

ACLEDA BANK PLC.

**CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2025 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 2025**

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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 2025 (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 2025 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 16 – 17 and 22, respectively.

The Bank declared and paid dividends during the year ended 31 December 2025 amounting to US\$24,238,924 (US\$14,805,480 for the year ended 31 December 2024).

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:

- Mrs. Kim Sotheavy Chairwoman (Non-executive Director) (Effective from 1 November 2025)
- Mr. Chhay Soeun Chairman (Non-executive Director) (Completed director mandate on 31 October 2025)
- Dr. In Channy Member (Executive Director)
- Dr. Albertus Bruggink Member (Non-executive Director)
- Mr. Kay Lot Member (Independent Director)
- Drs. Pieter Kooi Member (Independent Director)
- Dr. Heng Dyna Member (Independent Director)
- Ms. Phurik Ratana Member (Independent Director)
- Mr. Kaoru Furuya Member (Non-executive Director) (Effective from 9 September 2025)
- Mr. Olivier Louis Roger Fouchet Member (Non-executive Director) (Effective from 9 September 2025)
- Mr. Kyosuke Hattori Member (Non-executive Director) (Resigned on 19 March 2025)
- Mr. Stéphane Mangiavacca Member (Non-executive Director) (Resigned on 3 February 2025)

THE BOARD OF DIRECTORS AND THE EXECUTIVE COMMITTEE (continued)

The members of the Executive Committee during the year and as 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 |
| ▪ Dr. Loeung Sopheap | Group Chief Risk Officer |
| ▪ Mr. Yin Virak | Group Chief Treasury Officer |
| ▪ Mrs. Sok Sophea | Group Chief Operations Officer |
| ▪ Mr. Meang Tay | Group Chief Information Officer (Effective on 15 November 2025) |
| ▪ Mr. Mach Theary | Senior Group Chief Information Officer (Retired on 15 November 2025) |

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 2025, 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:

- i) adopt appropriate accounting policies which are supported by reasonable and prudent judgments and estimates and then apply them consistently;
- ii) comply with the disclosure requirements of CIFRS, or if there have been any departures in the interest of true and fair presentation, these have been appropriately disclosed, explained, and quantified in the financial statements;
- iii) maintain adequate accounting records and an effective system of internal controls;
- iv) prepare the financial statements on a going concern basis unless it is inappropriate to assume that the Group and the Bank will continue operations in the foreseeable future;
- v) 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,
- vi) 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 2026



APPROVAL OF THE FINANCIAL STATEMENTS

The accompanying financial statements, together with the notes thereto set out on pages 26 to 194, present fairly, in all material respects, the financial position as at 31 December 2025, the financial performance and its cash flows for the year then ended of the Group and the Bank in accordance with CIFRS, were approved by the Board of Directors.

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



Mrs. Kim Sotheavy
Chairwoman

Phnom Penh, Kingdom of Cambodia
10 February 2026



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 (together 'the Group') and the separate financial position of the Bank as at 31 December 2025, 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 2025;
- 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 2025;
- 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.

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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 ethical requirements of the Code of Ethics for Certified Public Accountants and Auditors of Cambodia (CPAA Code), together with the independence rules of the National Bank of Cambodia (NBC) and the Securities and Exchange Regulator of Cambodia (SERC) that are relevant to audits of the consolidated and separate financial statements of public interest entities in Cambodia. We have also fulfilled our other ethical responsibilities in accordance with the ethical requirements of the CPAA Code, the NBC and the SERC.

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 period. 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
<p data-bbox="118 463 785 544">Allowance for impairment losses on loans and advances</p> <p data-bbox="118 562 775 947">Loans and advances constitute approximately 62.63% and 62.08% of the Group’s and the Bank’s total assets, respectively, as at 31 December 2025. 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 41.1 (d) (ii) for details.</p> <p data-bbox="118 1010 782 1442">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.</p> <p data-bbox="118 1505 703 1641">The significant judgements in applying the accounting requirements for measuring ECL include the following:</p> <ul data-bbox="118 1659 788 1895" style="list-style-type: none"> • grouping financial assets sharing similar credit risk characteristics for the purposes of measuring ECL; • choosing appropriate models and assumptions to measure ECL; 	<p data-bbox="810 463 1390 495">Our audit procedures included the following:</p> <ul data-bbox="810 512 1476 1599" style="list-style-type: none"> • 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: <ul data-bbox="863 763 1426 1149" style="list-style-type: none"> - 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. • assessed whether the methodology and assumptions used in the ECL models are consistent with the requirements of CIFRS 9. • 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
<p data-bbox="116 461 782 539">Allowance for impairment losses on loans and advances (continued)</p> <ul data-bbox="116 562 782 1550" style="list-style-type: none"> <li data-bbox="116 562 782 696">• determining criteria for identifying loans to customers that have experienced a significant increase in credit risk (SICR); <li data-bbox="116 712 782 846">• applying assumptions and analysis on expected future cash flows and forward-looking information; <li data-bbox="116 862 782 1346">• the Bank applies the LGD floor for ECL calculation in the event of over-collateralisation for loans that can be secured by different types of collaterals, 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; <li data-bbox="116 1361 782 1550">• applying assumptions and judgement on management overlay when credit risks that are not adequately captured by the underlying ECL models. 	<ul data-bbox="798 461 1469 1550" style="list-style-type: none"> <li data-bbox="798 461 1469 987">• 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. <li data-bbox="798 1003 1469 1144">• tested the accuracy of key inputs into the ECL models by comparing them against source systems and documents. <li data-bbox="798 1160 1469 1301">• recomputed on the sample basis the ECL to test the mathematical accuracy of the ECL models. <li data-bbox="798 1317 1469 1406">• assessed the adequacy of disclosures to ensure compliance with CIFRS 9. <li data-bbox="798 1422 1469 1550">• performed understanding and evaluating of the management's judgement and assumptions on the overlay.

Key audit matter	How our audit addressed the key audit matter
<p data-bbox="119 465 774 548">Allowance for impairment losses on loans and advances (continued)</p> <p data-bbox="119 616 774 907">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 Note 2 (e) (vii), 4 and 41.1 to the financial statements, respectively.</p>	<ul data-bbox="805 470 1468 806" style="list-style-type: none"> • tested completeness and accuracy of the affected facilities subject to overlay and performed mathematical accuracy check on the overlay. • assessed reasonableness of allocation the overlay to the respective ECL per stages of the loans. <p data-bbox="805 873 1468 1052">From the results of these procedures, we determined that the key assumptions of management's estimate were reasonable based on available evidence.</p>

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 2025 annual report of the Bank, 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 2025 annual report of the Bank, 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 the Bank's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the 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 period and are therefore the key audit matters. We describe this matter 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 2026

ACLEDA BANK PLC.

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2025**

		2025 US\$	2024 US\$	2025 KHR'000 (Note 5)	2024 KHR'000 (Note 5)
Assets					
Cash on hand	7	520,905,012	513,942,123	2,090,391,813	2,068,617,045
Deposits and placements with other banks, net	8	2,805,834,418	1,982,391,662	11,259,813,519	7,979,126,440
Financial investments, net	9	268,583,929	471,804,878	1,077,827,307	1,899,014,634
Loans and advances, net	10	7,526,256,578	7,023,164,104	30,202,867,648	28,268,235,519
Other assets, net	11	34,444,265	31,227,560	138,224,836	125,690,929
Statutory deposits	12	654,972,368	603,852,641	2,628,404,113	2,430,506,880
Assets held for sale	14	13,372,583	-	53,664,176	-
Property and equipment, net	15	142,781,355	151,527,613	572,981,578	609,898,642
Intangible assets, net	16	13,593,565	16,736,818	54,550,976	67,365,692
Right-of-use assets, net	17	35,236,565	36,146,086	141,404,335	145,487,996
Deferred tax assets	18	810,077	788,099	3,250,839	3,172,098
Derivative financial instruments	25	486,550	2,250,246	1,952,525	9,057,240
Total assets		<u>12,017,277,265</u>	<u>10,833,831,830</u>	<u>48,225,333,665</u>	<u>43,606,173,115</u>
Liabilities and equity					
Liabilities					
Deposits and placements of other banks and financial institutions	19	334,239,531	396,514,351	1,341,303,238	1,595,970,263
Deposits from customers	20	9,035,027,944	7,962,541,434	36,257,567,139	32,049,229,272
Other liabilities	21	120,347,557	103,664,309	482,954,747	417,248,844
Borrowings	22	347,361,566	606,857,875	1,393,961,964	2,442,602,947
Subordinated debts	23	205,672,689	178,762,108	825,364,501	719,517,485
Debt securities	24	199,808,320	-	801,830,788	-
Lease liabilities	26	34,525,786	35,021,748	138,551,979	140,962,536
Employee benefits	27	727,360	10,011,062	2,918,896	40,294,525
Current income tax liabilities	34(a)	28,908,717	16,395,760	116,010,681	65,992,934
Deferred tax liabilities	18	46,917,580	33,896,262	188,280,249	136,432,455
Total liabilities		<u>10,353,537,050</u>	<u>9,343,664,909</u>	<u>41,548,744,182</u>	<u>37,608,251,261</u>
Equity					
Share capital	28	433,163,019	433,163,019	1,732,652,076	1,732,652,076
Share premium	28	11,706,215	11,706,215	48,235,459	48,235,459
Reserves	39	891,219,920	813,247,864	3,584,283,453	3,287,544,770
Retained earnings		321,363,870	225,917,158	1,286,187,998	904,805,572
Attributable to owners of the Bank		1,657,453,024	1,484,034,256	6,651,358,986	5,973,237,877
Non-controlling interests		6,287,191	6,132,665	25,230,497	24,683,977
Total equity		<u>1,663,740,215</u>	<u>1,490,166,921</u>	<u>6,676,589,483</u>	<u>5,997,921,854</u>
Total liabilities and equity		<u>12,017,277,265</u>	<u>10,833,831,830</u>	<u>48,225,333,665</u>	<u>43,606,173,115</u>

The accompanying notes on pages 26 to 194 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 2025

		2025	2024	2025	2024
		US\$	US\$	KHR'000	KHR'000
	Notes			(Note 5)	(Note 5)
Interest income	29	876,083,020	803,805,805	3,513,968,993	3,272,293,432
Interest expense	30	(315,731,888)	(344,652,206)	(1,266,400,603)	(1,403,079,131)
Net interest income		<u>560,351,132</u>	<u>459,153,599</u>	<u>2,247,568,390</u>	<u>1,869,214,301</u>
Fee and commission income	31	46,125,730	43,297,240	185,010,303	176,263,064
Fee and commission expense		(2,015,838)	(4,585,834)	(8,085,526)	(18,668,930)
Net fee and commission income		<u>44,109,892</u>	<u>38,711,406</u>	<u>176,924,777</u>	<u>157,594,134</u>
Impairment losses on loans and advances, deposits and placements with other banks, other receivables, and investment securities	10	(56,140,397)	(75,558,494)	(225,179,132)	(307,598,629)
Impairment losses on off-balance sheet commitments	10	(673,712)	(37,752)	(2,702,259)	(153,688)
Net impairment losses		<u>(56,814,109)</u>	<u>(75,596,246)</u>	<u>(227,881,391)</u>	<u>(307,752,317)</u>
Income after impairment losses		547,646,915	422,268,759	2,196,611,776	1,719,056,118
Other income, net	32	29,458,496	18,146,429	118,158,027	73,874,112
Non-credit risk modification losses and other losses		(8,613,234)	-	(34,547,682)	-
Other operating expenses	33	(317,855,333)	(286,669,819)	(1,274,917,741)	(1,167,032,833)
Profit before income tax		250,636,844	153,745,369	1,005,304,380	625,897,397
Income tax expense	34(b)	(50,617,924)	(32,443,911)	(203,028,494)	(132,079,162)
Profit for the year (carried forward to next page)		<u>200,018,920</u>	<u>121,301,458</u>	<u>802,275,886</u>	<u>493,818,235</u>

ACLEDA BANK PLC.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
(CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2025

	2025 US\$	2024 US\$	2025 KHR'000 (Note 5)	2024 KHR'000 (Note 5)
Notes				
Profit for the year (brought down from previous page)	200,018,920	121,301,458	802,275,886	493,818,235
Other comprehensive income:				
Items that will not be reclassified to profit or loss:				
Exchange differences	-	-	(16,080,517)	(87,318,558)
Items that are or may be reclassified subsequently to profit or loss:				
Currency translation differences - foreign subsidiaries	(443,007)	5,476,801	(1,776,901)	22,296,057
Remeasurement of the effective portion of derivatives arising from cash flow hedge	(1,763,695)	(3,496,441)	(7,074,181)	(14,234,011)
Other comprehensive loss for the year	(2,206,702)	1,980,360	(24,931,599)	(79,256,512)
Total comprehensive income for the year	197,812,218	123,281,818	777,344,287	414,561,723
Profit for the year attributable to:				
Owners of the Bank	199,860,749	121,194,596	801,641,462	493,383,200
Non-controlling interests	158,171	106,862	634,424	435,035
	200,018,920	121,301,458	802,275,886	493,818,235
Total comprehensive income attributable to:				
Owners of the Bank	197,657,692	123,170,130	776,797,767	414,107,041
Non-controlling interests	154,526	111,688	546,520	454,682
	197,812,218	123,281,818	777,344,287	414,561,723
The earnings per share attributable to shareholders of the Bank during the year:				
Basic earnings per share	35 0.46	0.28	1.85	1.14
Diluted earnings per share	35 0.46	0.28	1.85	1.14

The accompanying notes on pages 26 to 194 form an integral part of these financial statements.

ACLEDA BANK PLC.

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2025**

	Attributable to owners of the Bank												Non-controlling interests		Total equity	
	Share capital		Share premium		Reserves		Retained earnings		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 2025	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		
Profit for the year	-	-	-	-	-	-	199,860,749	801,641,462	199,860,749	801,641,462	158,171	634,424	200,018,920	802,275,886		
Other comprehensive income:																
Remeasurement of the effective portion of derivatives arising from cash flow hedge	-	-	-	-	(1,763,695)	(7,074,181)	-	-	(1,763,695)	(7,074,181)	-	-	(1,763,695)	(7,074,181)		
Currency translation differences - foreign subsidiaries	-	-	-	-	(439,362)	(1,762,281)	-	-	(439,362)	(1,762,281)	(3,645)	(14,620)	(443,007)	(1,776,901)		
Exchange differences	-	-	-	-	-	(16,007,233)	-	-	-	(16,007,233)	-	(73,284)	-	(16,080,517)		
Total comprehensive (loss)/income for the year	-	-	-	-	(2,203,057)	(24,843,695)	199,860,749	801,641,462	197,657,692	776,797,767	154,526	546,520	197,812,218	777,344,287		
Transactions with owners:																
Dividend paid	-	-	-	-	-	-	(24,238,924)	(98,676,658)	(24,238,924)	(98,676,658)	-	-	(24,238,924)	(98,676,658)		
Transfer from retained earnings to regulatory reserves	-	-	-	-	80,175,113	321,582,378	(80,175,113)	(321,582,378)	-	-	-	-	-	-		
Total transactions with owners	-	-	-	-	80,175,113	321,582,378	(104,414,037)	(420,259,036)	(24,238,924)	(98,676,658)	-	-	(24,238,924)	(98,676,658)		
As at 31 December 2025	<u>433,163,019</u>	<u>1,732,652,076</u>	<u>11,706,215</u>	<u>48,235,459</u>	<u>891,219,920</u>	<u>3,584,283,453</u>	<u>321,363,870</u>	<u>1,286,187,998</u>	<u>1,657,453,024</u>	<u>6,651,358,986</u>	<u>6,287,191</u>	<u>25,230,497</u>	<u>1,663,740,215</u>	<u>6,676,589,483</u>		
	Attributable to owners of the Bank															
	Share capital		Share premium		Reserves		Retained earnings		Total		Non-controlling interests		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 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	-	-	-	-	(3,496,441)	(14,234,011)	-	-	(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	4,826	19,647	5,476,801	22,296,057		
Total comprehensive income for the year	-	-	-	-	1,975,534	8,042,399	121,194,596	493,383,200	123,170,130	501,425,599	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	-	-	-	-	88,644,692	273,920,387	(103,779,837)	(423,065,131)	(15,135,145)	(149,144,744)	(554)	(368,659)	(15,135,699)	(149,513,403)		
As at 31 December 2024	<u>433,163,019</u>	<u>1,732,652,076</u>	<u>11,706,215</u>	<u>48,235,459</u>	<u>813,247,864</u>	<u>3,287,544,770</u>	<u>225,917,158</u>	<u>904,805,572</u>	<u>1,484,034,256</u>	<u>5,973,237,877</u>	<u>6,132,665</u>	<u>24,683,977</u>	<u>1,490,166,921</u>	<u>5,997,921,854</u>		

The accompanying notes on pages 26 to 194 form an integral part of these financial statements.

ACLEDA BANK PLC.

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2025**

		2025 US\$	2024 US\$	2025 KHR'000 (Note 5)	2024 KHR'000 (Note 5)
	Notes				
Cash flows from operating activities					
Profit for the year before income tax		250,636,844	153,745,369	1,005,304,380	625,897,397
<i>Adjustments for:</i>					
Net impairment losses	10	56,814,109	75,596,246	227,881,391	307,752,317
Depreciation of property and equipment	33	29,565,850	25,729,960	118,588,624	104,746,667
Depreciation of right-of-use assets	17	13,725,542	12,910,310	55,053,149	52,557,872
Seniority indemnity benefits	27(a)	14,572,377	10,191,690	58,449,804	41,490,370
Amortisation of intangible assets	33	5,910,412	4,565,938	23,706,663	18,587,934
Training credit fund	27(b)	573,587	-	2,300,657	-
(Reversal of)/expense for career development expense	33	(123,740)	1,761,433	(496,321)	7,170,794
Pension fund		872,612	868,917	3,500,047	3,537,361
Adjustment in property and equipment		98,970	109,701	396,969	446,593
Adjustment in intangible assets		536,102	83,830	2,150,305	341,272
Dividend income	32	(297,228)	(290,036)	(1,192,182)	(1,180,737)
Gain on disposals of property and equipment and lease	32	(526,809)	(642,177)	(2,113,031)	(2,614,303)
Net monetary gain from hyperinflationary economy		-	(1,976,080)	-	(8,044,622)
Net interest income		(560,351,132)	(459,153,599)	(2,247,568,390)	(1,869,214,301)
Net currency translation differences		(438,060)	5,440,975	(1,757,059)	22,150,209
Operating loss before changes in working capital		(188,430,564)	(171,057,523)	(755,794,994)	(696,375,177)
<i>Changes in:</i>					
Deposits and placements with other banks		6,204	(9,074,258)	24,884	(36,941,304)
Reserve requirement		(51,119,727)	(55,225,532)	(205,041,225)	(224,823,141)
Loans and advances		(569,644,311)	(497,005,412)	(2,284,843,331)	(2,023,309,032)
Other assets		(4,724,267)	1,758,291	(18,949,035)	7,158,003
Deposits from customers		1,072,486,510	1,154,521,015	4,301,743,392	4,700,055,052
Deposits and placements of other banks and financial institutions		(62,274,820)	(23,278,269)	(249,784,303)	(94,765,833)
Other liabilities		22,369,609	13,262,316	89,724,502	53,990,888
Cash flows from operations		218,668,634	413,900,628	877,079,890	1,684,989,456
Interest received		869,440,483	799,623,334	3,487,325,777	3,255,266,593
Payment for additional reassessment tax for ABL		-	(126,314)	-	(514,224)
Career development benefit paid	27(c)	(3,131,757)	(764,647)	(12,561,477)	(3,112,878)
Pension fund paid		(872,984)	(868,230)	(3,501,539)	(3,534,564)
Seniority benefits paid	27(a)	(21,157,100)	(9,547,071)	(84,861,128)	(38,866,126)
Income tax paid	34(a)	(24,950,841)	(11,994,913)	(100,077,823)	(48,831,291)
Interest paid		(249,368,991)	(265,513,434)	(1,000,219,023)	(1,080,905,190)
Net cash generated from operating activities (carried forward to next page)		788,627,444	924,709,353	3,163,184,677	3,764,491,776

ACLEDA BANK PLC.

CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2025

	Notes	2025 US\$	2024 US\$	2025 KHR'000 (Note 5)	2024 KHR'000 (Note 5)
Net cash generated from operating activities (brought down from previous page)		<u>788,627,444</u>	<u>924,709,353</u>	<u>3,163,184,677</u>	<u>3,764,491,776</u>
Cash flows from investing activities					
Proceeds from matured investments		238,117,812	33,317,087	955,090,544	135,633,861
Interest received from investments		5,394,200	4,182,471	21,636,136	17,026,839
Purchases of financial investments		(160,002,190)	(150,832,021)	(641,768,784)	(614,037,157)
Proceeds from disposals of property and equipment		614,835	728,720	2,466,103	2,966,619
Dividends received		297,228	290,036	1,192,182	1,180,737
Purchases of intangible assets	16	(6,081,992)	(10,304,597)	(24,394,870)	(41,950,015)
Purchases of property and equipment	15	<u>(21,061,938)</u>	<u>(28,888,168)</u>	<u>(84,479,433)</u>	<u>(117,603,732)</u>
Net cash generated from/(used in) investing activities		<u>57,277,955</u>	<u>(151,506,472)</u>	<u>229,741,878</u>	<u>(616,782,848)</u>
Cash flows from financing activities					
Proceeds from debt securities issuance		197,668,341	-	792,847,716	-
Proceeds from borrowings		1,195,241	12,753,898	4,794,112	51,921,119
Repayments of borrowings		(256,885,396)	(267,353,066)	(1,030,367,323)	(1,088,394,332)
Proceeds from subordinated debts		50,000,000	83,996,593	200,550,000	341,950,130
Repayments of subordinated debts		(26,387,500)	(26,915,401)	(105,840,263)	(109,572,597)
Payment of tax on ABL's capital increase		-	(203,905)	-	(830,097)
Payments of lease liabilities (principal)		(12,854,036)	(13,074,037)	(51,557,538)	(53,224,405)
Payments of dividends		(24,238,924)	(14,805,480)	(98,676,658)	(60,850,524)
Interest paid		<u>(68,460,404)</u>	<u>(68,991,520)</u>	<u>(274,594,680)</u>	<u>(280,864,478)</u>
Net cash used in financing activities		<u>(139,962,678)</u>	<u>(294,592,918)</u>	<u>(562,844,634)</u>	<u>(1,199,865,184)</u>
Net increase in cash and cash equivalents		705,942,721	478,609,963	2,830,081,921	1,947,843,744
Cash and cash equivalents at the beginning of the year		2,758,328,536	2,279,718,573	11,102,272,357	9,312,650,371
Exchange differences		-	-	(30,233,724)	(158,221,758)
Cash and cash equivalents at the end of the year	36	<u><u>3,464,271,257</u></u>	<u><u>2,758,328,536</u></u>	<u><u>13,902,120,554</u></u>	<u><u>11,102,272,357</u></u>

Non-cash investing activities

Non-cash investing activities disclosed in other notes are the purchases of property and equipment (Note 15) and the purchases of intangible assets (Note 16).

Non-cash financing activities

During the year ended 31 December 2025, the Group entered into new lease agreements and recognised right-of-use assets amounting to US\$13,066,238 (31 December 2024: US\$17,173,328), and pre-terminated right-of-use assets and lease liabilities amounting to US\$363,400 and US\$343,309 (31 December 2024: US\$1,631,785 and US\$1,771,020), respectively, and recognised loss from pretermination amounting to US\$20,463 (31 December 2024: gain US\$139,265), which are non-cash transactions.

The accompanying notes on pages 26 to 194 form an integral part of these financial statements.

ACLEDA BANK PLC.

**SEPARATE STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2025**

		2025 US\$	2024 US\$	2025 KHR'000 (Note 5)	2024 KHR'000 (Note 5)
Assets					
Cash on hand	7	510,259,622	503,459,073	2,047,671,863	2,026,422,769
Deposits and placements with other banks, net	8	2,763,512,951	1,958,058,129	11,089,977,472	7,881,183,969
Financial investments, net	9	268,583,929	471,804,878	1,077,827,307	1,899,014,634
Loans and advances, net	10	7,326,868,389	6,861,826,011	29,402,722,845	27,618,849,694
Other assets, net	11	29,705,419	28,121,672	119,207,846	113,189,731
Statutory deposits	12	644,296,242	596,402,637	2,585,560,819	2,400,520,614
Investments in subsidiaries	13	91,117,716	91,117,716	365,655,394	366,748,807
Assets held for sale	14	13,372,583	-	53,664,176	-
Property and equipment, net	15	108,250,795	115,350,609	434,410,440	464,286,201
Intangible assets, net	16	12,487,813	15,145,392	50,113,594	60,960,203
Right-of-use assets, net	17	32,831,596	33,189,075	131,753,195	133,586,027
Derivative financial instruments	25	486,550	2,250,246	1,952,525	9,057,240
Total assets		<u>11,801,773,605</u>	<u>10,676,725,438</u>	<u>47,360,517,476</u>	<u>42,973,819,889</u>
Liabilities and equity					
Liabilities					
Deposits and placements of other banks and financial institutions	19	309,722,604	372,727,604	1,242,916,810	1,500,228,606
Deposits from customers	20	8,873,020,949	7,845,298,389	35,607,433,068	31,577,326,016
Other liabilities	21	114,767,610	99,709,704	460,562,419	401,331,559
Borrowings	22	344,707,981	598,522,015	1,383,313,128	2,409,051,110
Subordinated debts	23	205,672,689	178,762,108	825,364,501	719,517,485
Debt securities	24	199,808,320	-	801,830,788	-
Lease liabilities	26	32,284,769	32,783,552	129,558,778	131,953,797
Employee benefits	27	635,121	9,854,350	2,548,741	39,663,759
Current income tax liabilities	34(a)	27,189,090	14,893,706	109,109,818	59,947,167
Deferred tax liabilities	18	45,051,713	33,896,262	180,792,524	136,432,455
Total liabilities		<u>10,152,860,846</u>	<u>9,186,447,690</u>	<u>40,743,430,575</u>	<u>36,975,451,954</u>
Equity					
Share capital	28	433,163,019	433,163,019	1,732,652,076	1,732,652,076
Share premium	28	11,706,215	11,706,215	48,235,459	48,235,459
Reserves	39	909,855,573	841,203,517	3,660,487,161	3,401,235,494
Retained earnings		294,187,952	204,204,997	1,175,712,205	816,244,906
Total equity		<u>1,648,912,759</u>	<u>1,490,277,748</u>	<u>6,617,086,901</u>	<u>5,998,367,935</u>
Total liabilities and equity		<u>11,801,773,605</u>	<u>10,676,725,438</u>	<u>47,360,517,476</u>	<u>42,973,819,889</u>

The accompanying notes on pages 26 to 194 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 2025**

		2025	2024	2025	2024
		US\$	US\$	KHR'000	KHR'000
	Notes			(Note 5)	(Note 5)
Interest income	29	837,448,081	769,614,221	3,359,004,253	3,133,099,494
Interest expense	30	<u>(300,955,603)</u>	<u>(335,181,137)</u>	<u>(1,207,132,924)</u>	<u>(1,364,522,409)</u>
Net interest income		<u>536,492,478</u>	<u>434,433,084</u>	<u>2,151,871,329</u>	<u>1,768,577,085</u>
Fee and commission income	31	39,261,995	37,665,884	157,479,862	153,337,814
Fee and commission expense		<u>(1,988,273)</u>	<u>(4,557,808)</u>	<u>(7,974,963)</u>	<u>(18,554,836)</u>
Net fee and commission income		<u>37,273,722</u>	<u>33,108,076</u>	<u>149,504,899</u>	<u>134,782,978</u>
Impairment losses on loans and advances, deposits and placements with other banks, other receivables, and investment securities	10	(62,399,129)	(74,615,589)	(250,282,906)	(303,760,063)
Impairment losses on off-balance sheet commitments	10	<u>(643,409)</u>	<u>(23,078)</u>	<u>(2,580,713)</u>	<u>(93,951)</u>
Net impairment losses		<u>(63,042,538)</u>	<u>(74,638,667)</u>	<u>(252,863,619)</u>	<u>(303,854,014)</u>
Income after impairment losses		510,723,662	392,902,493	2,048,512,609	1,599,506,049
Other income, net	32	28,246,392	22,011,472	113,296,278	89,608,703
Non-credit risk modification losses and other losses		<u>(8,613,234)</u>	<u>-</u>	<u>(34,547,682)</u>	<u>-</u>
Other operating expenses	33	<u>(299,292,856)</u>	<u>(269,341,998)</u>	<u>(1,200,463,645)</u>	<u>(1,096,491,274)</u>
Profit before income tax		231,063,964	145,571,967	926,797,560	592,623,478
Income tax expense	34(b)	<u>(46,426,334)</u>	<u>(29,638,605)</u>	<u>(186,216,026)</u>	<u>(120,658,761)</u>
Profit for the year		<u>184,637,630</u>	<u>115,933,362</u>	<u>740,581,534</u>	<u>471,964,717</u>
Other comprehensive income:					
<i>Items that will not be reclassified to profit or loss:</i>					
Exchange differences		-	-	(16,111,729)	(87,472,412)
<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		<u>(1,763,695)</u>	<u>(3,496,441)</u>	<u>(7,074,181)</u>	<u>(14,234,011)</u>
Other comprehensive loss for the year		<u>(1,763,695)</u>	<u>(3,496,441)</u>	<u>(23,185,910)</u>	<u>(101,706,423)</u>
Total comprehensive income for the year		<u>182,873,935</u>	<u>112,436,921</u>	<u>717,395,624</u>	<u>370,258,294</u>

The accompanying notes on pages 26 to 194 form an integral part of these financial statements.

ACLEDA BANK PLC.

SEPARATE STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2025

	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)
As at 1 January 2025	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
Profit for the year	-	-	-	-	-	-	184,637,630	740,581,534	184,637,630	740,581,534
Other comprehensive income:										
Remeasurement of the effective portion of derivatives arising from cash flow hedge	-	-	-	-	(1,763,695)	(7,074,181)	-	-	(1,763,695)	(7,074,181)
Exchange differences	-	-	-	-	-	(16,111,729)	-	-	-	(16,111,729)
Total comprehensive (loss)/income for the year	-	-	-	-	(1,763,695)	(23,185,910)	184,637,630	740,581,534	182,873,935	717,395,624
Transactions with owners:										
Dividend paid	-	-	-	-	-	-	(24,238,924)	(98,676,658)	(24,238,924)	(98,676,658)
Transfer from retained earnings to regulatory reserves	-	-	-	-	70,415,751	282,437,577	(70,415,751)	(282,437,577)	-	-
Total transactions with owners	-	-	-	-	70,415,751	282,437,577	(94,654,675)	(381,114,235)	(24,238,924)	(98,676,658)
As at 31 December 2025	433,163,019	1,732,652,076	11,706,215	48,235,459	909,855,573	3,660,487,161	294,187,952	1,175,712,205	1,648,912,759	6,617,086,901

	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)
As at 1 January 2024	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
Profit for the year	-	-	-	-	-	-	115,933,362	471,964,717	115,933,362	471,964,717
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 comprehensive (loss)/income for the year	-	-	-	-	(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)
Total transactions with owners	-	-	-	-	79,584,710	236,516,942	(94,390,190)	(384,839,878)	(14,805,480)	(148,322,936)
As at 31 December 2024	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 accompanying notes on pages 26 to 194 form an integral part of these financial statements.

ACLEDA BANK PLC.

**SEPARATE STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2025**

		2025 US\$	2024 US\$	2025 KHR'000 (Note 5)	2024 KHR'000 (Note 5)
	Notes				
Cash flows from operating activities					
Profit for the year before income tax		231,063,964	145,571,967	926,797,560	592,623,478
<i>Adjustments for:</i>					
Net impairment losses	10	63,042,538	74,638,667	252,863,619	303,854,014
Depreciation of property and equipment	33	27,092,865	23,827,643	108,669,482	97,002,335
Depreciation of right-of-use assets	17	12,786,385	12,437,143	51,286,190	50,631,609
Seniority indemnity benefits	27(a)	14,331,604	10,010,306	57,484,064	40,751,956
Amortisation of intangible assets	33	5,435,854	4,313,776	21,803,210	17,561,382
Training credit fund	27(b)	564,257	-	2,263,235	-
(Reversal of)/expense for career development expense	33	(164,679)	1,712,055	(660,527)	6,969,776
Pension fund		856,187	853,201	3,434,166	3,473,381
Adjustment in property and equipment		98,970	110,492	396,969	449,813
Adjustment in intangible assets		536,102	83,830	2,150,305	341,272
Dividend income	32	(297,228)	(290,036)	(1,192,182)	(1,180,737)
Gain on disposals of property and equipment and lease	32	(484,944)	(632,717)	(1,945,110)	(2,575,791)
Net interest income		(536,492,478)	(434,433,084)	(2,151,871,329)	(1,768,577,085)
Net currency translation differences		198,044	956,837	794,354	3,895,283
Operating loss before changes in working capital		(181,432,559)	(160,839,920)	(727,725,994)	(654,779,314)
<i>Changes in:</i>					
Deposits and placements with other banks		(17,875)	(10,065,228)	(71,697)	(40,975,543)
Reserve requirement		(47,893,605)	(53,100,533)	(192,101,250)	(216,172,270)
Loans and advances		(538,096,268)	(479,559,725)	(2,158,304,131)	(1,952,287,640)
Other assets		(2,811,560)	2,911,733	(11,277,167)	11,853,665
Deposits from customers		1,027,722,560	1,130,009,364	4,122,195,188	4,600,268,121
Deposits and placements of other banks and financial institutions		(63,005,000)	(13,678,323)	(252,713,055)	(55,684,453)
Other liabilities		25,114,803	14,200,970	100,735,475	57,812,149
Cash flows from operations		219,580,496	429,878,338	880,737,369	1,750,034,715
Interest received		830,805,544	765,431,750	3,332,361,037	3,116,072,654
Career development benefit paid	27(c)	(3,084,810)	(678,925)	(12,373,173)	(2,763,904)
Pension fund paid		(856,625)	(852,589)	(3,435,923)	(3,470,890)
Seniority benefits paid	27(a)	(20,854,780)	(9,379,133)	(83,648,523)	(38,182,450)
Income tax paid	34(a)	(22,975,499)	(9,949,762)	(92,154,726)	(40,505,481)
Interest paid		(239,687,493)	(259,051,762)	(961,386,534)	(1,054,599,723)
Net cash generated from operating activities (carried forward to next page)		762,926,833	915,397,917	3,060,099,527	3,726,584,921

ACLEDA BANK PLC.

**SEPARATE STATEMENT OF CASH FLOWS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2025**

	2025 US\$	2024 US\$	2025 KHR'000 (Note 5)	2024 KHR'000 (Note 5)
Net cash generated from operating activities (brought down from previous page)	762,926,833	915,397,917	3,060,099,527	3,726,584,921
Cash flows from investing activities				
Proceeds from matured investments	238,117,812	33,317,087	955,090,544	135,633,861
Interest received from investments	5,394,200	4,182,471	21,636,136	17,026,839
Purchases of financial investments	(160,002,190)	(150,832,021)	(641,768,784)	(614,037,157)
Proceeds from disposals of property and equipment	542,388	712,377	2,175,518	2,900,087
Dividend received	297,228	290,036	1,192,182	1,180,737
Purchases of intangible assets	16 (6,073,986)	(9,769,895)	(24,362,758)	(39,773,243)
Purchases of property and equipment	15 (20,152,644)	(25,574,652)	(80,832,255)	(104,114,408)
Net cash generated from/(used in) investing activities	<u>58,122,808</u>	<u>(147,674,597)</u>	<u>233,130,583</u>	<u>(601,183,284)</u>
Cash flows from financing activities				
Proceeds from debt securities issuance	197,668,341	-	792,847,716	-
Proceeds from borrowings	-	10,000,000	-	40,710,000
Repayments of borrowings	(250,080,632)	(257,123,440)	(1,003,073,415)	(1,046,749,524)
Proceeds from subordinated debts	50,000,000	83,996,593	200,550,000	341,950,130
Repayments of subordinated debts	(26,387,500)	(26,915,401)	(105,840,263)	(109,572,597)
Payments of lease liabilities (principal)	(12,515,002)	(12,375,111)	(50,197,673)	(50,379,077)
Interest paid	(67,705,273)	(67,799,759)	(271,565,850)	(276,012,819)
Payments of dividends	(24,238,924)	(14,805,480)	(98,676,658)	(60,850,524)
Net cash used in financing activities	<u>(133,258,990)</u>	<u>(285,022,598)</u>	<u>(535,956,143)</u>	<u>(1,160,904,411)</u>
Net increase in cash and cash equivalents	687,790,651	482,700,722	2,757,273,967	1,964,497,226
Cash and cash equivalents at the beginning of the year	2,723,449,936	2,240,749,214	10,961,885,992	9,153,460,539
Exchange differences	-	-	(29,851,483)	(156,071,773)
Cash and cash equivalents at the end of the year	36 <u>3,411,240,587</u>	<u>2,723,449,936</u>	<u>13,689,308,476</u>	<u>10,961,885,992</u>

Non-cash investing activities

Non-cash investing activities disclosed in other notes are the purchases of property and equipment (Note 15) and the purchases of intangible assets (Note 16).

Non-cash financing activities

During the year ended 31 December 2025, the Bank entered into new lease agreements and recognised right-of-use assets amounting to US\$12,809,712 (31 December 2024: US\$16,373,362), and pre-terminated right-of-use assets and lease liabilities amounting to US\$382,274 and US\$365,743 (31 December 2024: US\$1,633,217 and US\$1,755,926), respectively, and recognised loss from pretermination amounting to US\$16,558 (31 December 2024: gain US\$122,709), which are non-cash transactions.

The accompanying notes on pages 26 to 194 form an integral part of these financial statements.

ACLEDA BANK PLC.

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2025

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 2025, the Group and the Bank have 13,280 and 11,859 employees, respectively (31 December 2024: 13,454 and 11,971 employees, respectively).

The consolidated and separate financial statements as at and for the year ended 31 December 2025 were approved and authorised for issue by the Board of Directors on 9 February 2026.

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.
- Assets held for sale which are measured at the lower of its carrying amount and fair value less costs to sell.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

(a) Basis of preparation and presentation (continued)

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.

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 2025. 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:

- Lack of Exchangeability (Amendments to CIAS 21)

The amendments impact entity that has a transaction or an operation in a foreign currency that is not exchangeable into another currency at a measurement date for a specified purpose. A currency is exchangeable when there is an ability to obtain the other currency (with a normal administrative delay), and the transaction would take place through a market or exchange mechanism that creates enforceable rights and obligations. Assessing exchangeability between two currencies requires an analysis of different factors such as the time frame for the exchange, the ability to obtain the other currency, markets or exchange mechanisms, the purpose of obtaining the other currency, and the ability to obtain only limited amounts of the other currency.

When a currency is not exchangeable into another currency, the spot exchange rate needs to be estimated. The objective in estimating the spot exchange rate at a measurement date is to determine the rate at which an orderly exchange transaction would take place at that date between market participants under prevailing economic conditions.

The amendments also set out a framework under which an entity can determine the spot exchange rate at the measurement date using an observable exchange rate without adjustment or another estimation technique.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

(b) Adoption of amended accounting standards (continued)

(ii) New and 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 2025 reporting period and have not been early adopted by the Group and the Bank.

- 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)
- Translation to a Hyperinflationary Presentation Currency - Amendments to CIAS 21 (effective for annual periods beginning on or after 1 January 2027)

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.

- CIFRS 18 — Presentation and Disclosure in Financial Statements (effective for annual periods beginning on or after 1 January 2027)

CIFRS 18 will replace CIAS 1 Presentation of Financial Statements, introducing new requirements that will help to achieve comparability of the financial performance of similar entities and provide more relevant information and transparency to users. Even though CIFRS 18 will not impact the recognition or measurement of items in the financial statements, its impacts on presentation and disclosure are expected to be pervasive, in particular those related to the statement of financial performance and providing management-defined performance measures within the financial statements.

Management is currently assessing the detailed implications of applying the new standard on the Group's and the Bank's financial statements.

The Group and the Bank will apply the new standard from its mandatory effective date of 1 January 2027. Retrospective application is required, and so the comparative information for the financial year ending 31 December 2026 will be restated in accordance with CIFRS 18.

(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.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

(c) Consolidation (continued)

(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 profit or loss.

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.

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) Hyperinflationary accounting

The Group applied hyperinflation accounting to its operations in Lao PDR, with the Lao Kip as their functional currency.

The three-year cumulative inflation in Lao Kip 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 price index used for the application of hyperinflation accounting was the Consumer Price Index published by the Bank of Lao PDR ("BOL"). The movement in the Consumer Price Index for the year ended 31 December 2024 was 243.52%.

However, as of 31 December 2025, the three-year accumulated inflation rate in Lao PDR decreased to 53.52%. As the characteristics of the economic environment indicate that hyperinflation has ceased, the Group's operations in Lao PDR no longer apply IAS 29 *Financial Reporting in Hyperinflationary Economies* for periods ending on or after 31 December 2025. Accordingly, the amounts expressed in the measuring unit current at the end of the previous reporting period 31 December 2024 are treated as the basis for the carrying amounts in their financial statements.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

(c) Consolidation (continued)

(v) Hyperinflationary accounting (continued)

In the Group's consolidated financial statements for the year ended 31 December 2025, corresponding figures as at and for the year ended 31 December 2024 include the results and financial position of its operations in Lao PDR, expressed in terms of the measuring unit current at 31 December 2024. Net monetary gain (loss) is presented as a separate line item in profit or loss.

In the Group's consolidated financial statements, the operational results and financial position of entity whose functional currency is the Lao Kip for the year ended 31 December 2025 and 31 December 2024 have been translated into the presentation currency using the translation methods described in Note 2 (d).

(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\$ 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 profit or loss.

(iii) Group's companies

The results and financial position of the Group's 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.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

(d) Foreign currency translation (continued)

(iii) Group's companies (continued)

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 profit or loss as gain or loss on sale.

The results and financial position of the Group's foreign operations whose functional currency is the currency of a hyperinflationary economy for the year ended 31 December 2024 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 period amounts in the relevant prior period interim financial statements (not adjusted for subsequent changes in the price level or subsequent changes in exchange rates).

(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, subordinated debts and debt securities 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 or 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.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

(e) Financial assets and financial liabilities (continued)

(ii) Classification (continued)

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;
- 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).

2. **SUMMARY OF MATERIAL ACCOUNTING POLICIES** (continued)

(e) **Financial assets and financial liabilities** (continued)

(ii) *Classification (continued)*

Assessment of whether contractual cash flows are SPPI (continued)

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:

- 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.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

(e) Financial assets and financial liabilities (continued)

(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 or 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.

(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.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

(e) Financial assets and financial liabilities (continued)

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

Financial assets (continued)

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 plans to modify a financial asset in a way that would result in forgiveness of cash flows, then it first considers whether a portion of the asset should be written off before the modification takes place [see 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 (r)].

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.

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.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

(e) Financial assets and financial liabilities (continued)

(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.

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 instruments. 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.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

(e) Financial assets and financial liabilities (continued)

(vii) Impairment (continued)

Measurement of ECL (continued)

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.

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.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

(e) Financial assets and financial liabilities (continued)

(vii) Impairment (continued)

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.

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.

2. **SUMMARY OF MATERIAL ACCOUNTING POLICIES** (continued)

(e) **Financial assets and financial liabilities** (continued)

(vii) *Impairment (continued)*

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 credited in the profit or loss under “impairment losses on loans and advances, deposits and placements with other banks, other receivables, and investment securities” line item.

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.

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 guaranteed 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.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

(e) Financial assets and financial liabilities (continued)

(viii) Derivative financial instruments (continued)

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.

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.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

(e) Financial assets and financial liabilities (continued)

(ix) Hedge accounting (continued)

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, deposits and placements with other banks and NBC 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.

(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 or losses is 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 or 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 or 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 or losses recognised in other comprehensive income are transferred to retained earnings on disposal of an investment.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

(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.

(j) Assets held for sale

Assets held for sale consisting of immovable properties are stated at the lower of its carrying amount and fair value less costs to sell. Assets held for sale are not depreciated while it is classified as held for sale.

(k) 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 profit or loss 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.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

(k) Property and equipment (continued)

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 10
Office equipment	3 to 15
Computer equipment	3 to 7
Motor vehicles	3 to 8

* Leasehold improvement is depreciated over the shorter of its economic useful life (3 to 10 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".

(l) 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.

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 two to seven years except for the license of core banking system which has useful life of ten years.

An intangible asset is written-off when no future economic benefits are expected from its use. Costs associated with maintaining computer software are recognised as expenses when incurred.

(m) 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.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

(m) Impairment of non-financial assets (continued)

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 profit or loss.

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.

(n) 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%, substandard 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.

(o) 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 statements. 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.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

(o) Current and deferred income tax (continued)

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.

(p) 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 27).

(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:

- Current seniority indemnity: effective January 2019, 15 days of their average monthly salary and benefits each year payable every six month in 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.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

(p) Employee benefits (continued)

(iii) Long-term employment benefits (continued)

Seniority benefits (continued)

The back pay seniority indemnity is classified as long-term employee benefits, except for the amount payable within 12 months after the reporting date. 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.

On 26 December 2025, the back pay seniority indemnity was paid off for the Group and the Bank.

Career development benefit

Career development benefit was originally extended to employees of the Bank and its subsidiaries, excluding AUB. However, this benefit was paid off for the Group, except for ABL, on 12 February 2025 and replaced by a training credit fund for employees, ranging from US\$420 to US\$2,085 per year based on the management position level. ABL retains the old policy which provides career development benefit 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 completing two consecutive years in management roles and achieving at least very good performance results. They will automatically qualify for the management career development incentive fund starting from 1st January of the third year (date of eligibility). To receive the fund, employees must have worked in their management positions and maintained at least very good performance for three years from the date of eligibility. The first payment of career development incentive fund 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 at the present value 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 settlement is every three years.

Training credit fund

Employees in management positions become eligible for the training credit fund after completing two consecutive years in management roles and achieving at least very good performance results (A/A+). They will automatically qualify for the training credit fund starting from 1st January of the third year (date of eligibility). To receive the training credit fund, employees must have worked in positions eligible for training credit fund and maintained at least very good performance for one year from the date of eligibility. The training credit fund is disbursed upon employees request for training, with the initial payment available starting February 2026. In case the training credit fund for each year is not used or fully used, employees can carry the unused portion forward for up to three years.

The training credit fund provided to eligible employees ranges from US\$420 to US\$2,085 per annum, depending on the respective management level. The liability recognised is determined based on the estimated claim percentage approved by management. This claim percentage is derived from an analysis of historical employee study requests over the preceding five-year period, which management deems to be a reasonable basis for estimating expected utilisation of the training credit fund.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

(q) 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.

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.

(r) 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.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

(r) Interest (continued)

Interest income and interest expense (continued)

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.

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.

(s) Fee and commission income

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.

(t) 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.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

(t) 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.

(u) 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 use 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)

(u) 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.

(v) 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.

(w) 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.

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2025**

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

(w) Segment reporting (continued)

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

- 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.

(x) 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 2025 and 31 December 2024 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 interests are shown below. The summarised financial information represents amounts before intragroup eliminations.

ACLEDA University of Business Co., Ltd.

	2025 US\$	2024 US\$	2025 KHR'000 (Note 5)	2024 KHR'000 (Note 5)
<u>Financial position:</u>				
Current assets	431,856	615,358	1,733,038	2,476,816
Non-current assets	29,919,284	30,682,426	120,066,087	123,496,765
Total assets	<u>30,351,140</u>	<u>31,297,784</u>	<u>121,799,125</u>	<u>125,973,581</u>
Current liabilities	3,031,251	3,699,091	12,164,410	14,888,842
Non-current liabilities	437,121	1,386,562	1,754,167	5,580,912
Total liabilities	<u>3,468,372</u>	<u>5,085,653</u>	<u>13,918,577</u>	<u>20,469,754</u>
Equity	26,882,768	26,212,131	107,880,548	105,503,827
Total liabilities and equity	<u>30,351,140</u>	<u>31,297,784</u>	<u>121,799,125</u>	<u>125,973,581</u>
Ownership and voting interest held by non-controlling interests	23.391%	23.391%	23.391%	23.391%
Equity attributable to:				
Owners of the Bank	<u>20,594,620</u>	<u>20,080,851</u>	<u>82,646,210</u>	<u>80,825,425</u>
Non-controlling interests	<u>6,288,148</u>	<u>6,131,280</u>	<u>25,234,338</u>	<u>24,678,402</u>

ACLEDA BANK PLC.

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2025**

3. COMPOSITION OF THE GROUP (continued)

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

	2025 US\$	2024 US\$	2025 KHR'000 (Note 5)	2024 KHR'000 (Note 5)
<u>Results of operations:</u>				
Revenue	6,642,961	6,325,602	26,644,917	25,751,526
Costs and expenses	(5,972,323)	(5,870,826)	(23,954,988)	(23,900,133)
Profit for the year	<u>670,638</u>	<u>454,776</u>	<u>2,689,929</u>	<u>1,851,393</u>
Total comprehensive income for the year	<u>670,638</u>	<u>454,776</u>	<u>2,689,929</u>	<u>1,851,393</u>
Profit attributable to:				
Owners of the Bank	513,769	348,399	2,060,727	1,418,332
Non-controlling interests	156,869	106,377	629,202	433,061
Total	<u>670,638</u>	<u>454,776</u>	<u>2,689,929</u>	<u>1,851,393</u>
Total comprehensive income for the year attributable to:				
Owners of the Bank	513,769	348,399	2,060,727	1,418,332
Non-controlling interests	156,869	106,377	629,202	433,061
Total	<u>670,638</u>	<u>454,776</u>	<u>2,689,929</u>	<u>1,851,393</u>
<u>Cash flows:</u>				
Net cash inflows from operating activities	1,591,464	1,192,066	6,383,362	4,852,901
Net cash outflows for investing activities	(90,930)	(131,231)	(364,720)	(534,241)
Net cash outflows for financing activities	(1,498,184)	(1,065,830)	(6,009,216)	(4,338,994)
Net cash inflows/(outflows)	<u>2,350</u>	<u>(4,995)</u>	<u>9,426</u>	<u>(20,334)</u>

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")
- applying assumptions and analysis on expected future cash flows and forward-looking information

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

Measurement of the expected credit loss allowance (continued)

- the Bank applies the LGD floor for ECL calculation in the event of over-collateralisation for loans that can be secured by different types of collaterals, 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
- applying assumptions and judgement on management overlay when credit risks that are not adequately captured by the underlying ECL models

Please refer to Note 41.1(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.

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.

Assets held for sale

Assets held for sale are measured at the lower of its carrying amount and fair value less costs to sell; with its fair value with reference to their market value, utilising the latest appraisal values from independent valuations obtained from external valuation firms, adjusted for costs to sell. These valuations are based on current prices in an active market for similar properties.

Estimated useful lives of property and equipment and intangible assets

The useful lives of the Group's and the Bank's assets with definite useful life are estimated based on the period over which the assets are expected to be available for use. The estimated useful lives of the Group's and the Bank's property and equipment and intangible assets are reviewed periodically and are updated if expectations differ from previous estimates due to physical wear and tear, technical or commercial obsolescence, and legal or other limits on the use of the Group's and the Bank's assets. Despite these periodic updates to useful lives, deviations between estimated and actual asset utilisation can occur for existing assets. Therefore, actual asset utilisation may exceed initial projections, resulting in certain fully depreciated assets are still in use.

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2025**

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 rate for the reporting date. All exchange differences arising from the translation are recognised as “exchange 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 2025	US\$1 =	KHR4,013	KHR4,011
31 December 2024	US\$1 =	KHR4,025	KHR4,071

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 individuals, 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 and credit cards issuing and acquiring service, fund transfer (local and overseas), and cash management services (such as payroll, cash collection, bills payment, top-up and standing orders). 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 2025

6. SEGMENT INFORMATION (continued)

(b) Analysis of primary segment information

Primary segment information by business segments on a consolidated basis are as follows:

	2025						2024					
	Lending		Other financial services		Total		Lending		Other financial services		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)
Revenues												
Interest income	876,083,020	3,513,968,993	-	-	876,083,020	3,513,968,993	803,805,805	3,272,293,432	-	-	803,805,805	3,272,293,432
Interest expense	(315,731,888)	(1,266,400,603)	-	-	(315,731,888)	(1,266,400,603)	(344,652,206)	(1,403,079,131)	-	-	(344,652,206)	(1,403,079,131)
Net interest income	560,351,132	2,247,568,390	-	-	560,351,132	2,247,568,390	459,153,599	1,869,214,301	-	-	459,153,599	1,869,214,301
Non-interest income	-	-	75,584,226	303,168,330	75,584,226	303,168,330	-	-	61,443,669	250,137,176	61,443,669	250,137,176
Total net revenues	560,351,132	2,247,568,390	75,584,226	303,168,330	635,935,358	2,550,736,720	459,153,599	1,869,214,301	61,443,669	250,137,176	520,597,268	2,119,351,477

(c) Analysis of secondary segment information

Secondary segment information by geographical locations on a consolidated basis are as follows:

	2025								2024							
	Kingdom of Cambodia		Lao PDR		Republic Union of Myanmar		Total		Kingdom of Cambodia		Lao PDR		Republic Union of Myanmar		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)	US\$	KHR'000 (Note 5)
Profit or loss																
Total income	912,634,307	3,660,576,205	32,814,091	131,617,319	7,680,497	30,806,473	953,128,895	3,822,999,997	835,975,628	3,403,256,782	24,176,055	98,420,720	6,581,475	26,793,185	866,733,158	3,528,470,687
Total expense	(726,999,148)	(2,915,993,583)	(27,243,125)	(109,272,174)	1,191,584	4,779,443	(753,050,689)	(3,020,486,314)	(719,730,889)	(2,930,024,449)	(22,102,453)	(89,979,086)	(3,563,780)	(14,508,149)	(745,397,122)	(3,034,511,684)
Net profit	<u>185,635,159</u>	<u>744,582,622</u>	<u>5,570,966</u>	<u>22,345,145</u>	<u>8,872,081</u>	<u>35,585,916</u>	<u>200,078,206</u>	<u>802,513,683</u>	<u>116,244,739</u>	<u>473,232,333</u>	<u>2,073,602</u>	<u>8,441,634</u>	<u>3,017,695</u>	<u>12,285,036</u>	<u>121,336,036</u>	<u>493,959,003</u>
Other segment information																
Depreciation and amortisation	46,213,240	185,361,306	2,814,914	11,290,620	189,652	760,694	49,217,806	197,412,620	41,480,321	168,866,387	1,546,579	6,296,123	191,475	779,495	43,218,375	175,942,005

	2025								2024							
	Kingdom of Cambodia		Lao PDR		Republic Union of Myanmar		Total		Kingdom of Cambodia		Lao PDR		Republic Union of Myanmar		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)	US\$	KHR'000 (Note 5)
Financial position																
Total assets	11,835,119,934	47,494,336,295	243,521,908	977,253,417	34,850,985	139,857,003	12,113,492,827	48,611,446,715	10,710,607,987	43,110,197,148	197,431,153	794,660,391	23,567,409	94,858,820	10,931,606,549	43,999,716,359
Total liabilities	<u>10,156,565,264</u>	<u>40,758,296,404</u>	<u>194,860,803</u>	<u>781,976,402</u>	<u>7,243,101</u>	<u>29,066,565</u>	<u>10,358,669,168</u>	<u>41,569,339,371</u>	<u>9,191,685,857</u>	<u>36,996,535,574</u>	<u>153,921,344</u>	<u>619,533,410</u>	<u>4,831,607</u>	<u>19,447,219</u>	<u>9,350,438,808</u>	<u>37,635,516,203</u>

ACLEDA BANK PLC.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2025

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.

	2025 US\$	2024 US\$	2025 KHR'000 (Note 5)	2024 KHR'000 (Note 5)
Revenues				
Total segment revenues	953,128,895	866,733,158	3,822,999,997	3,528,470,686
Elimination of inter-segment revenues	(1,461,649)	(1,483,684)	(5,862,674)	(6,040,078)
Group net revenues as reported in profit or loss	<u>951,667,246</u>	<u>865,249,474</u>	<u>3,817,137,323</u>	<u>3,522,430,608</u>
Profit or loss				
Total segment profit	200,078,206	121,336,036	802,513,683	493,959,003
Elimination of inter-segment profit	(59,286)	(34,578)	(237,797)	(140,767)
Group net profit as reported in profit or loss	<u>200,018,920</u>	<u>121,301,458</u>	<u>802,275,886</u>	<u>493,818,236</u>
Assets				
Total segment assets	12,113,492,827	10,931,606,549	48,611,446,715	43,999,716,359
Elimination of inter-segment assets	(96,215,562)	(97,774,719)	(386,113,050)	(393,543,244)
Total assets	<u>12,017,277,265</u>	<u>10,833,831,830</u>	<u>48,225,333,665</u>	<u>43,606,173,115</u>
Liabilities				
Total segment liabilities	10,358,669,168	9,350,438,808	41,569,339,371	37,635,516,203
Elimination of inter-segment liabilities	(5,132,118)	(6,773,899)	(20,595,189)	(27,264,942)
Total liabilities	<u>10,353,537,050</u>	<u>9,343,664,909</u>	<u>41,548,744,182</u>	<u>37,608,251,261</u>
Other segment information				
Total segment depreciation and amortisation	49,217,806	43,218,375	197,412,620	175,942,005
Elimination of inter-segment depreciation and amortisation	(16,003)	(12,169)	(64,188)	(49,540)
Total depreciation and amortisation	<u>49,201,803</u>	<u>43,206,206</u>	<u>197,348,432</u>	<u>175,892,465</u>

ACLEDA BANK PLC.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2025

7. CASH ON HAND

	The Group				The Bank			
	2025 US\$	2024 US\$	2025 KHR'000 (Note 5)	2024 KHR'000 (Note 5)	2025 US\$	2024 US\$	2025 KHR'000 (Note 5)	2024 KHR'000 (Note 5)
Current								
By currency:								
In US\$	329,874,716	315,695,503	1,323,787,235	1,270,674,400	328,075,891	313,983,437	1,316,568,551	1,263,783,334
In KHR	173,003,533	161,242,544	694,263,178	649,001,240	172,979,558	161,226,576	694,166,966	648,936,968
In THB	5,663,330	28,184,652	22,726,943	113,443,224	4,087,839	26,667,667	16,404,498	107,337,360
In Euro	3,590,713	1,048,048	14,409,531	4,218,393	3,588,166	1,041,344	14,399,310	4,191,410
In other currencies	8,772,720	7,771,376	35,204,926	31,279,788	1,528,168	540,049	6,132,538	2,173,697
	<u>520,905,012</u>	<u>513,942,123</u>	<u>2,090,391,813</u>	<u>2,068,617,045</u>	<u>510,259,622</u>	<u>503,459,073</u>	<u>2,047,671,863</u>	<u>2,026,422,769</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			
	2025 US\$	2024 US\$	2025 KHR'000 (Note 5)	2024 KHR'000 (Note 5)	2025 US\$	2024 US\$	2025 KHR'000 (Note 5)	2024 KHR'000 (Note 5)
Balances with local banks:								
National Bank of Cambodia	1,010,032,498	1,247,773,047	4,053,260,414	5,022,286,514	1,010,032,498	1,247,773,047	4,053,260,414	5,022,286,514
Other banks	70,498,107	50,409,153	282,908,903	202,896,841	70,498,107	50,409,153	282,908,903	202,896,841
	<u>1,080,530,605</u>	<u>1,298,182,200</u>	<u>4,336,169,317</u>	<u>5,225,183,355</u>	<u>1,080,530,605</u>	<u>1,298,182,200</u>	<u>4,336,169,317</u>	<u>5,225,183,355</u>
Balances with overseas banks:								
Bank of Lao PDR	39,617,476	22,593,188	158,984,931	90,937,582	-	-	-	-
Other banks	1,686,339,405	662,239,182	6,767,280,032	2,665,512,708	1,683,571,601	660,436,819	6,756,172,835	2,658,258,196
	<u>1,725,956,881</u>	<u>684,832,370</u>	<u>6,926,264,963</u>	<u>2,756,450,290</u>	<u>1,683,571,601</u>	<u>660,436,819</u>	<u>6,756,172,835</u>	<u>2,658,258,196</u>
Total balances with local and overseas banks	2,806,487,486	1,983,014,570	11,262,434,280	7,981,633,645	2,764,102,206	1,958,619,019	11,092,342,152	7,883,441,551
Allowance for impairment losses	(653,068)	(622,908)	(2,620,761)	(2,507,205)	(589,255)	(560,890)	(2,364,680)	(2,257,582)
	<u>2,805,834,418</u>	<u>1,982,391,662</u>	<u>11,259,813,519</u>	<u>7,979,126,440</u>	<u>2,763,512,951</u>	<u>1,958,058,129</u>	<u>11,089,977,472</u>	<u>7,881,183,969</u>
Current	2,805,834,418	1,982,391,662	11,259,813,519	7,979,126,440	2,763,512,951	1,958,058,129	11,089,977,472	7,881,183,969
Non-current	-	-	-	-	-	-	-	-
	<u>2,805,834,418</u>	<u>1,982,391,662</u>	<u>11,259,813,519</u>	<u>7,979,126,440</u>	<u>2,763,512,951</u>	<u>1,958,058,129</u>	<u>11,089,977,472</u>	<u>7,881,183,969</u>

ACLEDA BANK PLC.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2025

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

(a) By account types

	The Group				The Bank			
	2025 US\$	2024 US\$	2025 KHR'000 (Note 5)	2024 KHR'000 (Note 5)	2025 US\$	2024 US\$	2025 KHR'000 (Note 5)	2024 KHR'000 (Note 5)
Balances with local banks:								
Current accounts	1,010,432,192	1,248,058,850	4,054,864,386	5,023,436,871	1,010,432,192	1,248,058,850	4,054,864,386	5,023,436,871
Fixed deposits	70,098,413	50,123,350	281,304,931	201,746,484	70,098,413	50,123,350	281,304,931	201,746,484
	<u>1,080,530,605</u>	<u>1,298,182,200</u>	<u>4,336,169,317</u>	<u>5,225,183,355</u>	<u>1,080,530,605</u>	<u>1,298,182,200</u>	<u>4,336,169,317</u>	<u>5,225,183,355</u>
Balances with overseas banks:								
Current accounts	1,224,963,044	684,832,370	4,915,776,695	2,756,450,290	1,183,059,626	660,436,819	4,747,618,279	2,658,258,196
Fixed deposits	500,993,837	-	2,010,488,268	-	500,511,975	-	2,008,554,556	-
	<u>1,725,956,881</u>	<u>684,832,370</u>	<u>6,926,264,963</u>	<u>2,756,450,290</u>	<u>1,683,571,601</u>	<u>660,436,819</u>	<u>6,756,172,835</u>	<u>2,658,258,196</u>
Total balances with local and overseas banks	2,806,487,486	1,983,014,570	11,262,434,280	7,981,633,645	2,764,102,206	1,958,619,019	11,092,342,152	7,883,441,551
Allowance for impairment losses	(653,068)	(622,908)	(2,620,761)	(2,507,205)	(589,255)	(560,890)	(2,364,680)	(2,257,582)
	<u>2,805,834,418</u>	<u>1,982,391,662</u>	<u>11,259,813,519</u>	<u>7,979,126,440</u>	<u>2,763,512,951</u>	<u>1,958,058,129</u>	<u>11,089,977,472</u>	<u>7,881,183,969</u>

(b) By interest rate (per annum)

	The Group		The Bank	
	2025	2024	2025	2024
Current accounts	Nil	Nil	Nil	Nil
Fixed deposits	1.60% - 11.80%	0.74% - 6.00%	3.00% - 6.00%	3.86% - 6.00%

ACLEDA BANK PLC.

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

(c) By maturity

	The Group				The Bank			
	2025 US\$	2024 US\$	2025 KHR'000 (Note 5)	2024 KHR'000 (Note 5)	2025 US\$	2024 US\$	2025 KHR'000 (Note 5)	2024 KHR'000 (Note 5)
On demand	2,235,395,236	1,932,891,220	8,970,641,082	7,779,887,161	2,193,491,817	1,908,495,669	8,802,482,661	7,681,695,068
Within 1 month	550,998,560	-	2,211,157,221	-	550,516,699	-	2,209,223,513	-
Between 2 to 3 months	10,008,083	40,056,406	40,162,437	161,227,034	10,008,083	40,056,406	40,162,437	161,227,033
Between 4 to 6 months	10,085,607	10,066,944	40,473,540	40,519,450	10,085,607	10,066,944	40,473,541	40,519,450
At gross carrying amount	<u>2,806,487,486</u>	<u>1,983,014,570</u>	<u>11,262,434,280</u>	<u>7,981,633,645</u>	<u>2,764,102,206</u>	<u>1,958,619,019</u>	<u>11,092,342,152</u>	<u>7,883,441,551</u>

9. FINANCIAL INVESTMENTS, NET

	Notes	The Group				The Bank			
		2025 US\$	2024 US\$	2025 KHR'000 (Note 5)	2024 KHR'000 (Note 5)	2025 US\$	2024 US\$	2025 KHR'000 (Note 5)	2024 KHR'000 (Note 5)
Unlisted equity securities at FVOCI									
Credit Bureau (Cambodia) Co., Ltd.		153,529	153,529	616,112	617,954	153,529	153,529	616,112	617,954
SWIFT		36,141	36,141	145,034	145,468	36,141	36,141	145,034	145,468
Total financial investments at FVOCI	(a)	<u>189,670</u>	<u>189,670</u>	<u>761,146</u>	<u>763,422</u>	<u>189,670</u>	<u>189,670</u>	<u>761,146</u>	<u>763,422</u>
Unquoted financial investments at amortised cost									
Negotiable certificate of deposits (NCDs) with the NBC									
	(b)	161,605,161	373,392,471	648,521,511	1,502,904,696	161,605,161	373,392,471	648,521,511	1,502,904,696
Debt securities	(c)	107,492,377	98,274,772	431,366,909	395,555,957	107,492,377	98,274,772	431,366,909	395,555,957
		<u>269,097,538</u>	<u>471,667,243</u>	<u>1,079,888,420</u>	<u>1,898,460,653</u>	<u>269,097,538</u>	<u>471,667,243</u>	<u>1,079,888,420</u>	<u>1,898,460,653</u>
ECL allowance		(703,279)	(52,035)	(2,822,259)	(209,441)	(703,279)	(52,035)	(2,822,259)	(209,441)
Total financial investments at amortised cost, net		<u>268,394,259</u>	<u>471,615,208</u>	<u>1,077,066,161</u>	<u>1,898,251,212</u>	<u>268,394,259</u>	<u>471,615,208</u>	<u>1,077,066,161</u>	<u>1,898,251,212</u>
Total financial investments, net		<u>268,583,929</u>	<u>471,804,878</u>	<u>1,077,827,307</u>	<u>1,899,014,634</u>	<u>268,583,929</u>	<u>471,804,878</u>	<u>1,077,827,307</u>	<u>1,899,014,634</u>

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
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9. FINANCIAL INVESTMENTS, NET (continued)

	The Group				The Bank			
	2025 US\$	2024 US\$	2025 KHR'000 (Note 5)	2024 KHR'000 (Note 5)	2025 US\$	2024 US\$	2025 KHR'000 (Note 5)	2024 KHR'000 (Note 5)
Financial investments at amortised cost								
Current	170,883,604	435,616,471	685,755,903	1,753,356,295	170,883,604	435,616,471	685,755,903	1,753,356,297
Non-current	98,213,934	36,050,772	394,132,517	145,104,358	98,213,934	36,050,772	394,132,517	145,104,356
At gross carrying amount	<u>269,097,538</u>	<u>471,667,243</u>	<u>1,079,888,420</u>	<u>1,898,460,653</u>	<u>269,097,538</u>	<u>471,667,243</u>	<u>1,079,888,420</u>	<u>1,898,460,653</u>

Analysis of maturity of financial investments at amortised cost

	The Group				The Bank			
	2025 US\$	2024 US\$	2025 KHR'000 (Note 5)	2024 KHR'000 (Note 5)	2025 US\$	2024 US\$	2025 KHR'000 (Note 5)	2024 KHR'000 (Note 5)
Within 1 month	161,469,240	409,702,370	647,976,060	1,649,052,039	161,469,240	409,702,370	647,976,060	1,649,052,041
Between 2 to 3 months	7,300,619	15,935,697	29,297,384	64,141,180	7,300,619	15,935,697	29,297,384	64,141,180
Between 4 to 6 months	158,527	120,478	636,169	484,924	158,527	120,478	636,169	484,924
Between 7 to 12 months	1,955,218	9,857,926	7,846,290	39,678,152	1,955,218	9,857,926	7,846,290	39,678,152
More than 12 months	98,213,934	36,050,772	394,132,517	145,104,358	98,213,934	36,050,772	394,132,517	145,104,356
At gross carrying amount	<u>269,097,538</u>	<u>471,667,243</u>	<u>1,079,888,420</u>	<u>1,898,460,653</u>	<u>269,097,538</u>	<u>471,667,243</u>	<u>1,079,888,420</u>	<u>1,898,460,653</u>

- (a) This represents the Bank's equity investment in Credit Bureau (Cambodia) Co., Ltd. ("CBC"), directly owned at 5% and indirectly owned at 1% through the Association of Banks in Cambodia. As at 31 December 2025, the Bank's investment in CBC is valued at cost amounting to US\$153,529 (31 December 2024: 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 2024: 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 2025 amounted to KHR1,187,524,800 (equivalent to US\$297,228) (31 December 2024: KHR1,187,524,800 (equivalent to US\$290,036)).
- (b) As at 31 December 2025, the NCDs amounting to US\$161,605,161 (31 December 2024: US\$373,392,471) with the NBC is made for the purpose of earning interest. The terms of the NCDs are for a period of less than or equal to twelve months.

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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
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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 earned an interest at the rate of 5.5% per annum and was redeemed upon reaching its maturity date on 11 January 2025. On 17 March 2025, the Bank reinvested with the same third party in a new corporate debt security with a face value of US\$30,000,000, earning interest at 6.25% p.a., and set to their mature between 2028 to 2032.

As at 31 December 2025, the carrying amount of this investment is US\$31,489,726 (31 December 2024: US\$31,609,315).

As at 31 December 2025, the amortised cost of the investments in government bonds is KHR304,998,637,936 (equivalent to US\$76,002,651) (31 December 2024: KHR268,328,469,435 (equivalent to US\$66,665,458)) and its face value is KHR308,000,000,000 (equivalent to US\$76,750,559) (31 December 2024: KHR268,000,000,000 (equivalent to US\$66,583,851)). As at 31 December 2025, the Bank has pledged the government bonds amounting to KHR83,230,000,000 (equivalent to US\$20,740,095) (31 December 2024: KHR98,300,000,000 (equivalent to US\$24,422,360)) with the NBC as collaterals for settlement clearing facility. As at 31 December 2025, the Bank is yet to utilise the overdraft on the 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	22/09/2023	8,000	4.50%	5.20%	3	22/09/2026	1,000,000	8,000,000	1,993,521
2	23/02/2024	10,000	4.00%	4.75%	2	23/02/2026	1,000,000	10,000,000	2,491,901
3	23/02/2024	10,000	4.00%	4.70%	2	23/02/2026	1,000,000	10,000,000	2,491,901
4	22/03/2024	120,000	4.50%	5.25%	3	22/03/2027	1,000,000	120,000,000	29,902,816
5	21/03/2025	40,000	3.50%	4.30%	3	21/03/2028	1,000,000	40,000,000	9,967,605
6	21/03/2025	40,000	3.50%	4.20%	3	21/03/2028	1,000,000	40,000,000	9,967,605
7	24/10/2025	40,000	3.40%	4.30%	3	24/10/2028	1,000,000	40,000,000	9,967,605
8	24/10/2025	40,000	3.40%	4.40%	3	24/10/2028	1,000,000	40,000,000	9,967,605
Total		308,000					8,000,000	308,000,000	76,750,559

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2025

10. LOANS AND ADVANCES, NET

	The Group											
	2025			2024			2025			2024		
	Gross carrying amount US\$	ECL allowance US\$	Net carrying amount US\$	Gross carrying amount US\$	ECL allowance US\$	Net carrying amount US\$	Gross carrying amount KHR'000 (Note 5)	ECL allowance KHR'000 (Note 5)	Net carrying amount KHR'000 (Note 5)	Gross carrying amount KHR'000 (Note 5)	ECL allowance KHR'000 (Note 5)	Net carrying amount KHR'000 (Note 5)
Small loan	3,486,518,754	(51,896,947)	3,434,621,807	3,207,188,106	(45,315,347)	3,161,872,759	13,991,399,760	(208,262,448)	13,783,137,312	12,908,932,127	(182,394,272)	12,726,537,855
Medium loan	2,498,575,400	(37,388,732)	2,461,186,668	2,495,321,357	(35,687,656)	2,459,633,701	10,026,783,079	(150,040,981)	9,876,742,098	10,043,668,462	(143,642,815)	9,900,025,647
Personal & other loan	816,000,925	(9,593,234)	806,407,691	616,161,630	(6,373,215)	609,788,415	3,274,611,712	(38,497,648)	3,236,114,064	2,480,050,561	(25,652,190)	2,454,398,371
Staff loan	308,250,164	(511,350)	307,738,814	298,878,207	(452,264)	298,425,943	1,237,007,908	(2,052,048)	1,234,955,860	1,202,984,783	(1,820,363)	1,201,164,420
Overdraft loan	158,492,812	(1,098,928)	157,393,884	163,487,893	(1,367,944)	162,119,949	636,031,655	(4,409,998)	631,621,657	658,038,769	(5,505,975)	652,532,794
Public housing loan	116,132,534	(1,536,731)	114,595,803	132,013,296	(1,474,404)	130,538,892	466,039,859	(6,166,902)	459,872,957	531,353,516	(5,934,476)	525,419,040
Credit card loan	171,595,081	(5,727,730)	165,867,351	123,331,831	(4,563,847)	118,767,984	688,611,060	(22,985,380)	665,625,680	496,410,620	(18,369,484)	478,041,136
Staff housing loan	29,566,298	(77,403)	29,488,895	31,630,872	(105,412)	31,525,460	118,649,554	(310,618)	118,338,936	127,314,260	(424,283)	126,889,977
Revolving loan	12,956,624	(98,458)	12,858,166	16,731,106	(124,106)	16,607,000	51,994,932	(395,112)	51,599,820	67,342,702	(499,527)	66,843,175
Trade loan	25,627,280	(143,854)	25,483,426	20,060,319	(59,116)	20,001,203	102,842,275	(577,286)	102,264,989	80,742,784	(237,942)	80,504,842
Home improvement loan	10,732,896	(118,823)	10,614,073	14,218,573	(335,775)	13,882,798	43,071,112	(476,837)	42,594,275	57,229,756	(1,351,494)	55,878,262
	<u>7,634,448,768</u>	<u>(108,192,190)</u>	<u>7,526,256,578</u>	<u>7,119,023,190</u>	<u>(95,859,086)</u>	<u>7,023,164,104</u>	<u>30,637,042,906</u>	<u>(434,175,258)</u>	<u>30,202,867,648</u>	<u>28,654,068,340</u>	<u>(385,832,821)</u>	<u>28,268,235,519</u>

	The Bank											
	2025			2024			2025			2024		
	Gross carrying amount US\$	ECL allowance US\$	Net carrying amount US\$	Gross carrying amount US\$	ECL allowance US\$	Net carrying amount US\$	Gross carrying amount KHR'000 (Note 5)	ECL allowance KHR'000 (Note 5)	Net carrying amount KHR'000 (Note 5)	Gross carrying amount KHR'000 (Note 5)	ECL allowance KHR'000 (Note 5)	Net carrying amount KHR'000 (Note 5)
Small loan	3,341,009,854	(42,542,524)	3,298,467,330	3,072,415,656	(29,425,877)	3,042,989,779	13,407,472,544	(170,723,149)	13,236,749,395	12,366,473,015	(118,439,155)	12,248,033,860
Medium loan	2,466,973,247	(37,293,868)	2,429,679,379	2,473,252,503	(35,573,651)	2,437,678,852	9,899,963,640	(149,660,293)	9,750,303,347	9,954,841,325	(143,183,945)	9,811,657,380
Personal & other loan	813,144,494	(9,586,312)	803,558,182	613,265,918	(6,352,877)	606,913,041	3,263,148,854	(38,469,870)	3,224,678,984	2,468,395,318	(25,570,329)	2,442,824,989
Staff loan	303,327,454	(502,622)	302,824,832	294,217,772	(443,062)	293,774,710	1,217,253,073	(2,017,022)	1,215,236,051	1,184,226,532	(1,783,325)	1,182,443,207
Overdraft loan	143,116,842	(1,057,831)	142,059,011	160,198,940	(1,344,023)	158,854,917	574,327,887	(4,245,076)	570,082,811	644,800,734	(5,409,693)	639,391,041
Public housing loan	114,122,273	(1,526,336)	112,595,937	129,886,188	(1,464,495)	128,421,693	457,972,682	(6,125,186)	451,847,496	522,791,907	(5,894,592)	516,897,315
Credit card loan	171,595,081	(5,727,730)	165,867,351	123,331,831	(4,563,847)	118,767,984	688,611,060	(22,985,380)	665,625,680	496,410,620	(18,369,484)	478,041,136
Staff housing loan	29,506,361	(77,291)	29,429,070	31,560,750	(105,300)	31,455,450	118,409,027	(310,169)	118,098,858	127,032,019	(423,833)	126,608,186
Revolving loan	12,956,624	(98,458)	12,858,166	16,731,106	(124,106)	16,607,000	51,994,932	(395,112)	51,599,820	67,342,702	(499,527)	66,843,175
Trade loan	25,627,280	(143,854)	25,483,426	20,060,319	(59,116)	20,001,203	102,842,275	(577,286)	102,264,989	80,742,784	(237,942)	80,504,842
Home improvement loan	4,140,263	(94,558)	4,045,705	6,464,796	(103,414)	6,361,382	16,614,875	(379,461)	16,235,414	26,020,804	(416,241)	25,604,563
	<u>7,425,519,773</u>	<u>(98,651,384)</u>	<u>7,326,868,389</u>	<u>6,941,385,779</u>	<u>(79,559,768)</u>	<u>6,861,826,011</u>	<u>29,798,610,849</u>	<u>(395,888,004)</u>	<u>29,402,722,845</u>	<u>27,939,077,760</u>	<u>(320,228,066)</u>	<u>27,618,849,694</u>

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2025

10. LOANS AND ADVANCES, NET (continued)

(a) Loans and advances at gross carrying amount by maturity

	The Group				The Bank			
	2025 US\$	2024 US\$	2025 KHR'000 (Note 5)	2024 KHR'000 (Note 5)	2025 US\$	2024 US\$	2025 KHR'000 (Note 5)	2024 KHR'000 (Note 5)
Within 1 year	1,640,909,714	1,589,975,812	6,584,970,682	6,399,652,643	1,565,516,552	1,521,686,724	6,282,417,923	6,124,789,064
Later than 1 year but not later than 3 years	2,588,193,556	2,271,851,384	10,386,420,740	9,144,201,821	2,520,236,296	2,212,294,171	10,113,708,256	8,904,484,038
Later than 3 years but not later than 5 years	1,559,979,248	1,524,697,928	6,260,196,722	6,136,909,160	1,529,553,934	1,494,760,397	6,138,099,937	6,016,410,598
Later than 5 years	1,845,366,250	1,732,498,066	7,405,454,762	6,973,304,716	1,810,212,991	1,712,644,487	7,264,384,733	6,893,394,060
At gross carrying amount	<u>7,634,448,768</u>	<u>7,119,023,190</u>	<u>30,637,042,906</u>	<u>28,654,068,340</u>	<u>7,425,519,773</u>	<u>6,941,385,779</u>	<u>29,798,610,849</u>	<u>27,939,077,760</u>

(b) Movement of impairment losses allowance on loans and advances

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

	The Group				The Bank			
	2025 US\$	2024 US\$	2025 KHR'000 (Note 5)	2024 KHR'000 (Note 5)	2025 US\$	2024 US\$	2025 KHR'000 (Note 5)	2024 KHR'000 (Note 5)
At the beginning 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
Impairment losses charged during the year	63,923,680	84,974,496	256,397,880	345,931,173	69,139,224	82,782,840	277,317,427	337,008,942
Written off during the year	(51,595,420)	(44,688,076)	(206,949,230)	(181,925,157)	(50,068,593)	(42,947,913)	(200,825,127)	(174,840,954)
Currency translation differences	4,844	(74,112)	19,429	(301,710)	20,985	125,303	84,171	510,109
Exchange differences	-	-	(1,125,642)	(5,188,573)	-	-	(916,533)	(4,214,144)
At the end of the year	<u>108,192,190</u>	<u>95,859,086</u>	<u>434,175,258</u>	<u>385,832,821</u>	<u>98,651,384</u>	<u>79,559,768</u>	<u>395,888,004</u>	<u>320,228,066</u>

ACLEDA BANK PLC.

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2025**

10. LOANS AND ADVANCES, NET (continued)

(c) Impairment losses charged to profit or loss

During the year, the Group and the Bank recognised the impairment losses charged to profit or loss as follows:

	The Group				The Bank			
	2025 US\$	2024 US\$	2025 KHR'000 (Note 5)	2024 KHR'000 (Note 5)	2025 US\$	2024 US\$	2025 KHR'000 (Note 5)	2024 KHR'000 (Note 5)
Impairment losses charged/(reversal of impairment losses) on:								
Loans and advances	63,923,680	84,974,496	256,397,880	345,931,173	69,139,224	82,782,840	277,317,427	337,008,942
Off-balance sheet commitments	673,712	37,752	2,702,259	153,688	643,409	23,078	2,580,713	93,951
Recovery on loans written off	(10,749,270)	(9,393,846)	(43,115,322)	(38,242,346)	(9,478,902)	(8,131,141)	(38,019,876)	(33,101,875)
	<u>53,848,122</u>	<u>75,618,402</u>	<u>215,984,817</u>	<u>307,842,515</u>	<u>60,303,731</u>	<u>74,674,777</u>	<u>241,878,264</u>	<u>304,001,018</u>
Deposits and placements with other banks	5,295	518,846	21,238	2,112,221	27,578	546,749	110,615	2,225,815
Other receivables	2,309,448	36,223	9,263,196	147,464	2,059,985	(5,634)	8,262,600	(22,936)
Investments in debt securities	651,244	(577,225)	2,612,140	(2,349,883)	651,244	(577,225)	2,612,140	(2,349,883)
	<u>2,965,987</u>	<u>(22,156)</u>	<u>11,896,574</u>	<u>(90,198)</u>	<u>2,738,807</u>	<u>(36,110)</u>	<u>10,985,355</u>	<u>(147,004)</u>
	<u>56,814,109</u>	<u>75,596,246</u>	<u>227,881,391</u>	<u>307,752,317</u>	<u>63,042,538</u>	<u>74,638,667</u>	<u>252,863,619</u>	<u>303,854,014</u>

ACLEDA BANK PLC.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2025

11. OTHER ASSETS, NET

	The Group				The Bank			
	2025 US\$	2024 US\$	2025 KHR'000 (Note 5)	2024 KHR'000 (Note 5)	2025 US\$	2024 US\$	2025 KHR'000 (Note 5)	2024 KHR'000 (Note 5)
Prepayments and advances Receivable from Western Union and VISA	10,317,664	10,039,772	41,404,786	40,410,082	9,299,163	9,152,065	37,317,541	36,837,062
Stationery supplies	6,123,634	5,451,235	24,574,143	21,941,221	6,092,897	5,430,497	24,450,796	21,857,750
Withholding tax receivable	6,099,443	5,122,700	24,477,065	20,618,868	5,800,367	4,903,001	23,276,873	19,734,579
Others	4,683,093	5,563,315	18,793,252	22,392,343	4,511,921	5,497,761	18,106,339	22,128,488
	9,723,624	5,082,693	39,020,904	20,457,838	6,490,496	3,146,223	26,046,360	12,663,549
	36,947,458	31,259,715	148,270,150	125,820,352	32,194,844	28,129,547	129,197,909	113,221,428
ECL allowance	(2,503,193)	(32,155)	(10,045,314)	(129,423)	(2,489,425)	(7,875)	(9,990,063)	(31,697)
Net carrying amount	34,444,265	31,227,560	138,224,836	125,690,929	29,705,419	28,121,672	119,207,846	113,189,731
Current	26,232,115	18,610,176	105,269,478	74,905,958	21,835,512	15,723,554	87,625,910	63,287,306
Non-current	8,212,150	12,617,384	32,955,358	50,784,971	7,869,907	12,398,118	31,581,936	49,902,425
Net carrying amount	34,444,265	31,227,560	138,224,836	125,690,929	29,705,419	28,121,672	119,207,846	113,189,731

12. STATUTORY DEPOSITS

	Notes	The Group				The Bank			
		2025 US\$	2024 US\$	2025 KHR'000 (Note 5)	2024 KHR'000 (Note 5)	2025 US\$	2024 US\$	2025 KHR'000 (Note 5)	2024 KHR'000 (Note 5)
With the central bank	(a)	644,296,242	596,402,637	2,585,560,819	2,400,520,614	644,296,242	596,402,637	2,585,560,819	2,400,520,614
With other central bank	(b)	10,389,557	7,164,290	41,693,294	28,836,266	-	-	-	-
Others	(c)	286,569	285,714	1,150,000	1,150,000	-	-	-	-
		654,972,368	603,852,641	2,628,404,113	2,430,506,880	644,296,242	596,402,637	2,585,560,819	2,400,520,614
Current		-	-	-	-	-	-	-	-
Non-current		654,972,368	603,852,641	2,628,404,113	2,430,506,880	644,296,242	596,402,637	2,585,560,819	2,400,520,614
		654,972,368	603,852,641	2,628,404,113	2,430,506,880	644,296,242	596,402,637	2,585,560,819	2,400,520,614

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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2025**

12. STATUTORY DEPOSITS (continued)

(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.

Subsequently, NBC issued another letter No. B7-024-1718 Chhor.Tor dated 21 August 2024 to further maintain the reserve requirement against deposits and borrowings in foreign currencies at the rate of 7% until 31 December 2025.

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\$600,979,940 as at 31 December 2025 (31 December 2024: US\$553,086,335).

(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 2025, capital guarantee deposit with NBC amounted to US\$43,316,302 (31 December 2024: 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 guaranteed capital of KHR1,000,000,000 (which is equivalent to US\$249,190 and US\$248,447 as at 31 December 2025 and 31 December 2024, 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\$37,379 and US\$37,267 as at 31 December 2025 and 31 December 2024, 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.

ACLEDA BANK PLC.

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2025**

12. STATUTORY DEPOSITS (continued)

(c) **Others** (continued)

On 6 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			
		2025 US\$	2024 US\$	2025 KHR'000 (Note 5)	2024 KHR'000 (Note 5)
Unquoted ordinary shares, at cost					
ACLEDA Bank Lao Ltd.	(a)	49,389,566	49,389,566	198,200,328	198,793,003
ACLEDA Securities Plc.	(b)	2,010,000	2,010,000	8,066,130	8,090,250
ACLEDA University of Business Co., Ltd.	(c)	19,805,000	19,805,000	79,477,465	79,715,125
ACLEDA MFI Myanmar Co., Ltd.	(d)	19,913,150	19,913,150	79,911,471	80,150,429
		<u>91,117,716</u>	<u>91,117,716</u>	<u>365,655,394</u>	<u>366,748,807</u>

Details of the Bank's subsidiaries are as follows:

Name of subsidiaries	Notes	Ownership and voting interest	
		2025	2024
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 was 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, Triodos Fair Share Fund and IFC amounting to US\$28,902,433 but sold share to AUB amounting US\$27,335 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 2025, 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. 00002713. 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.

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2025

13. INVESTMENTS IN SUBSIDIARIES (continued)

(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. 00003836. The registered share capital of AUB was 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”).

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, equals 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 was 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 was US\$9,411,765. In 2014, the Bank sold shares to IFC, COFIBRED S.A and Kreditanstalt Fur Wiederaufbau (“KfW”) amounting to US\$3,659,371, which decreased its investments in AMM to US\$5,752,394.

ACLEDA BANK PLC.

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2025**

13. INVESTMENTS IN SUBSIDIARIES (continued)

(d) ACLEDA MFI Myanmar Co., Ltd. (continued)

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\$6,194,516 as approved by the Board of Directors of AMM on 25 April 2018. At the meantime, the Bank transferred share of 0.01% to AUB amounting US\$1,195. 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”) 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 (2020: 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.

14. ASSETS HELD FOR SALE

Assets held for sale consist of immovable properties, such as lands and buildings, acquired through the foreclosure of collaterals from defaults on loans and advances from customer. These properties have been repossessed by the Group and the Bank as part of the settlement of debts.

The movements of the assets held for sale during the year are as follows:

	The Group				The Bank			
	2025 US\$	2024 US\$	2025 KHR'000 (Note 5)	2024 KHR'000 (Note 5)	2025 US\$	2024 US\$	2025 KHR'000 (Note 5)	2024 KHR'000 (Note 5)
At the beginning of the year	-	-	-	-	-	-	-	-
Additions (*)	13,372,583	-	53,637,430	-	13,372,583	-	53,637,430	-
Exchange differences	-	-	26,746	-	-	-	26,746	-
At the end of the year	13,372,583	-	53,664,176	-	13,372,583	-	53,664,176	-

(*) During the year, the Group and the Bank foreclosed several properties pledged as collaterals by a borrower to settle outstanding loan balances.

Valuation process (technique/inputs) used to determine fair value

The level 3 fair value of foreclosed properties has been derived using comparison method and cost method.

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
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14. ASSETS HELD FOR SALE (continued)

	The Group				The Bank			
	2025 US\$	2024 US\$	2025 KHR'000 (Note 5)	2024 KHR'000 (Note 5)	2025 US\$	2024 US\$	2025 KHR'000 (Note 5)	2024 KHR'000 (Note 5)
Fair value	13,372,583	-	53,664,176	-	13,372,583	-	53,664,176	-

The foreclosed properties were valued by a valuation company accredited by the Real Estate Business & Pawnshop Regulator of Cambodia, and the management believes that there is no significant change on valuation from the reporting date.

15. 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 2025	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
Additions	-	16,356	1,408	1,489,911	8,010,012	8,553,190	2,498,312	463,719	21,032,908
Disposals/write-offs	-	-	-	(434,413)	(2,397,364)	(854,536)	(1,571,271)	-	(5,257,584)
Transfers	-	-	-	120,750	1,006,639	2,489,025	54,277	(3,670,691)	-
Currency translation differences	-	-	-	49,739	(65,025)	(98,648)	(10,183)	(337)	(124,454)
Adjustments	-	-	-	-	3,801	858	-	(103,629)	(98,970)
As at 31 December 2025	14,542,280	1,793,694	99,133,828	14,087,170	109,943,254	117,730,533	28,714,327	561,902	386,506,988
Less: Accumulated depreciation									
As at 1 January 2025	-	1,032,398	40,579,710	8,229,339	75,470,902	77,329,664	16,785,462	-	219,427,475
Charge for the year	-	70,548	4,619,375	1,997,466	11,359,960	9,109,838	2,408,663	-	29,565,850
Disposals/write-offs	-	-	-	(402,425)	(2,345,418)	(851,026)	(1,571,271)	-	(5,170,140)
Currency translation differences	-	(10)	(3,736)	29,004	(55,309)	(59,345)	(8,156)	-	(97,552)
As at 31 December 2025	-	1,102,936	45,195,349	9,853,384	84,430,135	85,529,131	17,614,698	-	243,725,633
Net carrying value	14,542,280	690,758	53,938,479	4,233,786	25,513,119	32,201,402	11,099,629	561,902	142,781,355
<i>In KHR'000 equivalent (Note 5)</i>	58,358,170	2,772,012	216,455,116	16,990,183	102,384,147	129,224,226	44,542,811	2,254,913	572,981,578

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

As at 31 December 2025, fully depreciated property and equipment of the Group with total historical cost of US\$120,513,079 (31 December 2024: US\$109,669,869) are still in active use.

	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 hyperinflation restatement	-	-	-	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	<u>14,542,280</u>	<u>1,777,338</u>	<u>99,132,420</u>	<u>12,861,183</u>	<u>103,385,191</u>	<u>107,640,644</u>	<u>27,743,192</u>	<u>3,872,840</u>	<u>370,955,088</u>
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 hyperinflation restatement	-	-	-	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	<u>-</u>	<u>1,032,398</u>	<u>40,579,710</u>	<u>8,229,339</u>	<u>75,470,902</u>	<u>77,329,664</u>	<u>16,785,462</u>	<u>-</u>	<u>219,427,475</u>
Net carrying value	<u>14,542,280</u>	<u>744,940</u>	<u>58,552,710</u>	<u>4,631,844</u>	<u>27,914,289</u>	<u>30,310,980</u>	<u>10,957,730</u>	<u>3,872,840</u>	<u>151,527,613</u>
<i>In KHR'000 equivalent (Note 5)</i>	<u><u>58,532,677</u></u>	<u><u>2,998,384</u></u>	<u><u>235,674,658</u></u>	<u><u>18,643,172</u></u>	<u><u>112,355,013</u></u>	<u><u>122,001,695</u></u>	<u><u>44,104,863</u></u>	<u><u>15,588,180</u></u>	<u><u>609,898,642</u></u>

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
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15. 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 2025	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
Additions	-	-	-	1,412,076	7,739,384	8,082,765	2,463,066	426,323	20,123,614
Disposals/write-offs	-	-	-	(408,897)	(2,287,413)	(803,847)	(1,553,746)	-	(5,053,903)
Transfers	-	-	-	113,190	984,936	2,458,102	44,806	(3,601,034)	-
Adjustments	-	-	-	-	3,801	858	-	(103,629)	(98,970)
As at 31 December 2025	<u>2,328,344</u>	<u>282,726</u>	<u>77,195,956</u>	<u>13,469,001</u>	<u>107,557,668</u>	<u>107,024,157</u>	<u>27,355,425</u>	<u>555,680</u>	<u>335,768,957</u>
Less: Accumulated depreciation									
As at 1 January 2025	-	184,304	36,049,117	7,811,298	73,561,275	71,844,748	15,996,865	-	205,447,607
Charge for the year	-	9,216	3,887,072	1,963,090	11,220,155	7,755,094	2,258,238	-	27,092,865
Disposals/write-offs	-	-	-	(377,421)	(2,265,199)	(800,674)	(1,553,746)	-	(4,997,040)
Currency translation differences	-	(10)	(3,736)	(1,781)	(10,306)	(7,369)	(2,068)	-	(25,270)
As at 31 December 2025	<u>-</u>	<u>193,510</u>	<u>39,932,453</u>	<u>9,395,186</u>	<u>82,505,925</u>	<u>78,791,799</u>	<u>16,699,289</u>	<u>-</u>	<u>227,518,162</u>
Net carrying value	<u>2,328,344</u>	<u>89,216</u>	<u>37,263,503</u>	<u>4,073,815</u>	<u>25,051,743</u>	<u>28,232,358</u>	<u>10,656,136</u>	<u>555,680</u>	<u>108,250,795</u>
<i>In KHR'000 equivalent (Note 5)</i>	<u>9,343,644</u>	<u>358,024</u>	<u>149,538,438</u>	<u>16,348,220</u>	<u>100,532,643</u>	<u>113,296,453</u>	<u>42,763,074</u>	<u>2,229,944</u>	<u>434,410,440</u>

As at 31 December 2025, fully depreciated property and equipment of the Bank with total historical cost of US\$114,195,436 (31 December 2024: US\$103,228,956) are still in active use.

ACLEDA BANK PLC.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
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15. 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	<u>2,328,344</u>	<u>282,726</u>	<u>77,195,956</u>	<u>12,352,632</u>	<u>101,116,960</u>	<u>97,286,279</u>	<u>26,401,299</u>	<u>3,834,020</u>	<u>320,798,216</u>
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	<u>-</u>	<u>184,304</u>	<u>36,049,117</u>	<u>7,811,298</u>	<u>73,561,275</u>	<u>71,844,748</u>	<u>15,996,865</u>	<u>-</u>	<u>205,447,607</u>
Net carrying value	<u>2,328,344</u>	<u>98,422</u>	<u>41,146,839</u>	<u>4,541,334</u>	<u>27,555,685</u>	<u>25,441,531</u>	<u>10,404,434</u>	<u>3,834,020</u>	<u>115,350,609</u>
<i>In KHR'000 equivalent (Note 5)</i>	<u>9,371,585</u>	<u>396,149</u>	<u>165,616,027</u>	<u>18,278,869</u>	<u>110,911,632</u>	<u>102,402,162</u>	<u>41,877,847</u>	<u>15,431,930</u>	<u>464,286,201</u>

Movement for cash used for purchases of property and equipment

	The Group				The Bank			
	2025 US\$	2024 US\$	2025 KHR'000 (Note 5)	2024 KHR'000 (Note 5)	2025 US\$	2024 US\$	2025 KHR'000 (Note 5)	2024 KHR'000 (Note 5)
Additions	21,032,908	28,934,231	84,362,994	117,791,254	20,123,614	25,574,652	80,715,816	104,114,408
Decrease/(increase) in accounts payables for capital expenditure	29,030	(46,063)	116,439	(187,522)	29,030	-	116,439	-
Cash used for purchases of property and equipment	<u>21,061,938</u>	<u>28,888,168</u>	<u>84,479,433</u>	<u>117,603,732</u>	<u>20,152,644</u>	<u>25,574,652</u>	<u>80,832,255</u>	<u>104,114,408</u>

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
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16. INTANGIBLE ASSETS, NET

	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 2025	50,830,252	2,084,489	52,914,741	46,937,820	2,084,489	49,022,309
Additions	2,826,917	487,558	3,314,475	2,826,211	483,908	3,310,119
Write-offs	(145,067)	-	(145,067)	(145,067)	-	(145,067)
Transfers	829,856	(829,856)	-	829,856	(829,856)	-
Currency translation differences	(40,110)	-	(40,110)	-	-	-
Adjustments	-	(536,102)	(536,102)	-	(536,102)	(536,102)
As at 31 December 2025	<u>54,301,848</u>	<u>1,206,089</u>	<u>55,507,937</u>	<u>50,448,820</u>	<u>1,202,439</u>	<u>51,651,259</u>
Less: Accumulated amortisation						
As at 1 January 2025	36,177,923	-	36,177,923	33,876,917	-	33,876,917
Charge for the year	5,910,412	-	5,910,412	5,435,854	-	5,435,854
Write-offs	(144,486)	-	(144,486)	(144,486)	-	(144,486)
Currency translation differences	(29,477)	-	(29,477)	(4,839)	-	(4,839)
As at 31 December 2025	<u>41,914,372</u>	<u>-</u>	<u>41,914,372</u>	<u>39,163,446</u>	<u>-</u>	<u>39,163,446</u>
Net carrying value	<u>12,387,476</u>	<u>1,206,089</u>	<u>13,593,565</u>	<u>11,285,374</u>	<u>1,202,439</u>	<u>12,487,813</u>
<i>In KHR'000 equivalent (Note 5)</i>	<u>49,710,941</u>	<u>4,840,035</u>	<u>54,550,976</u>	<u>45,288,206</u>	<u>4,825,388</u>	<u>50,113,594</u>

As at 31 December 2025, the Group's and the Bank's fully amortised intangible assets with historical cost of US\$31,184,677 and US\$29,725,505, respectively (31 December 2024: US\$25,272,431 and US\$23,806,038, respectively), are still used actively.

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
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16. 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 2024	40,498,585	2,730,718	43,229,303	38,153,750	2,288,017	40,441,767
Additions	8,800,889	1,750,259	10,551,148	8,539,020	1,230,875	9,769,895
Write-offs	(582,023)	-	(582,023)	(566,790)	-	(566,790)
Transfers	1,744,376	(1,744,376)	-	811,840	(811,840)	-
Effect of hyperinflation restatement	521,315	-	521,315	-	-	-
Currency translation differences	(152,890)	(29,549)	(182,439)	-	-	-
Adjustments	-	(622,563)	(622,563)	-	(622,563)	(622,563)
As at 31 December 2024	50,830,252	2,084,489	52,914,741	46,937,820	2,084,489	49,022,309
Less: Accumulated amortisation						
As at 1 January 2024	32,458,285	-	32,458,285	30,612,312	-	30,612,312
Charge for the year	4,565,938	-	4,565,938	4,313,776	-	4,313,776
Write-offs	(521,877)	-	(521,877)	(506,644)	-	(506,644)
Effect of hyperinflation restatement	338,327	-	338,327	-	-	-
Currency translation differences	(124,017)	-	(124,017)	(3,794)	-	(3,794)
Adjustments	(538,733)	-	(538,733)	(538,733)	-	(538,733)
As at 31 December 2024	36,177,923	-	36,177,923	33,876,917	-	33,876,917
Net carrying value	14,652,329	2,084,489	16,736,818	13,060,903	2,084,489	15,145,392
<i>In KHR'000 equivalent (Note 5)</i>	58,975,624	8,390,068	67,365,692	52,570,135	8,390,068	60,960,203

Movement for cash used for purchases of intangible assets

	The Group				The Bank			
	2025 US\$	2024 US\$	2025 KHR'000 (Note 5)	2024 KHR'000 (Note 5)	2025 US\$	2024 US\$	2025 KHR'000 (Note 5)	2024 KHR'000 (Note 5)
Additions	3,314,475	10,551,148	13,294,359	42,953,724	3,310,119	9,769,895	13,276,887	39,773,243
Decrease/(increase) in accounts payables for intangible assets	2,767,517	(246,551)	11,100,511	(1,003,709)	2,763,867	-	11,085,871	-
Cash used for purchases of intangible assets	6,081,992	10,304,597	24,394,870	41,950,015	6,073,986	9,769,895	24,362,758	39,773,243

ACLEDA BANK PLC.

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

	The Group				The Bank			
	2025 US\$	2024 US\$	2025 KHR'000 (Note 5)	2024 KHR'000 (Note 5)	2025 US\$	2024 US\$	2025 KHR'000 (Note 5)	2024 KHR'000 (Note 5)
Right-of-use assets	35,236,565	36,146,086	141,404,335	145,487,996	32,831,596	33,189,075	131,753,195	133,586,027

The Group and the Bank lease office buildings, ATM locations and parking lots for its operations. Information about leases for which the Group or the Bank is a lessee is presented below:

	The Group				The Bank			
	2025 US\$	2024 US\$	2025 KHR'000 (Note 5)	2024 KHR'000 (Note 5)	2025 US\$	2024 US\$	2025 KHR'000 (Note 5)	2024 KHR'000 (Note 5)
At the beginning of the year	36,146,086	32,410,303	145,487,996	132,396,088	33,189,075	30,852,413	133,586,027	126,032,107
Additions during the year	13,147,883	17,173,328	52,736,159	69,912,618	12,809,712	16,373,362	51,379,755	66,655,957
Effect of hyperinflationary economy	-	897,839	-	3,655,103	-	-	-	-
Depreciation for the year	(13,725,542)	(12,910,310)	(55,053,149)	(52,557,872)	(12,786,385)	(12,437,143)	(51,286,190)	(50,631,609)
Lease termination during the year	(292,693)	(1,631,785)	(1,173,992)	(6,642,997)	(382,274)	(1,633,217)	(1,533,301)	(6,648,826)
Currency translation differences	(39,169)	206,711	(157,107)	841,520	1,468	33,660	5,888	137,030
Exchange differences	-	-	(435,572)	(2,116,464)	-	-	(398,984)	(1,958,632)
At the end of the year	35,236,565	36,146,086	141,404,335	145,487,996	32,831,596	33,189,075	131,753,195	133,586,027

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

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

	The Group				The Bank			
	2025 US\$	2024 US\$	2025 KHR'000 (Note 5)	2024 KHR'000 (Note 5)	2025 US\$	2024 US\$	2025 KHR'000 (Note 5)	2024 KHR'000 (Note 5)
Depreciation expense	13,725,542	12,910,310	55,053,149	52,557,872	12,786,385	12,437,143	51,286,190	50,631,609
Interest expense on lease liabilities	2,129,195	2,098,202	8,540,201	8,541,780	1,953,627	1,944,340	7,835,998	7,915,408
Expense relating to short-term lease	6,227	3,115	24,976	12,681	-	-	-	-
(Gain)/loss on pre-termination of leases	(50,244)	(139,265)	(201,529)	(566,948)	16,558	(122,709)	66,414	(499,548)
	<u>15,810,720</u>	<u>14,872,362</u>	<u>63,416,797</u>	<u>60,545,385</u>	<u>14,756,570</u>	<u>14,258,774</u>	<u>59,188,602</u>	<u>58,047,469</u>

ACLEDA BANK PLC.

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18. DEFERRED TAX ASSETS AND DEFERRED TAX LIABILITIES

	The Group				The Bank			
	2025 US\$	2024 US\$	2025 KHR'000 (Note 5)	2024 KHR'000 (Note 5)	2025 US\$	2024 US\$	2025 KHR'000 (Note 5)	2024 KHR'000 (Note 5)
Deferred tax assets	1,405,148	4,149,905	5,638,859	16,703,368	-	-	-	-
Deferred tax liabilities	(595,071)	(3,361,806)	(2,388,020)	(13,531,270)	-	-	-	-
Net deferred tax assets	810,077	788,099	3,250,839	3,172,098	-	-	-	-
Deferred tax assets	19,414,575	17,755,287	77,910,689	71,465,030	17,397,126	17,755,287	69,814,667	71,465,030
Deferred tax liabilities	(66,332,155)	(51,651,549)	(266,190,938)	(207,897,485)	(62,448,839)	(51,651,549)	(250,607,191)	(207,897,485)
Net deferred tax liabilities	(46,917,580)	(33,896,262)	(188,280,249)	(136,432,455)	(45,051,713)	(33,896,262)	(180,792,524)	(136,432,455)
Total deferred tax assets	20,819,723	21,905,192	83,549,548	88,168,398	17,397,126	17,755,287	69,814,667	71,465,030
Total deferred tax liabilities	(66,927,226)	(55,013,355)	(268,578,958)	(221,428,755)	(62,448,839)	(51,651,549)	(250,607,191)	(207,897,485)
Total net deferred tax liabilities	(46,107,503)	(33,108,163)	(185,029,410)	(133,260,357)	(45,051,713)	(33,896,262)	(180,792,524)	(136,432,455)

The movements in total net deferred tax liabilities during the year are presented as follows:

	The Group				The Bank			
	2025 US\$	2024 US\$	2025 KHR'000 (Note 5)	2024 KHR'000 (Note 5)	2025 US\$	2024 US\$	2025 KHR'000 (Note 5)	2024 KHR'000 (Note 5)
At the beginning 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)
Charged to profit or loss	(12,992,278)	(7,844,754)	(52,112,028)	(31,935,994)	(11,155,451)	(7,114,217)	(44,744,514)	(28,961,977)
Currency translation differences	(7,062)	166,010	(28,326)	675,827	-	-	-	-
Exchange differences	-	-	371,301	1,878,987	-	-	384,445	1,934,176
At the end of the year	(46,107,503)	(33,108,163)	(185,029,410)	(133,260,357)	(45,051,713)	(33,896,262)	(180,792,524)	(136,432,455)

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2025

18. 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 Group:

	Unamortised loan fees US\$	Unearned revenue US\$	Provision for expected credit losses US\$	Other provision US\$	Employee benefits US\$	Unrealised exchange losses US\$	Accelerated depreciation US\$	Lease liabilities US\$	Others US\$	Total US\$
As at 1 January 2025	599,781	49,332	3,313,276	6,048,380	1,315,993	3,701,526	-	6,556,955	319,949	21,905,192
Credited/(charged) to profit or loss	76,156	(41)	(1,404,651)	398,199	(1,193,860)	1,205,937	-	(98,620)	(68,589)	(1,085,469)
As at 31 December 2025	675,937	49,291	1,908,625	6,446,579	122,133	4,907,463	-	6,458,335	251,360	20,819,723
<i>In KHR'000 equivalent (Note 5)</i>	<u>2,712,535</u>	<u>197,805</u>	<u>7,659,312</u>	<u>25,870,122</u>	<u>490,120</u>	<u>19,693,649</u>	-	<u>25,917,298</u>	<u>1,008,707</u>	<u>83,549,548</u>
As at 1 January 2024	710,701	54,593	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	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	6,048,380	1,315,993	3,701,526	-	6,556,955	319,949	21,905,192
<i>In KHR'000 equivalent (Note 5)</i>	<u>2,414,119</u>	<u>198,561</u>	<u>13,335,936</u>	<u>24,344,730</u>	<u>5,296,872</u>	<u>14,898,642</u>	-	<u>26,391,744</u>	<u>1,287,794</u>	<u>88,168,398</u>

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
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18. 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:

	Other provision US\$	Employee benefits US\$	Unrealised exchange losses US\$	Lease liabilities US\$	Others US\$	Total US\$
As at 1 January 2025	5,985,689	1,306,712	3,586,227	6,556,710	319,949	17,755,287
Credited/(charged) to profit or loss	400,103	(1,193,860)	603,942	(99,757)	(68,589)	(358,161)
As at 31 December 2025	6,385,792	112,852	4,190,169	6,456,953	251,360	17,397,126
<i>In KHR'000 equivalent (Note 5)</i>	<u>25,626,183</u>	<u>452,875</u>	<u>16,815,148</u>	<u>25,911,752</u>	<u>1,008,709</u>	<u>69,814,667</u>
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>	<u>24,092,398</u>	<u>5,259,516</u>	<u>14,434,564</u>	<u>26,390,758</u>	<u>1,287,794</u>	<u>71,465,030</u>

Deferred tax liabilities of the Group:

	Unamortised loan fees US\$	Provision for expected credit losses US\$	Unrealised exchange gains US\$	Accelerated depreciation US\$	Right-of-use assets US\$	Others US\$	Total US\$
As at 1 January 2025	4,625,288	41,491,226	-	2,707,144	6,188,270	1,427	55,013,355
Charged/(credited) to profit or loss	5,603,463	6,293,890	-	(290,139)	107,181	199,476	11,913,871
As at 31 December 2025	10,228,751	47,785,116	-	2,417,005	6,295,451	200,903	66,927,226
<i>In KHR'000 equivalent (Note 5)</i>	<u>41,047,978</u>	<u>191,761,671</u>	<u>-</u>	<u>9,699,441</u>	<u>25,263,645</u>	<u>806,223</u>	<u>268,578,958</u>
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>	<u>18,616,785</u>	<u>167,002,185</u>	<u>-</u>	<u>10,896,255</u>	<u>24,907,787</u>	<u>5,743</u>	<u>221,428,755</u>

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18. 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 2025	1,375,944	41,398,338	2,688,997	6,188,270	51,651,549
Charged/(credited) to profit or loss	4,969,608	6,187,312	(290,173)	(69,457)	10,797,290
As at 31 December 2025	<u>6,345,552</u>	<u>47,585,650</u>	<u>2,398,824</u>	<u>6,118,813</u>	<u>62,448,839</u>
<i>In KHR'000 equivalent (Note 5)</i>	<u>25,464,700</u>	<u>190,961,213</u>	<u>9,626,481</u>	<u>24,554,797</u>	<u>250,607,191</u>
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	<u>1,375,944</u>	<u>41,398,338</u>	<u>2,688,997</u>	<u>6,188,270</u>	<u>51,651,549</u>
<i>In KHR'000 equivalent (Note 5)</i>	<u>5,538,175</u>	<u>166,628,310</u>	<u>10,823,213</u>	<u>24,907,787</u>	<u>207,897,485</u>

19. DEPOSITS AND PLACEMENTS OF OTHER BANKS AND FINANCIAL INSTITUTIONS

	The Group				The Bank			
	2025 US\$	2024 US\$	2025 KHR'000 (Note 5)	2024 KHR'000 (Note 5)	2025 US\$	2024 US\$	2025 KHR'000 (Note 5)	2024 KHR'000 (Note 5)
Current accounts	83,095,123	91,515,600	333,460,729	368,350,290	84,103,451	94,833,426	337,507,149	381,704,540
Savings deposits	29,680,376	33,074,622	119,107,349	133,125,354	28,582,602	32,036,847	114,701,982	128,948,309
Fixed deposits	221,464,032	271,924,129	888,735,160	1,094,494,619	197,036,551	245,857,331	790,707,679	989,575,757
	<u>334,239,531</u>	<u>396,514,351</u>	<u>1,341,303,238</u>	<u>1,595,970,263</u>	<u>309,722,604</u>	<u>372,727,604</u>	<u>1,242,916,810</u>	<u>1,500,228,606</u>
Current	236,396,941	280,073,909	948,660,924	1,127,297,484	212,162,473	256,572,604	851,408,004	1,032,704,731
Non-current	97,842,590	116,440,442	392,642,314	468,672,779	97,560,131	116,155,000	391,508,806	467,523,875
	<u>334,239,531</u>	<u>396,514,351</u>	<u>1,341,303,238</u>	<u>1,595,970,263</u>	<u>309,722,604</u>	<u>372,727,604</u>	<u>1,242,916,810</u>	<u>1,500,228,606</u>

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
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19. 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			
	2025 US\$	2024 US\$	2025 KHR'000 (Note 5)	2024 KHR'000 (Note 5)	2025 US\$	2024 US\$	2025 KHR'000 (Note 5)	2024 KHR'000 (Note 5)
Within 6 months	199,114,703	236,465,459	799,047,303	951,773,473	182,372,025	216,344,800	731,858,936	870,787,820
Later than 6 months but not later than 1 year	37,282,238	43,608,450	149,613,621	175,524,011	29,790,448	40,227,804	119,549,068	161,916,911
Later than 1 year but not later than 3 years	11,892,590	29,860,442	47,724,964	120,188,279	11,610,131	29,575,000	46,591,456	119,039,375
Later than 3 years	85,950,000	86,580,000	344,917,350	348,484,500	85,950,000	86,580,000	344,917,350	348,484,500
	<u>334,239,531</u>	<u>396,514,351</u>	<u>1,341,303,238</u>	<u>1,595,970,263</u>	<u>309,722,604</u>	<u>372,727,604</u>	<u>1,242,916,810</u>	<u>1,500,228,606</u>

(b) By relationship

	The Group				The Bank			
	2025 US\$	2024 US\$	2025 KHR'000 (Note 5)	2024 KHR'000 (Note 5)	2025 US\$	2024 US\$	2025 KHR'000 (Note 5)	2024 KHR'000 (Note 5)
Related parties	100,616	74,940	403,772	301,634	1,135,640	3,485,169	4,557,323	14,027,805
Non-related parties	334,138,915	396,439,411	1,340,899,466	1,595,668,629	308,586,964	369,242,435	1,238,359,487	1,486,200,801
	<u>334,239,531</u>	<u>396,514,351</u>	<u>1,341,303,238</u>	<u>1,595,970,263</u>	<u>309,722,604</u>	<u>372,727,604</u>	<u>1,242,916,810</u>	<u>1,500,228,606</u>

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
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19. DEPOSITS AND PLACEMENTS OF OTHER BANKS AND FINANCIAL INSTITUTIONS (continued)

(c) By interest (per annum)

	The Group		The Bank	
	2025	2024	2025	2024
Current accounts	0.00% - 2.00%	0.00% - 2.00%	0.00% - 0.75%	0.00% - 0.75%
Savings deposits	0.00% - 3.00%	0.00% - 3.00%	0.00% - 1.00%	0.00% - 1.00%
Fixed deposits	1.00% - 14.00%	1.45% - 13.00%	1.00% - 9.50%	1.45% - 9.50%

20. DEPOSITS FROM CUSTOMERS

	The Group				The Bank			
	2025 US\$	2024 US\$	2025 KHR'000 (Note 5)	2024 KHR'000 (Note 5)	2025 US\$	2024 US\$	2025 KHR'000 (Note 5)	2024 KHR'000 (Note 5)
Current accounts	1,794,859,195	1,416,388,683	7,202,769,950	5,700,964,450	1,780,680,241	1,400,198,752	7,145,869,807	5,635,799,977
Savings deposits	3,288,247,072	2,843,866,399	13,195,735,500	11,446,562,256	3,251,429,921	2,814,795,170	13,047,988,273	11,329,550,559
Margin deposits	22,084,889	21,430,854	88,626,659	86,259,187	22,084,889	21,405,782	88,626,659	86,158,273
Fixed deposits	3,929,836,788	3,680,855,498	15,770,435,030	14,815,443,379	3,818,825,898	3,608,898,685	15,324,948,329	14,525,817,207
	<u>9,035,027,944</u>	<u>7,962,541,434</u>	<u>36,257,567,139</u>	<u>32,049,229,272</u>	<u>8,873,020,949</u>	<u>7,845,298,389</u>	<u>35,607,433,068</u>	<u>31,577,326,016</u>

	The Group				The Bank			
	2025 US\$	2024 US\$	2025 KHR'000 (Note 5)	2024 KHR'000 (Note 5)	2025 US\$	2024 US\$	2025 KHR'000 (Note 5)	2024 KHR'000 (Note 5)
Current	8,191,744,038	7,117,246,308	32,873,468,824	28,646,916,389	8,057,832,946	7,020,842,564	32,336,083,612	28,258,891,321
Non-current	843,283,906	845,295,126	3,384,098,315	3,402,312,883	815,188,003	824,455,825	3,271,349,456	3,318,434,695
	<u>9,035,027,944</u>	<u>7,962,541,434</u>	<u>36,257,567,139</u>	<u>32,049,229,272</u>	<u>8,873,020,949</u>	<u>7,845,298,389</u>	<u>35,607,433,068</u>	<u>31,577,326,016</u>

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
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20. DEPOSITS FROM CUSTOMERS (continued)

The deposits from customers are analysed as follows:

(a) By maturity

	The Group				The Bank			
	2025 US\$	2024 US\$	2025 KHR'000 (Note 5)	2024 KHR'000 (Note 5)	2025 US\$	2024 US\$	2025 KHR'000 (Note 5)	2024 KHR'000 (Note 5)
Within 6 months	6,890,969,386	5,939,385,466	27,653,460,146	23,906,026,500	6,782,175,112	5,870,580,196	27,216,868,724	23,629,085,290
Later than 6 months but not later than 1 year	1,300,774,652	1,177,860,842	5,220,008,678	4,740,889,889	1,275,657,834	1,150,262,368	5,119,214,888	4,629,806,031
Later than 1 year but not later than 3 years	735,311,760	578,023,980	2,950,806,093	2,326,546,520	713,483,606	567,308,496	2,863,209,711	2,283,416,696
Later than 3 years	107,972,146	267,271,146	433,292,222	1,075,766,363	101,704,397	257,147,329	408,139,745	1,035,017,999
	<u>9,035,027,944</u>	<u>7,962,541,434</u>	<u>36,257,567,139</u>	<u>32,049,229,272</u>	<u>8,873,020,949</u>	<u>7,845,298,389</u>	<u>35,607,433,068</u>	<u>31,577,326,016</u>

(b) By relationship

	The Group				The Bank			
	2025 US\$	2024 US\$	2025 KHR'000 (Note 5)	2024 KHR'000 (Note 5)	2025 US\$	2024 US\$	2025 KHR'000 (Note 5)	2024 KHR'000 (Note 5)
Related parties	25,644,306	16,144,658	102,910,600	64,982,248	27,918,254	17,093,841	112,035,953	68,802,711
Non-related parties	9,009,383,638	7,946,396,776	36,154,656,539	31,984,247,024	8,845,102,695	7,828,204,548	35,495,397,115	31,508,523,305
	<u>9,035,027,944</u>	<u>7,962,541,434</u>	<u>36,257,567,139</u>	<u>32,049,229,272</u>	<u>8,873,020,949</u>	<u>7,845,298,389</u>	<u>35,607,433,068</u>	<u>31,577,326,016</u>

(c) By interest rate (per annum)

	The Group		The Bank	
	2025	2024	2025	2024
Current accounts	0.00% - 2.00%	0.00% - 2.00%	0.00% - 0.75%	0.00% - 0.75%
Margin deposits	Nil	Nil	Nil	Nil
Savings deposits	0.00% - 14.00%	0.00% - 15.00%	0.00% - 1.00%	0.00% - 1.00%
Fixed deposits	0.02% - 13.50%	0.03% - 12.00%	0.02% - 10.60%	0.03% - 10.60%

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21. OTHER LIABILITIES

	The Group				The Bank			
	2025 US\$	2024 US\$	2025 KHR'000 (Note 5)	2024 KHR'000 (Note 5)	2025 US\$	2024 US\$	2025 KHR'000 (Note 5)	2024 KHR'000 (Note 5)
Accrued annual leave	32,475,575	30,429,869	130,324,482	122,480,223	31,928,963	29,928,445	128,130,929	120,461,991
Fund transfers	20,287,497	26,467,968	81,413,725	106,533,571	20,285,391	26,420,324	81,405,274	106,341,804
Accounts payables	22,987,439	21,484,272	92,248,593	86,474,195	19,761,068	19,679,901	79,301,166	79,211,602
Accrued bonuses	25,033,769	6,486,410	100,460,515	26,107,800	24,227,312	6,000,000	97,224,203	24,150,000
Tax payables	2,460,085	2,838,153	9,872,321	11,423,566	2,386,974	2,805,281	9,578,927	11,291,256
Bakong interbank payable	2,004,255	1,939,132	8,043,075	7,805,006	2,004,255	1,939,132	8,043,075	7,805,006
Others	15,098,937	14,018,505	60,592,036	56,424,483	14,173,647	12,936,621	56,878,845	52,069,900
	<u>120,347,557</u>	<u>103,664,309</u>	<u>482,954,747</u>	<u>417,248,844</u>	<u>114,767,610</u>	<u>99,709,704</u>	<u>460,562,419</u>	<u>401,331,559</u>
Current	88,246,081	58,886,583	354,131,523	237,018,497	83,214,245	55,441,578	333,938,765	223,152,352
Non-current	32,101,476	44,777,726	128,823,224	180,230,347	31,553,365	44,268,126	126,623,654	178,179,207
	<u>120,347,557</u>	<u>103,664,309</u>	<u>482,954,747</u>	<u>417,248,844</u>	<u>114,767,610</u>	<u>99,709,704</u>	<u>460,562,419</u>	<u>401,331,559</u>

ACLEDA BANK PLC.

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
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22. 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			
	2025 US\$	2024 US\$	2025 KHR'000 (Note 5)	2024 KHR'000 (Note 5)	2025 US\$	2024 US\$	2025 KHR'000 (Note 5)	2024 KHR'000 (Note 5)
Current	291,472,419	522,897,106	1,169,678,817	2,104,660,852	290,289,976	517,582,175	1,164,933,674	2,083,268,254
Non-current	55,889,147	83,960,769	224,283,147	337,942,095	54,418,005	80,939,840	218,379,454	325,782,856
	<u>347,361,566</u>	<u>606,857,875</u>	<u>1,393,961,964</u>	<u>2,442,602,947</u>	<u>344,707,981</u>	<u>598,522,015</u>	<u>1,383,313,128</u>	<u>2,409,051,110</u>

As at 31 December 2025, the Bank's financial covenant ratios were not in line with covenants on borrowings totalling US\$218,203,765 from a few lenders. Consequently, the non-current portion amounting US\$60,377,717 was reclassified as current liabilities. The Bank had received waiver approvals from the respective lenders for these financial covenant ratios, which are valid until 31 December 2025.

In addition, there was other borrowings totalling US\$42,622,855 in which the financial covenant ratios were not in line with borrowing agreements. However, the Bank had received waiver approval from the lender for these financial covenant ratios by the reporting date, which is valid until 31 December 2026. The non-current portion amounting US\$28,426,647 was still accordingly classified as non-current liabilities.

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			
	2025 US\$	2024 US\$	2025 KHR'000 (Note 5)	2024 KHR'000 (Note 5)	2025 US\$	2024 US\$	2025 KHR'000 (Note 5)	2024 KHR'000 (Note 5)
At the beginning of the year	606,857,875	859,813,550	2,442,602,947	3,512,338,352	598,522,015	843,418,591	2,409,051,110	3,445,364,944
Additions	1,195,241	12,753,898	4,794,112	51,921,119	-	10,000,000	-	40,710,000
Charge during the year	37,614,730	61,032,212	150,872,682	248,462,135	37,039,393	59,901,279	148,565,005	243,858,107
Repayments	(298,432,194)	(326,574,639)	(1,197,011,530)	(1,329,485,356)	(291,047,867)	(315,307,113)	(1,167,392,995)	(1,283,615,257)
Withholding tax accrued	-	(244,672)	-	(996,060)	-	(244,672)	-	(996,060)
Effect of hyperinflationary economy	-	(28,075)	-	(114,293)	-	-	-	-
Currency translation difference	125,914	105,601	505,041	429,902	194,440	753,930	779,899	3,069,249
Exchange differences	-	-	(7,801,288)	(39,952,852)	-	-	(7,689,891)	(39,339,873)
At the end of the year	<u>347,361,566</u>	<u>606,857,875</u>	<u>1,393,961,964</u>	<u>2,442,602,947</u>	<u>344,707,981</u>	<u>598,522,015</u>	<u>1,383,313,128</u>	<u>2,409,051,110</u>

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2025

22. **BORROWINGS** (continued)

The borrowings are analysed as follows:

(a) **By relationship**

	The Group				The Bank			
	2025 US\$	2024 US\$	2025 KHR'000 (Note 5)	2024 KHR'000 (Note 5)	2025 US\$	2024 US\$	2025 KHR'000 (Note 5)	2024 KHR'000 (Note 5)
Related parties	17,142,387	34,282,111	68,792,399	137,985,497	17,142,387	34,282,111	68,792,399	137,985,497
Non-related parties	330,219,179	572,575,764	1,325,169,565	2,304,617,450	327,565,594	564,239,904	1,314,520,729	2,271,065,613
	<u>347,361,566</u>	<u>606,857,875</u>	<u>1,393,961,964</u>	<u>2,442,602,947</u>	<u>344,707,981</u>	<u>598,522,015</u>	<u>1,383,313,128</u>	<u>2,409,051,110</u>

(b) **By interest rate (per annum)**

	The Group		The Bank	
	2025	2024	2025	2024
Annual interest rates	2.00% - 15.00%	2.00% - 15.00%	2.00% - 9.73%	2.00% - 9.80%

23. **SUBORDINATED DEBTS**

All subordinated debts totalling US\$205,672,689 have been approved by NBC to be treated as part of complementary capital for the purpose of net worth calculation. Both balances represent the outstanding principal plus accrued interest payable amount. The terms of the subordinated debts range from five to twelve years with interest rate ranging from 6.19% to 11.5% per annum (2024: from five to twelve years with interest rate ranging from 6.19% to 11.5% per annum). The Group and the Bank did not pledge any collaterals for these subordinated debts.

	The Group				The Bank			
	2025 US\$	2024 US\$	2025 KHR'000 (Note 5)	2024 KHR'000 (Note 5)	2025 US\$	2024 US\$	2025 KHR'000 (Note 5)	2024 KHR'000 (Note 5)
Current	59,147,363	80,352,127	237,358,368	323,417,311	59,147,363	80,352,127	237,358,368	323,417,311
Non-current	146,525,326	98,409,981	588,006,133	396,100,174	146,525,326	98,409,981	588,006,133	396,100,174
	<u>205,672,689</u>	<u>178,762,108</u>	<u>825,364,501</u>	<u>719,517,485</u>	<u>205,672,689</u>	<u>178,762,108</u>	<u>825,364,501</u>	<u>719,517,485</u>

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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
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23. SUBORDINATED DEBTS (continued)

As at 31 December 2025, the Bank's financial covenant ratios were not in line with covenants on subordinated debts totalling US\$50,120,161 from a few lenders. Consequently, the non-current portion amounting US\$28,098,496 was reclassified as current liabilities. The Bank had received waiver approvals from the respective lenders for these financial covenant ratios, which are valid until 31 December 2025.

In addition, there was other subordinated debt totalling US\$15,105,000 in which the financial covenant ratios were not in line with subordinated debt agreements. However, the Bank had received waiver approval from the lender for these financial covenant ratios by the reporting date, which is valid until 31 December 2026. The non-current portion amounting US\$15,000,000 was still accordingly classified as non-current liabilities.

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 – subordinated debts

	The Group				The Bank			
	2025 US\$	2024 US\$	2025 KHR'000 (Note 5)	2024 KHR'000 (Note 5)	2025 US\$	2024 US\$	2025 KHR'000 (Note 5)	2024 KHR'000 (Note 5)
At the beginning of the year	178,762,108	117,053,882	719,517,485	478,165,108	178,762,108	117,053,882	719,517,485	478,165,108
Additions	50,000,000	83,996,593	200,550,000	341,950,130	50,000,000	83,996,593	200,550,000	341,950,130
Charge during the year	19,798,245	12,010,121	79,410,761	48,893,203	19,798,245	12,010,121	79,410,761	48,893,203
Repayments	(42,937,917)	(34,587,147)	(172,223,986)	(140,804,275)	(42,937,917)	(34,587,147)	(172,223,986)	(140,804,275)
Withholding tax accrued	-	16,625	-	67,680	-	16,625	-	67,680
Currency translation difference	50,253	272,034	201,565	1,107,451	50,253	272,034	201,565	1,107,451
Exchange differences	-	-	(2,091,324)	(9,861,812)	-	-	(2,091,324)	(9,861,812)
At the end of the year	<u>205,672,689</u>	<u>178,762,108</u>	<u>825,364,501</u>	<u>719,517,485</u>	<u>205,672,689</u>	<u>178,762,108</u>	<u>825,364,501</u>	<u>719,517,485</u>

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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2025**

23. SUBORDINATED DEBTS (continued)

The subordinated debts are analysed as follows:

(a) By relationship

	The Group				The Bank			
	2025 US\$	2024 US\$	2025 KHR'000 (Note 5)	2024 KHR'000 (Note 5)	2025 US\$	2024 US\$	2025 KHR'000 (Note 5)	2024 KHR'000 (Note 5)
Related parties	15,105,000	15,105,000	60,616,365	60,797,625	15,105,000	15,105,000	60,616,365	60,797,625
Non-related parties	190,567,689	163,657,108	764,748,136	658,719,860	190,567,689	163,657,108	764,748,136	658,719,860
	<u>205,672,689</u>	<u>178,762,108</u>	<u>825,364,501</u>	<u>719,517,485</u>	<u>205,672,689</u>	<u>178,762,108</u>	<u>825,364,501</u>	<u>719,517,485</u>

(b) By interest rate (per annum)

	The Group		The Bank	
	2025	2024	2025	2024
Annual interest rates	6.19% - 11.50%	6.19% - 11.50%	6.19% - 11.50%	6.19% - 11.50%

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
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24. DEBT SECURITIES

	The Group				The Bank			
	2025 US\$	2024 US\$	2025 KHR'000 (Note 5)	2024 KHR'000 (Note 5)	2025 US\$	2024 US\$	2025 KHR'000 (Note 5)	2024 KHR'000 (Note 5)
Current	1,938,633	-	7,779,734	-	1,938,633	-	7,779,734	-
Non-current	197,869,687	-	794,051,054	-	197,869,687	-	794,051,054	-
	<u>199,808,320</u>	<u>-</u>	<u>801,830,788</u>	<u>-</u>	<u>199,808,320</u>	<u>-</u>	<u>801,830,788</u>	<u>-</u>

ACLEDA Bank Plc. obtained approvals from the NBC on 6 January 2025, and from the SERC on 15 January 2025, to proceed with its subordinated bond issuance totalling KHR 400 billion, equivalent to US\$100 million. These bonds, with a seven-year term and coupon rate of 8.5% per annum, are intended for use as capital to support the Bank's general banking activities and other corporate objectives. Coupon payment is payable quarterly in arrears from each issuance date ("Coupon Payment Date") with the last coupon payment to be made on the maturity date; while principal redemption is starting from the 3rd to 7th year (annually) arrears from each issuance date.

The Bank had obtained approval from the NBC and the SERC for another subordinated bond issuance totalling KHR 400 billion, equivalent to US\$100 million on 1 July 2025 and 27 August 2025 respectively. The Bank successfully completed the bond issuance on 11 September 2025 with a seven-year term and coupon rate of 7.5% per annum, are intended for corporate objectives and growth of ACLEDA Bank Plc. Coupon payment is payable quarterly in arrears from each issuance date ("Coupon Payment Date") with the last coupon payment to be made on the maturity date; while principal redemption is starting from the 3rd to 7th year (annually) arrears from each issuance date.

All settlement transactions of the bonds including subscription, coupon payment and principal redemption shall be in US\$ at a fixed US\$/KHR exchange rate of US\$1 to KHR4,000. These debt securities have been approved by NBC to be treated as part of complementary capital for the purpose of net worth calculation.

ACLEDA BANK PLC.

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2025**

24. DEBT SECURITIES (continued)

Changes in liabilities arising from financing activities – debt securities

	The Group				The Bank			
	2025 US\$	2024 US\$	2025 KHR'000 (Note 5)	2024 KHR'000 (Note 5)	2025 US\$	2024 US\$	2025 KHR'000 (Note 5)	2024 KHR'000 (Note 5)
At the beginning of the year	-	-	-	-	-	-	-	-
Additions	200,000,000	-	802,200,000	-	200,000,000	-	802,200,000	-
Charge during the year	10,384,255	-	41,651,247	-	10,384,255	-	41,651,247	-
Repayments	(10,565,653)	-	(42,378,834)	-	(10,565,653)	-	(42,378,834)	-
Currency translation difference	(10,282)	-	(41,241)	-	(10,282)	-	(41,241)	-
Exchange differences	-	-	399,616	-	-	-	399,616	-
At the end of the year	199,808,320	-	801,830,788	-	199,808,320	-	801,830,788	-

(a) By relationship

	The Group				The Bank			
	2025 US\$	2024 US\$	2025 KHR'000 (Note 5)	2024 KHR'000 (Note 5)	2025 US\$	2024 US\$	2025 KHR'000 (Note 5)	2024 KHR'000 (Note 5)
Related parties	225,724	-	905,830	-	225,724	-	905,830	-
Non-related parties	199,582,596	-	800,924,958	-	199,582,596	-	800,924,958	-
	199,808,320	-	801,830,788	-	199,808,320	-	801,830,788	-

25. DERIVATIVE FINANCIAL INSTRUMENTS

Under existing interest rate swap contracts, the Group and the Bank agree with 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 contracts, and is disclosed on the next page. The average interest rate is based on the outstanding balances at the end of the reporting period.

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
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25. DERIVATIVE FINANCIAL INSTRUMENTS (continued)

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

The Group										
Outstanding contracts	Average contracted rate fixed interest		Notional principal amount				Fair value			
	2025	2024	2025 US\$	2024 US\$	2025 KHR'000 (Note 5)	2024 KHR'000 (Note 5)	2025 US\$	2024 US\$	2025 KHR'000 (Note 5)	2024 KHR'000 (Note 5)
Less than 1 year	0.565%	0.600%	22,000,000	20,000,000	88,286,000	80,500,000	486,550	278,000	1,952,525	1,118,950
1 to 2 years		0.565%	-	44,000,000	-	177,100,000	-	1,972,246	-	7,938,290
			<u>22,000,000</u>	<u>64,000,000</u>	<u>88,286,000</u>	<u>257,600,000</u>	<u>486,550</u>	<u>2,250,246</u>	<u>1,952,525</u>	<u>9,057,240</u>

The Bank										
Outstanding contracts	Average contracted rate fixed interest		Notional principal amount				Fair value			
	2025	2024	2025 US\$	2024 US\$	2025 KHR'000 (Note 5)	2024 KHR'000 (Note 5)	2025 US\$	2024 US\$	2025 KHR'000 (Note 5)	2024 KHR'000 (Note 5)
Less than 1 year	0.565%	0.600%	22,000,000	20,000,000	88,286,000	80,500,000	486,550	278,000	1,952,525	1,118,950
1 to 2 years		0.565%	-	44,000,000	-	177,100,000	-	1,972,246	-	7,938,290
			<u>22,000,000</u>	<u>64,000,000</u>	<u>88,286,000</u>	<u>257,600,000</u>	<u>486,550</u>	<u>2,250,246</u>	<u>1,952,525</u>	<u>9,057,240</u>

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 year 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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26. LEASE LIABILITIES

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

	The Group				The Bank			
	2025 US\$	2024 US\$	2025 KHR'000 (Note 5)	2024 KHR'000 (Note 5)	2025 US\$	2024 US\$	2025 KHR'000 (Note 5)	2024 KHR'000 (Note 5)
Undiscounted lease liabilities								
Less than 1 year	12,536,879	12,958,553	50,310,495	52,158,176	12,030,467	12,631,207	48,278,264	50,840,608
1 to 5 years	22,274,762	23,061,296	89,388,620	92,821,716	21,241,683	21,882,315	85,242,874	88,076,318
More than 5 years	5,662,408	5,125,208	22,723,243	20,628,962	2,843,265	2,131,401	11,410,022	8,578,889
Total undiscounted lease liabilities	40,474,049	41,145,057	162,422,358	165,608,854	36,115,415	36,644,923	144,931,160	147,495,815
Present value of lease liabilities								
Current	12,225,973	12,545,477	49,062,830	50,495,545	11,737,721	12,237,326	47,103,474	49,255,237
Non-current	22,299,813	22,476,271	89,489,149	90,466,991	20,547,048	20,546,226	82,455,304	82,698,560
Total present value of lease liabilities	34,525,786	35,021,748	138,551,979	140,962,536	32,284,769	32,783,552	129,558,778	131,953,797

The Group and the Bank lease office buildings, ATM locations and parking lots for its operations. Information about leases for which the Group and the Bank are a lessee is presented below:

	The Group				The Bank			
	2025 US\$	2024 US\$	2025 KHR'000 (Note 5)	2024 KHR'000 (Note 5)	2025 US\$	2024 US\$	2025 KHR'000 (Note 5)	2024 KHR'000 (Note 5)
At the beginning 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
Additions during the year	12,688,165	17,355,884	50,892,230	70,655,804	12,380,280	16,365,861	49,657,303	66,625,420
Payments for the year	(14,983,231)	(15,172,239)	(60,097,740)	(61,766,185)	(14,468,629)	(14,319,451)	(58,033,671)	(58,294,485)
Lease terminations during the year	(343,309)	(1,771,020)	(1,377,012)	(7,209,822)	(365,743)	(1,755,926)	(1,466,995)	(7,148,375)
Interest charged during the year	2,129,195	2,098,202	8,540,201	8,541,780	1,953,627	1,944,340	7,835,998	7,915,408
Adjustment	-	(791)	-	(3,220)	-	-	-	-
Currency translation differences	13,218	(15,975)	53,017	(65,034)	1,682	1,380	6,747	5,618
Exchange differences	-	-	(421,253)	(2,066,388)	-	-	(394,401)	(1,935,706)
At the end of the year	34,525,786	35,021,748	138,551,979	140,962,536	32,284,769	32,783,552	129,558,778	131,953,797

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26. LEASE LIABILITIES (continued)

The Group and the Bank lease office buildings, ATM locations and parking lots for its operations. Information about leases for which the Group and the Bank are a lessee is presented below:

	The Group				The Bank			
	2025 US\$	2024 US\$	2025 KHR'000 (Note 5)	2024 KHR'000 (Note 5)	2025 US\$	2024 US\$	2025 KHR'000 (Note 5)	2024 KHR'000 (Note 5)
Total cash outflows for lease payments	14,989,458	15,175,354	60,122,716	61,778,866	14,468,629	14,319,451	58,033,671	58,294,485

27. EMPLOYEE BENEFITS

	Notes	The Group				The Bank			
		2025 US\$	2024 US\$	2025 KHR'000 (Note 5)	2024 KHR'000 (Note 5)	2025 US\$	2024 US\$	2025 KHR'000 (Note 5)	2024 KHR'000 (Note 5)
Seniority indemnity benefits	(a)	-	6,595,411	-	26,546,530	-	6,533,559	-	26,297,575
Training credit fund	(b)	573,515	-	2,301,516	-	564,257	-	2,264,363	-
Career development benefit	(c)	81,605	3,343,039	327,481	13,455,732	-	3,249,489	-	13,079,193
Pension fund		72,240	72,612	289,899	292,263	70,864	71,302	284,378	286,991
		<u>727,360</u>	<u>10,011,062</u>	<u>2,918,896</u>	<u>40,294,525</u>	<u>635,121</u>	<u>9,854,350</u>	<u>2,548,741</u>	<u>39,663,759</u>
Current		658,226	4,113,582	2,641,461	16,557,168	635,121	4,052,881	2,548,741	16,312,845
Non-current		69,134	5,897,480	277,435	23,737,357	-	5,801,469	-	23,350,914
		<u>727,360</u>	<u>10,011,062</u>	<u>2,918,896</u>	<u>40,294,525</u>	<u>635,121</u>	<u>9,854,350</u>	<u>2,548,741</u>	<u>39,663,759</u>

ACLEDA BANK PLC.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
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27. EMPLOYEE BENEFITS (continued)

	The Group				The Bank			
	2025 US\$	2024 US\$	2025 KHR'000 (Note 5)	2024 KHR'000 (Note 5)	2025 US\$	2024 US\$	2025 KHR'000 (Note 5)	2024 KHR'000 (Note 5)
Within 1 month	72,240	72,612	289,899	292,264	70,864	71,302	284,377	286,990
Between 2 to 3 months	585,986	3,311,326	2,351,562	13,328,087	564,257	3,253,009	2,264,364	13,093,361
Between 4 to 6 months	-	355,722	-	1,431,781	-	355,170	-	1,429,559
Between 7 to 12 months	-	373,922	-	1,505,036	-	373,400	-	1,502,935
More than 12 months	69,134	5,897,480	277,435	23,737,357	-	5,801,469	-	23,350,914
	<u>727,360</u>	<u>10,011,062</u>	<u>2,918,896</u>	<u>40,294,525</u>	<u>635,121</u>	<u>9,854,350</u>	<u>2,548,741</u>	<u>39,663,759</u>

(a) Seniority indemnity benefits

Movements in seniority indemnity benefits are as follows:

	The Group				The Bank			
	2025 US\$	2024 US\$	2025 KHR'000 (Note 5)	2024 KHR'000 (Note 5)	2025 US\$	2024 US\$	2025 KHR'000 (Note 5)	2024 KHR'000 (Note 5)
At the beginning of the year	6,595,411	5,961,627	26,546,530	24,353,246	6,533,559	5,912,112	26,297,575	24,150,977
Additions (Note 33)	14,572,377	10,191,690	58,449,804	41,490,370	14,331,604	10,010,306	57,484,064	40,751,956
Benefits paid	(21,157,100)	(9,547,071)	(84,861,128)	(38,866,126)	(20,854,780)	(9,379,133)	(83,648,523)	(38,182,450)
Effect of hyperinflationary economy	-	(732)	-	(2,980)	-	-	-	-
Currency translation differences	(10,688)	(10,103)	(42,870)	(41,129)	(10,383)	(9,726)	(41,646)	(39,595)
Exchange differences	-	-	(92,336)	(386,851)	-	-	(91,470)	(383,313)
At the end of the year	<u>-</u>	<u>6,595,411</u>	<u>-</u>	<u>26,546,530</u>	<u>-</u>	<u>6,533,559</u>	<u>-</u>	<u>26,297,575</u>

ACLEDA BANK PLC.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
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27. EMPLOYEE BENEFITS (continued)

(b) Training credit fund

Movements in training credit fund are as follows:

	The Group				The Bank			
	2025 US\$	2024 US\$	2025 KHR'000 (Note 5)	2024 KHR'000 (Note 5)	2025 US\$	2024 US\$	2025 KHR'000 (Note 5)	2024 KHR'000 (Note 5)
At the beginning of the year	-	-	-	-	-	-	-	-
Additions	573,587	-	2,300,657	-	564,257	-	2,263,235	-
Currency translation differences	(72)	-	(289)	-	-	-	-	-
Exchange differences	-	-	1,148	-	-	-	1,128	-
At the end of the year	<u>573,515</u>	<u>-</u>	<u>2,301,516</u>	<u>-</u>	<u>564,257</u>	<u>-</u>	<u>2,264,363</u>	<u>-</u>

(c) Career development benefit

The Bank approved on 4 December 2024 to pay off the career development benefit to employees, except for ABL, in February 2025.

Movements in career development benefit are as follows:

	The Group				The Bank			
	2025 US\$	2024 US\$	2025 KHR'000 (Note 5)	2024 KHR'000 (Note 5)	2025 US\$	2024 US\$	2025 KHR'000 (Note 5)	2024 KHR'000 (Note 5)
At the beginning of the year	3,343,039	2,359,069	13,455,732	9,636,797	3,249,489	2,217,834	13,079,193	9,059,852
(Remeasurement gain)/additions (Note 33)	(123,740)	1,761,433	(496,321)	7,170,794	(164,679)	1,712,055	(660,527)	6,969,776
Benefits paid	(3,131,757)	(764,647)	(12,561,477)	(3,112,878)	(3,084,810)	(678,925)	(12,373,173)	(2,763,904)
Effect of hyperinflationary economy	-	(1,952)	-	(7,947)	-	-	-	-
Currency translation differences	(5,937)	(10,864)	(23,813)	(44,227)	-	(1,475)	-	(6,005)
Exchange differences	-	-	(46,640)	(186,807)	-	-	(45,493)	(180,526)
At the end of the year	<u>81,605</u>	<u>3,343,039</u>	<u>327,481</u>	<u>13,455,732</u>	<u>-</u>	<u>3,249,489</u>	<u>-</u>	<u>13,079,193</u>

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28. SHARE CAPITAL AND SHARE PREMIUM

As at 31 December 2025, 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 below.

Share capital

	2025			2024		
	Number of shares	US\$	% of shareholding	Number of shares	US\$	% of shareholding
ACLEDA Financial Trust	122,694,061	122,694,061	28.3251%	122,694,061	122,694,061	28.3251%
Sumitomo Mitsui Banking Corporation (“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%	75,431,262	75,431,262	17.4141%
	<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>	

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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28. SHARE CAPITAL AND SHARE PREMIUM (continued)

Dividend

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

	2025 US\$	2024 US\$	2025 KHR'000 (Note 5)	2024 KHR'000 (Note 5)
- In respect of the year ended 31 December 2024: KHR227.8049 per ordinary share declared on 18 April 2025 and paid on 13 June 2025	24,238,924	-	98,676,658	-
- In respect of the year ended 31 December 2023: KHR140.4795 per ordinary share declared on 7 May 2024 and paid on 17 May 2024	-	14,805,480	-	60,850,524

29. INTEREST INCOME

	The Group				The Bank			
	2025 US\$	2024 US\$	2025 KHR'000 (Note 5)	2024 KHR'000 (Note 5)	2025 US\$	2024 US\$	2025 KHR'000 (Note 5)	2024 KHR'000 (Note 5)
Loans and advances	815,413,243	772,362,018	3,270,622,518	3,144,285,775	777,254,577	738,313,761	3,117,568,108	3,005,675,321
Financial investments	6,749,023	8,594,862	27,070,331	34,989,683	6,749,023	8,594,862	27,070,331	34,989,683
Deposits and placements with other banks:								
Banks inside Cambodia	5,081,153	1,990,657	20,380,505	8,103,965	5,035,418	1,957,855	20,197,063	7,970,428
Banks outside Cambodia	47,956,390	20,184,471	192,353,080	82,170,981	47,956,390	20,184,471	192,353,080	82,170,982
National Bank of Cambodia	883,211	673,797	3,542,559	2,743,028	452,673	563,272	1,815,671	2,293,080
	<u>876,083,020</u>	<u>803,805,805</u>	<u>3,513,968,993</u>	<u>3,272,293,432</u>	<u>837,448,081</u>	<u>769,614,221</u>	<u>3,359,004,253</u>	<u>3,133,099,494</u>

ACLEDA BANK PLC.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
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30. INTEREST EXPENSE

	The Group				The Bank			
	2025 US\$	2024 US\$	2025 KHR'000 (Note 5)	2024 KHR'000 (Note 5)	2025 US\$	2024 US\$	2025 KHR'000 (Note 5)	2024 KHR'000 (Note 5)
Deposits and placements of other banks and financial institutions:								
Fixed deposits	15,434,887	16,496,224	61,909,333	67,156,128	12,941,508	13,689,674	51,908,389	55,730,663
Savings deposits	167,609	128,649	672,280	523,730	141,777	114,070	568,668	464,379
Current accounts	113,129	42,462	453,760	172,863	113,129	42,462	453,760	172,863
Deposits from customers:								
Fixed deposits	184,945,497	216,912,464	741,816,388	883,050,641	174,347,266	212,289,058	699,306,884	864,228,755
Savings deposits	30,470,494	25,519,885	122,217,151	103,891,452	29,566,828	24,779,915	118,592,547	100,879,034
Current accounts	14,673,847	10,411,985	58,856,800	42,387,191	14,669,575	10,410,217	58,839,665	42,379,993
Borrowings	37,614,730	61,032,212	150,872,682	248,462,135	37,039,393	59,901,279	148,565,005	243,858,107
Subordinated debts	19,798,245	12,010,123	79,410,761	48,893,211	19,798,245	12,010,122	79,410,761	48,893,207
Debt securities	10,384,255	-	41,651,247	-	10,384,255	-	41,651,247	-
Interest expense on leases	2,129,195	2,098,202	8,540,201	8,541,780	1,953,627	1,944,340	7,835,998	7,915,408
	<u>315,731,888</u>	<u>344,652,206</u>	<u>1,266,400,603</u>	<u>1,403,079,131</u>	<u>300,955,603</u>	<u>335,181,137</u>	<u>1,207,132,924</u>	<u>1,364,522,409</u>

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
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31. FEE AND COMMISSION INCOME

	The Group				The Bank			
	2025 US\$	2024 US\$	2025 KHR'000 (Note 5)	2024 KHR'000 (Note 5)	2025 US\$	2024 US\$	2025 KHR'000 (Note 5)	2024 KHR'000 (Note 5)
ATM fee	15,108,103	12,820,820	60,598,601	52,193,558	15,037,441	12,763,423	60,315,176	51,959,895
Commission fees	11,238,186	10,878,034	45,076,364	44,284,476	11,034,208	10,726,275	44,258,208	43,666,666
Commission fee collected for insurance agencies	5,136,757	6,150,656	20,603,532	25,039,321	5,015,276	6,064,928	20,116,272	24,690,322
Training fees	5,191,341	4,800,360	20,822,469	19,542,266	60,051	60,025	240,865	244,362
Deposit fee charged	537,055	455,237	2,154,128	1,853,270	416,150	342,337	1,669,178	1,393,654
Fee income from guarantees	822,080	775,917	3,297,363	3,158,758	819,708	774,061	3,287,849	3,151,202
Others	8,092,208	7,416,216	32,457,846	30,191,415	6,879,161	6,934,835	27,592,314	28,231,713
	<u>46,125,730</u>	<u>43,297,240</u>	<u>185,010,303</u>	<u>176,263,064</u>	<u>39,261,995</u>	<u>37,665,884</u>	<u>157,479,862</u>	<u>153,337,814</u>

Settlement fees amounting to KHR11,498,900 (equivalent to US\$2,867) and US\$15,817 for the operations of cash settlement agents were recognised for the year ended 31 December 2025 (31 December 2024: KHR9,800,100 (equivalent to US\$2,407) and US\$11,092, respectively).

Settlement SERC fees amounting to US\$3,366 for the operations of custodian service were recognised for the year ended 31 December 2025. (31 December 2024: nil).

32. OTHER INCOME, NET

	The Group				The Bank			
	2025 US\$	2024 US\$	2025 KHR'000 (Note 5)	2024 KHR'000 (Note 5)	2025 US\$	2024 US\$	2025 KHR'000 (Note 5)	2024 KHR'000 (Note 5)
Foreign exchange gain, net	27,278,221	21,370,405	109,412,944	86,998,919	27,137,590	21,093,612	108,848,873	85,872,094
Gain on disposals of property and equipment and lease	526,809	642,177	2,113,031	2,614,303	484,944	632,717	1,945,110	2,575,791
Dividend income	297,228	290,036	1,192,182	1,180,737	297,228	290,036	1,192,182	1,180,737
Net monetary loss from hyperinflationary economy	(19,119)	(5,978,705)	(76,686)	(24,339,308)	-	-	-	-
Others	1,375,357	1,822,516	5,516,556	7,419,461	326,630	(4,893)	1,310,113	(19,919)
	<u>29,458,496</u>	<u>18,146,429</u>	<u>118,158,027</u>	<u>73,874,112</u>	<u>28,246,392</u>	<u>22,011,472</u>	<u>113,296,278</u>	<u>89,608,703</u>

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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
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33. OTHER OPERATING EXPENSES

	The Group				The Bank			
	2025 US\$	2024 US\$	2025 KHR'000 (Note 5)	2024 KHR'000 (Note 5)	2025 US\$	2024 US\$	2025 KHR'000 (Note 5)	2024 KHR'000 (Note 5)
Salaries and wages	158,657,074	152,681,091	636,373,524	621,564,721	150,553,018	145,154,094	603,868,155	590,922,317
Other employee expense	36,709,137	20,976,155	147,240,349	85,393,927	36,071,111	20,113,548	144,681,226	81,882,254
Depreciation of property and equipment (Note 15)	29,565,850	25,729,960	118,588,624	104,746,667	27,092,865	23,827,643	108,669,482	97,002,335
Seniority indemnity (Note 27(a))	14,572,377	10,191,690	58,449,804	41,490,370	14,331,604	10,010,306	57,484,064	40,751,956
Repair and maintenance	14,325,485	13,607,311	57,459,520	55,395,363	13,456,387	13,085,086	53,973,568	53,269,385
Depreciation of right-of-use assets (Note 17)	13,725,542	12,910,310	55,053,149	52,557,872	12,786,385	12,437,143	51,286,190	50,631,609
Office supplies	6,371,673	5,905,809	25,556,780	24,042,548	5,866,325	5,460,069	23,529,830	22,227,941
Utilities	6,289,288	6,452,597	25,226,334	26,268,522	5,851,228	6,002,609	23,469,276	24,436,621
Amortisation charges (Note 16)	5,910,412	4,565,938	23,706,663	18,587,934	5,435,854	4,313,776	21,803,210	17,561,382
Communication	5,008,216	5,193,113	20,087,954	21,141,163	4,266,543	3,893,106	17,113,104	15,848,835
Travelling expenses	2,266,381	2,636,928	9,090,454	10,734,934	1,928,179	2,250,992	7,733,926	9,163,788
License fees	1,246,107	1,215,207	4,998,135	4,947,108	1,204,984	1,187,056	4,833,191	4,832,505
(Reversal of)/expense for career development expense (Note 27(c))	(123,740)	1,761,433	(496,321)	7,170,794	(164,679)	1,712,055	(660,527)	6,969,776
Others (*)	23,331,531	22,842,277	93,582,772	92,990,910	20,613,052	19,894,515	82,678,950	80,990,570
	<u>317,855,333</u>	<u>286,669,819</u>	<u>1,274,917,741</u>	<u>1,167,032,833</u>	<u>299,292,856</u>	<u>269,341,998</u>	<u>1,200,463,645</u>	<u>1,096,491,274</u>

For the year ended 31 December 2025, the salaries and wages of the Bank's staff, who are responsible for the operations of cash settlement agents, amounted to US\$53,529 (31 December 2024: US\$51,944). The above expenses include costs incurred for the operations of cash settlement agents, which consist office supplies amounting to US\$360, furniture and fixtures amounting to US\$1,753, and membership fees amounting to US\$12,881 (KHR51,666,667) (31 December 2024: 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)).

For the year ended 31 December 2025, the salaries and wages of the Bank's staff, who are responsible for the custodian service, amounted to US\$34,697 (31 December 2024: US\$34,458). The above expenses include costs incurred for the operations of custodian service, which consist office supplies amounting to US\$84, furniture and fixtures amounting to US\$6,922, membership fees amounting to US\$11,464 (KHR45,983,333), buy fruit for Khmer new year for CSX, SERC amounting to US\$240 and SERC's onsite expense amounting to US\$105 (31 December 2024: 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 system solutions amounting to US\$7,700, and expense for CSX onsite visit amounting to US\$76).

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33. OTHER OPERATING EXPENSES (continued)

(*) This includes following fees which were paid or are payable to PricewaterhouseCoopers (Cambodia) Ltd. and PricewaterhouseCoopers (Lao) Sole Company Limited.:

	The Group				The Bank			
	2025 US\$	2024 US\$	2025 KHR'000 (Note 5)	2024 KHR'000 (Note 5)	2025 US\$	2024 US\$	2025 KHR'000 (Note 5)	2024 KHR'000 (Note 5)
Statutory audit	375,999	388,900	1,508,132	1,583,212	320,000	320,000	1,283,520	1,302,720
Assurance engagements	-	-	-	-	-	-	-	-
Tax services	-	-	-	-	-	-	-	-
Other services	5,455	-	21,880	-	5,455	-	21,880	-
Total	381,454	388,900	1,530,012	1,583,212	325,455	320,000	1,305,400	1,302,720

34. TAXATION

(a) Current income tax liabilities

	The Group				The Bank			
	2025 US\$	2024 US\$	2025 KHR'000 (Note 5)	2024 KHR'000 (Note 5)	2025 US\$	2024 US\$	2025 KHR'000 (Note 5)	2024 KHR'000 (Note 5)
Current income tax liabilities	28,908,717	16,395,760	116,010,681	65,992,934	27,189,090	14,893,706	109,109,818	59,947,167

	The Group				The Bank			
	2025 US\$	2024 US\$	2025 KHR'000 (Note 5)	2024 KHR'000 (Note 5)	2025 US\$	2024 US\$	2025 KHR'000 (Note 5)	2024 KHR'000 (Note 5)
At the beginning of the year	16,395,760	3,791,516	65,992,934	15,488,343	14,893,706	2,319,080	59,947,167	9,473,442
Current income tax	37,625,646	24,599,157	150,916,466	100,143,168	35,270,883	22,524,388	141,471,512	91,696,784
Income tax paid	(24,950,841)	(11,994,913)	(100,077,823)	(48,831,291)	(22,975,499)	(9,949,762)	(92,154,726)	(40,505,481)
Currency translation difference	(161,848)	-	(649,172)	-	-	-	-	-
Exchange differences	-	-	(171,724)	(807,286)	-	-	(154,135)	(717,578)
At the end of the year	28,908,717	16,395,760	116,010,681	65,992,934	27,189,090	14,893,706	109,109,818	59,947,167

ACLEDA BANK PLC.

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

(b) Income tax expense

	The Group				The Bank			
	2025 US\$	2024 US\$	2025 KHR'000 (Note 5)	2024 KHR'000 (Note 5)	2025 US\$	2024 US\$	2025 KHR'000 (Note 5)	2024 KHR'000 (Note 5)
Current income tax	37,552,124	24,299,197	150,621,569	98,922,031	35,480,784	22,120,894	142,313,425	90,054,160
Adjustments for current tax of prior year	73,522	299,960	294,897	1,221,137	(209,901)	403,494	(841,913)	1,642,624
Total current income tax expense	37,625,646	24,599,157	150,916,466	100,143,168	35,270,883	22,524,388	141,471,512	91,696,784
Deferred tax	12,992,278	7,844,754	52,112,028	31,935,994	11,155,451	7,114,217	44,744,514	28,961,977
Income tax expense	50,617,924	32,443,911	203,028,494	132,079,162	46,426,334	29,638,605	186,216,026	120,658,761

(c) Reconciliation between income tax expense and accounting profit

	The Group				The Bank			
	2025 US\$	2024 US\$	2025 KHR'000 (Note 5)	2024 KHR'000 (Note 5)	2025 US\$	2024 US\$	2025 KHR'000 (Note 5)	2024 KHR'000 (Note 5)
Profit before income tax	250,636,844	153,745,369	1,005,304,380	625,897,397	231,063,964	145,571,967	926,797,560	592,623,478
Tax calculated at domestic tax rates applicable to taxable profits in the respective countries	50,235,974	30,767,969	201,496,492	125,256,402	46,212,793	29,114,393	185,359,513	118,524,694
Tax effect of non-deductible expenses	332,799	1,528,268	1,334,857	6,221,579	415,161	326,168	1,665,211	1,327,830
Recognition of previously unrecognised deferred tax	(24,371)	(152,286)	(97,752)	(619,956)	8,281	(205,450)	33,215	(836,387)
Adjustments for current tax of prior year	73,522	299,960	294,897	1,221,137	(209,901)	403,494	(841,913)	1,642,624
	50,617,924	32,443,911	203,028,494	132,079,162	46,426,334	29,638,605	186,216,026	120,658,761

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34. TAXATION (continued)

(d) Other matter

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.

35. EARNINGS PER SHARE

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

	2025	2024	2025	2024	2025	2024	2025	2024
	US\$	US\$	KHR'000	KHR'000	US\$	US\$	KHR'000	KHR'000
			(Note 5)	(Note 5)			(Note 5)	(Note 5)
Profit attributable to the shareholders of the Bank	199,860,749	121,194,596	801,641,462	493,383,200	50,026,574	47,590,993	200,806,668	192,410,383
Weighted average numbers of shares	433,163,019	433,163,019	433,163,019	433,163,019	433,163,019	433,163,019	433,163,019	433,163,019
Basic EPS	<u>0.46</u>	<u>0.28</u>	<u>1.85</u>	<u>1.14</u>	<u>0.12</u>	<u>0.11</u>	<u>0.46</u>	<u>0.44</u>
Diluted EPS	<u>0.46</u>	<u>0.28</u>	<u>1.85</u>	<u>1.14</u>	<u>0.12</u>	<u>0.11</u>	<u>0.46</u>	<u>0.44</u>

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

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36. CASH AND CASH EQUIVALENTS

	The Group				The Bank			
	2025 US\$	2024 US\$	2025 KHR'000 (Note 5)	2024 KHR'000 (Note 5)	2025 US\$	2024 US\$	2025 KHR'000 (Note 5)	2024 KHR'000 (Note 5)
Cash on hand	520,905,012	513,942,123	2,090,391,814	2,068,617,045	510,259,622	503,459,073	2,047,671,863	2,026,422,769
Deposits and placements with other banks:								
<i>Balances with the NBC:</i>								
Current accounts	1,010,032,498	1,247,773,047	4,053,260,413	5,022,286,514	1,010,032,498	1,247,773,047	4,053,260,415	5,022,286,514
Negotiable certificate of deposits, term of three months or less	146,964,365	271,438,788	589,767,997	1,092,541,122	146,964,365	271,438,788	589,767,997	1,092,541,122
<i>Balances with other banks:</i>								
Current accounts	1,225,362,738	685,118,173	4,917,380,668	2,757,600,646	1,183,459,320	660,722,622	4,749,222,251	2,659,408,554
Fixed deposits, term of three months or less	561,006,644	40,056,405	2,251,319,662	161,227,030	560,524,782	40,056,406	2,249,385,950	161,227,033
	<u>3,464,271,257</u>	<u>2,758,328,536</u>	<u>13,902,120,554</u>	<u>11,102,272,357</u>	<u>3,411,240,587</u>	<u>2,723,449,936</u>	<u>13,689,308,476</u>	<u>10,961,885,992</u>

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37. NET DEBT RECONCILIATION

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

	The Group				The Bank			
	2025 US\$	2024 US\$	2025 KHR'000 (Note 5)	2024 KHR'000 (Note 5)	2025 US\$	2024 US\$	2025 KHR'000 (Note 5)	2024 KHR'000 (Note 5)
Cash and cash equivalents	3,464,271,257	2,758,328,536	13,902,120,554	11,102,272,357	3,411,240,587	2,723,449,936	13,689,308,476	10,961,885,992
Borrowings	(347,361,566)	(606,857,875)	(1,393,961,964)	(2,442,602,947)	(344,707,981)	(598,522,015)	(1,383,313,128)	(2,409,051,110)
Subordinate debts	(205,672,689)	(178,762,108)	(825,364,501)	(719,517,485)	(205,672,689)	(178,762,108)	(825,364,501)	(719,517,485)
Lease liabilities	(34,525,786)	(35,021,748)	(138,551,979)	(140,962,536)	(32,284,769)	(32,783,552)	(129,558,778)	(131,953,797)
Debt securities	(199,808,320)	-	(801,830,788)	-	(199,808,320)	-	(801,830,788)	-
Net debt	<u>2,676,902,896</u>	<u>1,937,686,805</u>	<u>10,742,411,322</u>	<u>7,799,189,389</u>	<u>2,628,766,828</u>	<u>1,913,382,261</u>	<u>10,549,241,281</u>	<u>7,701,363,600</u>

	The Group				The Bank			
	2025 US\$	2024 US\$	2025 KHR'000 (Note 5)	2024 KHR'000 (Note 5)	2025 US\$	2024 US\$	2025 KHR'000 (Note 5)	2024 KHR'000 (Note 5)
Cash and cash equivalents	3,464,271,257	2,758,328,536	13,902,120,554	11,102,272,357	3,411,240,587	2,723,449,936	13,689,308,476	10,961,885,992
Gross debt-fixed interest rates	(470,370,131)	(297,564,900)	(1,887,595,334)	(1,197,698,723)	(465,475,529)	(286,990,844)	(1,867,953,298)	(1,155,138,147)
Gross debt-floating interest rates	(316,998,230)	(523,076,831)	(1,272,113,898)	(2,105,384,245)	(316,998,230)	(523,076,831)	(1,272,113,897)	(2,105,384,245)
Net debt	<u>2,676,902,896</u>	<u>1,937,686,805</u>	<u>10,742,411,322</u>	<u>7,799,189,389</u>	<u>2,628,766,828</u>	<u>1,913,382,261</u>	<u>10,549,241,281</u>	<u>7,701,363,600</u>

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37. NET DEBT RECONCILIATION (continued)

	The Group					Other assets	Total
	Liabilities from financing activities					Cash and cash equivalents	
	Borrowings US\$	Subordinate debts US\$	Debt securities US\$	Lease liabilities US\$	Sub-total US\$	US\$	US\$
Net debt at 1 January 2025	(606,857,875)	(178,762,108)	-	(35,021,748)	(820,641,731)	2,758,328,536	1,937,686,805
Cash flows	255,690,155	(23,612,500)	(197,668,341)	12,854,036	47,263,350	705,942,721	753,206,071
New leases	-	-	-	(12,688,165)	(12,688,165)	-	(12,688,165)
Foreign exchange adjustments	(125,915)	(50,253)	-	(13,218)	(189,386)	-	(189,386)
Other changes (i)	3,932,069	(3,247,828)	(2,139,979)	343,309	(1,112,429)	-	(1,112,429)
Net debt as at 31 December 2025	<u>(347,361,566)</u>	<u>(205,672,689)</u>	<u>(199,808,320)</u>	<u>(34,525,786)</u>	<u>(787,368,361)</u>	<u>3,464,271,257</u>	<u>2,676,902,896</u>
<i>In KHR'000 equivalent (Note 5)</i>	<u>(1,393,961,964)</u>	<u>(825,364,501)</u>	<u>(801,830,788)</u>	<u>(138,551,979)</u>	<u>(3,159,709,232)</u>	<u>13,902,120,554</u>	<u>10,742,411,322</u>
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
Cash flows	254,599,168	-	-	13,074,037	267,673,205	478,609,963	746,283,168
New leases	-	-	-	(17,355,884)	(17,355,884)	-	(17,355,884)
Foreign exchange adjustments	(105,602)	(272,035)	-	15,975	(361,662)	-	(361,662)
Other changes (i)	(1,537,891)	(61,436,191)	-	1,771,811	(61,202,271)	-	(61,202,271)
Net debt as at 31 December 2024	<u>(606,857,875)</u>	<u>(178,762,108)</u>	<u>-</u>	<u>(35,021,748)</u>	<u>(820,641,731)</u>	<u>2,758,328,536</u>	<u>1,937,686,805</u>
<i>In KHR'000 equivalent (Note 5)</i>	<u>(2,442,602,947)</u>	<u>(719,517,485)</u>	<u>-</u>	<u>(140,962,536)</u>	<u>(3,303,082,968)</u>	<u>11,102,272,357</u>	<u>7,799,189,389</u>
	The Bank						
	Liabilities from financing activities					Other assets	Total
	Borrowings US\$	Subordinate debts US\$	Debt securities US\$	Lease liabilities US\$	Sub-total US\$	Cash and cash equivalents US\$	US\$
Net debt at 1 January 2025	(598,522,015)	(178,762,108)	-	(32,783,552)	(810,067,675)	2,723,449,936	1,913,382,261
Cash flows	250,080,632	(23,612,500)	(197,668,341)	12,515,002	41,314,793	687,790,651	729,105,444
New leases	-	-	-	(12,380,280)	(12,380,280)	-	(12,380,280)
Foreign exchange adjustments	(194,441)	(50,253)	-	(1,682)	(246,376)	-	(246,376)
Other changes (i)	3,927,843	(3,247,828)	(2,139,979)	365,743	(1,094,221)	-	(1,094,221)
Net debt as at 31 December 2025	<u>(344,707,981)</u>	<u>(205,672,689)</u>	<u>(199,808,320)</u>	<u>(32,284,769)</u>	<u>(782,473,759)</u>	<u>3,411,240,587</u>	<u>2,628,766,828</u>
<i>In KHR'000 equivalent (Note 5)</i>	<u>(1,383,313,128)</u>	<u>(825,364,501)</u>	<u>(801,830,788)</u>	<u>(129,558,778)</u>	<u>(3,140,067,195)</u>	<u>13,689,308,476</u>	<u>10,549,241,281</u>
Net debt at 1 January 2024	(843,418,591)	(117,053,882)	-	(30,547,348)	(991,019,821)	2,240,749,214	1,249,729,393
Cash flows	247,123,440	-	-	12,375,111	259,498,551	482,700,722	742,199,273
New leases	-	-	-	(16,365,861)	(16,365,861)	-	(16,365,861)
Foreign exchange adjustments	(753,931)	(272,035)	-	(1,380)	(1,027,346)	-	(1,027,346)
Other changes (i)	(1,472,933)	(61,436,191)	-	1,755,926	(61,153,198)	-	(61,153,198)
Net debt as at 31 December 2024	<u>(598,522,015)</u>	<u>(178,762,108)</u>	<u>-</u>	<u>(32,783,552)</u>	<u>(810,067,675)</u>	<u>2,723,449,936</u>	<u>1,913,382,261</u>
<i>In KHR'000 equivalent (Note 5)</i>	<u>(2,409,051,110)</u>	<u>(719,517,485)</u>	<u>-</u>	<u>(131,953,797)</u>	<u>(3,260,522,392)</u>	<u>10,961,885,992</u>	<u>7,701,363,600</u>

- (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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38. COMMITMENTS

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

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:

	The Group				The Bank			
	2025 US\$	2024 US\$	2025 KHR'000 (Note 5)	2024 KHR'000 (Note 5)	2025 US\$	2024 US\$	2025 KHR'000 (Note 5)	2024 KHR'000 (Note 5)
Unused portion of overdrafts	495,371,333	301,771,170	1,987,925,159	1,214,628,959	492,045,980	300,734,637	1,974,580,518	1,210,456,914
Bank guarantees	68,424,191	67,095,997	274,586,278	270,061,388	68,160,171	66,896,493	273,526,766	269,258,384
Letters of credit	15,616,624	9,241,756	62,669,512	37,198,068	15,616,624	9,241,756	62,669,512	37,198,068
	<u>579,412,148</u>	<u>378,108,923</u>	<u>2,325,180,949</u>	<u>1,521,888,415</u>	<u>575,822,775</u>	<u>376,872,886</u>	<u>2,310,776,796</u>	<u>1,516,913,366</u>

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

(b) Capital expenditure commitments

	The Group				The Bank			
	2025 US\$	2024 US\$	2025 KHR'000 (Note 5)	2024 KHR'000 (Note 5)	2025 US\$	2024 US\$	2025 KHR'000 (Note 5)	2024 KHR'000 (Note 5)
Not later than 1 year	1,259,160	5,417,242	5,053,009	21,804,399	829,791	5,415,194	3,329,951	21,796,156
Later than 1 year but not later than 5 years	3,300	7,827	13,243	31,504	-	-	-	-
	<u>1,262,460</u>	<u>5,425,069</u>	<u>5,066,252</u>	<u>21,835,903</u>	<u>829,791</u>	<u>5,415,194</u>	<u>3,329,951</u>	<u>21,796,156</u>

As at 31 December 2025 and 31 December 2024, the balances of these commitments are related to the Bank's and its subsidiaries' purchases of property and equipment and intangible assets.

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38. COMMITMENTS (continued)

(c) Commitments to be received from other banks

	The Group				The Bank			
	2025 US\$	2024 US\$	2025 KHR'000 (Note 5)	2024 KHR'000 (Note 5)	2025 US\$	2024 US\$	2025 KHR'000 (Note 5)	2024 KHR'000 (Note 5)
Commitment to be received from other banks	71,919,213	71,765,935	288,611,802	288,857,888	70,589,223	71,567,019	283,274,552	288,057,251

(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 2025, the borrowing has been fully drawn and the outstanding balance of the borrowing is US\$947,071 (31 December 2024: US\$2,820,773). The Bank has made allowance for impairment losses of US\$2,640 (31 December 2024: US\$32,955) with respect to this guarantee.

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39. RESERVES

	The Group												
	General reserves		Hedging reserve		Regulatory reserves		Currency translation reserves		Transactions with non-controlling interests		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)	KHR'000 (Note 5)	US\$	KHR'000 (Note 5)
As at 1 January 2025	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
Other comprehensive income:													
Remeasurement of the effective portion of derivatives arising from cash flow hedge	-	-	(1,763,695)	(7,074,181)	-	-	-	-	-	-	-	(1,763,695)	(7,074,181)
Currency translation differences - foreign subsidiaries	-	-	-	-	-	-	(439,362)	(1,762,281)	-	-	-	(439,362)	(1,762,281)
Exchange differences	-	(6,291,739)	-	(30,530)	-	(3,893,670)	-	649,252	-	(36,340)	(6,404,206)	-	(16,007,233)
Total other comprehensive loss for the year	-	(6,291,739)	(1,763,695)	(7,104,711)	-	(3,893,670)	(439,362)	(1,113,029)	-	(36,340)	(6,404,206)	(2,203,057)	(24,843,695)
Transactions with owners:													
Transfer from retained earnings to regulatory reserves	-	-	-	-	80,175,113	321,582,378	-	-	-	-	-	80,175,113	321,582,378
Total transactions with owners	-	-	-	-	80,175,113	321,582,378	-	-	-	-	-	80,175,113	321,582,378
As at 31 December 2025	524,311,587	2,104,062,399	486,550	1,952,525	418,010,151	1,677,474,736	(54,616,687)	(219,176,765)	3,028,319	12,152,644	7,817,914	891,219,920	3,584,283,453

	The Group												
	General reserves		Hedging reserve		Regulatory reserves		Currency translation reserves		Transactions with non-controlling interests		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)	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

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39. RESERVES (continued)

	The Bank								
	General reserves		Hedging reserve		Regulatory reserves		Other reserves	Total	
	US\$	KHR'000 (Note 5)	US\$	KHR'000 (Note 5)	US\$	KHR'000 (Note 5)	KHR'000 (Note 5)	US\$	KHR'000 (Note 5)
As at 1 January 2025	510,741,556	2,055,734,763	2,250,245	9,057,236	328,211,716	1,321,052,157	15,391,338	841,203,517	3,401,235,494
Other comprehensive income:									
Remeasurement of the effective portion of derivatives arising from cash flow hedge	-	-	(1,763,695)	(7,074,181)	-	-	-	(1,763,695)	(7,074,181)
Exchange differences	-	(6,128,899)	-	(30,530)	-	(3,797,709)	(6,154,591)	-	(16,111,729)
Total other comprehensive loss for the year	-	(6,128,899)	(1,763,695)	(7,104,711)	-	(3,797,709)	(6,154,591)	(1,763,695)	(23,185,910)
Transactions with owners:									
Transfer from retained earnings to regulatory reserves	-	-	-	-	70,415,751	282,437,577	-	70,415,751	282,437,577
Total transactions with owners	-	-	-	-	70,415,751	282,437,577	-	70,415,751	282,437,577
As at 31 December 2025	<u>510,741,556</u>	<u>2,049,605,864</u>	<u>486,550</u>	<u>1,952,525</u>	<u>398,627,467</u>	<u>1,599,692,025</u>	<u>9,236,747</u>	<u>909,855,573</u>	<u>3,660,487,161</u>

	The Bank								
	General reserves		Hedging reserve		Regulatory reserves		Other reserves	Total	
	US\$	KHR'000 (Note 5)	US\$	KHR'000 (Note 5)	US\$	KHR'000 (Note 5)	KHR'000 (Note 5)	US\$	KHR'000 (Note 5)
As at 1 January 2024	510,741,556	2,086,379,256	5,746,686	23,475,212	248,627,006	1,015,641,321	53,456,774	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)	(38,065,436)	-	(87,472,412)
Total transactions with owners	-	(30,644,493)	-	(183,965)	79,584,710	305,410,836	(38,065,436)	79,584,710	236,516,942
As at 31 December 2024	<u>510,741,556</u>	<u>2,055,734,763</u>	<u>2,250,245</u>	<u>9,057,236</u>	<u>328,211,716</u>	<u>1,321,052,157</u>	<u>15,391,338</u>	<u>841,203,517</u>	<u>3,401,235,494</u>

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39. RESERVES (continued)

REGULATORY RESERVES

As in Note 2 (n), 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			
	2025 US\$	2024 US\$	2025 KHR'000 (Note 5)	2024 KHR'000 (Note 5)	2025 US\$	2024 US\$	2025 KHR'000 (Note 5)	2024 KHR'000 (Note 5)
Regulatory provision based on NBC's guidelines	530,804,328	434,541,718	2,130,117,768	1,749,030,415	501,790,933	408,477,687	2,013,687,014	1,644,122,690
Allowance for expected credit loss based on CIFRS 9	(112,794,177)	(96,706,680)	(452,643,032)	(389,244,387)	(103,163,466)	(80,265,971)	(413,994,989)	(323,070,533)
Regulatory reserves transferred from retained earnings	418,010,151	337,835,038	1,677,474,736	1,359,786,028	398,627,467	328,211,716	1,599,692,025	1,321,052,157

The movement on regulatory reserves are as follows:

	The Group				The Bank			
	2025 US\$	2024 US\$	2025 KHR'000 (Note 5)	2024 KHR'000 (Note 5)	2025 US\$	2024 US\$	2025 KHR'000 (Note 5)	2024 KHR'000 (Note 5)
At the beginning 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
Transfer from retained earnings	80,175,113	88,644,692	321,582,378	360,872,541	70,415,751	79,584,710	282,437,577	323,989,354
Exchange differences	-	-	(3,893,670)	(19,029,076)	-	-	(3,797,709)	(18,578,518)
At the end of the year	418,010,151	337,835,038	1,677,474,736	1,359,786,028	398,627,467	328,211,716	1,599,692,025	1,321,052,157

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40. 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 28	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 party balances

i) Loans and advances

	The Group				The Bank			
	2025 US\$	2024 US\$	2025 KHR'000 (Note 5)	2024 KHR'000 (Note 5)	2025 US\$	2024 US\$	2025 KHR'000 (Note 5)	2024 KHR'000 (Note 5)
Key management personnel	12,255,480	14,272,155	49,181,241	57,445,424	11,648,772	13,761,344	46,746,522	55,389,410
Subsidiaries	-	-	-	-	1,170,010	801,084	4,695,250	3,224,363
	<u>12,255,480</u>	<u>14,272,155</u>	<u>49,181,241</u>	<u>57,445,424</u>	<u>12,818,782</u>	<u>14,562,428</u>	<u>51,441,772</u>	<u>58,613,773</u>

Loans and advances to key management personnel and subsidiaries 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 (2024: 6.50% to 18.50% for the Group and 6.50% to 18.00% for the Bank). Allowances for expected credit losses for loans to key management personnel and subsidiaries were US\$20,515 and US\$25,304 for the Group and the Bank respectively (2024: US\$63,737 and US\$73,546 for the Group and the Bank respectively).

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40. RELATED PARTY TRANSACTIONS AND BALANCES (continued)

(b) Related party balances (continued)

i) Loans and advances (continued)

Movements of loans and advances to related parties are set out below:

	The Group				The Bank			
	2025 US\$	2024 US\$	2025 KHR'000 (Note 5)	2024 KHR'000 (Note 5)	2025 US\$	2024 US\$	2025 KHR'000 (Note 5)	2024 KHR'000 (Note 5)
At the beginning of the year	14,272,155	13,539,928	57,445,424	55,310,606	14,562,428	13,074,333	58,613,773	53,408,650
Principal disbursements	6,728,328	2,281,361	26,987,324	9,287,421	6,469,818	2,037,830	25,950,440	8,296,006
Interest earned during the year	886,831	937,074	3,557,079	3,814,828	919,425	937,799	3,687,814	3,817,780
Collections	(9,631,834)	(2,486,208)	(38,633,286)	(10,121,353)	(9,132,889)	(2,392,684)	(36,632,018)	(9,740,617)
Exchange differences	-	-	(175,300)	(846,078)	-	-	(178,237)	(319,613)
At the end of the year	12,255,480	14,272,155	49,181,241	57,445,424	12,818,782	13,657,278	51,441,772	55,462,206

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

(b) Related party balances (continued)

ii) Deposits and placements with related parties

	The Group				The Bank			
	2025 US\$	2024 US\$	2025 KHR'000 (Note 5)	2024 KHR'000 (Note 5)	2025 US\$	2024 US\$	2025 KHR'000 (Note 5)	2024 KHR'000 (Note 5)
Shareholders	588,868	799,357	2,363,127	3,217,412	588,868	799,357	2,363,127	3,217,412
Subsidiaries	-	-	-	-	10,021	39,306	40,214	158,207
	<u>588,868</u>	<u>799,357</u>	<u>2,363,127</u>	<u>3,217,412</u>	<u>598,889</u>	<u>838,663</u>	<u>2,403,341</u>	<u>3,375,619</u>

Allowances for expected credit losses for deposits and placements with related parties were US\$558 for the Group and the Bank (2024: US\$2,433 for the Group and the Bank). Those balances bear no interest.

iii) Receivables from related parties

	The Group				The Bank			
	2025 US\$	2024 US\$	2025 KHR'000 (Note 5)	2024 KHR'000 (Note 5)	2025 US\$	2024 US\$	2025 KHR'000 (Note 5)	2024 KHR'000 (Note 5)
Subsidiaries	-	-	-	-	280,595	258,093	1,126,028	1,038,825

The receivables from related parties are from payment on behalf of related parties amounting US\$280,595 (2024: US\$258,093). The receivables have no fixed terms of repayment, are unsecured in nature, bear no interest and they are short term.

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

(b) Related party balances (continued)

iv) Deposits from related parties

	The Group				The Bank			
	2025 US\$	2024 US\$	2025 KHR'000 (Note 5)	2024 KHR'000 (Note 5)	2025 US\$	2024 US\$	2025 KHR'000 (Note 5)	2024 KHR'000 (Note 5)
Key management personnel								
Current accounts	101,994	88	409,302	354	101,994	88	409,302	354
Savings deposits	2,521,804	942,053	10,119,999	3,791,763	2,412,648	862,911	9,681,956	3,473,217
Fixed deposits	9,680,628	8,912,171	38,848,360	35,871,488	9,453,317	8,562,626	37,936,161	34,464,570
Shareholders								
Current accounts	2,485,811	3,552,126	9,975,560	14,297,308	2,485,811	2,737,358	9,975,560	11,017,866
Margin accounts	68,031	68,031	273,008	273,825	68,031	68,031	273,008	273,825
Fixed deposits	10,886,654	2,745,129	43,688,143	11,049,144	10,886,654	2,745,129	43,688,143	11,049,144
Subsidiaries								
Current accounts	-	-	-	-	1,121,443	3,506,474	4,500,350	14,113,558
Savings deposits	-	-	-	-	295,996	8,493	1,187,832	34,184
Fixed deposits	-	-	-	-	2,228,000	2,087,900	8,940,964	8,403,798
	<u>25,744,922</u>	<u>16,219,598</u>	<u>103,314,372</u>	<u>65,283,882</u>	<u>29,053,894</u>	<u>20,579,010</u>	<u>116,593,276</u>	<u>82,830,516</u>

Annual interest rate during the year are as follows:

	The Group		The Bank	
	2025	2024	2025	2024
Key management personnel (current accounts)	0.00% - 0.10%	Nil	0.00% - 0.10%	Nil
Key management personnel (savings deposits)	0.20% - 14.00%	0.01% - 15.00%	0.20% - 3.50%	0.01% - 2.00%
Key management personnel (fixed deposits)	1.45% - 13.00%	1.45% - 9.50%	1.45% - 9.50%	1.45% - 9.50%
Shareholders (current accounts)	Nil	Nil	Nil	Nil
Shareholders (margin accounts)	Nil	Nil	Nil	Nil
Shareholders (fixed deposits)	2.50% - 3.60%	3.25% - 5.20%	2.50% - 3.60%	3.25% - 5.20%
Subsidiaries (current accounts)			Nil	Nil
Subsidiaries (savings deposits)			0.50% - 0.75%	0.00% - 0.75%
Subsidiaries (fixed deposits)			3.60% - 7.50%	5.40% - 7.50%

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

(b) Related party balances (continued)

v) Borrowings from related parties

	The Group				The Bank			
	2025 US\$	2024 US\$	2025 KHR'000 (Note 5)	2024 KHR'000 (Note 5)	2025 US\$	2024 US\$	2025 KHR'000 (Note 5)	2024 KHR'000 (Note 5)
Shareholder	17,142,387	34,282,111	68,792,399	137,985,497	17,142,387	34,282,111	68,792,399	137,985,497

Borrowings from related parties are not collateralised and have annual interest of 8.46% per annum for the Group and the Bank (2024: 9.60% per annum for the Group and the Bank).

Movements of borrowings from related parties are set out below:

	The Group				The Bank			
	2025 US\$	2024 US\$	2025 KHR'000 (Note 5)	2024 KHR'000 (Note 5)	2025 US\$	2024 US\$	2025 KHR'000 (Note 5)	2024 KHR'000 (Note 5)
At the beginning of the year	34,282,111	49,491,659	137,985,497	202,173,427	34,282,111	49,491,659	137,985,497	202,173,427
Charge during the year	2,559,490	4,812,722	10,266,114	19,592,591	2,559,490	4,812,722	10,266,114	19,592,591
Repayments	(19,699,214)	(19,797,388)	(79,013,547)	(80,595,167)	(19,699,214)	(19,797,388)	(79,013,547)	(80,595,167)
Withholding tax accrued	-	(224,882)	-	(915,495)	-	(224,882)	-	(915,495)
Exchange differences	-	-	(445,665)	(2,269,859)	-	-	(445,665)	(2,269,859)
At the end of the year	17,142,387	34,282,111	68,792,399	137,985,497	17,142,387	34,282,111	68,792,399	137,985,497

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

(b) Related party balances (continued)

vi) Subordinated debts from related parties

	The Group				The Bank			
	2025 US\$	2024 US\$	2025 KHR'000 (Note 5)	2024 KHR'000 (Note 5)	2025 US\$	2024 US\$	2025 KHR'000 (Note 5)	2024 KHR'000 (Note 5)
Shareholder	15,105,000	15,105,000	60,616,365	60,797,625	15,105,000	15,105,000	60,616,365	60,797,625

Subordinated debts from related parties are not collateralised and have annual interest of 7.00% per annum for the Group and the Bank (2024: 7.00% per annum for the Group and the Bank).

Movements of subordinated debts from related parties are set out below:

	The Group				The Bank			
	2025 US\$	2024 US\$	2025 KHR'000 (Note 5)	2024 KHR'000 (Note 5)	2025 US\$	2024 US\$	2025 KHR'000 (Note 5)	2024 KHR'000 (Note 5)
At the beginning of the year	15,105,000	15,094,208	60,797,625	61,659,840	15,105,000	15,094,208	60,797,625	61,659,840
Charge during the year	1,064,583	1,067,500	4,270,042	4,345,793	1,064,583	1,067,500	4,270,042	4,345,793
Repayments	(1,064,583)	(993,708)	(4,270,042)	(4,045,385)	(1,064,583)	(993,708)	(4,270,042)	(4,045,385)
Withholding tax accrued	-	(63,000)	-	(256,473)	-	(63,000)	-	(256,473)
Exchange differences	-	-	(181,260)	(906,150)	-	-	(181,260)	(906,150)
At the end of the year	15,105,000	15,105,000	60,616,365	60,797,625	15,105,000	15,105,000	60,616,365	60,797,625

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

(b) Related party balances (continued)

vii) Debt securities from related parties

	The Group				The Bank			
	2025 US\$	2024 US\$	2025 KHR'000 (Note 5)	2024 KHR'000 (Note 5)	2025 US\$	2024 US\$	2025 KHR'000 (Note 5)	2024 KHR'000 (Note 5)
Key management personnel	225,724	-	905,830	-	225,724	-	905,830	-

Debt securities from related parties are not collateralised and have coupon rate of 7.50% and 8.50% per annum for the Group and the Bank (2024: nil for the Group and the Bank).

Movements of debt securities from related parties are set out below:

	The Group				The Bank			
	2025 US\$	2024 US\$	2025 KHR'000 (Note 5)	2024 KHR'000 (Note 5)	2025 US\$	2024 US\$	2025 KHR'000 (Note 5)	2024 KHR'000 (Note 5)
At the beginning of the year	-	-	-	-	-	-	-	-
Additions	225,000	-	902,475	-	225,000	-	902,475	-
Charge during the year	15,488	-	62,122	-	15,488	-	62,122	-
Repayments	(11,699)	-	(46,925)	-	(11,699)	-	(46,925)	-
Currency translation difference	(3,065)	-	(12,294)	-	(3,065)	-	(12,294)	-
Exchange differences	-	-	452	-	-	-	452	-
At the end of the year	225,724	-	905,830	-	225,724	-	905,830	-

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40. RELATED PARTY TRANSACTIONS AND BALANCES (continued)

(c) Related party transactions

	The Group				The Bank			
	2025 US\$	2024 US\$	2025 KHR'000 (Note 5)	2024 KHR'000 (Note 5)	2025 US\$	2024 US\$	2025 KHR'000 (Note 5)	2024 KHR'000 (Note 5)
i) Interest income from related parties								
Loans and advances to key management personnel	886,831	937,074	3,557,079	3,814,828	887,020	935,678	3,557,838	3,809,145
Loans and advances to subsidiaries	-	-	-	-	32,405	2,121	129,976	8,635
	<u>886,831</u>	<u>937,074</u>	<u>3,557,079</u>	<u>3,814,828</u>	<u>919,425</u>	<u>937,799</u>	<u>3,687,814</u>	<u>3,817,780</u>
ii) Fee and commission income from related parties								
Shareholders	440	403	1,765	1,640	440	403	1,765	1,640
Subsidiaries	-	-	-	-	69,942	40,709	280,537	165,726
	<u>440</u>	<u>403</u>	<u>1,765</u>	<u>1,640</u>	<u>70,382</u>	<u>41,112</u>	<u>282,302</u>	<u>167,366</u>
iii) Interest expenses to related parties								
Borrowings from shareholder	2,559,490	4,812,722	10,266,114	19,592,591	2,559,490	4,812,722	10,266,114	19,592,591
Subordinated debts from shareholder	1,064,583	1,067,500	4,270,042	4,345,793	1,064,583	1,067,500	4,270,042	4,345,793
Deposits of shareholders	205,436	135,257	824,004	550,631	205,436	135,257	824,004	550,631
Deposits of subsidiaries	-	-	-	-	153,568	153,046	615,961	623,050
Deposits of key management personnel	129,969	137,788	521,306	560,935	129,137	123,009	517,969	500,770
Debt securities of key management personnel	15,488	-	62,122	-	15,488	-	62,122	-
	<u>3,974,966</u>	<u>6,153,267</u>	<u>15,943,588</u>	<u>25,049,950</u>	<u>4,127,702</u>	<u>6,291,534</u>	<u>16,556,212</u>	<u>25,612,835</u>
iv) Fee and remuneration expenses to related parties								
Board of Directors								
Directors' fees	701,398	665,948	2,813,307	2,711,074	535,669	530,061	2,148,568	2,157,878
Key management personnel								
Short-term employee benefits	8,083,916	8,229,919	32,424,587	33,504,000	6,513,607	6,850,297	26,126,078	27,887,559
Long-term benefits	301,007	361,205	1,207,339	1,470,466	127,439	201,105	511,158	818,698
Subsidiaries								
Training fees	-	-	-	-	1,213,176	1,273,385	4,866,049	5,183,950
Others	-	-	-	-	17,436	19,820	69,936	80,687
	<u>9,086,321</u>	<u>9,257,072</u>	<u>36,445,233</u>	<u>37,685,540</u>	<u>8,407,327</u>	<u>8,874,668</u>	<u>33,721,789</u>	<u>36,128,772</u>
v) Other commitments								
Reversal of impairment losses on financial guarantee on AUB's debt from IFC	-	-	-	-	(30,315)	(14,587)	(121,593)	(59,384)

41. 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 cash 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.

41. 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.

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

(b) Objectives and principles (continued)

The Group and the Bank hold the following financial assets and financial liabilities:

i. Financial assets and financial liabilities measured at amortised cost

	The Group				The Bank			
	2025 US\$	2024 US\$	2025 KHR'000 (Note 5)	2024 KHR'000 (Note 5)	2025 US\$	2024 US\$	2025 KHR'000 (Note 5)	2024 KHR'000 (Note 5)
Financial assets								
Cash on hand	520,905,012	513,942,123	2,090,391,813	2,068,617,045	510,259,622	503,459,073	2,047,671,863	2,026,422,769
Deposits and placements with other banks, net	2,805,834,418	1,982,391,662	11,259,813,519	7,979,126,440	2,763,512,951	1,958,058,129	11,089,977,472	7,881,183,969
Financial investments, net	268,394,259	471,615,208	1,077,066,161	1,898,251,212	268,394,259	471,615,208	1,077,066,161	1,898,251,212
Loans and advances, net	7,526,256,578	7,023,164,104	30,202,867,648	28,268,235,519	7,326,868,389	6,861,826,011	29,402,722,845	27,618,849,694
Other financial assets, net	15,233,496	11,490,911	61,132,019	46,250,917	11,946,264	9,549,296	47,940,357	38,435,916
Total financial assets	11,136,623,763	10,002,604,008	44,691,271,160	40,260,481,133	10,880,981,485	9,804,507,717	43,665,378,698	39,463,143,560
Financial liabilities								
Deposits and placements of other banks and financial institutions	334,239,531	396,514,351	1,341,303,238	1,595,970,263	309,722,604	372,727,604	1,242,916,810	1,500,228,606
Deposits from customers	9,035,027,944	7,962,541,434	36,257,567,139	32,049,229,272	8,873,020,949	7,845,298,389	35,607,433,068	31,577,326,016
Lease liabilities	34,525,786	35,021,748	138,551,979	140,962,536	32,284,769	32,783,552	129,558,778	131,953,797
Borrowings	347,361,566	606,857,875	1,393,961,964	2,442,602,947	344,707,981	598,522,015	1,383,313,128	2,409,051,110
Subordinated debts	205,672,689	178,762,108	825,364,501	719,517,485	205,672,689	178,762,108	825,364,501	719,517,485
Debt securities	199,808,320	-	801,830,788	-	199,808,320	-	801,830,788	-
Other financial liabilities	59,211,270	59,870,248	237,614,827	240,977,748	55,122,820	57,827,433	221,207,877	232,755,418
Total financial liabilities	10,215,847,106	9,239,567,764	40,996,194,436	37,189,260,251	10,020,340,132	9,085,921,101	40,211,624,950	36,570,832,432
Net financial instruments measured at amortised cost	920,776,657	763,036,244	3,695,076,724	3,071,220,882	860,641,353	718,586,616	3,453,753,748	2,892,311,128

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41. FINANCIAL RISK MANAGEMENT (continued)

(b) Objectives and principles (continued)

ii. Financial assets and financial liabilities measured at fair value

	The Group				The Bank			
	2025 US\$	2024 US\$	2025 KHR'000 (Note 5)	2024 KHR'000 (Note 5)	2025 US\$	2024 US\$	2025 KHR'000 (Note 5)	2024 KHR'000 (Note 5)
Financial assets								
Financial investments	189,670	189,670	761,146	763,422	189,670	189,670	761,146	763,422
Derivative financial instruments	486,550	2,250,246	1,952,525	9,057,240	486,550	2,250,246	1,952,525	9,057,240
Total financial assets	676,220	2,439,916	2,713,671	9,820,662	676,220	2,439,916	2,713,671	9,820,662
Net financial instruments measured at fair value	676,220	2,439,916	2,713,671	9,820,662	676,220	2,439,916	2,713,671	9,820,662

41. FINANCIAL RISK MANAGEMENT (continued)

41.1 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 acceptances, 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 be spread across different sectors (like trade, agriculture, services, industries, 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.

41. FINANCIAL RISK MANAGEMENT (continued)

41.1 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, 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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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
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41. FINANCIAL RISK MANAGEMENT (continued)

41.1 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			
	2025 US\$	2024 US\$	2025 KHR'000 (Note 5)	2024 KHR'000 (Note 5)	2025 US\$	2024 US\$	2025 KHR'000 (Note 5)	2024 KHR'000 (Note 5)
Credit exposure for on-balance sheet financial assets:								
Deposits and placements with other banks, net	2,805,834,418	1,982,391,662	11,259,813,519	7,979,126,440	2,763,512,951	1,958,058,129	11,089,977,472	7,881,183,969
Financial investments, net	268,583,929	471,804,878	1,077,827,307	1,899,014,634	268,583,929	471,804,878	1,077,827,307	1,899,014,634
Loans and advances, net	7,526,256,578	7,023,164,104	30,202,867,648	28,268,235,519	7,326,868,389	6,861,826,011	29,402,722,845	27,618,849,694
Derivative financial instruments	486,550	2,250,246	1,952,525	9,057,240	486,550	2,250,246	1,952,525	9,057,240
Other financial assets, net	15,233,496	11,490,911	61,132,019	46,250,917	11,946,264	9,549,296	47,940,357	38,435,916
	<u>10,616,394,971</u>	<u>9,491,101,801</u>	<u>42,603,593,018</u>	<u>38,201,684,750</u>	<u>10,371,398,083</u>	<u>9,303,488,560</u>	<u>41,620,420,506</u>	<u>37,446,541,453</u>
Credit exposure for off-balance sheet items:								
Unused portion of overdrafts	495,371,333	301,771,170	1,987,925,159	1,214,628,959	492,045,980	300,734,637	1,974,580,518	1,210,456,914
Bank guarantees	33,170,914	24,430,197	133,114,877	98,331,543	32,906,894	24,254,480	132,055,365	97,624,282
Letters of credit	15,616,624	9,241,756	62,669,512	37,198,068	15,616,624	9,241,756	62,669,512	37,198,068
	<u>544,158,871</u>	<u>335,443,123</u>	<u>2,183,709,548</u>	<u>1,350,158,570</u>	<u>540,569,498</u>	<u>334,230,873</u>	<u>2,169,305,395</u>	<u>1,345,279,264</u>
Total maximum credit risk exposure	<u>11,160,553,842</u>	<u>9,826,544,924</u>	<u>44,787,302,566</u>	<u>39,551,843,320</u>	<u>10,911,967,581</u>	<u>9,637,719,433</u>	<u>43,789,725,901</u>	<u>38,791,820,717</u>

The above table represents a worst-case scenario of credit risk exposure to the Group and the Bank as at 31 December 2025 and 31 December 2024, without taking into account any collateral held or other credit enhancements attached. For on-balance sheet financial assets, the exposures set out above are based on net carrying amounts.

41. FINANCIAL RISK MANAGEMENT (continued)

41.1 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 2025, 67.44% for the Group and 67.15% for the Bank of total maximum exposure is derived from loans and advances (31 December 2024: 71.47% and 71.20% 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 2025, approximately 85.29% for the Group and 85.15% for the Bank of these loans and advances are collateralised (31 December 2024: 90.68% for the Group and 90.53% for the Bank).

(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 next pages.

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41. FINANCIAL RISK MANAGEMENT (continued)

41.1 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 2025 is 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 2025									
Credit exposure for on-balance sheet financial assets:									
Deposits and placements with other banks, net	1,080,830,571	130,469,154	120,269,412	40,451,788	250,828,018	975,059,908	279,508	207,646,059	2,805,834,418
Financial investments, net	268,583,929	-	-	-	-	-	-	-	268,583,929
Loans and advances, net	7,325,704,074	-	-	167,756,622	-	-	32,795,882	-	7,526,256,578
Derivative financial instruments	-	-	-	-	-	-	-	486,550	486,550
Other financial assets, net	11,922,425	-	-	3,310,928	-	-	143	-	15,233,496
	<u>8,687,040,999</u>	<u>130,469,154</u>	<u>120,269,412</u>	<u>211,519,338</u>	<u>250,828,018</u>	<u>975,059,908</u>	<u>33,075,533</u>	<u>208,132,609</u>	<u>10,616,394,971</u>
Credit exposure for off-balance sheet items:									
Unused portion of overdrafts	492,045,980	-	-	3,325,353	-	-	-	-	495,371,333
Bank guarantees	32,906,894	-	-	264,020	-	-	-	-	33,170,914
Letters of credit	15,616,624	-	-	-	-	-	-	-	15,616,624
	<u>540,569,498</u>	<u>-</u>	<u>-</u>	<u>3,589,373</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>544,158,871</u>
Total maximum credit risk exposure	<u>9,227,610,497</u>	<u>130,469,154</u>	<u>120,269,412</u>	<u>215,108,711</u>	<u>250,828,018</u>	<u>975,059,908</u>	<u>33,075,533</u>	<u>208,132,609</u>	<u>11,160,553,842</u>
In KHR'000 equivalent (Note 5)	<u>37,030,400,923</u>	<u>523,572,715</u>	<u>482,641,150</u>	<u>863,231,257</u>	<u>1,006,572,836</u>	<u>3,912,915,411</u>	<u>132,732,114</u>	<u>835,236,160</u>	<u>44,787,302,566</u>

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

41.1 Credit risk (continued)

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

(i) *Geographical sector (continued)*

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 is 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, net	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, net	9,645,613	-	-	1,845,298	-	-	-	-	11,490,911
	<u>8,639,764,972</u>	<u>548,305</u>	<u>241,173</u>	<u>165,957,173</u>	<u>126,261,232</u>	<u>397,538,905</u>	<u>21,691,578</u>	<u>139,098,463</u>	<u>9,491,101,801</u>
Credit exposure for off-balance sheet items:									
Unused portion of overdrafts	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
	<u>334,230,873</u>	<u>-</u>	<u>-</u>	<u>1,212,250</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>335,443,123</u>
Total maximum credit risk exposure	<u>8,973,995,845</u>	<u>548,305</u>	<u>241,173</u>	<u>167,169,423</u>	<u>126,261,232</u>	<u>397,538,905</u>	<u>21,691,578</u>	<u>139,098,463</u>	<u>9,826,544,924</u>
In KHR'000 equivalent (Note 5)	<u>36,120,333,276</u>	<u>2,206,928</u>	<u>970,721</u>	<u>672,856,928</u>	<u>508,201,459</u>	<u>1,600,094,093</u>	<u>87,308,601</u>	<u>559,871,314</u>	<u>39,551,843,320</u>

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41. FINANCIAL RISK MANAGEMENT (continued)

41.1 Credit risk (continued)

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

(i) *Geographical sector (continued)*

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 2025 is as follows:

	The Bank								Total US\$
	Cambodia US\$	France US\$	Germany US\$	Laos US\$	Singapore US\$	USA US\$	Myanmar US\$	Others US\$	
As at 31 December 2025									
Credit exposure for on-balance sheet financial assets:									
Deposits and placements with other banks, net	1,080,812,123	130,469,154	120,269,412	10,019	250,828,018	975,059,908	46,554	206,017,763	2,763,512,951
Financial investments, net	268,583,929	-	-	-	-	-	-	-	268,583,929
Loans and advances, net	7,326,868,389	-	-	-	-	-	-	-	7,326,868,389
Derivative financial instruments	-	-	-	-	-	-	-	486,550	486,550
Other financial assets, net	11,665,669	-	-	-	-	-	280,595	-	11,946,264
	<u>8,687,930,110</u>	<u>130,469,154</u>	<u>120,269,412</u>	<u>10,019</u>	<u>250,828,018</u>	<u>975,059,908</u>	<u>327,149</u>	<u>206,504,313</u>	<u>10,371,398,083</u>
Credit exposure for off-balance sheet items:									
Unused portion of overdrafts	492,045,980	-	-	-	-	-	-	-	492,045,980
Bank guarantees	32,906,894	-	-	-	-	-	-	-	32,906,894
Letters of credit	15,616,624	-	-	-	-	-	-	-	15,616,624
	<u>540,569,498</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>540,569,498</u>
Total maximum credit risk exposure	<u>9,228,499,608</u>	<u>130,469,154</u>	<u>120,269,412</u>	<u>10,019</u>	<u>250,828,018</u>	<u>975,059,908</u>	<u>327,149</u>	<u>206,504,313</u>	<u>10,911,967,581</u>
In KHR'000 equivalent (Note 5)	<u>37,033,968,926</u>	<u>523,572,715</u>	<u>482,641,150</u>	<u>40,206</u>	<u>1,006,572,836</u>	<u>3,912,915,411</u>	<u>1,312,849</u>	<u>828,701,808</u>	<u>43,789,725,901</u>

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

41.1 Credit risk (continued)

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

(i) *Geographical sector (continued)*

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 is as follows:

	The Bank								
	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	1,297,810,439	548,305	241,173	39,295	126,261,232	397,538,905	46,716	135,572,064	1,958,058,129
Financial investments, net	471,804,878	-	-	-	-	-	-	-	471,804,878
Loans and advances, net	6,861,826,011	-	-	-	-	-	-	-	6,861,826,011
Derivative financial instruments	(583,607)	-	-	-	-	-	-	2,833,853	2,250,246
Other financial assets, net	9,291,269	-	-	-	-	-	258,027	-	9,549,296
	<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 overdrafts	300,734,637	-	-	-	-	-	-	-	300,734,637
Bank guarantees	24,254,480	-	-	-	-	-	-	-	24,254,480
Letters of credit	9,241,756	-	-	-	-	-	-	-	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>	<u>9,637,719,433</u>
In KHR'000 equivalent (Note 5)	<u>36,121,878,947</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>38,791,820,717</u>

ACLEDA BANK PLC.

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

41.1 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 net carrying amount as at 31 December 2025 based on the industry sectors of the counterparty is as follows:

	The Group							Total US\$
	Financial institutions US\$	Wholesales and retails US\$	Services US\$	Housing US\$	Manufacturing US\$	Agriculture US\$	Others US\$	
As at 31 December 2025								
Credit exposure for on-balance sheet financial assets:								
Deposits and placements with other banks, net	2,805,834,418	-	-	-	-	-	-	2,805,834,418
Financial investments, net	-	-	-	-	-	-	268,583,929	268,583,929
Loans and advances, net	19,863,189	2,531,365,582	1,749,559,293	154,698,772	239,121,112	1,323,396,951	1,508,251,679	7,526,256,578
Derivative financial instruments	486,550	-	-	-	-	-	-	486,550
Other financial assets, net	6,186,023	-	-	-	-	-	9,047,473	15,233,496
	<u>2,832,370,180</u>	<u>2,531,365,582</u>	<u>1,749,559,293</u>	<u>154,698,772</u>	<u>239,121,112</u>	<u>1,323,396,951</u>	<u>1,785,883,081</u>	<u>10,616,394,971</u>
Credit exposure for off-balance sheet items:								
Unused portion of overdrafts	-	-	-	-	-	-	495,371,333	495,371,333
Bank guarantees	-	-	-	-	-	-	33,170,914	33,170,914
Letters of credit	-	-	-	-	-	-	15,616,624	15,616,624
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>544,158,871</u>	<u>544,158,871</u>
Total maximum credit risk exposure	<u>2,832,370,180</u>	<u>2,531,365,582</u>	<u>1,749,559,293</u>	<u>154,698,772</u>	<u>239,121,112</u>	<u>1,323,396,951</u>	<u>2,330,041,952</u>	<u>11,160,553,842</u>
In KHR'000 equivalent (Note 5)	<u>11,366,301,531</u>	<u>10,158,370,081</u>	<u>7,020,981,443</u>	<u>620,806,172</u>	<u>959,593,022</u>	<u>5,310,791,964</u>	<u>9,350,458,353</u>	<u>44,787,302,566</u>

ACLEDA BANK PLC.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2025

41. FINANCIAL RISK MANAGEMENT (continued)

41.1 Credit risk (continued)

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

(ii) Industry sectors (continued)

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

	The Group							
	Financial institutions US\$	Wholesales and retails 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, net	-	-	-	-	-	-	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, net	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 overdrafts	-	-	-	-	-	-	301,771,170	301,771,170
Bank guarantees	-	-	-	-	-	-	24,430,197	24,430,197
Letters of credit	-	-	-	-	-	-	9,241,756	9,241,756
	-	-	-	-	-	-	335,443,123	335,443,123
Total maximum credit risk exposure	<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>1,935,926,544</u>	<u>9,826,544,924</u>
<i>In KHR'000 equivalent (Note 5)</i>	<u>8,014,888,686</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>7,792,104,340</u>	<u>39,551,843,320</u>

ACLEDA BANK PLC.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2025

41. FINANCIAL RISK MANAGEMENT (continued)

41.1 Credit risk (continued)

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

(ii) Industry sectors (continued)

The analysis of credit risk concentrations (without taking into account any collateral held or other credit enhancements) at net carrying amount as at 31 December 2025 based on the industry sectors of the counterparty is as follows:

	The Bank							Total US\$
	Financial institutions US\$	Wholesales and retails US\$	Services US\$	Housing US\$	Manufacturing US\$	Agriculture US\$	Others US\$	
As at 31 December 2025								
Credit exposure for on-balance sheet financial assets:								
Deposits and placements with other banks, net	2,763,512,951	-	-	-	-	-	-	2,763,512,951
Financial investments, net	-	-	-	-	-	-	268,583,929	268,583,929
Loans and advances, net	19,863,191	2,449,051,735	1,707,239,262	146,070,712	233,525,932	1,272,766,083	1,498,351,474	7,326,868,389
Derivative financial instruments	486,550	-	-	-	-	-	-	486,550
Other financial assets, net	6,417,327	-	11,549	-	-	-	5,517,388	11,946,264
	<u>2,790,280,019</u>	<u>2,449,051,735</u>	<u>1,707,250,811</u>	<u>146,070,712</u>	<u>233,525,932</u>	<u>1,272,766,083</u>	<u>1,772,452,791</u>	<u>10,371,398,083</u>
Credit exposure for off-balance sheet items:								
Unused portion of overdrafts	-	-	-	-	-	-	492,045,980	492,045,980
Bank guarantees	-	-	-	-	-	-	32,906,894	32,906,894
Letters of credit	-	-	-	-	-	-	15,616,624	15,616,624
	-	-	-	-	-	-	540,569,498	540,569,498
Total maximum credit risk exposure	<u>2,790,280,019</u>	<u>2,449,051,735</u>	<u>1,707,250,811</u>	<u>146,070,712</u>	<u>233,525,932</u>	<u>1,272,766,083</u>	<u>2,313,022,289</u>	<u>10,911,967,581</u>
<i>In KHR'000 equivalent (Note 5)</i>	<u>11,197,393,714</u>	<u>9,828,044,613</u>	<u>6,851,197,505</u>	<u>586,181,767</u>	<u>937,139,565</u>	<u>5,107,610,291</u>	<u>9,282,158,446</u>	<u>43,789,725,901</u>

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

41.1 Credit risk (continued)

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

(ii) Industry sectors (continued)

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

	The Bank							Total US\$
	Financial institutions US\$	Wholesales and retails US\$	Services US\$	Housing US\$	Manufacturing US\$	Agriculture US\$	Others 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, net	-	-	-	-	-	-	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, net	5,722,092	-	-	-	-	-	3,827,204	9,549,296
	<u>1,967,175,809</u>	<u>2,281,901,545</u>	<u>1,657,564,883</u>	<u>166,238,525</u>	<u>230,398,146</u>	<u>1,410,570,434</u>	<u>1,589,639,218</u>	<u>9,303,488,560</u>
Credit exposure for off-balance sheet items:								
Unused portion of overdrafts	-	-	-	-	-	-	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	<u>1,967,175,809</u>	<u>2,281,901,545</u>	<u>1,657,564,883</u>	<u>166,238,525</u>	<u>230,398,146</u>	<u>1,410,570,434</u>	<u>1,923,870,091</u>	<u>9,637,719,433</u>
In KHR'000 equivalent (Note 5)	<u>7,917,882,630</u>	<u>9,184,653,719</u>	<u>6,671,698,654</u>	<u>669,110,063</u>	<u>927,352,538</u>	<u>5,677,545,997</u>	<u>7,743,577,116</u>	<u>38,791,820,717</u>

41. FINANCIAL RISK MANAGEMENT (continued)

41.1 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	Under-performing	Non-performing
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

ACLEDA BANK PLC.

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2025**

41. FINANCIAL RISK MANAGEMENT (continued)

41.1 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		Doubtful		
	10		Loss		
		LT*: $\text{DPD} \geq 360$ ST**: $\text{DPD} \geq 91$			

* Long-term facilities;

** Short-term facilities

ACLEDA BANK PLC.

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

41.1 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/criterion	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.	<ul style="list-style-type: none"> - When any facility is not late or past due up to 29 days. - When interest payments past due up to 29 days has been capitalised, refinanced, or rolled over into a new facility. 	<ul style="list-style-type: none"> - When any facility is not late or past due up to 14 days. - When interest payments past due up to 14 days has been capitalised, refinanced, or rolled over into a new facility.

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

41.1 Credit risk (continued)

(f) Credit quality of financial assets (continued)

Credit classification for financial assets (continued)

Classes/criterion	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
<p>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 rationales and should not be used as a compromise between normal and substandard.</p>	<ul style="list-style-type: none"> - 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. 	<ul style="list-style-type: none"> - When any facility is past due from 15 days to 30 days. - When interest payments for 15 to 30 days have been capitalised, refinanced, or rolled over into a new facility. - In case of overdrafts, excess of the approval limit is for 15 to 30 days, or the current account has been inactive for 15 to 30 days, or the net inflows on the current account have not been enough to cover capitalised interests for 15 to 30 days.

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2025**

41. FINANCIAL RISK MANAGEMENT (continued)

41.1 Credit risk (continued)

(f) Credit quality of financial assets (continued)

Credit classification for financial assets (continued)

Classes/criterion	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
<p>3 - Substandard</p> <p>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:</p> <ul style="list-style-type: none"> ▪ 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. 	<ul style="list-style-type: none"> - 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. 	<ul style="list-style-type: none"> - When any facility is past due from 31 days to 60 days. - When interest payments for 31 to 60 days have been capitalised, refinanced, or rolled over into a new facility. - In case of overdrafts, excess of the approval limit is for 31 to 60 days, or the current account has been inactive for 31 to 60 days. - The overdraft that had no net inflow for 31 to 60 days must be modified into a term loan.

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

41.1 Credit risk (continued)

(f) Credit quality of financial assets (continued)

Credit classification for financial assets (continued)

Classes/criterion	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
<p>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.</p>	<ul style="list-style-type: none"> - 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. 	<ul style="list-style-type: none"> - When any facility is past due from 61 days to 90 days. - When interest payment for 61 to 90 days have been capitalised or rolled over into a new facility. - In case of overdrafts, excess of the approval limit is for 61 to 90 days, or the current account has been inactive for 61 to 90 days.
<p>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.</p>	<ul style="list-style-type: none"> - 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. 	<ul style="list-style-type: none"> - When any facility is past due from 91 days. - When interest payment for 91 days or more have been capitalised or rolled over into a new facility. - In case of overdrafts, excess of the approval limit for 91 days or more, or the current account have been inactive for 91 days or more.

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 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 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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41. FINANCIAL RISK MANAGEMENT (continued)

41.1 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 Stage 3 when there are other credit impaired indicator.

The credit quality of financial instruments other than loans, and advance and financing facilities 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 bank or guarantees by central bank.
Investment grade	Refer to the credit quality of the financial assets that the issuer is able to meet payment obligation and exposure bondholder to low credit risk of default.
Non-investment grade	Refer to low credit quality of the financial assets that are 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	Refer to the financial assets that are being impaired.

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

41.1 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

	2025				2024			
	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	7,054,150,617	743,493	13,998	7,054,908,108	6,618,098,173	15,010	1,859,301	6,619,972,484
Special mention	140,786	43,041,071	5	43,181,862	63,897	50,811,047	-	50,874,944
Substandard	-	-	73,534,577	73,534,577	-	-	60,316,024	60,316,024
Doubtful	-	-	88,704,255	88,704,255	-	-	87,712,473	87,712,473
Loss	-	-	374,119,966	374,119,966	-	-	300,147,265	300,147,265
Total gross carrying amount	7,054,291,403	43,784,564	536,372,801	7,634,448,768	6,618,162,070	50,826,057	450,035,063	7,119,023,190
ECL allowance	(35,544,799)	(6,206,440)	(66,440,951)	(108,192,190)	(23,390,855)	(6,948,824)	(65,519,407)	(95,859,086)
Net carrying amount	7,018,746,604	37,578,124	469,931,850	7,526,256,578	6,594,771,215	43,877,233	384,515,656	7,023,164,104
<i>In KHR'000 equivalent (Note 5)</i>	<u>28,166,230,122</u>	<u>150,801,012</u>	<u>1,885,836,514</u>	<u>30,202,867,648</u>	<u>26,543,954,141</u>	<u>176,605,863</u>	<u>1,547,675,515</u>	<u>28,268,235,519</u>
The Bank								
Normal	6,874,701,160	743,493	13,998	6,875,458,651	6,466,581,612	15,010	1,859,301	6,468,455,923
Special mention	-	42,322,956	5	42,322,961	-	50,528,095	-	50,528,095
Substandard	-	-	72,493,235	72,493,235	-	-	59,566,937	59,566,937
Doubtful	-	-	87,345,530	87,345,530	-	-	86,494,463	86,494,463
Loss	-	-	347,899,396	347,899,396	-	-	276,340,361	276,340,361
Total gross carrying amount	6,874,701,160	43,066,449	507,752,164	7,425,519,773	6,466,581,612	50,543,105	424,261,062	6,941,385,779
ECL allowance	(34,241,253)	(6,134,887)	(58,275,244)	(98,651,384)	(21,079,267)	(6,919,295)	(51,561,206)	(79,559,768)
Net carrying amount	6,840,459,907	36,931,562	449,476,920	7,326,868,389	6,445,502,345	43,623,810	372,699,856	6,861,826,011
<i>In KHR'000 equivalent (Note 5)</i>	<u>27,450,765,607</u>	<u>148,206,358</u>	<u>1,803,750,880</u>	<u>29,402,722,845</u>	<u>25,943,146,939</u>	<u>175,585,835</u>	<u>1,500,116,920</u>	<u>27,618,849,694</u>

ACLEDA BANK PLC.

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

41.1 Credit risk (continued)

(f) Credit quality of financial assets (continued)

Credit classification for financial assets (continued)

Financial investments at amortised cost	2025				2024			
	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	31,489,725	-	-	31,489,725	31,609,315	-	-	31,609,315
Sovereign	237,607,813	-	-	237,607,813	440,057,928	-	-	440,057,928
Total gross carrying amount	269,097,538	-	-	269,097,538	471,667,243	-	-	471,667,243
ECL allowance	(703,279)	-	-	(703,279)	(52,035)	-	-	(52,035)
Net carrying amount	268,394,259	-	-	268,394,259	471,615,208	-	-	471,615,208
<i>In KHR'000 equivalent (Note 5)</i>	<i>1,077,066,161</i>	<i>-</i>	<i>-</i>	<i>1,077,066,161</i>	<i>1,898,251,212</i>	<i>-</i>	<i>-</i>	<i>1,898,251,212</i>
The Bank								
No rating	31,489,725	-	-	31,489,725	31,609,315	-	-	31,609,315
Sovereign	237,607,813	-	-	237,607,813	440,057,928	-	-	440,057,928
Total gross carrying amount	269,097,538	-	-	269,097,538	471,667,243	-	-	471,667,243
ECL allowance	(703,279)	-	-	(703,279)	(52,035)	-	-	(52,035)
Net carrying amount	268,394,259	-	-	268,394,259	471,615,208	-	-	471,615,208
<i>In KHR'000 equivalent (Note 5)</i>	<i>1,077,066,161</i>	<i>-</i>	<i>-</i>	<i>1,077,066,161</i>	<i>1,898,251,212</i>	<i>-</i>	<i>-</i>	<i>1,898,251,212</i>

ACLEDA BANK PLC.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2025

41. FINANCIAL RISK MANAGEMENT (continued)

41.1 Credit risk (continued)

(f) Credit quality of financial assets (continued)

Credit classification for financial assets (continued)

Deposits and placements with other
banks

	2025				2024			
	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	1,744,478,245	-	-	1,744,478,245	690,524,205	-	-	690,524,205
Non-investment grade	1,060,864,052	-	-	1,060,864,052	1,291,344,452	-	-	1,291,344,452
No rating	1,145,189	-	-	1,145,189	1,145,913	-	-	1,145,913
Total gross carrying amount	2,806,487,486	-	-	2,806,487,486	1,983,014,570	-	-	1,983,014,570
ECL allowance	(653,068)	-	-	(653,068)	(622,908)	-	-	(622,908)
Net carrying amount	2,805,834,418	-	-	2,805,834,418	1,982,391,662	-	-	1,982,391,662
<i>In KHR'000 equivalent (Note 5)</i>	<i>11,259,813,519</i>	<i>-</i>	<i>-</i>	<i>11,259,813,519</i>	<i>7,979,126,440</i>	<i>-</i>	<i>-</i>	<i>7,979,126,440</i>
The Bank								
Investment grade	1,742,847,290	-	-	1,742,847,290	689,828,449	-	-	689,828,449
Non-investment grade	1,021,244,895	-	-	1,021,244,895	1,268,751,264	-	-	1,268,751,264
No rating	10,021	-	-	10,021	39,306	-	-	39,306
Total gross carrying amount	2,764,102,206	-	-	2,764,102,206	1,958,619,019	-	-	1,958,619,019
ECL allowance	(589,255)	-	-	(589,255)	(560,890)	-	-	(560,890)
Net carrying amount	2,763,512,951	-	-	2,763,512,951	1,958,058,129	-	-	1,958,058,129
<i>In KHR'000 equivalent (Note 5)</i>	<i>11,089,977,472</i>	<i>-</i>	<i>-</i>	<i>11,089,977,472</i>	<i>7,881,183,969</i>	<i>-</i>	<i>-</i>	<i>7,881,183,969</i>

ACLEDA BANK PLC.

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

41.1 Credit risk (continued)

(f) Credit quality of financial assets (continued)

Credit classification for financial assets (continued)

Other financial assets	2025				2024			
	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
No rating	16,978,689	-	-	16,978,689	10,765,069	-	-	10,765,069
Total gross carrying amount	17,736,689	-	-	17,736,689	11,523,069	-	-	11,523,069
ECL allowance	(2,503,193)	-	-	(2,503,193)	(32,158)	-	-	(32,158)
Net carrying amount	15,233,496	-	-	15,233,496	11,490,911	-	-	11,490,911
<i>In KHR'000 equivalent (Note 5)</i>	61,132,019	-	-	61,132,019	46,250,917	-	-	46,250,917
The Bank								
Investment grade	758,000	-	-	758,000	758,000	-	-	758,000
No rating	13,677,689	-	-	13,677,689	8,799,171	-	-	8,799,171
Total gross carrying amount	14,435,689	-	-	14,435,689	9,557,171	-	-	9,557,171
ECL allowance	(2,489,425)	-	-	(2,489,425)	(7,875)	-	-	(7,875)
Net carrying amount	11,946,264	-	-	11,946,264	9,549,296	-	-	9,549,296
<i>In KHR'000 equivalent (Note 5)</i>	47,940,357	-	-	47,940,357	38,435,916	-	-	38,435,916

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

41.1 Credit risk (continued)

(f) Credit quality of financial assets (continued)

Credit classification for financial assets (continued)

Financial guarantee contracts	2025				2024			
	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	68,424,191	-	-	68,424,191	67,095,997	-	-	67,095,997
Total gross carrying amount	68,424,191	-	-	68,424,191	67,095,997	-	-	67,095,997
ECL allowance	(727,555)	-	-	(727,555)	(52,540)	-	-	(52,540)
Net carrying amount	67,696,636	-	-	67,696,636	67,043,457	-	-	67,043,457
<i>In KHR'000 equivalent (Note 5)</i>	<u>271,666,600</u>	<u>-</u>	<u>-</u>	<u>271,666,600</u>	<u>269,849,914</u>	<u>-</u>	<u>-</u>	<u>269,849,914</u>
The Bank								
No rating	69,107,242	-	-	69,107,242	79,896,493	-	-	79,896,493
Total gross carrying amount	69,107,242	-	-	69,107,242	79,896,493	-	-	79,896,493
ECL allowance	(730,123)	-	-	(730,123)	(85,404)	-	-	(85,404)
Net carrying amount	68,377,119	-	-	68,377,119	79,811,089	-	-	79,811,089
<i>In KHR'000 equivalent (Note 5)</i>	<u>274,397,379</u>	<u>-</u>	<u>-</u>	<u>274,397,379</u>	<u>321,239,633</u>	<u>-</u>	<u>-</u>	<u>321,239,633</u>

41. FINANCIAL RISK MANAGEMENT (continued)

41.1 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 41.1(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 increase in credit risk by regular reviews to confirm that:

- the criteria are capable of identifying significant increase in credit risk before an exposure is in default;
- the criteria does 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).

ACLEDA BANK PLC.

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2025**

41. FINANCIAL RISK MANAGEMENT (continued)

41.1 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's 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*: $90 \leq \text{DPD} \leq 179$ ST**: $31 \leq \text{DPD} \leq 60$	Substandard	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

ACLEDA Bank Lao Ltd.

Staging	Days past due	Classification	Default indicator
3	$90 \leq \text{DPD} \leq 179$	Substandard	Default/ non-performing
	$180 \leq \text{DPD} \leq 359$	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	

- 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 (or watch for AMM), doubtful, or loss even though the days past due is not falling within the default criteria.

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2025**

41. FINANCIAL RISK MANAGEMENT (continued)

41.1 Credit risk (continued)

(g) Amounts arising from ECL (continued)

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.

The Group and the Bank groups loans for provisions measured on modelling of ECL calculation, including forward-looking information, based on industry which reflects the shared risk characteristics from its most recent observations and evolution of the current economic condition.

Incorporation of forward-looking information

The Group and the Bank incorporate forward-looking information into 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 2025, 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 2025		
		Baseline	Upside	Downside
Agriculture				
1	Agriculture, forestry and fishing	60%	15%	25%
Industry				
2	Mining and quarrying	60%	20%	20%
3	Manufacturing	60%	15%	25%
4	Construction	60%	15%	25%
Service				
5	Utilities	60%	20%	20%
6	Wholesale trade	60%	15%	25%
7	Retail trade	60%	15%	25%
8	Accommodation and food service activities	60%	15%	25%
9	Arts, entertainment and recreation	60%	15%	25%
10	Financial and insurance activities	60%	15%	25%
11	Transport and storage	60%	25%	15%
12	Information and communications	60%	20%	20%
13	Rental and operational leasing activities	60%	15%	25%
14	Real estate activities	60%	15%	25%
15	Education	60%	25%	15%
16	Human health and social work activities	60%	25%	15%
17	Activities of households	60%	15%	25%
18	Other lending	60%	15%	25%

41. FINANCIAL RISK MANAGEMENT (continued)

41.1 Credit risk (continued)

(g) Amounts arising from ECL (continued)

Incorporation of forward-looking information (continued)

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

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

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

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 and the Bank. The Bank’s ECL covered over 91% and 83% of the Group’s ECL as at 31 December 2025 and 31 December 2024, respectively.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
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41. FINANCIAL RISK MANAGEMENT (continued)**41.1 Credit risk (continued)**

(g) Amounts arising from ECL (continued)

Incorporation of forward-looking information (continued)

For 2025, the economic scenarios of the Bank's portfolio used included the following key indicators for Cambodia from years 2026 to 2030:

Sectors	2026	2027	2028	2029	2030
1- Manufacturing					
- Cambodia Foreign Reserves (USD millions)					
Base	5.88%	7.70%	8.61%	11.80%	11.80%
Upside	36.64%	38.46%	39.37%	42.56%	42.56%
Downside	-24.88%	-23.06%	-22.15%	-18.97%	-18.97%
- Nominal GDP (in KHR billions)					
Base	7.69%	7.84%	7.88%	6.97%	6.97%
Upside	18.36%	18.52%	18.56%	17.64%	17.64%
Downside	-2.99%	-2.83%	-2.79%	-3.71%	-3.71%
2- Retail trade					
- Cambodia Foreign Reserves (USD millions)					
Base	5.88%	7.70%	8.61%	11.80%	11.80%
Upside	36.64%	38.46%	39.37%	42.56%	42.56%
Downside	-24.88%	-23.06%	-22.15%	-18.97%	-18.97%
- Cambodia GDP at Constant 2014 Price (in KHR billions)					
Base	5.26%	5.43%	5.46%	4.66%	4.66%
Upside	13.17%	13.35%	13.38%	12.57%	12.57%
Downside	-2.66%	-2.49%	-2.46%	-3.26%	-3.26%
- US 1 Year Treasury Yield Curve Rates					
Base	3.8820	3.8518	3.8373	2.2248	2.2248
Upside	0.2047	0.1745	0.1600	(1.4525)	(1.4525)
Downside	7.5593	7.5291	7.5146	5.9021	5.9021
- Debits (Imports)					
Base	33,367.39	33,511.81	33,542.02	24,178.23	24,178.23
Upside	46,268.01	46,412.43	46,442.64	37,078.84	37,078.84
Downside	20,466.78	20,611.20	20,641.40	11,277.61	11,277.61
3- Other lending					
- Cambodia GDP at Constant 2014 Price (in KHR billions)					
Base	5.26%	5.43%	5.46%	4.66%	4.66%
Upside	13.17%	13.35%	13.38%	12.57%	12.57%
Downside	-2.66%	-2.49%	-2.46%	-3.26%	-3.26%
- Cambodia Foreign Reserves (USD millions)					
Base	5.88%	7.70%	8.61%	11.80%	11.80%
Upside	36.64%	38.46%	39.37%	42.56%	42.56%
Downside	-24.88%	-23.06%	-22.15%	-18.97%	-18.97%
- US 1 Year Treasury Yield Curve Rates					
Base	3.6910	3.6524	3.6323	2.3648	2.3648
Upside	(0.1267)	(0.1653)	(0.1855)	(1.4529)	(1.4529)
Downside	7.5087	7.4701	7.4500	6.1826	6.1826
4- Transport and storage					
- Nominal GDP (in KHR billions)					
Base	7.69%	7.84%	7.88%	6.97%	6.97%
Upside	18.36%	18.52%	18.56%	17.64%	17.64%
Downside	-2.99%	-2.83%	-2.79%	-3.71%	-3.71%
- Cambodia Foreign Reserves (USD millions)					
Base	5.88%	7.70%	8.61%	11.80%	11.80%
Upside	36.64%	38.46%	39.37%	42.56%	42.56%
Downside	-24.88%	-23.06%	-22.15%	-18.97%	-18.97%

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2025

41. FINANCIAL RISK MANAGEMENT (continued)**41.1 Credit risk** (continued)

(g) Amounts arising from ECL (continued)

Incorporation of forward-looking information (continued)

Sectors	2026	2027	2028	2029	2030
5- Agriculture, forestry and fishing					
- US 1 Year Treasury Yield Curve Rates					
Base	3.6910	3.6524	3.6323	2.3648	2.3648
Upside	(0.1267)	(0.1653)	(0.1855)	(1.4529)	(1.4529)
Downside	7.5087	7.4701	7.4500	6.1826	6.1826
- Cambodia CPI All Items 2006=100					
Base	207.24	207.53	207.57	184.35	184.35
Upside	184.56	184.86	184.90	161.68	161.68
Downside	229.91	230.21	230.25	207.03	207.03
- USDKHR					
Base	4,015.10	4,011.54	4,011.15	4,071.04	4,071.04
Upside	3,949.83	3,946.27	3,945.88	4,005.77	4,005.77
Downside	4,080.37	4,076.81	4,076.41	4,136.30	4,136.30
6- Activities of households					
- US 1 Year Treasury Yield Curve Rates					
Base	4.1650	4.1050	4.1135	1.9452	1.9452
Upside	0.7970	0.7370	0.7455	(1.4228)	(1.4228)
Downside	7.5330	7.4730	7.4815	5.3132	5.3132
- Cambodia Foreign Reserves (USD millions)					
Base	9.35%	9.51%	9.58%	11.80%	11.80%
Upside	40.11%	40.27%	40.34%	42.56%	42.56%
Downside	-21.41%	-21.25%	-21.18%	-18.97%	-18.97%
- Debits (Imports)					
Base	34,462.39	34,635.18	34,684.96	24,682.43	24,682.43
Upside	46,937.50	47,110.29	47,160.07	37,157.53	37,157.53
Downside	21,987.28	22,160.08	22,209.85	12,207.32	12,207.32
- US 1 Year Treasury Yield Curve Rates					
Base	3.6910	3.6524	3.6323	2.3648	2.3648
Upside	(0.1267)	(0.1653)	(0.1855)	(1.4529)	(1.4529)
Downside	7.5087	7.4701	7.4500	6.1826	6.1826
7- Real estate activities					
- Domestic Credit to Private Sector (% of GDP)					
Base	127.65%	127.77%	127.35%	98.14%	98.14%
Upside	75.07%	75.19%	74.77%	45.56%	45.56%
Downside	180.23%	180.34%	179.92%	150.72%	150.72%
- FDI (% of GDP)					
Base	9.33%	9.34%	9.37%	9.63%	9.63%
Upside	10.23%	10.24%	10.26%	10.53%	10.53%
Downside	8.44%	8.45%	8.47%	8.74%	8.74%

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.

41. FINANCIAL RISK MANAGEMENT (continued)

41.1 Credit risk (continued)

(g) Amounts arising from ECL (continued)

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.

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.

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41. FINANCIAL RISK MANAGEMENT (continued)

41.1 Credit risk (continued)

(g) Amounts arising from ECL (continued)

Modified financial assets (continued)

The following table includes summary information for loans with lifetime ECL whose cash flows were modified during the year as part of the Group's and the Bank's restructuring activities and their respective effect on the Group's and the Bank's financial performance:

Loans and advances	The Group				The Bank			
	2025 US\$	2024 US\$	2025 KHR'000 (Note 5)	2024 KHR'000 (Note 5)	2025 US\$	2024 US\$	2025 KHR'000 (Note 5)	2024 KHR'000 (Note 5)
Amortised cost before modification	93,386,664	111,818,591	374,760,683	450,069,829	93,386,664	111,818,591	374,760,683	450,069,829
Net modification loss	(2,281,676)	(644,896)	(9,156,366)	(2,595,706)	(2,281,676)	(644,896)	(9,156,366)	(2,595,706)
Amortised cost after modification	91,104,988	111,173,695	365,604,317	447,474,123	91,104,988	111,173,695	365,604,317	447,474,123

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41. FINANCIAL RISK MANAGEMENT (continued)

41.1 Credit risk (continued)

(g) Amounts arising from ECL (continued)

Management's post-model overlay

In December 2025, border dispute between Thailand and Cambodia violently led to armed conflict, fatalities, displacement, business operations and economic activities disruption. This resulted in the forced seizure and control of certain areas situated unequivocally within Cambodian territory in four provinces have been evolving during and close to the reporting date. The prospective impacts of these events, although partially reflected in the probability-weighted outcomes, were not incorporated into the original ECL model design, inputs, and management judgements.

The management performed various scenarios and their probabilities to assess the impact and determined an additional allowance for ECL over the net carrying amount of the affected facilities. The management continues to monitor the situation and makes changes to the assumptions and judgements if necessary. The overlay has been presented together with respective stages of the affected facilities.

As the situation is evolving, the future impact may be different from the current assessment, and a disclosure of the range of reasonably possible outcomes and sensitivity analysis may be limited at the current reporting date.

Considering the current situation, the uncertainty is very high so that the management applied a post-model overlay on 31 December 2025 with an additional ECL of US\$1,824,471 (31 December 2024: nil) of customers residing and working in the afore-mentioned affected areas. In addition, the manamgent still make ongoing assessment of the situation and take further actions for next reporting period.

	The Group				The Bank			
	2025 US\$	2024 US\$	2025 KHR'000 (Note 5)	2024 KHR'000 (Note 5)	2025 US\$	2024 US\$	2025 KHR'000 (Note 5)	2024 KHR'000 (Note 5)
<i>Allowance for expected credit loss</i>								
Before management overlay	106,367,719	-	426,853,656	-	96,826,913	-	388,566,402	-
Management overlay	1,824,471	-	7,321,602	-	1,824,471	-	7,321,602	-
After management overlay	108,192,190	-	434,175,258	-	98,651,384	-	395,888,004	-

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41. FINANCIAL RISK MANAGEMENT (continued)

41.1 Credit risk (continued)

(g) Amounts arising from ECL (continued)

Loss allowance

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

Loans and advances at amortised cost	2025				2024			
	Stage 1 US\$	Stage 2 US\$	Stage 3 US\$	Total US\$	Stage 1 US\$	Stage 2 US\$	Stage 3 US\$	Total US\$
The Group								
At the beginning 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
Transfers to/(deduction from):								
Stage 1	(1,008,171)	106,952	901,219	-	(357,842)	29,583	328,259	-
Stage 2	2,371,422	(5,563,088)	3,191,666	-	1,110,912	(2,752,819)	1,641,907	-
Stage 3	1,266,206	73,861	(1,340,067)	-	295,546	32,042	(327,588)	-
Net remeasurement of loss allowance	(2,703,454)	2,271,395	50,935,495	50,503,436	1,992,819	1,162,867	63,792,920	66,948,606
New financial assets originated	18,978,541	3,546,732	5,459,179	27,984,452	14,801,072	5,690,714	11,055,502	31,547,288
Derecognition of financial assets	(6,732,287)	(1,070,088)	(6,761,833)	(14,564,208)	(3,403,642)	(2,534,675)	(7,583,081)	(13,521,398)
Write-offs	(20,020)	(92,739)	(51,482,661)	(51,595,420)	(17,630)	(934)	(44,669,512)	(44,688,076)
Currency translation differences	1,705	(15,409)	18,548	4,844	2,972	(287)	(76,797)	(74,112)
As at the end of the year	<u>35,544,798</u>	<u>6,206,440</u>	<u>66,440,952</u>	<u>108,192,190</u>	<u>23,390,856</u>	<u>6,948,824</u>	<u>65,519,406</u>	<u>95,859,086</u>
In KHR'000 equivalent (Note 5)	<u>142,641,274</u>	<u>24,906,444</u>	<u>266,627,540</u>	<u>434,175,258</u>	<u>94,148,195</u>	<u>27,969,017</u>	<u>263,715,609</u>	<u>385,832,821</u>

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41. FINANCIAL RISK MANAGEMENT (continued)

41.1 Credit risk (continued)

(g) Amounts arising from ECL (continued)

Loss allowance (continued)

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

Loans and advances at amortised cost	2025				2024			
	Stage 1 US\$	Stage 2 US\$	Stage 3 US\$	Total US\$	Stage 1 US\$	Stage 2 US\$	Stage 3 US\$	Total US\$
The Bank								
At the beginning 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
Transfers to/(deduction from):								
Stage 1	(962,153)	91,405	870,748	-	(333,729)	27,865	305,864	-
Stage 2	2,362,519	(5,541,204)	3,178,685	-	282,512	(1,848,875)	1,566,363	-
Stage 3	1,236,417	69,955	(1,306,372)	-	269,379	28,203	(297,582)	-
Net remeasurement of loss allowance	(1,775,768)	2,260,355	54,801,145	55,285,732	3,139,480	1,159,828	60,352,677	64,651,985
New financial assets originated	17,820,633	3,505,428	5,378,706	26,704,767	12,886,620	5,677,540	10,990,393	29,554,553
Derecognition of financial assets	(5,505,337)	(1,062,562)	(6,283,376)	(12,851,275)	(3,038,465)	(1,394,283)	(6,990,950)	(11,423,698)
Write-offs	(20,020)	(92,739)	(49,955,834)	(50,068,593)	(17,630)	(934)	(42,929,349)	(42,947,913)
Currency translation differences	5,695	(15,046)	30,336	20,985	62,239	1,378	61,686	125,303
As at the end of the year	<u>34,241,253</u>	<u>6,134,887</u>	<u>58,275,244</u>	<u>98,651,384</u>	<u>21,079,267</u>	<u>6,919,295</u>	<u>51,561,206</u>	<u>79,559,768</u>
In KHR'000 equivalent (Note 5)	<u>137,410,148</u>	<u>24,619,302</u>	<u>233,858,554</u>	<u>395,888,004</u>	<u>84,844,050</u>	<u>27,850,162</u>	<u>207,533,854</u>	<u>320,228,066</u>

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41. FINANCIAL RISK MANAGEMENT (continued)

41.1 Credit risk (continued)

(g) Amounts arising from ECL (continued)

Loss allowance (continued)

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

Deposits and placements with other banks	2025				2024			
	Stage 1 US\$	Stage 2 US\$	Stage 3 US\$	Total US\$	Stage 1 US\$	Stage 2 US\$	Stage 3 US\$	Total US\$
The Group								
At the beginning of the year	622,908	-	-	622,908	116,195	-	-	116,195
Impairment losses charged during the year	5,295	-	-	5,295	518,846	-	-	518,846
Currency translation differences	24,865	-	-	24,865	(12,133)	-	-	(12,133)
As at the end of the year	<u>653,068</u>	-	-	<u>653,068</u>	<u>622,908</u>	-	-	<u>622,908</u>
<i>In KHR'000 equivalent (Note 5)</i>	<u>2,620,761</u>	-	-	<u>2,620,761</u>	<u>2,507,205</u>	-	-	<u>2,507,205</u>
The Bank								
At the beginning of the year	560,890	-	-	560,890	12,425	-	-	12,425
Impairment losses charged during the year	27,578	-	-	27,578	546,749	-	-	546,749
Currency translation differences	787	-	-	787	1,716	-	-	1,716
As at the end of the year	<u>589,255</u>	-	-	<u>589,255</u>	<u>560,890</u>	-	-	<u>560,890</u>
<i>In KHR'000 equivalent (Note 5)</i>	<u>2,364,680</u>	-	-	<u>2,364,680</u>	<u>2,257,582</u>	-	-	<u>2,257,582</u>

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41. FINANCIAL RISK MANAGEMENT (continued)

41.1 Credit risk (continued)

(g) Amounts arising from ECL (continued)

Loss allowance (continued)

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

Other financial assets	2025				2024			
	Stage 1 US\$	Stage 2 US\$	Stage 3 US\$	Total US\$	Stage 1 US\$	Stage 2 US\$	Stage 3 US\$	Total US\$
The Group								
At the beginning of the year	32,158	-	-	32,158	16,696	-	-	16,696
Adjustment	427,040	-	-	427,040	-	-	-	-
Impairment losses charged during the year	2,309,448	-	-	2,309,448	36,223	-	-	36,223
Write-offs	(296,663)	-	-	(296,663)	-	-	-	-
Currency translation differences	31,210	-	-	31,210	(20,761)	-	-	(20,761)
As at the end of the year	2,503,193	-	-	2,503,193	32,158	-	-	32,158
<i>In KHR'000 equivalent (Note 5)</i>	<i>10,045,314</i>	<i>-</i>	<i>-</i>	<i>10,045,314</i>	<i>129,436</i>	<i>-</i>	<i>-</i>	<i>129,436</i>
The Bank								
At the beginning of the year	7,875	-	-	7,875	13,786	-	-	13,786
Adjustment	427,040	-	-	427,040	-	-	-	-
Impairment losses charged/(reversal of impairment losses) during the year	2,059,985	-	-	2,059,985	(5,634)	-	-	(5,634)
Currency translation differences	(5,475)	-	-	(5,475)	(277)	-	-	(277)
As at the end of the year	2,489,425	-	-	2,489,425	7,875	-	-	7,875
<i>In KHR'000 equivalent (Note 5)</i>	<i>9,990,063</i>	<i>-</i>	<i>-</i>	<i>9,990,063</i>	<i>31,697</i>	<i>-</i>	<i>-</i>	<i>31,697</i>

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41. FINANCIAL RISK MANAGEMENT (continued)

41.1 Credit risk (continued)

(g) Amounts arising from ECL (continued)

Loss allowance (continued)

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

Investments in debt securities	2025				2024			
	Stage 1 US\$	Stage 2 US\$	Stage 3 US\$	Total US\$	Stage 1 US\$	Stage 2 US\$	Stage 3 US\$	Total US\$
The Group								
At the beginning of the year	52,035	-	-	52,035	629,260	-	-	629,260
Impairment losses charged/(reversal of impairment losses) during the year	651,244	-	-	651,244	(577,225)	-	-	(577,225)
As at the end of the year	703,279	-	-	703,279	52,035	-	-	52,035
<i>In KHR'000 equivalent (Note 5)</i>	<u>2,822,259</u>	<u>-</u>	<u>-</u>	<u>2,822,259</u>	<u>209,441</u>	<u>-</u>	<u>-</u>	<u>209,441</u>
The Bank								
At the beginning of the year	52,035	-	-	52,035	629,260	-	-	629,260
Impairment losses charged/(reversal of impairment losses) during the year	651,244	-	-	651,244	(577,225)	-	-	(577,225)
As at the end of the year	703,279	-	-	703,279	52,035	-	-	52,035
<i>In KHR'000 equivalent (Note 5)</i>	<u>2,822,259</u>	<u>-</u>	<u>-</u>	<u>2,822,259</u>	<u>209,441</u>	<u>-</u>	<u>-</u>	<u>209,441</u>

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41. FINANCIAL RISK MANAGEMENT (continued)

41.1 Credit risk (continued)

(g) Amounts arising from ECL (continued)

Loss allowance (continued)

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

Financial guarantee contracts	2025				2024			
	Stage 1 US\$	Stage 2 US\$	Stage 3 US\$	Total US\$	Stage 1 US\$	Stage 2 US\$	Stage 3 US\$	Total US\$
The Group								
At the beginning of the year	52,540	-	-	52,540	14,782	-	-	14,782
Impairment losses charged during the year	673,712	-	-	673,712	37,752	-	-	37,752
Currency translation differences	1,303	-	-	1,303	6	-	-	6
As at the end of the year	<u>727,555</u>	-	-	<u>727,555</u>	<u>52,540</u>	-	-	<u>52,540</u>
<i>In KHR'000 equivalent (Note 5)</i>	<u>2,919,678</u>	-	-	<u>2,919,678</u>	<u>211,474</u>	-	-	<u>211,474</u>
The Bank								
At the beginning of the year	85,404	-	-	85,404	62,307	-	-	62,307
Impairment losses charged during the year	643,409	-	-	643,409	23,078	-	-	23,078
Currency translation differences	1,310	-	-	1,310	19	-	-	19
As at the end of the year	<u>730,123</u>	-	-	<u>730,123</u>	<u>85,404</u>	-	-	<u>85,404</u>
<i>In KHR'000 equivalent (Note 5)</i>	<u>2,929,984</u>	-	-	<u>2,929,984</u>	<u>343,751</u>	-	-	<u>343,751</u>

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

41.1 Credit risk (continued)

(h) Sensitivity analysis on ECL measurement

Set out below is the Bank's ECL measurement as at 31 December 2025 and 31 December 2024 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 in US\$	Downside scenario in US\$	Upside scenario in KHR'000 (Note 5)	Downside scenario in KHR'000 (Note 5)
31 December 2025						
1- Manufacturing						
- Cambodia Foreign Reserves (USD millions)	30.76%	-30.76%	(724,412)	2,357,934	(2,907,067)	9,462,390
- Nominal GDP (in KHR billions)	10.68%	-10.68%				
2- Retail trade			(8,182,357)	21,125,043	(32,835,800)	84,774,796
- Cambodia Foreign Reserves (USD millions)	30.76%	-30.76%				
- Cambodia GDP at Constant 2014 Price (in KHR billions)	7.92%	-7.92%				
- US 1 Year Treasury Yield Curve Rates	(3.68)	3.68				
- Debits (Imports)	12,900.62	(12,900.62)				
3- Other lending			(2,346,630)	8,009,639	(9,417,025)	32,142,683
- Cambodia GDP at Constant 2014 Price (in KHR billions)	7.92%	-7.92%				
- Cambodia Foreign Reserves (USD millions)	30.76%	-30.76%				
- US 1 Year Treasury Yield Curve Rates	(3.82)	3.82				
4- Transport and storage			(1,071,045)	3,370,507	(4,298,102)	13,525,843
- Nominal GDP (in KHR billions)	10.68%	-10.68%				
- Cambodia Foreign Reserves (USD millions)	30.76%	-30.76%				
5- Agriculture, forestry and fishing			(333,703)	988,537	(1,339,150)	3,966,999
- US 1 Year Treasury Yield Curve Rates	(3.82)	3.82				
- Cambodia CPI All Items 2006=100	(22.68)	22.68				
- USDKHR	(65.27)	65.27				
6- Activities of households			(5,342,328)	10,142,133	(21,438,762)	40,700,381
- US 1 Year Treasury Yield Curve Rates	(3.37)	3.37				
- Cambodia Foreign Reserves (USD millions)	30.76%	-30.76%				
- Debits (Imports)	12,475.11	(12,475.11)				
- US 1 Year Treasury Yield Curve Rates	(3.82)	3.82				
7- Real estate activities			(112,307)	152,528	(450,687)	612,095
- Domestic Credit to Private Sector (% of GDP)	-52.58%	52.58%				
- FDI (% of GDP)	0.90%	-0.90%				

	Change in MEVs		Impact on ECL			
	Upside scenario	Downside scenario	Upside scenario in US\$	Downside scenario in US\$	Upside scenario in KHR'000 (Note 5)	Downside scenario in KHR'000 (Note 5)
31 December 2024						
1- Agriculture, forestry and fishing			(412,500)	308,738	(1,660,313)	1,242,669
- Cambodia Foreign Reserves (USD millions)	27.87%	-27.87%				
- 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 (USD millions)	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 (USD millions)	23.79%	-23.79%				
- Cambodia Foreign Reserves (USD millions)	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 (USD millions)	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 (USD millions)	23.79%	-23.79%				

41. FINANCIAL RISK MANAGEMENT (continued)

41.1 Credit risk (continued)

(i) Repossessed collaterals

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

The Group and the Bank have obtained assets by taking possession of collaterals held as security as at 31 December 2025 amounting to US\$13,372,583 (2024: nil).

41.2 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 risk is 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 market risk management framework comprises of core components such as (1) the effective governance and oversight by senior management and Board of Directors, (2) the 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 day-to-day management of business and operations to provide transparent and consistent management of market risk across the Group and the Bank.
- The day-to-day responsibility for market risk lies with the senior management of the treasury group.

41. FINANCIAL RISK MANAGEMENT (continued)

41.2 Market risk (continued)

Internal targets on the market risk

- The Group and the Bank will have internal target on foreign exchange currency mismatch per currency and cumulative mismatch for all foreign currencies to limit the adverse impact of foreign exchange risk.
- 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 Asset and Liability Committee (“ALCO”) and President & Group Managing Director.
- The framework and guidelines for managing the metrics/internal targets is laid in the Risk Appetite Statement Operating Manual.

As at 31 December 2025 and 31 December 2024, 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 42. The Group and the Bank use derivative financial instruments, such as interest rate swaps to hold its risk exposures.

(i) *Interest rate risk*

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 and subordinated debts 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 and subordinated debts from floating rates to fixed rates and recognising the interest expense based on that fixed interest rate. The Group and the Bank raise borrowings and subordinated debts 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 net 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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41. FINANCIAL RISK MANAGEMENT (continued)

41.2 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 2025							
Financial assets							
Cash on hand	-	-	-	-	-	520,905,012	520,905,012
Deposits and placements with other banks, net	1,501,564,525	9,978,011	10,055,300	-	-	1,284,236,582	2,805,834,418
Financial investments, net	135,804,965	32,964,894	2,113,745	85,791,966	11,718,689	189,670	268,583,929
Loans and advances, net	262,855,016	302,241,244	1,160,286,081	5,157,095,855	643,778,382	-	7,526,256,578
Derivative financial instruments	-	-	-	-	-	486,550	486,550
Other financial assets, net	-	-	-	-	-	15,233,496	15,233,496
Total financial assets	1,900,224,506	345,184,149	1,172,455,126	5,242,887,821	655,497,071	1,821,051,310	11,137,299,983
Financial liabilities							
Deposits and placements of other banks and financial institutions	161,762,983	19,632,955	52,279,342	12,892,590	84,950,000	2,721,661	334,239,531
Deposits from customers	4,384,641,888	698,987,103	1,989,847,290	794,808,452	40,682,761	1,126,060,450	9,035,027,944
Lease liabilities	1,245,616	2,006,682	8,973,677	19,459,350	2,840,461	-	34,525,786
Borrowings	43,481,510	110,389,880	170,803,158	22,682,235	4,783	-	347,361,566
Subordinated debts	4,011,598	923,401	54,212,365	101,538,317	44,987,008	-	205,672,689
Debt securities	1,430,237	508,396	-	119,815,866	78,053,821	-	199,808,320
Other financial liabilities	-	-	-	-	-	59,211,270	59,211,270
Total financial liabilities	4,596,573,832	832,448,417	2,276,115,832	1,071,196,810	251,518,834	1,187,993,381	10,215,847,106
Net interest sensitivity gap	(2,696,349,326)	(487,264,268)	(1,103,660,706)	4,171,691,011	403,978,237	633,057,929	921,452,877
In KHR'000 equivalent (Note 5)	(10,820,449,846)	(1,955,391,507)	(4,428,990,413)	16,740,996,027	1,621,164,665	2,540,461,469	3,697,790,395
Unused portion of overdrafts	-	-	-	-	-	495,371,333	495,371,333
Bank guarantees and letters of credit	-	-	-	-	-	84,040,815	84,040,815
Net interest sensitivity gap	-	-	-	-	-	579,412,148	579,412,148
In KHR'000 equivalent (Note 5)	-	-	-	-	-	2,325,180,949	2,325,180,949

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2025

41. FINANCIAL RISK MANAGEMENT (continued)

41.2 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 2024							
Financial assets							
Cash on hand	-	-	-	-	-	513,942,123	513,942,123
Deposits and placements with other banks, net	269,880,105	39,734,617	9,986,747	-	-	1,662,790,193	1,982,391,662
Financial investments, net	121,762,168	222,042,864	91,759,404	36,050,772	-	189,670	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	2,250,246
Other financial assets, net	-	-	-	-	-	11,490,911	11,490,911
Total financial assets	677,636,115	545,267,718	1,175,754,205	4,521,027,761	894,694,982	2,190,663,143	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	87,106,549	396,514,351
Deposits from customers	3,708,534,414	668,970,196	1,828,565,079	791,849,431	46,546,760	918,075,554	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	59,870,248
Total financial liabilities	3,873,683,053	927,287,078	2,262,618,418	931,756,790	179,170,074	1,065,052,351	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	1,125,610,792	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	4,530,583,437	3,081,041,544
Unused portion of overdrafts	-	-	-	-	-	301,771,170	301,771,170
Bank guarantees and letters of credit	-	-	-	-	-	76,337,753	76,337,753
Net interest sensitivity gap	-	-	-	-	-	378,108,923	378,108,923
In KHR'000 equivalent (Note 5)	-	-	-	-	-	1,521,888,415	1,521,888,415

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

41.2 Market risk (continued)

(i) Interest rate risk (continued)

	The Bank						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 2025							
Financial assets							
Cash on hand	-	-	-	-	-	510,259,622	510,259,622
Deposits and placements with other banks, net	1,501,062,336	9,978,012	10,055,300	-	-	1,242,417,303	2,763,512,951
Financial investments, net	135,804,965	32,964,894	2,113,745	85,791,966	11,718,689	189,670	268,583,929
Loans and advances, net	257,407,969	287,975,706	1,107,056,376	5,038,993,073	635,435,265	-	7,326,868,389
Derivative financial instruments	-	-	-	-	-	486,550	486,550
Other financial assets, net	-	-	-	-	-	11,946,264	11,946,264
Total financial assets	1,894,275,270	330,918,612	1,119,225,421	5,124,785,039	647,153,954	1,765,299,409	10,881,657,705
Financial liabilities							
Deposits and placements of other banks and financial institutions	157,069,036	17,830,713	33,532,735	12,610,131	84,950,000	3,729,989	309,722,604
Deposits from customers	4,336,837,730	678,202,197	1,937,410,003	768,766,061	38,629,251	1,113,175,707	8,873,020,949
Lease liabilities	1,185,326	1,984,450	8,567,945	18,604,483	1,942,565	-	32,284,769
Borrowings	43,481,509	110,152,315	169,858,280	21,211,094	4,783	-	344,707,981
Subordinated debts	4,011,598	923,401	54,212,365	101,538,317	44,987,008	-	205,672,689
Debt securities	1,430,237	508,396	-	119,815,866	78,053,821	-	199,808,320
Other financial liabilities	-	-	-	-	-	55,122,820	55,122,820
Total financial liabilities	4,544,015,436	809,601,472	2,203,581,328	1,042,545,952	248,567,428	1,172,028,516	10,020,340,132
Net interest sensitivity gap	(2,649,740,166)	(478,682,860)	(1,084,355,907)	4,082,239,087	398,586,526	593,270,893	861,317,573
In KHR'000 equivalent (Note 5)	(10,633,407,288)	(1,920,954,317)	(4,351,520,255)	16,382,025,456	1,599,527,729	2,380,796,094	3,456,467,419
Unused portion of overdrafts	-	-	-	-	-	492,045,980	492,045,980
Bank guarantees and letters of credit	-	-	-	-	-	83,776,795	83,776,795
Net interest sensitivity gap	-	-	-	-	-	575,822,775	575,822,775
In KHR'000 equivalent (Note 5)	-	-	-	-	-	2,310,776,796	2,310,776,796

ACLEDA BANK PLC.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2025

41. FINANCIAL RISK MANAGEMENT (continued)

41.2 Market risk (continued)

(i) Interest rate risk (continued)

	The Bank						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 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, net	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, net	-	-	-	-	-	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
Bank guarantees and letters of credit	-	-	-	-	-	76,138,249	76,138,249
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 2025

41. FINANCIAL RISK MANAGEMENT (continued)

41.2 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 subordinated debts 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 borrowings and subordinated debts:

	The Group		The Bank	
	US\$	KHR'000 (Note 5)	US\$	KHR'000 (Note 5)
31 December 2025				
Interest rate increased by 25 bp	(564,319)	(2,264,612)	(564,319)	(2,264,612)
Interest rate decreased by 25 bp	564,319	2,264,612	564,319	2,264,612

	The Group		The Bank	
	US\$	KHR'000 (Note 5)	US\$	KHR'000 (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

41. FINANCIAL RISK MANAGEMENT (continued)

41.2 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"), Thai Baht ("THB"), Lao Kip ("LAK"), Australian Dollar ("AUD"), Japanese Yen ("JPY"), Vietnamese Dong ("VND"), Canadian Dollar ("CAD"), 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 net carrying amount by currency.

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

41.2 Market risk (continued)

(ii) Foreign exchange risk (continued)

	The Group							Total
	In US\$ equivalent							
	KHR	US\$	THB	EUR	AUD	LAK	Others	
As at 31 December 2025								
Financial assets								
Cash on hand	173,003,535	329,874,716	5,663,330	3,590,713	494,573	6,036,172	2,241,973	520,905,012
Deposits and placements with other banks, net	396,010,128	2,366,097,380	8,006,733	791,793	1,246,192	31,062,822	2,619,370	2,805,834,418
Financial investments, net	208,853,439	59,730,490	-	-	-	-	-	268,583,929
Loans and advances, net	1,506,319,951	5,794,333,456	25,050,666	-	-	167,756,622	32,795,883	7,526,256,578
Derivative financial instruments	-	486,550	-	-	-	-	-	486,550
Other financial assets, net	1,444,223	10,480,928	5,115	-	-	3,303,087	143	15,233,496
Total financial assets	2,285,631,276	8,561,003,520	38,725,844	4,382,506	1,740,765	208,158,703	37,657,369	11,137,299,983
Financial liabilities								
Deposits and placements of other banks and financial institutions	28,616,416	280,710,923	65,534	-	-	24,846,658	-	334,239,531
Deposits from customers	2,205,119,538	6,645,913,161	34,780,044	1,270,573	2,863	143,830,049	4,111,716	9,035,027,944
Lease liabilities	604,849	33,317,249	227,604	-	-	320,896	55,188	34,525,786
Borrowings	5,019,689	340,633,170	-	-	-	1,471,142	237,565	347,361,566
Subordinated debts	23,350,398	182,322,291	-	-	-	-	-	205,672,689
Debt securities	-	199,808,320	-	-	-	-	-	199,808,320
Other financial liabilities	3,702,667	51,569,077	133,447	13,361	333,562	3,263,888	195,268	59,211,270
Total financial liabilities	2,266,413,557	7,734,274,191	35,206,629	1,283,934	336,425	173,732,633	4,599,737	10,215,847,106
Net on-balance sheet position	19,217,719	826,729,329	3,519,215	3,098,572	1,404,340	34,426,070	33,057,632	921,452,877
In KHR'000 equivalent (Note 5)	77,120,707	3,317,664,797	14,122,610	12,434,569	5,635,616	138,151,819	132,660,277	3,697,790,395
Unused portion of overdrafts	84,100,384	407,120,868	824,728	-	-	3,325,353	-	495,371,333
Bank guarantees and letters of credit	15,496,694	68,112,943	-	-	-	264,020	167,158	84,040,815
Credit commitment	99,597,078	475,233,811	824,728	-	-	3,589,373	167,158	579,412,148
In KHR'000 equivalent (Note 5)	399,683,073	1,907,113,284	3,309,633	-	-	14,404,154	670,805	2,325,180,949

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2025

41. FINANCIAL RISK MANAGEMENT (continued)

41.2 Market risk (continued)

(ii) Foreign exchange risk (continued)

	The Group							Total
	In US\$ equivalent							
	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, net	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, net	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
Financial liabilities								
Deposits and placements of other banks and financial institutions	39,065,798	334,472,432	222,379	-	-	22,753,742	-	396,514,351
Deposits from customers	1,847,544,837	5,950,139,711	64,768,266	1,271,128	3,050	95,463,307	3,351,135	7,962,541,434
Lease liabilities	105,288	34,369,229	190,070	-	-	259,863	97,298	35,021,748
Borrowings	56,301,442	545,028,665	-	-	-	4,819,685	708,083	606,857,875
Subordinated debts	23,270,080	155,492,028	-	-	-	-	-	178,762,108
Other financial liabilities	5,469,196	51,863,911	92,138	56,267	398,532	1,817,789	172,415	59,870,248
Total financial liabilities	1,971,756,641	7,071,365,976	65,272,853	1,327,395	401,582	125,114,386	4,328,931	9,239,567,764
Net on-balance sheet position	2,995,134	706,764,637	1,488,659	510,120	792,584	32,004,024	20,921,002	765,476,160
In KHR'000 equivalent (Note 5)	12,055,414	2,844,727,664	5,991,852	2,053,233	3,190,151	128,816,197	84,207,033	3,081,041,544
Unused portion of overdrafts	34,243,404	264,745,512	1,745,721	-	-	1,036,533	-	301,771,170
Bank guarantees and letters of credit	10,816,276	65,226,513	-	-	-	199,504	95,460	76,337,753
Credit commitment	45,059,680	329,972,025	1,745,721	-	-	1,236,037	95,460	378,108,923
In KHR'000 equivalent (Note 5)	181,365,211	1,328,137,401	7,026,527	-	-	4,975,049	384,227	1,521,888,415

ACLEDA BANK PLC.

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2025**

41. FINANCIAL RISK MANAGEMENT (continued)

41.2 Market risk (continued)

(ii) Foreign exchange risk (continued)

	The Bank							Total
	In US\$ equivalent							
	KHR	US\$	THB	EUR	AUD	LAK	Others	
As at 31 December 2025								
Financial assets								
Cash on hand	172,979,559	328,075,891	4,087,839	3,588,166	494,446	38,652	995,069	510,259,622
Deposits and placements with other banks, net	396,010,127	2,362,239,759	797,347	791,793	1,246,192	9,463	2,418,270	2,763,512,951
Financial investments, net	208,853,439	59,730,490	-	-	-	-	-	268,583,929
Loans and advances, net	1,506,319,953	5,795,497,770	25,050,666	-	-	-	-	7,326,868,389
Derivative financial instruments	-	486,550	-	-	-	-	-	486,550
Other financial assets, net	1,417,641	10,527,968	655	-	-	-	-	11,946,264
Total financial assets	<u>2,285,580,719</u>	<u>8,556,558,428</u>	<u>29,936,507</u>	<u>4,379,959</u>	<u>1,740,638</u>	<u>48,115</u>	<u>3,413,339</u>	<u>10,881,657,705</u>
Financial liabilities								
Deposits and placements of other banks and financial institutions	28,617,747	281,021,424	83,433	-	-	-	-	309,722,604
Deposits from customers	2,205,842,774	6,641,355,251	24,549,486	1,270,573	2,863	-	2	8,873,020,949
Lease liabilities	604,849	31,679,920	-	-	-	-	-	32,284,769
Borrowings	5,019,689	339,688,292	-	-	-	-	-	344,707,981
Subordinated debts	23,350,398	182,322,291	-	-	-	-	-	205,672,689
Debt securities	-	199,808,320	-	-	-	-	-	199,808,320
Other financial liabilities	3,697,535	50,773,236	114,713	13,361	333,562	1,559	188,854	55,122,820
Total financial liabilities	<u>2,267,132,992</u>	<u>7,726,648,734</u>	<u>24,747,632</u>	<u>1,283,934</u>	<u>336,425</u>	<u>1,559</u>	<u>188,856</u>	<u>10,020,340,132</u>
Net on-balance sheet position	<u>18,447,727</u>	<u>829,909,694</u>	<u>5,188,875</u>	<u>3,096,025</u>	<u>1,404,213</u>	<u>46,556</u>	<u>3,224,483</u>	<u>861,317,573</u>
In KHR'000 equivalent (Note 5)	<u>74,030,728</u>	<u>3,330,427,602</u>	<u>20,822,955</u>	<u>12,424,348</u>	<u>5,635,107</u>	<u>186,829</u>	<u>12,939,850</u>	<u>3,456,467,419</u>
Unused portion of overdrafts	84,100,384	407,120,868	824,728	-	-	-	-	492,045,980
Bank guarantees and letters of credit	15,496,694	68,112,943	-	-	-	-	167,158	83,776,795
Credit commitment	<u>99,597,078</u>	<u>475,233,811</u>	<u>824,728</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>167,158</u>	<u>575,822,775</u>
In KHR'000 equivalent (Note 5)	<u>399,683,074</u>	<u>1,907,113,284</u>	<u>3,309,633</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>670,805</u>	<u>2,310,776,796</u>

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

41.2 Market risk (continued)

(ii) Foreign exchange risk (continued)

	The Bank							Total
	In US\$ equivalent							
	KHR	US\$	THB	EUR	AUD	LAK	Others	
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, net	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, net	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
Financial liabilities								
Deposits and placements of 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	161,317	57,827,433
Total financial liabilities	1,972,479,298	7,059,001,381	52,548,629	1,327,395	401,582	1,499	161,317	9,085,921,101
Net on-balance sheet position	2,254,136	711,992,971	3,350,763	503,416	791,017	72,879	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	293,338	8,296,934	2,902,131,790
Unused portion of overdrafts	34,243,404	264,745,512	1,745,721	-	-	-	-	300,734,637
Bank guarantees and letters of credit	10,816,276	65,226,513	-	-	-	-	95,460	76,138,249
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

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

41.2 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			
	2025 US\$	2024 US\$	2025 KHR'000 (Note 5)	2024 KHR'000 (Note 5)	2025 US\$	2024 US\$	2025 KHR'000 (Note 5)	2024 KHR'000 (Note 5)
Assets/(liabilities)								
KHR	19,217,719	2,995,134	77,120,707	12,055,414	18,447,727	2,254,136	74,030,728	9,072,897
THB	3,519,215	1,488,659	14,122,610	5,991,852	5,188,875	3,350,763	20,822,955	13,486,821
EUR	3,098,572	510,120	12,434,569	2,053,233	3,096,025	503,416	12,424,348	2,026,249
AUD	1,404,340	792,584	5,635,616	3,190,151	1,404,213	791,017	5,635,107	3,183,843
LAK	34,426,070	32,004,024	138,151,819	128,816,197	46,556	72,879	186,829	293,338
Others	33,057,632	20,921,002	132,660,277	84,207,033	3,224,483	2,061,350	12,939,850	8,296,934
	<u>94,723,548</u>	<u>58,711,523</u>	<u>380,125,598</u>	<u>236,313,880</u>	<u>31,407,879</u>	<u>9,033,561</u>	<u>126,039,817</u>	<u>36,360,082</u>

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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2025**

41. FINANCIAL RISK MANAGEMENT (continued)

41.2 Market risk (continued)

(ii) *Foreign exchange risk (continued)*

Sensitivity analysis (continued)

As shown in the table in previous page, 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 1 January 2023 to 31 December 2025.

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			
	2025 US\$	2024 US\$	2025 KHR'000 (Note 5)	2024 KHR'000 (Note 5)	2025 US\$	2024 US\$	2025 KHR'000 (Note 5)	2024 KHR'000 (Note 5)
Increase/(decrease)								
KHR - Increased by 1%	(152,220)	(23,724)	(610,859)	(95,489)	(146,121)	(17,855)	(586,384)	(71,866)
THB - Increased by 6%	(159,361)	(11,791)	(639,516)	(47,459)	(234,968)	(26,541)	(942,927)	(106,828)
EUR - Increased by 6%	(140,313)	(11,886)	(563,076)	(47,841)	(140,197)	(11,730)	(562,611)	(47,213)
AUD - Increased by 1%	(11,123)	(35,891)	(44,637)	(144,461)	(11,122)	(35,820)	(44,633)	(144,176)
LAK - Increased by 10%	(2,503,714)	(2,327,565)	(10,047,404)	(9,368,449)	(3,386)	(5,300)	(13,588)	(21,333)
Others - Increased by 1%	(261,843)	(487,480)	(1,050,776)	(1,962,107)	(25,540)	(48,031)	(102,492)	(193,325)
	<u>(3,228,574)</u>	<u>(2,898,337)</u>	<u>(12,956,268)</u>	<u>(11,665,806)</u>	<u>(561,334)</u>	<u>(145,277)</u>	<u>(2,252,635)</u>	<u>(584,741)</u>

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2025

41. FINANCIAL RISK MANAGEMENT (continued)

41.2 Market risk (continued)

(ii) Foreign exchange risk (continued)

Sensitivity analysis (continued)

	The Group				The Bank			
	2025 US\$	2024 US\$	2025 KHR'000 (Note 5)	2024 KHR'000 (Note 5)	2025 US\$	2024 US\$	2025 KHR'000 (Note 5)	2024 KHR'000 (Note 5)
Increase/(decrease)								
KHR - decreased by 1%	155,295	24,203	623,199	97,417	149,073	18,215	598,230	73,315
THB - decreased by 6%	179,705	12,030	721,156	48,421	264,964	27,077	1,063,301	108,985
EUR - decreased by 6%	158,225	12,622	634,957	50,804	158,095	12,456	634,435	50,135
AUD - decreased by 1%	11,348	40,472	45,540	162,900	11,347	40,392	45,536	162,578
LAK - decreased by 10%	3,060,095	2,844,802	12,280,161	11,450,328	4,138	6,478	16,606	26,074
Others - decreased by 1%	267,132	517,633	1,072,001	2,083,473	26,056	51,002	104,563	205,283
	<u>3,831,800</u>	<u>3,451,762</u>	<u>15,377,014</u>	<u>13,893,343</u>	<u>613,673</u>	<u>155,620</u>	<u>2,462,671</u>	<u>626,370</u>

41. FINANCIAL RISK MANAGEMENT (continued)

41.3 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. The Group's and the Bank's liquidity risk management framework is established 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 deposits, demand accounts, 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 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 group 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 policies.
- 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.

41. FINANCIAL RISK MANAGEMENT (continued)

41.3 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.
- 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 limit 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 raising additional capital) or externally (as with borrowings and deposits), 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.

41. FINANCIAL RISK MANAGEMENT (continued)

41.3 Liquidity risk (continued)

(a) Liquidity risk management process (continued)

Internal targets on the liquidity risk: (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 to analyse 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, debt securities, 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, subordinated debts and debt securities 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 next 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)
AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2025

41. FINANCIAL RISK MANAGEMENT (continued)

41.3 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 2025							
Financial liabilities							
Deposits and placements of other banks and financial institutions	164,776,897	20,614,842	17,268,782	41,678,185	36,156,393	100,101,348	380,596,447
Deposits from customers	5,493,933,647	712,799,497	716,911,663	1,355,426,747	870,380,842	56,152,016	9,205,604,412
Lease liabilities	1,251,076	1,982,905	3,151,144	6,151,754	22,274,762	5,662,408	40,474,049
Borrowings*	3,804,884	57,926,071	64,538,206	180,073,807	69,709,457	4,783	376,057,208
Subordinated debts*	4,042,601	1,601,779	19,201,558	44,925,433	155,227,890	50,136,769	275,136,030
Debt securities	1,884,608	2,198,890	4,093,473	8,230,742	170,008,404	85,350,294	271,766,411
Other financial liabilities	42,361,887	81,063	7,352	16,760,968	-	-	59,211,270
Total financial liabilities	5,712,055,600	797,205,047	825,172,178	1,653,247,636	1,323,757,748	297,407,618	10,608,845,827
In KHR'000 equivalent (Note 5)	22,922,479,123	3,199,183,854	3,311,415,950	6,634,482,763	5,312,239,843	1,193,496,771	42,573,298,304
Assets held for managing liquidity risk	3,792,775,085	414,995,069	539,900,383	994,861,559	5,353,963,530	2,064,990,200	13,161,485,826
In KHR'000 equivalent (Note 5)	15,220,406,416	1,665,375,212	2,166,620,237	3,992,379,436	21,485,455,646	8,286,805,673	52,817,042,620
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	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	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
in KHR'000 equivalent (Note 5)	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

* 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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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2025

41. FINANCIAL RISK MANAGEMENT (continued)

41.3 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 2025							
Financial liabilities							
Deposits and placements of other banks and financial institutions	161,073,130	18,774,284	5,621,838	33,506,894	35,853,904	100,101,348	354,931,398
Deposits from customers	5,433,201,120	691,684,903	688,743,840	1,328,741,496	842,060,017	53,540,003	9,037,971,379
Lease liabilities	1,190,715	1,960,408	2,952,680	5,926,664	21,241,683	2,843,265	36,115,415
Borrowings*	3,721,729	57,574,832	63,593,328	180,032,084	68,063,105	4,783	372,989,861
Subordinated debts*	4,042,601	1,601,779	19,201,558	44,925,433	155,227,890	50,136,769	275,136,030
Debt securities	1,884,608	2,198,890	4,093,473	8,230,742	170,008,404	85,350,294	271,766,411
Other financial liabilities	38,032,695	55,330	-	17,034,795	-	-	55,122,820
Total financial liabilities	5,643,146,598	773,850,426	784,206,717	1,618,398,108	1,292,455,003	291,976,462	10,404,033,314
<i>In KHR'000 equivalent (Note 5)</i>	<u>22,645,947,298</u>	<u>3,105,461,760</u>	<u>3,147,021,555</u>	<u>6,494,631,607</u>	<u>5,186,621,927</u>	<u>1,171,701,542</u>	<u>41,751,385,689</u>
Assets held for managing liquidity risk	3,728,099,537	395,529,175	512,451,472	951,366,775	5,226,143,433	2,037,975,685	12,851,566,077
<i>In KHR'000 equivalent (Note 5)</i>	<u>14,960,863,442</u>	<u>1,587,258,579</u>	<u>2,056,467,757</u>	<u>3,817,834,868</u>	<u>20,972,513,597</u>	<u>8,178,396,424</u>	<u>51,573,334,667</u>
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	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
<i>In KHR'000 equivalent (Note 5)</i>	<u>19,272,162,778</u>	<u>3,174,511,378</u>	<u>3,210,098,391</u>	<u>6,905,102,644</u>	<u>4,742,064,726</u>	<u>920,602,963</u>	<u>38,224,542,880</u>
Assets held for managing liquidity risk	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
<i>In KHR'000 equivalent (Note 5)</i>	<u>12,668,844,270</u>	<u>1,704,032,477</u>	<u>1,997,812,976</u>	<u>3,786,380,749</u>	<u>19,658,323,444</u>	<u>7,867,565,036</u>	<u>47,682,958,952</u>

* 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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41. FINANCIAL RISK MANAGEMENT (continued)

41.3 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 tables have 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 the reporting period.

	The Group					
	Up to 1 month	1 to 3 months	3 to 12 months	1 to 5 years	Over 5 years	Total
	US\$	US\$	US\$	US\$	US\$	US\$
At 31 December 2025						
Interest rate swap - cash flow hedges						
- (inflow)	-	-	(588,507)	-	-	(588,507)
- outflow	-	-	81,147	-	-	81,147
Net settlement	-	-	(507,360)	-	-	(507,360)
<i>In KHR'000 equivalent (Note 5)</i>	-	-	(2,036,036)	-	-	(2,036,036)

	The Group					
	Up to 1 month	1 to 3 months	3 to 12 months	1 to 5 years	Over 5 years	Total
	US\$	US\$	US\$	US\$	US\$	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)
<i>In KHR'000 equivalent (Note 5)</i>	-	(880,469)	(8,426,744)	(3,375,015)	-	(12,682,228)

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

41.3 Liquidity risk (continued)

(d) Derivative financial instruments (continued)

	The Bank					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 2025						
Interest rate swap - cash flow hedges						
- (inflow)	-	-	(588,507)	-	-	(588,507)
- outflow	-	-	81,147	-	-	81,147
Net settlement	-	-	(507,360)	-	-	(507,360)
<i>In KHR'000 equivalent (Note 5)</i>	-	-	(2,036,036)	-	-	(2,036,036)

	The Bank					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						
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)
<i>In KHR'000 equivalent (Note 5)</i>	-	(880,469)	(8,426,744)	(3,375,015)	-	(12,682,228)

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

41.3 Liquidity risk (continued)

(e) Off-balance sheet items

(i) Credit 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 2025						
Unused portion of overdrafts	495,371,333	-	-	-	-	495,371,333
Bank guarantees	14,018,478	11,084,624	28,667,482	14,646,609	6,998	68,424,191
Letters of credit	780,902	2,129,824	12,705,898	-	-	15,616,624
Total	510,170,713	13,214,448	41,373,380	14,646,609	6,998	579,412,148
<i>In KHR'000 equivalent (Note 5)</i>	<u>2,047,315,071</u>	<u>53,029,580</u>	<u>166,031,374</u>	<u>58,776,842</u>	<u>28,083</u>	<u>2,325,180,950</u>

	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
Total	315,340,912	17,028,603	32,632,513	13,102,867	4,028	378,108,923
<i>In KHR'000 equivalent (Note 5)</i>	<u>1,269,247,171</u>	<u>68,540,127</u>	<u>131,345,865</u>	<u>52,739,040</u>	<u>16,213</u>	<u>1,521,888,416</u>

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

41.3 Liquidity risk (continued)

(e) Off-balance sheet items (continued)

(i) Credit commitments and guarantees (continued)

	The Bank					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 2025						
Unused portion of overdrafts	492,045,980	-	-	-	-	492,045,980
Bank guarantees	14,018,478	10,844,142	28,643,944	14,646,609	6,998	68,160,171
Letters of credit	780,902	2,129,824	12,705,898	-	-	15,616,624
Total	506,845,360	12,973,966	41,349,842	14,646,609	6,998	575,822,775
<i>In KHR'000 equivalent (Note 5)</i>	<u>2,033,970,430</u>	<u>52,064,526</u>	<u>165,936,916</u>	<u>58,776,842</u>	<u>28,083</u>	<u>2,310,776,797</u>

	The Bank					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	300,734,637	-	-	-	-	300,734,637
Bank guarantees	12,161,554	10,921,667	30,706,377	13,102,867	4,028	66,896,493
Letters of credit	1,408,188	5,983,186	1,850,382	-	-	9,241,756
Total	314,304,379	16,904,853	32,556,759	13,102,867	4,028	376,872,886
<i>In KHR'000 equivalent (Note 5)</i>	<u>1,265,075,125</u>	<u>68,042,033</u>	<u>131,040,955</u>	<u>52,739,040</u>	<u>16,213</u>	<u>1,516,913,366</u>

42. FAIR VALUE OF FINANCIAL INSTRUMENTS

Financial instruments comprise of financial assets and financial liabilities as disclosed in Note 41. 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.

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42. 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 financial liabilities analysed by various levels within the fair value hierarchy as at 31 December 2025 and 31 December 2024.

(a) Financial instruments measured at fair value

	The Group				The Bank			
	Level 1 US\$	Level 2 US\$	Level 3 US\$	Total US\$	Level 1 US\$	Level 2 US\$	Level 3 US\$	Total US\$
31 December 2025								
Financial assets								
Financial investments	-	-	189,670	189,670	-	-	189,670	189,670
Derivative financial instruments	-	486,550	-	486,550	-	486,550	-	486,550
Total financial assets	-	486,550	189,670	676,220	-	486,550	189,670	676,220
<i>In KHR'000 equivalent (Note 5)</i>	-	1,952,525	761,146	2,713,671	-	1,952,525	761,146	2,713,671
	The Group				The Bank			
	Level 1 US\$	Level 2 US\$	Level 3 US\$	Total US\$	Level 1 US\$	Level 2 US\$	Level 3 US\$	Total 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
<i>In KHR'000 equivalent (Note 5)</i>	-	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 year ended 31 December 2025 (31 December 2024: Nil).

42. 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 Société Coopérative à Responsabilité Limitée (SCRL) from all its members amounting to US\$36,141 as at 31 December 2025 (31 December 2024: 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 NCDs with the NBC with maturities of less than one year and debt securities. 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. The fair value of financial investments approximates their carrying values at the reporting date.

(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.

42. 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 are 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, debt securities, and lease liabilities*

The fair value of borrowings, subordinated debts, debt securities, 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 from 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 debt securities, and lease liabilities approximates their carrying values as at the reporting date.

43. 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 LCR and other prudential ratios.

The table in the next 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 2025 and 31 December 2024. The Group's balances in the table next page consist of three entities i.e. the Bank, ABL and AMM as per the requirement of NBC.

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

	The Group			
	2025	2024	2025	2024
	US\$	US\$	KHR'000	KHR'000
			(Note 5)	(Note 5)
Tier 1 capital				
Share capital	433,163,019	433,163,019	1,738,283,195	1,743,481,151
Share premium	11,706,215	11,706,215	46,977,041	47,117,515
Retained earnings	322,535,466	227,895,222	1,294,334,825	917,278,269
General reserves based on the NBC's Prakas	524,576,552	524,576,552	2,105,125,703	2,111,420,622
Less: Intangible assets	(13,583,832)	(16,720,303)	(54,511,918)	(67,299,220)
Less: Loans to related parties	(13,425,490)	(15,073,239)	(53,876,491)	(60,669,787)
Less: Other losses	(39,459,238)	(39,008,657)	(158,349,922)	(157,009,844)
	<u>1,225,512,692</u>	<u>1,126,538,809</u>	<u>4,917,982,433</u>	<u>4,534,318,706</u>
Tier 2 complementary capital				
General provision based on the NBC's Prakas	88,139,607	105,731,597	353,704,243	425,569,678
Subordinated debts (*)	391,221,444	167,677,460	1,569,971,655	674,901,777
Less: Equity participation in banking or financial institutions	(2,010,000)	(2,010,000)	(8,066,130)	(8,090,250)
	<u>477,351,051</u>	<u>271,399,057</u>	<u>1,915,609,768</u>	<u>1,092,381,205</u>
	<u>1,702,863,743</u>	<u>1,397,937,866</u>	<u>6,833,592,201</u>	<u>5,626,699,911</u>
			The Bank	
	2025	2024	2025	2024
	US\$	US\$	KHR'000	KHR'000
			(Note 5)	(Note 5)
Tier 1 capital				
Share capital	433,163,019	433,163,019	1,738,283,195	1,743,481,151
Share premium	11,706,215	11,706,215	46,977,041	47,117,515
Retained earnings	294,187,953	204,204,997	1,180,576,255	821,925,113
General reserves based on the NBC's Prakas	510,741,556	510,741,556	2,049,605,864	2,055,734,763
Less: Intangible assets	(12,487,813)	(15,145,392)	(50,113,594)	(60,960,203)
Less: Loans to related parties	(12,818,782)	(14,562,428)	(51,441,772)	(58,613,773)
	<u>1,224,492,148</u>	<u>1,130,107,967</u>	<u>4,913,886,989</u>	<u>4,548,684,566</u>
Tier 2 complementary capital				
General provision based on the NBC's Prakas	86,295,284	103,023,993	346,302,975	414,671,572
Subordinated debts (*)	391,221,444	167,677,460	1,569,971,655	674,901,777
Less: Equity participation in banking or financial institutions	(71,312,716)	(71,312,716)	(286,177,929)	(287,033,682)
	<u>406,204,012</u>	<u>199,388,737</u>	<u>1,630,096,701</u>	<u>802,539,667</u>
	<u>1,630,696,160</u>	<u>1,329,496,704</u>	<u>6,543,983,690</u>	<u>5,351,224,233</u>

(*) Represents subordinated debts and debt securities approved by the NBC to be treated as part of complementary capital and only represent the outstanding principal amount.