ធនាគារ ចិន (ហុងកុង) សាខាភ្នំពេញ

中國銀行(香港) 金边分行

BANK OF CHINA (HONG KONG) PHNOM PENH BRANCH

Bank of China (Hong Kong) Limited Phnom Penh Branch

Annual Report 2025

中国银行总行介绍

1912 年 2 月，经孙中山先生批准，中国银行正式成立。中国银行是中国国际化和多元化程度最高的银行，目前在中国内地及 60 多个国家和地区为客户提供全面的金融服务。主要经营商业银行业务，包括公司金融业务、个人金融业务和金融市场业务，并通过全资子公司中银国际控股有限公司开展投资银行业务，通过全资子公司中银集团保险有限公司及中银保险有限公司经营保险业务，通过全资子公司中银集团投资有限公司经营直接投资和投资管理业务，通过控股中银基金管理有限公司经营基金管理业务，通过控股中银航空租赁有限公司经营飞机租赁业务。

中国银行（香港）金边分行

中国银行金边分行是经中国银监会批准设立，由中国银行总行直属发起设立，于 2017 年底因为区域化管理需要合并到中银香港，并更名为**中国银行（香港）金边分行。**金边分行由柬埔寨中央银行核发营业执照，可经营全能商业银行业务。

金边分行成立于 2010 年 12 月 8 日，坐落在柬埔寨首都金边，经营柬埔寨国内及国际所有商业银行产品及服务，在柬埔寨全境有五家经营性机构，覆盖柬埔寨首都金边、主要出海口西哈努克港及吴哥窟所在地暹粒市。目前主要从事公司金融、贸易金融、个人金融及全球市场业务等，产品及服务包括公司及个人各类贷款业务、公司及个人各类存款业务、公司及个人各类外汇买卖业务、外币现钞买卖、国际汇出及汇入汇款、银行卡、收单业务、国际结算、贸易融资、保函、银行同业服务、全球现金管理、资金业务、投行业务、代理业务等。服务对象包括中柬两国公民、外籍人士、中资企业、与中国有贸易投资往来柬国公司及柬埔寨当地主流企业。

金边分行致力建设成为在柬一流银行、中资企业在柬标杆，遵规守法，依法纳税，开业以来积极推动中柬企业及民间交往与合作，搭建中柬企业交流合作平台，积极履行社会责任与推动社会公益，先后向中柬友好协会、柬埔寨红十字协会等进行捐赠，多次为柬埔寨华校捐款捐物，在当地最大华文学校端华公校设立奖助学金，长期赞助“汉语桥”比赛。新冠疫情对柬埔寨支柱产业旅游业造成重大打击，金边分行积极响应柬政府号召，为企业提供纾困贷款支持，共度时艰；配合柬旅游部实施“China Ready”战略，为世界文化遗产吴哥窟景区提供线上线下一体化门票支付解决方案。金边分行在 2017 年至 2018 年、2019 年至 2020 年、2023 年至 2026 年被柬埔寨税务局授予金牌纳税人称号。

中国银行（香港）金边分行与您一路同行、一起发展！

分行网站及网址：
网站：www.bankofchina.com.kh
地址：柬埔寨金边市莫尼旺大道与安良街拐角 315 号加华大厦一、二层

About Bank of China

Bank of China was formally established in February 1912 following the approval of Dr. Sun Yat-sen. As China's most internationalized and diversified bank, Bank of China provides a comprehensive range of financial services to customers across the Chinese mainland as well as 60 countries and regions. The Bank's core business is commercial banking, including corporate banking, personal banking and global markets services. BOC International Holdings Limited, a wholly owned subsidiary, is the Bank's investment banking arm. Bank of China Group Insurance Company Limited and Bank of China Insurance Company Limited, both wholly owned subsidiaries, run the Bank's insurance business. Bank of China Group Investment Limited, a wholly owned subsidiary, undertakes the Bank's direct investment and investment management business. Bank of China Investment Management Co., Ltd., a controlled subsidiary, operates the Bank's fund management business. BOC Aviation Limited, a controlled subsidiary, is in charge of the Bank's aircraft leasing business.

About Bank of China (Hong Kong) Limited Phnom Penh Branch

Bank of China Limited Phnom Penh Branch was established with approval of the China Banking Regulatory Commission and was directly initiated by the Bank of China Head Office. The Bank of China Limited Phnom Penh Branch was merged into Bank of China (Hong Kong) at the end of 2017 due to regional management needs and renamed Bank of China (Hong Kong) Limited Phnom Penh Branch. The Branch holds a business license issued by the National Bank of Cambodia and is authorized to conduct full-service commercial banking business.

The Branch was incorporate in Cambodia on December 8, 2010, the Branch is located in Phnom Penh, the capital of Cambodia. It offers all domestic and international commercial banking products and services. It has five operating branches across Cambodia, covering Phnom Penh city, the Sihanoukville, and Siem Reap, where Angkor Wat is located. Currently, its main businesses include corporate finance, trade finance, personal finance, and global market operations. Products and services include various types of corporate and personal lending, deposits, foreign exchange trading, foreign currency cash trading, international remittances, bank cards, merchant acquiring, international settlement, trade finance, letters of guarantee, interbank services, global cash management, treasury operations, investment banking, and agency services. The Branch serves both Chinese and Cambodian citizens, foreign nationals, Chinese enterprises, Cambodian companies with trade and investment ties to China, and leading Cambodian enterprises.

The Branch is committed to becoming a top-tier bank in Cambodia and a benchmark for Chinese enterprise in country. Adhering strictly to laws and regulations, the Branch has actively promoted business, building a platform for exchange and cooperation between Chinese and Cambodian enterprises. It actively fulfills its social responsibilities and promotes public welfare, having donated to the Cambodia-China Friendship Association and the Cambodian Red Cross. It has also donated funds and materials to Chinese schools in Cambodia on multiple occasions, established scholarships at Duon Hoa School, the largest Chinese-language school in Cambodia, and has long sponsored the "Chinese Bridge" competition. The COVI-19 pandemic severely impacted Cambodia's pillar industry, tourism. The Branch actively responded to the Cambodian government's call, providing relief loans to enterprises to help them overcome difficulties. It also cooperated with the Ministry of Tourism in implementing the "China Ready" strategy, providing an integrated online and offline ticket payment solution for the Angkor Wat World Heritage Site. The Branch was awarded the title of Gold Taxpayer by the Cambodian Tax Authority in 2017, 2018, 2019, 2020, 2023 to 2026.

Web-Site：www.bankofchina.com.kh
Address：Bank of China (Hong Kong) Limited Phnom Penh Branch
Canadia Tower, 1st &2nd Floor,
315 Ang Duong St., P.O.BOX 110
Phnom Penh, Cambodia

MESSAGE FROM THE COUNTRY MANAGER

2025年，国际形势复杂演变，全球经济复苏动能分化，柬埔寨经济在外部不确定性和本地产业结构调整中保持韧性前行。中柬两国关系在两国领导人战略引领下持续深化，新时代全天候中柬命运共同体建设迈入新的发展阶段，经贸合作、产业合作、金融合作和人文交流不断拓展。作为中资金融机构在柬埔寨的重要窗口，中国银行金边分行始终秉持服务实体经济、促进中柬经贸合作、助力当地经济社会发展的使命，以“中国相关业务首选”和建设当地主流银行为目标，稳步推进高质量发展。

In 2025, the international landscape continued to evolve in a complex manner, and the momentum of global economic recovery remained uneven. Amid external uncertainties and adjustments to its domestic industrial structure, Cambodia's economy demonstrated resilience and continued to move forward steadily. Under the strategic guidance of the leaders of both countries, Cambodia-China relations continued to deepen, and the building of the Cambodia-China community with a shared future in the new era entered a new stage of development, with continuous expansion in economic and trade cooperation, industrial cooperation, financial cooperation, and cultural exchanges. As an important representative for Chinese financial institutions in Cambodia, Bank of China (Hong Kong) Limited Phnom Penh Branch has always upheld its mission of serving the real economy, promoting Cambodia-China economic and trade cooperation, and boosting local economic and social development. With the goals of becoming the preferred bank for China-related business and a leading mainstream local bank, the branch has steadily advanced high-quality development.

2025年，分行经营保持稳健态势。截至年末，分行总资产达到24.92亿美元，较上年增长14.33%；实现营业收入6,789万美元，较上年增长2.78%；实现净利润4,569万美元，较上年增长22.60%。存款余额13.48亿美元，较上年增长30.25%；贷款余额9.78亿美元，较上年增长9.65%。面对美元利率变化、市场竞争加剧、行业信用风险上升等挑战，分行坚持稳中求进、以进促稳，持续优化资产负债结构，提升综合收益能力，推动规模、效益、质量协调发展。

In 2025, the branch maintained a steady and robust business performance. By the end of the year, the branch's total assets reached USD 2.492 billion, with a year-on-year increase being 14.33%. Operating income reached USD 67.89 million, up to 2.78% from the previous year, and net profit stood at USD 45.69 million, a year-on-year growth of 22.60%. Deposits balances amounted to USD 1.348 billion, rising by 30.25% year-on-year, while loans balances reached USD 978 million, an increase of 9.65% year-on-year. In the face of challenges such as changes in U.S. dollar interest rates, intensified market competition, and rising credit risks across the industry, the branch adhered to the principle of pursuing progress while maintaining stability and promoting stability through progress. It continuously optimized its asset and liability structure, enhanced its overall profitability, and promoted the coordinated growth in scale, efficiency, and quality.

在支持实体经济方面，我们持续强化区域联动和本地深耕，围绕共建“一带一路”、中柬产业链供应链合作、基础设施建设、工业园区发展、跨境贸易投资等重点领域，加大金融支持力度。分行积极服务中资企业“走出去”和本地重点企业发展，持续为电力能源、交通物流、制造业、农业等行业客户提供授信、结算、保函、贸易融资、现金管理等综合金融服务。2025年，分行本地客户贷款占比达到77.78%，进一步增强了服务本地市场的能力。

In supporting the real economy, we continued to strengthen regional coordination and deepen our local presence. Focusing on key areas such as the joint development of the Belt and Road Initiative, Cambodia-China industrial and supply chain cooperation, infrastructure construction, industrial park development, and cross-border trade and investment, we increased our financial support efforts. The branch actively serves the "Going Global" strategy of Chinese enterprise as well as development of key local enterprises, continuously providing comprehensive financial services including credit lines, settlement, letter of guarantee, trade finance, and cash management to corporate clients in sectors such as power and energy, transportation and logistics, manufacturing, and agriculture. In 2025, loan to local customers accounted for 77.78% of the branch's total loans portfolio, further enhancing our capacity to serve the local market.

在推动中柬金融互联互通方面，我们充分发挥人民币清算行职能，持续完善人民币产品体系和使用场景，推动人民币在跨境贸易、投资融资、同业清算、工程承包、园区结算和个人支付等领域的应用。2025年是柬埔寨人民币清算行正式运行后的第一年，分行积极拓展本地同业合作，完善人民币清算、结算、流动性管理，持续打造人民币使用生态圈。全年实现人民币跨境结算量165.54亿元，较上年增长55.73%；人民币清算量1,848.20亿元，市场份额达到93.49%，继续保持市场领先地位。

在提升客户服务能力方面，我们坚持线上线下协同发展，持续推进数字化转型和渠道建设，打造"中资来柬第一印象银行"、"柬埔寨人赴华首选银行"的品牌形象。线上方面，分行不断优化手机银行、企业网银、电子支付、批量开户、跨境汇款等功能，为企业和个人客户提供更加便捷的金融服务。线下方面，分行依托金边、暹粒、西哈努克等重点区域服务网络，持续提升网点服务效率和客户体验，围绕工业园区、机场、旅游场景和重点项目客户需求，提供更加贴近市场、贴近客户、贴近场景的综合金融解决方案。

在风险合规管理方面，我们始终坚持把风险防控放在更加突出的位置，统筹发展和安全，持续强化全面风险管理、内控合规管理和反洗钱管理。2025年，分行开展多轮次重点领域风险排查，加强对重点领域的监测和管理，积极推动不良贷款清收。全年压降不良贷款余额436万美元，不良率1.16%远低于本地市场水平，较上年下降0.60个百分点，资产质量保持稳健。分行同时持续加强操作风险、合规风险、信息科技风险和声誉风险管理，进一步夯实稳健经营基础。

在人才培养与企业文化建设方面，我们坚持本地化、专业化和年轻化方向，持续推进本地员工培养、关键岗位梯队建设和管理人才储备。分行继续实施人才跨境培训交流和继任者计划机制，支持本地员工提升专业能力。2025年，分行本地员工占比达到89.73%，本地员工管理岗位占比达到42.11%，员工离职率保持低于本地同业平均水平。我们也积极履行社会责任，支持中文教育、公益活动、金融知识普及和绿色金融发展，努力成为有温度、有责任、有担当的在柬金融机构。

展望2026年，外部环境仍将充满不确定性，柬埔寨经济结构调整、金融行业风险出清、市场竞争变化和客户需求升级，将对我行经营提出更高要求。中国银行金边分行将继续贯彻总行、中银香港区域总部战略部署，紧扣中柬全天候命运共同体建设主线，持续服务中柬经贸合作和柬埔寨本地经济发展。我们将进一步做强跨境金融和人民币业务优势，做深本地客户经营，做优数字化服务能力，做实风险合规底线，努力推动分行在新阶段实现更高质量、更可持续的发展。

最后，我谨代表中国银行金边分行，衷心感谢全体员工在过去一年做出的卓越贡献，对柬埔寨国家银行一直以来的指导和支持表示感谢！感谢我们客户的长期信任和合作，我们将持续为您提供更好的服务。

In promoting financial connectivity between Cambodia and China, we fully leveraged our role as the Renminbi clearing bank and continued to enhance the RMB product ecosystem and its application scenarios. We actively promoted the use of RMB in areas such as cross-border trade, investment and financing, interbank clearing, engineering and construction projects, industrial park settlements, and personal payments. 2025 marked the first full year of operation following the official launch of the RMB clearing bank in Cambodia. The branch actively expanded cooperation with local financial institutions, improved RMB clearing, settlement, and liquidity management services, and continued to build a comprehensive RMB ecosystem. Throughout the year, the total cross-border RMB settlement volume reached RMB 16.554 billion, a year-on-year increase of 55.73%, while the RMB clearing volume reached RMB 184.82 billion with a market share of 93.49%, maintaining our market-leading position.

In enhancing customer service capabilities, we adhere to the coordinated development of online and offline channels, continuously promoting digital transformation and channel construction, and build a brand image as "first-choice bank for Chinese enterprises entering Cambodia" and "the preferred bank for Cambodians traveling China". On the online front, the branch continuously optimizes functions such as mobile banking, corporate online banking, electronic payment, bulk account opening, and cross-border remittances, providing both corporate and individual customers with more convenient and efficient financial solutions. On the offline front, leveraging our service network in key regions including Phnom Penh, Siem Reap, and Sihanoukville, the branch continued to improve branch service efficiency and customer experience. Focusing on the needs of industrial parks, airports, tourism-related scenarios, and key project clients, we provided comprehensive financial solutions that are more closely aligned with the market, customer needs, and real-world business scenarios.

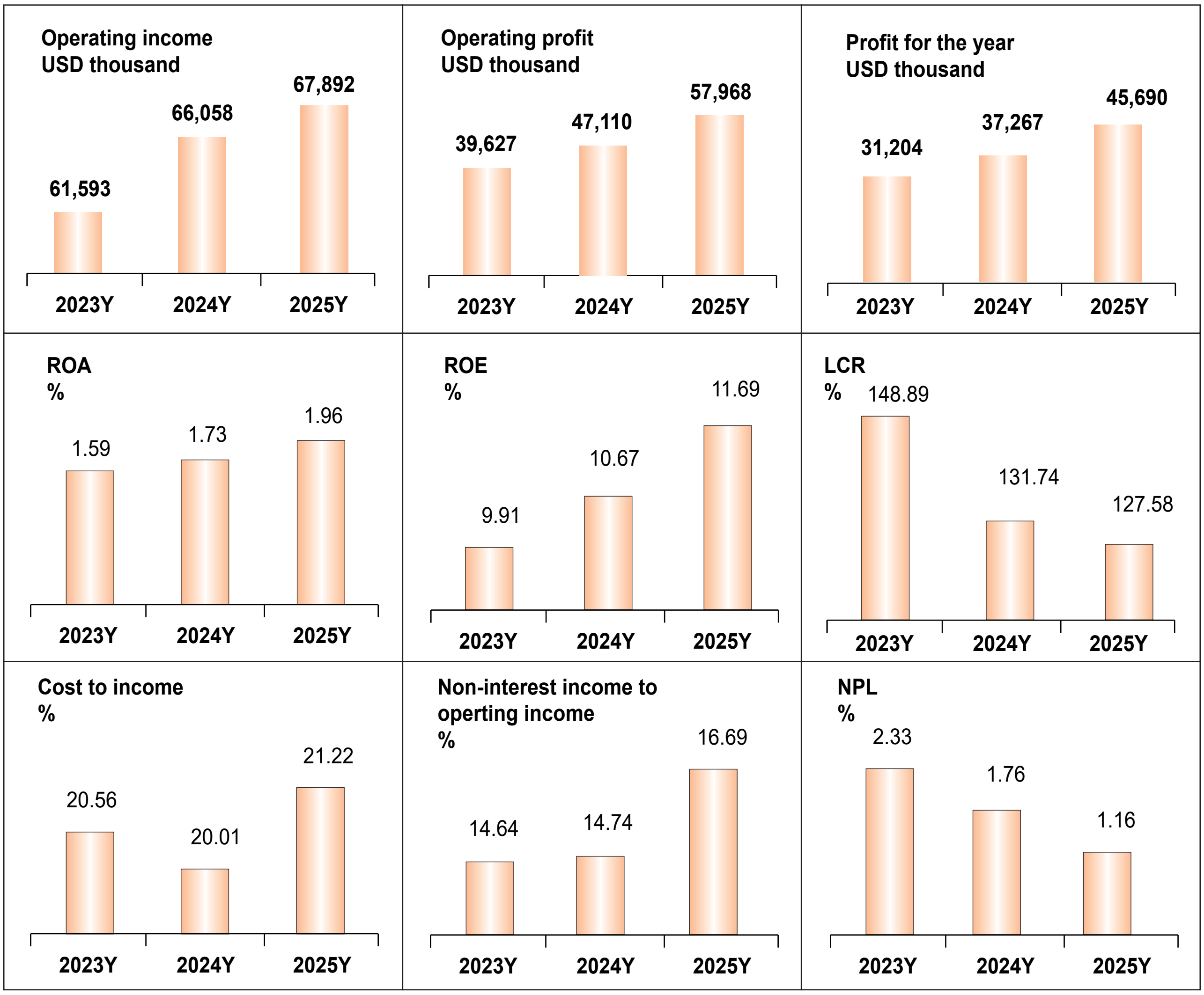
In the area of risk and compliance management, we consistently placed risk prevention and control in a more prominent position, balancing development and security while continuously strengthening comprehensive risk management, internal control and compliance management, and anti-money laundering efforts. In 2025, the branch conducted multiple rounds of risk assessments in key areas, enhanced the monitoring and management of key sectors, and actively promoted the recovery of non-performing loans. The balance of non-performing loans was reduced by US4.36 million throughout the year, with a non-performing loan ratio of 1.16%, which is well below the local market average and decreased by 0.60 percentage points from the previous year, keeping asset quality robust. At the same time, the branch continued to reinforce its management of operational risk, compliance risk, information technology risk, and reputational risk, further consolidating the foundation for prudent and sustainable operations..

In talent development and corporate culture building, we remained committed to the principles of localization, professionalization, and rejuvenation. We continued to promote the development of local employees, strengthen succession planning for key positions, and build a robust pipeline of management talent. The branch continues to implement cross-border training and exchange programs and succession planning mechanisms to support local employees in enhancing their professional capabilities. In 2025, the proportion of local employees reached 89.73%, and the proportion of local employees in management position reached 42.11%, with the employee turnover rate remaining lower than the local industry average. We also actively fulfilled our corporate social responsibilities by supporting Chinese-language education, public welfare initiatives, financial literacy programs, and the development of green finance. Through these efforts, we strive to be a financial institution in Cambodia that is caring, responsible, and committed to making a positive impact on society.

Looking ahead to 2026, the external environment will remain highly uncertain. Cambodia's economic restructuring, financial sector risk mitigation, shifting market competition, and upgrading customer demands will place higher demands on our operations. Bank of China (Hong Kong) Limited Phnom Penh Branch will continue to implement the strategic plans of the Head Office and BOC Hong Kong Regional Headquarters, focusing on the building of a Cambodia-China all-weather community with a shared future, we will continuously serve Cambodia-China economic and trade cooperation and Cambodia's local economic development. We will further strengthen our advantages in cross-border finance and RMB business, deepen our engagement with local customers, enhance our digital service capabilities, and reinforce our risk and compliance framework. Through these efforts, we will strive to achieve higher-quality and more sustainable development in the next stage of the branch's growth.

Finally, on behalf of the Bank of China (Hong Kong) Limited Phnom Penh Branch, I would like to express my heartfelt gratitude to all our staff for their outstanding contributions over the past year, and I also extend our sincere appreciation to the National Bank of Cambodia for its continuous guidance and support. We are deeply grateful to our customers for their long-standing trust and partnership. We remain committed to providing you with even better products and services in the years ahead.

Financial Highlights



Notes:

1. Non-interest income = net fee and commision income + net trading gains/(losses) + net gains/losses on investment securities +other operating income
2. Operating income = net interest income + non-interest income
3. Return on average total assets = profit for the year ÷ average total assets.
   average total assets = (total assets at the beginning of the year + total assets at the year-end) ÷ 2
4. Return on average equity = profit attributable to equity holders of the bank ÷ weighted average capital and reserves attributable to equity holders of the bak
5. net interest margin = net interst income ÷ average balance of interest-earning assets.
   average balance is average daily balance derived from the bank's management accounts (unaudited).
6. Non-interest ncome to operating income = non-interest income ÷ operating income
7. Provision Coverage = impairment on loans ÷ balance of NPL.
   average balance of loans = (balance of loans at the beginning of the year + balance of loans at the year-end) ÷ 2

Profile of "Bank of China (Hong Kong) Limited Phnom Penh Branch"
Last updated on 31 December 2025

1. Background

- **Licensing details**
- License number: 31
- Date licensed in 07th September 2017
- Date of permanent license 07th September 2017
- Operations commencement date: 08 December 2010
- Type of license: Commercial Bank

- **Significant Shareholding (10% and more)**

SHAREHOLDER'S NAMES A	NUMBER OF SHARES B	VALUE KHR "000" C	% of shareholding D	Names of Shareholders and %-age of Beneficial Shareholding of Corporate persons in Column "A" E		PEPs F
Bank of China (Hong Kong) Limited	NIL	601,950,000	100%	BOC Hong Kong (Holdings) Limited	100%	NIL

2. Business Model (Fund managers/ broker dealers etc)

★*Please list down in blank cell if the institution has more than the items provided.*

- **Customers categories**

No.	Customer Categories	Yes/No
1	Political Expose Persons (PEPs)	Yes
2	Individual	Yes
3	Non-Resident clients	Yes
4	Domestic legal entities	Yes
5	Dealer in precious metals and stones	No
6	Pooled accounts (Lawyers, Accountants, Security Brokers, Nominees, etc.)	Yes
7	Trust and Legal Arrangements	No
8	Money Remittance Companies	No
9	Money Changers	Yes
10	Casino	No
11	Other Cash-intensive customers	No
12	NGOs	Yes
13	Real Estate Business	Yes
14	N/A	

- **Product and Services**

No.	Customer Categories	Yes/No
1	Deposits	Yes
2	Trade finance	Yes
3	Preferred/Premiere/Private/VIP Banking	No
4	International Wire Transfers	Yes
5	Bank Draft	No
6	Foreign Currency Exchange	Yes

- **Delivery channels**

No.	Customer Categories	Yes/No
1	Conducted directly in the bank premises	Yes
2	Conducted through the bank's partner (including agents)	No
3	Conducted through mobile phone/Internet	Yes
4	Conducted through ATM (Acceptance of cash deposit)	Yes

- **Geographic regions including external countries/regions to which the Institution has significant exposure**

- Branches

Provinces/Countries	Number of branches
Phnom Penh	03 (including HQ)
Siem Reap	01
Shihanouk Ville	01
Total number of branches	05

3. Board of Directors/ Senior Management

- **List members of Board of Directors (BOCHK)**

Name	Position	Nationality	Approval Date	Member of committee(s)	Other Position Hold (in other legal entity (s)	Last fit & proper check	Other
Mr. GE Haijiao	Chairman	Chinese	April 2023	Strategy and Budget Committee	-	-	-
Mr. Zhang Hui	Vice Chairman	Chinese	February 2025	Nomination and Remuneration Committee; Strategy and Budget Committee	-	-	-
Mr.SUN Yu	Vice Chairman and Chief Executive	Chinese	December 2020	; Sustainability Committee	Chairman of BOCHK Charitable Foundation, and Chairman of BOC Group Life Assurance Company Limited	-	Re–designated
Mr. Cai Zhao	Non-executive Director	Chinese	August 2025	Strategy and Budget Committee	-	-	
Mdm. CHENG Eva	Independent Non-executive Director	HK	Oct 2014	Chairlady of Sustainability Committee; Member of the Audit Committee; The Strategy & Budget Committee	-	-	-

Dr. CHOI Koon Shum	Independent Non-executive Director	HK	Jun 2016	Chairman of the Nomination and Remuneration Committee; Member of the Strategy and Budget Committee; Member of the Sustainability Committee.	Chairman of Sunwah Group	-	-
Mdm. FUNG Yuen Mei Anita	Independent Non-executive Director	HK	Mar 2022	Chairlady of the Risk Committee; Member of the Audit Committee; The Strategy and Budget Committee; The Sustainability Committee; The Nomination and Remuneration Committee	-	-	-
Mr. Law Yee Kwan Quinn	Independent Non-executive Director	HK	Mar 2019	Audit Committee; Risk Committee; Sustainability Committee	Honorary court member of The Hong Kong University of Science and Technology ("HKUST"), a governing board member of HKUST (Guangzhou), and an advisor of Hong Kong Business Accountants Association	-	-
Prof. Lee Sunny Wai Kwong	Independent Non-executive Director	HK	Sep 2022	Audit Committee; The Nomination & Remuneration Committee; The Risk Committee, The Strategy and Budget Committee; The Sustainability Committee.	Former Vice President of City University of HK	-	-
Mr LIP Sai Wo	Independent Non-executive Director	HK	Jun 2023	Audit Committee; Risk Committee; The Strategy & Budget Committee; The Sustainability Committee	Non-executive Director of the Hong Kong Accounting and Financial Reporting Council	-	-
Prof MA Si Hang Frederick	Independent Non-executive Director	HK	October 2023	Nomination and Remuneration Committee; Strategy and Budget Committee; Sustainability Committee	Chairman and independent on-executive director of FWD Group Holdings Limited; Independent non-executive director of COSCO Shipping Holdings Co., Ltd (listed in Hong Kong); Non-executive director of Unicorn II Holdings Limited Member of the Chief Executive's Council of Advisers; Member of the International Advisory Council of China Investment Corporation	-	-

- **List members of senior management**

Name	Position	Nationality	ApprovalDate	Member ofcommittee(s)
Mr. Liu Daozhi	CEO	Chinese	12 Feb 2021	Executive Management Committee; Risk Management Committee; ALCO Committee;
Ms. Ni Na	Assistant CEO/ Deputy CEO	Chinese	02 Feb 2024	Executive Management Committee; Risk Management Committee; ALCO; AML Committees; Procurement Committee; Operational Risk Committee
Mr. Yeung Kin Man	Assistant CEO/ Deputy CEO	Chinese	29 December 2023	Executive Management Committee; Risk Management Committee; AML Committee; Operational Risk Committee; ALCO

1. Executive Management Committee

No	Members	Position	Nationality
1	Mr. Liu Daozhi	Chairman	Chinese
2	Mr. Yeung Kin Man	Member	Chinese
3	Ms. Ni Na	Member	Chinese

2. Credit Committee

No	Members	Position	Nationality
1	Mr. Shan Qiang	Chairman	Chinese
2	Mr.Li Zhiwei	Member	Chinese
3	Ms. Chen Shaoling	Member	Chinese
4	Mr. Luo Yan	Member	Chinese
5	Mr. Liu Jianwu	Member	Chinese
6	Mr.Li Chenying	Member	Chinese
7	Mr. Ding Peng	Member	Chinese
8	Mr. Bai Xiaoning	Member	Chinese
9	Ms. Luo Lili	Member	Chinese
10	Mr. Xu Wei	Member	Chinese
11	Ms. Kong Bopha	Member	Cambodian
12	Ms. Tan Sokim	Member	Cambodian
13	Mr. Feng Tongzan	Member	Chinese
14	Mr. Tang Uythai	Member	Cambodian
15	Mr. Seng Raksa	Member	Cambodian
16	Mr. Kiev Boreyvann	Member	Cambodian
17	Ms. Wang Siyun	Member	Chinese
18	Mr. Hao Honglei	Member	Chinese
19	Ms. Lan Yu	Member	Chinese
20	Mr. Ning Zhixiong	Member	Chinese
21	Mr. Chea Sokun	Member	Cambodian

3. Operational Risk Management and Internal Control Committee

No	Members	Position	Nationality
1	Ms. Ni Na	Chairman	Chinese
2	Mr. Liu Daozhi	Observer	Chinese
3	Ms. Shan Qiang	Member	Chinese
4	Mr. Xu Wei	Member	Chinese
5	Ms. Chen Shaoling	Member	Chinese
6	Mr. Luo Yan	Member	Chinese
7	Mr. Bai Xiaoning	Member	Chinese
8	Mr. Liu Jianwu	Member	Chinese
9	Ms. Chhor Chhunvouch	Member	Cambodian
10	Ms. Han Weida	Observer	Chinese
11	Ms. Tan Sokim	Member	Cambodian
12	Mr. Ding Peng	Member	Chinese
13	Ms. Kong Bopha	Member	Cambodian
14	Mr. Feng Tongzan	Member	Chinese
15	Mr. Yeung Kin Man	Member	Chinese
16	Mr. Li Zhi Wei	Member	Chinese
17	Mr. Hu Honglei	Member	Chinese
18	Mr. Tang Uythai	Member	Cambodian
19	Ms. Wang Siyun	Member	Chinese
20	Mr. Hao Honglei	Member	Chinese

4. Procurement Committee

No	Members	Position	Nationality
1	Mr. Li Zhi Wei	Chairman	Chinese
2	Mr. Hu Honglei	Member	Chinese
3	Mr. Xu Wei	Member	Chinese
4	Mrs. Wang Siyun	Member	Chinese
5	Mr. You Qingtao	Member	Chinese
6	Mrs. Kong Bopha	Member	Cambodian
7	Mr. Luo Yan	Member	Chinese
8	Mr. Bai Xiaoning	Member	Chinese
9	Mr. Yu Xing	Member	Chinese
10	Mrs. Ly Eng	Secretary	Cambodian

5. Risk Management Committee

No	Members	Position	Nationality
1	Ms. Ni Na	Chairman	Chinese
2	Mr. Liu Daozhi	Member	Chinese
3	Mr. Yeung Kin Man	Member	Chinese
4	Mr. Shan Qiang	Member	Chinese
5	Mr. Li Zhi Wei	Member	Chinese
6	Mr. Bai Xiaoning	Member	Chinese
7	Ms. Chen Shaoling	Member	Chinese
8	Mr. Xu Wei	Member	Chinese
9	Ms. Chhor Chhunvouch	Member	Cambodian
10	Ms. Kong Bopha	Member	Cambodian
11	Ms. Tan Sokim	Member	Cambodian
12	Mr. Luo Yan	Member	Chinese
13	Mr. Zhu Bang	Member	Chinese
14	Mr. Hao Honglei	Member	Chinese
15	Mr. Ding Peng	Member	Chinese
16	Mr. You Qingtao	Member	Chinese

6. AML Committee

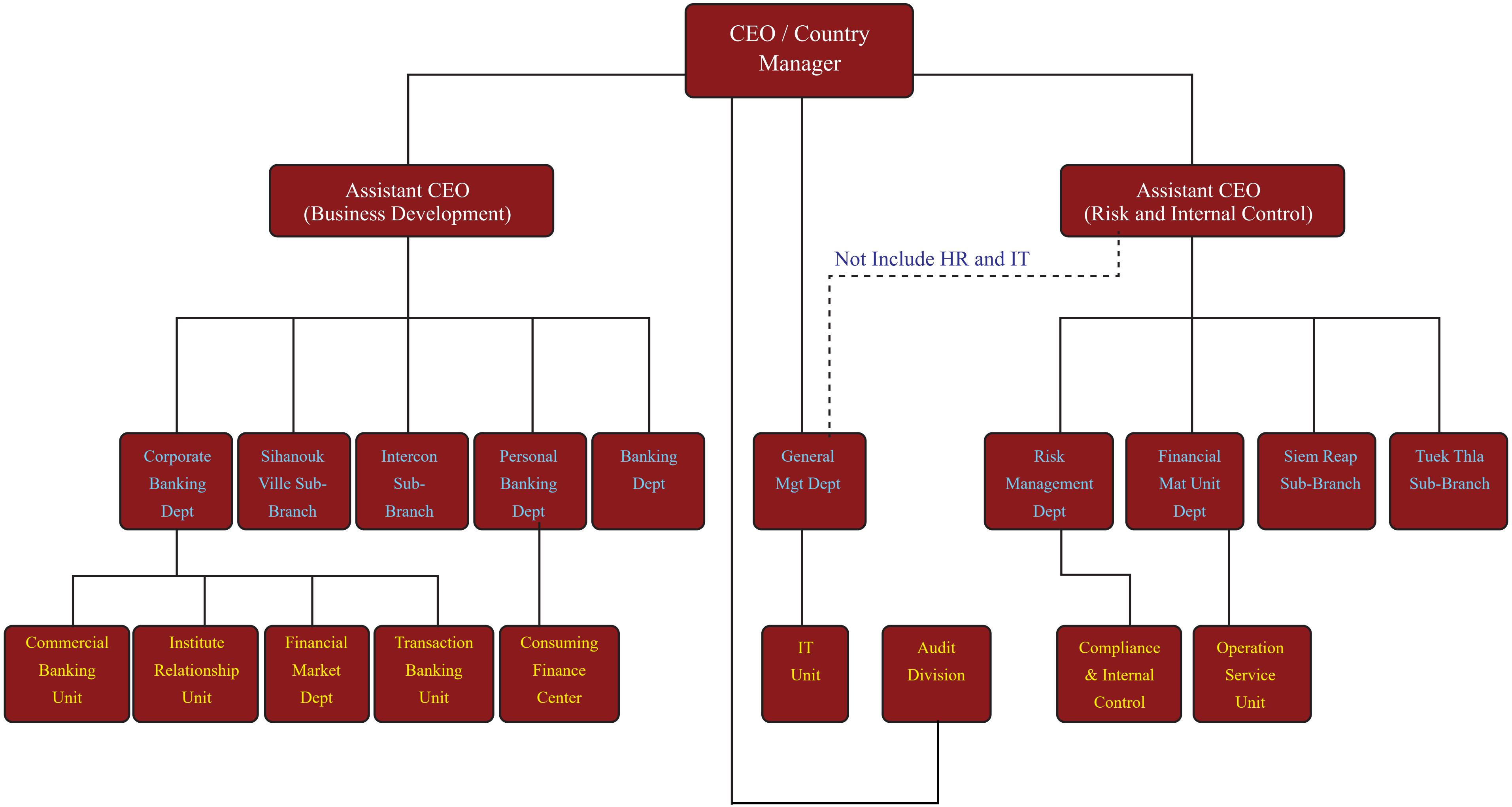
No	Members	Position	Nationality
1	Ms. Ni Na	Chairman	Chinese
2	Mr. Liu Daozhi	Observer	Chinese
3	Mr. Liu Jianwu	Member	Chinese
4	Mr. Xu Wei	Member	Chinese
5	Mr. Chen Shaoling	Member	Chinese
6	Ms. Chhor Chhun Vouch	Member	Cambodian
7	Mr. Luo Yan	Member	Chinese
8	Ms. Tan Sokim	Member	Cambodian
9	Ms. Kong Bopha	Member	Cambodian
10	Ms. Han Weida	Observer	Chinese
11	Mr. Feng Tongzan	Member	Chinese
12	Mr. Yeung Kin Man	Member	Chinese
13	Mr. Hu Honglei	Member	Chinese
14	Mr. Tang Uythai	Member	Cambodian
15	Ms. Wang Siyun	Member	Chinese
16	Mr. Bai Xiaoning	Member	Chinese

17	Mr. Shan Qiang	Member	Chinese
18	Mr. Hao Honglei	Member	Chinese

7. ALCO Committee

No	Members	Position	Nationality
1	Mr. Liu Daozhi	Chairman	Chinese
2	Mr. Yeung Kin Man	Member	Chinese
3	Mrs. Ni Na	Member	Chinese
4	Mr. Xu Wei	Member	Chinese
5	Mr. Luo Yan	Member	Chinese
6	Mr. You Qingtao	Member	Chinese
7	Mr. Bai Xiaoning	Member	Chinese
8	Mr. Yu Xiang	Member	Chinese
9	Mrs. Kong Bopha	Member	Cambodian
10	Mr. Li Zhi Wei	Secretary	Chinese

2025 Bank of China Phnom Penh Branch Organization Chart




柬埔寨菩萨水电站融资协议签约仪式
Signing Ceremony for Financing Agreement of Pursat Hydroelectric Project in Cambodia


CONGRATULATIONS
CERTIFICATION CONFERMENT CEREMONY
GRADUATES OF BATCH 2025
INSTITUTE OF BANKING AND FINANCE
PHNOM PENH, APRIL 30, 2026


柬埔寨工业园区人民币业
RMB Business Forum for Industrial Zon
柬埔寨·金边 2025年9月19日

BANK OF CHINA (HONG KONG) LIMITED
PHNOM PENH BRANCH

Report of the Executive Management
and
Audited financial statements in accordance with
Cambodian International Financial Reporting Standards

as at 31 December 2025 and for the year then ended

BANK OF CHINA (HONG KONG) LIMITED PHNOM PENH BRANCH

CONTENTS

Pages

REPORT OF EXECUTIVE MANAGEMENT

The Executive Management ("the Management") of Bank of China (Hong Kong) Limited Phnom Penh Branch ("the Branch") presents its report, together with the Branch's financial statements as at 31 December 2025 and for the year then ended.

THE BRANCH

The Branch was incorporated in Cambodia on 12 July 2010 and originally named Bank of China Limited Phnom Penh Branch, a branch of Bank of China Limited, under the Registration Number Co. 0034Br/2010 and was granted a banking license from the National Bank of Cambodia (NBC or the central bank) on 11 November 2010 for an indefinite period. The Branch commenced its operations on 8 December 2010.

In 2017, the Branch was completely acquired by Bank of China (Hong Kong) Limited from Bank of China Limited. Subsequently, the Branch changed its name from Bank of China Limited Phnom Penh Branch to Bank of China (Hong Kong) Limited Phnom Penh Branch with new registration number 00014630 from the Ministry of Commerce. On 7 September 2017, the Branch obtained an updated banking license under the new name from the NBC to carry out banking operations for an indefinite period.

Bank of China (Hong Kong) Limited (BOCHK or the Head Office), is a bank incorporated and registered in Hong Kong, and listed on the Hong Kong Stock Exchange. BOCHK's core business is commercial banking, including corporate banking, personal banking and financial market services, providing a comprehensive range of financial services to customers across Hong Kong as well as in nine countries and regions.

The Branch's registered office address is at Canadia Tower, 1st and 2nd Floor, 315 Ang Doung Street Corner of Monivong Blvd., Phnom Penh, Cambodia. As at 31 December 2025, the Branch has four sub-branches, two in Phnom Penh, one in Siem Reap and another one in Preah Sihanouk province.

PRINCIPAL ACTIVITIES

The principal activities of the Branch are the operations of core banking business and the provision of related financial services in Cambodia. There were no changes to the nature of the principal activities during the year.

FINANCIAL RESULTS

The financial performance of the Branch for the year is set out in the statement of comprehensive income.

HEAD OFFICE'S CAPITAL CONTRIBUTIONS

There were no movements in the head office's capital contributions of the Branch during the year.

ALLOWANCE FOR EXPECTED CREDIT LOSSES ON LOANS AND ADVANCES

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

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

ASSETS

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

At the date of this report and to the best of their knowledge, the Management is not aware of any circumstances which would render the values attributed to the assets in the financial statements of the Branch misleading in any material respect.

VALUATION METHODS

At the date of this report, the Management are not aware of any circumstances that have arisen which would render adherence to the existing method of valuation of assets and liabilities in the financial statements of the Branch misleading or inappropriate in any material respect.

CONTINGENT AND OTHER LIABILITIES

At the date of this report, there is:

(a) no charge on the assets of the Branch which has arisen since the end of the financial year which secures the liabilities of any other person, and

(b) no contingent liability in respect of the Branch that has arisen since the end of the financial year other than in the ordinary course of banking business.

No contingent liability or other liability of the Branch 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 Management, will or may have a material effect on the ability of the Branch to meet its obligations when they become due.

CHANGE OF CIRCUMSTANCES

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

ITEMS OF AN UNUSUAL NATURE

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

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

THE BRANCH MANAGEMENT

The members of the Management of the Branch during the year and as at the date of this report are:

Mr. Liu Daozhi	Chief Executive Officer
Ms. Ni Na	Assistant Chief Executive Officer
Mr. Yeung Kin Man	Assistant Chief Executive Officer

AUDITOR

Ernst & Young (Cambodia) Ltd. is the auditor of the Branch.

MANAGEMENT'S INTERESTS

None of the Executive Management has an interest in the shares of the Branch.

MANAGEMENT'S BENEFITS

As at 31 December 2025 and for the year then ended, no arrangement existed, to which the Branch was a party, whose object was to enable the Management of the Branch to acquire benefits by means of the acquisition of shares in or debentures of the Branch or any other corporate body.

No Management of the Branch has received or become entitled to receive any benefit by reason of a contract made by the Branch or with a firm of which the Management is a member, or with a company in which the Management has a material financial interest other than those disclosed in the financial statements.

STATEMENT OF EXECUTIVE MANAGEMENT'S RESPONSIBILITY IN RESPECT OF THE FINANCIAL STATEMENTS

The Management is responsible for ensuring that the financial statements give a true and fair view of the financial position of the Branch as at 31 December 2025, and of its financial performance and its cash flows for the year then ended in accordance with Cambodian International Financial Reporting Standards ("CIFRSs"). The Management oversees preparation of these financial statements which are required to:

STATEMENT OF EXECUTIVE MANAGEMENT'S RESPONSIBILITY IN RESPECT OF THE FINANCIAL STATEMENTS (continued)

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

ii) comply with the disclosure requirements and guidelines of CIFRSs or, if there have been any departures in the interest of fair presentation, these have been appropriately disclosed, explained and quantified in the financial statements;

iii) maintain adequate accounting records and an effective system of internal controls;

iv) prepare the financial statements on a going concern basis unless it is inappropriate to assume that the Branch will continue operations in the foreseeable future; and

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

Management is responsible for ensuring that proper accounting records are kept which disclose, with reasonable accuracy at any time, the financial position of the Branch and to ensure that the accounting records comply with the applicable accounting system. It is also responsible for safeguarding the assets of the Branch and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Management confirms that the Branch has complied with the above requirements in preparing the financial statements.

APPROVAL OF THE FINANCIAL STATEMENTS

We hereby approve the accompanying financial statements which give a true and fair view of the financial position of the Branch as at 31 December 2025, and of its financial performance and cash flows for the year then ended in accordance with CIFRSs.

Signed in accordance with a resolution of the Executive Management

BANK OF CHINA (HONG KONG) LIMITED PHNOM PENH BRANCH

Mr. Liu Daozhi
Chief Executive Officer

Phnom Penh, Kingdom of Cambodia

27 March 2026

Shape the future
with confidence

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Tel: +855 23 860 450/451
Email: eykoc@kh.ey.com
Website: ey.com/en_kh

Reference: 12504253/69093500

INDEPENDENT AUDITOR'S REPORT

To: The Head Office of Bank of China (Hong Kong) Limited Phnom Penh Branch

Opinion

We have audited the financial statements of Bank of China (Hong Kong) Limited Phnom Penh Branch ("the Branch"), which comprise the statement of financial position as at 31 December 2025, and the statement of comprehensive income, statement of changes in Head Office's equity and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Branch as at 31 December 2025, and of 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 *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Branch in accordance with the Prakas issued by the Ministry of Economy and Finance of Cambodia on Code of Ethics for Professional Accountants and Auditors as applicable to audits of financial statements of public interest entities, together with the ethical requirements that are relevant to our audit of the financial statements of public interest entities in Cambodia. We have also 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.

Information Other than the Financial Statements and Auditor's Report Thereon

The other information obtained at the date of the auditor's report is the Report of the Executive Management. The Management is responsible for the other information.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Executive Management for the Financial Statements

Management is responsible for the preparation of 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 Branch'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 Branch or to cease operations, or has no realistic alternative but to do so.

Executive management are responsible for overseeing the Branch's financial reporting process.

Shape the future
with confidence

Auditor's Responsibilities for the Audit of the Financial Statements

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

As part of an audit in accordance with CISAs, we exercise professional judgment and maintain professional 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 Branch'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 Branch's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Branch 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.

Hong Khav
Partner

Ernst & Young (Cambodia) Ltd.
Certified Public Accountants
Registered Auditors

Phnom Penh, Kingdom of Cambodia

27 March 2026

STATEMENT OF FINANCIAL POSITION
as at 31 December 2025

	Notes	2025 US$	2025 KHR'000 (Note 2.3)	2024 US$	2024 KHR'000 (Note 2.3)
ASSETS					
Cash on hand	4	15,634,408	62,740,879	21,477,698	86,447,734
Placements with the National Bank of Cambodia ("NBC")	5	217,041,441	870,987,304	303,043,658	1,219,750,724
Placements with other banks	6	860,136,502	3,451,727,783	566,633,297	2,280,699,020
Loans and advances	7	945,988,960	3,796,253,696	856,184,791	3,446,143,784
Investment securities	8	317,477,975	1,274,039,114	293,478,432	1,181,250,689
Other assets	9	1,201,511	4,821,664	831,039	3,344,932
Statutory deposits	10	124,365,582	499,079,081	128,903,789	518,837,751
Right-of-use assets	11	2,809,793	11,275,699	1,733,825	6,978,646
Property and equipment	12	1,486,498	5,965,316	1,430,409	5,757,396
Deferred tax assets	13.3	5,623,068	22,565,371	5,725,666	23,045,805
Total assets		**2,491,765,738**	**9,999,455,907**	**2,179,442,604**	**8,772,256,481**
LIABILITIES AND HEAD OFFICE'S EQUITY					
LIABILITIES					
Deposits from other banks and financial institutions	14	225,852,180	906,344,798	44,041,877	177,268,555
Deposits from customers	15	1,122,285,010	4,503,729,745	991,031,692	3,988,902,560
Borrowings	16	706,775,924	2,836,291,783	742,318,578	2,987,832,276
Lease liabilities	11	2,918,767	11,713,012	1,899,750	7,646,494
Current income tax liabilities	13.2	10,958,986	43,978,411	11,112,670	44,728,497
Other liabilities	17	9,075,891	36,421,551	21,029,392	84,643,303
TOTAL LIABILITIES		**2,077,866,758**	**8,338,479,300**	**1,811,433,959**	**7,291,021,685**
HEAD OFFICE'S EQUITY					
Head office's capital contributions	18.1	150,000,000	600,000,000	150,000,000	600,000,000
Regulatory reserves	18.2	1,957,059	7,853,678	-	-
Retained earnings		261,941,921	1,062,669,041	218,008,645	886,456,584
Cumulative differences on exchange translation		-	(9,546,112)	-	(5,221,788)
TOTAL HEAD OFFICE'S EQUITY		**413,898,980**	**1,660,976,607**	**368,008,645**	**1,481,234,796**
TOTAL LIABILITIES AND HEAD OFFICE'S EQUITY		**2,491,765,738**	**9,999,455,907**	**2,179,442,604**	**8,772,256,481**

The attached notes 1 to 31 form part of these financial statements.

BANK OF CHINA (HONG KONG) LIMITED PHNOM PENH BRANCH

STATEMENT OF COMPREHENSIVE INCOME
for the year ended 31 December 2025

	Notes	2025		2024	
		US$	KHR'000 (Note 2.3)	US$	KHR'000 (Note 2.3)
Interest income	19	89,300,174	358,182,998	82,469,026	335,731,405
Interest expense	19	(32,739,620)	(131,318,616)	(26,146,210)	(106,441,221)
Net interest income	19	**56,560,554**	**226,864,382**	**56,322,816**	**229,290,184**
Net fee and commission income	20	8,755,977	35,120,224	6,202,789	25,251,554
Other gains – net	21	2,575,924	10,332,031	3,532,439	14,380,559
Total operating profit		**67,892,455**	**272,316,637**	**66,058,044**	**268,922,297**
Personnel expenses	22	(9,720,021)	(38,987,004)	(8,717,423)	(35,488,629)
Depreciation charges	23	(1,471,680)	(5,902,908)	(1,510,782)	(6,150,394)
Other operating expenses	24	(3,215,752)	(12,898,381)	(2,992,505)	(12,182,488)
Reversal of allowance /(Provision) on ECLs	25	4,483,149	17,981,911	(5,726,851)	(23,314,010)
Profit before income tax		**57,968,151**	**232,510,255**	**47,110,483**	**191,786,776**
Income tax expense	13.1	(12,277,690)	(49,245,815)	(9,843,046)	(40,071,040)
Profit for the year		**45,690,461**	**183,264,440**	**37,267,437**	**151,715,736**
Other comprehensive income that will not be reclassified to profit or loss:					
Exchange difference on translation		-	(4,324,324)	-	(21,553,533)
Other comprehensive income that will be reclassified to profit or loss:					
Net change in fair value of investment securities	8	199,874	801,695	374,437	1,524,333
Total comprehensive income for the year		**45,890,335**	**179,741,811**	**37,641,874**	**131,686,536**

The attached notes 1 to 31 form part of these financial statements.

STATEMENT OF CHANGES IN HEAD OFFICE'S EQUITY
for the year ended 31 December 2025

	Head office's capital contributions		*Regulatory reserves*		*Retained earnings*		*Cumulative exchange differences on translation*	*Total*	
	US$	*KHR'000 (Note 2.3)*	*US$*	*KHR'000 (Note 2.3)*	*US$*	*KHR'000 (Note 2.3)*	*KHR'000 (Note 2.3)*	*US$*	*KHR'000 (Note 2.3)*
As at 1 January 2025	**150,000,000**	**600,000,000**	**-**	**-**	**218,008,645**	**886,456,584**	**(5,221,788)**	**368,008,645**	**1,481,234,796**
Profit for the year	-	-	-	-	45,690,461	183,264,440	-	45,690,461	183,264,440
Fair value of Investment securities	-	-	-	-	199,874	801,695	-	199,874	801,695
Exchange difference on translation	-	-	-	-	-	-	(4,324,324)	-	(4,324,324)
Total comprehensive income for the year	-	-	-	-	45,890,335	184,066,135	(4,324,324)	45,890,335	179,741,811
Transfer to regulatory reserves	-	-	1,957,059	7,849,764	(1,957,059)	(7,849,764)	-	-	-
Exchange difference on translation	-	-	-	3,914	-	(3,914)	-	-	-
Total transactions recognized directly in equity	-	-	1,957,059	7,853,678	(1,957,059)	(7,853,678)	-	-	-
As at 31 December 2025	**150,000,000**	**600,000,000**	**1,957,059**	**7,853,678**	**261,941,921**	**1,062,669,041**	**(9,546,112)**	**413,898,980**	**1,660,976,607**
As at 1 January 2024	**150,000,000**	**600,000,000**	**5,696,656**	**23,270,840**	**174,670,115**	**709,945,675**	**16,331,745**	**330,366,771**	**1,349,548,260**
Profit for the year	-	-	-	-	37,267,437	151,715,736	-	37,267,437	151,715,736
Fair value of Investment securities	-	-	-	-	374,437	1,524,333	-	374,437	1,524,333
Exchange differences on translation	-	-	-	-	-	-	(21,553,533)	-	(21,553,533)
Total comprehensive income for the year	-	-	-	-	37,641,874	153,240,069	(21,553,533)	37,641,874	131,686,536
Transfer to retained earnings	-	-	(5,696,656)	(23,191,087)	5,696,656	23,191,087	-	-	-
Exchange difference on translation	-	-	-	(79,753)	-	79,753	-	-	-
Total transactions recognized directly in equity	-	-	(5,696,656)	(23,270,840)	5,696,656	23,270,840	-	-	-
As at 31 December 2024	**150,000,000**	**600,000,000**	**-**	**-**	**218,008,645**	**886,456,584**	**(5,221,788)**	**368,008,645**	**1,481,234,796**

The attached notes 1 to 31 form part of these financial statements.

STATEMENT OF CASH FLOWS
for the year ended 31 December 2025

	Notes	2025		2024	
		US$	KHR'000 (Note 2.3)	US$	KHR'000 (Note 2.3)
OPERATING ACTIVITIES					
Profit before income tax		57,968,151	232,510,255	47,110,483	191,786,776
Adjustments for:					
Depreciation charges		1,471,680	5,902,908	1,510,782	6,150,394
Credit impairment losses	25	(4,483,149)	(17,981,911)	5,726,851	23,314,010
Change in working capital:					
Reserve requirement with the NBC		4,538,207	18,202,748	(15,093,789)	(61,446,815)
Loans and advances		(86,048,093)	(345,138,901)	11,418,476	46,484,616
Other assets		(370,472)	(1,485,963)	79,276	322,733
Deposits from banks		181,810,303	729,241,125	9,419,114	38,345,213
Deposits from customers		131,253,318	526,457,058	22,498,138	91,589,920
Other liabilities		(11,482,958)	(46,058,145)	13,226,087	53,843,400
Cash generated from operations		**274,656,987**	**1,101,649,174**	**95,895,418**	**390,390,247**
Income tax paid	13.2	(12,328,776)	(49,450,721)	(8,970,481)	(36,518,828)
Net cash generated from operating activities		**262,328,211**	**1,052,198,453**	**86,924,937**	**353,871,419**
Cash flows from investing activities					
Purchase of Investment securities at fair value		(316,938,891)	(1,271,241,892)	(293,136,234)	(1,193,357,609)
Proceeds of Investment securities at fair value		293,136,234	1,175,769,435	-	-
Placements with NBC - maturity more than three months		(33,546,240)	(134,553,969)	14,113,279	57,455,159
Placements with other banks - maturity more than three month		68,964,083	276,614,937	(4,634,286)	(18,866,178)
Purchases of property and equipment	12	(597,711)	(2,397,419)	(545,637)	(2,221,288)
Net cash generated from/(used in) investing activities		**11,017,475**	**44,191,092**	**(284,202,878)**	**(1,156,989,916)**
Cash flows from financing activities					
Proceeds from borrowings	16	10,967,717,667	43,991,515,562	17,703,332,110	72,070,265,020
Repayments of borrowings	16	(11,004,201,459)	(44,137,852,052)	(17,747,255,528)	(72,249,077,254)
Payment of principal portion of lease liabilities		(987,009)	(3,958,893)	(919,023)	(3,741,343)
Net cash used in financing activities		**(37,470,801)**	**(150,295,383)**	**(44,842,441)**	**(182,553,577)**
Net increase/(decrease) in cash and cash equivalents		**235,874,885**	**946,094,162**	**(242,120,382)**	**(985,672,074)**
Cash and cash equivalents at the beginning of the year		634,309,579	2,553,096,056	876,429,961	3,580,216,394
Currency translation differences		-	(7,139,963)	-	(41,448,264)
Cash and cash equivalents at the end of the year	6	**870,184,464**	**3,492,050,255**	**634,309,579**	**2,553,096,056**

Additional information on operational cash flow from interest:

Interest received		84,741,755	339,899,179	80,012,348	325,730,269
Interest paid		30,006,621	120,356,557	24,155,794	98,338,237

The attached notes 1 to 31 form part of these financial statements.

1. BACKGROUND INFORMATION

Bank of China (Hong Kong) Limited Phnom Penh Branch ("the Branch") was incorporated in Cambodia on 12 July 2010 and originally named Bank of China Limited Phnom Penh Branch, a branch of Bank of China Limited, under the Registration Number Co. 0034Br/2010 and was granted a banking license from the National Bank of Cambodia (the "NBC" or the "central bank") on 11 November 2010 for an indefinite period. The Branch commenced its operations on 8 December 2010.

In 2017, the Branch was completely acquired by Bank of China (Hong Kong) Limited from Bank of China Limited. Subsequently, the Branch changed its name from Bank of China Limited Phnom Penh Branch to Bank of China (Hong Kong) Limited Phnom Penh Branch with new registration number 00014630 from the Ministry of Commerce. On 7 September 2017, the Branch obtained an updated banking license under the new name from the NBC to carry out banking operations for an indefinite period.

Bank of China (Hong Kong) Limited (BOCHK or the Head Office), is a bank incorporated and registered in Hong Kong, and listed on the Hong Kong Stock Exchange. BOCHK's core business is commercial banking, including corporate banking, personal banking and financial market services, providing a comprehensive range of financial services to customers across Hong Kong as well as in nine countries and regions.

The principal activities of the Branch are the operation of core banking business and the provision of related financial services in Cambodia.

The Branch's registered office address is at Canadia Tower, 1st and 2nd Floor, 315 Ang Doung Street Corner of Monivong Blvd., Phnom Penh, Cambodia. As at 31 December 2025, the Branch has four sub-branches, two in Phnom Penh, one in Siem Reap and another one in Preah Sihanouk province.

The financial statements were authorised for issue by the Executive Management on 27Co March 2026.

2. MATERIAL ACCOUNTING POLICY INFORMATION

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

2.1 Basis of preparation of the financial statements

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

2.2 Fiscal year

The Branch's fiscal year starts on 1 January and ends on 31 December.

2.3 Measurement and functional currency

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

2. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

2.3 *Measurement and functional currency* (continued)

Presentation currency

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

Transactions and balances

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

Translation of US$ into KHR

The translation of the US$ amounts into thousands KHR ("KHR'000") is presented in the financial statements to comply with the Law on Accounting and Audit dated 11 April 2016 using the closing and average rates for the year then ended.

Assets, liabilities, head office's capital contribution and regulatory reserve included in the statement of financial position are translated at the closing rate prevailing at the end of each reporting date, whereas income and expense items presented in the statement of comprehensive income are translated at the average rate for the year then ended. Resulting exchange differences arising from the translation of head office's capital contribution and regulatory reserve are recognised directly in equity; all others resulting exchange differences are recognised in the other comprehensive income. Such translation should not be construed as a representation that the US$ amounts represent, or have been or could be, converted into KHR at that or any other rate. All values in KHR are rounded to the nearest thousand ("KHR'000"), except if otherwise indicated.

The financial statements are presented in KHR based on the applicable exchange rates per US$1 as follows:

	2025	*2024*
Closing rate	4,013	4,025
Average rate	4,011	4,071

2.4 *Amendments to CIFRSs issued and adopted by the Branch*

The Branch has applied the following amendments for their annual reporting period commencing on 1 January 2025:

Lack of exchangeability – Amendments to IAS 21

This amendment did not have a material impact on the Branch's financial statements.

2.5 *Standards and amendments to CIFRSs issued but not yet effective*

The new and amended standards and interpretations that are issued but not yet effective are being assessed by the Branch to determine the impact on the financial statements.

2. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

2.5 *Standards and amendments to CIFRSs issued but not yet effective* (continued)

2.5.1. *Amendments to the Classification and Measurement of Financial Instruments* - Amendments to CIFRS 9 and CIFRS 7

On 30 May 2024, Amendments were issued to CIFRS 9 and CIFRS 7, Amendments to the Classification and Measurement of Financial Instruments (the Amendments). The Amendments include:

- Clarifications of the requirements for recognition and derecognition of financial assets and liabilities
- A clarification that a financial liability is derecognized on the 'settlement date' and introduce an accounting policy choice (if specific conditions are met) to derecognize financial liabilities settled using an electronic payment system before the settlement date
- Additional guidance on how the contractual cash flows for financial assets with environmental, social and corporate governance (ESG) and similar features should be assessed
- Clarifications on what constitute 'non-recourse features' and what are the characteristics of contractually linked instruments
- The introduction of disclosures for financial instruments with contingent features and additional disclosure requirements for equity instruments classified at fair value through other comprehensive income (OCI)

The Amendments are effective for annual periods starting on or after 1 January 2026. Early adoption is permitted, with an option to early adopt the amendments for classification of financial assets and related disclosures only. Based on the initial assessment performed, the amendments in these areas are not expected to have a material impact on the financial statements, however, the assessment is yet to be concluded.

2.5.2 *Contracts Referencing Nature-dependent Electricity* - Amendments to CIFRS 9 and CIFRS 7

The amendments will take effect for annual reporting periods starting on or after 1 January 2026. Early adoption is allowed, but it must be disclosed. The amendments concerning the own-use exception are to be applied retrospectively, while the hedge accounting amendments should be applied prospectively to new hedging relationships designated from the initial application date. Additionally, the CIFRS 7 disclosure amendments must be implemented alongside the CIFRS 9 amendments. If an entity does not restate comparative information, it cannot present comparative disclosures.

The Branch does not expect that the amendments will have a material impact on its financial statements.

2.5.3 *CIFRS 18 Presentation and Disclosure in Financial Statements*

In April 2024, CIFRS 18 Presentation and Disclosure in Financial Statements was issued, which replaces CIAS 1 Presentation of Financial Statements. CIFRS 18 introduces new requirements for presentation within the statement of profit or loss, including specified totals and subtotals. Furthermore, entities are required to classify all income and expenses within the statement of profit or loss into one of five categories: operating, investing, financing, income taxes and discontinued operations, whereof the first three are new.

The standard requires disclosure of newly defined management-defined performance measures, subtotals of income and expenses, and it also includes new requirements for aggregation and disaggregation of financial information based on the identified 'roles' of the primary financial statements and the notes. In addition, narrow-scope amendments have been made to CIAS 7 Statement of Cash Flows, which include changing the starting point for determining cash flows from operations under the indirect method, from 'profit or loss' to 'operating profit or loss' and removing the optionality around classification of cash flows from dividends and interest. In addition, there are consequential amendments to several other standards.

2. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

2.5 Standards and amendments to CIFRSs issued but not yet effective (continued)

2.5.3 CIFRS 18 Presentation and Disclosure in Financial Statements (continued)

CIFRS 18 is effective for reporting periods beginning on or after 1 January 2027, but earlier application is permitted and must be disclosed. CIFRS 18 will apply retrospectively.

The Branch is currently working to identify all impacts the amendments will have on the primary financial statements and notes to the financial statements.

2.5.4 CIFRS 19 Subsidiaries without Public Accountability: Disclosures

In May 2024, the IASB issued CIFRS 19, which allows eligible entities to elect to apply its reduced disclosure requirements while still applying the recognition, measurement and presentation requirements in other CIFRS accounting standards. To be eligible, at the end of the reporting period, an entity must be a subsidiary as defined in CIFRS 10, cannot have public accountability and must have a parent (ultimate or intermediate) that prepares consolidated financial statements, available for public use, which comply with IFRS accounting standards.

CIFRS 19 will become effective for reporting periods beginning on or after 1 January 2027, with early application permitted. The standard is not expected to have a material impact on the Branch's financial statements.

2.6 Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents comprise cash on hand, unrestricted placements with the NBC and other banks, and other short-term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value

2.7. Fair value measurement

A number of the Branch's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

The management regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the finance team assesses the evidence obtained from the third parties to support the conclusion that such valuations meet the requirements of CIFRSs, including the level in the fair value hierarchy in which such valuations should be classified.

When measuring the fair value of an asset or a liability, the Branch uses market observable data as far as possible. Fair values are authorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in 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 the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is authorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

2. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

2.7. Fair value measurement (continued)

The Branch recognizes transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Information about the assumptions made in measuring fair values is included in Note 28 – Financial risk management.

2.8 Financial instruments

2.8.1 Financial assets

i) Classification

Financial assets at amortised cost

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

The Branch classifies its financial assets at amortised cost only if both of the following criteria are met:

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

Items that the Branch classifies its financial assets measured at amortised cost include cash on hand, placements with the NBC and other banks, loans and advances at amortised cost and other financial assets.

Financial assets at fair value through other comprehensive income ("FVOCI")

The Branch applies the new category under CIFRS 9 of debt instruments measured at FVOCI when both of the following conditions are met:

- The instrument is held within a business model, the objective of which is achieved by both collecting contractual cash flows and selling financial assets; and
- The contractual terms of the financial assets meet the SPPI test.

The Branch's debt instrument at FVOCI includes investment securities which are investments in quoted market.

ii) Recognition and derecognition

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

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

iii) Measurement

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

2. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

2.8 Financial instruments (continued)

2.8.1 Financial assets (continued)

iii) Measurement (continued)

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

Debt instruments

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

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

Debt instruement at FVOCI are subsequently measured at fair value with gains and losses arising due to changes in fair value recognized in other comprehensive income ("OCI"). Interest income and foreign exchange gains and losses are recognized in profit or loss in the same manner as for financial assets measured at amortized cost. Where the Branch holds more than one investment in the same security, they are deemed to be disposed off on a first–in first–out basis. On derecognition, cumulative gains or losses previously recognized in OCI are reclassified from OCI to profit or loss.

iv) Reclassification of financial assets

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

v) Impairment

The Branch assesses on a forward-looking basis the expected credit losses (ECLs) associated with its debt instrument assets carried at amortised cost and with the exposure arising from credit commitments (including undrawn overdrafts and revolving facilities) and financial guarantee contracts. The Branch recognises a loss allowance for such losses at each reporting date. *(Note 28.1)* The measurement of ECL reflects:

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

The Branch applies a three-stage approach to measuring expected credit losses (ECLs) for the following categories:

- Debt instruments measured at amortised cost; and
- Credit commitments (including undrawn overdrafts and revolving facilities) and financial guarantee contracts

2. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

2.8 Financial instruments (continued)

2.8.1 Financial assets (continued)

v) Impairment (continued)

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

(a) Stage 1: 12-month ECL

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

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

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

(c) Stage 3: Lifetime ECL – credit impaired

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

2.8.2 Financial liabilities

Financial liabilities are recognised when the Branch becomes a party to the contractual provision of the instruments.

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

The financial liabilities measured at amortised cost are deposits from other banks and financial institutions, deposits from customers, borrowings and other financial liabilities (excludes provision for ECLs on off-balance sheet items, contract liabilities related fees from trade finance and other tax payable).

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

2.9 Credit commitments and financial guarantee contracts

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

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

2. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

2.9 Credit commitments and financial guarantee contracts (continued)

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

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

These estimates are determined based on experience of similar transactions and history of past losses, supplemented by the judgement of management. The fee income earned is recognised on a straight-line basis over the life of the guarantee.

Any increase in the liability relating to guarantees is reported in profit or loss within operating expenses.

2.10 Offsetting financial instruments

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

2.11 Property and equipment

Property and equipment are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Subsequent expenditures relating to an item of property and equipment that has already been recognised are added to the carrying amount of the asset when it is probable that future economic benefits in excess of the originally assessed standard of performance of the existing asset will flow to the Branch. All other subsequent expenditures are recognised as expenses in the period in which they are incurred.

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

The estimated useful lives are as follows:

Leasehold improvements	Shorter of its contractual lease term and its economic lives of 5 - 8 years
Office equipment	3 - 15 years
Computer equipment	3 - 6 years
Motor vehicles	6 years

2. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

2.11 Property and equipment (continued)

Depreciation on work-in-progress commences when the assets are ready for their intended use. The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, if there is an indication of a significant change since the last reporting date.

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

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

2.12 Impairment of non-financial assets

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

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

2.13 Leases

The Branch as a lessee

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

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

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

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

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

2. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

2.13 Leases (continued)

2.13.1 Lease liabilities

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

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

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

The economic circumstance and the observable interest rate set the foundation in determining the incremental borrowing rate. On this basis, the applicable incremental borrowing rate is calculated through the adjustment of the reference interest rate, which is determined according to the situation of the Branch and the underlying asset, the lease term, the amount of lease liability and other specific conditions of the lease.

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

2.13.2 Right-of-use assets

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

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

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Branch is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life. Subsequently the right-of-use asset is measured at cost less depreciation and any accumulated impairment losses and adjusted for any remeasurement of the lease liability.

2.13.3 Recognition exemptions

Payments associated with all short-term leases and low-value items are recognised on a straight-line basis as an expense in profit or loss. Low-value items comprise small items of office equipment and short-term lease comprise car rentals.

2.14 Current and deferred income tax

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

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

2. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

2.14 Current and deferred income tax (continued)

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is determined using tax rates that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised, or the deferred income tax liability is settled.

Deferred tax assets are recognised only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets and liabilities are offset where there is a legally enforceable right to offset current tax assets and liabilities and where the deferred tax balances relate to the same taxation authority.

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

2.15 Provision

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

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

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

2.16 Regulatory reserves

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

(i) In case the regulatory allowance is lower than the allowance in accordance with CIFRS 9, the entity records the allowance based on CIFRS 9; and

(ii) In case the regulatory allowance is higher than the allowance in accordance with CIFRS 9, the entity records the allowance based on CIFRS 9 and transfer the difference from the retained earnings (accumulated losses) to regulatory reserve in the equity section of the statement of financial position.

2. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

2.16 *Regulatory reserves* (continued)

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

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

2.17 *Employee benefits*

2.17.1 *Short-term employee benefits*

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

2.17.2 *Pension fund scheme*

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

2.17.3 *Other employee benefits - seniority payments*

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

- Annual service - effective January 2019, 15 days of their average monthly salary and benefits each year payable every six month on 30 June and 31 December (7.5 days each payment).
- Past years of seniority service - employees are entitled to 15 days of their salary per year of service since the commencement of employment up to 31 December 2018 and still continue working with the Branch. The past seniority payment depends on each staff's past services and shall not exceed six months of average gross salaries. On 22 March 2019, the Ministry of Labour and Vocational Training issued guideline number 042/19 K.B/S.N.N.Kh.L, to delay the payment of the past years of seniority service which will be payable three days each in June and in December.

2. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

2.17 *Employee benefits* (continued)

2.17.3 *Other employee benefits - seniority payments* (continued)

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

The past years of seniority service is classified as long-term employee benefits, other than those payable within the next 12 months. Past seniority liability is recognised at the present value of defined obligations at the reporting period using the projected unit credit method to better estimate the ultimate cost to the Branch that employees have earned in return for their service in the current and prior period. That obligation arises as employees render the services that the Branch expected to pay in the future reporting periods. The present value of the past seniority payment is determined by discounting the estimated future payments by references to the high quality corporate bond of the currency that the liability is denominated.

2.18 *Interest income and expense*

Effective interest rate

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

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

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

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

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 amortization using the effective interest method of any difference between that initial amount and the maturity amount and, for financial assets, adjusted for any expected credit loss allowance. The 'gross carrying amount of a financial asset' is the amortised cost of a financial asset before adjusting for any expected credit loss allowance.

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 amortization of the hedge adjustment begins.

2. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

2.18 Interest income and expense (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 method presented in the statement of profit or loss and other comprehensive income includes interest on financial assets and financial liabilities measured at amortised cost.

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

2.19 Fee and commission income

The Branch earns fee and commission income from a diverse range of products and services provided to its customers. Fee and commission income are recognised when the Branch has satisfied its performance obligation in providing the promised products and services to the customer, and are recognised based on contractual rates or amount agreed with customers, and net of expenses directly related to it. The Branch generally satisfies its performance obligation and recognises the fee and commission income on the following basis:

- Transaction-based fee and commission income is recognised on the completion of the transaction. Such fees include fees related to service charges and fees, credit card related fees and fees on loans, advances and financing. These fees constitute a single performance obligation.
- For a service that is provided over a period of time, fee and commission income is recognised on an equal proportion basis over the period during which the related service is provided or credit risk is undertaken. This basis of recognition most appropriately reflects the nature and pattern of provision of these services to the customers over time. Fees for these services will be billed periodically over time. Such fees include guarantee fees and commitment fees.

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

2.20 Rounding of amounts

All KHR amounts disclosed in the financial statements and notes have been rounded off to the nearest KHR’000 units unless otherwise stated.

3. CRITICAL ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of financial statements in accordance with CIFRSs requires the use of judgments, estimates and assumptions that affect the reported amounts and disclosures of assets and liabilities at the date of financial statements and the reported amounts and disclosures of revenues and expenses during the reporting period. The resulting accounting judgments and estimates will, by definition, seldom equal the related actual results.

Judgments, estimates and assumptions are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

3.1 Critical judgments in applying accounting policies

The following are the critical judgements, apart from those involving estimation, that management has made in the process of applying the Branch's accounting policies that have the most significant effect on the amounts recognised in the financial statement

(i) Significant increase in credit risk

As explained in Note 3.1, ECLs are measured as an allowance equal to 12-month ECL for stage 1 assets, or lifetime ECL for stage 2 or stage 3 assets. An asset moves to stage 2 when its credit risk has increased significantly since initial recognition. CIFRS 9 does not define what constitutes a significant increase in credit risk. In assessing whether the credit risk of an asset has significantly increased, the Branch takes into account qualitative and quantitative reasonable and supportable forward-looking information.

(ii) Business model assessment

Classification and measurement of financial assets depends on the results of the SPPI and the business model test. The Branch determines the business model at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. This assessment includes judgement reflecting all relevant evidence including how the performance of the assets is evaluated and their performance is measured, the risks that affect the performance of the assets and how these are managed and how the managers of the assets are compensated.

The Branch monitors financial assets measured at amortised cost or fair value through other comprehensive income that are derecognised prior to their maturity to understand the reason for their disposal and whether the reasons are consistent with the objective of the business for which the asset was held. Monitoring is part of the Branch's continuous assessment of whether the business model for which the remaining financial assets are held continues to be appropriate and if it is not appropriate whether there has been a change in business model and so a prospective change to the classification of those assets.

(iii) Establishing groups of assets with similar credit risk characteristics

When ECLs are measured on a collective basis, the financial instruments are grouped on the basis of shared risk characteristics. The Branch monitors the appropriateness of the credit risk characteristics on an ongoing basis to assess whether they continue to be similar. This is required in order to ensure that should credit risk characteristics change there is appropriate re-segmentation of the assets. This may result in new portfolios being created or assets moving to an existing portfolio that better reflects the similar credit risk characteristics of that group of assets. Re-segmentation of portfolios and movement between portfolios is more common when there is a significant increase in credit risk (or when that significant increase reverses) and so assets move from 12-month to lifetime ECLs, or vice versa, but it can also occur within portfolios that continue to be measured on the same basis of 12-month or lifetime ECLs but the amount of ECL changes because the credit risk of the portfolios differ.

3. CRITICAL ACCOUNTING JUDGEMENTS AND ESTIMATES (continued)

3.1 *Critical judgments in applying accounting policies* (continued)

(iv) Models and assumptions used

The Branch uses various models and assumptions in estimating ECL. Judgement is applied in identifying the most appropriate model for each type of asset, as well as for determining the assumptions used in these models, including assumptions that relate to key drivers of credit risk.

3.2 *Key sources of estimation uncertainty*

(i) Calculation of loss allowance

When measuring expected credit losses, the Branch uses reasonable and supportable forward-looking information, which is based on assumptions for the future movement of different economic drivers and how these drivers will affect each other.

Loss given default is an estimate of the loss arising on default. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, taking into account cash flows from collateral and integral credit enhancements.

Probability of default constitutes a key input in measuring ECL. Probability of default is an estimate of the likelihood of default over a given time horizon, the calculation of which includes historical data, assumptions and expectations of future conditions.

(ii) Taxes

Taxes are calculated on the basis of the tax laws and regulations and its current interpretation. However, these regulations are subject to periodic variation and the ultimate determination of tax expense will be made following inspection by the General Department of Taxation ("GDT"). The Branch's tax returns are subject to periodic examination by the GDT. As the application of tax laws and regulations to many types of transactions are susceptible to varying interpretations, amounts reported in the financial statements could be changed at a later date upon final determination by the GDT.

Deferred tax assets are recognized for all unused tax losses and temporary differences to the extent that it is probable that future taxable profit will be available against which the losses can be utilized. Significant management judgment is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and level of future taxable income together with future tax planning strategies.

4. CASH ON HAND

	2025		*2024*	
	US$	*KHR'000 (Note 2.3)*	*US$*	*KHR'000 (Note 2.3)*
By currency:				
US$	14,234,475	57,122,948	19,272,363	77,571,261
KHR	958,186	3,845,200	1,968,760	7,924,259
Others	441,747	1,772,731	236,575	952,214
	15,634,408	**62,740,879**	**21,477,698**	**86,447,734**

5. PLACEMENTS WITH THE NBC

	2025		2024	
	US$	*KHR'000 (Note 2.3)*	*US$*	*KHR'000 (Note 2.3)*
Current accounts	173,514,491	696,313,653	293,181,115	1,180,053,989
Negotiable certificates of deposit (i)	43,557,810	174,797,492	10,011,570	40,296,569
	217,072,301	**871,111,145**	**303,192,685**	**1,220,350,558**
Less: Allowance for ECL	(30,860)	(123,841)	(149,027)	(599,834)
	217,041,441	**870,987,304**	**303,043,658**	**1,219,750,724**

The Branch has pledged Negotiable Certificates of Deposit ("NCD") amounting to US$ 43,557,810 (2024: US$ 10,011,570) with the NBC as collateral for settlement clearing facility. As at 31 December 2025, the Branch had yet utilised the overdraft on settlement clearing facility.

Movements of allowance for ECL:

	2025		2024	
	US$	*KHR'000 (Note 2.3)*	*US$*	*KHR'000 (Note 2.3)*
As at 1 January	149,027	599,834	18,924	77,305
(Reversal of provision)/ Provision for ECL *(Note 25)*	(118,167)	(473,968)	130,103	529,649
Exchange difference on translation	-	(2,025)	-	(7,120)
As at 31 December	**30,860**	**123,841**	**149,027**	**599,834**

Annual interest rates of Placements with the NBC are as follows:

	2025	*2024*
Current accounts	Nil	Nil
NCD	0.23% - 1.03%	0.50% - 1.50%

6. PLACEMENTS WITH OTHER BANKS

	2025		2024	
	US$	KHR'000 (Note 2.3)	US$	KHR'000 (Note 2.3)
Placements with local banks				
Current accounts	56,240	225,691	56,240	226,366
Fixed deposits	70,270,137	281,994,060	35,180,041	141,599,665
Placements with overseas banks				
Current accounts	36,998,940	148,476,747	56,466,478	227,277,574
Fixed deposits	753,564,550	3,024,054,539	476,766,392	1,918,984,728
	860,889,867	**3,454,751,037**	**568,469,151**	**2,288,088,333**
Less: Allowance for ECL	(753,365)	(3,023,254)	(1,835,854)	(7,389,313)
	860,136,502	**3,451,727,783**	**566,633,297**	**2,280,699,020**

Movements of allowance for ECLs are as follow:

	2025		2024	
	US$	KHR'000 (Note 2.3)	US$	KHR'000 (Note 2.3)
As at 1 January	1,835,854	7,389,313	739,443	3,020,625
(Reversal of provision)/ Provision for ECLs *(Note 25)*	(1,082,489)	(4,341,863)	1,096,411	4,463,489
Exchange difference on translation	-	(24,196)	-	(94,801)
As at 31 December	**753,365**	**3,023,254**	**1,835,854**	**7,389,313**

For purposes of preparing the statement of cash flows, cash and cash equivalents comprise the following:

	2025		2024	
	US$	KHR'000 (Note 2.3)	US$	KHR'000 (Note 2.3)
Cash on hand *(Note 4)*	15,634,408	62,740,879	21,477,698	86,447,734
Placements with the NBC:				
Current accounts *(Note 5)*	173,514,491	696,313,653	293,181,115	1,180,053,989
Placements with other banks:				
Current accounts	37,055,180	148,702,438	56,522,718	227,503,940
Fixed deposits with original maturity three months or less	643,980,385	2,584,293,285	263,128,048	1,059,090,393
	870,184,464	**3,492,050,255**	**634,309,579**	**2,553,096,056**

Annual interest rates applicable to Placements with other banks are as follows:

	2025	2024
Current accounts	0.00% - 0.50%	0.00% - 0.50%
Fixed deposits	1.30% - 5.62%	1.00% - 5.62%

7. LOANS AND ADVANCES

	2025		2024	
	US$	*KHR'000 (Note 2.3)*	*US$*	*KHR'000 (Note 2.3)*
At amortised cost:				
Long-term loans	917,221,297	3,680,809,065	847,270,436	3,410,263,505
Short-term loans				
Overdrafts	40,418,887	162,200,994	27,593,002	111,061,833
Trade finance	19,969,594	80,137,981	16,726,116	67,322,617
Credit cards	106,907	429,016	79,038	318,128
Gross carrying amount	**977,716,685**	**3,923,577,056**	**891,668,592**	**3,588,966,083**
Less: Allowance for ECL	(31,727,725)	(127,323,360)	(35,483,801)	(142,822,299)
Net carrying amount	**945,988,960**	**3,796,253,696**	**856,184,791**	**3,446,143,784**

Movements of allowance for ECL are as follow:

	2025		2024	
	US$	*KHR'000 (Note 2.3)*	*US$*	*KHR'000 (Note 2.3)*
As at 1 January	35,483,801	142,822,299	31,940,099	130,475,304
(Reversal of provision)/ Provision for ECL *(Note 25)*	(3,756,076)	(15,065,621)	3,543,702	14,426,411
Exchange difference on translation	-	(433,318)	-	(2,079,416)
As at 31 December	**31,727,725**	**127,323,360**	**35,483,801**	**142,822,299**

Allowance for ECL by stage are as follow:

	2025		2024	
	US$	*KHR'000 (Note 2.3)*	*US$*	*KHR'000 (Note 2.3)*
12-month ECL (Stage 1)	15,784,275	63,342,296	14,640,128	58,926,515
Lifetime ECL-not credit impaired (Stage 2)	7,891,533	31,668,722	9,725,389	39,144,691
Lifetime ECL-credit impaired (Stage 3)	8,051,917	32,312,342	11,118,284	44,751,093
	31,727,725	**127,323,360**	**35,483,801**	**142,822,299**

7. LOANS AND ADVANCES (continued)

Further analysis of loans and advances are as follows:

7.1 *By industry*

	2025		2024	
	US$	*KHR'000 (Note 2.3)*	*US$*	*KHR'000 (Note 2.3)*
Construction	200,069,621	802,879,389	211,682,151	852,020,658
Utilities	205,024,517	822,763,387	165,648,478	666,735,124
Manufacturing	195,190,962	783,301,331	144,357,660	581,039,582
Financial institutions	115,679,170	464,220,509	101,726,079	409,447,468
Real estate	73,700,213	295,758,955	77,655,297	312,562,570
Personal lending	69,298,956	278,096,710	58,070,135	233,732,293
Wholesale and retails	52,270,759	209,762,556	63,237,017	254,528,993
Hotels and restaurants	12,706,356	50,990,607	11,081,897	44,604,635
Agriculture, forestry and fishing	9,637,039	38,673,438	11,081,426	44,602,740
Other non-financial services	7,697,908	30,891,705	3,386,608	13,631,097
Information media and telecommunications	5,066,945	20,333,650	8,066,790	32,468,830
Rental and operational leading	3,973,941	15,947,425	8,798,930	35,415,693
Transport and storage	3,951,807	15,858,601	7,203,277	28,993,190
Other lending	23,448,491	94,098,793	19,672,847	79,183,210
Total gross carrying amount	**977,716,685**	**3,923,577,056**	**891,668,592**	**3,588,966,083**

7.2 *By maturity*

	2025		2024	
	US$	*KHR'000 (Note 2.3)*	*US$*	*KHR'000 (Note 2.3)*
Not later than 1 year	271,313,951	1,088,782,885	170,347,243	685,647,653
Later than 1 year and no later than 3 years	249,762,250	1,002,295,909	131,377,986	528,796,394
Later than 3 year and no later than 5 years	137,105,264	550,203,424	224,861,570	905,067,819
Later than 5 years	319,535,220	1,282,294,838	365,081,793	1,469,454,217
Total gross carrying amount	**977,716,685**	**3,923,577,056**	**891,668,592**	**3,588,966,083**

7.3 *By exposure*

	2025		2024	
	US$	*KHR'000 (Note 2.3)*	*US$*	*KHR'000 (Note 2.3)*
Large exposure	306,391,955	1,229,550,915	386,609,298	1,556,102,424
Non-large exposure	671,324,730	2,694,026,141	505,059,294	2,032,863,659
Total gross carrying amount	**977,716,685**	**3,923,577,056**	**891,668,592**	**3,588,966,083**

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

7. LOANS AND ADVANCES (continued)

7.4 By relationship

	2025		2024	
	US$	*KHR'000 (Note 2.3)*	*US$*	*KHR'000 (Note 2.3)*
Non-related parties	977,716,685	3,923,577,056	891,668,592	3,588,966,083
Total gross carrying amount	**977,716,685**	**3,923,577,056**	**891,668,592**	**3,588,966,083**

7.5 By residency

	2025		2024	
	US$	*KHR'000 (Note 2.3)*	*US$*	*KHR'000 (Note 2.3)*
Residents	977,716,685	3,923,577,056	891,668,592	3,588,966,083
Total gross carrying amount	**977,716,685**	**3,923,577,056**	**891,668,592**	**3,588,966,083**

7.6 By interest rate (per annum)

	2025	*2024*
Long-term loans	2.70%-7.50%	2.70% - 8.00%
Short-term loans	3.50%-7.00%	3.60% - 8.00%

8. INVESTMENT SECURITIES

	2025		2024	
	US$	*KHR'000 (Note 2.3)*	*US$*	*KHR'000 (Note 2.3)*
Investment securities at face value	322,922,189	1,295,886,744	300,000,000	1,207,500,000
Discount	(11,322,474)	(45,437,088)	(10,597,635)	(42,655,481)
Accrued Interest receivable	5,339,175	21,426,109	3,733,868	15,028,819
	316,938,890	1,271,875,765	293,136,233	1,179,873,338
Allowance for ECLs	(35,226)	(141,362)	(32,238)	(129,758)
	316,903,664	1,271,734,403	293,103,995	1,179,743,580
Fair valuation gain through OCI	574,311	2,304,711	374,437	1,507,109
As at 31 December	**317,477,975**	**1,274,039,114**	**293,478,432**	**1,181,250,689**

8. INVESTMENT SECURITIES (continued)

Set out below is the movement of investment securities:

	2025		*2024*	
	US$	*KHR'000 (Note 2.3)*	*US$*	*KHR'000 (Note 2.3)*
As at 1 January	293,478,432	1,181,250,689	-	-
Additions	311,599,715	1,249,826,457	289,402,365	1,178,157,028
Disposals, redemptions and maturity	(300,000,000)	(1,203,300,000)	-	-
Interest income	12,202,942	48,946,000	3,733,868	15,200,577
Net charge of impairment allowances *(Note 25)*	(2,988)	(11,984)	(32,238)	(131,241)
Change in fair value through OCI	199,874	801,695	374,437	1,524,333
Exchange difference on translation	-	(3,473,743)	-	(13,500,008)
As at 31 December	**317,477,975**	**1,274,039,114**	**293,478,432**	**1,181,250,689**

During the year, the Branch purchased U.S. government bonds amounting to US$ 308,711,123 with its nominal value of 320,000,000 through its Head Office, Bank of China (Hong Kong) Limited, which acts as the custodian for such investments. These investment securities have maturity terms ranging from 304 days to 363 days and earns interest ranging from 3.56% to 4.11% per annum.

The Branch purchased an additional bond issued by the China Development Bank, a stated-owned entity, amounting to CNY 20,072,456 (equivalent to US$ 2,888,592) with a nominal value of CNY 20,306,000 (equivalent to US$ 2,922,189) through Bank of China Shenzhen Branch, which acts as the custodian for this investment. This investment securities have maturity term with 265 days and earns interest at 1.60% per annum.

The investments were acquired with the intention for both collecting contractual cash flows and selling in the near future.

9. OTHER ASSETS

	2025		*2024*	
	US$	*KHR'000 (Note 2.3)*	*US$*	*KHR'000 (Note 2.3)*
Prepayments and advances	706,663	2,835,839	472,387	1,901,358
Security deposits	371,895	1,492,415	337,730	1,359,363
Contract assets related to fees from trade finance	122,953	493,410	20,422	82,199
Others	-	-	500	2,012
	1,201,511	**4,821,664**	**831,039**	**3,344,932**

10. STATUTORY DEPOSITS

	2025		2024	
	US$	KHR'000 (Note 2.3)	US$	KHR'000 (Note 2.3)
Reserve requirement	109,365,582	438,884,081	113,903,789	458,462,751
Capital guarantee deposit	15,000,000	60,195,000	15,000,000	60,375,000
	124,365,582	**499,079,081**	**128,903,789**	**518,837,751**

10.1 Reserve requirement

Under NBC Prakas No. B7-023.005 dated 9 January 2023, commercial banks are required to maintain certain cash reserves with the NBC, computed at 7% of customer deposits and borrowings in KHR. Reserve requirement for customer deposits and borrowings in foreign currencies are in accordance with dates and rates as follows:

- From 1 January 2023 to 31 December 2023, reserve requirement shall be at the rate of 9%
- From 1 January 2024 onward, reserve requirement shall be at the rate of 12.5%

On 23 November 2023, the NBC responded a letter to the Association of Banks in Cambodia allowing commercial banks to maintain reserve requirement in foreign currencies at rate of 7% until 31 December 2024. The reserve requirement in foreign currencies will remain at rate of 7% until 31 December 2025 based on the NBC's announcement dates 21 August 2024.

Reserve requirement deposits do not earn any interest.

10.2 Capital guarantee deposit

Under NBC Prakas No. B7-01-136 dated 15 October 2001, banks are required to maintain a capital guarantee of 10% of registered capital with the NBC. This deposit is not available for use in the Branch's day-to-day operations but is refundable when the Branch voluntarily ceases to operate the business in Cambodia.

The capital guarantee deposit earned interest at rate of 1.06% and 1.03% per annum for first and second semester, respectively (2024: 1.33% and 1.31% per annum).

11. RIGHT-OF-USED ASSETS AND LEASE LIABILITIES

The Branch has leased several buildings for its branch offices and ATM locations. Lease of branch offices generally have lease terms between 2 and 10 years, while ATM space generally have lease terms between 1.5 and 5 years. The Branch applies recognition exemption to leases of office equipment that are considered as low-value assets and short term leases.

11. RIGHT-OF-USED ASSETS AND LEASE LIABILITIES (continued)

Set out below are movements of the right-of-use assets:

	Right-of-use assets		
	Offices US$	*ATMs US$*	*Total US$*
At 1 January 2025	1,524,793	209,032	1,733,825
Additions	1,970,376	35,650	2,006,026
Depreciation expense	(862,537)	(67,521)	(930,058)
At 31 December 2025	**2,632,632**	**177,161**	**2,809,793**
KHR'000 *(Note 2.3)*	**10,564,752**	**710,947**	**11,275,699**
At 1 January 2024	2,106,382	63,527	2,169,909
Additions	266,267	212,847	479,114
Depreciation expense	(847,856)	(67,342)	(915,198)
At 31 December 2024	**1,524,793**	**209,032**	**1,733,825**
KHR'000 *(Note 2.3)*	**6,137,292**	**841,354**	**6,978,646**

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

	2025		*2024*	
	US$	*KHR'000 (Note 2.3)*	*US$*	*KHR'000 (Note 2.3)*
At 1 January	1,899,750	7,646,494	2,339,659	9,557,507
Additions	2,006,026	8,046,170	479,114	1,950,473
Accretion of interest *(Note 19)*	66,434	266,467	74,562	303,542
Payments	(1,053,443)	(4,225,360)	(993,585)	(4,044,885)
Exchange difference on translation	-	(20,759)	-	(120,143)
At 31 December	**2,918,767**	**11,713,012**	**1,899,750**	**7,646,494**
Current	936,106	3,756,593	371,521	1,495,373
Non-current	1,982,661	7,956,419	1,528,229	6,151,121
	2,918,767	**11,713,012**	**1,899,750**	**7,646,494**
Maturity analysis – contractual undiscounted cash flows				
Less than one year	789,622	3,168,753	976,854	3,931,837
More than one year	2,468,844	9,907,471	1,005,699	4,047,938
Total undiscounted lease liabilities	**3,258,466**	**13,076,224**	**1,982,553**	**7,979,775**

11. RIGHT-OF-USED ASSETS AND LEASE LIABILITIES (continued)

The amounts related to leases, recognized in the statement of comprehensive income, are as follows:

	2025		*2024*	
	US$	*KHR'000 (Note 2.3)*	*US$*	*KHR'000 (Note 2.3)*
Depreciation of right-of-use assets *(Note 23)*	930,058	3,730,463	915,198	3,725,771
Interest expense on lease liabilities *(Note 19)*	66,434	266,467	74,562	303,542
Rental expenses related to short- term and low value leases *(Note 24)*	91,762	368,057	82,563	336,114
Total amount recognized in the statement of comprehensive income	**1,088,254**	**4,364,987**	**1,072,323**	**4,365,427**

12. PROPERTY AND EQUIPMENT

	Leasehold improvement US$	*Furniture and equipment US$*	*Computer equipment US$*	*Motor vehicles US$*	*Work in progress US$*	*Total US$*
Cost						
At 1 January 2025	5,630,169	1,252,631	1,729,946	645,351	-	9,258,097
Additions	-	62,358	243,389	66,800	225,164	597,711
Write-off	-	(5,951)	-	(220,101)	-	(226,052)
At 31 December 2025	**5,630,169**	**1,309,038**	**1,973,335**	**492,050**	**225,164**	**9,629,756**
Accumulated depreciation						
At 1 January 2025	(4,862,976)	(1,088,029)	(1,437,592)	(439,091)	-	(7,827,688)
Depreciation charge	(280,929)	(72,538)	(152,530)	(35,625)	-	(541,622)
Write-off	-	5,951	-	220,101	-	226,052
At 31 December 2025	**(5,143,905)**	**(1,154,616)**	**(1,590,122)**	**(254,615)**	**-**	**(8,143,258)**
Net book value						
31 December 2025	**486,264**	**154,422**	**383,213**	**237,435**	**225,164**	**1,486,498**
KHR'000 *(Note 2.3)*	**1,951,377**	**619,695**	**1,537,834**	**952,827**	**903,583**	**5,965,316**

12. PROPERTY AND EQUIPMENT (continued)

	Leasehold improvement US$	*Furniture and equipment US$*	*Computer equipment US$*	*Motor vehicles US$*	*Work in progress US$*	*Total US$*
Cost						
At 1 January 2024	5,523,697	1,290,579	1,604,921	636,601	-	9,055,798
Additions	-	80,401	145,014	213,750	106,472	545,637
Transfers	106,472	-	-	-	(106,472)	-
Write-off	-	(118,349)	(19,989)	(205,000)	-	(343,338)
At 31 December 2024	**5,630,169**	**1,252,631**	**1,729,946**	**645,351**	**-**	**9,258,097**
Accumulated depreciation						
At 1 January 2024	(4,555,524)	(1,134,931)	(1,270,609)	(614,378)	-	(7,575,442)
Depreciation charge	(307,452)	(71,447)	(186,972)	(29,713)	-	(595,584)
Write-off	-	118,349	19,989	205,000	-	343,338
At 31 December 2024	**(4,862,976)**	**(1,088,029)**	**(1,437,592)**	**(439,091)**	**-**	**(7,827,688)**
Net book value						
31 December 2024	**767,193**	**164,602**	**292,354**	**206,260**	**-**	**1,430,409**
KHR'000 *(Note 2.3)*	**3,087,952**	**662,523**	**1,176,725**	**830,196**	**-**	**5,757,396**

13. INCOME TAX

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

Details of estimated current income tax expense are as follows:

13.1 Income tax expense

	2025		2024	
	US$	*KHR'000 (Note 2.3)*	*US$*	*KHR'000 (Note 2.3)*
Current income tax	11,973,893	48,027,285	12,059,814	49,095,503
Deferred income tax	102,598	411,521	(2,162,556)	(8,803,765)
Under/(Over) provision of income tax in prior period	201,199	807,009	(54,212)	(220,698)
Income tax expense	**12,277,690**	**49,245,815**	**9,843,046**	**40,071,040**

Reconciliation of income tax expense and accounting profit:

	2025		2024	
	US$	*KHR'000 (Note 2.3)*	*US$*	*KHR'000 (Note 2.3)*
Profit before income tax	**57,968,151**	**232,510,255**	**47,110,483**	**191,786,776**
Tax calculation at 20%	11,593,630	46,502,051	9,422,097	38,357,355
Effect of non-deductible expenses	482,861	1,936,755	475,161	1,934,383
Under/(Over) provision of income tax in prior period	201,199	807,009	(54,212)	(220,698)
Income tax expense	**12,277,690**	**49,245,815**	**9,843,046**	**40,071,040**

13.2 Current income tax liability

The movements of the current income tax liabilities are as follows:

	2025		2024	
	US$	*KHR'000 (Note 2.3)*	*US$*	*KHR'000 (Note 2.3)*
As at 1 January	11,112,670	44,728,497	8,077,549	32,996,788
Current income tax	11,973,893	48,027,285	12,059,814	49,095,503
Income tax paid	(12,328,776)	(49,450,721)	(8,970,481)	(36,518,828)
Under/(Over) provision of prior period	201,199	807,009	(54,212)	(220,698)
Currency translation differences	-	(133,659)	-	(624,268)
As at 31 December	**10,958,986**	**43,978,411**	**11,112,670**	**44,728,497**

13. INCOME TAX (continued)

13.3 Deferred tax

Details of deferred tax assets recognized by the Branch are as follows:

	2025		2024	
	US$	*KHR'000 (Note 2.3)*	*US$*	*KHR'000 (Note 2.3)*
Deferred tax asset on:				
Impairment loss	4,932,299	19,793,316	4,997,382	20,114,463
Unamortised loan fees	584,921	2,347,287	590,216	2,375,619
Lease liabilities	583,753	2,342,601	379,950	1,529,299
Accelerated depreciation	84,050	337,292	104,881	422,146
	6,185,023	**24,820,496**	**6,072,429**	**24,441,527**
Deferred tax liability on:				
Right-of-use assets	(561,955)	(2,255,125)	(346,763)	(1,395,722)
Deferred tax assets - net	**5,623,068**	**22,565,371**	**5,725,666**	**23,045,805**

14. DEPOSITS FROM OTHER BANKS AND FINANCIAL INSTITUTIONS

	2025		2024	
	US$	*KHR'000 (Note 2.3)*	*US$*	*KHR'000 (Note 2.3)*
Current accounts	205,816,868	825,943,091	1,886,261	7,592,201
Fixed deposits	20,035,312	80,401,707	42,155,616	169,676,354
	225,852,180	**906,344,798**	**44,041,877**	**177,268,555**

14.1 By residency

	2025		2024	
	US$	*KHR'000 (Note 2.3)*	*US$*	*KHR'000 (Note 2.3)*
Residents	223,215,637	895,764,351	43,179,772	173,798,582
Non-residents	2,636,543	10,580,447	862,105	3,469,973
	225,852,180	**906,344,798**	**44,041,877**	**177,268,555**

14.2 By relationship

	2025		2024	
	US$	*KHR'000 (Note 2.3)*	*US$*	*KHR'000 (Note 2.3)*
Related parties *(Note 27.3)*	2,636,543	10,580,447	862,105	3,469,973
Non-related parties	223,215,637	895,764,351	43,179,772	173,798,582
	225,852,180	**906,344,798**	**44,041,877**	**177,268,555**

14. DEPOSITS FROM OTHER BANKS AND FINANCIAL INSTITUTIONS (continued)

14.3 By interest rate (per annum)

	2025	*2024*
Current accounts	Nil	Nil
Fixed deposits	2.80% - 4.25%	3.70% - 5.00%

15. DEPOSITS FROM CUSTOMERS

	2025		*2024*	
	US$	*KHR'000 (Note 2.3)*	*US$*	*KHR'000 (Note 2.3)*
Current accounts	685,514,761	2,750,970,736	612,138,479	2,463,857,378
Fixed deposits	293,297,369	1,177,002,342	256,638,041	1,032,968,115
Savings deposits	141,273,931	566,932,285	117,228,915	471,846,383
Margin deposits	2,198,949	8,824,382	5,026,257	20,230,684
	1,122,285,010	**4,503,729,745**	**991,031,692**	**3,988,902,560**

15.1 By maturity

	2025		*2024*	
	US$	*KHR'000 (Note 2.3)*	*US$*	*KHR'000 (Note 2.3)*
Current	1,115,675,666	4,477,206,448	988,262,546	3,977,756,748
Non-current	6,609,344	26,523,297	2,769,146	11,145,812
	1,122,285,010	**4,503,729,745**	**991,031,692**	**3,988,902,560**

15.2 By residency

	2025		*2024*	
	US$	*KHR'000 (Note 2.3)*	*US$*	*KHR'000 (Note 2.3)*
Residents	952,595,710	3,822,766,584	874,579,515	3,520,182,548
Non-residents	169,689,300	680,963,161	116,452,177	468,720,012
	1,122,285,010	**4,503,729,745**	**991,031,692**	**3,988,902,560**

15.3 By relationship

	2025		*2024*	
	US$	*KHR'000 (Note 2.3)*	*US$*	*KHR'000 (Note 2.3)*
Related parties *(Note 27.3)*	184,743	741,374	59,075	237,777
Non-related parties	1,122,100,267	4,502,988,371	990,972,617	3,988,664,783
	1,122,285,010	**4,503,729,745**	**991,031,692**	**3,988,902,560**

15. DEPOSITS FROM CUSTOMERS (continued)

15.4 By interest rate (per annum)

	2025	*2024*
Current accounts	0% - 4.50%	0% - 5.40%
Savings deposits	0.15% - 0.35%	0.15% - 0.35%
Fixed deposits	0.15% - 7.00%	0.15% - 7.00%
Margin deposits	Nil	Nil

16. BORROWINGS

	2025		*2024*	
	US$	*KHR'000 (Note 2.3)*	*US$*	*KHR'000 (Note 2.3)*
Related parties				
Bank of China (Hong Kong) Limited (i)	542,732,249	2,177,984,515	643,999,408	2,592,097,617
Bank of China Limited (ii)	14,628,585	58,704,512	13,123,956	52,823,923
	557,360,834	**2,236,689,027**	**657,123,364**	**2,644,921,540**
Non-related parties				
Borrowings from the other banks (iii)	149,415,090	599,602,756	85,195,214	342,910,736
	149,415,090	**599,602,756**	**85,195,214**	**342,910,736**
	706,775,924	**2,836,291,783**	**742,318,578**	**2,987,832,276**

(i) The Branch obtained six unsecured short-term borrowings from Bank of China (Hong Kong) Limited, Head Office, with an annual interest rate ranging from 1.53% to 4.52% per annum (2024: 0.60% to 6.30% per annum). The borrowings will be repaid on various maturity date in 2026.

(ii) The Branch obtained an unsecured short-term borrowing from Bank of China Limited, Affiliate, with an annual interest rate at 1.96% (2024: 1.71%) per annum. The borrowing will be repaid on maturity date on 3 March 2026.

(iii) The Branch obtained unsecured short-term borrowings from local banks, with an annual interest rate from 1.00% to 4.60% (2024: 3.50% to 5.50%) per annum. The borrowings will be repaid on various maturity date in 2026.

	2025		*2024*	
	US$	*KHR'000 (Note 2.3)*	*US$*	*KHR'000 (Note 2.3)*
Current				
Principal amount	703,882,213	2,824,679,321	740,366,005	2,979,973,170
Interest payables	2,893,711	11,612,462	1,952,573	7,859,106
	706,775,924	**2,836,291,783**	**742,318,578**	**2,987,832,276**

16. BORROWINGS (continued)

Movements of borrowings are as follows:

	2025		2024	
	US$	*KHR'000 (Note 2.3)*	*US$*	*KHR'000 (Note 2.3)*
At 1 January	742,318,578	2,987,832,276	784,791,648	3,205,873,882
Additions	10,967,717,667	43,991,515,562	17,703,332,110	72,070,265,020
Interest charges *(Note 19)*	15,265,687	61,230,670	15,401,768	62,700,597
Payment of principle	(11,004,201,459)	(44,137,852,052)	(17,747,255,528)	(72,249,077,254)
Payment of interest	(14,324,549)	(57,455,766)	(13,951,420)	(56,796,231)
Exchange difference on translation	-	(8,978,907)	-	(45,133,738)
At 31 December	**706,775,924**	**2,836,291,783**	**742,318,578**	**2,987,832,276**

Annual interest rates applicable to Borrowings are as follows:

	2025	2024
Related parties	0.60% - 6.00%	0.60% - 6.30%
Non-related parties	3.50% - 5.00%	3.50% - 5.50%

17. OTHER LIABILITIES

	2025		2024	
	US$	*KHR'000 (Note 2.3)*	*US$*	*KHR'000 (Note 2.3)*
Outward remittances	3,607,773	14,477,993	16,728,677	67,332,925
Accrued bonus	2,316,405	9,295,733	1,833,665	7,380,502
Provision for ECL on off-balance sheet items	1,656,024	6,645,624	1,185,429	4,771,352
Contract liabilities related to fees from trade finance	719,533	2,887,486	588,254	2,367,722
Accrued expenses	390,487	1,567,024	349,622	1,407,229
Other tax payables	241,197	967,924	294,919	1,187,049
Banker cheques	65,585	263,193	606	2,439
Others	78,887	316,574	48,220	194,085
At 31 December	**9,075,891**	**36,421,551**	**21,029,392**	**84,643,303**

18. HEAD OFFICE'S EQUITY

18.1 *Head Office's capital contributions*

This represents the capital contributions of its Head Office.

	2025		2024	
	US$	*KHR'000 (Note 2.3)*	*US$*	*KHR'000 (Note 2.3)*
Head office's capital contributions	**150,000,000**	**600,000,000**	**150,000,000**	**600,000,000**

18.2 *Regulatory reserve*

Comparison of regulatory and CIFRS allowance, and required regulatory reserve are as follows:

	2025	2024
	US$	*US$*
A. Allowance per NBC	36,160,259	33,208,095
B. Allowance per CIFRS 9	34,203,200	38,686,349
Compare between A and B	**A > B**	**A < B**
Regulatory reserves required (A – B)	**1,957,059**	**Not required**
KHR'000 *(Note 2.3)*	**7,853,678**	**Not required**

19. NET INTEREST INCOME

	2025		2024	
	US$	*KHR'000 (Note 2.3)*	*US$*	*KHR'000 (Note 2.3)*
Interest income				
Loans and advances	59,943,925	240,435,083	59,629,423	242,751,381
Placements with the NBC	285,863	1,146,596	363,871	1,481,319
Placements with other banks				
Local banks	970,034	3,890,806	1,465,237	5,964,979
Overseas banks	15,897,410	63,764,513	17,276,627	70,333,149
Investment securities	12,202,942	48,946,000	3,733,868	15,200,577
Total interest income	**89,300,174**	**358,182,998**	**82,469,026**	**335,731,405**
Interest expense				
Fixed deposits	(11,699,189)	(46,925,447)	(8,416,728)	(34,264,500)
Current accounts	(5,503,328)	(22,073,849)	(2,067,705)	(8,417,627)
Saving deposits	(204,982)	(822,183)	(185,447)	(754,955)
Borrowings	(15,265,687)	(61,230,670)	(15,401,768)	(62,700,597)
Lease liabilities	(66,434)	(266,467)	(74,562)	(303,542)
Total interest expense	**(32,739,620)**	**(131,318,616)**	**(26,146,210)**	**(106,441,221)**
Net interest income	**56,560,554**	**226,864,382**	**56,322,816**	**229,290,184**

20. NET FEE AND COMMISSION INCOME

	2025		2024	
	US$	*KHR'000 (Note 2.3)*	*US$*	*KHR'000 (Note 2.3)*
Fee and commission income:				
Remittance	6,994,135	28,053,475	5,771,299	23,494,958
Loans and trade finance	2,235,397	8,966,177	979,497	3,987,532
Card related charges	166,002	665,834	161,252	656,457
Others	375,275	1,505,229	402,447	1,638,362
Total fee and commission income	**9,770,809**	**39,190,715**	**7,314,495**	**29,777,309**
Fee and commission expenses	(1,014,832)	(4,070,491)	(1,111,706)	(4,525,755)
Net fee and commission income	**8,755,977**	**35,120,224**	**6,202,789**	**25,251,554**

21. OTHER GAINS – NET

	2025		2024	
	US$	*KHR'000 (Note 2.3)*	*US$*	*KHR'000 (Note 2.3)*
Net foreign exchange gains	2,515,195	10,088,447	3,477,644	14,157,489
Others	60,729	243,584	54,795	223,070
	2,575,924	**10,332,031**	**3,532,439**	**14,380,559**

22. PERSONNEL EXPENSES

	2025		2024	
	US$	*KHR'000 (Note 2.3)*	*US$*	*KHR'000 (Note 2.3)*
Salaries and wages	7,371,451	29,566,890	6,489,683	26,419,499
Allowances	1,937,493	7,771,284	1,788,742	7,281,969
Other benefits	411,077	1,648,830	438,998	1,787,161
	9,720,021	**38,987,004**	**8,717,423**	**35,488,629**

23. DEPRECIATION CHARGES

	2025		2024	
	US$	*KHR'000 (Note 2.3)*	*US$*	*KHR'000 (Note 2.3)*
Depreciation of right-of-use assets *(Note 11)*	930,058	3,730,463	915,198	3,725,771
Depreciation of property and equipment *(Note 12)*	541,622	2,172,445	595,584	2,424,623
	1,471,680	**5,902,908**	**1,510,782**	**6,150,394**

24. OTHER OPERATING EXPENSES

	2025		2024	
	US$	KHR'000 (Note 2.3)	US$	KHR'000 (Note 2.3)
Management fees	486,833	1,952,687	335,216	1,364,664
Network and telecommunication	408,695	1,639,276	355,133	1,445,746
Other taxes	367,506	1,474,067	321,089	1,307,153
Outsource services	334,436	1,341,423	298,221	1,214,058
Legal and professional fees	282,008	1,131,134	287,086	1,168,727
License fees	197,055	790,388	189,373	770,937
Advertising and marketing expenses	194,154	778,752	197,782	805,171
Utilities	179,023	718,061	169,764	691,109
Travelling expenses	115,432	462,998	105,067	427,728
Repairs and maintenance	105,711	424,007	147,844	601,873
Rental expenses related to short-term and low value leases	91,762	368,057	82,563	336,114
Social activities	88,543	355,146	137,056	557,955
Insurances	80,627	323,395	111,790	455,097
Training expense	68,537	274,902	48,803	198,677
IT related expense	49,294	197,718	68,374	278,351
Office supplies	38,409	154,058	37,947	154,482
Others	127,727	512,312	99,397	404,646
	3,215,752	**12,898,381**	**2,992,505**	**12,182,488**

25. REVERSAL OF ALLOWANCE/(PROVISION) ON ECL

	2025		2024	
	US$	KHR'000 (Note 2.3)	US$	KHR'000 (Note 2.3)
Loans and advances	3,756,076	15,065,621	(3,543,702)	(14,426,411)
Placements with other Banks	1,082,489	4,341,863	(1,096,411)	(4,463,489)
Credit commitments and financial guarantee contracts	(470,595)	(1,887,557)	(924,397)	(3,763,220)
Placements with the NBC	118,167	473,968	(130,103)	(529,649)
Investment securities	(2,988)	(11,984)	(32,238)	(131,241)
	4,483,149	**17,981,911**	**(5,726,851)**	**(23,314,010)**

26. COMMITMENTS AND CONTINGENCIES

26.1 Loan commitments, guarantees and other financial commitments

The Branch had contracts for off-balance sheet financial instruments that commit it to extend credit to customers, guarantees and other facilities as follows:

	2025		*2024*	
	US$	*KHR'000 (Note 2.3)*	*US$*	*KHR'000 (Note 2.3)*
Loan commitments	256,531,135	1,029,459,445	100,414,291	404,167,520
Bank guarantees and others	126,276,961	506,749,444	106,099,075	427,048,777
Letters of credit	11,086,197	44,488,909	5,760,995	23,188,005
Unused portion of overdrafts	7,623,563	30,593,358	8,700,475	35,019,413
Total exposure	**401,517,856**	**1,611,291,156**	**220,974,836**	**889,423,715**
Less: Allowance for ECL	(1,656,024)	(6,645,624)	(1,185,429)	(4,771,352)
Net exposure	**399,861,832**	**1,604,645,532**	**219,789,407**	**884,652,363**

Movements of provision for off-balance-sheet items are as below:

	2025		*2024*	
	US$	*KHR'000 (Note 2.3)*	*US$*	*KHR'000 (Note 2.3)*
At 1 January	1,185,429	4,771,352	261,032	1,066,316
Provision for the year (*Note 25*)	470,595	1,887,557	924,397	3,763,220
Exchange differences on translation	-	(13,285)	-	(58,184)
At 31 December	**1,656,024**	**6,645,624**	**1,185,429**	**4,771,352**

26.2 Operating lease commitments

The Branch recognised right-of-use assets and lease liabilities for lease contracts where the Branch is a lessee, except for low value lease and short-term leases, see Note 2.13.3 and Note 11 for further information. The lease commitments of low value lease and short-term leases are insignificant.

27. RELATED-PARTY TRANSACTIONS

27.1 *Related parties and relationships*

The related parties of the Branch are as follows:

Related party	***Relationship***
Bank of China (Hong Kong) Limited	Head office
Bank of China Limited	Affiliate
Bank of China Limited Shanghai Branch	Affiliate
Bank of China Zweigniederlassung Frankfurt am Main Frankfurt Branch	Affiliate
Bank of China Shenzhen Branch	Affiliate
Key management personnel	All executive management of the Branch who make critical decisions in relation to the strategic direction of the Branch (including their immediate family)

27.2 *Placements with related parties*

	2025		*2024*	
	US$	*KHR'000 (Note 2.3)*	*US$*	*KHR'000 (Note 2.3)*
Current accounts				
Bank of China (Hong Kong) Limited	21,327,566	85,587,522	40,062,851	161,252,975
Bank of China Limited	7,007,363	28,120,548	4,320,864	17,391,478
Bank of China Limited Shanghai Branch	6,066,906	24,346,494	7,409,544	29,823,415
Bank of China Zweigniederlassung Frankfurt Main Frankfurt Branch	1,175,404	4,716,896	3,987,206	16,048,504
Bank of China Shenzhen Branch	5,259	21,104	-	-
Fixed deposits				
Bank of China (Hong Kong) Limited	753,497,457	3,023,785,295	476,696,351	1,918,702,813
	789,079,955	**3,166,577,859**	**532,476,816**	**2,143,219,185**
Interest income	**15,897,410**	**63,764,513**	**17,276,627**	**70,333,149**

Annual interest rates during the year are as follows:

	2025	*2024*
Current accounts	0% - 0.50%	0% to 0.50%
Fixed deposits	0.60% - 5.62%	1.00% - 5.81%

27. RELATED-PARTY TRANSACTIONS (continued)

27.3 Deposits from related parties

	2025		*2024*	
	US$	*KHR'000 (Note 2.3)*	*US$*	*KHR'000 (Note 2.3)*
Bank of China Limited				
Current account	2,636,543	10,580,447	862,105	3,469,973
Key management personnel:				
Savings accounts	57,103	229,154	31,518	126,860
Fixed deposits	127,640	512,220	27,557	110,917
	2,821,286	**11,321,821**	**921,180**	**3,707,750**
Interest expense	**1,836**	**7,364**	**244**	**993**

Annual interest rates during the year are as follows:

	2025	*2024*
Savings accounts	0.15% - 0.35%	0.15% - 0.35%
Fixed deposits	3.00%	3.00%
Current accounts	Nil	Nil

27.4 Borrowings

	2025		*2024*	
	US$	*KHR'000 (Note 2.3)*	*US$*	*KHR'000 (Note 2.3)*
Bank of China (Hong Kong) Limited	542,732,249	2,177,984,515	643,999,408	2,592,097,617
Bank of China Limited	14,628,585	58,704,512	13,123,956	52,823,923
Total borrowings *(Note 16)*	**557,360,834**	**2,236,689,027**	**657,123,364**	**2,644,921,540**
Interest expense	**11,024,016**	**44,217,328**	**11,903,578**	**48,459,466**

27.5 Other transactions charged from related parties

	2025		*2024*	
	US$	*KHR'000 (Note 2.3)*	*US$*	*KHR'000 (Note 2.3)*
Bank of China Limited:				
Information technology fees	213,676	857,054	141,182	574,752
Borrowings	14,849,418	59,561,016	13,123,956	53,427,625
Repayments	13,348,646	53,541,419	-	-
Bank of China (Hong Kong) Limited:				
Information technology fees	126,515	507,452	53,450	217,595
Management fees	86,524	347,048	138,322	563,109
Guarantee fees	165,154	662,433	-	-
Borrowings	10,260,353,155	41,154,276,505	17,098,035,156	69,606,101,120
Repayments	10,360,269,802	41,555,042,176	17,185,264,881	69,961,213,331

Transactions with related parties are under normal business terms and conditions.

27. RELATED-PARTY TRANSACTIONS (continued)

27.6 *Key management compensation*

	2025		2024	
	US$	*KHR'000 (Note 2.3)*	*US$*	*KHR'000 (Note 2.3)*
Salaries and short-term employee benefits	710,658	2,850,449	857,873	3,492,401
Long-term benefits	207,211	831,123	44,316	180,410
Salaries and other benefits	**917,869**	**3,681,572**	**902,189**	**3,672,811**

28. FINANCIAL RISK MANAGEMENT

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

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

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

	2025		2024	
	US$	*KHR'000 (Note 2.3)*	*US$*	*KHR'000 (Note 2.3)*
Financial assets				
Cash on hand	15,634,408	62,740,879	21,477,698	86,447,734
Placements with the NBC	217,072,301	871,111,145	303,192,685	1,220,350,558
Placements with other banks	860,889,867	3,454,751,037	568,469,151	2,288,088,333
Loans and advances	977,716,685	3,923,577,056	891,668,592	3,588,966,083
Investment securities	317,513,201	1,274,180,476	293,510,670	1,181,380,447
Other financial assets*	494,848	1,985,825	358,152	1,441,562
Total financial assets	**2,389,321,310**	**9,588,346,418**	**2,078,676,948**	**8,366,674,717**
Financial liabilities				
Deposits from banks	225,852,180	906,344,798	44,041,877	177,268,555
Deposits from customers	1,122,285,010	4,503,729,745	991,031,692	3,988,902,560
Borrowings	706,775,924	2,836,291,783	742,318,578	2,987,832,276
Lease liabilities	2,918,767	11,713,012	1,899,750	7,646,494
Other financial liabilities*	6,459,137	25,920,517	18,960,790	76,317,180
Total financial liabilities	**2,064,291,018**	**8,283,999,855**	**1,798,252,687**	**7,237,967,065**
Net financial assets	**325,030,292**	**1,304,346,563**	**280,424,261**	**1,128,707,652**

**Other financial assets excludes prepayment and advances.*
**Other financial liabilities excludes provision for ECL on off-balance sheet items, unearned processing fees for off-balance sheet items and other tax payable.*

28. FINANCIAL RISK MANAGEMENT (continued)

28.1 Credit risk

Credit risk is the risk of suffering financial loss, should any of the Branch's customers or market counterparties fail to fulfil their contractual obligations to the Branch. Credit risk arises from Placements with the NBC and other banks, loans and advances, other financial assets, and credit commitments and financial guarantee contracts. Credit exposure arises principally in lending activities.

(a) Credit risk measurement

Credit risk is managed on a group basis.

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

Placements with the NBC and other banks are considered to be of low credit risk. The credit ratings of these assets are monitored for credit deterioration. Measurement for impairment is limited to 12-month ECL. Other financial assets at amortised cost are monitored for its credit rating deterioration, and the measurement of impairment follows three-stage approach in Note 28.1 (c).

(b) Risk limit control and mitigation policies

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

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

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

(c) Impairment (ECL) policies

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

28. FINANCIAL RISK MANAGEMENT (continued)

28.1 Credit risk (continued)

(c) Impairment (ECL) policies (continued)

Under the three-stage approach, the financial instrument is allocated into three stages based on the relative movement in the credit risk.

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

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

(i) Significant increase in credit risk (SICR)

The assessment of SICR shall be a multifactor and holistic analysis and based on a mixture of quantitative and/or qualitative information. To determine whether the risk of default of a loan/financing has increased significantly since initial recognition, the current risk of default at the reporting date is compared with the risk of default at initial recognition. A borrower is considered to have credit risk increased significantly since initial recognition if past due is 30 days or more for long-term facilities and 15 days past due for short-term facilities.

(ii) Definition of default and credit impaired

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

- The borrower/obligor is 30 days past due or more on its contractual payments for a short-term facility.
- The borrower/obligor is 90 days past due or more on its contractual payments for a long-term facility.
- In the case of revolving facilities (e.g. overdrafts), the facility shall be classified as impaired where the outstanding amount has remained in excess of the approved limit for a period of 90 days or more consecutive days.
- The loan is forced impaired due to various reasons, such as bankruptcy, significant financial difficulty, loan classification status in “Substandard”, “Doubtful”, or “Loss” etc. In the event where a loan is not in default or past due but force impaired, the loan shall be classified as impaired upon approval by the management.
- Restructuring and rescheduling of a loan facility involves any substantial modification made to the original repayment terms and conditions of the loan facility following an increase in the credit risk of an obligor/counterparty.

28. FINANCIAL RISK MANAGEMENT (continued)

28.1 Credit risk (continued)

(c) Impairment (ECL) policies (continued)

(ii) Definition of default and credit impaired (continued)

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

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

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

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

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

Probability of default (PD)

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

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

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

For portfolios without sufficient default data, forward-looking proxy PDs are used.

Exposure at Default (EAD)

EAD is based on the amounts the Branch expects to be owed at the time of default, over the next 12 months (12M EAD) or over the remaining lifetime (Lifetime EAD).

Loss Given Default (LGD)

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

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

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

28. FINANCIAL RISK MANAGEMENT (continued)

28.1 *Credit risk* (continued)

(c) Impairment (ECL) policies (continued)

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

The calculation of ECL incorporates forward-looking information. To compute the final ECL, the Branch applies forward-looking adjustments and management overlay, taking into account past events, current conditions and future macroeconomic conditions.

Macroeconomic variable assumptions

The Branch considers possible scenarios along with scenario weightings. The number of scenarios and their attributes are reassessed at each reporting date.

The weightings assigned to each economic scenario as at 31 December 2025 and 31 December 2024 are as follows:

	Alternative	*Best*	*Base*	*Downturn*
As at 31 December 2025				
Scenario probability weighting	10%	10%	60%	20%
As at 31 December 2024				
Scenario probability weighting	10%	10%	60%	20%

Sensitivity analysis

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

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

	Changes
Scenario probability weighting	+/-5%

	2025		*2024*	
	US$	*KHR'000 (Note 2.3)*	*US$*	*KHR'000 (Note 2.3)*
Total decrease in ECL on the positive changes in key variables	(228,440)	(916,730)	(273,225)	(1,112,299)
Total increase in ECL on the negative changes in key variables	558,408	2,240,891	727,418	2,961,319

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

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

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

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

28. FINANCIAL RISK MANAGEMENT (continued)

28.1 Credit risk (continued)

(c) Impairment (expected credit loss) policies (continued)

(vi) Write off policy

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 Branch 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 'credit impairment losses' in the statement of profit or loss and other comprehensive income.

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

(vii) Modification of loans

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

- If the borrower is in financial difficulty, whether the modification merely reduces the contractual cash flows to amounts the borrower is expected to be able to pay.
- Whether any substantial new terms are introduced, such as a profit share/equity-based return that substantially affects the risk profile of the loan.
- Significant extension of the loan term when the borrower is not in financial difficulty.
- Significant change in the interest rate.
- Change in the currency the loan is denominated in.
- Insertion of collateral, other security or credit enhancements that significantly affect the credit risk associated with the loan.

The risk of default of such loans after modification is assessed at the reporting date and compared with the risk under the original terms at initial recognition, when the modification is not substantial and so does not result in derecognition of the original loans. The Branch monitors the subsequent performance of modified assets. The Branch may determine that the credit risk has significantly improved after restructuring, so that the assets are moved from Stage 3 or Stage 2 (Lifetime ECL) to Stage 1 (12-month ECL). This is only the case for assets which have performed in accordance with the new terms for six consecutive months or more.

(viii) Off-balance sheet exposures

Off-balance sheet exposures are exposures such as undrawn credit facilities and financial guarantee contracts. The Branch has applied internal Credit Conversion Factor (CCF) to estimate the EAD of off-balance sheet items. For operational simplification, the Branch assumes CCF for the off-balance sheet exposures as follows:

- 20% CCF is assumed for unused portion of letter of credits and loans with maturity less than one year
- 50% CCF is assumed for unused portion of commitment of credit facilities and loans with maturity more than one year
- 50% CCF is assumed for bank guarantees issued not for financing
- 100% CCF is assumed for bank guarantees issued for financing

28. FINANCIAL RISK MANAGEMENT (continued)

28.1 *Credit risk* (continued)

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

The maximum exposure to credit risk for financial assets recognised in the statements of financial position is their carrying amounts. For contingent liabilities, the maximum exposure to credit risk is the maximum amount that the Branch 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. The table below shows the maximum exposure to credit risk for the Branch on financial instruments subject to impairment:

	2025		*2024*	
	US$	*KHR'000 (Note 2.3)*	*US$*	*KHR'000 (Note 2.3)*
Credit risk exposure relating to on-balance sheet assets:				
Placements with the NBC	217,072,301	871,111,145	303,192,685	1,220,350,558
Placements with other banks	860,889,867	3,454,751,037	568,469,151	2,288,088,333
Loans and advances	977,716,685	3,923,577,056	891,668,592	3,588,966,083
Investment securities	317,513,201	1,274,180,476	293,510,670	1,181,380,447
Other financial assets	494,848	1,985,825	358,152	1,441,562
	2,373,686,902	**9,525,605,539**	**2,057,199,250**	**8,280,226,983**
Credit risk exposure relating to off-balance sheet items:				
Loan commitments	256,531,135	1,029,459,445	100,414,291	404,167,520
Guarantees and others	126,276,961	506,749,444	106,099,075	427,048,777
Letters of credits	11,086,197	44,488,909	5,760,995	23,188,005
Unutilised portion of overdrafts	7,623,563	30,593,358	8,700,475	35,019,413
	401,517,856	**1,611,291,156**	**220,974,836**	**889,423,715**
Total maximum credit risk exposure that are subject to impairment	**2,775,204,758**	**11,136,896,695**	**2,278,174,086**	**9,169,650,698**
Less: Allowance for expected credit loss	(34,203,200)	(137,257,441)	(38,686,349)	(155,712,556)
Total net credit exposure	**2,741,001,558**	**10,999,639,254**	**2,239,487,737**	**9,013,938,142**

28. FINANCIAL RISK MANAGEMENT (continued)

28.1 *Credit risk* (continued)

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

The above table represents a worst-case scenario of credit risk exposure to the Branch, since collateral held and/or other credit enhancement attached were not taken into account. For on-balance sheet assets, the exposures set out above are based on net carrying amounts. As shown above, 38% (2024: 39%) of total maximum exposure is derived from loans and advances. Management is confident of its ability to continue to control and sustain minimal exposure on credit risk resulting from the Branch's loans and advances due to the following:

- Almost all loans and advances are collateralised and loan to collateral value not exceeding 70%.
- The Branch has a proper credit evaluation process in place for granting of loans and advances to customers.
- 91% of placements with other banks is held with its Head Office, a bank with credit rating investment grade (2024: 93%). The remaining balances were held with local banks and oversea banks and management has done proper risk assessment and believes there will be no material loss from these local banks and oversea banks.

(e) Credit quality of financial assets

Loans and advances and credit commitments

The Branch assesses credit quality of loans, advances and financing using internal rating techniques tailored in combination with the day past due (DPD) information and NBC's classification for staging criteria.

Long-term facilities (more than one year)

Stages	Credit risk status	NBC's grades	Day past due	Default Indicator
1	No significant increase in credit risk	Normal	0 ≤ DPD < 30	Performing
2	Credit risk increased significantly	Special mention	30 ≤ DPD < 90	Under-performing
3	Credit-impaired assets	Substandard	90 ≤ DPD < 180	Non-performing
		Doubtful	180 ≤ DPD < 360	
		Loss	DPD ≥ 360	

Short-term facilities (one year or less)

Stages	Credit risk status	NBC's grades	Day past due	Default Indicator
1	No significant increase in credit risk	Normal	0 ≤ DPD ≤ 14	Performing
2	Credit risk increased significantly	Special mention	15 ≤ DPD ≤ 30	Under-performing
3	Credit-impaired assets	Substandard	31 ≤ DPD ≤ 60	Non-performing
		Doubtful	61 ≤ DPD ≤ 90	
		Loss	DPD ≥ 91	

28. FINANCIAL RISK MANAGEMENT (continued)

28.1 Credit risk (continued)

(e) Credit quality of financial assets (continued)

Financial assets other than loans and advances and credit commitments

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

Credit quality	***Description***
Sovereign	Refer to financial assets issued by the NBC/government or guarantee by the NBC/government.
Investment grade	Refers to the credit quality of the financial asset that the issuer is able to meet payment obligation and exposure bondholder to low credit risk of default.
Non-investment grade	Refers to low credit quality of the financial asset that is highly exposed to default risk.
Un-graded	Refers to financial assets which are currently not assigned with ratings due to unavailability of ratings models.
Credit impaired	Refers to the asset that is being impaired.

28. FINANCIAL RISK MANAGEMENT (continued)

28.1 *Credit risk* (continued)

(e) Credit quality of financial assets (continued)

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

	2025				2024			
	12-month ECL US$	*Lifetime ECL not Credit-Impaired US$*	*Lifetime ECL Credit-Impaired US$*	*Total US$*	*12-month ECL US$*	*Lifetime ECL not Credit-Impaired US$*	*Lifetime ECL Credit-Impaired US$*	*Total US$*
Placements with the NBC								
Sovereign	217,072,301	-	-	217,072,301	303,192,685	-	-	303,192,685
Gross carrying amount	**217,072,301**	**-**	**-**	**217,072,301**	**303,192,685**	**-**	**-**	**303,192,685**
Less: Allowance for ECL	(30,860)	-	-	(30,860)	(149,027)	-	-	(149,027)
Net carrying amount	**217,041,441**	**-**	**-**	**217,041,441**	**303,043,658**	**-**	**-**	**303,043,658**
KHR'000 *(Note 2.3)*	**870,987,304**	**-**	**-**	**870,987,304**	**1,219,750,724**	**-**	**-**	**1,219,750,724**
Placements with other banks								
Investment grade	790,619,730	-	-	790,619,730	533,289,113	-	-	533,289,113
Non-investment grade	70,270,137	-	-	70,270,137	35,180,038	-	-	35,180,038
Gross carrying amount	**860,889,867**	**-**	**-**	**860,889,867**	**568,469,151**	**-**	**-**	**568,469,151**
Less: Allowance for ECL	(753,365)	-	-	(753,365)	(1,835,854)	-	-	(1,835,854)
Net carrying amount	**860,136,502**	**-**	**-**	**860,136,502**	**566,633,297**	**-**	**-**	**566,633,297**
KHR'000 *(Note 2.3)*	**3,451,727,783**	**-**	**-**	**3,451,727,783**	**2,280,699,020**	**-**	**-**	**2,280,699,020**

28. FINANCIAL RISK MANAGEMENT (continued)

28.1 *Credit risk* (continued)

(e) Credit quality of financial assets (continued)

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

	2025				*2024*			
	12-month ECL US$	*Lifetime ECL not Credit-Impaired US$*	*Lifetime ECL Credit-Impaired US$*	*Total US$*	*12-month ECL US$*	*Lifetime ECL not Credit-Impaired US$*	*Lifetime ECL Credit-Impaired US$*	*Total US$*
Investment securities								
Investment grade	317,513,201	-	-	317,513,201	293,510,670	-	-	293,510,670
Gross carrying amount	**317,513,201**	**-**	**-**	**317,513,201**	**293,510,670**	**-**	**-**	**293,510,670**
Less: Allowance for ECL	(35,226)	-	-	(35,226)	(32,238)	-	-	(32,238)
Net carrying amount	**317,477,975**	**-**	**-**	**317,477,975**	**293,478,432**	**-**	**-**	**293,478,432**
KHR'000 *(Note 2.3)*	**1,274,039,114**	**-**	**-**	**1,274,039,114**	**1,181,250,689**	**-**	**-**	**1,181,250,689**

28. FINANCIAL RISK MANAGEMENT (continued)

28.1 *Credit risk* (continued)

(e) Credit quality of financial assets (continued)

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

	2025				2024			
	12-month ECL US$	*Lifetime ECL not Credit-Impaired US$*	*Lifetime ECL Credit-Impaired US$*	*Total US$*	*12-month ECL US$*	*Lifetime ECL not Credit-Impaired US$*	*Lifetime ECL Credit-Impaired US$*	*Total US$*
Loans and advances at amortised cost								
Normal	942,172,318	-	-	942,172,318	846,853,616	-	-	846,853,616
Special mention	-	23,554,658	-	23,554,658	-	28,396,302	-	28,396,302
Substandard	-	-	2,108,186	2,108,186	244,582	-	2,120,755	2,365,337
Doubtful	-	-	193,549	193,549	-	-	178,978	178,978
Loss	-	-	9,687,974	9,687,974	-	-	13,874,359	13,874,359
Gross carrying amount	**942,172,318**	**23,554,658**	**11,989,709**	**977,716,685**	**847,098,198**	**28,396,302**	**16,174,092**	**891,668,592**
Less: Allowance for ECL	(15,784,275)	(7,891,533)	(8,051,917)	(31,727,725)	(14,640,128)	(9,725,389)	(11,118,284)	(35,483,801)
Net carrying amount	**926,388,043**	**15,663,125**	**3,937,792**	**945,988,960**	**832,458,070**	**18,670,913**	**5,055,808**	**856,184,791**
KHR'000 *(Note 2.3)*	**3,717,595,215**	**62,856,121**	**15,802,360**	**3,796,253,696**	**3,350,643,732**	**75,150,425**	**20,349,627**	**3,446,143,784**

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

	2025				2024			
	Performing US$	*Under-performing US$*	*Non-performing US$*	*Total US$*	*Performing US$*	*Under-performing US$*	*Non-performing US$*	*Total US$*
Loans and advances at gross carrying amount	942,172,318	23,554,658	11,989,709	977,716,685	847,098,198	28,396,302	16,174,092	891,668,592
Allowance for ECL	(15,784,275)	(7,891,533)	(8,051,917)	(31,727,725)	(14,640,128)	(9,725,389)	(11,118,284)	(35,483,801)
Net carrying amount	**926,388,043**	**15,663,125**	**3,937,792**	**945,988,960**	**832,458,070**	**18,670,913**	**5,055,808**	**856,184,791**
KHR'000 *(Note 2.3)*	**3,717,595,215**	**62,856,121**	**15,802,360**	**3,796,253,696**	**3,350,643,732**	**75,150,425**	**20,349,627**	**3,446,143,784**

28. FINANCIAL RISK MANAGEMENT (continued)

28.1 Credit risk (continued)

(e) Credit quality of financial assets (continued)

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

	2025				2024			
	12-month ECL US$	*Lifetime ECL not Credit-Impaired US$*	*Lifetime ECL Credit-Impaired US$*	*Total US$*	*12-month ECL US$*	*Lifetime ECL not Credit-Impaired US$*	*Lifetime ECL Credit-Impaired US$*	*Total US$*
Off-balance sheet items								
Normal	401,462,345	-	-	401,462,345	220,318,221	-	-	220,318,221
Special mention	-	55,511	-	55,511	-	656,615	-	656,615
Substandard	-	-	-	-	-	-	-	-
Doubtful	-	-	-	-	-	-	-	-
Loss	-	-	-	-	-	-	-	-
Gross carrying amount	**401,462,345**	**55,511**	**-**	**401,517,856**	**220,318,221**	**656,615**	**-**	**220,974,836**
Less: Allowance for ECL	(1,656,024)	-	-	(1,656,024)	(1,045,119)	(140,310)	-	(1,185,429)
Net carrying amount	**399,806,321**	**55,511**	**-**	**399,861,832**	**219,273,102**	**516,305**	**-**	**219,789,407**
KHR'000 *(Note 2.3)*	**1,604,422,766**	**222,766**	**-**	**1,604,645,532**	**882,574,236**	**2,078,127**	**-**	**884,652,363**

28. FINANCIAL RISK MANAGEMENT (continued)

28.1 Credit risk (continued)

(f) Loss allowance

ECL reconciliation – loans and advances at amortised cost

	Stage 1 *12-month ECL*	*Stage 2* *Lifetime ECL not Credit-Impaired*	*Stage 3* *Lifetime ECL Credit-Impaired*	*Total*
	US$	*US$*	*US$*	*US$*
Expected Credit Losses				
Loss allowance as at 1 January 2025	14,640,128	9,725,389	11,118,284	35,483,801
Changes due to financial instruments recognised as at 1 January:				
Transfer to stage 1	98,305	(98,305)	-	-
Transfer to stage 2	(510)	510	-	-
Transfer to stage 3	-	-	-	-
Net remeasurement of loss allowance (*)	(2,930,602)	455,470	(3,066,400)	(5,541,532)
New financial assets originated or purchased	6,714,865	6,976,985	33	13,691,883
Financial assets derecognised during the year other than write off	(2,737,911)	(9,168,516)	-	(11,906,427)
Loss allowance as at 31 December 2025	**15,784,275**	**7,891,533**	**8,051,917**	**31,727,725**
KHR'000 *(Note 2.3)*	**63,342,296**	**31,668,722**	**32,312,342**	**127,323,360**

	Stage 1 *12-month ECL*	*Stage 2* *Lifetime ECL not Credit-Impaired*	*Stage 3* *Lifetime ECL Credit-Impaired*	*Total*
	US$	*US$*	*US$*	*US$*
Expected Credit Losses				
Loss allowance as at 1 January 2024	10,159,570	7,827,153	13,953,376	31,940,099
Changes due to financial instruments recognised as at 1 January:				
Transfer to stage 1	318	(318)	-	-
Transfer to stage 2	(58,404)	58,404	-	-
Transfer to stage 3	(362)	-	362	-
Net remeasurement of loss allowance (*)	(1,748,565)	4,134,438	(1,135,553)	1,250,320
New financial assets originated or purchased	7,621,533	711,414	-	8,332,947
Financial assets derecognised during the year other than write off	(1,333,962)	(3,005,702)	(1,699,901)	(6,039,565)
Loss allowance as at 31 December 2024	**14,640,128**	**9,725,389**	**11,118,284**	**35,483,801**
KHR'000 *(Note 2.3)*	**58,926,515**	**39,144,691**	**44,751,093**	**142,822,299**

(*) Impact of the remeasurement of ECL due to changes in PD and LGD during the year arising from regular refreshing of inputs to models.

28. FINANCIAL RISK MANAGEMENT (continued)

28.1 *Credit risk* (continued)

(g) Concentration of financial assets with credit risk exposure

Geographical sector

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

	Cambodia	*China*	*Hong Kong*	*USA*	*Others*	*Total*
	US$	*US$*	*US$*	*US$*	*US$*	*US$*
At 31 December 2025						
On-balance sheet assets:						
Placements with the NBC	217,072,301	-	-	-	-	217,072,301
Placements with other banks	70,326,377	13,079,552	774,892,168	1,416,364	1,175,406	860,889,867
Loans and advances	977,716,685	-	-	-	-	977,716,685
Investment securities	-	2,892,483	-	314,620,718	-	317,513,201
Other financial assets	424,567	70,281	-	-	-	494,848
	1,265,539,930	**16,042,316**	**774,892,168**	**316,037,082**	**1,175,406**	**2,373,686,902**
Off-balance sheet items:						
Loan commitments	256,531,135	-	-	-	-	256,531,135
Guarantees and others	39,693,453	86,583,508	-	-	-	126,276,961
Letters of credits	11,086,197	-	-	-	-	11,086,197
Unutilised portion of overdrafts	7,623,563	-	-	-	-	7,623,563
	314,934,348	**86,583,508**	**-**	**-**	**-**	**401,517,856**
Gross carrying amount	**1,580,474,278**	**102,625,824**	**774,892,168**	**316,037,082**	**1,175,406**	**2,775,204,758**
Less: Allowance for ECLs	(34,068,508)	(33,555)	(67,144)	(33,991)	(2)	(34,203,200)
Net carrying amount	**1,546,405,770**	**102,592,269**	**774,825,024**	**316,003,091**	**1,175,404**	**2,741,001,558**
KHR'000 *(Note 2.3)*	**6,205,726,355**	**411,702,775**	**3,109,372,821**	**1,268,120,404**	**4,716,897**	**10,999,639,252**

28. FINANCIAL RISK MANAGEMENT (continued)

28.1 Credit risk (continued)

(g) Concentration of financial assets with credit risk exposure (continued)

Geographical sector (continued)

	Cambodia US$	China US$	Hong Kong US$	USA US$	Others US$	Total US$
At 31 December 2024						
On-balance sheet assets:						
Placements with the NBC	303,192,685	-	-	-	-	303,192,685
Placements with other banks	35,236,281	11,730,470	516,829,314	685,876	3,987,210	568,469,151
Loans and advances	891,668,592	-	-	-	-	891,668,592
Investment securities	-	-		293,510,670	-	293,510,670
Other financial assets	337,915	20,237	-	-	-	358,152
	1,230,435,473	**11,750,707**	**516,829,314**	**294,196,546**	**3,987,210**	**2,057,199,250**
Off-balance sheet items:						
Loan commitments	100,414,291	-	-	-	-	100,414,291
Guarantees and others	74,142,060	31,937,015	-	-	20,000	106,099,075
Letters of credits	5,760,995	-	-	-	-	5,760,995
Unutilised portion of overdrafts	8,700,475	-	-	-	-	8,700,475
	189,017,821	**31,937,015**	**-**	**-**	**20,000**	**220,974,836**
Gross carrying amount	**1,419,453,294**	**43,687,722**	**516,829,314**	**294,196,546**	**4,007,210**	**2,278,174,086**
Less: Allowance for ECL	(38,575,683)	(8,305)	(70,111)	(32,238)	(12)	(38,686,349)
Net carrying amount	**1,380,877,611**	**43,679,417**	**516,759,203**	**294,164,308**	**4,007,198**	**2,239,487,737**
KHR'000 *(Note 2.3)*	**5,558,032,384**	**175,809,653**	**2,079,955,792**	**1,184,011,339**	**16,128,973**	**9,013,938,141**

28. FINANCIAL RISK MANAGEMENT (continued)

28.1 *Credit risk* (continued)

(g) Concentration of financial assets with credit risk exposure (continued)

Industry sectors

31 December 2025	*Placements with the NBC*	*Placements with other banks*	*Loans and advances*	*Investment securities*	*Other assets*	*Off-balance-sheet items*	*Total*
		US$	*US$*	*US$*	*US$*	*US$*	*US$*
Financial intermediaries	217,072,301	860,889,867	115,679,170	317,513,201	-	-	1,511,154,539
Construction	-	-	200,069,621	-	-	197,254,631	397,324,252
Manufacturing	-	-	195,190,962	-	-	54,179,590	249,370,552
Real Estate	-	-	73,700,213	-	-	1,425,250	75,125,463
Others - community, social and personal activities	-	-	393,076,719	-	494,848	148,658,385	542,229,952
Gross carrying amount	**217,072,301**	**860,889,867**	**977,716,685**	**317,513,201**	**494,848**	**401,517,856**	**2,775,204,758**
Less: Expected credit loss	(30,860)	(753,365)	(31,727,725)	(35,226)	-	(1,656,024)	(34,203,200)
Net carrying amount	**217,041,441**	**860,136,502**	**945,988,960**	**317,477,975**	**494,848**	**399,861,832**	**2,741,001,558**
KHR'000 *(Note 2.3)*	**870,987,304**	**3,451,727,783**	**3,796,253,696**	**1,274,039,114**	**1,985,825**	**1,604,645,532**	**10,999,639,254**

28. FINANCIAL RISK MANAGEMENT (continued)

28.1 Credit risk (continued)

(g) Concentration of financial assets with credit risk exposure (continued)

Industry sectors

31 December 2024	*Placements with the NBC*	*Placements with other banks*	*Loans and advances*	*Investment securities*	*Other assets*	*Off-balance-sheet items*	*Total*
		US$	*US$*	*US$*	*US$*	*US$*	*US$*
Financial intermediaries	303,192,685	568,469,151	101,726,079	293,510,670	-	-	1,266,898,585
Construction	-	-	211,682,151	-	-	120,193,853	331,876,004
Manufacturing	-	-	144,357,660	-	-	58,737,102	203,094,762
Real Estate	-	-	77,655,297	-	-	-	77,655,297
Others - community, social and personal activities	-	-	356,247,405	-	358,152	42,043,881	398,649,438
Gross carrying amount	**303,192,685**	**568,469,151**	**891,668,592**	**293,510,670**	**358,152**	**220,974,836**	**2,278,174,086**
Less: Expected credit loss	(149,027)	(1,835,854)	(35,483,801)	(32,238)	-	(1,185,429)	(38,686,349)
Net carrying amount	**303,043,658**	**566,633,297**	**856,184,791**	**293,478,432**	**358,152**	**219,789,407**	**2,239,487,737**
KHR'000 *(Note 2.3)*	**1,219,750,724**	**2,280,699,020**	**3,446,143,784**	**1,181,250,689**	**1,441,562**	**884,652,363**	**9,013,938,142**

(h) Repossessed collateral

Repossessed collaterals are sold as soon as practicable. The Branch does not utilise the repossessed collaterals for its business use.

The Branch did not obtain assets by taking possession of collateral held as security as at 31 December 2025 and 31 December 2024.

28. FINANCIAL RISK MANAGEMENT (continued)

28.2 Market risk

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

28.2.1 Foreign exchange risk

The Branch operates in Cambodia and transacts mainly in United States Dollars (US$), Khmer Riel (KHR) and China Yuan (CNY), and is exposed to various currency risks, primarily with respect to KHR and CNY.

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

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

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

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

28. FINANCIAL RISK MANAGEMENT (continued)

28.2 Market risk (continued)

28.2.1 Foreign exchange risk (continued)

As at 31 December 2025	*In US$ equivalent*				
	KHR	*US$*	*CNY*	*Others*	*Total*
Financial assets					
Cash on hand	958,186	14,234,475	441,747	-	15,634,408
Placements with the NBC	78,597,678	138,474,623	-	-	217,072,301
Placements with other banks	-	385,323,352	473,452,912	2,113,603	860,889,867
Loans and advances	108,155,496	832,108,591	37,452,598	-	977,716,685
Investment securities	-	314,620,719	2,892,482	-	317,513,201
Other financial assets	-	493,643	1,205	-	494,848
Total financial assets	**187,711,360**	**1,685,255,403**	**514,240,944**	**2,113,603**	**2,389,321,310**
Financial liabilities					
Deposits from banks	10,969,894	212,014,366	2,867,920	-	225,852,180
Deposits from customers	54,961,504	1,025,808,003	39,671,868	1,843,635	1,122,285,010
Borrowings	120,078,079	115,998,333	470,699,512	-	706,775,924
Lease liabilities	-	2,918,767	-	-	2,918,767
Other financial liabilities	600,503	5,601,707	250,691	6,236	6,459,137
Total financial liabilities	**186,609,980**	**1,362,341,176**	**513,489,991**	**1,849,871**	**2,064,291,018**
Net on-balance sheet position	**1,101,380**	**322,914,227**	**750,953**	**263,732**	**325,030,292**
KHR'000 *(Note 2.3)*	**4,419,838**	**1,295,854,793**	**3,013,574**	**1,058,358**	**1,304,346,563**
Off-balance-sheet items					
Loan commitments	3,150,204	245,061,966	6,748,741	-	254,960,911
Guarantees and others	-	124,832,314	460,304	905,321	126,197,939
Letters of credits	-	10,113,339	-	966,080	11,079,419
Unutilised portion of overdrafts	-	7,623,563	-	-	7,623,563
	3,150,204	**387,631,182**	**7,209,045**	**1,871,401**	**399,861,832**
KHR'000 *(Note 2.3)*	**12,641,769**	**1,555,563,933**	**28,929,898**	**7,509,932**	**1,604,645,532**

28. FINANCIAL RISK MANAGEMENT (continued)

28.2 Market risk (continued)

28.2.1 Foreign exchange risk (continued)

As at 31 December 2024	*In US$ equivalent*				
	KHR	*US$*	*CNY*	*Others*	*Total*
Financial assets					
Cash on hand	1,968,760	19,272,363	236,575	-	21,477,698
Placements with the NBC	59,178,575	244,014,110	-	-	303,192,685
Placements with other banks	-	290,602,507	273,828,242	4,038,402	568,469,151
Loans and advances	69,841,352	794,189,021	27,638,219	-	891,668,592
Investment securities	-	293,510,670	-	-	293,510,670
Other financial assets	-	358,152	-	-	358,152
Total financial assets	**130,988,687**	**1,641,946,823**	**301,703,036**	**4,038,402**	**2,078,676,948**
Financial liabilities					
Deposits from banks	10,977,125	32,654,029	410,723	-	44,041,877
Deposits from customers	56,242,680	902,143,551	29,453,297	3,192,164	991,031,692
Borrowings	65,037,435	407,318,516	269,962,627	-	742,318,578
Lease liabilities	-	1,899,750	-	-	1,899,750
Other financial liabilities	599,090	15,781,614	1,819,742	760,344	18,960,790
Total financial liabilities	**132,856,330**	**1,359,797,460**	**301,646,389**	**3,952,508**	**1,798,252,687**
Net on-balance sheet position	**(1,867,643)**	**282,149,363**	**56,647**	**85,894**	**280,424,261**
KHR'000 *(Note 2.3)*	**(7,517,263)**	**1,135,651,186**	**228,004**	**345,725**	**1,128,707,652**
Off-balance-sheet items					
Loan commitments	198,761	93,897,945	5,209,274	-	99,305,980
Guarantees and others	-	105,395,963	-	627,963	106,023,926
Letters of credits	-	2,593,805	-	3,165,221	5,759,026
Unutilised portion of overdrafts	-	8,700,475	-	-	8,700,475
	198,761	**210,588,188**	**5,209,274**	**3,793,184**	**219,789,407**
KHR'000 *(Note 2.3)*	**800,013**	**847,617,457**	**20,967,328**	**15,267,565**	**884,652,363**

28. FINANCIAL RISK MANAGEMENT (continued)

28.2 Market risk (continued)

28.2.1 Foreign exchange risk (continued)

Sensitivity analysis

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

	2025		2024	
	US$	KHR'000 (Note 2.3)	US$	KHR'000 (Note 2.3)
Asset/(Liability)				
Khmer Riel (KHR)	1,101,380	4,419,838	(1,867,643)	(7,517,263)
China Yuan (CNY)	750,953	3,013,574	56,647	228,004
Others	263,732	1,058,360	85,894	345,723
	2,116,065	**8,491,772**	**(1,725,102)**	**(6,943,536)**

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

	2025		2024	
	US$	KHR'000 (Note 2.3)	US$	KHR'000 (Note 2.3)
Increase/(Decrease) -5%				
Khmer Riel (KHR)	46,374	186,099	(78,638)	(316,518)
China Yuan (CNY)	31,619	126,887	2,385	9,600
Others	11,105	44,565	3,618	14,562
	89,098	**357,551**	**(72,635)**	**(292,356)**

	2025		2024	
	US$	KHR'000 (Note 2.3)	US$	KHR'000 (Note 2.3)
Increase/(Decrease) +5%				
Khmer Riel (KHR)	(41,957)	(168,373)	71,148	286,371
China Yuan (CNY)	(28,608)	(114,804)	(2,158)	(8,686)
Others	(10,047)	(40,319)	(3,271)	(13,167)
	(80,612)	**(323,496)**	**65,719**	**264,518**

28.2.2 Price risk

The Branch is exposed to a securities price risk, due to the Branch held investment securities at FVOCI. To mitigate this price risk, the Branch allocated its investments in bonds based on liquidity differences to control price risks associated with liquidity factors. Additionally, the Branch emphasize the importance of effectively managing funding sources and aligning investment durations to minimize cash flow mismatch risks.

28. FINANCIAL RISK MANAGEMENT (continued)

28.2 Market risk (continued)

28.2.3 Interest rate risk

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

The Branch's main interest rate risk arises from loans and advances to customers with variable rates, which exposes the Branch to cash flow interest rate risk. The Branch's loans and advances to customers consist of both fixed rates and variable rates, in which majority of the loans and advances to customers is at fixed rates (around 51% of the total loans and advances to customers, respectively).

The Branch has established a key risk indicator control system to effectively manage fair value interest rate risk, which includes metrics such as duration, Present Value of Basis Point (PVBP), Economic Value (EV), and Net Interest Income (NII) and Key Risk Indicators (KRIs). The branch's risk department is responsible for monitoring bond investments within set limits to ensure that the total scale of these investments and associated risks do not exceed authorized thresholds..

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

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

28. FINANCIAL RISK MANAGEMENT (continued)

28.2 *Market risk* (continued)

28.2.3 *Interest rate risk* (continued)

As at 31 December 2025	*Up to 1 month*	*1 to 3 months*	*3 to 12 months*	*1 to 5 years*	*Over 5 years*	*Non-interest rate sensitive*	*Total*
	US$	*US$*	*US$*	*US$*	*US$*	*US$*	*US$*
Financial assets							
Cash on hand	-	-	-	-	-	15,634,408	15,634,408
Placements with the NBC	-	-	43,557,810	-	-	173,514,491	217,072,301
Placements with other banks	462,602,060	185,785,193	176,743,209	-	-	35,759,405	860,889,867
Loans and advances	19,819,781	39,385,458	212,108,711	386,867,514	319,535,221	-	977,716,685
Investment securities	-	69,612,691	247,900,510	-	-	-	317,513,201
Other financial assets	-	-	-	-	-	494,848	494,848
Total financial assets	**482,421,841**	**294,783,342**	**680,310,240**	**386,867,514**	**319,535,221**	**225,403,152**	**2,389,321,310**
Financial liabilities							
Deposits from other banks and financial institutions	220,858,963	4,993,217	-	-	-	-	225,852,180
Deposits from customers	895,880,439	72,239,557	147,555,670	6,609,344	-	-	1,122,285,010
Borrowings	321,776,624	374,832,058	10,167,242	-	-	-	706,775,924
Lease liabilities	225,781	102,381	607,944	1,882,849	99,812	-	2,918,767
Other financial liabilities	-	-	-	-	-	6,459,137	6,459,137
Total financial liabilities	**1,438,741,807**	**452,167,213**	**158,330,856**	**8,492,193**	**99,812**	**6,459,137**	**2,064,291,018**
Net interest repricing gap	**(956,319,966)**	**(157,383,871)**	**521,979,384**	**378,375,321**	**319,435,409**	**218,944,015**	**325,030,292**
KHR'000 *(Note 2.3)*	**(3,837,712,024)**	**(631,581,474)**	**2,094,703,268**	**1,518,420,163**	**1,281,894,296**	**878,622,334**	**1,304,346,563**
Off-balance-sheet items							
Loan commitments	254,960,911	-	-	-	-	-	254,960,911
Guarantees and others	126,197,939	-	-	-	-	-	126,197,939
Letters of credits	11,079,419	-	-	-	-	-	11,079,419
Unutilised portion of overdrafts	7,623,563	-	-	-	-	-	7,623,563
	399,861,832	**-**	**-**	**-**	**-**	**-**	**399,861,832**
KHR'000 *(Note 2.3)*	**1,604,645,532**	**-**	**-**	**-**	**-**	**-**	**1,604,645,532**

28. FINANCIAL RISK MANAGEMENT (continued)

28.2 Market risk (continued)

28.2.3 Interest rate risk (continued)

As at 31 December 2024	*Up to 1 month*	*1 to 3 months*	*3 to 12 months*	*1 to 5 years*	*Over 5 years*	*Non-interest rate sensitive*	*Total*
	US$	*US$*	*US$*	*US$*	*US$*	*US$*	*US$*
Financial assets							
Cash on hand	-	-	-	-	-	21,477,698	21,477,698
Placements with the NBC	-	10,011,570	-	-	-	293,181,115	303,192,685
Placements with other banks	273,021,443	53,024,564	185,900,426	-	-	56,522,718	568,469,151
Loans and advances	8,021,653	39,017,430	123,308,160	356,239,556	365,081,793	-	891,668,592
Investment securities	-	49,704,518	243,806,152	-	-	-	293,510,670
Other financial assets	-	-	-	-	-	358,152	358,152
Total financial assets	**281,043,096**	**151,758,082**	**553,014,738**	**356,239,556**	**365,081,793**	**371,539,683**	**2,078,676,948**
Financial liabilities							
Deposits from other banks and financial institutions	20,131,220	22,206,806	-	-	-	1,703,851	44,041,877
Deposits from customers	627,732,636	87,879,974	79,938,819	2,769,146	-	192,711,117	991,031,692
Borrowings	477,147,291	231,940,192	33,231,095	-	-	-	742,318,578
Lease liabilities	200,435	121,811	619,784	775,297	182,423	-	1,899,750
Other financial liabilities	-	-	-	-	-	18,960,790	18,960,790
Total financial liabilities	**1,125,211,582**	**342,148,783**	**113,789,698**	**3,544,443**	**182,423**	**213,375,758**	**1,798,252,687**
Net interest repricing gap	**(844,168,486)**	**(190,390,701)**	**439,225,040**	**352,695,113**	**364,899,370**	**158,163,925**	**280,424,261**
KHR'000 *(Note 2.3)*	**(3,397,778,156)**	**(766,322,572)**	**1,767,880,787**	**1,419,597,830**	**1,468,719,964**	**636,609,799**	**1,128,707,652**
Off-balance-sheet items							
Loan commitments	99,305,980	-	-	-	-	-	99,305,980
Guarantees and others	106,023,926	-	-	-	-	-	106,023,926
Letters of credits	5,759,026	-	-	-	-	-	5,759,026
Unutilised portion of overdrafts	8,700,475	-	-	-	-	-	8,700,475
	219,789,407	**-**	**-**	**-**	**-**	**-**	**219,789,407**
KHR'000 *(Note 2.3)*	**884,652,363**	**-**	**-**	**-**	**-**	**-**	**884,652,363**

28. FINANCIAL RISK MANAGEMENT (continued)

28.2 Market risk (continued)

28.2.3 Interest rate risk (continued)

Sensitivity analysis

Profit or loss is sensitive to higher or lower interest income from financial instruments at floating rate as a result of changes in interest rates. There are no other components of equity sensitive to higher or lower interest income from financial instruments at floating rate as a result of changes in interest rates.

	Impact on post tax profit	
	US$	*KHR'000 (Note 2.3)*
2025		
Interest rate increased by 1%	**4,232,915**	**16,986,688**
Interest rate decreased by 1%	**(4,232,915)**	**(16,986,688)**
2024		
Interest rate increased by 1%	**3,823,929**	**15,391,314**
Interest rate decreased by 1%	**(3,823,929)**	**(15,391,314)**

28.3 Liquidity risk

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

28.3.1 Liquidity risk management process

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

28.3.2 Funding approach

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

The Branch is able to access immediately to short-term funding needs from its Head Office (ie. with term ranging from 1 day to a month) *(refer to Note 27.4)*.

28.3.3 Non-derivative cash flows

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

The management considers there is no liquidity risk for its expected cash flow for the next twelve months since the financial liabilities are mostly from the short-term borrowings obtained from the Branch's related parties which are negotiable.

The amount disclosed in the table are the contractual undiscounted cash flow.

28. FINANCIAL RISK MANAGEMENT (continued)

28.3 Liquidity risk (continued)

28.3.3 Non-derivative cash flows (continued)

As at 31 December 2025	*Up to 1 month*	*1 to 3 months*	*3 to 12 months*	*1 to 5 years*	*Over 5 years*	*Total*
	US$	*US$*	*US$*	*US$*	*US$*	*US$*
Financial assets						
Cash on hand	15,634,408	-	-	-	-	15,634,408
Placements with the NBC	173,514,491	-	43,662,753	-	-	217,177,244
Placements with other banks	498,665,009	187,064,569	180,463,751	-	-	866,193,329
Loans and advances	25,169,777	39,911,516	215,738,591	424,623,645	429,100,844	1,134,544,373
Investment securities	-	70,000,000	252,922,189	-	-	322,922,189
Other financial assets	5,715	9,971	14,758	464,404	-	494,848
Total financial assets	**712,989,400**	**296,986,056**	**692,802,042**	**425,088,049**	**429,100,844**	**2,556,966,391**
Financial liabilities						
Deposits from banks	220,879,775	5,036,739	-	-	-	225,916,514
Deposits from customers	895,937,746	72,610,636	150,672,921	7,190,919	-	1,126,412,222
Borrowings	321,930,974	236,076,912	150,463,266	-	-	708,471,152
Lease liabilities	202,800	157,689	429,133	2,203,568	265,276	3,258,466
Other financial liabilities	4,077,147	-	65,585	-	-	4,142,732
Total financial liabilities	**1,443,028,442**	**313,881,976**	**301,630,905**	**9,394,487**	**265,276**	**2,068,201,086**
Net financial (liabilities)/ assets	**(730,039,042)**	**(16,895,920)**	**391,171,137**	**415,693,562**	**428,835,568**	**488,765,305**
KHR'000 *(Note 2.3)*	**(2,929,646,676)**	**(67,803,327)**	**1,569,769,773**	**1,668,178,264**	**1,720,917,134**	**1,961,415,168**
Off-balance sheet items						
Loan commitments	256,531,135	-	-	-	-	256,531,135
Guarantees and others	126,276,961	-	-	-	-	126,276,961
Letters of credits	11,086,197	-	-	-	-	11,086,197
Unutilised portion of overdrafts	7,623,563	-	-	-	-	7,623,563
	401,517,856	**-**	**-**	**-**	**-**	**401,517,856**
KHR'000 *(Note 2.3)*	**1,611,291,156**	**-**	**-**	**-**	**-**	**1,611,291,156**

28. FINANCIAL RISK MANAGEMENT (continued)

28.3 Liquidity risk (continued)

28.3.3 Non-derivative cash flows (continued)

As at 31 December 2024	*Up to 1 month*	*1 to 3 months*	*3 to 12 months*	*1 to 5 years*	*Over 5 years*	*Total*
	US$	*US$*	*US$*	*US$*	*US$*	*US$*
Financial assets						
Cash on hand	21,477,698	-	-	-	-	21,477,698
Placements with the NBC	293,181,114	10,025,679	-	-	-	303,206,793
Placements with other banks	329,908,439	53,673,779	190,387,084	-	-	573,969,302
Loans and advances	9,489,943	39,008,604	121,304,861	393,170,663	516,722,852	1,079,696,923
Investment securities	-	50,000,000	250,000,000	-	-	300,000,000
Other financial assets	475	148	16,967	340,562	-	358,152
Total financial assets	**654,057,669**	**152,708,210**	**561,708,912**	**393,511,225**	**516,722,852**	**2,278,708,868**
Financial liabilities						
Deposits from banks	21,894,052	22,415,162	-	-	-	44,309,214
Deposits from customers	821,926,613	88,281,094	81,678,530	3,052,925	-	994,939,162
Borrowings	410,200,137	202,833,722	134,601,340	-	-	747,635,199
Lease liabilities	205,312	129,067	642,475	816,632	189,067	1,982,553
Other financial liabilities	17,126,519	-	606	-	-	17,127,125
Total financial liabilities	**1,271,352,633**	**313,659,045**	**216,922,951**	**3,869,557**	**189,067**	**1,805,993,253**
Net financial (liabilities)/ assets	**(617,294,964)**	**(160,950,835)**	**344,785,961**	**389,641,668**	**516,533,785**	**472,715,615**
KHR'000 *(Note 2.3)*	**(2,484,612,230)**	**(647,827,111)**	**1,387,763,493**	**1,568,307,714**	**2,079,048,485**	**1,902,680,351**
Off-balance sheet items						
Loan commitments	100,414,291	-	-	-	-	100,414,291
Guarantees and others	106,099,075	-	-	-	-	106,099,075
Letters of credits	5,760,995	-	-	-	-	5,760,995
Unutilised portion of overdrafts	8,700,475	-	-	-	-	8,700,475
	220,974,836	**-**	**-**	**-**	**-**	**220,974,836**
KHR'000 *(Note 2.3)*	**889,423,715**	**-**	**-**	**-**	**-**	**889,423,715**

28. FINANCIAL RISK MANAGEMENT (continued)

28.4 Fair value of financial assets and liabilities

28.4.1 Financial instruments measured at fair value

Fair value of both collecting contractual cash flows and selling financial assets through other comprehensive income investments securities are under level 1 fair values in the fair value hierarchy. *(Note 8)*

28.4.2 Financial instruments not measured at fair value

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

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

i. Placements with the NBC and other banks

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

ii. Loans and advances to customers

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

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

iii. Deposits from banks and customers

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

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

iv. Other financial assets and other financial liabilities

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

v. Borrowings

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

28. FINANCIAL RISK MANAGEMENT (continued)

28.5 Capital management

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

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

The NBC requires all commercial banks or branch to i) hold the minimum capital requirement, ii) maintain the Branch's regulatory capital, previously known as Net Worth, at least equal to the minimum capital and iii) comply with solvency and liquidity coverage ratios.

The table below summarises the composition of regulatory capital:

	2025		*2024*	
	US$	*KHR'000 (Note 2.3)*	*US$*	*KHR'000 (Note 2.3)*
Tier 1 capital				
Share capital	150,000,000	600,000,000	150,000,000	600,000,000
Retained earnings	256,318,853	1,028,607,557	84,084,296	337,501,000
	406,318,853	**1,628,607,557**	**234,084,296**	**937,501,000**
Tier 2 complementary capital				
Impairment provisions	15,685,987	62,947,867	19,314,780	77,741,990
	15,685,987	**62,947,867**	**19,314,780**	**77,741,990**
	422,004,840	**1,691,555,424**	**253,399,076**	**1,015,242,990**

29. MATURITY PROFILE OF ASSETS AND LIABILITIES

The following table shows an analysis of assets and liabilities as to whether they are expected to be recovered or settled within one year or beyond one year from the end of reporting period:

	2025			2024		
	Within one year US$	*Beyond one year US$*	*Total US$*	*Within one year US$*	*Beyond one year US$*	*Total US$*
Financial assets						
Cash on hand	15,634,408	-	15,634,408	21,477,698	-	21,477,698
Placements with the NBC	217,072,301	-	217,072,301	303,192,685	-	303,192,685
Placements with other banks	860,889,867	-	860,889,867	568,469,151	-	568,469,151
Loans and advances	271,313,951	706,402,734	977,716,685	170,347,243	721,321,349	891,668,592
Investment securities	317,513,201	-	317,513,201	293,510,670	-	293,510,670
Other financial assets	30,444	464,404	494,848	17,590	340,562	358,152
	1,682,454,172	**706,867,138**	**2,389,321,310**	**1,357,015,037**	**721,661,911**	**2,078,676,948**
Non-financial assets						
Statutory deposits with the central bank	-	124,365,582	124,365,582	-	128,903,789	128,903,789
Right-of-use assets	-	2,809,793	2,809,793	-	1,733,825	1,733,825
Property and equipment	-	1,486,498	1,486,498	-	1,430,409	1,430,409
Deferred tax assets	-	5,623,068	5,623,068	-	5,725,666	5,725,666
Other non-financial assets	-	706,663	706,663	-	472,887	472,887
	-	**134,991,604**	**134,991,604**	**-**	**138,266,576**	**138,266,576**
Total financial and non-financial assets			**2,524,312,914**			**2,216,943,524**
Allowance for ECL			(32,547,176)			(37,500,920)
Total assets			**2,491,765,738**			**2,179,442,604**
KHR'000 *(Note 2.3)*			**9,999,455,907**			**8,772,256,481**

29. MATURITY PROFILE OF ASSETS AND LIABILITIES (continued)

	2025			*2024*		
	Within one year US$	*Beyond one year US$*	*Total US$*	*Within one year US$*	*Beyond one year US$*	*Total US$*
Financial liabilities						
Deposits from banks	225,852,180	-	225,852,180	44,041,877	-	44,041,877
Deposits from customers	1,115,675,666	6,609,344	1,122,285,010	988,262,546	2,769,146	991,031,692
Borrowings	706,775,924	-	706,775,924	742,318,578	-	742,318,578
Lease liabilities	936,106	1,982,661	2,918,767	942,030	957,720	1,899,750
Other financial liabilities	6,459,137	-	6,459,137	18,960,790	-	18,960,790
	2,055,699,013	**8,592,005**	**2,064,291,018**	**1,794,525,821**	**3,726,866**	**1,798,252,687**
Non-Financial liabilities						
Current income tax liabilities	10,958,986	-	10,958,986	11,112,670	-	11,112,670
Other non-financial liabilities	-	2,616,754	2,616,754	-	2,068,602	2,068,602
	10,958,986	**2,616,754**	**13,575,740**	**11,112,670**	**2,068,602**	**13,181,272**
Total financial and non-financial liabilities			**2,077,866,758**			**1,811,433,959**
KHR'000 *(Note 2.3)*			**8,338,479,300**			**7,291,021,685**

30. EVENTS AFTER REPORTING PERIOD

Other than as disclosed elsewhere in these financial statements, at the date of this report, there were no events which occurred subsequent to 31 December 2025 that had significant impact on the financial position of the Branch as at 31 December 2025.

31. TAX CONTINGENCY

The taxation system in Cambodia has undergone numerous changes and is characterized by either often unclear, contradictory and/or different interpretations exist among numerous taxation authorities and jurisdictions. Taxes are subject to review and investigation by a number of authorities, which are enabled by law to impose severe fines, penalties and interest charges. These facts may create tax risks in Cambodia substantially more significant than in other countries.

Management believes that it has adequately provided for tax liabilities based on its interpretation of tax legislation. However, the relevant authorities may have different interpretations and the effects to the Bank and its subsidiaries could be significant.

ធនាគារចិន(ហុងកុង) សាខាភ្នំពេញ
中國銀行(香港) 金边分行
BANK OF CHINA (HONG KONG) PHNOM PENH BRANCH