

ACLEDA BANK PLC.

**CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2024 AND
INDEPENDENT AUDITOR'S REPORT ON FINANCIAL STATEMENTS**

ACLEDA BANK PLC.

**CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2024**

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REPORT OF THE BOARD OF DIRECTORS

The Board of Directors ("the Board" or "the Directors") hereby submits their report together with the consolidated financial statements of ACLEDA Bank Plc. ("the Bank") and its subsidiaries (collectively referred to as "the Group") and the separate financial statements of the Bank as at and for the year ended 31 December 2024 (hereafter collectively referred to as "the financial statements").

THE GROUP AND THE BANK

Prior to 1 December 2003, the Bank was a public limited company formed under the laws of the Kingdom of Cambodia to operate as a specialised bank with its Head Office located in Phnom Penh and 14 branches in the Kingdom of Cambodia. On 1 December 2003, the National Bank of Cambodia ("NBC") issued a license for the Bank to become a private commercial bank for a period of three years commencing 1 December 2003. The Bank's license was renewed for an indefinite period on 28 November 2006. The registered office of the Bank is located at Building N° 61, Preah Monivong Blvd., Sangkat Srah Chak, Khan Doun Penh, Phnom Penh. The Bank may open additional offices in Cambodia and in other countries, and may change the location of its main registered office upon registering the change with the Ministry of Commerce ("MOC") and receiving approval from the NBC.

On 25 May 2020, the Bank was successfully listed in the Cambodia Securities Exchange ("CSX"). The number of new issued shares were 4,344,865 shares with a par value of KHR4,000 (US\$0.98) per share, at an offering price of KHR16,200 (US\$3.97) per share. The Bank received the proceeds from the initial public offering ("IPO") amounting to US\$17,082,105 and incurred IPO costs of US\$1,031,025, resulting in share premium of US\$11,706,215 (KHR48,235,459 thousand).

On 23 November 2020, the shareholders approved the amendment to the Memorandum and Articles of Association ("MAA") relating to the capital increase from the IPO. On 18 February 2021, the Bank submitted a letter to the NBC requesting for its approval on the capital increase, which was approved on 29 March 2021. Accordingly, the Bank's amended MAA was approved by the MOC on 12 May 2021.

The Bank and its subsidiaries, ACLEDA Bank Lao Ltd. ("ABL") and ACLEDA MFI Myanmar Co., Ltd. ("AMM"), are all in the financial industry sector and have operations across 265 offices covering all provinces and cities in the Kingdom of Cambodia, 37 offices in the Lao People's Democratic Republic ("PDR"), and 17 offices in the Republic of the Union of Myanmar. The Bank's other subsidiaries, ACLEDA Securities Plc. ("ACS") is in the securities sector and ACLEDA University of Business Co., Ltd. ("AUB") is in the education sector.

On 7 December 2022, the Securities and Exchange Regulator of Cambodia ("SERC") approved the Bank's request for its nominated Cash Settlement Agent, Registrar Agent, and Transfer Agent, and ACS as the Bond Agent when the Bank issues the green bonds in the CSX. However, there has not been any green bond issued by the Bank yet as of the reporting date.

PRINCIPAL ACTIVITIES

The Bank operates under the regulations of the NBC with special focus on providing lending and other financial services to the citizenry and small and medium-sized enterprises and to engage in all other activities, which the Directors believe support these objectives.

ABL is 99.90% owned by the Bank and its principal business is providing banking and related financial services in Lao PDR.

ACS is wholly-owned by the Bank and its principal business is providing securities brokerage and other services approved by Securities and Exchange Commission of Cambodia ("SECC") (currently, the SERC).

AUB is 76.609% owned by the Bank. AUB provides training and education for Associate's degree, Bachelor's degree, and Master's degree in Business Administration, Major in Banking and Finance.

AMM is wholly-owned by the Bank and is permitted to operate as a deposit-taking microfinance institution providing microfinance services to lower income segments of the Myanmar market and other activities allowed by the Microfinance Supervisory Authority in Myanmar.

FINANCIAL PERFORMANCE

The audited financial performance of the Group and the Bank for the year ended 31 December 2024 are set out in the consolidated statement of profit or loss and other comprehensive income and separate statement of profit or loss and other comprehensive income on pages 12 – 13 and 18, respectively.

Dividends declared and paid for during the year ended 31 December 2024 for the Group and the Bank were US\$14,805,480 (year ended 31 December 2023 for the Group and the Bank: US\$72,695,343).

SHARE CAPITAL AND SHARE PREMIUM

Share capital and share premium are classified as equity. Incremental costs directly attributable to the issuance of new share capital are shown in equity as a deduction from the proceeds, net of tax.

RESERVES AND PROVISIONS

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

BAD AND DOUBTFUL LOANS

Before the financial statements of the Group and the Bank were drawn up, the Directors took reasonable steps to ascertain that action had been taken in relation to the write-off of bad loans and advances or in making provisions for doubtful loans and advances, and satisfied themselves that all known bad loans and advances had been written off and that adequate provisions have been made for bad and doubtful loans and advances.

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

ASSETS

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

At the date of this report and based on the best of knowledge, the Directors are not aware of any circumstances which would render the values attributed to the assets in the financial statements of the Group and the Bank misleading in any material respect.

CONTINGENT AND OTHER LIABILITIES

At the date of this report, there is:

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

No contingent or other liability of the Group and the Bank has 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 Directors, will or may have a material effect on the ability of the Group or the Bank to meet its obligations as and when they become due.

CHANGE OF CIRCUMSTANCES

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

ITEMS OF AN UNUSUAL NATURE

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

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

THE BOARD OF DIRECTORS AND THE EXECUTIVE COMMITTEE

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

- | | |
|----------------------------|--|
| • Mr. Chhay Soeun | Chairman (Non-executive Director) |
| • Dr. In Channy | Member (Executive Director) |
| • Mr. Kyosuke Hattori | Member (Non-executive Director) |
| • Dr. Albertus Bruggink | Member (Non-executive Director) |
| • Mr. Stéphane Mangiavacca | Member (Non-executive Director) |
| • Mr. Kay Lot | Member (Independent Director) (Effective on 7 May 2024, previously served as Non-executive Director) |
| • Drs. Pieter Kooi | Member (Independent Director) |
| • Dr. Heng Dyna | Member (Independent Director) |
| • Ms. Phurik Ratana | Member (Independent Director) |

THE BOARD OF DIRECTORS AND THE EXECUTIVE COMMITTEE (continued)

The members of the Executive Committee during the year and at the date of this report are:

• Dr. In Channy	President & Group Managing Director
• Mrs. Mar Amara	Senior Group Chief Financial Officer
• Mr. Ly Thay	Senior Group Chief Administrative Officer
• Mrs. Buth Bunseyha	Senior Group Chief Legal Officer and Corporate Secretary
• Mr. Mach Theary	Senior Group Chief Information Officer
• Dr. Loeung Sopheap	Group Chief Risk Officer
• Mr. Yin Virak	Group Chief Treasury Officer
• Mrs. Sok Sophea	Group Chief Operations Officer (Effective on 1 August 2024)

THE DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS

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

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

- adopt appropriate accounting policies which are supported by reasonable and prudent judgments and estimates and then apply them consistently;
- comply with the disclosure requirements of CIFRS, or if there have been any departures in the interest of true and fair presentation, these have been appropriately disclosed, explained, and quantified in the financial statements;
- maintain adequate accounting records and an effective system of internal controls;
- prepare the financial statements on a going concern basis unless it is inappropriate to assume that the Group and the Bank will continue operations in the foreseeable future;
- effectively control and direct the Group and the Bank in all material decisions affecting the operations and performance and ascertain that such have been properly reflected in the financial statements; and,
- safeguard the assets of the Group and the Bank and hence take reasonable steps for the prevention and detection of fraud and other irregularities.

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



Mrs. Mar Amara
Senior Group Chief Financial Officer



Dr. In Channy
President & Group Managing Director

Phnom Penh, Kingdom of Cambodia
10 February 2025



APPROVAL OF THE FINANCIAL STATEMENTS

The accompanying financial statements, together with the notes thereto set out on pages 22 to 184, present fairly, in all material respects, the financial position as at 31 December 2024, the financial performance and its cash flows for the year then ended of the Group and the Bank in accordance with IFRS, were approved by the Board of Directors.

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



Mr. Chhay Soeun
Chairman

Phnom Penh, Kingdom of Cambodia
10 February 2025



Independent auditor's report

To the Shareholders of ACLEDA Bank Plc.

Our opinion

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

What we have audited

ACLEDA Bank Plc.'s financial statements comprise:

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

Basis for opinion

We conducted our audit in accordance with Cambodian International Standards on Auditing (CISAs). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated and separate financial statements* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

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

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated and separate financial statements of the current year. We determine one key audit matter: Allowance for impairment losses on loans and advances. This matter was addressed in the context of our audit of the consolidated and separate financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on this matter.

Key audit matter	How our audit addressed the key audit matter
Allowance for impairment losses on loans and advances Loans and advances constitute approximately 64.83% and 64.27% of the Group's and the Bank's total assets, respectively, as at 31 December 2024. The Group's and the Bank's loan portfolio mainly comprises loans and advances to customers (both corporates and individuals) in wholesales and retails, services and agriculture etc. Refer to Note 39.1(d)(ii) for details. The Group's and the Bank's expected credit loss (ECL) models are significant to our audit as this requires the use of complex models and significant assumptions about future economic conditions and credit behaviors. The ECL models require considerable judgement and interpretation in its implementation of the requirements of CIFRS 9, Financial Instruments, which brings about a high degree of estimation uncertainty. The significant judgements in applying the accounting requirements for measuring ECL include the following: • grouping financial assets sharing similar credit risk characteristics for the purposes of measuring ECL; • choosing appropriate models and assumptions to measure ECL;	Our audit procedures included the following: • We updated our understanding, evaluated the design and implementation, and tested the operating effectiveness of the key controls over the allowance for impairment losses. These controls, among others, included: - Loan applications and credit reviews; - Identification of significant increase in credit risk; - Review of the credit worthiness of the borrowers; - Review on frequent refreshment of collateral value; and, - Accuracy of data inputs. • We assessed whether the methodology and assumptions used in the ECL models are consistent with the requirements of CIFRS 9. • We examined samples of loans for the appropriateness of the loan credit risk grading and staging, assessed Management's evaluations and conclusions on the credit worthiness and classification of the selected loans.

Key audit matter	How our audit addressed the key audit matter
Allowance for impairment losses on loans and advances (continued) - Determining criteria for identifying loans to customers that have experienced a significant increase in credit risk (SICR); and, - applying assumptions and analysis on expected future cash flows and forward-looking information; The details of the accounting policies, critical accounting judgements and estimation uncertainty, and credit risk management used by the Group and the Bank have been disclosed in Notes 2(e)(vii), 4 and 39.1 to the financial statements, respectively.	- We evaluated the processes used by Management to develop forward-looking information used in the ECL models and validated their reasonableness against publicly available information and our understanding of the Group's and the Bank's loan portfolios and industry where the Group and the Bank operate. In addition, we assessed the level of significant of correlation of selected macro-economic factors to the default rates as well as the impact of these variables to the ECL. - We tested the accuracy of key inputs into the ECL models by comparing them against source systems and documents. - We recomputed on the sample basis the ECL to test the mathematical accuracy of the ECL models. - We assessed the adequacy of disclosures to ensure compliance with CIFRS 9. From the results of these procedures, we determined that the key assumptions of management's estimate were reasonable based on available evidence.

Other information

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

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

In connection with our audit of the consolidated and separate financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated and separate 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 that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.



Responsibilities of management and those charged with governance for the consolidated and separate financial statements

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

In preparing the consolidated and separate 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 has 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.

Auditor's responsibilities for the audit of the consolidated and separate financial statements

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

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

- Identify and assess the risks of material misstatement of the consolidated and separate 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 auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and the Bank to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate 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 consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for the purposes of the group audit. We remain solely responsible for our audit opinion.

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.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated and separate financial statements of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

For PricewaterhouseCoopers (Cambodia) Ltd.



By Kuy Lim
Partner

Phnom Penh, Kingdom of Cambodia
10 February 2025

ACLEDA BANK PLC.
**CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2024**

		2024 US\$	2023 US\$	2024 KHR'000 (Note 5)	2023 KHR'000 (Notes 5)
	Notes				
ASSETS					
Cash on hand	7	513,942,123	495,793,568	2,068,617,045	2,025,316,725
Deposits and placements with other banks, net	8	1,982,391,662	1,509,543,178	7,979,126,440	6,166,483,882
Financial investments, net	9	471,804,878	357,544,384	1,899,014,634	1,460,568,809
Loans and advances, net	10	7,023,164,104	6,601,665,231	28,268,235,519	26,967,802,469
Other assets	11	31,227,560	32,839,518	125,690,929	134,149,431
Statutory deposits	12	603,852,641	548,627,109	2,430,506,880	2,241,141,740
Property and equipment, net	14	151,527,613	147,746,865	609,898,642	603,545,944
Intangible assets, net	15	16,736,818	10,771,018	67,365,692	43,999,609
Right-of-use assets, net	16	36,146,086	32,410,303	145,487,996	132,396,088
Deferred tax assets	17	788,099	1,352,626	3,172,098	5,525,477
Derivative financial instruments	23	2,250,246	5,746,686	9,057,240	23,475,212
TOTAL ASSETS		<u>10,833,831,830</u>	<u>9,744,040,486</u>	<u>43,606,173,115</u>	<u>39,804,405,386</u>
LIABILITIES AND EQUITY					
LIABILITIES					
Deposits and placements of other banks and financial institutions	18	396,514,351	419,792,620	1,595,970,263	1,714,852,853
Deposits from customers	19	7,962,541,434	6,808,020,419	32,049,229,272	27,810,763,412
Other liabilities	20	103,664,309	85,845,344	417,248,844	350,678,230
Borrowings	21	606,857,875	859,813,550	2,442,602,947	3,512,338,352
Subordinated debts	22	178,762,108	117,053,882	719,517,485	478,165,108
Lease liabilities	24	35,021,748	32,527,687	140,962,536	132,875,601
Employee benefits	25	10,011,062	8,392,621	40,294,525	34,283,857
Current income tax liabilities	32(a)	16,395,760	3,791,516	65,992,934	15,488,343
Deferred tax liabilities	17	33,896,262	26,782,045	136,432,455	109,404,654
TOTAL LIABILITIES		<u>9,343,664,909</u>	<u>8,362,019,684</u>	<u>37,608,251,261</u>	<u>34,158,850,410</u>
EQUITY					
Share capital	26	433,163,019	433,163,019	1,732,652,076	1,732,652,076
Share premium	26	11,706,215	11,706,215	48,235,459	48,235,459
Reserves	37	813,247,864	722,627,638	3,287,544,770	3,005,581,984
Retained earnings		<u>225,917,158</u>	<u>208,502,399</u>	<u>904,805,572</u>	<u>834,487,503</u>
Attributable to owners of the Bank		1,484,034,256	1,375,999,271	5,973,237,877	5,620,957,022
Non-controlling interests		<u>6,132,665</u>	<u>6,021,531</u>	<u>24,683,977</u>	<u>24,597,954</u>
TOTAL EQUITY		<u>1,490,166,921</u>	<u>1,382,020,802</u>	<u>5,997,921,854</u>	<u>5,645,554,976</u>
TOTAL LIABILITIES AND EQUITY		<u>10,833,831,830</u>	<u>9,744,040,486</u>	<u>43,606,173,115</u>	<u>39,804,405,386</u>

The accompanying notes on pages 22 to 184 form an integral part of these financial statements.

ACLEDA BANK PLC.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2024

		2024 US\$	2023 US\$	2024 KHR'000 (Note 5)	2023 KHR'000 (Note 5)
	Notes				
Interest income	27	803,805,805	755,631,085	3,272,293,432	3,105,643,759
Interest expense	28	(344,652,206)	(329,001,434)	(1,403,079,131)	(1,352,195,894)
Net interest income		<u>459,153,599</u>	<u>426,629,651</u>	<u>1,869,214,301</u>	<u>1,753,447,865</u>
Fee and commission income	29	43,297,240	46,678,617	176,263,064	191,849,116
Fee and commission expense		(4,585,834)	(3,957,350)	(18,668,930)	(16,264,709)
Net fee and commission income		<u>38,711,406</u>	<u>42,721,267</u>	<u>157,594,134</u>	<u>175,584,407</u>
Allowance for impairment losses on loans and advances, deposits and placements with other banks, other receivables, and investment securities	10	(75,558,494)	(41,683,690)	(307,598,629)	(171,319,966)
Allowance for impairment losses on off-balance sheet commitments	10	(37,752)	(2,180)	(153,688)	(8,960)
Net impairment losses		<u>(75,596,246)</u>	<u>(41,685,870)</u>	<u>(307,752,317)</u>	<u>(171,328,926)</u>
Income after impairment losses		422,268,759	427,665,048	1,719,056,118	1,757,703,346
Other income, net	30	18,146,429	25,698,536	73,874,112	105,620,983
Other operating expenses	31	(286,669,819)	(269,126,054)	(1,167,032,833)	(1,106,108,082)
Profit before income tax		153,745,369	184,237,530	625,897,397	757,216,247
Income tax expense	32(b)	(32,443,911)	(36,219,105)	(132,079,162)	(148,860,522)
Profit for the year (carried forward to next page)		<u>121,301,458</u>	<u>148,018,425</u>	<u>493,818,235</u>	<u>608,355,725</u>

ACLEDA BANK PLC.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
(CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2024

	Notes	2024 US\$	2023 US\$	2024 KHR'000 (Note 5)	2023 KHR'000 (Note 5)
Profit for the year (brought down from previous page)		<u>121,301,458</u>	<u>148,018,425</u>	<u>493,818,235</u>	<u>608,355,725</u>
Other comprehensive income:					
Items that will not be reclassified to profit or loss:					
Exchange differences		-	-	(87,318,558)	(45,439,046)
Items that are or may be reclassified subsequently to profit or loss:					
Currency translation difference - foreign subsidiaries		5,476,801	(5,835,579)	22,296,057	(23,984,230)
Remeasurement of the effective portion of derivatives arising from cash flow hedge		<u>(3,496,441)</u>	<u>(3,883,907)</u>	<u>(14,234,011)</u>	<u>(15,962,858)</u>
Other comprehensive income/(loss) for the year		<u>1,980,360</u>	<u>(9,719,486)</u>	<u>(79,256,512)</u>	<u>(85,386,134)</u>
Total comprehensive income for the year		<u>123,281,818</u>	<u>138,298,939</u>	<u>414,561,723</u>	<u>522,969,591</u>
Profit for the year attributable to:					
Owners of the Bank		121,194,596	148,054,791	493,383,200	608,505,189
Non-controlling interests		<u>106,862</u>	<u>(36,366)</u>	<u>435,035</u>	<u>(149,464)</u>
		<u>121,301,458</u>	<u>148,018,425</u>	<u>493,818,235</u>	<u>608,355,725</u>
Total comprehensive income attributable to:					
Owners of the Bank		123,170,130	138,336,670	414,107,041	523,124,665
Non-controlling interests		<u>111,688</u>	<u>(37,731)</u>	<u>454,682</u>	<u>(155,074)</u>
		<u>123,281,818</u>	<u>138,298,939</u>	<u>414,561,723</u>	<u>522,969,591</u>
The earnings per share attributable to shareholders of the Bank during the year:					
Basic earnings per share	33	<u>0.28</u>	<u>0.34</u>	<u>1.14</u>	<u>1.40</u>
Diluted earnings per share	33	<u>0.28</u>	<u>0.34</u>	<u>1.14</u>	<u>1.40</u>

The accompanying notes on pages 22 to 184 form an integral part of these financial statements.

ACLEDA BANK PLC.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2024

Attributable to owners of the Bank

	Share capital		Share premium		Reserves		Retained earnings		Total		Non-controlling interest		Total equity	
	US\$	KHR'000 (Notes 5)	US\$	KHR'000 (Notes 5)	US\$	KHR'000 (Notes 5)	US\$	KHR'000 (Note 5)	US\$	KHR'000 (Note 5)	US\$	KHR'000 (Note 5)	US\$	KHR'000 (Note 5)
As at 1 January 2024	433,163,019	1,732,652,076	11,706,215	48,235,459	722,627,638	3,005,581,984	208,502,399	834,487,503	1,375,999,271	5,620,957,022	6,021,531	24,597,954	1,382,020,802	5,645,554,976
Profit for the year	-	-	-	-	-	-	121,194,596	493,383,200	121,194,596	493,383,200	106,862	435,035	121,301,458	493,818,235
Other comprehensive income: Remeasurement of the effective portion of derivatives arising from cash flow hedge	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Currency translation differences - foreign subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total comprehensive income for the year	-	-	-	-	-	-	121,194,596	493,383,200	121,194,596	493,383,200	111,688	454,682	123,281,818	501,880,281
Transactions with owners:	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Additional tax on capital conversion – ABL	-	-	-	-	-	-	(203,428)	(828,155)	(203,428)	(828,155)	(477)	(1,942)	(203,905)	(830,097)
Dividend paid	-	-	-	-	-	-	(14,805,480)	(60,850,524)	(14,805,480)	(60,850,524)	-	-	(14,805,480)	(60,850,524)
Transfer from retained earnings to regulatory reserves	-	-	-	-	-	-	(88,644,692)	(360,872,541)	(88,644,692)	(360,872,541)	-	-	-	-
Additional reassessment tax – ABL	-	-	-	-	-	-	(126,237)	(513,911)	(126,237)	(513,911)	(77)	(313)	(126,314)	(514,224)
Exchange differences	-	-	-	-	-	-	(86,952,154)	-	(86,952,154)	-	-	(366,404)	-	(87,318,558)
Total transactions with owners	-	-	-	-	-	-	(103,779,837)	(423,065,131)	(103,779,837)	(423,065,131)	(554)	(368,659)	(15,135,699)	(149,513,403)
As at 31 December 2024	433,163,019	1,732,652,076	11,706,215	48,235,459	813,247,864	3,287,544,770	225,917,158	904,805,572	1,484,034,256	5,973,237,877	6,132,665	24,683,977	1,490,166,921	5,997,921,854

Attributable to owners of the Bank

	Share capital		Share premium		Reserves		Retained earnings		Total		Non-controlling interest		Total equity	
	US\$	KHR'000 (Note 5)	US\$	KHR'000 (Note 5)	US\$	KHR'000 (Note 5)	US\$	KHR'000 (Note 5)	US\$	KHR'000 (Note 5)	US\$	KHR'000 (Note 5)	US\$	KHR'000 (Note 5)
As at 1 January 2023	433,163,019	1,732,652,076	11,706,215	48,235,459	638,862,248	2,706,552,320	226,856,479	908,250,779	1,310,587,961	5,395,690,634	6,059,859	24,948,440	1,316,647,820	5,420,638,074
Profit for the year	-	-	-	-	-	-	148,054,791	608,505,189	148,054,791	608,505,189	(36,366)	(149,464)	148,018,425	608,355,725
Other comprehensive income: Remeasurement of the effective portion of derivatives arising from cash flow hedge	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Currency translation differences - foreign subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total comprehensive (loss)/income for the year	-	-	-	-	-	-	148,054,791	608,505,189	148,054,791	608,505,189	(1,365)	(5,610)	(5,835,579)	(23,984,230)
Transactions with owners:	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Additional tax on capital conversion – ABL	-	-	-	-	-	-	(230,017)	(945,370)	(230,017)	(945,370)	(597)	(2,454)	(230,614)	(947,824)
Dividend paid	-	-	-	-	-	-	(72,695,343)	(297,105,865)	(72,695,343)	(297,105,865)	-	-	(72,695,343)	(297,105,865)
Transfer from retained earnings to regulatory reserves	-	-	-	-	-	-	(93,483,511)	(384,217,230)	(93,483,511)	(384,217,230)	-	-	-	-
Exchange differences	-	-	-	-	-	-	(45,246,088)	-	(45,246,088)	-	-	(192,958)	-	(45,439,046)
Total transactions with owners	-	-	-	-	-	-	(166,408,871)	(682,268,465)	(166,408,871)	(682,268,465)	(597)	(195,412)	(72,925,957)	(343,482,735)
As at 31 December 2023	433,163,019	1,732,652,076	11,706,215	48,235,459	722,627,638	3,005,581,984	208,502,399	834,487,503	1,375,999,271	5,620,957,022	6,021,531	24,597,954	1,382,020,802	5,645,554,976

The accompanying notes on pages 22 to 184 form an integral part of these financial statements.

ACLEDA BANK PLC.
**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2024**

		2024 US\$	2023 US\$	2024 KHR'000 (Note 5)	2023 KHR'000 (Note 5)
	Notes				
Cash flows from operating activities					
Profit for the year before income tax		153,745,369	184,237,530	625,897,397	757,216,247
<i>Adjustments for:</i>					
Net impairment losses	10	75,596,246	41,685,870	307,752,317	171,328,926
Depreciation of property and equipment	31	25,729,960	23,541,254	104,746,667	96,754,554
Depreciation of right-of-use assets	16	12,910,310	12,227,167	52,557,872	50,253,656
Seniority indemnity benefits	25(a)	10,191,690	9,610,624	41,490,370	39,499,665
Net currency translation differences		5,440,975	(5,245,569)	22,150,209	(21,559,289)
Amortisation of intangible assets	15	4,565,938	2,821,055	18,587,934	11,594,536
Career development expense	25(b)	1,761,433	1,672,985	7,170,794	6,875,968
Pension fund		868,917	860,481	3,537,361	3,536,577
Adjustment in property and equipment		109,701	364,663	446,593	1,498,765
Adjustment in intangible assets		83,830	106,902	341,272	439,367
Reversal of retirement benefits	25	-	(121,300)	-	(498,543)
Dividend income	30	(290,036)	(407,862)	(1,180,737)	(1,676,313)
Gain on disposals of property and equipment and lease	30	(642,177)	(426,746)	(2,614,303)	(1,753,926)
Net monetary loss from hyperinflationary economy		(1,976,080)	-	(8,044,622)	-
Net interest income		<u>(459,153,599)</u>	<u>(426,629,651)</u>	<u>(1,869,214,301)</u>	<u>(1,753,447,865)</u>
Operating loss before changes in working capital		(171,057,523)	(155,702,597)	(696,375,177)	(639,937,675)
<i>Changes in:</i>					
Deposits from customers		1,154,521,015	836,856,117	4,700,055,052	3,439,478,641
Other liabilities		13,262,316	(89,199,747)	53,990,888	(366,610,960)
Other assets		1,758,291	45,777,932	7,158,003	188,147,301
Deposits and placements with other banks		(9,074,258)	11,039,941	(36,941,304)	45,374,158
Deposits and placements from other banks and financial institutions		(23,278,269)	1,966,221	(94,765,833)	8,081,168
Reserve requirement		(55,225,532)	(66,296,116)	(224,823,141)	(272,477,037)
Loans and advances		<u>(497,005,412)</u>	<u>(263,763,061)</u>	<u>(2,023,309,032)</u>	<u>(1,084,066,181)</u>
Cash flows from operations		413,900,628	320,678,690	1,684,989,456	1,317,989,415
Interest received		799,623,334	751,560,355	3,255,266,593	3,088,913,059
Retirement benefits paid		-	(22,464,315)	-	(92,328,335)
Payment for additional reassessment tax for ABL		(126,314)	-	(514,224)	-
Career development benefits paid	25(b)	(764,647)	(3,882,076)	(3,112,878)	(15,955,332)
Pension fund paid		(868,230)	(860,093)	(3,534,564)	(3,534,982)
Seniority benefits paid	25(a)	(9,547,071)	(9,766,773)	(38,866,126)	(40,141,437)
Income tax paid	32(a)	(11,994,913)	(42,669,437)	(48,831,291)	(175,371,386)
Interest paid		<u>(265,513,434)</u>	<u>(218,069,981)</u>	<u>(1,080,905,190)</u>	<u>(896,267,622)</u>
Net cash generated from operating activities (carried forward to next page)		924,709,353	774,526,370	3,764,491,776	3,183,303,380

CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2024

	Notes	2024 US\$	2023 US\$	2024 KHR'000 (Note 5)	2023 KHR'000 (Note 5)
Net cash generated from operating activities (brought down from previous page)		<u>924,709,353</u>	<u>774,526,370</u>	<u>3,764,491,776</u>	<u>3,183,303,380</u>
Cash flows from investing activities					
Proceeds from matured investments		33,317,087	57,185,184	135,633,861	235,031,106
Interest received from investments		4,182,471	4,070,729	17,026,839	16,730,696
Proceeds from disposals of property and equipment		728,720	475,133	2,966,619	1,952,797
Dividends received		290,036	407,862	1,180,737	1,676,313
Purchases of intangible assets	15	(10,304,597)	(2,858,118)	(41,950,015)	(11,746,865)
Purchases of property and equipment	14	(28,888,168)	(31,658,674)	(117,603,732)	(130,117,150)
Purchases of financial investments		(150,832,021)	-	(614,037,157)	-
Net cash (used in)/generated from investing activities		<u>(151,506,472)</u>	<u>27,622,116</u>	<u>(616,782,848)</u>	<u>113,526,897</u>
Cash flows from financing activities					
Proceeds from subordinated debts		83,996,593	14,962,500	341,950,130	61,495,875
Proceeds from borrowings		12,753,898	142,939,167	51,921,119	587,479,976
Payment tax on ABL's capital increase		(203,905)	(230,614)	(830,097)	(947,824)
Payments of lease liabilities (principal)	35	(13,074,037)	(14,205,707)	(53,224,405)	(58,385,456)
Payments of dividends		(14,805,480)	(72,695,343)	(60,850,524)	(297,105,865)
Repayments of subordinated debts		(26,915,401)	(26,000,000)	(109,572,597)	(106,860,000)
Interest paid		(68,991,520)	(70,942,605)	(280,864,478)	(291,574,107)
Repayments of borrowings		(267,353,066)	(244,700,980)	(1,088,394,332)	(1,005,721,028)
Net cash used in financing activities		<u>(294,592,918)</u>	<u>(270,873,582)</u>	<u>(1,199,865,184)</u>	<u>(1,111,618,429)</u>
Net increase in cash and cash equivalents		<u>478,609,963</u>	<u>531,274,904</u>	<u>1,947,843,744</u>	<u>2,185,211,848</u>
Cash and cash equivalents at the beginning of the year		<u>2,279,718,573</u>	<u>1,748,443,669</u>	<u>9,312,650,371</u>	<u>7,198,342,585</u>
Exchange differences		-	-	(158,221,758)	(70,904,062)
Cash and cash equivalents at the end of the year	34	<u><u>2,758,328,536</u></u>	<u><u>2,279,718,573</u></u>	<u><u>11,102,272,357</u></u>	<u><u>9,312,650,371</u></u>

Non-cash investing activities

Non-cash investing activities disclosed in other notes are the purchases of property and equipment (Note 14) and the purchases of intangible assets (Note 15).

Non-cash financing activities

During the year ended 31 December 2024, the Group entered into new lease agreements and recognised right-of-use assets amounting to US\$17,173,328 (31 December 2023: US\$17,886,445), and pre-terminated right-of-use assets and lease liabilities amounting to US\$1,631,785 and US\$1,771,020 (31 December 2023: US\$1,245,468 and US\$1,306,483), respectively, and recognised a gain from pretermination amounting to US\$139,265 (31 December 2023: US\$101,682), which is a non-cash transaction.

The accompanying notes on pages 22 to 184 form an integral part of these financial statements.

ACLEDA BANK PLC.
**SEPARATE STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2024**

		2024 US\$	2023 US\$	2024 KHR'000 (Note 5)	2023 KHR'000 (Notes 5)
	Notes				
ASSETS					
Cash on hand	7	503,459,073	486,584,317	2,026,422,769	1,987,696,935
Deposits and placements with other banks, net	8	1,958,058,129	1,478,882,021	7,881,183,969	6,041,233,056
Financial investments, net	9	471,804,878	357,544,384	1,899,014,634	1,460,568,809
Loans and advances, net	10	6,861,826,011	6,457,043,288	27,618,849,694	26,377,021,831
Other assets	11	28,121,672	31,035,271	113,189,731	126,779,083
Statutory deposits	12	596,402,637	543,302,104	2,400,520,614	2,219,389,095
Investments in subsidiaries	13	91,117,716	91,117,716	366,748,807	372,215,870
Property and equipment, net	14	115,350,609	113,709,160	464,286,201	464,501,919
Intangible assets, net	15	15,145,392	9,829,455	60,960,203	40,153,324
Right-of-use assets, net	16	33,189,075	30,852,413	133,586,027	126,032,107
Derivative financial instruments	23	2,250,246	5,746,686	9,057,240	23,475,212
TOTAL ASSETS		10,676,725,438	9,605,646,815	42,973,819,889	39,239,067,241
LIABILITIES AND EQUITY					
LIABILITIES					
Deposits and placements of other banks and financial institutions	18	372,727,604	386,405,927	1,500,228,606	1,578,468,212
Deposits from customers	19	7,845,298,389	6,715,289,025	31,577,326,016	27,431,955,667
Other liabilities	20	99,709,704	82,983,974	401,331,559	338,989,534
Borrowings	21	598,522,015	843,418,591	2,409,051,110	3,445,364,944
Subordinated debts	22	178,762,108	117,053,882	719,517,485	478,165,108
Lease liabilities	24	32,783,552	30,547,348	131,953,797	124,785,917
Employee benefits	25	9,854,350	8,200,636	39,663,759	33,499,598
Current income tax liabilities	32(a)	14,893,706	2,319,080	59,947,167	9,473,442
Deferred tax liabilities	17	33,896,262	26,782,045	136,432,455	109,404,654
TOTAL LIABILITIES		9,186,447,690	8,213,000,508	36,975,451,954	33,550,107,076
EQUITY					
Share capital	26	433,163,019	433,163,019	1,732,652,076	1,732,652,076
Share premium	26	11,706,215	11,706,215	48,235,459	48,235,459
Reserves	37	841,203,517	765,115,248	3,401,235,494	3,178,952,563
Retained earnings		204,204,997	182,661,825	816,244,906	729,120,067
TOTAL EQUITY		1,490,277,748	1,392,646,307	5,998,367,935	5,688,960,165
TOTAL LIABILITIES AND EQUITY		10,676,725,438	9,605,646,815	42,973,819,889	39,239,067,241

The accompanying notes on pages 22 to 184 form an integral part of these financial statements.

ACLEDA BANK PLC.

SEPARATE STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2024

		2024 US\$	2023 US\$	2024 KHR'000 (Note 5)	2023 KHR'000 (Note 5)
	Notes				
Interest income	27	769,614,221	726,710,020	3,133,099,494	2,986,778,182
Interest expense	28	(335,181,137)	(321,533,128)	(1,364,522,409)	(1,321,501,156)
Net interest income		<u>434,433,084</u>	<u>405,176,892</u>	<u>1,768,577,085</u>	<u>1,665,277,026</u>
Fee and commission income	29	37,665,884	42,205,729	153,337,814	173,465,546
Fee and commission expense		(4,557,808)	(3,858,699)	(18,554,836)	(15,859,253)
Net fee and commission income		<u>33,108,076</u>	<u>38,347,030</u>	<u>134,782,978</u>	<u>157,606,293</u>
Allowance for impairment losses on loans and advances, deposits and placements with other banks, other receivables, and investment securities	10	(74,615,589)	(38,466,607)	(303,760,063)	(158,097,755)
(Allowance for)/reversal of impairment losses on off-balance sheet commitments	10	(23,078)	15,518	(93,951)	63,779
Net impairment losses		<u>(74,638,667)</u>	<u>(38,451,089)</u>	<u>(303,854,014)</u>	<u>(158,033,976)</u>
Income after impairment losses		392,902,493	405,072,833	1,599,506,049	1,664,849,343
Other income, net	30	22,011,472	23,209,381	89,608,703	95,390,556
Other operating expenses	31	(269,341,998)	(256,080,366)	(1,096,491,274)	(1,052,490,304)
Profit before income tax		145,571,967	172,201,848	592,623,478	707,749,595
Income tax expense	32(b)	(29,638,605)	(34,062,571)	(120,658,761)	(139,997,167)
Profit for the year		<u>115,933,362</u>	<u>138,139,277</u>	<u>471,964,717</u>	<u>567,752,428</u>
Other comprehensive income:					
<i>Items that will not be reclassified to profit or loss:</i>					
Exchange differences		-	-	(87,472,412)	(45,805,759)
<i>Item that is or may be reclassified subsequently to profit or loss:</i>					
Remeasurement of the effective portion of derivatives arising from cash flow hedge		(3,496,441)	(3,883,907)	(14,234,011)	(15,962,858)
Other comprehensive loss for the year		<u>(3,496,441)</u>	<u>(3,883,907)</u>	<u>(101,706,423)</u>	<u>(61,768,617)</u>
Total comprehensive income for the year		<u>112,436,921</u>	<u>134,255,370</u>	<u>370,258,294</u>	<u>505,983,811</u>

The accompanying notes on pages 22 to 184 form an integral part of these financial statements.

ACLEDA BANK PLC.

SEPARATE STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2024

	The Bank									
	Share capital		Share premium		Reserves		Retained earnings		Total equity	
	US\$	KHR'000 (Notes 5)	US\$	KHR'000 (Notes 5)	US\$	KHR'000 (Notes 5)	US\$	KHR'000 (Note 5)	US\$	KHR'000 (Note 5)
433,163,019	1,732,652,076		11,706,215	48,235,459	765,115,248	3,178,952,563	182,661,825	729,120,067	1,392,646,307	5,688,960,165
-	-		-	-	-	-	115,933,362	471,964,717	115,933,362	471,964,717
-	-		-	-	(3,496,441)	(14,234,011)	-	-	(3,496,441)	(14,234,011)
-	-		-	-	(3,496,441)	(14,234,011)	115,933,362	471,964,717	112,436,921	457,730,706
Transactions with owners:										
Dividend paid	-		-	-	-	-	(14,805,480)	(60,850,524)	(14,805,480)	(60,850,524)
Transfer from retained earnings to regulatory reserves	-		-	-	79,584,710	323,989,354	(79,584,710)	(323,989,354)	-	-
Exchange differences	-		-	-	-	(87,472,412)	-	-	-	(87,472,412)
-	-		-	-	79,584,710	236,516,942	(94,390,190)	(384,839,876)	(14,805,480)	(148,322,936)
433,163,019	1,732,652,076		11,706,215	48,235,459	841,203,517	3,401,235,494	204,204,997	816,244,906	1,490,277,748	5,998,367,935
The Bank										
	Share capital		Share premium		Reserves		Retained earnings		Total equity	
	US\$	KHR'000 (Note 5)	US\$	KHR'000 (Note 5)	US\$	KHR'000 (Note 5)	US\$	KHR'000 (Note 5)	US\$	KHR'000 (Note 5)
433,163,019	1,732,652,076		11,706,215	48,235,459	676,078,984	2,858,819,277	210,138,062	840,375,407	1,331,086,280	5,480,082,219
-	-		-	-	-	-	138,139,277	567,752,428	138,139,277	567,752,428
-	-		-	-	(3,883,907)	(15,962,858)	-	-	(3,883,907)	(15,962,858)
-	-		-	-	(3,883,907)	(15,962,858)	138,139,277	567,752,428	134,255,370	551,789,570
Transactions with owners:										
Dividend paid	-		-	-	-	-	(72,695,343)	(297,105,865)	(72,695,343)	(297,105,865)
Transfer from retained earnings to regulatory reserves	-		-	-	92,920,171	381,901,903	(92,920,171)	(381,901,903)	-	-
Exchange differences	-		-	-	-	(45,805,759)	-	-	-	(45,805,759)
-	-		-	-	92,920,171	336,096,144	(165,615,514)	(679,007,768)	(72,695,343)	(342,911,624)
433,163,019	1,732,652,076		11,706,215	48,235,459	765,115,248	3,178,952,563	182,661,825	729,120,067	1,392,646,307	5,688,960,165

The accompanying notes on pages 22 to 184 form an integral part of these financial statements.

ACLEDA BANK PLC.

SEPARATE STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2024

		2024 US\$	2023 US\$	2024 KHR'000 (Note 5)	2023 KHR'000 (Note 5)
	Notes				
Cash flows from operating activities					
Profit for the year before income tax		145,571,967	172,201,848	592,623,478	707,749,595
<i>Adjustments for:</i>					
Net impairment losses	10	74,638,667	38,451,089	303,854,014	158,033,976
Depreciation of property and equipment	31	23,827,643	22,044,132	97,002,335	90,601,383
Depreciation of right-of-use assets	16	12,437,143	11,755,148	50,631,609	48,313,658
Seniority indemnity benefits	25(a)	10,010,306	9,448,722	40,751,956	38,834,247
Amortisation of intangible assets	15	4,313,776	2,622,695	17,561,382	10,779,276
Career development expense	25(b)	1,712,055	1,593,047	6,969,776	6,547,423
Unrealised foreign exchange losses		956,837	409,096	3,895,283	1,681,385
Pension fund		853,201	845,959	3,473,381	3,476,891
Adjustment in property and equipment		110,492	364,663	449,813	1,498,765
Adjustment in intangible assets		83,830	106,902	341,272	439,367
Reversal of retirement benefits	25	-	(49,526)	-	(203,551)
Dividend income	30	(290,036)	(407,862)	(1,180,737)	(1,676,313)
Gain on disposals of property and equipment and lease	30	(632,717)	(424,901)	(2,575,791)	(1,746,343)
Net interest income		<u>(434,433,084)</u>	<u>(405,176,892)</u>	<u>(1,768,577,085)</u>	<u>(1,665,277,026)</u>
Operating loss before changes in working capital		(160,839,920)	(146,215,880)	(654,779,314)	(600,947,267)
<i>Changes in:</i>					
Deposits from customers		1,130,009,364	825,855,615	4,600,268,121	3,394,266,578
Other liabilities		14,200,970	(89,314,969)	57,812,149	(367,084,523)
Other assets		2,911,733	46,480,053	11,853,665	191,033,018
Deposits and placements with other banks		(10,065,228)	12,468,670	(40,975,543)	51,246,234
Deposits and placements of other banks and financial institutions		(13,678,323)	(4,205,717)	(55,684,453)	(17,285,497)
Reserve requirement		(53,100,533)	(63,746,028)	(216,172,270)	(261,996,175)
Loans and advances		<u>(479,559,725)</u>	<u>(249,381,778)</u>	<u>(1,952,287,640)</u>	<u>(1,024,959,108)</u>
Cash flows from operations		429,878,338	331,939,966	1,750,034,715	1,364,273,260
Interest received		765,431,750	722,639,291	3,116,072,654	2,970,047,486
Retirement benefits paid		-	(21,920,036)	-	(90,091,348)
Career development benefits paid	25(b)	(678,925)	(3,882,076)	(2,763,904)	(15,955,332)
Pension fund paid		(852,589)	(845,679)	(3,470,890)	(3,475,741)
Seniority benefits paid	25(a)	(9,379,133)	(9,609,515)	(38,182,450)	(39,495,107)
Income tax paid	32(a)	(9,949,762)	(41,131,732)	(40,505,481)	(169,051,419)
Interest paid		<u>(259,051,762)</u>	<u>(212,987,464)</u>	<u>(1,054,599,723)</u>	<u>(875,378,477)</u>
Net cash generated from operating activities (carried forward to next page)		<u>915,397,917</u>	<u>764,202,755</u>	<u>3,726,584,921</u>	<u>3,140,873,322</u>

ACLEDA BANK PLC.

SEPARATE STATEMENT OF CASH FLOWS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2024

	Notes	2024 US\$	2023 US\$	2024 KHR'000 (Note 5)	2023 KHR'000 (Note 5)
Net cash generated from operating activities (brought down from previous page)		<u>915,397,917</u>	<u>764,202,755</u>	<u>3,726,584,921</u>	<u>3,140,873,322</u>
Cash flows from investing activities					
Proceeds from matured investments		33,317,087	57,185,184	135,633,861	235,031,106
Interest received from investments		4,182,471	4,070,729	17,026,839	16,730,696
Proceeds from disposals of property and equipment		712,377	465,316	2,900,087	1,912,449
Dividend received		290,036	407,862	1,180,737	1,676,313
Purchases of intangible assets	15	(9,769,895)	(2,238,497)	(39,773,243)	(9,200,223)
Purchases of property and equipment	14	(25,574,652)	(29,856,118)	(104,114,408)	(122,708,645)
Purchases of financial investments		<u>(150,832,021)</u>	<u>-</u>	<u>(614,037,157)</u>	<u>-</u>
Net cash (used in)/generated from investing activities		<u>(147,674,597)</u>	<u>30,034,476</u>	<u>(601,183,284)</u>	<u>123,441,696</u>
Cash flows from financing activities					
Proceeds from subordinated debts		83,996,593	14,962,500	341,950,130	61,495,875
Proceeds from borrowings		10,000,000	132,955,273	40,710,000	546,446,172
Payments of lease liabilities (principal)	35	(12,375,111)	(13,521,708)	(50,379,077)	(55,574,220)
Payments of dividends		(14,805,480)	(72,695,343)	(60,850,524)	(297,105,865)
Repayments of subordinated debts		(26,915,401)	(26,000,000)	(109,572,597)	(106,860,000)
Interest paid		(67,799,759)	(69,898,383)	(276,012,819)	(287,282,354)
Repayments of borrowings		<u>(257,123,440)</u>	<u>(238,660,802)</u>	<u>(1,046,749,524)</u>	<u>(980,895,896)</u>
Net cash used in financing activities		<u>(285,022,598)</u>	<u>(272,858,463)</u>	<u>(1,160,904,411)</u>	<u>(1,119,776,288)</u>
Net increase in cash and cash equivalents		<u>482,700,722</u>	<u>521,378,768</u>	<u>1,964,497,226</u>	<u>2,144,538,730</u>
Cash and cash equivalents at the beginning of the year		<u>2,240,749,214</u>	<u>1,719,370,446</u>	<u>9,153,460,539</u>	<u>7,078,648,126</u>
Exchange differences		<u>-</u>	<u>-</u>	<u>(156,071,773)</u>	<u>(69,726,317)</u>
Cash and cash equivalents at the end of the year	34	<u>2,723,449,936</u>	<u>2,240,749,214</u>	<u>10,961,885,992</u>	<u>9,153,460,539</u>

Non-cash investing activities

Non-cash investing activities disclosed in other notes are the purchases of property and equipment (Note 14) and the purchases of intangible assets (Note 15).

Non-cash financing activities

During the year ended 31 December 2024, the Bank entered into new lease agreements and recognised right-of-use assets amounting to US\$16,373,362 (31 December 2023: US\$17,331,167), and pre-terminated right-of-use assets and lease liabilities amounting to US\$1,633,217 and US\$1,755,926 (31 December 2023: US\$1,244,938 and US\$1,324,238), respectively, and recognised gain from pretermination amounting to US\$122,709 (31 December 2023: US\$76,783), which is a non-cash transaction.

The accompanying notes on pages 22 to 184 form an integral part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2024**

1. BACKGROUND INFORMATION

Prior to 1 December 2003, ACLEDA Bank Plc. (“ABC” or “the Bank”) was a public limited company formed under the Laws of the Kingdom of Cambodia to operate as a specialised bank with a Head Office located in Phnom Penh and 14 branches in the Kingdom of Cambodia. On 1 December 2003, the National Bank of Cambodia (“NBC”) issued a license for the Bank to become a private commercial bank for a period of three years commencing 1 December 2003. The Bank’s license was renewed for an indefinite period on 28 November 2006. On 25 May 2020, the Bank was successfully listed on the Cambodia Securities Exchange (“CSX”).

On 7 December 2022, the Securities and Exchange Regulator of Cambodia (“SERC”) approved the Bank’s request for its nominated Cash Settlement Agent, Registrar Agent, Transfer Agent, and ACLEDA Securities Plc. (“ACS”), a wholly-owned subsidiary of the Bank, as the Bond Agent when the Bank issues the green bonds in the CSX. However, there has not been any green bond issued by the Bank yet as of the reporting date.

The registered office of the Bank is located at Building N° 61, Preah Monivong Blvd., Sangkat Srah Chak, Khan Doun Penh, Phnom Penh.

The Bank operates under the supervision of the NBC with special focus on providing lending and other financial services to the citizenry and small and medium-sized enterprises and to engage in all other activities, which the Board of Directors believes support these objectives.

The Bank and its four subsidiaries (collectively referred to as “the Group”) are operating in the Kingdom of Cambodia, Lao People’s Democratic Republic (“PDR”) and the Republic of the Union of Myanmar. The principal activities of the subsidiaries are disclosed in Note 13 to the financial statements. Currently, the Group has 265 offices covering all provinces and cities in the Kingdom of Cambodia, 37 offices in the Lao PDR, and 17 offices in the Republic of the Union of Myanmar.

As at 31 December 2024, the Group and the Bank have 13,454 and 11,971 employees, respectively (31 December 2023: 13,503 and 12,045 employees, respectively).

The consolidated and separate financial statements as at and for the year ended 31 December 2024 were approved and authorised for issue by the Board of Directors on 10 February 2025.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES

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

(a) Basis of preparation and presentation

The financial statements of the Group and the Bank have been prepared in accordance with Cambodian International Financial Reporting Standards (“CIFRS”). The consolidated and separate financial statements have been prepared on a historical cost basis, except for items which are not prepared under the historical cost basis such as:

- Financial instruments, including derivatives, which are valued at fair value.
- The application of CIAS 29 ‘Financial Reporting in Hyperinflationary Economies’ for the Group’s entity reporting in Lao Kip (LAK).

The preparation of financial statements in conformity with CIFRS requires the use of certain critical accounting estimates. It also requires the Board of Directors to exercise judgment in the process of applying the Group’s and the Bank’s accounting policies. Areas involving a higher degree of judgment or complexity, or areas where assumptions and estimations are significant to the financial statements are disclosed in Note 4. In addition to the consolidated financial statements, the Bank prepares separate financial statements in accordance with the decision of the Board of Directors considering the Bank’s balances constitute a substantial portion out of the Group’s balances making the separate financial statements material for users’ decision-making processes.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2024

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

(a) Basis of preparation and presentation (continued)

The Group and the Bank present the statement of financial position based on liquidity. Generally, assets and liabilities expected to be recovered or settled over twelve months after the reporting period are considered as non-current assets and non-current liabilities, respectively.

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

(b) Adoption of amended accounting standards

(i) Amended accounting standards effective during the year

The Group and the Bank adopted all accounting standards and interpretations as at 31 December 2024. The amended accounting standards assessed to be applicable and have no material impact to the Group's and the Bank's financial statements are as follow:

- Classification of Liabilities as Current or Non-current (Amendments to CIAS 1)

The amendments in Classification of Liabilities as Current or Non-current (Amendments to CIAS 1) affect only the presentation of liabilities in the statement of financial position — not the amount or timing of recognition of any asset, liability, income or expenses, or the information that entities disclose about those items.

The classification of liabilities as current or non-current should be based on rights that are in existence at the end of the reporting period and align the wording in all affected paragraphs to refer to the “right” to defer settlement by at least twelve months and make explicit that only rights in place “at the end of the reporting period” should affect the classification of a liability; clarify that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability; and make clear that settlement refers to the transfer to the counterparty of cash, equity instruments, other assets or services.

- Non-current Liabilities with Covenants (Amendments to CIAS 1)

Modify the requirements introduced by Classification of Liabilities as Current or Non-current on how an entity classifies debt and other financial liabilities as current or non-current in particular circumstances: Only covenants with which an entity is required to comply on or before the reporting date affect the classification of a liability as current or non-current. In addition, an entity has to disclose information in the notes that enables users of financial statements to understand the risk that non-current liabilities with covenants could become repayable within twelve months.

(ii) Amended accounting standards, which are not yet effective and not early adopted

Certain new accounting standards and amendments to accounting standards have been published that are not mandatory for 31 December 2024 reporting periods and have not been early adopted by the Group and the Bank.

- Amendments to CIAS 21 – Lack of Exchangeability (effective for annual periods beginning on or after 1 January 2025)
- Amendments to the Classification and Measurement of Financial Instruments – Amendments to CIFRS 9 and CIFRS 7 (effective for annual periods beginning on or after 1 January 2026)
- CIFRS 18 — Presentation and Disclosure in Financial Statements (effective for annual periods beginning on or after 1 January 2027)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

(b) Adoption of amended accounting standards (continued)

(ii) Amended accounting standards, which are not yet effective and not early adopted (continued)

The Group and the Bank do not expect that the adoption of the amendments to the accounting standards listed above will have a material impact on the financial statements of the Group and the Bank in future periods.

(c) Consolidation

(i) Subsidiaries

Subsidiaries are all entities over which the Bank has control. The Bank controls an entity when the Bank is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct relevant activities of the entity.

The consolidated financial statements include the financial statements of the Bank and all its subsidiaries made up to the end of the financial year.

Subsidiaries are consolidated from the date on which control is transferred to the Bank and deconsolidated from the date that control ceases.

All material transactions and balances between each of the Group's entities are eliminated and the consolidated financial statements reflect external transactions only. Where necessary, the accounting policies of subsidiaries have been changed to ensure consistency with the policies adopted by the Group.

(ii) Investments in subsidiaries

In the Bank's separate financial statements, investments in subsidiaries are carried at cost less any accumulated impairment losses. On disposal of investments in subsidiaries, the difference between disposal proceeds and the carrying amounts of investments are recognised in the separate statement of profit or loss and other comprehensive income.

The amounts due from subsidiaries of which the Bank does not expect repayment in foreseeable future are considered as part of the Bank's investments in subsidiaries.

(iii) Changes in ownership interests in subsidiaries without change of control

Transactions with non-controlling interests ("NCI") that do not result in loss in control are accounted for as equity transactions that is, as transactions with the owners in their capacity as owners. For purchases from NCI, the difference between any consideration paid and the relevant share in the carrying value of net assets of the subsidiary acquired is deducted from equity. For disposals to NCI, the difference between any proceeds received and the relevant share in NCI are also recognised in equity.

(iv) Non-controlling interests

NCI is measured initially at their proportionate share of the acquiree's identifiable net assets at the date of acquisition.

Changes in Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2024

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

(c) Consolidation (continued)

(iv) Non-controlling interests (continued)

An entity has a choice on a combination-by-combination basis to measure any NCI in the acquiree at either the proportionate share of the acquiree's identifiable net assets or fair value. The Group has elected to maintain the former approach.

NCI in subsidiaries is identified separately from the Group's equity therein. Subsequent to acquisition, the carrying amount of NCI is the amount of those interests at initial recognition plus the NCI's share of subsequent changes in equity.

(v) Hyperinflation accounting

The Group applied hyperinflation accounting to its operations in Lao PDR.

The three-year cumulative inflation in Lao PDR exceeded 100% in 2024. As a result, hyperinflation accounting was applied for the year ended 31 December 2024 to the Group's operations in Lao PDR.

The Group's consolidated financial statements include the results and financial position of its operations in Lao PDR, restated to the measuring unit current at the end of the period. Net monetary gain/(loss) is presented within 'other income' line item in profit or loss.

In the Group's consolidated financial statements, all amounts in the subsidiary's financial statements (assets, liabilities, equity items, income and expenses) are translated at the closing rate at the date of the most recent statement of financial position. Comparative amounts presented in a stable currency are not adjusted for subsequent changes in the price level or exchange rates.

In the reporting period in which the Group identifies the existence of hyperinflation, CIAS 29 Financial Reporting in Hyperinflationary Economies needs to be applied as if Lao PDR had always been a hyperinflationary economy. When CIAS 29 is first applied, a difference arises between:

- the reported closing equity at 31 December 2023 (which is translated using the closing rate at 31 December 2023), and
- the opening equity at 1 January 2024 (which is restated to the measuring unit current as of 31 December 2024 and translated using the closing rate at 31 December 2024).

The Group recognises the difference in other comprehensive income as a net translation adjustment.

When applying CIAS 29 on an ongoing basis, the Group presents the combined effect of restating in accordance with CIAS 29 and translation according to CIAS 21 as a net change in other comprehensive income.

The price index used for the application of hyperinflation accounting was the Consumer Price Index published by the Bank of the Lao PDR. The movement in the Consumer Price Index for the year ended 31 December 2024 was 243.52% (2023: 208.37%).

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2024

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

(d) Foreign currency translation

(i) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The financial statements are presented in United States Dollar ("US\$"), which is the Group's and the Bank's functional and presentation currency.

(ii) Transactions and balances

Transactions in currencies other than US\$, with the exception of the Group's Lao Kip operation which is subject to hyperinflation accounting and explained above, are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in currencies other than US\$ are recognised in the statement of profit or loss and other comprehensive income.

(iii) Group's companies

The results and financial position of foreign operations (except those whose functional currency is the currency of a hyperinflationary economy) that have a functional currency different from the Bank's presentation currency are translated into the presentation currency as follows:

- a) assets and liabilities for each statement of financial position presented are translated using the closing rate at the end of the reporting period;
- b) income and expenses for each statement of profit or loss and other comprehensive income presented are translated using the average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case, income and expenses are translated at the rate on the dates of the transactions); and,
- c) all resulting exchange differences are recognised as a separate component of equity.

On consolidation, exchange differences arising from the translation of any net investment in foreign operations are recognised in other comprehensive income. When a foreign operation is partially disposed of or sold, exchange differences are reclassified to the statement of profit or loss and other comprehensive income as gain or loss on sale.

The results and financial position of an entity whose functional currency is the currency of a hyperinflationary economy are translated into the presentation currency as follows:

- All amounts (assets, liabilities, equity items, income and expenses are translated at the closing rate at the date of the most recent statement of financial position.
- When amounts are translated into the currency of a non-hyperinflationary economy, comparative amounts are those that were presented as current year amounts in the relevant prior year financial statements (not adjusted for subsequent changes in the price level or subsequent changes in exchange rates).

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

(e) Financial assets and financial liabilities

(i) Recognition and initial measurement

The Group and the Bank initially recognise loans and advances, deposits and placements with other banks, borrowings and subordinated debts on the date on which they are originated. All other financial instruments (including regular-way purchases and sales of financial assets) are recognised on the trade date, which is the date 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 and loss ("FVTPL"), transaction costs that are directly attributable to its acquisition or issue.

(ii) Classification

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

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as 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 'solely payments of principal and interest' ("SPPI").

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

- the asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the 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 investment that is not held for trading, the Group and the Bank may irrevocably elect to present subsequent changes in fair value in other comprehensive income. This election is made on an investment-by-investment basis. However, the Group and the Bank have not made such election.

All other financial assets are classified as FVTPL. As at the reporting date, the Group and the Bank do not have financial assets classified as 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, FVOCI, or 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 the 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;

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

(e) Financial assets and financial liabilities (continued)

(ii) Classification (continued)

Business model assessment (continued)

- 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 on 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 the financial assets.

Assessment of whether contractual cash flows are SPPI

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

In assessing whether the contractual cash flows are SPPI, the 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).

The Group and the Bank hold a portfolio of long-term fixed-rate loans for which the Group and the Bank have the option to propose to revise the interest rate at periodic reset dates. These reset rights are limited to the market rate at the time of revision in which the Group and the Bank have an option to either accept the revised rate or redeem the loan at par without penalty. The Group and the Bank have determined that the contractual cash flows of these loans are SPPI because the option varies with the interest rate in consideration for the time value of money, credit risk, and other basic lending risks and costs associated with the principal amount outstanding.

Non-recourse loans

In some cases, loans made by the Group and the Bank that are secured by collateral from 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:

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

(e) Financial assets and financial liabilities (continued)

(ii) Classification (continued)

Non-recourse loans (continued)

- 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 change its business model for managing financial assets.

Financial liabilities

The Group and the Bank classify its financial liabilities, other than financial guarantees and loan commitments, either at amortised cost or FVTPL. As at the reporting date, the Group and the Bank do not have financial liabilities classified as FVTPL.

(iii) 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 [see also Note 2 (e) (iv)], 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 do 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 other comprehensive income is recognised in profit or loss.

Any cumulative gain/loss recognised in other comprehensive income in respect of equity investment securities designated as FVOCI is not recognised in profit or loss on derecognition of such securities. Any interests in transferred financial assets that qualify for derecognition that is created or retained by the Group and the Bank are recognised as a separate asset or liability.

Financial liabilities

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

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

(e) Financial assets and financial liabilities (continued)

(iv) Modifications of financial assets and financial liabilities

Financial assets

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

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

If the cash flows are substantially different, then the contractual rights to cash flows from the original financial asset are deemed to have expired. In this case, the original financial asset is derecognised [see Note 2 (e) (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 or 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 or the Bank plan 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 Note 2 (e) (vii) 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 recalculate the gross carrying amount of the financial asset using the original effective interest rate of the asset and recognise the resulting adjustment as a modification gain or loss in profit or 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 difficulty of the borrower [see Note 2(e) (vii)] 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 method [see Note 2(q)].

Financial liabilities

The Group and the Bank derecognise 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 or loss. Consideration paid includes non-financial assets transferred, if any, and the assumption of liabilities, including the new modified financial liability.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

(e) Financial assets and financial liabilities (continued)

(iv) Modifications of financial assets and financial liabilities (continued)

Financial liabilities (continued)

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 or 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.

(v) 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 or the Bank currently has a legally enforceable 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 CIFRS, or for gains and losses arising from a group of similar transactions such as in the Group's and the Bank's trading activity.

(vi) 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 have access at that date. The fair value of a liability reflects its non-performance risk.

The fair value of a financial liability with a demand feature (e.g. 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 recognise transfers between levels of the fair value hierarchy as of the end of the reporting period during which the change has occurred.

(vii) Impairment

The Group and the Bank recognise loss allowances for the expected credit loss ("ECL") on the following financial instruments that are not measured at FVTPL:

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

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

- debt investment securities that are determined to have low credit risk at the reporting date; and
- other financial instruments (other than loans and advances) on which credit risk has not increased significantly since their initial recognition.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

(e) Financial assets and financial liabilities (continued)

(vii) Impairment (continued)

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

The Group and the Bank consider a debt investment security to have low credit risk when its credit risk rating is equivalent to the globally understood definition of 'investment grade'. The Group and the Bank do not apply the low credit risk exemption to any other financial instruments.

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

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

Measurement of ECL

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

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

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

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

LGD is the magnitude of the likely loss if there is a default. LGD is defined as the percentage of exposure the Group and the Bank might lose in case the customer defaults. These losses are usually shown as a percentage of EAD, and depend, amongst others, on the type and amount of collaterals as well as the type of customers and the expected recovery from the customers.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

(e) Financial assets and financial liabilities (continued)

(vii) *Impairment (continued)*

Measurement of ECL (continued)

With updates of collateral value from time to time, the Group and the Bank take collateral value into LGD calculation for ECL computation. In the event of over-collateralised, a floor LGD shall be applied for ECL calculation.

EAD is simply the amount outstanding at the point of default. However, EAD is different following the natures of products:

- Amortised facilities: the current amount allowed under the contract and arising from amortisation
- Revolving facilities: utilisation rate
- Off-balance sheet: credit conversion factors

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 or terminate a commitment or guarantee.

However, for credit card facilities that include both a loan and an undrawn commitment component, the Group and the Bank measure ECL over a period longer than the maximum contractual period if the Group's and the Bank's contractual ability to demand repayment and cancel the undrawn commitment does not limit the Group's and the Bank's exposure to credit losses to the contractual notice period. These facilities do not have a fixed term or repayment structure and are managed on a collective basis. The Group and the Bank can cancel them with immediate effect but this contractual right is not enforced in the normal day-to-day management, but only when the Group and the Bank become aware of an increase in credit risk at the facility level. This longer period is estimated taking into account the credit risk management actions that the Group and the Bank expect to take to mitigate ECL. These include a reduction in limits, cancellation of the facility and/or turning the outstanding balance into a loan with fixed repayment terms.

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 [see Note 2 (e) (iv)] and ECL is 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, if any) 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.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

(e) Financial assets and financial liabilities (continued)

(vii) Impairment (continued)

Credit-impaired financial assets (continued)

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

- material 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 Group and the Bank on terms that the Group and the Bank would not consider otherwise;
- it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or,
- the disappearance of an active market for a security because of financial difficulties.

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

Presentation of allowance for ECL in the statement of financial position

The Group and the Bank present loss allowances for ECL in the statement of financial position as follows:

- financial assets measured at amortised cost: as a deduction from the gross carrying amount of the assets;
- loan commitments and financial guarantee contracts: generally, as a provision;
- where a financial instrument includes both a drawn and an undrawn component, and the Group and the Bank cannot identify the ECL on the loan commitment component separately from those on the drawn component: the Group and the Bank present a combined loss allowance for both components. The combined amount is presented as a deduction from the gross carrying amount of the drawn component. Any excess of the loss allowance over the gross amount of the drawn component is presented as a provision; and,
- debt instruments measured at FVOCI: no loss allowance is recognised in the statement of financial position because the carrying amount of these assets is their fair value.

Write-off

Loans and debt securities 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 the statement of profit or loss and other comprehensive income.

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

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

(e) Financial assets and financial liabilities (continued)

(vii) *Impairment (continued)*

Non-integral financial guarantee contracts

The Group and the Bank assess whether a financial guarantee contract held is an integral element of a financial asset that is accounted for as a component of that instrument or is a contract that is accounted for separately. The factors that the Group and the Bank consider when making this assessment include whether:

- the guarantee is implicitly part of the contractual terms of the debt instrument;
- the guarantee is required by laws and regulations that govern the contract of the debt instrument;
- the guarantee is entered into at the same time as and in contemplation of the debt instrument; or,
- the guarantee is given by the parent of the borrower or another company within the borrower's group.

If the Group and the Bank determine that the guarantee is an integral element of the financial asset, then any premium payable in connection with the initial recognition of the financial asset is treated as a transaction cost of acquiring it. The Group and the Bank consider the effect of the protection when measuring the fair value of the debt instrument and when measuring ECL.

If the Group or the Bank determines that the guarantee is not an integral element of the debt instrument, then it recognises an asset representing any prepayment of guarantee premium and a right to compensation for credit losses. A prepaid premium asset is recognised only if the guaranteed exposure is neither credit-impaired nor has undergone a significant increase in credit risk ("SICR") when the guarantee is acquired. These assets are recognised in 'Other assets'. The Group and the Bank present gains or losses on the compensation outright in profit or loss as 'Impairment losses on financial instruments'.

(viii) *Derivative financial instruments*

The Group and the Bank enter into a variety of derivative financial instruments to manage its exposure to interest rate through interest rate swaps. The use of financial derivatives is governed by the Group's and the Bank's policies approved by the Board of Directors, which provide written principles on the use of financial derivatives.

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to their fair value at each reporting date. The resulting gain/loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship.

A derivative with a positive fair value is recognised as a financial asset whereas a derivative with a negative fair value is recognised as a financial liability. Derivatives are not offset in the financial statements unless the Group and the Bank have both the legal right and the intention to offset.

(ix) *Hedge accounting*

The Group and the Bank designate certain derivatives as hedging instruments in respect of foreign currency risk and interest rate risk in fair value hedges, cash flow hedges, or hedges of net investments in foreign operations, as appropriate. Hedges of interest rate risk on firm commitments are accounted for as cash flow hedges. The Group and the Bank do not apply fair value hedge accounting on portfolio hedges of interest rate risk.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2024

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

(e) Financial assets and financial liabilities (continued)

(ix) Hedge accounting (continued)

At the inception of the hedge relationship, the Group and the Bank document the relationship between the hedging instrument and the hedged item, along with the risk management objectives and strategy for undertaking various hedge transactions. Furthermore, at the inception of the hedge and on an ongoing basis, the Group and the Bank document whether the hedging instrument is effective in offsetting changes in fair values or cash flows of the hedged item attributable to the hedged risk, which is when the hedging relationship meets all of the following hedge effectiveness requirements:

- there is an economic relationship between the hedged item and the hedging instrument;
- the effect of credit risk does not dominate the value changes that result from that economic relationship; and,
- the hedge ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item that the Group and the Bank actually hedge and the quantity of the hedging instrument that the Group and the Bank actually use to hedge that quantity of hedged item.

The Group and the Bank rebalance a hedging relationship in order to comply with the hedge ratio requirements, when necessary.

If a hedging relationship ceases to meet the hedge effectiveness requirement relating to the hedge ratio but the risk management objective for that designated hedging relationship remains the same, the Group and the Bank adjust the hedge ratio of the hedging relationship (i.e. rebalances the hedge) so that it meets the qualifying criteria again.

As at the reporting date, the Group and the Bank only have cash flow hedges for its interest rate swap agreements.

The effective portion of changes in the fair value of derivatives and other qualifying hedging instruments that are designated and qualify as cash flow hedges is recognised in the Group's and the Bank's retained earnings, but limited to the cumulative change in fair value of the hedged item from the inception of the hedge less any amounts recycled to profit or loss.

Amounts previously recognised in other comprehensive income and accumulated in equity are reclassified to profit or loss in the period when the hedged item affects profit or loss and in the same line as the recognised hedged item. If the Group and the Bank no longer expect the transaction to occur, that amount is immediately reclassified to profit or loss.

The Group and the Bank discontinue hedge accounting only when the hedging relationship (or a part thereof) ceases to meet the qualifying criteria (after rebalancing, if applicable). This includes instances when the hedging instrument expires or is sold, terminated or exercised, or where the occurrence of the designated hedged forecast transaction is no longer considered to be highly probable. The discontinuation is accounted for prospectively. Any gain/loss recognised in other comprehensive income and accumulated in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in profit or loss. When a forecast transaction is no longer expected to occur, the gain/loss accumulated in equity is reclassified and recognised immediately in profit or loss.

(f) Cash and cash equivalents

Cash and cash equivalents consist of cash on hand and deposits and placements with other banks with original terms 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.

Cash and cash equivalents are carried at amortised cost in the statement of financial position.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

(g) Financial investments

The 'Financial investments' caption in the statement of financial position may include:

- debt investment securities measured at amortised cost; these are initially measured at fair value plus incremental direct transaction costs, and subsequently at their amortised cost using the effective interest method; and
- equity investment securities designated as FVOCI.

For debt securities measured at FVOCI, gains and losses are recognised in other comprehensive income, except for the following, which are recognised in profit or loss in the same manner as with the financial assets measured at amortised cost:

- interest revenue using the effective interest method;
- ECL and reversals; and,
- foreign exchange gains and losses.

When debt security measured at FVOCI is derecognised, the cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss.

The Group and the Bank elect to present in other comprehensive income the changes in the fair value of certain investments in equity instruments that are not held for trading. The election is made on an instrument-by-instrument basis on initial recognition and is irrevocable.

Gains and losses on such equity instruments are never reclassified to profit or loss and no impairment is recognised in profit or loss. Dividends are recognised in profit or loss unless they clearly represent a recovery of part of the cost of the investment, in which case they are recognised in other comprehensive income. Cumulative gains and losses recognised in other comprehensive income are transferred to retained earnings on disposal of an investment.

(h) Share capital and share premium

Share capital and share premium are classified as equity.

Share capital represents the nominal (par) value of shares that have been issued. Other shares, if any, 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.

Share premium includes any premiums received on the issuance of share capital. Incremental costs directly attributable to the issuance of new share capital are shown in equity as a deduction from the proceeds, net of tax.

(i) Earnings per share

Basic earnings per share ("EPS") is determined by dividing the adjusted net profit for the year attributable to common shareholders by the weighted average number of common stocks outstanding during the year, after giving retroactive effect to any stock dividends declared in the current year.

Diluted EPS is also computed by dividing net profit by the weighted average number of common stocks subscribed and issued during the year. However, net profit attributable to common stocks and the weighted average number of common stocks outstanding are adjusted to reflect the effects of all the dilutive potential common stocks into common stocks. Currently, there are no potentially dilutive common stocks.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
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2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

(j) Property and equipment

Property and equipment are stated at cost less accumulated depreciation and accumulated impairment losses. Cost includes expenditure that is directly attributable to the acquisition of items of property and equipment. The cost of an item of property and equipment comprises:

- its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates; and,
- any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by the Management.

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

The cost of any self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the assets to a working condition for their intended use, costs of dismantling and removing the items and restoring the site on which they are located, and borrowing costs on qualifying assets.

Land is not depreciated. The other items of property and equipment are depreciated on a straight-line basis to write off the cost of these assets to their residual values over their estimated useful lives as follows:

Classes	Years
Land improvement	3 to 20
Building and improvement	3 to 20
Leasehold improvement*	3 to 5
Office equipment	3 to 15
Computer equipment	3 to 7
Motor vehicles	3 to 8

* *Leasehold improvements are depreciated over the shorter of its economic useful life (3 to 5 years) or the term of the relevant lease.*

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

Depreciation on assets under construction commences when the assets are ready for their intended use.

Items of property and equipment are reviewed for indication of impairment at each reporting date and whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down to its recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount and are included in profit or loss in the line item 'Other income, net'.

(k) Intangible assets

Intangible assets include acquired computer software licenses and related costs. An intangible asset is recognised only when its cost can be measured reliably and it is probable that the expected future economic benefits that are attributable to it will flow to the Group and the Bank.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2024

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

(k) Intangible assets (continued)

Intangible assets are stated at historical cost less accumulated amortisation and accumulated impairment losses, if any. Intangible assets are amortised using the straight-line method over their estimated useful lives. The useful life of computer software is from three to seven years except for the license of core banking system which has useful life of ten years.

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from its use. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised. Costs associated with maintaining computer software are recognised as expenses when incurred.

(l) Impairment of non-financial assets

Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and its value in use.

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at each reporting date. Impairment losses are recognised in the statement of profit or loss and other comprehensive income.

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

(m) Reserves

Reserves comprise of general reserves, regulatory reserves, hedging reserve and other reserves.

The general reserves are set up for any overall financial risk. The Board of Directors exercises its discretion for the use and maintenance of the general reserves. The transfer from retained earnings to general reserves is subject to the approval of Board of Directors of each entity within the Group.

Regulatory reserves are set up for the variance of provision between impairment in accordance with CIFRS (on loans and advances, deposits and placements with other banks, other receivables, investments in debt securities and off-balance sheet commitments) and regulatory provision (on loans and advances, deposits and placements with other banks, other receivables and off-balance sheet commitments based on the prescribed credit grading rates from the NBC). It is transferred between retained earnings and regulatory reserves when the total accumulated regulatory provision is higher than the accumulated impairment based on CIFRS 9.

The regulatory provision is calculated by applying the prescribed credit grading rates issued by the NBC to the gross carrying amount per CIFRS. These rates are as follows: Normal at 1%, Special Mention at 3%, Sub-standard at 20%, Doubtful at 50%, and Loss at 100%.

The hedging reserve comprises the effective portion of the cumulative net change in the fair value of hedging instruments used in cash flow hedges pending subsequent recognition in profit or loss.

Other reserves are for currency translation differences of the net investment in foreign operations.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2024

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

(n) Current and deferred income tax

The tax expense for the year comprises of current and deferred tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is recognised in other comprehensive income or directly in equity, respectively.

Current tax expense is determined according to the tax laws of each jurisdiction where each entity of the Group operates and generates taxable income and includes all taxes based upon the taxable profits.

Deferred income tax is recognised in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statement. However, deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences and unused tax losses or unused tax credits can be utilised.

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

(o) Employee benefits

(i) Short-term employee benefits

The Group and the Bank recognise a liability and an expense for short-term employee benefits. The Group and the Bank recognise a provision where it is contractually obliged or where there is a past practice that has created a constructive obligation.

Wages, salaries, bonuses, and other short-term benefits are recognised as an expense in the year in which the associated services are rendered by the employees of the Group and the Bank.

(ii) Pension fund scheme

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

Pension fund is both the Bank's and employee's obligation. Contributions were made effective 1 October 2022 and these are paid every month to the National Social Security Fund. For the first five years, contribution to the fund is set at 4% (from KHR400,000 to KHR1,200,000 equivalent US\$99 to US\$298, respectively), which is paid both by the Bank and its employees at 2% each (see Note 25).

(iii) Long-term employment benefits

The Group and the Bank have various long-term employment benefit schemes as summarised below:

Seniority benefits

In accordance with Prakas No. 443 MoLVT dated 21 September 2018 and Notification Letter No. 042/19 K.B/S.N.N.Kh.L dated 22 March 2019 issued by the Ministry of Labour and Vocational Training ("MoLVT"), the Bank and its subsidiaries, except for ACLEDA Bank Lao Ltd. ("ABL") and ACLEDA MFI Myanmar Co., Ltd. ("AMM"), are required to pay seniority indemnity to its employees, as follows:

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2024

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

(o) Employee benefits (continued)

(iii) Long-term employment benefits (continued)

Seniority benefits (continued)

- Current Seniority Indemnity: effective January 2019, 15 days of their average monthly salary and benefits each year payable every six month on June and December (7.5 days each payment).
- Back Pay Seniority Indemnity: employees are entitled to 15 days of their salary per year of service since the commencement of employment up to 31 December 2018 and still continue working with the Group and the Bank. The back pay seniority indemnity depends on each staff's past services and shall not exceed six months of average basic salaries. On 22 March 2019, the Ministry of Labour and Vocational Training issued guideline number 042/19 K.B/S.N.N.Kh.L, to delay the payment of the past years of seniority service which will be payable three days each in June and in December starting December 2021.

The current seniority indemnity is considered as short-term employee benefits. These are accrued in the year in which the associated services are rendered by the employees of the Group and the Bank.

The back pay seniority indemnity is classified as long-term employee benefits, except for the amount payable within 12 months. The liability was recognised at the present value at the reporting period that employees have earned in return for their service from 2008 to 2018 that the Group and the Bank expect to pay in future reporting periods.

The present value of the back pay seniority indemnity is determined by discounting the estimated future payments by reference to the Bank's the longest term deposit interest rate.

Career development benefits

The Bank and its subsidiaries provide career development benefits to their employees ranging from US\$1,250 to US\$6,250 based on the management position level except for ABL which provides career development benefits to its employees ranging from LAK7,947,000 (equivalent to US\$378) to LAK23,372,500 (equivalent to US\$1,112) based on the management position level.

Employees in management positions become eligible for the career development incentive fund after two consecutive years in management roles, and have achieved at least very good performance results. They will automatically qualify for the management career development incentive fund starting on 1st January of the third year (date of eligibility). To receive the fund, employees must have worked in their position and maintained from very good performance for three years from the date of eligibility. The first career development incentive fund payment will be made in March of the year following the completion of the three-year criteria, and subsequently every three years thereafter.

The liability is recognised in the statement of financial position at the present value of employee benefit obligation at the end of each reporting period using the projected unit credit method. The present value is determined by discounting the estimated future payments by reference to three-year fixed deposit interest rate, as the period of the benefit entitlement is three years.

(p) Provisions

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

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

(p) Provisions (continued)

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

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

(q) Interest

Effective interest rate

Interest income and interest expense are recognised in profit or 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 the contractual terms of the financial instrument, but not the ECL. For purchased or originated credit-impaired financial assets, a credit-adjusted effective interest rate is calculated using the estimated future cash flows, including the ECL.

The calculation of the effective interest rate includes transaction costs and fees 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.

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 the 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 ECL.

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

Interest income and interest 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 interest expense, the effective interest rate is applied to the gross carrying amount of the financial asset (when the asset is not credit-impaired) or to the amortised cost of the financial 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 the 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 gross basis.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2024

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

(q) Interest (continued)

Interest income and interest expense (continued)

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 financial asset. The calculation of interest income does not revert to gross basis, even if the credit risk of the asset improves.

Presentation

Interest income calculated using the effective interest method presented in the statement of profit or loss and other comprehensive income may include:

- interest on financial assets and financial liabilities measured at amortised cost;
- interest on debt instruments measured at FVOCI;
- the effective portion of fair value changes in qualifying hedging derivatives designated as cash flow hedges of variability in interest cash flows, in the same period as the hedged cash flows affect interest income/expense; and,
- the effective portion of fair value changes in qualifying hedging derivatives designated as fair value hedges of interest rate risk.

Interest expense presented in the statement of profit or loss and other comprehensive income may include:

- financial liabilities measured at amortised cost; and,
- the effective portion of fair value changes in qualifying hedging derivatives designated in cash flow hedges of variability in interest cash flows, in the same period as the hedged cash flows affect interest income/expense.

Interest income and interest expense on any financial assets and financial liabilities at FVTPL are presented in the statement of profit or loss and other comprehensive income.

(r) Fee and commission

Fee and commission income – including account servicing fees, investment management fees, sales commission, placement fees and syndication fees – are recognised as the related services are performed.

If a loan commitment is not expected to result in the drawdown of a loan, then the related loan commitment fee is recognised on a straight-line basis over the commitment period.

A contract with a customer that results in a recognised financial instrument in the Group's and the Bank's financial statements may be partially in the scope of CIFRS 9, *Financial Instruments*, and partially in the scope of CIFRS 15, *Revenue from Contracts with Customers*. 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 apply CIFRS 15 to the residual.

(s) Recognition of fee and other income

(i) Dividends

Income from dividends is recognised when the right to receive payment is established. Usually, this is the ex-dividend date for quoted equity securities.

Any dividends on equity instruments designated as FVOCI that clearly represent a recovery of part of the cost of the investment are presented in other comprehensive income.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2024

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

(s) Recognition of fee and other income (continued)

(ii) Training and consultancy services

The Group and the Bank recognise service revenue when it is probable that economic benefits will flow to the Group and the Bank and the amount of revenue can be reliably measured. Revenue from training and consultancy services are recognised when the services are delivered.

(t) Leases

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

As a lessee

At commencement or on modification of a contract that contains a lease component, the Group and the Bank allocate the consideration in the contract to each lease component on the basis of its relative stand-alone prices.

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 or restoring the underlying asset to the condition required by the terms and conditions of the lease, unless those costs are incurred to produce inventories, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Group and the Bank by the end of the lease term or the cost of the right-of-use asset reflects that the Group and the Bank will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is 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 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, the Group and the Bank use an incremental borrowing rate. Practically, the Group and the Bank used the incremental borrowing rate as the discount rate to measure its right-of-use assets and lease liabilities.

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

- fixed payments, including in-substance fixed payments, less any lease incentives;
- 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 Group and the Bank are reasonably certain not to terminate early.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

(t) Leases (continued)

As a lessee (continued)

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate; 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; if the Group and the Bank change its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment; or a lease contract is modified and the lease modification is not accounted for as a separate lease. 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 or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Short-term leases and leases of low-value assets

A short-term lease is a lease that, at the commencement date, has a lease term of twelve months or less. A lease that contains a purchase option is not a short-term lease.

A lease of an underlying asset does not qualify as a lease of a low-value asset if the nature of the asset is such that, when new, the asset is typically not of low value. For example, leases of cars would not qualify as leases of low-value assets because a new car would typically not be of low value.

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

(u) Contingent assets and contingent liabilities

Contingent assets arise from unplanned or other unexpected events that give rise to the possibility of an inflow of economic benefits to the Group and the Bank. As this may result in the recognition of income that may never be realised, contingent assets are not recognised in the Group's and the Bank's financial statements. Contingent assets should be disclosed where an inflow of economic benefits is probable.

Contingent liabilities, which include certain guarantees and letters of credit pledged as collateral security, are possible obligations that arise from past events whose existence will be confirmed only by the occurrence, or non-occurrence, of one or more uncertain future events not wholly within the control of the Group and the Bank; or are present obligations that have arisen from past events but are not recognised because it is not probable that settlement will require the outflow of economic benefits, or because the amount of the obligations cannot be reliably measured.

Contingent liabilities are not recognised in the financial statements but are disclosed unless the probability of settlement is remote.

(v) Segment reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components.

The Group reports separately information about an operating segment that meets any of the following quantitative thresholds:

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2024

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

(v) Segment reporting (continued)

- the absolute amount of its reported profit or loss is 10% or more of the greater, in absolute amount, of the combined reported profit of all operating segments that did not report a loss and the combined reported loss of all operating segments that reported a loss; or,
- its assets are 10% or more of the combined assets of all operating segments.

Operating segments that do not meet any of these quantitative thresholds may be considered reportable, and separately disclosed, if the Management believes that information about the segment would be useful to users of the consolidated financial statements.

For Management purposes, the Group is currently organised into two main business segments: lending and other financial services. These divisions are the basis on which the Group reports its primary segment information.

Financial information on segment reporting is presented in Note 6.

(w) Rounding of amounts

All amounts in US\$ disclosed in the financial statements and notes are in whole US\$ currency unit. All Khmer Riel amounts disclosed in the financial statements and notes have been rounded off to the nearest thousand currency units unless otherwise stated.

3. COMPOSITION OF THE GROUP

Details of the Bank's subsidiaries as at 31 December 2024 and 31 December 2023 are presented in Note 13.

The significant financial information on the financial statements of non-wholly owned subsidiary interests of the Bank that has material non-controlling interest are shown below and in the succeeding page. The summarised financial information represents amounts before intragroup eliminations.

ACLEDA University of Business Co., Ltd.

	2024 US\$	2023 US\$	2024 KHR'000 (Note 5)	2023 KHR'000 (Note 5)
<u>Financial position:</u>				
Current assets	615,358	296,691	2,476,816	1,211,983
Non-current assets	30,682,426	31,433,019	123,496,765	128,403,883
Total assets	<u>31,297,784</u>	<u>31,729,710</u>	<u>125,973,581</u>	<u>129,615,866</u>
Current liabilities	3,699,091	2,793,262	14,888,842	11,410,475
Non-current liabilities	1,386,562	3,179,093	5,580,912	12,986,596
Total liabilities	<u>5,085,653</u>	<u>5,972,355</u>	<u>20,469,754</u>	<u>24,397,071</u>
Equity	<u>26,212,131</u>	<u>25,757,355</u>	<u>105,503,827</u>	<u>105,218,795</u>
Total liabilities and equity	<u>31,297,784</u>	<u>31,729,710</u>	<u>125,973,581</u>	<u>129,615,866</u>
Ownership and voting interest held by non-controlling interest	23.391%	23.391%	23.391%	23.391%
<u>Equity attributable to:</u>				
Owners of the Bank	20,080,851	19,732,452	80,825,425	80,607,067
Non-controlling interest	6,131,280	6,024,903	24,678,402	24,611,728

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2024

3. COMPOSITION OF THE GROUP (continued)

ACLEDA University of Business Co., Ltd. (continued)

	2024 US\$	2023 US\$	2024 KHR'000 (Note 5)	2023 KHR'000 (Note 5)
<u>Results of operations:</u>				
Revenue	6,325,602	4,651,145	25,751,526	19,116,206
Costs and expenses	(5,870,826)	(4,815,343)	(23,900,133)	(19,791,060)
Profit for the year	454,776	(164,198)	1,851,393	(674,854)
Total comprehensive income for the year	454,776	(164,198)	1,851,393	(674,854)
 Profit attributable to:				
Owners of the Bank	348,399	(125,790)	1,418,332	(516,997)
Non-controlling interest	106,377	(38,408)	433,061	(157,857)
Total	454,776	(164,198)	1,851,393	(674,854)
Total comprehensive income for the year attributable to:				
Owners of the Bank	348,399	(125,790)	1,418,332	(516,997)
Non-controlling interest	106,377	(38,408)	433,061	(157,857)
Total	454,776	(164,198)	1,851,393	(674,854)
<u>Cash flows:</u>				
Net cash inflows from operating activities	1,192,066	1,514,747	4,852,901	6,225,610
Net cash outflows from investing activities	(131,231)	(72,319)	(534,241)	(297,231)
Net cash outflows from financing activities	(1,065,830)	(1,867,480)	(4,338,994)	(7,675,343)
Net cash outflows	(4,995)	(425,052)	(20,334)	(1,746,964)

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS IN APPLYING ACCOUNTING POLICIES

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

The following are the key assumptions concerning the future and other key sources of estimation uncertainty at the end of each reporting period:

Measurement of the expected credit loss allowance

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

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

- grouping financial assets sharing similar credit risk characteristics for the purposes of measuring ECL
- choosing appropriate models and assumptions to measure ECL
- determining criteria for identifying loans to customers that have experienced a significant increase in credit risk (SICR)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2024

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS IN APPLYING ACCOUNTING POLICIES (continued)

Measurement of the expected credit loss allowance (continued)

- applying assumptions and analysis on expected future cash flows and forward-looking information.
- the Bank raised the LGD floor to 10% for ECL calculation in the event of over-collateralization for loans that can be secured by different types of collateral, particularly when the pledged collaterals are concentrated on land and buildings, following an analysis of historical loss data and in response to recent developments in the Bank's loan portfolios, as well as prevailing market and economic conditions.

Please refer to Note 39.1(f) for guidance on assessment of impairment of financial instruments under ECL model. This includes the determination of inputs used in the ECL measurement and incorporation of forward-looking information.

Employee benefits

The present value of back pay seniority indemnity and career development incentive fund obligation depends on a number of factors that are determined by the Management using a number of assumptions. The assumptions used in determining the net cost for employee benefits include discount rate and turnover rate. Any changes in these assumptions will impact the value of employee benefits.

In the absence of US dollar bond market and US dollar government bonds in Cambodia, the Management used the longest term deposit rate and three-year fixed deposit interest rate as the discount rate to determine the present value of the estimated future cash outflows expected to be required to settle the back pay seniority indemnity and career development benefit obligations, respectively, which are in US dollar.

Estimating cost of right-of-use assets and lease liabilities

Lease liabilities are measured at the present value of lease payments to be made over the lease term. In calculating the lease liabilities, the Group and the Bank use its average incremental borrowing rate which is based on average borrowing interest rate at the time of the commencement of the lease term.

5. TRANSLATION OF UNITED STATES DOLLAR INTO KHMER RIEL

In compliance with the Law on Accounting and Auditing, the financial statements shall be expressed in Khmer Riel ("KHR"). Assets and liabilities of each statement of financial position presented and reserves are translated using the closing rate as at the reporting date. Shareholders' capital and share premium are translated at the rate at the date of transaction. The statement of profit or loss and other comprehensive income and the statement of cash flows are translated into KHR using the applicable yearly average rates for the reporting date. All exchange differences arising from the translation are recognised as "currency translation differences" in the other comprehensive income.

The Group and the Bank have used the official rates of exchange published by the NBC as following:

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2024

6. SEGMENT INFORMATION

The Group's operations are mainly in the financial industry sector from which the Group's reporting segments are identified.

(a) Business segments

The Group's operating businesses are managed separately according to the nature of services provided (primary segments) and the different geographical markets served (secondary segments) with a segment representing a strategic business unit. The Group's business segments are as follows:

- *Lending* - provides loans to individual, group, and corporate as well as financial institutions. Products offered depend on the purpose, feature and size, such as group loan, small loan, medium loan, housing loan, car loan, motor loan, overdraft loan, revolving loan, financial lease, trade finance loan, etc.
- *Other financial services* - provides other services such as foreign exchange transaction, debit & credit card issuing and acquiring service, fund transfer (local & overseas), and cash management services (such as payroll, cash collection, bills payment, top-up and standing order). These services are leaning toward modernising the digital banking services via mobile application, internet banking and e-commerce as well as other digital ways.

These segments are the basis on which the Group reports its primary segment information. Transactions between segments are conducted at estimated market rates on an arm's length basis.

Segment revenues and expenses that are directly attributable to primary business segment and the relevant portions of the Group's revenues and expenses that can be allocated to that business segment are accordingly reflected as revenues and expenses of that business segment.

For secondary segments, revenues and expenses are attributed to geographic areas based on the location of the resources producing the revenues, and on the location where the expenses are incurred.

ACLEDA BANK PLC.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2024

6. SEGMENT INFORMATION (continued)

(b) Analysis of primary segment information

Primary segment information by business segment on a consolidated basis follows:

	2024						2023					
	Lending			Other financial services			Lending			Other financial services		
	US\$	KHR'000	(Note 5)	US\$	KHR'000	(Note 5)	US\$	KHR'000	(Note 5)	US\$	KHR'000	(Note 5)
Revenues												
Interest income	803,805,805	3,272,293,432		-	-	-	803,805,805	3,272,293,432		755,631,085	3,105,643,759	
Interest expense	(344,652,206)	(1,403,079,131)		-	-	-	(344,652,206)	(1,403,079,131)		(329,001,434)	(1,352,195,894)	
Net interest income	459,153,599	1,869,214,301		-	-	-	459,153,599	1,869,214,301		426,629,651	1,753,447,865	
Non-interest income	-	-	-	61,443,669	250,137,176		-	-	-	72,377,153	297,470,099	
Total net revenues	459,153,599	1,869,214,301		61,443,669	250,137,176		459,153,599	1,869,214,301		499,006,804	2,050,917,964	

(c) Analysis of secondary segment information

Secondary information (by geographical locations) follows:

	2024						2023					
	Kingdom of Cambodia			Republic Union of Myanmar			Kingdom of Cambodia			Republic Union of Myanmar		
	US\$	KHR'000	(Note 5)	US\$	KHR'000	(Note 5)	US\$	KHR'000	(Note 5)	US\$	KHR'000	(Note 5)
Profit or loss												
Total income	835,975,628	3,403,256,782		24,176,055	98,420,720		797,311,514	3,276,950,323		26,845,940	110,336,813	
Total expense	(719,730,889)	(2,930,024,449)		(89,979,086)	(3,563,780)		(659,302,676)	(2,709,733,998)		(4,742,684)	(19,492,433)	
Net profit	116,244,739	473,232,333		2,073,602	8,441,634		138,008,838	567,216,325		1,324,547	5,443,886	
Other segment information												
Depreciation and amortisation	41,480,321	168,866,387		1,546,579	6,296,123		37,300,794	153,306,263		204,800	841,728	
Financial position												
Total assets	10,710,607,987	43,110,197,148		197,431,153	794,660,391		9,640,091,494	39,379,773,753		19,972,177	81,586,343	
Total liabilities	9,191,685,857	36,996,535,574		153,921,344	619,533,410		8,219,112,182	33,575,073,263		4,254,070	17,377,877	

ACLEDA BANK PLC.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2024

6. SEGMENT INFORMATION (continued)

(d) Reconciliation

Presented below is a reconciliation of the Group's segment information to the key financial information presented in its consolidated financial statements.

	2024 US\$	2023 US\$	2024 KHR'000 (Note 5)	2023 KHR'000 (Note 5)
Revenues				
Total segment revenues	866,733,158	830,224,685	3,528,470,686	3,412,223,455
Elimination of intersegment revenues	(1,483,684)	(2,216,447)	(6,040,078)	(9,109,597)
Group net revenues as reported in profit or loss	865,249,474	828,008,238	3,522,430,608	3,403,113,858
Profit or loss				
Total segment profit	121,336,036	148,063,824	493,959,003	608,542,315
Elimination of intersegment profit	(34,578)	(45,399)	(140,767)	(186,590)
Group net profit as reported in profit or loss	121,301,458	148,018,425	493,818,236	608,355,725
Assets				
Total segment assets	10,931,606,549	9,841,808,636	43,999,716,359	40,203,788,278
Elimination of intersegment assets	(97,774,719)	(97,768,150)	(393,543,244)	(399,382,892)
Total assets	10,833,831,830	9,744,040,486	43,606,173,115	39,804,405,386
Liabilities				
Total segment liabilities	9,350,438,808	8,368,809,353	37,635,516,203	34,186,586,208
Elimination of intersegment liabilities	(6,773,899)	(6,789,669)	(27,264,942)	(27,735,798)
Total liabilities	9,343,664,909	8,362,019,684	37,608,251,261	34,158,850,410
Other segment information				
Total segment depreciation and amortisation	43,218,375	38,607,898	175,942,005	158,678,461
Elimination of intersegment depreciation and amortisation	(12,169)	(18,422)	(49,540)	(75,715)
Total depreciation and amortisation	43,206,206	38,589,476	175,892,465	158,602,746

ACLEDA BANK PLC.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2024

7. CASH ON HAND

	The Group			The Bank		
	2024 US\$	2023 US\$	2024 KHR'000 (Note 5)	2023 US\$	2024 KHR'000 (Note 5)	2023 KHR'000 (Note 5)
Current						
By currency:						
In US\$	315,695,503	303,036,520	1,270,674,400	301,587,525	1,263,783,334	1,231,985,040
In KHR	161,242,544	151,910,894	649,001,240	151,904,672	648,936,968	620,530,585
In THB	28,184,652	32,204,150	113,443,224	30,583,206	107,337,360	124,932,397
In Euro	1,048,048	576,681	4,218,393	572,521	4,191,410	2,338,748
In other currencies	7,771,376	8,065,323	31,279,788	1,936,393	2,173,697	7,910,165
	<u>513,942,123</u>	<u>495,793,568</u>	<u>2,068,617,045</u>	<u>486,584,317</u>	<u>2,026,422,769</u>	<u>1,987,696,935</u>

ACLEDA BANK PLC.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
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8. DEPOSITS AND PLACEMENTS WITH OTHER BANKS, NET

	The Group			The Bank		
	2024 US\$	2023 US\$	2024 KHR'000 (Note 5)	2023 US\$	2024 KHR'000 (Note 5)	2023 KHR'000 (Note 5)
Balances with local banks:						
National Bank of Cambodia	1,247,773,047	1,389,931,664	5,022,286,514	1,247,773,047	1,389,931,664	5,022,286,514
Other banks	50,409,153	248,726	202,896,841	50,409,153	248,726	202,896,841
	<u>1,298,182,200</u>	<u>1,390,180,390</u>	<u>5,225,183,355</u>	<u>1,298,182,200</u>	<u>1,390,180,390</u>	<u>5,225,183,355</u>
Balances with overseas banks:						
Bank of Lao PDR	22,593,188	27,299,355	90,937,582	-	-	-
Other banks	662,239,182	92,179,627	2,665,512,708	660,436,819	88,714,056	2,658,258,196
	<u>684,832,370</u>	<u>119,478,982</u>	<u>2,756,450,290</u>	<u>660,436,819</u>	<u>88,714,056</u>	<u>2,658,258,196</u>
Total balances with local and overseas banks	1,983,014,570	1,509,659,372	7,981,633,645	1,958,619,019	1,478,894,446	7,883,441,551
Allowance for impairment losses	<u>(622,908)</u>	<u>(116,194)</u>	<u>(2,507,205)</u>	<u>(12,425)</u>	<u>(2,257,582)</u>	<u>(50,756)</u>
	<u>1,982,391,662</u>	<u>1,509,543,178</u>	<u>7,979,126,440</u>	<u>1,958,058,129</u>	<u>1,478,882,021</u>	<u>6,041,233,056</u>
Current	1,982,391,662	1,509,543,178	7,979,126,440	1,958,058,129	1,478,882,021	6,041,233,056
Non-current	-	-	-	-	-	-
	<u>1,982,391,662</u>	<u>1,509,543,178</u>	<u>7,979,126,440</u>	<u>1,958,058,129</u>	<u>1,478,882,021</u>	<u>6,041,233,056</u>

ACLEDA BANK PLC.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2024

8. DEPOSITS AND PLACEMENTS WITH OTHER BANKS, NET (continued)

a) By account types

	The Group			The Bank		
	2024 US\$	2023 US\$	2024 KHR'000 (Note 5)	2023 KHR'000 (Note 5)	2024 US\$	2023 US\$
Balances with local banks:						
Current accounts	1,248,058,850	1,390,180,390	5,023,436,871	5,678,886,893	1,248,058,850	1,390,180,390
Fixed deposits	50,123,350	-	201,746,484	-	50,123,350	-
	<u>1,298,182,200</u>	<u>1,390,180,390</u>	<u>5,225,183,355</u>	<u>5,678,886,893</u>	<u>1,298,182,200</u>	<u>1,390,180,390</u>
Balances with overseas banks:						
Current accounts	684,832,370	118,474,163	2,756,450,290	483,966,956	660,436,819	88,714,056
Fixed deposits	-	1,004,819	-	4,104,686	-	-
	<u>684,832,370</u>	<u>119,478,982</u>	<u>2,756,450,290</u>	<u>488,071,642</u>	<u>660,436,819</u>	<u>88,714,056</u>
Total balances with local and overseas banks	1,983,014,570	1,509,659,372	7,981,633,645	6,166,958,535	1,958,619,019	1,478,894,446
Allowance for impairment losses	(622,908)	(116,194)	(2,507,205)	(474,653)	(560,890)	(12,425)
	<u>1,982,391,662</u>	<u>1,509,543,178</u>	<u>7,979,126,440</u>	<u>6,166,483,882</u>	<u>1,958,058,129</u>	<u>1,478,882,021</u>

b) By interest rate (per annum)

	The Group		The Bank	
	2024	2023	2024	2023
Current accounts	Nil	Nil	Nil	Nil
Fixed deposits	0.74% - 6.00%	0.74% - 7.50%	3.86% - 6.00%	4.34% - 6.95%

ACLEDA BANK PLC.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
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8. DEPOSITS AND PLACEMENTS WITH OTHER BANKS, NET (continued)

By maturity	The Group			The Bank		
	2024 US\$	2023 US\$	2024 KHR'000 (Note 5)	2023 US\$	2024 KHR'000 (Note 5)	2023 KHR'000 (Note 5)
On demand	1,932,891,220	1,508,602,147	7,779,887,161	1,908,495,669	1,478,894,446	7,681,695,068
Within 1 month	-	52,405	-	-	-	-
Between 2 to 3 months	40,056,406	502,910	161,227,034	40,056,406	-	161,227,033
Between 4 to 6 months	10,066,944	501,910	40,519,450	10,066,944	-	40,519,450
At gross carrying amount	1,983,014,570	1,509,659,372	7,981,633,645	1,958,619,019	1,478,894,446	7,883,441,551
						6,041,283,812

9. FINANCIAL INVESTMENTS, NET

Notes	The Group			The Bank		
	2024 US\$	2023 US\$	2024 KHR'000 (Note 5)	2023 US\$	2024 KHR'000 (Note 5)	2023 KHR'000 (Note 5)
Unlisted equity securities at FVOCI						
Credit Bureau Holding (Cambodia) Ltd.	153,529	153,529	617,954	153,529	617,954	627,166
SWIFT	36,141	36,141	145,468	36,141	145,468	147,636
Total financial investments at FVOCI	189,670	189,670	763,422	189,670	763,422	774,802
Unquoted financial investments at amortised cost						
Negotiable certificate of deposits with the NBC	373,392,471	284,890,089	1,502,904,696	373,392,471	284,890,089	1,502,904,696
Debt securities	98,274,772	73,093,885	395,555,957	98,274,772	73,093,885	395,555,957
	471,667,243	357,983,974	1,898,460,653	471,667,243	357,983,974	1,898,460,653
ECL allowance	(52,035)	(629,260)	(209,441)	(52,035)	(629,260)	(209,441)
Total financial investments at amortised cost	471,615,208	357,354,714	1,898,251,212	471,615,208	357,354,714	1,898,251,212
Total financial investments, net	471,804,878	357,544,384	1,899,014,634	471,804,878	357,544,384	1,899,014,634
						1,459,794,007
						1,460,568,809

ACLEDA BANK PLC.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2024

9. FINANCIAL INVESTMENTS, NET (continued)

	The Group			The Bank		
	2024 US\$	2023 US\$	2024 KHR'000 (Note 5)	2023 US\$	2024 KHR'000 (Note 5)	2023 KHR'000 (Note 5)
Current	435,616,471	301,690,138	1,753,356,295	435,616,471	1,753,356,297	1,232,404,214
Non-current	36,050,772	56,293,836	145,104,358	36,050,772	145,104,356	229,960,320
At gross carrying amount	471,667,243	357,983,974	1,898,460,653	471,667,243	1,898,460,653	1,462,364,534

Analysis of maturity of financial investments at amortised cost

	The Group			The Bank		
	2024 US\$	2023 US\$	2024 KHR'000 (Note 5)	2023 US\$	2024 KHR'000 (Note 5)	2023 KHR'000 (Note 5)
Within 1 month	409,702,370	288,443,092	1,649,052,039	409,702,370	1,649,052,041	1,178,290,030
Between 2 to 3 months	15,935,697	3,414,265	64,141,180	15,935,697	64,141,180	13,947,273
Between 4 to 6 months	120,478	71,316	484,924	120,478	484,924	291,326
Between 7 to 12 months	9,857,926	9,761,465	39,678,152	9,857,926	39,678,152	39,875,585
More than 12 months	36,050,772	56,293,836	145,104,358	36,050,772	145,104,356	229,960,320
At gross carrying amount	471,667,243	357,983,974	1,898,460,653	471,667,243	1,898,460,653	1,462,364,534

(a) This represents the Bank's equity investment in Credit Bureau Holding (Cambodia) Ltd. ("CBC"), directly owned at 5% and indirectly owned at 1% through the Association of Banks in Cambodia. As at 31 December 2024, the Bank's investment in CBC is valued at cost amounting to US\$153,529 (31 December 2023: US\$153,529) and the Bank's investment in Society for Worldwide Interbank Financial Telecommunications ("SWIFT") is valued at cost amounting to US\$36,141 (31 December 2023: US\$36,141) as the Management believes the cost of these investments approximates its fair value. Dividend income received from CBC during the year ended 31 December 2024 amounted to KHR1,187,524,800 (equivalent to US\$290,036) (31 December 2023: KHR1,662,534,720 (equivalent to US\$407,862)).

(b) As at 31 December 2024, the Bank had pledged negotiable certificate of deposits ("NCD") amounting to nil (31 December 2023: US\$3,038,699) with the NBC as collateral for settlement clearing facility. As at 31 December 2024, the other NCD amounting to US\$373,392,471 (31 December 2023: US\$281,851,390) with the NBC is made for the purpose of earning interest. The terms of the NCD are for a period of less than or equal to twelve months. As at 31 December 2024, the Bank is yet to utilise the overdraft on the settlement clearing facility.

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2024

9. FINANCIAL INVESTMENTS, NET (continued)

(c) On 12 January 2022, the Bank invested in a corporate debt security with a face value of US\$30,000,000 guaranteed by Overseas Cambodian Investment Corporation Ltd, a third party. The debt security earns an interest at the rate of 5.5% per annum and was redeemed upon reaching its maturity date on 11 January 2025. As at 31 December 2024, the carrying amount of this investment is US\$31,609,315 (31 December 2023: US\$31,604,794).

As at 31 December 2024, the amortised cost of the investments in government bonds is KHR268,328,469,435 (equivalent to US\$66,665,458) (31 December 2023: KHR169,482,933,554 (equivalent to US\$41,489,090)) and its face value is KHR268,000,000,000 (equivalent to US\$66,583,851) (31 December 2023: KHR168,000,000,000 (equivalent to US\$41,126,068)). As at 31 December 2024, the Bank has pledged the government bonds amounting KHR98,300,000,000 (equivalent to US\$24,422,360) (31 December 2023: KHR70,348,000,000 (equivalent to US\$17,221,053)) with the NBC as collaterals for settlement clearing facility.

The Bank bought the government bonds from the Ministry of Economy and Finance with information below:

No.	Value date	Quantity (sheet)	Interest per annum	Yield to maturity	Tenure (year)	Maturity date	Face value (KHR) per sheet	Issuance size	
								KHR'000	US\$
1	24/02/2023	60,000	4.00%	4.10%	2	24/02/2025	1,000,000	60,000,000	14,906,832
2	18/08/2023	20,000	4.00%	4.30%	2	18/08/2025	1,000,000	20,000,000	4,968,944
3	22/09/2023	8,000	4.50%	5.20%	3	22/09/2026	1,000,000	8,000,000	1,987,578
4	24/11/2023	10,000	4.00%	4.50%	2	24/11/2025	1,000,000	10,000,000	2,484,472
5	24/11/2023	10,000	4.00%	4.60%	2	24/11/2025	1,000,000	10,000,000	2,484,472
6	26/01/2024	10,000	3.50%	3.95%	1	26/01/2025	1,000,000	10,000,000	2,484,472
7	26/01/2024	10,000	3.50%	3.85%	1	26/01/2025	1,000,000	10,000,000	2,484,472
8	23/02/2024	10,000	4.00%	4.75%	2	23/02/2026	1,000,000	10,000,000	2,484,472
9	23/02/2024	10,000	4.00%	4.70%	2	23/02/2026	1,000,000	10,000,000	2,484,472
10	22/03/2024	120,000	4.50%	5.25%	3	22/03/2027	1,000,000	120,000,000	29,813,665
Total		268,000					10,000,000	268,000,000	66,583,851

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2024

The Group														
	2024				2023				2024			2023		
	Gross carrying amount US\$	Net carrying amount US\$	ECL allowance US\$	Gross carrying amount US\$	Net carrying amount US\$	ECL allowance US\$	Gross carrying amount KHR'000	Net carrying amount KHR'000	ECL allowance KHR'000	Gross carrying amount KHR'000	Net carrying amount KHR'000	ECL allowance KHR'000		
Small Loan	3,207,188,106	3,161,872,759	45,315,347	3,010,956,957	2,983,186,742	27,770,215	12,908,932,127	12,726,537,855	182,394,272	12,299,759,169	12,186,317,841	113,441,328		
Medium Loan	2,495,321,357	2,459,633,701	35,687,656	2,363,039,566	2,344,101,262	18,938,304	10,043,668,462	9,900,025,647	143,642,815	9,653,016,627	9,575,653,655	77,362,972		
Personal & Others Loan	616,161,630	609,788,415	6,373,215	483,524,761	479,880,960	3,643,801	2,480,050,561	2,454,398,371	25,652,190	1,975,198,650	1,960,313,721	14,884,929		
Staff Loan	298,878,207	298,425,943	452,264	297,515,093	297,455,822	59,271	1,202,984,783	1,201,164,420	1,820,363	1,215,349,155	1,215,107,033	242,122		
Overdraft Loan	163,487,893	162,119,949	1,367,944	159,816,406	159,127,370	689,036	658,038,769	652,532,794	5,505,975	652,850,019	650,035,307	2,814,712		
Public Housing Loan	132,013,296	130,538,892	1,474,404	154,400,982	153,410,106	990,876	531,353,516	525,419,040	5,934,476	630,728,011	626,680,283	4,047,728		
Credit Card Loan	123,331,831	118,877,984	4,563,847	88,962,172	86,459,963	2,502,209	496,410,620	478,041,136	18,369,484	363,410,473	353,188,949	10,221,524		
Staff Housing Loan	31,630,872	31,525,460	105,412	31,007,135	30,980,874	26,261	127,314,260	126,889,977	424,283	126,664,146	126,156,870	10,276		
Revolving Loan	16,731,106	16,607,000	124,106	29,992,751	29,895,475	97,276	67,342,702	66,843,175	499,527	122,520,388	122,123,016	397,372		
Trade Loan	20,060,319	20,001,203	59,116	16,962,181	16,945,846	16,335	80,742,784	80,504,842	237,942	69,290,509	69,223,781	66,728		
Home Improvement Loan	14,218,573	13,882,798	335,775	21,134,005	20,220,811	913,194	57,229,756	55,878,262	1,351,494	86,332,410	82,602,013	3,730,397		
	7,119,023,190	7,023,164,104	95,859,086	6,657,312,009	6,601,665,231	55,646,778	28,654,068,340	28,268,235,519	385,832,821	27,195,119,557	26,967,802,469	227,317,088		
The Bank														
	2024				2023				2024			2023		
	Gross carrying amount US\$	Net carrying amount US\$	ECL allowance US\$	Gross carrying amount US\$	Net carrying amount US\$	ECL allowance US\$	Gross carrying amount KHR'000	Net carrying amount KHR'000	ECL allowance KHR'000	Gross carrying amount KHR'000	Net carrying amount KHR'000	ECL allowance KHR'000		
Small Loan	3,072,415,656	3,042,989,779	29,425,877	2,884,157,048	2,871,483,666	12,673,382	12,366,473,015	12,248,033,860	118,439,155	11,781,781,541	11,730,010,776	51,770,765		
Medium Loan	2,473,252,503	2,437,678,852	35,573,651	2,349,484,724	2,330,619,656	18,865,068	9,954,841,325	9,811,657,380	143,183,945	9,597,645,098	9,520,581,295	77,063,803		
Personal & Others Loan	613,265,918	606,913,041	6,352,877	480,498,163	476,885,897	3,612,266	2,468,395,318	2,442,824,989	25,570,329	1,962,834,995	1,948,078,888	14,756,107		
Staff Loan	294,217,772	293,774,710	443,062	293,163,708	293,118,809	44,899	1,184,226,532	1,182,443,207	1,783,325	1,197,573,747	1,197,390,335	183,412		
Overdraft Loan	160,198,940	158,854,912	1,344,023	158,920,550	158,236,318	684,232	644,800,734	639,391,041	5,409,693	649,190,447	646,395,359	2,795,088		
Public Housing Loan	129,886,188	128,421,693	1,464,495	151,945,600	150,963,566	982,034	522,791,907	516,897,315	5,894,592	620,697,776	616,686,167	4,011,609		
Credit Card Loan														

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2024

10. LOANS AND ADVANCES, NET (continued)

(a) Loans and advances in gross amount by maturity

	The Group			The Bank		
	2024 US\$	2023 US\$	2024 KHR'000 (Note 5)	2023 US\$	2024 KHR'000 (Note 5)	2023 KHR'000 (Note 5)
Within 1 year	1,589,975,812	1,600,707,057	6,399,652,643	6,538,888,329	1,521,686,724	1,543,246,088
Later than 1 year but not later than 3 years	2,271,851,384	2,224,498,064	9,144,201,821	9,087,074,591	2,212,294,171	2,170,793,786
Later than 3 years but not later than 5 years	1,524,697,928	1,505,478,580	6,136,909,160	6,149,879,999	1,494,760,397	1,476,912,594
Later than 5 years	1,732,498,066	1,326,628,308	6,973,304,716	5,419,276,638	1,712,644,487	1,305,690,358
At gross carrying amount	7,119,023,190	6,657,312,009	28,654,068,340	27,195,119,557	6,941,385,779	6,496,642,826
					27,939,077,760	26,538,785,944

During the year, the Group and the Bank recognised the impairment losses charged as follows:

	The Group			The Bank		
	2024 US\$	2023 US\$	2024 KHR'000 (Note 5)	2023 US\$	2024 KHR'000 (Note 5)	2023 KHR'000 (Note 5)
Impairment charged/(reversal of impairment charge) on:						
Loans and advances	84,974,496	41,824,525	345,931,173	171,898,798	82,782,840	337,008,942
Deposits and placements with other banks	518,846	(177,657)	2,112,221	(730,170)	546,749	2,225,815
Other receivables	36,223	23,768	147,464	97,686	(5,634)	(22,936)
Investments in debt securities	(577,225)	13,054	(2,349,883)	53,652	(577,225)	(2,349,883)
Recovery on loans written off	(9,393,846)	-	(38,242,346)	-	(8,131,141)	(33,101,875)
	75,558,494	41,683,690	307,598,629	171,319,966	74,615,589	303,760,063
Off-balance sheet commitments	37,752	2,180	153,688	8,960	23,078	93,951
	75,596,246	41,685,870	307,752,317	171,328,926	74,638,667	303,854,014
						158,097,755
						(63,779)
						158,033,976

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2024

10. LOANS AND ADVANCES, NET (continued)

(a) Loans and advances in gross amount by maturity (continued)

During the year, the movement of impairment loss allowance on loans and advances of the Group and the Bank were as follows:

	The Group				The Bank			
	2024 US\$	2023 US\$	2024 KHR'000 (Note 5)	2023 KHR'000 (Note 5)	2024 US\$	2023 US\$	2024 KHR'000 (Note 5)	2023 KHR'000 (Note 5)
At the beginning of the year	55,646,778	42,242,662	227,317,088	173,913,039	39,599,538	28,156,968	161,764,113	115,922,237
Allowance for impairment losses during the year	84,974,496	41,824,525	345,931,173	171,898,798	82,782,840	38,676,227	337,008,942	158,959,293
Written off during the year	(44,688,076)	(28,099,807)	(181,925,157)	(115,490,207)	(42,947,913)	(27,165,405)	(174,840,954)	(111,649,815)
Currency translation differences	(74,112)	(320,602)	(301,710)	(1,317,674)	125,303	(68,252)	510,109	(280,516)
Exchange differences	-	-	(5,188,573)	(1,686,868)	-	-	(4,214,144)	(1,187,086)
At the end of the year	95,859,086	55,646,778	385,832,821	227,317,088	79,559,768	39,599,538	320,228,066	161,764,113

11. OTHER ASSETS

	The Group				The Bank			
	2024 US\$	2023 US\$	2024 KHR'000 (Note 5)	2023 KHR'000 (Note 5)	2024 US\$	2023 US\$	2024 KHR'000 (Note 5)	2023 KHR'000 (Note 5)
Prepayments and advances	10,039,772	13,351,052	40,410,082	54,539,048	9,152,065	12,223,566	36,837,062	49,933,267
Withholding tax receivable	5,563,315	4,638,694	22,392,343	18,949,065	5,497,761	4,582,366	22,128,488	18,718,965
Stationery supplies	5,122,700	5,335,702	20,618,868	21,796,343	4,903,001	5,097,968	19,734,579	20,825,199
Receivable from Western Union and VISA	5,451,235	4,226,939	21,941,221	17,267,046	5,430,497	4,196,511	21,857,750	17,142,747
Others	5,082,693	5,303,827	20,457,838	21,666,133	3,146,223	4,948,646	12,663,549	20,215,221
	31,259,715	32,856,214	125,820,352	134,217,635	28,129,547	31,049,057	113,221,428	126,835,399
ECL allowance	(32,155)	(16,696)	(129,423)	(68,204)	(7,875)	(13,786)	(31,697)	(56,316)
Total	31,227,560	32,839,518	125,690,929	134,149,431	28,121,672	31,035,271	113,189,731	126,779,083
Current	18,610,176	17,351,501	74,905,958	70,880,882	15,723,554	15,966,836	63,287,306	65,224,526
Non-current	12,617,384	15,488,017	50,784,971	63,268,549	12,398,118	15,068,435	49,902,425	61,554,557
	31,227,560	32,839,518	125,690,929	134,149,431	28,121,672	31,035,271	113,189,731	126,779,083

ACLEDA BANK PLC.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2024

12. STATUTORY DEPOSITS

	Notes	The Group			The Bank		
		2024 US\$	2023 US\$	2024 KHR'000 (Note 5)	2023 US\$	2024 KHR'000 (Note 5)	2023 KHR'000 (Note 5)
With the central bank	(a)	596,402,637	543,302,104	2,400,520,614	543,302,104	2,400,520,614	2,219,389,095
With other central bank	(b)	7,164,290	5,043,487	28,836,266	-	-	-
Others	(c)	285,714	281,518	1,150,000	-	-	-
		<u>603,852,641</u>	<u>548,627,109</u>	<u>2,430,506,880</u>	<u>543,302,104</u>	<u>2,400,520,614</u>	<u>2,219,389,095</u>
Current		-	-	-	-	-	-
Non-current		<u>603,852,641</u>	<u>548,627,109</u>	<u>2,430,506,880</u>	<u>543,302,104</u>	<u>2,400,520,614</u>	<u>2,219,389,095</u>
		<u>603,852,641</u>	<u>548,627,109</u>	<u>2,430,506,880</u>	<u>543,302,104</u>	<u>2,400,520,614</u>	<u>2,219,389,095</u>

(a) With the central bank

(i) Reserve requirement

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

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

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

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

The reserve requirement with NBC amounted to US\$553,086,335 as at 31 December 2024 (31 December 2023: US\$499,985,802).

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2024

12. STATUTORY DEPOSITS (continued)**(a) With the central bank (continued)****(ii) Capital guarantee**

Pursuant to the NBC's Prakas No. B7-01-136 on Bank's Capital Guarantee dated 15 October 2001, the banks are required to maintain 10% of its registered capital as a statutory deposit with the NBC. The deposit, which is not available for use in the bank's day-to-day operations, is refundable should the bank voluntarily ceases its operations in Cambodia. As at 31 December 2024, capital guarantee deposit with NBC amounted to US\$43,316,302 (31 December 2023: US\$43,316,302). The capital guarantee deposit is earning at an interest and receives interest on a 6-month basis.

(b) With other central bank

ABL maintained its compulsory deposits in compliance with the requirements of the Bank of Lao PDR ("BOL"). Statutory deposits with other central bank include compulsory reserve and registered capital reserve. These balances earn no interest. Under regulations of the BOL, banks are required to maintain certain cash reserves with the BOL in the form of compulsory deposits, which are computed at 8% for the Lao Kip ("LAK") and 10% to 11% for foreign currency effective from 28 August 2024, on a bi-monthly basis, of customers' deposits having original maturities of less than 12 months.

(c) Others

In compliance with Article 23 of SERC's Prakas No. 001/18 SECC/PR.K dated 20 March 2018 on licensing and supervision of securities business, ACS is required to reserve the guarantee capital of KHR1,000,000,000 (which is equivalent to US\$248,447 and US\$244,798 as at 31 December 2024 and 31 December 2023, respectively) in the SERC's bank account at the NBC to operate as a securities broker in the Kingdom of Cambodia. On 24 November 2023, ACS added KHR150,000,000 (which is equivalent to US\$37,267 and US\$36,720 as at 31 December 2024 and 31 December 2023, respectively) in the SERC's bank account at the NBC to fulfil the requirements as stated in Prakas No. 003/18 SECC/PR.K dated 29 May 2018 on the licensing and supervision of collective investment scheme business. This statutory deposit does not bear interest.

On 06 February 2024, the ACS obtained official approval from SERC as distribution company which is tasked with opening investment fund accounts for investors, supporting subscribe unit funds for investors and facilitating redeem of fund units upon holding unit investors' redemption requests.

13. INVESTMENTS IN SUBSIDIARIES

	Notes	The Bank			
		2024	2023	2024	2023
		US\$	US\$	KHR'000	KHR'000
Unquoted ordinary shares, at cost				(Note 5)	(Note 5)
ACLEDA Bank Lao Ltd.	(a)	49,389,566	49,389,566	198,793,003	201,756,377
ACLEDA Securities Plc.	(b)	2,010,000	2,010,000	8,090,250	8,210,850
ACLEDA University of Business Co., Ltd.	(c)	19,805,000	19,805,000	79,715,125	80,903,425
ACLEDA MFI Myanmar Co., Ltd.	(d)	19,913,150	19,913,150	80,150,429	81,345,218
		91,117,716	91,117,716	366,748,807	372,215,870

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2024

13. INVESTMENTS IN SUBSIDIARIES (continued)

Details of the Bank's subsidiaries are as follows:

Name of Subsidiaries	Notes	Ownership and Voting Interest	
		2024	2023
ACLEDA Bank Lao Ltd.	(a)	99.90%	99.90%
ACLEDA Securities Plc.	(b)	100%	100%
ACLEDA University of Business Co., Ltd.	(c)	76.609%	76.609%
ACLEDA MFI Myanmar Co., Ltd.	(d)	100%	100%

(a) ACLEDA Bank Lao Ltd.

ABL was established in Lao PDR on 13 December 2007 under a preliminary license from the BOL. ABL's principal business is providing banking and related financial services in Lao PDR. The Bank owned 99.90% of ABL's shares. The Bank's initial investment in 2008 in ABL is US\$5,477,399. In 2009, the Bank sold shares to International Finance Corporation ("IFC") amounting to US\$876,384 which decreased the Bank's investments in ABL to US\$4,601,015. In 2010, the Bank injected capital to ABL amounting to US\$5,966,969, thereby increasing its investments to US\$10,567,984.

In 2014, the Bank bought shares from FMO, Stichting Triodos Doen, Tridos Fair Share Fund and IFC amounting to US\$28,875,098 and injected capital to ABL amounting to US\$9,946,484, increasing its investments in ABL to US\$49,389,566. As at 31 December 2024, the Bank's investments in ABL remain the same.

(b) ACLEDA Securities Plc.

On 1 March 2010, ACS was established in the Kingdom of Cambodia and registered with the Ministry of Commerce ("MOC") under the Registration No. Co.0448KH/2010. On 20 October 2010, the SERC (previously known as SECC) granted a brokerage license to ACS. The registered share capital of ACS is US\$2,010,000 (equivalent to KHR8,240,000,000), divided into 2,060,000 shares with par value of KHR4,000 each. ACS' principal business is providing securities brokerage and other services approved by the SERC. ACS is wholly-owned by the Bank.

(c) ACLEDA University of Business Co., Ltd.

AUB (previously known as ACLEDA Training Center Ltd. and ACLEDA Institute of Business Co., Ltd.) was established in the Kingdom of Cambodia under a primary license from the MOC under the Registration No. Co.1332KH/2011 dated 8 June 2011. The registered share capital of AUB is US\$17,805,000, divided into 17,805,000 shares with par value of US\$1 each. In 2018, AUB increased its share capital by US\$2,000,000 to US\$19,805,000. The revised Memorandum and Articles of Association ("MAA") was endorsed by the MOC on 14 December 2018.

AUB is recognised as an establishment of a private higher education institution under the Sub-Decree No. 13 ANKr. BK dated 25 January 2016 from the Royal Government of Cambodia. AUB provides training and education for Associate's degree, Bachelor's degree, and Master's degree in Business Administration, Major in Banking and Finance. AUB can open branches, new colleges, new departments, new specialties, new levels or classes, new types of education and training, change to a new name and location by submitting relevant documents and by requesting approval from the Ministry of Education, Youth and Sport ("MoEYS").

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
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13. INVESTMENTS IN SUBSIDIARIES (continued)

(c) ACLEDA University of Business Co., Ltd. (continued)

On 10 February 2021, the NBC approved, on request of the Bank, an increase in the capital of AUB as invested by ACLEDA Financial Trust ("AFT"), amounting to US\$10,000,000, which represents 23.391% of the total shares registered, equal to 6,047,046 shares at the price of US\$1.6537 per share through a Share Investment Agreement made on 26 February 2021 between the Bank, AUB, and AFT. Consequently, AUB's share capital increased to US\$25,852,046 and reduced the Bank's ownership to 76.609%, which is equal to US\$19,805,000.

On 29 March 2021, AUB submitted a letter to the MOC requesting for its approval on the amendment of its MAA relating to the capital increase and on 2 December 2022, AUB obtained the approval from the MOC.

On 12 February 2024, AUB is recognised as transformation from ACLEDA Institute of Business Co., Ltd. to be ACLEDA University of Business Co., Ltd. under the Sub-Decree No. 27 RNK. BK from the Royal Government of Cambodia. The Ministry of Education, Youth and Sport ("MoEYS") approved this transformation on 16 January 2024.

(d) ACLEDA MFI Myanmar Co., Ltd.

AMM was incorporated in the Republic of the Union of Myanmar under the Republic of the Union of Myanmar Companies Law on 6 September 2012 to provide services per Registration No. 143715094 and started its operations on 18 February 2013. The financial year of the statutory financial statements of AMM is from 1 October to 30 September until year 2021 and from 1 April to 31 March from year 2022 onwards in accordance with the Letter N^o: NgaKaSa/AhMaKha (105/2021) issued on 13 September 2021 on changing the fiscal year of Myanmar.

AMM is permitted to operate as a deposit-taking microfinance institution providing microfinance services to lower income segments of the Myanmar market and other activities allowed by the Microfinance Supervisory Authority at 45 townships in Yangon Region, 28 townships in Bago Region, 3 townships in Mon State and 25 townships in Magway Region.

The Bank's initial investment in 2013 in AMM is US\$9,411,765. In 2014, the Bank sold shares to IFC, COFIBRED S.A and Kredittanstalt Fur Wiederaufbau ("KfW") amounting to US\$3,659,371, which decreased its investments in AMM to US\$5,752,394.

The Bank acquired 3,600,000 ordinary shares (45% of the total shareholdings) of AMM from KfW, COFIBRED S.A, and IFC for a consideration of US\$6,193,321 as approved by the Board of Directors of AMM on 25 April 2018. The share transfers, appointment of representative of shareholders, and changing the Board members were approved on 27 September 2018 by the Secretary of Microfinance Business Supervisory Committee, the Republic of the Union of Myanmar Government.

On 23 September 2019, the Bank injected capital amounting to US\$3,969,923 (equivalent to Myanmar Kyat ("MMK") of 6,099,390,000) and additional capital of US\$3,995,367 (equivalent to MMK6,039,396,000), on 3 December 2019, increasing its ownership to 99.99%, with the remaining interest owned by AUB.

On 12 May 2021, the Bank settled US\$2,145 to AUB to hold 100% of common stock of AMM shares amounting to MMK20,140,000,000 (2019: 99.99% of MMK8,000,000,000). On 5 April 2021, AMM submitted a request to the regulator for the approval of its amended MAA resulting from the change in ownership. Microfinance Business Supervisory Committee had approved AMM's request with Letter No. KaKa-1/6 (467/2021) dated 23 December 2021.

ACLEDA BANK PLC.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
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14. PROPERTY AND EQUIPMENT, NET

	The Group								
	Land US\$	Land improvement US\$	Building and improvement US\$	Leasehold improvement US\$	Office equipment US\$	Computer equipment US\$	Motor vehicles US\$	Construction in progress US\$	Total US\$
Cost									
As at 1 January 2024	14,542,280	1,759,381	99,132,875	11,400,491	96,992,721	98,783,454	24,687,205	2,219,363	349,517,770
Additions	-	17,957	-	1,137,773	8,799,373	10,044,419	4,002,907	4,931,802	28,934,231
Disposals/write-offs	-	-	(455)	(143,181)	(2,632,705)	(4,646,445)	(1,107,368)	-	(8,530,154)
Transfers	-	-	-	445,484	66,744	2,525,684	70,334	(3,108,246)	-
Effect of hyperinflationary economy	-	-	-	43,107	214,009	1,257,070	145,014	(70)	1,659,130
Currency translation differences	-	-	-	(22,491)	(59,360)	(324,951)	(48,302)	(60,293)	(515,397)
Adjustments	-	-	-	-	4,409	1,413	(6,598)	(109,716)	(110,492)
As at 31 December 2024	14,542,280	1,777,338	99,132,420	12,861,183	103,385,191	107,640,644	27,743,192	3,872,840	370,955,088
Less: Accumulated depreciation									
As at 1 January 2024	-	962,313	35,943,579	6,514,768	68,126,579	74,455,536	15,768,130	-	201,770,905
Charge for the year	-	70,095	4,640,952	1,848,384	9,886,978	7,184,824	2,098,727	-	25,729,960
Disposals/write-offs	-	-	(455)	(140,531)	(2,615,440)	(4,639,965)	(1,107,367)	-	(8,503,758)
Effect of hyperinflationary economy	-	-	-	27,307	129,991	577,613	59,725	-	794,636
Currency translation differences	-	(10)	(4,366)	(20,589)	(57,206)	(248,344)	(33,753)	-	(364,268)
As at 31 December 2024	-	1,032,398	40,579,710	8,229,339	75,470,902	77,329,664	16,785,462	-	219,427,475
Carrying value	14,542,280	744,940	58,552,710	4,631,844	27,914,289	30,310,980	10,957,730	3,872,840	151,527,613
In KHR'000 equivalent (Note 5)	58,532,677	2,998,384	235,674,658	18,643,172	112,355,013	122,001,695	44,104,863	15,588,180	609,898,642

As at 31 December 2024, fully depreciated property and equipment with total historical cost of US\$109,669,869 (31 December 2023: US\$130,332,368) are still in active use.

ACLEDA BANK PLC.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2024

14. PROPERTY AND EQUIPMENT, NET (continued)

	The Group								
	Land US\$	Land improvement US\$	Building and improvement US\$	Leasehold improvement US\$	Office equipment US\$	Computer equipment US\$	Motor vehicles US\$	Construction in progress US\$	Total US\$
Cost									
As at 1 January 2023	14,542,280	1,759,381	99,042,570	9,653,057	83,813,313	90,372,687	21,880,815	2,647,259	323,711,362
Additions	-	-	40,664	1,450,025	14,194,354	9,532,489	4,031,203	2,409,939	31,658,674
Disposals/write-offs	-	-	(359)	(248,172)	(1,630,492)	(1,575,629)	(1,155,645)	-	(4,610,297)
Transfers	-	-	50,000	593,310	715,288	1,072,962	9,961	(2,441,521)	-
Currency translation differences	-	-	-	(47,729)	(112,336)	(619,060)	(79,129)	(19,052)	(877,306)
Adjustments	-	-	-	-	12,594	5	-	(377,262)	(364,663)
As at 31 December 2023	14,542,280	1,759,381	99,132,875	11,400,491	96,992,721	98,783,454	24,687,205	2,219,363	349,517,770
Less: Accumulated depreciation									
As at 1 January 2023	-	896,603	31,315,844	5,206,404	61,047,802	69,885,318	15,138,682	-	183,490,653
Charge for the year	-	65,717	4,631,352	1,574,182	8,796,795	6,616,539	1,856,669	-	23,541,254
Disposals/write-offs	-	-	(359)	(224,710)	(1,611,375)	(1,573,751)	(1,151,716)	-	(4,561,911)
Currency translation differences	-	(7)	(3,258)	(41,108)	(106,643)	(472,570)	(75,505)	-	(699,091)
As at 31 December 2023	-	962,313	35,943,579	6,514,768	68,126,579	74,455,536	15,768,130	-	201,770,905
Carrying value	14,542,280	797,068	63,189,296	4,885,723	28,866,142	24,327,918	8,919,075	2,219,363	147,746,865
In KHR'000 equivalent (Note 5)	59,405,214	3,256,023	258,128,274	19,958,178	117,918,190	99,379,545	36,434,421	9,066,099	603,545,944

ACLEDA BANK PLC.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
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14. PROPERTY AND EQUIPMENT, NET (continued)

	The Bank								
	Land US\$	Land improvement US\$	Building and improvement US\$	Leasehold improvement US\$	Office equipment US\$	Computer equipment US\$	Motor vehicles US\$	Construction in progress US\$	Total US\$
Cost									
As at 1 January 2024	2,328,344	282,726	77,196,411	10,932,179	94,915,864	93,025,844	23,741,433	1,316,041	303,738,842
Additions	-	-	-	1,096,555	8,724,384	8,234,496	3,686,295	3,832,922	25,574,652
Disposals/write-offs	-	-	(455)	(121,586)	(2,594,441)	(4,598,139)	(1,090,165)	-	(8,404,786)
Transfers	-	-	-	445,484	66,744	622,665	70,334	(1,205,227)	-
Adjustments	-	-	-	-	4,409	1,413	(6,598)	(109,716)	(110,492)
As at 31 December 2024	2,328,344	282,726	77,195,956	12,352,632	101,116,960	97,286,279	26,401,299	3,834,020	320,798,216
Less: Accumulated depreciation									
As at 1 January 2024	-	175,072	32,148,838	6,104,026	66,361,651	70,153,324	15,086,771	-	190,029,682
Charge for the year	-	9,242	3,905,100	1,828,316	9,789,251	6,293,503	2,002,231	-	23,827,643
Disposals/write-offs	-	-	(455)	(119,337)	(2,580,093)	(4,595,222)	(1,090,165)	-	(8,385,272)
Currency translation differences	-	(10)	(4,366)	(1,707)	(9,534)	(6,857)	(1,972)	-	(24,446)
As at 31 December 2024	-	184,304	36,049,117	7,811,298	73,561,275	71,844,748	15,996,865	-	205,447,607
Carrying value	2,328,344	98,422	41,146,839	4,541,334	27,555,685	25,441,531	10,404,434	3,834,020	115,350,609
In KHR'000 equivalent (Note 5)	9,371,585	396,149	165,616,027	18,278,869	110,911,632	102,402,162	41,877,847	15,431,930	464,286,201

As at 31 December 2024, fully depreciated property and equipment with total historical cost of US\$103,228,956 (31 December 2023: US\$124,117,271) are still in active use.

ACLEDA BANK PLC.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2024

14. PROPERTY AND EQUIPMENT, NET (continued)

	The Bank								
	Land improvement US\$	Land improvement US\$	Building and improvement US\$	Leasehold improvement US\$	Office equipment US\$	Computer equipment US\$	Motor vehicles US\$	Construction in progress US\$	Total US\$
Cost									
As at 1 January 2023	2,328,344	282,726	77,116,208	9,134,971	81,747,217	84,601,903	21,010,084	2,492,887	278,714,340
Additions	-	-	30,562	1,438,490	14,057,707	9,208,756	3,804,560	1,316,043	29,856,118
Disposals/write-offs	-	-	(359)	(232,553)	(1,603,108)	(1,557,722)	(1,073,211)	-	(4,466,953)
Transfers	-	-	50,000	591,271	701,454	772,902	-	(2,115,627)	-
Adjustments	-	-	-	-	12,594	5	-	(377,262)	(364,663)
As at 31 December 2023	2,328,344	282,726	77,196,411	10,932,179	94,915,864	93,025,844	23,741,433	1,316,041	303,738,842
Less: Accumulated depreciation									
As at 1 January 2023	-	165,865	28,256,258	4,761,986	59,270,750	65,604,513	14,368,937	-	172,428,309
Charge for the year	-	9,214	3,896,197	1,553,048	8,685,635	6,109,749	1,790,289	-	22,044,132
Disposals/write-offs	-	-	(359)	(209,993)	(1,588,197)	(1,556,776)	(1,071,213)	-	(4,426,538)
Currency translation differences	-	(7)	(3,258)	(1,015)	(6,537)	(4,162)	(1,242)	-	(16,221)
As at 31 December 2023	-	175,072	32,148,838	6,104,026	66,361,651	70,153,324	15,086,771	-	190,029,682
Carrying value	2,328,344	107,654	45,047,573	4,828,153	28,554,213	22,872,520	8,654,662	1,316,041	113,709,160
In KHR'000 equivalent (Note 5)	9,511,285	439,767	184,019,336	19,723,005	116,643,960	93,434,244	35,354,294	5,376,028	464,501,919
Movement for cash used for purchases of property and equipment									
	The Group			The Bank					
	2024 US\$	2023 US\$	2024 KHR'000 (Note 5)	2023 KHR'000 (Note 5)	2024 US\$	2023 US\$	2024 KHR'000 (Note 5)	2023 KHR'000 (Note 5)	
Additions	28,934,231	31,658,674	117,791,254	130,117,150	25,574,652	29,856,118	104,114,408	122,708,645	
(Increase)/decrease in accounts payable for capital expenditure	(46,063)	(421,075)	(187,522)	(1,730,618)	-	109,899	-	451,685	
Cash used for purchases of property and equipment	28,888,168	31,237,599	117,603,732	128,386,532	25,574,652	29,966,017	104,114,408	123,160,330	

ACLEDA BANK PLC.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2024

15. INTANGIBLE ASSETS, NET

	The Group		The Bank		
	Computer software US\$	Work in progress US\$	Total US\$	Computer software US\$	Work in progress US\$
Cost					
As at 1 January 2024					
Additions	40,498,585	2,730,718	43,229,303	38,153,750	2,288,017
Disposals/write-offs	8,800,889	1,750,259	10,551,148	8,539,020	1,230,875
Transfers	(582,023)	-	(582,023)	(566,790)	-
Effect of hyperinflationary economy	1,744,376	(1,744,376)	-	811,840	(811,840)
Currency translation differences	521,315	-	521,315	-	-
Adjustments	(152,890)	(29,549)	(182,439)	-	-
As at 31 December 2024	50,830,252	2,084,489	52,914,741	46,937,820	(622,563)
					49,022,309
Less: Accumulated amortisation					
As at 1 January 2024					
Charge for the year	32,458,285	-	32,458,285	30,612,312	-
Disposals/write-offs	4,565,938	-	4,565,938	4,313,776	-
Effect of hyperinflationary economy	(521,877)	-	(521,877)	(506,644)	-
Currency translation differences	338,327	-	338,327	-	-
Adjustments	(124,017)	-	(124,017)	(3,794)	-
As at 31 December 2024	(538,733)	-	(538,733)	(538,733)	-
	36,177,923	-	36,177,923	33,876,917	-
Carrying value	14,652,329	2,084,489	16,736,818	13,060,903	15,145,392
In KHR'000 equivalent (Note 5)	58,975,624	8,390,068	67,365,692	52,570,135	60,960,203

As at 31 December 2024, the Group's and the Bank's fully amortised intangible assets with historical cost of US\$25,272,431 and US\$23,806,038, respectively (31 December 2023: US\$25,101,546 and US\$23,639,872, respectively), are still used actively.

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15. INTANGIBLE ASSETS, NET (continued)

	The Group			The Bank		
	Computer software US\$	Work in progress US\$	Total US\$	Computer software US\$	Work in progress US\$	Total US\$
Cost						
As at 1 January 2023	39,382,953	2,484,354	41,867,307	37,140,474	2,261,329	39,401,803
Additions	1,391,039	1,467,079	2,858,118	1,158,809	1,079,688	2,238,497
Disposals	(1,009,305)	-	(1,009,305)	(1,009,305)	-	(1,009,305)
Transfers	1,003,963	(1,003,963)	-	863,772	(863,772)	-
Currency translation differences	(270,065)	(27,524)	(297,589)	-	-	-
Adjustments	-	(189,228)	(189,228)	-	(189,228)	(189,228)
As at 31 December 2023	40,498,585	2,730,718	43,229,303	38,153,750	2,288,017	40,441,767
Less: Accumulated amortisation						
As at 1 January 2023	30,970,766	-	30,970,766	29,083,379	-	29,083,379
Charge for the year	2,821,055	-	2,821,055	2,622,695	-	2,622,695
Disposals	(1,009,305)	-	(1,009,305)	(1,009,305)	-	(1,009,305)
Currency translation differences	(241,905)	-	(241,905)	(2,131)	-	(2,131)
Adjustments	(82,326)	-	(82,326)	(82,326)	-	(82,326)
As at 31 December 2023	32,458,285	-	32,458,285	30,612,312	-	30,612,312
Carrying value	8,040,300	2,730,718	10,771,018	7,541,438	2,288,017	9,829,455
In KHR'000 equivalent (Note 5)	32,844,626	11,154,983	43,999,609	30,806,774	9,346,550	40,153,324

Movement for cash used for purchases of intangible assets

	The Group			The Bank		
	2024 US\$	2023 US\$	2024 KHR'000 (Note 5)	2023 US\$	2024 KHR'000 (Note 5)	2023 KHR'000 (Note 5)
Additions	10,551,148	2,858,118	42,953,724	11,746,865	9,769,895	9,200,223
Increase in accounts payables for intangible assets	(246,551)	(232,230)	(1,003,709)	(954,465)	-	-
Cash used for purchases of intangible assets	10,304,597	2,625,888	41,950,015	10,792,400	9,773,243	9,200,223

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16. RIGHT-OF-USE ASSETS, NET

	The Group			The Bank		
	2024 US\$	2023 US\$	2024 KHR'000 (Note 5)	2023 US\$	2024 KHR'000 (Note 5)	2023 KHR'000 (Note 5)
Right-of-use assets	36,146,086	32,410,303	145,487,996	132,396,088	33,189,075	126,032,107
					133,586,027	

The Group and the Bank lease office buildings and cars for its operations. Information about leases for which the Group or the Bank is a lessee is presented below:

	The Group			The Bank		
	2024 US\$	2023 US\$	2024 KHR'000 (Note 5)	2023 US\$	2024 KHR'000 (Note 5)	2023 KHR'000 (Note 5)
At the beginning of the year	32,410,303	28,785,805	132,396,088	118,511,159	30,852,413	109,206,253
Additions during the year	17,173,328	17,886,445	69,912,618	73,513,289	16,373,362	71,231,096
Effect of hyperinflationary economy	897,839	-	3,655,103	-	-	-
Depreciation for the year	(12,910,310)	(12,227,167)	(52,557,872)	(50,253,656)	(12,437,143)	(48,313,658)
Lease termination during the year	(1,631,785)	(1,245,468)	(6,642,997)	(5,118,873)	(1,633,217)	(5,116,695)
Currency translation differences	206,711	(789,312)	841,520	(3,244,072)	33,660	(17,899)
Exchange differences	-	-	(2,116,464)	(1,011,759)	-	(956,990)
At the end of the year	36,146,086	32,410,303	145,487,996	132,396,088	33,189,075	126,032,107

For the year ended 31 December 2024, the Group and the Bank have recognised the expense relating to short-term lease payments amounting to US\$3,115 and nil, respectively (31 December 2023: the Group and the Bank have recognised expenses related to variable lease payments amounting to US\$16,792, and the Group has recognised short-term lease payments amounting to US\$834).

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
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16. RIGHT-OF-USE ASSETS, NET (continued)

Amounts recognised in the statement of profit or loss and other comprehensive income:

	The Group			The Bank		
	2024 US\$	2023 US\$	2024 KHR'000 (Note 5)	2023 KHR'000 (Note 5)	2024 US\$	2023 US\$
Depreciation expense	12,910,310	12,227,167	52,557,872	50,253,656	12,437,143	11,755,148
Interest on lease liabilities	2,098,202	1,895,277	8,541,780	7,789,590	1,944,340	1,754,557
Gain on pre-termination of leases	(139,265)	(101,682)	(566,948)	(417,913)	(122,709)	(76,783)
	14,869,247	14,020,762	60,532,704	57,625,333	14,258,774	13,432,922
					58,047,469	55,209,310

17. DEFERRED TAX ASSETS AND DEFERRED TAX LIABILITIES

	The Group			The Bank		
	2024 US\$	2023 US\$	2024 KHR'000 (Note 5)	2023 KHR'000 (Note 5)	2024 US\$	2023 US\$
Deferred tax assets	4,149,905	4,069,381	16,703,368	16,623,421	-	-
Deferred tax liabilities	(3,361,806)	(2,716,755)	(13,531,270)	(11,097,944)	-	-
Net deferred tax assets	788,099	1,352,626	3,172,098	5,525,477	-	-
Deferred tax assets	17,755,287	18,111,328	71,465,030	73,984,775	17,755,287	18,111,328
Deferred tax liabilities	(51,651,549)	(44,893,373)	(207,897,485)	(183,389,429)	(51,651,549)	(44,893,373)
Net deferred tax liabilities	(33,896,262)	(26,782,045)	(136,432,455)	(109,404,654)	(33,896,262)	(26,782,045)
Total deferred tax assets	21,905,192	22,180,709	88,168,398	90,608,196	17,755,287	18,111,328
Total deferred tax liabilities	(55,013,355)	(47,610,128)	(221,428,755)	(194,487,373)	(51,651,549)	(44,893,373)
Total net deferred tax liabilities	(33,108,163)	(25,429,419)	(133,260,357)	(103,879,177)	(33,896,262)	(26,782,045)
					(136,432,455)	(109,404,654)
					71,465,030	73,984,775
					(207,897,485)	(183,389,429)
					(136,432,455)	(109,404,654)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
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17. DEFERRED TAX ASSETS AND DEFERRED TAX LIABILITIES (continued)

The movements in net deferred tax assets/(deferred tax liabilities) during the year are presented as follows:

	The Group				The Bank			
	2024 US\$	2023 US\$	2024 KHR'000 (Note 5)	2023 KHR'000 (Note 5)	2024 US\$	2023 US\$	2024 KHR'000 (Note 5)	2023 KHR'000 (Note 5)
At the beginning of the year	(25,429,419)	(1,137,857)	(103,879,177)	(4,684,557)	(26,782,045)	(2,258,353)	(109,404,654)	(9,297,639)
Charged to profit or loss	(7,844,754)	(24,186,614)	(31,935,994)	(99,406,984)	(7,114,217)	(24,523,692)	(28,961,977)	(100,792,374)
Currency translation differences	166,010	(104,948)	675,827	(431,336)	-	-	-	-
Exchange differences	-	-	1,878,987	643,700	-	-	1,934,176	685,359
At the end of the year	(33,108,163)	(25,429,419)	(133,260,357)	(103,879,177)	(33,896,262)	(26,782,045)	(136,432,455)	(109,404,654)

The components of and movements in deferred tax assets and deferred tax liabilities during the year presented are as follows:

Deferred tax assets of the Group:

	Unamortised loan fees US\$	Unearned revenue US\$	Provision for		Other provision US\$	Employee benefits US\$	Unrealised exchange US\$	Accelerated depreciation US\$	Lease liabilities US\$	Others US\$	Total US\$
			expected credit losses US\$	US\$							
As at 1 January 2024	710,701	54,593	3,209,220	3,209,220	5,564,566	1,635,771	2,731,546	4,768	352,122	2,699,396	16,962,683
(Charged)/credited to profit or loss	(110,920)	(5,261)	104,056	104,056	483,814	(319,778)	969,980	(4,768)	6,204,833	(2,379,447)	4,942,509
As at 31 December 2024	599,781	49,332	3,313,276	3,313,276	6,048,380	1,315,993	3,701,526	-	6,556,955	319,949	21,905,192
In KHR'000 equivalent (Note 5)	2,414,119	198,561	13,335,936	13,335,936	24,344,730	5,296,872	14,898,642	-	26,391,744	1,287,794	88,168,398
As at 1 January 2023	4,284,530	44,281	2,817,008	2,817,008	9,554,050	2,117,163	1,683,243	473	362,157	1,822,821	22,685,726
(Charged)/credited to profit or loss	(1,818,781)	10,312	392,212	392,212	(3,989,484)	(481,392)	1,048,303	4,295	5,754,471	(1,424,953)	(505,017)
As at 31 December 2023	2,465,749	54,593	3,209,220	3,209,220	5,564,566	1,635,771	2,731,546	4,768	6,116,628	397,868	22,180,709
In KHR'000 equivalent (Note 5)	10,072,585	223,012	13,109,663	13,109,663	22,731,252	6,682,124	11,158,365	19,477	24,986,425	1,625,293	90,608,196

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17. DEFERRED TAX ASSETS AND DEFERRED TAX LIABILITIES (continued)

The components of and movements in deferred tax assets and deferred tax liabilities during the year presented are as follows:

Deferred tax assets of the Bank:

	Unamortised loan fees US\$	Other provision US\$	Employee benefits US\$	Unrealised exchange US\$	Lease liabilities US\$	Others US\$	Total US\$
As at 1 January 2024	-	5,505,303	1,625,989	2,730,883	350,912	2,694,285	12,907,372
Credited/(charged) to profit or loss	-	480,386	(319,277)	855,344	6,205,798	(2,374,336)	4,847,915
As at 31 December 2024	-	5,985,689	1,306,712	3,586,227	6,556,710	319,949	17,755,287
<i>In KHR'000 equivalent (Note 5)</i>	-	24,092,398	5,259,516	14,434,564	26,390,758	1,287,794	71,465,030
As at 1 January 2023	3,648,149	9,392,387	2,117,163	1,682,562	359,397	1,798,711	18,998,369
(Charged)/(credited) to profit or loss	(1,893,101)	(3,887,084)	(491,174)	1,048,321	5,750,073	(1,414,076)	(887,041)
As at 31 December 2023	1,755,048	5,505,303	1,625,989	2,730,883	6,109,470	384,635	18,111,328
<i>In KHR'000 equivalent (Note 5)</i>	7,169,371	22,489,163	6,642,165	11,155,657	24,957,185	1,571,234	73,984,775

Deferred tax liabilities of the Group:

	Unamortised loan fees US\$	Provision for expected credit losses US\$	Unrealised exchange US\$	Accelerated depreciation US\$	Right of use assets US\$	Others US\$	Total US\$
As at 1 January 2024	3,379,139	36,610,954	1,899	2,383,244	13,112	3,754	42,392,102
Charged/(credited) to profit or loss	1,246,149	4,880,272	(1,899)	323,900	6,175,158	(2,327)	12,621,253
As at 31 December 2024	4,625,288	41,491,226	-	2,707,144	6,188,270	1,427	55,013,355
<i>In KHR'000 equivalent (Note 5)</i>	18,616,785	167,002,185	-	10,896,255	24,907,787	5,743	221,428,755
As at 1 January 2023	2,088,004	19,993,261	3,243	1,728,360	-	10,715	23,823,583
Charged/(credited) to profit or loss	601,202	16,754,317	(1,344)	654,884	5,776,325	1,161	23,786,545
As at 31 December 2023	2,689,206	36,747,578	1,899	2,383,244	5,776,325	11,876	47,610,128
<i>In KHR'000 equivalent (Note 5)</i>	10,985,407	150,113,856	7,757	9,735,552	23,596,288	48,513	194,487,373

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17. DEFERRED TAX ASSETS AND DEFERRED TAX LIABILITIES (continued)

The components of and movements in deferred tax assets and deferred tax liabilities during the year presented are as follows:

Deferred tax liabilities of the Bank:

	Unamortised loan fees US\$	Provision for expected credit losses US\$	Accelerated depreciation US\$	Right-of-use assets US\$	Total US\$
As at 1 January 2024	689,933	36,610,954	2,375,418	13,112	39,689,417
Charged to profit or loss	686,011	4,787,384	313,579	6,175,158	11,962,132
As at 31 December 2024	1,375,944	41,398,338	2,688,997	6,188,270	51,651,549
In KHR'000 equivalent (Note 5)	5,538,175	166,628,310	10,823,213	24,907,787	207,897,485
As at 1 January 2023	-	19,993,261	1,263,461	-	21,256,722
Charged to profit or loss	-	16,754,317	1,111,957	5,770,377	23,636,651
As at 31 December 2023	-	36,747,578	2,375,418	5,770,377	44,893,373
In KHR'000 equivalent (Note 5)	-	150,113,856	9,703,583	23,571,990	183,389,429

18. DEPOSITS AND PLACEMENTS OF OTHER BANKS AND FINANCIAL INSTITUTIONS

	The Group			The Bank		
	2024 US\$	2023 US\$	2024 KHR'000 (Note 5)	2023 US\$	2024 KHR'000 (Note 5)	2023 KHR'000 (Note 5)
Current accounts	91,515,600	83,966,188	368,350,290	87,716,198	381,704,540	358,320,669
Savings deposits	33,074,622	34,860,003	133,125,354	34,103,292	128,948,309	139,311,948
Fixed deposits	271,924,129	300,966,429	1,094,494,619	264,586,437	989,575,757	1,080,835,595
	396,514,351	419,792,620	1,595,970,263	386,405,927	1,500,228,606	1,578,468,212
Current	280,073,909	295,437,098	1,127,297,484	263,321,140	1,032,704,731	1,075,666,857
Non-current	116,440,442	124,355,522	468,672,779	123,084,787	467,523,875	502,801,355
	396,514,351	419,792,620	1,595,970,263	386,405,927	1,500,228,606	1,578,468,212

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18. DEPOSITS AND PLACEMENTS OF OTHER BANKS AND FINANCIAL INSTITUTIONS (continued)

The deposits and placements of other banks and financial institutions are analysed as follows:

a) By maturity

	The Group			The Bank		
	2024 US\$	2023 US\$	2024 KHR'000 (Note 5)	2023 US\$	2024 KHR'000 (Note 5)	2023 KHR'000 (Note 5)
Within 6 months	236,465,459	262,331,052	951,773,473	245,963,272	870,787,820	1,004,759,966
Later than 6 months but not later than 1 year	43,608,450	33,106,046	175,524,011	17,357,868	161,916,911	70,906,891
Later than 1 year but not later than 3 years	29,860,442	38,325,522	120,188,279	37,054,787	119,039,375	151,368,805
Later than 3 years	86,580,000	86,030,000	348,484,500	86,030,000	348,484,500	351,432,550
	<u>396,514,351</u>	<u>419,792,620</u>	<u>1,595,970,263</u>	<u>386,405,927</u>	<u>1,500,228,606</u>	<u>1,578,468,212</u>

b) By relationship

	The Group			The Bank		
	2024 US\$	2023 US\$	2024 KHR'000 (Note 5)	2023 US\$	2024 KHR'000 (Note 5)	2023 KHR'000 (Note 5)
Related parties	74,940	51,611	301,634	3,840,265	14,027,805	15,687,483
Non-related parties	396,439,411	419,741,009	1,595,668,629	382,565,662	1,486,200,801	1,562,780,729
	<u>396,514,351</u>	<u>419,792,620</u>	<u>1,595,970,263</u>	<u>386,405,927</u>	<u>1,500,228,606</u>	<u>1,578,468,212</u>

c) By interest (per annum)

	The Group		The Bank	
	2024	2023	2024	2023
Current accounts	0.00% - 2.00%	0.00% - 1.50%	0.00% - 0.75%	0.00% - 0.75%
Savings deposits	0.00% - 3.00%	0.00% - 2.00%	0.00% - 1.00%	0.05% - 1.00%
Fixed deposits	1.45% - 13.00%	0.25% - 8.45%	1.45% - 9.50%	0.25% - 8.45%

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19. DEPOSITS FROM CUSTOMERS

	The Group			The Bank		
	2024 US\$	2023 US\$	2024 KHR'000 (Note 5)	2023 US\$	2024 KHR'000 (Note 5)	2023 KHR'000 (Note 5)
Current accounts	1,416,388,683	950,009,201	5,700,964,450	937,729,648	5,635,799,977	3,830,625,612
Savings deposits	2,843,866,399	2,297,291,732	11,446,562,256	2,272,724,032	11,329,550,559	9,284,077,671
Margin deposits	21,430,854	17,263,637	86,259,187	21,405,782	86,158,273	70,112,489
Fixed deposits	3,680,855,498	3,543,455,849	14,815,443,379	3,487,671,945	14,525,817,207	14,247,139,895
	<u>7,962,541,434</u>	<u>6,808,020,419</u>	<u>32,049,229,272</u>	<u>6,715,289,025</u>	<u>31,577,326,016</u>	<u>27,431,955,667</u>
Current	7,117,246,308	5,793,320,150	28,646,916,389	5,723,328,073	28,258,891,321	23,379,795,178
Non-current	845,295,126	1,014,700,269	3,402,312,883	991,960,952	3,318,434,695	4,052,160,489
	<u>7,962,541,434</u>	<u>6,808,020,419</u>	<u>32,049,229,272</u>	<u>6,715,289,025</u>	<u>31,577,326,016</u>	<u>27,431,955,667</u>

The deposits from customers are analysed as follows:

a) By maturity

	The Group			The Bank		
	2024 US\$	2023 US\$	2024 KHR'000 (Note 5)	2023 US\$	2024 KHR'000 (Note 5)	2023 KHR'000 (Note 5)
Within 6 months	5,939,385,466	4,696,431,675	23,906,026,500	4,641,685,771	23,629,085,290	18,961,286,374
Later than 6 months but not later than 1 year	1,177,860,842	1,096,888,475	4,740,889,889	1,081,642,302	4,629,806,031	4,418,508,804
Later than 1 year but not later than 3 years	578,023,980	688,857,452	2,326,546,520	675,049,102	2,283,416,696	2,757,575,582
Later than 3 years	267,271,146	325,842,817	1,075,766,363	316,911,850	1,035,017,999	1,294,584,907
	<u>7,962,541,434</u>	<u>6,808,020,419</u>	<u>32,049,229,272</u>	<u>6,715,289,025</u>	<u>31,577,326,016</u>	<u>27,431,955,667</u>

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19. DEPOSITS FROM CUSTOMERS (continued)

The deposits from customers are analysed as follows:

b) By relationship

	The Group			The Bank		
	2024 US\$	2023 US\$	2024 KHR'000 (Note 5)	2023 US\$	2024 KHR'000 (Note 5)	2023 KHR'000 (Note 5)
Related parties	16,144,658	13,291,477	64,982,248	14,597,942	68,802,711	59,632,595
Non-related parties	7,946,396,776	6,794,728,942	31,984,247,024	6,700,691,083	31,508,523,305	27,372,323,072
	<u>7,962,541,434</u>	<u>6,808,020,419</u>	<u>32,049,229,272</u>	<u>6,715,289,025</u>	<u>31,577,326,016</u>	<u>27,431,955,667</u>

c) By interest rate (per annum)

	The Group		The Bank	
	2024	2023	2024	2023
Current accounts	0.00% - 2.00%	0.00% - 1.50%	0.00% - 0.75%	0.00% - 0.75%
Margin deposits	Nil	Nil	Nil	Nil
Savings deposits	0.00% - 15.00%	0.00% - 15.00%	0.00% - 1.00%	0.05% - 1.00%
Fixed deposits	0.03% - 12.00%	0.25% - 9.50%	0.03% - 10.60%	0.25% - 8.45%

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20. OTHER LIABILITIES

	The Group			The Bank		
	2024 US\$	2023 US\$	2024 KHR'000 (Note 5)	2023 KHR'000 (Note 5)	2024 US\$	2023 KHR'000 (Note 5)
Accrued annual leave	30,429,869	27,977,024	122,480,223	114,286,143	29,928,445	27,526,513
Fund transfers	26,467,968	22,829,011	106,533,571	93,256,510	26,420,324	22,578,216
Accounts payables	21,484,272	14,193,158	86,474,195	57,979,050	19,679,901	13,013,016
Accrued bonuses	6,486,410	5,271,250	26,107,800	21,533,056	6,000,000	4,700,000
Tax payables	2,838,153	2,628,107	11,423,566	10,735,817	2,805,281	2,600,510
Bakong interbank payable	1,939,132	2,110,321	7,805,006	8,620,661	1,939,132	1,450,509
Others	14,018,505	10,836,473	56,424,483	44,266,993	12,936,621	11,115,210
	<u>103,664,309</u>	<u>85,845,344</u>	<u>417,248,844</u>	<u>350,678,230</u>	<u>99,709,704</u>	<u>82,983,974</u>
					<u>401,331,559</u>	<u>338,989,534</u>
Current	58,886,583	47,206,915	237,018,497	192,840,248	55,441,578	44,788,709
Non-current	44,777,726	38,638,429	180,230,347	157,837,982	44,268,126	38,195,265
	<u>103,664,309</u>	<u>85,845,344</u>	<u>417,248,844</u>	<u>350,678,230</u>	<u>99,709,704</u>	<u>82,983,974</u>
					<u>401,331,559</u>	<u>338,989,534</u>

21. BORROWINGS

The Group and the Bank have entered into borrowing agreements with various lenders. The repayments of principal and interest are made either on monthly, quarterly, semi-annual, annual basis, or balloon based on the repayment schedule of each of the borrowing agreements. The Group and the Bank did not pledge any collaterals for these borrowings.

	The Group			The Bank		
	2024 US\$	2023 US\$	2024 KHR'000 (Note 5)	2023 KHR'000 (Note 5)	2024 US\$	2023 KHR'000 (Note 5)
Current	522,897,106	160,899,380	2,104,660,852	657,273,968	517,582,175	150,401,659
Non-current	83,960,769	698,914,170	337,942,095	2,855,064,384	80,939,840	693,016,932
	<u>606,857,875</u>	<u>859,813,550</u>	<u>2,442,602,947</u>	<u>3,512,338,352</u>	<u>598,522,015</u>	<u>843,418,591</u>
					<u>2,409,051,110</u>	<u>614,390,777</u>
					<u>325,782,856</u>	<u>2,830,974,167</u>
					<u>3,445,364,944</u>	<u>3,445,364,944</u>

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21. BORROWINGS (continued)

As of 31 December 2024, the Bank's financial covenant ratios were not in line with covenants on borrowings with a few lenders amounting to US\$392,409,534. The Bank had obtained waiver approvals for these financial covenant ratios from the respective lenders, which covered the period up to 31 December 2024. Nevertheless, the non-current portion of the borrowings, amounting to US\$256,470,214, had been reclassified from non-current liabilities to current liabilities as of 31 December 2024.

Meanwhile, management is working to enhance the ratios to be in line with the Bank's strategies and objectives.

Changes in liabilities arising from financing activities – borrowings

	The Group			The Bank		
	2024 US\$	2023 US\$	2024 KHR'000 (Note 5)	2023 US\$	2024 KHR'000 (Note 5)	2023 KHR'000 (Note 5)
At the beginning of the year	859,813,550	957,335,868	3,512,338,352	843,418,591	944,275,857	3,887,583,704
Additions	12,753,898	146,037,349	51,921,119	10,000,000	135,946,598	558,740,518
Charge during the year	61,032,211	72,687,107	248,462,131	59,901,279	71,669,423	294,561,329
Repayments	(326,574,639)	(311,621,047)	(1,329,485,356)	(315,307,113)	(304,536,647)	(1,251,645,619)
Withholding tax accrued	(244,672)	(4,369,003)	(996,060)	(244,672)	(4,369,003)	(17,956,602)
Effect of hyperinflationary economy	(28,075)	-	(114,293)	-	-	-
Currency translation difference	105,602	(256,724)	429,906	753,930	432,363	1,777,012
Exchange differences	-	-	(39,952,852)	-	(39,339,873)	(27,695,398)
At the end of the year	606,857,875	859,813,550	2,442,602,947	598,522,015	843,418,591	3,445,364,944

The borrowings are analysed as follows:

a) By relationship

	The Group			The Bank		
	2024 US\$	2023 US\$	2024 KHR'000 (Note 5)	2023 US\$	2024 KHR'000 (Note 5)	2023 KHR'000 (Note 5)
Related parties	34,282,111	49,491,659	137,985,497	34,282,111	49,491,659	202,173,427
Non-related parties	572,575,764	810,321,891	2,304,617,450	564,239,904	793,926,932	3,243,191,517
	606,857,875	859,813,550	2,442,602,947	598,522,015	843,418,591	3,445,364,944

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AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2024**

21. BORROWINGS (continued)

b) By interest rate (per annum)	The Group		The Bank	
	2024	2023	2024	2023
Annual interest rates	2.00% - 15.00%	2.00% - 13.00%	2.00% - 9.80%	2.00% - 9.80%

22. SUBORDINATED DEBTS

The subordinated debts totaling US\$173,751,483 have been approved by NBC to be treated as part of complementary capital for the purpose of net worth calculation. An additional amount of US\$5,010,625 is still waiting for approval as at the year-end. Both balances represent the outstanding principal plus accrued interest payable amount. The terms of the subordinated debt range from five to twelve years with interest rate ranging from 6.19% to 11.5% (2023: from six to twelve years with interest rate ranging from 6.19% to 7.75%) per annum. The Group and the Bank did not pledge any collaterals for these subordinated debts.

	The Group			The Bank		
	2024 US\$	2023 US\$	2024 KHR'000 (Note 5)	2023 US\$	2024 KHR'000 (Note 5)	2023 KHR'000 (Note 5)
Current	80,352,127	26,160,421	323,417,311	26,160,421	323,417,311	106,865,320
Non-current	98,409,981	90,893,461	396,100,174	90,893,461	396,100,174	371,299,788
	178,762,108	117,053,882	719,517,485	117,053,882	719,517,485	478,165,108

As of 31 December 2024, the Bank's financial covenant ratios were not in line with covenants on subordinated debts with a few lenders amounting to US\$72,052,553. The Bank had obtained waiver approvals for these financial covenant ratios from the respective lenders, which covered the period up to 31 December 2024. Nevertheless, the non-current portion of the subordinated debts, amounting to US\$50,039,623, had been reclassified from non-current liabilities to current liabilities as of 31 December 2024.

Meanwhile, management is working to enhance the ratios to be in line with the Bank's strategies and objectives.

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22. SUBORDINATED DEBTS (continued)

Changes in liabilities arising from financing activities – subordinated debts

	The Group			The Bank		
	2024 US\$	2023 US\$	2024 KHR'000 (Note 5)	2023 US\$	2024 KHR'000 (Note 5)	2023 KHR'000 (Note 5)
At the beginning of the year	117,053,882	127,762,328	478,165,108	127,762,328	478,165,108	525,997,504
Additions	83,996,593	15,269,486	341,950,130	15,269,486	341,950,130	62,757,587
Charge during the year	12,010,121	9,076,562	48,893,203	9,076,562	48,893,203	37,304,670
Repayments	(34,587,147)	(34,607,574)	(140,804,275)	(34,607,574)	(140,804,275)	(142,237,129)
Withholding tax accrued	16,625	(443,997)	67,680	(443,997)	67,680	(1,824,828)
Currency translation difference	272,034	(2,923)	1,107,451	(2,923)	1,107,451	(12,014)
Exchange differences	-	-	(9,861,812)	-	(9,861,812)	(3,820,682)
At the end of the year	178,762,108	117,053,882	719,517,485	178,762,108	719,517,485	478,165,108

The subordinated debts are analysed as follows:

a) By relationship

	The Group			The Bank		
	2024 US\$	2023 US\$	2024 KHR'000 (Note 5)	2023 US\$	2024 KHR'000 (Note 5)	2023 KHR'000 (Note 5)
Related parties	15,105,000	15,094,208	60,797,625	15,094,208	60,797,625	61,659,840
Non-related parties	163,657,108	101,959,674	658,719,860	163,657,108	658,719,860	416,505,268
	178,762,108	117,053,882	719,517,485	178,762,108	719,517,485	478,165,108

b) By interest rate (per annum)

	The Group		The Bank	
	2024	2023	2024	2023
Annual interest rates	6.19% - 11.50%	5.76% - 7.75%	6.19% - 11.50%	5.76% - 7.75%

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
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23.

DERIVATIVE FINANCIAL INSTRUMENTS

Under existing interest rate swap contracts, the Group and the Bank agree with other financial institutions and commercial banks to exchange the differences between fixed and floating rate interest amounts calculated on agreed notional principal amounts. Such contracts enable the Group and the Bank to mitigate the risk of changing interest rates on the fair value of issued fixed-rate debt and the cash flow exposures on the issued variable-rate debt. The fair value of interest rate swaps at the end of the reporting period is determined by discounting the future cash flows using the curves at the end of the reporting period and the credit risk inherent in the contract, and is disclosed below. The average interest rate is based on the outstanding balances at the end of the reporting period.

The following tables detail the notional principal amounts and the remaining terms of interest rate swap contracts outstanding at the end of the reporting period:

Cash flow hedges

Outstanding Contracts	Average Contracted Rate Fixed Interest	The Group						Fair Value		
		Notional Principal Amount								
		2024	2023	2024	2023	2024	2023	2024	2023	2023
		US\$	US\$	KHR'000 (Note 5)	KHR'000 (Note 5)	US\$	US\$	KHR'000 (Note 5)	US\$	KHR'000 (Note 5)
Less than 1 year	0.600%	20,000,000	3,750,000	80,500,000	15,318,750	278,000	52,811	1,118,950	215,733	
1 to 2 years	0.565%	44,000,000	99,000,000	177,100,000	404,415,000	1,972,246	1,463,462	7,938,290	5,978,242	
More than 2 to 5 years	0.565%	-	66,000,000	-	269,610,000	-	4,230,413	-	17,281,237	
		64,000,000	168,750,000	257,600,000	689,343,750	2,250,246	5,746,686	9,057,240	23,475,212	

Outstanding Contracts	Average Contracted Rate Fixed Interest	The Bank						Fair Value		
		Notional Principal Amount								
		2024	2023	2024	2023	2024	2023	2024	2023	2023
		US\$	US\$	KHR'000 (Note 5)	KHR'000 (Note 5)	US\$	US\$	KHR'000 (Note 5)	US\$	KHR'000 (Note 5)
Less than 1 year	0.600%	20,000,000	3,750,000	80,500,000	15,318,750	278,000	52,811	1,118,950	215,733	
1 to 2 years	0.565%	44,000,000	99,000,000	177,100,000	404,415,000	1,972,246	1,463,462	7,938,290	5,978,242	
More than 2 to 5 years	0.565%	-	66,000,000	-	269,610,000	-	4,230,413	-	17,281,237	
		64,000,000	168,750,000	257,600,000	689,343,750	2,250,246	5,746,686	9,057,240	23,475,212	

The interest rate swaps are settled concurrent with the due date of the hedged item. The Group and the Bank will settle the differences between the fixed and floating interest rate on a net basis.

All interest rate swap contracts that exchange floating rate interest amounts for fixed rate interest amounts are designated as cash flow hedges in order to reduce the Group's and the Bank's cash flow exposure resulting from variable interest rates on borrowings. The interest rate swaps and the interest payments on the loan occur simultaneously and the amount accumulated in equity is reclassified to profit or loss over the period that the floating rate interest payments on the debt affect profit or loss.

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
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24. LEASE LIABILITIES

Analysis of the Group's and the Bank's lease liabilities follows:

	The Group			The Bank		
	2024 US\$	2023 US\$	2024 KHR'000 (Note 5)	2023 US\$	2024 KHR'000 (Note 5)	2023 KHR'000 (Note 5)
Undiscounted lease liabilities						
Less than 1 year	12,958,553	12,490,697	52,158,176	12,070,202	50,840,608	49,306,775
1 to 5 years	23,061,296	22,340,588	92,821,716	21,882,315	88,076,318	87,419,927
More than 5 years	5,125,208	3,055,579	20,628,962	2,131,401	8,578,889	933,557
Total undiscounted lease liabilities	41,145,057	37,886,864	165,608,854	36,644,923	147,495,815	137,660,259
Present value of lease liabilities						
Current	12,545,477	12,094,930	50,495,545	12,237,326	49,255,237	47,747,788
Non-current	22,476,271	20,432,757	90,466,991	18,858,783	82,698,560	77,038,129
Total present value of lease liabilities	35,021,748	32,527,687	140,962,536	30,547,348	131,953,797	124,785,917

The Group and the Bank lease office building and cars for its operations. Information about leases for which the Group and the Bank are a lessee is presented below:

	The Group			The Bank		
	2024 US\$	2023 US\$	2024 KHR'000 (Note 5)	2023 US\$	2024 KHR'000 (Note 5)	2023 KHR'000 (Note 5)
At the beginning of the year	32,527,687	28,448,770	132,875,601	117,123,586	30,547,348	26,457,635
Additions during the year	17,355,884	17,709,094	70,655,804	72,784,376	16,365,861	17,181,102
Payments for the year	(15,172,239)	(14,205,707)	(61,766,185)	(58,385,456)	(14,319,451)	(13,521,708)
Lease terminations during the year	(1,771,020)	(1,306,483)	(7,209,822)	(5,369,645)	(1,755,926)	(1,324,238)
Interest charged during the year	2,098,202	1,895,277	8,541,780	7,789,590	1,944,340	1,754,557
Adjustment	(791)	-	(3,220)	-	-	-
Currency translation differences	(15,975)	(13,264)	(65,034)	(54,515)	1,380	-
Exchange differences	-	-	(2,066,388)	(1,012,335)	-	-
At the end of the year	35,021,748	32,527,687	140,962,536	132,875,601	32,783,552	30,547,348
					131,953,797	124,785,917

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
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Amounts recognised in the statement of cash flows is as follow:

	The Group			The Bank		
	2024	2023	2024	2024	2023	2023
	US\$	US\$	KHR'000 (Note 5)	US\$	US\$	KHR'000 (Note 5)
Total cash outflows for lease payments	15,172,239	14,205,707	61,766,185	14,319,451	13,521,708	55,574,220

	The Group			The Bank				
	2024 US\$	2023 US\$	2024 KHR'000 (Note 5)	2023 KHR'000 (Note 5)	2024 US\$	2023 US\$	2024 KHR'000 (Note 5)	2023 KHR'000 (Note 5)
Seniority indemnity benefit								
Career development								
benefits	6,595,411	5,961,627	26,546,530	24,353,246	6,533,559	5,912,112	26,297,575	24,150,977
Pension fund	3,343,039	2,359,069	13,455,732	9,636,797	3,249,489	2,217,834	13,079,193	9,059,852
Retirement benefits	72,612	71,925	292,263	293,814	71,302	70,690	286,991	288,769
(*)	-	-	-	-	-	-	-	-
	<u>10,011,062</u>	<u>8,392,621</u>	<u>40,294,525</u>	<u>34,283,857</u>	<u>9,854,350</u>	<u>8,200,636</u>	<u>39,663,759</u>	<u>33,499,598</u>
Current								
Non-current	4,113,582	1,591,924	16,557,168	6,503,010	4,052,881	1,493,652	16,312,845	6,101,568
	5,897,480	6,800,697	23,737,357	27,780,847	5,801,469	6,706,984	23,350,914	27,398,030
	<u>10,011,062</u>	<u>8,392,621</u>	<u>40,294,525</u>	<u>34,283,857</u>	<u>9,854,350</u>	<u>8,200,636</u>	<u>39,663,759</u>	<u>33,499,598</u>

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25. EMPLOYEE BENEFITS (continued)

	The Group			The Bank		
	2024 US\$	2023 US\$	2024 KHR'000 (Note 5)	2023 KHR'000 (Note 5)	2024 US\$	2023 KHR'000 (Note 5)
Within 1 month	72,612	74,705	292,264	305,170	73,470	300,125
Between 2 to 3 months	3,311,326	918,568	13,328,087	3,752,350	824,722	3,368,989
Between 4 to 6 months	355,722	300,959	1,431,781	1,229,418	300,381	1,227,056
Between 7 to 12 months	373,922	297,692	1,505,036	1,216,072	295,079	1,205,398
More than 12 months	5,897,480	6,800,697	23,737,357	27,780,847	6,706,984	27,398,030
	10,011,062	8,392,621	40,294,525	34,283,857	8,200,636	33,499,598

(*) Retirement benefits

(i) The movements in the retirement benefit obligation during the year are as follows:

	The Group			The Bank		
	2024 US\$	2023 US\$	2024 KHR'000 (Note 5)	2023 KHR'000 (Note 5)	2024 US\$	2023 KHR'000 (Note 5)
At the beginning of the year	-	22,581,539	-	92,968,196	-	90,449,666
Current service cost	-	164,944	-	677,920	-	546,618
Interest cost	-	145,339	-	597,343	-	544,226
Benefits paid	-	(22,464,315)	-	(92,328,335)	-	(90,091,348)
Settlement gain	-	(431,583)	-	(1,773,806)	-	(1,294,395)
Currency translation differences	-	4,076	-	16,752	-	(978)
Exchange differences	-	-	-	(158,070)	-	(153,789)
At the end of the year	-	-	-	-	-	-

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25. EMPLOYEE BENEFITS (continued)

(*) Retirement benefits (continued)

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

	The Group			The Bank		
	2024 US\$	2023 US\$	2024 KHR'000 (Note 5)	2023 US\$	2024 KHR'000 (Note 5)	2023 KHR'000 (Note 5)
Current service cost	-	164,944	-	-	-	546,618
Interest cost	-	145,339	-	-	-	544,226
Settlement gain	-	(431,583)	-	-	-	(1,294,395)
	-	(121,300)	-	(49,526)	-	(203,551)

During the year ended 31 December 2023, the Group and the Bank amended the Employee Retirement Operating Manual and decided to terminate the retirement benefit plan due to the Group and the Bank have legal obligation required by the Royal Government of Cambodia to pay the seniority benefits and pension fund; thus, the Group and the Bank have settled the outstanding amounts accrued for the retirement benefits amounting to US\$22,464,315 and US\$21,920,036, respectively; with the remaining balance after the settlement of US\$350,852 and US\$226,845 credited to profit or loss, respectively.

(a) Seniority indemnity benefits

Movements in seniority indemnity benefits follow:

	The Group			The Bank		
	2024 US\$	2023 US\$	2024 KHR'000 (Note 5)	2023 US\$	2024 KHR'000 (Note 5)	2023 KHR'000 (Note 5)
At the beginning of the year	5,961,627	6,123,116	24,353,246	6,078,067	24,150,977	25,023,402
Additions (Note 31)	10,191,690	9,610,624	41,490,370	10,010,306	40,751,956	38,834,247
Benefits paid	(9,547,071)	(9,766,773)	(38,866,126)	(9,379,133)	(38,182,450)	(39,495,107)
Effect of hyperinflationary economy	(732)	-	(2,980)	-	-	-
Currency translation differences	(10,103)	(5,340)	(41,129)	(9,726)	(39,595)	(21,216)
Exchange differences	-	-	(386,851)	-	(383,313)	(190,349)
At the end of the year	6,595,411	5,961,627	26,546,530	5,912,112	26,297,575	24,150,977

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25. EMPLOYEE BENEFITS (continued)

(b) Career development benefits

The Bank approved on 4 December 2024 to pay off the career development benefits to employees in February 2025.

Movements in career development benefits follow:

	The Group			The Bank		
	2024 US\$	2023 US\$	2024 KHR'000 (Note 5)	2023 US\$	2024 KHR'000 (Note 5)	2023 KHR'000 (Note 5)
At the beginning of the year	2,359,069	4,598,006	9,636,797	4,507,750	9,059,852	18,558,407
Additions (Note 31)	1,761,433	1,672,985	7,170,794	1,593,047	6,969,776	6,547,423
Benefits paid	(764,647)	(3,882,076)	(3,112,878)	(678,925)	(2,763,904)	(15,955,332)
Effect of hyperinflationary economy	(1,952)	-	(7,947)	-	-	-
Currency translation differences	(10,864)	(29,846)	(44,227)	(887)	(6,005)	(3,646)
Exchange differences	-	-	(186,807)	-	(180,526)	(87,000)
At the end of the year	3,343,039	2,359,069	13,455,732	2,217,834	13,079,193	9,059,852

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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
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26. SHARE CAPITAL AND SHARE PREMIUM

As at 31 December 2024, the authorised share capital comprised of 433,163,019 ordinary shares with par value of US\$1 each. All issued shares are fully paid by the following shareholders and their respective interest in the Bank are:

Share capital

	2024			2023		
	Number of shares	US\$	% of shareholding	Number of shares	US\$	% of shareholding
ACLEDA Financial Trust	122,694,061	122,694,061	28.3251%	121,477,368	121,477,368	28.0443%
SMBC	78,259,310	78,259,310	18.0669%	78,259,310	78,259,310	18.0669%
COFIBRED S.A	52,530,223	52,530,223	12.1271%	52,530,223	52,530,223	12.1271%
ORIX Corporation	52,530,223	52,530,223	12.1271%	52,530,223	52,530,223	12.1271%
NHTPE Rumdul	15,160,706	15,160,706	3.5000%	15,160,706	15,160,706	3.5000%
Triodos Microfinance Fund	6,274,582	6,274,582	1.4485%	6,274,582	6,274,582	1.4485%
Triodos Fair Share Fund	5,365,844	5,365,844	1.2388%	5,365,844	5,365,844	1.2388%
Shareholders Legalised from ASA, Plc.	24,916,808	24,916,808	5.7524%	24,916,808	24,916,808	5.7524%
Public shareholders	75,431,262	75,431,262	17.4141%	76,647,955	76,647,955	17.6949%
	<u>433,163,019</u>	<u>433,163,019</u>	<u>100%</u>	<u>433,163,019</u>	<u>433,163,019</u>	<u>100%</u>
<i>In KHR'000 equivalent (Note 5)</i>		<u>1,732,652,076</u>			<u>1,732,652,076</u>	

On 15 June 2021, 11,488 actual shareholders of ASA, Plc., one of the institutional shareholders of the Bank, has legalised all its shareholdings of 107,204,547 shares or 24.7492% of the Bank's outstanding shares in accordance with the relevant measures, laws and regulations of the SERC. After legalisation, 4% of the Bank's share capital or 17,326,521 shares were floated on the CSX. On 5 April 2022, ASA, Plc. added 64,915,190 floating shares legalised on the CSX equal to 14.9863%.

Share premium

The share premium mainly represents the excess amount received by the Bank over the par value of its shares pursuant to the issuance of shares, net of transaction costs directly distributable to the issuance.

On 25 May 2020, the Bank was successfully listed on the CSX. The number of new issued shares is 4,344,865 shares with a par value of KHR4,000 (US\$0.98) per share, at an offering price of KHR16,200 (US\$3.97) per share. The Bank received the proceeds from the initial public offering ("IPO") amounting to US\$17,082,105 and incurred IPO costs of US\$1,031,025, resulting in share premium of US\$11,706,215 (KHR48,235,459 thousand). On 23 November 2020, the shareholders approved the amendment to the MAA relating to the capital increase from IPO. The MAA was subsequently approved by the NBC and the MOC on 29 March 2021 and 12 May 2021, respectively.

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
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26. SHARE CAPITAL AND SHARE PREMIUM (continued)

Dividend

During the year, the following dividends have been declared and paid by the Bank to its owners:

	2024 US\$	2023 US\$	2024 KHR'000 (Note 5)	2023 KHR'000 (Note 5)
- In respect of the year ended 31 December 2023: KHR140.4795 per ordinary share declared on 07 May 2024 and paid on 17 May 2024	14,805,480	-	60,850,524	-
- In respect of the year ended 31 December 2022: KHR685.8985 per ordinary share declared on 10 May 2023 and paid on 19 May 2023	-	72,695,343	-	297,105,865

27. INTEREST INCOME

	The Group			The Bank		
	2024 US\$	2023 US\$	2024 KHR'000 (Note 5)	2023 US\$	2024 KHR'000 (Note 5)	2023 KHR'000 (Note 5)
Loans and advances	772,362,018	727,428,260	3,144,285,775	698,514,658	3,005,675,321	2,870,895,244
Financial investments	8,594,862	5,647,416	34,989,683	5,647,416	34,989,683	23,210,880
Deposits and placements with other banks:						
Banks inside Cambodia	1,990,657	3,727,455	8,103,965	3,702,102	7,970,428	15,215,638
Banks outside Cambodia	20,184,471	18,281,277	82,170,981	18,299,524	82,170,982	75,211,045
National Bank of Cambodia	673,797	546,677	2,743,028	546,320	2,293,080	2,245,375
	803,805,805	755,631,085	3,272,293,432	726,710,020	3,133,099,494	2,986,778,182

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	The Group				The Bank			
	2024 US\$	2023 US\$	2024 KHR'000 (Note 5)	2023 KHR'000 (Note 5)	2024 US\$	2023 US\$	2024 KHR'000 (Note 5)	2023 KHR'000 (Note 5)
Deposits and placements of other banks and financial institutions:								
Fixed deposits	16,496,224	17,667,546	67,156,128	72,613,614	13,689,674	15,585,737	55,730,663	64,057,379
Savings deposits	128,649	102,491	523,730	421,238	114,070	83,358	464,379	342,601
Current accounts	42,462	52,779	172,863	216,922	42,462	52,779	172,863	216,922
Deposits from customers:								
Fixed deposits	216,912,464	200,283,440	883,050,641	823,164,938	212,289,058	196,815,089	864,228,755	808,910,016
Savings deposits	25,519,885	20,723,695	103,891,452	85,174,386	24,779,915	20,091,366	100,879,034	82,575,514
Current accounts	10,411,985	7,839,898	42,387,191	32,221,981	10,410,217	7,838,477	42,379,993	32,216,140
Borrowings	61,032,212	71,480,131	248,462,135	293,783,338	59,901,279	70,355,588	243,858,107	289,161,467
Subordinated debts	12,010,123	8,956,177	48,893,211	36,809,887	12,010,122	8,956,177	48,893,207	36,809,887
Interest expenses on lease	2,098,202	1,895,277	8,541,780	7,789,590	1,944,340	1,754,557	7,915,408	7,211,230
	344,652,206	329,001,434	1,403,079,131	1,352,195,894	335,181,137	321,533,128	1,364,522,409	1,321,501,151

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29. FEE AND COMMISSION INCOME

	The Group			The Bank		
	2024 US\$	2023 US\$	2024 KHR'000 (Note 5)	2023 KHR'000 (Note 5)	2024 US\$	2023 US\$
ATM fee	12,820,820	11,226,151	52,193,558	46,139,481	12,763,423	11,178,143
Commission fees	10,878,034	11,826,848	44,284,476	48,608,345	10,726,275	11,717,495
Commission fee collected for assurance agency	6,150,656	6,102,362	25,039,321	25,080,708	6,064,928	6,002,357
Training fees	4,800,360	2,496,162	19,542,266	10,259,226	60,025	36,002
Early loan redemption fees	-	6,216,406	-	25,549,429	-	5,141,759
Deposit fee charged	455,237	422,059	1,853,270	1,734,662	342,337	305,557
Fee income from guarantee	775,917	864,089	3,158,758	3,551,406	774,061	863,368
Others	7,416,216	7,524,540	30,191,415	30,925,859	6,934,835	6,961,048
	43,297,240	46,678,617	176,263,064	191,849,116	37,665,884	42,205,729
					153,337,814	173,465,546

Settlement fees amounting to KHR9,800,100 (equivalent to US\$2,407) and US\$11,092 for the operations of cash settlement agents were recognised for the year ended 31 December 2024 (31 December 2023: KHR23,627,200 (equivalent to US\$5,749) and US\$55,814, respectively).

30. OTHER INCOME, NET

	The Group			The Bank		
	2024 US\$	2023 US\$	2024 KHR'000 (Note 5)	2023 KHR'000 (Note 5)	2024 US\$	2023 US\$
Foreign exchange gain, net	21,370,405	17,488,974	86,998,919	71,879,683	21,093,612	17,490,988
Net monetary loss from hyperinflationary economy	(5,978,705)	-	(24,339,308)	-	-	-
Gain on disposals of property and equipment and lease	642,177	426,746	2,614,303	1,753,926	632,717	424,901
Dividend income	290,036	407,862	1,180,737	1,676,313	290,036	407,862
Recovery from loans and advances written off	-	5,944,257	-	24,430,896	-	4,481,745
Others	1,822,516	1,430,697	7,419,461	5,880,165	(4,893)	403,885
	18,146,429	25,698,536	73,874,112	105,620,983	22,011,472	23,209,381
					89,608,703	95,390,556

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2024

31. OTHER OPERATING EXPENSES

	The Group			The Bank		
	2024 US\$	2023 US\$	2024 KHR'000 (Note 5)	2023 US\$	2024 KHR'000 (Note 5)	2023 KHR'000 (Note 5)
Salaries and wages	152,681,091	145,268,102	621,564,721	145,154,094	138,347,688	590,922,317
Depreciation of property and equipment (Note 14)	25,729,960	23,541,254	104,746,667	23,827,643	22,044,132	97,002,335
Other employee expense	20,976,155	17,909,738	85,393,927	20,113,548	18,383,891	81,882,254
Repair and maintenance	13,607,311	15,239,611	55,395,363	13,085,086	14,861,561	53,269,385
Depreciation of right-of-use assets (Note 16)	12,910,310	12,227,167	52,557,872	12,437,143	11,755,148	50,631,609
Seniority indemnity (Note 25(a))	10,191,690	9,610,624	41,490,370	10,010,306	9,448,722	40,751,956
Utilities	6,452,597	5,972,169	26,268,522	6,002,609	5,576,713	24,436,621
Office supplies	5,905,809	5,453,734	24,042,548	5,460,069	5,058,720	22,227,941
Communication	5,193,113	5,145,658	21,141,163	3,893,106	4,098,745	15,848,835
Amortisation charges (Note 15)	4,565,938	2,821,055	18,587,934	4,313,776	2,622,695	17,561,382
Travelling expenses	2,636,928	2,820,791	10,734,934	2,250,992	2,457,538	9,163,788
Career development expense (Note 25(b))	1,761,433	1,672,985	7,170,794	1,712,055	1,593,047	6,969,776
License fees	1,215,207	1,180,482	4,947,108	1,187,056	1,150,152	4,832,505
Others (*)	22,842,277	20,262,684	92,990,910	19,894,515	18,681,614	80,990,570
	<u>286,669,819</u>	<u>269,126,054</u>	<u>1,167,032,833</u>	<u>269,341,998</u>	<u>256,080,366</u>	<u>1,096,491,274</u>
						<u>1,052,490,304</u>

For the year ended 31 December 2024, the salaries and wages of the Bank's staff, who are responsible for the operations of cash settlement agents, amounted to US\$51,944 (31 December 2023: US\$48,099). The above expenses include costs incurred for the operations of cash settlement agents, which consist office supplies amounting to US\$625, furniture and fixtures amounting to US\$1,611, and membership fees amounting to US\$12,691 (KHR51,666,667) (31 December 2023: office supplies amounting to US\$521, expendable costs amounting to US\$94, furniture and fixtures amounting to US\$1,470, and membership fees amounting to US\$12,571 (KHR51,666,667)).

For the year ended 31 December 2024, the salaries and wages of the Bank's staff, who are responsible for the custodian service, amounted to US\$34,458 (31 December 2023: US\$41,756). The above expenses include costs incurred for the operations of custodian service, which consist office supplies amounting to US\$239, expendable costs amounting to US\$165, furniture and fixtures amounting to US\$6,891, membership fees amounting to US\$10,593 (KHR43,123,556), custodian services agent amounting to US\$753 (KHR2,168,000), annual maintenance and support custodian services system amounting to US\$7,700 and snack for CSX, onsite visit amounting to US\$76 (31 December 2023: office supplies amounting to US\$71, expendable costs amounting to US\$96, furniture and fixtures amounting to US\$6,014, membership fees amounting to US\$11,389 (KHR45,000,000), custodian services agent amounting to US\$511 (KHR2,100,000), hired expert consultant amounting to US\$33,200 and annual maintenance and support custodian system amounting to US\$7,700).

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(*) This includes following fees which were paid or are payable to PricewaterhouseCoopers (Cambodia) Ltd. and PricewaterhouseCoopers (Lao) Sole Company Limited. PricewaterhouseCoopers (Cambodia) Ltd. and PricewaterhouseCoopers (Lao) Sole Company Limited were not the auditor of the Group and the Bank in 2023:

32. TAXATION

[illegible]

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
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32. TAXATION (continued)

(b) Income tax expense

	The Group			The Bank		
	2024	2023	2024	2023	2024	2023
	US\$	US\$	KHR'000	US\$	KHR'000	KHR'000
			(Note 5)		(Note 5)	(Note 5)
Current income tax	24,599,157	12,032,491	100,143,168	22,524,388	91,696,784	39,204,793
Deferred tax	7,844,754	24,186,614	31,935,994	7,114,217	28,961,977	100,792,374
	<u>32,443,911</u>	<u>36,219,105</u>	<u>132,079,162</u>	<u>29,638,605</u>	<u>120,658,761</u>	<u>139,997,167</u>

(c) Reconciliation between income tax expense and accounting profit

	The Group			The Bank		
	2024	2023	2024	2023	2024	2023
	US\$	US\$	KHR'000	US\$	KHR'000	KHR'000
			(Note 5)		(Note 5)	(Note 5)
Profit before income tax	153,745,369	184,237,530	625,897,397	145,571,967	592,623,478	707,749,595
Tax calculated at domestic tax rates applicable to taxable profits in the respective countries	30,767,969	36,890,437	125,256,402	29,114,393	34,440,370	141,549,921
Tax effect of non-deductible expenses	1,528,268	116,305	6,221,579	326,168	249,622	1,025,946
Recognition of previously unrecognised deferred tax	(152,286)	(1,065,629)	(619,956)	(205,450)	(1,024,877)	(4,212,244)
Adjustments for current tax of prior year	299,960	273,945	1,221,137	403,494	397,456	1,633,544
Unrecognised tax losses	-	4,047	-	-	-	-
	<u>32,443,911</u>	<u>36,219,105</u>	<u>132,079,162</u>	<u>29,638,605</u>	<u>120,658,761</u>	<u>139,997,167</u>

(d) Assumptions and estimation uncertainties taxes

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

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

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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2024**

33. EARNINGS PER SHARE

The following table shows the Bank's profit used in the basic and diluted EPS computations for the year presented:

	2024 US\$	2023 US\$	2024 KHR'000 (Note 5)	2023 KHR'000 (Note 5)
Profit attributable to the shareholders of the Bank	121,194,596	148,054,791	493,383,200	608,505,189
Weighted average numbers of shares	433,163,019	433,163,019	433,163,019	433,163,019
Basic EPS	0.28	0.34	1.14	1.40
Diluted EPS	0.28	0.34	1.14	1.40

The Bank has no potentially dilutive ordinary shares as at the reporting date. As such, the diluted EPS is equal to the basic EPS.

34. CASH AND CASH EQUIVALENTS

	The Group		The Bank	
	2024 US\$	2023 US\$	2024 US\$	2023 KHR'000 (Note 5)
Cash on hand	513,942,123	495,793,568	503,459,073	486,584,317
Deposits and placements with other banks:				1,987,696,935
<i>Balances with the National Bank of Cambodia:</i>				
Current accounts	1,247,773,047	1,389,931,664	1,247,773,047	1,389,931,664
Negotiable certificate of deposits, term of three months or less	271,438,788	275,270,451	271,438,788	275,270,451
<i>Balances with other banks:</i>				
Current accounts	685,118,173	118,722,890	660,722,622	88,962,782
Fixed deposits, term of three months or less	40,056,405	-	40,056,406	-
	2,758,328,536	2,279,718,573	2,723,449,936	2,240,749,214
				10,961,885,992
				9,153,460,539

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
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35. NET DEBT RECONCILIATION

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

	The Group			The Bank		
	2024 US\$	2023 US\$	2024 KHR'000 (Note 5)	2023 US\$	2024 KHR'000 (Note 5)	2023 KHR'000 (Note 5)
Cash and cash equivalents	2,758,328,536	2,279,718,573	11,102,272,357	2,723,449,936	2,240,749,214	10,961,885,992
Borrowing	(606,857,875)	(859,813,550)	(2,442,602,947)	(598,522,015)	(843,418,591)	(2,409,051,110)
Subordinate debts	(178,762,108)	(117,053,882)	(719,517,485)	(178,762,108)	(117,053,882)	(719,517,485)
Lease liabilities	(35,021,748)	(32,527,687)	(140,962,536)	(32,783,552)	(30,547,348)	(131,953,797)
Net debt	1,937,686,805	1,270,323,454	7,799,189,389	1,913,382,261	1,249,729,393	7,701,363,600
						5,105,144,570

	The Group			The Bank		
	2024 US\$	2023 US\$	2024 KHR'000 (Note 5)	2023 US\$	2024 KHR'000 (Note 5)	2023 KHR'000 (Note 5)
Cash and cash equivalents	2,758,328,536	2,279,718,573	11,102,272,357	2,723,449,936	2,240,749,214	10,961,885,992
Gross debt-fixed interest rates	(297,564,900)	(279,141,243)	(1,197,698,723)	(286,990,844)	(260,765,946)	(1,155,138,147)
Gross debt-floating interest rates	(523,076,831)	(730,253,876)	(2,105,384,245)	(523,076,831)	(730,253,875)	(2,105,384,245)
Net debt	1,937,686,805	1,270,323,454	7,799,189,389	1,913,382,261	1,249,729,393	7,701,363,600
						5,105,144,570

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
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35. NET DEBT RECONCILIATION (continued)

	The Group					The Bank						
	Liabilities from financing activities			Other assets	Total	Liabilities from financing activities			Other assets	Total		
	Borrowing	Subordinate	Lease	Cash and cash		Borrowing	Subordinate	Lease	Cash and cash			
	US\$	US\$	US\$	US\$	US\$		US\$	US\$	US\$	US\$	US\$	US\$
Net debt at 1 January 2024	(859,813,550)	(117,053,882)	(32,527,687)	(1,009,395,119)	2,279,718,573	1,270,323,454	(843,418,591)	(117,053,882)	(30,547,348)	(991,019,821)	2,240,749,214	1,249,729,393
Cash flows	254,599,168	-	13,074,037	267,673,205	478,609,963	746,283,168	247,123,440	-	12,375,111	259,498,551	482,700,722	742,199,273
New leases	-	-	(17,355,884)	(17,355,884)	-	(17,355,884)	-	-	(16,365,861)	(16,365,861)	-	(16,365,861)
Foreign exchange adjustments	(105,602)	(272,035)	15,975	(361,662)	-	(361,662)	(753,931)	(272,035)	(1,380)	(1,027,346)	-	(1,027,346)
Other change (i)	(1,537,891)	(61,436,191)	1,771,811	(61,202,271)	-	(61,202,271)	(1,472,933)	(61,436,191)	1,755,926	(61,153,198)	-	(61,153,198)
Net debt as at 31 December 2024	(606,857,875)	(178,762,108)	(35,021,748)	(820,641,731)	2,758,328,536	1,937,686,805	(598,522,015)	(178,762,108)	(32,783,552)	(810,067,675)	2,723,449,936	1,913,382,261
In KHR'000 equivalent	(2,442,602,947)	(719,517,485)	(140,962,536)	(3,303,082,969)	11,102,272,357	7,799,189,389	(2,409,051,110)	(719,517,485)	(131,953,797)	(3,260,522,392)	10,961,885,992	7,701,363,600
Net debt at 1 January 2023	(957,335,868)	(127,762,328)	(28,448,770)	(1,113,546,966)	1,748,443,669	634,896,703	(944,275,857)	(127,762,328)	(26,457,635)	(1,098,495,820)	1,719,370,446	620,874,626
Cash flows	101,761,813	11,037,500	14,205,707	127,005,020	531,274,904	658,279,924	105,705,529	11,037,500	13,521,708	130,264,737	521,378,768	651,643,505
New leases	-	-	(17,709,094)	(17,709,094)	-	(17,709,094)	-	-	(17,181,102)	(17,181,102)	-	(17,181,102)
Foreign exchange adjustments	109,229	2,924	13,264	125,417	-	125,417	(579,860)	2,924	-	(576,936)	-	(576,936)
Other change (i)	(4,348,724)	(331,978)	(588,794)	(5,269,496)	-	(5,269,496)	(4,268,403)	(331,978)	(430,319)	(5,030,700)	-	(5,030,700)
Net debt as at 31 December 2023	(859,813,550)	(117,053,882)	(32,527,687)	(1,009,395,119)	2,279,718,573	1,270,323,454	(843,418,591)	(117,053,882)	(30,547,348)	(991,019,821)	2,240,749,214	1,249,729,393
In KHR'000 equivalent	(3,512,338,352)	(478,165,108)	(132,875,601)	(4,123,379,061)	9,312,650,371	5,189,271,310	(3,445,364,944)	(478,165,108)	(124,785,917)	(4,048,315,969)	9,153,460,539	5,105,144,570

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

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36. COMMITMENTS AND CONTINGENCIES

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

(a) Loan commitments, guarantees, and other financial liabilities

	The Group			The Bank		
	2024 US\$	2023 US\$	2024 KHR'000 (Note 5)	2023 US\$	2024 KHR'000 (Note 5)	2023 KHR'000 (Note 5)
Unused portion of overdrafts	301,771,170	209,854,669	1,214,628,959	857,256,323	300,734,637	209,405,052
Bank guarantees	67,095,997	67,014,005	270,061,388	273,752,210	66,896,493	66,880,923
Letters of credit	9,241,756	2,303,062	37,198,068	9,408,008	9,241,756	2,303,062
	378,108,923	279,171,736	1,521,888,415	1,140,416,541	376,872,886	278,589,037
					1,516,913,366	1,138,036,215

No material losses are anticipated as a result of these transactions.

(b) Capital expenditure commitments

	The Group			The Bank		
	2024 US\$	2023 US\$	2024 KHR'000 (Note 5)	2023 US\$	2024 KHR'000 (Note 5)	2023 KHR'000 (Note 5)
Not later than 1 year	5,417,242	8,609,249	21,804,399	35,168,782	5,415,194	4,439,957
Later than 1 but not later than 5 years	7,827	115,744	31,504	472,814	-	-
	5,425,069	8,724,993	21,835,903	35,641,596	5,415,194	4,439,957
					21,796,156	18,137,224
					-	-
					21,796,156	18,137,224

As at 31 December 2024 and as at 31 December 2023, the balances of these commitments are related to the Bank's and its subsidiary's purchases of property and equipment and intangible and other equipment.

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
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36. COMMITMENTS AND CONTINGENCIES (continued)

(c) Commitments to be received from other banks and other financial institutions ("OFI") and other financial assets

	The Group			The Bank		
	2024 US\$	2023 US\$	2024 KHR'000 (Note 5)	2023 US\$	2024 KHR'000 (Note 5)	2023 KHR'000 (Note 5)
Commitment to be received from other banks	71,765,935	146,367,075	288,857,888	597,909,501	71,567,019	288,057,251
Other non-performing commitments	-	748,800	-	3,058,848	-	-
	71,765,935	147,115,875	288,857,888	600,968,349	71,567,019	288,057,251
				146,367,075	288,057,251	597,909,501
				-	-	-
				146,367,075	288,057,251	597,909,501

(d) Other commitments

On 30 May 2016, the Bank guaranteed to IFC to secure the borrowing obtained by its subsidiary, AUB, amounting to US\$13,000,000 maturing on 15 June 2026. As at 31 December 2024, the borrowing has been fully drawn and the outstanding balance of the borrowing is US\$2,820,773 (31 December 2023: US\$4,694,475). The Bank has made allowance for impairment losses of US\$32,955 (31 December 2023: US\$47,542) with respect to this guarantee.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
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37. RESERVES

	The Group													
	General reserves		Hedging reserve		Regulatory reserves		Currency translation reserves		Transactions with non-controlling interest		Other reserves		Total	
	US\$	KHR'000 (Note 5)	US\$	KHR'000 (Note 5)	US\$	KHR'000 (Note 5)	US\$	KHR'000 (Note 5)	US\$	KHR'000 (Note 5)	US\$	KHR'000 (Note 5)	US\$	KHR'000 (Note 5)
As at 1 January 2024	524,311,587	2,141,812,833	5,746,686	23,475,212	249,190,346	1,017,942,563	(59,649,300)	(243,667,390)	3,028,319	12,370,683	53,648,083	722,627,638	3,005,581,984	
Other comprehensive income:														
Remeasurement of the effective portion of derivatives arising from cash flow hedge	-	-	(3,496,441)	(14,234,011)	-	-	-	-	-	-	-	(3,496,441)	(14,234,011)	
Currency translation differences - foreign subsidiaries	-	-	-	-	-	-	5,471,975	22,276,410	-	-	-	5,471,975	22,276,410	
Total other comprehensive (loss)/income for the year	-	-	(3,496,441)	(14,234,011)	-	-	5,471,975	22,276,410	-	-	-	1,975,534	8,042,399	
Transactions with owners:														
Transfer from retained earnings to regulatory reserves	-	-	-	-	88,644,692	360,872,541	-	-	-	-	-	88,644,692	360,872,541	
Exchange differences	-	(31,458,695)	-	(183,965)	-	(19,029,076)	-	3,327,244	-	(181,699)	(39,425,963)	-	(86,952,154)	
Total transactions with owners	-	(31,458,695)	-	(183,965)	88,644,692	341,843,465	-	3,327,244	-	(181,699)	(39,425,963)	88,644,692	273,920,387	
As at 31 December 2024	524,311,587	2,110,354,138	2,250,245	9,057,236	337,835,038	1,359,786,028	(54,177,325)	(218,063,736)	3,028,319	12,188,984	14,222,120	813,247,864	3,287,544,770	

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
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	The Bank							
	General reserves		Hedging reserve		Regulatory reserves		Other reserves	
	US\$	KHR'000 (Note 5)	US\$	KHR'000 (Note 5)	US\$	KHR'000 (Note 5)	US\$	KHR'000 (Note 5)
Balance at 1 January 2024	510,741,556	2,086,379,256	5,746,686	23,475,212	248,627,006	1,015,641,321	765,115,248	3,178,952,563
Other comprehensive income:								
Remeasurement of the effective portion of derivatives arising from cash flow hedge	-	-	(3,496,441)	(14,234,011)	-	-	(3,496,441)	(14,234,011)
Total other comprehensive loss for the year	-	-	(3,496,441)	(14,234,011)	-	-	(3,496,441)	(14,234,011)
Transactions with owners:								
Transfer from retained earnings to regulatory reserves	-	-	-	-	79,584,710	323,989,354	79,584,710	323,989,354
Exchange differences	-	(30,644,493)	-	(183,965)	-	(18,578,518)	-	(87,472,412)
Total transactions with owners	-	(30,644,493)	-	(183,965)	79,584,710	305,410,836	79,584,710	236,516,942
As at 31 December 2024	510,741,556	2,055,734,763	2,250,245	9,057,236	328,211,716	1,321,052,157	841,203,517	3,401,235,494

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
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37. RESERVES (continued)

REGULATORY RESERVES

As in Note 2 (m), the accumulated regulatory provision based on NBC's guidelines is higher than the accumulated impairment based on CIFRS 9, the 'topping up' is transferred from retained earnings to regulatory reserves presented under equity.

	The Group			The Bank		
	2024 US\$	2023 US\$	2024 KHR'000 (Note 5)	2023 US\$	2024 KHR'000 (Note 5)	2023 KHR'000 (Note 5)
Regulatory provision based on NBC's guidelines	434,541,718	291,158,629	1,749,030,415	1,189,382,999	408,477,687	288,944,321
Allowance for expected credit loss based on CIFRS 9	(96,706,680)	(41,968,283)	(389,244,387)	(171,440,436)	(80,265,971)	(40,317,315)
Regulatory reserves transferred from retained earnings	337,835,038	249,190,346	1,359,786,028	1,017,942,563	328,211,716	248,627,006
					1,321,052,157	1,015,641,321

The movement on regulatory reserves are as follows:

	The Group			The Bank		
	2024 US\$	2023 US\$	2024 KHR'000 (Note 5)	2023 US\$	2024 KHR'000 (Note 5)	2023 KHR'000 (Note 5)
At the beginning of the year	249,190,346	155,706,835	1,017,942,563	641,045,040	248,627,006	155,706,835
Transfer from retained earnings	88,644,692	93,483,511	360,872,541	384,217,230	79,584,710	92,920,171
Exchange differences	-	-	(19,029,076)	(7,319,707)	-	-
					(18,578,518)	(7,305,623)
At the end of the year	337,835,038	249,190,346	1,359,786,028	1,017,942,563	328,211,716	248,627,006
					1,321,052,157	1,015,641,321

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38. RELATED PARTY TRANSACTIONS AND BALANCES

(a) Related parties and relationships

The related parties of, and their relationship with, the Bank are as follows:

Related parties	Relationship
Subsidiaries of the Bank as disclosed in Note 13	Subsidiaries
Shareholders as disclosed in Note 26	Shareholders
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 the Directors and members of senior management of the Group and the Bank.

(b) Related parties balances

	2024 US\$	The Group			The Bank		
		2023 US\$	2024 KHR'000 (Note 5)	2023 KHR'000 (Note 5)	2024 US\$	2023 US\$	2023 KHR'000 (Note 5)
i) Loans and advances							
Key management personnel	14,272,155	13,539,928	57,445,424	55,310,606	13,761,344	13,074,333	55,389,410
Subsidiaries	-	-	-	-	801,084	-	3,224,363
	<u>14,272,155</u>	<u>13,539,928</u>	<u>57,445,424</u>	<u>55,310,606</u>	<u>14,562,428</u>	<u>13,074,333</u>	<u>58,613,773</u>
							<u>53,408,650</u>

Loans and advances to key management personnel are both secured and unsecured and earned annual interest at rates ranging from 6.50% to 18.50% for the Group and from 6.50% to 18.00% for the Bank (2023: 6.50% to 18.00% for the Group and the Bank). Allowances for expected credit losses for loans to key management personnel were US\$63,737 and US\$73,546 for the Group and the Bank respectively (2023: US\$28,722 and US\$26,727 for the Group and the Bank respectively).

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2024

38. RELATED PARTY TRANSACTIONS AND BALANCES (continued)

(b) Related parties balances (continued)

	The Group			The Bank		
	2024 US\$	2023 US\$	2024 KHR'000 (Note 5)	2023 US\$	2024 KHR'000 (Note 5)	2023 KHR'000 (Note 5)
ii) Balances with related parties						
Shareholders	799,357	655,991	3,217,412	799,357	3,217,412	2,679,723
Subsidiaries	-	-	-	15,871	158,207	64,833
	<u>799,357</u>	<u>655,991</u>	<u>3,217,412</u>	<u>838,663</u>	<u>3,375,619</u>	<u>2,744,556</u>

Allowances for expected credit losses for deposits and placements with related parties were US\$2,433 for the Group and the Bank (2023: US\$890 for the Group and the Bank). Those balance are bear no interest.

iii) Receivables from/(payables to)

	The Group			The Bank		
	2024 US\$	2023 US\$	2024 KHR'000 (Note 5)	2023 US\$	2024 KHR'000 (Note 5)	2023 KHR'000 (Note 5)
related parties						
Subsidiaries	-	-	-	-	-	-
Other receivables	-	-	-	258,093	1,038,825	1,835,705
Other payables	-	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>258,093</u>	<u>1,038,825</u>	<u>1,835,705</u>

The receivables from related parties are from payment on behalf of related parties amount US\$258,093 (2023: US\$ 449,377). The receivables have no fixed terms of repayment, are unsecured in nature, bear no interest and they are short term.

The payables to related parties are relating to accrued training provided by subsidiary is nil. The payables have no fixed terms of repayment, are unsecured in nature, and bear no interest.

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
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38. RELATED PARTY TRANSACTIONS AND BALANCES (continued)

(b) Related parties balances (continued)

	The Group			The Bank		
	2024 US\$	2023 US\$	2024 KHR'000 (Note 5)	2023 US\$	2024 KHR'000 (Note 5)	2023 KHR'000 (Note 5)
iv) Deposits from related parties						
Key management personnel						
Current accounts	11,289	12,643	45,438	88	781	354
Savings deposits	930,852	749,928	3,746,679	862,911	591,604	3,473,217
Fixed deposits	8,912,171	7,683,028	35,871,488	8,562,626	7,377,115	34,464,570
Shareholders						
Current accounts	3,552,126	3,328,035	14,297,308	2,737,358	2,688,728	11,017,866
Savings deposits	68,031	68,031	273,825	68,031	68,031	273,825
Fixed deposits	2,745,129	1,501,423	11,049,144	2,745,129	1,501,423	11,049,144
Subsidiaries						
Current accounts	-	-	-	3,506,474	3,841,059	14,113,558
Savings deposits	-	-	-	8,493	251,289	34,184
Fixed deposits	-	-	-	2,087,900	2,118,177	8,403,798
	16,219,598	13,343,088	65,283,882	20,579,010	18,438,207	82,830,516
						75,320,078

Annual interest rate during the year are as follows:

	The Group		The Bank	
	2024	2023	2024	2023
Key management personnel (current accounts)	Nil	Nil	Nil	Nil
Key management personnel (savings deposits)	0.01% - 15.00%	0.05% - 14.00%	0.01% - 2.00%	0.05% - 4.00%
Key management personnel (fixed deposits)	1.45% - 9.50%	1.65% - 9.50%	1.45% - 9.50%	1.65% - 9.50%
Shareholders (fixed deposits)	3.25% - 5.20%	5.25% - 6.35%	3.25% - 5.20%	5.25% - 6.35%
Subsidiaries (savings deposits)			0.00% - 0.75%	0.00% - 0.75%
Subsidiaries (fixed deposits)			5.40% - 7.50%	2.30% - 7.50%

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2024

38. RELATED PARTY TRANSACTIONS AND BALANCES (continued)

(b) Related parties balances (continued)

	The Group			The Bank		
	2024 US\$	2023 US\$	2024 KHR'000 (Note 5)	2023 US\$	2024 KHR'000 (Note 5)	2023 KHR'000 (Note 5)
v) Borrowings from related parties						
Shareholder	34,282,111	49,491,659	137,985,497	202,173,427	49,491,659	137,985,497
						202,173,427

Borrowings from related parties are not collateralised and have annual interest at rates 9.60% for the Group and the Bank (2023: 9.56% for the Group and the Bank).

	The Group			The Bank		
	2024 US\$	2023 US\$	2024 KHR'000 (Note 5)	2023 US\$	2024 KHR'000 (Note 5)	2023 KHR'000 (Note 5)
At the beginning of the year						
Charge during the year	49,491,659	48,847,528	202,173,427	201,105,273	48,847,528	201,105,273
Repayments	4,812,722	5,297,137	19,592,591	21,771,233	5,297,137	21,771,233
Withholding tax accrued	(19,797,388)	(3,981,567)	(80,595,167)	(16,364,240)	(3,981,567)	(16,364,240)
Exchange differences	(224,882)	(671,439)	(915,495)	(2,759,614)	(671,439)	(2,759,614)
	-	-	(2,269,859)	(1,579,225)	(2,269,859)	(1,579,225)
At the end of the year	34,282,111	49,491,659	137,985,497	202,173,427	49,491,659	202,173,427

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2024

38. RELATED PARTY TRANSACTIONS AND BALANCES (continued)

(b) Related parties balances (continued)

	The Group			The Bank		
	2024 US\$	2023 US\$	2024 KHR'000 (Note 5)	2023 US\$	2024 KHR'000 (Note 5)	2023 KHR'000 (Note 5)
vi) Subordinated debts from related parties						
Shareholder	15,105,000	15,094,208	60,797,625	15,094,208	60,797,625	61,659,840

Subordinated debts from related parties are not collateralised and have annual interest at rates 7.00% for the Group and the Bank (2023: 7.00% for the Group and for the Bank).

	The Group			The Bank		
	2024 US\$	2023 US\$	2024 KHR'000 (Note 5)	2023 US\$	2024 KHR'000 (Note 5)	2023 KHR'000 (Note 5)
At the beginning of the year	15,094,208	-	61,659,840	-	61,659,840	-
Additions	-	15,000,000	-	15,000,000	-	61,650,000
Charge during the year	1,067,500	641,667	4,345,793	641,667	4,345,793	2,637,251
Repayments	(993,708)	(451,208)	(4,045,385)	(451,208)	(4,045,385)	(1,854,465)
Withholding tax accrued	(63,000)	(96,251)	(256,473)	(96,251)	(256,473)	(395,592)
Exchange differences	-	-	(906,150)	-	(906,150)	(377,354)
At the end of the year	15,105,000	15,094,208	60,797,625	15,094,208	60,797,625	61,659,840

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2024

38. RELATED PARTY TRANSACTIONS AND BALANCES (continued)

(c) Related parties transactions

	The Group			The Bank		
	2024 US\$	2023 US\$	2024 KHR'000 (Note 5)	2023 US\$	2024 KHR'000 (Note 5)	2023 KHR'000 (Note 5)
i) Interest income from related parties						
Loans and advances to key management personnel	937,074	896,111	3,814,828	896,019	3,809,145	3,682,638
Deposits with a subsidiary	-	-	-	18,247	-	74,995
Loans and advances to subsidiaries	-	-	-	-	8,635	-
	<u>937,074</u>	<u>896,111</u>	<u>3,814,828</u>	<u>914,266</u>	<u>3,817,780</u>	<u>3,757,633</u>
ii) Fee and commission income from related parties						
Shareholders	403	115	1,640	403	1,640	472
Subsidiaries	-	-	-	26,974	165,726	110,862
	<u>403</u>	<u>115</u>	<u>1,640</u>	<u>27,089</u>	<u>167,366</u>	<u>111,334</u>
iii) Interest expenses to related parties						
Deposits of key management personnel	137,788	143,107	560,935	123,009	500,770	486,217
Borrowings from shareholders	5,880,222	5,938,804	23,938,384	5,880,222	23,938,384	24,408,484
Deposits of shareholders	135,257	153,896	550,631	135,257	550,631	632,513
Deposits of subsidiaries	-	-	-	153,046	623,050	855,295
	<u>6,153,267</u>	<u>6,235,807</u>	<u>25,049,950</u>	<u>6,291,534</u>	<u>25,612,835</u>	<u>26,382,509</u>
iv) Fee and remuneration expenses to related parties						
Board of Directors	665,948	824,986	2,711,074	530,061	2,157,878	2,423,166
Directors' fees						
Key management personnel	8,229,919	11,350,084	33,504,000	6,850,297	27,887,559	41,285,854
Short-term employee benefits	361,205	858,529	1,470,466	201,105	818,698	2,912,182
Long-term benefits						
Subsidiaries	-	-	-	1,273,385	5,183,950	7,985,237
Training fees	-	-	-	19,820	80,687	83,211
Others	-	-	-	-	-	-
	<u>9,257,072</u>	<u>13,033,599</u>	<u>37,685,540</u>	<u>8,874,668</u>	<u>36,128,772</u>	<u>54,689,650</u>
v) Other commitments						
ECL on financial guarantee on AUB's debt from IFC (Note 36 (d))	-	-	-	(14,587)	(59,384)	(72,644)

39. FINANCIAL RISK MANAGEMENT

(a) Introduction and overview

The Bank is the leading and first listed bank in Cambodia and currently has the largest branch network and self-service banking which offers multiple products and services to its customers such as credits, deposits, fund transfers, cash management, trade finance, ACLEDA card, credit and debit cards, and digital services, including internet banking, ACLEDA mobile (mobile banking app), e-commerce payment gateway, ACLEDA ATM/POS, and term deposit machine. As disclosed in Note 13, the Bank's four subsidiaries are as follows:

- a. ACLEDA Bank Lao Ltd.,
- b. ACLEDA Securities Plc.,
- c. ACLEDA University of Business Co., Ltd.
- d. ACLEDA MFI Myanmar Co., Ltd.

In the competitive business environment along with the rapid evolution and development of technology and difference or change in laws and jurisdictions, the Group and the Bank need to have an effective risk management in place in order to manage and ensure all risks are within the risk appetite and tolerance. This also provides reasonable assurance regarding the achievement of the Group's and the Bank's objectives.

The established risk management framework comprises of core components such as (1) effective governance and oversight by the Board of Directors and senior management; (2) effective implementation of risk appetite and tolerance; (3) effective implementation of risk management processes; and (4) effective technology and data infrastructure. It must be integrated into the day-to-day management of the business and operations to provide transparent and consistent management of risks across the Group and the Bank.

The Group and the Bank instil proactive risk management by embedding accountability and risk ownership culture in managing risks for all levels, which includes the Group's and the Bank's Board of Directors, senior management, and employees. This culture is supported by (1) the Bank's employee's policies (ethics and human resource management, code of conduct, conflict of interest, remuneration and nomination, whistle blower's protection, managing misconduct, etc.); (2) alignment of compensation policies with the Bank's risk appetite and tolerance limits; and (3) availability of risk management training throughout the Group and the Bank.

Risk management within the Group and the Bank is managed by a Three Lines Model, supported by sufficient numbers of skilled personnel in the management of risks within all areas across the model.

(b) Objectives and principles

The objectives of the Group's and the Bank's risk management are:

- To ensure risks are within the risk appetite and tolerance and to provide reasonable assurance regarding the achievement of objectives.
- To manage risk effectively and to identify the risk before it occurs and minimise the potential risk properly and timely.
- To manage risk in a way that optimally balances managing risk while adding value to the Group and the Bank.

Risk appetite is defined as the amount and type of risk, on a broad level, the Group and the Bank are willing to accept in pursuit of long-term shareholder value. Risk tolerance refers to the variation amount of maximum risks which can be accepted, taking into account the appropriate measure to reduce the risk.

39. FINANCIAL RISK MANAGEMENT (continued)

(b) Objectives and principles (continued)

The Group's and the Bank's risk appetite and tolerance statement is prepared in accordance with its business strategy and the role of the Bank in the financial system.

The Board of Directors reviews and approves the Group's and the Bank's risk appetite and tolerance statement considering the most significant risks that specify the nature, types, and levels which the Group and the Bank are willing to assume, and provides an outline of the approach to manage these risks.

The risk management policy defines risk categories in line with the categories identified by the Basel Committee on Banking Supervision and the nature of the Group's and the Bank's business context. The policy sets risk tolerance/internal targets per individual risk category.

At all times, the Group and the Bank shall adhere to the prudential ratios and requirements as stipulated by the superintendent.

Unless specifically mentioned otherwise, the Group and the Bank shall adhere at all times to the risk appetite and tolerance/internal targets, as set by the Board of Directors in the risk management policy, in order to limit potential loss.

The Group's and the Bank's activities expose it to a variety of financial risks: credit risk, market risk (including foreign exchange rate risk and interest rate risk), and liquidity risk. Equity risk and commodity risk are not applicable given that the Group and the Bank do not hold any equity and commodity position.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
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(b) Objectives and principles (continued)

a. Financial assets and financial liabilities measured at amortised cost

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2024

39. FINANCIAL RISK MANAGEMENT (continued)

(b) Objectives and principles (continued)

b. Financial assets and financial liabilities measured at fair value

	The Group				The Bank			
	2024 US\$	2023 US\$	2024 KHR'000 (Note 5)	2023 KHR'000 (Note 5)	2024 US\$	2023 US\$	2024 KHR'000 (Note 5)	2023 KHR'000 (Note 5)
Financial assets								
Financial investments	189,670	189,670	763,422	774,802	189,670	189,670	763,422	774,802
Derivative financial instruments	2,250,246	5,746,686	9,057,240	23,475,212	2,250,246	5,746,686	9,057,240	23,475,212
Total financial assets	<u>2,439,916</u>	<u>5,936,356</u>	<u>9,820,662</u>	<u>24,250,014</u>	<u>2,439,916</u>	<u>5,936,356</u>	<u>9,820,662</u>	<u>24,250,014</u>
Net financial instruments	<u>2,439,916</u>	<u>5,936,356</u>	<u>9,820,662</u>	<u>24,250,014</u>	<u>2,439,916</u>	<u>5,936,356</u>	<u>9,820,662</u>	<u>24,250,014</u>

39. FINANCIAL RISK MANAGEMENT (continued)

39.1 Credit risk

Credit risk is the potential risk that a counterparty would fail to meet its repayment obligations in accordance with agreed terms. While loans are the most obvious source of credit risk, other sources of credit risk exist throughout the activities of an institution, including in the banking book and the trading book, in both on and off-balance sheets. Institutions are facing credit risks in various financial instruments other than loans, including acceptance, trade financing, commitment and guarantee, interbank transaction, settlement of transactions, foreign exchange transactions, bonds, equities, and financial derivative instruments.

Principles of the credit risk:

- The Board of Directors recognises that the loan book is the main sources of income for the Group and the Bank and, conversely, also constitutes the greatest risk of losses.
- The Board of Directors considers that lending to the lower segments of the market of small business loans, provided the existing policies are implemented properly, carries a credit risk which is smaller than for larger loans as history has shown that losses due to default on these loans have been minimal. The Board of Directors considers the risk return equation favourable for loans provided to the lower segments in the market and considers these loans as the core product of the Group and the Bank.
- The Board of Directors considers that the Management has freedom to adjust, adapt or develop existing products and product lines but requires that new product lines need to be approved by the Board of Directors.
- The day-to-day responsibility for the credit risk lies with the senior management of the Credit Sale Management Division and of the branches.
- The credit risk is regularly measured by calculating the ECL taking probability of customer defaults, exposure in the event of default, and severity of LGD of the customer base where credit scoring is applied for.
- The Board of Directors requires that credit risk is spread across different sectors (like trade, agriculture, services, industrial, infrastructure, etc.) and products to avoid undue overexposure to one particular sector or industry.
- Systemic risk is the risk of system-wide breakdown of the financial sectors. The Board of Directors requires that credit risk on counterparty financial institutions should be subject to the same principles of the prudential assessment and controls as with the other forms of lending and prudential position limits that should be set to sufficiently protect the Group and the Bank from systemic risk.

Internal targets on the credit risk:

The internal targets on credit products should be set by the Board Risk Management and IT Committee ("BRIC") and approved by the Board of Directors. The internal targets will be in line with the risk appetite of the Board of Directors.

The Risk Management Division regularly reviews all internal targets as set and approved by the Board of Directors and advises on any change deemed appropriate.

In order to maintain the credit growth in a prudent and reasonable way and to ensure the maintenance of portfolio quality, various control limits have been imposed to credit products, which must be strictly complied with:

- Loan exposure ratio: defined as the aggregate amount of loan assets in arrears > 30 days minus loan loss reserves divided by the net worth; should be less than 25%.
- Ceilings on lending to sectors and by product to put limits on concentration risk.
- The maximum exposure to a single client or group of clients is up to 5% of the net worth.
- Counterparty financial institutions.

39. FINANCIAL RISK MANAGEMENT (continued)

39.1 Credit risk (continued)

(a) Credit risk management

The Board of Directors has delegated responsibility for oversight of credit risk to its BRIC. Credit Division is responsible for management of the credit risk based on the following:

- Separation of roles between the persons involved in dealing with the clients who are responsible for the credit application and the persons involved in the authorisation of the credits.
- Separation of roles between the persons involved in dealing directly with clients and the credit administration.
- Principle of double authorisation to ensure a good balance of the interests of the clients and objectivity in the risk assessment process.
- Timely and full documentation of the agreements made with the client together with all the needed information, which is relevant in the assessment and control phase of the credit process.
- Careful credit control systems, with periodical reviews, through which timely signals can be derived for relevant information regarding risk management.
- Independent control to ensure conformity with approved procedures and regulations in the credit process (formal control) but also monitoring of the quality of risk aspects and credit control (material control).
- The Group and the Bank will maintain a diversified loan assets portfolio in terms of industry sector, geographical area, and currency and loan size.
- Loan analysis will strongly focus on the client's ability and willingness to repay the loan through character and cash flow-based assessment and in applying green-lining methodology.

The Group's and the Bank's total exposure to a single client or group of clients (one obligor principle) acting in concert shall not exceed 5% of the Bank's net worth. "Exposure" includes the aggregate of (i) the face amount of the assets of the Borrower with respect to which such Person is the obligor and (ii) any claim of such Person against the Borrower comprising any commitment to provide funds or credit to, or on behalf of such Person including, but not limited to, loan guarantees, letters of credit, and derivatives.

(b) Internal targets and mitigation policies

The Group and the Bank operate and provide loans and advances to individuals or enterprises within the Kingdom of Cambodia, Lao PDR, and the Republic of the Union of Myanmar. The Group and the Bank manage limits and controls concentration of credit risk whenever they are identified. Large exposure is defined by the NBC as overall exposure to any individual beneficiary which exceeds 10% of the net worth.

The Bank is required, under the conditions of Prakas No. B7-06-226 of the NBC, to maintain at all times a maximum ratio of 20% between its overall credit exposure to any individual beneficiary and the Bank's net worth. The aggregation of large credit exposure must not exceed 300% of the Bank's net worth.

ABL is required, based on the Letter No. 296 of the BOL, to maintain at all times a maximum ratio of 25% between its overall credit exposure to any individual beneficiary and its net worth. The aggregation of large credit exposure must not exceed 500% of its net worth. However, for AMM, there is no requirement by the Financial Regulatory Department of Myanmar.

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

- Mortgages over residential properties (land, building, and other properties);
- Charges over business assets such as land and buildings; and,
- Cash in the form of margin deposits.

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39. FINANCIAL RISK MANAGEMENT (continued)

39.1 Credit risk (continued)

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

For financial assets reflected in the statement of financial position, the exposure to credit risk equals their carrying amount. For financial guarantees and similar contracts granted, it is the maximum amount that the Group and the Bank would have to pay if the guarantees were called upon. For credit-related commitments and contingents that are irrevocable over the life of the respective facilities, it is generally the full amount of the committed facilities.

	The Group			The Bank		
	2024 US\$	2023 US\$	2024 KHR'000 (Note 5)	2023 US\$	2024 KHR'000 (Note 5)	2023 KHR'000 (Note 5)
Credit exposure for on-balance sheet financial assets:						
Deposits and placements with other banks, net	1,982,391,662	1,509,543,178	7,979,126,440	1,478,882,021	1,881,183,969	6,041,233,056
Financial investments	471,804,878	357,544,384	1,899,014,634	357,544,384	1,899,014,634	1,460,568,809
Loans and advances, net	7,023,164,104	6,601,665,231	28,268,235,519	6,457,043,288	27,618,849,694	26,377,021,831
Derivative financial instruments	2,250,246	5,746,686	9,057,240	5,746,686	9,057,240	23,475,212
Other financial assets	11,490,911	8,550,649	46,250,917	8,160,591	38,435,916	33,336,014
	9,491,101,801	8,483,050,128	38,201,684,750	8,307,376,970	37,446,541,453	33,935,634,922
Credit exposure for off-balance sheet items:						
Unused portion of loan commitments	301,771,170	209,854,669	1,214,628,959	209,405,052	1,210,456,914	855,419,637
Bank guarantees	24,430,197	31,910,289	98,331,543	31,777,207	97,624,282	129,809,891
Letters of credit	9,241,756	2,303,062	37,198,068	2,303,062	37,198,068	9,408,008
	335,443,123	244,068,020	1,350,158,570	243,485,321	1,345,279,264	994,637,536
Total maximum credit risk exposure	9,826,544,924	8,727,118,148	39,551,843,320	8,550,862,291	38,791,820,717	34,930,272,458

The above table represents a worst-case scenario of credit risk exposure to the Group and the Bank as at 31 December 2024 and 2023, without taking into account any collateral held or other credit enhancements attached. For on-balance financial sheet assets, the exposures set out above are based on net carrying amounts.

39. FINANCIAL RISK MANAGEMENT (continued)

39.1 Credit risk (continued)

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

As shown in the table in the previous page, as at 31 December 2024, 71.47% for the Group and 71.20% for the Bank of total maximum exposure is derived from loans and advances (2023: 75.65% and 75.51% for the Group and for the Bank, respectively).

The Management is confident in its ability to continue to control and sustain minimal exposure of credit risk to the Group and the Bank resulting from its loans and advances. Significant credit risk exposure is arising from loans and advances. In order to mitigate the exposure of credit risk arising from loans and advances, all loan size limits must not exceed 75% of estimated saleable value of the pledged collateral, except for other loans authorised by the Management Credit Committee wherein the loan to collateral value exceeds the 75% threshold. As at 31 December 2024, approximately 90.68% for the Group and 90.53% for the Bank of these loans and advances are collateralised (2023: 94.22% for the Group and 94.16% for the Bank) respectively.

(d) Concentration of risks of financial assets with credit risk exposure

A concentration of credit risk exists when a number of counterparties are engaged in similar activities and have similar economic characteristics that would cause their ability to meet contractual obligations to be similarly affected by changes in economic or other conditions. The Group and the Bank analysed the concentration of credit risk by geographic purpose and industry sector on the succeeding pages.

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39. FINANCIAL RISK MANAGEMENT (continued)

39.1 Credit risk (continued)

(d) Concentration of risks of financial assets with credit risk exposure (continued)

(i) *Geographical sector*

The analysis of credit risk concentrations (without taking into account any collateral held or other credit enhancements) based on the location of the counterparty as at 31 December 2024 and 2023 are as follows:

	The Group								
	Cambodia US\$	France US\$	Germany US\$	Laos US\$	Singapore US\$	USA US\$	Myanmar US\$	Others US\$	Total US\$
As at 31 December 2024									
Credit exposure for on-balance sheet financial assets:									
Deposits and placements with other banks, net	1,297,862,678	548,305	241,173	23,585,071	126,261,232	397,538,905	89,688	136,264,610	1,982,391,662
Financial investments	471,804,878	-	-	-	-	-	-	-	471,804,878
Loans and advances, net	6,861,035,410	-	-	140,526,804	-	-	21,601,890	-	7,023,164,104
Derivative financial instruments	(583,607)	-	-	-	-	-	-	2,833,853	2,250,246
Other financial assets	9,645,613	-	-	1,845,298	-	-	-	-	11,490,911
	8,639,764,972	548,305	241,173	165,957,173	126,261,232	397,538,905	21,691,578	139,098,463	9,491,101,801
Credit exposure for off-balance sheet items:									
Unused portion of loan commitments	300,734,637	-	-	1,036,533	-	-	-	-	301,771,170
Bank guarantees	24,254,480	-	-	175,717	-	-	-	-	24,430,197
Letters of credit	9,241,756	-	-	-	-	-	-	-	9,241,756
	334,230,873	-	-	1,212,250	-	-	-	-	335,443,123
	8,973,995,845	548,305	241,173	167,169,423	126,261,232	397,538,905	21,691,578	139,098,463	9,826,544,924
Total maximum credit risk exposure	36,120,333,276	2,206,927	970,721	672,856,928	508,201,459	1,600,094,093	87,308,601	559,871,314	39,551,843,319
In KHR'000 equivalent (Note 5)									

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39. FINANCIAL RISK MANAGEMENT (continued)

39.1 Credit risk (continued)

(d) Concentration of risks of financial assets with credit risk exposure (continued)

(i) Geographical sector (continued)

	The Group							Total US\$
	Cambodia US\$	France US\$	Germany US\$	Laos US\$	Singapore US\$	USA US\$	Myanmar US\$	
As at 31 December 2023								
Credit exposure for on-balance sheet financial assets:								
Deposits and placements with other banks, net	1,390,225,085	1,886,342	142,614	28,994,985	661,541	79,154,370	71,128	1,509,543,178
Financial investments	357,544,384	-	-	-	-	-	-	357,544,384
Loans and advances, net	6,457,043,288	-	-	126,422,018	-	-	18,199,925	6,601,665,231
Derivative financial instruments	1,101,000	-	-	-	-	52,811	-	5,746,686
Other financial assets	7,761,342	-	-	789,307	-	-	-	8,550,649
	8,213,675,099	1,886,342	142,614	156,206,310	661,541	79,207,181	18,271,053	8,483,050,128
Credit exposure for off-balance sheet items:								
Unused portion of loan commitments	209,405,052	-	-	449,617	-	-	-	209,854,669
Bank guarantees	31,777,207	-	-	133,082	-	-	-	31,910,289
Letters of credit	2,303,062	-	-	-	-	-	-	2,303,062
	243,485,321	-	-	582,699	-	-	-	244,068,020
	8,457,160,420	1,886,342	142,614	156,789,009	661,541	79,207,181	18,271,053	8,727,118,148
Total maximum credit risk exposure	34,547,500,315	7,705,707	582,578	640,483,102	2,702,395	323,561,334	74,637,252	35,650,277,634
In KHR'000 equivalent (Note 5)								

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
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39. FINANCIAL RISK MANAGEMENT (continued)

39.1 Credit risk (continued)

(d) Concentration of risks of financial assets with credit risk exposure (continued)

(i) Geographical sector (continued)

	The Bank							Total
	Cambodia US\$	France US\$	Germany US\$	Laos US\$	Singapore US\$	USA US\$	Myanmar US\$	Others US\$
As at 31 December 2024								
Credit exposure for on-balance sheet								
financial assets:								
Deposits and placements with other banks, net	1,297,810,439	548,305	241,173	39,295	126,261,232	397,538,905	46,716	135,572,064
Financial investments	471,804,878	-	-	-	-	-	-	-
Loans and advances, net	6,861,826,011	-	-	-	-	-	-	-
Derivative financial instruments	(583,607)	-	-	-	-	-	-	2,833,853
Other financial assets	9,291,269	-	-	-	-	-	258,027	-
	<u>8,640,148,990</u>	<u>548,305</u>	<u>241,173</u>	<u>39,295</u>	<u>126,261,232</u>	<u>397,538,905</u>	<u>304,743</u>	<u>138,405,917</u>
								<u>9,303,488,560</u>
Credit exposure for off-balance sheet items:								
Unused portion of loan commitments	300,734,637	-	-	-	-	-	-	-
Bank guarantees	24,254,480	-	-	-	-	-	-	-
Letters of credit	9,241,756	-	-	-	-	-	-	-
	<u>334,230,873</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
								<u>334,230,873</u>
Total maximum credit risk exposure	<u>8,974,379,863</u>	<u>548,305</u>	<u>241,173</u>	<u>39,295</u>	<u>126,261,232</u>	<u>397,538,905</u>	<u>304,743</u>	<u>138,405,917</u>
In KHR'000 equivalent (Note 5)	<u>36,121,878,948</u>	<u>2,206,928</u>	<u>970,721</u>	<u>158,162</u>	<u>508,201,459</u>	<u>1,600,094,093</u>	<u>1,226,591</u>	<u>557,083,816</u>
								<u>38,791,820,718</u>

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39. FINANCIAL RISK MANAGEMENT (continued)

39.1 Credit risk (continued)

(d) Concentration of risks of financial assets with credit risk exposure (continued)

(i) Geographical sector (continued)

	The Bank							Total US\$	
	Cambodia US\$	France US\$	Germany US\$	Laos US\$	Singapore US\$	USA US\$	Myanmar US\$		Others US\$
As at 31 December 2023									
Credit exposure for on-balance sheet financial assets:									
Deposits and placements with other banks, net	1,390,168,709	1,886,342	142,614	15,871	661,541	79,154,370	46,936	6,805,638	1,478,882,021
Financial investments	357,544,384	-	-	-	-	-	-	-	357,544,384
Loans and advances, net	6,457,043,288	-	-	-	-	-	-	-	6,457,043,288
Derivative financial instruments	1,101,000	-	-	-	-	52,811	-	4,592,875	5,746,686
Other financial assets	7,914,050	-	-	-	-	-	246,541	-	8,160,591
	8,213,771,431	1,886,342	142,614	15,871	661,541	79,207,181	293,477	11,398,513	8,307,376,970
Credit exposure for off-balance sheet items:									
Unused portion of loan commitments	209,405,052	-	-	-	-	-	-	-	209,405,052
Bank guarantees	31,777,207	-	-	-	-	-	-	-	31,777,207
Letters of credit	2,303,062	-	-	-	-	-	-	-	2,303,062
	243,485,321	-	-	-	-	-	-	-	243,485,321
Total maximum credit risk exposure	8,457,256,752	1,886,342	142,614	15,871	661,541	79,207,181	293,477	11,398,513	8,550,862,291
In KHR'000 equivalent (Note 5)	34,547,893,832	7,705,707	582,578	64,833	2,702,395	323,561,334	1,198,854	46,562,926	34,930,272,459

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39. FINANCIAL RISK MANAGEMENT (continued)

39.1 Credit risk (continued)

(d) Concentration of risks of financial assets with credit risk exposure (continued)

(ii) *Industry sectors*

The analysis of credit risk concentrations (without taking into account any collateral held or other credit enhancements) at carrying amount as at 31 December 2024 and 2023 based on the industry sectors of the counterparty are as follows:

	The Group							
	Financial institutions US\$	Wholesale and retail US\$	Services US\$	Housing US\$	Manufacturing US\$	Agriculture US\$	Others US\$	Total US\$
As at 31 December 2024								
Credit exposure for on-balance sheet financial assets:								
Deposits and placements with other banks, net	1,982,391,662	-	-	-	-	-	-	1,982,391,662
Financial investments	-	-	-	-	-	-	471,804,878	471,804,878
Loans and advances, net	1,145,342	2,344,532,249	1,692,785,879	175,947,149	235,557,852	1,450,518,559	1,122,677,074	7,023,164,104
Derivative financial instruments	2,250,246	-	-	-	-	-	-	2,250,246
Other financial assets	5,489,442	-	-	-	-	-	6,001,469	11,490,911
	<u>1,991,276,692</u>	<u>2,344,532,249</u>	<u>1,692,785,879</u>	<u>175,947,149</u>	<u>235,557,852</u>	<u>1,450,518,559</u>	<u>1,600,483,421</u>	<u>9,491,101,801</u>
Credit exposure for off-balance sheet items:								
Unused portion of loan commitments	-	-	-	-	-	-	301,771,170	301,771,170
Bank guarantees	-	-	-	-	-	-	24,430,197	24,430,197
Letters of credit	-	-	-	-	-	-	9,241,756	9,241,756
	<u>1,991,276,692</u>	<u>2,344,532,249</u>	<u>1,692,785,879</u>	<u>175,947,149</u>	<u>235,557,852</u>	<u>1,450,518,559</u>	<u>335,443,123</u>	<u>335,443,123</u>
Total maximum credit risk exposure	<u>8,014,888,685</u>	<u>9,436,742,302</u>	<u>6,813,463,163</u>	<u>708,187,275</u>	<u>948,120,354</u>	<u>5,838,337,200</u>	<u>1,935,926,544</u>	<u>9,826,544,924</u>
In KHR'000 equivalent (Note 5)							<u>7,792,104,340</u>	<u>39,551,843,319</u>

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39. FINANCIAL RISK MANAGEMENT (continued)

39.1 Credit risk (continued)

(d) Concentration of risks of financial assets with credit risk exposure (continued)

(ii) *Industry sectors (continued)*

	The Group							
	Financial institutions US\$	Wholesale and retail US\$	Services US\$	Housing US\$	Manufacturing US\$	Agriculture US\$	Others US\$	Total US\$
As at 31 December 2023								
Credit exposure for on-balance sheet financial assets:								
Deposits and placements with other banks, net	1,509,543,178	-	-	-	-	-	-	1,509,543,178
Financial investments	-	-	-	-	-	-	357,544,384	357,544,384
Loans and advances, net	6,394,966	2,152,440,783	1,597,211,053	204,611,792	235,720,790	1,402,560,696	1,002,725,151	6,601,665,231
Derivative financial instruments	5,746,686	-	-	-	-	-	-	5,746,686
Other financial assets	4,231,725	-	-	-	-	-	4,318,924	8,550,649
	1,525,916,555	2,152,440,783	1,597,211,053	204,611,792	235,720,790	1,402,560,696	1,364,588,459	8,483,050,128
Credit exposure for off-balance sheet items:								
Unused portion of loan commitments	-	-	-	-	-	-	209,854,669	209,854,669
Bank guarantees	-	-	-	-	-	-	31,910,289	31,910,289
Letters of credit	-	-	-	-	-	-	2,303,062	2,303,062
	-	-	-	-	-	-	244,068,020	244,068,020
Total maximum credit risk exposure	1,525,916,555	2,152,440,783	1,597,211,053	204,611,792	235,720,790	1,402,560,696	1,608,656,479	8,727,118,148
In KHR'000 equivalent (Note 5)	6,233,369,126	8,792,720,599	6,524,607,152	835,839,170	962,919,427	5,729,460,443	6,571,361,717	35,650,277,634

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39. FINANCIAL RISK MANAGEMENT (continued)

39.1 Credit risk (continued)

(d) Concentration of risks of financial assets with credit risk exposure (continued)

(ii) *Industry sectors (continued)*

	The Bank							
	Financial institutions US\$	Wholesale and retail US\$	Services US\$	Housing US\$	Manufacturing US\$	Agriculture US\$	Others US\$	Total US\$
As at 31 December 2024								
Credit exposure for on-balance sheet financial assets:								
Deposits and placements with other banks, net	1,958,058,129	-	-	-	-	-	-	1,958,058,129
Financial investments	-	-	-	-	-	-	471,804,878	471,804,878
Loans and advances, net	1,145,342	2,281,901,545	1,657,564,883	166,238,525	230,398,146	1,410,570,434	1,114,007,136	6,861,826,011
Derivative financial instruments	2,250,246	-	-	-	-	-	-	2,250,246
Other financial assets	5,722,092	-	-	-	-	-	3,827,204	9,549,296
	1,967,175,809	2,281,901,545	1,657,564,883	166,238,525	230,398,146	1,410,570,434	1,589,639,218	9,303,488,560
Credit exposure for off-balance sheet items:								
Unused portion of loan commitments	-	-	-	-	-	-	300,734,637	300,734,637
Bank guarantees	-	-	-	-	-	-	24,254,480	24,254,480
Letters of credit	-	-	-	-	-	-	9,241,756	9,241,756
	-	-	-	-	-	-	334,230,873	334,230,873
Total maximum credit risk exposure	1,967,175,809	2,281,901,545	1,657,564,883	166,238,525	230,398,146	1,410,570,434	1,923,870,091	9,637,719,433
In KHR'000 equivalent (Note 5)	7,917,882,631	9,184,653,719	6,671,698,654	669,110,063	927,352,538	5,677,545,997	7,743,577,116	38,791,820,718

ACLEDA BANK PLC.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2024

39. FINANCIAL RISK MANAGEMENT (continued)

39.1 Credit risk (continued)

(d) Concentration of risks of financial assets with credit risk exposure (continued)

(ii) Industry sectors (continued)

	The Bank							Total US\$
	Financial institutions US\$	Wholesale and retail US\$	Services US\$	Housing US\$	Manufacturing US\$	Agriculture US\$	Others US\$	
As at 31 December 2023								
Credit exposure for on-balance sheet financial assets:								
Deposits and placements with other banks, net	1,478,882,021	-	-	-	-	-	-	1,478,882,021
Financial investments	-	-	-	-	-	-	357,544,384	357,544,384
Loans and advances, net	6,394,967	2,094,550,796	1,567,087,673	193,397,658	230,816,360	1,369,801,023	994,994,811	6,457,043,288
Derivative financial instruments	5,746,686	-	-	-	-	-	-	5,746,686
Other financial assets	4,645,888	-	-	-	-	-	3,514,703	8,160,591
	1,495,669,562	2,094,550,796	1,567,087,673	193,397,658	230,816,360	1,369,801,023	1,356,053,898	8,307,376,970
Credit exposure for off-balance sheet items:								
Unused portion of loan commitment	-	-	-	-	-	-	209,405,052	209,405,052
Bank guarantees	-	-	-	-	-	-	31,777,207	31,777,207
Letters of credit	-	-	-	-	-	-	2,303,062	2,303,062
	-	-	-	-	-	-	243,485,321	243,485,321
Total maximum credit risk exposure	1,495,669,562	2,094,550,796	1,567,087,673	193,397,658	230,816,360	1,369,801,023	1,599,539,219	8,550,862,291
In KHR'000 equivalent (Note 5)	6,109,810,160	8,556,240,002	6,401,553,144	790,029,433	942,884,831	5,595,637,179	6,534,117,710	34,930,272,459

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2024

39. FINANCIAL RISK MANAGEMENT (continued)

39.1 Credit risk (continued)

(e) Write-off policy

Financial instruments can be written off under the judgment of the Management Credit Committee when the Group and the Bank lose control on its contractual rights over that facility or when all or part of the facility is deemed uncollectible; this is particularly the case when there is no realistic prospect of recovery from the counterparty or when the Group and the Bank have lost control over its contractual rights on the facility due to any decision of a court of law. Circumstances where a facility should be written off also include, but are not limited to:

- a) All forms of securities or collateral have been called and realised but proceeds failed to cover the entire outstanding amount of the facility.
- b) The Group and the Bank are unable to collect or there is no longer reasonable assurance that the Group and the Bank will collect all amounts due according to the contractual terms of the facility agreement.
- c) The counterparty has become bankrupt or is undergoing other forms of financial restructuring, and as a consequence, it will unlikely to service the facility.
- d) The facility has been classified under loss category.

(f) Credit quality of financial assets

CIFRS 9 provides ECL of which the Group and the Bank expect to experience on an account over either a 12-month horizon (Stage 1) or a lifetime horizon (Stage 2 and Stage 3). The change in approach to provisioning introduced by CIFRS 9 is designed to:

- Ensure a timely recognition of credit losses, which is more reflective than the previous Incurred Loss Model;
- Distinguish between financial instruments that have significantly deteriorated in credit quality and those that have not; and
- Provide a better estimate of ECL given the macroeconomic environment.

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

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2024

39. FINANCIAL RISK MANAGEMENT (continued)**39.1 Credit risk (continued)****(f) Credit quality of financial assets (continued)***Recognition of ECL*

Financial assets that are measured at amortised cost or through other comprehensive income will be subjected to impairment assessment.

The Group and the Bank measured ECL by using the general approach and the simplified 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.

As for financial assets that are short-term in nature, a simplified approach will be adopted where it will be either performing (Stage1) or non-performing loan ("NPL") (Stage 3) based on the default indicator.

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

ACLEDA Bank Plc.

Staging	Risk Level / Rating Grade	Days Past Due	NBC's Classification	Status	Default Indicator
1	1	LT*: $0 \leq \text{DPD} \leq 29$ ST**: $0 \leq \text{DPD} \leq 14$	Normal	-	Not in Default / Performing
	2				
	3				
	4				
	5				
	6				
2	7	LT*: $30 \leq \text{DPD} \leq 89$ ST**: $15 \leq \text{DPD} \leq 30$	Special Mention	SICR	
3	8	LT*: $90 \leq \text{DPD} \leq 179$ ST**: $31 \leq \text{DPD} \leq 60$	Substandard	NPL	Default / Non-Performing
	9	LT*: $180 \leq \text{DPD} \leq 359$ ST**: $61 \leq \text{DPD} \leq 90$	Doubtful		
	10	LT*: $\text{DPD} \geq 360$ ST**: $\text{DPD} \geq 91$	Loss		

*Long-term facilities; **Short-term facilities

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2024

39. FINANCIAL RISK MANAGEMENT (continued)**39.1 Credit risk (continued)**

(f) Credit quality of financial assets (continued)

Recognition of ECL (continued)

ACLEDA Bank Lao Ltd.

Staging	Days Past Due	BOL's Classification	Status	Default Indicator
1	$0 \leq \text{DPD} \leq 29$	Normal	-	Not in Default / Performing
2	$30 \leq \text{DPD} \leq 89$	Special Mention	SICR	
3	$90 \leq \text{DPD} \leq 179$	Substandard	NPL	Default / Non-performing
	$180 \leq \text{DPD} \leq 359$	Doubtful		
	$\text{DPD} \geq 360$	Loss		

ACLEDA MFI Myanmar Co., Ltd.

Staging	Days Past Due	Financial Regulatory Department's Classification	Status	Default Indicator
1	On time	Normal	-	Not in Default / Performing
2	$0 \leq \text{DPD} \leq 29$	Substandard	SICR	
3	$30 \leq \text{DPD} \leq 60$	Watch	NPL	Default / Non-performing
	$61 \leq \text{DPD} \leq 90$	Doubtful		
	$\text{DPD} \geq 91$	Loss		

Credit classification for financial assets

The Bank follows the mandatory loan classification and provisioning as required by the NBC's Prakas No. B7-017-344 dated 1 December 2017 and Circular No. B7-018-001 Sor Ror Chor Nor dated 16 February 2018 on Credit Risk Grading and Impairment Provisioning. Loans and advances and other financial assets are classified into five classifications as described below:

CLASSES/CRITERIA	PAYMENT EXPERIENCED	
	As for facilities, which have an original term of more than one year	As for facilities that have an original term of one year or less
1 - NORMAL Timely repayment of an outstanding facility classified in this class is not in doubt. Repayment is steadily made according to the contractual terms and the facility does not exhibit any potential weakness in repayment capacity, business, cash flow, and financial position of the counterparty.	Punctual	Punctual

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
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39. FINANCIAL RISK MANAGEMENT (continued)**39.1 Credit risk** (continued)

(f) Credit quality of financial assets (continued)

Credit classification for financial assets (continued)

CLASSES/ CRITERIA	PAYMENT EXPERIENCED	
	As for facilities, which have an original term of more than one year	As for facilities that have an original term of one year or less
2 - SPECIAL MENTION A facility in this class is currently protected and may not be past due but it exhibits potential weaknesses that, if not corrected in a timely manner, may adversely affect repayment by the counterparty at a future date, and warrant close attention by the Bank. Examples of such weaknesses include, but are not limited to, a declining trend in the operations of the counterparty or in its financial position, adverse economic and market conditions that might all affect its profitability and its future repayment capacity, or deteriorating conditions on the collateral. This class has clearly its own rational and should not be used as a compromise between Normal and Substandard.	- When any facility is past due from 30 days to 89 days. - When interest payments for 30 to 89 days have been capitalised, refinanced, or rolled over into a new facility.	- When any facility is past due for a maximum of 30 days. - When interest payments for a maximum of 30 days have been capitalised, refinanced, or rolled over into a new facility. - In case of overdrafts, excess of the approval limit is for a maximum of 30 days, or the current account has been inactive for a maximum of 30 days, or the net inflows on the current account have not been enough to cover capitalised interests for a maximum of 30 days.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2024

39. FINANCIAL RISK MANAGEMENT (continued)**39.1 Credit risk** (continued)

(f) Credit quality of financial assets (continued)

Credit classification for financial assets (continued)

CLASSES/CRITERIA	PAYMENT EXPERIENCED	
	As for facilities, which have an original term of more than one year	As for facilities that have an original term of one year or less
3 - SUBSTANDARD A facility in this class exhibits noticeable weakness and is not adequately protected by the current business, financial position, or repayment capacity of the counterparty. In essence, the primary source of repayment is not sufficient to service the debt and the Bank must look to secondary sources, such as the realisation of the collateral, in relation with the counterparty. Factors leading to a Substandard classification include: ▪ Inability of the counterparty to meet the contractual repayments' terms. ▪ Unfavourable economic and market conditions that would 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 Bank or by other institutions when the information is available. ▪ Breach of financial covenants by the counterparty.	- When any facility is past due from 90 days to 179 days. - When interest payments for 90 to 179 days have been capitalised, refinanced, or rolled over into a new facility.	- When any facility is past due for a maximum of 60 days. - When interest payments for a maximum of 60 days have been capitalised, refinanced, or rolled over into a new facility. - In case of overdrafts, excess of the approval limit is for a maximum of 60 days, or the current account has been inactive for a maximum of 60 days. - The overdraft that had no net inflow for 60 days must be modified into a term loan.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2024

39. FINANCIAL RISK MANAGEMENT (continued)**39.1 Credit risk (continued)**

(f) Credit quality of financial assets (continued)

Credit classification for financial assets (continued)

CLASSES/CRITERIA	PAYMENT EXPERIENCED	
	As for facilities, which have an original term of more than one year	As for facilities that have an original term of one year or less
4 - DOUBTFUL A facility classified in this category faces similar but more severe weaknesses than one classified as 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.	- When any facility is past due from 180 days to 359 days. - When interest payment for 180 to 359 days has been capitalised or rolled over into a new facility.	- When any facility is past due for a maximum of 90 days. - When interest payment for a maximum of 90 days have been capitalised or rolled over into a new facility. - In case of overdrafts, excess of the approval limit is for a maximum of 90 days, or the current account has been inactive for a maximum of 90 days.
5 - LOSS A facility is classified as Loss when it is not collectible, and little or nothing can be done to recover the outstanding amount from the counterparty.	- When any facility is past due from 360 days. - When interest payment for 360 days or more have been capitalised or rolled over into a new facility.	- When any facility is past due for a maximum of 180 days. - When interest payment for a maximum of 180 days have been capitalised or rolled over into a new facility. - In case of overdrafts, excess of the approval limit is for a maximum of 180 days, or the current account has been inactive for a maximum of 180 days.

With regard to facilities with repayments on a quarterly, semi-annual, or longer basis, facilities must be classified as Substandard or worse depending on the situation of the counterparty as soon as a default occurs. For the purpose of the table above, the default will be considered as having occurred 5 working days after the payment due date. The classification as Substandard will be allowed only in case where the counterparty has clearly demonstrated that its inability to pay in due time is only temporary.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
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39. FINANCIAL RISK MANAGEMENT (continued)

39.1 Credit risk (continued)

(f) Credit quality of financial assets (continued)

Credit classification for financial assets (continued)

Facilities that are classified Substandard, Doubtful or Loss will be considered as "Non-performing" facilities. Other facilities will be considered as "Performing". In addition to the classification according to days past due information and risk level, the Group and the Bank also perform manual classification when there is a sign of deterioration in the credit profile. The Group and the Bank might classify the loans under "Normal" and "Special Mention" classification into Stage3 when there are other credit impaired indicator.

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

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

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
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39. FINANCIAL RISK MANAGEMENT (continued)

39.1 Credit risk (continued)

(f) Credit quality of financial assets (continued)

Credit classification for financial assets (continued)

The following table sets out information about the credit quality of financial assets measured at amortised cost. Unless specifically indicated, for financial assets, the amounts in the table represent gross carrying amounts. For loan commitments and financial guarantee contracts, the amounts in the table represent the amounts committed or guaranteed, respectively.

Loans and advances at amortised cost

	2024				2023			
	Stage 1: 12-month ECL US\$	Stage 2: Lifetime ECL not credit impaired US\$	Stage 3: Lifetime ECL credit impaired US\$	Total US\$	Stage 1: 12-month ECL US\$	Stage 2: Lifetime ECL not credit impaired US\$	Stage 3: Lifetime ECL credit impaired US\$	Total US\$
The Group								
Normal	6,618,098,173	15,010	1,859,301	6,619,972,484	6,171,625,804	11,147,342	-	6,182,773,146
Special mention	63,897	50,811,047	-	50,874,944	803,987	48,054,541	-	48,858,528
Substandard	-	-	60,316,024	60,316,024	-	-	101,891,769	101,891,769
Doubtful	-	-	87,712,473	87,712,473	-	-	143,881,455	143,881,455
Loss	-	-	300,147,265	300,147,265	-	-	179,907,111	179,907,111
Total gross carrying amount	6,618,162,070	50,826,057	450,035,063	7,119,023,190	6,172,429,791	59,201,883	425,680,335	6,657,312,009
ECL allowance	(23,390,855)	(6,948,824)	(65,519,407)	(95,859,086)	(8,966,649)	(5,322,333)	(41,357,796)	(55,646,778)
Carrying amount	6,594,771,215	43,877,233	384,515,656	7,023,164,104	6,163,463,142	53,879,550	384,322,539	6,601,665,231
In KHR'000 equivalent (Note 5)	<u>26,543,954,141</u>	<u>176,605,863</u>	<u>1,547,675,515</u>	<u>28,268,235,519</u>	<u>25,177,746,935</u>	<u>220,097,962</u>	<u>1,569,957,572</u>	<u>26,967,802,469</u>
The Bank								
Normal	6,466,581,612	15,010	1,859,301	6,468,455,923	6,047,155,346	4,187	-	6,047,159,533
Special mention	-	50,528,095	-	50,528,095	799,286	46,778,284	-	47,577,570
Substandard	-	-	59,566,937	59,566,937	-	-	100,870,267	100,870,267
Doubtful	-	-	86,494,463	86,494,463	-	-	142,676,471	142,676,471
Loss	-	-	276,340,361	276,340,361	-	-	158,358,985	158,358,985
Total gross carrying amount	6,466,581,612	50,543,105	424,261,062	6,941,385,779	6,047,954,632	46,782,471	401,905,723	6,496,642,826
ECL allowance	(21,079,267)	(6,919,295)	(51,561,206)	(79,559,768)	(7,828,861)	(3,268,573)	(28,502,104)	(39,599,538)
Carrying amount	6,445,502,345	43,623,810	372,699,856	6,861,826,011	6,040,125,771	43,513,898	373,403,619	6,457,043,288
In KHR'000 equivalent (Note 5)	<u>25,943,146,939</u>	<u>175,585,835</u>	<u>1,500,116,920</u>	<u>27,618,849,694</u>	<u>24,673,913,774</u>	<u>177,754,273</u>	<u>1,525,353,784</u>	<u>26,377,021,831</u>

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
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39. FINANCIAL RISK MANAGEMENT (continued)

39.1 Credit risk (continued)

(f) Credit quality of financial assets (continued)

Credit classification for financial assets (continued)

	2024				2023			
	Stage 1: 12-month ECL US\$	Stage 2: Lifetime ECL not credit impaired US\$	Stage 3: Lifetime ECL credit impaired US\$	Total US\$	Stage 1: 12-month ECL US\$	Stage 2: Lifetime ECL not credit impaired US\$	Stage 3: Lifetime ECL credit impaired US\$	Total US\$
The Group								
No Rating	31,609,315	-	-	31,609,315	31,604,794	-	-	31,604,794
Sovereign	440,057,928	-	-	440,057,928	326,379,180	-	-	326,379,180
Total gross carrying amount	471,667,243	-	-	471,667,243	357,983,974	-	-	357,983,974
ECL allowance	(52,035)	-	-	(52,035)	(629,260)	-	-	(629,260)
Carrying amount	471,615,208	-	-	471,615,208	357,354,714	-	-	357,354,714
In KHR'000 equivalent (Note 5)	1,898,251,212	-	-	1,898,251,212	1,459,794,007	-	-	1,459,794,007
The Bank								
No Rating	31,609,315	-	-	31,609,315	31,604,794	-	-	31,604,794
Sovereign	440,057,928	-	-	440,057,928	326,379,180	-	-	326,379,180
Total gross carrying amount	471,667,243	-	-	471,667,243	357,983,974	-	-	357,983,974
ECL allowance	(52,035)	-	-	(52,035)	(629,260)	-	-	(629,260)
Carrying amount	471,615,208	-	-	471,615,208	357,354,714	-	-	357,354,714
In KHR'000 equivalent (Note 5)	1,898,251,212	-	-	1,898,251,212	1,459,794,007	-	-	1,459,794,007

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
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39. FINANCIAL RISK MANAGEMENT (continued)

39.1 Credit risk (continued)

(f) Credit quality of financial assets (continued)

Credit classification for financial assets (continued)

Deposits and placements with other
banks, net

	2024				2023			
	Stage 1: 12-month ECL US\$	Stage 2: Lifetime ECL not credit impaired US\$	Stage 3: Lifetime ECL credit impaired US\$	Total US\$	Stage 1: 12-month ECL US\$	Stage 2: Lifetime ECL not credit impaired US\$	Stage 3: Lifetime ECL credit impaired US\$	Total US\$
The Group								
Investment Grade	690,524,205	-	-	690,524,205	89,693,482	-	-	89,693,482
Non-Investment Grade	1,291,344,452	-	-	1,291,344,452	1,418,099,065	-	-	1,418,099,065
No Rating	1,145,913	-	-	1,145,913	1,866,825	-	-	1,866,825
Total gross carrying amount	1,983,014,570	-	-	1,983,014,570	1,509,659,372	-	-	1,509,659,372
ECL allowance	(622,908)	-	-	(622,908)	(116,194)	-	-	(116,194)
Carrying amount	1,982,391,662	-	-	1,982,391,662	1,509,543,178	-	-	1,509,543,178
In KHR'000 equivalent (Note 5)	7,979,126,440	-	-	7,979,126,440	6,166,483,882	-	-	6,166,483,882
The Bank								
Investment Grade	689,828,449	-	-	689,828,449	88,083,684	-	-	88,083,684
Non-Investment Grade	1,268,751,264	-	-	1,268,751,264	1,390,794,891	-	-	1,390,794,891
No Rating	39,306	-	-	39,306	15,871	-	-	15,871
Total gross carrying amount	1,958,619,019	-	-	1,958,619,019	1,478,894,446	-	-	1,478,894,446
ECL allowance	(560,890)	-	-	(560,890)	(12,425)	-	-	(12,425)
Carrying amount	1,958,058,129	-	-	1,958,058,129	1,478,882,021	-	-	1,478,882,021
In KHR'000 equivalent (Note 5)	7,881,183,969	-	-	7,881,183,969	6,041,233,056	-	-	6,041,233,056

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
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39. FINANCIAL RISK MANAGEMENT (continued)

39.1 Credit risk (continued)

(f) Credit quality of financial assets (continued)

Credit classification for financial assets (continued)

	2024				2023			
	Stage 1: 12-month ECL US\$	Stage 2: Lifetime ECL not credit impaired US\$	Stage 3: Lifetime ECL credit impaired US\$	Total US\$	Stage 1: 12-month ECL US\$	Stage 2: Lifetime ECL not credit impaired US\$	Stage 3: Lifetime ECL credit impaired US\$	Total US\$
The Group								
Investment Grade	758,000	-	-	758,000	758,000	-	-	758,000
Non-Investment Grade	-	-	-	-	-	-	-	-
No Rating	10,765,069	-	-	10,765,069	7,809,345	-	-	7,809,345
Total gross carrying amount	11,523,069	-	-	11,523,069	8,567,345	-	-	8,567,345
ECL allowance	(32,158)	-	-	(32,158)	(16,696)	-	-	(16,696)
Carrying amount	11,490,911	-	-	11,490,911	8,550,649	-	-	8,550,649
In KHR'000 equivalent (Note 5)	<u>46,250,917</u>	<u>-</u>	<u>-</u>	<u>46,250,917</u>	<u>34,929,401</u>	<u>-</u>	<u>-</u>	<u>34,929,401</u>
The Bank								
Investment Grade	758,000	-	-	758,000	758,000	-	-	758,000
Non-Investment Grade	-	-	-	-	-	-	-	-
No Rating	8,799,171	-	-	8,799,171	7,416,377	-	-	7,416,377
Total gross carrying amount	9,557,171	-	-	9,557,171	8,174,377	-	-	8,174,377
ECL allowance	(7,875)	-	-	(7,875)	(13,786)	-	-	(13,786)
Carrying amount	9,549,296	-	-	9,549,296	8,160,591	-	-	8,160,591
In KHR'000 equivalent (Note 5)	<u>38,435,916</u>	<u>-</u>	<u>-</u>	<u>38,435,916</u>	<u>33,336,014</u>	<u>-</u>	<u>-</u>	<u>33,336,014</u>

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
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39. FINANCIAL RISK MANAGEMENT (continued)

39.1 Credit risk (continued)

(f) Credit quality of financial assets (continued)

Credit classification for financial assets (continued)

Financial guarantee contracts	2024					2023				
	Stage 1: 12-month ECL US\$	Stage 2: Lifetime ECL not credit impaired US\$	Stage 3: Lifetime ECL credit impaired US\$	Total US\$		Stage 1: 12-month ECL US\$	Stage 2: Lifetime ECL not credit impaired US\$	Stage 3: Lifetime ECL credit impaired US\$	Total US\$	
The Group										
Investment Grade	-	-	-	-		-	-	-	-	
Non-Investment Grade	-	-	-	-		-	-	-	-	
No Rating	67,095,997	-	-	67,095,997		67,014,005	-	-	67,014,005	
Total gross carrying amount	67,095,997	-	-	67,095,997		67,014,005	-	-	67,014,005	
ELC allowance	(52,540)	-	-	(52,540)		(14,782)	-	-	(14,782)	
Carrying amount	67,043,457	-	-	67,043,457		66,999,223	-	-	66,999,223	
In KHR'000 equivalent (Note 5)	<u>269,849,914</u>	<u>-</u>	<u>-</u>	<u>269,849,914</u>		<u>273,691,826</u>	<u>-</u>	<u>-</u>	<u>273,691,826</u>	
The Bank										
Investment Grade	-	-	-	-		-	-	-	-	
Non-Investment Grade	-	-	-	-		-	-	-	-	
No Rating	79,896,493	-	-	79,896,493		79,880,923	-	-	79,880,923	
Total gross carrying amount	79,896,493	-	-	79,896,493		79,880,923	-	-	79,880,923	
ECL allowance	(85,404)	-	-	(85,404)		(62,307)	-	-	(62,307)	
Carrying amount	79,811,089	-	-	79,811,089		79,818,616	-	-	79,818,616	
In KHR'000 equivalent (Note 5)	<u>321,239,633</u>	<u>-</u>	<u>-</u>	<u>321,239,633</u>		<u>326,059,046</u>	<u>-</u>	<u>-</u>	<u>326,059,046</u>	

39. FINANCIAL RISK MANAGEMENT (continued)

39.1 Credit risk (continued)

(g) Amounts arising from ECL

Significant increase in credit risk

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 30 days past due for long-term facilities or more than or equal to 15 days past due for short-term facilities. Days past due is determined by counting the number of days since the earliest elapsed due date in respect of which full payment has not been received. Due dates are determined without considering any grace period that might be available to the Borrower.

The Group and the Bank use the days past due ("DPD") information, qualitative assessment in compliance with the central banks' classification, and credit scoring/rating at origination for staging criteria as disclosed in table 39.1(f).

If there is evidence that there is no longer a significant increase in credit risk relative to initial recognition, then the loss allowance on an instrument returns to being measured as 12-month ECL. Some qualitative indicators of an increase in credit risk, such as delinquency, may be indicative of an increased risk of default that persists after the indicator itself has ceased to exist. In these cases, the Group and the Bank determine a probation period during which the financial asset is required to demonstrate good behaviour to provide evidence that its credit risk has declined sufficiently. When contractual terms of a loan have been modified, evidence that the criteria for recognising lifetime ECL are no longer met includes a history of up-to-date payment performance against the modified contractual terms.

The Group and the Bank monitor the effectiveness of the criteria used to identify significant increases in credit risk by regular reviews to confirm that:

- the criteria are capable of identifying significant increases in credit risk before an exposure is in default;
- the criteria do not align with the point in time when an asset becomes past due;
- exposures are not generally transferred directly from 12-month ECL measurement to credit-impaired; and,
- there is no unwarranted volatility in loss allowance from transfers between 12-month PD (Stage 1) and lifetime PD (Stage 2).

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2024

39. FINANCIAL RISK MANAGEMENT (continued)**39.1 Credit risk (continued)****(g) Amounts arising from ECL (continued)***Definition of default*

The Group and the Bank consider a financial asset to be in default, as aligned with the NBC Prakas on Credit Risk Grading and Impairment Provisioning as stated in Article 17 and Article 19, when:

- 1) The default definition / non-performing facilities' definition for short-term and long-term facilities where original tenure is more than a year is as follows:

ACLEDA Bank Plc.

Staging	Risk Level / Rating Grade	Days Past Due	Classification	Default Indicator
3	8	LT*: $90 \leq \text{DPD} < 180$ ST**: $31 \leq \text{DPD} \leq 60$	Substandard	Default / Non-performing
	9	LT*: $180 \leq \text{DPD} < 360$ ST**: $61 \leq \text{DPD} \leq 90$	Doubtful	
	10	LT*: $\text{DPD} \geq 360$ ST**: $\text{DPD} \geq 91$	Loss	

*Long-term facilities; **Short-term facilities

ACLEDA Bank Lao Ltd.

Staging	Days Past Due	Classification	Default Indicator
3	$90 \leq \text{DPD} < 180$	Substandard	Default / Non-performing
	$180 \leq \text{DPD} < 360$	Doubtful	
	$\text{DPD} \geq 360$	Loss	

ACLEDA MFI Myanmar Co., Ltd.

Staging	Days Past Due	Classification	Default Indicator
3	$30 \leq \text{DPD} \leq 60$	Watch	Default / Non-performing
	$61 \leq \text{DPD} \leq 90$	Doubtful	
	$\text{DPD} \geq 91$	Loss	

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2024

39. FINANCIAL RISK MANAGEMENT (continued)**39.1 Credit risk (continued)****(g) Amounts arising from ECL (continued)***Definition of default (continued)*

- 2) In addition to the classification according to days past due information, the Group and the Bank also perform manual classification when there is a sign of deterioration in the credit profile. The Group and the Bank might classify the loan into Substandard, Doubtful, or Loss even though the days past due is not falling within the default criteria.

Grouping of instruments for losses measured on a collective basis

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

Until 31 December 2023, the Bank grouped loans for losses measured on modelling of ECL calculation based on products. For the year ended 31 December 2024, the Bank assessed that grouping loans for losses measured on modelling of ECL calculation based on industry better reflected the shared risk characteristics from its most recent observations and involvement of the current economic condition. Likewise, the forward-looking information were updated based on the change to grouping by industry.

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 has increased significantly since its initial recognition and in the measurement of ECL. Forward-looking information is incorporated to sectors for which there are statistical relationship between the Bank's observed default rates and macroeconomic variables (MEVs).

The Group and the Bank formulate three economic scenarios to reflect macro-economic conditions and the business environment starting with baseline, upside, and downside. According to the decision of the Group's and the Bank's senior management in December 2024, the probability-weighted of each scenario was determined based on specific drivers of credit risk by the economic sector as below:

No.	Business/Sub-Sector	Probabilities Weighted Outcome		
		As at 31 December 2024		
		Baseline	Upside	Downside
Agriculture				
1	Agriculture, forestry and fishing	60%	20%	20%
Industry				
2	Mining and quarrying	60%	20%	20%
3	Manufacturing	60%	20%	20%
4	Construction	60%	15%	25%
Service				
5	Utilities	60%	20%	20%
6	Wholesale trade	60%	25%	15%
7	Retail trade	60%	25%	15%
8	Accommodation and food service activities	60%	20%	20%
9	Arts, entertainment and recreation	60%	20%	20%
10	Financial and insurance activities	60%	25%	15%
11	Transport and storage	60%	25%	15%
12	Information and communications	60%	20%	20%
13	Rental and operational leasing activities	60%	20%	20%
14	Real estate activities	60%	15%	25%
15	Education	60%	20%	20%
16	Human health and social work activities	60%	20%	20%
17	Activities of households	60%	20%	20%
18	Other lending	60%	20%	20%

39. FINANCIAL RISK MANAGEMENT (continued)

39.1 Credit risk (continued)

(g) Amounts arising from ECL (continued)

Incorporation of forward-looking information (continued)

For sub-sectors which were determined to have a probability 60% for baseline, 25% for upside, and 15% for down side due to the expectation of these sub-sector returning to pre-pandemic growth levels and the effective credit management practices of the Bank.

For sub-sectors which were determined to have a probability 60% for baseline, 20% for upside, and 20% for down side based on the anticipation that these sub-sectors will continue to grow, albeit at a slower pace.

For sub-sectors which were determined to have a probability 60% for baseline, 15% for upside, and 25% for down side based on the anticipation that these sub-sectors will have a stagnation due to economic challenges.

As at 31 December 2023 the Group and the Bank formulate three economic scenarios: a base case, the median scenario which assigned a 60% probability of occurring, and two less likely scenarios, 20% for upside and 20% for downside. The base case is aligned with information used by the Group and the Bank for other purposes, such as strategic planning and budgeting.

This strategic approach allows the Group and the Bank to assess and manage credit risk across different sectors within varying economic scenarios, supporting informed decision-making and risk management practices.

External information considerations include economic data and forecasts published by governmental bodies and monetary authorities in the countries where the Group and the Bank operate, supranational organisations, such as the 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, by using an analysis of historical data, have estimated relationships between macroeconomic variables ("MEVs") and credit risk and credit losses. The macroeconomic variables ("MEVs") of Cambodia is the key driver of the ECL of the Group. The Bank's ECL is covered over 83% and 71% of the Group's ECL as at 31 December 2024 and 31 December 2023, respectively.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2024

39. FINANCIAL RISK MANAGEMENT (continued)**39.1 Credit risk (continued)**

(g) Amounts arising from ECL (continued)

Incorporation of forward-looking information (continued)

For 2024, the economic scenarios of the Bank's portfolio used included the following key indicators for Cambodia from years 2024 to 2028:

Sectors	2024	2025	2026	2027	2028
1- Agriculture, Forestry and Fishing					
- Cambodia Foreign Reserves (millions USD)					
Base	-3.50%	-2.24%	-1.64%	14.54%	14.54%
Upside	24.37%	25.63%	26.23%	42.42%	42.42%
Downside	-31.37%	-30.12%	-29.52%	-13.33%	-13.33%
- US 1 Year Treasury Yield Curve Rates					
Base	1.9000	1.2348	1.2264	4.6168	4.6168
Upside	-22.6460	-23.3111	-23.3196	-19.9292	-19.9292
Downside	26.4459	25.7808	25.7724	29.1627	29.1627
2- Manufacturing					
- Nominal GDP (in KHR billions)					
Base	5.49%	5.56%	6.21%	6.99%	6.99%
Upside	17.72%	17.79%	18.44%	19.23%	19.23%
Downside	-6.74%	-6.67%	-6.02%	-5.24%	-5.24%
- Cambodia Foreign Reserves (millions USD)					
Base	-4.97%	-5.95%	-6.23%	17.62%	17.62%
Upside	18.82%	17.85%	17.56%	41.42%	41.42%
Downside	-28.77%	-29.74%	-30.03%	-6.17%	-6.17%
3- Retail Trade					
- Cambodia GDP at Constant 2014 Price (in KHR billions)					
Base	3.05%	3.01%	3.45%	4.45%	4.45%
Upside	12.02%	11.98%	12.42%	13.42%	13.42%
Downside	-5.92%	-5.95%	-5.52%	-4.52%	-4.52%
- Cambodia Foreign Reserves (millions USD)					
Base	-4.97%	-5.95%	-6.23%	17.62%	17.62%
Upside	18.82%	17.85%	17.56%	41.42%	41.42%
Downside	-28.77%	-29.74%	-30.03%	-6.17%	-6.17%
- Cambodia Foreign Reserves (millions USD)					
Base	-3.50%	-2.24%	-1.64%	14.54%	14.54%
Upside	24.37%	25.63%	26.23%	42.42%	42.42%
Downside	-31.37%	-30.12%	-29.52%	-13.33%	-13.33%
- US 1 Year Treasury Yield Curve Rates					
Base	1.9000	1.2348	1.2264	4.6168	4.6168
Upside	-22.6460	-23.3111	-23.3196	-19.9292	-19.9292
Downside	26.4459	25.7808	25.7724	29.1627	29.1627
- USDKHR					
Base	-0.44%	-0.46%	-0.45%	0.22%	0.22%
Upside	-1.83%	-1.85%	-1.84%	-1.17%	-1.17%
Downside	0.95%	0.93%	0.95%	1.61%	1.61%
4- Transport and Storage					
- Nominal GDP (in KHR billions)					
Base	5.49%	5.56%	6.21%	6.99%	6.99%
Upside	17.72%	17.79%	18.44%	19.23%	19.23%
Downside	-6.74%	-6.67%	-6.02%	-5.24%	-5.24%
- Cambodia Foreign Reserves (millions USD)					
Base	-4.97%	-5.95%	-6.23%	17.62%	17.62%
Upside	18.82%	17.85%	17.56%	41.42%	41.42%
Downside	-28.77%	-29.74%	-30.03%	-6.17%	-6.17%

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2024

39. FINANCIAL RISK MANAGEMENT (continued)**39.1 Credit risk (continued)**

(g) Amounts arising from ECL (continued)

Incorporation of forward-looking information (continued)

Sectors	2024	2025	2026	2027	2028
5- Real Estate Activities					
- Domestic credit to private sector (% of GDP)					
Base	126.64%	128.44%	128.68%	94.03%	94.03%
Upside	76.75%	78.55%	78.78%	44.14%	44.14%
Downside	176.53%	178.34%	178.57%	143.92%	143.92%
- FDI (% of GDP)					
Base	9.36%	9.29%	9.29%	9.68%	9.68%
Upside	10.25%	10.18%	10.18%	10.57%	10.57%
Downside	8.47%	8.40%	8.40%	8.79%	8.79%
- USDKHR					
Base	-0.44%	-0.46%	-0.45%	0.22%	0.22%
Upside	-1.83%	-1.85%	-1.84%	-1.17%	-1.17%
Downside	0.95%	0.93%	0.95%	1.61%	1.61%
6- Other Lending					
- Cambodia GDP at Constant 2014 Price (in KHR billions)					
Base	3.05%	3.01%	3.45%	4.45%	4.45%
Upside	12.02%	11.98%	12.42%	13.42%	13.42%
Downside	-5.92%	-5.95%	-5.52%	-4.52%	-4.52%
- Cambodia Foreign Reserves (millions USD)					
Base	-4.97%	-5.95%	-6.23%	17.62%	17.62%
Upside	18.82%	17.85%	17.56%	41.42%	41.42%
Downside	-28.77%	-29.74%	-30.03%	-6.17%	-6.17%

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2024

39. FINANCIAL RISK MANAGEMENT (continued)**39.1 Credit risk (continued)**

(g) Amounts arising from ECL (continued)

Incorporation of forward-looking information (continued)

For 2023, the economic scenarios of the Bank's portfolio used included the following key indicators for Cambodia from years 2023 to 2027:

Exposure	2023	2024	2025	2026	2027
1 - Small Loan					
- Domestic credit to private sector (% of GDP)					
Base	161.23%	165.72%	167.29%	85.27%	85.27%
Upside	84.04%	88.53%	90.10%	8.08%	8.08%
Downside	238.42%	242.90%	244.48%	162.46%	162.46%
- US 1-year Treasury Yield Curve Rates					
Base	1.90	1.23	1.23	1.79	1.79
Upside	(11.78)	(12.44)	(12.45)	(11.89)	(11.89)
Downside	15.58	14.91	14.90	15.47	15.47
2 - Public Housing Loan					
- GDP at Current Price, Industry (Year-on-Year, %)					
Base	9.00%	9.00%	10.00%	13.00%	13.00%
Upside	21.00%	21.00%	21.00%	25.00%	25.00%
Downside	-3.00%	-3.00%	-2.00%	2.00%	2.00%
- US 1-year Treasury Yield Curve Rates					
Base	20.00%	22.00%	24.00%	71.00%	71.00%
Upside	-144.00%	-142.00%	-140.00%	-93.00%	-93.00%
Downside	184.00%	186.00%	188.00%	235.00%	235.00%

39. FINANCIAL RISK MANAGEMENT (continued)

39.1 Credit risk (continued)

(g) Amounts arising from ECL (continued)

Incorporation of forward-looking information (continued)

Predicted relationships between the key indicators and default and loss rates on various portfolios of financial assets have been developed based on analysing available historical data over the past 7 years.

Modified financial assets

The contractual terms of a loan may be modified for a number of reasons, including changing market conditions, customer retention, and other factors not related to a current or potential credit deterioration of the customer. An existing loan whose terms have been modified may be derecognised and the renegotiated loan recognised as a new loan at fair value in accordance with the accounting policy set out in Note 2(e)(iv).

When the terms of a financial asset are modified and the modification does not result in derecognition, the determination of whether the asset's credit risk has increased significantly reflects comparison of:

- the remaining lifetime PD at the reporting date based on the modified terms; and,
- the remaining lifetime PD estimated based on data on initial recognition and the original contractual terms.

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
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39. FINANCIAL RISK MANAGEMENT (continued)

39.1 Credit risk (continued)

(g) Amounts arising from ECL (continued)

Modified financial assets (continued)

When modification results in derecognition, a new loan is recognised and allocated to Stage 1 (assuming it is not credit-impaired at that time).

The revised terms usually include extending the maturity, changing the timing of interest payments and amending the terms of loan covenants.

Loss allowance

During the year, the allowance for/(reversal of) impairment losses recognised in the statement of profit or loss and other comprehensive income are as follows:

Financial Instruments	The Group			The Bank		
	2024	2023	2024	2023	2024	2023
	US\$	US\$	KHR'000	US\$	KHR'000	KHR'000
			(Note 5)		(Note 5)	(Note 5)
Deposits and placements with other banks	518,846	(177,657)	2,112,221	(199,422)	2,225,815	(819,624)
Loans and advances	84,974,496	41,824,525	345,931,173	82,782,840	337,008,942	158,959,293
Investments in debt securities	(577,225)	13,054	(2,349,883)	(577,225)	(2,349,883)	53,652
Other assets	36,223	23,768	147,464	(5,634)	(22,936)	(95,566)
	84,952,340	41,683,690	345,840,975	82,746,730	336,861,938	158,097,755
Financial guarantee contracts	37,752	2,180	153,688	(15,518)	93,951	(63,779)
Total	84,990,092	41,685,870	345,994,663	82,769,808	336,955,889	158,033,976

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2024

39. FINANCIAL RISK MANAGEMENT (continued)

39.1 Credit risk (continued)

(g) Amounts arising from ECL (continued)

Loss allowance (continued)

The following tables show the change of loss allowance between the beginning and the end of the year by class of financial instrument:

	2024				2023			
	Stage 1 US\$	Stage 2 US\$	Stage 3 US\$	Total US\$	Stage 1 US\$	Stage 2 US\$	Stage 3 US\$	Total US\$
Loans and advances at amortised cost								
The Group								
Beginning of the year	8,966,649	5,322,333	41,357,796	55,646,778	20,472,766	3,980,711	17,789,185	42,242,662
Transfers to/(deduction from):								
Stage 1	(357,842)	29,583	328,259	-	(11,557,652)	445,085	11,112,567	-
Stage 2	1,110,912	(2,752,819)	1,641,907	-	1,166,834	(3,067,670)	1,900,836	-
Stage 3	295,546	32,042	(327,588)	-	182,374	102,361	(284,735)	-
Net remeasurement of loss allowance	1,992,819	1,162,867	63,792,920	66,948,606	(2,911,872)	1,642,348	37,723,566	36,454,042
New financial assets originated	14,801,072	5,690,714	11,055,502	31,547,288	4,708,102	2,993,374	4,135,212	11,836,688
Derecognition of financial assets	(3,403,642)	(2,534,675)	(7,583,081)	(13,521,398)	(2,934,355)	(760,682)	(2,771,168)	(6,466,205)
Write-offs	(17,630)	(934)	(44,669,512)	(44,688,076)	(3,366)	-	(28,096,441)	(28,099,807)
Currency translation differences	2,972	(287)	(76,797)	(74,112)	(156,182)	(13,194)	(151,226)	(320,602)
As at the end of the year	23,390,856	6,948,824	65,519,406	95,859,086	8,966,649	5,322,333	41,357,796	55,646,778
In KHR'000 equivalent (Note 5)	94,148,195	27,969,017	263,715,609	385,832,821	36,628,761	21,741,730	168,946,597	227,317,088

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
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39. FINANCIAL RISK MANAGEMENT (continued)

39.1 Credit risk (continued)

(g) Amounts arising from ECL (continued)

Loss allowance (continued)

Loans and advances at amortised cost	2024			Total US\$	2023			Total US\$
	Stage 1 US\$	Stage 2 US\$	Stage 3 US\$		Stage 1 US\$	Stage 2 US\$	Stage 3 US\$	
The Bank								
Beginning of the year	7,828,861	3,268,573	28,502,104	39,599,538	6,861,363	3,832,274	17,463,331	28,156,968
Transfers to/(deduction from):								
Stage 1	(333,729)	27,865	305,864	-	(637,491)	53,885	583,606	-
Stage 2	282,512	(1,848,875)	1,566,363	-	1,132,422	(2,935,359)	1,802,937	-
Stage 3	269,379	28,203	(297,582)	-	131,590	95,403	(226,993)	-
Net remeasurement of loss allowance	3,139,480	1,159,828	60,352,677	64,651,985	(2,422,717)	1,838,094	34,754,976	34,170,353
New financial assets originated	12,886,620	5,677,540	10,990,393	29,554,553	4,179,508	1,049,752	4,029,335	9,258,595
Derecognition of financial assets	(3,038,465)	(1,394,283)	(6,990,950)	(11,423,698)	(1,428,577)	(661,807)	(2,662,337)	(4,752,721)
Write-offs	(17,630)	(934)	(42,929,349)	(42,947,913)	(3,366)	-	(27,162,039)	(27,165,405)
Currency translation differences	62,239	1,378	61,686	125,303	16,129	(3,669)	(80,712)	(68,252)
As at the end of the year	21,079,267	6,919,295	51,561,206	79,559,768	7,828,861	3,268,573	28,502,104	39,599,538
In KHR'000 equivalent (Note 5)	84,844,050	27,850,162	207,533,854	320,228,066	31,980,897	13,352,121	116,431,095	161,764,113

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
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39. FINANCIAL RISK MANAGEMENT (continued)

39.1 Credit risk (continued)

(g) Amounts arising from ECL (continued)

Loss allowance (continued)

Deposits and placements with other banks, net

The Group

Beginning of the year
Allowance for/(reversal of) impairment losses during the year
Currency translation differences
As at the end of the year
In KHR'000 equivalent (Note 5)

	2024			Total US\$	2023			Total US\$
	Stage 1 US\$	Stage 2 US\$	Stage 3 US\$		Stage 1 US\$	Stage 2 US\$	Stage 3 US\$	
	116,195	-	-	116,195	308,269	-	-	308,269
	518,846	-	-	518,846	(177,657)	-	-	(177,657)
	(12,133)	-	-	(12,133)	(14,418)	-	-	(14,418)
	622,908	-	-	622,908	116,194	-	-	116,194
	2,507,205	-	-	2,507,205	474,653	-	-	474,653

The Bank

Beginning of the year
Allowance for/(reversal of) impairment losses during the year
Currency translation differences
As at the end of the year
In KHR'000 equivalent (Note 5)

12,425	-	-	-	12,425	223,245	-	-	223,245
546,749	-	-	-	546,749	(199,422)	-	-	(199,422)
1,716	-	-	-	1,716	(11,398)	-	-	(11,398)
560,890	-	-	-	560,890	12,425	-	-	12,425
2,257,582	-	-	-	2,257,582	50,756	-	-	50,756

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2024

39. FINANCIAL RISK MANAGEMENT (continued)

39.1 Credit risk (continued)

(g) Amounts arising from ECL (continued)

Loss allowance (continued)

Other financial assets	2024			2023			Total US\$
	Stage 1 US\$	Stage 2 US\$	Stage 3 US\$	Stage 1 US\$	Stage 2 US\$	Stage 3 US\$	
The Group							
Beginning of the year	16,696	-	-	16,696	51,597	-	51,597
Allowance for impairment losses during the year	36,223	-	-	36,223	23,768	-	23,768
Currency translation differences	(20,761)	-	-	(20,761)	(58,669)	-	(58,669)
As at the end of the year	32,158	-	-	32,158	16,696	-	16,696
In KHR'000 equivalent (Note 5)	129,436	-	-	129,436	68,203	-	68,203
The Bank							
Beginning of the year	13,786	-	-	13,786	36,902	-	36,902
Reversal of impairment losses during the year	(5,634)	-	-	(5,634)	(23,252)	-	(23,252)
Currency translation differences	(277)	-	-	(277)	136	-	136
As at the end of the year	7,875	-	-	7,875	13,786	-	13,786
In KHR'000 equivalent (Note 5)	31,697	-	-	31,697	56,316	-	56,316

ACLEDA BANK PLC.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
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39. FINANCIAL RISK MANAGEMENT (continued)

39.1 Credit risk (continued)

(g) Amounts arising from ECL (continued)

Loss allowance (continued)

Investments in debt securities	2024			2023				
	Stage 1 US\$	Stage 2 US\$	Stage 3 US\$	Total US\$	Stage 1 US\$	Stage 2 US\$	Stage 3 US\$	Total US\$
The Group								
Beginning of the year	629,260	-	-	629,260	616,205	-	-	616,205
(Reversal of)/allowance for impairment losses during the year	(577,225)	-	-	(577,225)	13,054	-	-	13,054
Currency translation differences	-	-	-	-	1	-	-	1
As at the end of the year	52,035	-	-	52,035	629,260	-	-	629,260
In KHR'000 equivalent (Note 5)	209,441	-	-	209,441	2,570,527	-	-	2,570,527
The Bank								
Beginning of the year	629,260	-	-	629,260	616,205	-	-	616,205
(Reversal of)/allowance for impairment losses during the year	(577,225)	-	-	(577,225)	13,054	-	-	13,054
Currency translation differences	-	-	-	-	1	-	-	1
As at the end of the year	52,035	-	-	52,035	629,260	-	-	629,260
In KHR'000 equivalent (Note 5)	209,441	-	-	209,441	2,570,527	-	-	2,570,527

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2024

39. FINANCIAL RISK MANAGEMENT (continued)

39.1 Credit risk (continued)

(g) Amounts arising from ECL (continued)

Loss allowance (continued)

	2024				2023			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
	US\$	US\$	US\$	US\$	US\$	US\$	US\$	US\$
Financial guarantee contracts								
The Group								
Beginning of the year	14,782	-	-	14,782	12,629	-	-	12,629
Allowance for impairment losses during the year	37,752	-	-	37,752	2,180	-	-	2,180
Currency translation differences	6	-	-	6	(27)	-	-	(27)
As at the end of the year	52,540	-	-	52,540	14,782	-	-	14,782
In KHR'000 equivalent (Note 5)	211,474	-	-	211,474	60,384	-	-	60,384
The Bank								
Beginning of the year	62,307	-	-	62,307	77,815	-	-	77,815
Allowance for/(reversal of) impairment losses during the year	23,078	-	-	23,078	(15,518)	-	-	(15,518)
Currency translation differences	19	-	-	19	10	-	-	10
As at the end of the year	85,404	-	-	85,404	62,307	-	-	62,307
In KHR'000 equivalent (Note 5)	343,751	-	-	343,751	254,524	-	-	254,524

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2024

39. FINANCIAL RISK MANAGEMENT (continued)

39.1 Credit risk (continued)

(h) Sensitivity Analysis on ECL Measurement

Set out below is the Bank's ECL measurement as at 31 December 2024 and 2023 that would result from reasonably possible changes in the parameters from the actual assumptions used by the Bank in its economic variable assumptions.

	Change in MEVs		Impact on ECL			
	Upside Scenario	Downside Scenario	Upside Scenario US\$	Downside Scenario US\$	Upside Scenario KHR'000	Downside Scenario KHR'000
31 December 2024						
1- Agriculture, Forestry and Fishing						
- Cambodia Foreign Reserves (millions USD)	27.87%	-27.87%	(412,500)	308,738	(1,660,313)	1,242,669
- US 1 Year Treasury Yield Curve Rates	-24.55	24.55				
2- Manufacturing			(966,357)	1,604,497	(3,889,586)	6,458,100
- Nominal GDP (in KHR billions)	12.23%	-12.23%				
- Cambodia Foreign Reserves (millions USD)	23.79%	-23.79%				
3- Retail Trade			(6,473,825)	11,458,227	(26,057,145)	46,119,364
- Cambodia GDP at Constant 2014 Price (in KHR billions)	8.97%	-8.97%				
- Cambodia Foreign Reserves (millions USD)	23.79%	-23.79%				
- Cambodia Foreign Reserves (millions USD).	27.87%	-27.87%				
- US 1 Year Treasury Yield Curve Rates	-24.55	24.55				
- USDKHR	-1.39%	1.39%				
4- Transport and Storage			(1,023,638)	2,071,236	(4,120,144)	8,336,723
- Nominal GDP (in KHR billions)	12.23%	-12.23%				
- Cambodia Foreign Reserves (millions USD)	23.79%	-23.79%				
5- Real Estate Activities			(62,528)	26,060	(251,677)	104,890
- Domestic credit to private sector (% of GDP)	-49.89%	49.89%				
- FDI (% of GDP)	0.89%	-0.89%				
- USDKHR	-1.39%	1.39%				
6- Other Lending			(1,861,615)	4,013,811	(7,492,999)	16,155,591
- Cambodia GDP at Constant 2014 Price (in KHR billions)	8.97%	-8.97%				
- Cambodia Foreign Reserves (millions USD)	23.79%	-23.79%				

	Change in MEVs		Impact on ECL			
	Upside Scenario	Downside Scenario	Upside Scenario US\$	Downside Scenario US\$	Upside Scenario KHR'000	Downside Scenario KHR'000
31 December 2023						
1- Small Loan			(405,654)	317,032	(1,657,097)	1,295,076
- Domestic credit to private sector (% of GDP)	-77.19%	77.19%				
- US 1 year Treasury Yield Curve Rates	-13.68	13.68				
2 - Public Housing Loan			(202,675)	392,928	(827,927)	1,605,112
- GDP at Current Price, Industry (YOY, %)	12.00%	-12.00%				
- US 1 year Treasury Yield Curve Rates	-1.64	1.64				

39. FINANCIAL RISK MANAGEMENT (continued)

39.2 Market risk

The Group and the Bank are exposed to market risk, which is the risk of losses in on and off-balance sheet positions arising from movements in the market prices, such as interest rates, equity, foreign currency exchange rates, derivatives, and options, that could adversely affect the Group's and the Bank's future earnings, capital, or ability to meet business objectives.

The primary categories of market risk for the Group and the Bank are:

- (i) Interest rate risk: can lead to losses when there is an imbalance between assets and liabilities on which interest rates change periodically or at different intervals; and,
- (ii) Foreign exchange risk: can lead to losses when there is an imbalance between assets and liabilities in any particular currency.

Commodity risk and equity risk are not applicable at the moment given that the Group and the Bank do not hold any commodity or equity position.

The Board Risk Management and IT Committee is established by the Board of Directors to assist in the effective discharge of its responsibilities for risk management and to regularly review the Management's ability to assess and manage the Group's and the Bank's risks.

Market risks are managed based on the following principles and internal targets:

Principles of the market risk:

- In line with sound banking principles, the Group and the Bank actively manage currencies and interest rate risk positions to hedge positions by matching assets and liabilities.
- The Group and the Bank shall not engage in activities to derive income from proprietary trading or speculation on the movements in exchange rates, interest rates, or value of securities.
- The position limits as set by the central banks are meant to limit the adverse impact of market risk and are not meant to create an opportunity for proprietary trading.
- The day-to-day responsibility for market risk lies with the senior management of the Treasury Department.

Internal targets on the market risk:

- The regulatory limits on foreign exchange currency mismatch per currency and cumulative mismatch for all foreign currencies should be observed at all times.
- The Group and the Bank will have, at all times, internal targets that are lower than the regulatory limits to allow for a safety margin to ensure permanent full compliance with regulatory limits.
- Relevant divisions and departments should regularly assess and monitor the perceived risks of non-compliance with the targets. Any breaches of internal targets should be reported to the ALCO and President & Group Managing Director.
- At all times, the Group and the Bank will have a contingency plan to be executed when it is perceived by the President & Group Managing Director that the safety margin may not be sufficient and there is a risk that the regulatory limit on foreign exchange currency mismatch could be reached. Such contingency plan should be sufficient to ensure that the regulatory limits on foreign exchange currency mismatch will not be breached.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2024

39. FINANCIAL RISK MANAGEMENT (continued)

39.2 Market risk (continued)

(i) Interest rate risk

As at 31 December 2024 and 2023, the Group's and the Bank's derivative financial instruments and financial investments designated as FVOCI are valued at fair value in accordance with the methods as disclosed in Note 39. The Group and the Bank use derivative financial instruments, such as foreign exchange contract and interest rate swaps to hold its risk exposures.

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

The Group's and the Bank's interest rate risk arise from borrowings and subordinated debts. Borrowings issued at variable rates expose the Group and the Bank to cash flow interest rate risk. The Group and the Bank manage cash flow interest rate risk by using floating-to-fixed interest rate swaps. Such interest rate swaps have the economic effect of converting borrowings from floating rates to fixed rates and recognising the interest expense based on that fixed interest rate. The Group and the Bank raise borrowings at floating rates and swaps them into fixed rate that are lower than those available if the Group and the Bank borrowed at fixed rates directly. Under the interest rate swaps, the Group and the Bank agree with other parties to exchange, at specified intervals (primarily semi-annually), the difference between fixed contract rates and floating rate interest amounts calculated by reference to the agreed notional amounts.

The tables on the next pages summarise the Group's and the Bank's exposure to interest rate risks. It includes the financial instruments at carrying amounts, categorised by the earlier of contractual repricing or maturity dates.

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
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39. FINANCIAL RISK MANAGEMENT (continued)

39.2 Market risk (continued)

(i) Interest rate risk (continued)

	The Group					
	Up to 1 month US\$	1 - 3 months US\$	3 - 12 months US\$	1 - 5 years US\$	Over 5 years US\$	Total US\$
As at 31 December 2024						
Financial assets						
Cash on hand	-	-	-	-	-	513,942,123
Deposits and placements with other banks, net	269,880,105	39,734,617	9,986,747	-	-	1,982,391,662
Financial investments	121,762,168	222,042,864	91,759,404	36,050,772	-	471,804,878
Loans and advances, net	285,993,842	283,490,237	1,074,008,054	4,484,976,989	894,694,982	7,023,164,104
Derivative financial instruments	-	-	-	-	-	2,250,246
Other financial assets	-	-	-	-	-	11,490,911
Total financial assets	677,636,115	545,267,718	1,175,754,205	4,521,027,761	894,694,982	10,005,043,924
Financial liabilities						
Deposits and placements of other banks and financial institutions	78,792,658	47,715,044	66,459,658	31,490,442	84,950,000	396,514,351
Deposits from customers	3,708,534,414	668,970,196	1,828,565,079	791,849,431	46,546,760	7,962,541,434
Lease liabilities	1,251,812	1,943,831	9,349,834	20,071,729	2,404,542	35,021,748
Borrowings	85,104,169	208,450,298	278,099,429	34,737,644	466,335	606,857,875
Subordinated debts	-	207,709	80,144,418	53,607,544	44,802,437	178,762,108
Other financial liabilities	-	-	-	-	-	59,870,248
Total financial liabilities	3,873,683,053	927,287,078	2,262,618,418	931,756,790	179,170,074	9,239,567,764
Net interest sensitivity gap	(3,196,046,938)	(382,019,360)	(1,086,864,213)	3,589,270,971	715,524,908	765,476,160
In KHR'000 equivalent (Note 5)	(12,864,088,925)	(1,537,627,924)	(4,374,628,457)	14,446,815,658	2,879,987,755	3,081,041,544
Unused portion of overdrafts	-	-	-	-	-	301,771,170
Guarantees, acceptances, and other financial facilities	-	-	-	-	-	76,337,753
Spot foreign exchange	-	-	-	-	-	-
Net interest sensitivity gap	-	-	-	-	-	378,108,923
In KHR'000 equivalent (Note 5)	-	-	-	-	-	1,521,888,415

ACLEDA BANK PLC.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2024

39. FINANCIAL RISK MANAGEMENT (continued)

39.2 Market risk (continued)

(i) Interest rate risk (continued)

	The Group						Total US\$
	Up to 1 month US\$	1 - 3 months US\$	3 - 12 months US\$	1 - 5 years US\$	Over 5 years US\$	Non-interest bearing US\$	
As at 31 December 2023							
Financial assets							
Cash on hand	-	-	-	-	-	495,793,568	495,793,568
Deposits and placements with other banks, net	72,437,235	502,909	501,910	-	-	1,436,101,124	1,509,543,178
Financial investments	240,196,361	48,184,822	10,936,496	56,293,836	-	1,932,869	357,544,384
Loans and advances, net	234,512,353	289,655,828	1,136,605,958	3,944,645,125	996,245,967	-	6,601,665,231
Derivative financial instruments	-	-	-	-	-	5,746,686	5,746,686
Other financial assets	-	-	-	-	-	8,550,649	8,550,649
Total financial assets	547,145,949	338,343,559	1,148,044,364	4,000,938,961	996,245,967	1,948,124,896	8,978,843,696
Financial liabilities							
Deposits and placements of other banks and financial institutions	80,320,726	64,527,997	70,848,076	42,905,522	81,450,000	79,740,299	419,792,620
Deposits from customers	2,911,871,904	613,651,394	1,619,594,478	955,055,879	55,152,891	652,693,873	6,808,020,419
Lease liabilities	1,259,020	1,793,196	9,047,822	19,465,950	961,699	-	32,527,687
Borrowings	104,368,176	324,790,361	207,733,011	218,326,470	4,595,532	-	859,813,550
Subordinated debts	-	-	26,160,421	56,194,474	34,698,987	-	117,053,882
Other financial liabilities	-	-	-	-	-	43,591,008	43,591,008
Total financial liabilities	3,097,819,826	1,004,762,948	1,933,383,808	1,291,948,295	176,859,109	776,025,180	8,280,799,166
Net interest sensitivity gap	(2,550,673,877)	(666,419,389)	(785,339,444)	2,708,990,666	819,386,858	1,172,099,716	698,044,530
In KHR'000 equivalent (Note 5)	(10,419,502,789)	(2,722,323,204)	(3,208,111,629)	11,066,226,871	3,347,195,315	4,788,027,340	2,851,511,904
Unused portion of overdrafts	-	-	-	-	-	209,854,669	209,854,669
Guarantees, acceptances, and other financial facilities	-	-	-	-	-	69,317,067	69,317,067
Net interest sensitivity gap	-	-	-	-	-	279,171,736	279,171,736
In KHR'000 equivalent (Note 5)	-	-	-	-	-	1,140,416,541	1,140,416,541

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
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39. FINANCIAL RISK MANAGEMENT (continued)

39.2 Market risk (continued)

(i) Interest rate risk (continued)

	The Bank						
	Up to 1 month US\$	1 - 3 months US\$	3 - 12 months US\$	1 - 5 years US\$	Over 5 years US\$	Non-interest bearing US\$	Total US\$
As at 31 December 2024							
Financial assets							
Cash on hand	-	-	-	-	-	503,459,073	503,459,073
Deposits and placements with other banks, net	269,811,306	39,734,617	9,986,747	-	-	1,638,525,459	1,958,058,129
Financial investments	121,762,168	222,042,864	91,759,404	36,050,772	-	189,670	471,804,878
Loans and advances, net	268,668,607	273,589,149	1,040,224,943	4,390,840,080	888,503,232	-	6,861,826,011
Derivative financial instruments	-	-	-	-	-	2,250,246	2,250,246
Other financial assets	-	-	-	-	-	9,549,296	9,549,296
Total financial assets	660,242,081	535,366,630	1,141,971,094	4,426,890,852	888,503,232	2,153,973,744	9,806,947,633
Financial liabilities							
Deposits and placements of other banks and financial institutions	70,141,726	43,107,413	52,899,088	31,205,000	84,950,000	90,424,377	372,727,604
Deposits from customers	3,675,824,782	659,612,510	1,790,317,304	773,548,615	44,008,276	901,986,902	7,845,298,389
Lease liabilities	1,229,811	1,921,389	9,086,126	19,097,738	1,448,488	-	32,783,552
Borrowings	85,082,759	208,205,771	273,050,435	31,716,715	466,335	-	598,522,015
Subordinated debts	-	207,709	80,144,418	53,607,544	44,802,437	-	178,762,108
Other financial liabilities	-	-	-	-	-	57,827,433	57,827,433
Total financial liabilities	3,832,279,078	913,054,792	2,205,497,371	909,175,612	175,675,536	1,050,238,712	9,085,921,101
Net interest sensitivity gap	(3,172,036,997)	(377,688,162)	(1,063,526,277)	3,517,715,240	712,827,696	1,103,735,032	721,026,532
In KHR'000 equivalent (Note 5)	(12,767,448,914)	(1,520,194,852)	(4,280,693,265)	14,158,803,841	2,869,131,476	4,442,533,504	2,902,131,790
Unused portion of overdrafts	-	-	-	-	-	300,734,637	300,734,637
Guarantees, acceptances, and other financial facilities	-	-	-	-	-	76,138,249	76,138,249
Spot foreign exchange	-	-	-	-	-	-	-
Net interest sensitivity gap	-	-	-	-	-	376,872,886	376,872,886
In KHR'000 equivalent (Note 5)	-	-	-	-	-	1,516,913,366	1,516,913,366

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2024

39.2 Market risk (continued)

	The Bank						
	Up to 1 month US\$	1 - 3 months US\$	3 - 12 months US\$	1 - 5 years US\$	Over 5 years US\$	Non-interest bearing US\$	Total US\$
As at 31 December 2023							
Financial assets							
Cash on hand	-	-	-	-	-	486,584,317	486,584,317
Deposits and placements with other banks, net	72,437,235	-	-	-	-	1,406,444,786	1,478,882,021
Financial investments	240,196,361	48,184,822	10,936,496	56,293,836	-	1,932,869	357,544,384
Loans and advances, net	224,145,748	281,030,750	1,106,204,470	3,856,064,676	989,597,644	-	6,457,043,288
Derivative financial instruments	-	-	-	-	-	5,746,686	5,746,686
Other financial assets	-	-	-	-	-	8,160,591	8,160,591
Total financial assets	536,779,344	329,215,572	1,117,140,966	3,912,358,512	989,597,644	1,908,869,249	8,793,961,287
Financial liabilities							
Deposits and placements of other banks and financial institutions	74,783,920	58,688,495	46,358,416	41,634,787	81,450,000	83,490,309	386,405,927
Deposits from customers	2,885,457,817	606,805,061	1,595,131,493	935,972,333	51,522,192	640,400,129	6,715,289,025
Lease liabilities	1,212,506	1,752,559	8,723,500	18,705,240	153,543	-	30,547,348
Borrowings	104,368,176	321,117,073	200,908,577	212,938,995	4,085,770	-	843,418,591
Subordinated debts	-	-	26,160,421	56,194,474	34,698,987	-	117,053,882
Other financial liabilities	-	-	-	-	-	42,489,918	42,489,918
Total financial liabilities	3,065,822,419	988,363,188	1,877,282,407	1,265,445,829	171,910,492	766,380,356	8,135,204,691
Net interest sensitivity gap	(2,529,043,075)	(659,147,616)	(760,141,441)	2,646,912,683	817,687,152	1,142,488,893	658,756,596
In KHR'000 equivalent (Note 5)	(10,331,140,961)	(2,692,618,011)	(3,105,177,786)	10,812,638,310	3,340,252,016	4,667,067,126	2,691,020,694
Unused portion of overdrafts	-	-	-	-	-	209,405,052	209,405,052
Guarantees, acceptances, and other financial facilities	-	-	-	-	-	69,183,985	69,183,985
Net interest sensitivity gap	-	-	-	-	-	278,589,037	278,589,037
In KHR'000 equivalent (Note 5)	-	-	-	-	-	1,138,036,215	1,138,036,215

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2024

39. FINANCIAL RISK MANAGEMENT (continued)**39.2 Market risk (continued)***(i) Interest rate risk (continued)***Fair value sensitivity analysis for fixed-rate instruments**

The Group and the Bank do not account for any fixed-rate financial assets or financial liabilities at FVTPL. Therefore, a change in interest rates at the reporting date would not affect the statement of profit or loss and other comprehensive income.

Cash flow sensitivity analysis for variable-rate instruments

statement of profit or loss and other comprehensive income is sensitive to higher/lower interest expenses from borrowings and subordinated debts as a result of changes in interest rates. The change of 25 basis points ("bp") in interest rates of borrowings and subordinated debts at the reporting date would not have a material effect on the statement of profit or loss and other comprehensive income of the Group and the Bank.

The Group's and the Bank's exposure to interest rate risk relates to borrowing of funds at both fixed and floating interest rates. This risk is managed by maintaining an appropriate mix between fixed and floating-rate borrowings and by the use of interest rate swap contracts and forward interest rate contracts. Hedging activities are evaluated regularly to align with interest rate views and defined risk appetite; ensuring optimal hedging strategies are applied, by either positioning the statement of financial position or protecting interest expense through different interest rate cycles.

Sensitivity analysis

Profit or loss is sensitive to higher/lower interest expense as a result of changes in interest rates. The table below outlines the impact on post tax profit on the changes in interest rates of subordinated debts:

	The Group		The Bank	
	US\$	KHR'000	US\$	KHR'000
		(Note 5)		(Note 5)
31 December 2024				
Interest rate increased by 25 bp	(971,404)	(3,909,901)	(971,404)	(3,909,901)
Interest rate decreased by 25 bp	971,404	3,909,901	971,404	3,909,901
	The Group		The Bank	
	US\$	KHR'000	US\$	KHR'000
		(Note 5)		(Note 5)
31 December 2023				
Interest rate increased by 25 bp	(995,019)	(4,064,653)	(995,019)	(4,064,653)
Interest rate decreased by 25 bp	995,019	4,064,653	995,019	4,064,653

39. FINANCIAL RISK MANAGEMENT (continued)

39.2 Market risk (continued)

(ii) *Foreign exchange risk*

The Group operates in Cambodia, Lao PDR, and the Republic of the Union of Myanmar and transacts in many currencies. It is exposed to various currency risks, primarily with respect to KHR, Euro ("EUR"), THB, LAK, Japanese Yen, Australian Dollar ("AUD"), Vietnamese Dong, Canadian Dollar, MMK, and others.

Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is neither the Group's nor the Bank's functional currency.

The Management measures, closely monitors, and manages foreign exchange risk on a daily basis and takes action on time as necessary. Enough net open currency position is maintained which follows the regulatory requirements and internal risk policies.

The tables in the next pages summarise the Group's and the Bank's exposure to foreign currency exchange rate risk. Included in the tables are the financial instruments at carrying amount by currency.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2024

39.2 Market risk (continued)

	The Group							
	In US\$ equivalent					Total		
	KHR	US\$	THB	EUR	AUD		LAK	Others
As at 31 December 2024								
Financial assets								
Cash on hand	161,242,543	315,695,503	28,184,652	1,048,048	139,949	5,884,128	1,747,300	513,942,123
Deposits and placements with other banks, net	310,710,033	1,648,182,838	10,887,635	789,467	1,054,217	8,866,730	1,900,742	1,982,391,662
Financial investments	217,367,162	254,437,716	-	-	-	-	-	471,804,878
Loans and advances, net	1,285,094,450	5,548,252,134	27,688,825	-	-	140,526,804	21,601,891	7,023,164,104
Derivative financial instruments	-	2,250,246	-	-	-	-	-	2,250,246
Other financial assets	337,587	9,312,176	400	-	-	1,840,748	-	11,490,911
Total financial assets	1,974,751,775	7,778,130,613	66,761,512	1,837,515	1,194,166	157,118,410	25,249,933	10,005,043,924

Deposits and placements of other banks and financial

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2024

39. FINANCIAL RISK MANAGEMENT (continued)

39.2 Market risk (continued)

(ii) Foreign exchange risk (continued)

	The Group						
	In US\$ equivalent						
	KHR	US\$	THB	EUR	AUD	LAK	Others
As at 31 December 2023							
Financial assets							
Cash on hand	151,910,893	303,036,520	32,204,150	576,681	632,161	5,425,995	2,007,168
Deposits and placements with other banks, net	203,904,887	1,274,696,262	6,902,069	2,028,973	661,619	19,622,074	1,727,294
Financial investments	293,036,815	64,507,569	-	-	-	-	-
Loans and advances, net	1,063,884,145	5,365,456,901	27,719,187	-	-	126,405,072	18,199,926
Derivative financial instruments	-	5,746,686	-	-	-	-	-
Other financial assets	276,638	7,498,556	6	-	-	775,449	-
Total financial assets	1,713,013,378	7,020,942,494	66,825,412	2,605,654	1,293,780	152,228,590	21,934,388
Financial liabilities							
Deposits and placements of other banks and financial institutions	35,361,297	350,660,131	236,472	-	-	33,534,720	-
Deposits from customers	1,676,184,538	4,985,357,773	66,912,556	1,636,186	108	75,311,174	2,618,084
Lease liabilities	105,268	32,229,439	1,455	-	-	158,988	32,537
Borrowings	56,947,268	791,134,745	-	-	-	10,795,877	935,660
Subordinated debts	-	117,053,882	-	-	-	-	-
Other financial liabilities	3,050,671	39,244,912	261,341	42,602	9,212	756,382	225,888
Total financial liabilities	1,771,649,042	6,315,680,882	67,411,824	1,678,788	9,320	120,557,141	3,812,169
Net on-balance sheet position	(58,635,664)	705,261,612	(586,412)	926,866	1,284,460	31,671,449	18,122,219
In KHR'000 equivalent (Note 5)	(239,526,689)	2,880,993,685	(2,395,493)	3,786,248	5,247,019	129,377,869	74,029,265
Unused portion of overdrafts	7,774,042	200,751,086	879,924	-	-	449,617	-
Guarantees, acceptances, and other financial facilities	9,924,693	59,259,292	-	-	-	133,082	-
Credit commitment	17,698,735	260,010,378	879,924	-	-	582,699	-
In KHR'000 equivalent (Note 5)	72,299,332	1,062,142,394	3,594,490	-	-	2,380,325	-

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
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39.2 Market risk (continued)

	The Bank							
	In US\$ equivalent							
	KHR	US\$	THB	EUR	AUD	LAK	Others	Total
As at 31 December 2024								
Financial assets								
Cash on hand	161,226,576	313,983,437	26,667,667	1,041,344	138,382	37,265	364,402	503,459,073
Deposits and placements with other banks, net	310,710,032	1,642,066,535	1,542,500	789,467	1,054,217	37,113	1,858,265	1,958,058,129
Financial investments	217,367,162	254,437,716	-	-	-	-	-	471,804,878
Loans and advances, net	1,285,094,450	5,549,042,736	27,688,825	-	-	-	-	6,861,826,011
Derivative financial instruments	-	2,250,246	-	-	-	-	-	2,250,246
Other financial assets	335,214	9,213,682	400	-	-	-	-	9,549,296
Total financial assets	1,974,733,434	7,770,994,352	55,899,392	1,830,811	1,192,599	74,378	2,222,667	9,806,947,633

Deposits and placements of other banks and financial

Deposits and placements on other banks and financial institutions	39,069,082	332,904,118	754,404	-	-	-	372,727,604
Deposits from customers	1,848,268,100	5,943,998,638	51,757,473	1,271,128	3,050	-	7,845,298,389
Lease liabilities	105,288	32,678,264	-	-	-	-	32,783,552
Borrowings	56,301,441	542,220,574	-	-	-	-	598,522,015
Subordinated debts	23,270,080	155,492,028	-	-	-	-	178,762,108
Other financial liabilities	5,465,307	51,707,759	36,752	56,267	398,532	1,499	57,827,433
Total financial liabilities	1,972,479,298	7,059,001,381	52,548,629	1,327,395	401,582	1,499	9,085,921,101
Net on-balance sheet position	2,254,136	711,992,971	3,350,763	503,416	791,017	2,061,350	721,026,532
In KHR'000 equivalent (Note 5)	9,072,897	2,865,771,708	13,486,821	2,026,249	3,183,843	8,296,934	2,902,131,790
Unused portion of overdrafts	34,243,404	264,745,512	1,745,721	-	-	-	300,734,637
Guarantees, acceptances, and other financial facilities	10,816,276	65,226,513	-	-	-	95,460	76,138,249
Spot Exchange contracts	-	-	-	-	-	-	-
Credit commitment	45,059,680	329,972,025	1,745,721	-	-	95,460	376,872,886
In KHR'000 equivalent (Note 5)	181,365,211	1,328,137,401	7,026,527	-	-	384,227	1,516,913,366

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
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39.2 Market risk (continued)

	The Bank							
	In US\$ equivalent							
	KHR	US\$	THB	EUR	AUD	LAK	Others	Total
As at 31 December 2023								
Financial assets								
Cash on hand	151,904,672	301,587,525	30,583,206	572,521	631,706	3,910	1,300,777	486,584,317
Deposits and placements with other banks, net	203,904,887	1,268,560,627	2,005,438	2,028,973	661,619	14,981	1,705,496	1,478,882,021
Financial investments	293,036,815	64,507,569	-	-	-	-	-	357,544,384
Loans and advances, net	1,063,884,147	5,365,439,954	27,719,187	-	-	-	-	6,457,043,288
Derivative financial instruments	-	5,746,686	-	-	-	-	-	5,746,686
Other financial assets	275,657	7,884,928	6	-	-	-	-	8,160,591
Total financial assets	1,713,006,178	7,013,727,289	60,307,837	2,601,494	1,293,325	18,891	3,006,273	8,793,961,287

Deposits and placements of other banks and financial

Deposits and placements of other banks and financial institutions	35,361,408	349,098,778	1,945,741	-	-	-	386,405,927
Deposits from customers	1,676,954,988	4,979,022,761	57,674,982	1,636,186	108	-	6,715,289,025
Lease liabilities	105,268	30,442,080	-	-	-	-	30,547,348
Borrowings	56,947,268	786,471,323	-	-	-	-	843,418,591
Subordinated debts	-	117,053,882	-	-	-	-	117,053,882
Other financial liabilities	3,045,878	38,940,135	235,814	42,602	9,212	76	42,489,918
Total financial liabilities	1,772,414,810	6,301,028,959	59,856,537	1,678,788	9,320	76	8,135,204,691
Net on-balance sheet position	(59,408,632)	712,698,330	451,300	922,706	1,284,005	18,815	658,756,596
In KHR'000 equivalent (Note 5)	(242,684,262)	2,911,372,678	1,843,561	3,769,254	5,245,160	76,859	2,691,020,694
Unused portion of overdrafts	7,774,042	200,751,086	879,924	-	-	-	209,405,052
Guarantees, acceptances, and other financial facilities	9,924,693	59,259,292	-	-	-	-	69,183,985
Credit commitment	17,698,735	260,010,378	879,924	-	-	-	278,589,037
In KHR'000 equivalent (Note 5)	72,299,331	1,062,142,394	3,594,490	-	-	-	1,138,036,215

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
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39. FINANCIAL RISK MANAGEMENT (continued)

39.2 Market risk (continued)

(ii) Foreign exchange risk (continued)

Sensitivity analysis

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

	The Group			The Bank		
	2024 US\$	2023 US\$	2024 KHR'000 (Note 5)	2023 KHR'000 (Note 5)	2024 US\$	2023 US\$
Assets/(Liabilities)						
Khmer Riel (KHR)	2,995,134	(58,635,664)	12,055,414	(239,526,689)	2,254,136	(59,408,632)
Thai Baht (THB)	1,488,659	(586,412)	5,991,852	(2,395,493)	3,350,763	451,300
Euro (EUR)	510,120	926,866	2,053,233	3,786,248	503,416	922,706
Australian Dollar (AUD)	792,584	1,284,460	3,190,151	5,247,019	791,017	1,284,005
Lao Kip (LAK)	32,004,024	31,671,449	128,816,197	129,377,869	72,879	18,815
Others	20,921,002	18,122,219	84,207,033	74,029,265	2,061,350	2,790,072
	58,711,523	(7,217,082)	236,313,880	(29,481,781)	9,033,561	(53,941,734)
					36,360,082	(220,351,984)

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
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39. FINANCIAL RISK MANAGEMENT (continued)

39.2 Market risk (continued)

(ii) Foreign exchange risk (continued)

Sensitivity analysis (continued)

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

The analysis below is based on the assumption that the exchange rate had increased or decreased which is set based on the 3-year moving average of exchange rate from 2022 to 2024.

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

	The Group			The Bank		
	2024 US\$	2023 US\$	2024 KHR'000 (Note 5)	2023 US\$	2024 KHR'000 (Note 5)	2023 KHR'000 (Note 5)
Increase/(Decrease)						
Khmer Riel (KHR) - Increased by -1%	24,203	464,441	97,417	18,215	73,315	1,922,250
Thai Baht (THB) - Increased by 1%	(11,791)	22,340	(47,459)	(26,541)	(106,828)	(70,229)
Euro (EUR) - Increased by 3%	(11,886)	(28,519)	(47,841)	(11,730)	(47,213)	(115,977)
Australian Dollar (AUD) - Increased by 6%	(35,891)	(39,522)	(144,461)	(35,820)	(144,176)	(161,390)
Lao Kip (LAK) - Increased by 10%	(2,327,565)	(2,303,378)	(9,368,449)	(5,300)	(21,333)	(5,588)
Others - Increased by 4%	(643,723)	(143,542)	(2,590,985)	(63,426)	(255,290)	(90,279)
	<u>(3,006,653)</u>	<u>(2,028,180)</u>	<u>(12,101,778)</u>	<u>(124,602)</u>	<u>(501,525)</u>	<u>1,478,787</u>

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
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39. FINANCIAL RISK MANAGEMENT (continued)

39.2 Market risk (continued)

(ii) Foreign exchange risk (continued)

Sensitivity analysis (continued)

	The Group			The Bank		
	2024 US\$	2023 US\$	2024 KHR'000 (Note 5)	2023 US\$	2024 KHR'000 (Note 5)	2023 KHR'000 (Note 5)
Increase/(Decrease)						
Khmer Riel (KHR) - Decreased by 1%	(23,724)	(473,824)	(95,489)	(17,855)	(71,866)	(1,961,086)
Thai Baht (THB) - Decreased by 1%	12,030	(24,691)	48,421	27,077	108,985	77,623
Euro (EUR) - Decreased by 3%	12,622	30,896	50,804	12,456	50,135	125,642
Australian Dollar (AUD) - Decreased by 6%	40,472	42,815	162,900	40,392	162,578	174,838
Lao Kip (LAK) - Decreased by 10%	2,844,802	2,815,240	11,450,328	6,478	26,074	6,830
Others - Decreased by 4%	697,367	146,442	2,806,902	68,712	276,566	92,100
	3,583,569	2,536,878	14,423,866	137,260	552,472	(1,484,053)

39. FINANCIAL RISK MANAGEMENT (continued)

39.3 Liquidity risk

In a given economic and financial context and specific market situation. Typically, it is the risk of loss arising from situation where 1) the Group and the Bank do not have enough cash and cash equivalents to meet the needs of depositors, borrowers, and contingent liabilities, 2) the sale of non-liquid assets are lower than market price, and 3) non-liquid assets would not be sold at the desired time due to the lack of buyers.

The objective of the Group's and the Bank's liquidity risk management is to ensure that the Group and the Bank can meet its cash obligations in a timely and cost-effective manner. Up to the date of this report, the Group's and the Bank's liquidity and funding management policy is to maintain high quality and well-diversified portfolios of liquid assets and sources of funds under both normal business and stress conditions. Due to its large distribution network and strategic marketing focus, the Group and the Bank are able to maintain a diversified core deposit base comprising of savings, demand, and fixed deposits. This provides the Group and the Bank a large stable funding base.

(a) Liquidity risk management process

The day-to-day responsibility for liquidity risk management and control is delegated to the ALCO which reports monthly to the Executive Committee.

For day-to-day liquidity management, the Treasury Department will ensure sufficient funding to meet its payments and settlement obligations on a timely basis.

Principles of the liquidity risk:

- At all times, the related senior management of the Treasury Department shall ensure that the Group's and the Bank's operations can meet its current and future funding needs. The Treasury Department shall stress-test its liquidity position on a daily basis.
- The related senior management of Treasury Department has established a risk control framework and procedures to ensure it maintains sufficient liquidity at all times, including the holding of unencumbered eligible assets, to withstand a range of stress events, including the loss of funding sources, such as deposits, borrowings, and capital raising, and that the liquidity risk is managed in accordance with the requirements of the Board of Directors.
- Stress testing is performed regularly to assess various scenarios, which include short, medium and long-term, institution-specific and market-wide stress which may put the Group's and the Bank's liquidity at risk.
- The Treasury Department identifies, monitors, manages, and controls the risk associated with the daily liquidity as well as short, medium and long-term liquidity as these are key periods for liquidity management. The Treasury Department develops and implements stress tests on the projected cash flows. The outputs are used to inform the Group's and the Bank's contingency funding plan.
- The Group and the Bank incorporate liquidity cost, benefits, and risks in the internal pricing, performance measurement, and new products/services approval process for all significant business activities (both on and off-balance sheet) in order to align with the benefits from accepting risks of each business unit and liquidity risks affecting its business activities.

39. FINANCIAL RISK MANAGEMENT (continued)

39.3 Liquidity risk (continued)

(a) Liquidity risk management process (continued)

Internal targets on the liquidity risk:

- The regulatory limit on the Liquidity Coverage Ratio (“LCR”) should be observed at all times.
- The Group and the Bank will have, at all times, an internal target that is higher than the regulatory limit to allow for a safety margin to ensure permanent full compliance with regulatory limit.
- Setting the level of the internal targets is at the discretion of the ALCO and needs to be both 1) stated and motivated in the ALCO minutes and 2) formally approved by the President & Group Managing Director.
- The risk tolerance/internal targets must be reviewed at least once a year to reflect the financial condition and the funding mobilisation capacity.
- Relevant divisions and departments should regularly assess and monitor the perceived risks of non-compliance with the targets. Any breaches of internal targets should be reported to the ALCO for remedial actions and President & Group Managing Director for approval.
- At all times, the Group and the Bank will have a contingency plan to be executed when it is perceived by the Management that the safety margin may not be sufficient and there is a risk that the regulatory limit on liquidity could be breached. Such contingency plan should be sufficient to ensure that the regulatory limits on liquidity will not be breached.
- In case the Group and the Bank experience a severe liquidity, the Bank must immediately notify the NBC and advise the action that is being taken to address the situation.

The Bank has put in place a robust and comprehensive liquidity risk management framework in accordance with the NBC's Prakas No. B7-017-301 dated 27 September 2017 on Liquidity Risk Management Framework, which consists of risk appetite, risk tolerance, policies, early warning indicators, and monitoring mechanism which are reviewed and endorsed by the BRIC and approved by the Board of Directors. The key elements of the framework are to ensure that the Bank maintains sufficient liquidity at all times, including the holding of unencumbered eligible assets, to withstand a range of stress events, including the loss of funding sources, either internally (as with deposits) or externally (as with borrowings or raising additional capital), and other issues. The Bank ensures that the business activities are mainly funded with stable sources of funding on an ongoing basis.

The Management designs a set of early warning indicators to aid its daily liquidity risk management processes in identifying the emergence of increased risk or vulnerabilities in its liquidity risk position or potential funding needs.

The Group's and the Bank's contingency funding plan is in place to alert and to enable the Management to act effectively and efficiently during a liquidity crisis and under adverse market conditions. The objective of contingency funding plan is to ensure that the Group and the Bank have a framework for managing the liquidity sufficiently and robustly in the event of liquidity crisis based on the result of liquidity stress testing.

The Group and the Bank are measuring, monitoring, and managing its liquidity positions to comply with the LCR.

The purpose of the LCR aims at promoting short-term resilience of each institution's liquidity risk profile, ensuring that each institution has an adequate stock of unencumbered liquid assets that can be converted into cash at no or little loss of value in markets, to meet its liquidity needs for a 30-day liquidity stress scenario, and ensuring that prompt corrective actions are taken by the Management when the LCR potentially falls below the minimum requirement.

39. FINANCIAL RISK MANAGEMENT (continued)

39.3 Liquidity risk (continued)

(a) Liquidity risk management process (continued)

The Group and the Bank also use a range of tools such as liquidity ratio, liquidity gap analysis, safety margin, and monthly cash flow projection to measure, monitor, and manage its liquidity position. In addition, The Group and the Bank also perform daily and monthly liquidity stress test in order to identify and quantify its exposures to possible future liquidity stresses and in analysing possible impacts on the cash flows, liquidity position, profitability, and solvency.

(b) Funding approach

The Group's and the Bank's main sources of liquidity arise from shareholder's paid-up capital, borrowings, subordinated debts, deposits and placements of other banks and financial institutions, and deposits from customers. The sources of liquidity are regularly reviewed via Management's daily review of maturity of fixed deposits and key depositors. The Group's and the Bank's borrowings and subordinated debts are also regularly reviewed via Management's daily review of interest and principal repayments and maturity.

(c) Non-derivative cash flows

The tables in the succeeding pages present the cash flows payable under non-derivative financial liabilities and the assets held for managing liquidity risk grouped using their remaining contractual maturities as at the end of the reporting period. The amounts disclosed in the tables are the contractual undiscounted cash flows, wherein the Group and the Bank manage the inherent liquidity risk based on contractual undiscounted cash flows.

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
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39. FINANCIAL RISK MANAGEMENT (CONTINUED)

39.3 Liquidity risk (continued)

c) Non-derivative cash flows (continued)

	The Group						Total US\$
	Up to 1 month US\$	1 to 3 months US\$	3 to 6 months US\$	6 to 12 months US\$	1 to 5 years US\$	Over 5 years US\$	
As at 31 December 2024							
Financial liabilities							
Deposits and placements of other banks and financial institutions	166,218,034	48,924,570	25,255,211	48,915,196	55,784,470	105,725,176	450,822,657
Deposits from customers	4,610,103,301	690,467,991	678,198,542	1,237,369,822	887,427,440	64,289,997	8,167,857,093
Lease liabilities	1,252,311	1,938,868	3,189,274	6,578,100	23,061,296	5,125,208	41,145,057
Borrowings*	7,203,974	61,697,452	95,549,287	390,862,863	136,552,435	466,335	692,332,346
Subordinated debts*	-	207,709	19,685,858	68,876,558	102,233,455	59,703,444	250,707,024
Other financial liabilities	59,648,964	183,284	38,000	-	-	-	59,870,248
Total financial liabilities (contractual maturity dates)	4,844,426,584	803,419,874	821,916,172	1,752,602,539	1,205,059,096	235,310,160	9,662,734,425
In KHR'000 equivalent (Note 5)	19,498,817,001	3,233,764,993	3,308,212,592	7,054,225,219	4,850,362,861	947,123,394	38,892,506,060
Assets held for managing liquidity risk (contractual maturity dates)							
In KHR'000 equivalent (Note 5)	3,204,648,863	439,021,575	517,486,060	972,553,395	5,000,130,761	1,959,694,815	12,093,535,469
	12,898,711,676	1,767,061,839	2,082,881,392	3,914,527,415	20,125,526,313	7,887,771,630	48,676,480,265
As at 31 December 2023							
Financial liabilities							
Deposits and placements of other banks and financial institutions	160,371,721	66,105,277	40,517,345	38,733,466	68,741,670	105,647,885	480,117,364
Deposits from customers	3,555,435,489	629,423,161	554,245,546	1,172,869,911	1,077,210,062	74,239,775	7,063,423,944
Lease liabilities	1,286,316	1,850,608	3,345,708	6,008,065	22,340,588	3,055,579	37,886,864
Borrowings*	6,167,614	93,830,239	18,914,511	91,389,063	770,431,952	24,699,577	1,005,432,956
Subordinated debts*	-	-	19,568,754	15,943,334	76,842,435	40,848,062	153,202,585
Other financial liabilities	43,044,777	284,426	5,357	256,448	-	-	43,591,008
Total financial liabilities (contractual maturity dates)	3,766,305,917	791,493,711	636,597,221	1,325,200,287	2,015,566,707	248,490,878	8,783,654,721
In KHR'000 equivalent (Note 5)	15,385,359,671	3,233,251,809	2,600,499,648	5,413,443,172	8,233,589,998	1,015,085,237	35,881,229,535
Assets held for managing liquidity risk (contractual maturity dates)							
In KHR'000 equivalent (Note 5)	2,590,051,852	387,106,029	510,138,284	1,007,148,263	4,806,873,731	1,499,995,677	10,801,313,836
	10,580,361,817	1,581,328,128	2,083,914,890	4,114,200,654	19,636,079,191	6,127,482,341	44,123,367,021

* The amounts for variable interest rate instruments are subject to change depending on the variable interest rates determined at the end of the reporting period.

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39. FINANCIAL RISK MANAGEMENT (continued)

39.3 Liquidity risk (continued)

c) Non-derivative cash flows (continued)

	The Bank						Total US\$
	Up to 1 month US\$	1 to 3 months US\$	3 to 6 months US\$	6 to 12 months US\$	1 to 5 years US\$	Over 5 years US\$	
As at 31 December 2024							
Financial liabilities							
Deposits and placements of other banks and financial institutions	160,842,052	44,246,870	14,795,638	45,193,299	55,490,641	105,725,176	426,293,676
Deposits from customers	4,561,241,507	680,758,304	666,908,137	1,207,153,234	865,359,907	60,694,877	8,042,115,966
Lease liabilities	1,230,287	1,916,161	3,175,824	6,308,935	21,882,315	2,131,401	36,644,923
Borrowings*	7,155,211	61,394,521	92,967,916	388,021,426	133,186,409	466,335	683,191,818
Subordinated debts*	-	207,709	19,685,858	68,876,558	102,233,455	59,703,444	250,707,024
Other financial liabilities	57,645,919	174,914	6,600	-	-	-	57,827,433
Total financial liabilities (contractual maturity dates)	4,788,114,976	788,698,479	797,539,973	1,715,553,452	1,178,152,727	228,721,233	9,496,780,840
In KHR'000 equivalent (Note 5)	19,272,162,778	3,174,511,378	3,210,098,391	6,905,102,644	4,742,064,726	920,602,963	38,224,542,880
Assets held for managing liquidity risk (contractual maturity dates)	3,147,538,949	423,362,106	496,351,050	940,715,714	4,884,055,514	1,954,674,543	11,846,697,876
In KHR'000 equivalent (Note 5)	12,668,844,270	1,704,032,477	1,997,812,976	3,786,380,749	19,658,323,444	7,867,565,036	47,682,958,952
As at 31 December 2023							
Financial liabilities							
Deposits and placements of other banks and financial institutions	158,567,437	60,207,937	31,571,579	22,055,432	67,351,603	105,647,885	445,401,873
Deposits from customers	3,516,772,679	622,263,484	544,560,867	1,156,437,784	1,054,409,436	69,343,309	6,963,787,559
Lease liabilities	1,239,754	1,809,456	3,174,337	5,846,655	21,400,227	228,533	33,698,962
Borrowings*	6,167,613	90,057,010	16,931,147	85,781,334	764,278,442	24,157,092	987,372,638
Subordinated debts*	-	-	19,568,754	15,943,334	76,842,435	40,848,062	153,202,585
Other financial liabilities	42,238,852	251,066	-	-	-	-	42,489,918
Total financial liabilities (contractual maturity dates)	3,724,986,335	774,588,953	615,806,684	1,286,064,539	1,984,282,143	240,224,881	8,625,953,535
In KHR'000 equivalent (Note 5)	15,216,569,178	3,164,195,873	2,515,570,304	5,253,573,642	8,105,792,554	981,318,639	35,237,020,190
Assets held for managing liquidity risk (contractual maturity dates)	2,533,749,275	373,217,124	491,500,359	979,111,143	4,699,212,093	1,493,460,967	10,570,250,961
In KHR'000 equivalent (Note 5)	10,350,365,788	1,524,591,952	2,007,778,967	3,999,669,019	19,196,281,400	6,100,788,050	43,179,475,176

* The amounts for variable interest rate instruments are subject to change depending on the variable interest rates determined at the end of the reporting period.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
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39. FINANCIAL RISK MANAGEMENT (continued)

39.3 Liquidity risk (continued)

(d) Derivative financial instruments

The following tables detail the Group's and the Bank's liquidity analysis for derivative financial instruments. The table has been drawn up based on the undiscounted net cash inflows or outflows from the derivative financial instruments that settle on a net basis and the undiscounted gross inflows or outflows from those derivatives that require gross settlement. The amount payable or receivable is not fixed; the amount disclosed has been determined with reference to the projected interest rates as illustrated by the yield curves existing as at the end of each reporting period.

	The Group				
	Up to 1 month US\$	1 to 3 months US\$	3 to 12 months US\$	1 to 5 years US\$	Total US\$
At 31 December 2024					
Interest rate swap - cash flow hedges					
- (inflow)	-	(248,750)	(2,335,952)	(934,933)	(3,519,635)
- outflow	-	30,000	242,351	96,420	368,771
Net settlement	-	(218,750)	(2,093,601)	(838,513)	(3,150,864)
In KHR'000 equivalent (Note 5)	-	(880,469)	(8,426,744)	(3,375,015)	(12,682,228)

	The Group				
	Up to 1 month US\$	1 to 3 months US\$	3 to 12 months US\$	1 to 5 years US\$	Total US\$
At 31 December 2023					
Interest rate swap - cash flow hedges					
- (inflow)	-	(345,647)	(9,118,378)	(3,585,672)	(13,049,697)
- outflow	-	85,190	4,107,172	381,578	4,573,940
Net settlement	-	(260,457)	(5,011,206)	(3,204,094)	(8,475,757)
In KHR'000 equivalent (Note 5)	-	(1,063,967)	(20,470,777)	(13,088,724)	(34,623,468)

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
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39. FINANCIAL RISK MANAGEMENT (continued)

39.3 Liquidity risk (continued)

(d) Derivative financial instruments (continued)

	The Bank				
	Up to 1 month US\$	1 to 3 months US\$	3 to 12 months US\$	1 to 5 years US\$	Over 5 years US\$
At 31 December 2024					
Interest rate swap - cash flow hedges					
- (inflow)	-	(248,750)	(2,335,952)	(934,933)	-
- outflow	-	30,000	242,351	96,420	-
Net settlement	-	(218,750)	(2,093,601)	(838,513)	-
In KHR'000 equivalent (Note 5)	-	(880,469)	(8,426,744)	(3,375,015)	-

	The Bank				
	Up to 1 month US\$	1 to 3 months US\$	3 to 12 months US\$	1 to 5 years US\$	Over 5 years US\$
At 31 December 2023					
Interest rate swap - cash flow hedges					
- (inflow)	-	(345,647)	(9,118,378)	(3,585,672)	-
- outflow	-	85,190	4,107,172	381,578	-
Net settlement	-	(260,457)	(5,011,206)	(3,204,094)	-
In KHR'000 equivalent (Note 5)	-	(1,063,967)	(20,470,777)	(13,088,724)	-

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2024

39. FINANCIAL RISK MANAGEMENT (continued)

39.3 Liquidity risk (continued)

(e) Off-balance sheet items

(i) *Loan commitments and guarantees*

The dates of the contractual amounts of the Group's and the Bank's off-balance sheet financial instruments that are committed to extend as credit to customers and other facilities are summarised in tables below:

	The Group					Total US\$
	Up to 1 month US\$	1 to 3 months US\$	3 to 12 months US\$	1 to 5 years US\$	Over 5 years US\$	
At 31 December 2024						
Unused portion of overdrafts	301,771,170	-	-	-	-	301,771,170
Bank guarantees	12,161,554	11,045,417	30,782,131	13,102,867	4,028	67,095,997
Letters of credit	1,408,188	5,983,186	1,850,382	-	-	9,241,756
Gross settled (Foreign exchange spot transactions - cash flow hedges)						
- (inflow)	-	-	-	-	-	-
- outflow	-	-	-	-	-	-
Net	-	-	-	-	-	-
Total	315,340,912	17,028,603	32,632,513	13,102,867	4,028	378,108,923
In KHR'000 equivalent (Note 5)	1,269,247,171	68,540,127	131,345,865	52,739,040	16,213	1,521,888,416

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2024

39.3 Liquidity risk (continued)

- (e) Off-balance sheet items (continued)
- (i) *Loan commitments and guarantees (continued)*

Gross settled (Foreign exchange spot transactions - cash flow hedges)

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2024

39. FINANCIAL RISK MANAGEMENT (continued)

39.3 Liquidity risk (continued)

(e) Off-balance sheet items (continued)

(i) *Loan commitments and guarantees (continued)*

	The Bank				
	Up to 1 month US\$	1 to 3 months US\$	3 to 12 months US\$	1 to 5 years US\$	Over 5 years US\$
At 31 December 2024					
Unused portion of overdrafts	300,734,637	-	-	-	-
Bank guarantees	12,161,554	10,921,667	30,706,377	13,102,867	4,028
Letters of credit	1,408,188	5,983,186	1,850,382	-	-
Gross settled (Foreign exchange spot transactions - cash flow hedges)					
- (inflow)	-	-	-	-	-
- outflow	-	-	-	-	-
Net	-	-	-	-	-
Total	314,304,379	16,904,853	32,556,759	13,102,867	4,028
In KHR'000 equivalent (Note 5)	1,265,075,125	68,042,033	131,040,955	52,739,040	16,213
					376,872,886
					1,516,913,366

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2024

39. FINANCIAL RISK MANAGEMENT (continued)

39.3 Liquidity risk (continued)

(e) Off-balance sheet items (continued)

(i) Loan commitments and guarantees (continued)

	The Bank				
	Up to 1 month US\$	1 to 3 months US\$	3 to 12 months US\$	1 to 5 years US\$	Over 5 years US\$
At 31 December 2023					
Unused portion of overdrafts	209,405,052	-	-	-	-
Bank guarantees	10,430,022	10,361,292	30,730,983	15,358,626	-
Letters of credit	359,681	1,340,203	603,178	-	-
Gross settled (Foreign exchange spot transactions - cash flow hedges)					
- (inflow)	-	-	-	-	-
- outflow	-	-	-	-	-
Net	-	-	-	-	-
Total	220,194,755	11,701,495	31,334,161	15,358,626	278,589,037
In KHR'000 equivalent (Note 5)	899,495,574	47,800,607	128,000,048	62,739,987	1,138,036,216

(ii) Other financial facilities

Other financial facilities are also included above based on the earliest contractual date as disclosed in Note 36(d).

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2024

40. FAIR VALUE OF FINANCIAL INSTRUMENTS

Financial instruments comprise of financial assets and financial liabilities as disclosed in Note 39. The Group and the Bank have an established framework and policies which provide guidance concerning the practical considerations, principles, and analytical approaches for the establishment of prudent valuation for financial instruments measured at fair value.

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 valuation of financial instruments is determined by reference to quoted prices in active markets or by using valuation techniques based on observable inputs or unobservable inputs. The Management's judgment is exercised in the selection and application of appropriate parameters, assumptions, and modelling techniques where some or all of the parameter inputs are not observable in deriving fair value.

Valuation adjustment is also an integral part of the valuation process. Valuation adjustment is to reflect the uncertainty in valuations generally for products that are less standardised, less frequently traded, and more complex in nature. In making a valuation adjustment, the Group and the Bank follow methodologies that consider factors, such as liquidity, bid-offer spread, and unobservable prices and inputs in the market and uncertainties in the assumptions and parameters.

The Group and the Bank continuously enhance the design, validation methodologies, and processes to ensure reasonable determination of the fair values.

Determination of fair value

The Group and the Bank classify its financial instruments measured at fair value according to the following hierarchy, reflecting the significance of the inputs in making the fair value measurements:

- Level 1 Inputs to the valuation methodology are quoted prices (unadjusted) for identical assets or liabilities in active markets.
- Level 2 Inputs to the valuation methodology include:
 - Quoted prices for similar assets and liabilities in active markets; or
 - Quoted prices for identical or similar assets and liabilities in non-active markets; or
 - Inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the financial instrument.
- Level 3 One or more inputs to the valuation methodology are unobservable and significant to the fair value measurement.

Financial assets and financial liabilities are classified as Level 1 when the valuation is based on quoted prices for identical assets or liabilities in active markets.

Financial assets and financial liabilities are regarded as being quoted in an active market if the prices are readily available from a published and reliable source and those prices represent actual and regularly occurring market transactions on an arm's length basis.

When fair value is determined using quoted prices of similar assets and liabilities in active markets or quoted prices of identical or similar assets and liabilities in non-active markets, such assets and liabilities are classified as Level 2. In cases where quoted prices are generally not available, the Group and the Bank determine the fair value based on valuation techniques that use market parameters as inputs. Most valuation techniques employ observable market data, including but not limited to, yield curves, equity prices, volatilities, and foreign exchange rates.

Financial assets and financial liabilities are classified as Level 3 if their valuation incorporates significant inputs that are not based on observable market data. Such inputs are determined based on observable inputs of a similar nature, historical observations, or other analytical techniques.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2024

40. FAIR VALUE OF FINANCIAL INSTRUMENTS (continued)

Determination of fair value (continued)

If prices or quotes are not available for an instrument or a similar instrument, fair value will be established by using valuation techniques or Mark-to-Model. Judgment may be required to assess the need for valuation adjustments to appropriately reflect unobservable parameters. The valuation models shall also consider relevant transaction data, such as maturity. The inputs are then benchmarked and extrapolated to derive the fair value.

The following table shows the fair value of financial assets and liabilities analysed by various levels within the fair value hierarchy as at 31 December 2024 and 2023:

(a) Financial instruments measured at fair value

	The Group			Total US\$	The Bank			Total US\$
	Level 1 US\$	Level 2 US\$	Level 3 US\$		Level 1 US\$	Level 2 US\$	Level 3 US\$	
31 December 2024								
Financial assets								
Financial investments	-	-	189,670	189,670	-	-	189,670	189,670
Derivative financial instruments	-	2,250,246	-	2,250,246	-	2,250,246	-	2,250,246
Total financial assets	-	2,250,246	189,670	2,439,916	-	2,250,246	189,670	2,439,916
In KHR'000 equivalent (Note 5)	-	9,057,240	763,422	9,820,662	-	9,057,240	763,422	9,820,662
		</						

There were no transfers between Level 1 and Level 2 fair value measurements, and no transfers in and out of Level 3 fair value measurement during the twelve-month period ended 31 December 2024 (31 December 2023: Nil).

40. FAIR VALUE OF FINANCIAL INSTRUMENTS (continued)

Determination of fair value (continued)

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

(i) *Derivative financial instruments*

As at the reporting date, the Group's and the Bank's derivative financial instruments are valued using the discounted cash flow method and are verified with the interest rate swap providers. Under the discounted cash flow method, future cash flows are estimated based on forward interest rates (from observable yield curves at the end of the reporting period) and contract interest rates, discounted at a rate that reflects the credit risk of various counterparties.

(ii) *Financial investments*

Financial investments at FVOCI consist of the Bank's investment in CBC with 5% as equity cash investment and 1% through the Association of Banks in Cambodia amounting to US\$153,529 and in SWIFT required by the SWIFT SCRL from all its members amounting to US\$36,141 as at 31 December 2024 (2023: US\$153,529 and US\$36,141, respectively). There is no gain/loss recognised in other comprehensive income due to fair value approximate the carrying amount. These investments are neither redeemable nor transferable and there is no market for them. The Group and the Bank do not intend to dispose these investments.

(b) Financial instruments not measured at fair value

As at the reporting date, the fair values of the 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) *Deposits and placements with other banks*

Deposits and placements with other banks include current accounts which are non-interest bearing, savings deposits, and short-term deposits. The fair value of deposits and placements with other banks approximates their carrying values as at the reporting date due to the relatively short-term maturity of these instruments.

(ii) *Financial investments*

Financial investments at amortised cost include NCD with the NBC with maturities of less than one year. The fair value of financial investments approximates their carrying values at the reporting date due to the relatively short-term maturity of these instruments. Debt securities include corporate and government bonds which were valued at amortised cost, and were purchased for the purpose of holding them until maturity and for earning interest.

(iii) *Loans and advances*

The fair value of loans and advances is based on observable market transactions. Where observable market transactions are not available, fair value is estimated using valuation models, such as discounted cash flow techniques. Inputs into the valuation techniques include expected lifetime credit losses, interest rates, prepayment rates, and primary origination or secondary market spreads. For collateral-dependent impaired loans, the fair value is measured based on the value of the underlying collateral.

Inputs into the models may include data from third party and information obtained from other market participants, which include observed primary and secondary transactions. Its carrying value approximates fair value as at the reporting date.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2024

40. FAIR VALUE OF FINANCIAL INSTRUMENTS (continued)

Determination of fair value (continued)

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

(iv) *Deposits and placements of other banks and financial institutions and deposits from customers*

The fair value of deposits and placements of other banks and financial institutions and deposits from customers with maturities of less than one year approximates their carrying amount due to the relatively short-term maturity of these instruments. While the fair value of deposits and placements of other banks and financial institutions and deposits from customers with remaining maturities of more than one year are expected to approximate their carrying amount since the Group and the Bank offer similar interest rate on the instrument with similar maturities and terms.

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

(vi) *Borrowings, subordinated debts, and lease liabilities*

The fair value of borrowings, subordinated debts, and lease liabilities are estimated by discounting the expected future cash flows using the applicable prevailing market interest rates for borrowings with similar risk profiles. However, only the contractual interest rates, which are confirmed and provided by all lenders, are available as at the reporting date instead of the applicable prevailing market interest rates. The Group and the Bank believe that the effective interest rates were not significantly different with the prevailing market interest rates on the ground that there was no change in interest rates following the lenders' consideration of the Group's and the Bank's credit risk profile as at the reporting date. On this basis, the fair value of borrowings, subordinated debts, and lease liabilities approximates their carrying values as at the reporting date.

41. CAPITAL RISK MANAGEMENT

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

- To comply with the capital requirement 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 business.

The NBC requires all commercial banks to i) hold minimum capital requirement, ii) maintain the Bank's net worth of at least equal to the minimum capital, and iii) comply with solvency ratios, LCRs and other prudential ratios.

The tables in the succeeding page summarise the composition of regulatory capital which follows the requirements of the NBC. These amounts are based on the consolidated and separate financial statements as at 31 December 2024 and 2023. The Group in the table below consists of three entities such as ABC, ABL and AMM as per the requirement of NBC.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2024

41. CAPITAL RISK MANAGEMENT (continued)

	The Group			
	2024 US\$	2023 US\$	2024 KHR'000 (Note 5)	2023 KHR'000 (Note 5)
Tier 1 capital				
Share capital	433,163,019	433,163,019	1,743,481,151	1,769,470,933
Share premium	11,706,215	11,706,215	47,117,515	47,819,888
Retained earnings	227,895,222	210,670,372	917,278,269	860,588,470
General reserves based on the NBC Prakas	524,576,552	524,576,552	2,111,420,622	2,142,895,215
Less: Intangible assets	(16,720,303)	(10,761,308)	(67,299,220)	(43,959,943)
Less: Loans to related parties	(15,073,239)	(13,539,928)	(60,669,787)	(55,310,606)
Less: Other losses	(39,008,657)	(59,649,230)	(157,009,844)	(243,667,105)
	<u>1,126,538,809</u>	<u>1,096,165,692</u>	<u>4,534,318,706</u>	<u>4,477,836,852</u>
Tier 2 complementary capital				
General provision based on the NBC Prakas(*)	105,731,597	62,841,294	425,569,678	256,706,686
Subordinated debts (**)	167,677,460	116,749,256	674,901,777	476,920,711
Less: Equity participation in banking or financial institutions	(2,010,000)	(2,010,000)	(8,090,250)	(8,210,850)
	<u>271,399,057</u>	<u>177,580,550</u>	<u>1,092,381,205</u>	<u>725,416,547</u>
	<u>1,397,937,866</u>	<u>1,273,746,242</u>	<u>5,626,699,911</u>	<u>5,203,253,399</u>
	The Bank			
	2024 US\$	2023 US\$	2024 KHR'000 (Note 5)	2023 KHR'000 (Note 5)
Tier 1 capital				
Share capital	433,163,019	433,163,019	1,743,481,151	1,769,470,933
Share premium	11,706,215	11,706,215	47,117,515	47,819,888
Retained earnings	204,204,997	182,661,825	821,925,113	746,173,555
General reserves based on the NBC Prakas	510,741,556	510,741,556	2,055,734,763	2,086,379,256
Less: Intangible assets	(15,145,392)	(9,829,455)	(60,960,203)	(40,153,324)
Less: Loans to related parties	(14,562,428)	(13,074,333)	(58,613,773)	(53,408,650)
	<u>1,130,107,967</u>	<u>1,115,368,827</u>	<u>4,548,684,566</u>	<u>4,556,281,658</u>
Tier 2 complementary capital				
General provision based on the NBC Prakas(*)	103,023,993	61,416,504	414,671,572	250,886,419
Subordinated debts (**)	167,677,460	116,749,256	674,901,777	476,920,711
Less: Equity participation in banking or financial institutions	(71,312,716)	(71,312,716)	(287,033,682)	(291,312,445)
	<u>199,388,737</u>	<u>106,853,044</u>	<u>802,539,667</u>	<u>436,494,685</u>
	<u>1,329,496,704</u>	<u>1,222,221,871</u>	<u>5,351,224,233</u>	<u>4,992,776,343</u>

(*) This includes the effect of regulatory reserve relating accrued interest receivable amounted to US\$32,332,054 for the Group and US\$31,196,573 for the Bank, which is permitted to be added back to Tier II capital for the year ended 31 December 2024.

(**) Represents subordinated debts approved by the NBC to be treated as part of complementary capital and only represent the outstanding principal amount.

42. EVENT OCCURRING AFTER THE REPORTING PERIOD

ACLEDA Bank Plc obtained approvals from the National Bank of Cambodia on 6 January 2025, and from the Securities and Exchange Regulator of Cambodia on 15 January 2025, to proceed with its subordinated bond issuance totaling KHR 400 billion, equivalent to US\$100 million. These bonds, which have a seven-year term and offer a coupon rate of 8.5% per annum, are for utilising as capital, the Bank's general banking activities and other corporate objectives. The issuance is structured into four tranches, with the first tranche successfully subscribed by qualified investors on 22 January 2025, raising KHR 343,350,000,000 (equivalent to US\$85,837,500).