WOORI BANK (CAMBODIA) PLC.

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

Corporate information

Bank	Woori Bank (Cambodia) Plc.	
Registration No.	00005269	
Registered office	Building #398, Preah Monivong Blvd Boeng Keng Kang I, Boeng Keng Kang Phnom Penh, Kingdom of Cambodia	
Shareholders	Woori Bank Korea Mr. Hong Ju Kim	
Board of Directors	Mr. Changseok Ohk	Chairman
	Ms. Fiona Michelle Whyte	Member
	Mr. Ky Buntrean	Member
	Mr. Hong Ju Kim	Member
Management Team	Mr. Cheol Su Sohn	Chief Executive Officer
	Mr. Dong Woo Shin	Chief Financial Officer
	Mr. Chang You KIM	Deputy Chief Financial Officer
	Mr. Sok Sotha	Chief Operating Officer 1
	Mr. Preap Piseth	Chief Operating Officer 2
	Mr. Hyoseok Lee	Chief Operating Support Officer
	Mr. Hun Sopheak	Chief Credit Officer
	Mr. Va Luong Sorin	Chief Information Officer
	Mrs. Top Sok Samphea	Chief Risk Officer
	Ms. Hin Socheat	Head of Internal Audit
	Mrs. Siv Chanvoleak	Head of Compliance
Auditors	KPMG Cambodia Ltd	

Woori Bank (Cambodia) Plc.

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Woori Bank (Cambodia) Plc.

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WOORI BANK

Report of the Directors

The Board of Directors ("the Directors") have pleasure in submitting their report together with the audited financial statements of Woori Bank (Cambodia) Plc. ("the Bank") for the year ended 31 December 2024.

Principal activities

The principal activity of the Bank is to provide financial services and products such as deposits, loans, domestic and international fund transfers, mobile banking, bill payments, ATM services, bank guarantees, real estate activities with own or leased property and other banking financial services to the population of Cambodia through its head office and branches in Phnom Penh and provincial branches in Cambodia.

There were no significant changes to these principal activities during the financial year.

Financial results

The financial results of the Bank for the year ended 31 December 2024 were as follows:

	2024		2023	
	US$	KHR'000 (Note 3)	US$	KHR'000 (Note 3)
(Loss)/profit before income tax	(4,554,507)	(18,541,397)	20,058,713	82,441,310
Income tax benefit/(expense)	1,597,842	6,504,815	(4,186,227)	(17,205,393)
(Loss)/profit for the year	(2,956,665)	(12,036,582)	15,872,486	65,235,917

Dividends

At the reporting date, no dividend was declared or paid and the Director does not recommend any dividend to be paid in respect of the financial year ended 31 December 2024 (2023: Nil).

Share capital

The share capital of the Bank as at 31 December 2024 is US$275,895,100 (31 December 2023: US$175,895,100). On 19 June 2024, the NBC has approved to increase the registered share capital from US$175,895,100 to US$275,895,100. The amended Memorandum and Articles of Association ("MoA") was endorsed by the Ministry of Commerce on 11 December 2024.

There was no other change in shareholders and shareholding structure of the Bank during the financial year.

ធនាគារ អ៊ូរី (ខេមបូឌា) ម.ក | Woori Bank (Cambodia) Plc.
អាគារលេខ ៣៩៨ មហាវិថីព្រះមុនីវង្ស សង្កាត់បឹងកេងកង១ ខណ្ឌបឹងកេងកង រាជធានីភ្នំពេញ
Building No. 398, Preah Monivong Blvd., Sangkat Boeng Keng Kang 1, Khan Boeng Keng Kang, Phnom Penh.
(+855) 23 963 333 | 81 331 333

Reserves and provisions

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

Written off and allowance for financial assets

Before the financial statements were prepared, the Directors took reasonable steps to ascertain that action had been taken in relation to write off of financial assets that have no reasonable expectations of recovering the contractual cash flows in their entirety or a portion thereof and making of allowance for expected credit losses ("ECL") on financial assets, and satisfied themselves that all known financial assets that have no reasonable expectations of recovering the contractual cash flows were written off and that adequate allowance for ECL on financial assets have been made.

At the date of this report, the Directors are not aware of any circumstances which would render the amount of the allowance for expected credit losses on financial assets in the financial statements of the Bank inadequate to any material extent.

Assets

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

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

Valuation methods

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

Contingent and other liabilities

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

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

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

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

Woori Bank (Cambodia) Plc.

Change of circumstances

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

Items of unusual nature

The results of the operations of the Bank for the financial year were not, in the opinion of the Directors, substantially affected by any item, transaction or event 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 item, transaction or event of a material and unusual nature likely, in the opinion of the Directors, to affect substantially the results of the operations of the Bank for the current period in which this report is made.

The Board of Directors

The Directors who served during the year and at the date of this report are:

Mr. Changseok Ohk	Chairman
Ms. Fiona Michelle Whyte	Member
Mr. Ky Buntrean	Member
Mr. Hong Ju Kim	Member

Directors' interests

Information on shareholding of the Bank and its directors as at 31 December 2024 is as follows:

	31 December 2024 *% of ownership*	31 December 2023 *% of ownership*
Mr. Hong Ju Kim	0.000009%	0.00001%

Other than disclosed above, the directors did not hold any shares in the Bank or in any related companies.

Directors' benefit

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

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

Woori Bank (Cambodia) Plc.

Directors' responsibility in respect of the financial statements

The Board of Directors is responsible for ascertaining that the financial statements as set out on pages 8 to 109 present fairly, in all material respects, the financial position of the Bank as at 31 December 2024, and its financial performance and its cash flows for the year then ended. In preparing these financial statements, the Board of Directors is 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 Cambodian International Financial Reporting Standards ("CIFRSs") or, if there have been any departures in the interest of true and fair presentation, ensure that these have been appropriately disclosed, explained and quantified in the financial statements;

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

(iv) assess the Bank's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Bank or to cease operations, or has no realistic alternative but to do so; and

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

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

Approval of the financial statements

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

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

WOORI BANK (CAMBODIA) PLC.
KINGDOM OF CAMBODIA

Mr. Cheol Su Sohn
Chief Executive Officer

Phnom Penh, Kingdom of Cambodia

Date: 26 March 2025

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Report of the Independent Auditors
To the shareholders of
Woori Bank (Cambodia) Plc.

Opinion

We have audited the financial statements of Woori Bank (Cambodia) Plc. ("the Bank"), which comprise the statement of financial position as at 31 December 2024, the statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising material accounting policies and other explanatory information as set out on pages 8 to 109 (hereafter referred to as "the financial statements").

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

Basis for Opinion

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

Other Information

Management is responsible for the other information. The other information obtained at the date of this auditors' report is the information included in the Report of the Board of Directors as set out on pages 1 to 4, and annual report, which is expected to be made available to us after the date of auditors' report. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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

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

KPMG

Responsibilities of Management and Those Charged with Governance for the Financial Statements

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

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Bank's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Bank's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Bank to cease to continue as a going concern.

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

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

For **KPMG Cambodia Ltd**

KPMG CAMBODIA LTD.

Nge Huy
Senior Partner

Phnom Penh, Kingdom of Cambodia

26 March 2025

Woori Bank (Cambodia) Plc.

Statement of financial position
as at 31 December 2024

	Note	31 December 2024 US$	31 December 2024 KHR'000 (Note 3)	31 December 2023 US$	31 December 2023 KHR'000 (Note 3)
ASSETS					
Cash on hand	4	17,960,933	72,292,755	15,349,892	62,704,309
Placements with the National Bank of Cambodia	5	213,529,427	859,455,944	132,416,366	540,920,855
Placements with other banks and financial institutions	6	36,519,524	146,991,084	82,887,381	338,594,951
Loans and advances to customers	7	1,186,409,740	4,775,299,204	1,180,853,134	4,823,785,052
Investment securities	8	15,353	61,796	15,353	62,717
Property and equipment	9	18,846,552	75,857,372	16,259,358	66,419,477
Intangible assets	10	6,501,491	26,168,501	8,735,170	35,683,169
Right-of-use assets	11	15,473,338	62,280,185	15,622,452	63,817,716
Deferred tax assets, net	14D	4,932,572	19,853,602	4,185,694	17,098,560
Current income tax credit	14C	2,443,302	9,834,291	-	-
Other assets	12	4,280,582	17,229,342	5,643,527	23,053,810
TOTAL ASSETS		1,506,912,814	6,065,324,076	1,461,968,327	5,972,140,616
LIABILITIES AND SHAREHOLDER'S EQUITY					
Liabilities					
Deposits from customers and other financial institutions	13	738,025,372	2,970,552,122	444,831,158	1,817,135,280
Current income tax liabilities	14C	-	-	2,694,139	11,005,558
Borrowings	15	100,491,365	404,477,744	110,621,173	451,887,492
Amounts due to related parties	16	211,250,275	850,282,357	543,005,844	2,218,178,873
Lease liabilities	17	15,401,256	61,990,055	15,278,899	62,414,302
Other liabilities	18	6,333,430	25,492,056	7,169,333	29,286,726
Total liabilities		1,071,501,698	4,312,794,334	1,123,600,546	4,589,908,231
Shareholder's equity					
Share capital	19	275,895,100	1,103,580,400	175,895,100	703,580,400
Regulatory reserves	20	6,440,786	25,924,164	-	-
Retained earnings		147,118,730	600,309,789	156,516,181	638,270,535
Merger reserves	35	5,956,500	24,284,651	5,956,500	24,284,651
Currency translation reserves		-	(1,569,262)	-	16,096,799
Total shareholder's equity		435,411,116	1,752,529,742	338,367,781	1,382,232,385
TOTAL LIABILITIES AND SHAREHOLDER'S EQUITY		1,506,912,814	6,065,324,076	1,461,968,327	5,972,140,616

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

Woori Bank (Cambodia) Plc.

Statement of profit or loss and other comprehensive income for the year ended 31 December 2024

	Note	2024 US$	2024 KHR'000 (Note 3)	2023 US$	2023 KHR'000 (Note 3)
Interest income	21	169,909,101	691,699,950	179,685,683	738,508,157
Interest expense	22	(78,996,070)	(321,593,001)	(81,189,150)	(333,687,407)
Net interest income		**90,913,031**	**370,106,949**	**98,496,533**	**404,820,750**
Fee and commission income	23	844,800	3,439,181	617,332	2,537,235
Fee and commission expense	23	(2,060,466)	(8,388,157)	(1,673,690)	(6,878,866)
Net fee and commission expense	23	**(1,215,666)**	**(4,948,976)**	**(1,056,358)**	**(4,341,631)**
Impairment losses on financial instruments	24	(39,891,301)	(162,397,486)	(27,332,262)	(112,335,597)
Other income, net	25	6,922,478	28,181,408	7,618,028	31,310,095
Personnel expenses	26	(36,315,359)	(147,839,826)	(35,337,309)	(145,236,340)
Depreciation and amortisation expenses	27	(9,662,032)	(39,334,132)	(7,471,355)	(30,707,269)
Other operating expenses	28	(15,305,658)	(62,309,334)	(14,858,564)	(61,068,698)
(Loss)/profit before income tax		**(4,554,507)**	**(18,541,397)**	**20,058,713**	**82,441,310**
Income tax benefit/(expense)	14B	1,597,842	6,504,815	(4,186,227)	(17,205,393)
Net (loss)/profit for the year		**(2,956,665)**	**(12,036,582)**	**15,872,486**	**65,235,917**
Other comprehensive loss					
Items that will not be reclassified to profit or loss					
Currency translation differences		-	(17,666,061)	-	(10,716,662)
Total comprehensive (loss)/income for the year		**(2,956,665)**	**(29,702,643)**	**15,872,486**	**54,519,255**

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

Woori Bank (Cambodia) Plc.

Statement of changes in equity
for the year ended 31 December 2024

	Share capital		Regulatory reserves		Retained earnings		Merger reserves		Currency translation reserves		Total	
	US$	KHR'000 (Note 3)	US$	KHR'000 (Note 3)	US$	KHR'000 (Note 3)	US$	KHR'000 (Note 3)	US$	KHR'000 (Note 3)	US$	KHR'000 (Note 3)
At 1 January 2024	175,895,100	703,580,400	-	-	156,516,181	638,270,535	5,956,500	24,284,651	-	16,096,799	338,367,781	1,382,232,385
Transactions recognised directly in equity												
Increase in capital	100,000,000	400,000,000	-	-	-	-	-	-	-	-	100,000,000	400,000,000
Transfers from retained earnings to regulatory reserves (Note 20)	-	-	6,440,786	25,924,164	(6,440,786)	(25,924,164)	-	-	-	-	-	-
Total comprehensive income for the year												
Net loss for the year	-	-	-	-	(2,956,665)	(12,036,582)	-	-	-	-	(2,956,665)	(12,036,582)
Other comprehensive loss –												
Currency translation differences	-	-	-	-	-	-	-	-	-	(17,666,061)	-	(17,666,061)
At 31 December 2024	**275,895,100**	**1,103,580,400**	**6,440,786**	**25,924,164**	**147,118,730**	**600,309,789**	**5,956,500**	**24,284,651**	**-**	**(1,569,262)**	**435,411,116**	**1,752,529,742**
At 1 January 2023	175,895,100	703,580,400	3,239,827	13,338,368	137,403,868	559,696,250	5,956,500	24,284,651	-	26,813,461	322,495,295	1,327,713,130
Transactions recognised directly in equity												
Transfers from regulatory reserves to retained earnings (Note 20)	-	-	(3,239,827)	(13,338,368)	3,239,827	13,338,368	-	-	-	-	-	-
Total comprehensive income for the year												
Net profit for the year	-	-	-	-	15,872,486	65,235,917	-	-	-	-	15,872,486	65,235,917
Other comprehensive loss –												
Currency translation differences	-	-	-	-	-	-	-	-	-	(10,716,662)	-	(10,716,662)
At 31 December 2023	**175,895,100**	**703,580,400**	**-**	**-**	**156,516,181**	**638,270,535**	**5,956,500**	**24,284,651**	**-**	**16,096,799**	**338,367,781**	**1,382,232,385**

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

Woori Bank (Cambodia) Plc.

Statement of cash flows
for the year ended 31 December 2024

	Note	2024 US$	2024 KHR'000 (Note 3)	2023 US$	2023 KHR'000 (Note 3)
Cash flows from operating activities					
(Loss)/profit before income tax		(4,554,507)	(18,541,397)	20,058,713	82,441,310
Adjustments for:					
Net impairment losses on financial instruments	24	39,891,301	162,397,486	27,332,262	112,335,597
Interest expense	22	78,996,070	321,593,001	81,189,150	333,687,407
Depreciation and amortisation	27	9,662,032	39,334,132	7,471,355	30,707,269
Write-off of property and equipment	28	37	151	52	214
Interest income	21	(169,909,101)	(691,699,950)	(179,685,683)	(738,508,157)
Unrealised loss/(gain) on exchange rate		70,575	287,311	(50,564)	(207,818)
		(45,843,593)	(186,629,266)	(43,684,715)	(179,544,178)
Changes in:					
Balances with the NBC		8,255,580	33,608,466	(16,932,205)	(69,591,363)
Loans and advances to customers		(43,543,636)	(177,266,142)	(44,496,076)	(182,878,872)
Other assets		(1,176,206)	(4,788,335)	(142,131)	(584,158)
Deposits from customers		279,923,444	1,139,568,341	88,840,799	365,135,684
Other liabilities		(404,258)	(1,645,734)	853,767	3,508,982
Cash generated from/ (used in) operations		197,211,331	802,847,330	(15,560,561)	(63,953,905)
Interest received		170,656,875	694,744,138	176,851,116	726,858,087
Interest paid		(61,029,261)	(248,450,122)	(82,278,561)	(338,164,886)
Income tax paid	14C	(4,286,477)	(17,450,248)	(13,203,181)	(54,265,074)
Net cash generated from operating activities		**302,552,468**	**1,231,691,098**	**65,808,813**	**270,474,222**
Cash flows from investing activities					
Proceeds from disposals of property and equipment		-	-	185	760
Purchases of intangible assets	10	(1,168,165)	(4,755,600)	(3,986,259)	(16,383,524)
Purchases of property and equipment	9	(5,338,212)	(21,731,861)	(9,981,560)	(41,024,212)
Placement with banks		45,252,300	184,222,113	44,105,973	181,275,549
Net cash generated from investing activities		**38,745,923**	**157,734,652**	**30,138,339**	**123,868,573**

Woori Bank (Cambodia) Plc.

Statement of cash flows (continued)
for the year ended 31 December 2024

	Note	2024 US$	2024 KHR'000 (Note 3)	2023 US$	2023 KHR'000 (Note 3)
Cash flows from financing activities					
Proceed from borrowings	15	80,574,534	328,018,928	76,552,632	314,631,318
Repayment of borrowings	15	(92,500,000)	(376,567,500)	(95,471,236)	(392,386,780)
Proceeds from amounts due to related parties	16	37,000,000	150,627,000	339,000,000	1,393,290,000
Repayments of amounts due to related parties	16	(369,700,000)	(1,505,048,700)	(398,500,000)	(1,637,835,000)
Payment of lease liabilities	17	(2,986,247)	(12,157,012)	(3,301,316)	(13,568,409)
Proceeds from issuance of share capital		100,000,000	407,100,000	-	-
Net cash used in financing activities		**(247,611,713)**	**(1,008,027,284)**	**(81,719,920)**	**(335,868,871)**
Net increase in cash and cash equivalents		**93,686,678**	**381,398,466**	**14,227,232**	**58,473,924**
Cash and cash equivalents at beginning of the year		58,630,567	239,505,866	44,403,335	182,808,531
Currency translation differences		-	(7,827,421)	-	(1,776,589)
Cash and cash equivalents at end of the year	4	**152,317,245**	**613,076,911**	**58,630,567**	**239,505,866**

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

Woori Bank (Cambodia) Plc.

Notes to the financial statements for the year ended 31 December 2024

These notes form an integral part of and should be read in conjunction with the accompanying financial statements.

1. Reporting entity

Woori Bank (Cambodia) Plc. (the "Bank") is a licensed commercial bank incorporated and registered in the Kingdom of Cambodia.

The Bank was incorporated as a private limited liability Company in Cambodia on 19 November 2003 under Registration No. Co. 1846 E/2003 and was subsequently changed to Registration No. 00005269, both issued by the Ministry of Commerce ("MoC") under its original name VisionFund (Cambodia) Ltd. On 18 May 2004, the Bank obtained its license as a micro-finance institution from the National Bank of Cambodia ("NBC"). On 17 February 2011, the Bank obtained a Micro-finance Deposit Taking Institution ("MDI") license to conduct deposit taking business from the NBC.

The Bank was a 99.9998% owned subsidiary of VisionFund International, a company registered in the United States of America. On 21 May 2018, the NBC officially approved the transfer 100% of the Bank's shares to Woori Bank Korea, a bank incorporated in the Republic of Korea whose primarily engaged in providing commercial banking services and products and the change of the Bank's name to WB Finance Co., Ltd.

On 22 July 2019, the Bank entered into a merger agreement with the sole shareholder of Woori Finance Cambodia Plc. ("WFC"), Woori Bank Korea, with primary business of operating micro-finance services to all people in order to contribute to the Cambodian socio-economic development with the purpose of upgrading living standards of the people in the communities focusing on increasing income through the promotion of business activities of small and medium entities, trades, and rural and agriculture using lending and saving services. According to the merger agreement, WFC will be dissolved after the merger. The merger and dissolution of WFC became effective on 10 February 2020 upon the approval of the NBC and the MOC. The NBC and MOC approved the registration of the additional business activity, real estate activities with own or leased property on 21 November 2024 and 11 December 2024, respectively.

On 16 November 2021 and 2 December 2021, WB Finance Co., Ltd. obtained regulatory approvals from the NBC and the MOC, respectively, to carry out banking operations under the name of "Woori Bank (Cambodia) Plc.". Furthermore, the NBC and the MOC also approved the transfer of 1 share from Woori Bank Korea to Mr. Hong Ju Kim, Korean citizen. The Bank officially announced and launched its successful conversion to a commercial bank to the public on 3 January 2022. The NBC approved the appointment of Mr. Cheol Su Sohn as CEO of the Woori Bank (Cambodia) Plc. effective on 13 November 2024.

The principal activity of the Bank is to provide financial services and products such as deposits, loans, domestic and international fund transfers, mobile banking, bill payments, ATM services, bank guarantees, real estate activities with own or leased property, and other banking financial services to the population of Cambodia through its head office and branches in Phnom Penh and provincial branches in Cambodia.

The registered office of the Bank is currently located at Building #398, Preah Monivong Blvd Boeng Keng Kang I, Boeng Keng Kang, Phnom Penh, Kingdom of Cambodia. The Bank operates its businesses in 25 provinces with a network of 143 branches (2023: 140 branches).

As at 31 December 2024, the Bank had 3,884 employees (31 December 2023: 4,259 employees).

2. Basis of preparation

(a) Statement of compliance

These financial statements have been prepared in accordance with Cambodian International Financial Reporting Standards ("CIFRSs").

Details of the Bank's material accounting policies are included in Note 33.

These financial statements were authorised for issue by the Bank's Board of Directors and shareholders on 26 March 2025.

(b) Functional and presentation currency

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

The financial statements are presented in US$, which is the Bank's functional currency. All amounts have been rounded to the nearest dollars, unless otherwise indicated.

(c) Use of judgments and estimates

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

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

(i) Judgements

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the financial statements is included in the following notes:

- Note 33C(ii): classification of financial assets: assessment of the business model within which the assets are held and assessment of whether the contractual terms of the financial asset are SPPI on the principal amount outstanding;

- Note 33C(vii): establishing the criteria for determining whether credit risk on the financial asset has increased significantly since initial recognition, determining methodology for incorporating forward-looking information into measurement of Expected Credit Loss ("ECL") and selection and approval of models used to measure ECL.

2. Basis of preparation (continued)

(c) Use of judgments and estimates (continued)

(ii) Assumptions and estimation uncertainties

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

- Note 33C(vii): impairment of financial instruments: determining inputs into the ECL measurement model, including key assumptions used in estimating recoverable cash flows, and incorporation of forward-looking information; and

- Note 33C(vi): determination of the fair value of financial instruments with significant unobservable inputs.

3. Translation of United States Dollars into Khmer Riel

The financial statements are expressed in United States Dollars which is the Bank's functional currency. The translations of United States Dollars amount into Khmer Riel ("KHR") meets the presentation requirements pursuant to Law on Accounting and Auditing and has been done in compliance with CIAS 21−*The Effects of Changes in Foreign Exchange Rates*.

Assets and liabilities are translated at the closing rate as at the reporting date and equity accounts are translated at the historical rate. The statements of profit or loss and other comprehensive income and cash flows are translated into KHR at the average rate for the year, which have been deemed to approximate the exchange rates at the date of transaction as exchange rates have not fluctuated significantly during the year. Exchange differences arising from the translation are recognised as "Currency translation reserves" in the other comprehensive income.

The Bank uses the following exchange rates:

Financial year end			Closing rate	Average rate
31 December 2024	US$1	=	KHR4,025	KHR4,071
31 December 2023	US$1	=	KHR4,085	KHR4,110

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

4. Cash on hand

	31 December 2024 US$	31 December 2024 KHR'000 (Note 3)	31 December 2023 US$	31 December 2023 KHR'000 (Note 3)
Cash on hand	15,185,214	61,120,486	13,263,309	54,180,617
Cash in ATM	2,775,719	11,172,269	2,086,583	8,523,692
	17,960,933	72,292,755	15,349,892	62,704,309
By currency:				
US dollars	12,086,409	48,647,796	10,915,983	44,591,791
Khmer Riel	5,584,852	22,479,029	4,266,115	17,427,080
Thai Baht	289,672	1,165,930	167,794	685,438
	17,960,933	72,292,755	15,349,892	62,704,309

For the purpose of preparing the statement of cash flows, cash and cash equivalents are comprise of the followings:

	31 December 2024 US$	31 December 2024 KHR'000 (Note 3)	31 December 2023 US$	31 December 2023 KHR'000 (Note 3)
Cash on hand and ATMs	17,960,933	72,292,755	15,349,892	62,704,309
Placements with the National Bank of Cambodia				
Current accounts	114,579,160	461,181,119	26,334,874	107,577,961
Settlement accounts	5,522,305	22,227,278	4,342,052	17,737,282
Negotiable Certificates of Deposits ("NCD"), maturities of three months or less	-	-	149,823	612,027
Balances with other banks and financial institutions				
Current accounts	5,772,726	23,235,222	4,525,036	18,484,772
Savings accounts	8,482,121	34,140,537	7,928,890	32,389,515
	152,317,245	613,076,911	58,630,567	239,505,866

5. Placements with the National Bank of Cambodia

		31 December 2024		31 December 2023	
		US$	KHR'000 (Note 3)	US$	KHR'000 (Note 3)
Current accounts		114,579,160	461,181,119	26,334,874	107,577,961
Settlement accounts		5,522,305	22,227,278	4,342,052	17,737,282
Negotiable Certificates of Deposits ("NCD")	A	194,795	784,050	250,693	1,024,081
Statutory capital deposit	B	27,590,000	111,049,750	17,590,000	71,855,150
Reserve requirements on customers' deposits and non-residential borrowings	C	65,643,167	264,213,747	83,898,747	342,726,381
		213,529,427	859,455,944	132,416,366	540,920,855

A. Negotiable Certificates of Deposits ("NCD"):

The Bank has pledged Negotiable Certificates of Deposits ("NCD") of US$193,379 at 31 December 2024 (31 December 2023: US$200,000) with the NBC as collateral against the overdraft facilities with the NBC in connection with the Fast and Retail Fund Transfer "RFT". As at 31 December 2024, the Bank had not yet utilised the overdraft on settlement clearing facility yet. NCD earn interest at rates ranging from 1.18% to 1.40% at 31 December 2024 (31 December 2023: 1.18% to 1.58%) per annum.

B. Statutory capital deposit

Under the NBC's Prakas No. B7-01-136 dated 15 October 2001, the Bank is required to maintain a statutory deposit at 10% of its registered capital. This deposit is not available for use in the Bank's day-to-day operations and is refundable should the Bank voluntarily cease its operations in Cambodia.

C. Reserve requirements on customers' deposits and non-residential borrowings

The reserve requirement represents the minimum reserve which is calculated at 8% for KHR and 12.50% for other currencies of the total amount of deposits from customers, non-residential banks and financial institution deposits, and non-residential borrowings. Pursuant to the National Bank of Cambodia's Prakas No. B7-018-282 on the maintenance of reserve requirement against commercial banks' deposits and borrowings, reserve requirements both in KHR and in other currencies bear no interest effective from 29 August 2018.

5. Placements with the National Bank of Cambodia (continued)

C. Reserve requirements on customers' deposits and non-residential borrowings (continued)

On 18 March 2020, the NBC announced the reduction of the Reserve Requirements Rate ("RRR") to 7% for both local and foreign currencies deposits and borrowings.

Pursuant to the NBC's Prakas No. B7-023-005 on reserve requirement dated 9 January 2023, it represents the minimum reserve, which is calculated at 7% for KHR and 9% for other currencies (effective 01 January 2023 to 31 December 2023), and 12.50% (effective 01 January 2024 onward) of the total amount of deposits from customers, non-residential banks and financial institution deposits, and non-residential borrowings.

On 28 February 2023, the NBC announced through NBC letter B7-023-438 to delay in implementation of the reserve requirement against borrowings at daily average balance until 1 September 2023.

On 16 August 2023, the Association of Banks in Cambodia ("ABC") submitted a request letter No.194/2023 to the NBC for another delay in the implementation of reserve requirement against borrowings at daily average balance until end of June 2024. On 23 November 2023, the NBC has responded to ABC through letter No. B7-023-2621.CHHOR T allows the institution to maintain reserve requirement at the rate of 7% for foreign currencies deposits and borrowings until 31 December 2024, and this RRR will be continued to maintain at the rate of 7% until 31 December 2025 followed the NBC approved letter No.B7-024-1718 Chhor Tor dated 21 August 2024.

D. By interest rate (per annum):

Annual interest rates applicable to balances with the National Bank of Cambodia at the year end were as follows:

	31 December 2024	31 December 2023
Negotiable Certificates of Deposits ("NCD")	1.18% - 1.40%	1.18% - 1.58%
Statutory capital deposit	1.31%	1.33%
Current accounts	Nil	Nil
Settlement accounts	Nil	Nil
Reserve requirements on customers' deposits and non-residential borrowings	Nil	Nil

6. Balances with other banks and financial institutions

	31 December 2024		31 December 2023	
	US$	KHR'000 (Note 3)	US$	KHR'000 (Note 3)
Balances with other banks and financial institutions at amortised cost				
Current accounts	5,772,726	23,235,222	4,525,036	18,484,772
Savings accounts	8,482,121	34,140,537	7,928,890	32,389,515
Term deposits	22,314,515	89,815,923	70,587,633	288,350,481
	36,569,362	147,191,682	83,041,559	339,224,768
Less: Impairment loss allowance	(49,838)	(200,598)	(154,178)	(629,817)
	36,519,524	146,991,084	82,887,381	338,594,951

The movement of impairment loss allowance on balances with other banks and financial institutions was as follows:

	2024		2023	
	US$	KHR'000 (Note 3)	US$	KHR'000 (Note 3)
At 1 January	154,178	629,817	166,171	684,126
Recognised in profit or loss (Note 24)	(104,340)	(424,768)	(11,993)	(49,291)
Currency translation differences	-	(4,451)	-	(5,018)
At 31 December	49,838	200,598	154,178	629,817

The gross amount of balances with other banks and financial institutions are analysed as follows:

A. By location

	31 December 2024		31 December 2023	
	US$	KHR'000 (Note 3)	US$	KHR'000 (Note 3)
Balances with local banks	34,110,828	137,296,083	81,051,163	331,094,000
Balances with overseas banks	2,458,534	9,895,599	1,990,396	8,130,768
	36,569,362	147,191,682	83,041,559	339,224,768

6. Balances with other banks and financial institutions (continued)

The gross amount of balances with other banks and financial institutions are analysed as follows: (continued)

B. By maturity

	31 December 2024		31 December 2023	
	US$	KHR'000 (Note 3)	US$	KHR'000 (Note 3)
On demand	14,254,847	57,375,759	12,453,927	50,874,291
> 1 to 3 months	-	-	16,814,106	68,685,623
> 3 to 12 months	22,314,515	89,815,923	53,773,526	219,664,854
	36,569,362	147,191,682	83,041,559	339,224,768

C. Interest rates (per annum)

Annual interest rates applicable to balances with other banks and financial institutions at the year end were as follows:

	31 December 2024	31 December 2023
Current accounts	0.00% - 1.50%	0.00% - 1.50%
Savings accounts	0.00% - 1.45%	0.00% - 1.25%
Fixed deposits	3.50% - 4.00%	3.25% - 5.50%

The Bank has pledged term deposits of US$22,000,000 (2023: US$67,500,000) with the other banks as collateral for its loans. The term deposits mature from eight months to twelve months.

7. Loans and advances to customers

	31 December 2024		31 December 2023	
	US$	KHR'000 (Note 3)	US$	KHR'000 (Note 3)
Loans and advances to customers at amortised cost	1,223,915,775	4,926,260,994	1,216,174,546	4,968,073,020
Less: Impairment loss allowance	(37,506,035)	(150,961,790)	(35,321,412)	(144,287,968)
	1,186,409,740	4,775,299,204	1,180,853,134	4,823,785,052

7. Loans and advances to customers (continued)

(i) The movements of impairment loss allowance on loans and advances to customers and credit commitment and financial guarantee during the year were as follows:

	2024		2023	
	US$	KHR'000 (Note 3)	US$	KHR'000 (Note 3)
At 1 January	35,321,412	144,287,968	22,094,116	90,961,476
Recognised in profit or loss:				
Loans and advances to customers	39,990,771	162,802,429	27,362,078	112,458,140
Unwinding of discount on interest income stage 3	(663,942)	(2,702,908)	1,243,030	5,108,853
Credit commitments and financial guarantee (Note 29A)	570	2,320	(22,174)	(91,135)
Written off during the year	(37,142,776)	(151,208,241)	(15,356,553)	(63,115,433)
Foreign exchanges differences	-	-	915	3,761
Currency translation differences	-	(2,219,778)	-	(1,037,694)
At 31 December	37,506,035	150,961,790	35,321,412	144,287,968

A. By account types:

	Gross carrying amounts	ECL allowance	Net carrying amounts	
	US$	US$	US$	KHR'000 (Note 3)
2024				
Individual loans	1,189,743,002	(36,826,849)	1,152,916,153	4,640,487,517
SME loans	27,515,991	(611,259)	26,904,732	108,291,546
Mortgage loans	3,716,294	(9,972)	3,706,322	14,917,946
Corporate loans	2,756,103	(5,592)	2,750,511	11,070,807
Group loans	156,848	(52,270)	104,578	420,926
Credit cards loans	27,537	(93)	27,444	110,462
	1,223,915,775	(37,506,035)	1,186,409,740	4,775,299,204
2023				
Individual loans	1,182,770,811	(34,519,726)	1,148,251,085	4,690,605,682
SME loans	28,205,724	(285,779)	27,919,945	114,052,975
Corporate loans	3,710,030	(16,378)	3,693,652	15,088,568
Group loans	1,487,822	(499,529)	988,293	4,037,177
Credit cards loans	159	-	159	650
	1,216,174,546	(35,321,412)	1,180,853,134	4,823,785,052

7. Loans and advances to customers (continued)

B. By maturity:

	31 December 2024		31 December 2023	
	US$	KHR'000 (Note 3)	US$	KHR'000 (Note 3)
Within 1 month	27,119,628	109,156,503	34,035,877	139,036,558
> 1 to 3 years	201,472,007	810,924,828	234,259,572	956,950,351
> 3 to 5 years	284,227,088	1,144,014,029	409,066,588	1,671,037,012
Over 5 years	711,097,052	2,862,165,634	538,812,509	2,201,049,099
	1,223,915,775	4,926,260,994	1,216,174,546	4,968,073,020

C. By secured/unsecured:

	31 December 2024		31 December 2023	
	US$	KHR'000 (Note 3)	US$	KHR'000 (Note 3)
Secured	1,212,089,040	4,878,658,386	1,171,885,250	4,787,151,246
Unsecured	11,826,735	47,602,608	44,289,296	180,921,774
	1,223,915,775	4,926,260,994	1,216,174,546	4,968,073,020

D. Interest rates (per annum)

Annual interest rates applicable to loans and advances to customers at the year end were as follows:

	31 December 2024	31 December 2023
Individual loans	12% - 18%	12% - 18%
SME loans	8% - 12%	8% - 12%
Mortgage loans	8.50% - 8.90%	Nill
Group loans	8% - 12%	8% - 12%
Corporate loans	18%	18%
Credit cards loans	18%	18%

8. Investment securities

The Bank has designated its Investment in Credit Bureau Holding (Cambodia) Ltd. as an equity instrument at FVTOCI as the Bank holds this not for trading. As at 31 December 2024, the Bank's investment amounting to US$15,353 (31 December 2023: US$15,353). Dividend income received during the year amounting to US$28,915 (31 December 2023: US$40,421).

Woori Bank (Cambodia) Plc.

Notes to the financial statements (continued)
for the year ended 31 December 2024

9. Property and equipment

2024	Leasehold improvements US$	Motor vehicles US$	Computer equipment US$	Office furniture and fitting US$	Equipment US$	Work in progress US$	Total US$	Total KHR'000 (Note 3)
Cost								
At 1 January	10,991,197	1,219,827	6,031,890	2,777,255	3,358,794	2,907,639	27,286,602	111,465,769
Additions	2,635,073	-	722,731	816,645	1,044,712	119,051	5,338,212	21,731,861
Transfers	-	-	2,108,859	-	2,615,261	(4,724,120)	-	-
Written-off	(140,884)	-	(98,510)	(10,223)	(61,563)	-	(311,180)	(1,266,814)
Transfer from Intangible assets	-	-	-	-	-	2,074,209	2,074,209	8,444,105
Currency translation differences	-	-	-	-	-	-	-	(1,963,853)
At 31 December	13,485,386	1,219,827	8,764,970	3,583,677	6,957,204	376,779	34,387,843	138,411,068
Less: **Accumulated depreciation**								
At 1 January	3,905,708	581,993	3,837,681	1,037,134	1,664,728	-	11,027,244	45,046,292
Depreciation for the year	1,634,554	99,623	1,381,732	624,352	1,084,929	-	4,825,190	19,643,349
Written-off	(140,884)	-	(98,510)	(10,223)	(61,526)		(311,143)	(1,266,663)
Currency translation differences	-	-	-	-	-	-	-	(869,282)
At 31 December	5,399,378	681,616	5,120,903	1,651,263	2,688,131	-	15,541,291	62,553,696
Carrying amounts								
At 1 January	7,085,489	637,834	2,194,209	1,740,121	1,694,066	2,907,639	16,259,358	66,419,477
At 31 December	8,086,008	538,211	3,644,067	1,932,414	4,269,073	376,779	18,846,552	75,857,372

Fully depreciated property and equipment items as at 31 December 2024 with original cost of US$8,112,496 (31 December 2023: US$ 5,789,869) were still in use.

9. Property and equipment (continued)

2023	Leasehold improvements US$	Motor vehicles US$	Computer equipment US$	Office furniture and fitting US$	Equipment US$	Work in progress US$	Total US$	Total KHR'000 (Note 3)
Cost								
At 1 January	7,266,427	1,151,167	5,376,827	1,781,513	2,057,672	213,127	17,846,733	73,475,000
Additions	3,807,710	383,600	714,444	987,948	1,307,764	2,780,094	9,981,560	41,024,212
Transfer	-	-	59,962	9,814	15,806	(85,582)	-	-
Disposals	(82,940)	(314,940)	(119,343)	(2,020)	(22,448)	-	(541,691)	(2,226,350)
Currency translation differences	-	-	-	-	-	-	-	(807,093)
At 31 December	10,991,197	1,219,827	6,031,890	2,777,255	3,358,794	2,907,639	27,286,602	111,465,769
Less: **Accumulated depreciation**								
At 1 January	2,637,749	817,048	2,917,693	656,351	1,163,459	-	8,192,300	33,727,699
Depreciation for the year	1,350,899	79,885	1,039,146	382,803	523,665	-	3,376,398	13,876,996
Disposals	(82,940)	(314,940)	(119,158)	(2,020)	(22,396)	-	(541,454)	(2,225,376)
Currency translation differences	-	-	-	-	-	-	-	(333,027)
At 31 December	3,905,708	581,993	3,837,681	1,037,134	1,664,728	-	11,027,244	45,046,292
Carrying amounts								
At 1 January	4,628,678	334,119	2,459,134	1,125,162	894,213	213,127	9,654,433	39,747,301
At 31 December	7,085,489	637,834	2,194,209	1,740,121	1,694,066	2,907,639	16,259,358	66,419,477

10. Intangible assets

	Software and licenses US$	Work in progress US$	Total US$	Total KHR'000 (Note 3)
2024				
Cost				
At 1 January	7,316,130	4,712,021	12,028,151	49,134,996
Additions	863,650	304,515	1,168,165	4,755,600
Transfers	1,588,480	(1,588,480)	-	-
Written off	(5,750)	(17,560)	(23,310)	(94,895)
Transfer to property and equipment	-	(2,074,209)	(2,074,209)	(8,444,105)
Currency translation differences	-	-	-	(678,939)
At 31 December	9,762,510	1,336,287	11,098,797	44,672,657
Less: **Accumulated amortisation**				
At 1 January	3,292,981	-	3,292,981	13,451,827
Amortisation for the year	1,310,075	-	1,310,075	5,333,315
Written off	(5,750)	-	(5,750)	(23,408)
Currency translation differences	-		-	(257,578)
At 31 December	4,597,306	-	4,597,306	18,504,156
Carrying amounts				
At 1 January	4,023,149	4,712,021	8,735,170	35,683,169
At 31 December	5,165,204	1,336,287	6,501,491	26,168,501
2023				
Cost				
At 1 January	6,353,401	1,688,491	8,041,892	33,108,470
Additions	402,038	3,584,221	3,986,259	16,383,524
Transfers	560,691	(560,691)	-	-
Currency translation differences	-	-	-	(356,998)
At 31 December	7,316,130	4,712,021	12,028,151	49,134,996
Less: **Accumulated amortisation**				
At 1 January	2,277,621	-	2,277,621	9,376,966
Amortisation for the year	1,015,360	-	1,015,360	4,173,130
Currency translation differences	-	-	-	(98,269)
At 31 December	3,292,981	-	3,292,981	13,451,827
Carrying amounts				
At 1 January	4,075,780	1,688,491	5,764,271	23,731,504
At 31 December	4,023,149	4,712,021	8,735,170	35,683,169

11. Right-of-use assets

The Bank leases many assets including Automated Teller Machine ("ATM") Space and Office Buildings. Information about leases for which the Bank is a lessee is presented below:

	ATM Space US$	Office Buildings US$	Total US$	Total KHR'000 (Note 3)
2024				
Cost				
At 1 January	513,670	27,743,851	28,257,521	115,431,973
Additions	9,680	3,367,973	3,377,653	13,750,425
Currency translation differences	-	-	-	(1,850,823)
At 31 December	523,350	31,111,824	31,635,174	127,331,575
Less: **Accumulated depreciation**				
At 1 January	79,590	12,555,479	12,635,069	51,614,257
Depreciation for the year	204,639	3,322,128	3,526,767	14,357,468
Currency translation differences	-	-	-	(920,335)
At 31 December	284,229	15,877,607	16,161,836	65,051,390
Carrying amounts				
At 31 December	239,121	15,234,217	15,473,338	62,280,185
2023				
Cost				
At 1 January	-	22,329,477	22,329,477	91,930,457
Additions	513,670	5,414,374	5,928,044	24,364,260
Currency translation differences	-	-	-	(862,744)
At 31 December	513,670	27,743,851	28,257,521	115,431,973
Less: **Accumulated depreciation**				
At 1 January	-	9,555,472	9,555,472	39,339,878
Depreciation for the year	79,590	3,000,007	3,079,597	12,657,143
Currency translation differences	-	-	-	(382,764)
At 31 December	79,590	12,555,479	12,635,069	51,614,257
Carrying amounts				
At 31 December	434,080	15,188,372	15,622,452	63,817,716

12. Other assets

	31 December 2024 US$	31 December 2024 KHR'000 (Note 3)	31 December 2023 US$	31 December 2023 KHR'000 (Note 3)
Advances and deposits	1,711,620	6,889,271	2,725,361	11,133,100
Prepayments	2,076,487	8,357,860	1,815,778	7,417,453
Receivable from VISA	29,212	117,578	22,423	91,598
Others	471,914	1,899,453	1,084,316	4,429,433
	4,289,233	17,264,162	5,647,878	23,071,584
Less: Impairment loss allowance on other assets	(8,651)	(34,820)	(4,351)	(17,774)
	4,280,582	17,229,342	5,643,527	23,053,810
Current	2,588,866	10,420,186	2,814,564	11,497,495
Non-current	1,691,716	6,809,156	2,828,963	11,556,315
	4,280,582	17,229,342	5,643,527	23,053,810

The movements of impairment loss allowance on other assets during the year were as follows:

	2024 US$	2024 KHR'000 (Note 3)	2023 US$	2023 KHR'000 (Note 3)
At 1 January	4,351	17,774	-	-
Recognised in profit or loss (Note 24)	4,300	17,505	4,351	17,883
Currency translation differences	-	(459)	-	(109)
At 31 December	8,651	34,820	4,351	17,774

13. Deposits from customers and other financial institutions

	31 December 2024 US$	31 December 2024 KHR'000 (Note 3)	31 December 2023 US$	31 December 2023 KHR'000 (Note 3)
Fixed deposits	652,025,800	2,624,403,845	376,393,304	1,537,566,647
Saving accounts	85,999,572	346,148,277	68,437,854	279,568,633
	738,025,372	2,970,552,122	444,831,158	1,817,135,280

13. Deposits from customers and other financial institutions (continued)

Deposits from customers and other financial institutions were analysed as follows:

	31 December 2024 US$	31 December 2024 KHR'000 (Note 3)	31 December 2023 US$	31 December 2023 KHR'000 (Note 3)
A. By maturity:				
Within 1 month	233,860,214	941,287,361	130,433,418	532,820,513
> 1 to 3 months	84,226,978	339,013,586	37,751,877	154,216,418
> 3 to 12 months	250,604,716	1,008,683,982	207,831,607	848,992,115
> 12 months	169,333,464	681,567,193	68,814,256	281,106,234
	738,025,372	2,970,552,122	444,831,158	1,817,135,280
B. By currency:				
US dollars	660,392,660	2,658,080,457	389,667,463	1,591,791,586
Khmer Riel	76,948,019	309,715,776	53,868,679	220,053,554
Thai Baht	684,693	2,755,889	1,295,016	5,290,140
	738,025,372	2,970,552,122	444,831,158	1,817,135,280
C. By relationship:				
Related parties (Note 30B)	534,336	2,150,702	277,618	1,134,069
Non-related parties	737,491,036	2,968,401,420	444,553,540	1,816,001,211
	738,025,372	2,970,552,122	444,831,158	1,817,135,280

D. By interest rate (per annum):

Annual interest rates applicable to deposits from customers and other financial institutions at the year end were as follows:

	31 December 2024	31 December 2023
Saving accounts	0.00% to 5.50%	0.00% to 5.50%
Fixed deposits	0.50% to 9.00%	0.50% to 9.00%

14. Income tax (benefit)/expense

A. Applicable tax rates

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

According to Prakas 638 issued on 4 July 2017, an entity is eligible to be exempted from payment of minimum tax if it maintained proper accounting records and obtained approval from the General Department of Taxation ("GDT").

On 6 February 2025, the Bank obtained the confirmation letter on keeping proper accounting records from the GDT which allowed the Bank to exempt from payment of minimum tax for the fiscal years 2024 and 2025, respectively.

B. Income tax (benefit)/expense

	2024		2023	
	US$	KHR'000 (Note 3)	US$	KHR'000 (Note 3)
Current tax at applicable tax rate	-	-	4,282,615	17,601,548
Income tax credit (*)	(850,964)	(3,464,274)	-	-
Current income tax (benefit)/expense	(850,964)	(3,464,274)	4,282,615	17,601,548
Deferred tax	(746,878)	(3,040,541)	(96,388)	(396,155)
	(1,597,842)	(6,504,815)	4,186,227	17,205,393

(*) On 27 May 2024 and 22 July 2024, the Bank filed amendments on the return on the tax on income for the fiscal years 2020, 2021, and 2022 to the GDT. Subsequently, on 21 November 2024, the GDT approved the amendment and granted the income tax credit carried forward amounting to KHR3,425,128,462 equivalent to US$850,964, which can be utilised against the tax on income in future years.

14. Income tax (benefit)/expense (continued)

B. Income tax (benefit)/expense (continued)

The reconciliation of income tax computed at the statutory tax rate to the income tax (benefit)/expense as shown in the profit or loss were as follows:

	2024			2023		
	%	US$	KHR'000 (Note 3)	%	US$	KHR'000 (Note 3)
(Loss)/profit before income tax	20	(4,554,507)	(18,541,397)	20	20,058,713	82,441,310
Income tax at applicable rate of 20%	20	(910,901)	(3,708,278)	20	4,011,743	16,488,264
Tax effect of:						
Income tax credit	19	(850,964)	(3,464,274)	-	-	-
Non-deductible expenses	(4)	164,023	667,737	1	174,484	717,129
Total income tax expense	28	(1,597,842)	(6,504,815)	22	4,186,227	17,205,393

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

14. Income tax (benefit)/expense (continued)

C. Current income tax (credit)/liability

	2024		2023	
	US$	KHR'000 (Note 3)	US$	KHR'000 (Note 3)
At 1 January	2,694,139	11,005,558	11,614,705	47,817,740
Income tax (benefit)/expense	(850,964)	(3,464,274)	4,282,615	17,601,548
Income tax paid	(4,286,477)	(17,450,248)	(13,203,181)	(54,265,074)
Currency translation differences	-	74,673	-	(148,656)
At 31 December	(2,443,302)	(9,834,291)	2,694,139	11,005,558

D. Deferred tax assets – net

	31 December 2024		31 December 2023	
	US$	KHR'000 (Note 3)	US$	KHR'000 (Note 3)
Deferred tax assets	8,714,983	35,077,806	7,420,779	30,313,882
Deferred tax liabilities	(3,782,411)	(15,224,204)	(3,235,085)	(13,215,322)
Deferred tax assets – net	4,932,572	19,853,602	4,185,694	17,098,560

Deferred tax assets/(liabilities) are attributable to the followings:

	31 December 2024		31 December 2023	
	US$	KHR'000 (Note 3)	US$	KHR'000 (Note 3)
Lease liabilities	3,471,904	13,974,414	3,061,181	12,504,924
Tax loss carry-forward	2,993,720	12,049,723	-	-
Impairment loss allowance	1,450,047	5,836,440	2,868,499	11,717,819
Employee benefits obligations	474,123	1,908,345	462,234	1,888,226
Unamortised loan processing fees	281,652	1,133,649	1,001,154	4,089,714
Unrealised foreign exchange (losses)/gains	43,537	175,236	27,711	113,199
Property and equipment, and Intangible assets	(687,743)	(2,768,166)	(475,792)	(1,943,610)
Right-of-use assets	(3,094,668)	(12,456,039)	(2,759,293)	(11,271,712)
	4,932,572	19,853,602	4,185,694	17,098,560

14. Income tax (benefit)/expense (continued)

D. Deferred tax assets– net (continued)

The movements of deferred tax are as follows:

	2024		2023	
	US$	KHR'000 (Note 3)	US$	KHR'000 (Note 3)
At 1 January	4,185,694	17,098,560	4,089,306	16,835,673
Recognised in profit or loss	746,878	3,040,540	96,388	396,155
Currency translation differences	-	(285,498)	-	(133,268)
At 31 December	4,932,572	19,853,602	4,185,694	17,098,560

15. Borrowings

	31 December 2024		31 December 2023	
	US$	KHR'000 (Note 3)	US$	KHR'000 (Note 3)
Secured				
Current	6,994,830	28,154,191	63,840,397	260,788,022
Non-current	14,906,832	59,999,999	-	-
	21,901,662	88,154,190	63,840,397	260,788,022
Unsecured				
Current	40,787,314	164,168,938	19,232,315	78,564,007
Non-current	37,802,389	152,154,616	27,548,461	112,535,463
	78,589,703	316,323,554	46,780,776	191,099,470
	100,491,365	404,477,744	110,621,173	451,887,492

The Bank have entered into borrowing agreements with various lenders. The repayments of principal and interest are made either on quarterly, and monthly basis based on the repayment schedule of each of the borrowing agreements.

Secured borrowings represents bank borrowings secured by fixed deposits, which were obtained from various banks with terms ranging from 1 to 2 years (2023: from 1 to 3 years), bearing interest ranging from 4.50% to 6.50% at 31 December 2024 (31 December 2023: from 4.80% to 7.50%) per annum.

Unsecured borrowings represent bank borrowings obtained from various banks with terms ranging from 1.5 to 3 years (2023: from 1 to 3 years) and interest ranging from 7.25% to 8.50% at 31 December 2024 (31 December 2023: from 6.50% to 9.00%) per annum.

15. Borrowings (continued)

One of the Bank's borrowing agreement is subjected to covenant clauses, whereby the Bank is required to meet certain key financial ratios. As at 31 December 2024, the Bank did not fulfil certain financial ratios as required in the contract with carrying amount of US$10,437,029. The Bank have successfully obtained waiver letter from the lender on 24 February 2025 agreed to waive the covenant clauses in the loan agreement for the period from November 2024 to February 2026. The outstanding balance of this specific borrowing, amounting to US$3,478,261 as at 31 December 2024, is classified under current liabilities. The lender had not requested early repayment of the borrowings as of the report date.

Reconciliation of movements of borrowings to cash flows arising from financing activities and operating activities:

	2024		2023	
	US$	KHR'000 (Note 3)	US$	KHR'000 (Note 3)
Gross borrowings				
At 1 January	109,530,628	447,432,615	128,449,232	528,825,488
Changes from financing cash flows				
Proceeds from borrowings	80,574,534	328,018,928	76,552,632	314,631,318
Repayment of borrowings	(92,500,000)	(376,567,500)	(95,471,236)	(392,386,780)
Currency translation differences	-	(6,023,266)	-	(3,637,411)
	97,605,162	392,860,777	109,530,628	447,432,615
Amortisation of borrowing fee	2,360,738	9,610,564	685,357	2,816,817
Currency translation differences	-	(108,594)	-	(17,134)
	2,360,738	9,501,970	685,357	2,799,683
Accrued Interest payable				
At 1 January	405,188	1,655,194	152,001	625,788
Changes from operating cash flows				
Interest expense (Note 22)	7,581,040	30,862,414	9,151,177	37,611,337
Interest paid	(7,460,763)	(30,372,766)	(8,897,990)	(36,570,739)
Currency translation differences	-	(29,845)	-	(11,192)
	525,465	2,114,997	405,188	1,655,194
At 31 December	100,491,365	404,477,744	110,621,173	451,887,492

15. Borrowings (continued)

Borrowings were analysed as follows:

	31 December 2024 US$	31 December 2024 KHR'000 (Note 3)	31 December 2023 US$	31 December 2023 KHR'000 (Note 3)
A. By maturity:				
Within 1 month	4,981,067	20,048,795	6,865,569	28,045,849
> 1 to 3 months	4,979,123	20,040,970	14,799,249	60,454,932
> 3 to 12 months	37,821,954	152,233,365	61,407,894	250,851,247
> 12 months	52,709,221	212,154,614	27,548,461	112,535,464
	100,491,365	404,477,744	110,621,173	451,887,492
B. By currency:				
US dollars	5,502,722	22,148,456	5,498,113	22,459,792
Khmer Riel	94,988,643	382,329,288	105,123,060	429,427,700
	100,491,365	404,477,744	110,621,173	451,887,492

C. By interest rate (per annum):

Annual interest rates applicable to borrowings at the year end were as follows:

	31 December 2024	31 December 2023
US dollars	8.00% - 8.50%	8.50%
Khmer Riel	4.60% - 8.50%	4.80% - 9.00%

16. Amount due to related parties

	31 December 2024 US$	31 December 2024 KHR'000 (Note 3)	31 December 2023 US$	31 December 2023 KHR'000 (Note 3)
Woori Bank Singapore Branch	131,773,511	530,388,382	213,741,402	873,133,627
Woori Bank Hong Kong Branch	79,476,764	319,893,975	329,264,442	1,345,045,246
	211,250,275	850,282,357	543,005,844	2,218,178,873

16. Amount due to related parties (continued)

This pertains to borrowings from related parties, Woori Bank Singapore Branch and Woori Bank Hong Kong Branch, with terms ranging from 3 months to 5 years at 31 December 2024 (31 December 2023: 1 to 5 years). The borrowings incur an average annual interest rate of 6.03% at 31 December 2024 (31 December 2023: 8.07%) with Fixed rate and SOFR plus Fixed rate (SOFR rate + Fixed Rate). Total interest expense incurred during 2024 amounted to US$25,879,050 (2023: US$46,802,150).

Reconciliation of movements of amount due to related parties to cash flows arising from financing activities and operating activities:

	2024		2023	
	US$	KHR'000 (Note 3)	US$	KHR'000 (Note 3)
Gross borrowings				
At 1 January	542,700,000	2,216,929,500	602,200,000	2,479,257,400
Changes from financing cash flows				
Proceeds from borrowings	37,000,000	150,627,000	339,000,000	1,393,290,000
Repayment of borrowings	(369,700,000)	(1,505,048,700)	(398,500,000)	(1,637,835,000)
Currency translation differences	-	(17,257,800)	-	(17,782,900)
	210,000,000	845,250,000	542,700,000	2,216,929,500
Accrued Interest payable				
At 1 January	305,844	1,249,373	4,174,329	17,185,712
Changes from operating cash flows				
Interest expense (Note 22)	25,879,050	105,353,613	46,802,150	192,356,837
Interest paid	(24,934,619)	(101,508,834)	(50,670,635)	(208,256,310)
Currency translation differences	-	(61,795)	-	(36,866)
	1,250,275	5,032,357	305,844	1,249,373
At 31 December	211,250,275	850,282,357	543,005,844	2,218,178,873

17. Lease liabilities

	31 December 2024		31 December 2023	
	US$	KHR'000 (Note 3)	US$	KHR'000 (Note 3)
Present value of lease liabilities				
Current	3,083,499	12,411,083	3,012,039	12,304,179
Non-current	12,317,757	49,578,972	12,266,860	50,110,123
	15,401,256	61,990,055	15,278,899	62,414,302

17. Lease liabilities (continued)

	31 December 2024		31 December 2023	
	US$	KHR'000 (Note 3)	US$	KHR'000 (Note 3)
Maturity analysis – contractual undiscounted cash flows				
Less than one year	4,055,808	16,324,627	3,726,365	15,222,201
One to five years	10,530,792	42,386,438	9,920,825	40,526,570
More than 5 years	5,457,867	21,967,915	6,567,323	26,827,514
	20,044,467	80,678,980	20,214,513	82,576,285
Less: finance charges	(4,643,211)	(18,688,925)	(4,935,614)	(20,161,983)
	15,401,256	61,990,055	15,278,899	62,414,302

Amounts recognised in profit or loss:

	2024		2023	
	US$	KHR'000 (Note 3)	US$	KHR'000 (Note 3)
Depreciation expense on right-of-use-assets	3,526,767	14,357,468	3,079,597	12,657,143
Interest on lease liabilities (Note 22)	1,281,649	5,217,593	1,079,663	4,437,415
Expenses relating to leases of low-value assets, excluding short-term leases of low-value assets	1,978,345	8,053,842	2,065,315	8,488,445

Amounts recognised in statement of cash flows:				
Cash flows from financing activities				
Cash payments for the principal portion of the lease liabilities	2,986,247	12,157,012	3,301,316	13,568,409
Cash flows from operating activities				
Cash payments for the interest portion of the lease liabilities	1,281,649	5,217,593	1,079,663	4,437,415
Cash payments for leases of low-value assets and short-term leases assets	1,978,345	8,053,842	2,065,315	8,488,445
	6,246,241	25,428,447	6,446,294	26,494,269

17. Lease liabilities (continued)

The movements of lease liabilities during the year were as follows:

	2024		2023	
	US$	KHR'000 (Note 3)	US$	KHR'000 (Note 3)
At 1 January	15,278,899	62,414,302	12,652,171	52,088,988
Additions	3,108,604	12,655,127	5,928,044	24,364,260
Interest expense on lease	1,281,649	5,217,593	1,079,663	4,437,415
Interest paid	(1,281,649)	(5,217,593)	(1,079,663)	(4,437,415)
Repayment for the principal	(2,986,247)	(12,157,012)	(3,301,316)	(13,568,409)
Currency translation differences	-	(922,362)	-	(470,537)
At 31 December	15,401,256	61,990,055	15,278,899	62,414,302

18. Other liabilities

	31 December 2024		31 December 2023	
	US$	KHR'000 (Note 3)	US$	KHR'000 (Note 3)
Salaries and bonuses	3,561,064	14,333,283	4,267,500	17,432,738
Other taxes payables	695,825	2,800,696	959,541	3,919,725
Employee benefit obligations (*)	528,777	2,128,327	548,149	2,239,189
Accruals and others	1,547,764	6,229,750	1,394,143	5,695,074
	6,333,430	25,492,056	7,169,333	29,286,726

(*) This represents liability for seniority indemnity payments required by Prakas No. 443 issued by the Ministry of Labour and Vocational Training ("MoLVT") on 21 September 2018, and subsequently amended by Instruction No. 042/19 dated 22 March 2019. It requires all employers to settle the seniority indemnity to their employee as follows:

- Current pay: starting from 2019 onwards at the amounts equal to 15 days of wages and other benefits for the relevant year.

- Retrospective (back-pay): starting from 2021 onwards at the amounts equal to 6 days of net wages for each relevant year. The provision of back-pay seniority indemnity is calculated at a maximum amount of 6 months net wages (depends on the length of the service employee served) to the employee who has seniority before 2019.

18. Other liabilities (continued)

Payments will be made twice a year, in June and December respectively. Employee does not entitle to the remaining back-pay seniority indemnity, which is not yet due, if he/she resigns from the Bank.

The following are the principal assumptions at the reporting date.

- Discount rate* 5.09% (2023: 6.54%)
- Term of payments 6 days each in June and December
- Turnover rate 7.43% (2023: 14.27%)

(*) As information on Cambodian corporate or government bonds are not readily available, the Bank has analysed the medium to long term deposit rates in denomination of US$ of major banks in Cambodia.

The movements of liability for employee benefit obligations were as follows:

	2024		2023	
	US$	KHR'000 (Note 3)	US$	KHR'000 (Note 3)
At 1 January	548,149	2,239,189	727,405	2,994,726
Provision for the year	1,677,345	6,828,471	1,409,273	5,792,112
Paid during the year	(1,696,717)	(6,907,335)	(1,588,529)	(6,528,854)
Currency translation differences	-	(31,998)	-	(18,795)
At 31 December	528,777	2,128,327	548,149	2,239,189

19. Share capital

	31 December 2024		31 December 2023	
	US$	KHR'000 (Note 3)	US$	KHR'000 (Note 3)
Registered, issued and fully paid ordinary share of US$25, each	275,895,100	1,103,580,400	175,895,100	703,580,400

As at 31 December 2024, the authorised share capital comprise 11,035,804 ordinary shares (31 December 2023: 7,035,804) at a par value of US$25 per share. All authorised shares are issued and fully paid up.

On 16 November 2021 and 2 December 2021, the NBC and the MOC, respectively, approved the transfer of 1 share from Woori Bank Korea to Mr. Hong Ju Kim, concurrent with the change in name of the Bank and the granting of its commercial banking operating license.

19. Share capital (continued)

The Bank shareholders are shown as following:

	As at 31 December 2024		
	% of ownership	Number of shares	Amount US$
Woori Bank Korea	99.999991%	11,035,803	275,895,075
Mr. Hong Ju Kim	0.000009%	1	25
	100%	11,035,804	275,895,100
Equivalent in KHR'000 (Note 3)			1,103,580,400

	As at 31 December 2023		
	% of ownership	Number of shares	Amount US$
Woori Bank Korea	99.99999%	7,035,803	175,895,075
Mr. Hong Ju Kim	0.00001%	1	25
	100%	7,035,804	175,895,100
Equivalent in KHR'000 (Note 3)			703,580,400

The share capital of the Bank as at 31 December 2024 is US$275,895,100 (31 December 2023: US$175,895,100). On 19 June 2024, the NBC has approved to increase the registered share capital from US$175,895,100 to US$275,895,100. The amended Memorandum and Articles of Association ("MoA") was endorsed by the Ministry of Commerce on 11 December 2024.

20. Regulatory reserves

Regulatory reserves represented the variance of provision between loan impairment in accordance with CIFRSs and regulatory provision in accordance with the National Bank of Cambodia.

As at 31 December 2024, the Bank transferred from retained earnings to regulatory reserves amounting to US$6,440,786 (31 December 2023: transferred from regulatory reserves to retained earnings amounting to US$3,239,827).

21. Interest income

	2024		2023	
	US$	KHR'000 (Note 3)	US$	KHR'000 (Note 3)
Loans and advances to customers	167,616,011	682,364,781	175,526,018	721,411,934
Balances with other banks and financial institutions	1,996,384	8,127,279	3,933,886	16,168,271
Balances with the National Bank of Cambodia	296,706	1,207,890	225,779	927,952
	169,909,101	691,699,950	179,685,683	738,508,157

22. Interest expense

	2024 US$	2024 KHR'000 (Note 3)	2023 US$	2023 KHR'000 (Note 3)
Deposits from customers	44,254,331	180,159,381	24,156,160	99,281,818
Borrowings				
Related parties (Note 16)	25,879,050	105,353,613	46,802,150	192,356,837
Third-party lenders (Note 15)	7,581,040	30,862,414	9,151,177	37,611,337
Lease liabilities (Note 17)	1,281,649	5,217,593	1,079,663	4,437,415
	78,996,070	321,593,001	81,189,150	333,687,407

23. Net fee and commission expense

	2024 US$	2024 KHR'000 (Note 3)	2023 US$	2023 KHR'000 (Note 3)
Fee and commission income:				
Inward and outward remittance	414,649	1,688,037	431,456	1,773,284
Remittance fees	405,567	1,651,063	169,584	696,990
Credit related fees	18,356	74,727	10,191	41,886
Other fees and commissions	6,228	25,354	6,101	25,075
	844,800	3,439,181	617,332	2,537,235
Fee and commission expense:				
Credit related fees (*)	(2,060,466)	(8,388,157)	(1,673,690)	(6,878,866)
	(1,215,666)	(4,948,976)	(1,056,358)	(4,341,631)

24. Impairment losses on financial instruments

	2024 US$	2024 KHR'000 (Note 3)	2023 US$	2023 KHR'000 (Note 3)
Net impairment loss on loans and advances to customers (Note 7)	39,990,771	162,802,429	27,362,078	112,458,140
Net impairment loss on other assets (Note 12)	4,300	17,505	4,351	17,883
Net impairment loss on balances with other banks and financial institutions (Note 6)	(104,340)	(424,768)	(11,993)	(49,291)
Net impairment for off-balance sheet items (Note 7)	570	2,320	(22,174)	(91,135)
	39,891,301	162,397,486	27,332,262	112,335,597

25. Other income

	2024 US$	2024 KHR'000 (Note 3)	2023 US$	2023 KHR'000 (Note 3)
Loan penalties	4,508,540	18,354,266	6,057,743	24,897,324
Loan recoveries	2,255,518	9,182,214	1,300,384	5,344,578
Dividend income (Note 8)	28,915	117,713	40,421	166,130
Foreign exchange (losses)/gains	27,530	112,075	(111,358)	(457,681)
Gains on fixed assets disposal	727	2,960	80,664	331,529
Others	101,248	412,180	250,174	1,028,215
	6,922,478	28,181,408	7,618,028	31,310,095

26. Personnel expenses

	2024 US$	2024 KHR'000 (Note 3)	2023 US$	2023 KHR'000 (Note 3)
Salaries and wages	32,695,610	133,103,828	31,847,120	130,891,663
Employee benefit obligations	1,968,304	8,012,966	1,690,568	6,948,234
Other personnel expenses	1,651,445	6,723,032	1,799,621	7,396,443
	36,315,359	147,839,826	35,337,309	145,236,340

27. Depreciation and amortisation expenses

	2024 US$	2024 KHR'000 (Note 3)	2023 US$	2023 KHR'000 (Note 3)
Depreciation charge of property and equipment (Note 9)	4,825,190	19,643,349	3,376,398	13,876,996
Depreciation charge of right-of-use assets (Note 11)	3,526,767	14,357,468	3,079,597	12,657,143
Amortisation charge of intangible assets (Note 10)	1,310,075	5,333,315	1,015,360	4,173,130
	9,662,032	39,334,132	7,471,355	30,707,269

28. Other operating expenses

	2024		2023	
	US$	KHR'000 (Note 3)	US$	KHR'000 (Note 3)
Repairs and maintenance	3,713,176	15,116,340	2,819,149	11,586,702
Short-term lease and lease of low value items	1,978,345	8,053,842	2,065,315	8,488,445
Travels	1,687,464	6,869,666	1,784,224	7,333,161
Communication cost	1,052,530	4,284,850	980,172	4,028,507
Utilities expenses	1,042,693	4,244,803	870,443	3,577,521
NBC license fees	910,401	3,706,242	838,244	3,445,183
Security expense	887,465	3,612,870	811,362	3,334,698
Promotion and advertisement	795,336	3,237,813	1,099,450	4,518,740
Office supplies	498,751	2,030,415	506,926	2,083,466
Stamp and registration expense	479,240	1,950,986	397,960	1,635,616
Taxes and licenses	376,663	1,533,395	367,636	1,510,984
Charitable donations	348,458	1,418,573	677,881	2,786,091
Staff developments and trainings	292,345	1,190,136	540,860	2,222,935
Business meals and entertainment	289,168	1,177,203	324,799	1,334,924
Audit and related professional fees	249,338	1,015,055	142,617	586,156
Card expenses	140,446	571,756	103,194	424,127
Insurance expenses	126,838	516,357	125,420	515,476
Printing expenses	117,250	477,325	224,567	922,970
Write-off of property and equipment	37	151	52	214
Others	319,714	1,301,556	178,293	732,782
	15,305,658	62,309,334	14,858,564	61,068,698

29. Commitments and contingencies

A. Operations

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

	31 December 2024		31 December 2023	
	US$	KHR'000 (Note 3)	US$	KHR'000 (Note 3)
Unused portion of credit facilities	229,731	924,667	54,538	222,788
Bankers' guarantees	999,550	4,023,189	15,717	64,204
Commitments and contingencies	1,229,281	4,947,856	70,255	286,992
Less: Impairment loss allowance	(897)	(3,610)	(327)	(1,336)
Commitments and contingencies – net	1,228,384	4,944,246	69,928	285,656

29. Commitments and contingencies (continued)

A. Operations (continued)

The movements of impairment loss allowance for off balance sheet during the year were follows:

	2024		2023	
	US$	KHR'000 (Note 3)	US$	KHR'000 (Note 3)
At 1 January	327	1,336	22,505	92,653
Recognised in profit or loss	570	2,320	(22,174)	(91,135)
Foreign exchange difference	-	-	(4)	(16)
Currency translation differences	-	(46)	-	(166)
At 31 December	897	3,610	327	1,336

B. Taxation contingencies

Comprehensive tax audit for the period from 1 January 2018 to 31 December 2018

On 30 November 2021, the General Department of Taxation ("GDT") issued a Notice of Tax Reassessment ("NTR") on the comprehensive tax audit for the period from 1 January 2018 to 31 December 2018. On 6 January 2022, the Bank lodged an administrative protest letter to object the comprehensive tax audit case above. On 23 August 2022, the Bank lodged another protest letter to provide additional supporting documents to the GDT.

On 26 January 2024, the GDT has responded to the 2nd protest letter on tax reassessment after a discussion held with the representative from the Bank on 22 December 2023. The Bank has submitted the 3rd protest letter to the GDT on 21 February 2024. As at the date of these financial statements, management has considered that the tax reassessment exposure is unlikely to give rise to any significant loss to the Bank in the near future.

Comprehensive tax audit for the period from 1 January 2020 to 31 December 2022

On 26 April 2022 and 14 September 2023, the GDT issued tax notification letter for comprehensive tax audit in respect to the period from 1 January 2020 to 31 December 2021 and 1 January 2022 to 31 December 2022, respectively. The Bank has submitted the supporting documents base on the request to the GDT. On 27 March 2024, the meeting was held between the GDT and the Bank to put the tax audit for the period 1 January 2022 to 31 December 2022 on hold from 1 April 2024 to 1 April 2025.

29. Commitments and contingencies (continued)

Comprehensive tax audit for the period from 1 January 2020 to 31 December 2022 (continued)

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

30. Related parties

A. Identity of related parties

For the purposes of these financial statements, parties are considered to be related to the Bank if the Bank has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Bank and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

The Bank has related party relationships with its subsidiaries, shareholders, associates and key management personnel.

Key management personnel are defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Bank either directly or indirectly. The key management personnel include all the Directors of the Bank, and certain senior management members of the Bank.

Key management has banking relationships with Bank entities which are entered into in the normal course of business and on substantially the same terms, including interest rates and security, as for comparable transactions with other persons of a similar standing or, where applicable, with other employees. These transactions did not involve more than the normal risk of repayment or present other unfavourable features.

Related parties	**Relationship**
Woori Bank Singapore Branch	Sister company.
Woori Bank Hong Kong Branch	Sister company.
Affiliates	All entities under the same ultimate parent company.
Board of Directors	Persons overseeing the activities of the Bank.
Key management	The key management personnel are those persons having the authority and responsibility for planning, directing and controlling the activities of the Bank either directly or indirectly. The key management personnel of the Bank include all Directors of the Bank and members of senior management of the Bank.

30. Related parties (continued)

B. Balances with related parties

(i). Borrowings and transactions with affiliates

The outstanding balances of amounts due to related parties are disclosed in Note 16.

(ii). Loans to key management

	31 December 2024		31 December 2023	
	US$	KHR'000 (Note 3)	US$	KHR'000 (Note 3)
Loans to key management	33,258	133,863	44,504	181,799

(iii). Deposits from directors and key management

	31 December 2024		31 December 2023	
	US$	KHR'000 (Note 3)	US$	KHR'000 (Note 3)
Directors and key management				
Savings accounts	71,168	286,451	89,001	363,569
Fixed deposits	463,168	1,864,251	188,617	770,500
	534,336	2,150,702	277,618	1,134,069

C. Transactions with related parties

(i). Interest income on loans to key management

	2024		2023	
	US$	KHR'000 (Note 3)	US$	KHR'000 (Note 3)
Interest income	3,527	14,358	4,525	18,598

Loans to directors and key management earn annual interest at rates ranging from 9.00% to 18.00% as at 31 December 2024 (31 December 2023: 9.00%).

30. Related parties (continued)

C. Transactions with related parties (continued)

(ii). Interest expense on deposits from directors and key management

	2024		2023	
	US$	KHR'000 (Note 3)	US$	KHR'000 (Note 3)
Interest expense	1,977	8,048	5,488	22,556

Annual interest rate on deposits from directors and key management from 3.00% to 6.38% as at 31 December 2024 (31 December 2023: 3.00% to 5.43%).

D. Key management personnel compensation

	2024		2023	
	US$	KHR'000 (Note 3)	US$	KHR'000 (Note 3)
Key management				
Salaries and other short term benefits	1,158,233	4,715,167	1,246,476	5,123,016
Directors				
Fee and related expenses	28,071	114,277	28,071	115,372
	1,186,304	4,829,444	1,274,547	5,238,388

31. Financial risk management

A. Introduction and overview

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

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

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

31. Financial risk management (continued)

A. Introduction and overview (continued)

Risk management functional and governance structure

The Bank's Board of Directors has overall responsibility for the establishment and oversight of the Bank's risk management framework. The Board of Directors has established Risk Management Committee ("RMC") which is responsible for reviewing the Bank's risk management policies and ensure an appropriate implementation of risk management framework including regulatory compliance.

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

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

Classification of financial assets and financial liabilities

The Bank holds the following gross amount of financial assets and financial liabilities, which measured at amortised cost:

	31 December 2024		31 December 2023	
	US$	KHR'000 (Note 3)	US$	KHR'000 (Note 3)
Financial assets				
Financial assets at fair value through OCI:				
Investment in equity securities	15,353	61,796	15,353	62,717
Financial assets at amortised cost:				
Cash on hand	17,960,933	72,292,755	15,349,892	62,704,309
Placements with the National Bank of Cambodia	213,529,427	859,455,944	132,416,366	540,920,855
Placements with other banks and financial institutions	36,569,362	147,191,682	83,041,559	339,224,768
Loans and advances to customers	1,223,915,775	4,926,260,994	1,216,174,546	4,968,073,020
Other assets (*)	2,212,746	8,906,303	3,832,100	15,654,131
Total financial assets	1,494,203,596	6,014,169,474	1,450,829,816	5,926,639,800

31. Financial risk management (continued)

A. Introduction and overview (continued)

Classification of financial assets and financial liabilities (continued)

The Bank holds the following gross amount of financial assets and financial liabilities, which measured at amortised cost: (continued)

	31 December 2024		31 December 2023	
	US$	KHR'000 (Note 3)	US$	KHR'000 (Note 3)
Financial liabilities				
Deposits from customers and other financial institutions	738,025,372	2,970,552,122	444,831,158	1,817,135,280
Borrowings	100,491,365	404,477,744	110,621,173	451,887,492
Amount due to related parties	211,250,275	850,282,357	543,005,844	2,218,178,873
Lease liabilities	15,401,256	61,990,055	15,278,899	62,414,302
Other liabilities (**)	5,637,605	22,691,360	6,209,792	25,367,000
Total financial liabilities	**1,070,805,873**	**4,309,993,638**	**1,119,946,866**	**4,574,982,947**

(*) Other assets only consist of security deposits refundable in cash, and other's receivables which excluded the prepayment.

(**) Other liabilities do not include taxes payables which are not considered financial liabilities.

B. Credit risk

Credit risk' is the risk of financial loss to the Bank if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Bank's loans and advances to customers and other banks, investment in debt securities, and off-balance sheets. For risk management reporting purposes, the Bank considers and consolidates all elements of credit risk exposure – e.g. individual obligor default risk, and sector risk.

Credit risk is the potential loss of revenue and principal losses arising mainly from loans and advances and loan commitments as a result of default by the borrowers or counterparties through its lending activities.

31. Financial risk management (continued)

B. Credit risk (continued)

(i). Management of credit risk

The Bank's Credit Committee together with Credit Analysis and Approval, Loan Policy, Loan Recovery, Loan Review, Business Development, Risk Management, and Finance and Accounting Departments are responsible for managing the Bank's credit risk by:

- Ensuring that the Bank has appropriate credit risk practices, including an effective system of internal control, to consistently determine adequate allowances in accordance with the Bank's stated policies and procedures, CIFRS, and relevant supervisory guidance.
- Identifying, assessing, and measuring credit risk across the Bank, from an individual instrument to a portfolio level.
- Creating credit policies to protect the Bank against the identified risks including the requirements to obtain collateral from borrowers, to perform robust ongoing credit assessment of borrowers, and to continually monitor exposures against internal risk limits.
- Limiting concentrations of exposure by type of asset, counterparties, industry, credit rating, geographic location.
- Establishing a robust control framework regarding the authorisation structure for the approval and renewal of credit facilities.
- Developing and maintaining the Bank's risk grading to categorise exposures according to the degree of risk of default. Risk grades are subject to regular reviews.
- Developing and maintaining the Bank's processes for measuring ECL including monitoring of credit risk, incorporation of forward-looking information, and the method used to measure ECL.
- Ensuring that the Bank has policies and procedures in place to appropriately maintain and validate models used to assess and measure ECL.
- Establishing a sound credit risk accounting assessment and measurement process that provides it with a strong basis for common systems, tools, and data to assess credit risk and to account for ECL. Providing advice, guidance, and specialist skills to business units to promote best practices throughout the Bank in the management of credit risk.

Incorporation of forward-looking information

The Bank analysed forward-looking information by using the statistical regression model for assessment to determine whether the credit risk of an instrument has increased significantly to the measurement of ECL.

31. Financial risk management (continued)

B. Credit risk (continued)

(i). Management of credit risk (continued)

Incorporation of forward-looking information (continued)

Forward-looking information is used only for PD. For LGD, the forward-looking information is not considered as the default counts in the earlier quarters are not sufficient to undertake reliable forward-looking statistical analysis.

The Bank formulate three economic scenarios: a base case, the median scenario which assigned a 68% probability of occurring, and two less likely scenarios, 16% for good scenario and 16% for bad scenario.

The Bank has identified and documented the key drivers of credit risk and credit losses for each portfolio of financial instruments, and using an analysis of historical data.

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

Scenario	2024	2025	2026	2027	Onward
Base	1.12%	1.08%	1.06%	1.04%	1.03%
Good	0.38%	0.37%	0.36%	0.35%	0.35%
Bad	3.17%	3.07%	2.99%	2.94%	2.91%

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.

Significant increase in credit risk

The Bank monitors all financial assets that are subject to impairment requirements to assess whether there has been a significant increase in credit risk since initial recognition. If there has been a significant increase in credit risk, the Bank will measure the loss allowance based on lifetime rather than 12-month ECL.

The Bank uses number of days past due as a primary input into the determination of the term structure of the PD for exposures. The Bank collects performance and default information about its credit risk exposures analysed by its borrower's business sector.

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 Borrowers.

31. Financial risk management (continued)

B. Credit risk (continued)

(i). Management of credit risk (continued)

Significant increase in credit risk (continued)

The Bank has monitoring procedures in place to make sure that the criteria used to identify significant increases in credit are effective, meaning that significant increase in credit risk is identified before the exposure is defaulted or when the asset becomes 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.

The Bank has controls and procedures in place to identify when the credit risk of an asset improves and the definition of significant increase in credit risk is no longer met. When this is the case the asset may be moved back to stage 1 from stage 2, subject to payments being up to date and the ability of the borrower to make future payments on time.

Measurement of ECL

The key inputs used for measuring ECL are:

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

These figures are generally derived from internally developed statistical models and other historical data.

The assumptions underlying the ECL calculation are monitored and reviewed monthly basis.

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.

LGD is the magnitude of the likely loss if there is a default. LGD is defined as the percentage of exposure 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 collateral as well as the type of customer and the expected recovery from the customers. With accurate collateral type, which is updated from time to time, the Bank can consider to take collateral into LGD calculation for ECL computation. In the event of over-collateralised, a floor LGD shall be applied for ECL calculation. The calculation is on a discounted cash flow basis, where the cash flows are discounted by the original EIR of the loan. calculation.

31. Financial risk management (continued)

B. Credit risk (continued)

(i). Management of credit risk (continued)

Measurement of ECL (continued)

EAD is an estimate of the exposure at a future default date, taking into account expected changes in the exposure after the reporting date, including repayments of principal and interest, and expected drawdowns on committed facilities. The Bank's modelling approach for EAD reflects expected changes in the balance outstanding over the lifetime of the loan exposure that is permitted by the current contractual terms, such as amortisation profiles, early repayment or overpayment, changes in utilisation of undrawn commitments, and credit mitigation actions taken before default. The Bank uses EAD models that reflect the characteristics of the portfolios.

The Bank measures ECL considering the risk of default over the maximum contractual period over which the entity is exposed to credit risk and not a longer period. However, for financial instruments such as revolving credit facilities that include both a loan and an undrawn commitment component, the Bank's contractual ability to demand repayment and cancel the undrawn commitment does not limit the Bank's exposure to credit losses to the contractual notice period. For such financial instruments, the Bank measures ECL over the period that it is exposed to credit risk and ECL would not be mitigated by credit risk management actions, even if that period extends beyond the maximum contractual period. These financial instruments do not have a fixed term or repayment structure and have a short contractual cancellation period. However, the Bank does not enforce in the normal day-to-day management of the contractual right to cancel these financial instruments. This is because these financial instruments are managed on a collective basis and are cancelled only when the Bank becomes 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 Bank expects to take to mitigate ECL, e.g. reduction in limits or cancellation of the loan commitment.

The ECL calculation for accounting purposes is different from the ECL calculation for regulatory purposes, although many inputs used are similar. The Bank has ensured that the appropriate methodology is used when calculating ECL for both accounting and regulatory purposes. The main differences between the methodologies used to measure ECL in accordance with CIFRS 9 versus the ones applied for regulatory purposes are:

- Percentage of provision by classification based on short/long term loan
- Number of days past due
- Forward-looking of macro-economic factor
- Probability of default and historical recovery rate

31. Financial risk management (continued)

B. Credit risk (continued)

(i). Management of credit risk (continued)

Measurement of ECL (continued)

The measurement of ECL is based on probability weighted average credit loss. As a result, the measurement of the loss allowance should be the same regardless of whether it is measured on an individual basis or a collective basis (although measurement on a collective basis is more practical for large portfolios of items). In relation to the assessment of whether there has been a significant increase in credit risk, it can be necessary to perform the assessment on a collective basis.

Management overlay

The Bank provide management overlay as an additional ECL for restructured loans and vulnerable sectors, or customers based on the assumptions that they have a higher risk of turning default and following the requirements outlined in the Circular on Classification and Provisioning Requirement on Restructured Loans issued by the NBC dated 28 December 2021; therefore, the ECL overlay is being assessed by classifying these restructured loans and vulnerable customers to a higher staging than they originally are. Moreover, the Bank set aside an additional ECL overlay on the portfolio deterioration due to significant increase in credit risk and the higher flow rate of loan portfolio in light of the current situation and forecast.

Groupings based on shared risks characteristics

The Bank has defined seven main segments for PD calculation which have similar risk behaviours based on analysis of roll rates, as shown in the table below. These segments are:

- Agriculture
- Household/Family
- Manufacturing
- Services
- Trade and commerce
- Transportation
- Others

The groupings are reviewed on a regular basis to ensure that each group is comprised of homogenous exposures.

31. Financial risk management (continued)

B. Credit risk (continued)

(i). Management of credit risk (continued)

Groupings based on shared risks characteristics (continued)

Credit risk rating are reviewed and updated on an annual basis, and in event of (i) change of loan terms and conditions including extension; (ii) repayment irregularities or delinquencies and (iii) adverse information relating to the borrower or transaction.

The Bank employs a range of policies and practices to manage credit risk. The most traditional of these is the taking of security in the form of collateral for loans to customers, which is common practice. The Bank implements guidelines on the acceptability of specific classes of collateral or credit risk mitigation. The principal collateral types secured for loans to customers are included land, house, building, and other immovable assets. The Bank's policy is to fund up to 75% of the collateral value. As at 31 December 2024, approximately 99.03% (31 December 2023: 96.36%) of these loans and advances are collateralised. There was no change in the Bank's collateral policy during the year.

(ii). Concentration of risk

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

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

31. Financial risk management (continued)

B. Credit risk (continued)

(ii). Concentration of risk (continued)

Type of credit exposure

The analysis of the type of credit exposure is performed on the gross balance basis:

31 December 2024	Maximum credit exposure US$	Maximum credit exposure KHR'000 (Note 3)	Fully subject to collateral/credit enhancement %	Partially subject to collateral/ credit enhancement %	Unsecured and not subject to collateral/ credit enhancement %
On-balance sheet items					
Placements with the National Bank of Cambodia	213,529,427	859,455,944	0.00%	0.09%	99.91%
Placements with other banks and financial institutions	36,569,362	147,191,682	0.00%	60.16%	39.84%
Loans and advances to customers	1,223,915,775	4,926,260,994	0.00%	99.03%	0.97%
Other assets	2,212,746	8,906,303	0.00%	38.91%	61.09%
	1,476,227,310	5,941,814,923			
Off-balance sheet items					
Unused portion of approved credit facilities	229,731	924,667	0.00%	21.76%	78.24%
Performance and bankers' guarantees	999,550	4,023,189	100.00%	0.00%	0.00%
	1,229,281	4,947,856			

31. Financial risk management (continued)

B. Credit risk (continued)

(ii). Concentration of risk (continued)

Type of credit exposure (continued)

The analysis of the type of credit exposure is performed on the gross balance basis: (continued)

31 December 2023	Maximum credit exposure US$	Maximum credit exposure KHR'000 (Note 3)	Fully subject to collateral/credit enhancement %	Partially subject to collateral/ credit enhancement %	Unsecured and not subject to collateral/ credit enhancement %
On-balance sheet items					
Placements with the National Bank of Cambodia	132,416,366	540,920,855	0.00%	0.19%	99.81%
Placements with other banks and financial institutions	83,041,559	339,224,768	0.00%	81.28%	18.72%
Loans and advances to customers	1,216,174,546	4,968,073,020	0.00%	96.36%	3.64%
Other assets	3,832,100	15,654,131	0.00%	19.30%	80.70%
	1,435,464,571	5,863,872,774			
Off-balance sheet items					
Unused portion of approved credit facilities	54,538	222,788	0.00%	91.68%	8.32%
Performance and bankers' guarantees	15,717	64,204	100.00%	0.00%	0.00%
	70,255	286,992			

31. Financial risk management (continued)

B. Credit risk (continued)

(ii). Concentration of risk (continued)

Concentration risk by industrial sectors

31 December 2024	Placements with other banks and financial institutions US$	Loans and advances to customers US$	Other assets US$	Total US$
Financial institutions	36,569,362	-	-	36,569,362
Agriculture	-	254,790,536	-	254,790,536
Trade and commerce	-	224,518,293	-	224,518,293
Manufacturing	-	9,501,849	-	9,501,849
Services	-	168,682,594	-	168,682,594
Household/Family	-	528,127,395	-	528,126,395
Transportation	-	38,157,347	-	38,157,347
Others	-	137,761	2,212,746	2,350,507
Total (US$)	36,569,362	1,223,915,775	2,212,746	1,262,697,883
Total (KHR'000 – Note 3)	147,191,682	4,926,260,994	8,906,303	5,082,358,979

31. Financial risk management (continued)

B. Credit risk (continued)

(ii). Concentration of risk (continued)

Concentration risk by industrial sectors (continued)

31 December 2023	Placements with other banks and financial institutions US$	Loans and advances to customers US$	Other assets US$	Total US$
Financial institutions	83,041,559	-	-	83,041,559
Agriculture	-	288,144,286	-	288,144,286
Trade and commerce	-	216,853,174	-	216,853,174
Manufacturing	-	9,793,490	-	9,793,490
Services	-	159,855,402	-	159,855,402
Household/Family	-	498,332,342	-	498,332,342
Transportation	-	42,951,781	-	42,951,781
Others	-	244,071	3,832,100	4,076,171
Total (US$)	83,041,559	1,216,174,546	3,832,100	1,303,048,205
Total (KHR'000 – Note 3)	339,224,768	4,968,073,020	15,654,131	5,322,951,917

31. Financial risk management (continued)

B. Credit risk (continued)

(ii). Concentration of risk (continued)

Concentration risk by residency relationship, large-exposures and concession for loans and advances:

	31 December 2024		31 December 2023	
	US$	KHR'000 (Note 3)	US$	KHR'000 (Note 3)
By residency status:				
Residents	1,223,915,775	4,926,260,994	1,216,174,546	4,968,073,020
Non-residents	-	-	-	-
	1,223,915,775	4,926,260,994	1,216,174,546	4,968,073,020
By relationship:				
External customers	1,218,915,277	4,906,133,990	1,210,844,928	4,946,301,530
Staff loans	5,000,498	20,127,004	5,329,618	21,771,490
	1,223,915,775	4,926,260,994	1,216,174,546	4,968,073,020
By exposure:				
Large exposures (*)	-	-	-	-
Non-large exposures	1,223,915,775	4,926,260,994	1,216,174,546	4,968,073,020
	1,223,915,775	4,926,260,994	1,216,174,546	4,968,073,020
By concession:				
Restructure (**)	183,080,051	736,897,205	20,134,578	82,249,751
Non-restructure	1,040,835,724	4,189,363,789	1,196,039,968	4,885,823,269
	1,223,915,775	4,926,260,994	1,216,174,546	4,968,073,020

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

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

31. Financial risk management (continued)

B. Credit risk (continued)

(iii). Collaterals

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

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

Cash and cash equivalents, statutory deposit, placements with the NBC and other banks and financial institutions, and other assets

Collateral is generally not sought for these assets.

Loans and advances to customers, contingent liabilities and commitments

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

31. Financial risk management (continued)

B. Credit risk (continued)

(iii). Collaterals (continued)

The table below summarises the Bank's security coverage:

	Collateral/Credit enhancement		Unsecured	Total	
	Properties	Fixed deposits	credit exposure		
	US$	US$	US$	US$	KHR'000 (Note 3)
31 December 2024					
Loans and advances to customers	1,211,424,941	628,079	11,862,755	1,223,915,775	4,926,260,994
Commitments and guarantees	50,000	1,053,583	125,698	1,229,281	4,947,856
	1,211,474,941	1,681,662	11,988,453	1,225,145,056	4,931,208,850
31 December 2023					
Loans and advances to customers	1,171,441,250	444,000	44,289,296	1,216,174,546	4,968,073,020
Commitments and guarantees	50,000	15,717	4,538	70,255	286,992
	1,171,491,250	459,717	44,293,834	1,216,244,801	4,968,360,012

31. Financial risk management (continued)

B. Credit risk (continued)

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

Pursuant to the NBC guideline Prakas B7.017.344, it has defined each credit grading according to its credit quality as follows:

Normal

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

Special mention

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

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

Substandard

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

Factors leading to a substandard classification include:

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

31. Financial risk management (continued)

B. Credit risk (continued)

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

Doubtful

A facility classified in this category exhibits 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.

Loss

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

Recognition of ECL

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

3-Stage approach	**Stage 1**	**Stage 2**	**Stage 3**
	Performing	**Under-performing**	**Non-performing**
Recognition of expected credit losses	12 months expected credit losses	Lifetime expected credit losses	Lifetime expected credit losses
Criterion	No significant increase in credit risk	Credit risk increased significantly	Credit impaired assets
Basic of calculation of interest income	On gross carrying amount	On gross carrying amount	On net carrying amount

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

31. Financial risk management (continued)

B. Credit risk (continued)

(iv). Credit quality of gross Loans and advances to customers (continued)

Recognition of ECL (continued)

Long-term facilities (more than one year)

Stage	Credit Risk Status	Grade	DPD	Default Indicator
1	No significant increase in credit risk	Normal	$0 \leqslant DPD \leqslant 29$	Performing
2	Credit risk increased significantly	Special Mention	$30 \leqslant DPD \leqslant 89$	Underperforming
3	Credit impaired assets	Substandard	$90 \leqslant DPD \leqslant 179$	Nonperforming
		Doubtful	$180 \leqslant DPD \leqslant 359$	
		Loss	$DPD \geqslant 360$	

Short-term facilities (one year or less)

Stage	Credit Risk Status	Grade	DPD	Default Indicator
1	No significant increase in credit risk	Normal	$0 \leqslant DPD \leqslant 14$	Performing
2	Credit risk increased significantly	Special Mention	$15 \leqslant DPD \leqslant 30$	Underperforming
3	Credit impaired assets	Substandard	$31 \leqslant DPD \leqslant 60$	Nonperforming
		Doubtful	$61 \leqslant DPD \leqslant 90$	
		Loss	$DPD \geqslant 91$	

The Bank will use the Day Past Due (“DPD”) information and NBC’s classification for staging criteria.

31. Financial risk management (continued)

B. Credit risk (continued)

(iv). Credit quality of gross Loans and advances to customers (continued)

Recognition of ECL (continued)

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

	31 December 2024			
	Stage 1 US$	Stage 2 US$	Stage 3 US$	Total US$
Loans and advances to customers at amortised cost				
Normal	1,090,650,298	79,896	791,149	1,091,521,343
Special Mention	18,199,833	8,061,190	32,859	26,293,882
Substandard	12,438,058	51,782,983	11,246,151	75,467,192
Doubtful	3,304,770	3,719,338	20,582,895	27,607,003
Loss	859,198	544,217	1,622,940	3,026,355
	1,125,452,157	64,187,624	34,275,994	1,223,915,775
Impairment loss allowance (*)	(4,282,483)	(17,043,539)	(16,179,116)	(37,505,138)
Carrying amounts (US$)	1,121,169,674	47,144,085	18,096,878	1,186,410,637
Equivalents KHR'000 (Note 3)	4,512,707,938	189,754,942	72,839,934	4,775,302,814

(*) This amount is not included the impairment loss allowance for off balance sheet. Refer to below as shown:

	Stage 1 US$	Stage 2 US$	Stage 3 US$	Total US$
Credit commitments and financial guarantee contract				
Normal	1,229,281	-	-	1,229,281
Impairment loss allowance	(897)	-	-	(897)
Carrying amounts (US$)	1,228,384	-	-	1,228,384
Equivalents KHR'000 (Note 3)	4,944,246	-	-	4,944,246

31. Financial risk management (continued)

B. Credit risk (continued)

(iv). Credit quality of gross Loans and advances to customers (continued)

Recognition of ECL (continued)

	31 December 2023			
	Stage 1 US$	Stage 2 US$	Stage 3 US$	Total US$
Loans and advances to customers at amortised cost				
Normal	1,142,457,265	2,766	1,190,993	1,143,651,024
Special Mention	8,350,300	10,312,719	39,393	18,702,412
Substandard	8,504,778	1,483,741	13,475,661	23,464,180
Doubtful	1,920,163	147,467	23,815,054	25,882,684
Loss	471,684	41,815	3,960,747	4,474,246
	1,161,704,190	11,988,508	42,481,848	1,216,174,546
Impairment loss allowance (*)	(6,787,400)	(2,811,670)	(25,722,015)	(35,321,085)
Carrying amounts (US$)	1,154,916,790	9,176,838	16,759,833	1,180,853,461
Equivalents KHR'000 (Note 3)	4,717,835,087	37,487,383	68,463,918	4,823,786,388

(*) This amount is not included the impairment loss allowance for off balance sheet. Refer to below as shown:

Credit commitments and financial guarantee contract				
Normal	70,255	-	-	70,255
Impairment loss allowance	(327)	-	-	(327)
Carrying amounts (US$)	69,928	-	-	69,928
Equivalents KHR'000 (Note 3)	285,656	-	-	285,656

Incorporation of forward-looking information

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

31. Financial risk management (continued)

B. Credit risk (continued)

(iv). Credit quality of gross Loans and advances to customers (continued)

Recognition of ECL (continued)

Incorporation of forward-looking information (continued)

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

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

(v). Amounts arising from ECL

Impairment loss allowance

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

	2024			
	Stage 1 US$	Stage 2 US$	Stage 3 US$	Total US$
Loans and advances to customers at amortised cost				
At 1 January	1,161,704,190	11,988,508	42,481,848	1,216,174,546
- Transfer to Stage 1	30,974,593	(6,925,182)	(24,049,411)	-
- Transfer to Stage 2	(1,008,777)	2,247,781	(1,239,004)	-
- Transfer to Stage 3	(603,171)	(109,229)	712,400	-
New financial assets originated	308,107,404	66,588,997	56,092,896	430,789,297
Financial assets derecognised	(373,722,082)	(9,603,251)	(2,579,959)	(385,905,292)
Write offs	-	-	(37,142,776)	(37,142,776)
At 31 December (US$)	1,125,452,157	64,187,624	34,275,994	1,223,915,775
At 31 December (KHR'000) – Note 3	4,529,944,932	258,355,187	137,960,876	4,926,260,994

31. Financial risk management (continued)

B. Credit risk (continued)

(v). Amounts arising from ECL (continued)

Impairment loss allowance (continued)

	2023			
	Stage 1 US$	Stage 2 US$	Stage 3 US$	Total US$
Loans and advances to customers at amortised cost				
At 1 January	1,161,811,955	3,778,898	17,733,214	1,183,324,067
- Transfer to Stage 1	31,568,521	(31,377,517)	(191,004)	-
- Transfer to Stage 2	(5,623,932)	5,633,877	(9,945)	-
- Transfer to Stage 3	(31,377,517)	(786,240)	32,163,757	-
New financial assets originated	496,902,283	37,629,431	8,318,530	542,850,244
Financial assets derecognised	(491,577,120)	(2,889,941)	(176,151)	(494,643,212)
Write-offs	-	-	(15,356,553)	(15,356,553)
At 31 December (US$)	1,161,704,190	11,988,508	42,481,848	1,216,174,546
At 31 December (KHR'000) – Note 3	4,745,561,616	48,973,055	173,538,349	4,968,073,020

	2024			
	Stage 1 US$	Stage 2 US$	Stage 3 US$	Total US$
Impairment loss allowance on loans and advances to customers				
At 1 January	(6,787,727)	(2,811,670)	(25,722,015)	(35,321,412)
- Transfer to Stage 1	186,370	(41,407)	(144,963)	-
- Transfer to Stage 2	(235,801)	526,326	(290,525)	-
- Transfer to Stage 3	(354,592)	(65,102)	419,694	-
Net remeasurement of impairment loss allowances	(2,619,762)	1,631,507	11,370,285	10,382,030
New financial assets originated	3,348,301	(18,536,449)	(62,598,561)	(77,786,709)
Financial assets derecognised	2,180,728	2,253,256	23,065,101	27,499,085
Unwinding of discount on interest income stage 3	-	-	579,092	579,092
Write offs	-	-	37,142,776	37,142,776
Off balance sheet	(897)	-	-	(897)
At 31 December (US$)	(4,283,380)	(17,043,539)	(16,179,116)	(37,506,035)
At 31 December (KHR'000) – Note 3	(17,240,605)	(68,600,244)	(65,120,942)	(150,961,790)

31. Financial risk management (continued)

B. Credit risk (continued)

(v). Amounts arising from ECL (continued)

Impairment loss allowance (continued)

	2023			
	Stage 1 US$	Stage 2 US$	Stage 3 US$	Total US$
Impairment loss allowance on loans and advances to customers				
At 1 January	(11,088,379)	(1,070,011)	(9,935,726)	(22,094,116)
- Transfer to Stage 1	354,595	(67,053)	(287,542)	-
- Transfer to Stage 2	228,489	(8,895)	(219,594)	-
- Transfer to Stage 3	971,203	(11,052)	(960,151)	-
Net remeasurement of impairment loss allowances	(15,962,696)	(193,163)	291,124	(15,864,735)
New financial assets originated	14,019,391	(2,281,044)	(39,994,951)	(28,256,604)
Financial assets derecognised	4,689,997	819,548	8,785,242	14,294,787
Unwinding of discount on interest income stage 3	-	-	1,243,030	1,243,030
Write offs	-	-	15,356,553	15,356,553
Off balance sheet	(327)	-	-	(327)
At 31 December (US$)	(6,787,727)	(2,811,670)	(25,722,015)	(35,321,412)
At 31 December (KHR'000) – Note 3	(27,727,865)	(11,485,672)	(105,074,431)	(144,287,968)

C. Market risk

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

(i). Interest rate risk

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

31. Financial risk management (continued)

C. Market risk (continued)

(i). Interest rate risk (continued)

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

As at 31 December 2024	Up to 1 month US$	> 1-3 months US$	> 3-12 months US$	> 1 to 5 years US$	Over 5 years US$	Non-interest bearing US$	Total US$	Interest rate %
Financial assets								
Cash on hand	-	-	-	-	-	17,960,933	17,960,933	Nil
Placements with the National Bank of Cambodia	-	93,689	99,689	-	93,233,167	120,102,882	213,529,427	1.18% - 1.40%
Placements with other banks and financial institutions	3,339,843	-	22,000,000	-	-	11,179,681	36,519,524	0.10% - 4.00%
Loans and advances to customers	2,115,467	3,440,706	20,361,187	483,742,617	642,009,750	34,740,013	1,186,409,740	8.00% - 18.00%
Investment in securities	-	-	-	-	-	15,353	15,353	Nil
Other assets	-	109,617	-	-	-	2,094,478	2,204,095	5%
	5,455,310	3,644,012	42,460,876	483,742,617	735,242,917	186,093,340	1,456,639,072	
Financial liabilities								
Deposits from customers and other financial institutions	230,425,671	79,425,268	241,334,649	162,401,728	129,640	24,308,416	738,025,372	0.50% - 9.00%
Borrowings	4,970,210	4,968,266	21,868,114	68,159,310	-	525,465	100,491,365	4.60% - 8.50%
Amount due to related parties	2,000,000	-	146,773,510	61,226,490	-	1,250,275	211,250,275	5.89% - 6.18%
Lease liabilities	262,687	779,420	2,551,431	10,905,083	902,635	-	15,401,256	4.50% - 8.39%
Other liabilities	-	-	-	-	-	5,637,605	5,637,605	Nil
	237,658,568	85,172,954	412,527,704	302,692,611	1,032,275	31,721,761	1,070,805,873	
Interest sensitivity gap	(232,203,258)	(81,528,942)	(370,066,828)	181,050,006	734,210,642	154,371,579	385,833,199	
(KHR'000 equivalents - Note 3)	(934,618,113)	(328,153,992)	(1,489,518,983)	728,726,274	2,955,197,834	621,345,605	1,552,978,626	
Off-balance sheet								
Credit commitments	-	-	-	-	-	228,834	228,834	Nil
Financial guarantee contract	-	-	-	-	-	999,550	999,550	Nil
	-	-	-	-	-	1,228,384	1,228,384	
(KHR'000 equivalents - Note 3)	-	-	-	-	-	4,944,246	4,944,246	

31. Financial risk management (continued)

C. Market risk (continued)

(i). Interest rate risk (continued)

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

As at 31 December 2023	Up to 1 month US$	> 1-3 months US$	> 3-12 months US$	> 1 to 5 years US$	Over 5 years US$	Non-interest bearing US$	Total US$	Interest rate %
Financial assets								
Cash on hand	-	-	-	-	-	15,349,892	15,349,892	Nil
Placements with the National Bank of Cambodia	-	151,518	99,175	-	17,590,000	114,575,673	132,416,366	1.18% - 1.58%
Placements with other banks and financial institutions	4,683,744	16,780,306	53,665,428	-	-	7,757,903	82,887,381	1.25% - 5.50%
Loans and advances to customers	2,385,280	3,009,871	24,790,379	625,147,297	525,520,307	-	1,180,853,134	8% - 18%
Investment in securities	-	-	-	-	-	15,353	15,353	Nil
Other assets	-	104,048	-	-	-	3,723,701	3,827,749	5.32%
	7,069,024	20,045,743	78,554,982	625,147,297	543,110,307	141,422,522	1,415,349,875	
Financial liabilities								
Deposits from customers and other financial institutions	130,433,418	37,751,877	207,831,607	68,585,199	229,057	-	444,831,158	0.50% - 9.00%
Borrowings	6,865,351	14,869,826	61,392,340	27,493,656	-	-	110,621,173	6.50% - 9%
Amounts due to related parties	18,703,734	-	243,037,666	281,264,444	-	-	543,005,844	6.92% - 8.36%
Lease liabilities	223,596	662,166	2,519,179	10,344,996	1,528,963	-	15,278,899	4.50% - 8.38%
Other liabilities	-	-	-	-	-	6,209,792	6,209,792	Nil
	156,226,099	53,283,869	514,780,792	387,688,295	1,758,020	6,209,792	1,119,946,866	
Interest sensitivity gap	(149,157,075)	(33,238,126)	(436,225,810)	237,459,002	541,352,287	135,212,730	295,403,009	
(KHR'000 equivalents - Note 3)	(609,306,651)	(135,777,745)	(1,781,982,434)	970,020,023	2,211,424,092	552,344,002	1,206,721,292	
Off-balance sheet								
Credit commitments	-	-	-	-	-	54,280	54,280	Nil
Financial guarantee contract	-	-	-	-	-	15,648	15,648	Nil
	-	-	-	-	-	69,928	69,928	
(KHR'000 equivalents - Note 3)	-	-	-	-	-	285,656	285,656	

31. Financial risk management (continued)

C. Market risk (continued)

(i). Interest rate risk (continued)

A change of 100 basis points in interest rates at the reporting date would have increased/(decreased) equity and profit or loss by the amounts shown below. The analysis assumes that all other variables, in particular foreign currency rates, remain constant.

	Profit or Loss		Equity	
	100 bp Increase US$	100 bp Decrease US$	100 bp Increase US$	100 bp Decrease US$
31 December 2024				
Variable rate instruments	(20,891)	(519)	(20,891)	(519)
KHR'000 – Note 3	(85,047)	(2,113)	(85,047)	(2,113)
31 December 2023				
Variable rate instruments	11,162	273	11,162	273
KHR'000 – Note 3	45,876	1,122	45,876	1,122

(ii). Foreign currency exchange risk

The Bank operates in the Kingdom of Cambodia and transacts primarily in US$, KHR, and THB.

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

The Management measures, closely monitors, and manages foreign exchange risk on a daily basis and takes action on time as necessary. The net open position has been monitoring and being complied with the regulatory requirement and internal risk policies.

31. Financial risk management (continued)

C. Market risk (continued)

(ii). Foreign currency exchange risk (continued)

Concentration of currency risk

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

	Denomination US$ equivalents			
31 December 2024	US$	KHR	THB	Total
Financial assets				
Cash on hand	12,086,409	5,584,852	289,672	17,960,933
Placements with the National Bank of Cambodia	192,082,862	21,446,565	-	213,529,427
Placements with other banks and other financial institutions	33,812,681	2,692,413	14,430	36,519,524
Loans and advances to customers	1,041,206,305	141,782,032	3,421,403	1,186,409,740
Investment in securities	15,353	-	-	15,353
Other assets	2,015,021	115,733	73,341	2,204,095
	1,281,218,631	171,621,595	3,798,846	1,456,639,072
Financial liabilities				
Deposits from customers and other financial institutions	660,392,660	76,948,019	684,693	738,025,372
Borrowings	5,501,948	94,989,417	-	100,491,365
Amounts due to related parties	211,250,275	-	-	211,250,275
Lease liabilities	15,401,256	-	-	15,401,256
Other liabilities	5,476,828	156,991	3,786	5,637,605
	898,022,967	172,094,427	688,479	1,070,805,873
Net asset/(liability) position	383,195,664	(472,832)	3,110,367	385,833,199
KHR'000 equivalents (Note 3)	1,542,362,548	(1,903,149)	12,519,227	1,552,978,626
Off-balance sheet				
Credit commitments	228,834	-	-	228,834
Financial guarantee contract	999,550	-	-	999,550
	1,228,384	-	-	1,228,384

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Notes to the financial statements (continued)
for the year ended 31 December 2024

31. Financial risk management (continued)

C. Market risk (continued)

(ii). Foreign currency exchange risk (continued)

Concentration of currency risk (continued)

The carrying amounts of financial assets and liabilities, by currency denomination, are as follows (continued):

	Denomination US$ equivalents			
31 December 2023	US$	KHR	THB	Total
Financial assets				
Cash on hand	10,915,983	4,266,115	167,794	15,349,892
Placements with the National Bank of Cambodia	121,863,789	10,552,577	-	132,416,366
Placements with other banks and other financial institutions	79,600,333	3,282,138	4,910	82,887,381
Loans and advances to customers	1,040,485,473	134,869,769	5,497,892	1,180,853,134
Investment in securities	15,353	-	-	15,353
Other assets	3,374,785	286,403	166,561	3,827,749
	1,256,255,716	153,257,002	5,837,157	1,415,349,875
Financial liabilities				
Deposits from customers and other financial institutions	389,667,463	53,868,679	1,295,016	444,831,158
Borrowings	5,498,112	105,123,061	-	110,621,173
Amounts due to related parties	543,005,844	-	-	543,005,844
Lease liabilities	15,278,899	-	-	15,278,899
Other liabilities	5,992,997	216,247	548	6,209,792
	959,443,315	159,207,987	1,295,564	1,119,946,866
Net asset/(liability) position	296,812,401	(5,950,985)	4,541,593	295,403,009
KHR'000 equivalents (Note 3)	1,212,478,658	(24,309,774)	18,552,407	1,206,721,292
Off-balance sheet				
Credit commitments	54,280	-	-	54,280
Financial guarantee contract	15,648	-	-	15,648
	69,928	-	-	69,928

31. Financial risk management (continued)

C. Market risk (continued)

(ii). Foreign currency exchange risk (continued)

Sensitivity analysis

Considering that other risk variables remain constant, the foreign currency revaluation sensitivity for the Bank as at reporting date is summarised as follows (only exposures in major currencies shown in the table below. For other currencies, these exposures are grouped as 'Others'):

	31 December 2024		31 December 2023	
	-1% Depreciation US$	+ 1% Appreciation US$	-1% Depreciation US$	+ 1% Appreciation US$
Khmer Riel	(4,776)	4,681	(60,111)	58,921
Thai Baht	31,418	(30,796)	45,875	(44,966)
Total	26,642	(26,115)	(14,236)	(13,955)
KHR'000 – Note 3	107,234	(105,113)	(58,154)	57,006

D. Liquidity risk

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

Management of liquidity risk

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

For day-to-day, the Treasury Department has monitoring and managing on liquidity to ensure that there is sufficient funding to meet obligations on a timely basis.

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

31. Financial risk management (continued)

D. Liquidity risk (continued)

As at 31 December 2024	Carrying amount US$	Gross inflow/(outflow) US$	Up to 1 month US$	> 1-3 months US$	> 3-12 months US$	> 1 to 5 months US$	Over 5 years US$	No maturity US$
Financial assets								
Cash on hand	17,960,933	17,960,933	17,960,933	-	-	-	-	-
Placements with the National Bank of Cambodia	213,529,427	213,529,427	120,101,465	94,592	100,203	-	93,233,167	-
Placements with other banks and other financial institutions	36,519,524	36,569,362	14,254,847	-	22,264,677	-	-	49,838
Loans and advance to customers	1,186,409,740	1,223,915,775	2,338,671	3,515,412	21,270,018	485,804,325	673,482,211	37,505,138
Investment in securities	15,353	15,353	-	-	-	-	-	15,353
Other assets	2,204,095	2,212,746	501,128	1,377,859	35,298	289,810	-	8,651
	1,456,639,072	1,494,203,596	155,157,044	4,987,863	43,670,196	486,094,135	766,715,378	37,578,980
Financial liabilities								
Deposits from customers and other financial institutions	738,025,372	738,025,372	233,860,214	84,226,978	250,604,716	169,199,494	133,970	-
Borrowings	100,491,365	100,491,365	4,981,067	4,979,123	21,936,636	68,594,539	-	-
Amounts due to related parties	211,250,275	211,250,275	2,019,847	-	146,940,853	62,289,575	-	-
Lease liabilities	15,401,256	20,044,467	337,984	675,968	3,041,856	10,530,792	5,457,867	-
Other liabilities	5,637,605	5,637,605	4,586,178	528,777	102,071	212,130	208,449	-
	1,070,805,873	1,075,449,084	245,785,290	90,410,846	422,626,132	310,826,530	5,800,286	-
Net liquidity surplus/(gap)	385,833,199	418,754,512	(90,628,246)	(85,422,983)	(378,955,936)	175,267,605	760,915,092	37,578,980
KHR'000 equivalent (Note 3)	1,552,978,626	1,685,486,911	(364,778,690)	(343,827,507)	(1,525,297,642)	705,452,110	3,062,683,245	151,255,395
Off-balance sheet items								
Credit commitments	229,731	229,731	228,834	-	-	-	-	-
Financial guarantee contract	999,550	999,550	999,550	-	-	-	-	-
	1,229,281	1,229,281	1,228,384	-	-	-	-	-
KHR'000 equivalent (Note 3)	4,947,856	4,947,856	4,944,246	-	-	-	-	-

31. Financial risk management (continued)

D. Liquidity risk (continued)

As at 31 December 2023	Carrying amount US$	Gross inflow/(outflow) US$	Up to 1 month US$	> 1-3 months US$	> 3-12 months US$	> 1 to 5 months US$	Over 5 years US$	No maturity US$
Financial assets								
Cash on hand	15,349,892	15,349,892	15,349,892	-	-	-	-	-
Placements with the National Bank of Cambodia	132,416,366	132,416,366	114,575,673	151,518	99,175	-	17,590,000	-
Placements with other banks and other financial institutions	82,887,381	83,041,559	12,441,648	16,780,305	53,665,428	-	-	154,178
Loans and advance to customers	1,180,853,134	1,216,174,546	2,385,607	3,009,871	24,790,373	625,147,297	560,841,398	-
Investment in securities	15,353	15,353	-	-	-	-	-	15,353
Other assets	3,827,749	3,832,100	1,099,714	2,365,927	35,984	326,124	-	4,351
	1,415,349,875	1,450,829,816	145,852,534	22,307,621	78,590,960	625,473,421	578,431,398	173,882
Financial liabilities								
Deposits from customers and other financial institutions	444,831,158	444,831,158	130,433,418	37,751,877	207,831,607	255,489	68,558,767	-
Borrowings	110,621,173	110,621,173	7,285,095	1,462,818	83,835,482	18,037,778	-	-
Amounts due to related parties	543,005,844	543,005,844	1,099,597	23,692,810	255,904,455	262,308,982	-	-
Lease liabilities	15,278,899	20,214,513	310,530	621,061	2,794,774	9,920,825	6,567,323	-
Other liabilities	6,209,792	6,209,792	5,262,410	548,227	104,090	182,059	113,006	-
	1,119,946,866	1,124,882,480	144,391,050	64,076,793	550,470,408	290,705,133	75,239,096	-
Net liquidity surplus/(gap)	295,403,009	325,947,336	1,461,484	(41,769,172)	(471,879,448)	334,768,288	503,192,302	173,882
KHR'000 equivalent (Note 3)	1,206,721,292	1,331,494,868	5,970,162	(170,627,068)	(1,927,627,545)	1,367,528,456	2,055,540,554	710,308
Off-balance sheet items								
Credit commitments	54,538	54,538	54,280	-	-	-	-	-
Financial guarantee contract	15,717	15,717	15,648	-	-	-	-	-
	70,255	70,255	69,928	-	-	-	-	-
KHR'000 equivalent (Note 3)	286,992	286,992	285,656	-	-	-	-	-

31. Financial risk management (continued)

E. Operational risk

The operational risk is the risk of losses arising from inadequate or failed internal processes, people or systems or from external factors. This risk is managed through established operational risk management processes, proper monitoring and reporting of the business activities by controlling and oversight provided by the senior Management. This includes legal, compliance, accounting and fraud risk.

The operational risk management entails the establishment of clear organisational structures, roles and control policies. Various internal control policies and measures have been implemented. These include the establishment of signing authorities, defining system parameters controls, streaming procedures and documentation ensuring compliance with regulatory and legal requirements. These are reviewed continually to address the operational risks of its banking business.

F. Capital management

(i). Regulatory capital

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

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

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

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

31. Financial risk management (continued)

F. Capital management (continued)

(ii) Capital risk management

Capital risk is measured and monitored using limits set calculated in accordance with the National Bank of Cambodia's requirements.

On 22 February 2018, the NBC issued a Prakas on Capital Buffer in Banking and Financial Institutions. According to Article 22 of this Prakas, the institution shall comply with the provisions related to the capital conservation buffer at least 50% of the conservation buffer by 1 January 2019 and fully comply by 1 January 2020.

On 7 March 2018, the NBC issued a circular on the implementation of Prakas on Capital Buffer in Banking and Financial Institutions, which determines the countercyclical capital buffer at a level of 0% until a new announcement is released.

Subsequently, on 9 January 2023, the NBC issued a circular on the implementation of Prakas on Capital Buffer in Banking and Financial Institutions, which the institution shall rebuild the capital conservation buffer ratio by 1.25% and 2.5% by 30 June 2023 and 31 December 2023, respectively. For the countercyclical capital buffer, the institution shall keep at level of 0%.

On 21 August 2024, the National Bank of Cambodia had issued another letter No. B7-024-1718 Chhor Tor allows institutions to continue rebuild the capital conservation buffer ratio by 1.25% until 31 December 2025.

The below table summarises the composition of the regulatory capital:

	31 December 2024		31 December 2023	
	US$	KHR'000 (Note 3)	US$	KHR'000 (Note 3)
Tier 1 capital				
Share capital	275,895,100	1,103,580,400	175,895,100	703,580,400
Retained earnings	156,516,181	638,270,535	137,403,868	559,696,250
Audited net (loss)/profit for the last financial year	(2,956,665)	(12,036,582)	15,872,486	65,235,917
Sub – total A	429,454,616	1,729,814,353	329,171,454	1,328,512,567
Less: Intangible assets	(6,501,491)	(26,168,501)	(8,735,170)	(35,683,169)
Less: loan to related parties	(33,258)	(133,863)	(44,504)	(181,799)
	422,919,867	1,703,511,989	320,391,780	1,292,647,599

31. Financial risk management (continued)

F. Capital management (continued)

(ii) Capital risk management (continued)

The below table summarises the composition of the regulatory capital: (continued)

	31 December 2024		31 December 2023	
	US$	KHR'000 (Note 3)	US$	KHR'000 (Note 3)
Tier 2 complementary capital				
General provision	11,293,200	45,455,130	12,242,513	50,010,666
Provision for accrued interest receivables (*)	2,204,669	8,873,793	-	-
Less: Equity participation in banking or financial institutions	(15,353)	(61,796)	(15,353)	(62,717)
	13,482,516	54,267,127	12,227,160	49,947,949
Total	436,402,383	1,757,779,116	332,618,940	1,342,595,548

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

(iii). Capital allocation

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

32. Fair values of financial instruments

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

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

32. Fair values of financial instruments (continued)

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

The fair value of the Bank's financial instruments such as cash and short-term funds, balances with NBC, deposits and placements with banks and other financial institutions, deposits from customers and banks, other assets, other liabilities and short-term borrowings are not materially sensitive to shifts in market profit rate because of the limited term to maturity of these instruments. As such, the carrying value of these financial assets and liabilities at financial position date approximate their fair values.

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

A. Cash on hand, placement with NBC and other banks and other financial institutions

The fair values of cash on hand, placement with NBC and other banks and other financial institutions balances with other banks and financial institutions approximate their carrying amounts due to the short-term nature of these accounts.

B. Loans and advances to customers

The fair value of loans and advances to customers 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. Input into the valuation techniques includes expected lifetime credit losses, interest rates, prepayment rates and primary origination or secondary market spreads.

Input into the models may include data from third party and information obtained from other market participants, which includes observed primary and secondary transactions. Its carrying value approximates to fair value at the reporting date.

C. Deposits from customers and financial institutions

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

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

32. Fair values of financial instruments (continued)

D. Borrowings and lease liabilities

The fair value of borrowings, 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 at the reporting date instead of the applicable prevailing market interest rates. The Bank believed that the contractual interest rates were not significantly different to the prevailing market interest rates on the ground that there was no significant change to interest rates considering the Bank's credit risk profile as at reporting date. On this basis, the fair value of borrowings, and lease liabilities approximates their carrying values at the reporting date.

E. Other financial assets and liabilities

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

Fair value hierarchy

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

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

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

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

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

33. Material accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements, unless otherwise indicated.

A. Basis of measurement

The financial statements have been prepared on a historical cost basis, except if mentioned otherwise.

B. Foreign currency

Transactions in foreign currencies are translated into the functional currency of at the exchange rates at the date of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. The foreign currency gain or loss on monetary items is the difference between the amortised cost in the functional currency at the beginning of the year, adjusted for effective interest, impairment and payments during the year, and the amortised cost in the foreign currency translated at the spot exchange rate at the end of the year.

Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when fair value is determined. Non-monetary items that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction.

C. Financial assets and financial liabilities

(i). Recognition and initial measurement

The Bank initially recognises loans and advances, investment and borrowings on the date on which they are originated. All other financial instruments are recognised on the trade date, which is the date on which the Bank becomes a party to the contractual provisions of the instrument.

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

(ii). Classification

Financial assets

On initial recognition, a financial asset is classified as measured at amortised cost, fair value through other comprehensive income (“FVOCI”) or fair value through profit or loss (“FVTPL”).

33. Material accounting policies (continued)

C. Financial assets and financial liabilities (continued)

(ii). Classification (continued)

Financial assets (continued)

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

- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payment 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 at FVTPL:

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

On initial recognition of an equity investment that is not held for trading, the Bank may irrevocably elect to present subsequent changes in fair value in other comprehensive income ("OCI"). This election is made on an investment-by-investment basis.

All other financial assets are classified as measured at FVTPL.

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

Business model assessment

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

- the stated policies and objectives for the portfolio and the operation of those policies in practice. In particular, whether management's strategy focuses on earning contractual interest revenue, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of the liabilities that are funding those assets or realising cash flows through the sale of the assets;

33. Material accounting policies (continued)

C. Financial assets and financial liabilities (continued)

(ii). Classification (continued)

Financial assets (continued)

Business model assessment (continued)

- how the performance of the portfolio is evaluated and reported to the Bank's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and its strategy for how those risks are managed;
- how managers of the business are compensated (e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected); and
- the frequency, volume and timing of sales in prior periods, the reasons for such sales and its expectations about future sales activity. However, information about sales activity is not considered in isolation, but as part of an overall assessment of how the Bank's stated objective for managing the financial assets is achieved and how cash flows are realised.

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

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

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

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

In making the assessment, the Bank considers:

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

33. Material accounting policies (continued)

C. Financial assets and financial liabilities (continued)

(ii). Classification (continued)

Financial assets (continued)

Non-recourse loans

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

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

Reclassifications

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

(iii). Derecognition

Financial assets

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

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

33. Material accounting policies (continued)

C. Financial assets and financial liabilities (continued)

(iii). Derecognition (continued)

Financial liabilities

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

(iv). Modifications of financial assets and financial liabilities

Financial assets

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

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

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

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

If the modification of a financial asset measured at amortised cost or FVOCI does not result in derecognition of the financial asset, then the Bank first recalculates the gross carrying amount of the financial asset using the original effective interest rate of the asset and recognises the resulting adjustment as a modification gain or loss in profit 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.

33. Material accounting policies (continued)

C. Financial assets and financial liabilities (continued)

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

Financial assets (continued)

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

Financial liabilities

The Bank derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability derecognised and consideration paid is recognised in profit 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 by re-computing the effective interest rate on the instrument.

(v). Offsetting

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

(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 Bank has access at that date. The fair value of a liability reflects its non-performance risk.

33. Material accounting policies (continued)

C. Financial assets and financial liabilities (continued)

(vi). Fair value measurement (continued)

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

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

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

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

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

The fair value of a financial liability with a demand feature (e.g. a demand deposit) is not less than the amount payable on demand, discounted from the first date on which the amount could be required to be paid.

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

33. Material accounting policies (continued)

C. Financial assets and financial liabilities (continued)

(vii). Impairment

The Bank recognises loss allowances for ECL on the following financial instruments that are not measured at FVTPL:

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

No impairment loss is recognised on equity investments.

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

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

The Bank considers 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 Bank does not apply the low credit risk exemption to any other financial instruments.

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

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

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

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

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

33. Material accounting policies (continued)

C. Financial assets and financial liabilities (continued)

(vii). Impairment (continued)

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

Determining whether credit risk has increased significantly

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

The Bank considers that a significant increase in credit risk occurs no later than when an asset is more than 30 days past due for long-term facilities or more than or equal to 15 days past due for short-term facilities. Days past due are determined by counting the number of days since the earliest elapsed due date in respect of which full payment has not been received.

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

Definition of default

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

- the borrower is unlikely to pay its credit obligations to the Bank in full, without recourse by the Bank to actions such as realising security (if any is held); or
- the borrower is more than or equal to 30 days past due for long-term facilities or more than or equal to 15 days past due for short-term facilities on any material obligation to the Bank; or
- it is becoming probable that the borrower will restructure the asset as a result of bankruptcy due to the borrower's inability to pay its credit obligations.

Measurement of ECL

ECL are a probability-weighted estimate of credit losses. They are measured as follows:

- financial assets that are not credit-impaired at the reporting date: as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Bank expects to receive);
- financial assets that are credit-impaired at the reporting date: as the difference between the gross carrying amount and the present value of estimated future cash flows;
- undrawn loan commitments: as the present value of the difference between the contractual cash flows that are due to the Bank if the commitment is drawn down and the cash flows that the Bank expects to receive, and
- financial guarantee contracts: the expected payments to reimburse the holder less any amounts that the Bank expects to recover.

33. Material accounting policies (continued)

C. Financial assets and financial liabilities (continued)

(vii). Impairment (continued)

Measurement of ECL (continued)

When discounting future cash flows, the following discount rates are used:

- financial assets other than purchased or originated credit-impaired ("POCI") financial assets and lease receivables: the original effective interest rate or an approximation thereof;
- POCI assets: a credit-adjusted effective interest rate;
- lease receivables: the discount rate used in measuring the lease receivable;
- undrawn loan commitments: the effective interest rate, or an approximation thereof, that will be applied to the financial asset resulting from the loan commitment; and
- financial guarantee contracts issued: the rate that reflects the current market assessment of the time value of money and the risks that are specific to the cash flows.

Inputs, assumptions and techniques used for estimating impairment

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

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

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

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

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

33. Material accounting policies (continued)

C. Financial assets and financial liabilities (continued)

(vii). Impairment (continued)

Inputs, assumptions and techniques used for estimating impairment (continued)

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

Credit-impaired financial assets

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

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

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

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

33. Material accounting policies (continued)

C. Financial assets and financial liabilities (continued)

(vii). Impairment (continued)

Presentation of allowance for ECL in the statement of financial position

Loss allowances for ECL are presented 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 Bank cannot identify the ECL on the loan commitment component separately from those on the drawn component: the Bank presents 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. However, the loss allowance is disclosed and is recognised in equity.

Write-off

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

Recoveries of amounts previously written off are included in 'impairment losses on financial instruments' in the statement of profit or loss and OCI. In the event such recoveries are material, a separate line item will be included in "other income".

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

33. Material accounting policies (continued)

C. Financial assets and financial liabilities (continued)

(viii). Interest rate benchmark reform

If the basis of determining the contractual cash flows of a financial asset or financial liability measured at amortised cost changes as a result of interest rate benchmark reform, then the Bank updates the effective interest rate of the financial asset or financial liability to reflect the change that is required by the reform. A change in the basis for determining the contractual cash flows is required by interest rate benchmark reform if the following conditions are met:

- the change is necessary as a direct consequence of the reform; and
- the new basis for determining the contractual cash flows is economically equivalent to the previous basis – i.e. the basis immediately before the change.

If changes are made to a financial asset or financial liability in addition to changes to the basis for determining the contractual cash flows required by interest rate benchmark reform, then the Bank first updates the effective interest rate of the financial asset or financial liability to reflect the change that is required by interest rate benchmark reform. After that, the Bank applies the policies on accounting for modifications set out above to the additional charges.

D. Cash and cash equivalents

Cash and cash equivalents consist of cash and Bank balances, demand deposits and short-term highly liquid investments with original maturities of three months or less from the date of acquisition that are subject to an insignificant risk of changes in their fair value, and are used by the Bank in the management of its short-term commitments.

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

E. Share capital

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

33. Material accounting policies (continued)

F. Regulatory reserves

Regulatory reserves are set up for the variance of provision between loan impairment in accordance with CIFRS and regulatory provision in accordance with National Bank of Cambodia'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 classification and provision on impairment for banks and financial institutions. In accordance with Article 73, the entity shall compare the provision calculated in accordance with Article 49 to 71 and the provision calculated in accordance with Article 72, and then record:

(i) In case that the regulatory provision calculated in accordance with Article 72 is lower than provision calculated in accordance with Article 49 to 71, the entity records the provision calculated in accordance with CIFRS; and

(ii) In case that the regulatory provision calculated in accordance with Article 72 is higher than provision calculated in accordance with Article 49 to 71, the entity records the provision calculated in accordance with CIFRS and transfer the difference from retained earnings or accumulated loss account into regulatory reserve in shareholders' equity of the statement of the financial position.

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

On 5 February 2025, the NBC issued a notification letter to all banks and financial institutions requiring that the regulatory provision in accordance with the NBC shall be calculated based on the gross carrying amount (including accrued interest receivables), multiplied by the provision rates for each loan and advance classification. This requirement applies to the financial year ended 31 December 2024, and will remain in effect until 30 June 2025.

G Business combination under common control and merger reserves

Common control business combinations are accounted for using the "pooling of interests method". The pooling of interests method is generally considered to involve the following:

- The assets and liabilities of the combining entities are reflected in the financial statements at their carrying amounts. No adjustments are made to reflect fair values, or recognise any new assets or liabilities, at the date of the combination that otherwise would have been done under the acquisition method. The only adjustments that are made are those adjustments to harmonize accounting policies.

- No 'new' goodwill is recognised as a result of the combination. The only goodwill that is recognised is any existing goodwill relating to either of the combining entities. Any difference between the consideration paid or transferred and the equity 'acquired' is reflected within equity as merger reserves.

- The income statement reflects the results of the combining entities for the full year, irrespective of when the combination took place.

33. Material accounting policies (continued)

H. Deposits and placements with other banks

Deposits and placements with other banks are initially measured at fair value plus incremental direct transaction costs, and subsequently at their amortised cost using the effective interest method.

I. Statutory deposits

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

J. Loans and advances to customers

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

K. Other assets

Other assets are carried at cost less impairment, if any.

L. Property and equipment

(i). Recognition and measurement

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

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

Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

When significant parts of an item of property and equipment have different useful lives, they are accounted for as separate items (major components) of property and equipment.

33. Material accounting policies (continued)

L. Property and equipment (continued)

(ii). Subsequent costs

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

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

(iii). Depreciation

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

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

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

Depreciation is recognised from the date that the property and equipment are installed and are ready for use, or in respect of internally constructed assets, from the date that the asset is completed and ready for use.

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

Leasehold improvements	More than 1 year to 10 years
Motor vehicles	3 to 10 years
Computer equipment	3 to 10 years
Office furniture and fitting	3 to 5 years
Equipment	3 to 10 years

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

33. Material accounting policies (continued)

M. Intangible assets

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

Intangible assets are amortised over their estimated useful lives from 3 to 15 years using the straight-line method.

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

N. Deposits from customers and other financial institutions

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

O. Leases

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

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

- the contract involves the use of an identified asset - this may be specified explicitly or implicitly, and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right throughout the period of use, then the asset is not identified;
- the Bank has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and
- the Bank has the right to direct the use of the asset. The Bank has this right when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used. In cases where all the decisions about how and for what purpose the asset is used are predetermined, the Bank has the right to direct the use of the asset if either:
  - the Bank has the right to operate the asset; or
  - the Bank designed the asset in a way that predetermines how and for what purpose it will be used.

33. Material accounting policies (continued)

O. Leases (continued)

(i) Bank acting as a lessee

At commencement or on modification of a contract that contains a lease component, the Bank allocates consideration in the contract to each lease component on the basis of its relative stand-alone price. However, for leases of branches and office premises the Bank has elected not to separate non-lease components and accounts for the lease and non-lease components as a single lease component.

The Bank recognises 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 any improvements made to branches or office premises.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

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

• Office Buildings	2 – 10 years
• ATM Space	2 – 5 years

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

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

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

33. Material accounting policies (continued)

O. Leases (continued)

(i) Bank acting as a lessee (continued)

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

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit 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

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

(ii) Bank acting as a lessor

At inception or on modification of a contract that contains a lease component, the Bank allocates the consideration in the contract to each lease component on the basis of their relative standalone prices.

When the Bank acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease.

To classify each lease, the Bank makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Bank considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

When the Bank is an intermediate lessor, it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short-term lease to which the Bank applies the exemption described above, then it classifies the sub-lease as an operating lease.

If an arrangement contains lease and non-lease components, then the Bank applies CIFRS 15 to allocate the consideration in the contract.

33. Material accounting policies (continued)

O. Leases (continued)

(ii) Bank acting as a lessor (continued)

The Bank applies the derecognition and impairment requirements in CIFRS 9 to the net investment in the lease. The Bank further regularly reviews estimated unguaranteed residual values used in calculating the gross investment in the lease.

The Bank recognises lease payments received under operating leases as income on a straight-line basis over the lease term as part of 'other operating income'.

P. Borrowings

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

Q. Employee benefits

(i). Short-term employee benefits

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

(ii). Long-term employment benefits

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

R. Provisions

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

33. Material accounting policies (continued)

S. Interest

Effective interest rate

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

The calculation of the effective interest rate includes transaction costs and fees and points paid or received. A contractual interest rate is used in replacement of the effective interest rate when management assesses that transaction costs and fees are not an integral part of the effective interest rate and that the impact is not material to the financial statements. 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 initial recognition minus the principal repayments, plus or minus the cumulative amortisation using the effective interest rate method of any difference between that initial amount and the maturity amount and, for financial assets, adjusted for any expected credit loss allowance.

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

Calculation of interest income and expense

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

33. Material accounting policies (continued)

S. Interest (continued)

Calculation of interest income and 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 the gross basis.

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

Presentation

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

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

T. Fee and commission

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

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

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

U. Impairment of non-financial assets

At each reporting date, the Bank reviews the carrying amounts of its non-financial assets (other than investment properties and deferred tax assets) to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

33. Material accounting policies (continued)

U. Impairment of non-financial assets (continued)

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that is largely independent of the cash inflows of other assets or CGUs.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its recoverable amount.

The Bank's corporate assets do not generate separate cash inflows and are used by more than one CGU. Corporate assets are allocated to CGUs on a reasonable and consistent basis and tested for impairment as part of the testing of the CGUs to which the corporate assets are allocated.

Impairment losses are recognised in profit or loss. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. For other assets, 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.

V. Income tax

Income tax expense comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in other comprehensive income.

The Bank has determined that interest and penalties related to income taxes, including uncertain tax treatments, do not meet the definition of income taxes, and therefore has accounted for them under CIAS 37 *Provisions, Contingent Liabilities and Contingent Assets* and has recognised the related expenses in 'other expenses'.

(i). Current tax

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

33. Material accounting policies (continued)

V. Income tax (continued)

(ii). Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

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

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow the manner in which the Bank expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

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

W. Contingent liabilities

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

X. Contingent assets

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

34. Accounting standards issued, but not yet effective

A number of new accounting standards and amendments to accounting standards are effective for annual periods beginning after 1 January 2024 and earlier application is permitted. However, the Bank has not early adopted the new and amended accounting standards in preparing these financial statements.

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

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

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

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

The Bank is in the process of assessing the impact of the new amendments.

B. CIFRS 18 Presentation and Disclosures in Financial Statements

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

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

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

34. Accounting standards issued, but not yet effective (continued)

C. Other accounting standards

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

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

35. Business acquisition under common control and merger reserves

On 22 July 2019, the Bank entered into a merger agreement with the sole shareholder of Woori Finance Cambodia Plc. ("WFC"), Woori Bank Korea.

The merger was made to enhance the Bank's market position in the financial services industry. According to the merger agreement, WFC will be dissolved after the merger.

On 3 January 2020, the NBC approved the merger between the Bank and WFC and was subsequently approved by the MOC on 10 February 2020, which was the effective date of the merger.

The merger agreement includes the issuance of the Bank's fully paid and non-assessable shares amounting to US$15,895,100 or 635,804 shares with par value of US$25 per share, as a consideration to WFC's shareholders.

The details of assets acquired and liabilities recognised in US$ as at the date of merger are as follows:

Assets	**US$**
Cash on hand	398,033
Balances with the NBC	657,604
Balances with other banks	10,046,794
Loans to customers	105,055,190
Property and equipment	1,225,700
Intangible assets	90,622
Right-of-use assets	1,423,721
Deferred tax assets	274,552
Other assets	156,236
	119,328,452

35. Business acquisition under common control and merger reserves (continued)

The details of assets acquired and liabilities recognised in US$ as at the date of merger are as follows: (continued)

Liabilities	**US$**
Current tax liability	(1,116,849)
Borrowings	(93,656,564)
Lease liabilities	(1,383,572)
Other liabilities	(337,963)
	(96,494,948)
Net assets	**22,833,504**

All assets and liabilities of WFC were carried at net book value on the book of the Bank after obtaining approval from the MoC on 10 February 2020, the effective date of the merger.

The difference between the value of shares issued by the Bank in exchange from the value of net assets acquired in respect of the merger of WFC amounting to US$5,956,500 was recognised as merger reserves under the pooling-of-interest method.

	US$
Net assets on the date of merger	22,833,504
Issuance of capital as consolidation to merger as at 31 December 2020	(15,895,100)
Transfers to regulatory reserves as at 31 December 2020	(981,904)
Merger reserve as at 31 December 2020	**5,956,500**