social Responsibility (CSR) is not just a corporate obligation. It is built into our DNA and corporate culture to do good and give back to the communities we operate in.

We divide our CSR activities into two parts:

- Strategic CSR: these are specific areas in which the Bank has chosen to contribute over an extended period. For Phillip Bank, Strategic CSR includes benefiting financial inclusion, education and disabled arts.

- Tactical CSR: These are short-term or one-off projects providing aid to specific segments of the community, in response to events such as disasters, flood relief, educational campaigns, children's enrichment programmes, and health.

In 2024, Phillip Bank supported communities and local charities through the activities below:

Koampia Phum Yoeung (KPY)

KPY is a local NGO working alongside Phillip Bank, as part of the Bank's CSR, to improve the lives of the vulnerable in Cambodia. Phillip Bank has supported this work for more than 10 years since it was a project of KREDIT Microfinance to help children, poor families, and communities in four target provinces in Cambodia by providing training and consulting in four areas including financial literacy, agriculture development, child rights, and education.

CORPORATE SOCIAL RESPONSIBILITY

E2STEM Cambodia

Phillip Bank has been a supporter for a major educational initiative called E2STEM. In 2024, Phillip Bank sponsored Cambodian team from E2STEM to participate the First Global Challenge in Singapore. The exposure to hands-on STEM learning is helping them to develop their competencies in problem-solving through the application of STEM. In addition, Phillip Bank also arranged an internship programme for selected E2STEM students to make use of their skills in a real working environment.

True VISIONS Sponsorship

Phillip Bank has signed an MoU with True VISIONS International School of Cambodia (TVIS) to provide scholarships to 12 outstanding high school students, covering 50% of their annual tuition fee.

CORPORATE SOCIAL RESPONSIBILITY

Bowling Charity

Phillip Bank has partnered with Probrowl to host a bowling charity event on 01 June 2024. Phillip Bank staff participated together with people with disability to raise awareness of the country's bowling competition.

2024 Earth Warrior Day

Phillip Bank is honoured to participate alongside with Banjaran Asset Management (Cambodia) Co., Ltd. in the "Earth Warriors Day 2024" event. Our collective efforts have contributed to environmental conservation and create a lasting positive impacts for future generations.

CORPORATE SOCIAL RESPONSIBILITY

Angkor Wat International Half Marathon

Phillip Bank contributed nearly US$ 2,000 by participating in the 29th Angkor Wat International Half Marathon. The whole registration fee was donated via the event organiser to Kantha Bopha Children's Hospitals.

Kathina Ceremony

Phillip Bank was a sponsor for the Kathina Ceremony, held by the Myanmar Association in Cambodia, on 20 October 2024 at Dambok Kpous Pagoda, Phnom Penh.

CORPORATE SOCIAL RESPONSIBILITY

Kampot Inclusive Reading Corner

Phillip Bank was a sponsor for the “Kampot Inclusive Reading Corner”, held on 22 November 2024 in front of Kampot Provincial Hall.

Red Hornet Chairman’s Cup

Phillip Bank was a sponsor for the “5th Red Hornet Chairman’s Cup—Golf for a Cause,” held on 29 November 2024 at Chhun On Golf Resort. Proceeds from the event will be donated to the Kantha Bopha Foundation.

CORPORATE SOCIAL RESPONSIBILITY

Green Bethel Community School

Phillip Bank is one of the annual sponsors for the Green Bethel Community School (GBC) in Cambodia.

Established by Korean NGOs in collaboration with the local government, it is a beacon of hope for underprivileged children living in garbage landfills. It provides them access to quality education, empowering them to break the cycle of poverty and create a better future for themselves.

FINANCIAL HIGHLIGHTS

	2024	2023
OPERATING RESULTS (US$'000)		
Operating revenue	83,440	79,308
Profit before taxation	5,732	6,877
Net profit for the year	4,577	5,365
KEY BALANCE SHEET DATE (US$'000)		
Total asset	849,412	794,434
Loan and advances (net)	596,133	583,232
Total liabilities	686,962	636,560
Deposits	648,203	601,027
Statutory capital	75,000	75,000
Shareholder's funds	162,451	157,873
FINANCIAL RATIOS		
Earnings per share (US$)	0.06	0.07
Net assets per share (US$)	2.17	2.10
Return on shareholders' funds (%)	2.82	3.40
Return on assets (%)	0.54	0.68
Liquidity ratio (%)	171	282
Loan-to-deposit ratio (%)	94.87	98.90
Non-performing loans to total loans (%)	9.87	6.33
CAPITAL MANAGEMENT		
Net worth (US$'000)	144,183	137,783
Solvency ratio (%)	19.73	21.08

YEAR TO YEAR FINANCIAL SUMMARY

TOTAL ASSETS

(US$ Million)

2024	849.41
2023	794.43

LOAN AND ADVANCES

(US$ Million)

2024	596.13
2023	583.23

DEPOSITS

(US$ Million)

2024	648.20
2023	601.03

SHAREHOLDER'S FUNDS

(US$ Million)

2024	162.45
2023	157.87

OPERATING REVENUE

(US$ Million)

2024	83.44
2023	79.31

PROFIT BEFORE TAX

(US$ Million)

2024	5.73
2023	6.88

ANALYSIS OF FINANCIAL STATEMENTS

OPERATING REVENUE

The Bank's operating revenue for the year ended 31 December 2024 amounted to US$83.44 million, representing a 5.21% increase from US$79.31 million in the previous year. This growth was mainly driven by a notable rise in interest income from loans and advances to customers, supported by moderate expansion of the Bank's loan portfolio. For the year ended 31 December 2024, the Bank's operating revenue was primarily derived from interest income on loans and advances to customers 96.09%, while recoveries from written-off loans and foreign exchange gains/losses accounted for 1.03%, and fees and commission income contributed 2.88%.

PROFIT BEFORE TAXATION AND EARNINGS PER SHARE

For the year ended 31 December 2024, the Bank reported a profit before income tax of US$5.73 million, compared to US$6.88 million in the previous year. The decline was primarily due to a notable increase in impairment losses, which rose to US$6.52 million from US$3.73 million in 2023, reflecting a more conservative stance on credit risk. Despite slight reductions in operating expenses, the higher provisioning offset any potential gains. Net profit for the year consequently fell to US$4.58 million, down from US$5.37 million in the prior year. Earnings per share also decreased to US$0.06 in 2024, compared to US$0.07 in 2023.

The Bank's cost-to-income ratio improved slightly, standing at 71.4% in 2024 compared to 75.9% in 2023. This improvement reflects better cost efficiency, driven by lower operating expenses and a relatively stable operating income base.

TAXATION

For the year ended 31 December 2024, the Bank recorded an income tax expense of US$1.16 million, a decrease from US$1.51 million in the previous year. The lower tax expense is in line with the decline in profit before tax, which fell to US$5.73 million from US$6.88 million in 2023.

TOTAL LIABILITIES

As of 31 December 2024, the Bank's total liabilities amounted to US$686.96 million, reflecting an increase from US$636.56 million in the previous year. This growth was primarily driven by a significant rise in customer deposits, which increased to US$616.71 million from US$537.16 million, underscoring continued customer confidence and strong funding support. Although deposits from other financial institutions declined to US$31.49 million from US$63.87 million, the impact was offset by the overall growth in the Bank's core deposit base. Borrowings also increased moderately to US$18.94 million, up from US$16.75 million, supporting the Bank's ongoing lending activities. Lease liabilities and subordinated debt remained relatively stable, with slight fluctuations. Deferred tax liabilities also increased to US$2.79 million from US$1.63 million, reflecting adjustments in temporary differences. Other liability items remained largely stable, contributing to the Bank's solid liability structure.

TOTAL ASSETS

As of 31 December 2024, the Bank's total assets reached US$849.41 million, representing an increase from US$794.43 million in the previous year. This growth was mainly driven by the expansion in net loans and

ANALYSIS OF FINANCIAL STATEMENTS

advances to customers, which rose to US$596.13 million from US$583.23 million, reflecting continued credit growth. Placements with other financial institutions also increased significantly to US$45.64 million, up from US$3.52 million, indicating improved liquidity deployment. Statutory deposits rose to US$53.34 million, while property and equipment, right-of-use assets, and other assets also saw moderate increases. Although cash and cash equivalents declined slightly to US$130.92 million from US$136.80 million, the overall asset growth demonstrates the Bank's continued expansion and strengthening of its financial position.

DEPOSITS, BORROWINGS, AND SUBORDINATED DEBTS

As of 31 December 2024, total deposits from customers increased significantly to US$616.71 million, up from US$537.16 million in the previous year. This growth was primarily driven by a notable rise in demand deposits, which surged to US$89.53 million from US$32.17 million, and savings accounts, which grew to US$91.64 million from US$63.44 million. Fixed deposits, the largest portion of customer deposits, remained relatively stable at US$435.49 million. Deposits from other financial institutions declined to US$31.49 million from US$63.87 million, mainly due to a reduction in fixed deposits from these institutions. Borrowings rose modestly to US$18.94 million from US$16.75 million, reflecting additional funding to support loan growth. Subordinated debt remained relatively stable at US$4.06 million compared to US$4.59 million, indicating a consistent level of long-term funding support for the Bank's capital structure.

LOANS AND ADVANCES

As of 31 December 2024, the Bank's gross loans and advances to customers increased to US$614.96 million, up from US$594.44 million in the previous year, reflecting a moderate loan portfolio growth of 3.5%. The Micro, Small and Medium Enterprise (MSME) segment remained the largest component, rising slightly to US$348.32 million from US$347.92 million. Commercial loans saw a notable increase of 10%, reaching US$223.99 million from US$203.59 million, indicating a strategic focus on expanding lending to larger business clients. Consumer loans remained stable at US$42.19 million, compared to US$42.37 million in 2023. Loans classified under "Other" declined slightly to US$0.46 million. The overall growth in the loan book reflects the Bank's continued efforts to support economic activity while maintaining a balanced credit portfolio.

STATUTORY CAPITAL

As of 31 December 2024, the Bank's share capital remained unchanged at US$75.00 million, consistent with the prior year. This stable capital base reflects a steady ownership structure with no new equity issuance or capital reduction during the year.

SHAREHOLDERS' FUNDS AND NET ASSETS PER SHARE

As of 31 December 2024, the Bank's total shareholders' funds increased to US$162.45 million, up from US$157.87 million in the previous year. This growth was primarily

ANALYSIS OF FINANCIAL STATEMENTS

driven by an increase in retained earnings, which rose to US$25.67 million from US$19.54 million, reflecting the Bank's continued profitability despite a slight decline in net profit. Based on the unchanged share capital, the Bank's net assets per share rose to approximately US$2.17 in 2024, compared to US$2.10 in 2023, indicating an improvement in shareholder value and a stronger capital position.

RETURN ON SHAREHOLDERS' FUNDS AND RETURN ON ASSETS

For the year ended 31 December 2024, the Bank reported a return on shareholders' funds (ROE) of 2.82%, compared to 3.40% in the previous year, reflecting the impact of a decline in net profit despite an increase in equity. Similarly, the return on assets (ROA) decreased to 0.55% from 0.70% in 2023, primarily due to lower profitability driven by higher impairment losses. The reduction in both ROE and ROA indicates a more conservative earnings performance and highlights the effect of increased credit risk provisioning on the Bank's overall financial returns.

NON-PERFORMING LOANS TO TOTAL LOANS (%)

The non-performing loans to total loans ratio as at 31 December 2024 increased to 9.87%, compared to 6.33% as at 31 December 2023. Non-performing loans are mostly secured and the Bank is in the process of recovering the loans.

LIQUIDITY RATIO

The liquidity ratio of the Bank as at 31 December 2024 is lower at 171% compared to 282% as at 31 December 2023, mainly because the short term cash inflow is less than cash outflow. The Bank is in compliance with the Central Bank's Prakas No.B7-015-349 which requires a liquidity ratio of 100%. The liquidity ratio of the Bank indicates that the Bank has the ability to honour withdrawals of deposits by its customers.

NET WORTH

As at 31 December 2024, the net worth of the Bank of US$ 144.18 million (2023: US$ 137.78 million) is in excess of the minimum regulatory capital requirement of US$ 75 million. The increase is due to the net profit generated in 2024.

LOAN-TO-DEPOSIT RATIO

As of 31 December 2024, the Bank's loan-to-deposit ratio stood at 94.87%, a decrease from 98.90% in the previous year. This improvement was primarily driven by a significant increase in customer deposits, which rose to US$616.71 million from US$537.16 million, outpacing the growth in gross loans and advances to customers, which increased moderately to US$614.96 million from US$594.44 million. The lower loan-to-deposit ratio indicates a stronger liquidity position and reflects the Bank's prudent balance between loan disbursement and deposit mobilization, enhancing its capacity to meet funding needs and regulatory requirements.

SOLVENCY RATIO

The solvency ratio provides a measure of the Bank's net worth as a percentage of its risk-weighted credit exposures. As at 31 December 2024, the solvency ratio of the Bank was 19.73% (2023: 21.08%) and is in compliance with Central Bank's Prakas No.B7-04-206 which requires a solvency ratio of at least 15%.

POLICIES AND PRACTICES

BOARD RESPONSIBILITIES AND OVERSIGHT

The Board of Directors of Phillip Bank (Board) is committed to the principles of good corporate governance and oversees the overall corporate practices and performance of the Bank. The responsibilities of the Board include:

- overseeing the conduct of the Bank's business;
- establishing business directions, plans and annual budget of the Bank;
- reviewing action plans that are implemented by the management to achieve business strategies and targets set by the Board;
- identifying principal risks and ensuring the implementation of appropriate systems to manage those risks;
- reviewing the adequacy and the integrity of the Bank's internal control systems and management information systems, including systems for compliance with applicable laws, rules and guidelines issued by the National Bank of Cambodia.

COMPOSITION OF THE BOARD

The Bank is led and managed by an experienced Board comprising members with extensive experience in commercial and Investment banking activities as well as audit background. As at 31 December 2024, the Board comprises seven (7) Directors: one (1) Chairman of The Board, two (2) Non-Independent Executive Directors, and four (4) Independent Non-Executive Directors.

The functions of Executive and Non-Executive Directors are separate and distinct. The Non-Executive Directors complement the skills and contribute to the formulation of strategies and policies of the Bank with the Executive Directors, and also provide effective checks and balances to ensure that the Bank operates within a proper governance framework, with the necessary internal controls and systems in place. The Executive Directors are responsible for making operational decisions and implementing strategic activities of the Bank. The Non-Executive Directors on the Board bring strong independent judgment and objective participation in the proceedings and decision-making process of the Board.

The Board agreed on the composition of the Board of Directors for the new term from 2023-2025 during a meeting in March 2023. The agreement for this new term was approved by the National Bank of Cambodia, acknowledging that all board members have prior experience with their respective obligation.

The composition of the Board reflects the Board's commitment to maintaining an appropriate balance of financial and management expertise to ensure a sufficiently wide and relevant mix of backgrounds, skills and experience to provide strong and effective leadership and control of the Bank.

The Board has set up four (4) Independent Board Committees to assist the Board in the management of the Bank's business and discharge of its duties. The functions and terms of reference of the Committees as well as authority delegated by the Board to these Committees have been clearly defined by the Board. The four (4) Board Committees are:

Committee	Chaired By
Audit Committee	Independent Non - Executive Director
Risk Management Committee	Independent Non - Executive Director
Remuneration and Nomination Committee	Independent Non - Executive Director
IT Committee	Independent Non - Executive Director

POLICIES AND PRACTICES

(I) Audit Committee

The Audit Committee provides independent oversight of the Bank's financial reporting and internal control systems and ensures checks and balances within the Bank.

The Audit Committee is comprised of three (3) members from the Board as follows:

1. Ms. Seah Yen Goon (Chairperson)
2. Mr. Paul Gwee Choon Guan
3. Mr. Ong Teong Hoon

The Audit Committee is authorised by the Board in:

Overseeing General Conduct

- Review management's risk assessment practices
- Establish and monitor compliance with a corporate code of conduct
- Monitor procedures for compliance with government regulation
- Review the findings of audits or examinations conducted by other agencies
- Discuss disagreements between internal or external auditors and management

Overseeing Internal Control Structure

- Review the adequacy of internal control structures over financial reporting
- Oversee the company's internal controls for safeguarding its assets

Overseeing the Internal Auditors

- Evaluate the internal auditors' objectivity
- Review the internal auditors' work and assess their performance
- Ensure that the internal auditors' involvement in auditing the financial reporting process is well-co-ordinated with the work of the external auditors.

Overseeing Financial Reporting

- Assist management in reviewing the terms of reference for the external audit
- Recommend the appointment of the external auditors
- Assist management in reviewing audit results with the external auditors and management
- Review the management letter prepared by the external audits

(II) Risk Management Committee

The Risk Management Committee oversees management's activities in managing credit, market, structural interest rate, liquidity, operational, legal, compliance and other risks to ensure that the risk management process is in place and functioning.

The Risk Management Committee is comprised of three (3) members from the Board as follows:

1. Mr. Paul Gwee Choon Guan (Chairperson)
2. Mr. Ong Teong Hoon
3. Ms. Seah Yen Goon

The Risk Management Committee is authorised by the Board to:

- review and recommend risk management strategies, policies and risk appetite, and risk tolerance limit for the Board's approval. These will cover the enterprise risks of Strategic Risk, Credit Risk, Operational Risk, IT Risk Security, Interest Rate Risk, Liquidity Risk, and Foreign Exchange Risk.

- review new products, after ensuring that the new products have undergone proper evaluation process and recommend to the Board for approval should the financial products be beyond plain vanilla;
- review the asset and liability management and capital allocation functions including fund transfer pricing where relevant;
- set risk appetite capital for delegation to the Asset and Liability Committee;
- review and assess the adequacy of risk management policies and framework in identifying, measuring, monitoring and controlling risk and the extent to which these are adequate and operating effectively and independently;
- ensure that the infrastructure, resources and systems are in place for risk management i.e. ensures that the proper staff are made responsible for implementing risk management systems performs those duties independently of the Company's risk taking activities;
- review the Management's periodic reports on risk exposure, risk portfolio composition and risk management activities;
- review and approve yearly risk dashboard (Key Risk Indicators) toward risks faced by the Bank and overall Internal Control Framework Policy;
- review compliance checklist of the Bank every 6 months;
- review and give comments on compliance-related and risk-related policies for board's approvals;
- review and oversee risk and compliance departments;
- conduct yearly appraisals on the performances of Head of Compliance and Head of Risk.

(III) Remuneration and Nomination Committee

The Remuneration and Nomination Committee provides a formal and transparent procedure for the appointment of Directors, Board Committees members and key senior management officer(s) as well as assessment of the effectiveness of such individual Directors, the Board as a whole and the performance of the key senior management officer(s). The Committee also provides a formal and transparent procedure for developing remuneration policy for Directors and key senior management officer(s) and ensures that compensation is competitive and consistent with the Group's culture, objectives and strategy.

The Remuneration and Nomination Committee is comprised of three (3) members from the Board as follows:

1. Mr. Koh Yong Guan (Chairperson)
2. Mr. Lim Hua Min
3. Mr. Ong Teong Hoon

The Remuneration and Nomination Committee is authorised by the Board to:

- review the composition and size of the Board and determine the appropriate Board balance between Executive Director(s), Non-Executive Directors and Independent Directors;
- review and recommend to the Board the required mix of skills, experience, qualification and other core competencies required of a Director. Such requirements and criterion should be approved by the Board;

- recommend and assess the nominees for Director(s), Board committee member(s) as well as nominees for key senior management officer(s). The actual decision as to who shall be nominated shall be the responsibility of the Board;
- recommend to the Board the removal of a Director or key senior management officer(s) if they are ineffective, errant and negligent in discharging their respective responsibilities;
- establish a mechanism for the formal assessment on the effectiveness of the Board as a whole and the contribution of each Director to the effectiveness of the Board, the contribution of the Board's various committees and the performance of the key senior management officer(s);
- oversee the appointment, management succession planning and performance evaluation of the key senior management officer(s); and
- recommend a framework for the remuneration of Directors and key senior management officer(s). Such framework should reflect the responsibility, experience and commitment of each Director and key senior management officer(s) concerned. The remuneration package should be structured such that it is competitive and consistent with the Bank's culture, objectives and strategy, and market benchmark. Salaries should be within the scope of the general business policy and not dependent on short-term performance to avoid incentives for excessive risk-taking.

(IV) IT Committee

The role of the IT Committee is to assist the EXCO in implementing IT strategy that has been approved by the Board. It includes prioritisation of IT-enabled investment, reviewing the status of projects (including, resource conflict), monitoring service levels and improvements, IT service delivery and projects.

Members of IT committee include:

- Independent Board Director, Chairperson
- Chief Digital Officer, Acting Chairperson
- CEO, member
- DCEO, member
- Chief E-Channels or equivalent, member
- Chief Technology Officer or equivalent, member
- Chief Finance Officer or equivalent, member
- Chief Of Human Resources or equivalent, member
- Head Of IT Security Department or equivalent, member
- Head Of Risk Department or equivalent, member
- Head Of Compliance Department or equivalent, member
- Related Head Of IT Department or equivalent, member
- Corporate Secretary of the Bank, Secretary

The IT Committee is authorised by the Board to:

- Oversee the development and implementation of the Bank's IT strategy in alignment with the overall business strategy.
- Review and approve IT policies, standards, and procedures, ensuring they are comprehensive, up-to-date, and compliant with relevant regulations.
- Monitor IT risks and ensure appropriate risk mitigation strategies are in place.
- Review and approve the IT budget, ensuring adequate funding for IT initiatives and projects.
- Evaluate and provide guidance on major IT projects, including project prioritisation, resource allocation, and progress monitoring.

POLICIES AND PRACTICES

- Monitor IT performance metrics and ensure the timely resolution of IT-related issues.
- Review and assess IT security measures, including cybersecurity protocols, incident response plans, and disaster recovery procedures.
- Stay abreast of emerging technologies and industry trends, recommending adoption or integration of new technologies where appropriate.
- Provide oversight and guidance on IT vendor management, including vendor selection, contract negotiation, and performance evaluation.
- Collaborate with internal audit and compliance functions to ensure IT-related audits and regulatory requirements are met.
- Ensure implementation of Technology Risk Management Guidelines as per requirements by NBC

BOARD APPOINTMENT PROCESS

All nominees for appointment to the Board will in the first instance be assessed by the Remuneration and Nomination Committee which will make recommendations to the Board. The Board makes the final decision on appointments to the Board. When assessing nominees for appointment to the Board, considerations will include the nominees' qualifications, expertise and experience, fit and properness, core competencies required of the position and the appropriate Board balance.

POLICY AND PRACTICE GUIDELINES FOR CORPORATE GOVERNANCE

Board Meetings

Board Meetings are held at least once every quarter. During the financial year ended 31 December 2024, the Board met four (4) times.

Directors are provided with notices of the Board Meetings and board papers for each agenda item in advance of each meeting to ensure that Directors have sufficient time to study them and be prepared for discussion. The Board also has a formal schedule of matters reserved for deliberation and decision. Minutes of Meetings are recorded, maintained and distributed to all Board members and senior management.

The management of the Bank has adopted the Group's policy on information to be brought to the Board's attention. In accordance with the policy, all material information are to be tabled to the Board on a timely basis in order for the Board to be kept abreast with the performance and business activities of the Bank.

Directors have access to the advice and services of the Company Secretary who is responsible for ensuring that Board procedures are followed and all necessary information is obtained from Directors both for the Bank's own records and for the purposes of meeting statutory obligations. Details of Directors' attendance at Board Meetings during the financial year ended 31 December 2024 are outlined in the following table:

Name of Director	No. of Board meetings attend in office
Mr. Lim Hua Min (Chairman)	4/4
Mr. Koh Yong Guan	4/4
Mr. Ong Teong Hoon	4/4
Ms. Seah Yen Goon	4/4
Mr. Paul Gwee Choon Guan	4/4
Mr. Chan Mach	4/4
Mr. Pen Chanda	4/4

POLICIES AND PRACTICES

Responsibility

The Board recognises the importance of maintaining adequate accounting records and an effective system of internal controls to safeguard the shareholders' interest and the Bank's assets. The Board affirms its overall responsibility for the Bank's system of internal controls, which includes the establishment of an appropriate control environment and risk management framework as well as review of its adequacy and integrity. In view of the inherent limitations in any system of internal controls, the system is designed to manage risks and ensure that the risks are identified and managed at acceptable levels, rather than eliminate these risks to achieve its business objectives. The system can only provide reasonable but not absolute assurance against the risk of material misstatement of management and financial information or financial losses and fraud.

KEY INTERNAL CONTROL PROCESSES

The key processes that have been established in reviewing the adequacy and integrity of the system of internal controls are described below:

Organisational Structure

Organisational structure with delineated lines of responsibilities, reporting, delegation of authorities and accountability within the Bank assist in ensuring that effective communication of risk control objectives as well as establishment of authority and accountability is in accordance with management criteria.

Internal Policies and Procedures

Detailed internal policies and procedures manuals of business and support units have been established to serve as guidelines to ensure compliance with internal controls and applicable laws and regulations.

There are also documented Limits of Approving Authority for key aspects of the businesses, which have been approved by the Board. This provides a sound framework of authority and accountability and facilitates proper corporate decision-making at the appropriate level in the organisation's hierarchy. The delegation of limits is subject to periodic reviews as to its implementation and continuing suitability in meeting the Bank's business objectives and operational needs.

Financial Performance Review

On a regular basis, management provides comprehensive financial information, key variances and analysis of financial data to the Board for review and decision-making purposes.

Compliance Function

Compliance performs regular assessment on various operations of the Bank to ensure adherence to regulatory requirements, especially AML, CFT and CPF regulations, as well as internal policies and procedures. Any deviation or breaches are reported to the Risk Management Committee and the Board is kept informed of the cause and the remedial measures taken.

Internal Audit Function

Internal Audit monitors the effectiveness of the Bank's system of internal controls and compliance with relevant regulatory requirements by the Bank. The internal auditors undertake regular reviews of the Bank's operations and systems of internal controls. Internal Audit reports to the Board of Directors via the Audit Committee.

POLICIES AND PRACTICES

During 2024, the work of the internal auditors focused on areas of priority according to their annual risk assessment and in accordance with the annual audit plan approved by the Audit Committee of the Bank. The results of reviews together with recommendations for improvement are reported to the Audit Committee of the Bank. The Bank's Audit Committee convenes regular meetings to review the findings and recommendations for improvement by Internal Audit, actions taken to rectify the findings in a timely manner and to evaluate the effectiveness and adequacy of the internal control system.

The Board confirms that there is an ongoing process that has been in place throughout the financial year ended 31 December 2024 for identifying, evaluating and managing significant risks which will provide reasonable assurance that the Bank's assets are safeguarded against losses from unauthorised use and all transactions of the Bank are properly authorised and recorded.

Risk Management Function

The Bank continues to take steps to strengthen the risk management practices by appointing the Head of Risk to maintain a comprehensive risk management framework covering:

- **Strategic risk**

Strategic risk arises from an institution's inability to implement appropriate business plans, strategies, decision-making, and resource allocation and its inability to adapt to changes in its business environment.

- **Credit risk**

Credit risk is the risk of suffering financial loss should any of the Bank's customers, clients or market counterparties fail to fulfill their contractual obligations to the Bank. Credit risk is the single largest risk for the Bank's business.

- **Market / Financial risk**

The Bank's activities expose it to a variety of financial risks, including liquidity risk, foreign exchange risk and interest rate risk.

- Liquidity risk is the risk that the Bank is unable to meet its obligations when they fall due as a result of customer deposits being withdrawn, cash requirements from contractual commitments, or other cash outflows.
- Foreign exchange risk is the potential impact of adverse currency rate movements on earnings and economic value.
- Interest rate risk is the adverse changes in future cash flows of a financial instrument arising from changes in market interest rates. Interest margins may increase or decrease due to unexpected movements in rates.

- **Operational risk**

Operational risk is the risk of loss resulting from inadequate or failed internal processes, people or systems, or from external events. This includes Technology risk and Reputation risk.

POLICIES AND PRACTICES

Compliance risk

Compliance risk is the risk of legal or regulatory sanctions, material financial loss or damage to reputation that the Bank may suffer as a result of failure to comply with laws, regulations, rules, self-regulatory banking standards and codes of conduct applicable to its activities.

The Bank promotes risk awareness and visibility among its employees at all levels of the Bank. Training programmes are continuously held by the Risk Department Department to educate employees on how to identify risks, promote methods to improve controls, and remain compliant with both internal and external policies and regulations. The Bank has implemented a ongoing Control Self-Assessment (CSA) process through which all departments will continue to identify, assess and mitigate operational risks. The Asset Liability Management Committee (ALCO) maintains oversight of the Bank's financial performance, risk-return positions, liquidity and capital management processes.

The Board of Directors' Risk Management Committee provides guidance on related issues and ensures that the Bank's risk appetite is appropriate to deliver the financial objectives of the Bank.

The Bank is continuing the risk management framework and believes that this robust framework will help to ensure its continued sustainability and ability to meet the needs of its target market.

Code of ethics

The Bank's Code of Ethics has been put in place as a guideline for the acceptable behaviours of employees, especially when they handle sensitive issues like investments, interaction with others and handling grievances, both from outside and within the organisation. The Code of Ethics also sets out specific behaviour standards for employees related to potential ethical issues such as confidentiality and / or misuse of information or funds.

The Code of Ethics increases the confidence in the Bank as an organisation by showing potential customers and investors that the Bank is committed to maintaining the Bank's integrity by adhering to the highest ethical standards and acting in a responsible manner in the course of performing its business activities.

All new employees are briefed and required to sign their acceptance of the Code of Ethics as a guide to their conduct upon commencement of employment.

Independence and transparency

The Bank is independently managed by an experienced management team with oversight by the Board. The Bank practices transparency in dealings with customers and in its financial accountability and reporting.

PHILLIP BANK IN THE NEWS

Phillip Bank partners Visa to deliver better, faster, and easier remittances

Phillip Bank Provides 100% Scholarship to 12 TVIS Students

Cambodia and Singapore Launch Financial Transparency Corridor to Boost SME Trade

Phillip Bank Celebrates Graduates of Green Bethel Community School, Affirms Commitment to Cambodian Society

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CORPORATE GOVERNANCE

PROFILE OF DIRECTORS

MR. LIM HUA MIN

Chairman

Mr. Lim Hua Min is the Executive Chairman of PhillipCapital Group of Companies and was also appointed Chairman of IFS Capital Limited on 20 May 2003. He began his career holding senior positions in the Stock Exchange of Singapore ("SES") and the Securities Research Institute. He has served on a number of committees and sub-committees of SES. In 1997, he was appointed Chairman of SES Review Committee, which was responsible for devising a conceptual framework to make Singapore's capital markets more globalised, competitive and robust. For this service, he was awarded the Public Service Medal in 1999 by the Singapore Government. In 2014, he was also awarded "IBF Distinguished Fellow", the highest certification mark bestowed by The Institute of Banking and Finance on industry captains who are the epitome of professional stature, integrity and achievement. In 2018, he was named Businessman of the Year 2017 at the annual Singapore Business Awards, which is Singapore's most prestigious business accolade. Mr. Lim had also served as a Board Member in the Inland Revenue Authority of Singapore from 2004 to 2010.

Mr. Lim holds a Bachelor of Science Degree (Honours) in Chemical Engineering from the University of Surrey and obtained a Master's Degree in Operations Research and Management Studies from Imperial College London.

MR. PAUL GWEE CHOON GUAN

Independent Director

Mr. Paul Gwee Choon Guan's banking career spans over 25 years of experience in the universal and treasury/investment banking with asset/fund and wealth management industry across the Asia Pacific. His specialised skills include the fields of enterprise risk management (credit, market, liquidity and operational), control and compliance and back-room operations with a robust combination of strategic business finance and accounting reporting, mergers and acquisitions and capital management. He was the Head of Risk Management and Compliance in United Overseas Bank Group followed by as the Country CFO in Hong Kong and Shanghai Bank, Indonesia and as Chief Operating Officer in Bank of East Asia, Singapore. He is currently the Secretary-General of the ASEAN Bankers Association. Mr. Gwee holds a Master of Business Administration from the University of Chicago, Graduate School of Business, majoring in finance and was awarded the Bachelor of Commerce degree from theUniversity of Newcastle.

He qualified as a Chartered Accountant in 1984 and is a Fellow of the Institute of Chartered Accountants in Australia and Institute of Singapore Chartered Accountants.

PROFILE OF DIRECTORS

MR. KOH YONG GUAN

Independent Director

Mr. Koh graduated with a Bachelor of Applied Science (Honours) degree in Mechanical Engineering in 1970 and a Master of Applied Science in Mechanical Engineering and Biomedical Engineering in 1972 from the University of Toronto on a Colombo Plan scholarship. He obtained a Master's Degree in Business Administration (with distinction) from the Catholic University of Leuven, Belgium in 1981. He was conferred an Honorary Doctorate by the University of Toronto in 2011.

Mr. Koh joined Singapore's Civil Service as a Biomedical Engineer in the Ministry of Health in 1972 and was absorbed into the Administrative Service in 1979. He served in the Ministry of Finance (Revenue Division), Education and Defence before being appointed Permanent Secretary in the Ministry of Defence in 1989.

Mr. Koh was the Commissioner of Inland Revenue from 1991 to 1997. In 1998, he was appointed Managing Director, Monetary Authority of Singapore (Governor of the Central Bank). He had also held the appointments of Permanent Secretary, Ministry of Health and National Development, and Second Permanent Secretary, Ministry of Finance (Budget and Revenue) between 1998 and 2001. He retired as the Managing Director, Monetary Authority of Singapore (MAS), in June 2005, and remained a member of the MAS Board until April 2011. He served as the Chairman of Central Provident Fund Board, the national pension fund for all employees in both the private and public sectors in Singapore, from 2005 to 2013. He was Singapore's Non-Resident High Commissioner to Canada from May 2008 to March 2013, and was Singapore's Ambassador (Non-Resident) to Greece since from May 2013 to May 2020.

He had also served as the Chairman of the SMRT Corp that operates the train system, and buses and taxi services in Singapore, and Chairman of the Cancer Sciences Institute of Singapore.

Mr. Koh is currently the Chairman of the Singapore Deposit Insurance Corporation.

PROFILE OF DIRECTORS

MS. SEAH YEN GOON

Independent Director

Ms. Seah Yen Goon has more than 30 years of working experience in financial institutions including GE Commercial Finance, which specialises in financing small and medium-sized enterprises. She held senior position in Finance, Operations, IT, overseeing operations in Singapore, Thailand and Hong Kong. She was the Chief Financial Officer in charge of the finance and controllership, strategic and financial planning, funding and compliance.

She conducts training workshops at various institutions and serves at the HR sub-committees of St. Luke's Hospital and the Singapore Christian Home.

Ms. Seah is a Chartered Accountant (Singapore) who holds a Bachelor of Accountancy degree from the University of Singapore, now called the National University of Singapore and an MBA degree (Business Law) from the Nanyang Technological University.

MR. ONG TEONG HOON

Director

Mr. Ong started working in the financial sector in 1977, with Standard Chartered Bank, as a Management Trainee. For 25 years with the Bank, he had been through all aspects of Commercial Banking apart from Treasury function, and he ended his banking career as Country Manager for the Bank in Cambodia in from 2000 to 2002. This was after being the Bank's Chief Representative in Myanmar between 1995 and 2000; and before that, Regional Manager, Asia Pacific Region covering Financial Institutions.

Soon after that, he joined Phillip Securities Pte Ltd and covered various functions, including a stint in Phillip Securities Thailand PLC as its acting CEO, and was the Director of OTC Capital prior to being assigned to KREDIT Microfinance in 2012. He is currently serving as Chairman of both Phillip General Insurance (Cambodia) Plc and Phillip Trustee Cambodia in addition to being shareholder representative for Phillip General Insurance (Cambodia) Plc, Phillip Life Assurance (Cambodia) Plc, and Phillip Bank Plc.

Mr. Ong is a graduate from the University of Singapore with a Bachelor of Business Administration and is an Associate of the Chartered Institute of Bankers since 1978.

PROFILE OF DIRECTORS

MR. CHANDA PEN

Independent Director

Chanda Pen is passionate about technology, electronic payments, and the start-ecosystem and has spent 20 years of his career building products and designing systems. Chanda is the Chief of Party for the USAID Digital Workforce Development initiative, which is to improve technical education for Cambodia's working professionals and university students in an effort to meet the challenges imposed by a world economy that is leaning toward high technology.

Prior to serving as Chief of Party, Chanda was the Co-Founder/CEO of Bongloy, a Southeast Asia based fintech company focusing on open API for card issuance and digital payment infrastructure which he exited in June of 2021. He has served as a Council Member of the Association of Banks of Cambodia (ABC), Chaired the National QR Code Task Force Committee, and was the Chairman of Cambodia Association of Finance and Technology (CAFT). He has also served as a Fintech Lecturer at the National University of Management (NUM).

Chanda holds a Bachelor of Science degree from Barry University and an Executive Master of Science in Technology Management from Columbia University in the City of New York.

PROFILE OF MANAGEMENT

MR. CHAN MACH

Director & Chief Executive Officer

Mr. Mach, with nearly 25 years of experiences in the financial sector, currently serves as CEO and a Director on the Board of Phillip Bank Plc. He has served as CEO since the merger of Phillip Bank and KREDIT Microfinance Institution in 2020. Before that he was CEO of KREDIT Microfinance Institution from 2006. Additionally, he currently serves as a Director on the Boards of Phillip General Insurance, Phillip Trustee Company, and a local NGO, Koampia Phum Yoeung (KPY).

During his career path, Mr. Mach led the transformation of KREDIT MFI from an NGO lending project to a licensed microfinance institution (MFI), and then to become a Micro-Deposit-Taking Institution (MDI), tripling its portfolio. He was instrumental in leading the merger with Phillip Bank as a member of the merger steering committee.

Mr. Mach has been awarded Certified Banker by Experience certification from the Chartered Banker Institute (UK). He has completed two Master's Degrees: MBA and MFB. He also completed advanced courses and certification in Business Ethics (Singapore), Commercial Loan to Business from Omega Performance (USA), Advanced Bank Risk Analysis from Moody Analytics, and Good Corporate Governance from IFC. He has attended many other national and international courses related to microfinance and banking.

MR. RAYMOND CHEE

Deputy Chief Executive Officer

Raymond Chee was appointed Deputy Chief Executive Officer of Phillip Bank on 27 August 2024, following regulatory approval. With a distinguished 30-year career at a major Singapore bank, he brings a wealth of experience across leadership roles in Cash Management, Trusts & Fiduciary Services, Securities, and Corporate Banking, with exposure spanning Asia and North America.

At Phillip Bank, Raymond oversees key strategic and operational functions, including Corporate Banking, Transaction Banking, Retail Banking, Business Development, Marketing, and Branch Management. He plays a central role in driving the bank's growth, enhancing customer experience, and strengthening its market presence in Cambodia. His leadership is instrumental in advancing the bank's commitment to innovation, sustainability, and value creation for its stakeholders.

PROFILE OF MANAGEMENT

MS. SOK CHANTHEARA

Chief Finance Officer

Ms. Chantheara has more than 10 years of experience in banking and finance. Before the merger, she was the CFO at KREDIT Microfinance. She also worked as an auditor with a Big Four accounting firm, in charge of financial services, corporate, garment factories, as well as local and international NGOs. Ms. Chantheara obtained two Bachelor Degrees in Accounting and English Teaching in 2006 from the Royal University of Law and Economics (RULE) and Institute of Foreign Languages (IFL) respectively. In June 2013, she completed the ACCA programme from the UK and was accepted as an ACCA member in the same year. In September 2018, she became a fellow member of FCCA.

MS. SRON SREYNEANG

Head of Treasury Division

Ms. Sreyneang graduated with a Bachelor's Degree in Accounting from the Royal University of Laws and Economics (RULE) in 2006 and completed her ACCA in 2019. Ms. Sreyneang started her career in 2006 and worked as an Auditor for 6.5 years. She has been involved in many industries including corporates, banks and NGOs. She also worked for PwC Malaysia for 14 months on the Secondment Programme. Ms. Sreyneang joined Phillip Bank in April 2015 as Finance Manager and was later redesignated as the Treasurer of the Bank.

PROFILE OF MANAGEMENT

MS. LILY SABRINA

Chief Human Resources

Ms. Lily joined Phillip Bank Cambodia as Chief of Human Resources in May 2020. She oversees the HR and Learning & Development Departments. Lily brings with her over 25 years of strategic and operational human resources experience gained in both local and multinational companies, and diverse sectors such as banking, property development, property investment, manufacturing and healthcare.

Ms. Lily speaks English, Bahasa Malaysia, Mandarin, Hokkien and Cantonese (Chinese dialects) and she possesses skill sets in Change Management, Talent Management and Organisational Development, in addition to industrial relations experience.

Ms. Lily holds a Post Graduate Diploma in Human Resource Management from Glasgow University and a Master's Degree in Human Resource Management from Open University Malaysia.

MR. SOK KIMCHHAY

Chief Digital Officer

Mr. Kimchhay, Chief Digital Officer (CDO) at Phillip Bank, is transitioning from his previous role as Chief Information Officer (CIO). He continues to oversee the IT Division, focusing on delivering innovative digital solutions to integrate financial services seamlessly into everyday life. His responsibilities now encompass spearheading digital product management, optimization, and digital transformation initiatives alongside his ongoing oversight of application development, infrastructure, core systems, project management, and the digital product design and growth team and together, comprising over 90 IT professionals and Digital talents, to adopt new development methodologies to enhance digital platforms, including payment gateways, merchant management systems, payment hubs, data warehouses, digital business, and mobile platforms. These efforts ensure that the Bank's technology resources scale effectively to meet rapid market demand growth.

Mr. Kimchhay holds a Master's Degree from Norton University and a Bachelor's Degree in Computer Science from the Royal University of Phnom Penh. He has also earned numerous certifications from national and international microfinance, banking, security, and compliance courses. In 2015, his exemplary leadership in IT was recognised with an ASEAN CIO Award, marking him as one of the year's most outstanding Chief Information Officers.

PROFILE OF MANAGEMENT

MR. BUN SOPHEAKTRA

Chief Credit Officer

Mr. Bun Sopheaktra is a Chartered Banker and seasoned banking professional with around two decades of experience in credit risk management, loan recovery, and operational leadership. Currently serving as the Chief Credit Officer and a member of credit committee at Phillip Bank Plc, he leads the Retail Loan Processing Center, Credit Risk Management, Credit Administration, and Loan Recovery functions under Credit Division across all loan portfolios.

Since joining Phillip Bank in 2015, Sopheaktra has played a pivotal role in strengthening credit governance and risk frameworks, driving performance improvements, and supporting sustainable portfolio growth. He is widely respected for his strategic thinking, regulatory insight, and commitment to professional excellence.

Sopheaktra holds a Master's degree in Finance from Pannasastra University of Cambodia and a Bachelor's in Economics from the Royal University of Law and Economics. He is also accredited with various international and ACCA-certified courses and is currently a proud Chartered Banker by Experience, a designation that reflects the highest standards of professionalism and ethical conduct in banking.

MR. ROM VANARA

Chief of MSME and Provinces Branch Management

Mr. Vanara has more than 20 years of experience in micro finance and banking. After merged, he was promoted to be Chief of MSME and Provinces Branch Management, responsible for overseeing and supervising provinces branch performance management, MSME Loan department, Micro Loan department, Micro & MSME loan recovery department, and branches channel department which is responsible for growing the deposit and non-loan products in the provinces.

He obtained a Diploma in Accounting and Finance, and a Bachelor's Degree in English Literature at Build Bright University. In 2010, he graduated with a Master's Degree in Finance and Banking from Build Bright University and completed the recognition international course of Commercial Loan to Business which was certified by Omega Performance U.S and obtained a certificate from Moody's Analytics in 2019. He also attended numerous national, and international courses related to microfinance and banking such as Managing MFI/Bank, Banking Products and Services, Advanced Risk Management, Operations Management, Credit Risk Management, Branch Management, Advanced Management and Leadership, Business Development Process, Business Law and Contract Law, Digital Banking Transformation, Fund Management, and Data Analytics.

PROFILE OF MANAGEMENT

MR. VINCENT YAP TONG YIN

Chief Business Development Officer

Vincent brings over 30 years of banking expertise to the table, having held senior positions at prominent financial institutions such as Bank of America Merrill Lynch, Standard Chartered Bank, Bank of Tokyo Mitsubishi-UFJ, and Malayan Banking Group. His leadership spans various banking sectors, including retail, wholesale, and virtual banking, where he has been instrumental in implementing both local and international business strategies.

Prior his tenure at Phillip Bank, Vincent served as a digital trade finance consultant for VCargo Cloud Singapore, collaborating with nine global banks under the Monetary Authority of Singapore's trade finance application portal initiative, contributing significantly to the development of the CamelONE Platform.

In his role as Director for APAC at MITIGRAM AB, Vincent contributed to the creation of a digital business marketplace for trade finance, stepping down from his consultancy role to join Phillip Bank. MITIGRAM AB, based in Sweden, offers a web-based digital marketplace for the risk coverage and financing of global trade, known as the "MITIGRAM Platform."

Since joining Phillip Bank in November 2019, Vincent has been at the forefront of pioneering online banking strategies, changes, and ideas, all aimed at enhancing the customer experience in e-Channels banking at Phillip Bank. His efforts have expanded the e-channels banking sector, encompassing card business, merchant acquisitions, educational institutions, billers, and campaign management from 2019 to 2023.

In 2024, Vincent embraced a new challenge by aiding in the development of the Transaction Banking Department and initiating the establishment of the Business Development Department. His focus is on cultivating potential new business opportunities and attracting a network of new corporate clients to the Bank.

Vincent is an alumnus of the University of York, United Kingdom, where he earned an Honors degree in Economics in 1982.

PROFILE OF MANAGEMENT

MR. HASHIM ALKAFF SYED

Chief E-Channels Banking Officer

Mr. Hashim is an experienced generalist with prior experience in operations, marketing, financial planning, product development, and user experience. In Cambodia, he previously served as Country Head of a Southeast Asian ride-hailing and deliveries platform, as well as Chief Commercial Officer of a digital start-up MFI.

As the Chief E-Channels Banking Officer at Phillip Bank, Mr. Hashim is a strong advocate of data-driven decision-making and innovation. He oversees key areas such as B2B E-Solutions, Merchant Management, Cards Business Development, Marketing, Campaign Management, Internet Banking, Payroll Solutions, and Self-Service Machines.

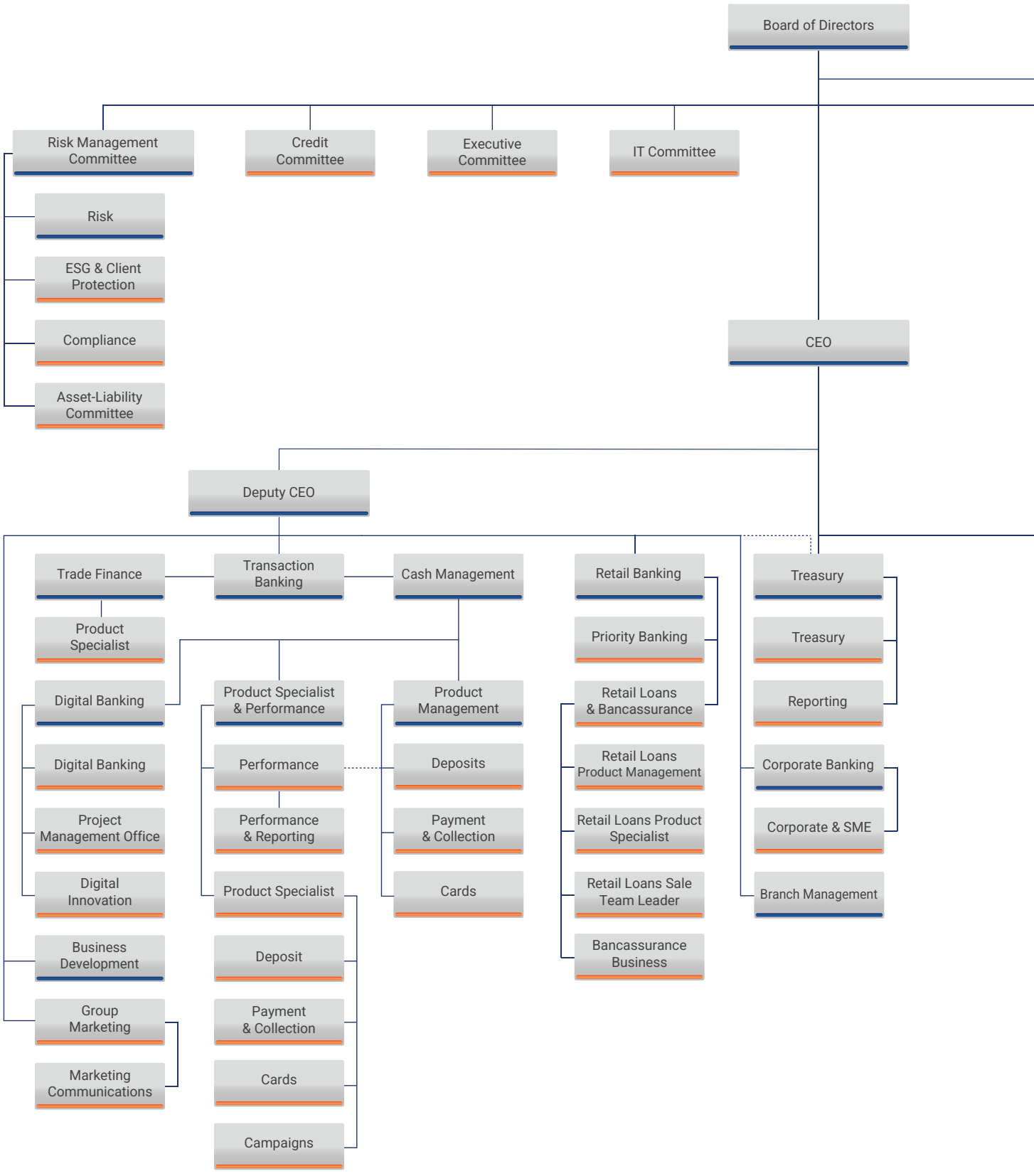
MR. MECH VANNAK

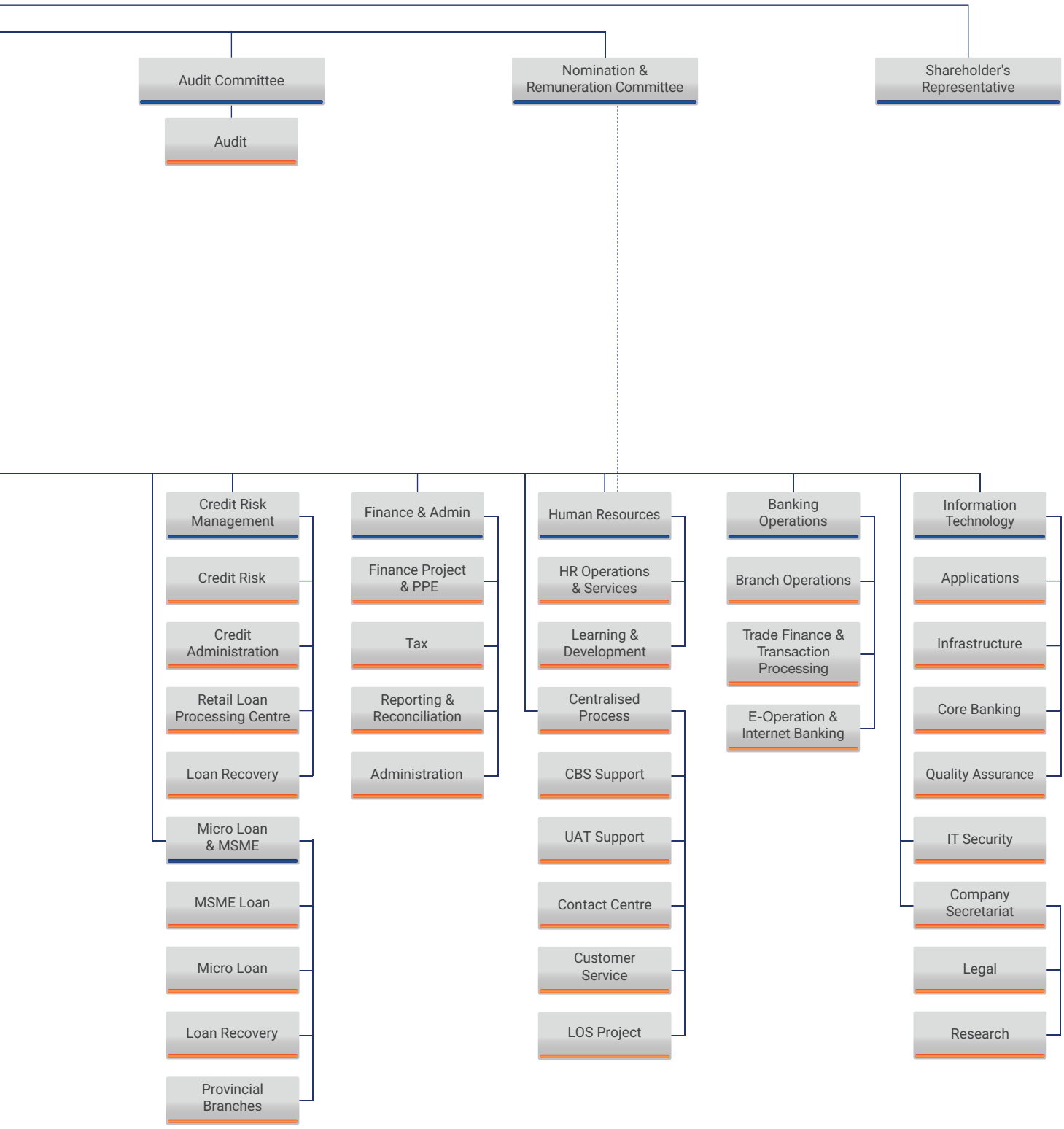
Head of IT Division

Mr. Vannak has a Bachelor's Degree in Computer Sciences and Engineering and a Master's Degree in Business Administration. He has over 15 years of experience in various IT roles, including Network Engineer, System and Network Manager, Network and Infrastructure Manager, Deputy Head of IT, and Head of Infrastructure.

Mr. Vannak has been appointed Head of the IT Division at Phillip Bank from 01 Jan 2024. He also obtained other training and skills certificates from national and international courses related to IT, banking, and security.

PHILLIP BANK ORGANISATION CHART




Audit Committee
Audit
Nomination & Remuneration Committee
Shareholder's Representative
Credit Risk Management
Credit Risk
Credit Administration
Retail Loan Processing Centre
Loan Recovery
Micro Loan & MSME
MSME Loan
Micro Loan
Loan Recovery
Provincial Branches
Finance & Admin
Finance Project & PPE
Tax
Reporting & Reconciliation
Administration
Human Resources
HR Operations & Services
Learning & Development
Centralised Process
CBS Support
UAT Support
Contact Centre
Customer Service
LOS Project
Banking Operations
Branch Operations
Trade Finance & Transaction Processing
E-Operation & Internet Banking
Information Technology
Applications
Infrastructure
Core Banking
Quality Assurance
IT Security
Company Secretariat
Legal
Research

PHILLIP BANK PLC. AND ITS SUBSIDIARY

Audited Consolidated and Separate Financial Statements for the year ended 31 December 2024 and Report of the Independent Auditors

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CORPORATE INFORMATION

Bank	Phillip Bank Plc.	
Registration No.	00000292	
Registered office	No. 27 DEFG, Monivong Blvd, Sangkat Srah Chork, Khan Daun Penh, Phnom Penh, Kingdom of Cambodia.	
Shareholder	Phillip MFIS PTE. LTD.	
Board of Directors	Mr. Lim Hua Min	Chairman
	Mr. Ong Teong Hoon	Director
	Mr. Chan Mach	Director
	Mr. Paul Gwee Choon Guan	Independent Director
	Ms. Seah Yen Goon	Independent Director
	Mr. Koh Yong Guan	Independent Director
	Mr. Pen Chanda	Independent Director
Management team	Mr. Chan Mach	Chief Executive Officer
	Mr. Raymond Chee Sze Loong	Deputy Chief Executive Officer (appointed on 1 July 2024)
	Mr. Bun Sopheaktra	Chief Credit Officer
	Ms. Sok Chantheara	Chief Financial Officer
	Ms. Sron Sreyneang	Treasurer
	Ms. Lily Sabrina Kuang Binti Abdullah	Chief Human Resources
	Mr. Sok Kimchhay	Chief Digital Officer
	Mr. Rom Vanara	Chief MSME and Provinces Branch Management
	Mr. Yap Tong Yin	Chief Business Development Officer
	Ms. Mao Sokhoeurn	Chief Card And E-Operations (resigned on 14 March 2025)
	Mr. Syed Hashim Alkaff	Chief E-Channels Banking Officer
Auditors	KPMG Cambodia Ltd	

REPORT OF THE BOARD OF DIRECTORS

The Board of Directors submits this report, together with the consolidated financial statements of Phillip Bank Plc. ("the Bank") and its Subsidiary (collectively referred to as "the Group"), and the separate financial statements of the Bank as at 31 December 2024 and for the year then ended.

PRINCIPAL ACTIVITIES

The Bank

The Bank was incorporated on 26 June 2009 under the Cambodian Law on Commercial Enterprises and licensed under the regulations of the National Bank of Cambodia ("NBC"). The Bank is a wholly-owned subsidiary of Phillip MFIS PTE. LTD.

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

There was no significant change in the principal activities of the Bank during the year.

The Subsidiary

In 2022, the Bank invested 49% equity interest in Phillip Trustee (Cambodia) Co., Ltd, a incorporated company in Cambodia on 25 July 2022 under the Cambodian Law on Commercial Enterprises and obtained a trustee licensed from Trust Regulator ("TR") dated 15 December 2022.

Phillip Trustee's principal activity is to provide the engagement for a comprehensive trust service including holding trust properties for a commercial trust, social trust, personal trust, and obtained other alternative trust administrations in the Kingdom of Cambodia.

FINANCIAL RESULTS

The Group's and the Bank's financial performance for the year ended 31 December 2024 is set out in the statement of profit or loss and other comprehensive income. Refer to pages 11 to 12 and 18 respectively.

DIVIDENDS

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

REPORT OF THE BOARD OF DIRECTORS

SHARE CAPITAL

The Bank's share capital as at 31 December 2024 was US$75,000,000 or KHR300,765,000 thousand (2023: US$75,000,000 or KHR300,765,000 thousand) by way of issuance of shares with par value of US$1 per share.

RESERVE AND PROVISIONS

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

EXPECTED CREDIT LOSSES ON LOANS AND ADVANCES TO CUSTOMERS

Before the financial statements of the Group and the Bank were prepared, the Board of Directors took reasonable steps to ascertain those actions had been taken in relation to writing off bad loans and advances and in recognising the provision for expected credit losses, and satisfied themselves that all known bad loans and advances had been written off and reasonable allowance had been made for expected credit losses.

At the date of this report, the Board of Directors is not aware of any circumstances, which would render the amount written off for bad loans and advances, or the amount of allowance for expected credit losses in the financial statements of the Group and the Bank, inadequate in any material respects.

ASSETS

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

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

VALUATION METHODS

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

REPORT OF THE BOARD OF DIRECTORS

CONTINGENT AND OTHER LIABILITIES

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

(a) any charge on the assets of the Group and the Bank which have arisen since the end of the financial year which secures the liabilities of any other person, or

(b) any contingent liability in respect of the Group and the Bank that have arisen since the end of the financial year other than in the ordinary course of banking business.

CONTINGENT AND OTHER LIABILITIES

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

CHANGE OF CIRCUMSTANCES

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

ITEMS OF UNUSUAL NATURE

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

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

EVENTS AFTER THE REPORTING PERIOD

Other than as disclosed elsewhere in the financial statements, there have been no significant events occurring between the end of the reporting period and the date of authorisation of the financial statements, which would require adjustments or disclosures to be made in the financial statements.

REPORT OF THE BOARD OF DIRECTORS

THE BOARD OF DIRECTORS

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

Mr. Lim Hua Min	Chairman
Mr. Ong Teong Hoon	Director
Mr. Chan Mach	Director and Chief Executive Officer
Mr. Paul Gwee Choon Guan	Independent Director
Ms. Seah Yen Goon	Independent Director
Mr. Koh Yong Guan	Independent Director
Mr. Pen Chanda	Independent Director

DIRECTORS' INTERESTS

Mr. Lim Hua Min, the Chairman of the Board of Directors, holds 85% share in Phillip MFIS PTE. LTD.

DIRECTORS' BENEFITS

During and at the end of the financial year, no arrangements existed to which the Group and the Bank are a party with the objective of enabling Directors of the Group and the Bank to acquire benefits by means of the acquisition of shares in or debentures of the Group and the Bank or any other corporate entity.

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

RESPONSIBILITIES OF THE BOARD OF DIRECTORS IN RESPECT OF THE FINANCIAL STATEMENTS

The Board of Directors is responsible for ascertaining that the financial statements present fairly, in all material respects, the financial positions of the Group and the Bank as at 31 December 2024, and their financial performance and their cash flows for the year then ended in accordance with Cambodian International Financial Reporting Standards ("CIFRSs") as set out on pages 9 to 122. The Board of Directors oversees preparation of these financial statements by management who is required to:

REPORT OF THE BOARD OF DIRECTORS

(i) Adopt appropriate accounting policies which are supported by reasonable and prudent judgments and estimates and then apply them consistently;

(ii) Comply with CIFRSs or, if there have been any departures in the interest of fair presentation, ensure that these have been appropriately disclosed, explained and quantified in the financial statements;

(iii) Oversee the Group's and the Bank's financial reporting process and maintain adequate accounting records and an effective system of internal controls;

(iv) Assess the Group's and 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 Group and the Bank or to cease operations, or has no realistic alternative but to do so;

(v) Effectively control and direct the Group and the Bank in all material decisions affecting the operations and performance and ascertain that these have been properly reflected in the financial statements.

The Board of Directors confirms that the Group and the Bank have complied with the above requirements in preparing the financial statements.

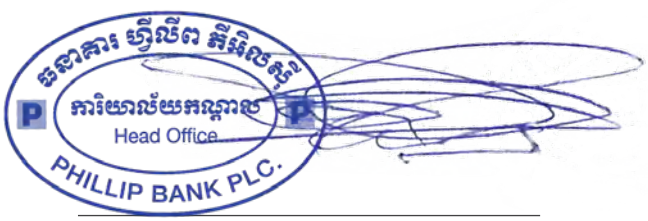
AUDITOR

KPMG Cambodia Ltd. is the auditor of the Group and the Bank.

APPROVAL OF THE FINANCIAL STATEMENTS

We, hereby approve the accompanying financial statements together with the notes thereto which, in our opinion, present fairly, in all material respects, the financial positions of the Group and the Bank as at 31 December 2024, and their financial performance and their cash flows for the year then ended, in accordance with CIFRSs.

On behalf of the Board of Directors in accordance with a resolution of the Board of Directors,



ONG TEONG HOON
Director
Phnom Penh, Kingdom of Cambodia
31 March 2025

REPORT OF THE INDEPENDENT AUDITORS

(To the shareholder of Phillip Bank Plc. and its Subsidiary)

OPINION

We have audited the financial statements of Phillip Bank Plc. ("the Bank") and its Subsidiary (collectively referred to as "the Group"), which comprise the consolidated and the separate statements of financial positions as at 31 December 2024, the statements of profit or loss and other comprehensive income, the statements of changes in equity and cash flows for the year then ended, and notes, comprising material accounting policies and other explanatory information (hereafter referred to as "the financial statements") as set out on pages 9 to 122.

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

BASIS FOR OPINION

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

EMPHASIS OF MATTER – COMPARATIVE INFORMATION

We draw attention to Note 35 to the financial statements which indicates that the comparative information presented as at and for the year ended 31 December 2023, and as at 1 January 2023 has been restated. Our opinion is not modified in respect of this matter.

OTHER INFORMATION

Management is responsible for the other information. The other information comprises the Report of the Directors on pages 1 to 5, and the annual report, which is expected to be made available to us after the date of auditors' report. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

REPORT OF THE INDEPENDENT AUDITORS

(To the shareholder of Phillip Bank Plc. and its Subsidiary)

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

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

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

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

In preparing the financial statements, management is responsible for assessing the Group's and 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 Group and the Bank or to cease operations, or have no realistic alternative but to do so.

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

AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

REPORT OF THE INDEPENDENT AUDITORS

(To the shareholder of Phillip Bank Plc. and its Subsidiary)

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and 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 Group's and Bank's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group and 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.

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

REPORT OF THE INDEPENDENT AUDITORS

(To the shareholder of Phillip Bank Plc. and its Subsidiary)

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

For **KPMG Cambodia Ltd**

Taing YoukFong
Partner
Phnom Penh, Kingdom of Cambodia
31 March 2025

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(for the year ended 31 December 2024)

		31 December 2024		31 December 2023		01 January 2023	
	Notes	US$	KHR'000 (Note 2.4.3)	US$	KHR'000 (Note 2.4.3)	US$	KHR'000 (Note 2.4.3)
				(Restated)		*(Restated)*	
ASSETS							
Cash and cash equivalents	5	130,930,766	526,996,334	136,796,268	558,812,754	73,913,894	304,303,502
Placements with other financial institutions	6	45,838,802	184,501,178	3,515,843	14,362,218	262,397	1,080,288
Statutory deposits	7	53,484,220	215,273,986	48,527,608	198,235,279	42,591,664	175,349,881
Loans and advances to customers	8	596,133,023	2,399,435,418	583,232,456	2,382,504,583	583,382,772	2,401,786,872
Equity investment		42,500	171,063	42,500	173,613	42,500	174,973
Assets held for sale	10	731,161	2,942,923	1,800,000	7,353,000	-	-
Other assets	11	3,186,802	12,826,877	2,687,745	10,979,438	2,753,675	11,336,880
Property and equipment	12	6,822,520	27,460,643	6,158,021	25,155,516	7,209,764	29,682,598
Right-of-use assets	13	10,331,545	41,584,469	9,846,490	40,222,912	10,370,446	42,695,126
Intangible assets	14	1,109,334	4,465,069	1,528,897	6,245,545	1,833,235	7,547,428
Income tax credit	20.1	728,550	2,932,414	-	-	-	-
TOTAL ASSETS		849,339,223	3,418,590,374	794,135,828	3,244,044,858	722,360,347	2,973,957,548
LIABILITIES AND EQUITY							
LIABILITIES							
Deposits from other financial institutions	15	31,491,456	126,753,110	63,870,907	260,912,655	54,790,080	225,570,759
Deposits from customers	16	615,968,681	2,479,273,941	536,373,537	2,191,085,899	453,088,610	1,865,365,807
Borrowings	17A	18,941,218	76,238,402	16,748,255	68,416,622	40,675,993	167,463,063
Lease liabilities	18	10,148,731	40,848,642	9,500,667	38,810,225	9,860,478	40,595,588
Other liabilities	19	3,250,451	13,083,067	3,098,137	12,655,889	3,704,681	15,252,172
Income tax payable	20.1	37,145	149,509	68,170	278,474	1,194,668	4,918,448
Deferred tax liabilities	20.2	2,703,249	10,880,577	1,607,048	6,564,792	935,608	3,851,898
Subordinated debts	17B	4,056,222	16,326,294	4,588,881	18,745,579	5,092,082	20,964,102
TOTAL LIABILITIES		686,597,153	2,763,553,542	635,855,602	2,597,470,135	569,342,200	2,343,981,837

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(for the year ended 31 December 2024)

	Notes	31 December 2024 US$	31 December 2024 KHR'000 (Note 2.4.3)	31 December 2023 US$	31 December 2023 KHR'000 (Note 2.4.3)	01 January 2023 US$	01 January 2023 KHR'000 (Note 2.4.3)
				(Restated)		*(Restated)*	
EQUITY							
Share capital	21.1	75,000,000	300,765,000	75,000,000	300,765,000	75,000,000	300,765,000
Other reserves	21.2	25,490,274	103,923,847	25,490,274	103,923,847	25,490,274	103,923,847
Regulatory reserve	21.3	36,289,373	147,932,719	17,738,393	72,411,679	13,044,620	53,120,272
Retained earnings		25,564,507	104,160,610	39,606,959	161,327,431	38,973,253	158,722,899
Currency translation reserve		-	(3,346,956)	-	6,330,575	-	11,344,023
		162,344,154	653,435,220	157,835,626	644,758,532	152,508,147	627,876,041
Non-controlling interest	21.4	397,916	1,581,155	444,600	1,771,206	510,000	2,040,000
Currency translation reserve		-	20,457	-	44,985	-	59,670
		397,916	1,601,612	444,600	1,816,191	510,000	2,099,670
TOTAL EQUITY		162,742,070	655,036,832	158,280,226	646,574,723	153,018,147	629,975,711
TOTAL LIABILITIES AND EQUITY		849,339,223	3,418,590,374	794,135,828	3,244,044,858	722,360,347	2,973,957,548

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

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

(for the year ended 31 December 2024)

	Notes	2024 US$	2024 KHR'000 (Note 2.4.3)	2023 US$	2023 KHR'000 (Note 2.4.3)
				(Restated)	
Interest income	22	80,177,538	326,402,757	75,875,904	311,849,965
Interest expense	23	(40,693,136)	(165,661,757)	(35,127,322)	(144,373,293)
Net interest income		39,484,402	160,741,000	40,748,582	167,476,672
Net fees and commission income	24	2,400,148	9,771,003	2,442,579	10,039,000
Other income	25	939,101	3,823,080	1,013,402	4,165,082
Total operating income		42,823,651	174,335,083	44,204,563	181,680,754
Personnel expenses	26	(16,951,128)	(69,008,042)	(18,194,383)	(74,778,914)
Depreciation and amortisation	27	(4,630,809)	(18,852,023)	(5,156,979)	(21,195,184)
Promotion and marketing	28	(938,018)	(3,818,671)	(1,860,883)	(7,648,229)
General and administrative expenses	29	(8,170,156)	(33,260,705)	(8,510,159)	(34,976,753)
Total operating expenses		(30,690,111)	(124,939,441)	(33,722,404)	(138,599,080)
Operating income before impairment		12,133,540	49,395,642	10,482,159	43,081,674
Allowance for expected credit losses	30	(6,526,849)	(26,570,802)	(3,730,545)	(15,332,540)
PROFIT BEFORE INCOME TAX		5,606,691	22,824,840	6,751,614	27,749,134
Income tax expense	20.3	(1,144,847)	(4,660,672)	(1,489,535)	(6,121,989)
NET PROFIT FOR THE YEAR		4,461,844	18,164,168	5,262,079	21,627,145
Other comprehensive income					
Item that will not be reclassified to profit or loss					
Currency translation difference		-	(9,677,531)	-	(5,013,448)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		4,461,844	8,486,637	5,262,079	16,613,697

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

(for the year ended 31 December 2024)

	Notes	2024 US$	2024 KHR'000 (Note 2.4.3)	2023 US$	2023 KHR'000 (Note 2.4.3)
				(Restated)	
Profit attributable to:					
Owners of the Bank		4,508,528	18,354,219	5,327,479	21,895,939
Non-controlling interest		(46,684)	(190,051)	(65,400)	(268,794)
		4,461,844	18,164,168	5,262,079	21,627,145
Other comprehensive income attributable to:					
Owners of the Bank		-	(9,677,531)	-	(5,013,448)
Non-controlling interest		-	(24,528)	-	(14,685)
		-	(9,702,059)	-	(5,028,133)
Total comprehensive income attributable to:					
Owners of the Bank		4,508,528	8,676,688	5,327,479	16,882,491
Non-controlling interest		(46,684)	(214,579)	(65,400)	(283,479)
		4,461,844	8,462,109	5,262,079	16,599,012

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(for the year ended 31 December 2024)

Attributable to owners of the Bank

	Share capital		Other reserves		Regulatory reserve	
	US$	KHR'000 (Note 2.4.3)	US$	KHR'000 (Note 2.4.3)	US$	KHR'000 (Note 2.4.3)
As at 1 January 2024	75,000,000	300,765,000	25,490,274	103,923,847	17,738,393	72,411,679
Transactions recognised directly in equity						
Transfer from retained earnings to regulatory reserve *(Note 21.3)*	-	-	-	-	18,550,980	75,521,040
Total comprehensive income for the year						
Net profit/(loss) for the year	-	-	-	-	-	-
Other comprehensive loss –						
Currency translation difference	-	-	-	-	-	-
As at 31 December 2024	75,000,000	300,765,000	25,490,274	103,923,847	36,289,373	147,932,719
As at 1 January 2023 *(Restated)*	75,000,000	300,765,000	25,490,274	103,923,847	13,044,620	53,120,272
Transactions recognised directly in equity						
Transfer from retained earnings to regulatory reserve *(Note 21.3)*	-	-	-	-	4,693,773	19,291,407
Total comprehensive income for the year						
Net profit for the year *(Restated)*	-	-	-	-	-	-
Other comprehensive loss –						
Currency translation difference *(Restated)*	-	-	-	-	-	-
As at 31 December 2023 *(Restated)*	75,000,000	300,765,000	25,490,274	103,923,847	17,738,393	72,411,679

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

Non-controlling interest

Retained earnings		Currency translation reserve	Total		Non-controlling interest		Currency translation reserve	Total	
US$	KHR'000 (Note 2.4.3)	KHR'000 (Note 2.4.3)	US$	KHR'000 (Note 2.4.3)	US$	KHR'000 (Note 2.4.3)	KHR'000 (Note 2.4.3)	US$	KHR'000 (Note 2.4.3)
39,606,959	161,327,431	6,330,575	157,835,626	644,758,532	444,600	1,771,206	44,985	158,280,226	646,574,723
(18,550,980)	(75,521,040)	-	-	-	-	-	-	-	-
4,508,528	18,354,219	-	4,508,528	18,354,219	(46,684)	(190,051)	-	4,461,844	18,164,168
-	-	(9,677,531)	-	(9,677,531)	-	-	(24,528)	-	(9,702,059)
25,564,507	104,160,610	(3,346,956)	162,344,154	653,435,220	397,916	1,581,155	20,457	162,742,070	655,036,832
38,973,253	158,722,899	11,344,023	152,508,147	627,876,041	510,000	2,040,000	59,670	153,018,147	629,975,711
(4,693,773)	(19,291,407)	-	-	-	-	-	-	-	-
5,327,479	21,895,939	-	5,327,479	21,895,939	(65,400)	(268,794)	-	5,262,079	21,627,145
-	-	(5,013,448)	-	(5,013,448)	-	-	(14,685)	-	(5,028,133)
39,606,959	161,327,431	6,330,575	157,835,626	644,758,532	444,600	1,771,206	44,985	158,280,226	646,574,723

CONSOLIDATED STATEMENT OF CASH FLOWS

(for the year ended 31 December 2024)

	Notes	2024 US$	2024 KHR'000 (Note 2.4.3)	2023 US$	2023 KHR'000 (Note 2.4.3)
				(Restated)	
OPERATING ACTIVITIES					
Profit before income tax		5,606,691	22,824,840	6,751,614	27,749,134
Adjustments for:					
Interest income	22	(80,177,538)	(326,402,757)	(75,875,904)	(311,849,965)
Interest expense	23	40,693,136	165,661,757	35,127,322	144,373,293
Depreciation and amortisation	27	4,630,809	18,852,023	5,156,979	21,195,184
Allowance for expected credit losses	30	6,526,849	26,570,802	3,730,545	15,332,540
Unwinding of discount	8	1,058,416	4,308,812	213,220	876,334
Loss on:					
Write off of property and equipment and intangible assets	29	48,372	196,923	51,496	211,649
Early termination of leases	13,18	7,717	31,416	13,510	55,526
Gain on disposal of property and equipment	25	(38,427)	(156,436)	(43,398)	(178,366)
		(21,643,975)	(88,112,620)	(24,874,616)	(102,234,671)
Changes in operating assets and liabilities:					
Placements with other financial institutions		(2,390)	(9,730)	(3,117,619)	(12,813,414)
Statutory deposits		(4,956,612)	(20,178,367)	(5,935,944)	(24,396,730)
Loans and advances to customers		(18,822,760)	(76,627,456)	(5,098,063)	(20,953,039)
Other assets		(499,057)	(2,031,661)	65,930	270,972
Deposits from other financial institutions		(32,246,254)	(131,274,500)	8,361,393	34,365,325
Deposits from customers		78,878,746	321,115,375	77,444,224	318,295,761
Other liabilities		81,372	331,265	(670,276)	(2,754,835)
Cash generated from operations		789,070	3,212,306	46,175,029	189,779,369
Interest received		77,320,674	314,772,465	75,337,974	309,639,073
Interest paid		(39,440,190)	(160,561,013)	(28,342,049)	(116,485,820)

CONSOLIDATED STATEMENT OF CASH FLOWS

(for the year ended 31 December 2024)

	Notes	2024 US$	2024 KHR'000 (Note 2.4.3)	2023 US$	2023 KHR'000 (Note 2.4.3)
				(Restated)	
Prepayment of profit tax paid	20.1	(728,550)	(2,965,927)	-	-
Income taxes paid	20.1	(79,671)	(324,341)	(1,944,593)	(7,992,277)
Net cash generated from operating activities		37,861,333	154,133,490	91,226,361	374,940,345
INVESTING ACTIVITIES					
Acquisition of:					
Property and equipment	12	(880,003)	(3,582,492)	(1,574,003)	(6,469,152)
Intangible assets	14	(144,437)	(588,003)	(312,717)	(1,285,267)
Proceeds from disposal of property and equipment		38,427	156,436	43,398	178,366
Placements with other financial institutions - original maturity more than three months		(41,874,096)	(170,469,445)	-	-
Net cash used in investing activities		(42,860,109)	(174,483,504)	(1,843,322)	(7,576,053)
FINANCING ACTIVITIES					
Payment of lease liabilities	18	(2,510,071)	(10,218,499)	(2,336,935)	(9,604,803)
Proceeds from borrowings	17A	5,000,000	20,355,000	14,728,065	60,532,347
Repayment of borrowings	17A	(2,839,458)	(11,559,434)	(38,270,864)	(157,293,251)
Proceeds from subordinated debts	17B	-	-	4,000,000	16,440,000
Repayment of subordinated debts	17B	(520,839)	(2,120,336)	(4,517,320)	(18,566,185)
Net cash used in financing activities		(870,368)	(3,543,269)	(26,397,054)	(108,491,892)
Net (decrease)/increase in cash and cash equivalents		(5,869,144)	(23,893,283)	62,985,985	258,872,400
Cash and cash equivalents at 1 January		136,926,149	559,343,318	73,940,164	304,411,655
Currency translation difference		-	(7,945,589)	-	(3,940,737)
Cash and cash equivalents at 31 December	5	131,057,005	527,504,446	136,926,149	559,343,318

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

SEPARATE STATEMENT OF FINANCIAL POSITION *(as at 31 December 2024)*

	Notes	31 December 2024		31 December 2023		01 January 2023	
		US$	KHR'000 (Note 2.4.3)	US$	KHR'000 (Note 2.4.3)	US$	KHR'000 (Note 2.4.3)
				(Restated)		*(Restated)*	
ASSETS							
Cash and cash equivalents	5	130,924,523	526,971,205	136,796,268	558,812,754	72,913,894	300,186,502
Placements with other financial institutions	6	45,639,985	183,700,940	3,515,843	14,362,218	262,397	1,080,288
Statutory deposits	7	53,335,151	214,673,984	48,380,729	197,635,278	42,591,664	175,349,881
Loans and advances to customers	8	596,133,023	2,399,435,418	583,232,456	2,382,504,583	583,382,772	2,401,786,872
Investment in a subsidiary	9	490,000	1,972,250	490,000	2,001,650	490,000	2,017,330
Equity investment		42,500	171,063	42,500	173,613	42,500	174,973
Assets held for sale	10	731,161	2,942,923	1,800,000	7,353,000	-	-
Other assets	11	3,149,697	12,677,528	2,681,441	10,953,686	2,753,675	11,336,880
Property and equipment	12	6,797,502	27,359,946	6,128,215	25,033,758	7,209,764	29,682,598
Right-of-use assets	13	10,331,545	41,584,469	9,846,490	40,222,912	10,370,446	42,695,126
Intangible assets	14	1,108,659	4,462,352	1,519,903	6,208,804	1,833,235	7,547,428
Income tax credit	20.1	728,550	2,932,414	-	-	-	-
TOTAL ASSETS		849,412,296	3,418,884,492	794,433,845	3,245,262,256	721,850,347	2,971,857,878
LIABILITIES AND EQUITY							
LIABILITIES							
Deposits from other financial institutions	15	31,491,456	126,753,110	63,870,907	260,912,655	54,790,080	225,570,759
Deposits from customers	16	616,711,879	2,482,265,313	537,155,906	2,194,281,876	453,088,610	1,865,365,807
Borrowings	17A	18,941,218	76,238,402	16,748,255	68,416,622	40,675,993	167,463,063
Lease liabilities	18	10,148,731	40,848,642	9,500,667	38,810,225	9,860,478	40,595,588
Other liabilities	19	2,826,533	11,376,795	2,997,253	12,243,777	3,704,681	15,252,172
Income tax payable	20.1	-	-	67,809	277,000	1,194,668	4,918,448
Deferred tax liabilities	20.2	2,785,756	11,212,669	1,630,728	6,661,524	935,608	3,851,898
Subordinated debts	17B	4,056,222	16,326,294	4,588,881	18,745,579	5,092,082	20,964,102
TOTAL LIABILITIES		686,961,795	2,765,021,225	636,560,406	2,600,349,258	569,342,200	2,343,981,837

SEPARATE STATEMENT OF FINANCIAL POSITION

(for the year ended 31 December 2024)

	Notes	31 December 2024		31 December 2023		01 January 2023	
		US$	KHR'000 (Note 2.4.3)	US$	KHR'000 (Note 2.4.3)	US$	KHR'000 (Note 2.4.3)
				(Restated)		*(Restated)*	
EQUITY							
Share capital	21.1	75,000,000	300,765,000	75,000,000	300,765,000	75,000,000	300,765,000
Other reserves	21.2	25,490,274	103,923,847	25,490,274	103,923,847	25,490,274	103,923,847
Regulatory reserve	21.3	36,289,373	147,932,719	17,738,393	72,411,679	13,044,620	53,120,272
Retained earnings		25,670,854	104,595,021	39,644,772	161,482,842	38,973,253	158,722,899
Currency translation reserve		-	(3,353,320)	-	6,329,630	-	11,344,023
TOTAL EQUITY		162,450,501	653,863,267	157,873,439	644,912,998	152,508,147	627,876,041
TOTAL LIABILITIES AND EQUITY		849,412,296	3,418,884,492	794,433,845	3,245,262,256	721,850,347	2,971,857,878

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

SEPARATE STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME *(for the year ended 31 December 2024)*

	Notes	2024 US$	2024 KHR'000 (Note 2.4.3)	2023 US$ (Restated)	2023 KHR'000 (Note 2.4.3)
Interest income	22	80,174,685	326,391,143	75,875,904	311,849,965
Interest expense	23	(40,730,290)	(165,813,011)	(35,165,193)	(144,528,943)
Net interest income		39,444,395	160,578,132	40,710,711	167,321,022
Net fees and commission income	24	2,400,333	9,771,756	2,442,699	10,039,493
Other income	25	865,288	3,522,587	989,207	4,065,641
Total operating income		42,710,016	173,872,475	44,142,617	181,426,156
Personnel expenses	26	(16,785,207)	(68,332,578)	(18,167,160)	(74,667,028)
Depreciation and amortisation	27	(4,610,786)	(18,770,510)	(5,140,002)	(21,125,408)
Promotion and marketing	28	(929,567)	(3,784,267)	(1,838,868)	(7,557,747)
General and administrative expenses	29	(8,127,521)	(33,087,138)	(8,389,306)	(34,480,048)
Total operating expenses		(30,453,081)	(123,974,493)	(33,535,336)	(137,830,231)
Operating income before impairment		12,256,935	49,897,982	10,607,281	43,595,925
Allowance for expected credit losses	30	(6,524,845)	(26,562,644)	(3,730,545)	(15,332,540)
PROFIT BEFORE INCOME TAX		5,732,090	23,335,338	6,876,736	28,263,385
Income tax expense	20.3	(1,155,028)	(4,702,119)	(1,511,444)	(6,212,035)
NET PROFIT FOR THE YEAR		4,577,062	18,633,219	5,365,292	22,051,350
Other comprehensive income					
Item that will not be reclassified to profit or loss					
Currency translation difference		-	(9,682,950)	-	(5,014,393)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		4,577,062	8,950,269	5,365,292	17,036,957

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

SEPARATE STATEMENT OF CHANGES IN EQUITY

(for the year ended 31 December 2024)

	Share capital		Other reserves		Regulatory reserve		Retained earnings		Currency translation reserve	Total	
	US$	KHR'000 (Note 2.4.3)	US$	KHR'000 (Note 2.4.3)	US$	KHR'000 (Note 2.4.3)	US$	KHR'000 (Note 2.4.3)	KHR'000 (Note 2.4.3)	US$	KHR'000 (Note 2.4.3)
As at 1 January 2024	75,000,000	300,765,000	25,490,274	103,923,847	17,738,393	72,411,679	39,644,772	161,482,842	6,329,630	157,873,439	644,912,998
Transactions recognised directly in equity											
Transfer from retained earnings to regulatory reserve	-	-	-	-	18,550,980	75,521,040	(18,550,980)	(75,521,040)	-	-	-
Total comprehensive income for the year											
Net profit for the year	-	-	-	-	-	-	4,577,062	18,633,219	-	4,577,062	18,633,219
Other comprehensive loss – Currency translation difference	-	-	-	-	-	-	-	-	(9,682,950)	-	(9,682,950)
As at 31 December 2024	75,000,000	300,765,000	25,490,274	103,923,847	36,289,373	147,932,719	25,670,854	104,595,021	(3,353,320)	162,450,501	653,863,267
As at 1 January 2023 (Restated)	75,000,000	300,765,000	25,490,274	103,923,847	13,044,620	53,120,272	38,973,253	158,722,899	11,344,023	152,508,147	627,876,041
Transactions recognised directly in equity											
Transfer from retained earnings to regulatory reserve	-	-	-	-	4,693,773	19,291,407	(4,693,773)	(19,291,407)	-	-	-
Total comprehensive income for the year											
Net profit for the year (Restated)	-	-	-	-	-	-	5,365,292	22,051,350	-	5,365,292	22,051,350
Other comprehensive loss – Currency translation difference	-	-	-	-	-	-	-	-	(5,014,393)	-	(5,014,393)
As at 31 December 2023 (Restated)	75,000,000	300,765,000	25,490,274	103,923,847	17,738,393	72,411,679	39,644,772	161,482,842	6,329,630	157,873,439	644,912,998

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

SEPARATE STATEMENT OF CASH FLOWS

(for the year ended 31 December 2024)

	Notes	2024 US$	2024 KHR'000 (Note 2.4.3)	2023 US$ (Restated)	2023 KHR'000 (Note 2.4.3)
OPERATING ACTIVITIES					
Profit before income tax		5,732,090	23,335,338	6,876,736	28,263,385
Adjustments for:					
Interest income	22	(80,174,685)	(326,391,143)	(75,875,904)	(311,849,965)
Interest expense	23	40,730,290	165,813,011	35,165,193	144,528,943
Depreciation and amortisation	27	4,610,786	18,770,510	5,140,002	21,125,408
Allowance for expected credit losses	30	6,524,845	26,562,644	3,730,545	15,332,540
Unwinding of discount	8	1,058,416	4,308,812	213,220	876,334
Loss on:					
Write off of property and equipment and intangible assets	29	48,372	196,923	51,496	211,650
Early termination of leases	13,18	7,717	31,416	13,510	55,526
Gain on disposal of property and equipment	25	(38,427)	(156,436)	(43,398)	(178,366)
		(21,500,596)	(87,528,925)	(24,728,600)	(101,634,545)
Changes in operating assets and liabilities:					
Placements with other financial institutions		137,482	559,689	(3,117,619)	(12,813,414)
Statutory deposits		(4,954,422)	(20,169,452)	(5,789,065)	(23,793,057)
Loans and advances to customers		(18,822,760)	(76,627,456)	(5,098,063)	(20,953,037)
Other assets		(468,256)	(1,906,270)	72,234	296,882
Deposits from other financial institutions		(32,246,254)	(131,274,500)	8,361,393	34,365,325
Deposits from customers		78,809,511	320,833,519	78,226,593	321,511,297
Other liabilities		(241,662)	(983,806)	(771,160)	(3,169,467)
Net cash generated from operations		713,043	2,902,799	47,155,713	193,809,984
Interest received		77,320,674	314,772,464	75,337,974	309,639,073
Interest paid		(39,447,280)	(160,589,877)	(28,379,920)	(116,641,471)

SEPARATE STATEMENT OF CASH FLOWS

(for the year ended 31 December 2024)

	Notes	2024 US$	2024 KHR'000 (Note 2.4.3)	2023 US$	2023 KHR'000 (Note 2.4.3)
				(Restated)	
Prepayment of profit tax paid	20.1	(728,550)	(2,965,927)	-	-
Income taxes paid	20.1	(67,809)	(276,050)	(1,943,183)	(7,986,482)
Net cash generated from operating activities		37,790,078	153,843,409	92,170,584	378,821,104
INVESTING ACTIVITIES					
Acquisition of:					
Property and equipment	12	(874,340)	(3,559,438)	(1,536,833)	(6,316,384)
Intangible assets	14	(143,184)	(582,902)	(294,110)	(1,208,792)
Proceeds from disposal of property and equipment	12	38,427	156,436	43,398	178,366
Placements with other financial institutions - original maturity more than three months		(41,816,000)	(170,232,936)	-	-
Net cash used in investing activities		(42,795,097)	(174,218,840)	(1,787,545)	(7,346,810)
FINANCING ACTIVITIES					
Payment of lease liabilities	18	(2,510,071)	(10,218,499)	(2,336,935)	(9,604,803)
Proceeds from borrowings	17A	5,000,000	20,355,000	14,728,065	60,532,347
Repayment of borrowings	17A	(2,839,458)	(11,559,434)	(38,270,864)	(157,293,251)
Proceeds from subordinated debts	17B	-	-	4,000,000	16,440,000
Repayment of subordinated debts	17B	(520,839)	(2,120,336)	(4,517,320)	(18,566,185)
Net cash used in financing activities		(870,368)	(3,543,269)	(26,397,054)	(108,491,892)
Net (decrease)/increase in cash and cash equivalents		(5,875,387)	(23,918,700)	63,985,985	262,982,402
Cash and cash equivalents at 1 January		136,926,149	559,343,318	72,940,164	300,294,655
Currency translation difference		-	(7,945,301)	-	(3,933,739)
Cash and cash equivalents at 31 December	5	131,050,762	527,479,317	136,926,149	559,343,318

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

NOTES TO THE FINANCIAL STATEMENTS

(for the year ended 31 December 2024)

1. REPORTING ENTITY

The Bank

The Bank was incorporated on 26 June 2009 under the Cambodian Law on Commercial Enterprises and licensed under the regulations of the National Bank of Cambodia ("NBC"). The Bank received the renewed NBC license for an indefinite period on 4 March 2015.

The principal activities of the Bank are to engage in the provision of comprehensive banking and related financial services in the Kingdom of Cambodia in accordance with Registration No. Co. 5915/09E issued by the Ministry of Commerce. On 11 February 2016, the Bank obtained the updated Registration No. 00000292 from the Ministry of Commerce.

There is no significant change in the principal activities of the Bank during the financial year.

The registered office of the Bank is located at No. 27DEFG, Monivong Blvd, Sangkat Srah Chork, Khan Daun Penh, Phnom Penh, Kingdom of Cambodia.

As at 31 December 2024, the Bank had 1,651 employees (31 December 2023: 1,755 employees).

The Subsidiary

In 2022, the Bank invested 49% equity interest in Phillip Trustee (Cambodia) Co., Ltd, a incorporated company in Cambodia on 25 July 2022 under the Cambodian Law on Commercial Enterprises and obtained a trustee licensed from Trust Regulator ("TR") dated 15 December 2022.

Phillip Trustee's principal activity is to provide the engagement for a comprehensive trust service including holding trust properties for a commercial trust, social trust, personal trust, and other alternative trust administrations in the Kingdom of Cambodia.

2. BASIS OF PREPARATION

The financial statements of the Group and the Bank have been prepared under the historical cost convention, except for financial assets and financial liabilities that have been measured at fair value.

2.1. Statement of compliance

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

Details of the Group's and the Bank's material accounting policies are included in Note 3.

The financial statements were authorised for issue by the Board of Directors on 31 March 2025.

2.2. Basis of consolidation

A subsidiary is an entity controlled by the Bank. Control exists when the Bank has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. The financial statements of the subsidiary are included in the consolidated financial statements from the date that control effectively commences until the date that control effectively ceases. The subsidiary is consolidated using the acquisition method of accounting.

Under the acquisition method of accounting, the results of subsidiary acquired or disposed of during the year are included from the date when control commences up to the date when control ceases. At the date of acquisition, the fair values of the subsidiary's net assets are determined and this value is reflected in the Group's consolidated financial statements.

Intra-group balances and transactions, and any unrealised differences arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. Unrealised gains arising from transactions with subsidiary are eliminated to the extent of the Group's interest in the entity. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

Although the Bank holds 49% of the voting rights of Phillip Trustee (Cambodia) Co., Ltd, the Bank has management control and significant influence over the operations of Phillip Trustee (Cambodia) Co., Ltd, and hence considered as a subsidiary of Phillip Bank Plc.

2.3. Fiscal year

The Group's and the Bank's fiscal year start on 1 January and end on 31 December.

2.4. Foreign currency translation

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

2.4.1. Presentation currency

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

2.4.2. Transactions and balances

Transactions in currencies other than US$ are translated into US$ at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in currencies other than US$ which are outstanding at the reporting date are translated into US$ at the rate of exchange ruling at that date. Exchange differences arising on translation are recognised in profit or loss.

2.4.3. Translation of US$ in KHR

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

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

The Group and the Bank use the following exchange rates:

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

These convenience translations should not be construed as representations that the United States Dollars amounts have been, could have been, or could in the future be, converted into Khmer Riel at this or any other rate of exchange.

All amounts have been recorded to the nearest dollars ("US$") and/or ("KHR'000"), unless otherwise indicated.

3. MATERIAL ACCOUNTING POLICIES

The Group and the Bank have consistently applied the following accounting policies to all periods presented in these financial statements, except if mentioned otherwise.

3.1. Cash and cash equivalents

Cash and cash equivalents consist of cash and bank balances, demand deposits and short-term highly liquid investments with original maturities of three months or less when purchased, and that are readily convertible to known amounts of cash and subject to an insignificant risk of changes in value.

3.2. Placements with other financial institutions

Placements with other financial institutions comprise term deposits which are intended to be held for more than three (3) months. Placements are stated at amortised cost using the effective interest method less impairment for any uncollectable amounts.

3.3. Statutory deposits

Statutory deposits included in balances with the NBC are maintained in compliance with the Cambodian Law on Banking and Financial Institutions and are determined by the defined percentage of the minimum share capital and the customers' deposits as required by NBC. The statutory deposits are stated at cost.

3.4. Financial assets and financial liabilities

3.4.1. Recognition and initial measurement

The Group and the Bank initially recognise loans and advances on the date on which they are originated. All other financial assets are recognised on the date on which the Group and the Bank become a party to the contractual provisions of the instrument.

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

3.4.2. Classification

Financial assets

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

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- The asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are SPPI.

A debt instrument is measured at FVOCI only if it meets both of the following conditions and is not designated as at FVTPL:

- The asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are SPPI.

On initial recognition of an equity investments that is not held for trading, the Group and the Bank may irrevocably elect to present subsequent changes in fair value in OCI. This election is made on an investment-by-investment basis.

All other financial assets are classified as measured at FVTPL.

In addition, on initial recognition, the Group and the Bank may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Business model assessment

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

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

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

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

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

In assessing whether the contractual cash flows are solely payments of principal and interest (SPPI), the Group and the Bank consider the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition.

In making the assessment, the Group and the Bank consider:

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

Non-recourse loans

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

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

Reclassifications

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

3.4.3. Derecognition

Financial assets

The Group and the Bank derecognise a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group and the Bank

neither transfer nor retain substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

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

Financial liabilities

The Group and the Bank derecognise a financial liability when its contractual obligations are discharged, cancelled or expired.

3.4.4. Modifications of financial assets and financial liabilities

Financial assets

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

If the cash flows are substantially different, then the contractual rights to cash flows from the original financial asset are deemed to have expired. In this case, the original financial asset is derecognised (see (iii)) and a new financial asset is recognised at fair value plus any eligible transaction costs. Any fees received as part of the modification are accounted for as follows:

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

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

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

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

Financial liabilities

The Group and the Bank derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability derecognised and consideration paid is recognised in profit and loss. Consideration paid includes non-financial assets transferred, if any, and the assumption of liabilities, including the new modified financial liability.

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

3.4.5. Offsetting

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

Income and expenses are presented on a net basis only when permitted under CIFRSs, or for gains and losses arising from a group of similar transactions such as in the Group and the Bank's trading activity.

3.4.6. Fair value measurement

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

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

The chosen valuation technique incorporates all of the factors that market participants would take into account in pricing a transaction.

The best evidence of the fair value of a financial instrument on initial recognition is normally the transaction price – i.e. the fair value of the consideration given or received. If the Group and the Bank determines that the fair value on initial recognition differs from the transaction price and the fair value is evidenced neither by a quoted price in an active market for an identical asset or liability nor based on a valuation technique for which any unobservable inputs are judged to be insignificant in relation to the measurement, then the financial instrument is initially measured at fair value, adjusted to defer the difference between the fair value on initial recognition and the transaction price. Subsequently, that difference is recognised in profit and loss on an appropriate basis over the life of the instrument but no later than when the valuation is wholly supported by observable market data or the transaction is closed out. The fair value of a financial liability with a demand feature (e.g. a demand deposit) is not less than the amount payable on demand, discounted from the first date on which the amount could be required to be paid.

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

3.4.7. Impairment

The Group and the Bank recognise loss allowance for expected credit losses on the following financial instruments that are not measured at FVTPL:

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

No impairment loss is recognised on equity investments.

Expected Credit Loss (ECL) represents credit losses that reflect an unbiased and probability-weighted amount which is determined by evaluating a range of possible outcomes, the time value of money and reasonable and supportable information about past events, current conditions and forecasts of future economic conditions. ECL allowances are measured at amounts equal to either (i) 12-month ECL or (ii) lifetime ECL for those financial instruments which have experienced a significant increase in credit risk (SICR) since initial recognition (General Approach).

The 12-month ECL is the portion of lifetime ECL that results from default events on a financial instrument that are possible within the 12 months after the reporting date. The lifetime ECL is the ECL that results from all possible default events over the expected life of the financial instrument.

Staging assessment

A three-stage approach for impairment of financial assets is used, based on whether there have been a significant deterioration in the credit risk of a financial asset. These three stages then determine the amount of impairment to be recognised.

For non-credit-impaired financial instruments:

- Stage 1 is comprised of all financial instruments which have not experienced a SICR since initial recognition or is considered of low credit risk as of the reporting date. The criteria for determining whether an account should be assessed under Stage 1 are as follows: (i) current or past due up to 14 days for short term financial assets; (ii) current or past due up to 29 days for long term financial assets; or (iii) no significant increase in the probability of default (PD). The Group and the Bank recognise a 12-month ECL for Stage 1 financial instruments.

For credit-impaired financial instruments:

- Stage 2 is comprised of all financial instruments which have experienced a SICR as of reporting date compared to initial recognition. A SICR is generally deemed present in accounts with (i) 15 to 29 days past due for short term financial assets; (ii) 30 to 89 days past due for long term financial assets; or (iii) with significant increase in PD. The Group and the Bank recognise a lifetime ECL for Stage 2 financial instruments.

- Stage 3 is comprised of all financial assets that have objective evidence of impairment as a result of one or more loss events that have occurred after initial recognition with a negative impact on the estimated future cash flows of a loan or a portfolio of loans. The Group's and the Bank's criteria for Stage 3 accounts are generally aligned with the definition of "default" which is explained in the next paragraph. The Bank recognises a lifetime ECL for Stage 3 financial instruments.

Definition of default

The Group and the Bank consider a financial asset to be in default when:

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

- The Group and the Bank consider that a significant increase in credit risk occurs no later than when an asset is more than or equal to 31 days past due for short-term facilities or more than or equal to 90 days past due for long-term facilities.

Credit risk at initial recognition

The Group and the Bank use internal credit assessment and approvals at various levels to determine the credit risk of exposures at initial recognition. Assessment can be quantitative or qualitative and depends on the materiality of the facility or the complexity of the portfolio to be assessed.

Significant increase in credit risk

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

The Group and the Bank consider that a significant increase in credit risk occurs no later than when an asset is more than 90 days past due. Days past due are determined by counting the number of days since the earliest elapsed due date in respect of which full payment have not been received. Due dates are determined without considering any grace period that might be available to the borrower. If there is evidence that there is no longer a significant increase in credit risk relative to initial recognition, then the loss allowance on an instrument return to being measured as 12-month ECL.

Measurement of ECL

ECL is a probability-weighted estimate of credit losses. This is measured as follows:

- Financial assets that are not credit-impaired at the reporting date: as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group and the Bank expect to receive);

- Financial assets that are credit-impaired at the reporting date: as the difference between the gross carrying amount and the present value of estimated future cash flows; and

- Undrawn loan commitments: as the present value of the difference between the contractual cash flows that are due to the Group and the Bank if the commitment is drawn down and the cash flows that the Group and the Bank expect to receive.

ECL parameters and methodologies

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

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

ECL for exposures in Stage 1 is calculated by multiplying the 12-month PD by LGD and EAD. Lifetime ECL is calculated by multiplying the lifetime PD by LGD and EAD. The statistical model has been employed to analyse data collected and generate estimate of remaining lifetime PD of exposure and how these are expected to change as result of passage of time.

LGD is the magnitude of the likely loss if there is a default. The Group and the Bank estimate LGD parameters based on the history of recovery rates of claims against defaulted counterparties. The LGD models consider the structure, collateral, seniority of the claim, counterparty industry and recovery costs of any collateral that is integral to the financial asset.

For loans secured by retail property, LTV ratios are a key parameter in determining LGD. LGD estimates are recalibrated for different economic scenarios and, for real estate lending, to reflect possible changes in property prices. They are calculated on a discounted cash flow basis using the effective interest rate as the discounting factor.

EAD represents the expected exposure in the event of a default. The Group and the Bank derive the EAD from the current exposure to the counterparty and potential changes to the current amount allowed under the contract and arising from amortisation. The EAD of a financial asset is its gross carrying amount at the time of default. For lending commitments, the EADs are potential future amounts that may be drawn under the contract, which are estimated

based on historical observations and forward-looking forecasts. For some financial assets, EAD is determined by modelling the range of possible exposure outcomes at various points in time using scenario and statistical techniques.

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

Forward-looking information

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

A broad range of forward-looking information are considered as economic inputs, such as GDP growth, exchange rate, interest rate, unemployment rate and other economic indicators. The inputs and models used for calculating ECL may not always capture all characteristics of the market at the date of the financial statements. To reflect this, qualitative adjustments or overlays are occasionally made as temporary adjustments when such differences are significantly material.

Restructured financial assets

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

- If the expected restructuring will not result in derecognition of the existing asset, then the expected cash flows arising from the modified financial asset are included in calculating the cash shortfalls from the existing asset.

- If the expected restructuring will result in derecognition of the existing asset, then the expected fair value of the new asset is treated as the final cash flow from the existing financial asset at the time of its derecognition. This amount is included in calculating the cash shortfalls from the existing financial asset that are discounted from the expected date of derecognition to the reporting date using the original effective interest rate of the existing financial asset.

Credit-impaired financial assets

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

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

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

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

Presentation of allowance for ECL in the statement of financial position

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

Write-off

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

Recoveries of amounts previously written off are included in 'other income' in the profit or loss. Financial assets that are written off could still be subject to enforcement activities in order to comply with the Group and the Bank's procedures for recovery of amounts due.

3.5. Loans and advances to customers

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

3.6. Investment in a subsidiary in the separate financial statements

A subsidiary is an entity controlled by the Bank. Control exists when the Bank has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. The financial statements of the subsidiary are included in the consolidated financial statements from the date that control effectively commences until the date that control effectively ceases. The subsidiary is consolidated using the acquisition method of accounting.

3.7. Equity investment

Equity investment is measured at fair value through other comprehensive income ("FVOCI").

3.8. Other assets

Other assets are carried at cost less impairment if any.

3.9. Assets held for sale

Assets held for sale are carried at the lower of their carrying amount and fair value less costs to sell. Any impairment loss on initial classification as held-for-sale and subsequent gains or losses on remeasurement are recognised in profit or loss.

3.10. Recognition and measurement

3.10.1. Recognition and measurement

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

Cost includes expenditures that are directly attributable to the acquisition of the asset and any other costs directly attributable to bringing the asset to working condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located. The cost of self-constructed assets also includes the cost of materials and direct labour. For qualifying assets, borrowing costs are capitalised in accordance with the accounting policy on borrowing costs. Cost also may include transfers from equity of any gain or loss on qualifying cash flow hedges of foreign currency purchases of property and equipment.

Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment. When significant parts of an item of property and equipment have different useful lives, they are accounted for as separate items (major components) of property and equipment.

The gain or loss on disposal of an item of property and equipment is determined by comparing the proceeds from disposal with the carrying amount of property and equipment and is recognised net within “other income” and “general and administrative expense” respectively in profit or loss.

3.10.2. Subsequent costs

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

3.10.3. Depreciation

Depreciation is based on the cost of an asset less its residual value. Significant components of individual assets are assessed, and if a component has a useful life that is different from the remainder of that asset, then that component is depreciated separately.

Depreciation is recognised as an expense in profit or loss on a straight-line over the estimated useful lives of each component of an item of property and equipment.

Depreciation is recognised from the date that the property and equipment are installed and are ready for use, or in respect of internally constructed assets, from the date that the asset is completed and ready for use. Land and construction in progress are not depreciated.

The estimated useful lives are as follows:

	2024	Prior to 2024
	Year	Years
Leasehold improvements	10	5
Office equipment	5	5
Furniture, fixtures and fittings	5	5
Computer equipment	3	3
Motor vehicles	5	5

Depreciation methods, useful lives and residual values are reassessed at end of the reporting period and adjusted if appropriate.

In 2024, Leasehold improvements of the Bank has extended its useful life for another 5 years to reflect the actual economic life of the assets. The effect of this change is from 1 January 2024 by using net book value and resulted in decrease in depreciation expenses of US$482,109 for the year ended 31 December 2024. This change in accounting estimate has been applied prospectively.

3.11. Intangible asset

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

Intangible assets are amortised over their estimated useful lives of 5 years using the straight-line method. Costs associated with the development or maintenance of computer software are recognised as expenses when incurred.

3.12. Impairment of non-financial assets

The Group and the Bank assess at each statement of financial position date whether there is any indication that its non-financial assets may be impaired. When an indicator of impairment exists or when an annual impairment testing for an asset is required, the Group and the Bank make a formal estimate of recoverable amount.

Recoverable amount is the higher of an asset's (or CGU's) fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case the recoverable amount is assessed as part of the CGU to which it belongs.

Where the carrying amount of an asset (or CGU) exceeds its recoverable amount, the asset (or CGU) is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset (or CGU).

An impairment loss is charged to operations in the year in which it arises. An assessment is made at each statement of financial position date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated.

A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset (or CGU) is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation and amortisation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the profit or loss unless the asset (or CGU) is carried at a revalued amount, in which case the reversal is treated as a revaluation increase. After such a reversal, the depreciation and amortisation expense is adjusted in future years to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining life.

3.13. Leases

At inception of a contract, the Group and the Bank assesses whether a 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 period of time in exchange for consideration.

To assess whether a contract conveys the right to control the use of an identified asset, the Group and the Bank assesses whether:

- The contract involves the use of an identified asset - this may be specified explicitly or implicitly, and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right throughout the period of use, then the asset is not identified;

- The Group and the Bank have the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and

- The Group and the Bank have the right to direct the use of the asset. The Group and the Bank have this right when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used. In cases where all the decisions about how and for what purpose the asset is used are predetermined, the Group and the Bank have the right to direct the use of the asset if either:

  - the Group and the Bank have the right to operate the asset; or
  - the Group and the Bank designed the asset in a way that predetermines how and for what purpose it will be used.

At inception or on reassessment of a contract that contains a lease and non-lease component, the Group and the Bank allocate the consideration in the contract to each lease component and aggregate of non-lease components on the basis of their relative stand-alone prices. However, for the leases of land and buildings in which it is a lessee, the Group and the Bank have elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

3.13.1. Leases in which the Group and the Bank are a lessee

An arrangement conveyed the right to use the asset if one of the following was met:

- The purchaser had the ability or right to operate the asset while obtaining or controlling more than an insignificant amount of the output;

- The purchaser had the ability or right to control physical access to the asset while obtaining or controlling more than an insignificant amount of the output; or

- Facts and circumstances indicated that it was remote that other parties would take more than an insignificant amount of the output, and the price per unit was neither fixed per unit of output nor equal to the current market price per unit of output.

The Group and the Bank recognise a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

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

The estimated useful lives of right-of-use assets are determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

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

- Building and office branches 2 – 15 years

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

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

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Group and the Bank are reasonably certain to exercise, lease payments in an optional renewal period if the Group and the Bank are reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Bank are reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in the lease term, a change in the assessment of the option to purchase the underlying asset, a change in future lease payments arising from a change in an index or rate, or if there is a change in the Group’s and the Bank's estimate of the amount expected to be payable under a residual value guarantee.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit and loss if the carrying amount of the right-of-use asset have been reduced to zero.

3.13.2. Short-term leases and leases of low-value assets

The Group and the Bank elected not to recognise right-of-use assets and lease liabilities for short-term leases of copy machinery that have a lease term of 12 months or less and leases of low-value assets. The Group and the Bank recognise the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

3.14. Employee benefits

3.14.1. Provision for seniority indemnity

On 21 September 2018, the Ministry of Labor and Vocational Training ("MoLVT") issued Prakas No. 443 on Seniority Payment. This Prakas is applicable to all enterprises, establishments and those who are covered by the provisions of Article 89 (New) of the Labor Law. For enterprises other than textile, garment and footwear enterprise, the said Prakas requires retroactive seniority payment (prior to the release of the Prakas) equal to fifteen (15) days per year of employees' wages.

On 22 March 2019, the MoLVT issued guideline number 042/19 to delay the payment of the retroactive seniority payment starting from December 2021, which shall be paid as follows:

- Equal to three days payable every June; and
- Equal to three days payable every December.

The retroactive seniority payment shall not exceed 6 months of an employee's average wage of each retrospective year. Employees are not entitled to the payment if they resign before receiving it.

The estimated amount of seniority payment was recognised under other liabilities (Note 19).

3.14.2. Short-term employee benefits

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

3.14.3. Other long-term employee benefits

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

3.15. Provisions

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

3.16. Deposits from customers and other financial institutions

Deposits from customers and other financial institutions are initially measured at fair value minus incremental direct transaction costs, and subsequently measured at amortised cost using effective interest method.

3.17. Borrowings and subordinated debts

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

3.18. Interest income/expense

3.18.1. Effective interest rate

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

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

When calculating the effective interest rate for financial instruments other than purchased or originated credit-impaired assets, the Group and the Bank estimate future cash flows considering all contractual terms of the financial instrument, but not ECL. For purchased or originated credit-impaired financial assets, a credit-adjusted effective interest rate is calculated using estimated future cash flows including ECL.

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

3.18.2. Amortised cost and gross carrying amount

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

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

3.18.3. Calculation of interest income and expense

The effective interest rate of a financial asset or financial liability is calculated on initial recognition of a financial asset or a financial liability.

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit- impaired) or to the amortised cost of the liability. The effective interest rate is revised as a result of periodic re-estimation of cash flows of floating rate instruments to reflect movements in market rates of interest. The effective interest rate is also revised for fair value hedge adjustments at the date amortisation of the hedge adjustment begins.

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

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

3.18.4. Presentation

Interest income calculated using the effective interest method presented in the statement of profit or loss and other comprehensive income includes interest on financial assets measured at amortised cost.

Interest expense presented in the statement of profit or loss and other comprehensive income includes financial liabilities measured at amortised cost.

3.19. Fee and commission

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

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

A contract with a customer that results in a recognised financial instrument in the Group's and Bank's financial statements may be partially in the scope of CIFRS 9 and partially in the scope of CIFRS 15. If this is the case, then the Group and the Bank first apply CIFRS 9 to separate and measure the part of the contract that is in the scope of CIFRS 9 and then applies CIFRS 15 to the residual.

3.20. Income tax

Income tax expense comprises current and deferred tax. It is recognised in profit and loss except items recognised directly in equity or in other comprehensive income.

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

3.20.1. Current tax

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

3.20.2. Deferred tax

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

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date. The measurement of deferred tax reflects the tax consequences that would follow the manner in which the Group and the Bank expect, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

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

3.21. Regulatory reserves

A regulatory reserve is established for the difference between the allowance for ECL as determined in accordance with CIFRS 9 and the regulatory allowance in accordance with NBC Prakas No. B7-017-344 dated 1 December 2017 and Circular No. B7-018-001 dated 16 February 2018 on credit risk classification and provisioning for banks and financial institutions. The Group and the Bank compare the regulatory allowance with the allowance calculated in accordance with CIFRS 9, and:

(i) In case the regulatory allowance calculated is lower than the allowance calculated in accordance with CIFRS 9, the Group and the Bank record the allowance calculated in accordance with CIFRS 9; and

(ii) In case the regulatory allowance is higher than the allowance based on CIFRS 9, the Group and the Bank record the allowance calculated based on CIFRS 9 and transfer the difference from the retained earnings account to regulatory reserve in the equity section of the statement of financial position.

The regulatory reserves asset aside as a buffer, is non-distributable and are not an item to be included in the calculation of the Bank's net worth.

On 5 February 2025, the NBC issued a notification letter to all banks and financial institutions requiring that the regulatory provision in accordance with the NBC shall be calculated based on the gross carrying amount (including accrued interest receivables), multiplied by the provision rates for each loan and advance classification. This requirement applies to the financial year ended 31 December 2024 onward.

The said NBC Prakas on regulatory provisioning requires banks and financial institutions to classify their loan portfolio into five classes and provide general and specific allowance based on the loan classification as follows:

	Number of days past due		
Classification	**Short-term**	**Long-term**	**Allowance rate**
Standard	0 to 14 days	0 to 29 days	1%
Special mention	15 days to 30 days	30 days to 89 days	3%
Substandard	31 days to 60 days	90 days to 179 days	20%
Doubtful	61 days to 90 days	180 days to 359 days	50%
Loss	From 91 days	360 days or more	100%

3.22. Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of the ordinary share are recognised as a deduction from equity, net of any tax effects. Other shares are classified as equity and/or liability according to the economic substance of the particular instrument. Distributions to holders of a financial instrument classified as an equity instrument are charged directly to equity.

3.23. Contingent assets

Where it is not possible that there is an inflow of economic benefits, or the amount cannot be estimated reliably, the asset is not recognised in the statements of financial position and is disclosed as a contingent asset, unless the probability of inflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events, are also disclosed as contingent assets unless the probability of inflow of economic benefits is remote.

3.24. Contingent liabilities

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is not recognised in the statements of financial position and is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events, are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

3.25. Change in material accounting policies

The Group and the Bank do not have changes in material accounting policies in the current annual reporting period.

3.26. Accounting standards issued, but not yet effective

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

A. Classification and Measurement of Financial Instruments (Amendments to CIFRS 9 and CIFRS 7)

In May 2024, the International Accounting Standards Board (IASB) issued Amendments to the classification and Measurement of Financial Instruments which amended IFRS 9 and IFRS 7.

The requirements will be effective for annual reporting periods beginning on or after 1 January 2026, with early application permitted, and are related to:

- settling financial liabilities using electronic payments system; and
- assessing contractual cash flow characteristics of financial assets, including those with sustainability-linked features.

The Group and the Bank are in the process of assessing the impact of the new amendments.

B. CIFRS 18 Presentation and Disclosures in Financial Statements

CIFRS 18 will replace CIAS 1 Presentation of Financial Statements and applies for annual reporting periods beginning on or after 1 January 2027. The new standard introduces the following key new requirements.

- Entities are required to classify all income and expenses into five categories in the statement of profit or loss, namely the operating, investing, financing, discontinued operations and income tax categories. Entities are also required to present a newly-defined operating profit subtotal. Entities' net profit will not change.
- Management-defined performance measures (MPMs) are disclosed in a single note in the financial statements.
- Enhanced guidance is provided on how to group information in the financial statements.

In addition, all entities are required to use the operating profit subtotal as the starting point for the statement of cash flows when presenting operating cash flows under the indirect method. The Group and the Bank are still in the process of assessing the impact of the new standard, particularly with respect to the structure of the Group and the Bank's statement of profit or loss, the statement of cash flows and the additional disclosures required for MPMs. The Group and the Bank are also assessing the impact on how information is grouped in the financial statements, including for items currently labelled as 'other'.

C. Other accounting standards

The following new and amended accounting standards are not expected to have a significant impact on the Group and the Bank's financial statements.

Effective date	New accounting standards or amendment
1 January 2025	Lack of exchangeabilities (Amendment to CIAS 21)
1 January 2026	Annual Improvement to CIFRS Accounting Standard – Volume 11
1 January 2027	CIFRS 19 Subsidiaries without Public Accountability: Disclosure

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of the Group and the Bank's accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

- Note 3.4.2: classification of financial assets: assessment of the business model within which the assets are held and assessment of whether the contractual terms of the financial asset are SPPI on the principal amount outstanding.
- Note 3.4.7: establishing the criteria for determining whether credit risk on the financial asset has increased significantly since initial recognition, determining methodology for incorporating forward-looking information into measurement of ECL and selection and approval of models used to measure ECL.

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

- Note 3.4.6: determination of the fair value of financial instruments with significant unobservable inputs.
- Note 3.4.7: impairment of financial instruments: determining inputs into the ECL measurement model, including incorporation of forward-looking information.
- Note 3.4.7: impairment of financial instruments: key assumptions used in estimating recoverable cash flows.

5. CASH AND CASH EQUIVALENTS

	31 December 2024		31 December 2023	
	US$	KHR'000 (Note 2.4.3)	US$	KHR'000 (Note 2.4.3)
The Group				
Cash on hand	25,366,355	102,099,579	32,066,828	130,992,992
Cash equivalents with the NBC	40,022,255	161,089,576	56,595,822	231,193,933
Cash equivalents with other banks	65,668,395	264,315,291	48,263,499	197,156,393
Gross cash and cash equivalents	131,057,005	527,504,446	136,926,149	559,343,318
Less: Allowance for ECL	(126,239)	(508,112)	(129,881)	(530,564)
	130,930,766	526,996,334	136,796,268	558,812,754
The Bank				
Cash on hand	25,366,355	102,099,579	32,066,828	130,992,992
Cash equivalents with the NBC	40,022,255	161,089,576	56,595,822	231,193,933
Cash equivalents with other banks	65,662,152	264,290,162	48,263,499	197,156,393
Gross cash and cash equivalents	131,050,762	527,479,317	136,926,149	559,343,318
Less: Allowance for ECL	(126,239)	(508,112)	(129,881)	(530,564)
	130,924,523	526,971,205	136,796,268	558,812,754

Cash and cash equivalents earn annual interest rates ranging from 0.00% to 4.46% (2023: 0.00% to 5.25%).

The movements of allowance for ECL on Cash and cash equivalents during the year are as follows:

	2024		2023	
	US$	KHR'000 (Note 2.4.3)	US$	KHR'000 (Note 2.4.3)
The Group and the Bank				
At 1 January	129,881	530,564	26,270	108,153
Charge to profit and loss (Note 30)	(3,642)	(14,827)	103,611	425,841
Currency translation difference	-	(7,625)	-	(3,430)
At 31 December	126,239	508,112	129,881	530,564

6. PLACEMENTS WITH OTHER FINANCIAL INSTITUTIONS

	31 December 2024		31 December 2023	
	US$	KHR'000 (Note 2.4.3)	US$	KHR'000 (Note 2.4.3)
The Group				
Term deposits (non-cash equivalents)	45,881,842	184,674,414	3,551,688	14,508,645
Less: Allowance for ECL	(43,040)	(173,236)	(35,845)	(146,427)
	45,838,802	184,501,178	3,515,843	14,362,218
The Bank				
Term deposits (non-cash equivalents)	45,681,021	183,866,110	3,551,688	14,508,645
Less: Allowance for ECL	(41,036)	(165,170)	(35,845)	(146,427)
	45,639,985	183,700,940	3,515,843	14,362,218

Placements with other financial institutions represent term deposits with various other banks and a microfinance institutions in Cambodia with maturities between six (6) to twelve (12) months. The annual interest rates from term deposits range from 4.00% to 5.00% in 2024 (2023: 6.00% to 6.20%).

The movements of allowance for ECL on Placements with other financial institutions during the year are as follows:

	2024		2023	
	US$	KHR'000 (Note 2.4.3)	US$	KHR'000 (Note 2.4.3)
The Group				
At 1 January	35,845	146,427	2,637	10,857
Charge to profit and loss (Note 30)	7,195	29,291	33,208	136,485
Currency translation difference	-	(2,482)	-	(915)
At 31 December	43,040	173,236	35,845	146,427
The Bank				
At 1 January	35,845	146,427	2,637	10,857
Charge to profit and loss (Note 30)	5,191	21,133	33,208	136,485
Currency translation difference	-	(2,390)	-	(915)
At 31 December	41,036	165,170	35,845	146,427

7. STATUTORY DEPOSITS

	31 December 2024		31 December 2023	
	US$	KHR'000 (Note 2.4.3)	US$	KHR'000 (Note 2.4.3)
The Group				
Capital guarantee	7,649,069	30,787,503	7,646,879	31,237,501
Reserve requirements	45,835,151	184,486,483	40,880,729	166,997,778
	53,484,220	215,273,986	48,527,608	198,235,279
The Bank				
Capital guarantee	7,500,000	30,187,500	7,500,000	30,637,500
Reserve requirements	45,835,151	184,486,484	40,880,729	166,997,778
	53,335,151	214,673,984	48,380,729	197,635,278

7.1. Capital guarantee:

(i) Banking operations: In accordance with NBC's Prakas No. B7-01-136 dated 15 October 2001 on Bank's capital guarantee, the Bank is required to maintain a capital guarantee of 10% of its registered capital with the NBC. This deposit is not available for use in the Bank's day-to-day operations and is refundable when the Bank voluntarily ceases its operation in Cambodia. This deposit earned interest at 1.06% (2023: 1.33%) per annum.

(ii) Trustee operations: In accordance with Trust Regulator's Prakas No. 003 NSFSA_PK dated 26 January 2022; Trustee is required to maintain a capital guarantee of 15% of its registered capital with the Trust Regulator (US$1,000,000*15% = US$150,000 or equivalent to KHR'000 600,000). This deposit is not available for use in Trustee's day-to-day operations and is refundable when the Trustee voluntarily ceases its operation in Cambodia. No interest is earned from the capital guarantee deposit.

7.2. Reserve requirements

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

- For local currency (Khmer Riel):
  - Reserve requirement shall be maintained at 7%.

- For foreign currencies (other than Khmer Riel):
  - From 1 January 2023 to 31 December 2023, reserve requirement shall be maintained at 9%.
  - From 1 January 2024 onwards, reserve requirement shall be maintained at 12.5%.

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

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

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

8. LOANS AND ADVANCES TO CUSTOMERS

	31 December 2024		31 December 2023	
	US$	KHR'000 (Note 2.4.3)	US$	KHR'000 (Note 2.4.3) (Restated)
The Group and the Bank				
Term loans	585,464,482	2,356,494,541	566,182,383	2,312,855,035
Overdrafts	29,498,283	118,730,589	28,253,907	115,417,210
Gross loans and advances	614,962,765	2,475,225,130	594,436,290	2,428,272,245
Less: Allowance for ECL	(18,829,742)	(75,789,712)	(11,203,834)	(45,767,662)
Loans and advances – net	596,133,023	2,399,435,418	583,232,456	2,382,504,583

The movements of allowance for ECL on loans and advances during the year are as follows:

	2024		2023	
	US$	KHR'000 (Note 2.4.3)	US$	KHR'000 (Note 2.4.3) (Restated)
The Group and the Bank				
At 1 January	11,203,834	45,767,662	8,403,002	34,595,159
Charge to profit and loss (Note 30)	6,523,296	26,556,338	3,593,726	14,770,214
Unwinding of discount	1,058,416	4,308,812	213,220	876,334
Write-offs	(6,379)	(25,969)	(1,024,645)	(4,211,291)
Foreign exchange rate differences	50,575	205,891	18,531	76,162
Currency translation difference	-	(1,023,022)	-	(338,916)
At 31 December	18,829,742	75,789,712	11,203,834	45,767,662

Reconciliation of changes in gross carrying amounts and corresponding allowance for ECL by stage for loans and advances to customers measured at amortised cost is as follows:

2024

	Stage 1 US$	Stage 2 US$	Stage 3 US$	Total US$
The Group and the Bank				
Gross loans and advances				
At 1 January	538,309,532	18,484,890	37,641,868	594,436,290
Newly-originated assets that remained in Stage 1 as at 31 December	193,120,573	-	-	193,120,573
Newly-originated assets that moved to Stage 2 and Stage 3 as at 31 December	-	15,104,958	4,776,130	19,881,088
Payments and assets derecognised	(130,221,927)	(5,990,388)	(3,673,823)	(139,886,138)
Transfers to stage 1	3,753,440	(2,756,814)	(996,626)	-
Transfers to stage 2	(27,200,126)	27,260,098	(59,972)	-
Transfers to stage 3	(14,897,441)	(6,428,377)	21,325,818	-
Net remeasurement due to change in credit risk	(54,014,373)	(279,396)	1,704,721	(52,589,048)
At 31 December	508,849,678	45,394,971	60,718,116	614,962,765
KHR'000 (Note 2.4.3)	2,048,119,955	182,714,758	244,390,417	2,475,225,130

2023 (Restated)

	Stage 1 US$	Stage 2 US$	Stage 3 US$	Total US$
The Group and the Bank				
Gross loans and advances				
At 1 January	559,512,844	7,595,962	24,676,968	591,785,774
Newly-originated assets that remained in Stage 1 as at 31 December	229,147,620	-	-	229,147,620
Newly-originated assets that moved to Stage 2 and Stage 3 as at 31 December	-	6,273,492	3,321,595	9,595,087
Payments and assets derecognised	(171,594,403)	(2,852,887)	(5,379,734)	(179,827,024)
Transfers to stage 1	(23,192,938)	11,935,803	11,257,135	-
Transfers to stage 2	679,962	(4,354,902)	3,674,940	-
Transfers to stage 3	548,560	50,353	(598,913)	-

	2023 (Restated)			
	Stage 1 US$	Stage 2 US$	Stage 3 US$	Total US$
Net remeasurement due to change in credit risk	(56,792,113)	(162,931)	689,877	(56,265,167)
At 31 December	538,309,532	18,484,890	37,641,868	594,436,290
KHR'000 (Note 2.4.3)	2,198,994,438	75,510,776	153,767,031	2,428,272,245

	2024			
	Stage 1 US$	Stage 2 US$	Stage 3 US$	Total US$
The Group and the Bank				
Allowance for ECL				
At 1 January	(2,428,704)	(1,867,510)	(6,907,620)	(11,203,834)
Newly-originated assets that remained in Stage 1 as at 31 December	(815,981)	-	-	(815,981)
Newly-originated assets that moved to Stage 2 and Stage 3 as at 31 December	-	(507,553)	(821,633)	(1,329,186)
Payments and assets derecognised	720,324	570,011	681,081	1,971,416
Transfers to stage 1	(19,768)	16,359	3,409	-
Transfers to stage 2	1,320,090	(1,322,703)	2,613	-
Transfers to stage 3	2,591,586	1,118,122	(3,709,708)	-
Unwinding of discount	(9,055)	(103)	1,067,574	1,058,416
Net remeasurement due to change in credit risk	(6,062,488)	(112,208)	(2,335,877)	(8,510,573)
At 31 December	(4,703,996)	(2,105,585)	(12,020,161)	(18,829,742)
KHR'000 (Note 2.4.3)	(18,933,584)	(8,474,980)	(48,381,148)	(75,789,712)

	2023 (Restated)			
	Stage 1 US$	Stage 2 US$	Stage 3 US$	Total US$
The Group and the Bank				
Allowance for ECL				
At 1 January	(1,890,241)	(463,396)	(6,049,365)	(8,403,002)
Newly-originated assets that remained in Stage 1 as at 31 December	(1,131,299)	-	-	(1,131,299)
Newly-originated assets that moved to Stage 2 and Stage 3 as at 31 December	-	(542,306)	(613,824)	(1,156,130)
Payments and assets derecognised	468,225	133,770	1,292,972	1,894,967
Transfers to stage 1	(18,065)	10,479	7,586	-
Transfers to stage 2	1,307,741	(1,310,932)	3,191	-
Transfers to stage 3	2,109,431	496,379	(2,605,810)	-
Unwinding of discount	(24,259)	(160)	237,639	213,220
Net remeasurement due to change in credit risk	(3,250,237)	(191,344)	819,991	(2,621,590)
At 31 December	(2,428,704)	(1,867,510)	(6,907,620)	(11,203,834)
KHR'000 (Note 2.4.3)	(9,921,256)	(7,628,778)	(28,217,628)	(45,767,662)

Gross amounts of loans and advances to customers are analysed as follows:

(a) By industry:

	31 December 2024		31 December 2023	
	US$	KHR'000 (Note 2.4.3)	US$	KHR'000 (Note 2.4.3)
			(Restated)	
The Group and the Bank				
Micro, small and medium enterprise loans	348,316,140	1,401,972,465	347,924,524	1,421,271,681
Commercial	223,989,932	901,559,476	203,585,406	831,646,384
Consumer loans	42,193,918	169,830,520	42,370,167	173,082,132
Other	462,775	1,862,669	556,193	2,272,048
	614,962,765	2,475,225,130	594,436,290	2,428,272,245

(b) By maturity:

	31 December 2024		31 December 2023	
	US$	KHR'000 (Note 2.4.3)	US$	KHR'000 (Note 2.4.3)
			(Restated)	
The Group and the Bank				
Within 1 month	14,115,905	56,816,518	7,076,057	28,905,693
> 1 to 3 months	12,024,781	48,399,744	9,259,962	37,826,945
> 3 to 6 months	13,228,271	53,243,791	8,355,844	34,133,623
> 6 to 12 months	15,885,957	63,940,977	22,841,818	93,308,827
> 1 to 5 years	175,206,449	705,205,957	194,223,965	793,404,897
Over 5 years	384,501,402	1,547,618,143	352,678,644	1,440,692,260
	614,962,765	2,475,225,130	594,436,290	2,428,272,245

(c) By residency status:

The Group and the Bank				
Resident	614,962,765	2,475,225,130	594,436,290	2,428,272,245
Non-resident	-	-	-	-
	614,962,765	2,475,225,130	594,436,290	2,428,272,245

(d) By exposure:

The Group and the Bank				
Large exposures (*)	18,494,736	74,441,312	16,171,922	66,062,301
Non-large exposures	596,468,029	2,400,783,818	578,264,368	2,362,209,944
	614,962,765	2,475,225,130	594,436,290	2,428,272,245

(e) By concession:

The Group and the Bank				
Restructure (**)	59,943,888	241,274,149	48,588,886	198,485,599
Non-restructure	555,018,877	2,233,950,981	545,847,404	2,229,786,646
	614,962,765	2,475,225,130	594,436,290	2,428,272,245

(f) By interest rate (per annum):

	31 December 2024	31 December 2023
The Group and the Bank		
Term loans	4.75%-18.00%	4.75%-18.00%
Overdrafts	8.50%-12.00%	8.00%-12.05%

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

(**) A "restructure loan" is a loan that original contractual terms have been modified to provide for concessions for the borrowers for reasons related to real temporary financial difficulties.

For additional analysis of gross amount of loans and advances to customers, refer to Note 33.

9. INVESTMENT IN A SUBSIDIARY

This investment represents 49% equity interest in Phillip Trustee (Cambodia) Co., Ltd, a incorporated company in Cambodia on 25 July 2022 under the Cambodian Law on Commercial Enterprises and a trustee licensed under the regulations of the Trust Regulator ("TR") dated 15 December 2022.

Although the Bank only owns a 49% ownership interest in the Phillip Trustee (Cambodia) Co., Ltd, the Bank has the sole power to nominate, appoint and remove the Board of Directors of the Subsidiary which has the power to direct its relevant activities. Therefore, the Board of Directors concluded that the Bank has the practical ability to direct the relevant activities of the Subsidiary unilaterally. Accordingly, the Bank has significant control over Phillip Trustee (Cambodia) Co., Ltd to classify it as a subsidiary.

10. ASSETS HELD FOR SALE

	31 December 2024		31 December 2023	
	US$	**KHR'000 (Note 2.4.3)**	**US$**	**KHR'000 (Note 2.4.3)**
The Group and the Bank				
Assets held for sale	731,161	2,942,923	1,800,000	7,353,000

Assets held for sale represents the immoveable property that are not held for operational purpose but the Group and the Bank intends to sell within the maximum allowable period of twelve months. The estimated fair value is US$1,029,787 (2023: US$2,135,379).

The movements of assets held for sale are as follows:

	31 December 2024		31 December 2023	
	US$	KHR'000 (Note 2.4.3)	US$	KHR'000 (Note 2.4.3)
The Group and the Bank				
At 1 January	1,800,000	7,353,000	-	-
Additions	731,161	2,976,556	1,800,000	7,398,000
Transfer to Property and equipment	(1,800,000)	(7,327,800)	-	-
Currency translation difference	-	(58,833)	-	(45,000)
At 31 December	731,161	2,942,923	1,800,000	7,353,000

11. OTHER ASSETS

	31 December 2024		31 December 2023	
	US$	KHR'000 (Note 2.4.3)	US$	KHR'000 (Note 2.4.3)
The Group				
Prepayments	1,824,209	7,342,441	2,154,233	8,800,042
Others	1,362,593	5,484,436	533,512	2,179,396
	3,186,802	12,826,877	2,687,745	10,979,438
The Bank				
Prepayments	1,829,765	7,364,804	2,160,790	8,826,827
Others	1,319,932	5,312,724	520,651	2,126,859
	3,149,697	12,677,528	2,681,441	10,953,686

12. PROPERTY AND EQUIPMENT

2024

	Land (*)	Leasehold improvements	Office equipment	Furniture fixtures and fittings	Computer equipment	Motor vehicles	Construction in progress	Total	
	US$	US$	US$	US$	US$	US$	US$	US$	KHR'000 (Note 2.4.3)
The Group									
Cost									
At 1 January	-	5,249,792	7,450,535	1,537,930	3,805,063	1,508,640	15,380	19,567,340	79,932,584
Additions	-	93,470	111,469	60,671	174,628	133,500	306,265	880,003	3,582,492
Transfers	-	164,361	128,254	29,030	-	-	(321,645)	-	-
Transfers from Assets held for sale	1,800,000	-	-	-	-	-	-	1,800,000	7,327,800
Write-offs	-	(930,405)	(666,383)	(458,074)	(328,379)	-	-	(2,383,241)	(9,702,174)
Disposals	-	-	(116,780)	-	-	(122,775)	-	(239,555)	(975,228)
Currency translation difference	-	-	-	-	-	-	-	-	(1,176,672)
At 31 December	1,800,000	4,577,218	6,907,095	1,169,557	3,651,312	1,519,365	-	19,624,547	78,988,802
Accumulated depreciation									
At 1 January	-	3,049,991	4,976,360	1,238,369	2,878,854	1,265,745	-	13,409,319	54,777,068
Depreciation (Note 27)	-	290,165	863,762	112,733	631,594	96,763	-	1,995,017	8,121,714
Write-offs	-	(919,973)	(659,750)	(455,542)	(327,489)	-	-	(2,362,754)	(9,618,772)
Disposals	-	-	(116,780)	-	-	(122,775)	-	(239,555)	(975,228)
Currency translation difference	-	-	-	-	-	-	-	-	(776,623)
At 31 December	-	2,420,183	5,063,592	895,560	3,182,959	1,239,733	-	12,802,027	51,528,159
Carrying amounts									
At 1 January	-	2,199,801	2,474,175	299,561	926,209	242,895	15,380	6,158,021	25,155,516
At 31 December	1,800,000	2,157,035	1,843,503	273,997	468,353	279,632	-	6,822,520	27,460,643

In 2024, the cost of fully depreciated items of property and equipment still in use amounted to US$8,277,651 (2023: US$7,461,063).

(*) This represents the land owned by Phillip Trustee (Cambodia) Co., Ltd on behalf of the Bank.

2023

	Leasehold improvements	Office equipment	Furniture fixtures and fittings	Computer equipment	Motor vehicles	Construction in progress	Total	
	US$	US$	US$	US$	US$	US$	US$	KHR'000 (Note 2.4.3)
The Group								
Cost								
At 1 January	4,555,853	6,852,758	1,654,340	4,212,235	1,629,844	847,716	19,752,746	81,322,055
Additions	103,987	205,772	38,746	452,110	20,250	753,138	1,574,003	6,469,152
Transfers	693,176	755,608	90,299	46,391	-	(1,585,474)	-	-
Write-offs	(103,224)	(350,170)	(240,970)	(905,673)	(196)	-	(1,600,233)	(6,576,958)
Disposals	-	(13,433)	(4,485)	-	(141,258)	-	(159,176)	(654,213)
Currency translation difference	-	-	-	-	-	-	-	(627,452)
At 31 December	5,249,792	7,450,535	1,537,930	3,805,063	1,508,640	15,380	19,567,340	79,932,584
Accumulated depreciation								
At 1 January	2,278,638	4,473,709	1,376,022	3,089,542	1,325,071	-	12,542,982	51,639,457
Depreciation (Note 27)	839,544	864,791	96,023	693,135	82,128	-	2,575,621	10,585,803
Write-offs	(68,191)	(348,707)	(229,191)	(903,823)	(196)	-	(1,550,108)	(6,370,944)
Disposals	-	(13,433)	(4,485)	-	(141,258)	-	(159,176)	(654,213)
Currency translation difference	-	-	-	-	-	-	-	(423,035)
At 31 December	3,049,991	4,976,360	1,238,369	2,878,854	1,265,745	-	13,409,319	54,777,068
Carrying amounts								
At 1 January	2,277,215	2,379,049	278,318	1,122,693	304,773	847,716	7,209,764	29,682,598
At 31 December	2,199,801	2,474,175	299,561	926,209	242,895	15,380	6,158,021	25,155,516

2024

	Land (*)	Leasehold improvements	Office equipment	Furniture fixtures and fittings	Computer equipment	Motor vehicles	Construction in progress	Total	
	US$	US$	US$	US$	US$	US$	US$	US$	KHR'000 (Note 2.4.3)
The Bank									
Cost									
At 1 January	-	5,222,981	7,450,535	1,527,911	3,804,723	1,508,640	15,380	19,530,170	79,780,744
Additions	-	93,020	111,469	57,981	172,105	133,500	306,265	874,340	3,559,438
Transfers	-	164,361	128,254	29,030	-	-	(321,645)	-	-
Transfers from Assets held for sale	1,800,000	-	-	-	-	-	-	1,800,000	7,327,800

2024

	Land (*)	Leasehold improvements	Office equipment	Furniture fixtures and fittings	Computer equipment	Motor vehicles	Construction in progress	Total	
	US$	US$	US$	US$	US$	US$	US$	US$	KHR'000 (Note 2.4.3)
Write-offs	-	(930,405)	(666,383)	(458,074)	(328,379)	-	-	(2,383,241)	(9,702,174)
Disposals	-	-	(116,780)			(122,775)	-	(239,555)	(975,228)
Currency translation difference	-	-	-	-	-	-	-	-	(1,174,181)
At 31 December	1,800,000	4,549,957	6,907,095	1,156,848	3,648,449	1,519,365	-	19,581,714	78,816,399
Accumulated depreciation									
At 1 January	-	3,044,629	4,976,360	1,236,395	2,878,826	1,265,745	-	13,401,955	54,746,986
Depreciation (Note 27)	-	283,445	863,762	109,892	630,704	96,763	-	1,984,566	8,079,168
Write-offs	-	(919,973)	(659,750)	(455,542)	(327,489)	-	-	(2,362,754)	(9,618,772)
Disposals	-	-	(116,780)	-	-	(122,775)	-	(239,555)	(975,228)
Currency translation difference	-	-	-	-	-	-	-	-	(775,701)
At 31 December	-	2,408,101	5,063,592	890,745	3,182,041	1,239,733	-	12,784,212	51,456,453
Carrying amounts									
At 1 January	-	2,178,352	2,474,175	291,516	925,897	242,895	15,380	6,128,215	25,033,758
At 31 December	1,800,000	2,141,856	1,843,503	266,103	466,408	279,632	-	6,797,502	27,359,946

In 2024, the cost of fully depreciated items of property and equipment still in use amounted to US$8,277,651 (2023: US$7,461,063).

(*) This represents the land owned by Phillip Trustee (Cambodia) Co., Ltd on behalf of the Bank.

2023

	Leasehold improvements	Office equipment	Furniture fixtures and fittings	Computer equipment	Motor vehicles	Construction in progress	Total	
	US$	US$	US$	US$	US$	US$	US$	KHR'000 (Note 2.4.3)
The Bank								
Cost								
At 1 January	4,555,853	6,852,758	1,654,340	4,212,235	1,629,844	847,716	19,752,746	81,322,055
Additions	77,176	205,772	28,727	451,770	20,250	753,138	1,536,833	6,316,384
Transfers	693,176	755,608	90,299	46,391	-	(1,585,474)	-	-
Write-offs	(103,224)	(350,170)	(240,970)	(905,673)	(196)	-	(1,600,233)	(6,576,958)
Disposals	-	(13,433)	(4,485)	-	(141,258)	-	(159,176)	(654,213)

2023								
	Leasehold improvements	Office equipment	Furniture fixtures and fittings	Computer equipment	Motor vehicles	Construction in progress	Total	
	US$	US$	US$	US$	US$	US$	US$	KHR'000 (Note 2.4.3)
Currency translation difference	-	-	-	-	-	-	-	(626,524)
At 31 December	5,222,981	7,450,535	1,527,911	3,804,723	1,508,640	15,380	19,530,170	79,780,744
Accumulated depreciation								
At 1 January	2,278,638	4,473,709	1,376,022	3,089,542	1,325,071	-	12,542,982	51,639,457
Depreciation (Note 27)	834,182	864,791	94,049	693,107	82,128	-	2,568,257	10,555,536
Write-offs	(68,191)	(348,707)	(229,191)	(903,823)	(196)	-	(1,550,108)	(6,370,944)
Disposals	-	(13,433)	(4,485)	-	(141,258)	-	(159,176)	(654,213)
Currency translation difference	-	-	-	-	-	-	-	(422,850)
At 31 December	3,044,629	4,976,360	1,236,395	2,878,826	1,265,745	-	13,401,955	54,746,986
Carrying amounts								
At 1 January	2,277,215	2,379,049	278,318	1,122,693	304,773	847,716	7,209,764	29,682,598
At 31 December	2,178,352	2,474,175	291,516	925,897	242,895	15,380	6,128,215	25,033,758

13. RIGHT-OF-USE ASSETS

The Group and the Bank lease various assets including ATM spaces, motor vehicles, generators and office spaces for periods ranging from two (2) to fifteen (15) years, renewable upon mutual agreement of both parties.

The Group and the Bank apply the short-term lease recognition exemption to its leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option, and low-value assets recognition exemption to its leases of machines and equipment that are considered of low value. The Group and the Bank recognised the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

Information about leases for which the Group and the Bank are a lessee is presented below.

	2024		2023	
	US$	KHR'000 (Note 2.4.3)	US$	KHR'000 (Note 2.4.3)
The Group and the Bank				
Cost				
At 1 January	17,577,197	71,802,850	16,752,384	68,969,565
Additions	2,604,574	10,603,221	1,513,756	6,221,537
Terminations	(409,285)	(1,666,199)	(688,943)	(2,831,556)
Currency translation difference	-	(1,155,616)	-	(556,696)
At 31 December	19,772,486	79,584,256	17,577,197	71,802,850
Accumulated depreciation				
At 1 January	7,730,707	31,579,938	6,381,938	26,274,439
Depreciation (Note 27)	2,099,677	8,547,785	1,965,674	8,078,920
Terminations	(389,443)	(1,585,422)	(616,905)	(2,535,480)
Currency translation difference	-	(542,514)	-	(237,941)
At 31 December	9,440,941	37,999,787	7,730,707	31,579,938
Carrying amounts				
At 1 January	9,846,490	40,222,912	10,370,446	42,695,126
At 31 December	10,331,545	41,584,469	9,846,490	40,222,912

The amounts recognised in the statement of profit or loss and other comprehensive income are as follows:

	2024		2023	
	US$	KHR'000 (Note 2.4.3)	US$	KHR'000 (Note 2.4.3)
The Group and the Bank				
Depreciation of right-of-use assets (Note 27)	2,099,677	8,547,785	1,965,674	8,078,920
Interest expense on lease liabilities (Notes 18 and 23)	649,144	2,642,665	595,956	2,449,379
Lease of low-value assets (Note 29)	336,951	1,371,728	379,025	1,557,793
	3,085,772	12,562,178	2,940,655	12,086,092

14. INTANGIBLE ASSETS

2024

	Computer software	Others	Work in progress	Total	
	US$	US$	US$	US$	KHR'000 (Note 2.4.3)
The Group					
Cost					
At 1 January	3,503,245	91,507	308,162	3,902,914	15,943,404
Addition	44,771	483	99,183	144,437	588,003
Transfer	128,700	-	(128,700)	-	-
Write off	(314,653)	-	-	(314,653)	(1,280,952)
Currency translation difference	-	-	-	-	(226,346)
At 31 December	3,362,063	91,990	278,645	3,732,698	15,024,109
Less: Accumulated amortisation					
At 1 January	2,362,316	11,701	-	2,374,017	9,697,859
Amortisation for the year	525,504	10,611	-	536,115	2,182,524
Write off	(286,768)	-	-	(286,768)	(1,167,433)
Currency translation difference	-	-	-	-	(153,910)
At 31 December	2,601,052	22,312	-	2,623,364	10,559,040
Carrying amount					
At 1 January	1,140,929	79,806	308,162	1,528,897	6,245,545
At 31 December	761,011	69,678	278,645	1,109,334	4,465,069

2023

	Computer software	Others	Work in progress	Total	
	US$	US$	US$	US$	KHR'000 (Note 2.4.3)
The Group					
Cost					
At 1 January	3,424,520	72,900	212,286	3,709,706	15,272,860
Addition	102,700	18,607	191,410	312,717	1,285,267
Transfer	95,534	-	(95,534)	-	-
Write off	(119,509)	-	-	(119,509)	(491,182)
Currency translation difference	-	-	-	-	(123,541)
At 31 December	3,503,245	91,507	308,162	3,902,914	15,943,404

2023

	Computer software	Others	Work in progress	Total	
	US$	US$	US$	US$	KHR'000 (Note 2.4.3)
Less: Accumulated amortisation					
At 1 January	1,875,522	949	-	1,876,471	7,725,431
Amortisation for the year	604,932	10,752	-	615,684	2,530,461
Write off	(118,138)	-	-	(118,138)	(485,547)
Currency translation difference	-	-	-	-	(72,486)
At 31 December	2,362,316	11,701	-	2,374,017	9,697,859
Carrying amount					
At 1 January	1,548,998	71,951	212,286	1,833,235	7,547,428
At 31 December	1,140,929	79,806	308,162	1,528,897	6,245,545

2024

	Computer software	Others	Work in progress	Total	
	US$	US$	US$	US$	KHR'000 (Note 2.4.3)
The Bank					
Cost					
At 1 January	3,503,245	72,900	308,162	3,884,307	15,867,394
Addition	44,001	-	99,183	143,184	582,902
Transfer	128,700	-	(128,700)	-	-
Write off	(314,653)	-	-	(314,653)	(1,280,952)
Currency translation difference	-	-	-	-	(225,171)
At 31 December	3,361,293	72,900	278,645	3,712,838	14,944,173
Less: Accumulated amortisation					
At 1 January	2,362,316	2,088	-	2,364,404	9,658,590
Amortisation for the year	525,404	1,139	-	526,543	2,143,557
Write off	(286,768)	-	-	(286,768)	(1,167,433)
Currency translation difference	-	-	-	-	(152,893)
At 31 December	2,600,952	3,227	-	2,604,179	10,481,821
Carrying amount					
At 1 January	1,140,929	70,812	308,162	1,519,903	6,208,804
At 31 December	760,341	69,673	278,645	1,108,659	4,462,352

2023					
	Computer software	Others	Work in progress	Total	
	US$	US$	US$	US$	KHR'000 (Note 2.4.3)
The Bank					
Cost					
At 1 January	3,424,520	72,900	212,286	3,709,706	15,272,860
Addition	102,700	-	191,410	294,110	1,208,792
Transfer	95,534	-	(95,534)	-	-
Write off	(119,509)	-	-	(119,509)	(491,182)
Currency translation difference	-	-	-	-	(123,076)
At 31 December	3,503,245	72,900	308,162	3,884,307	15,867,394
Less: Accumulated amortisation					
At 1 January	1,875,522	949	-	1,876,471	7,725,431
Amortisation for the year	604,932	1,139	-	606,071	2,490,952
Write off	(118,138)	-	-	(118,138)	(485,547)
Currency translation difference	-	-	-	-	(72,246)
At 31 December	2,362,316	2,088	-	2,364,404	9,658,590
Carrying amount					
At 1 January	1,548,998	71,951	212,286	1,833,235	7,547,428
At 31 December	1,140,929	70,812	308,162	1,519,903	6,208,804

15. DEPOSITS FROM OTHER FINANCIAL INSTITUTIONS

	31 December 2024		31 December 2023	
	US$	KHR'000 (Note 2.4.3)	US$	KHR'000 (Note 2.4.3)
The Group and the Bank				
Time deposits	21,970,248	88,430,248	55,064,986	224,940,468
Current accounts	9,515,655	38,300,511	8,802,882	35,959,773
Saving accounts	5,553	22,351	3,039	12,414
	31,491,456	126,753,110	63,870,907	260,912,655

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

(a) By maturity:

	31 December 2024		31 December 2023	
	US$	KHR'000 (Note 2.4.3)	US$	KHR'000 (Note 2.4.3)
The Group and the Bank				
Within 1 month	9,975,458	40,151,218	9,509,415	38,845,960
> 1 to 3 months	2,117,560	8,523,179	4,636,702	18,940,928
> 3 to 6 months	7,563,008	30,441,107	16,483,344	67,334,460
> 6 to 12 months	4,484,149	18,048,700	23,773,428	97,114,453
> 1 to 5 years	7,351,281	29,588,906	9,468,018	38,676,854
Over 5 years	-	-	-	-
	31,491,456	126,753,110	63,870,907	260,912,655

(b) By residency:

The Group and the Bank				
Resident	31,491,456	126,753,110	63,870,907	260,912,655
Non-resident	-	-	-	-
	31,491,456	126,753,110	63,870,907	260,912,655

(c) By relationship:

The Group and the Bank				
Related parties	8,814,574	35,478,660	27,194,888	111,091,117
Non-related parties	22,676,882	91,274,450	36,676,019	149,821,538
	31,491,456	126,753,110	63,870,907	260,912,655

(d) By interest rate (per annum):

	31 December 2024	31 December 2023
Time deposits	2.00%-8.35%	2.50%-8.35%
Current accounts	0.00%-3.00%	0.00%-3.00%
Saving accounts	0.50%	0.50%

16. DEPOSITS FROM CUSTOMERS

	31 December 2024		31 December 2023	
	US$	KHR'000 (Note 2.4.3)	US$	KHR'000 (Note 2.4.3)
The Group				
Time deposits	434,820,571	1,750,152,798	440,957,069	1,801,309,628
Current accounts	89,453,131	360,048,852	31,917,815	130,384,274
Saving accounts	91,640,159	368,851,640	63,443,993	259,168,711
Wallet accounts	54,820	220,651	54,660	223,286
	615,968,681	2,479,273,941	536,373,537	2,191,085,899
The Bank				
Time deposits	435,485,644	1,752,829,717	441,489,069	1,803,482,847
Current accounts	89,531,256	360,363,305	32,168,184	131,407,032
Saving accounts	91,640,159	368,851,640	63,443,993	259,168,711
Wallet accounts	54,820	220,651	54,660	223,286
	616,711,879	2,482,265,313	537,155,906	2,194,281,876

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

(a) By maturity:

	31 December 2024		31 December 2023	
	US$	KHR'000 (Note 2.4.3)	US$	KHR'000 (Note 2.4.3)
The Group				
Within 1 month	227,378,210	915,197,295	127,703,654	521,669,428
> 1 to 3 months	114,044,584	459,029,451	97,370,217	397,757,336
> 3 to 6 months	113,239,834	455,790,332	101,821,684	415,941,579
> 6 to 12 months	135,773,285	546,487,472	171,845,073	701,987,123
> 1 to 5 years	24,647,083	99,204,509	36,980,859	151,066,809
Over 5 years	885,685	3,564,882	652,050	2,663,624
	615,968,681	2,479,273,941	536,373,537	2,191,085,899

	31 December 2024		31 December 2023	
	US$	KHR'000 (Note 2.4.3)	US$	KHR'000 (Note 2.4.3)
The Bank				
Within 1 month	227,456,334	915,511,745	128,486,023	524,865,405
> 1 to 3 months	114,709,658	461,706,373	97,370,217	397,757,336
> 3 to 6 months	113,239,834	455,790,332	101,821,684	415,941,579
> 6 to 12 months	135,773,285	546,487,472	171,845,073	701,987,123
> 1 to 5 years	24,647,083	99,204,509	36,980,859	151,066,809
Over 5 years	885,685	3,564,882	652,050	2,663,624
	616,711,879	2,482,265,313	537,155,906	2,194,281,876

(b) By residency:

The Group				
Resident	566,620,240	2,280,646,466	497,730,992	2,033,231,103
Non-resident	49,348,441	198,627,475	38,642,545	157,854,796
	615,968,681	2,479,273,941	536,373,537	2,191,085,899
The Bank				
Resident	567,363,438	2,283,637,838	498,513,361	2,036,427,080
Non-resident	49,348,441	198,627,475	38,642,545	157,854,796
	616,711,879	2,482,265,313	537,155,906	2,194,281,876

(c) By relationship:

The Group				
Related parties	7,327,977	29,495,108	8,849,812	36,151,482
Non-related parties	608,640,704	2,449,778,833	527,523,725	2,154,934,417
	615,968,681	2,479,273,941	536,373,537	2,191,085,899
The Bank				
Related parties (Note 32.3)	13,818,547	55,619,652	9,632,180	39,347,455
Non-related parties	602,893,332	2,426,645,661	527,523,726	2,154,934,421
	616,711,879	2,482,265,313	537,155,906	2,194,281,876

(d) By interest rate (per annum):

	31 December 2024	31 December 2023
Time deposits	0.00%-8.50%	0.00%-9.65%
Current accounts	0.00%-5.00%	0.00%-5.00%
Saving accounts	0.00%-5.00%	0.00%-5.00%
Wallet accounts	0.00%	0.00%

17. BORROWINGS/SUBORDINATED DEBTS

(A) Borrowings

	31 December 2024		31 December 2023	
	US$	KHR'000 (Note 2.4.3)	US$	KHR'000 (Note 2.4.3)
The Group and the Bank				
Related parties	-	-	-	-
Non-related parties	18,941,218	76,238,402	16,748,255	68,416,622
	18,941,218	76,238,402	16,748,255	68,416,622

Borrowings are analysed as follows:

(a) By maturity:

	31 December 2024		31 December 2023	
	US$	KHR'000 (Note 2.4.3)	US$	KHR'000 (Note 2.4.3)
The Group and the Bank				
Within 1 month	-	-	557,038	2,275,500
> 1 to 3 months	7,959,917	32,038,666	-	-
> 3 to 6 months	-	-	33,915	138,543
> 6 to 12 months	5,748,940	23,139,483	121,887	497,908
> 1 to 5 years	5,204,570	20,948,394	15,773,844	64,436,153
Over 5 years	27,791	111,859	261,571	1,068,518
	18,941,218	76,238,402	16,748,255	68,416,622

(b) By interest rate (per annum):

	31 December 2024	31 December 2023
Borrowings	2.00%-7.85%	2.00%-10.47%

(c). Borrowings movement:

	2024		2023	
	US$	KHR'000 (Note 2.4.3)	US$	KHR'000 (Note 2.4.3)
The Group and the Bank				
At 1 January	16,748,255	68,416,622	40,675,993	167,463,063
Additions	5,000,000	20,355,000	14,728,065	60,532,347
Principal payments	(2,839,458)	(11,559,434)	(38,270,864)	(157,293,251)
Interest expense (Note 23)	1,449,100	5,899,286	1,790,444	7,358,725
Interest payment	(1,416,679)	(5,767,300)	(2,175,383)	(8,940,824)
Currency translation difference	-	(1,105,772)	-	(703,438)
At 31 December	18,941,218	76,238,402	16,748,255	68,416,622

(B) Subordinated debts

	31 December 2024		31 December 2023	
	US$	KHR'000 (Note 2.4.3)	US$	KHR'000 (Note 2.4.3)
The Group and the Bank				
Related parties	4,056,222	16,326,294	4,056,222	16,569,667
Non-related parties	-	-	532,659	2,175,912
	4,056,222	16,326,294	4,588,881	18,745,579

This represents a long-term unsecured borrowing from Phillip MFIs PTE. LTD., a parent company with the principal outstanding as at 31 December 2024 of US$4,000,000 (2023: US$4,000,000 for Phillip MFIs PTE. LTD. and US$500,000 for Japan Asean Women Empowerment Fund SA, SICAV-SIF.

The subordinated debts have its maturity until 31 March 2028 with interest at 5.5% (2023: 5.5%-9%) per annum. During the year, the Bank has fully settled the outstanding balances with Japan Asean Women Empowerment Fund SA, SICAV-SIF) on 4 October 2024.

The Bank obtained an approval from the NBC allowing to include the above subordinated debts in Tier II capital for the purpose of Net Worth calculation on 25 May 2023 and 31 January 2019 respectively. Subordinated debts are analysed as follows:

Subordinated debts movement:

	2024		2023	
	US$	KHR'000 (Note 2.4.3)	US$	KHR'000 (Note 2.4.3)
The Group and the Bank				
At 1 January	4,588,881	18,745,579	5,092,082	20,964,102
Additions	-	-	4,000,000	16,440,000
Payments	(520,839)	(2,120,336)	(4,517,320)	(18,566,185)
Interest expense (Note 23)	258,417	1,052,016	278,306	1,143,838
Interest payment	(270,237)	(1,100,135)	(264,187)	(1,085,809)
Currency translation difference	-	(250,830)	-	(150,367)
At 31 December	4,056,222	16,326,294	4,588,881	18,745,579

18. LEASE LIABILITIES

Movements of lease liabilities are as follows:

	2024		2023	
	US$	KHR'000 (Note 2.4.3)	US$	KHR'000 (Note 2.4.3)
The Group and the Bank				
At 1 January	9,500,667	38,810,225	9,860,478	40,595,588
Additions	2,521,116	10,263,463	1,439,696	5,917,151
Terminations	(12,125)	(49,361)	(58,528)	(240,550)
Accretion of interest (Note 23)	649,144	2,642,665	595,956	2,449,379
Interest paid	(649,144)	(2,642,665)	(595,956)	(2,449,379)
Principal payments	(1,860,927)	(7,575,834)	(1,740,979)	(7,155,424)
Currency translation difference	-	(599,851)	-	(306,540)
At 31 December	10,148,731	40,848,642	9,500,667	38,810,225

	31 December 2024		31 December 2023	
	US$	KHR'000 (Note 2.4.3)	US$	KHR'000 (Note 2.4.3)
The Group and the Bank				
Maturity analysis – contractual undiscounted cash flows				
Within one year	2,413,217	9,713,197	2,207,523	9,017,731
One to five years	7,499,326	30,184,788	7,647,237	31,238,963
More than five years	2,286,221	9,202,040	1,705,666	6,967,646
Total undiscounted lease liabilities	12,198,764	49,100,025	11,560,426	47,224,340
Present value of lease liabilities	1,824,739	7,344,574	1,662,627	6,791,832
Within one year	8,323,992	33,504,068	7,838,040	32,018,393
Beyond one year	10,148,731	40,848,642	9,500,667	38,810,225

Amount recognised in the statement of cash flows comprises:

	2024		2023	
	US$	KHR'000 (Note 2.4.3)	US$	KHR'000 (Note 2.4.3)
The Group and the Bank				
Total lease payments	2,510,071	10,218,499	2,336,935	9,604,803

19. OTHER LIABILITIES

	31 December 2024		31 December 2023	
	US$	KHR'000 (Note 2.4.3)	US$	KHR'000 (Note 2.4.3)
The Group				
Accruals and other payables	2,757,885	11,100,489	2,590,378	10,581,693
Banker's cheques	113,257	455,859	49,000	200,165
Other taxes payables (*)	379,309	1,526,719	347,269	1,418,594
Derivative held for risk management (**)	-	-	111,490	455,437
	3,250,451	13,083,067	3,098,137	12,655,889

	31 December 2024		31 December 2023	
	US$	KHR'000 (Note 2.4.3)	US$	KHR'000 (Note 2.4.3)
The Bank				
Accruals and other payables	2,339,157	9,415,108	2,491,472	10,177,661
Banker's cheques	113,257	455,859	49,000	200,165
Other taxes payables (*)	374,119	1,505,828	345,291	1,410,514
Derivative held for risk management (**)	-	-	111,490	455,437
	2,826,533	11,376,795	2,997,253	12,243,777

(*) Other taxes payables consist of withholding taxes, fringe benefit tax and value added tax reverse charge.

(**) On 15 February 2023 and 9 May 2023, the Group and the Bank entered into Foreign Currency Swap agreements with J Trust Royal Bank Plc. amounting to KHR8,378,350,000 (equivalent to US$2,000,000), and KHR16,941,312,000 (equivalent to US$4,000,000) effective from 15 February 2023 to 15 February 2024 and 9 May 2023 to 9 May 2024 respectively. (Note 31.1), and the agreements have not been renewed after respective maturity.

20. INCOME TAX

20.1. Applicable tax rate

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

On 3 May 2023, the Bank was awarded with Gold Tax Certificate by the GDT which covered for the fiscal years of 2024 and 2025. On 19 February 2025, the Bank submitted a letter requesting a certification from the GDT that the Bank has maintained proper accounting records in compliance with Prakas No. 638 dated 4 July 2017 issued by the Ministry of Economy and Finance, which allow an exemption for payment of minimum tax during the periods. As at the date of these financial statements, while a waiting a response from the GDT which is still pending, the Bank prepared a self-claim for maintaining proper accounting records, and therefore applied for an exemption from minimum tax expense for the year ended 31 December 2024.

20.2. Income tax (credit)/liabilities

	2024		2023	
	US$	KHR'000 (Note 2.4.3)	US$	KHR'000 (Note 2.4.3)
The Group				
Income tax credit				
At 1 January	-	-	-	-
Prepayment of profit tax paid	(728,550)	(2,965,927)	-	-
Currency translation difference	-	33,513	-	-
At 31 December	(728,550)	(2,932,414)	-	-
The Group				
Income tax payable				
At 1 January	68,170	278,474	1,194,668	4,918,448
Current income tax expense	48,646	198,038	818,095	3,362,370
Income tax paid	(79,671)	(324,341)	(1,944,593)	(7,992,277)
Currency translation difference	-	(2,662)	-	(10,067)
At 31 December	37,145	149,509	68,170	278,474
The Bank				
Income tax credit				
At 1 January	-	-	-	-
Prepayment of profit tax paid	(728,550)	(2,965,927)	-	-
Currency translation difference	-	33,513	-	-
At 31 December	(728,550)	(2,932,414)	-	-
The Bank				
Income tax payable				
At 1 January	67,809	277,000	1,194,668	4,918,448
Current income tax expense	-	-	816,324	3,355,092
Income tax paid	(67,809)	(276,050)	(1,943,183)	(7,986,482)
Currency translation difference	-	(950)	-	(10,058)
At 31 December	-	-	67,809	277,000

20.3. Deferred tax liabilities

	31 December 2024		31 December 2023	
	US$	KHR'000 (Note 2.4.3)	US$	KHR'000 (Note 2.4.3)
				(Restated)
The Group				
Deferred tax assets	5,138,016	20,680,515	3,338,471	13,637,654
Deferred tax liabilities	(7,841,265)	(31,561,092)	(4,945,519)	(20,202,446)
Net deferred tax liabilities	(2,703,249)	(10,880,577)	(1,607,048)	(6,564,792)
The Bank				
Deferred tax assets	5,046,230	20,311,076	3,313,608	13,536,089
Deferred tax liabilities	(7,831,986)	(31,523,745)	(4,944,336)	(20,197,613)
Net deferred tax liabilities	(2,785,756)	(11,212,669)	(1,630,728)	(6,661,524)

Components of the Group's and the Bank's net deferred tax liabilities are as follows:

	31 December 2024		31 December 2023	
	US$	KHR'000 (Note 2.4.3)	US$	KHR'000 (Note 2.4.3)
				(Restated)
The Group				
Deferred tax asset on:				
Lease liabilities	2,039,024	8,207,072	1,901,190	7,766,361
Unamortised loan fees	905,456	3,644,460	1,050,021	4,289,336
Accumulated depreciation and amortisation	331,773	1,335,386	306,101	1,250,423
Provision for employee benefits	35,047	141,064	35,822	146,333
Allowance for ECL on cash equivalents and placements with other financial institutions	35,201	141,684	34,223	139,801
Unrealised foreign exchange losses and others	-	-	1,114	4,550
Tax loss carried forward	1,703,475	6,856,488	-	-
Unearned revenue	78,040	314,111	-	-
Other	10,000	40,250	10,000	40,850
	5,138,016	20,680,515	3,338,471	13,637,654

	31 December 2024		31 December 2023	
	US$	KHR'000 (Note 2.4.3)	US$	KHR'000 (Note 2.4.3)
			(Restated)	
Deferred tax liability on:				
Right-of-use assets	(1,766,004)	(7,108,166)	(1,666,008)	(6,805,643)
Allowance for ECL on loans and advances	(6,005,731)	(24,173,068)	(3,232,053)	(13,202,937)
Unamortised fee on borrowings	(50,796)	(204,454)	(47,302)	(193,229)
Unrealised foreign exchange losses and others	(18,734)	(75,404)	(156)	(637)
	(7,841,265)	(31,561,092)	(4,945,519)	(20,202,446)
Net deferred tax liabilities	(2,703,249)	(10,880,577)	(1,607,048)	(6,564,792)
The Bank				
Deferred tax asset on:				
Lease liabilities	2,029,746	8,169,728	1,900,133	7,762,043
Unamortised loan fees	905,456	3,644,460	1,029,141	4,204,041
Accumulated depreciation and amortisation	329,052	1,324,434	304,253	1,242,874
Provision for employee benefits	35,047	141,064	35,822	146,333
Allowance for ECL on cash equivalents and placements with other financial institutions	33,454	134,652	33,145	135,397
Unrealised foreign exchange losses and others	-	-	1,114	4,551
Tax loss carried forward	1,703,475	6,856,488	-	-
Others	10,000	40,250	10,000	40,850
	5,046,230	20,311,076	3,313,608	13,536,089
Deferred tax liability on:				
Right-of-use assets	(1,756,725)	(7,070,818)	(1,664,981)	(6,801,447)
Allowance for ECL on loans and advances	(6,005,731)	(24,173,068)	(3,232,053)	(13,202,937)
Unamortised fee on borrowings	(50,796)	(204,454)	(47,302)	(193,229)
Unrealized foreign exchange losses and others	(18,734)	(75,405)	-	-
	(7,831,986)	(31,523,745)	(4,944,336)	(20,197,613)
Net deferred tax liabilities	(2,785,756)	(11,212,669)	(1,630,728)	(6,661,524)

Movements of net deferred tax liabilities are as follows:

	2024		2023	
	US$	KHR'000 (Note 2.4.3)	US$	KHR'000 (Note 2.4.3)
				(Restated)
The Group				
At 1 January	(1,607,048)	(6,564,791)	(935,608)	(3,851,898)
Recognised in profit or loss	(1,096,201)	(4,462,634)	(671,440)	(2,759,619)
Currency translation difference	-	146,848	-	46,726
At 31 December	(2,703,249)	(10,880,577)	(1,607,048)	(6,564,791)
The Bank				
At 1 January	(1,630,728)	(6,661,525)	(935,608)	(3,851,898)
Recognised in profit or loss	(1,155,028)	(4,702,119)	(695,120)	(2,856,943)
Currency translation difference	-	150,975	-	47,317
At 31 December	(2,785,756)	(11,212,669)	(1,630,728)	(6,661,524)

20.4. Income tax expense

	2024		2023	
	US$	KHR'000 (Note 2.4.3)	US$	KHR'000 (Note 2.4.3)
				(Restated)
The Group				
Current tax	48,646	198,038	818,095	3,362,370
Deferred tax	1,096,201	4,462,634	671,440	2,759,619
	1,144,847	4,660,672	1,489,535	6,121,989
The Bank				
Current tax	-	-	816,324	3,355,092
Deferred tax	1,155,028	4,702,119	695,120	2,856,943
	1,155,028	4,702,119	1,511,444	6,212,035

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

	2024		2023	
	US$	KHR'000 (Note 2.4.3)	US$	KHR'000 (Note 2.4.3)
				(Restated)
The Group				
Profit before income tax	5,606,691	22,824,840	6,751,614	27,749,134
Income tax at applicable rate of 20%	1,121,338	4,564,967	1,350,323	5,549,828
Effect of non-deductible expenses	79,746	324,646	139,212	572,161
Tax-exempted income	(56,237)	(228,941)	-	-
	1,144,847	4,660,672	1,489,535	6,121,989
The Bank				
Profit before income tax	5,732,090	23,335,338	6,876,736	28,263,385
Income tax at applicable rate of 20%	1,146,418	4,667,068	1,375,347	5,652,676
Effect of non-deductible expenses	64,847	263,992	136,097	559,359
Tax-exempted income	(56,237)	(228,941)	-	-
	1,155,028	4,702,119	1,511,444	6,212,035

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

21. EQUITY

21.1. Share capital

	31 December 2024		31 December 2023	
	US$	KHR'000 (Note 2.4.3)	US$	KHR'000 (Note 2.4.3)
The Group and the Bank				
Phillip MFIS PTE. LTD.	75,000,000	300,765,000	75,000,000	300,765,000

The par value of the share is US$1 per share. All the registered and issued shares of US$75 million have been fully paid up. The registered capital in US$ was translated into KHR using the historical exchange rate.

21.2. Other reserves

Other reserves represent Kredit MFI's share capital, other reserves and reserve capital amounting to US$18,395,200, US$6,470,362, and US$624,712, respectively, transferred to the Bank as per merger arrangement. Other reserves are classified under capital tier I as approved by the NBC on 17 June 2020.

21.3. Regulatory reserve

Regulatory reserves represented the variance between impairment losses on financial instruments in accordance with CIFRSs and the regulatory provision in accordance with the requirement of the National Bank of Cambodia. As at 31 December 2024, the Bank transferred from retained earnings to regulatory reserves as follows:

	Cash and cash equivalents and placements with other financial institutions	Loan and advances to customers and banks	Off – balance sheet commitment	Total
	US$	US$	US$	US$
The Group and the Bank				
31 December 2024				
Allowance per NBC	1,113,432	53,927,555	245,403	55,286,390
Less: Allowance per CIFRS 9	167,275	18,829,742	-	18,997,017
Regulatory reserves (A)	946,157	35,097,813	245,403	36,289,373
31 December 2023				
Allowance per NBC	516,216	28,462,288	129,449	29,107,953
Less: Allowance per CIFRS 9	165,726	11,203,834	-	11,369,560
Regulatory reserves (B)	350,490	17,258,454	129,449	17,738,393
Transfer from retained earnings to regulatory reserve (A – B)				18,550,980
KHR'000 (Note 2.4.3)				75,521,040

21.4. Non-controlling interest

	2024		2023	
	US$	KHR'000 (Note 2.4.3)	US$	KHR'000 (Note 2.4.3)
The Group and the Bank				
At 1 January	444,600	1,816,191	510,000	2,099,670
Loss attribute to the NCI during the year	(46,684)	(190,051)	(65,400)	(268,794)
Currency translation difference	-	(24,528)	-	(14,685)
At 31 December	397,916	1,601,612	444,600	1,816,191

22. INTEREST INCOME

	2024		2023	
	US$	KHR'000 (Note 2.4.3)	US$	KHR'000 (Note 2.4.3)
The Group				
Loans and advances	76,314,298	310,675,507	74,924,415	307,939,345
Placements with other financial institutions	3,234,582	13,167,983	605,064	2,486,813
Cash and cash equivalents	518,638	2,111,375	241,554	992,787
Refundable deposit	12,516	50,953	10,328	42,448
Capital guarantee deposit with the NBC	97,504	396,939	94,543	388,572
	80,177,538	326,402,757	75,875,904	311,849,965
The Bank				
Loans and advances	76,314,298	310,675,507	74,924,415	307,939,345
Placements with other financial institutions	3,234,582	13,167,983	605,064	2,486,813
Cash and cash equivalents	515,785	2,099,761	241,554	992,787
Refundable deposit	12,516	50,953	10,328	42,448
Capital guarantee deposit with the NBC	97,504	396,939	94,543	388,572
	80,174,685	326,391,143	75,875,904	311,849,965

23. INTEREST EXPENSE

	2024		2023	
	US$	KHR'000 (Note 2.4.3)	US$	KHR'000 (Note 2.4.3)
The Group				
Term deposits	34,941,445	142,246,623	30,165,237	123,979,124
Borrowings and subordinated debts (Note 17)	1,707,517	6,951,302	2,068,750	8,502,563
Saving accounts	2,164,061	8,809,892	1,519,284	6,244,257
Current accounts	1,230,969	5,011,275	778,095	3,197,970
Lease liabilities (Note 18)	649,144	2,642,665	595,956	2,449,379
	40,693,136	165,661,757	35,127,322	144,373,293
The Bank				
Term deposits	34,978,599	142,397,877	30,199,279	124,119,036
Borrowings and subordinated debts (Note 17)	1,707,517	6,951,302	2,068,750	8,502,563
Saving accounts	2,164,061	8,809,892	1,519,284	6,244,257
Current accounts	1,230,969	5,011,275	781,924	3,213,708
Lease liabilities (Note 18)	649,144	2,642,665	595,956	2,449,379
	40,730,290	165,813,011	35,165,193	144,528,943

24. NET FEES AND COMMISSION INCOME

	2024		2023	
	US$	KHR'000 (Note 2.4.3)	US$	KHR'000 (Note 2.4.3)
The Group				
Fees and commission income				
Commitment fees	318,672	1,297,314	333,067	1,368,905
Other fees	2,376,218	9,673,583	2,452,563	10,080,034
	2,694,890	10,970,897	2,785,630	11,448,939
Fees and commission expense	(294,742)	(1,199,894)	(343,051)	(1,409,939)
	2,400,148	9,771,003	2,442,579	10,039,000

	2024		2023	
	US$	KHR'000 (Note 2.4.3)	US$	KHR'000 (Note 2.4.3)
The Bank				
Fees and commission income				
Commitment fees	318,672	1,297,314	333,067	1,368,905
Other fees	2,376,218	9,673,583	2,452,563	10,080,034
	2,694,890	10,970,897	2,785,630	11,448,939
Fees and commission expense	(294,557)	(1,199,141)	(342,931)	(1,409,446)
	2,400,333	9,771,756	2,442,699	10,039,493

25. OTHER INCOME

	2024		2023	
	US$	KHR'000 (Note 2.4.3)	US$	KHR'000 (Note 2.4.3)
The Group				
Recovery of loans previously written-off	209,965	854,768	261,900	1,076,409
Foreign exchange gain	328,006	1,335,312	385,861	1,585,889
Gain on sale of property and equipment	38,427	156,436	43,398	178,366
Others	362,703	1,476,564	322,243	1,324,418
	939,101	3,823,080	1,013,402	4,165,082
The Bank				
Recovery of loans previously written-off	209,965	854,768	261,900	1,076,409
Foreign exchange gain	325,573	1,325,408	385,486	1,584,347
Gain on sale of property and equipment	38,427	156,436	43,398	178,366
Others	291,323	1,185,975	298,423	1,226,519
	865,288	3,522,587	989,207	4,065,641

Others include income from grants and other miscellaneous income.

26. PERSONNEL EXPENSES

	2024		2023	
	US$	KHR'000 (Note 2.4.3)	US$	KHR'000 (Note 2.4.3)
The Group				
Salaries and wages	13,831,171	56,306,697	14,336,897	58,924,647
Seniority payment	1,071,651	4,362,691	1,182,834	4,861,448
Other benefits	2,048,306	8,338,654	2,674,652	10,992,819
	16,951,128	69,008,042	18,194,383	74,778,914
The Bank				
Salaries and wages	13,682,313	55,700,696	14,312,410	58,824,005
Seniority payment	1,059,802	4,314,454	1,181,417	4,855,624
Other benefits	2,043,092	8,317,428	2,673,333	10,987,399
	16,785,207	68,332,578	18,167,160	74,667,028

Other benefits include bonus and incentive compensation and employee training costs.

27. DEPRECIATION AND AMORTISATION

	2024		2023	
	US$	KHR'000 (Note 2.4.3)	US$	KHR'000 (Note 2.4.3)
The Group				
Property and equipment (Note 12)	1,995,017	8,121,714	2,575,621	10,585,803
Right-of-use assets (Note 13)	2,099,677	8,547,785	1,965,674	8,078,920
Intangible assets (Note 14)	536,115	2,182,524	615,684	2,530,461
	4,630,809	18,852,023	5,156,979	21,195,184
The Bank				
Property and equipment (Note 12)	1,984,566	8,079,168	2,568,257	10,555,536
Right-of-use assets (Note 13)	2,099,677	8,547,785	1,965,674	8,078,920
Intangible assets (Note 14)	526,543	2,143,557	606,071	2,490,952
	4,610,786	18,770,510	5,140,002	21,125,408

28. PROMOTION AND MARKETING

	2024		2023	
	US$	KHR'000 (Note 2.4.3)	US$	KHR'000 (Note 2.4.3)
The Group				
Marketing	830,397	3,380,546	1,712,266	7,037,413
Others	107,621	438,125	148,617	610,816
	938,018	3,818,671	1,860,883	7,648,229
The Bank				
Marketing	824,133	3,355,045	1,693,187	6,958,999
Others	105,434	429,222	145,681	598,748
	929,567	3,784,267	1,838,868	7,557,747

29. GENERAL AND ADMINISTRATIVE EXPENSES

	2024		2023	
	US$	KHR'000 (Note 2.4.3)	US$	KHR'000 (Note 2.4.3)
The Group				
Legal and professional fees (*)	2,319,024	9,440,747	2,251,767	9,254,762
Insurance	1,007,239	4,100,470	995,390	4,091,053
License fees	1,000,776	4,074,159	954,294	3,922,148
Security expense	603,203	2,455,639	627,390	2,578,573
Duties and taxes	576,295	2,346,097	578,991	2,379,653
Utilities	607,856	2,474,582	582,918	2,395,793
Stationeries and printing	295,394	1,202,549	353,178	1,451,562
Travelling and accommodation	311,043	1,266,256	325,984	1,339,794
Repairs and maintenance	361,104	1,470,054	339,500	1,395,345
Rental expense of low-value assets (Note 13)	336,951	1,371,728	379,025	1,557,793
Communication	263,288	1,071,845	378,323	1,554,908
Directors' fees and meeting allowances	89,330	363,662	79,654	327,378
Loss on write off of property and equipment and intangible asset (Note 12 & 14)	48,372	196,923	51,496	211,649
Others (**)	350,281	1,425,994	612,249	2,516,342
	8,170,156	33,260,705	8,510,159	34,976,753

	2024		2023	
	US$	KHR'000 (Note 2.4.3)	US$	KHR'000 (Note 2.4.3)
The Bank				
Legal and professional fees (*)	2,313,460	9,418,096	2,193,630	9,015,819
Insurance	1,004,644	4,089,906	994,468	4,087,263
License fees	998,075	4,063,163	954,294	3,922,148
Security expense	603,203	2,455,639	627,390	2,578,573
Duties and taxes	569,500	2,318,435	575,584	2,365,650
Utilities	607,856	2,474,582	582,918	2,395,793
Stationeries and printing	292,499	1,190,763	352,505	1,448,796
Travelling and accommodation	306,427	1,247,464	319,846	1,314,567
Repairs and maintenance	361,104	1,470,054	339,500	1,395,345
Rental expense of low-value assets (Note 13)	336,951	1,371,728	379,025	1,557,793
Communication	263,288	1,071,845	378,323	1,554,908
Directors' fees and meeting allowances	53,064	216,024	52,869	217,292
Loss on write off of property and equipment and intangible asset (Note 12 & 14)	48,372	196,923	51,496	211,649
Others (**)	369,078	1,502,516	587,458	2,414,452
	8,127,521	33,087,138	8,389,306	34,480,048

(*) Professional fees for the Group and the Bank includes audit fee payable amounting to US$68,981 inclusive VAT for fiscal year ended 31 December 2024 (31 December 2023: US$63,250 inclusive of VAT).

(**) Others include non-capitalisable purchases of property and equipment and intangible assets, entertainment expense, donations, dues and membership fees and other operating expenses.

30. ALLOWANCE FOR EXPECTED CREDIT LOSSES

	2024		2023	
	US$	KHR'000 (Note 2.4.3)	US$	KHR'000 (Note 2.4.3)
			(Restated)	
The Group				
Cash and cash equivalents (Note 5)	(3,642)	(14,827)	103,611	425,841
Placements with other financial institutions (Note 6)	7,195	29,291	33,208	136,485
Loans and advances to customers (Note 8)	6,523,296	26,556,338	3,593,726	14,770,214
	6,526,849	26,570,802	3,730,545	15,332,540

	2024		2023	
	US$	KHR'000 (Note 2.4.3)	US$	KHR'000 (Note 2.4.3)
				(Restated)
The Bank				
Cash and cash equivalents (Note 5)	(3,642)	(14,827)	103,611	425,841
Placements with other financial institutions (Note 6)	5,191	21,133	33,208	136,485
Loans and advances to customers (Note 8)	6,523,296	26,556,338	3,593,726	14,770,214
	6,524,845	26,562,644	3,730,545	15,332,540

31. Commitments and contingencies

31.1. Operations

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

	31 December 2024		31 December 2023	
	US$	KHR'000 (Note 2.4.3)	US$	KHR'000 (Note 2.4.3)
The Group and the Bank				
Unused portion of overdrafts	7,232,293	29,109,979	1,972,276	8,056,747
Undrawn loans	7,040,529	28,338,129	4,110,322	16,790,665
Bank guarantees	3,144,232	12,655,534	3,668,104	14,984,205
	17,417,054	70,103,642	9,750,702	39,831,617
Foreign exchange commitment:				
Foreign exchange swap receivable (Note 19)	-	-	(6,000,000)	(24,510,000)
Foreign exchange swap payable (Note 19)	-	-	6,198,204	25,319,663

31.2. Taxation contingencies

Ongoing tax reassessments

A. KREDIT Microfinance Institution Plc.

On 4 July 2023, the General Department of Taxation ("GDT") issued a Notice of Tax Reassessment ("NTR") on the comprehensive tax audit of the Bank for the fiscal year from 1 January 2018 to 31 December 2018, imposing additional tax reassessment of KHR15,344,496,996 (approximate to US$3,756,303).

On 11 August 2023, the Bank lodged an administrative protest letter to the GDT protesting to the reassessed taxes with providing explanations and supporting documents to the GDT. However, there is no response from the GDT yet as of the date of these financial statements.

On 24 January 2025, the Bank lodged the second administrative protest letter to the GDT protesting to the reassessed taxes with providing explanations and supporting documents to the GDT. However, there is no response from the GDT yet as of the date of these financial statements.

B. Phillip Bank Plc.

On 22 February 2023, the GDT issued two NTRs on the comprehensive tax audit of the bank for the fiscal years from 1 January 2017 to 31 December 2018 and from 1 January 2019 to 31 December 2019, imposing additional tax reassessment of KHR2,339,606,793 (approximate to US$572,731) and KHR843,317,758 (approximate to US$206,443) respectively.

On 7 April 2023, the Bank lodged the first administrative protest letter to the GDT protesting to the reassessed taxes. As a result, the Bank received the 2nd NTR from the GDT dated 20 November 2023 revising the additional tax reassessment to KHR2,036,794,747 (approximate to US$498,603) and KHR725,832,307 (approximate to US$177,682) respectively. On 4 January 2024, the Bank lodged the 2nd protest letter to the GDT after consultation with their tax advisor.

As of to date, there has not been any official response from the GDT and management have considered that the tax reassessment exposure is incorrect and should not give rise to any significant loss to the Bank in the future, and therefore has not recorded this expense in the financial statements. As at the date of these financial statements, the outcome of ultimate tax liabilities relevant to the above NTRs is uncertain.

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

32. RELATED PARTY TRANSACTIONS AND BALANCES

32.1. Identification of related parties

The Group and the Bank entered into a number of transactions with related parties in the normal course of business.

Relationship	Related party
Shareholder	Phillip MFIS PTE. LTD.
Related company	All entities under the same common control from shareholder and Board of Directors
Key management personnel	The key management personnel are those persons having the authority and responsibility for planning, directing and controlling the activities of the Group and the Bank either directly or indirectly. The key management personnel of the Group and the Bank include all directors of the Group and the Bank who make critical decisions in relation to the strategic direction of the Group and Bank and senior management staff (including their close family members).

The volumes of related party transactions, outstanding balance at the year end and relating expenses and income for the year are as follows:

32.2. Transactions with related parties

	2024		2023	
	US$	KHR'000 (Note 2.4.3)	US$	KHR'000 (Note 2.4.3)
The Group				
Related parties				
Interest expense	2,167,384	8,823,420	2,331,350	9,581,849
Borrowings repayment	-	-	31,156,360	128,052,640

	2024		2023	
	US$	KHR'000 (Note 2.4.3)	US$	KHR'000 (Note 2.4.3)
Key management personnel				
Salaries and benefits	1,129,624	4,598,699	1,933,718	7,947,581
The Bank				
Related parties				
Interest expense	2,167,384	8,823,420	2,331,350	9,581,849
Borrowing repayment	-	-	31,156,360	128,052,640
Key management personnel				
Salaries and benefits	1,086,809	4,424,399	1,907,173	7,838,481

32.3. Balances with related parties

	31 December 2024		31 December 2023	
	US$	KHR'000 (Note 2.4.3)	US$	KHR'000 (Note 2.4.3)
The Group				
Related parties				
Deposits	15,454,953	62,206,186	35,996,725	147,046,622
Accrued interest payable on deposits	687,598	2,767,582	830,343	3,391,951
Borrowings	4,000,000	16,100,000	4,000,000	16,340,000
Accrued interest payable on borrowings	56,222	226,294	56,222	229,667
Key management personnel				
Loans	2,619,773	10,544,586	2,989,007	12,210,094
Deposits from customers	5,753,842	23,159,214	5,726,519	23,392,830
The Bank				
Related parties				
Deposits	16,168,087	65,076,550	35,996,725	147,046,622
Accrued interest payable on deposits	717,662	2,888,590	830,343	3,391,951
Borrowings	4,000,000	16,100,000	4,000,000	16,340,000
Accrued interest payable on borrowings	56,222	226,294	56,222	229,667
Key management personnel				
Loans	2,592,509	10,434,849	2,974,541	12,151,000
Deposits from customers	5,747,372	23,133,172	5,720,661	23,368,900

33. FINANCIAL RISK MANAGEMENT

33.1. Introduction and overview

The Group and the Bank have exposure to the following risks from financial instruments:

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

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

Risk management functional and governance structure

The Group's and the Bank's Board of Directors have overall responsibility for the establishment and oversight of the Group's and the Bank's risk management framework. The Board of Directors has established the Risk Management Committee (RMC), which is responsible for approving and monitoring the Group and the Bank's risk management policies.

The Group's and the Bank's risk management policies are established to identify and analyse the risks faced by the Group and the Bank, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. The risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's and the Bank's activities. The Group and the Bank, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

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

33.2. Credit risk

'Credit risk' is the risk of suffering financial loss, should the Group and the Bank's customers or market counterparty fails to fulfil their contractual obligations, and arises principally from the Group's and the Bank's placement with National Bank of Cambodia and other financial institutions, loans and advances to customers, other financial assets, credit commitments and financial guarantee contracts. Credit exposure arises principally in lending activities. For risk management reporting purposes, the Group and the Bank consider and consolidate all elements of credit risk exposure – e.g. individual obligor default risk, country and sector risk.

(i) Management of credit risk

Extension of credit is governed by credit programmes that set out the plan for a particular product or portfolio, including the target market, terms and conditions, documentation and procedures under which a credit product will be offered and measured. The Group and the Bank have established the Credit Risk Policy which is designed to govern the Bank's risk undertaking activities, including the following.

- Formulating credit policies in consultation with business units, covering collateral requirements, credit assessment, risk grading and reporting, documentary and legal procedures, and compliance with regulatory and statutory requirements.

- Establishing the authorisation structure for the approval and renewal of credit facilities. Authorisation limits are allocated to business unit Credit Officers. Larger facilities require assessment by credit risk management and submit for approval based on updated credit DOA as appropriate.

- Reviewing and assessing credit risk: the Group and the Bank assess all credit exposures in excess of designated limits, before facilities are committed to customers by the business unit concerned. Renewals and reviews of facilities are subject to the same review process.

- Limiting concentrations of exposure to counterparties, geographies and industries (for loans and advances, financial guarantees and similar exposures), and by issuer, credit rating band, market liquidity and country (for investments securities).

- Developing and maintaining the Group's and the Bank's risk gradings to categorise exposures according to the degree of risk of default. The responsibility for setting risk grades lies with the final approving executive or committee, as appropriate. Risk grades are subject to regular reviews by the Group and the Bank.

- Developing and maintaining the Group's and the Bank's processes for measuring ECL: This includes processes for:

  - initial approval, regular validation and back-testing of the models used;
  - determining and monitoring significant increase in credit risk; and
  - incorporation of forward-looking information.

- Reviewing compliance of business units with agreed exposure limits, including those for selected industries, country risk and product types. Regular reports on the credit quality of local portfolios are provided to the Group and the Bank, which may require appropriate corrective action to be taken. These include reports containing estimates of ECL allowances.

- Providing advice, guidance and specialist skills to business units to promote best practice throughout the Bank in the management of credit risk.

Each business unit is required to implement the Group and Bank's credit policies and procedures, with credit approval authorities delegated from the Group's and the Bank's Risk Management Committee. Each business unit have a Head of Credit or Chief Credit Officer who reports on all credit-related matters to Credit Committee and the Group's and the Bank's Risk Management Committee. Each business unit is responsible for the quality and performance of its credit portfolio and for monitoring and controlling all credit risks in its portfolios, including those subject to central approval.

Regular audits of business units and credit processes are undertaken by Risk Management Committee.

(ii) Concentration of risk

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

Type of credit exposure

	Maximum credit exposure		Subject to collateral/credit enhancement		
			Full	Partial	None
	US$	KHR'000 (Note 2.4.3)	%	%	%
The Group					
31 December 2024					
On-balance sheet items					
Cash and cash equivalents (excluding cash on hand)	105,564,411	424,896,755	0%	0%	100%
Placements with other financial institutions	45,838,802	184,501,178	0%	0%	100%
Loans and advances to customers	596,133,023	2,399,435,418	98.10%	0%	1.90%
Other assets	1,362,593	5,484,436	0%	0%	100%
Total	748,898,829	3,014,317,787			
Off-balance sheet items					
Unused portion of overdrafts	7,232,293	29,109,979	95.85%	0.00%	4.15%
Undrawn loans	7,040,529	28,338,129	87.50%	0.00%	12.50%
Bank guarantees	3,144,232	12,655,534	34.24%	0.00%	65.75%
Total	17,417,054	70,103,642			
The Group					
31 December 2023					
On-balance sheet items					
Cash and cash equivalents (excluding cash on hand)	104,729,440	427,819,763	0%	0%	100%
Placements with other financial institutions	3,515,843	14,362,218	0%	0%	100%
Loans and advances to customers (Restated)	583,232,456	2,382,504,583	97.90%	0%	2.10%
Other assets	533,512	2,179,397	0%	0%	100%
Total (Restated)	692,011,251	2,826,865,961			
Off-balance sheet items					
Unused portion of overdrafts	1,972,276	8,056,747	99.60%	0%	0.40%
Undrawn loans	4,110,322	16,790,665	100.00%	0%	0%
Bank guarantees	3,668,104	14,984,205	42.14%	0%	57.86%
Foreign exchange commitment	198,204	809,663	0%	0%	100%
Total	9,948,906	40,641,280			

	Maximum credit exposure		Subject to collateral/credit enhancement		
			Full	Partial	None
	US$	KHR'000 (Note 2.4.3)	%	%	%
The Bank					
31 December 2024					
On-balance sheet items					
Cash and cash equivalents (excluding cash on hand)	105,684,407	425,379,738	0%	0%	100%
Placements with other financial institutions	45,639,985	183,700,940	0%	0%	100%
Loans and advances to customers	596,133,023	2,399,435,418	98.10%	0%	1.90%
Other assets	1,319,932	5,312,724	0%	0%	100%
Total	748,777,347	3,013,828,820			
Off-balance sheet items					
Unused portion of overdrafts	7,232,293	29,109,979	95.85%	0.00%	4.15%
Undrawn loans	7,040,529	28,338,129	87.50%	0.00%	12.50%
Bank guarantees	3,144,232	12,655,534	34.24%	0.00%	65.75%
Total	17,417,054	70,103,642			
The Bank					
31 December 2023					
On-balance sheet items					
Cash and cash equivalents (excluding cash on hand)	104,729,440	427,819,762	0%	0%	100%
Placements with other financial institutions	3,515,843	14,362,218	0%	0%	100%
Loans and advances to customers (Restated)	583,232,456	2,382,504,583	97.90%	0%	2.10%
Other assets	520,651	2,126,859	0%	0%	100%
Total (Restated)	691,998,390	2,826,813,422			
Off-balance sheet items					
Unused portion of overdrafts	1,972,276	8,056,747	99.60%	0%	0.40%
Undrawn loans	4,110,322	16,790,665	100.00%	0%	0%
Bank guarantees	3,668,104	14,984,205	42.14%	0%	57.86%
Foreign exchange commitment	198,204	809,663	0%	0%	100%
Total	9,948,906	40,641,280			

(iii) Collateral

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

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

Cash and cash equivalents, placements with other financial institutions, investments in equity instrument and other assets

Collateral is generally not sought for these assets.

Loans and advances to customers, contingent liabilities and commitments

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

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

	Collateral/credit enhancement			
	Properties	Fixed deposits	Unsecured credit exposure	Total
	US$	US$	US$	US$
The Group				
31 December 2024				
Cash and cash equivalents (excluding cash on hand)	-	-	105,564,411	105,564,411
Placements with other financial institutions	-	-	45,838,802	45,838,802
Loans and advances to customers	582,283,561	2,232,048	11,617,414	596,133,023
Other assets	-	-	1,362,593	1,362,593
	582,283,561	2,232,048	164,383,220	748,898,829
KHR'000 (Note 2.4.3)	2,343,691,333	8,983,993	661,642,461	3,014,317,787
31 December 2023				
Cash and cash equivalents (excluding cash on hand)	-	-	104,729,440	104,729,440
Placements with other financial institutions	-	-	3,515,843	3,515,843
Loans and advances to customers (Restated)	566,739,967	4,248,953	12,243,535	583,232,456
Other assets	-	-	533,512	533,512
	566,739,967	4,248,953	121,022,330	692,011,251
KHR'000 (Note 2.4.3) (Restated)	2,315,132,767	17,356,975	494,376,219	2,826,865,961

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

	Collateral/credit enhancement			
	Properties	Fixed deposits	Unsecured credit exposure	Total
	US$	US$	US$	US$
The Bank				
31 December 2024				
Cash and cash equivalents (excluding cash on hand)	-	-	105,684,407	105,684,407
Placements with other financial institutions	-	-	45,639,985	45,639,985
Loans and advances to customers	582,283,561	2,232,048	11,617,414	596,133,023
Other assets	-	-	1,319,932	1,319,932
	582,283,561	2,232,048	164,261,738	748,777,347
KHR'000 (Note 2.4.3)	2,343,691,333	8,983,993	661,153,494	3,013,828,820
31 December 2023				
Cash and cash equivalents (excluding cash on hand)	-	-	104,729,440	104,729,440
Placements with other financial institutions	-	-	3,515,843	3,515,843
Loans and advances to customers (Restated)	566,739,967	4,248,953	12,243,535	583,232,456
Other assets	-	-	520,651	520,651
	566,739,967	4,248,953	121,009,469	691,998,390
KHR'000 (Note 2.4.3) (Restated)	2,315,132,766	17,356,974	494,323,682	2,826,813,422

(iv) Credit quality of gross loans and advances to customers

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

Normal

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

Special mention

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

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

Substandard

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

Factors leading to a substandard classification include:

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

Doubtful

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

Loss

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

Recognition of ECL

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

Three-stage approach	Stage 1 Performing	Stage 2 Under-performing	Stage 2 None-performing
Recognition of ECL	12 months ECL	Lifetime ECL	
Criterion	No significant increase in credit risk	Significant increased Credit risk	Credit impaired assets
Basic calculation of profit revenue	On gross carrying amount		On net carrying amount

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

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

Short-term facilities (one year or less) and Long-term facilities (more than one year)

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

The Group and the Bank are using DPD information and NBC's classification for staging criteria. The Group and the Bank also incorporated credit scoring or forward-looking elements if readily available. Upon the implementation of credit scoring system, if the risk level drops by two or more notches as compared to the risk level at origination, the accounts are classified under stage 2.

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

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

	31 December 2024				31 December 2023 (Restated)			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
	US$	US$	US$	US$	US$	US$	US$	US$
The Group and the Bank								
Loans and advances to customers at amortised cost								
Normal	508,849,678	-	-	508,849,678	538,309,532	-	-	538,309,532
Special mention	-	45,394,971	-	45,394,971	-	18,484,890	-	18,484,890
Substandard	-	-	11,354,742	11,354,742	-	-	7,817,818	7,817,818
Doubtful	-	-	12,615,759	12,615,759	-	-	12,319,179	12,319,179
Loss	-	-	36,747,615	36,747,615	-	-	17,504,871	17,504,871
Gross carrying amount	508,849,678	45,394,971	60,718,116	614,962,765	538,309,532	18,484,890	37,641,868	594,436,290
Allowance for ECL	(4,703,996)	(2,105,585)	(12,020,161)	(18,829,742)	(2,428,704)	(1,867,510)	(6,907,620)	(11,203,834)
Net carrying amount	504,145,682	43,289,386	48,697,955	596,133,023	535,880,828	16,617,380	30,734,248	583,232,456
KHR'000 (Note 2.4.3)	2,029,186,370	174,239,779	196,009,269	2,399,435,418	2,189,073,178	67,881,998	125,549,407	2,382,504,583

	31 December 2024				31 December 2023			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
	US$	US$	US$	US$	US$	US$	US$	US$
The Group								
Cash and cash equivalent								
Normal	131,057,005	-	-	131,057,005	136,926,149	-	-	136,926,149
Allowance for ECL	(126,239)	-	-	(126,239)	(129,881)	-	-	(129,881)
Net carrying amount	130,930,766	-	-	130,930,766	136,796,268	-	-	136,796,268
KHR'000 (Note 2.4.3)	526,996,334	-	-	526,996,334	558,812,755	-	-	558,812,755
The Bank								
Cash and cash equivalent								
Normal	131,050,762	-	-	131,050,762	136,926,149	-	-	136,926,149
Allowance for ECL	(126,239)	-	-	(126,239)	(129,881)	-	-	(129,881)
Net carrying amount	130,924,523	-	-	130,924,523	136,796,268	-	-	136,796,268
KHR'000 (Note 2.4.3)	526,971,205	-	-	526,971,205	558,812,754	-	-	558,812,754

	31 December 2024				31 December 2023			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
	US$	US$	US$	US$	US$	US$	US$	US$
The Group								
Placement with other financial institutions								
Normal	45,881,842	-	-	45,881,842	3,551,688	-	-	3,551,688
Allowance for ECL	(43,040)	-	-	(43,040)	(35,845)	-	-	(35,845)
Net carrying amount	45,838,802	-	-	45,838,802	3,515,843	-	-	3,515,843
KHR'000 (Note 2.4.3)	184,501,178	-	-	184,501,178	14,362,218	-	-	14,362,218
The Bank								
Placement with other financial institutions								
Normal	45,681,021	-	-	45,681,021	3,551,688	-	-	3,551,688
Allowance for ECL	(41,036)	-	-	(41,036)	(35,845)	-	-	(35,845)
Net carrying amount	45,639,985	-	-	45,639,985	3,515,843	-	-	3,515,843
KHR'000 (Note 2.4.3)	183,700,940	-	-	183,700,940	14,362,218	-	-	14,362,218

Incorporation of forward-looking information

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

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

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

33.3. Market risk

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

(i) Interest rate risk

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

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

	31 December 2024								
	Up to 1 month US$	> 1-3 months US$	> 3-6 months US$	> 6-12 months US$	> 1 to 5 years US$	Over 5 years US$	Non-interest bearing US$	Total US$	Interest rate
The Group									
Financial assets									
Cash and cash equivalents	171,510	51,979,823	-	-	-	-	78,779,433	130,930,766	0.00%-4.46%
Placements with other financial institutions	-	-	45,838,802	-	-	-	-	45,838,802	4.00%-5.00%
Loans and advances to customers	13,680,463	11,757,642	13,082,672	15,477,309	171,940,997	370,193,940	-	596,133,023	4.75%-18.00%
Equity investment	-	-	-	-	-	-	42,500	42,500	-
Other assets	-	-	-	-	-	-	1,362,593	1,362,593	-
Total financial assets	13,851,973	63,737,465	58,921,474	15,477,309	171,940,997	370,193,940	80,184,526	774,307,684	
Financial liabilities									
Deposits from other financial institutions	7,116,630	2,117,560	7,563,008	4,484,149	7,351,281	-	2,858,828	31,491,456	2.00%-8.35%
Deposits from customers	211,090,988	114,044,584	113,239,834	135,769,141	24,647,083	885,615	16,291,436	615,968,681	0.00%-8.50%
Borrowings	-	-	-	5,748,940	13,164,487	27,791	-	18,941,218	2.00%-7.85%
Lease liabilities	153,224	306,871	436,987	927,657	3,492,447	4,831,545	-	10,148,731	6.08%-7.08%
Other liabilities	-	-	25,030	-	19,732	93,278	2,733,102	2,871,142	-
Subordinated debts	-	-	-	-	4,056,222	-	-	4,056,222	5.50%
Total financial liabilities	218,360,842	116,469,015	121,264,859	146,929,887	52,731,252	5,838,229	21,883,366	683,477,450	
Interest sensitivity gap	(204,508,869)	(52,731,550)	(62,343,385)	(131,452,578)	119,209,745	364,355,711	58,301,160	90,830,234	
KHR'000 (Note 2.4.3)	(823,148,198)	(212,244,489)	(250,932,125)	(529,096,626)	479,819,224	1,466,531,737	234,662,169	365,591,692	

31 December 2023

	Up to 1 month US$	> 1-3 months US$	> 3-6 months US$	> 6-12 months US$	> 1 to 5 years US$	Over 5 years US$	Non-interest bearing US$	Total US$	Interest rate
The Group									
Financial assets									
Cash and cash equivalents	17,507,126	19,117,959	-	-	-	-	100,171,183	136,796,268	0.00%-5.25%
Placements with other financial institutions	-	-	3,515,843	-	-	-	-	3,515,843	6.00%-6.20%
Loans and advances to customers (Restated)	6,802,024	9,138,872	8,242,743	22,616,146	191,775,841	344,656,830	-	583,232,456	4.75%-18.00%
Equity investment	-	-	-	-	-	-	42,500	42,500	-
Other assets	-	-	-	-	-	-	533,512	533,512	-
Total financial assets	24,309,150	28,256,831	11,758,586	22,616,146	191,775,841	344,656,830	100,747,195	724,120,579	
Financial liabilities									
Deposits from other financial institutions	5,454,468	4,636,702	16,483,344	23,773,428	9,468,018	-	4,054,947	63,870,907	0.00%-8.35%
Deposits from customers	117,696,156	97,370,196	101,821,684	171,845,073	36,976,715	651,806	10,011,907	536,373,537	0.00%-9.65%
Borrowings	557,038	-	33,915	121,887	15,773,844	261,571	-	16,748,255	2.00%-10.47%
Lease liabilities	141,274	290,897	429,050	801,406	5,281,929	2,556,111	-	9,500,667	5.04%-6.04%
Other liabilities	-	-	26,710	21,122	95,750	35,526	2,571,759	2,750,867	-
Subordinated debts	-	-	-	532,659	4,056,222	-	-	4,588,881	5.5%-9%
Total financial liabilities	123,848,936	102,297,795	118,794,703	197,095,575	71,652,478	3,505,014	16,638,613	633,833,114	
Interest sensitivity gap (Restated)	(99,539,786)	(74,040,964)	(107,036,117)	(174,479,429)	120,123,363	341,151,816	84,108,582	90,287,465	
KHR'000 (Note 2.4.3) (Restated)	(406,620,026)	(302,457,338)	(437,242,538)	(712,748,467)	490,703,938	1,393,605,168	343,583,553	368,824,290	

31 December 2024

	Up to 1 month US$	> 1-3 months US$	> 3-6 months US$	> 6-12 months US$	> 1 to 5 years US$	Over 5 years US$	Non-interest bearing US$	Total US$	Interest rate
The Bank									
Financial assets									
Cash and cash equivalents	165,267	51,979,823	-	-	-	-	78,779,433	130,924,523	0.00%-4.46%
Placements with other financial institutions	-	-	45,639,985	-	-	-	-	45,639,985	4.00%-5.00%
Loans and advances to customers	13,680,463	11,757,642	13,082,672	15,477,309	171,940,997	370,193,940	-	596,133,023	4.75%-18.00%

31 December 2024

	Up to 1 month US$	> 1-3 months US$	> 3-6 months US$	> 6-12 months US$	> 1 to 5 years US$	Over 5 years US$	Non-interest bearing US$	Total US$	Interest rate
Investment in a subsidiary	-	-	-	-	-	-	490,000	490,000	-
Equity investment	-	-	-	-	-	-	42,500	42,500	-
Other assets	-	-	-	-	-	-	1,319,932	1,319,932	-
Total financial assets	13,845,730	63,737,465	58,722,657	15,477,309	171,940,997	370,193,940	80,631,865	774,549,963	
Financial liabilities									
Deposits from other financial institutions	7,116,630	2,117,560	7,563,008	4,484,149	7,351,281	-	2,858,828	31,491,456	2.00%-8.35%
Deposits from customers	211,169,113	114,709,658	113,239,834	135,769,141	24,647,083	885,615	16,291,435	616,711,879	0.00%-8.50%
Borrowings	-	-	-	5,748,940	13,164,487	27,791	-	18,941,218	2.00%-7.85%
Lease liabilities	153,224	306,871	436,987	927,657	3,492,447	4,831,545	-	10,148,731	6.08%-7.08%
Other liabilities	-	-	25,030	-	19,732	93,278	2,314,374	2,452,414	-
Subordinated debts	-	-	-	-	4,056,222	-	-	4,056,222	5.50%
Total financial liabilities	218,438,967	117,134,089	121,264,859	146,929,887	52,731,252	5,838,229	21,464,637	683,801,920	
Interest sensitivity gap	(204,593,237)	(53,396,624)	(62,542,202)	(131,452,578)	119,209,745	364,355,711	59,167,228	90,748,043	
KHR'000 (Note 2.4.3)	(823,487,779)	(214,921,412)	(251,732,363)	(529,096,626)	479,819,224	1,466,531,737	238,148,093	365,260,873	

31 December 2023

	Up to 1 month US$	> 1-3 months US$	> 3-6 months US$	> 6-12 months US$	> 1 to 5 years US$	Over 5 years US$	Non-interest bearing US$	Total US$	Interest rate
The Bank									
Financial assets									
Cash and cash equivalents	17,507,126	19,117,959	-	-	-	-	100,171,183	136,796,268	0.00%-5.25%
Placements with other financial institutions	-	-	3,515,843	-	-	-	-	3,515,843	6.00%-6.20%
Loans and advances to customers (Restated)	6,802,024	9,138,872	8,242,743	22,616,146	191,775,841	344,656,830	-	583,232,456	4.75%-18.00%
Investment in a subsidiary	-	-	-	-	-	-	490,000	490,000	-
Equity investment	-	-	-	-	-	-	42,500	42,500	-

31 December 2023									
	Up to 1 month US$	> 1-3 months US$	> 3-6 months US$	> 6-12 months US$	> 1 to 5 years US$	Over 5 years US$	Non-interest bearing US$	Total US$	Interest rate
Other assets	-	-	-	-	-	-	520,651	520,651	-
Total financial assets (Restated)	24,309,150	28,256,831	11,758,586	22,616,146	191,775,841	344,656,830	101,224,334	724,597,718	
Financial liabilities									
Deposits from other financial institutions	5,454,468	4,636,702	16,483,344	23,773,428	9,468,018	-	4,054,947	63,870,907	0.00%-8.35%
Deposits from customers	118,478,524	97,370,196	101,821,684	171,845,073	36,976,715	651,806	10,011,908	537,155,906	0.00%-9.65%
Borrowings	557,038	-	33,915	121,887	15,773,844	261,571	-	16,748,255	2.00%-10.47%
Lease liabilities	141,274	290,897	429,050	801,406	5,281,929	2,556,111	-	9,500,667	5.04%-6.04%
Other liabilities	-	-	26,710	21,122	95,750	35,526	2,472,854	2,651,962	-
Subordinated debts	-	-	-	532,659	4,056,222	-	-	4,588,881	5.5%-9%
Total financial liabilities	124,631,304	102,297,795	118,794,703	197,095,575	71,652,478	3,505,014	16,539,709	634,516,578	
Interest sensitivity gap (Restated)	(100,322,154)	(74,040,964)	(107,036,117)	(174,479,429)	120,123,363	341,151,816	84,684,625	90,081,140	
KHR'000 (Note 2.4.3) (Restated)	(409,815,999)	(302,457,338)	(437,242,538)	(712,748,467)	490,703,938	1,393,605,168	345,936,693	367,981,457	

(ii) Foreign currency exchange risk

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

The Group and the Bank's policy it to maintain foreign currency exposure within acceptable limit and within existing regulatory activities.

Concentration of currency risk

The table below summarises the Group and the Banks' exposure to foreign currency exchange rate risk:

31 December 2024				
	KHR	US$	Others	Total
The Group				
Financial assets				
Cash and cash equivalents	12,091,936	118,555,121	283,709	130,930,766
Placements with other financial institutions	-	45,838,802	-	45,838,802

	31 December 2024			
	KHR	US$	Others	Total
Loans and advances to customers	60,681,691	535,446,655	4,677	596,133,023
Equity investment	-	42,500	-	42,500
Other assets	99,531	1,219,923	43,139	1,362,593
	72,873,158	701,103,001	331,525	774,307,684
Financial liabilities				
Deposits from other financial institutions	6,052,037	25,439,419	-	31,491,456
Deposits from customers	59,722,179	556,245,182	1,320	615,968,681
Borrowings	-	18,941,218	-	18,941,218
Lease liabilities	-	10,148,731	-	10,148,731
Other liabilities	1,179,722	1,691,420	-	2,871,142
Subordinated debts	-	4,056,222	-	4,056,222
	66,953,938	616,522,192	1,320	683,477,450
Net asset position	5,919,220	84,580,809	330,205	90,830,234
KHR'000 (Note 2.4.3)	23,824,861	340,437,756	1,329,075	365,591,692

	31 December 2023			
	KHR	US$	Others	Total
The Group				
Financial assets				
Cash and cash equivalents	17,905,711	118,760,127	130,430	136,796,268
Placements with other financial institutions	-	3,515,843	-	3,515,843
Loans and advances to customers (Restated)	58,637,701	524,588,789	5,966	583,232,456
Equity investment	-	42,500	-	42,500
Other assets	2,329	528,945	2,238	533,512
	76,545,741	647,436,204	138,634	724,120,579
Financial liabilities				
Deposits from other financial institutions	2,970,139	60,900,768	-	63,870,907
Deposits from customers	53,451,917	482,918,657	2,963	536,373,537
Borrowings	-	16,592,454	155,801	16,748,255
Lease liabilities	-	9,500,667	-	9,500,667
Other liabilities	1,298,473	1,452,394	-	2,750,867
Subordinated debts	-	4,588,881	-	4,588,881
	57,720,529	575,953,821	158,764	633,833,114
Net asset position (Restated)	18,825,212	71,482,383	(20,130)	90,287,465
KHR'000 (Note 2.4.3) (Restated)	76,900,991	292,005,530	(82,231)	368,824,290

	31 December 2024			
	KHR	US$	Others	Total
The Bank				
Financial assets				
Cash and cash equivalents	12,091,936	118,548,878	283,709	130,924,523
Placements with other financial institutions	-	45,639,985	-	45,639,985
Loans and advances to customers	60,681,691	535,446,655	4,677	596,133,023
Investment in a subsidiary	-	490,000	-	490,000
Equity investment	-	42,500	-	42,500
Other assets	99,531	1,177,262	43,139	1,319,932
	72,873,158	701,345,280	331,525	774,549,963
Financial liabilities				
Deposits from other financial institutions	6,052,037	25,439,419	-	31,491,456
Deposits from customers	59,722,179	556,988,380	1,320	616,711,879
Borrowings	-	18,941,218	-	18,941,218
Lease liabilities	-	10,148,731	-	10,148,731
Other liabilities	1,179,023	1,273,391	-	2,452,414
Subordinated debts	-	4,056,222	-	4,056,222
	66,953,239	616,847,361	1,320	683,801,920
Net asset position	5,919,919	84,497,919	330,205	90,748,043
KHR'000 (Note 2.4.3)	23,827,674	340,104,124	1,329,075	365,260,873

	31 December 2023			
	KHR	US$	Others	Total
The Bank				
Financial assets				
Cash and cash equivalents	17,905,711	118,760,127	130,430	136,796,268
Placements with other financial institutions	-	3,515,843	-	3,515,843
Loans and advances to customers (Restated)	58,637,701	524,588,789	5,966	583,232,456
Investment in a subsidiary	-	490,000	-	490,000
Equity investment	-	42,500	-	42,500
Other assets	2,329	516,084	2,238	520,651
	76,545,741	647,913,343	138,634	724,597,718
Financial liabilities				
Deposits from other financial institutions	2,970,139	60,900,768	-	63,870,907
Deposits from customers	53,451,917	483,701,026	2,963	537,155,906
Borrowings	-	16,592,454	155,801	16,748,255

	31 December 2023			
	KHR	US$	Others	Total
Lease liabilities	-	9,500,667	-	9,500,667
Other liabilities	1,297,788	1,354,174	-	2,651,962
Subordinated debts	-	4,588,881	-	4,588,881
	57,719,844	576,637,970	158,764	634,516,578
Net asset position (Restated)	18,825,897	71,275,373	(20,130)	90,081,140
KHR'000 (Note 2.4.3) (Restated)	76,903,789	291,159,899	(82,231)	367,981,456

Sensitivity analysis

The table below indicates the currencies to which the Group and the Bank had significant exposure at the end of the reported periods on its net position gap. The analysis calculates the effect of a reasonably possible movement of the currency rate on the profit or loss and other component of equity. For other currencies, these exposures are grouped as 'Others').

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

	31 December 2024		31 December 2023	
	- 1% Depreciation US$	+ 1% Appreciation US$	- 1% Depreciation US$	+ 1% Appreciation US$
			(Restated)	
The Group				
For Currency: Possible outcome in US$				
KHR	(59,192)	59,192	(188,252)	188,252
Other	(3,302)	3,302	201	(201)
	(62,494)	62,494	(188,051)	188,051
KHR'000 (Note 2.4.3)	(251,538)	251,538	(768,188)	768,188

	31 December 2024		31 December 2023	
	- 1% Depreciation US$	+ 1% Appreciation US$	- 1% Depreciation US$	+ 1% Appreciation US$
			(Restated)	
The Bank				
For Currency: Possible outcome in US$				
KHR	(59,199)	59,199	(188,259)	188,259
Other	(3,302)	3,302	201	(201)
	(62,501)	62,501	(188,058)	188,058
KHR'000 (Note 2.4.3)	(251,567)	251,567	(768,217)	768,217

33.4. Liquidity risk

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

(i) Liquidity risk management process

The Group's and the Bank's management monitor balance sheet liquidity and manages the concentration and profile of debt maturities through the gap analysis. Periodic reporting on the movement in loans and customers' deposits are monitored and liquidity requirements are adjusted to ensure sufficient liquid assets to meet financial commitments and obligation.

Monitoring and reporting take the form of the reviewing of the daily cash position and projections for the next day, week and month, as these are key years for liquidity management. Management monitors the movement of the main depositors and lenders and projections of their withdrawals.

(ii) Funding approach

The Group's and the Bank's main sources of liquidity arise from the shareholders' paid-up capital, borrowings from social lenders and finance institutions, deposits from other financial institutions and deposits from customers. The sources of liquidity are reviewed regularly through management's review of the maturity of term deposits and key depositors.

(iii) Non-derivative cash flows

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

The table below summarises the Group's and the Bank's assets and liabilities based on remaining contractual maturities. The expected cash flows of these assets and liabilities could vary significantly from what is shown in the table. For example, deposits from other financial institutions and deposits from customers are not all expected to be withdrawn immediately.

Although the result from the table showed negative liquidity gap, based on experience, the management of the Group and the Bank believe that customers will not withdraw their deposits according to the maturity. Some of the deposits keep rolling from one cycle to another, therefore, management believes that underlying liquidity risk is manageable.

31 December 2024

	Carrying amount US$	Gross nominal inflows (outflow) US$	Up to 1 month US$	> 1-3 months US$	> 3-6 months US$	> 6-12 months US$	> 1 to 5 years US$	Over 5 years US$	No maturity US$
The Group									
Financial assets									
Cash and cash equivalents	130,930,766	131,054,973	131,054,973	-	-	-	-	-	-
Placements with other financial institutions	45,838,802	46,580,430	-	-	46,580,430	-	-	-	-
Loans and advances to customers	596,133,023	907,455,196	14,007,637	12,027,298	13,374,727	16,244,961	220,234,329	631,566,244	-
Equity investment	42,500	42,500	-	-	-	-	-	-	42,500
Other assets	1,362,593	1,362,593	1,362,593	-	-	-	-	-	-
Total financial assets	774,307,684	1,086,495,692	146,425,203	12,027,298	59,955,157	16,244,961	220,234,329	631,566,244	42,500
Financial liabilities									
Deposits from other financial institutions	31,491,456	33,563,585	9,979,248	2,313,427	7,857,146	4,842,476	8,571,288	-	-
Deposits from customers	615,968,681	907,455,196	14,007,637	12,027,298	13,374,727	16,244,961	220,234,329	631,566,244	-
Borrowings	18,941,218	23,041,410	-	-	-	6,842,464	16,171,155	27,791	-
Lease liabilities	10,148,731	12,198,764	206,611	411,265	587,724	1,207,616	7,499,326	2,286,222	-
Other liabilities	2,871,142	2,871,142	1,660,092	1,064,863	25,030	-	19,732	93,278	8,147
Subordinated debts	4,056,222	5,116,500	-	-	-	-	5,116,500	-	-

31 December 2024

	Carrying amount US$	Gross nominal inflows (outflow) US$	Up to 1 month US$	> 1-3 months US$	> 3-6 months US$	> 6-12 months US$	> 1 to 5 years US$	Over 5 years US$	No maturity US$
Total financial liabilities	683,477,450	984,246,597	25,853,588	15,816,853	21,844,627	29,137,517	257,612,330	633,973,535	8,147
Maturity gap	90,830,234	102,249,095	120,571,615	(3,789,555)	38,110,530	(12,892,556)	(37,378,001)	(2,407,291)	34,353
KHR'000 (Note 2.4.3)	365,591,692	411,552,607	485,300,750	(15,252,959)	153,394,883	(51,892,538)	(150,446,454)	(9,689,346)	138,271

31 December 2023

	Carrying amount US$	Gross nominal inflows (outflow) US$	Up to 1 month US$	> 1-3 months US$	> 3-6 months US$	> 6-12 months US$	> 1 to 5 years US$	Over 5 years US$	No maturity US$
The Group									
Financial assets									
Cash and cash equivalents	136,796,268	136,926,149	136,926,149	-	-	-	-	-	-
Placements with other financial institutions	3,515,843	3,608,712	-	-	3,608,712	-	-	-	-
Loans and advances to customers (Restated)	583,232,456	873,488,467	7,039,723	9,274,954	8,444,619	23,314,588	245,841,661	579,572,922	-
Equity investment	42,500	42,500	-	-	-	-	-	-	42,500
Other assets	533,512	533,512	533,512	-	-	-	-	-	-
Total financial assets (Restated)	724,120,579	1,014,599,340	144,499,384	9,274,954	12,053,331	23,314,588	245,841,661	579,572,922	42,500
Financial liabilities									
Deposits from other financial institutions	63,870,907	68,435,516	9,637,325	5,025,035	16,899,711	25,663,882	11,209,563	-	-
Deposits from customers	536,373,537	555,655,944	127,991,349	99,061,324	104,618,458	181,909,705	41,423,058	652,050	-
Borrowings	16,748,255	20,162,488	959,026	-	66,653	178,672	18,685,034	273,103	-
Lease liabilities	9,500,667	11,560,426	196,295	386,767	567,211	1,057,250	7,647,237	1,705,666	-
Other liabilities	2,750,867	2,750,868	1,894,959	658,347	26,710	21,122	95,750	35,526	18,454
Subordinated debts	4,588,881	6,518,214	-	-	-	1,401,714	5,116,500	-	-
Total financial liabilities	633,833,114	665,083,456	140,678,954	105,131,473	122,178,743	210,232,345	84,177,142	2,666,345	18,454
Maturity gap (Restated)	90,287,465	349,515,884	3,820,430	(95,856,519)	(110,125,412)	(186,917,757)	161,664,519	576,906,577	24,046
KHR'000 (Note 2.4.3) (Restated)	368,824,290	1,427,772,386	15,606,457	(391,573,880)	(449,862,308)	(763,559,037)	660,399,560	2,356,663,367	98,227

31 December 2024

	Carrying amount US$	Gross nominal inflows (outflow) US$	Up to 1 month US$	> 1-3 months US$	> 3-6 months US$	> 6-12 months US$	> 1 to 5 years US$	Over 5 years US$	No maturity US$
The Bank									
Financial assets									
Cash and cash equivalents	130,924,523	131,050,762	131,050,762	-	-	-	-	-	-
Placements with other financial institutions	45,639,985	46,367,035	-	-	46,367,035	-	-	-	-
Loans and advances to customers	596,133,023	907,455,196	14,007,637	12,027,298	13,374,727	16,244,961	220,234,329	631,566,244	-
Investment in a subsidiary	490,000	490,000	-	-	-	-	-	-	490,000
Equity investment	42,500	42,500	-	-	-	-	-	-	42,500
Other assets	1,319,932	1,319,932	1,319,932	-	-	-	-	-	-
Total financial assets	774,549,963	1,086,725,425	146,378,331	12,027,298	59,741,762	16,244,961	220,234,329	631,566,244	532,500
Financial liabilities									
Deposits from other financial institutions	31,491,456	33,563,585	9,979,248	2,313,427	7,857,146	4,842,476	8,571,288	-	-
Deposits from customers	616,711,879	630,390,861	227,941,082	116,393,284	116,503,419	141,267,832	27,399,730	885,514	-
Borrowings	18,941,218	23,041,410	-	-	-	6,842,464	16,171,155	27,791	-
Lease liabilities	10,148,731	12,198,764	206,611	411,265	587,724	1,207,616	7,499,326	2,286,222	-
Other liabilities	2,452,414	2,452,414	1,798,372	497,296	25,030	-	19,732	93,278	18,706
Subordinated debts	4,056,222	5,116,500	-	-	-	-	5,116,500	-	-
Total financial liabilities	683,801,920	706,763,534	239,925,313	119,615,272	124,973,319	154,160,388	64,777,731	3,292,805	18,706
Maturity gap	90,748,043	379,961,891	(93,546,982)	(107,587,974)	(65,231,557)	(137,915,427)	155,456,598	628,273,439	513,794
KHR'000 (Note 2.4.3)	365,260,873	1,529,346,611	(376,526,603)	(433,041,595)	(262,557,017)	(555,109,594)	625,712,807	2,528,800,592	2,068,021

31 December 2023

	Carrying amount US$	Gross nominal inflows (outflow) US$	Up to 1 month US$	> 1-3 months US$	> 3-6 months US$	> 6-12 months US$	> 1 to 5 years US$	Over 5 years US$	No maturity US$
The Bank									
Financial assets									
Cash and cash equivalents	136,796,268	136,926,149	136,926,149	-	-	-	-	-	-
Placements with other financial institutions	3,515,843	3,608,712	-	-	3,608,712	-	-	-	-
Loans and advances to customers (Restated)	583,232,456	873,488,467	7,039,723	9,274,954	8,444,619	23,314,588	245,841,661	579,572,922	-
Investment in a subsidiary	490,000	490,000	-	-	-	-	-	-	490,000

	31 December 2023								
	Carrying amount	Gross nominal inflows (outflow)	Up to 1 month	> 1-3 months	> 3-6 months	> 6-12 months	> 1 to 5 years	Over 5 years	No maturity
	US$	US$	US$	US$	US$	US$	US$	US$	US$
Equity investment	42,500	42,500	-	-	-	-	-	-	42,500
Other assets	520,651	520,651	520,651	-	-	-	-	-	-
Total financial assets (Restated)	724,597,718	1,015,076,479	144,486,523	9,274,954	12,053,331	23,314,588	245,841,661	579,572,922	532,500
Financial liabilities									
Deposits from other financial institutions	63,870,907	68,435,516	9,637,325	5,025,035	16,899,711	25,663,882	11,209,563	-	-
Deposits from customers	537,155,906	556,441,314	128,776,719	99,061,324	104,618,458	181,909,705	41,423,058	652,050	-
Borrowings	16,748,255	20,162,488	959,026	-	66,653	178,672	18,685,034	273,103	-
Lease liabilities	9,500,667	11,560,426	196,295	386,767	567,211	1,057,250	7,647,237	1,705,666	-
Other liabilities	2,651,962	2,651,962	1,796,053	658,347	26,710	21,122	95,750	35,526	18,454
Subordinated debts	4,588,881	6,518,214	-	-	-	1,401,714	5,116,500	-	-
Total financial liabilities	634,516,578	665,769,920	141,365,418	105,131,473	122,178,743	210,232,345	84,177,142	2,666,345	18,454
Maturity gap (Restated)	90,081,140	349,306,559	3,121,105	(95,856,519)	(110,125,412)	(186,917,757)	161,664,519	576,906,577	514,046
KHR'000 (Note 2.4.3) (Restated)	367,981,457	1,426,917,294	12,749,714	(391,573,880)	(449,862,308)	(763,559,037)	660,399,560	2,356,663,367	2,099,878

33.5. Operational risk

Operational risk is the risk of direct or indirect loss arising from inadequate or failed internal processes, personnel, technology and infrastructure, and from external factors other than credit, market and liquidity risks such as those arising from legal and regulatory requirements and generally accepted standards of corporate behaviour. The operational risk losses is managed through established operational risk management processes, proper monitoring and reporting of the business activities by control and support units which are independent of the business units and oversight provided by the senior management and Risk Management Committee of the Group and the Bank.

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

33.6. Capital management

(i) Regulatory capital

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

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

The NBC requires all licensed commercial banks to (i) fulfil the minimum capital requirements, and (ii) comply with solvency, liquidity and other requirements.

(ii) Capital allocation

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

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

The table below summarises the composition of regulatory capital:

	31 December 2024		31 December 2023	
	US$	KHR'000 (Note 2.4.3)	US$	KHR'000 (Note 2.4.3)
			(Restated)	
The Group				
Tier I capital				
Share capital	75,000,000	301,875,000	75,000,000	306,375,000
Add: Other reserves	25,490,274	102,598,353	25,490,274	104,127,769
Add: Audited net profit for the last financial year	4,461,843	17,958,918	5,262,080	21,495,597
Add: Opening retained earnings (*)	26,238,029	105,608,067	26,438,088	107,999,589
Less: Loans to related parties - gross	(2,619,773)	(10,544,586)	(2,989,007)	(12,210,094)
Less: Intangible assets	(1,109,334)	(4,465,069)	(1,528,897)	(6,245,545)
	127,461,039	513,030,683	127,672,538	521,542,316
Tier II complementary capital				
Subordinated debts	4,000,000	16,100,000	4,500,000	18,382,500
General provision	5,219,934	21,010,234	5,986,802	24,456,088
Provision for accrued interest receivables (**)	7,858,100	31,628,853	-	-
Less: Equity participation in banking or financial institutions	(490,000)	(1,972,250)	(490,000)	(2,001,650)
Less: Other items – security deposits longer than 12 months	(38,400)	(154,560)	(38,400)	(156,864)
	16,549,634	66,612,277	9,958,402	40,680,074
Total Capital Tier I + Tier II	144,010,673	579,642,960	137,630,940	562,222,391
The Bank				
Tier I capital				
Share capital	75,000,000	301,875,000	75,000,000	306,375,000
Add: Other reserves	25,490,274	102,598,353	25,490,274	104,127,769
Add: Audited net profit for the last financial year	4,577,062	18,422,675	5,365,292	21,917,218
Add: Opening retained earnings (*)	26,266,834	105,724,007	26,463,891	108,104,995
Less: Loans to related parties - gross	(2,592,509)	(10,434,849)	(2,974,541)	(12,151,000)
Less: Intangible assets	(1,108,659)	(4,462,352)	(1,519,903)	(6,208,804)
	127,633,002	513,722,834	127,825,013	522,165,178

	31 December 2024		31 December 2023	
	US$	KHR'000 (Note 2.4.3)	US$	KHR'000 (Note 2.4.3)
			(Restated)	
Tier II complementary capital				
Subordinated debts	4,000,000	16,100,000	4,500,000	18,382,500
General provision	5,219,934	21,010,234	5,986,802	24,456,088
Provision for accrued interest receivables (**)	7,858,100	31,628,853	-	-
Less: Equity participation in banking or financial institutions	(490,000)	(1,972,250)	(490,000)	(2,001,650)
Less: Other items – security deposits longer than 12 months	(38,400)	(154,560)	(38,400)	(156,864)
	16,549,634	66,612,277	9,958,402	40,680,074
Total Capital Tier I + Tier II	144,182,636	580,335,111	137,783,415	562,845,252

(*) Opening retained earnings are limited at 20% of Tier 1 capital before deduction of loans to related parties and intangible assets.

(**) This provision for accrued interest receivables is allowed to be added back by the NBC in accordance with its notification letter dated 5 February 2025. This requirement is applicable from 31 December 2024, and will remain in effect until 30 June 2025.

34. FAIR VALUES OF FINANCIAL ASSETS AND LIABILITIES

Financial instruments comprise of financial assets and financial liabilities. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The information presented herein represents the estimates of fair values as at the statements of financial position date.

(a) Financial instruments measured at fair value

(i) Determination of fair value and fair value hierarchy

The following table presents the Group and the Bank's financial assets measured and recognised at fair value at 31 December 2024 and 31 December 2023 on a recurring basis:

	Level 1 US$	Level 2 US$	Level 3 US$	Total US$
The Group				
As at 31 December 2024				
Financial assets				
Financial assets at fair value through other comprehensive income				
Equity securities	-	-	42,500	42,500
Total financial assets	-	-	42,500	42,500
KHR'000 (Note 2.4.3)	-	-	171,063	171,063
As at 31 December 2023				
Financial assets				
Financial assets at fair value through other comprehensive income				
Equity securities	-	-	42,500	42,500
Total financial assets	-	-	42,500	42,500
KHR'000 (Note 2.4.3)	-	-	173,613	173,613
The Bank				
As at 31 December 2024				
Financial assets				
Financial assets at fair value through other comprehensive income				
Equity securities	-	-	42,500	42,500
Total financial assets	-	-	42,500	42,500
KHR'000 (Note 2.4.3)	-	-	171,063	171,063
As at 31 December 2023				
Financial assets				
Financial assets at fair value through other comprehensive income				
Equity securities	-	-	42,500	42,500
Total financial assets	-	-	42,500	42,500
KHR'000 (Note 2.4.3)	-	-	173,613	173,613

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

Level 1 – Quoted price (unadjusted) in active markets for the identical assets or liabilities. This level includes listed equity securities and debt instruments.

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).

Level 3 – Inputs for asset or liability that are not based on observable market data (unobservable inputs). This level includes equity instruments and debt instruments with significant unobservable components.

(ii) Valuation techniques

The Group and the Bank's financial asset at FVOCI is investment in unlisted equity securities where the fair values have been determined based on present values and the discount rate used were adjusted for counterparty or own credit risk.

(b) Financial instruments not measured at fair value

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

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

(i) Cash and cash equivalents, placements with other financial institutions and statutory deposits

The fair values of balances with cash and cash equivalents, placements with other financial institutions and statutory deposits with maturity of less than one year approximate their carrying amounts.

(ii) Loans and advances to customers

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

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

(iii) Investment in a subsidiary

The estimated fair values are generally based on quoted and observable market prices. Where there is no ready market in certain securities, fair values have been estimated by reference to market indicative yields or net tangible asset backing of the investee.

(iv) Deposits from other financial institutions and customers

The fair value of deposits from other financial institutions 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 Group and the Bank offered similar interest rate of the instrument with similar maturities and terms.

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

(v) Other financial assets and other financial liabilities

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

(vii) Borrowings and subordinated debts

Borrowings and subordinated debts are not quoted in active market and their fair value approximates their carrying amount.

35. RESTATEMENT OF COMPARATIVE INFORMATION

During the preparation of the financial statements for the year ended 31 December 2024, the management has identified errors in the prior years' financial statements relating to the following:

A. Loans and advances to customers;
B. Measurement of income tax expense and deferred tax;
C. Corresponding impacts to Retained earnings; and
D. Corresponding impacts on Statement of Cash flows.

The details of the adjustments are as follows:

A. Loans and advances to customers

In accordance with paragraph 5.4.2 of CIFRS 9, interest income for credit-impaired financial assets (stage 3 loans) is calculated based on the amortised cost on a net basis, which is the gross carrying amount net of the expected credit losses. This means that accrued interest receivables for stage 3 loans should be fully recognised. However, the Bank did not recognise accrued interest receivables for stage 3 loans (unwinding of discount). Instead, it recognised as expected credit losses in profit or loss. As a result, the following items were impacted:

As at 31 December 2022/1 January 2023:

- The accrued interest receivables for loan stage 3 were understated by US$771,465.
- Retained earnings were understated by US$771,465.

As at 31 December 2023:

- The accrued interest receivables for loan stage 3 were understated by US$984,685.
- Retained earnings were understated by US$984,685.

For the year ended 31 December 2023:

- The allowance for expected credit losses in profit or loss was overstated by US$213,220.

B. Measurement of income tax expense and deferred tax

The Bank identified errors in their calculation of deferred tax for the year ended 31 December 2023 and 2022, along with the impact from the restatements discussed in item A above. Consequently, the following items were impacted:

As at 31 December 2022/1 January 2023:

- Net deferred tax liability was understated by US$154,293.
- Retained earnings were overstated by US$154,293.

As at 31 December 2023:

- Net deferred tax liability was understated by US$196,937.
- Retained earnings were overstated by US$196,937.

For the year ended 31 December 2023:

- The income tax expense was understated by US$42,644.

C. Corresponding impacts to Retained earnings

As a result from items A and B, the retained earnings were impacted as follows:

- As at 31 December 2022/1 January 2023, retained earnings were understated by US$617,172.
- As at 31 December 2023, retained earnings were understated by US$787,748.

D. Corresponding impacts on Statement of Cash flows

For the year ended 31 December 2023:

Operating activities:

- The profit before income tax expense was understated by US$213,220.
- Allowance for expected credit losses were overstated by US$213,220.
- Unwinding of discount was understated by US$213,220.
- Loans and advances to customers were understated by US$213,220.

A summary of the line items effected by the restatements of the comparative information and correction of those errors is as follows:

Consolidated statement of financial position

		31 December 2023				1 January 2023			
	Items	Previously reported	Adjustments	As restated		Previously reported	Adjustments	As restated	
		US$	US$	US$	KHR'000 (Note 2.4.3)	US$	US$	US$	KHR'000 (Note 2.4.3)
ASSETS									
Loans and advances to customers	A	582,247,771	984,685	583,232,456	2,382,504,583	582,611,307	771,465	583,382,772	2,401,786,872
LIABILITIES									
Deferred tax liabilities	B	1,410,111	196,937	1,607,048	6,564,791	781,315	154,293	935,608	3,851,898
EQUITY									
Retained earnings	A, B, C	38,819,211	787,748	39,606,959	161,327,431	38,356,081	617,172	38,973,253	158,722,899

Consolidated statement of profit or loss and other comprehensive income

		2023			
	Items	Previously reported US$	Adjustments US$	As restated US$	As restated KHR'000 (Note 2.4.3)
Allowance for expected credit losses	A	(3,943,765)	213,220	(3,730,545)	(15,332,540)
Income tax expense	B	(1,446,891)	(42,644)	(1,489,535)	(6,121,989)
Profit attributable to:					
Owners of the Bank	A, B	5,156,903	170,576	5,327,479	16,882,491
Non-controlling interest		(65,400)	-	(65,400)	(268,794)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		5,091,503	170,576	5,262,079	16,613,697

Consolidated statement of cash flows

		2023			
	Items	Previously reported US$	Adjustments US$	As restated US$	As restated KHR'000 (Note 2.4.3)
OPERATING ACTIVITIES					
Profit before income tax expense	D	6,538,394	213,220	6,751,614	27,749,134
Adjustments for:					
Allowance for expected credit losses	D	3,943,765	(213,220)	3,730,545	15,332,540
Unwinding of discount	D	-	213,220	213,220	876,334
Changes in operating assets and liabilities:					
Loans and advances to customers	D	(4,884,843)	(213,220)	(5,098,063)	(20,953,039)

NOTES TO THE FINANCIAL STATEMENTS

(for the year ended 31 December 2024)

Separate statement of financial position

		31 December 2023				1 January 2023			
	Items	Previously reported US$	Adjustments US$	As restated US$	As restated KHR'000 (Note 2.4.3)	Previously reported US$	Adjustments US$	As restated US$	As restated KHR'000 (Note 2.4.3)
ASSETS									
Loans and advances to customers	A	582,247,771	984,685	583,232,456	2,382,504,583	582,611,307	771,465	583,382,772	2,401,786,872
LIABILITIES									
Deferred tax liabilities	B	1,433,791	196,937	1,630,728	6,661,525	781,315	154,293	935,608	3,851,898
EQUITY									
Retained earnings	A, B, C	38,857,024	787,748	39,644,772	161,482,842	38,356,081	617,172	38,973,253	158,722,899

Separate statement of profit or loss and other comprehensive income

	2023				
	Items	Previously reported US$	Adjustments US$	As restated US$	As restated KHR'000 (Note 2.4.3)
Allowance for expected credit losses	A	(3,943,765)	213,220	(3,730,545)	(15,332,540)
Income tax expense	B	(1,468,800)	(42,644)	(1,511,444)	(6,212,035)

Separate statement of cash flows

	2023				
	Items	Previously reported US$	Adjustments US$	As restated US$	As restated KHR'000 (Note 2.4.3)
OPERATING ACTIVITIES					
Profit before income tax expense	D	6,663,516	213,220	6,876,736	28,263,385
Adjustments for:					
Allowance for expected credit losses	D	3,943,765	(213,220)	3,730,545	15,332,540
Unwinding of discount	D	-	213,220	213,220	876,334

		2023			
	Items	Previously reported US$	Adjustments US$	As restated US$	As restated KHR'000 (Note 2.4.3)
Changes in operating assets and liabilities:					
Loans and advances to customers	D	(4,884,843)	(213,220)	(5,098,063)	(20,953,037)

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